NEW HAMPSHIRE INSURANCE COMPANY – PAKISTAN BRANCH

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011



A. F. FERGUSON & CO.

AUDITORS' REPORT TO THE DIRECTORS

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of cash flows;
- (iv) statement of premiums;
- (v) statement of claims;
- (vi) statement of expenses; and
- (vii) statement of investment income

of New Hampshire Insurance Company – Pakistan Branch (the Branch) as at December 31, 2011 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Branch's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of accounts have been kept by the Branch as required by the Insurance Ordinance, 2000;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Branch;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Branch's affairs as at December 31, 2011 in accordance with the approved accounting standards as applicable in Pakistan, and the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Other matter

The financial statements of the Branch for the year ended December 31, 2010 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated April 28, 2011.

Chartered Accountants

Engagement Partner: Rashid A. Jafer

Dated: April 30, 2012

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938; <www.pwc.com/pk>

Lahore: 23-C, Aziz Avenue, Canal Bank, Gulberg V, P.O.Box 39, Shahrah-e-Quaid-e-Azam, Lahore-54660; Tel: +92 (42) 35715864-71; Fax: +92 (42) 35715872 Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O.Box 3021, Islamabad-44000; Tel: +92 (51) 2273457-60; Fax: +92 (51) 2277024 Kabul: House No. 1916, Street No. 1, Behind Cinema Bariqot, Nahar-e-Darsan, Karte-4, Kabul, Afghanistan: Tel: +93 (779) 315320. +93 (799) 315320

NEW HAMPSHIRE INSURANCE COMPANY - PAKISTAN BRANCH BALANCE SHEET AS AT DECEMBER 31, 2011

	Note	2011	2010 (Restated) Rupees in '000	2009 (Restated)		Note	2011	2010 (Restated)	2009 (Restated)
Head office account	7	1,002,279	928,058	871,481	Cash and bank deposits	12		Kupees in '000	
					Cash and other equivalent Current and other bank accounts		96	38	27
Provision for outstanding claims (including IRNR)		040			Deposits maturing within 12 months		910,000	600.000	24,823
Provision for unearned premium		318,476	285,081	315,159		1	1,106,672	682,920	319,850
Commission income unearned Total underwriting provisions		97,824	76,846	74,812	Investments	50	529,831	751,912	863,092
					Deferred taxation	4	10,075	8,557	19,167
					Security deposits		3,301	2,201	1,501
Creditors and Accruals					Other Assets				
Amounts due to other insurers/reinsurers	α	632 040	000		Premium due but unpaid	15	89,214	204.218	131,124
Accrued expenses	0	49.016	60 683	418,272	Amounts due from other insurers/reinsurers	16	218,933	96,619	113,833
Other creditors and others	10	173,364	170,044	400,004	Salvage recovenes accrued		11,483	11,314	6,270
		855,199	852 459	586 513	Accided income on investment and deposits	17	25,916	38,297	27,930
			7	0,000	Tensinsurance recoveries against outstanding claims	00	219,137	216,058	230,907
TOTAL LIABILITIES		1.751.481	1 506 104	1 226 502	laxation payment less provision	19	49,402	56,661	45,401
			1000	1,320,303	Other deferred commission expense		73,785	62,904	66,632
					Other deferred acquisition costs		1	40,326	36,446
					Prepayments	20	347,594	274,303	247,065
					Loans to employees - unsecured - considered good	21	4,903	6,684	4,223
					Sundry receivables	22	3,179	7,362	5,627
							1,043,546	1,014,746	915,458
					Tixed Assets				
					Tangible and Intangible assets				
					Leasehold improvements		7,842	15,031	15,954
					Furniture and fittings		9,100	10,696	11,605
					Office equipment		4,051	7,620	7,807
					Computers and EDP equipment		2,647	4,135	4,315
					Vehicles		18,412	14,918	16,663
					Software		5,910	11,516	16,856
					Capital work-in-progress		12,373	1	5,716
TOTAL EQUITY AND LIABILITIES		2753760	2 524 252	100		23	60,335	63,916	78,916
Contingencies			2,324,532	7,197,964	IOIALASSEIS	- 11	2,753,760	2,524,252	2,197,984
The annexed notes 1 to 36 form an integral part of these financial statements	art of th	nese financial	statements	*****		,			
			ממוכוווכוווס.						

Manager of Pakistan / Principal Officer

Chief Financial Officer

Assistant General Manager

NEW HAMPSHIRE INSURANCE COMPANY - PAKISTAN BRANCH PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	Fire and property	Marine, aviation and transport	Motor (F	Accident and health	Miscellaneous	Aggre Decem 2011	
Revenue Account				(.	tapoco III tilo	asama,		
Net Premium Revenue		8,248	80,643	237,541	110,562	6,401	443,395	405.937
Net Claims		(2,019)	(47,517)	(154,632)	(63,589)	(486)	(268,243)	(201,105)
Management Expenses	24	(41,254)	(10,314)	(55,989)	(29,467)	(10,314)	(147,338)	(111,315)
Net Commission		89,798	3,048	(29,581)	(28,258)	4,008	39,015	9,981
		46,525	(54,783)	(240,202)	(121,314)	(6,792)	(376,566)	(302,439)
Underwriting Results		54,773	25,860	(2,661)	(10,752)	(391)	66,829	103,498
Investment Income - net							177.545	450 700
Other Income	25						177,545 84	158,726
General and administration expenses	26						(136,311)	2,151 (171,592)
Profit before tax						-	108,147	92,783
Taxation	27						(33,926)	(36,206)
Profit after tax						=	74,221	56,577

Th

The annexed notes 1 to 36 form an integral part of these financial statements.

Manager

Pakistan / Principal Officer

Chief Amancial Officer

Assistant General Manager