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

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Corporate Information

CHAIRMAN

Chaudhary Habib-ur-Rehman

CHIEF EXECUTIVE OFFICER

Mohammed Rahat Sadiq

DIRECTOR/PRESIDENT

Khawas Khan Niazi

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 (ACCA)

AUDITORS

M/S. Avais Hyder Liaquat Nauman

Chartered Accountants

TAX ADVISOR

M/S. Sarwars

Chartered Accountants

CREDIT RATING AGENCY (PACRA)

INSURER FINANCIAL STRENGTH **A+** (single A plus).
The Rating denotes a capacity of the company to meet policy holder and contract obligations.

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: UNIT

Email: info@theunitedinsurance.com

HEAD OFFICE

UIG House, 6-D Upper Mall, Lahore.

Tel: 042-35776475-85

UAN: (92-42)-111-000-014

Fax: (92-42) 35776486, 35776487

Email: uicp@theunitedinsurance.com

LEGAL ADVISORS

M. A. Hamdani (Advocate)

Muhammed Farooq Sheikh (Advocate)



Corporate Information

AUDIT COMMITTEE

Chaudhary Maqsood Ahmed	Chairman
Chaudhary Aziz-ur-Rehman	Member
Chaudhary Najeeb-ur-Rehman	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

INVESTMENT COMMITTEE

Mohammed Rahat Sadiq	Chairman
Khawas Khan Niazi	Member
Huma Waheed	Member
Maqbool Ahmed	Member
Zia Hassan Zuberi	Member

RE-INSURANCE COMMITTEE & CO-INSURANCE

Mohammed Rahat Sadiq	Chairman
Abrar Ahmed Minhas	Member
Tayyab Bashir	Member

UNDERWRITING COMMITTEE

Mohammed Rahat Sadiq	Chairman
Chaudhary Najeeb-Ur-Rehman	Member
S.M. Qaiser Imam	Member

CLAIMS SETTLEMENT COMMITTEE

Huma Waheed	Chairperson
Mohammed Rahat Sadiq	Member
Muhammed Yasin Khan	Member

Key Management Personnel

CHIEF EXECUTIVE OFFICER

Mohammed Rahat Sadiq

SENIOR EXECUTIVE DIRECTOR UNDERWRITING

S.M. Qaiser Imam

SENIOR GENERAL MANAGER RE-INSURANCE

Abrar Ahmed Minhas

GENERAL MANAGER FINANCE

Tajammal Iqbal

GENERAL MANAGER (HR & R)

Wakeel Ahmad Mirza

GENERAL MANAGER ADMINISTRATION

Jamil Ahmad

GENERAL MANAGER OPERATIONS

Tayyab Bashir

GENERAL MANAGER CLAIMS

Muhammed Yasin Khan

GENERAL MANAGER (I.T)

Munir Ahmed

A.G.M UNDERWRITING

Manzoor Hussain Mirza

A.G.M REINSURANCE

Naeem Ahmed Babar

A.G.M HEALTH/TRAVEL

Kashif Shafique

CHIEF MANAGER CLAIMS

Fayyaz-ud-Din Mirza

CHIEF MANAGER (WEB)

Mohammed Arshad

DEPUTY CHIEF MANAGER AGRICULTURE

Zulfiqar Ahmed

MANAGER FINANCE

Saad Munir Malik

MANAGER COORDINATION

Tahira Ashar

EXECUTIVE DIRECTORS

Qamar-uz-Zaman

Mian M.A Zahid

Zarar Ahmed Butt

Mian Kashif Rasheed

Ch. Aslam Feroz

Shakeel Ahmed

Muhammed Siddique Sheikh

Rizwan-ul-Haq

JOINT DIRECTORS

Muhammed Aslam Rajpoot

Muhammed Naseem Butt

Salman-Ul-Haq

Khurram Mansoor

Malik Zafar Yousaf

Mian Muhammed Rafi

Muhammed Mazhar Shah

Muhammed Riaz Hussain Shah

Kh. Adnan Hassan

Shafaqat Ali Goraya



Financial and Non-Financial Institutions

BANKERS

State Bank of Pakistan
National Bank of Pakistan Limited
Bank Al-Habib Limited
Soneri Bank Limited
Bank Al-Falah Limited
KASB Bank Limited
NIB Bank Limited
SME Bank Limited
The Bank of Khyber
Summit Bank Limited
Silk Bank Limited
Samba Bank Limited
Zarai Taraqiati Bank Limited
Sindh Bank Limited
The Bank of Punjab
First Women Bank Limited
The Punjab Provincial Cooperative Bank Limited
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Burj Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Standard Chartered Bank (Pakistan) Limited
Barclays Bank PLC, Pakistan
APNA Microfinance Bank Limited
Habib Metropolitan Bank Limited
Karakoram Co-Operative Bank Limited
Industrial Development Bank of Pakistan

LEASING COMPANY

Orix Leasing Company Limited

Directors' Review Report to the Members

Dear Fellow Members!

The Directors of "The United Insurance Company of Pakistan Limited" take pleasure in presenting the 1st Quarter, 2014 Report of your Company, together with the condensed interim financial information (un-audited).

Performance Review – 1st Quarter - 2014

Gross Written Premium (GWP) during 1st quarter is increased by 41.31%, from Rs. 383.919 million in 2013 to Rs.542.527 million in 2014. Premium growth has been achieved due to sincere and tireless efforts of the Company's management and field staff. The Company's net premium stands at 66.91% of GWP. The underwriting results increased by 94.77% from Rs. 96.184 million in 2013 to Rs.187.336 million in 2014. The Company's investment income increased from Rs.4.275 million in 2013 to Rs.14.094 million in 2014 which is an increase of 229.72%. The Company earned Profit before tax of Rs.144.086 million in 2014 against Rs.50.805 million in 2013. Furthermore, during the period, profit after tax increased to Rs.132.933 million as against Rs. 46.613 million in 2013. Earnings per share (basic & diluted) of the Company, for the period increased to Rs.1.89 per share as against to Rs.0.66 per share for the same period.

Future Outlook

We foresee Financial Year 2014 as another challenging year with reference to, continued appreciation of Pak Rupees, if this trend continues, the exports will decrease to some extent.

The Company will continue to focus to continue its trends in growth of premium and maintain its profitability and high ethical standard.

Acknowledgement

We would extend our sincere appreciation and thanks to our valued customers, business allies, SECP, Reinsurers, Banks and employees for reposing there continued trust and support in UIC.

For and on behalf of the Board



Mohammed Rahat Sadiq

Chief Executive Officer

April 30, 2014

Financial Statements

For the 1st Quarter ended March 31, 2014

Condensed Interim Balance Sheet

As at March 31, 2014 (Un-Audited)

		Unaudited March 31, 2014 Rupees	Audited December 31, 2013 Rupees
Share capital and reserves			
Authorized share capital 100,000,000/- (2013 : 100,000,000/-)		1,000,000,000	1,000,000,000
Ordinary Shares of Rs. 10/- each			
Paid-up share capital		701,942,796	701,942,796
Retained earnings		536,268,584	403,400,095
Reserves		75,115,917	75,115,917
		1,313,327,297	1,180,458,808
Surplus on revaluation of fixed assets		40,687,154	40,992,540
Underwriting provisions			
Provision for outstanding claims (including IBNR)		457,858,301	618,212,048
Provision for unearned premium		964,143,213	877,884,914
Commission income unearned		14,711,655	20,394,696
Total underwriting provisions		1,436,713,169	1,516,491,658
Deferred liabilities	6		
Staff retirement benefits		53,912,602	49,764,879
Deferred tax liabilities		9,231,625	8,673,816
		63,144,227	58,438,695
Creditors and accruals			
Amounts due to other insurers/reinsurers		50,048,110	92,704,969
Accrued expenses		4,112,552	18,400,561
Provision for taxation - net		31,202,313	28,581,834
Other creditors and accruals		37,218,085	49,430,293
		122,581,060	189,117,657
Other liabilities			
Liabilities against assets subject to finance lease	7	43,631,541	22,703,330
Total liabilities		1,666,069,997	1,786,751,340
TOTAL EQUITY AND LIABILITIES		3,020,084,448	3,008,202,688
Contingencies & Commitments	8	-	-

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

Condensed Interim Balance Sheet

As at March 31, 2014 (Un-Audited)

	Unaudited	Audited
Note	March 31, 2014 Rupees	December 31, 2013 Rupees
Cash & bank deposits		
Cash and other equivalents	378,794	190,254
Current and other accounts	137,238,239	146,170,437
Deposits maturing within 12 months	105,222,037	83,272,538
Deposits maturing after 12 months	9,000,000	20,022,275
	251,839,070	249,655,504
Loans		
To employees & agents	9,345,690	9,963,600
Investments	9 428,864,329	412,493,249
Investment property	3,123,760	3,163,301
Other assets		
Premiums due but unpaid	414,490,174	458,363,262
Amounts due from other insurers/reinsurers	305,417,618	145,101,589
Prepaid reinsurance premium ceded	166,609,226	171,980,285
Reinsurance recoveries against outstanding claims	365,491,126	543,315,576
Deferred commission expense	72,366,745	72,930,275
Accrued investment income	17,424,735	26,163,354
Advance for purchase of shares	215,302,941	215,302,941
Sundry receivables	174,073,513	122,639,305
	1,731,176,078	1,755,796,587
Fixed assets - Tangible & Intangibles	10	
Owned		
Land freehold	140,735,600	140,735,600
Buildings	122,066,087	123,611,226
Furniture, fixtures, office & computer equipments	108,434,956	109,441,780
Motor vehicles	140,550,186	146,945,128
Motor Tracking Devices	31,675,097	27,995,172
Capital work in progress	4,571,438	2,886,600
	548,033,364	551,615,506
Leased		
Motor vehicles	47,702,157	25,514,941
TOTAL ASSETS	3,020,084,448	3,008,202,688



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Profit And Loss Account

For The 1st Quarter Ended March 31, 2014 (Un-Audited)

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	January To March	
					2014 Aggregate	2013 Aggregate
-----Rupees-----						
Revenue account						
Net premium revenue	42,497,459	20,602,978	94,082,852	205,803,422	362,986,711	244,905,469
Net claims	(4,767,990)	(10,206,860)	(14,789,356)	(48,831,717)	(78,595,923)	(80,744,991)
Management expenses	(11,102,009)	(8,207,248)	(16,674,290)	(38,352,618)	(74,336,165)	(58,422,331)
Net commission	(8,720,525)	(3,038,962)	(7,715,238)	(3,244,085)	(22,718,810)	(9,554,166)
Underwriting results	<u>17,906,935</u>	<u>(850,092)</u>	<u>54,903,968</u>	<u>115,375,002</u>	<u>187,335,813</u>	<u>96,183,981</u>
Investment income					14,094,403	4,274,677
Rental income					348,000	153,000
Other income					1,869,432	723,191
General & admin expenses					(58,441,855)	(49,855,475)
Finance charges on lease rentals					(1,119,462)	(674,591)
					<u>(43,249,482)</u>	<u>(45,379,198)</u>
Profit before tax					144,086,331	50,804,783
Provision for taxation						
- Current					(10,595,880)	(5,000,000)
- Deferred					(557,807)	808,362
					<u>(11,153,687)</u>	<u>(4,191,638)</u>
Profit after tax					132,932,644	46,613,145
Profit & loss appropriation account						
Balance at commencement of the period					403,400,095	280,845,057
Total comprehensive income for the period					132,868,489	47,117,665
Profit available for appropriation					<u>536,268,584</u>	<u>327,962,722</u>
Bonus shares issued - Final					-	-
Transfer to general reserve					-	-
					<u>-</u>	<u>-</u>
Balance un-appropriated profit at end of period					536,268,584	327,962,722
Earnings per share of Rs 10/- each - basic and diluted					1.89	0.66

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



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Statement of Comprehensive Income

For The 1st Quarter Ended March 31, 2014 (Un-Audited)

	January To March	
	2014 Rupees	2013 Rupees
Profit for the period	132,932,644	46,613,145
Other comprehensive income for the period		
Acturial (loss) / gain on defined benefit plan	(369,541)	-
Incremental depreciation net of deferred tax	305,386	504,520
Total comprehensive income for the period	132,868,489	47,117,665

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



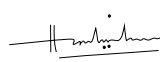
Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Statement of Changes In Equity

For the 1st Quarter Ended March 31, 2014 (Un-Audited)

Description	Share capital	Reserve for issue of bonus shares	General reserve	Retained earnings	Total
-----Rupees-----					
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	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Total comprehensive income for the period	-	-	-	47,117,665	47,117,665
Balance as at March 31, 2013	570,685,200	-	75,115,917	327,962,722	973,763,839
Balance as at January 01, 2014	701,942,796	-	75,115,917	403,400,095	1,180,458,808
Transfer to reserve for issue of bonus shares	-	-	-	-	-
Bonus Share reserve capitalized	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Total comprehensive income for the period	-	-	-	132,868,489	132,868,489
Balance as at March 31, 2014	701,942,796	-	75,115,917	536,268,584	1,313,327,297

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



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Statement of Cash Flows

For The 1st Quarter Ended March 31, 2014 (Un-Audited)

	January To March	
	2014 Rupees	2013 Rupees
Operating cash flows:		
a) Underwriting activities:		
Premium received	586,399,828	423,991,997
Reinsurance premium paid	(130,567,530)	(98,316,957)
Claims paid	(378,201,510)	(122,618,689)
Reinsurance and other recoveries received	156,760,261	28,590,029
Commission paid	(31,194,365)	(33,712,456)
Commission received	3,356,044	1,225,563
<i>Net cash flow from underwriting activities</i>	206,552,728	199,159,487
b) Other operating activities:		
Income tax paid	(7,975,401)	(5,085,776)
General management expenses paid	(133,812,741)	(80,422,369)
Other operating receipts/(payments)	(51,434,208)	(24,602,638)
Loan to employees and agents	617,910	(1,960,540)
<i>Net cash flow from other operating activities</i>	(192,604,440)	(112,071,323)
<i>Total cash flow from all operating activities</i>	139,948,288	87,088,164
Investment activities:		
Investment income received	19,229,571	12,061,389
Rental income received	348,000	153,000
Sale/(Purchase) of investment and fixed deposits	(25,536,463)	3,019,076
Fixed capital expenditure	(11,947,802)	(14,468,574)
Proceeds from disposal of assets	470,000	295,000
<i>Net cash flow from investing activities</i>	(17,436,694)	1,059,891
Financing activities:		
Lease liability paid	(5,255,252)	(6,323,779)
Short term finance	-	(3,196,613)
<i>Net cash flow from financing activities</i>	(5,255,252)	(9,520,392)
Net cash inflow/(outflow) from all activities	(8,743,658)	78,627,663
Cash and cash equivalents at the beginning of the period	146,360,691	150,206,137
Cash and cash equivalents at the end of the period	137,617,033	228,833,800

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

Condensed Interim Statement of Cash Flows

For The 1st Quarter Ended March 31, 2014 (Un-Audited)

	January To March	
	2014 Rupees	2013 Rupees
Reconciliation of profit and loss account		
Net cash flow from operating activities	13,948,288	87,088,164
Depreciation	(18,251,705)	(17,274,938)
Lease finance charges	(1,119,462)	(674,591)
Increase/(Decrease) in assets other than cash	(24,674,445)	123,424,517
(Increase)/Decrease in liabilities	148,935,565	(150,224,684)
Others		
Dividend income	-	-
Other investment income	14,094,403	4,274,677
Profit after taxation	132,932,644	46,613,145

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	378,794	339,227
Current and other accounts	137,238,239	228,494,573
	137,617,033	228,833,800



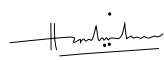
Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Statement of Premiums

For The 1st Quarter Ended March 31, 2014. (Un-Audited)

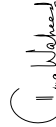
Business Underwritten Inside Pakistan

Class	Unearned premium reserve				Premiums earned		Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expenses		Net premium revenue	
	Opening		Closing						Opening		Closing			
	Premiums written												2014	2013
-----Rupees-----														
Direct & facultative														
1. Fire and property damage	81,025,658	113,566,153	127,653,947	66,937,864	25,213,025	44,131,535	44,904,155	24,440,405	42,497,459	38,340,511				
2. Marine, aviation and transport	59,898,858	51,721,384	78,065,472	33,554,770	8,892,000	22,605,809	18,546,017	12,951,792	20,602,978	18,612,629				
3. Motor	121,693,769	179,132,622	205,935,656	94,890,735	2,681,250	1,000,872	2,874,239	807,883	94,082,852	85,696,806				
4. Miscellaneous	279,908,455	533,464,755	552,488,139	260,885,071	51,124,396	104,242,069	100,284,816	55,081,649	205,803,422	102,255,523				
GRAND TOTAL	542,526,740	877,884,914	964,143,213	456,288,441	87,910,671	171,980,285	166,609,226	93,281,730	362,986,711	244,905,469				

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



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Statement of Claims

For The 1st Quarter Ended March 31, 2014, (Un-Audited)

Business Underwritten Inside Pakistan

Class	January To March										
	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		2014	2013
-----Rupees-----											
Direct & facultative											
1. Fire and property damage	37,237,736	264,200,470	229,886,190	2,923,456	24,769,547	232,815,206	206,201,125	(1,844,534)	4,767,990	32,031,319	
2. Marine, aviation and transport	292,927,224	313,084,695	176,067,369	155,909,898	291,795,723	301,516,447	155,423,762	145,703,038	10,206,860	20,565,193	
3. Motor	9,413,826	20,293,972	24,951,502	14,071,356	-	2,493,500	1,775,500	(718,000)	14,789,356	15,344,076	
4. Miscellaneous	38,622,724	20,632,911	26,953,240	44,943,053	511,020	6,490,423	2,090,739	(3,888,664)	4,883,171	12,804,403	
GRAND TOTAL	378,201,510	618,212,048	457,858,301	217,847,763	317,076,290	543,315,576	365,491,126	139,251,840	78,595,923	80,744,991	

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



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Statement Of Expenses

For The 1st Quarter Ended March 31, 2014 (Un-Audited)

Business Underwritten Inside Pakistan

Class	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	
	Opening	Closing	Opening	Closing					Opening	Closing		2014	2013
-----Rupees-----													
Direct & facultative													
1. Fire and property damage	8,349,457	20,930,510	19,563,017	9,716,950	11,102,009	20,818,959	3,048,266	1,281,322	3,333,163	996,425	19,822,534	6,015,918	
2. Marine, aviation and transport	2,760,153	6,147,767	5,868,958	3,038,962	8,207,248	11,246,210	-	-	-	-	11,246,210	4,927,609	
3. Motor	9,790,366	15,996,660	18,071,788	7,715,238	16,674,290	24,389,527	-	-	-	-	24,389,527	35,351,756	
4. Miscellaneous	10,294,389	29,855,338	28,862,982	11,286,745	38,352,618	49,639,363	307,778	19,113,374	11,378,492	8,042,660	41,596,703	21,681,214	
GRAND TOTAL	31,194,365	72,930,275	72,366,745	31,757,895	74,336,165	106,094,059	3,356,044	20,394,696	14,711,655	9,039,085	97,054,974	67,976,497	

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



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Statement of Investment Income

For The 1st Quarter Ended March 31, 2014 (Un-Audited)

	January To March	
	2014 Rupees	2013 Rupees
Income from non-trading investments:		
Available for sale		
Dividend income	-	-
Gain / (loss) on sale of 'available for sale' investments	2,332,555	998,620
	<u>2,332,555</u>	<u>998,620</u>
Held to maturity		
Return on Government securities	8,158,397	4,918,631
Return on F.D.R	2,221,578	3,637,486
	<u>10,379,975</u>	<u>8,556,117</u>
Provision for impairment in value of investment	1,761,841	(4,622,667)
Investment related expenses	(379,968)	(657,393)
Net Investment Income	<u>14,094,403</u>	<u>4,274,677</u>

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



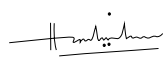
Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Condensed Interim Notes to the Financial Information

For the 1st Quarter Ended March 31, 2014 (Un-Audited)

1 LEGAL 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 the 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 it qualifies as a domestic insurance company under the 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 Stock Exchange 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, 2013.

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, 2014 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2013.

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, 2013.

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

The Company has provided for estimated deferred tax liability and staff retirement benefits for the quarter ended March 31, 2014.

Condensed Interim Notes to the Financial Information

For the 1st Quarter Ended March 31, 2014 (Un-Audited)

	March 31, 2014 Rupees	December 31, 2013 Rupees
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Opening Balance	22,703,330	28,432,558
Add: Disbursement during the period	25,064,001	11,879,334
	47,767,331	40,311,892
Less: Repaid during the period	(4,135,790)	(17,608,562)
Closing Balance	43,631,541	22,703,330

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, 2013.

8.2 COMMITMENTS

Commitments against purchase of property as at March 31, 2014 amounting to Rs. 23,000,000/- (December 31, 2013: Rs.23,000,000/-)

9 INVESTMENTS

The investments comprise of the following:

Available for sale investments	65,936,924	88,365,179
Held to maturity	362,927,405	324,128,070
	428,864,329	412,493,249

10 FIXED ASSETS - TANGIBLE

Opening book value	574,243,847	550,943,484
ADD: Additions/transfers during the period	35,326,957	166,052,406
	609,570,804	716,995,890
LESS: Transfers for the period	-	(38,717,113)
LESS: Disposals for the period	(155,016)	(42,677,826)
LESS: Depreciation for the period	(18,251,705)	(61,357,104)
Closing book value	591,164,083	574,243,847

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 2014	Dec, 31 2013	Mar, 31 2014	Dec, 31 2013	Mar, 31 2014	Dec, 31 2013	Mar, 31 2014	Dec, 31 2013	March 31, 2014	December 31, 2013
----- Rupees in Thousands -----										
Segment assets	332,572	199,792	225,601	99,686	115,696	305,000	369,951	787,212	1,043,820	1,391,691
Unallocated assets									1,976,265	1,616,512
Total assets									3,020,084	3,008,203

Condensed Interim Notes to the Financial Information

For the 1st Quarter Ended March 31, 2014 (Un-Audited)

12 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.

Relation with undertaking	Nature and transaction	March 31,	March 31,
		2014	2013
		Rupees	Rupees
United track system (Pvt.) limited (Associated company)	Motor tracking devices	6,723,000	5,506,000
	Device charges	10,834,005	7,895,246
	Device monitoring charges	3,029,300	4,666,431
	Rental Income	150,000	105,000

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, 2013.

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on April 30, 2014 by the Board of Directors of the Company.

15 GENERAL

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

15.2 Corresponding figures have been reclassified / re-arranged, wherever necessary for better presentation. The impact of reclassification is not material.




Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

