

The United Insurance Co. of Pakistan Ltd.

**BALANCE SHEET**  
**FINANCIAL YEAR ENDED DECEMBER 31, 2009**

	Note	2009 Rupees	2008 Rupees
<b>Share capital and reserves</b>			
Authorized share capital	5	<b>750,000,000</b>	500,000,000
Paid-up share capital	5	<b>345,000,000</b>	302,406,780
Retained earnings		<b>128,228,439</b>	106,322,601
Reserves	6	<b>75,115,917</b>	75,115,917
		<b>548,344,356</b>	483,845,298
Surplus on revaluation of fixed assets	7	<b>1,479,175</b>	1,557,026
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		<b>17,537,920</b>	13,452,365
Provision for unearned premium		<b>251,563,186</b>	174,797,915
Commission income unearned		<b>32,161,386</b>	32,637,621
Total underwriting provisions		<b>301,262,492</b>	220,887,901
<b>Deferred liabilities</b>			
Staff retirement benefits	8	<b>20,930,674</b>	12,196,817
Deferred tax liabilities	9	<b>7,424,166</b>	5,832,868
		<b>28,354,840</b>	18,029,685
<b>Creditors and accruals</b>			
Amounts due to other insurers/reinsurers	10	<b>25,697,719</b>	19,793,505
Accrued expenses	11	<b>5,364,532</b>	4,142,066
Provision for taxation - net		<b>6,159,547</b>	6,161,192
Other creditors and accruals	12	<b>32,273,830</b>	19,721,296
		<b>69,495,628</b>	49,818,059
<b>Borrowings</b>			
Short-term finance	13	-	13,972,546
<b>Other liabilities</b>			
Liabilities against assets subject to finance lease	14	<b>69,385,643</b>	56,542,892
<b>Total liabilities</b>		<b>468,498,603</b>	359,251,083
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,018,322,134</b>	844,653,407
<b>Contingencies &amp; Commitments</b>	15		

The annexed notes 1 to 40 form an integral part of these financial statements.

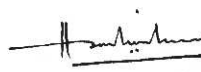
	Note	2009 Rupees	2008 Rupees
<b>Cash &amp; bank deposits</b>			
Cash and other equivalents	16	39,598	26,662
Current and other accounts	17	105,023,170	156,011,153
Deposits maturing within 12 months	18	75,456,000	20,687,169
Deposits maturing after 12 months	19	38,323,993	29,176,551
		<b>218,842,761</b>	205,901,535
<b>Loans</b>			
To employees & agents	20	1,663,500	1,630,954
<b>Investments</b>			
	21	52,490,983	41,248,478
<b>Investment property</b>			
	22	43,046,250	44,094,568
<b>Other assets</b>			
Premiums due but unpaid	23	188,231,138	149,066,036
Amounts due from other insurers/reinsurers	24	7,788,462	14,287,348
Prepaid reinsurance premium ceded		113,894,179	101,597,898
Reinsurance recoveries against outstanding claims		9,445,668	6,520,026
Deferred commission expense		53,656,968	48,629,197
Accrued investment income		4,333,963	2,357,577
Sundry receivables	25	16,484,374	5,811,890
		<b>393,834,752</b>	328,269,972
<b>Fixed assets - Tangible</b>			
	26		
<b>Owned</b>			
Land freehold		55,900,000	2,800,000
Buildings		62,153,446	57,629,712
Furniture, fixtures, office & computer equipments		63,680,405	63,555,823
Motor vehicles		44,949,076	28,439,151
Capital work in progress		1,085,940	-
		<b>227,768,867</b>	152,424,686
<b>Leased</b>			
Motor vehicles		80,675,021	71,083,214
<b>TOTAL ASSETS</b>		<b>1,018,322,134</b>	844,653,407



**Khawas Khan Niazi**  
Chief Executive



**Huma Waheed**  
Director



**Ch. Habib-ur-Rehman**  
Director/President



**Mian M. A. Shahid**  
Chairman

**PROFIT AND LOSS ACCOUNT**  
**FINANCIAL YEAR ENDED DECEMBER 31, 2009**

Note	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	2009 Aggregate	2008 Aggregate
<b>Rupees</b>						
<b>Revenue account</b>						
	86,191,605	32,312,068	152,830,244	152,396,693	<b>423,730,610</b>	356,522,535
	(36,143,237)	(5,128,703)	(52,156,041)	(28,131,938)	<b>(121,559,919)</b>	(102,974,528)
28	(19,845,853)	(4,438,460)	(13,115,895)	(22,535,702)	<b>(59,935,910)</b>	(58,412,071)
	578,471	(1,114,892)	(27,634,220)	(8,592,415)	<b>(36,763,056)</b>	(26,549,107)
<b>Underwriting results</b>	<b>30,780,986</b>	<b>21,630,013</b>	<b>59,924,088</b>	<b>93,136,638</b>	<b>205,471,725</b>	168,586,829
					<b>10,824,125</b>	1,661,787
					<b>725,850</b>	480,000
29					<b>169,066</b>	112,903
30					<b>(135,817,174)</b>	(105,079,885)
					<b>(8,581,904)</b>	(7,538,631)
					<b>(132,680,037)</b>	(110,363,826)
<b>Profit/ (loss) before tax</b>					<b>72,791,688</b>	58,223,003
31					<b>(8,370,481)</b>	(2,309,812)
<b>Profit/ (loss) after tax</b>					<b>64,421,207</b>	<b>55,913,191</b>
<b>Profit &amp; loss appropriation account</b>						
					<b>106,322,601</b>	100,728,591
					<b>77,851</b>	81,949
					<b>64,421,207</b>	55,913,191
<b>Profit available for appropriation</b>					<b>170,821,659</b>	156,723,731
					<b>(42,593,220)</b>	(50,401,130)
<b>Balance un-appropriated profit at end of year</b>					<b>128,228,439</b>	<b>106,322,601</b>
<b>Earnings per share of Rs 10/- each - basic and diluted</b>				<b>(Note 32)</b>	<b>1.87</b>	1.62


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**STATEMENT OF CASH FLOWS**  
**FINANCIAL YEAR ENDED DECEMBER 31, 2009**

	<b>2009</b> <b>Rupees</b>	<b>2008</b> <b>Rupees</b>
<b>Operating cash flows:</b>		
<b>a) Underwriting activities:</b>		
Premium received	<b>675,866,019</b>	551,208,978
Reinsurance premium paid	<b>(220,927,307)</b>	(186,076,871)
Claims paid	<b>(235,417,607)</b>	(210,355,589)
Reinsurance and other recoveries received	<b>121,516,487</b>	108,929,632
Commission paid	<b>(107,849,537)</b>	(95,751,125)
Commission received	<b>65,582,475</b>	61,765,158
Net cash flow from underwriting activities	<b>298,770,530</b>	229,720,183
<b>b) Other operating activities:</b>		
Income tax paid	<b>(8,372,126)</b>	(3,373,969)
General management expenses paid	<b>(145,414,140)</b>	(139,633,001)
Other operating receipts/(payments)	<b>(9,980,155)</b>	(2,809,810)
Loan to employees and agents	<b>(32,546)</b>	(377,420)
Net cash flow from other operating activities	<b>(163,798,967)</b>	(146,194,200)
Total cash flow from all operating activities	<b>134,971,563</b>	83,525,983
<b>Investment activities:</b>		
Investment income received	<b>8,847,739</b>	538,892
Rental income received	<b>725,850</b>	480,000
Sale/(Purchase) of investment and fixed deposits	<b>(75,158,778)</b>	(856,081)
Fixed capital expenditure	<b>(72,605,721)</b>	(11,519,465)
Proceeds from disposal of fixed assets	<b>-</b>	55,000
Net cash flow from investing activities	<b>(138,190,910)</b>	(11,301,654)
<b>Financing activities:</b>		
Bank borrowings	<b>(13,972,546)</b>	(152,029)
Lease liability paid	<b>(33,783,154)</b>	(30,240,591)
Net cash flow from financing activities	<b>(47,755,700)</b>	(30,392,620)
Net cash inflow from all activities	<b>(50,975,047)</b>	41,831,709
Cash and cash equivalents at the beginning of the year	<b>156,037,815</b>	114,206,106
Cash and cash equivalents at the end of the year	<b>105,062,768</b>	<b>156,037,815</b>

**STATEMENT OF CASH FLOWS**  
**FINANCIAL YEAR ENDED DECEMBER 31, 2009**

	<b>2009</b>	<b>2008</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Reconciliation of profit and loss account</b>		
Net cash flow from operating activities	<b>134,971,563</b>	83,525,983
Depreciation	<b>(36,411,991)</b>	(32,759,648)
Lease finance charges	<b>(9,857,494)</b>	(7,602,995)
Gain on disposal of fixed assets	-	10,271
Increase/(Decrease) in Assets other than cash	<b>63,551,643</b>	12,267,295
(Increase)/Decrease in Liabilities	<b>(95,274,974)</b>	(6,478,742)
Provision for impairment in value of investments	<b>(2,459,607)</b>	2,644,620
<b>Others</b>		
Dividend income	<b>313,127</b>	273,512
Dividend and other investment income	<b>9,588,940</b>	4,032,895
Profit after Taxation	<u><b>64,421,207</b></u>	<u><b>55,913,191</b></u>
<b>Definition of cash</b>		
Cash for the purpose of the statement of cash flows comprises of cash in hand, bank balances and other assets which are readily convertible to cash and used for cash management for day to day business operations.		
<b>Cash for the purpose of cash flows comprises of:</b>		
Cash and other equivalents		
- cash in hand	<b>39,598</b>	26,662
Current and other accounts	<b>105,023,170</b>	156,011,153
	<u><b>105,062,768</b></u>	<u><b>156,037,815</b></u>

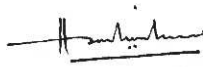
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Chief Executive



**Huma Waheed**  
Director



**Ch. Habib-ur-Rehman**  
Director/President



**Mian M. A. Shahid**  
Chairman

**STATEMENT OF CHANGES IN EQUITY  
FINANCIAL YEAR ENDED DECEMBER 31, 2009**

DESCRIPTION	Note	SHARE CAPITAL	RESERVE FOR ISSUE OF BONUS SHARES	GENERAL RESERVE	RETAINED EARNINGS	TOTAL
<b>Rupees</b>						
Balance as at January 01, 2008		252,005,650	-	75,115,917	100,728,591	427,850,158
Transfer to reserve for issue of bonus shares		-	50,401,130	-	(50,401,130)	-
Bonus Share reserve capitalized		50,401,130	(50,401,130)	-	-	-
Incremental depreciation net of deferred tax		-	-	-	81,949	81,949
Net profit for the year		-	-	-	55,913,191	55,913,191
Balance as at December 31, 2008		<u>302,406,780</u>	<u>-</u>	<u>75,115,917</u>	<u>106,322,601</u>	<u>483,845,398</u>
Balance as at January 01, 2009		302,406,780	-	75,115,917	106,322,601	483,845,398
Transfer to reserve for issue of bonus shares		-	42,593,220	-	(42,593,220)	-
Bonus Share reserve capitalized		42,593,220	(42,593,220)	-	-	-
Incremental depreciation net of deferred tax		-	-	-	77,851	77,851
Net profit for the year		-	-	-	64,421,207	64,421,207
<b>Balance as at December 31, 2009</b>		<u><b>345,000,000</b></u>	<u><b>-</b></u>	<u><b>75,115,917</b></u>	<u><b>128,228,439</b></u>	<u><b>548,344,356</b></u>

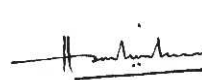
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Director/President



**Mian M. A.**  
Chairm

**STATEMENT OF PREMIUMS  
FINANCIAL YEAR ENDED DECEMBER 31, 2009**

**BUSINESS UNDERWRITTEN INSIDE PAKISTAN**

Class	Premiums written (Note 27)	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue
		Opening	Closing			2009			
Rupees									
<b>Direct &amp; facultative</b>									
1. Fire and property damage	236,759,604	38,207,921	64,178,579	210,788,946	111,544,887	63,727,518	50,675,064	124,597,341	<b>86,191,605</b>
2. Marine, aviation and transport	52,950,510	11,506,953	12,337,742	52,119,721	22,623,864	9,066,209	11,882,420	19,807,653	<b>32,312,068</b>
3. Motor	156,471,685	78,316,382	76,156,695	158,631,372	6,871,876	2,559,404	3,630,152	5,801,128	<b>152,830,244</b>
4. Miscellaneous	268,849,322	46,766,659	98,890,170	216,725,811	85,790,894	26,244,767	47,706,543	64,329,118	<b>152,396,693</b>
<b>GRAND TOTAL</b>	<b>715,031,121</b>	<b>174,797,915</b>	<b>251,563,186</b>	<b>638,265,850</b>	<b>226,831,521</b>	<b>101,597,898</b>	<b>113,894,179</b>	<b>214,535,240</b>	<b>423,730,610</b>

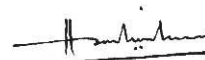
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Director/President



Mian M. A. Shafiq  
Chairman



**STATEMENT OF CLAIMS**  
**FINANCIAL YEAR ENDED DECEMBER 31, 2009**  
**BUSINESS UNDERWRITTEN INSIDE PAKISTAN**

Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expenses	
		Opening	Closing			Opening	Closing		2009	2008
<b>Rupees</b>										
<b>Direct &amp; facultative</b>										
Fire and property damage	101,088,752	5,813,371	7,519,878	102,795,259	66,101,971	4,033,298	4,583,349	66,652,022	<b>36,143,237</b>	35,383,77
Marine, aviation and transport	18,910,515	2,863,951	621,596	16,668,160	12,264,914	1,260,544	535,087	11,539,457	<b>5,128,703</b>	5,877,46
Motor	56,967,096	4,775,043	6,908,814	59,100,867	5,687,620	1,226,184	2,483,390	6,944,826	<b>52,156,041</b>	46,424,33
Miscellaneous	58,451,244	-	2,487,632	60,938,876	30,963,096	-	1,843,842	32,806,938	<b>28,131,938</b>	15,288,91
<b>GRAND TOTAL</b>	<b>235,417,607</b>	<b>13,452,365</b>	<b>17,537,920</b>	<b>239,503,162</b>	<b>115,017,601</b>	<b>6,520,026</b>	<b>9,445,668</b>	<b>117,943,243</b>	<b>121,559,919</b>	<b>102,974,52</b>

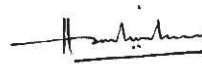
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Chairman

**STATEMENT OF EXPENSES**  
**FINANCIAL YEAR ENDED DECEMBER 31, 2009**

**BUSINESS UNDERWRITTEN INSIDE PAKISTAN**

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses (Note 28)	Underwriting expenses	Commission on reinsurance	Unearned commission		Net commission on reinsurance	Net underwriting
		Opening	Closing					Opening	Closing		2009
<b>Rupees</b>											
<b>Direct &amp; facultative</b>											
1. Fire and property damage	45,569,419	20,851,808	23,770,961	42,650,266	19,845,853	62,496,119	38,484,442	22,230,815	17,486,520	43,228,737	<b>19,267,382</b>
2. Marine, aviation and transport	7,450,170	3,268,941	3,774,844	6,944,267	4,438,460	11,382,727	6,713,637	2,646,202	3,530,464	5,829,375	<b>5,553,352</b>
3. Motor	26,544,222	14,334,239	13,244,241	27,634,220	13,115,895	40,750,115	-	-	-	-	<b>40,750,115</b>
4. Miscellaneous	28,285,726	10,174,209	12,866,922	25,593,013	22,535,702	48,128,715	20,384,396	7,760,604	11,144,402	17,000,598	<b>31,128,117</b>
<b>GRAND TOTAL</b>	<b>107,849,537</b>	<b>48,629,197</b>	<b>53,656,968</b>	<b>102,821,766</b>	<b>59,935,910</b>	<b>162,757,676</b>	<b>65,582,475</b>	<b>32,637,621</b>	<b>32,161,386</b>	<b>66,058,710</b>	<b>96,698,966</b>

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**Mian M. A. S.**  
Chairman

**STATEMENT OF INVESTMENT INCOME**  
**FINANCIAL YEAR ENDED DECEMBER 31, 2009**

	Note	2009 Rupees	2008 Rupees
<b>Income from non-trading investments:</b>			
<b>Available for sale</b>			
Dividend income		313,127	273,512
Gain / (loss) on sale of 'available for sale' investments		(1,537,549)	-
		(1,224,422)	273,512
<b>Held to maturity</b>			
Return on Government securities		4,910,322	1,264,777
Return on F.D.R		4,678,618	2,768,118
		8,364,518	4,306,407
<b>Provision for impairment in value of investment</b>			
(Provision) / reversal for the year	21.2	2,459,607	(2,644,620)
<b>Net Investment Income</b>		<b>10,824,125</b>	<b>1,661,787</b>

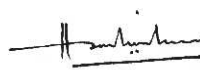
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