



**ACCOUNTS FOR
THE HALF YEAR
ENDED**

**JUNE 30, 2009
(UN-AUDITED)**



The Universal Insurance Co. Ltd.



BIBOJEE GROUP



VISION STATEMENT

We, at Universal Insurance Company Limited recognize the importance of satisfying our customers by consistently providing quality insurance services in accordance with their needs and expectations. We strive to be competent partner of our customers against insured perils.

MISSION STATEMENT/QUALITY POLICY

We strive to provide our customers cost effective insurance cover by continually increasing the productivity of our employees. To increase productivity, we conduct regular training programs during which employees are assessed and allocated a career path in accordance with their performance.

We diligently follow the applicable laws and ensure strict compliance by conducting regular internal audits and educating our employees about the law.

We try to improve our services by continually assessing our systems and procedures based on customers and team feedback. We strive to maintain a customer focused approach by ensuring that our service is delivered to the customer on time, according to the customer required specifications and within our stipulated cost.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. RAZA KULI KHAN KHATTAK (Chairman)
 LT. GEN (R) ALI KULI KHAN KHATTAK
 MR. AHMED KULI KHAN KHATTAK
 BEGUM ZEB GOHAR AYUB KHAN (Chief Executive)
 MRS. SHAHNAZ SAJJAD AHMED
 DR. SHAHEEN KULI KHAN KHATTAK
 MR. MUSHTAQ AHMED KHAN F.C. A.
 CH. SHER MOHAMMAD
 MR. MOHAMMAD KULI KHAN KHATTAK
 MR. SARDAR KHAN (Managing Director)

CHIEF OPERATING OFFICER

MR. OMAR AYUB KHAN

CHIEF FINANCIAL OFFICER

MR. AMIR RAZA

COMPANY SECRETARY

MR. IJAZ AHMED

INTERNAL AUDITOR

MR. ABDUL WAHEED CHAUDHRY

AUDITORS

M/S. MUNIFF ZIA UDDIN & COMPANY
 CHARTERED ACCOUNTANTS

LEGAL ADVISOR

MR. MAQSOOD HASAN ADVOCATE

SHARE REGISTRAR

M/S HAMEED MAJEED ASSOCIATES (PVT) LTD.
 H.M HOUSE, 7-BANK SQUARE, LAHORE
 PHONE # 042-3723 5081-82
 FAX # 042-3735 8817

REGISTERED OFFICE:

UNIVERSAL INSURANCE HOUSE
 63-SHAHRAH-E-QUAID-E-AZAM,
 LAHORE, 54000
 PAKISTAN.
 PH: 042-3735 3453-3735 3458
 FAX: 042-3723 0326
 WEB: www.uic.com.pk
 EMAIL: tuic@nexlinx.net.pk

BOARD & MANAGEMENT COMMITTEES

- 1. Audit Committee:-**
 Ch. Sher Mohammad Chairman
 Lt. Gen (R) Ali Kuli Khan Khattak Member
 Mr. Mushtaq Ahmed Khan F.C.A. Member
- 2. Investment Committee:-**
 Mr. Mushtaq Ahmed Khan F.C.A. Chairman
 Ch. Sher Mohammad Member
 Mr. Sardar Khan Member
- 3. Underwriting Committee:-**
 Mr. Mushtaq Ahmed Khan F.C.A. Chairman
 Mr. M. Rafiq Chaudhry Member
 Mr. Fazal-ur-Rehman Malik Member
- 4. Claim Settlement Committee:-**
 Mr. Mushtaq Ahmed Khan F.C.A. Chairman
 Mr. Sardar Khan Member
 Mr. Omar Ayub Khan Member
- 5. Re- Insurance & Co- Insurance Committee:-**
 Mr. Mushtaq Ahmed Khan F.C.A. Chairman
 Mr. M. Rafiq Chaudhry Member
 Mr. Ghulam Qamber Naqvi Member

DIRECTOR'S REVIEW

On behalf of the Board of Directors we are presenting the Un-audited Financial Statements of the company for the six months ended 30th June, 2009.

Financial Performance

Our Gross Premium has reduced by Rs.45.620 Million due to the economic recession in the market. However there is a substantial increase in Investment Income as a result of our prudent Investment strategies. Our Admin. expenses has also reduced.

The results for the first six months of 2009 are summarized below:

	<u>2009</u>	<u>2008</u>
	------(Rupees in millions)-----	
Gross premium	242.357	287.977
Net premium	181.859	201.274
Profit from underwriting business	18.747	22.719
Net claims (paid & outstanding)	96.281	94.262
Management / administrative expenses	82.166	82.238
Capital and reserves	256.031	232.065
(Loss) / profit before taxation	(2.863)	10.585
(Loss) / profit after taxation	(0.883)	3.887
Add: Balance of unappropriated profit - b/f	32.546	93.714
Less: Bonus shares	-	(48.000)
Profit available for appropriation	<u>31.663</u>	<u>49.601</u>
The Directors decided that this amount be appropriated in the following manners.		
Profit available for appropriation	31.663	49.601
Issue of Bonus Shares (2008: 10 %)	-	(16.800)
Balance Carry forward	<u>31.663</u>	<u>32.801</u>

All the business segments shown underwriting profit except motor business.

Future Outlook

Despite political uncertainty and economic recession, the company hopes to continue growth in premium and investment income and improve operational results over the second half of the current year by concentrating on the potential area of insurance market of Pakistan.

Your Directors would like to place on record their highest appreciation to the field force, officers and staff of the company for the dedicated contribution.

Your Directors would also like to thank the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Co, Limited and all our re-insurers for their continued guidance and support.

For & on behalf of the Board of Directors

Raza Kuli Khan Khattak
Chairman

Lahore: August 28, 2009

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **THE UNIVERSAL INSURANCE COMPANY LIMITED** as at **30 June, 2009** and the related condensed interim profit and loss account, condensed interim statement of changes in equity, condensed interim cash flow statement, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the six months period then ended (here-in-after referred to as the "interim financial information") Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended 30 June, 2009 and 2008 have not been reviewed, as we required to review only the cumulative figure for the six months period ended **30 June, 2009**.

SCOPE OF REVIEW

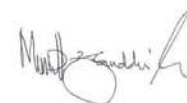
We conducted our audit in accordance with International Standard on Review Engagement 2410, "Review of interim financial Information performed by the Independent Auditor of the Entity". A review of interim financial Information consists of making inquiries, primarily of persons responsible for financial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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material aspects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Date: August 28, 2009

Place: Lahore



CHARTERED ACCOUNTANTS

(ZIAUDDIN BABRI)
Engagement Partner

CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE, 2009

	Un-Audited June-09 (Rupees in '000)	Audited Dec-08 (Rupees in '000)		Un-Audited June-09 (Rupees in '000)	Audited Dec-08 (Rupees in '000)
SHARE CAPITAL AND RESERVES			CASH AND BANK DEPOSITS		
Authorised share capital 50,000,000 ordinary shares of Rs. 10 each	500,000	500,000	Cash and other equivalents	170	56
Issued, subscribed and paid-up share capital	210,000	210,000	Current and other accounts	62,253	107,116
Retained earnings	31,663	32,546	Deposits maturing within 12 months	42,802	44,802
Reserves	14,368	14,368		105,225	151,974
TOTAL EQUITY	256,031	256,914	Loan to employees and agents	698	554
UNDERWRITING PROVISIONS			Investment	89,487	84,172
Provision for outstanding claims	171,154	207,842	OTHER ASSETS		
Provision for unearned premium	155,226	182,631	Premiums due but unpaid - unsecured, considered good	135,548	149,446
Commission income unearned	11,046	15,605	Amount due from others insurers / reinsurers unsecured, considered good	124,125	150,666
Total underwriting provisions	337,426	406,078	Accrued investment income	2,034	1,808
DEFERRED TAXATION	14,805	16,873	Reinsurance recoveries against outstanding claims	65,381	92,562
CREDITORS AND ACCRUALS			Deferred commission expense	20,567	23,019
Amounts due to other insurers / reinsurers	74,999	119,646	Advance income tax / income tax refundable Prepayments	11,709	11,708
Taxation	7,645	7,645	Sundry receivables	27,756	19,107
Accrued expenses	5,220	4,980		434,780	505,304
Other creditors	36,260	29,330	FIXED ASSETS - Tangible		
Unclaimed dividend	124,124	161,601	Land and buildings	46,125	47,297
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	611	612	Furniture, fixtures and office equipment	20,829	20,848
	6,909	13,652	Motor vehicles including vehicles acquired under finance lease arrangements	42,761	45,582
TOTAL LIABILITIES	483,875	598,817		109,715	113,727
TOTAL EQUITY AND LIABILITIES	739,906	855,731	TOTAL ASSETS	739,906	855,731

Raza Kuli Khan
Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
Chief Executive

Mushtaq Ahmed Khan F.C.A.
Mushtaq Ahmed Khan F.C.A.
Director

Sardar Khan
Sardar Khan
Managing Director &
Principal Officer

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2009**

	Fire and Property Damage	Marine and Transport	Motor Accident	Others	Total	
					2009	2008

------(Rupees in '000)-----

PROFIT & LOSS ACCOUNT

Net premium revenue	50,244	17,921	85,299	28,394	181,858	201,274
Net claims	(10,192)	(4,616)	(62,002)	(19,471)	(96,281)	(94,262)
Expenses of management	(18,536)	(8,134)	(21,612)	(4,262)	(52,544)	(49,442)
Net commission	(1,674)	(643)	(8,066)	(3,903)	(14,286)	(10,670)
Underwriting result	19,842	4,528	(6,381)	758	18,747	46,899
Investment income / (loss)					3,973	(623)
Rental income					732	12
Gain on disposal of fixed assets					433	168
Misc. income					897	1,538
General and administrative expenses					(29,623)	(32,795)
Share of profit / (loss) of associates-net of taxation					1,978	(4,613)
(Loss)/profit before tax					(2,863)	10,586
Taxation						
-current					88	3,083
-deferred					(2,067)	3,616
					(1,979)	6,699
(Loss)/profit after tax					(883)	3,887

PROFIT & LOSS

APPROPRIATION ACCOUNT

Balance at commencement of period					32,546	93,714
(Loss)/profit after tax for the period					(883)	3,887
Reserve for bonus shares					0	(48,000)
Balance of unappropriated profit at the end of period					31,663	49,601
EARNINGS PER SHARE					(0.04)	0.19

Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Chief Executive

Mushtaq Ahmed Khan F.C.A
Director

Sardar Khan
Managing Director &
Principal Officer

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED 30 JUNE, 2009**

Fire and Property Damage	Marine and Transport	Motor Accident	Others	Total	
				2009	2008
------(Rupees in '000)-----					

PROFIT & LOSS ACCOUNT

Net premium revenue	23,967	7,820	43,667	17,053	92,507	94,658
Net claims	(7,087)	(1,591)	(27,902)	(7,427)	(44,007)	(48,576)
Expenses of management	(9,639)	(3,811)	(10,781)	(2,631)	(26,862)	(25,695)
Net commission	(1,639)	(106)	(4,119)	(2,487)	(8,351)	(4,903)
Underwriting result	5,602	2,312	865	4,508	13,287	15,484
Investment loss					(750)	(3,922)
Rental income					366	6
Gain on disposal of fixed assets					723	0
Misc. income					433	975
General and administrative expenses					(12,158)	(15,998)
Share of profit / (loss) of associates-net of taxation					1,979	(4,613)
Profit / (Loss) before tax					3,880	(8,068)
Taxation						
-current					4,164	(120)
-deferred					(3,367)	3,381
					797	3,261
Profit / (Loss) after tax					3,083	(11,330)

Raza Kuli Khan
Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
Chief Executive

Mushtaq Ahmed Khan F.C.A.
Mushtaq Ahmed Khan F.C.A
Director

Sardar Khan
Sardar Khan
Managing Director &
Principal Officer

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE, 2009**

	Reserves						Sub-total	Retained earnings	Total
	Share capital	General	Doubtful debts	Reserves for issue of bonus shares	Exceptional losses	Unrealised gain / (loss) on remeasurement of investments			
(Rupees in '000)									
Balance as at 31 December, 2007	120,000	13,125	25	0	700	4,222	18,072	97,534	235,606
Deffered tax-prior year adjustment	0	0	0	0	0	0	0	(3,820)	(3,820)
Balance as at 31 December, 2007 (Restated)	120,000	13,125	25		700	4,222	18,072	93,714	231,786
Bonus shares issued	64,800	0	0	0	0	0	0	(64,800)	0
Share capital issued (Right issue)	25,200	0	0		0	0	0	0	25,200
Adjustment on remeasurement of investments to fair value	0	0	0		0	(3,904)	(3,904)	0	(3,904)
Effect of items directly taken in equity by associated companies investments	0	0	0		0	200	200	0	200
Transfer of reserves for doubtful debts and exceptional losses to reserves	0	725	(25)		(700)	0	0	0	0
Profit for the year ended 31 December, 2008	0	0	0		0	0	0	3,632	3,632
	210,000	13,850	0	0	0	518	14,368	32,546	256,914
Loss for the period ended 30 June, 2009	0	0	0	0	0	0	0	(883)	(883)
	210,000	13,850	0	0	0	518	14,368	31,663	256,031


Raza Kuli Khan Khattak
Chairman


Begum Zeb Gohar Ayub Khan
Chief Executive


Mushtaq Ahmed Khan F.C.A
Director


Sardar Khan
Managing Director &
Principal Officer

**CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2009**

	2009	2008
	(Rupees in '000)	
OPERATING CASH FLOWS		
(a) Underwriting activities		
Premiums received	256,255	276,792
Reinsurance premiums paid	(75,179)	(78,798)
Claims paid	(163,433)	(154,342)
Reinsurance and other recoveries received	57,645	59,150
Commissions paid	(37,056)	(35,210)
Commissions received	20,661	22,860
Net cash inflow from underwriting activities	58,893	90,452
(b) Other operating activities		
Income tax paid / refunds received - net	(517)	15,142
General management expenses	(44,287)	(36,423)
Other operating payments	(29,623)	(32,796)
Other operating receipts	897	1,538
Loans to employees - net	(144)	(15)
Other payments / receipts in respect of operating assets - net	(22,073)	(34,970)
Net cash outflow from other operating activities	(95,747)	(87,524)
TOTAL CASH (OUTFLOW) / INFLOW FROM ALL OPERATING ACTIVITIES	(36,854)	2,928
INVESTING ACTIVITIES		
Profit / return received	3,403	2,575
Rental received	12	12
Dividend received	350	347
Investments-net	(3,343)	(16,500)
Fixed capital expenditure including assets acquired under finance lease arrangements	(4,521)	(23,288)
Proceeds from disposal of fixed assets	1,871	563
TOTAL CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(2,228)	(36,291)
FINANCING ACTIVITIES		
Lease finance charges paid	(921)	(1,619)
Dividend paid	(2)	1
Lease finances - net	(6,743)	(1,932)
TOTAL CASH (OUTFLOW) FROM FINANCING ACTIVITIES	(7,666)	(3,550)
NET CASH (OUTFLOW) FROM ALL ACTIVITIES	(46,748)	(36,913)
CASH AND CASH EQUIVALENTS - At the beginning of the year	151,974	143,232
CASH AND CASH EQUIVALENTS - At the end of the year	105,225	106,319

	2009	2008
	(Rupees in '000)	
Reconciliation to profit and loss account		
Operating cash flows	(36,854)	2,928
Depreciation expense	(7,095)	(7,292)
Rental income	732	12
Lease finance charges	(921)	(1,619)
(Loss) / gain on disposal of fixed assets - net	433	169
Profit / (Loss) for associates	1,979	(4,613)
Investments income / (Loss)	3,973	(623)
Increase in assets	(71,327)	(43,216)
Decrease in liabilities	108,197	58,141
(Loss)/profit after taxation	(883)	3,887

DEFINITION OF CASH

Cash and other equivalents, current and other bank accounts and deposits maturing within 12 months.

Cash for the purpose of the cash flow statement consists of:

Cash and bank deposits:

- cash and other equivalents	170	49
- current and other accounts	62,253	65,368
- deposits maturing within 12 months	42,802	40,902
	105,225	106,319


Raza Kuli Khan Khattak
Chairman


Begum Zeb Gohar Ayub Khan
Chief Executive


Mushtaq Ahmed Khan F.C.A
Director


Sardar Khan
Managing Director &
Principal Officer

**CONDENSED INTERIM STATEMENT OF PREMIUMS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE, 2009**

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		2009	2008

------(Rupees in '000)-----

**DIRECT AND
FACULTATIVE**

Fire and property damage	85,497	72,338	49,598	108,237	44,266	40,509	26,783	57,993	50,244	38,917
Marine and transport	37,517	11,335	13,053	35,799	18,771	5,894	6,788	17,877	17,921	29,148
Motor accident	99,687	77,164	83,881	92,970	9,047	6,173	7,549	7,671	85,300	117,788
Others	19,656	21,794	8,695	32,755	3,095	2,397	1,130	4,362	28,394	15,421
	242,357	182,631	155,227	269,761	75,179	54,973	42,250	87,903	181,859	201,274

Raza Kuli Khan
Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
Chief Executive

Mushtaq Ahmed Khan
Mushtaq Ahmed Khan F.C.A
Director

Sardar Khan
Sardar Khan
Managing Director &
Principal Officer

**CONDENSED INTERIM STATEMENT OF CLAIMS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE, 2009**

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 expense 2009	Net claims expense 2008
		Opening	Closing			Opening	Closing			

------(Rupees in '000)-----

**DIRECT AND
FACULTATIVE**

Fire and property damage	46,016	69,934	62,078	38,159	32,536	51,196	46,627	27,967	10,192	13,944
Marine and transport	19,781	33,842	17,056	2,995	13,812	24,729	9,296	(1,621)	4,616	6,875
Motor accident	77,931	79,791	66,885	65,025	9,144	12,739	6,619	3,023	62,002	66,974
Others	19,705	23,306	24,166	20,565	2,153	3,898	2,839	1,094	19,471	6,469
	163,433	206,873	170,185	126,744	57,645	92,562	65,381	30,463	96,281	94,262

TREATY

Fire and property damage	-	582	582	-	-	-	-	-	-	-
Marine and transport	-	246	246	-	-	-	-	-	-	-
Motor accident	-	141	141	-	-	-	-	-	-	-
	-	969	969	-	-	-	-	-	-	-
	163,433	207,842	171,154	126,744	57,645	92,562	65,381	30,463	96,281	94,262

Raza Kuli Khan
Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
Chief Executive

Mushtaq Ahmed Khan F.C.A
Mushtaq Ahmed Khan F.C.A
Director

Sardar Khan
Sardar Khan
Managing Director &
Principal Officer

**CONDENSED INTERIM STATEMENT OF EXPENSES
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE, 2009**

Class	Commission paid or payable	Deferred Commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	Net underwriting expenses	
		Opening	Closing					2009	2008

------(Rupees in '000)-----

**DIRECT AND
FACULTATIVE**

Fire and Property Damage	17,592	10,488	8,986	19,094	18,536	37,630	17,419	20,211	13,262
Marine and Transport	7,842	1,789	2,697	6,934	8,133	15,067	6,291	8,776	8,809
Motor Accident	8,432	7,083	7,447	8,068	21,612	29,680	2	29,678	32,086
Others	3,190	3,659	1,438	5,411	4,262	9,673	1,507	8,166	5,956
	37,056	23,019	20,568	39,507	52,543	92,050	25,219	66,831	60,113

Note: Commission from reinsurers is calculated after taking the effect of opening and closing unearned commission.

Raza Kuli Khan
Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
Chief Executive

Mushtaq Ahmed Khan
Mushtaq Ahmed Khan F.C.A
Director

Sardar Khan
Sardar Khan
Managing Director &
Principal Officer

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE, 2009**

	2009	2008
	(Rupees in '000)	
Income from investment at fair value through profit or loss		
Unrealised gain on remeasurement of investment to fair value	2,274	(3,140)
Dividend income	350	0
	2,624	(3,140)
Income from non-trading investments		
Held to maturity		
Return on Government securities	1,394	462
Return on other fixed income securities and deposits:		
- term deposit receipts	1,590	1,199
- profit on PLS accounts	646	509
	3,630	2,170
Available-for-sale		
Dividend income	-	347
Unrealized loss	(2,280)	-
Less: Zakat deducted	(1)	-
Net investment income	3,973	(623)


Raza Kuli Khan Khattak
Chairman


Begum Zeb Gohar Ayub Khan
Chief Executive


Mushtaq Ahmed Khan F.C.A.
Director


Sardar Khan
Managing Director &
Principal Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2009 (Un-audited)**

1 STATUS AND NATURE OF BUSINESS

The Universal Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on 09 May, 1958 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The Company is listed on Karachi and Lahore Stock Exchanges and is engaged in the non-life insurance business. The registered office of the Company is situated at Universal Insurance House, 63- Shahrah-e-Quaid-e-Azam, Lahore. Bibojee Services (Pvt) Ltd., (the Holding Company) held 15,158,326 i.e. 72.18% (2008: 12,002,230) ordinary shares of the Company as at 30 June, 2009.

2. BASIS OF PRESENTATION

These condensed interim financial statements are unaudited but reviewed by External Auditors with limited scope and are being submitted to the shareholders in accordance with the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of the approved accounting standards "International Accounting Standards - 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).

These condensed interim financial statements do 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 31 December, 2008.

3. ACCOUNTING POLICIES

The Accounting Policies and methods of computation, which have been used in the preparation of these financial statements, are the same as those applied in the preparation of the financial statements as at and for the year ended 31 December, 2008.

4. ESTIMATES AND JUDGEMENTS

Preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that effect 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 judgment, estimates and assumptions used by the management in preparation of these financial statements are the same as those applied to the annual financial statements as at and for the year ended 31 December, 2008.

5. AMOUNTS DUE TO / FROM OTHER INSURERS / REINSURERES AND PREMIUMS DUE BUT UNPAID

The balance as at 30 June, 2009 relating to amounts due to / from other insurers and reinsurers and premiums due but unpaid, except for associated companies' balances, are although unconfirmed but are considered to be accurately stated by the management.

6. CONTINGENCIES AND COMMITMENTS

As at 30 June, 2009 commitments for revolving letters of credits, other than for capital expenditure, were outstanding for Rs.613,008/- (31 December, 2008: Rs.624,000/-).

7. INVESTMENTS

	Un-Audited June 30, 2009	Audited December 31, 2008
	(Rupees in '000)	
In related parties		
Investment in an associate- Equity accounting	5,345	3,366
	<u>5,345</u>	<u>3,366</u>
Others		
Held to maturity		
Government Securities	22,053	21,711
Available for sale	9,383	11,662
Investment at fair value through profit or loss	52,706	47,433
	<u>84,142</u>	<u>80,806</u>
	<u>89,487</u>	<u>84,172</u>

8. FIXED ASSETS- Tangible

Opening book value	113,727	102,404
Additions during the period / year:		
Owned:		
Buildings	0	12,495
Furniture and fixtures	389	505
Air- conditioning equipment	467	745
Electric appliances	5	68
Library books	8	120
Typewriter and calculators	2	0
Telephone installations	6	53
Office equipment	82	408
Computers	349	3,112
Mobile Sets	39	218
Generator Owned	113	455
Cycles / motor cycles	500	176
Vehicles	2,561	3,269
Leased:	4,521	21,624
Vehicles and Generator	0	6,874
	<u>4,521</u>	<u>28,498</u>
	<u>118,248</u>	<u>130,902</u>
Book values of assets disposed- off during the period / year	(1,437)	(2,748)
Depreciation charge for the period / year	(7,095)	(14,427)
Book value as at June, 2009	<u>109,716</u>	<u>113,727</u>

11. SEGMENT REPORTING

The Company has four primary business segments for reporting purposes namely fire & property damage, marine & transport, motor accident 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 premiums earned by the segments.

	Fire and property damage	Marine and transport	Motor accident	Miscellaneous	Total
------(Rupees in '000)-----					
For the half- year ended as at 30 June,2009					
Gross premium earned	108,237	35,798	92,970	32,757	269,762
Segment results	19,842	4,528	(6,381)	758	18,747
Other information					
Segment assets	221,318	65,231	137,413	46,196	470,158
Unallocated corporate assets					269,748
Consolidated total assets					739,906
Segment liabilities	161,196	49,395	164,024	37,811	412,426
Unallocated corporate liabilities					71,449
Consolidated total liabilities					483,875
Capital expenditure	1,229	406	1,055	372	3,062
Depreciation	1,913	632	1,643	579	4,767
For the half year ended 30 June,2008					
Gross premium earned	88,903	53,490	126,337	17,427	286,157
Segment results	4,679	9,213	8,156	317	22,365
Other information					
Segment assets	165,212	84,541	134,714	25,975	410,442
Unallocated corporate assets					316,642
Consolidated total assets					727,084
Segment liabilities	142,590	62,875	166,975	49,577	422,017
Unallocated corporate liabilities					73,232
Consolidated total liabilities					495,249
Capital expenditure	2,117	1,274	3,008	415	6,814
Depreciation	1,595	960	2,267	312	5,134

12. SUMMARY OF TRANSACTIONS WITH RELATED PARTIES

Related parties comprise related group companies, associates, directors, key management personnel and employee benefit plan. The Company in the normal course of business carries-out transactions with various related parties. Material transactions with related parties during the half year ended 30 June, 2009 are given below:

	Un-Audited June 30, 2009	Un-Audited June 30, 2008
	(Rupees in '000)	
Premiums charged	11,541	9,639
Claims paid	7,525	3,100
Purchase of vehicles	0	1,450
Rent charged	720	0


12.1 Transactions between the related parties were made at arm's length prices determined in accordance with the comparable uncontrolled price method.

13. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2009 by the board of directors of the Company.

14. FIGURES

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees.
- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison; however, no significant rearrangements / reclassifications have been made in these financial statements except for the restatement of earnings per share for the corresponding period due to issuance of bonus shares during the current period and adjustment of opening Retained Earning due to deferred Tax adjustment.


Raza Kuli Khan Khattak
Chairman


Begum Zeb Gohar Ayub Khan
Chief Executive


Mushtaq Ahmed Khan F.C.A
Director


Sardar Khan
Managing Director &
Principal Officer