

Quarterly Report I for the period ended March 31, 2013

pursuing
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

204, 2nd Floor, Madina City Mall,

Abdullah Haroon Road, Saddar Karachi.

Tel: 021-35621460-2, 021-35221803-4

Fax: 021-35621459

Telegram: UNITINSURE

Email: info@theunitedinsurance.com

HEAD OFFICE

UIG House, 2nd Floor, 6-D, Upper Mall, Lahore.

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T: (92-42) 35776475-85

F: (92-42) 35776486-87

E: uicp@theunitedinsurance.com

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

ADVISORS

Naseer Ahmed

(Former Member Revenue FBR)

(Additional Secretary Military Finance)

(Additional Secretary Finance)

Sardar Khan

(Former M.D Universal Insurance)

Maj.Gen.(R) Asif Duraiz Akhtar

DEPUTY MANAGING DIRECTOR

Aziz Ullah Memon

(Former President UBL, KASB & My Bank)

SENIOR EXECUTIVE DIRECTOR

Muhammad Saleem Sheikh

(Former President, Chief Executive & Vice Chairman

Allied Bank Ltd.)

EXECUTIVE DIRECTOR

UNDERWRITING

S.M. Qaiser Imam

GENERAL MANAGER FINANCE

Tajammal Iqbal

GENERAL MANAGER ADMINISTRATION

Jamil Ahmed

GENERAL MANAGER (I.T)

Munir Ahmed

GENERAL MANAGER CLAIMS

Muhammad Yasin Khan

A.G.M UNDERWRITING

Manzoor Hussain Mirza

A.G.M. FINANCE

Wakeel Ahmad Mirza

CHIEF MANAGER CLAIMS

Fayyaz-ud-Din Mirza

A.G.M RE-INSURANCE

Naeem Ahmed Babar

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

Inam-ul-Haq khan

JOINT DIRECTORS

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
Citibanl N.A.
Oman International Bank S.A.O.G
Standard Chartered Bank Limited
The Hong Kong & Shabghai Banking Corp. Limited
Trust Investment 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 1st Quarter Report of your Company, together with the condensed interim financial information (un-audited) for the 1st quarter ended March 31, 2013.

Performance Review – 1st Quarter - 2013

Gross Written Premium (GWP) increased by 10.74 %, from Rs. 346.699 mn of 1st quarter in 2012 to Rs. 383.919 mn in 2013. The Company's net premium stands at 63.79 % of GWP. The underwriting results increased by 25.37 % from Rs. 76.720 mn in 2012 to Rs. 96.184 mn in 2013. The Company earned investment income to Rs. 5.426 mn in 2012 against Rs. 4.275 mn in 2013. The Company placed Rs. 46.820 mn Profit before tax in 2012 against Rs. 50.805 mn profit before tax in 2013. Further more during the period, profit after tax increased to Rs. 46.613 mn as against Rs. 42.820 mn in 2012. Earnings per share of the Company for the period come to Rs. 0.82 per share as against to Rs. 0.75 in 2012.

Future Outlook

Financial Year 2013 is another challenging year with continued economic volatility, energy crisis and on going security and political concerns; however, we assume the challenge of thriving despite this adversity.

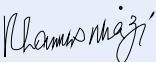
Despite the challenges faced during the 1st quarter-2013, if the conditions improve there will be increase in the GNP of the country through rehabilitation of existing industry.

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

Acknowledgement

We would like to thank our customers, business allies and employees whose unstinted support makes UIC the great Company that it is. We also thank our members for their support and confidence in UIC.

For and on behalf of the Board



Khawas Khan Niazi

Chairman

April 30, 2013

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Financial Statements

For the 1st Quarter ended March 31, 2013

Condensed Interim Balance Sheet

As at March 31, 2013 (Un-Audited)

	Unaudited March 31, 2013 Rupees	Audited December 31, 2012 Rupees
Share capital and reserves		
Authorized share capital	1,000,000,000	1,000,000,000
100,000,000/- (2012 : 100,000,000/-)		
Ordinary Shares of Rs. 10/- each		
Paid-up share capital	570,685,200	570,685,200
Retained earnings	327,962,722	280,845,057
Reserves	75,115,917	75,115,917
	973,763,839	926,646,174
Surplus on revaluation of fixed assets	63,494,402	63,998,922
Underwriting provisions		
Provision for outstanding claims (including IBNR)	357,465,911	151,446,927
Provision for unearned premium	692,526,908	670,988,876
Commission income unearned	37,067,032	64,070,387
Total underwriting provisions	1,087,059,851	886,506,190
Deferred liabilities	6	
Staff retirement benefits	35,607,502	32,938,367
Deferred tax liabilities	32,839,868	33,648,230
	68,447,370	66,586,597
Creditors and accruals		
Amounts due to other insurers/reinsurers	28,105,180	87,244,326
Accrued expenses	11,193,742	10,290,631
Provision for taxation - net	7,659,798	7,745,574
Other creditors and accruals	31,897,459	25,364,000
	78,856,179	130,644,531
Borrowings		
Short-term finance	-	3,196,613
Other liabilities		
Liabilities against assets subject to finance lease	7	28,432,558
	22,783,370	
Total liabilities	1,257,146,770	1,115,366,489
TOTAL EQUITY AND LIABILITIES	2,294,405,011	2,106,011,585
Contingencies & Commitments	8	

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Condensed Interim Balance Sheet

As at March 31, 2013 (Un-Audited)

		Unaudited March 31, 2013 Rupees	Audited December 31, 2012 Rupees
Cash & bank deposits			
Cash and other equivalents		339,227	76,370
Current and other accounts		228,494,573	150,129,767
Deposits maturing within 12 months		205,472,734	215,202,821
Deposits maturing after 12 months		17,259,021	19,811,050
		451,565,555	385,220,008
Loans			
To employees & agents		7,867,400	5,906,860
Investments	9	192,481,965	187,752,586
Investment property		20,867,843	21,128,329
Other assets			
Premiums due but unpaid		330,099,137	370,172,611
Amounts due from other insurers/reinsurers		67,408,707	32,739,416
Prepaid reinsurance premium ceded		182,587,096	260,884,307
Reinsurance recoveries against outstanding claims		298,056,357	113,422,995
Deferred commission expense		74,587,220	78,657,848
Accrued investment income		16,864,704	20,028,749
Sundry receivables		73,791,968	49,189,330
		1,043,395,189	925,095,256
Fixed assets - Tangible & Intangibles	10		
Owned			
Land freehold		102,665,500	102,665,500
Buildings		164,306,977	161,398,157
Furniture, fixtures, office & computer equipments		116,803,561	116,590,170
Motor vehicles		148,066,364	151,570,810
Motor Tracking Devices		17,137,336	12,759,507
Capital work in progress		2,526,600	2,406,600
		551,506,338	547,390,744
Leased			
Motor vehicles		26,720,721	33,517,802
TOTAL ASSETS		2,294,405,011	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

For The 1st Quarter Ended March 31, 2013 (Un-Audited)

	January To March					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	2013 Aggregate	2012 Aggregate
	-----Rupees-----					
Revenue account						
Net premium revenue	38,340,511	18,612,629	85,696,806	102,255,523	244,905,469	222,661,299
Net claims	(32,031,319)	(20,565,193)	(15,344,076)	(12,804,403)	(80,744,991)	(89,290,414)
Management expenses	(8,960,524)	(3,897,529)	(25,567,504)	(19,996,774)	(58,422,331)	(53,838,183)
Net commission	2,944,606	(1,030,080)	(9,784,252)	(1,684,440)	(9,554,166)	(2,812,387)
Underwriting results	<u>293,274</u>	<u>(6,880,173)</u>	<u>35,000,974</u>	<u>67,769,906</u>	<u>96,183,981</u>	<u>76,720,315</u>
Investment income					4,274,677	5,425,839
Rental income					153,000	153,000
Other income					723,191	1,558,353
General & admin expenses					(49,855,475)	(35,892,122)
Finance charges on lease rentals					(674,591)	(1,145,820)
					<u>(45,379,198)</u>	<u>(29,900,750)</u>
Profit before tax					50,804,783	46,819,565
Provision for taxation						
- Current					(5,000,000)	(4,000,000)
- Deferred					808,362	-
					<u>(4,191,638)</u>	<u>(4,000,000)</u>
Profit after tax					46,613,145	42,819,565
Profit & loss appropriation account						
Balance at commencement of the period					280,845,057	193,445,033
Incremental depreciation					504,520	16,687
Profit after tax for the period					46,613,145	42,819,565
Profit available for appropriation					<u>327,962,722</u>	<u>236,281,285</u>
Bonus shares issued - Final					-	-
Transfer to general reserve					-	-
					<u>-</u>	<u>-</u>
Balance un-appropriated profit at end of period					327,962,722	236,281,285
Earnings per share of Rs 10/- each - basic and diluted					0.82	0.75


The annexed notes 1 to 16 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

For The 1st Quarter Ended March 31, 2013 (Un-Audited)

	January To March	
	2013	2012
	Rupees	Rupees
Profit for the period	46,613,145	42,819,565
Other comprehensive income for the period	-	-
Total comprehensive income for the period	46,613,145	42,819,565

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



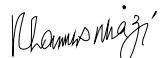
Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman

Condensed Interim Statement of Changes In Equity

For the 1st Quarter Ended March 31, 2013 (Un-Audited)

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	-	-	-	-	-
Bonus Share reserve capitalized	-	-	-	-	-
Incremental depreciation	-	-	-	16,687	16,687
Transfer to general reserve	-	-	-	-	-
Net profit for the period	-	-	-	42,819,565	42,819,565
Balance as at March 31, 2012	<u>496,248,000</u>	<u>-</u>	<u>75,115,917</u>	<u>236,281,285</u>	<u>807,645,202</u>
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	-	-	-	-	-
Bonus Share reserve capitalized	-	-	-	-	-
Incremental depreciation	-	-	-	504,520	504,520
Transfer to general reserve	-	-	-	-	-
Net profit for the period	-	-	-	46,613,145	46,613,145
Balance as at March 31, 2013	<u>570,685,200</u>	<u>-</u>	<u>75,115,917</u>	<u>327,962,722</u>	<u>973,763,839</u>

The annexed notes 1 to 16 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 Flows Statement

For The 1st Quarter Ended March 31, 2013 (Un-Audited)

	January To March	
	2013 Rupees	2012 Rupees
Operating cash flows:		
a) Underwriting activities:		
Premium received	423,991,997	361,228,296
Reinsurance premium paid	(98,316,957)	(120,200,468)
Claims paid	(122,618,689)	(115,949,801)
Reinsurance and other recoveries received	28,590,029	32,576,601
Commission paid	(33,712,456)	(32,007,236)
Commission received	1,225,563	29,186,938
Net cash flow from underwriting activities	199,159,487	154,834,330
b) Other operating activities:		
Income tax paid	(5,085,776)	(4,778,013)
General and management expenses paid	(80,422,369)	(74,538,338)
Other operating receipts/(payments)	(24,602,638)	5,001,319
Loan to employees and agents	(1,960,540)	(244,170)
Net cash flow from other operating activities	(112,071,323)	(74,559,202)
Total cash flow from all operating activities	87,088,164	80,275,128
Investment activities:		
Investment income received	12,061,389	7,478,083
Rental income received	153,000	153,000
Sale/(Purchase) of investment and fixed deposits	3,019,076	(40,899,075)
Fixed capital expenditure	(14,468,574)	(56,619,765)
Proceeds from disposal of fixed assets	295,000	-
Net cash flow from investing activities	1,059,891	(89,887,757)
Financing activities:		
Lease liability paid	(6,323,779)	(10,421,854)
Short term finance	(3,196,613)	-
Net cash flow from financing activities	(9,520,392)	(10,421,854)
Net cash inflow/(outflow) from all activities	78,627,663	(20,034,483)
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	228,833,800	95,989,481

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Condensed Interim Cash Flows Statement

For The 1st Quarter Ended March 31, 2013 (Un-Audited)

	January To March	
	2013 Rupees	2012 Rupees
Reconciliation of profit and loss account		
Net cash flow from operating activities	87,088,164	80,275,128
Depreciation	(17,274,938)	(14,675,039)
Lease finance charges	(674,591)	(1,145,820)
Increase/(Decrease) in Assets other than cash	123,424,517	5,079,232
(Increase)/Decrease in Liabilities	(150,224,684)	(32,139,775)
Others		
Other investment income	4,274,677	5,425,839
Profit after Taxation	46,613,145	42,819,565

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	339,227	214,207
Current and other accounts	228,494,573	95,775,274
	228,833,800	95,989,481




Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawar Khan Niazi
Chairman

Condensed Interim Statement of Premiums

For The 1st Quarter Ended March 31, 2013 (Un-Audited)

Business Underwritten Inside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	January To March	
		Opening	Closing			Opening	Closing		2013	2012
		Net premium revenue				2013	2012			
Direct & facultative										
1. Fire and property damage	75,012,257	143,144,369	134,608,699	83,547,927	18,773,915	98,364,248	71,930,747	45,207,416	38,340,511	29,728,700
2. Marine, aviation and transport	32,627,831	55,025,461	56,841,052	28,812,240	4,906,275	19,582,929	14,289,593	10,199,611	18,612,629	9,609,574
3. Motor	108,877,162	164,897,581	184,151,487	89,623,256	1,500,000	8,191,546	5,765,096	3,926,450	85,696,806	80,671,948
4. Miscellaneous	167,401,273	307,921,465	314,925,670	160,397,068	13,997,621	134,745,584	90,601,660	58,141,545	102,255,523	102,651,077
GRAND TOTAL	383,918,523	670,988,876	692,526,908	362,380,491	39,177,811	260,884,307	182,587,096	117,475,022	244,905,469	222,661,299

The annexed notes 1 to 16 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

For The 1st Quarter Ended March 31, 2013 (Un-Audited)

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	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	2013	2012
Direct & facultative														
1. Fire and property damage	75,948,204	64,668,980	42,164,451	53,443,675	50,452,138	58,509,309	29,469,527	21,412,356	32,031,319	9,503,196				
2. Marine, aviation and transport	2,525,187	23,410,171	273,086,033	252,201,049	1,585,969	18,871,648	248,921,535	231,635,856	20,565,193	3,500,916				
3. Motor	26,547,725	26,387,018	24,127,700	24,288,407	8,481,051	5,764,420	6,227,700	8,944,331	15,344,076	44,975,526				
4. Miscellaneous	17,597,573	36,980,758	18,087,727	(1,295,458)	2,740,162	30,277,618	13,437,595	(14,099,861)	12,804,403	31,310,776				
GRAND TOTAL	122,618,689	151,446,927	357,465,911	328,637,673	63,259,320	113,422,995	298,056,357	247,892,682	80,744,991	89,290,414				

-----Rupees-----

The annexed notes 1 to 16 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

For The 1st Quarter Ended March 31, 2013 (Un-Audited)

Business Underwritten Inside Pakistan

Class	Commissions paid or payable		Deferred commission		Net commission management expense		Other		Underwriting expenses		Commission on reinsurance		Unearned commission		Net commission on reinsurance		Net underwriting expenses		
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	2013	2012	2013	2012	
-----Rupees-----																			
Direct & facultative																			
1. Fire and property damage	12,519,220	19,016,893	22,746,527	8,789,586	8,960,524	17,750,110	208,492	26,846,294	15,320,594	11,734,192	6,015,918	8,582,992							
2. Marine, aviation and transport	4,498,848	6,964,377	7,798,772	3,664,453	3,897,529	7,561,982	-	5,438,433	2,804,060	2,634,373	4,927,609	2,313,455							
3. Motor	9,817,461	19,472,225	19,505,434	9,784,252	25,567,504	35,351,756	-	-	-	-	35,351,756	23,010,119							
4. Miscellaneous	6,876,927	33,204,353	24,536,487	15,544,793	19,996,774	35,541,567	1,017,071	31,785,660	18,942,378	13,860,353	21,681,214	22,744,004							
GRAND TOTAL	33,712,456	78,657,848	74,587,220	37,783,084	58,422,331	96,205,415	1,225,563	64,070,387	37,067,032	28,228,918	67,976,497	56,650,570							

The annexed notes 1 to 16 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 For The 1st Quarter Ended March 31, 2013 (Un-Audited)

	January To March	
	2013 Rupees	2012 Rupees
Income from non-trading investments:		
Available for sale		
Dividend income	-	-
Gain / (loss) on sale of 'available for sale' investments	998,620	631,815
	998,620	631,815
Held to maturity		
Return on Government securities	4,918,631	4,260,907
Return on F.D.R	3,637,486	533,117
	8,556,117	4,794,024
Provision for impairment in value of investment	(4,622,667)	-
Investment related expenses	(657,393)	-
Net Investment Income	4,274,677	5,425,839


The annexed notes 1 to 16 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 Information

For the 1st Quarter Ended March 31, 2013 (Un-Audited)

1- STATUS AND NATURE OF BUSINESS

The United Insurance Company of Pakistan Limited (hereinafter called "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 its 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

This condensed financial information is unaudited and is being submitted to the members in accordance with the listing regulations of Karachi and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of the approved accounting standard "International Accounting Standard - Interim Financial Reporting (IAS-34)" as applicable in Pakistan and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan (SECP) in its Circular No. 07 of 2003 dated: 27 August 2003.

This condensed interim financial information does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2012.

3- ACCOUNTING POLICIES

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

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. Actual results may differ from these estimates.

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 that applied to the financial statements at and for the year ended December 31, 2012.

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 three 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- DEFERRED LIABILITIES

Provisions in respect of deferred liabilities, for the period ended as at March 31, 2013 is estimated only and final liability will be determined on the basis of annual results.

Condensed Interim Notes to the Financial Information

For the 1st Quarter Ended March 31, 2013 (Un-Audited)

	March 31, 2013 Rupees	December 31, 2012 Rupees
7- LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Opening Balance	28,432,558	50,221,795
ADD: Disbursement during the period	-	13,593,000
	<u>28,432,558</u>	<u>63,814,795</u>
LESS: Repaid during the period	(5,649,188)	(35,382,237)
Closing Balance	<u>22,783,370</u>	<u>28,432,558</u>
8- CONTINGENCIES AND COMMITMENTS		
8.1- CONTINGENCIES		
There is no change in the status of contingent liabilities since the end of last annual reporting period December 31, 2012.		
8.2- COMMITMENTS		
Commitments for rentals of assets under operating lease agreements as at March 31, 2013 amounting to Rs. 151,826/- (December 31, 2012: Rs. 460,184/-)		
9- INVESTMENTS		
The investments comprise of the following:		
Available for sale investments	31,542,231	26,901,858
Held to maturity	160,939,734	160,850,728
	<u>192,481,965</u>	<u>187,752,586</u>
10- FIXED ASSETS - TANGIBLE & INTANGIBLES		
Opening book value	578,501,946	402,016,930
ADD: Additions/transfers/adjustments during the period	19,664,762	279,194,041
	<u>598,166,708</u>	<u>681,210,971</u>
LESS: Transfers for the period	(5,262,690)	(28,922,025)
LESS: Disposals for the period	(189,103)	(12,072,241)
LESS: Depreciation for the period	(17,014,455)	(61,714,759)
Closing book value	<u>575,700,460</u>	<u>578,501,946</u>

11- SEGMENT REPORTING

The Company has four primary business segments for reporting purposes namely Fire, Marine, Motor and Miscellaneous. There has been no change in the basis of segmentation. Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and profit and loss account, respectively.

	Fire		Marine		Motor		Misc.		Total	
	Mar, 31 2013	Dec, 31 2012	Mar, 31 2013	Dec, 31 2012	Mar, 31 2013	Dec, 31 2012	Mar, 31 2013	Dec, 31 2012	March 31, 2013	December 31, 2012
----- Rupees in Thousands -----										
Segment assets	188,644	260,035	299,064	89,921	125,113	122,537	277,160	383,384	889,981	855,877
Unallocated assets									1,404,424	1,250,135
Total assets									<u>2,294,405</u>	<u>2,106,012</u>

Condensed Interim Notes to the Financial Information

For the 1st Quarter Ended March 31, 2013 (Un-Audited)

12- 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 this condensed financial information is as follows:

Relation with undertaking	Nature and transaction	2013	2012
United Track System (Pvt.) Ltd. (Associate)			
	Motor Tracking Devices	5,506,000	-
	Devices Charges	7,895,246	-
	Devices Monitoring Charges	4,666,431	-
	Rental Income	105,000	-
	Amount due to	1,470,483	-

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, 2012.

14- TAXATION

Provision in respect of taxation, for the period ended as at March 31, 2013 is estimated only and final liability will be determined on the basis of annual results.

15- DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on April 30, 2013 by the Board of Directors of the Company.

16- GENERAL

16.1- All figures have been rounded off to the nearest rupees except stated otherwise.

16.2- Corresponding figures have been re-arranged or re-classified, if any, for better presentation and disclosure. However, there are no material classifications to report.



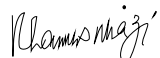
Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Ch. Habib-ur-Rehman
Director/President



Khawas Khan Niazi
Chairman



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