

**HALF YEARLY FINANCIAL STATEMENTS  
JUNE 30, 2008  
(UN-AUDITED)**



**The Pakistan General Insurance  
Company Limited**



# The Pakistan General Insurance Co. Ltd.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

<b>CHAIRMAN</b>	Ch. Manzoor Ahmed PSP(Retd) M.A., LLB:DTL:DLL.
<b>VICE CHAIRMAN</b>	Mr. Nasir Ali A.C.I.I.
<b>CHIEF EXECUTIVE &amp; PRESIDENT</b>	Ch. Zahoor Ahmed
<b>DIRECTORS</b>	Dr. Mahmud-ul-Haq Mr. Usman Ali Ch. Athar Zahoor Mr. Rehan Beg Ch. Mazhar Zahoor
<b>DIRECTOR &amp; COMPANY SECRETARY</b>	Ch. Muhammad Saleem

### MANAGEMENT EXECUTIVES

<b>Vice Chairman</b>	Mr. Nasir Ali MBA. Msc.Ins. & Risk Mgmt (UK) ACII (London)
<b>Chief Executive and President</b>	Ch. Zahoor Ahmed
<b>Director / Company Secretary</b>	Ch. Muhammad Saleem
<b>Joint President</b>	Ch. Athar Zahoor
<b>Director HR</b>	Mr. Usman Ali
<b>Executive Director</b>	Major (Retd) Javed Sadiq
<b>Executive Director</b>	Dr. Shahbaz Anwar
<b>Executive Director</b>	Mr. Muhammad Kashif ACCA
<b>Chief Financial Officer</b>	Mr. Azhar Hafeez Ch.
<b>Chief General Manager</b>	Ch. Ghulam Mustafa (B.A, L.L.B)
<b>Advisor to CEO &amp; General Manager</b>	Major (Rtd) Munir A. Kazi
<b>Sr. Vice President (Underwriting &amp; Claims)</b>	Mr. Malik Muhammad Asghar
<b>Vice President (Re-Insurance)</b>	Mr. M. Maqsood Piracha



# The Pakistan General Insurance Co. Ltd.

## DIRECTORS' REPORT TO THE SHARE HOLDERS

The Board of Directors of "The Pakistan General Insurance Company Limited" (the "Company") is pleased to present un-audited but reviewed by external auditors the condensed interim financial statements for the half year ended 30 June 2008.

The operational performance of the Company during first half of 2008 is highly satisfactory. The comparative analysis of the half yearly results at a glance is as under:

	<i>30/Jun/08</i>	<i>30/Jun/07</i>
	<i>----- rupees in thousands -----</i>	
Gross premium	91,400	60,458
Retained premium	58,432	30,665
Reserve for unexpired risk	59,741	62,850
Net incurred claims	10,815	4,643
Management expenses	11,648	9,609
Underwriting profits	38,367	17,786
Investment income	47	936
Profit before tax	32,096	14,600
General reserves	45,000	10,000
Paid up capital	200,000	200,000

During the period, stock market has witnessed major decline which has resulted in low investment income and consequently the results have been adversely impacted by decline in the investment income due to adjustment of Rs. 1.5 million with regard to provision for impairment in the value of shares.

During the period under review, Gross Written Premium amplified by 51% in 2008 mainly due to effective risk management, firm underwriting guidelines and philosophy, good policy decision making and tireless efforts of the management and field staff of the Company. The increase in premium has had consequential impact on net earned premium and commissions. Net Claims increased during the period which shows continuous commitment to meet the claim liabilities without delay. The underwriting profit went up from Rs. 17 million in 2007 to Rs. 38 million in 2008. General & administration expenses rose by 67%, mainly due to motor vehicle expenses and increased staff cost. Earning per share for the first half 2008 is Rs. 1.03 against Rs. 1.20 for the corresponding period in 2007.

The Pakistan General Insurance Co. Ltd. maintains a visible record of Code of Corporate Governance. The Audit committee periodically reviews that the organization is complying with the requirements of Code of Corporate Governance as incorporated in the listing regulation of all the Stock Exchanges of Pakistan (KSE, LSE and ISE).

The Company is conscious of the challenges which are being faced by the economy due to spiraling inflation and rising interest rates. We are striving hard to sustain our performance under these circumstances. We also hope that the macro economic challenges will be addressed soon to enable conducive environment for the growth of industry.

We express our thanks to the Financial Institutions, Securities & Exchange Commission of Pakistan, Pakistan Re-insurance Co. Ltd, Foreign Reinsurers and Brokers, our valued clients, business partners for their continued patronage and the Company staff for their dedicated efforts.

**For and on behalf of the Board**

Ch. Zahoor Ahmed  
Chief Executive / President

Lahore:  
September 15, 2008



# The Pakistan General Insurance Co. Ltd.

## Independent Auditors' Report on Review of Condensed Interim Financial Information to the Members of The Pakistan General Insurance Company Limited

### *Introduction*

We have reviewed the accompanying condensed interim financial information comprising the:

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of cash flows;
- iv. condensed interim statement of changes in equity;
- v. condensed interim statement of premium;
- vi. condensed interim statement of claims;
- vii. condensed interim statement of expenses; and,
- viii. condensed interim statement of investment income

of The Pakistan General Insurance Company Limited ("the Company") as at June 30, 2008 together with the selected explanatory notes forming part thereof (here-in-after referred to as the "interim financial information") for the six months then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial information. 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, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for three months ended June 30, 2008 and 2007 have not been reviewed, as we were required to review only the cumulative figures for the six months ended June 30, 2008.

The financial statements and interim financial information of the Company as at December 31, 2007 and June 30, 2007 were audited and reviewed solely by M/s Kamran & Co., Chartered Accountants whose auditors' and review report respectively dated March 8, 2008 and July 23, 2007, expressed unqualified opinion and conclusion on those statements.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consist 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 respects, in accordance with approved accounting standards as applicable in Pakistan.

**KAMRAN & CO.**  
**CHARTERED ACCOUNTANTS**

**LAHORE**  
**September 15, 2008**

**M. YOUSUF ADIL SALEEM & CO.**  
**CHARTERED ACCOUNTANTS**

**LAHORE**  
**September 15, 2008**



# The Pakistan General Insurance Co. Ltd.

## CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2008 (UN-AUDITED)

		30/Jun/08	31/Dec/07		30/Jun/08	31/Dec/07	
	Note	Rupees	Rupees	Note	Rupees	Rupees	
<b>SHARE CAPITAL AND RESERVES</b>				<b>CASH AND BANK DEPOSITS</b>			
Authorized Share Capital				Cash and other equivalent	6,401,882	6,462,779	
30,000,000 (2007: 30,000,000) ordinary shares of Rs. 10 each		300,000,000	300,000,000	Current and other accounts	94,646,573	69,062,853	
				Deposit maturing within twelve (12) months	30,508,000	30,508,000	
					<u>131,556,455</u>	<u>106,033,632</u>	
Issued, subscribed and paid-up share capital	5	200,000,000	200,000,000				
General reserves		45,000,000	25,000,000	<b>LOANS - UNSECURED</b>			
Retained earnings		22,353,579	21,174,890	To employees	103,062	123,962	
		<u>267,353,579</u>	<u>246,174,890</u>				
				<b>INVESTMENTS</b>	10	14,372,794	15,862,123
Surplus on revaluation of fixed assets	6	32,726,429	33,117,583	<b>INVESTMENT PROPERTY</b>		46,922,367	47,127,052
<b>UNDERWRITING PROVISIONS</b>				<b>CURRENT ASSETS-OTHERS</b>			
Provision for outstanding claims (including IBNR)		11,741,026	12,136,933	Premiums due but unpaid	29,496,632	29,943,398	
Provision for unearned premiums		59,741,283	97,774,071	Amount due from other insurers / reinsurers	6,144,990	5,740,979	
Commission income unearned		7,956,383	11,008,202	Accrued investment income	3,094,235	1,915,642	
Total underwriting provisions		<u>79,438,692</u>	<u>120,919,206</u>	Reinsurance recoveries against outstanding claims	7,669,818	9,612,497	
				Deferred commission expenses	6,091,230	7,558,446	
				Prepaid reinsurance premium ceded	24,698,502	47,384,433	
				Sundry receivables	1,332,112	2,884,878	
					<u>78,527,519</u>	<u>105,040,273</u>	
<b>DEFERRED LIABILITY</b>							
Deferred taxation		9,026,858	8,952,108				
<b>CREDITORS AND ACCRUALS</b>				<b>FIXED ASSETS</b>	11		
Amounts due to other insurers / reinsurers		5,219,642	3,630,115	Tangible fixed assets			
Accrued expenses		737,851	678,415	Owned			
Taxation - Provision less payments	7	11,292,333	71,846	Land and buildings	121,008,549	123,034,409	
Other creditors		11,846,129	9,011,856	Furniture, fixtures and office equipment	6,028,928	5,900,383	
Current portion of long term liabilities	8	942,899	1,694,762	Vehicles	14,288,333	15,445,257	
		<u>30,038,854</u>	<u>15,086,994</u>		<u>141,325,810</u>	<u>144,380,049</u>	
<b>OTHER LIABILITIES</b>				Leased assets	6,238,597	6,744,429	
Liabilities against assets subject to					<u>147,564,407</u>	<u>151,124,478</u>	
Finance lease	8	462,192	1,060,739				
<b>TOTAL LIABILITIES</b>		<u>118,966,596</u>	<u>146,019,047</u>				
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>419,046,604</u>	<u>425,311,520</u>	<b>TOTAL ASSETS</b>	<u>419,046,604</u>	<u>425,311,520</u>	
<b>CONTINGENCIES AND COMMITMENTS</b>	9						

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



# The Pakistan General Insurance Co. Ltd.

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER YEAR ENDED 30 JUNE 2008 (UN-AUDITED)

*For the Three Months Ended*

	Fire and Property	Marine	Motor	Others	Aggregate 30/Jun/08	Aggregate 30/Jun/07
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Revenue account</b>						
Net premium revenue	15,280,642	3,422,028	3,346,506	3,283,060	25,332,236	17,506,305
Net claims	(1,409,924)	(1,554,462)	(1,103,271)	1,418,225	(2,649,432)	(3,047,982)
Expenses of management	(2,980,027)	(1,382,332)	(559,466)	(2,042,467)	(6,964,292)	(3,868,915)
Net commission	1,310,839	(250,884)	(546,440)	1,439,093	1,952,608	1,976,437
<b>Underwriting results</b>	<b>12,201,530</b>	<b>234,350</b>	<b>1,137,329</b>	<b>4,097,911</b>	<b>17,671,120</b>	<b>12,565,845</b>
Investment income					(879,307)	935,692
Rental income					940,000	370,000
Other income					16,658	2,015
					77,351	1,307,707
General and administration expenses					(2,195,577)	(2,691,865)
<b>Profit before tax</b>					<b>15,552,894</b>	<b>11,181,687</b>
Provision for taxation						
- Current					(5,443,513)	(198,386)
- Deferred					(285,371)	110,854
					(5,728,884)	(87,532)
<b>Profit after tax</b>					<b>9,824,010</b>	<b>11,094,155</b>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



# The Pakistan General Insurance Co. Ltd.

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED JUNE 30, 2008 (UN-AUDITED)

*For the Six Months Ended*

	Fire and Property Rupees	Marine Rupees	Motor Rupees	Others Rupees	Aggregate 30/Jun/08 Rupees	Aggregate 30/Jun/07 Rupees
<b>Revenue account</b>						
Net premium revenue	29,441,143	9,243,836	12,263,858	7,483,162	58,431,999	30,664,802
Net claims	(6,171,552)	(2,004,219)	(1,418,857)	(1,220,362)	(10,814,990)	(4,642,786)
Expenses of management	(5,054,910)	(2,469,915)	(1,176,377)	(2,947,140)	(11,648,342)	(9,609,048)
Net commission	2,337,112	(250,884)	(1,413,322)	1,725,376	2,398,282	1,372,797
<b>Underwriting results</b>	<b>20,551,793</b>	<b>4,518,818</b>	<b>8,255,302</b>	<b>5,041,036</b>	<b>38,366,949</b>	<b>17,785,765</b>
Investment income					46,363	935,692
Rental income					1,710,000	695,000
Other income					24,875	19,315
					1,781,238	1,650,007
General and administration expenses					(8,052,366)	(4,835,529)
<b>Profit before tax</b>					<b>32,095,821</b>	<b>14,600,243</b>
Provision for taxation						
- Current					(11,233,537)	(264,178)
- Deferred					(285,371)	110,854
					(11,518,908)	(153,324)
<b>Profit after tax</b>					<b>20,576,913</b>	<b>14,446,919</b>
<b>Profit and loss appropriation account</b>						
Balance at commencement of period					21,174,890	14,097,275
Profit after tax for the period					20,576,913	14,446,919
Transfer to general reserve					(20,000,000)	(4,000,000)
Surplus realized on incremental depreciation on revalued assets					601,776	633,448
<b>Balance unappropriated profit at end of the period</b>					<b>22,353,579</b>	<b>25,177,642</b>
Earnings per share - basic and dilutive					Rupees: <u>1.03</u>	<u>0.90</u>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



# The Pakistan General Insurance Co. Ltd.

## CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2008 (UN-AUDITED)

	30/Jun/08	30/Jun/07
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
a) Underwriting activities		
Premiums received	69,160,443	61,702,227
Reinsurance premiums paid	(48,314,466)	(28,120,047)
Claims paid	(38,091,154)	(18,858,537)
Reinsurance and other recoveries received	51,508,867	13,910,137
Commissions paid	(12,174,066)	(8,396,144)
Commissions received	12,987,745	12,588,391
Net cash from underwriting activities	<u>35,077,369</u>	<u>32,826,027</u>
b) Other operating activities		
General management expenses paid	(15,443,707)	(9,629,500)
Other operating payments	(404,011)	(6,495,405)
Other operating receipts	5,976,566	7,325,244
Net cash flow from other operating activities	<u>(9,871,152)</u>	<u>(8,799,661)</u>
<b>Total cash flow from operating activities</b>	<u><u>25,206,217</u></u>	<u><u>24,026,366</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
a) Investment activities		
Profit / return received	357,099	935,692
Rentals received	1,710,000	695,000
Other income	24,875	19,315
Payment for investments	-	(4,350,000)
Fixed capital expenditure	(445,858)	(71,304,604)
<b>Total cash inflow from / (used in) investing activities</b>	<u>1,646,116</u>	<u>(74,004,597)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share capital issued	-	80,000,000
Loans repayments received	20,900	13,150
Repayment of lease liabilities	(1,350,410)	83,984
<b>Total cash inflow from / (used in) financing activities</b>	<u>(1,329,510)</u>	<u>80,097,134</u>
<b>NET CASH INFLOW FROM ALL ACTIVITIES</b>	<u>25,522,823</u>	<u>30,118,903</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>106,033,632</u>	<u>58,165,449</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>131,556,455</u></u>	<u><u>88,284,352</u></u>
<b>RECONCILIATION TO PROFIT AND LOSS ACCOUNT</b>		
Operating cash flows	25,206,217	24,026,366
Depreciation on tangible fixed assets	(4,210,614)	(4,751,546)
Investment income	46,363	935,692
Rental income	1,710,000	695,000
Other income	24,875	19,315
(Decrease) / Increase in assets other than cash	(27,446,971)	19,306,040
Decrease / (Increase) in liabilities other than running finance	25,247,043	(25,783,948)
<b>Profit after taxation as per profit and loss account</b>	<u>20,576,913</u>	<u>14,446,919</u>
<b>DEFINITION OF CASH</b>		
Cash comprises of cash in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.		
<b>CASH FOR THE PURPOSES OF THE STATEMENT OF CASH FLOWS CONSISTS OF:</b>		
Cash and other equivalents		
Cash in hand	6,401,882	7,305,262
Current and other accounts		
On current accounts	94,646,573	50,471,090
Deposits maturing within 12 months		
Fixed and term deposits accounts	30,508,000	30,508,000
	<u>131,556,455</u>	<u>88,284,352</u>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR





# The Pakistan General Insurance Co. Ltd.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2008 (UN-AUDITED)

	Share capital	General reserve	Un- appropriated profit	Total
	Rupees	Rupees	Rupees	Rupees
Balance as on 1 <sup>st</sup> January 2007	120,000,000	6,000,000	14,097,275	140,097,275
Share issued to certificate holders of PEI under scheme of arrangement for the merger	80,000,000	-	-	80,000,000
Surplus realize on revaluation of tangible fixed assets of PEI on acquisition through business combination	-	-	-	-
Profit for the half year ended 30 June 2007	-	-	14,446,919	14,446,919
Transferred to general reserve	-	4,000,000	(4,000,000)	-
Incremental depreciation on revalued assets for the half year ended 30 June 2007	-	-	633,448	633,448
<b>Balance as on 30 June 2007</b>	<b>200,000,000</b>	<b>10,000,000</b>	<b>25,177,642</b>	<b>235,177,642</b>
Profit for the half year ended 31 December 2007	-	-	10,363,800	10,363,800
Transferred to general reserve	-	15,000,000	(15,000,000)	-
Incremental depreciation on revalued assets for the half year ended 31 December 2007	-	-	633,448	633,448
<b>Balance as on 31 December 2007</b>	<b>200,000,000</b>	<b>25,000,000</b>	<b>21,174,890</b>	<b>246,174,890</b>
Profit for the half year ended 30 June 2008	-	-	20,576,913	20,576,913
Transferred to general reserve	-	20,000,000	(20,000,000)	-
Incremental depreciation on revalued assets for the half year ended 30 June 2008	-	-	601,776	601,776
<b>Balance as on 30 June 2008</b>	<b>200,000,000</b>	<b>45,000,000</b>	<b>22,353,579</b>	<b>267,353,579</b>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



**CONDENSED INTERIM STATEMENT OF PREMIUM  
FOR THE HALF YEAR ENDED 30 JUNE 2008**  
Business underwritten inside Pakistan

For the Quarter Ended

Class	Written		Premium		Earned	Reinsurance Ceded	Reinsurance		Qtr Ended 30/Jun/08	Qtr Ended 30/Jun/07
	Opening	Closing	Opening	Closing			Prepaid Reinsurance Premium ceded	Reinsurance expense		
(Rupees)										
<i>Direct and facultative</i>										
Fire and property	22,912,935	21,007,138	24,167,875	19,752,198	19,752,198	14,206,020	5,248,312	14,982,776	15,280,642	5,750,421
Marine	10,600,180	12,402,537	16,139,071	6,863,646	6,863,646	5,618,111	2,450,229	4,626,722	3,441,618	4,907,397
Motor	4,250,135	4,395,934	5,109,748	3,536,321	3,536,321	157,975	119,290	87,450	3,346,506	6,416,560
Others	15,821,418	8,510,285	14,324,589	10,007,114	10,007,114	9,407,403	2,318,205	5,001,554	3,283,060	431,927
Total	53,584,668	46,315,894	59,741,283	40,159,279	40,159,279	29,389,509	10,136,036	24,698,502	25,332,236	17,506,305
<i>Treaty</i>										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>53,584,668</b>	<b>46,315,894</b>	<b>59,741,283</b>	<b>40,159,279</b>	<b>40,159,279</b>	<b>29,389,509</b>	<b>10,136,036</b>	<b>24,698,502</b>	<b>25,332,236</b>	<b>17,506,305</b>

For the Half Year Ended

Class	Written		Premium		Earned	Reinsurance Ceded	Reinsurance		HY Ended 30/Jun/08	HY Ended 30/Jun/07
	Opening	Closing	Opening	Closing			Prepaid Reinsurance Premium ceded	Reinsurance expense		
(Rupees)										
<i>Direct and facultative</i>										
Fire and property	39,663,735	50,945,761	24,167,875	66,441,621	66,441,621	24,318,960	27,664,294	14,982,776	29,441,143	11,534,407
Marine	19,380,380	22,599,690	16,139,071	25,840,999	25,840,999	10,096,013	11,127,872	4,626,722	9,243,836	7,308,924
Motor	9,230,535	8,439,271	5,109,748	12,560,058	12,560,058	383,650	-	87,450	296,200	9,723,441
Others	23,124,958	15,789,349	14,324,589	24,589,718	24,589,718	13,515,843	8,592,267	5,001,554	7,483,162	2,098,030
Total	91,399,608	97,774,071	59,741,283	129,432,396	129,432,396	48,314,466	47,384,433	24,698,502	58,431,999	30,664,802
<i>Treaty</i>										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>91,399,608</b>	<b>97,774,071</b>	<b>59,741,283</b>	<b>129,432,396</b>	<b>129,432,396</b>	<b>48,314,466</b>	<b>47,384,433</b>	<b>24,698,502</b>	<b>58,431,999</b>	<b>30,664,802</b>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



# The Pakistan General Insurance Co. Ltd.

## CONDENSED INTERIM STATEMENT OF CLAIMS FOR THE HALF YEAR ENDED 30 JUNE 2008 (UN-AUDITED) Business underwritten inside Pakistan

For the Quarter Ended

Class	Claims Paid		Outstanding		Claims Expense	Reinsurance and other Recoveries Received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other Recoveries Revenue		Net Claims Expense	
	Opening	Closing	Opening	Closing		Opening	Closing	Opening	Closing	Qtr Ended 30/Jun/08	Qtr Ended 30/Jun/07		
<i>Direct and facultative</i>													
Fire	10,335,328	5,546,629	6,575,883	11,364,582	7,787,014	7,787,014	1,137,532	3,305,176	9,954,658	1,409,924	1,274,354		
Marine	4,965,000	5,281,535	4,266,634	3,950,099	3,649,733	3,649,733	5,341,664	4,087,568	2,395,637	1,554,462	931,862		
Motor	1,005,481	810,159	810,159	1,005,481	-	-	282,790	185,000	(97,790)	1,103,271	434,083		
Others	6,532,500	96,525	88,350	6,524,325	7,942,550	7,942,550	92,074	92,074	7,942,550	(1,418,225)	407,683		
<b>Total</b>	<b>22,838,309</b>	<b>11,734,848</b>	<b>11,741,026</b>	<b>22,844,487</b>	<b>19,379,297</b>	<b>19,379,297</b>	<b>6,854,060</b>	<b>7,669,818</b>	<b>20,195,055</b>	<b>2,649,432</b>	<b>3,047,982</b>		
<i>Treaty</i>													
Proportional	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>22,838,309</b>	<b>11,734,848</b>	<b>11,741,026</b>	<b>22,844,487</b>	<b>19,379,297</b>	<b>19,379,297</b>	<b>6,854,060</b>	<b>7,669,818</b>	<b>20,195,055</b>	<b>2,649,432</b>	<b>3,047,982</b>		

For the Half Year Ended

Class	Claims Paid		Outstanding		Claims Expense	Reinsurance and other Recoveries Received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other Recoveries Revenue		Net Claims Expense	
	Opening	Closing	Opening	Closing		Opening	Closing	Opening	Closing	HY Ended 30/Jun/08	HY Ended 30/Jun/07		
<i>Direct and facultative</i>													
Fire	17,405,698	5,657,282	6,575,883	18,324,299	13,083,054	13,083,054	4,235,483	3,305,176	12,152,747	6,171,552	2,274,956		
Marine	8,484,007	5,560,187	4,266,634	7,190,454	6,198,607	6,198,607	5,099,940	4,087,568	5,186,235	2,004,219	1,090,591		
Motor	1,418,857	810,159	810,159	1,418,857	-	-	185,000	185,000	-	1,418,857	769,556		
Others	9,235,820	109,305	88,350	9,214,865	7,994,503	7,994,503	92,074	92,074	7,994,503	1,220,362	507,683		
<b>Total</b>	<b>36,544,382</b>	<b>12,136,933</b>	<b>11,741,026</b>	<b>36,148,475</b>	<b>27,276,164</b>	<b>27,276,164</b>	<b>9,612,497</b>	<b>7,669,818</b>	<b>25,333,485</b>	<b>10,814,990</b>	<b>4,642,786</b>		
<i>Treaty</i>													
Proportional	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>36,544,382</b>	<b>12,136,933</b>	<b>11,741,026</b>	<b>36,148,475</b>	<b>27,276,164</b>	<b>27,276,164</b>	<b>9,612,497</b>	<b>7,669,818</b>	<b>25,333,485</b>	<b>10,814,990</b>	<b>4,642,786</b>		

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



**CONDENSED INTERIM STATEMENT OF EXPENSES  
FOR THE HALF YEAR ENDED 30 JUNE 2008 (UN-AUDITED)**  
Business underwritten inside Pakistan

*For the Quarter Ended*

Class	Paid or Payable		Commission Deferred		Net Expenses	Other Management Expenses (Rupees)	Underwriting Expenses	Commission from Reinsurers	Net Underwriting Expenses	
	Opening	Closing	Opening	Closing					Qtr Ended 30/Jun/08	Qtr Ended 30/Jun/07
<i>Direct and facultative</i>										
Fire and property	3,568,207	3,360,953	2,895,386	4,033,774	2,980,027	7,013,801	5,213,346	1,800,455	913,868	
Marine	1,807,639	1,503,161	1,125,989	2,184,811	1,382,332	3,567,143	1,846,122	1,721,021	842,831	
Motor	299,216	1,146,069	779,023	666,262	559,466	1,225,728	-	1,225,728	957,619	
Others	1,851,455	888,748	1,290,832	1,449,371	2,042,467	3,491,838	2,697,650	794,188	(821,840)	
Total	7,526,517	6,898,931	6,091,230	8,334,218	6,964,292	15,298,510	9,757,118	5,541,392	1,892,478	
Proportional	-	-	-	-	-	-	-	-	-	
Total	7,526,517	6,898,931	6,091,230	8,334,218	6,964,292	15,298,510	9,757,118	5,541,392	1,892,478	

*For the Half Year Ended*

Class	Paid or Payable		Commission Deferred		Net Expenses	Other Management Expenses (Rupees)	Underwriting Expenses	Commission from Reinsurers	Net Underwriting Expenses	
	Opening	Closing	Opening	Closing					HY Ended 30/Jun/08	HY Ended 30/Jun/07
<i>Direct and facultative</i>										
Fire and property	5,949,560	3,492,220	2,895,386	6,546,394	5,054,910	11,601,304	8,883,506	2,717,798	3,069,789	
Marine	2,907,057	1,720,773	1,125,989	3,501,841	2,469,915	5,971,756	3,250,957	2,720,799	2,030,786	
Motor	926,454	1,265,891	779,023	1,413,322	1,176,377	2,589,699	-	2,589,699	2,619,949	
Others	2,390,995	1,079,562	1,290,832	2,179,725	2,947,140	5,126,865	3,905,101	1,221,764	515,727	
Total	12,174,066	7,558,446	6,091,230	13,641,282	11,648,342	25,289,624	16,039,564	9,250,060	8,236,251	
Proportional	-	-	-	-	-	-	-	-	-	
Total	12,174,066	7,558,446	6,091,230	13,641,282	11,648,342	25,289,624	16,039,564	9,250,060	8,236,251	

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

CHIEF EXECUTIVE

DIRECTOR



# The Pakistan General Insurance Co. Ltd.

## CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME FOR THE HALF YEAR ENDED 30 JUNE 2008 (UN-AUDITED)

	<i>Quarter ended</i>		<i>Half year ended</i>	
	30/Jun/08	30/Jun/07	30/Jun/08	30/Jun/07
	Rupees	Rupees	Rupees	Rupees
Income from non - trading investments				
Held to maturity				
Return on Government securities	610,022	935,692	1,535,692	935,692
Available for sale				
Provision for impairment	(1,489,329)	-	(1,489,329)	-
Net investment income	<u>(879,307)</u>	<u>935,692</u>	<u>46,363</u>	<u>935,692</u>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



# The Pakistan General Insurance Co. Ltd.

## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 2008 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

1.1 The Pakistan General Insurance Company Limited "the Company" was incorporated as a public limited company on 26th July 1947 under the Companies Act, 1913 (now Companies Ordinance, 1984) and was listed on all three stock exchanges in Pakistan on 25th July 1995. The Company is engaged in providing General Insurance Services in spheres of Fire, Marine, Motor and Miscellaneous in Pakistan. The registered office of the Company is situated at Cooperative Bank House, 5 Bank Square, Lahore.

1.2 These financial statements are presented in Pak Rupee which is Company's functional as well as presentational currency.

### 2. STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited but subject to review by the auditors and is 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 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. 7 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 31 December 2007.

### 3. BASIS OF MEASUREMENT

This condensed interim financial information have been prepared under the historical cost convention.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in preparing the most recent annual financial statements of the Company for the year ended 31 December 2007.

#### 4.1 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to reserves or/and issue new shares.

	30/Jun/08 Rupees	31/Dec/07 Rupees
<b>5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>		
20,000,000 (2007: 20,000,000) fully paid-up ordinary shares of Rs. 10 each	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
<b>6. SURPLUS ON REVALUATION OF FIXED ASSETS</b>		
Undepreciated portion of surplus on revaluation of fixed assets as on 1st January	33,117,583	21,441,066
Add: Surplus realized during the period on amalgamation	-	12,500,000
Less: Incremental depreciation on revalued assets relating to current year transferred to accumulated profit / (loss) net of deferred taxation	(391,154)	(823,483)
	<u>32,726,429</u>	<u>33,117,583</u>

6.1 Depreciation effect for the current period has been adjusted against revaluation surplus, as permitted under section 235 (2) of the Companies Ordinance, 1984.

6.2 The basis used for revaluation of land and building is current market value based on market survey of the same property.

	30/Jun/08 Rupees	31/Dec/07 Rupees
<b>7. TAXATION - PROVISION LESS PAYMENTS</b>		
Balance at the beginning of the period / year	71,846	3,850,865
Add: Provision recognized on amalgamation	-	178,901
Charge for the period / year	11,233,537	354,675
Less: Paid / Deducted / Adjusted during the period / year	(13,050)	(4,312,595)
	<u>11,292,333</u>	<u>71,846</u>

7.1 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.

### 8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The reconciliation of minimum lease payments with the net present value of the obligation is as under:



# The Pakistan General Insurance Co. Ltd.

	Minimum Lease		Minimum Lease	
	Payments	Present Value	Payments	Present Value
	30/Jun/08		31/Dec/07	
	----- Rupees -----			
Upto one year	1,014,426	942,899	1,914,869	1,694,762
One year to five years	539,947	462,192	1,132,011	1,060,739
Total minimum lease payments	1,554,373	1,405,091	3,046,880	2,755,501
Less: Finance charge allocated to future periods	(149,282)	-	(291,379)	-
Present value of minimum lease payments	1,405,091	1,405,091	2,755,501	2,755,501
Current maturity shown in current liabilities	(942,899)	(942,899)	(1,694,762)	(1,694,762)
	462,192	462,192	1,060,739	1,060,739

8.1 The company has entered into various lease agreement with leasing companies for vehicles. These agreements will expire in 2010.

## 9. CONTINGENCIES AND COMMITMENTS

There have been no significant changes in the contingencies and commitments as disclosed in the annual financial statements of the Company for the year ended 31 December 2007.

## 10. INVESTMENTS

Held-to-maturity		11,726,400	11,726,400
Available for sale			
- Marketable securities		4,135,723	4,135,723
- Less: Provision for impairment in value of investments		(1,489,329)	-
		2,646,394	4,135,723
		14,372,794	15,862,123

	Tangible		30/Jun/08 Rupees	31/Dec/07 Rupees
	Own	Leased		
11. FIXED ASSETS				
Carrying amount at beginning of the period	144,380,049	6,744,429	151,124,478	151,443,478
Acquisition through business combination	-	-	-	63,780,454
Additions during the period - note 11.1	445,858	-	445,858	8,046,898
Book value of transfers in / (out)	-	-	-	(47,127,052)
Book value of disposals - note 11.2	-	-	-	(24,250,000)
Depreciation charge for the period	(3,500,097)	(505,832)	(4,005,929)	(7,513,729)
Carrying amount at end of the period	141,325,810	6,238,597	147,564,407	144,380,049

11.1 Additions during the period		30/Jun/08 Rupees	31/Dec/07 Rupees
Furniture and fixtures		235,324	-
Office equipments		210,534	238,388
Motor vehicles		-	7,798,533
Bicycles		-	9,977
		445,858	8,046,898
11.2 Book value of disposals			
Freehold land		-	24,250,000

## 12. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

The related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. The Company during the period have no significant transaction with related parties.

## 13. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the statement of premium and profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

## 14. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 15 September 2008.

## 15. GENERAL

15.1 Corresponding figures have been rearranged, wherever necessary for the purpose of comparison.

15.2 Figures in this condensed interim financial information have been rounded off to the nearest rupee.

**CHIEF EXECUTIVE**

**DIRECTOR**

**DIRECTOR**

# BOOK POST

## THE PAKISTAN GENERAL INSURANCE COMPANY LIMITED

(Incorporated in 1947)

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