



2014

3rd Quarter Report
January - September

VISION

The Vision of askari general insurance company limited is to be amongst the leading insurance companies of the country with the clear perception of upholding the principles of corporate governance and making agico a profitable and growth oriented insurance company while creating insurance awareness and culture.

MISSION

To become a leading insurance company by providing client friendly services through highly motivated team of dedicated professionals and ensuring progressive return to the shareholders.

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Corporate Information

Chairman

Lt Gen Tahir Mahmood (Retd)

President & CE

Mr. Abdul Waheed

Board of Directors

Maj Gen Mukhtar Ahmed (Retd)

Brig Irfan Azam (Retd)

Brig M. Ibrahim Khan (Retd)

Mr. Farrukh Iqbal Khan

Mr. M.A. Ghazali Marghoob

Mr. Abdul Hai Mahmood Bhamia

Mr. Shahid Hussain Syed

Chief Financial Officer & Company Secretary

Mr. Suleman Khalid

Head of Internal Audit

Mr. Rizwan Saeed

Executive Committee

Maj Gen Mukhtar Ahmed (Retd)

Chairman

Brig M. Ibrahim Khan (Retd)

Member

Mr. M.A. Ghazali Marghoob

Member

Audit Committee

Brig M. Ibrahim Khan (Retd)

Chairman

Brig Irfan Azam (Retd)

Member

Mr. Farrukh Iqbal Khan

Member

Human Resource and Remuneration (HR&R) Committee

Brig Irfan Azam (Retd)

Chairman

Mr. Farrukh Iqbal Khan

Member

Mr. Abdul Waheed

Member

Underwriting Committee

Brig M. Ibrahim Khan (Retd)

Chairman

Mr. Abdul Waheed

Member

Mrs. Samina Khan

Member

Claim Settlement Committee

Mr. M. A. Ghazali Marghoob

Chairman

Mr. Abdul Waheed

Member

Dr. M. Abbas Zaidi

Member

Reinsurance &

Co-Insurance Committee

Maj Gen Mukhtar Ahmed (Retd)

Chairman

Mr. Abdul Waheed

Member

Mr. Sohail Khalid

Member

External Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

Legal Advisors

Hassan Kaunain Nafees

Bankers

Askari Bank Ltd.

Askari Islamic Bank Ltd.

Habib Bank Ltd.

Summit Bank Ltd.

Soneri Bank Ltd.

Silk Bank Ltd.

Faysal Bank Ltd.

Bank Alfalah Ltd.

Registrar & Share Transfer Office

THK Associates (Private) Limited

Ground Floor, State Life Building No. 3

Dr. Zia ud Din Ahmad Road,

Karachi 75530, PO Box 8533

Ph: +92-21-111 000 322

Fax: +92-21-35655595

Registered Office/Head Office

4th Floor, AWT Plaza, The Mall,

Rawalpindi, Pakistan.

Ph: +92-51-9272425-7

Fax: +92-51-9272424

Email: info@agico.com.pk

Branch Network

<p>Head Office Askari general insurance co. ltd. (underwriting / Claims Dept. Askari Health) 276-A, Peshawar Road, Rawalpindi Cantt. TEL# 051-5125053-4, 051-5124958-9 FAX# 051-5125059 Email: agicoho@agico.com.pk</p>	<p>Rawalpindi-3 Askari general insurance co. ltd. 1st Floor, Sam Plaza, Bank Road, Saadar, Rawalpindi. TEL# 051-9273661-3 FAX# 051-9273660 Email: agicorwp3@agico.com.pk</p>	<p>Lahore-1 Askari general insurance co. ltd. Basement Lahore Lagoon 75-D/1, Main Boulevard Gulberg III, Lahore. TEL# 0423-5782671-3 FAX# 0423-5782670 Email: agicolhr@agico.com.pk</p>	<p>Karachi-1 Askari general insurance co. ltd. Office No G-167, Mezzanine Floor, Marium Center, Khalid Bin Waleed Road, Karachi. TEL# 0213-4306701-6 FAX# 0213-4306709 Email: agicokch@agico.com.pk</p>
<p>Abbottabad Askari general insurance co. ltd. Room # 10 & 11, 2nd Floor, Silk Plaza, Manshra Road, Abbottabad. TEL# 0992-342439 FAX# 0992-342440 Email: agicoabi@agico.com.pk</p>	<p>Faisalabad-1 Askari general insurance co. ltd. 2nd Floor, Platinum Centre, Kotwali Road, Faisalabad. TEL# 041-2412302-5 FAX# 041-2412301 Email: agicofsd@agico.com.pk</p>	<p>Lahore-3 Askari general insurance co. ltd. Office # 106, 1st Floor, Lateef Centre, Ichra, 100 Ferozpur Road, Lahore. TEL# 0423-7502327-9 FAX# 0423-7502330 Email: Agicolhr3@agico.com.pk</p>	<p>Karachi-2 Askari general insurance co. ltd. 3rd Floor, AWMT Plaza, I I Chundrigar Road, Karachi. TEL# 0213-2273513-5 FAX# 0213-2214332 Email: agicoch2@agico.com.pk</p>
<p>Islamabad Askari general insurance co. ltd. 11 -West Jinnah Avenue, Blue Area, Islamabad. TEL# 051-2270471-3 FAX# 051-2279566 Email: agicotsb@agico.com.pk</p>	<p>Faisalabad-2 Askari general insurance co. ltd. Office # 13-16, 1st Floor, Kohinoor One Plaza, Jaranwala Road, Faisalabad. TEL# 041-8501862-4 FAX# 041-8501861 Email: agicofsd2@agico.com.pk</p>	<p>Multan Askari general insurance co. ltd. Golden Heights, Nusrat Road, Multan. TEL# 061-4547842 FAX# 061-4547862 Email: agicormtn@agico.com.pk</p>	<p>Faisalabad-3 Askari general insurance co. ltd. Ground Floor, Mian Arif Plaza Lahore Road, Khurrianwala, Faisalabad. TEL# 041-4361049-50 FAX# 041-4361051 Email: Agicofsd3@agico.com.pk</p>
<p>Islamabad-2 Askari general insurance co. ltd. 11 -West Jinnah Avenue, Blue Area, Islamabad. TEL# 051-2270471-3 FAX# 051-2279566 Email: agicotsb@agico.com.pk</p>	<p>Gujranwala Askari general insurance co. ltd. 1st Floor, Al-Azhar Plaza, Opp. Iqbal High School, Ghalla Mandi, GT Road, Gujranwala. TEL# 055-3856324 FAX# 055-3856325 Email: agicogrww@agico.com.pk</p>	<p>Bahawalpur Askari general insurance co. ltd. 2nd Floor, Shahab Plaza, Chowk One Unit, Bahawalpur. TEL# 062-2284201 FAX# 062-2284203 Email: agicobwp@agico.com.pk</p>	<p>Peshawar Askari general insurance co. ltd 6th Floor, State Life Building, The Mall, Peshawar Cantt. TEL# 091-52847689 FAX# 091-5284769 Email: Agicopsce@agico.com.pk</p>
<p>Rawalpindi-2 Askari general insurance co. ltd. 2nd Floor, National Business Centre, Murree Road, Shamsabad, Rawalpindi. TEL# 051-9290479-489 FAX# 051-9290499 Email: agicorwp@agico.com.pk</p>	<p>Sialkot Askari general insurance co. ltd. 1st Floor, Uberoi Cooperative Building, Paris Road, Sialkot. TEL# 052-4582381 FAX# 052-4582382 Email: agicotsl@agico.com.pk</p>	<p>Hyderabad Askari general insurance co. ltd. 1st Floor, Gul Centre, Thandi Sarak, Hyderabad. TEL# 022-2729689 FAX# 022-2783976 Email: agicohyd@agico.com.pk</p>	

Directors' Report to the Shareholders

For the period ended 30 September 2014

The Directors are pleased to present the interim un-audited financial statements of the Company for the nine months ended 30th September 2014.

Business Review

The key comparative performance figures for the nine months ended 30th September 2014 and 2013 are summarized below:

	30th September	
	2014	2013
	(Rupees in Thousands)	
Gross Premiums Written	1,238,514	1,199,286
Net premium revenue	707,609	605,540
Underwriting Profit	163,697	133,011
Investment and other income	99,710	61,271
Profit after Tax	123,184	68,746
Earnings per Share (Rs)	3.17	1.77

Your Company successfully continued positive growth in financial performance as evident from the above comparison.

The Company has achieved 3% growth in Gross Premiums Written and 17% increase in Net Premium Revenue. Effects of increase in business and quality underwriting resulted 23% increase in Underwriting Profits. Your Company has recorded a significant 63% increase in Income from Investments, profit on bank deposits and other income.

The Company's Profit after Tax increased by 79% and Earnings per Share also improved by 79%.

Future Outlook

Although the current political scenario continues to have impact on the business, we would put our best to improve the Company's performance towards the end of the year.

Acknowledgements

We would like to thank our Regulators and the Insurance Association of Pakistan for their continuous support and guidance, our valued reinsurers and other stakeholders for posing trust and confidence in us.

For and on behalf of the Board



Lt. Gen. Tahir Mahmood (Retd.)
Chairman

Rawalpindi
28 October 2014

Condensed Interim Balance Sheet (Unaudited)

As at 30 September 2014

	Note	Rupees	
		Unaudited September 30, 2014	Audited December 31, 2013
Share Capital and Reserves			
Authorized share capital		1,000,000,000	500,000,000
100,000,000 (2013: 50,000,000) ordinary shares of Rs. 10 each		388,344,030	388,344,030
Paid up share capital		278,657,819	155,473,689
Retained earnings		74,657,681	74,657,681
Reserves		741,659,530	618,475,400
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		309,151,873	280,899,123
Provision for unearned premium		978,896,896	926,428,492
Commission income unearned		86,134,027	100,451,694
Total underwriting provisions		1,274,182,796	1,307,779,309
Deferred Liability			
Staff compensated absences		11,990,014	11,080,700
Creditors and Accruals			
Premium received in advance		13,995,016	17,358,218
Amounts due to other insurers/reinsurers		138,607,135	119,400,979
Accrued expenses		2,024,501	1,964,044
Other creditors and accruals	8	138,441,491	142,915,481
		293,068,143	281,638,722
Other Liabilities			
Unclaimed dividend		830,102	830,102
Taxation - net		10,371,979	-
Others		27,121,015	18,190,530
		1,606,361,968	1,619,519,363
TOTAL LIABILITIES		2,348,021,498	2,237,994,763
TOTAL EQUITY AND LIABILITIES		2,348,021,498	2,237,994,763
CONTINGENCIES AND COMMITMENTS			
	13		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Abdul Wahheed
President & Chief Executive



Brig M Ibrahim Khan (Retd)
Director



Maj Gen Mukhtar Ahmed (Retd)
Director




Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Profit & Loss Account / Statement of Comprehensive Income (Unaudited)


For the period ended 30 September 2014

	Quarter ended 30 September Rupees					2013 Aggregate
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	
Revenue Account	Rupees					
Net premium revenue	11,794,785	11,354,357	154,004,364	40,074,111	25,474,192	200,886,523
Net claims	(6,959,926)	(2,753,684)	(81,311,522)	(33,159,792)	(10,923,773)	(120,486,938)
Expenses	(2,493,988)	(2,385,872)	(43,687,323)	(8,482,401)	(5,397,370)	(64,201,726)
Net commission	4,026,472	914,578	(8,052,160)	10,067,380	5,027,811	9,408,210
Underwriting results	6,367,343	7,129,379	20,953,359	8,499,298	14,180,860	25,606,069
Investment income						15,855,605
Rental income						645,192
Other income						876,318
Profit on bank deposits						2,030,695
Share of profit in associated company						1,724,190
General and administration expenses						(38,640,771)
Profit before tax						(17,508,771)
Provision for taxation						8,097,298
Profit after tax						(11,842,197)
Other comprehensive income for the period						37,706,265
Total comprehensive income for the period						10,814,945
Earning per share - basic and diluted (Note 16)						1,365,526
						12,180,471
						0.97
						0.28


Abdul Waheed
President & Chief Executive


Brig M Ibrahim Khan (Retd)
Director


Maj Gen Mukhtar Ahmed (Retd)
Director


Lt Gen Tahir Mahmood (Retd)
Chairman


Condensed Interim Profit & Loss Account / Statement of Comprehensive Income (Unaudited)

For the period ended 30 September 2014

	Nine months ended 30 September					2013 Aggregate
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	
Revenue Account	Rupees					
Net premium revenue	34,734,758	44,920,238	449,999,147	111,279,393	66,675,779	605,539,610
Net claims	(14,491,144)	(15,459,986)	(243,644,269)	(116,857,545)	(15,894,853)	(333,975,492)
Expenses	(7,432,796)	(9,612,360)	(129,320,094)	(23,812,375)	(14,267,769)	(168,830,871)
Net commission	18,844,146	2,177,099	(22,318,032)	28,667,267	19,509,946	30,277,747
Underwriting results	31,654,964	22,024,991	54,716,752	(723,260)	56,023,103	133,010,994
Investment income						45,948,329
Rental income						1,620,992
Other income						3,215,653
Profit on bank deposits						6,445,765
Share of profit in associated company						6,107,188
General and administration expenses						(110,333,123)
Profit before tax						(49,469,829)
Provision for taxation						83,541,165
Profit after tax						(29,889,394)
Other comprehensive income for the period						123,184,130
Total comprehensive income for the period						68,745,985
Profit and loss appropriation account						4,096,576
Balance at commencement of the period						123,184,130
Profit after tax for the period						155,473,689
Bonus shares issued						72,842,561
Balance of unappropriated profit at end of the period						(64,724,000)
Earnings per share - basic and diluted (Note 16)						278,657,819
						112,737,986
						3.17
						1.77

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Abdul Waheed
President & Chief Executive


Brig M Ibrahim Khan (Retd)
Director


Maj Gen Mukhtar Ahmed (Retd)
Director


Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Cash Flows (Unaudited)

For the period ended 30 September 2014

	Unaudited September 30, 2014	Unaudited September 30, 2013
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Rupees

	Unaudited September 30, 2014	Unaudited September 30, 2013
Operating Cash Flows		
a) Underwriting activities:		
Premium received	1,075,634,753	1,021,808,598
Reinsurance premium paid	(269,418,029)	(998,099,408)
Claims paid	(638,577,077)	(519,596,272)
Reinsurance and other recoveries received	128,224,474	378,620,003
Commission paid	(78,688,792)	(64,134,922)
Commission received	75,087,938	195,753,055
Other underwriting payments (management expenses)	(168,585,978)	(154,336,721)
Net cash flow from underwriting activities	123,677,289	(139,985,667)

b) Other operating activities:		
Income tax paid	(14,262,712)	(17,205,379)
General management expenses paid	(112,838,675)	(90,173,047)
Net operating receipts	15,996,676	6,125,972
Advances to employees	(750,824)	530,723
Net cash used in other operating activities	(111,855,535)	(100,721,731)
Total cash generated from / (used in) all operating activities	11,821,754	(240,707,398)

Investment activities:		
Profit / return received	10,553,349	10,208,271
Dividends received	1,016,005	2,113,995
Payments for investments	(957,462,512)	(542,375,657)
Proceeds from disposal of investments	920,856,334	343,903,015
Redemption of term finance certificates	3,118,250	33,594,050
Fixed capital expenditure	(9,687,515)	(13,937,917)
Total cash used in investing activities	(31,606,089)	(166,494,243)

Net cash used in from all activities	(19,784,335)	(407,201,641)
Cash at beginning of the period	119,602,483	483,241,871
Cash at end of the period	99,818,148	76,040,230

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Abdul Waheed
President & Chief Executive


Brig M Ibrahim Khan (Retd)
Director

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	Unaudited September 30, 2014	Unaudited September 30, 2013
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Rupees

	11,821,754	(240,707,398)
	(21,431,110)	(18,853,986)
	1,504,248	-
	28,343,429	131,798,635
	23,529,519	137,660,531
	37,118,983	26,732,658
	1,016,005	2,113,995
	16,669,695	7,700,879
	5,832,186	6,445,765
	6,107,188	4,039,764
	(29,889,394)	(14,795,180)
	28,298,915	9,404,943
	14,262,712	17,205,379
	123,184,130	68,745,985

Cash comprises of cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of the statement of cash flows consist of:

	2014	2013
Cash and other equivalents	801,754	762,187
Cash in hand	1,341,493	191,735
Stamp in hand	2,143,247	953,922

Current and other accounts

On current accounts	16,166,859	3,507,782
On deposit accounts	81,508,042	71,578,526

On deposit accounts	97,674,901	75,086,308
	99,818,148	76,040,230

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Maj Gen Mukhtar Ahmed (Retd)
Director


Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Changes in Equity (Unaudited)

For the period ended 30 September 2014

	Rupees					
	Share Capital Issued, subscribed and paid up	Reserves Share premium	General reserve	Total reserves	Retained earnings	Total equity
Balance as at 01 January 2013	323,620,030	4,657,681	70,000,000	74,657,681	104,619,425	502,897,136
Total comprehensive income for the period						
Profit for the period	-	-	-	-	68,745,985	68,745,985
Other comprehensive income for the period	-	-	-	-	4,096,576	4,096,576
Total comprehensive income for the period					72,842,561	72,842,561
Transaction with owners recorded directly in equity Issuance of bonus shares	64,724,000	-	-	-	(64,724,000)	-
Balance as at 30 September 2013	388,344,030	4,657,681	70,000,000	74,657,681	112,737,986	575,739,697
Balance as at 01 January 2014	388,344,030	4,657,681	70,000,000	74,657,681	155,473,689	618,475,400
Total comprehensive income for the period						
Profit for the period	-	-	-	-	123,184,130	123,184,130
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period					123,184,130	123,184,130
Balance as at 30 September 2014	388,344,030	4,657,681	70,000,000	74,657,681	278,657,819	741,659,530

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Abdul Wahed
President & Chief Executive


Brig M Ibrahim Khan (Retd)
Director


Maj Gen Mukhtar Ahmed (Retd)
Director


Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Premiums (Unaudited)

For the period ended 30 September 2014

Class of Business	Business underwritten inside Pakistan									
	Rupees									
	Premiums written	Unearned premium reserve	Premiums earned	Reinsurance ceded	Prepaid reinsurance premium	Reinsurance expense	2014	2013	Net premium revenue	Net premium revenue
	Opening	Closing		Opening	Closing					
Quarter ended 30 September										
Direct and facultative										
Fire and property damage	52,316,759	116,027,156	113,157,940	55,185,975	37,790,247	98,467,480	92,866,537	43,391,190	11,794,785	10,581,169
Marine, aviation and transport	32,426,002	29,246,175	32,544,610	29,127,567	18,197,463	17,622,335	18,046,588	17,773,210	11,354,357	7,014,746
Motor	173,579,217	343,322,799	355,859,434	161,042,582	8,579,982	16,520,439	18,062,203	7,038,218	154,004,364	137,981,261
Accident and health	80,946,994	191,096,087	173,402,204	98,640,877	47,966,676	114,071,570	103,471,480	58,566,766	40,074,111	27,744,540
Miscellaneous	35,186,049	259,815,742	203,932,708	91,069,083	16,144,619	205,651,973	156,201,701	65,594,891	25,474,192	17,564,807
Total	374,455,021	939,507,959	878,896,896	435,066,084	128,678,987	452,333,797	388,648,509	192,364,275	242,701,809	200,886,523
Nine months ended 30 September										
Direct and facultative										
Fire and property damage	173,781,676	106,609,536	113,157,940	167,233,272	142,608,658	82,756,393	92,866,537	132,498,514	34,734,758	30,618,245
Marine, aviation and transport	113,281,716	20,845,349	32,544,610	101,582,455	64,627,775	10,081,030	18,046,588	56,662,217	44,920,238	31,419,154
Motor	547,389,256	276,059,879	355,859,434	467,589,701	28,789,417	6,863,340	18,062,203	17,590,554	449,999,147	396,690,342
Accident and health	232,161,463	215,888,889	173,402,204	274,648,148	137,499,516	129,340,719	103,471,480	163,368,755	111,279,393	78,795,600
Miscellaneous	171,899,984	307,024,839	203,932,708	274,992,115	95,296,746	269,221,291	156,201,701	208,316,336	66,675,779	68,016,269
Total	1,238,514,095	926,428,492	878,896,896	1,286,045,691	468,822,112	498,262,773	388,648,509	578,436,376	707,609,315	605,539,610

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Abdul Waheed
President & Chief Executive


Brig M Ibrahim Khan (Retd)
Director


Maj Gen Mukhtar Ahmed (Retd)
Director


Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Claims (Unaudited)

For the period ended 30 September 2014

Business underwritten inside Pakistan

Class of Business

Class of Business	Quarter ended 30 September									
	Rupees					Rupees				
	Claims paid	Outstanding claims Opening	Outstanding claims Closing	Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims Opening	Reinsurance and other recoveries revenue	2014 Net claims expense	2013 Net claims expense	
Direct and facultative										
Fire and property damage	4,423,812	40,982,908	62,010,560	25,451,464	3,978,067	33,082,876	47,596,347	18,491,538	6,959,926	7,881,610
Marine, aviation and transport	28,763,907	35,848,779	17,720,410	10,635,538	20,899,973	25,485,566	12,467,447	7,881,854	2,753,684	1,180,639
Motor	84,807,484	119,648,715	118,970,368	84,129,137	3,249,684	2,180,493	1,748,424	2,817,615	81,311,522	80,755,614
Accident and health	88,339,734	58,863,353	53,423,100	82,899,481	53,003,840	35,318,011	32,053,860	49,739,689	33,159,792	26,018,842
Miscellaneous	6,935,495	49,146,280	57,027,435	14,816,650	3,907,973	31,707,387	31,692,291	3,892,877	10,923,773	4,650,233
Total	213,270,432	304,490,035	309,151,873	217,932,270	85,039,537	127,774,333	125,558,369	82,823,573	135,108,697	120,486,938
	Nine months ended 30 September									
Direct and facultative										
Fire and property damage	32,845,178	48,888,854	62,010,560	45,966,884	22,995,289	39,115,896	47,596,347	31,475,740	14,491,144	19,058,907
Marine, aviation and transport	60,844,092	26,827,929	17,720,410	51,736,573	41,917,046	18,107,906	12,467,447	36,276,587	15,459,986	8,941,049
Motor	229,817,242	101,633,449	118,970,368	247,154,161	8,138,823	6,377,355	1,748,424	3,509,892	243,644,269	226,796,372
Accident and health	276,525,015	59,119,056	53,423,100	270,829,059	165,915,009	43,997,355	32,053,860	153,971,514	116,857,545	73,318,749
Miscellaneous	38,545,550	44,429,835	57,027,435	51,143,150	30,587,323	27,031,317	31,692,291	35,248,297	15,894,853	5,860,415
Total	638,577,077	280,899,123	309,151,873	666,829,827	269,553,490	134,629,829	125,558,369	260,482,030	406,347,797	333,975,492

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Abdul Waheed
President & Chief Executive



Brig M Ibrahim Khan (Retd)
Director



Brig Gen Mukhtar Ahmed (Retd)
Director



Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Expenses (Unaudited)

For the period ended 30 September 2014

Business underwritten inside Pakistan

Class of Business	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurer*	2014	2013
		Opening	Closing					Net underwriting expense	Net underwriting expense
Quarter ended 30 September									
Rupees									
Direct and facultative									
Fire and property damage	8,393,021	14,592,708	15,818,713	7,167,016	2,493,988	9,661,004	11,193,488	(1,532,484)	(846,393)
Marine, aviation and transport	6,253,350	2,318,191	4,032,655	4,538,886	2,385,872	6,924,758	5,453,464	1,471,294	66,586
Motor	12,020,857	18,776,468	22,012,452	8,784,873	43,687,323	52,472,196	732,713	51,739,483	53,316,344
Accident and health	962,544	9,416,317	5,804,549	4,574,312	8,482,401	13,056,713	14,641,692	(1,584,979)	267,114
Miscellaneous	1,525,754	14,207,944	8,841,934	6,891,764	5,397,370	12,289,134	11,919,575	369,559	1,989,865
Total	29,155,526	59,311,628	56,510,303	31,956,851	62,446,954	94,403,805	43,940,932	50,462,873	54,793,516
Nine months ended 30 September									
Rupees									
Direct and facultative									
Fire and property damage	22,783,842	14,498,357	15,818,713	21,463,486	7,432,796	28,896,282	40,307,632	(11,411,350)	(8,785,649)
Marine, aviation and transport	17,691,956	2,402,777	4,032,655	16,062,078	9,612,360	25,674,438	18,239,177	7,435,261	4,037,872
Motor	33,173,132	12,624,538	22,012,452	23,785,218	129,320,094	153,105,312	1,467,186	151,638,126	139,263,192
Accident and health	8,934,426	9,045,044	5,804,549	12,174,921	23,812,375	35,987,296	40,842,188	(4,854,892)	(2,628,069)
Miscellaneous	11,647,140	18,114,479	8,841,934	20,919,685	14,267,769	35,187,454	40,429,631	(5,242,177)	6,665,778
Total	94,230,496	56,685,195	56,510,303	94,405,388	184,445,394	278,850,782	141,285,814	137,564,968	138,553,124

* Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Abdul Waheed
President & Chief Executive


Brig M Ibrahim Khan (Retd)
Director


Maj Gen Mukhtar Ahmed (Retd)
Director


Lt Gen Tahir Mahmood (Retd)
Chairman

Condensed Interim Statement of Investment Income (Unaudited)

For the period ended 30 September 2014

	Quarter ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
	Rupees			
Income from trading investments				
Gain on trading	16,574,673	3,749,913	28,298,915	9,404,943
Dividend income	48,322	708,772	597,005	1,493,170
	16,622,995	4,458,685	28,895,920	10,898,113
Income from non-trading investments				
Return on government securities	1,332,151	759,906	3,451,336	2,396,226
Return on other fixed income securities	499,200	514,426	1,501,467	2,350,286
	1,831,351	1,274,332	4,952,803	4,746,512
Available for sale investments				
Dividend income	255,875	620,825	419,000	620,825
Gain on sale of investments	3,314,837	2,703,895	11,765,713	2,954,367
	3,570,712	3,324,720	12,184,713	3,575,192
Unrealized gain on re-measurement of investments held for trading	4,089,493	6,802,014	37,118,983	26,732,658
Investment related expense	-	(4,146)	(48,821)	(4,146)
Net investment income	26,114,551	15,855,605	83,103,598	45,948,329

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Abdul Waheed
President & Chief Executive


Brig M Ibrahim Khan (Retd)
Director


Maj Gen Mukhtar Ahmed (Retd)
Director


Lt Gen Tahir Mahmood (Retd)
Chairman

Notes to the Condensed Interim Financial Information (Unaudited)

For the period ended 30 September 2014

1 THE COMPANY AND ITS BUSINESS

Askari general insurance company limited ("the Company") was incorporated under the Companies Ordinance, 1984 as a public limited company on 12 April 1995. The Company is engaged in non-life insurance business comprising of fire, marine, motor, health and miscellaneous. The Company commenced its commercial operations on 15 October 1995. Shares of the Company are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The registered office and principal place of business of the Company is located at AWT Plaza, Rawalpindi. The Company has 19 branches in Pakistan. Army Welfare Trust (AWT) directly and indirectly holds a significant portion of the Company's equity.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the nine months period ended 30 September 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of the Companies Ordinance, 1984 and Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions or directives issued under the Companies Ordinance, 1984 and Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2013. Comparative balance sheet is extracted from annual financial statements for the year ended 31 December 2013 whereas comparative for condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income are stated from unaudited condensed interim financial information for the nine months ended 30 September 2013.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments which are carried at their fair values and obligations under certain employee benefits which are measured at their present values. Figures have been rounded off to the nearest rupee.

4 ACCOUNTING POLICIES AND COMPUTATION METHOD

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 31 December 2013.

5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2013.

6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgment made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the preparation of the financial statements for the year ended 31 December 2013.

7 PREMIUM DEFICIENCY

During the period, management has reviewed the results of each class of business and considers that no additional reserve is required to be created as the unearned premium reserve for each class of business as at the period end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of the policies in force at the balance sheet date.

Notes to the Condensed Interim Financial Information (Unaudited)

For the period ended 30 September 2014

8 OTHER CREDITORS AND ACCRUALS	Note	Rupees	
		Unaudited 30 September, 2014	Audited 31 December 2013
Agents' commission payable		62,932,449	51,651,995
Security deposit against bond insurance		42,085,680	44,174,974
Tax deducted at source		3,162,075	2,353,131
Federal excise duty / Federal insurance fee		13,025,694	24,012,011
Workers' welfare fund		2,753,318	2,753,318
Due to associated Company		-	6,686,907
Payable against tracker devices and monitoring expenses		4,602,757	4,605,757
Staff gratuity payable		8,626,255	6,677,388
Staff provident fund payable		1,253,263	-
		<u>138,441,491</u>	<u>142,915,481</u>
9 INVESTMENTS			
Held to maturity			
- Government securities	9.1	40,491,010	40,396,393
- Term finance certificate, quoted	9.2	3,118,250	6,236,500
		<u>43,609,260</u>	<u>46,632,893</u>
Loans and receivables - Certificate of investments		35,243,526	31,027,158
Provision for impairment		(16,218,442)	(16,218,442)
		<u>19,025,084</u>	<u>14,808,716</u>
Investments at fair value through profit and loss - Held for trading (equity securities)		724,547,519	688,374,065
Available for sale - Quoted	9.3	116,596,928	17,325,050
Investment in associated companies		<u>77,102,227</u>	<u>96,961,420</u>
		<u>980,881,018</u>	<u>864,102,144</u>

9.1 Government Securities represent Pakistan Investment Bonds (PIBs) having market value of Rs. 40.43 million as at 30 September 2014 (31 December 2013: Rs. 39.97 million). PIBs are deposited with the State Bank of Pakistan to comply with the requirements of the Section 29(2) of the Insurance Ordinance, 2000.

9.2 Market value of Term Finance Certificates as at 30 September 2014 was Rs. 3.12 million (31 December 2013: Rs. 6.26 million).

9.3 At 30 September 2014, the fair value of available-for-sale securities was Rs. 117.95 million (31 December 2013: Rs. 22.32 million). As per the company's accounting policy, available-for-sale investments are stated at lower of cost or market value (market value being taken as lower if the fall is other than temporary. However, International Accounting Standards (IAS) 39, "Financial Instruments: Recognition and measurements" dealing with the recognition and measurement of financial instruments requires that these instruments should be measured at fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 30 September 2014 would have been higher by Rs. 1.36 million (31 December 2013: Rs. 4.99 million).

Notes to the Condensed Interim Financial Information (Unaudited)

For the period ended 30 September 2014

10

INVESTMENT PROPERTY

This represents the carrying amount of two offices in Islamabad Stock Exchange building, classified as investment property based on the management intention to hold the property for earning rental income and / or capital appreciation.

	Unaudited September 30, 2014	Audited December 31, 2013
	Rupees	
Written down value	48,360,833	49,670,833
Depreciation for the period / year	(982,500)	(1,310,000)
Carrying value	47,378,333	48,360,833
11 PREMIUM DUE BUT UNPAID, - unsecured, considered good		
Considered good	395,032,653	305,582,662
Considered doubtful	9,036,933	9,036,933
404,069,586	314,619,595	
(9,036,933)	(9,036,933)	
395,032,653	305,582,662	
12 FIXED ASSETS		
Tangible and Intangible	52,931,822	64,411,712
Opening written down value	3,259,627	3,083,636
Additions during the period / year	1,594,359	1,308,144
- Furniture, fixtures and office equipment	73,230	-
- Motor vehicles	253,761	-
- Leasehold improvements	7,336,148	9,404,837
- Software license	12,517,125	13,796,617
- Tracking devices	65,448,947	78,208,329
Written down value of disposals	(1,387,185)	(349,736)
Depreciation for the period / year	(20,448,610)	(24,926,771)
Capital work in progress	43,613,152	52,931,822
Closing written down value	14,252,543	14,190,720
	57,865,695	67,122,542

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CONTINGENCIES AND COMMITMENT

There is no change in contingencies and commitment as reported in the annual financial statements of the Company for the year ended 31 December 2013.

Notes to the Condensed Interim Financial Information (Unaudited)

For the period ended 30 September 2014

14 SEGMENT REPORTING

The following table presents revenue and profit information regarding certain assets and liabilities of the segments as at 30 June 2014 and 31 December 2013.

	Fire and property damage		Marine, aviation and transport		Motor		Accident and Health		Miscellaneous		TOTAL	
	Unaudited 30 September 2014	Audited 31 December 2013	Unaudited 30 September 2014	Audited 31 December 2013	Unaudited 30 September 2014	Audited 31 December 2013	Unaudited 30 September 2014	Audited 31 December 2013	Unaudited 30 September 2014	Audited 31 December 2013	Unaudited 30 September 2014	Audited 31 December 2013
REVENUE												
Net premium revenue	34,734,758	41,958,819	44,920,238	43,476,886	449,999,147	539,666,590	111,279,393	118,844,406	66,675,779	97,978,248	707,609,315	841,924,949
Segment result	31,654,964	30,669,888	22,024,991	14,931,679	54,716,752	50,185,584	(723,260)	23,006,410	56,023,103	87,970,708	163,696,550	206,764,269
Investment income											83,103,598	65,022,385
Rental income											1,875,528	2,366,264
Other income											2,791,597	8,365,792
Profit on bank deposits											5,852,186	8,139,788
Share of profit in associated company											6,107,188	6,080,517
Unallocated general and administration expenses											(110,333,123)	(147,102,873)
Profit before tax											(10,623,026)	(57,128,127)
Provision for taxation											153,073,524	149,636,142
Profit after tax											(29,889,394)	(30,570,673)
											123,184,130	119,065,469
OTHER INFORMATION												
Segment assets	183,299,446	156,560,668	69,487,144	51,512,209	435,386,717	341,211,756	227,886,699	239,569,456	248,598,563	361,512,909	1,164,658,569	1,150,366,998
Unallocated corporate assets											1,183,362,929	1,087,627,765
Consolidated total assets											2,348,021,498	2,237,994,763
Segment liabilities	208,527,947	186,508,673	66,280,933	61,109,319	593,883,770	518,970,397	280,371,092	337,328,350	347,807,314	465,066,503	1,496,871,056	1,568,983,242
Unallocated corporate liabilities											109,490,912	50,536,121
Consolidated total liabilities											1,606,361,968	1,619,519,363
Capital expenditure	614,434	218,872	794,608	226,791	7,960,177	14,123,627	1,968,456	619,935	1,179,449	511,089	12,517,124	15,700,314
Depreciation and amortization	104,071	151,807	134,588	157,299	15,921,777	17,904,046	333,411	429,978	199,772	354,485	16,693,619	18,997,615
Unallocated depreciation											4,737,491	7,239,156

Notes to the Condensed Interim Financial Information (Unaudited)

For the period ended 30 September 2014

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Unaudited September 30, 2014	Audited December 31, 2013
	Rupees	
Balance at end of the period		
Associates	44,738,721	32,898,275
Premium due:		
Balance at beginning of the period / year	177,655,154	258,885,757
"Insurance premium written (including government levies, administrative surcharge and policies stamps)"	(143,344,237)	(247,045,311)
Receipts during the period / year	79,049,638	44,738,721
Balance at end of the period / year	52,212,460	70,286,520
Balance in bank accounts at end of the period / year	77,102,227	96,961,420
Investments at end of the period / year	3,066,914	6,686,907
Other balances due		
Transaction during the period		
Associates		
Insurance premium written	136,925,572	103,208,339
Profit on deposit accounts	2,429,706	2,059,574
Investment made	-	47,500,000
Bank charges	410,714	257,879
Insurance claims paid	55,322,668	15,960,675
Purchase of listed securities including brokerage fee	96,369,774	32,538,660
Sale of listed securities including brokerage fee	104,737,302	26,186,112
Bonus shares issued - number	-	6,472,400
Services acquired	7,332,426	20,747,972
Others:		
Directors' fees	438,800	240,000
Remuneration to key personnel	18,173,334	18,892,187
Contributions / provision for staff retirement benefit plans	9,688,838	7,975,496

Notes to the Condensed Interim Financial Information (Unaudited)

For the period ended 30 September 2014

16 EARNINGS PER SHARE - BASIC AND DILUTED

	Unaudited	
	Quarter ended 30 September 2014	Nine months ended 30 September 2014
Profit after tax (Rupees)	37,706,265	123,184,130
Weighted average number of shares	38,834,403	38,834,403
Earnings per share (Rupees)	0.97	3.17
		Unaudited
		September 2013
		68,745,985
		38,834,403
		1.77

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DATE OF APPROVAL

This condensed interim financial information has been authorized for issue on 28 October 2014, by the Board of Directors of the Company.



Abdul Waheed
President & Chief Executive



Brig M Ibrahim Khan (Retd)
Director



Maj Gen Mukhtar Ahmed (Retd)
Director



Lt Gen Tahir Mahmood (Retd)
Chairman



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