



Emerging
Trends
in Insurance

Condensed Interim

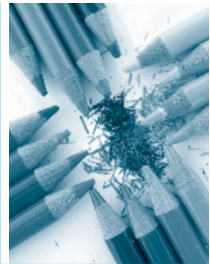
Financial Statements

For the six months period ended June 30,

2012

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Corporate Information

CHAIRMAN

Khawas Khan Niazi

CHIEF EXECUTIVE OFFICER

Mohammed Rahat Sadiq

DIRECTOR/PRESIDENT

Chaudhary Habib-Ur-Rehman

DIRECTORS

Huma Waheed

Chaudhary Najeeb-ur-Rehman

Chaudhary Aziz-ur Rehman

Chaudhary Maqsood Ahmed

ADVISOR TO BOARD

Mian M.A. Shahid

(Chairman UIG)

DEPUTY MANAGING DIRECTOR/ COMPANY SECRETARY

Zia Hassan Zuberi

CHIEF FINANCIAL OFFICER

Maqbool Ahmad

CHIEF INTERNAL AUDITOR

Wakeel Ahmad Mirza

AUDITORS

M/S. Ilyas Saeed & Co.

Chartered Accountants

M/S. Sarwars

Chartered Accountants

LEGAL ADVISORS

M. A. Hamdani (Advocate)

Muhammad Farooq Sheikh (Advocate)

INCOME TAX ADVISOR

M/S. Sarwars

Chartered Accountants

RATING AGENCY PACRA

Insurer Financial Strength: A

COMPANY'S SHARE REGISTRAR

M/S. Shares Corporate Services (Pvt.) Ltd.

Mehersons Estate, Block-E,

Talpur Road-Karachi

WEB PRESENCE

www.theunitedinsurance.com

REGISTERED OFFICE

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HEAD OFFICE

Nizam Chambers

7-Shahrah-e-Fatima Jinnah, Lahore.

Tel: 042-36361471, 36315091

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Key Management Personnel

CHIEF EXECUTIVE OFFICER

Mohammed Rahat Sadiq

ADVISORS

Naseer Ahmed

(Former Member Revenue CBR)

(Former Additional Secretary Military Finance)

(Former Additional Secretary Finance)

Sardar Khan

(Former Managing Director)

Universal Insurance Co. Ltd.

DEPUTY MANAGING DIRECTOR

Aziz Ullah Memon

(Former President Bolan Bank & UBL)

SENIOR EXECUTIVE DIRECTORS

Maj. General (R) Asif Duraiz Akhter

Muhammad Saleem Sheikh

(Former President & Chief Executive Allied Bank Ltd.)

(Former Director & Vice Chairman Allied Bank Ltd.)

EXECUTIVE DIRECTOR UNDERWRITING

S.M. Qaiser Imam

COUNTRY MANAGER/ EXECUTIVE DIRECTOR

Dr. Ghulam Murtaza Mughal

GENERAL MANAGER FINANCE

Tajammal Iqbal

GENERAL MANAGER REINSURANCE

Amir Hameed

GENERAL MANAGER ADMINISTRATION

Jamil Ahmad

DEPUTY CHIEF MANAGER FINANCE

Abdul Mannan Munir

DEPUTY GENERAL MANAGER UNDERWRITING

Manzoor Mirza

DEPUTY GENERAL MANAGER (IT)

Ch. Khalid Mehmood

DEPUTY GENERAL MANAGER CLAIMS

Muhammad Yasin Khan

CHIEF MANAGER CLAIMS

Fayyaz-ud-Din Mirza

MANAGER RE-INSURANCE

Naeem Babar

MANAGER HEALTH/TRAVEL

Kashif Shafique

MANAGER CO-ORDINATION

Tahira Ashar

MANAGER AGRICULTURAL

Zulfiqar Ahmad

EXECUTIVE DIRECTORS

Qamar-uz-Zaman

Mian M.A. Zahid

Zarar Ahmad Butt

Mian Kashif Rasheed

Ch. Aslam Feroze

Shakeel Ahmad

Muhammad Siddique Sheikh

Rizwan-ul-Haq

JOINT DIRECTORS

Muhammad Naseem Butt

Salman-ul-Haq

Khurram Mansoor

Malik Zafar Yousaf

Mian Muhammad Rafi

Muhammad Mazhar Shah

Riaz Shah

Corporate Information

BANKERS

State Bank of Pakistan	United Bank Limited
Habib Bank Limited	Faysal Bank Limited
National Bank of Pakistan	The Bank of Punjab
Bank Al-Habib Limited	Askari Bank Limited
Soneri Bank Limited	Samba Bank Limited
Bank Al-Falah Limited	First Fidelity Leasing Modaraba
KASB Bank Limited	Silk Bank Limited
Meezan Bank Limited	Allied Bank Limited
NIB Bank Limited	Khushhali Bank Limited
SME Bank Limited	Atlas Investment Bank Limited
The Bank of Khyber	First International Investment Bank Limited
Escorts Investment Bank Limited	Orix Investment Bank Pakistan Limited
The First Micro Finance Bank Limited	Summit Bank Limited
Jahangir Siddiqui Investment Bank Limited	The Punjab Provincial Cooperative Bank Ltd.
Security Investment Bank Limited	National Investment Trust Limited
Industrial Development Bank of Pakistan	Habib Metropolitan Bank Limited
Zarai Taraqati Bank Limited	Citibank N.A.
Albaraka Islamic Bank B.S.C. (E.C)	Oman International Bank S.A.O.G
American Express Bank Limited	Standard Chartered Bank Limited
SME Leasing Limited	The Hong Kong & Shanghai Banking Corp.
The Bank of Tokoyo Mitsubishi Limited	Ltd.
Orix Leasing Company Limited	Trust Investment Bank Limited
Dubai Islamic Bank Limited	APNA Microfinance Bank Ltd.
First Women Bank Limited	
MCB Bank Limited	

Corporate Information

AUDIT COMMITTEE

Ch. Aziz-ur-Rehman	Chairman
Ch. Maqsood Ahmed	Member
Ch. Najeeb-ur-Rehman	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Ch. Najeeb-ur-Rehman	Chairman
Ch. Habib-ur-Rehman	Member
Ch. Maqsood Ahmed	Member
Mohammed Rahat Sadiq	Member

Directors Review to the Members

Dear Fellow Members!

The Directors of "The United Insurance Company of Pakistan Limited" take pleasure in presenting the Half Year Review Report of your Company, together with the condensed interim financial information (un-audited) for the half year ended June 30, 2012.

Performance Review – Half Year - 2012

Gross Written Premium (GWP) for the 1st half year - 2012 increased by 55.24 %, from Rs. 488.308 mn of half year in 2011 to Rs. 758.036 mn in 2012. Premium growth has been achieved due to sincere and tireless efforts by the Company's management and field staff. The Company's net premium stands at 58.33 % of GWP. The underwriting result increased by 20.23 % from Rs. 125.626 mn in 2011 to Rs. 151.035 mn in 2012. The Company earned from investment income Rs. 16.772 mn in 2012 against Rs. 13.074 mn in 2011. Accordingly the Company placed Rs. 94.955 mn Profit before tax in 2012 against Rs. 75.455 mn profit before tax in 2011 and profit after tax of Rs. 86.155 mn in 2012 against Rs. 67.425 mn profit after tax in 2011. Earnings per share of the Company come to Rs. 1.51 in 2012 as against Rs. 1.18 in 2011.

Future Outlook


We foresee during second half of 2012 being another challenging period for the company and the economy with continued economic volatility, energy crisis and on going security, political concerns and mere penetration of insurance sector; however, we assume that there are many venues to be tapped for the fulfillment of further penetration of insurance in the market. We are confident for improvement of fundamentals for the global and regional markets including Pakistan's economic outlook. With difficult outlook ahead of us, the Company has drawn a suitable strategy to maintain its growth.

The Company will continue to focus in momentum of growth in premium while at the same time maintaining profitability and high ethical standard.

Acknowledgement

The achievements achieved during the first half – 2012 would have not been possible without the support of our regulatory body and dedication of our employees. We would like to extend our sincere thanks to everyone mainly our valued customers, Banks and SECP for their support and confidence in the Company.

For and on behalf of the Board



Khawas Khan Niazi

Chairman

August 27, 2012

Ilyas Saeed & Co.
(Chartered Accountants)

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New Garden Town,
Lahore – Pakistan.
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E-mail: iscoca@wol.net.pk

Sarwars
(Chartered Accountants)

Office # 12, II-Floor Lahore Centre,
77-D Main Boulevard, Gulberg-III,
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REVIEW REPORT TO THE MEMBERS ON INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED as at June 30, 2012, and the related:

- a) condensed interim profit and loss account;
- b) condensed interim statement of comprehensive income;
- c) condensed interim statement of cash flows;
- d) condensed interim statement of changes in equity;
- e) condensed interim statement of premiums ;
- f) condensed interim statement of claim;
- g) condensed interim statement of investment income;
- h) condensed interim statement of expenses and annexed notes to the accounts for the six-month period then ended (here-in-after referred to as the “interim financial information”).”

This condensed interim financial report of the company for the six months period ended - June 30, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 and the Insurance Ordinance, 2000 have been followed.

Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial report as at June 30, 2012 are the same as those applied in the preparation of the financial statements for the year ended December 31,2011. Our responsibility is to express a conclusion on this financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The figures of condensed interim financial information and profit and loss account for the quarter ended June 30, 2012 and 2011, and the corresponding figures of statement of comprehensive income, statement cash flows, statement of changes in equity, statement of premiums, statement of claims, statement of investment income, statement of expenses, have not been reviewed, as we were required to review only the cumulative figures for the half year ended June 30, 2012.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2012 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.



ILYAS SAEED & CO.
CHARTERED ACCOUNTANTS
Engagement Partner; Irfan Ilyas



SARWARS
CHARTERED ACCOUNTANTS
Rashid Sarwar

Place: Lahore
Date: August 27, 2012



Condensed Interim
Financial
Statements

The United Insurance Company of Pakistan Limited

For the six months period ended June 30,

2012

Condensed Interim Balance Sheet

As at June 30, 2012

	Note	Unaudited June 30 2012 Rupees	Audited December 31, 2011 Rupees
Share capital and reserves			
Authorized share capital 100,000,000/- (2011 : 100,000,000/-) Ordinary Shares of Rs. 10/- each		1,000,000,000	1,000,000,000
Paid-up share capital	6	570,685,200	496,248,000
Retained earnings		205,195,842	193,445,033
Reserves		75,115,917	75,115,917
		850,996,959	764,808,950
Surplus on revaluation of fixed assets		1,301,582	1,334,955
Underwriting provisions			
Provision for outstanding claims (including IBNR)		91,818,242	71,273,865
Provision for unearned premium		498,403,716	397,511,150
Commission income unearned		43,614,970	34,120,586
Total underwriting provisions		633,836,928	502,905,601
Deferred liabilities			
Staff retirement benefits		44,981,649	39,085,647
Deferred tax liabilities		5,805,161	5,005,161
		50,786,810	44,090,808
Creditors and accruals			
Amounts due to other insurers/reinsurers		60,684,030	41,184,254
Accrued expenses		8,079,383	6,836,387
Provision for taxation - net		8,876,799	7,542,602
Other creditors and accruals		30,938,391	25,847,004
		108,578,603	81,410,247
Borrowings			
Short-term finance		-	-
Other liabilities			
Liabilities against assets subject to finance lease		44,463,078	50,221,795
Total liabilities		837,665,419	678,628,451
TOTAL EQUITY AND LIABILITIES		1,689,963,960	1,444,772,356
Contingencies & Commitments			
	7		

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Condensed Interim Balance Sheet

As at June 30, 2012


	Note	Unaudited June 30 2012 Rupees	Audited December 31, 2011 Rupees
Cash & bank deposits			
Cash and other equivalents		367,133	78,068
Current & other accounts		225,300,743	115,945,896
Deposits maturing within 12 months		115,833,198	120,171,468
Deposits maturing after 12 months		31,684,621	35,323,600
		373,185,695	271,519,032
Loans			
To employees & agents		6,663,910	5,975,240
Investments	8	134,754,744	115,397,608
Investment property		21,684,340	22,240,348
Other assets			
Premiums due but unpaid		287,912,163	301,310,650
Amounts due from other insurers/reinsurers		14,400,743	8,986,564
Prepaid reinsurance premium ceded		161,678,000	123,823,869
Reinsurance recoveries against outstanding claims		40,080,314	31,028,625
Deferred commission expense		67,894,573	59,761,638
Accrued investment income		15,003,363	10,441,173
Sundry receivables		61,379,100	72,193,391
		648,348,256	607,545,910
Fixed assets - Tangible			
Owned			
Land freehold		79,028,210	79,028,210
Buildings		65,865,475	57,305,162
Furniture, fixtures, office & computer equipments		116,167,805	91,111,879
Motor vehicles		137,318,346	115,234,436
Motor Tracking Devices		8,791,699	-
Capital work in progress		41,041,822	20,077,288
		448,213,357	362,756,975
Leased			
Motor vehicles		57,113,658	59,337,243
TOTAL ASSETS		1,689,963,960	1,444,772,356



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman

Condensed Interim Profit and Loss Account (Un-audited)

For the Six Months Period Ended June 30, 2012

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	Quarter ended June 30, 2012 Aggregated	Quarter ended June 30, 2011 Aggregated
Rupees						
Revenue account						
Net premium revenue	19,102,605	13,857,205	74,653,093	111,875,481	219,488,384	164,994,331
Net claims	(8,537,597)	(3,416,959)	(17,429,699)	(47,447,964)	(76,832,219)	(63,345,799)
Management expenses	(12,737,578)	(4,123,087)	(13,798,787)	(28,689,976)	(59,349,428)	(32,886,083)
Net commission	6,711,367	(888,708)	(9,565,323)	(5,248,943)	(8,991,607)	(7,398,955)
Underwriting results	4,538,797	5,428,451	33,859,284	30,488,598	74,315,130	61,363,494
Investment income					11,346,587	8,344,255
Rental income					153,000	105,000
Other income					59,209	649,460
General & admin expenses					(36,590,612)	(32,024,145)
Finance charge on lease rentals					(1,148,241)	(1,890,799)
					(26,180,057)	(24,816,231)
Profit before tax					48,135,073	36,547,263
Provision for taxation						
- Current					(4,000,000)	(3,000,000)
- Current (Prior)					-	(1,379,832)
- Deferred					(800,000)	(650,000)
Profit after tax					43,335,073	31,517,431
Earnings per share of Rs 10/- each - basic and diluted					0.76	0.55

Condensed Interim Profit and Loss Account (Un-audited)

For the Six Months Period Ended June 30, 2012

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	Six Months ended June 30, 2012 Aggregated	Six Months ended June 30, 2011 Aggregated
Rupees						
Revenue account						
Net premium revenue	48,831,305	23,466,779	155,325,041	214,526,557	442,149,682	335,869,375
Net claims	(18,040,793)	(6,917,875)	(62,405,225)	(78,758,740)	(166,122,633)	(129,194,872)
Management expenses	(23,005,810)	(8,230,285)	(27,723,743)	(54,227,773)	(113,187,611)	(70,264,307)
Net commission	8,345,160	919,710	(18,594,200)	(2,474,665)	(11,803,995)	(10,784,057)
Underwriting results	16,129,862	9,238,329	46,601,873	79,065,379	151,035,443	125,626,138
Investment income					16,772,426	13,074,331
Rental income					306,000	210,000
Other income					1,617,562	653,197
General & admin expenses					(72,482,734)	(60,089,512)
Finance charges on lease rentals					(2,294,061)	(4,019,201)
					(56,080,807)	(50,171,186)
Profit before tax					94,954,636	75,454,952
Provision for taxation						
- Current					(8,000,000)	(6,000,000)
- Current (Prior)					-	(1,379,832)
- Deferred					(800,000)	(650,000)
Profit after tax					86,154,636	67,425,120
Profit & loss appropriation account						
Balance at commencement of the period					193,445,033	191,489,570
Incremental depreciation net of deferred tax					33,373	35,130
Profit / (loss) after tax for the year					86,154,636	67,425,120
Profit available for appropriation					279,633,042	258,949,820
Bonus shares issued - final					(74,437,200)	(96,048,000)
Transfer to general reserve					-	-
					(74,437,200)	(96,048,000)
Balance un-appropriated profit at the end of period					205,195,842	162,901,820
Earnings per share of Rs 10/- each - basic and diluted					1.51	1.18

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawass Khan Niazi
Chairman

Condensed Interim Statement Of Comprehensive Income (Un-audited)

For the Six Months Period Ended June 30, 2012

	June 30, 2012 Rupees	June 30, 2011 Rupees
Profit for the period	86,154,636	67,425,120
Other comprehensive income for the period	-	-
Total comprehensive income for the period	86,154,636	67,425,120

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman

Condensed Interim Statement Of Changes In Equity (Un-audited)

For the Six Months Period Ended June 30, 2012

DESCRIPTION	Note	SHARE CAPITAL CAPITAL	RESERVE FOR ISSUE OF BONUS SHARES	GENERAL RESERVE Reserve	RETAINED EARNINGS	TOTAL
Rupees						
Balance as at January 01, 2011		400,200,000	-	75,115,917	191,489,570	666,805,487
Transfer to reserve for issue of bonus shares		-	96,048,000	-	(96,048,000)	-
Bonus Share reserve capitalized		96,048,000	(96,048,000)	-	-	-
Incremental depreciation net of deferred tax		-	-	-	35,130	35,130
Total comprehensive income for the period		-	-	-	67,425,120	67,425,120
Transferred to general reserve		-	-	-	-	-
Balance as at June 30, 2011		<u>496,248,000</u>	<u>-</u>	<u>75,115,917</u>	<u>162,901,820</u>	<u>734,265,737</u>
Balance as at January 01, 2012		496,248,000	-	75,115,917	193,445,033	764,808,950
Transfer to reserve for issue of bonus shares		-	74,437,200	-	(74,437,200)	-
Bonus Share reserve capitalized		74,437,200	(74,437,200)	-	-	-
Incremental depreciation net of deferred tax		-	-	-	33,373	33,373
Transfer to general reserve		-	-	-	-	-
Total comprehensive income for the period		-	-	-	86,154,636	86,154,636
Balance as at June 30, 2012		<u>570,685,200</u>	<u>-</u>	<u>75,115,917</u>	<u>205,195,842</u>	<u>850,996,959</u>


The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman

Condensed Interim Cash Flow Statement (Un-audited)

For the Six Months Period Ended June 30, 2012

	June 30, 2012 Rupees	June 30, 2011 Rupees
Operating cash flows:		
a) Underwriting activities:		
Premium received	771,434,705	408,646,952
Reinsurance premium paid	(233,348,326)	(129,329,879)
Claims paid	(258,231,492)	(201,685,321)
Reinsurance and other recoveries received	98,187,368	66,079,859
Commission paid	(76,502,405)	(51,192,247)
Commission received	66,059,858	33,576,254
Net cash inflow from underwriting activities	367,599,708	126,095,618
b) Other operating activities:		
Income tax paid	(6,665,803)	(9,183,972)
General management expenses paid	(142,216,387)	(69,990,162)
Other operating receipts/(payments)	10,814,291	(24,702,476)
Loan to employees and agents	(688,670)	(1,160,910)
Net cash outflow from other operating activities	(138,756,569)	(105,037,520)
Total cash inflow from all operating activities	228,843,139	21,058,098
Investment activities:		
Investment income received	9,649,890	7,607,231
Rental income received	306,000	210,000
Sale/(Purchase) of investment and fixed deposits	(11,379,887)	(12,158,142)
Proceeds from sale of fixed assets	4,932,000	1,041,000
Fixed capital expenditure	(101,061,452)	(14,778,483)
Net cash outflow from investing activities	(97,553,449)	(18,078,394)
Financing activities:		
Lease liability paid	(21,645,778)	(20,686,545)
Net cash outflow from financing activities	(21,645,778)	(20,686,545)
Net cash inflow/(outflow) from all activities	109,643,912	(17,706,841)
Cash and cash equivalents at the beginning of the period	116,023,964	74,504,771
Cash and cash equivalents at the end of the period	225,667,876	56,797,930

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Condensed Interim Cash Flow Statement (Un-audited)

For the Six Months Period Ended June 30, 2012

	June 30, 2012 Rupees	June 30, 2011 Rupees
Reconciliation of profit and loss account		
Net cash inflow from operating activities	228,843,139	21,058,098
Depreciation	(29,110,512)	(25,638,827)
Lease finance charges	(2,294,061)	(4,019,201)
Increase/(Decrease) in Assets other than cash	47,743,118	73,959,320
(Increase)/Decrease in Liabilities	(173,239,128)	(11,885,622)
Others		
Dividend income	158,528	153,591
Other investment income	14,053,552	13,797,761
Profit after Taxation	86,154,636	67,425,120

Definition of cash

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.

Cash for the purpose of cash flows comprises of:

Cash and other equivalents - cash in hand	367,133	522,686
Current and other accounts	225,300,743	56,275,244
	225,667,876	56,797,930



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman

Condensed Interim Statement Of Claims (Un-audited)

For the Six Months Period Ended June 30, 2012

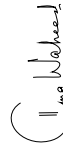
Class	Quarter ended June 30, 2012				Quarter Ended June 30, 2011					
	Claims paid	Outstanding claims Opening	Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims Opening	Reinsurance and other recoveries revenue	Net claims expenses (Un-audited) 2012	2011		
Rupees										
1. Fire and property damage	51,812,620	9,682,412	8,283,595	50,413,803	42,047,155	6,208,179	6,037,230	41,876,206	8,537,597	10,026,028
2. Marine, aviation and transport	11,462,223	5,197,462	8,569,724	14,834,485	7,580,233	3,599,127	7,436,420	11,417,526	3,416,959	2,658,984
3. Motor	28,225,962	31,289,014	32,079,420	29,016,368	11,169,769	7,262,520	7,679,420	11,586,669	17,429,699	24,757,414
4. Miscellaneous	50,780,886	37,513,067	42,885,503	56,153,322	10,227,789	20,449,675	18,927,244	8,705,358	47,447,964	25,903,373
GRAND TOTAL	142,281,691	83,681,955	91,818,242	150,417,978	71,024,946	37,519,501	40,080,314	73,585,759	76,832,219	63,345,799

Class	Six Months ended June 30, 2012								Six Months Ended June 30, 2011		
	Outstanding claims				Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		Net claims expenses (Un-audited)
	Claims paid	Opening	Closing	Claims expense	Reinsurance and other recoveries received	Opening	Closing	Opening	Closing	2012	2011
Direct & facultative											
Rupees											
1. Fire and property damage	83,474,901	15,185,770	8,283,595	76,572,726	57,951,371	5,456,668	6,037,230	58,531,933		18,040,793	26,955,328
2. Marine, aviation and transport	22,920,777	4,625,366	8,569,724	26,865,135	16,482,730	3,971,890	7,436,420	19,947,260		6,917,875	7,559,090
3. Motor	65,078,354	15,437,413	32,079,420	81,720,361	16,673,129	5,037,413	7,679,420	19,315,136		62,405,225	55,689,821
4. Miscellaneous	86,757,460	36,025,316	42,885,503	93,617,647	12,494,317	16,562,654	18,927,244	14,858,907		78,758,740	38,990,633
GRAND TOTAL	258,231,492	71,273,865	91,818,242	278,775,869	103,601,547	31,028,625	40,080,314	112,653,236		166,122,633	129,194,872

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman

Condensed Interim Statement Of Expenses (Un-audited)

For the Six Months Period Ended June 30, 2012

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Quarter ended June 30, 2012								Quarter Ended June 30, 2011	
	Commissions paid or payable	Deferred commission	Net commission expense	Other management expenses	Underwriting expenses	Commission on reinsurance	Unearned commission	Net commission on reinsurance	Net Underwriting expenses (Un-audited)	
	Opening	Closing					Opening	Closing	2012	2011
Rupees										
Direct & facultative										
1. Fire and property damage	6,801,395	26,919,829	7,403,558	12,737,578	20,141,136	16,167,161	20,314,089	22,366,327	14,114,923	6,026,213
2. Marine, aviation and transport	4,659,976	6,486,796	3,840,218	4,123,087	7,963,305	3,335,376	4,547,906	4,931,772	2,951,510	5,011,795
3. Motor	10,479,402	11,932,932	9,565,323	13,798,787	23,364,110	-	-	-	-	23,364,110
4. Miscellaneous	22,554,396	15,831,770	16,962,824	28,689,976	45,652,800	17,370,383	10,660,369	16,316,871	11,713,881	33,938,919
GRAND TOTAL	44,495,169	61,171,327	37,771,923	59,349,438	97,121,351	36,872,920	35,522,364	43,614,970	28,780,314	68,341,037
										40,285,038

Condensed Interim Statement of Investment Income (Un-audited)

For the Six Months Period Ended June 30, 2012

	Quarter Ended		Six Months Ended	
	June 30, 2012 Rupees	June 30, 2011 Rupees	June 30, 2012 Rupees	June 30, 2011 Rupees
Income from non-trading investments:				
Available for sale				
Dividend income	158,528	153,591	158,528	153,591
Gain / (loss) on sale of 'available for sale' investments	453,737	32,959	1,085,552	193,530
	612,265	186,550	1,244,080	347,121
Held to maturity				
Return on Government securities	3,241,568	2,702,261	7,502,475	5,519,824
Return on F.D.R-	4,932,408	6,334,285	5,465,525	8,086,227
	8,786,241	9,223,096	14,212,080	13,953,172
(Provision) / Reversal for impairment in value of investment	2,560,346	(878,841)	2,560,346	(878,841)
Net Investment Income	11,346,587	8,344,255	16,772,426	13,074,331

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman

Condensed Interim Notes to the Financial Statements

For the Six Months Period Ended June 30, 2012

1 STATUS AND NATURE OF BUSINESS

The company was incorporated on October 20, 1959 as a Public Limited Company and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. The Registered Office of the Company is situated at 204, 2nd floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi and Head Office is in Lahore. The principal activity of the Company is General Insurance Business and qualifies as a domestic insurance company under Insurance Ordinance, 2000 and undertakes Fire, Marine, Motor and Miscellaneous General insurance. It has not transacted any business outside Pakistan.

2 BASIS OF PREPARATION

This condensed interim financial information is unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Karachi Stock Exchange. These interim condensed financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan and in the format prescribed by the Securities & Exchange Commission of Pakistan its circular No. 7 of 2003.

This condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2011.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial report as at June 30, 2012 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2011.

4 ESTIMATES

The preparation of condensed interim financial statements 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 expenses.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended December 31, 2011.

5 PREMIUM DEFICIENCY RESERVE

No provision for premium deficiency has been made as the unearned premium reserve for each class of business as at the end of six months is adequate to meet the expected future liability, after re-insurance, from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

6 PAID-UP-SHARE CAPITAL

Un-audited Audited

June 30, 2012	December 31, 2011
------------------	-------------------------

Number of shares

Un-audited Audited

June 30, 2012	December 31, 2011
------------------	-------------------------

(Rupees)

Issued subscribed and paid up share capital

	Un-audited June 30, 2012	Audited December 31, 2011		Un-audited June 30, 2012	Audited December 31, 2011
Fully Paid Shares					
10,963,475	10,963,475	Ordinary shares of Rs. 10/- each fully paid in cash	109,634,750	109,634,750	
Bonus Shares					
46,105,045	38,661,325	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	461,050,450	386,613,250	
57,068,520	49,624,800		570,685,200	496,248,000	

Condensed Interim Notes to the Financial Statements

For the Six Months Period Ended June 30, 2012

7 CONTINGENCIES AND COMMITMENTS

7.1 CONTINGENCIES

There is no change in the status of contingent liabilities since the end of last annual reporting period ended December 31, 2011.

7.2 COMMITMENTS

Commitments for rentals of assets under operating lease agreements as at June 30, 2012 amounting to Rs. 1,530,294/- (December 2011: Rs. 2,445,248/-)

8 INVESTMENTS

Note	Un-audited June 30, 2012	Audited December 31, 2011
	(Rupees)	

Available for sale

Marketable securities
Less: Provision for impairment in value in investment

8.1	34,383,467	17,591,113
	(2,051,453)	(4,611,799)

32,332,014	12,979,314
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Held to maturity

102,422,730	102,418,294
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134,754,744	115,397,608
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8.1 Available for sale

- Listed shares
- Unlisted / delisted shares
- Mutual fund certificates

33,877,334	17,084,980
6,133	6,133
500,000	500,000

34,383,467	17,591,113
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Aggregate market value of investment is Rs 41,999,603/- (December 31, 2011: Rs. 12,780,490/-)

9 ADDITIONS/ DELETIONS (TRANSFERS) IN FIXED ASSETS

Following are the major additions and deletions at cost in fixed assets:

	ADDITIONS January-June 2012	DELETIONS January-June 2012
	(Rupees)	
Tangible Owned Assets		
Building	10,048,000	-
Furniture, fixture, office and computer equipments	33,126,068	5,114,911
Motor vehicles	47,347,850	3,903,880
Motor Tracking Devices	9,268,000	-
Leased Assets		
Leased vehicles	13,593,000	19,693,000
Capital Work in Progress	20,964,534	-
	134,347,452	28,711,791

- Additions includes transfer of leased assets to owned assets.
- Deletion in leased assets are on account of lease contract maturity during the relevant period.

Condensed Interim Notes to the Financial Statements

For the Six Months Period Ended June 30, 2012

10 SEGMENT REPORTING

The company has four primary business segments for reporting purpose namely fire, marine, motor and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of gross premium written by the segments.

	FIRE		MARINE		MOTOR		MISCELLANEOUS		TOTAL	
	Jun 30, 2012	Dec 31, 2011	Jun 30, 2012	Dec 31, 2011	Jun 30, 2012	Dec 31, 2011	Jun 30, 2012	Dec 31, 2011	Jun 30, 2012	Dec 31, 2011
									Un-audited	Audited

R u p e e s

OTHER INFORMATION

Segment assets	168,158,012	185,432,914	53,893,266	58,116,624	102,742,599	88,155,351	247,171,915	193,206,457	571,965,792	524,911,346
Unallocated assets									1,117,998,168	919,861,010
TOTAL ASSETS									1,689,963,960	1,444,772,356
Segment liabilities	137,148,238	117,821,043	60,958,695	50,926,833	156,426,168	117,079,200	339,987,856	258,262,779	694,520,957	544,089,855
Unallocated liabilities									143,144,462	134,538,596
TOTAL LIABILITIES									837,665,419	678,628,451

Condensed Interim Notes to the Financial Statements

For the Six Months Period Ended June 30, 2012

II RELATED PARTY TRANSACTIONS

Related parties comprise associated undertakings and the company in the normal course of business carries out transactions with these related parties. All transactions with related parties have been carried out on commercial terms and conditions.

<u>Transactions</u>	Un-audited			
	Three Months Period Ended June 30,2012	Three Months Period Ended June 30,2011	Six Months Period Ended June 30,2012	Six Months Period Ended June 30,2011
	(Rupees)			
Premium Paid	-	3,787,710	-	3,787,710
Premium Ceded	-	13,301,514	-	13,301,514
Commission Income	-	2,992,838	-	2,992,838
Purchase of Track Systems	-	15,759,555	-	23,865,493

II.1 Due to change in director's shareholding there is no related party during the period.

12 TAXATION

Provision in respect of taxation, for the period under review, is estimated only and final liability will be determined on the basis of annual results.

13 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2011.

14 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue in accordance with a resolution of board of directors of the company on August 27, 2012.

15 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged, wherever necessary to conform with the current classification, however, there are no material re-classification to report.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman



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