

Quarterly Report | for the 3rd quarter ended September 30, 2013

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responsible
growth



The UNITED INSURANCE
COMPANY OF PAKISTAN LTD.
A Member Company of United International Group

53 Years of
Excellence



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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

Abdul Mannan Munir

AUDITORS

M/S. Avais Hyder Liaquat Nauman

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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Abdullah Haroon Road, Saddar Karachi.

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HEAD OFFICE

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T: (92-42) 35776475-85

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Audit Committee

Ch. Maqsood Ahmed

Chairman

Ch. Aziz-ur-Rehman

Member

Ch. Najeeb-ur-Rehman

Member

Human Resource & Remuneration Committee

Ch. Najeeb-ur-Rehman

Chairman

Ch. Habib-ur-Rehman

Member

Ch. Maqsood Ahmed

Member

Mohammed Rahat Sadiq

Member

Key Management Personnel

CHIEF EXECUTIVE OFFICER

Mohammed Rahat Sadiq

EXECUTIVE DIRECTOR UNDERWRITING

S.M. Qaiser Imam

GENERAL MANAGER FINANCE

Tajammal Iqbal

GENERAL MANAGER CLAIMS

Muhammad Yasin Khan

GENERAL MANAGER ADMINISTRATION

Jamil Ahmed

GENERAL MANAGER (I.T)

Munir Ahmed

GENERAL MANAGER (HR)

Wakeel Ahmad Mirza

A.G.M UNDERWRITING

Manzoor Hussain Mirza

A.G.M RE-INSURANCE

Naeem Ahmed Babar

CHIEF MANAGER CLAIMS

Fayyaz-ud-Din Mirza

CHIEF MANAGER HEALTH / TRAVEL

Kashif Shafique

MANAGER AGRICULTURAL

Zulfiqar Ahmad

MANAGER CO-ORDINATION

Mrs.Tahira Ashar

EXECUTIVE DIRECTORS

Qamar-uz-zaman

Mian M.A Zahid

Zarar Ahmed Butt

Mian Kashif Rasheed

Ch. Aslam Feroz

Shakeel Ahmed

Muhammad Siddique Sheikh

Rizwan-ul-Haq

JOINT DIRECTORS

Aslam Rajpoot

Muhammed Naseem Butt

Salman-ul-Haq

Khurram Mansoor

Malik Zafar Yousaf

Mian Muhammed Rafi

Muhammad Mazhar Shah

Riaz Hussain Shah

Corporate Information

BANKERS

State Bank of Pakistan
APNA Micro Finance Bank Limited
National Bank of Pakistan
Bank Al-Habib Limited
Soneri Bank Limited
Bank Al-Falah Limited
KASB Bank Limited
Meezan Bank Limited
NIB Bank Limited
SME Bank Limited
The Bank of Khyber
Escorts Investment Bank Limited
The First Micro Finance Bank Limited
Jahangir Siddiqui Investment Bank Limited
Security Investment Bank Limited
Industrial Development Bank of Pakistan
Zarai Tarqati Bank Limited
Al Baraka Islamic Bank Limited
American Express Bank Limited
SME Leasing
The Bank of Tokyo Mitsubishi Limited
Orix Leasing Company Limited
First Women Bank Limited
Rupali Bank Limited
MCB Bank Limited
United Bank Limited
Faysal Bank Limited
The Bank of Punjab
Askari Bank Limited
Samba Bank Limited
First Fidelity Leasing Modarba
Silk Bank Limited
Allied Bank Limited
Khushhali Bank Limited
Atlas Investment Bank Limited
First International Investment Bank Limited
Orix Investment Bank of Pakistan Limited
Summit Bank Limited
The Punjab Provincial Cooperative Bank Limited
National Investment Trust Limited
Habib Metropolitan Bank Limited
Citibank N.A.
Oman International Bank S.A.O.G
Standard Chartered Bank Limited
The Hong Kong & Shanghai Banking Corp. Limited
Trust Investment Bank Limited
Karakuram Co-Operative Bank Limited

Directors' Review to the Members

Dear Fellow Members!

The Directors of "The United Insurance Company of Pakistan Limited" take pleasure in presenting the Third Quarter Report of your Company, together with the condensed interim financial information (un-audited) for the nine months period ended September 30, 2013.

Performance Review – nine months - 2013

During the third quarter of the financial year - 2013, the Company achieved Gross Written Premium (GWP) of Rs. 550.307mn; 43.18% higher than the corresponding period 2012 (Rs. 384.349mn). This reflects a growth in existing as well as new clients. The underwriting result of Rs. 143.598mn for the third quarter was significantly higher by 45.89% over the same period in 2012.

Marine category experienced an underwriting loss of Rs.8.721 million mainly due to higher claims during the period. The management is fully conscious of the challenges arising out of Marine Portfolio and a number of steps have been taken to improve the sustainability of this business.

Premium growth has been achieved due to sincere and tireless efforts by the Company's management and field staff irrespective of economic & political conditions prevailed in the country. The Company placed GWP of amounting to Rs. 1,356.016 mn during nine months of 2013 against amounting to Rs. 1,142.386 mn for same period of 2012. The Company's net premium stands at 61.85% of GWP. According to the nine-month figure for the year 2013 profit before tax stood at Rs. 216.692mn as against Rs. 163.310mn for the corresponding period. Profit after tax was Rs.192.827mn in 2013 as against Rs. 148.410mn during 2012 for the same period. Net claims expenses have increased from Rs. 223.740mn in 2012 to Rs. 231.884mn in 2013. Earnings per share of the Company come to Rs. 2.75 in 2013 as against Rs. 2.11 in 2012.

Future Outlook

Despite the challenges faced during the first nine months of 2013, we are confident of improvement of fundamentals for the global and regional markets as well as Pakistan's economic outlook.

The Company will continue to focus in momentum of growth of premium for the remaining period of 2013 and to maintain its profitability with high ethical standard.

Acknowledgement

We cherish the support of our customers, business allies, SECP & other regulatory bodies and employees with their reposed dedication and sincere efforts, which resulted in achieving these results.

For and on behalf of the Board



Khawas Khan Niazi

Chairman

October 30, 2013

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Financial Statements

For the Nine Months Period Ended September 30, 2013

Condensed Interim Balance Sheet (Un-Audited)

AS AT SEPTEMBER 30, 2013

		(Un-audited) September 30, 2013 Rupees	(Audited) December 31, 2012 Rupees
Share capital and reserves			
Authorized share capital 100,000,000/- (2012 : 100,000,000/-) Ordinary Shares of Rs. 10/- each		1,000,000,000	1,000,000,000
Paid-up share capital	5	701,942,796	570,685,200
Retained earnings		343,928,180	280,845,057
Reserves		75,115,917	75,115,917
		1,120,986,893	926,646,174
Surplus on revaluation of fixed assets		62,485,361	63,998,922
Underwriting provisions			
Provision for outstanding claims (including IBNR)		835,436,391	151,446,927
Provision for unearned premium		892,269,558	670,988,876
Commission income unearned		8,219,610	64,070,387
Total underwriting provisions		1,735,925,559	886,506,190
Deferred liabilities			
Staff retirement benefits	6	41,505,390	32,938,367
Deferred tax liabilities		38,291,001	33,648,230
		79,796,391	66,586,597
Creditors and accruals			
Amounts due to other insurers/reinsurers		27,332,072	87,244,326
Accrued expenses		2,094,553	10,290,631
Provision for taxation - net		8,817,558	7,745,574
Other creditors and accruals		33,296,283	25,364,000
		71,540,466	130,644,531
Borrowings			
Short-term finance		2,666,744	3,196,613
Other liabilities			
Liabilities against assets subject to finance lease		20,332,717	28,432,558
Total liabilities		1,910,261,877	1,115,366,489
TOTAL EQUITY AND LIABILITIES		3,093,734,131	2,106,011,585
Contingencies & Commitments			
	7		

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Condensed Interim Balance Sheet (Un-Audited)

AS AT SEPTEMBER 30, 2013

		(Unaudited) September 30, 2013 Rupees	(Audited) December 31, 2012 Rupees
Cash & bank deposits			
Cash and other equivalents		198,828	76,370
Current and other accounts		282,380,714	150,129,767
Deposits maturing within 12 months		168,595,158	215,202,821
Deposits maturing after 12 months		15,000,000	19,811,050
		466,174,700	385,220,008
Loans			
To employees & agents		9,260,600	5,906,860
Investments	8	380,241,831	187,752,586
Investment property		88,416,478	21,128,329
Other assets			
Premiums due but unpaid		430,197,955	370,172,611
Amounts due from other insurers/reinsurers		135,934,212	32,739,416
Prepaid reinsurance premium ceded		100,720,461	260,884,307
Reinsurance recoveries against outstanding claims		747,460,552	113,422,995
Deferred commission expense		60,621,017	78,657,848
Accrued investment income		14,961,631	20,028,749
Sundry receivables		104,759,761	49,189,330
		1,594,655,589	925,095,256
Fixed assets - Tangible & Intangibles	9		
Owned			
Land freehold		85,349,766	102,665,500
Buildings		159,184,583	161,398,157
Furniture, fixtures, office & computer equipments		110,080,980	116,590,170
Motor vehicles		150,494,061	151,570,810
Motor Tracking Devices		24,387,053	12,759,507
Capital work in progress		2,526,600	2,406,600
		532,023,043	547,390,744
Leased			
Motor vehicles		22,961,890	33,517,802
TOTAL ASSETS		3,093,734,131	2,106,011,585


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 Nine Months Period Ended September 30, 2013

Quarter ended September 30, 2013						
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	Quarter ended September 30, 2013 Aggregate	Quarter ended September 30, 2012 Aggregate
-----Rupees-----						
Revenue account						
Net premium revenue	30,403,663	26,407,648	86,779,833	196,561,318	340,152,462	207,873,701
Net claims	(6,531,622)	(28,981,877)	(34,071,793)	(22,092,158)	(91,677,450)	(57,617,756)
Management expenses	(10,514,695)	(3,365,661)	(14,520,208)	(54,998,075)	(83,398,639)	(44,566,132)
Net commission	(5,802,522)	(2,780,971)	(9,284,116)	(3,610,504)	(21,478,113)	(7,261,038)
Underwriting results	<u>7,554,824</u>	<u>(8,720,861)</u>	<u>28,903,716</u>	<u>115,860,581</u>	<u>143,598,260</u>	<u>98,428,775</u>
Investment income					4,896,456	8,571,036
Rental income					348,000	153,000
Other income					1,031,278	3,749,460
General & admin expenses					(45,734,877)	(41,385,152)
Finance charges on lease rentals					(701,942)	(1,161,701)
					<u>(40,161,085)</u>	<u>(30,073,357)</u>
Profit before tax					<u>103,437,175</u>	<u>68,355,418</u>
Provision for taxation						
- Current					(6,000,000)	(4,000,000)
- Current (Prior)					(1,798,073)	-
- Deferred					(200,000)	(100,000)
					<u>(7,998,073)</u>	<u>(4,100,000)</u>
Profit after tax					<u>95,439,102</u>	<u>64,255,418</u>
Earnings per share of Rs 10/- each - basic and diluted					<u>1.36</u>	<u>0.92</u>

Condensed Interim Profit and Loss Account (Un-Audited)

For the Nine Months Period Ended September 30, 2013

Nine Months ended September 30, 2013						
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	Nine Months ended September 30, 2013 Aggregated	Nine Months ended September 30, 2012 Aggregated
-----Rupees-----						
Revenue account						
Net premium revenue	92,766,856	69,903,809	259,086,626	416,897,489	838,654,780	650,024,382
Net claims	(52,837,640)	(50,746,776)	(85,951,236)	(42,348,035)	(231,883,687)	(223,740,389)
Management expenses	(25,036,988)	(12,931,364)	(77,163,260)	(94,115,169)	(209,246,781)	(157,753,742)
Net commission	(3,694,711)	(5,960,748)	(28,550,347)	(8,342,448)	(46,548,254)	(19,065,035)
Underwriting results	11,197,517	264,921	67,421,783	272,091,837	350,976,058	249,465,216
Investment income					24,564,775	25,343,462
Rental income					749,000	459,000
Other income					5,248,768	5,366,025
General & admin expenses					(162,789,959)	(113,867,886)
Finance charges on lease rentals					(2,056,372)	(3,455,762)
					(134,283,788)	(86,155,161)
Profit before tax					216,692,270	163,310,055
Provision for taxation						
- Current					(17,424,268)	(14,000,000)
- Current (Prior)					(1,798,073)	-
- Deferred					(4,642,771)	(900,000)
					(23,865,112)	(14,900,000)
Profit after tax					192,827,158	148,410,055
Profit & loss appropriation account						
Balance at commencement of the period					280,845,057	193,445,033
Incremental depreciation net of deferred tax					1,513,561	50,059
Profit after tax for the period					192,827,158	148,410,055
Profit available for appropriation					475,185,776	341,905,147
Bonus shares issued - Final					(131,257,596)	(74,437,200)
Transfer to general reserve					-	-
					(131,257,596)	(74,437,200)
Balance un-appropriated profit at the end of period					343,928,180	267,467,947
Earnings per share of Rs 10/- each - basic and diluted					2.75	2.11

The annexed notes 1 to 14 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 Comprehensive Income (Un-Audited) For the Nine Months Period Ended September 30, 2013

	September 30, 2013 Rupees	September 30, 2012 Rupees
Profit for the period	192,827,158	148,410,055
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>192,827,158</u>	<u>148,410,055</u>

The annexed notes 1 to 14 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 Nine Months Period Ended September 30, 2013

Description	Share capital	Reserve for issue of bonus shares	General reserve	Retained earnings	Total
-----Rupees-----					
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	-	-	-	50,059	50,059
Transfer to general reserve	-	-	-	-	-
Total comprehensive income for the period	-	-	-	148,410,055	148,410,055
Balance as at September 30, 2012	570,685,200	-	75,115,917	267,467,947	913,269,064
Balance as at January 01, 2013	570,685,200	-	75,115,917	280,845,057	926,646,174
Transfer to reserve for issue of bonus shares	-	131,257,596	-	(131,257,596)	-
Bonus Share reserve capitalized	131,257,596	(131,257,596)	-	-	-
Incremental depreciation net of deferred tax	-	-	-	1,513,561	1,513,561
Transfer to general reserve	-	-	-	-	-
Total comprehensive income for the period	-	-	-	192,827,158	192,827,158
Balance as at September 30, 2013	701,942,796	-	75,115,917	343,928,180	1,120,986,893

The annexed notes 1 to 14 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 Nine Months Period Ended September 30, 2013

	September 30, 2013 Rupees	September 30, 2012 Rupees
Operating cash flows:		
a) Underwriting activities:		
Premium received	1,295,990,794	1,158,920,813
Reinsurance premium paid	(195,829,085)	(362,802,375)
Claims paid	(335,745,171)	(365,474,723)
Reinsurance and other recoveries received	50,618,595	162,389,049
Commission paid	(91,081,060)	(107,675,495)
Commission received	6,718,861	96,587,989
Net cash inflow from underwriting activities	730,672,934	581,945,258
b) Other operating activities:		
Income tax paid	(18,150,357)	(13,890,669)
General and management expenses paid	(308,532,059)	(217,291,994)
Other operating receipts/(payments)	(55,570,431)	(7,432,637)
Loan to employees and agents	(3,353,740)	33,540
Net cash outflow from other operating activities	(385,606,587)	(238,581,760)
Total cash inflow from all operating activities	345,066,347	343,363,498
Investment activities:		
Investment income received	39,073,452	27,398,769
Rental income received	749,000	459,000
Sale/(Purchase) of investment and fixed deposits	(148,505,294)	(131,377,987)
Proceeds from disposal of fixed assets	3,321,000	13,115,000
Fixed capital expenditure	(90,492,018)	(177,948,235)
Net cash outflow from investing activities	(195,853,860)	(268,353,453)
Financing activities:		
Lease liability paid	(16,309,213)	(32,947,187)
Short term finance	(529,869)	-
Net cash outflow from financing activities	(16,839,082)	(32,947,187)
Net cash inflow from all activities	132,373,405	42,062,858
Cash and cash equivalents at the beginning of the period	150,206,137	116,023,964
Cash and cash equivalents at the end of the period	282,579,542	158,086,822

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Condensed Interim Cash Flow Statement (Un-Audited)

For the Nine Months Period Ended September 30, 2013

	September 30, 2013 Rupees	September 30, 2012 Rupees
Reconciliation of profit and loss account		
Net cash inflow from operating activities	345,066,347	343,363,498
Depreciation	(50,483,007)	(45,590,605)
Lease finance charges	(2,056,372)	(3,455,762)
Increase / (Decrease) in Assets other than cash	661,189,244	99,562,191
(Increase) / Decrease in Liabilities	(794,895,388)	(267,684,930)
Others		
Dividend income	9,490,829	158,528
Other investment income	24,515,505	22,057,135
Profit after Taxation	192,827,158	148,410,055

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	198,828	279,977
Current & other accounts	282,380,714	157,806,845
	282,579,542	158,086,822


Mohammed Rahat Sadiq
 Chief Executive Officer


Huma Waheed
 Director


Ch. Habib-ur-Rehman
 Director/President


Khawas Khan Niazi
 Chairman

Condensed Interim Statement of Premiums (Un-Audited)

For the Nine Months Period Ended September 30, 2013

Business Underwritten Inside Pakistan

Class	Quarter ended September 30, 2013										Quarter Ended September 30, 2012
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue		
	Opening	Closing			Opening	Closing		2013	2012		
Direct & facultative											
1. Fire and property damage	69,381,332	128,268,914	130,974,469	66,675,777	25,457,985	59,753,918	48,939,790	36,272,113	30,403,663	25,860,122	
2. Marine, aviation and transport	22,208,350	75,929,382	64,714,671	33,423,061	4,906,275	11,917,403	9,808,265	7,015,413	26,407,648	15,307,871	
3. Motor	95,811,754	180,551,731	186,354,163	90,009,322	1,500,000	9,166,849	7,437,359	3,229,490	86,779,833	92,136,971	
4. Miscellaneous	362,905,423	374,319,914	510,226,255	226,999,082	1,594,126	63,378,685	34,535,047	30,437,764	196,561,318	74,568,737	
GRAND TOTAL	550,306,859	759,069,941	892,269,558	417,107,242	33,458,386	144,216,855	100,720,461	76,954,780	340,152,462	207,873,701	

		Nine Months ended September 30, 2013				Nine Months Ended September 30, 2012			
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue
		Opening	Closing			Opening	Closing		
Direct & facultative									
1. Fire and property damage	201,526,512	143,144,369	130,974,469	213,696,412	71,505,097	98,364,248	48,939,790	120,929,555	74,691,427
2. Marine, aviation and transport	104,086,508	55,025,461	64,714,671	94,397,298	14,718,825	19,582,929	9,808,265	24,493,489	38,774,649
3. Motor	292,855,853	164,897,581	186,354,163	271,399,271	11,558,459	8,191,546	7,437,359	12,312,646	247,462,012
4. Miscellaneous	757,547,265	307,921,465	510,226,255	555,242,475	38,134,449	134,745,584	34,535,047	138,344,986	289,096,294
GRAND TOTAL	1,356,016,138	670,988,876	892,267,558	1,134,735,456	135,916,830	260,884,307	100,720,461	296,080,676	650,024,382

The annexed notes 1 to 14 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 Claims (Un-Audited)

For the Nine Months Period Ended September 30, 2013

Business Underwritten Inside Pakistan

Class	Quarter ended September 30, 2013										Quarter Ended September 30, 2012			
	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	Opening	Closing	Opening	Closing	Opening	Closing	2013	2012		
-----Rupees-----														
Direct & facultative														
1. Fire and property damage	19,769,293	48,024,870	42,892,702	14,637,125	12,160,954	34,728,006	30,672,555	8,105,503			6,531,622	15,502,640		
2. Marine, aviation and transport	7,671,521	269,638,303	734,455,983	472,489,201	497,083	246,394,171	689,404,412	443,507,324			28,981,877	3,424,652		
3. Motor	33,294,320	31,539,408	32,443,571	34,198,483	500,000	5,810,500	5,437,190	126,690			34,071,793	33,655,677		
4. Miscellaneous	49,741,771	17,851,212	25,644,135	57,534,694	30,226,945	16,730,804	21,946,395	35,442,536			22,092,158	5,034,787		
GRAND TOTAL	110,476,905	367,053,793	835,436,391	578,859,503	43,384,982	303,663,481	747,460,552	487,182,053			91,677,450	57,617,756		

Nine Months ended September 30, 2013										Nine Months Ended September 30, 2012
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		2013	2012
-----Rupees-----										
Direct & facultative										
1. Fire and property damage	126,110,091	64,668,980	42,892,702	104,333,813	79,332,927	58,509,309	30,672,555	51,496,173	52,837,640	33,543,433
2. Marine, aviation and transport	14,870,487	23,410,171	734,455,983	725,916,299	4,636,759	18,871,648	689,404,412	675,169,523	50,746,776	10,342,527
3. Motor	94,558,272	26,387,018	32,443,571	100,614,825	14,990,819	5,764,420	5,437,190	14,663,589	85,951,236	96,060,902
4. Miscellaneous	100,206,321	36,980,758	25,644,135	88,869,698	54,852,886	30,277,618	21,946,395	46,521,663	42,348,035	83,793,527
GRAND TOTAL	335,745,171	151,446,927	835,436,391	1,019,734,635	153,813,391	113,422,995	747,460,552	787,850,948	231,883,687	223,740,389

The annexed notes 1 to 14 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 Nine Months Period Ended September 30, 2013

Business Underwritten Inside Pakistan

Class	Quarter ended September 30, 2013										Quarter Ended September 30, 2012	
	Commissions paid or payable	Deferred commission Opening	Closing	Net commission expense	Other management expenses	Underwriting expenses	Commission on reinsurance	Unearned commission Opening	Closing	Net commission received from re-insurers	Net Underwriting Expenses 2013	2012
-----Rupees-----												
Direct & facultative												
1. Fire and property damage	8,519,701	23,843,295	21,360,911	11,002,085	10,514,695	21,516,779	264,622	8,128,965	3,194,025	5,199,562	16,317,217	7,266,193
2. Marine, aviation and transport	2,762,701	7,933,779	7,002,576	3,693,904	3,365,661	7,059,564	-	1,235,283	322,350	912,933	6,146,631	4,270,451
3. Motor	7,499,219	18,601,950	16,817,053	9,284,116	14,520,208	23,804,323	-	-	-	-	23,804,323	17,617,022
4. Miscellaneous	5,633,344	19,398,076	15,440,477	9,590,944	54,998,074	64,589,021	(1,716,989)	12,400,665	4,703,235	5,980,441	58,608,580	22,673,506
GRAND TOTAL	24,414,965	69,777,100	60,621,017	33,571,049	83,398,638	116,969,687	(1,452,367)	21,764,913	8,219,610	12,092,936	104,876,751	51,827,172

Class	Nine Months ended September 30, 2013										Nine Months Ended September 30, 2012		
	Commissions paid or payable	Deferred commission	Net commission expense	Other management expenses	Underwriting expenses	Commission on re-insurance	Unearned commission	Net commission received from re-insurers	Net Underwriting Expenses	2013	2012	2013	2012
-----Rupees-----													
Direct & facultative													
1. Fire and property damage	32,712,069	19,016,893	21,360,911	30,368,051	25,036,988	55,405,039	3,021,070	26,846,294	3,194,025	26,673,339	28,731,699	21,866,391	
2. Marine, aviation and transport	11,115,030	6,964,377	7,002,576	11,076,831	12,931,364	24,008,195	-	5,438,433	322,350	5,116,083	18,892,112	11,618,255	
3. Motor	25,895,175	19,472,225	16,817,053	28,550,347	77,163,260	105,713,606	-	-	-	-	105,713,606	64,033,703	
4. Miscellaneous	21,358,786	33,204,353	15,440,477	39,122,663	94,115,169	133,237,833	3,697,791	31,785,660	4,703,235	30,780,216	102,457,618	79,300,429	
GRAND TOTAL	91,081,060	78,657,848	60,621,017	109,117,892	209,246,781	318,364,673	6,718,861	64,070,387	8,219,610	62,569,638	255,795,035	176,818,778	

The annexed notes 1 to 14 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 Investment Income (Un-Audited)

For the Nine Months Period Ended September 30, 2013

	Quarter Ended		Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Income from non-trading investments:				
Available for sale				
Dividend income	-	-	9,490,829	158,528
Gain / (loss) on sale of 'available for sale' investments	466,734	1,480,049	(549,680)	2,565,601
	466,734	1,480,049	8,941,149	2,724,129
Held to maturity				
Return on Government securities	6,701,528	4,769,512	16,636,184	12,271,987
Return on F.D.R	1,186,038	1,754,022	8,429,001	7,219,547
	8,354,300	8,003,583	34,006,334	22,215,663
(Provision)/reversal for impairment in value of investment	(2,669,776)	567,453	(7,434,762)	3,127,799
Investment related expenses	(788,068)	-	(2,006,797)	-
Net Investment Income	4,896,456	8,571,036	24,564,775	25,343,462

The annexed notes 1 to 14 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

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Nine Months Period Ended September 30, 2013

1 STATUS AND NATURE OF BUSINESS

The United Insurance Company of Pakistan Limited (the Company) was incorporated on October 20, 1959 as a Public Limited Company under Defunct Companies Act, 1913, now the Companies Ordinance, 1984, 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 located 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 insurance business outside Pakistan.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the format of financial statements prescribed under Securities and Exchange Commission (Insurance) Rules, 2002, [SEC (Insurance) Rules, 2002, vide S.R.O. 938 dated December 12, 2002.

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain financial instruments are carried at fair value and staff retirement benefits are stated at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Company's functional and presentation currency. All financial information presented in Pakistan rupees are rounded off to nearest rupees unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of the condensed interim financial statement 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. Actual results may differ from these estimates.

The significant judgments made by management and the key sources of estimating uncertainty in preparation of these condensed interim financial statements were same as those applied to the annual financial statements for the year ended December 31, 2012.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial report as at September 30, 2013 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2012.

3.1 New, amended and revised International Financial Reporting (IFRSs) standards and interpretations of IFRSs

The Company has adopted the following revised standards, amendments and interpretation of IFRSs which became effective for the current period:

IAS 1- Presentation of financial statements - Presentation of items of other comprehensive income (Amendment)

IAS 19- Employee Benefits - (Revised)

IFRS 7- Financial Instruments: Disclosures - (Amendment)

- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

The adoption of the above revision and amendments of the standards did not have any major effect on the financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after January 1, 2013 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Nine Months Period Ended September 30, 2013

3.2 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 nine 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.

4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

Insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2012.

5 PAID-UP-SHARE CAPITAL

				(Unaudited)	(Audited)
				September 30,	December 31,
				2013	2012
(Rupees)					
Issued subscribed and paid up share capital					
	September 30,	December 31,			
	2013	2012			
	(Number of shares)				
10,963,475	10,963,475		Ordinary shares of Rs. 10/- each fully paid cash	109,634,750	109,634,750
59,230,804	46,105,045		Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	592,308,046	461,050,450
<u>70,194,279</u>	<u>57,068,520</u>			<u>701,942,796</u>	<u>570,685,200</u>

Reconciliation of issued subscribed and paid up share capital

		September 30,	December 31,		
		2013	2012		
(Number of shares)					
57,068,520	49,624,800		At the beginning of the period	570,685,200	496,248,000
13,125,759	7,443,720		Bonus shares issued during the period	131,257,596	74,437,200
<u>70,194,279</u>	<u>57,068,520</u>			<u>701,942,796</u>	<u>570,685,200</u>

6 DEFERRED LIABILITIES

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

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, 2012.

7.2 Commitments

Commitments for rentals of assets under operating lease agreements as at September 30, 2013 amounting to Rs. Nil (December 2012: Rs. 460,184/-)

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Nine Months Period Ended September 30, 2013

	Note	(Unaudited)	(Audited)
		September 30, 2013	December 31, 2012
(Rupees)			
8 INVESTMENTS			
Available for sale			
Marketable securities - Cost	8.1	61,301,514	28,820,145
Less: Provision for impairment in value in investment		(9,353,049)	(1,918,287)
		51,948,465	26,901,858
Held to maturity		328,293,366	160,850,728
		380,241,831	187,752,586
8.1 Available for sale			
- Listed shares		61,295,381	28,814,012
- Unlisted / delisted shares		6,133	6,133
		61,301,514	28,820,145

Market value of available for sale investment is Rs. 53,332,463/- (December 31, 2012: Rs. 30,649,011/-)

9 ADDITIONS/ DELETIONS IN FIXED ASSETS

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

	Additions (at cost)		Deletions / Transfer (at net book value)	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Tangible Owned Assets	(Rupees)		(Rupees)	
Land freehold	32,350,600	-	49,666,334	-
Building	23,311,565	51,991,510	19,246,944	4,454,274
Furniture, fixture, office and computer equipments	5,801,633	42,450,520	2,583,983	3,395,633
Motor vehicles	36,588,220	71,707,850	2,421,771	2,028,775
Motor tracking devices	16,525,000	13,081,000	-	-
Leased Assets				
Leased vehicles	6,153,000	13,593,000	12,316,834	20,441,638
Capital Work in Progress	120,000	37,716,355	-	45,819,661
	120,850,018	230,540,235	86,235,866	76,139,981

Notes to the Condensed Interim Financial Information (Un-Audited)

For the Nine Months Period Ended September 30, 2013

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 & Property Damage			Marine, Aviation & Transport			Motor			Miscellaneous			Un-audited Total		Audited
	Sept 30, 2013	Dec 31, 2012	Sept 30, 2013	Sept 30, 2013	Dec 31, 2012	Sept 30, 2013	Sept 30, 2013	Dec 31, 2012	Sept 30, 2013	Dec 31, 2012	Sept 30, 2013	Dec 31, 2012	Sept 30, 2013	Dec 31, 2012	Dec 31, 2012
Segment assets	185,109,894	260,034,660	749,671,019	89,921,335	151,957,934	122,537,460	388,195,348	383,383,723	1,474,934,196						855,877,178
Unallocated assets									1,618,799,935						1,250,134,407
TOTAL ASSETS									3,093,734,131						2,106,011,585
Segment liabilities	181,123,196	252,879,761	801,590,988	93,778,830	224,700,582	210,311,356	555,842,865	416,780,568	1,763,257,630						973,750,515
Unallocated liabilities									147,004,247						141,615,974
TOTAL LIABILITIES									1,910,261,877						1,115,366,489

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Notes to the Condensed Interim Financial Information (Un-Audited)

For the Nine Months Period Ended September 30, 2013

11 RELATED PARTY TRANSACTIONS

Related parties comprise directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms & conditions and compensation to key management personnel is on employment terms. The transactions and balances if any with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Transactions	Three months period ended September 30, 2013	Three months period ended September 30, 2012	Nine months period ended September 30, 2013	Nine months period ended September 30, 2012
	(Rupees)		(Rupees)	
United Track System (Pvt.) Ltd.				
Motor tracking devices	-	-	5,506,000	-
Devices charges	-	-	18,032,010	-
Devices monitoring charges	-	-	8,159,331	-
Rental income	-	-	205,000	-
Retirement benefit funds				
Gratuity payments	1,463,500	130,000	4,207,134	1,324,700

The relationship of associated concerns between the company and United Track System (Pvt.) Ltd. ceased as such from June 28, 2013.

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 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 October 30, 2013.

14 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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