

COMPANY'S INFORMATION

BOARD OF DIRECTORS

CHAIRMAN
PRESIDENT
CHIEF EXECUTIVE
DIRECTORS

Mian M. A. Shahid
Chaudhary Habib-ur-Rehman
Khawas Khan Niazi
Chaudhary Najeeb-ur-Rehman
Chaudhary Aziz-ur-Rehman
Chaudhary Maqsood Ahmed
Muhammad Ashraf Khan
Huma Waheed
Muhammad Ifrikhar Hussain

MANAGEMENT

CHAIRMAN
CHIEF EXECUTIVE
DEPUTY MANAGING DIRECTOR/
COMPANY SECRETARY
ADVISOR TO CHAIRMAN

Mian M. A. Shahid
Khawas Khan Niazi

Zia Hassan Zuberi
Naseer Ahmed (Former Member Revenue CBR)
(Additional Secretary Military Finance)
(Additional Secretary Finance)

DEPUTY MANAGING DIRECTOR

Aziz Ullah Memon (Former President UBL & Bolan Bank)

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EXECUTIVE DIRECTOR

Maj. Gen. (R) Asif Duraiz Akhter

EXECUTIVE DIRECTOR

Muhammad Saleem Sheikh (Former President/Chief Executive ABL)

EXECUTIVE DIRECTOR

Javaid Sadiq (Former Chairman/Chief Executive IDBP)

EXECUTIVE DIRECTOR

Sheikh Muhammad Javaid
(Former Member KESC Board of Director & Managing Director)

EXECUTIVE DIRECTOR

Mian M. A. Zahid

JOINT DIRECTOR/COUNTRY MANAGER

Dr. Murtaza Mughal

CHIEF FINANCIAL OFFICER

Raja Naeem Tariq

CHIEF INTERNAL AUDITOR

Maqbool Ahmad

CHIEF MANAGER ACCOUNTS

Tajammal Iqbal

JOINT DIRECTOR UNDERWRITING

S. M. Qaiser Imam

GENERAL MANAGER ADMINISTRATION

Muhammad Masood Malik
(Former Bank Executive HBL)

MANAGER CO-ORDINATION

Miss Tahira Feroze

E.V.P. REINSURANCE

Mumtaz Hussain Khan

ASSISTANT GENERAL MANAGER REINS.

Aamir Hameed

ASSISTANT GENERAL MANAGER CLAIMS

Muhammad Yasin Khan

MANAGER AGRICULTURAL

Manzoor Hussain Mirza

DEPUTY GENERAL MANAGER (IT)

Ch. Khalid Mehmood

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COMPANY'S INFORMATION

BANKERS

- Allied Bank Limited
- First Women Bank Limited
- Habib Bank Limited
- MCB Bank Limited
- National Bank of Pakistan
- United Bank Limited
- Bank Al-Habib Limited
- Faysal Bank Limited
- Soneri Bank Limited
- The Bank of Punjab
- Bank Al-Falah Limited
- Askari Bank Limited
- Mybank Limited
- Samba Bank Limited
- Atlas Bank Limited
- KASB Bank Limited
- Meezan Bank Limited
- NIB Bank Limited
- Saudi Pak Commercial Bank Limited
- SME Bank Limited
- State Bank of Pakistan
- The Bank of Khyber
- Khushhali Bank
- The First Micro Finance Bank Limited
- Atlas Investment Bank Limited
- Escorts Investment Bank Limited
- First International Investment Bank Limited
- Jahangir Siddiqui Investment Bank Limited
- Orix Investment Bank Pakistan Limited
- Security Investment Bank Limited
- Industrial Development Bank of Pakistan
- The Punjab Provincial Cooperative Bank Limited
- Zarai Taraqati Bank Limited
- National Investment Trust Limited
- Royal Bank of Scotland
- Albaraka Islamic Bank B.S.C. (E.C)
- American Express Bank Limited
- Habib Metropolitan Bank Limited
- Citibank N.A.
- Oman International Bank S.A.O.G
- Rupali Bank Limited
- Standard Chartered Bank Limited
- The Bank of Tokyo Mitsubishi Limited
- The Hong Kong & Shanghai Banking Corporation Limited
- Orix Leasing Company Limited
- Capital Assets Leasing Corp. Limited
- Trust Investment Bank Limited
- First Fidelity Leasing Modaraba
- Grays Leasing Limited
- Dubai Islamic Bank Limited
- SME Leasing

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AUDITORS

- M/s Avais Hyder Liaquat Nauman Chartered Accountants
- M/s Sarwars Chartered Accountants
- M/s Sarwars Chartered Accountants
- Ch. Fazal Hussain (Advocate)
- M. A. Hamdani (Advocate)
- M. Farooq Shaikh (Advocate)

INCOME TAX ADVISOR

LEGAL ADVISORS

HEAD OFFICE

REGISTERED OFFICE

204, 2nd Floor, Madina City Mall,
Abdullah Haroon Road, Saddar, Karachi.
Tel: (021) 35624460-2, 35221803-4
Fax: (021) 35621459
Telegram: UNITINSURE
Email: info@theunitedinsurance.com
unitedpk69@hotmail.com
Web: www.theunitedinsurance.com

Nizam Chambers,
7-Shahrah-e-Fatima Jinnah, Lahore.
Tel: (042) 36361471, 36315091,
36371420, 36311078
UAN: 111-000-014
Fax: (042) 36375036 - 36304350
Email: uicp@theunitedinsurance.com

COMPANY'S INFORMATION

EXECUTIVE MANAGEMENT COMMITTEE

Mian M. A. Shahid	Chairman
Khawas Khan Niazi	Member
Zia Hassan Zuberi	Member
Naseer Ahmed	Member
Aziz Ullah Memon	Member
Maj. Gen.(R) Asif Duraiz Akhtar	Member
Javed Sadiq	Member
Sheikh M. Javed	Member
Mian M. A. Zahid	Member
Muhammad Saleem Sheikh	Member

INVESTMENT COMMITTEE

Mian M. A. Shahid	Chairman
Zia Hassan Zuberi	Member
Huma Waheed	Member
Khawas Khan Niazi	Member
Javed Sadiq	Member

MANAGEMENT COMMITTEE

Mian M. A. Shahid	Chairman
Khawas Khan Niazi	Member
Zia Hassan Zuberi	Member
Naseer Ahmed	Member
Aziz Ullah Memon	Member
Muhammad Saleem Sheikh	Member
Mumtaz Hussain Khan	Member
S.M. Qaiser Imam	Member

AUDIT COMMITTEE

Ch. Aziz-ur-Rehman	Chairman
Ch. Najib-ur-Rehman	Member
Huma Waheed	Member

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RE-INSURANCE COMMITTEE

Mian M. A. Shahid	Chairman
Khawas Khan Niazi	Member
Dr. Murtaza Mughal	Member
Mumtaz Hussain Khan	Member
Aamir Hameed	Member

CLAIMS SETTLEMENT COMMITTEE

Huma Waheed	Chairman
Khawas Khan Niazi	Member
Muhammad Yasin Khan	Member
S. M. Qaiser Imam	Member

JOINT DIRECTORS

Zarar Ahmed Butt
Mian Kashif Rasheed
Ch. Aslam Feroze
Muhammad Siddique Sheikh
Muhammad Naseem Butt
Shakeel Ahmed

UNDERWRITING COMMITTEE

Ch. Habib-ur-Rehman	Chairman
S. M. Qaiser Imam	Member
Mumtaz Hussain Khan	Member

DIRECTORS' REPORT

The Directors are pleased to present the 2nd Quarter 2009 (Half Yearly) report together with un-audited accounts of the company but reviewed by external auditors.

Gross Premium during the 1st Half Year under review is Rs. 387.169 millions. The accounts for the Half Year ended June 30, 2009 at a glance are given hereunder:

	(Rupees in Millions)		
	June 30, 2009	June 30, 2008	June 30, 2007
Gross Premium	387.169	281.501	228.652
Retained Premium	284.672	223.419	159.994
Net Incurred Claims	68.759	56.086	39.509
Management Expense	32.893	29.830	20.653
Reserve for Un-Expired Risks	117.487	47.829	79.368
General Reserve	75.116	185.116	138.116
Underwriting Profits	155.533	114.676	81.690
Investment Income	4.736	01.685	00.488
Profit before Tax	93.194	67.047	65.812
Paid Up Capital	345.000	302.407	252.006

Increase registered in premium income is due to sincere and tireless effort by the management and our field force.

The unexpired risk reserve for the 1st Half Year of 2009 has been calculated in accordance with the accounting policy adopted for annual accounts. The large amount brought forward for unexpired risk from the year ended December 31, 2008 has resulted in bigger profits for the 1st Half Year 2009. An independent analysis for the 1st Half Year, 2009 will reveal that the company has shown better results when compared to 1st Half Year ended June 30, 2008.

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In the 2nd Quarter 2009 alone, your company settled/paid claims for the total amount of Rs. 53.983 millions and as at June 30, 2009 amounting to Rs. 108.331 millions with in close of 1st Half Year 2009 and continues its commitments to meet the claim liabilities without delay.

The company has always maintained a visible record of Code of Corporate Governance. This is reflected clearly by the growth of the company over the year. The 1st Half of Year 2009 was reviewed by the company's Audit Committee to comply with the requirements of Code of Corporate Governance as incorporated in the listing regulation of Karachi Stock Exchange (Guarantee) Limited. The company aims to follow this policy to achieve still better results.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING.

- The financial statements prepared by the management of the company present fairly its state of affairs. The results of its operation cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- These financial statements have been prepared on the format of financial statements issued by the Securities & Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SECP (Insurance) Rules, 2002], dated December 12, 2002 wherever, the requirements of the Insurance Ordinance, 2000, Companies Ordinance, 1984 or directives issued by the SECP differ with requirements of these standards, the requirements of Insurance Ordinance 2000, Companies Ordinance 1984 or the requirements of the said directives take precedence.

- d. Appropriate accounting policies as adopted in December 31, 2008 have been consistently applied in preparation of financial statements and accounts estimates are based on reasonable and prudent judgment.
- e. International Accounting Standards as adopted and as applicable in Pakistan have been followed in preparation of financial statements and any departure there-from has adequately declared.
- f. The system of internal control is sound in designs and has been effectively implemented and monitored.
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- h. During the 1st Half 2009 five (5) Meetings of the Board of Directors were held and attendance of the Directors were as under:-

Sr. No.	Name of Directors	Meeting Attended
01	Mian M. A. Shahid Chairman	02
02	Khawas Khan Niazi CEO	01
03	Ch. Habib-ur-Rehman President	05
04	Huma Waheed.	05
05	Ch. Najib-ur-Rehman	05
06	Ch. Maqsood Ahmed	04
07	Ch. Aziz-ur-Rehman	05
08	Muhammad Ashraf Khan	05
09	Muhammad Iftikhar Hussain	05

In the 1st Half Year of 2009 the Directors, CEO, CFO, Company Secretary and their spouses and minor children, have not carried out any activity in trading of company's shares but Bonus issue.

Interest of Directors and their Relatives in Shares including Bonus (B-14) held by them

Sr. No.	Name		Number of Shares
01	Mian M. A. Shahid	Chairman	464,615
02	Mrs. Shagufta Parveen	Spouse	31,382
03	Mr. Khawas Khan Niazi	CEO	3,413
04	Ch. Habib-ur-Rehman	President	15,969
05	Mrs. Mehjabeen Habib	Spouse	1,988
06	Miss Huma Waheed	Director	2,904
07	Ch. Maqsood Ahmad.	Director	68,992
08	Ch. Najib-ur-Rehman	Director	14,947
09	Mrs. Rehana Najib	Spouse	9,108
10	Ch. Aziz-ur-Rehman	Director	15,469
11	Muhammad Ashraf Khan	Director	2,493
12	Muhammad Iftikhar Hussain	Director	677
TOTAL			631,957

THANKS AND APPRECIATION:

The Directors take this opportunity to express their heartiest thanks to the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, Pakistan Re-insurance Company Limited, Foreign Re-Insurers, and Bankers and other financial institutions and valued clients. The Directors also appreciate the loyalty, dedication put in by all its staff members, officers and field force.

For and on behalf of the Board of Directors

Place: LAHORE
Dated: August 25, 2009

Mian M. A. Shahid
Chairman

REVIEW REPORT TO THE MEMBERS ON INTERIM FINANCIAL INFORMATION

Introduction

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

- a) interim condensed balance sheet;
- b) interim condensed profit and loss account;
- c) interim condensed statement of changes in equity;
- d) interim condensed cash flow statement;
- e) interim condensed statement of premium;
- f) interim condensed statement of claims;
- g) interim condensed statement of expenses; and
- h) interim condensed statement of investment income.

of **The United Insurance Company of Pakistan Limited** as at June 30, 2009 together with the notes forming part thereof for the half year 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. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 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.

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The figures of the interim condensed profit and loss account for the quarters ended June 30, 2009 and 2008 and the corresponding figures of cash flow statement, statement of changes in equity, statement of premiums, statement of claims, statement of expenses, and statement of investment income, have not been reviewed, as we were required to review only the cumulative figures for the half year ended June 30, 2009.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

AVAIS HYDER LIAQUAT NAUMAN
Chartered Accountants
Engagement Partner: Syed Naveed Abbas

SARWARS
Chartered Accountants
Rashid Sarwar

Place: LAHORE
Dated: August 25, 2009

INTERIM CONDENSED BALANCE SHEET

	Note	(Un-audited) June 30, 2009 Rupees	(Audited) Dec. 31, 2008 Rupees
Share Capital And Reserves			
Authorised Share Capital 75,000,000/- (2008:50,000,000) Ordinary Shares of Rs. 10/- each		<u>750,000,000</u>	<u>500,000,000</u>
Paid-Up Share Capital	4	345,000,000	302,406,780
Retained Earnings		152,513,530	106,322,600
Reserves		75,115,917	75,115,917
		572,629,447	483,845,297
Surplus on revaluation of fixed assets		1,518,100	1,557,026
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		33,345,626	13,452,365
Provision for Unearned Premium		117,486,714	174,797,915
Commission Income Unearned		17,857,468	32,637,621
Total underwriting provisions		168,689,808	220,887,901
Deferred Liabilities			
Staff retirement benefits		15,877,048	12,196,817
Deferred tax liabilities		6,282,033	5,832,868
		22,159,081	18,029,685
Creditors and Accruals			
Amounts due to other insurers/reinsurers		25,438,057	19,793,505
Accrued Expenses		1,723,679	4,142,066
Provision for taxation - net		8,085,417	6,161,192
Other Creditors and Accruals		25,155,761	19,721,296
		60,402,914	49,818,059
Borrowings			
Short-term finance		4,124,683	13,972,546
Other liabilities			
Liabilities against assets subject to finance lease		55,468,543	56,542,892
TOTAL LIABILITIES		310,845,029	359,251,083
TOTAL EQUITY AND LIABILITIES		<u>884,992,576</u>	<u>844,653,407</u>
Contingencies & Commitments	5		

AS AT JUNE 30, 2009 (UN-AUDITED)

	Note	(Un-audited) June 30, 2009 Rupees	(Audited) Dec. 31, 2008 Rupees
Cash & Bank Deposits			
Cash and other equivalents		68,835	26,662
Current and other accounts		99,683,370	156,011,153
Deposits maturing within 12 months		31,200,000	14,900,000
Deposits maturing after 12 months		34,200,134	35,832,328
		165,152,339	206,770,143
Loans			
Loans to employees		1,368,600	1,630,954
Investments	6	49,317,059	40,379,870
Investment Property		43,570,408	44,094,568
Other Assets			
Premiums due but unpaid		257,327,042	149,066,036
Amounts due from other insurers/reinsurers		13,225,163	14,287,348
Prepaid re-insurance premium ceded		58,423,180	101,597,898
⁰⁹ Reinsurance recoveries against outstanding claims		7,950,806	6,520,026
Deferred Commission Expense		26,429,129	48,629,197
Accrued investment income		3,202,434	2,357,577
Sundry receivables		28,172,886	5,811,890
		394,730,640	328,269,972
Fixed Assets - Tangible			
Owned			
Land Freehold		2,800,000	2,800,000
Buildings		56,188,968	57,629,712
Furniture, Fixtures, Office & Computers Equipments		64,381,506	63,555,823
Motor Vehicles		40,357,582	28,439,151
		163,728,056	152,424,868
Leased			
Motor Vehicles		67,125,474	71,083,214
TOTAL ASSETS		<u>884,992,576</u>	<u>844,653,407</u>

The annexed notes form an integral part of these interim condensed financial statements.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)

	Quarter June 30, 2009					Quarter ended June 30, 2008 Aggregate Rs.
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Misc	Quarter ended June 30, 2009 Aggregate Rs.	
	Rs.	Rs.	Rs.	Rs.	Rs.	
Revenue account						
Net premium revenue	19,743,121	9,867,915	12,318,338	80,893,632	122,823,007	104,862,722
Net claims	(7,327,329)	(1,167,540)	(6,263,145)	(7,044,098)	(21,802,112)	(30,809,533)
Management expenses	(4,234,779)	(1,595,244)	(2,363,834)	(9,678,719)	(17,872,576)	(26,571,514)
Net commission	136,902	(419,524)	(585,476)	(961,802)	(1,829,900)	(13,022,069)
Underwriting results	8,317,915	6,685,607	3,105,883	63,209,013	81,318,419	34,459,606
Investment income					3,342,491	1,632,904
Rental income					365,850	120,000
Other income					(1,249,536)	24,560
General & admin expenses					(37,540,349)	(15,852,588)
Finance charge on lease rentals					(1,743,154)	(1,757,059)
Profit/ (loss) before tax					44,493,722	18,627,423
Provision for taxation						
Current					(2,000,000)	(2,300,000)
Deferred					(449,165)	(275,000)
Profit/ (loss) after Tax					42,044,557	16,052,423
Basic earning per share					1.22	0.47

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Six months ended June 30, 2009

	Fire & Property Damage		Marine, Aviation & Transport		Motor		Misc		Half year ended June 30, 2009	Half year ended June 30, 2008
	Rs.		Rs.		Rs.		Rs.		Aggregate	Aggregate
Revenue account										
Net premium revenue	39,388,783		20,303,661		112,542,288		112,437,382		284,672,114	223,419,451
Net claims	(21,920,388)		(1,871,534)		(31,519,646)		(13,447,736)		(68,759,304)	(56,085,646)
Management expenses	(10,102,985)		(2,589,067)		(6,245,950)		(13,954,862)		(32,892,864)	(29,830,304)
Net commission	1,608,481		(1,200,635)		(20,685,026)		(7,210,124)		(27,487,304)	(22,827,476)
Underwriting results	8,973,891		14,642,426		54,091,666		77,824,660		155,532,642	114,676,025
Investment income									4,735,744	1,684,847
Rental income									485,850	240,000
Other income									17,124	73,378
General & admin expenses									(63,589,288)	(46,180,042)
Finance charge on lease rentals									(3,987,684)	(3,447,216)
Profit/ (loss) before tax									93,194,389	67,046,992
Provision for taxation										
Current									(4,000,000)	(4,000,000)
Deferred									(449,165)	(275,000)
Profit/ (loss) after Tax									88,745,224	62,771,992
Profit & Loss Appropriation Account										
Balance at commencement of period									106,322,600	100,728,591
Amortization of surplus on revaluation									38,926	40,750
Profit after tax for the period									88,745,224	62,771,992
Profit available for appropriation									195,106,750	163,541,333
Bonus shares issued									(42,593,220)	(50,401,130)
Transfer to general reserve									-	(110,000,000)
Balance un-appropriated profit at end of period									152,513,530	3,140,203
Basic earning per share									2.57	1.82

The annexed notes form an integral part of these interim condensed financial statements.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED CASH FLOWS STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

	June 30, 2009	June 30, 2008
	Rupees	Rupees
Operating cash flows:		
a) Underwriting activities:		
Premium received	278,907,526	225,542,420
Reinsurance premium paid	(110,988,349)	(75,799,154)
Claims paid	(108,331,569)	(108,054,985)
Reinsurance and other recoveries received	59,096,931	41,005,237
Commission paid	(54,719,139)	(46,530,048)
Commission received	34,651,750	23,005,625
Net cash flow from underwriting activities	98,617,150	59,169,095
b) Other operating activities:		
Income tax paid	(2,075,775)	(7,225,349)
General management expenses paid	(76,365,090)	(46,807,467)
Other operating receipts/(payments)	(18,663,641)	73,378
Loan to employees and agents	262,354	(258,466)
Net cash flow from other operating activities	(96,842,153)	(54,217,904)
Total cash flow from all operating activities	1,774,998	4,951,191
Investment activities:		
Investment income received	3,890,887	1,684,847
Rental income received	485,850	240,000
Sale/(Purchase) of investment	(8,937,189)	(2,015,377)
Fixed capital expenditure	(6,671,454)	(16,398,932)
Net cash flow from investing activities	(11,231,906)	(16,489,462)
Financing activities:		
Bank borrowings	(9,847,863)	1,687,256
Lease liability paid	(22,313,033)	9,408,132
Net cash flow from financing activities	(32,160,896)	11,095,388
Net cash inflow from all activities	(41,617,804)	(442,883)
Cash and cash equivalents at the beginning of the period	206,770,143	191,199,078
Cash and cash equivalents at the end of the period	165,152,339	190,756,195
Reconciliation of profit and loss account		
Net cash flow from operating activities	1,774,998	4,951,191
Depreciation	(17,100,986)	(15,156,919)
Investment income	4,735,744	1,684,847
Lease finance charges	(3,987,684)	(3,447,216)
Provision for taxation	(4,449,165)	(4,275,000)
(Increase)/Decrease in Liabilities	39,857,233	134,595,649
Increase/(Decrease) in Assets other than cash	65,353,460	(55,580,560)
Taxes Paid	2,075,775	-
Rental income received	485,850	-
Profit after Taxation	88,745,224	62,771,992

The annexed notes form an integral part of these interim condensed financial statement

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED STATEMENT OF PREMIUMS
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

Quarter ended June 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Premiums Written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid Reinsurance premium ceded		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		June-09	June-08
Direct & Facultative										
1. Fire and Property Damage	36,074,706	12,361,471	21,802,520	26,633,657	34,417,768	3,456,948	30,984,181	6,890,535	19,743,121	423,956
2. Marine, Aviation and Transport	16,483,265	1,618,521	7,329,191	10,772,595	5,345,422	605,452	5,046,194	904,680	9,867,915	6,129,764
3. Motor	45,670,831	3,380,732	37,344,329	11,707,234	-	-	611,104	(611,104)	12,318,338	70,091,764
4. Miscellaneous	141,789,440	2,528,042	51,010,675	93,306,807	32,740,575	1,454,302	21,781,702	12,413,175	80,893,632	28,217,238
GRAND TOTAL	240,018,242	19,888,766	117,486,714	142,420,294	72,503,765	5,516,702	58,423,180	19,597,287	122,823,007	104,862,722

SIX MONTHS ENDED JUNE 30, 2009

Class	BUSINESS UNDERWRITTEN INSIDE PAKISTAN						Rupees			
	Premiums Written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid Reinsurance premium ceded		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		June-09	June-08
Direct & Facultative										
1. Fire and Property Damage	118,918,126	38,207,921	21,802,520	135,323,527	63,191,406	63,727,518	30,984,181	95,934,743	39,388,783	25,082,024
2. Marine, Aviation and Transport	30,474,857	11,506,953	7,329,191	34,652,619	10,328,943	9,066,209	5,046,194	14,348,958	20,303,661	11,536,866
3. Motor	73,518,535	78,316,382	37,344,329	114,490,588	-	2,559,404	611,104	1,948,300	112,542,288	138,846,649
4. Miscellaneous	164,257,014	46,766,659	51,010,675	160,012,999	43,112,552	26,244,767	21,781,702	47,575,617	112,437,381	47,953,912
GRAND TOTAL	387,168,532	174,797,915	117,486,714	444,479,733	116,632,901	101,597,898	58,423,180	159,807,619	284,672,114	223,419,451

The annexed notes form an integral part of these interim condensed financial statement

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED STATEMENT OF CLAIMS
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

		Quarter ended June 30, 2009									
		BUSINESS UNDERWRITTEN INSIDE PAKISTAN						Rupees			
Class	Claims paid	Outstanding claims		Claims expense	Re-Insurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Re-Insurance and other recoveries revenue	Net Claims expenses		
		Opening	Closing			Opening	Closing		June-09	June-08	
Direct & Facultative											
1. Fire and Property Damage	27,340,946	5,738,703	7,621,943	29,224,186	21,033,023	4,187,338	5,051,172	21,896,857	7,327,329	7,376,982	
2. Marine, Aviation and Transport	3,943,624	2,863,951	2,870,619	3,950,292	2,782,752	1,260,544	1,260,544	2,782,752	1,167,540	1,211,655	
3. Motor	6,290,500	22,708,613	22,853,064	6,434,951	-	1,467,284	1,639,090	171,806	6,263,145	18,844,305	
4. Miscellaneous	16,407,927	-	-	16,407,927	9,363,829	-	-	9,363,829	7,044,098	3,376,591	
GRAND TOTAL	53,982,997	31,311,267	33,345,626	56,017,356	33,179,604	6,915,166	7,950,806	34,215,244	21,802,112	30,809,533	

SIX MONTHS ENDED JUNE 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Rupees

Class	Claims paid		Outstanding claims		Claims expense received	Reinsurance and other recoveries in respect of outstanding claims		Re-Insurance and other recoveries	Net Claims expenses		
	Opening	Closing	Opening	Closing		Opening	Closing		June-09	June-08	
					June-09			June-08			
Direct & Facultative											
1. Fire and Property Damage	59,492,872	7,621,943	5,813,371	7,621,943	61,301,444	38,363,182	4,033,298	5,051,172	39,381,056	21,920,388	11,971,296
2. Marine, Aviation and Transport	7,303,526	2,870,619	2,863,951	2,870,619	7,310,194	5,438,660	1,260,544	1,260,544	5,438,660	1,871,534	2,386,649
3. Motor	13,854,531	22,853,064	4,775,043	22,853,064	31,932,552	-	1,226,184	1,639,090	412,906	31,519,646	35,837,855
4. Miscellaneous	27,680,640	-	-	-	27,680,640	14,232,904	-	-	14,232,904	13,447,736	5,889,846
GRAND TOTAL	108,331,569	33,345,626	13,452,365	33,345,626	128,224,830	58,034,746	6,520,026	7,950,806	59,465,526	68,759,304	56,085,646

The annexed notes form an integral part of these interim condensed financial statement

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

INTERIM CONDENSED STATEMENT OF EXPENSES
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)

Quarter ended June 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commissions Paid or Payable	Deferred Commission		Net Commission expenses	Other Management expenses	Underwriting expenses	Commission on Re-Insurance	Unearned commission		Net Commission on Re-insurance	Net underwriting expenses	
		Opening	Closing					Opening	Closing		June-09	June-08
Direct & Facultative												
1. Fire and Property Damage	12,105,479	1,239,449	11,149,608	2,195,320	4,234,779	6,430,099	11,907,370	1,199,051	10,774,200	2,332,221	4,097,877	7,955,171
2. Marine, Aviation and Transport	2,413,883	221,098	1,962,145	672,836	1,595,244	2,268,080	1,567,692	180,044	1,494,424	253,312	2,014,768	1,064,165
3. Motor	6,399,894	802,589	6,617,007	585,476	2,363,834	2,949,310	-	-	-	-	2,949,310	22,460,100
4. Miscellaneous	8,388,031	846,510	6,700,368	2,534,173	9,678,719	12,212,892	6,744,820	416,395	5,588,844	1,572,371	10,640,521	8,114,147
GRAND TOTAL	29,307,287	3,109,646	26,429,129	5,987,804	17,872,576	23,860,380	20,219,882	1,795,490	17,857,468	4,157,904	19,702,476	39,593,583

SIX MONTHS ENDED JUNE 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commissions Paid or Payable	Deferred Commission		Net Commission expenses	Other Management expenses	Underwriting expenses	Commission on Re-Insurance	Unearned commission		Net Commission on Re-insurance	Net underwriting expenses	
		Opening	Closing					Opening	Closing		June-09	June-08
Direct & Facultative												
1. Fire and Property Damage	22,033,517	20,851,808	11,149,608	31,735,717	10,102,985	41,838,702	21,887,582	22,230,815	10,774,200	33,344,197	8,494,504	10,261,653
2. Marine, Aviation and Transport	4,095,267	3,268,941	1,962,145	5,402,063	2,589,067	799,130	3,049,650	2,646,202	1,494,424	4,201,428	3,789,702	1,652,359
3. Motor	12,967,794	14,334,239	6,617,007	20,685,026	6,245,950	26,930,976	-	-	-	-	26,930,976	29,647,629
4. Miscellaneous	15,622,561	10,174,209	6,700,368	19,096,402	13,954,862	33,051,264	9,714,518	7,760,604	5,588,844	11,886,278	21,164,986	11,096,139
GRAND TOTAL	54,719,139	48,629,197	26,429,129	76,919,207	32,892,864	109,812,071	34,651,750	32,637,621	17,857,468	49,431,903	60,380,168	52,657,780

The annexed notes form an integral part of these interim condensed financial statement

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

INTERIM CONDENSED STATEMENT OF INVESTMENT INCOME
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)

Quarter ended		Six months ended	
June 30, 2009 Rs.	June 30, 2008 Rs.	June 30, 2009 Rs.	June 30, 2008 Rs.

Income from non-trading investments:

Available for sale

Dividend income	110,827	180,232	124,263	189,507
Gain or loss on sale of 'available for sale' investments	181,063	-	623,096	-
	<u>291,890</u>	<u>180,232</u>	<u>747,359</u>	<u>189,507</u>

Held to maturity

Return on government bonds	1,498,141	-	2,338,225	-
Return on F.D.R	1,415,099	1,452,672	1,512,799	1,495,340
	<u>3,205,130</u>	<u>1,632,904</u>	<u>4,598,383</u>	<u>1,684,847</u>

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Less: Reversal of provision for available for sale investments	137,361	-	137,361	-
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Net Investment Income	<u>3,342,491</u>	<u>1,632,904</u>	<u>4,735,744</u>	<u>1,684,847</u>
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The annexed notes form an integral part of these interim condensed financial statements.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

DESCRIPTION	SHARE CAPITAL	RESERVE FOR ISSUE OF BONUS SHARES	GENERAL RESERVE	RETAINED EARNINGS	TOTAL
	RS.	RS.	RS.	RS.	RS.
Balance as at January 01, 2008	252,005,650	-	75,115,917	100,728,591	427,850,158
Transfer to reserve for issue of bonus shares	-	50,401,130	-	(50,401,130)	-
Bonus Share reserve capitalized	50,401,130	(50,401,130)	-	-	-
Incremental depreciation net of deferred tax	-	-	-	40,750	40,750
Net profit for the period	-	-	-	62,771,992	62,771,992
Transfer to general reserves	-	-	110,000,000	(110,000,000)	-
Balance as at June 30, 2008	302,406,780	-	185,115,917	3,140,203	490,662,900
Balance as at January 01, 2009	302,406,780	-	75,115,917	106,322,600	483,845,297
Transfer to reserve for issue of bonus shares	42,593,220	42,593,220	-	(42,593,220)	-
Bonus Share reserve capitalized	-	(42,593,220)	-	-	-
Incremental depreciation net of deferred tax	-	-	-	38,926	38,926
Net profit for the period	-	-	-	88,745,224	88,745,224
Transfer to general reserves	-	-	-	-	-
Balance as at June 30, 2009	345,000,000	-	75,115,917	152,513,530	572,629,447

The annexed notes form an integral part of these interim condensed financial statements.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

Notes for the Interim Condensed Financial Statements For the Half Year Ended June 30, 2009

1. STATUS AND NATURE OF BUSINESS

The company was incorporated on October 20, 1959 as a Public Limited Company and its shares are quoted On Karachi Stock Exchange (Guarantee) Limited. The Registered Office of the Company is situated at 204, 2nd Floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi and Head Office is 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 business outside Pakistan.

2. BASIS OF PREPARATION

The interim condensed financial statements are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Karachi Stock Exchange. These interim condensed financial statements have been prepared in accordance with the requirements International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan and in the format prescribed by the Securities & Exchange Commission of Pakistan its circular No. 7 of 2003.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2008.

3. ACCOUNTING POLICIES

These financial statements have been prepared using the same accounting policies, which were applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2008.

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4. PAID-UP CAPITAL

Jun 30, 2009	Dec 31, 2008		Jun 30, 2009	Dec 31, 2008
		(Number of Shares)		(Rupees)
				Issued, Subscribed and paid up capital:
				Fully paid shares
10,963,475	10,963,475	Ordinary shares of Rs. 10/- each fully paid in cash	109,634,750	109,634,750
				Bonus shares
23,536,525	19,277,203	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	235,365,250	192,772,030
<u>34,500,000</u>	<u>30,240,678</u>		<u>345,000,000</u>	<u>302,406,780</u>

5. CONTINGENCIES AND COMMITMENTS

There have been no changes in the contingencies and commitments as disclosed in the annual financial statements of the company for the year ended 31 December 2008.

Notes for the Interim Condensed Financial Statements
For the Half Year Ended June 30, 2009

6. INVESTMENTS	Jun 30, 2009	Dec 31, 2008
	(Rupees)	
Available for sale		
Marketable securities	6.1 11,670,386	11,806,692
Less: Provision for impairment in value in investment	(1,798,478)	(2,644,620)
	9,871,908	9,162,072
Held to maturity	39,445,151	31,217,798
	<u>49,317,059</u>	<u>40,379,870</u>
Available for sale		
6.1 - Listed shares	4,115,980	3,676,000
- Unlisted / delisted shares	7,054,406	7,054,406
- Mutual fund certificates	500,000	1,076,286
	<u>11,670,386</u>	<u>11,806,692</u>

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Aggregate market value of investments is Rs. 9,871,908/= (December 31, 2008: Rs. 9,162,072/=)

7. ADDITIONS/ DELETIONS IN FIXED ASSETS

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

	ADDITIONS Jan-Jun 2009	DELETIONS Jan-Jun 2008
Owned Assets		
Building	-	255,890
Furniture, fixture, office and computer equipments	4,416,466	6,973,499
Motor vehicles	24,524,584	1,198,960
Leased Assets		
Leased vehicles	17,251,000	23,127,500
	<u>46,192,050</u>	<u>31,555,849</u>

Additions includes transfer of leased assets to owned assets

Notes for the Interim Condensed Financial Statements
For the Half Year Ended June 30, 2009

8. SEGMENT REPORTING

The company has four primary business segments for reporting purpose namely fire, marine, motor and miscellaneous. Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of gross premium written by the segments.

	FIRE		MARINE		MOTOR		MISCELLANEOUS		TOTAL	
	June 30, 2009 Rs.	Dec 31, 2008 Rs.	June 30, 2009 Rs.	Dec 31, 2008 Rs.	June 30, 2009 Rs.	Dec 31, 2008 Rs.	June 30, 2009 Rs.	Dec 31, 2008 Rs.	June 30, 2009 Rs.	Dec 31, 2008 Rs.
OTHER INFORMATION										
Segment assets	130,284,589	148,496,109	29,564,622	25,876,150	59,630,628	69,030,171	143,264,377	76,698,075	362,744,216	320,100,505
Unallocated assets									522,248,360	524,552,902
TOTAL ASSETS									<u>884,992,576</u>	<u>844,653,407</u>
Segment liabilities	48,011,917	73,508,180	13,696,517	18,505,127	65,027,766	89,260,224	67,391,665	59,407,875	194,127,865	240,681,406
Unallocated liabilities									116,717,164	118,569,677
TOTAL LIABILITIES									<u>310,845,029</u>	<u>359,251,083</u>

Notes for the Interim Condensed Financial Statements
For the Half Year Ended June 30, 2009

9. RELATED PARTY TRANSACTIONS

The company has relationship of associated undertaking with M/s. United Track Systems (Private) Limited due to common directorship. Transactions with related party is summarized as follows:

	Jun 30, 2009	Dec 31, 2008
	(Rupees)	
Purchase of Track Systems	30,419,370	46,350,790

10. TAXATION

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

11. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements have been authorized for issue on 25-08-2009 in accordance with a resolution of board of directors of the company.

12. CORRESPONDING FIGURES

Corresponding figures have been reclassified and re-arranged, wherever necessary to confirm with the current classification. However, there are no material classification to report.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

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COMPANY'S INFORMATION

BANKERS

- Allied Bank Limited
- First Women Bank Limited
- Habib Bank Limited
- MCB Bank Limited
- National Bank of Pakistan
- United Bank Limited
- Bank Al-Habib Limited
- Faysal Bank Limited
- Soneri Bank Limited
- The Bank of Punjab
- Bank Al-Falah Limited
- Askari Bank Limited
- Mybank Limited
- Samba Bank Limited
- Atlas Bank Limited
- KASB Bank Limited
- Meezan Bank Limited
- NIB Bank Limited
- Saudi Pak Commercial Bank Limited
- SME Bank Limited
- State Bank of Pakistan
- The Bank of Khyber
- Khushhali Bank
- The First Micro Finance Bank Limited
- Atlas Investment Bank Limited
- Escorts Investment Bank Limited
- First International Investment Bank Limited
- Jahangir Siddiqui Investment Bank Limited
- Orix Investment Bank Pakistan Limited
- Security Investment Bank Limited
- Industrial Development Bank of Pakistan
- The Punjab Provincial Cooperative Bank Limited
- Zarai Taraqiat Bank Limited
- National Investment Trust Limited
- Royal Bank of Scotland
- Albaraka Islamic Bank B.S.C. (E.C)
- American Express Bank Limited
- Habib Metropolitan Bank Limited
- Citibank N.A.
- Oman International Bank S.A.O.G
- Rupali Bank Limited
- Standard Chartered Bank Limited
- The Bank of Tokyo Mitsubishi Limited
- The Hong Kong & Shanghai Banking Corporation Limited
- Orix Leasing Company Limited
- Capital Assets Leasing Corp. Limited
- Trust Investment Bank Limited
- First Fidelity Leasing Modaraba
- Grays Leasing Limited
- Dubai Islamic Bank Limited
- SME Leasing

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AUDITORS

- M/s Avais Hyder Liaquat Nauman Chartered Accountants
- M/s Sarwars Chartered Accountants
- M/s Sarwars Chartered Accountants
- Ch. Fazal Hussain (Advocate)
- M. A. Hamdani (Advocate)
- M. Farooq Shaikh (Advocate)

INCOME TAX ADVISOR

LEGAL ADVISORS

HEAD OFFICE

REGISTERED OFFICE

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Abdullah Haroon Road, Saddar, Karachi.
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Fax: (021) 35621459
Telegram: UNITINSURE
Email: info@theunitedinsurance.com
unitedpk69@hotmail.com
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Nizam Chambers,
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Tel: (042) 36361471, 36315091,
36371420, 36311078
UAN: 111-000-014
Fax: (042) 36375036 - 36304350
Email: uicp@theunitedinsurance.com

COMPANY'S INFORMATION

EXECUTIVE MANAGEMENT COMMITTEE

Mian M. A. Shahid	Chairman
Khawas Khan Niazi	Member
Zia Hassan Zuberi	Member
Naseer Ahmed	Member
Aziz Ullah Memon	Member
Maj. Gen.(R) Asif Duraiz Akhtar	Member
Javed Sadiq	Member
Sheikh M. Javed	Member
Mian M. A. Zahid	Member
Muhammad Saleem Sheikh	Member

INVESTMENT COMMITTEE

Mian M. A. Shahid	Chairman
Zia Hassan Zuberi	Member
Huma Waheed	Member
Khawas Khan Niazi	Member
Javed Sadiq	Member

MANAGEMENT COMMITTEE

Mian M. A. Shahid	Chairman
Khawas Khan Niazi	Member
Zia Hassan Zuberi	Member
Naseer Ahmed	Member
Aziz Ullah Memon	Member
Muhammad Saleem Sheikh	Member
Mumtaz Hussain Khan	Member
S.M. Qaiser Imam	Member

AUDIT COMMITTEE

Ch. Aziz-ur-Rehman	Chairman
Ch. Najib-ur-Rehman	Member
Huma Waheed	Member

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RE-INSURANCE COMMITTEE

Mian M. A. Shahid	Chairman
Khawas Khan Niazi	Member
Dr. Murtaza Mughal	Member
Mumtaz Hussain Khan	Member
Aamir Hameed	Member

CLAIMS SETTLEMENT COMMITTEE

Huma Waheed	Chairman
Khawas Khan Niazi	Member
Muhammad Yasin Khan	Member
S. M. Qaiser Imam	Member

JOINT DIRECTORS

Zarar Ahmed Butt
Mian Kashif Rasheed
Ch. Aslam Feroze
Muhammad Siddique Sheikh
Muhammad Naseem Butt
Shakeel Ahmed

UNDERWRITING COMMITTEE

Ch. Habib-ur-Rehman	Chairman
S. M. Qaiser Imam	Member
Mumtaz Hussain Khan	Member

DIRECTORS' REPORT

The Directors are pleased to present the 2nd Quarter 2009 (Half Yearly) report together with un-audited accounts of the company but reviewed by external auditors.

Gross Premium during the 1st Half Year under review is Rs. 387.169 millions. The accounts for the Half Year ended June 30, 2009 at a glance are given hereunder:

	(Rupees in Millions)		
	June 30, 2009	June 30, 2008	June 30, 2007
Gross Premium	387.169	281.501	228.652
Retained Premium	284.672	223.419	159.994
Net Incurred Claims	68.759	56.086	39.509
Management Expense	32.893	29.830	20.653
Reserve for Un-Expired Risks	117.487	47.829	79.368
General Reserve	75.116	185.116	138.116
Underwriting Profits	155.533	114.676	81.690
Investment Income	4.736	01.685	00.488
Profit before Tax	93.194	67.047	65.812
Paid Up Capital	345.000	302.407	252.006

Increase registered in premium income is due to sincere and tireless effort by the management and our field force.

The unexpired risk reserve for the 1st Half Year of 2009 has been calculated in accordance with the accounting policy adopted for annual accounts. The large amount brought forward for unexpired risk from the year ended December 31, 2008 has resulted in bigger profits for the 1st Half Year 2009. An independent analysis for the 1st Half Year, 2009 will reveal that the company has shown better results when compared to 1st Half Year ended June 30, 2008.

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In the 2nd Quarter 2009 alone, your company settled/paid claims for the total amount of Rs. 53.983 millions and as at June 30, 2009 amounting to Rs. 108.331 millions with in close of 1st Half Year 2009 and continues its commitments to meet the claim liabilities without delay.

The company has always maintained a visible record of Code of Corporate Governance. This is reflected clearly by the growth of the company over the year. The 1st Half of Year 2009 was reviewed by the company's Audit Committee to comply with the requirements of Code of Corporate Governance as incorporated in the listing regulation of Karachi Stock Exchange (Guarantee) Limited. The company aims to follow this policy to achieve still better results.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING.

- The financial statements prepared by the management of the company present fairly its state of affairs. The results of its operation cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- These financial statements have been prepared on the format of financial statements issued by the Securities & Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SECP (Insurance) Rules, 2002], dated December 12, 2002 wherever, the requirements of the Insurance Ordinance, 2000, Companies Ordinance, 1984 or directives issued by the SECP differ with requirements of these standards, the requirements of Insurance Ordinance 2000, Companies Ordinance 1984 or the requirements of the said directives take precedence.

- d. Appropriate accounting policies as adopted in December 31, 2008 have been consistently applied in preparation of financial statements and accounts estimates are based on reasonable and prudent judgment.
- e. International Accounting Standards as adopted and as applicable in Pakistan have been followed in preparation of financial statements and any departure there-from has adequately declared.
- f. The system of internal control is sound in designs and has been effectively implemented and monitored.
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- h. During the 1st Half 2009 five (5) Meetings of the Board of Directors were held and attendance of the Directors were as under:-

Sr. No.	Name of Directors	Meeting Attended
01	Mian M. A. Shahid Chairman	02
02	Khawas Khan Niazi CEO	01
03	Ch. Habib-ur-Rehman President	05
04	Huma Waheed.	05
05	Ch. Najib-ur-Rehman	05
06	Ch. Maqsood Ahmed	04
07	Ch. Aziz-ur-Rehman	05
08	Muhammad Ashraf Khan	05
09	Muhammad Iftikhar Hussain	05

In the 1st Half Year of 2009 the Directors, CEO, CFO, Company Secretary and their spouses and minor children, have not carried out any activity in trading of company's shares but Bonus issue.

Interest of Directors and their Relatives in Shares including Bonus (B-14) held by them

Sr. No.	Name		Number of Shares
01	Mian M. A. Shahid	Chairman	464,615
02	Mrs. Shagufta Parveen	Spouse	31,382
03	Mr. Khawas Khan Niazi	CEO	3,413
04	Ch. Habib-ur-Rehman	President	15,969
05	Mrs. Mehjabeen Habib	Spouse	1,988
06	Miss Huma Waheed	Director	2,904
07	Ch. Maqsood Ahmad.	Director	68,992
08	Ch. Najib-ur-Rehman	Director	14,947
09	Mrs. Rehana Najib	Spouse	9,108
10	Ch. Aziz-ur-Rehman	Director	15,469
11	Muhammad Ashraf Khan	Director	2,493
12	Muhammad Iftikhar Hussain	Director	677
TOTAL			631,957

THANKS AND APPRECIATION:

The Directors take this opportunity to express their heartiest thanks to the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, Pakistan Re-insurance Company Limited, Foreign Re-Insurers, and Bankers and other financial institutions and valued clients. The Directors also appreciate the loyalty, dedication put in by all its staff members, officers and field force.

For and on behalf of the Board of Directors

Place: LAHORE
Dated: August 25, 2009

Mian M. A. Shahid
Chairman

REVIEW REPORT TO THE MEMBERS ON INTERIM FINANCIAL INFORMATION

Introduction

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

- a) interim condensed balance sheet;
- b) interim condensed profit and loss account;
- c) interim condensed statement of changes in equity;
- d) interim condensed cash flow statement;
- e) interim condensed statement of premium;
- f) interim condensed statement of claims;
- g) interim condensed statement of expenses; and
- h) interim condensed statement of investment income.

of **The United Insurance Company of Pakistan Limited** as at June 30, 2009 together with the notes forming part thereof for the half year 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. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 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.

07

The figures of the interim condensed profit and loss account for the quarters ended June 30, 2009 and 2008 and the corresponding figures of cash flow statement, statement of changes in equity, statement of premiums, statement of claims, statement of expenses, and statement of investment income, have not been reviewed, as we were required to review only the cumulative figures for the half year ended June 30, 2009.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

AVAIS HYDER LIAQUAT NAUMAN
Chartered Accountants
Engagement Partner: Syed Naveed Abbas

SARWARS
Chartered Accountants
Rashid Sarwar

Place: LAHORE
Dated: August 25, 2009

INTERIM CONDENSED BALANCE SHEET

	Note	(Un-audited) June 30, 2009 Rupees	(Audited) Dec. 31, 2008 Rupees
Share Capital And Reserves			
Authorised Share Capital 75,000,000/- (2008:50,000,000) Ordinary Shares of Rs. 10/- each		<u>750,000,000</u>	<u>500,000,000</u>
Paid-Up Share Capital	4	345,000,000	302,406,780
Retained Earnings		152,513,530	106,322,600
Reserves		75,115,917	75,115,917
		572,629,447	483,845,297
Surplus on revaluation of fixed assets		1,518,100	1,557,026
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		33,345,626	13,452,365
Provision for Unearned Premium		117,486,714	174,797,915
Commission Income Unearned		17,857,468	32,637,621
Total underwriting provisions		168,689,808	220,887,901
Deferred Liabilities			
Staff retirement benefits		15,877,048	12,196,817
Deferred tax liabilities		6,282,033	5,832,868
		22,159,081	18,029,685
Creditors and Accruals			
Amounts due to other insurers/reinsurers		25,438,057	19,793,505
Accrued Expenses		1,723,679	4,142,066
Provision for taxation - net		8,085,417	6,161,192
Other Creditors and Accruals		25,155,761	19,721,296
		60,402,914	49,818,059
Borrowings			
Short-term finance		4,124,683	13,972,546
Other liabilities			
Liabilities against assets subject to finance lease		55,468,543	56,542,892
		310,845,029	359,251,083
TOTAL LIABILITIES		<u>310,845,029</u>	<u>359,251,083</u>
TOTAL EQUITY AND LIABILITIES		<u>884,992,576</u>	<u>844,653,407</u>
Contingencies & Commitments	5		

AS AT JUNE 30, 2009 (UN-AUDITED)

	Note	(Un-audited) June 30, 2009 Rupees	(Audited) Dec. 31, 2008 Rupees
Cash & Bank Deposits			
Cash and other equivalents		68,835	26,662
Current and other accounts		99,683,370	156,011,153
Deposits maturing within 12 months		31,200,000	14,900,000
Deposits maturing after 12 months		34,200,134	35,832,328
		165,152,339	206,770,143
Loans			
Loans to employees		1,368,600	1,630,954
Investments	6	49,317,059	40,379,870
Investment Property		43,570,408	44,094,568
Other Assets			
Premiums due but unpaid		257,327,042	149,066,036
Amounts due from other insurers/reinsurers		13,225,163	14,287,348
Prepaid re-insurance premium ceded		58,423,180	101,597,898
⁰⁹ Reinsurance recoveries against outstanding claims		7,950,806	6,520,026
Deferred Commission Expense		26,429,129	48,629,197
Accrued investment income		3,202,434	2,357,577
Sundry receivables		28,172,886	5,811,890
		394,730,640	328,269,972
Fixed Assets - Tangible			
Owned			
Land Freehold		2,800,000	2,800,000
Buildings		56,188,968	57,629,712
Furniture, Fixtures, Office & Computers Equipments		64,381,506	63,555,823
Motor Vehicles		40,357,582	28,439,151
		163,728,056	152,424,868
Leased			
Motor Vehicles		67,125,474	71,083,214
TOTAL ASSETS		<u>884,992,576</u>	<u>844,653,407</u>

The annexed notes form an integral part of these interim condensed financial statements.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)

	Quarter June 30, 2009					
	Fire & Property Damage Rs.	Marine, Aviation & Transport Rs.	Motor Rs.	Misc Rs.	Quarter ended June 30, 2009 Aggregate Rs.	Quarter ended June 30, 2008 Aggregate Rs.
Revenue account						
Net premium revenue	19,743,121	9,867,915	12,318,338	80,893,632	122,823,007	104,862,722
Net claims	(7,327,329)	(1,167,540)	(6,263,145)	(7,044,098)	(21,802,112)	(30,809,533)
Management expenses	(4,234,779)	(1,595,244)	(2,363,834)	(9,678,719)	(17,872,576)	(26,571,514)
Net commission	136,902	(419,524)	(585,476)	(961,802)	(1,829,900)	(13,022,069)
Underwriting results	8,317,915	6,685,607	3,105,883	63,209,013	81,318,419	34,459,606
Investment income					3,342,491	1,632,904
Rental income					365,850	120,000
Other income					(1,249,536)	24,560
General & admin expenses					(37,540,349)	(15,852,588)
Finance charge on lease rentals					(1,743,154)	(1,757,059)
Profit/ (loss) before tax					44,493,722	18,627,423
Provision for taxation						
Current					(2,000,000)	(2,300,000)
Deferred					(449,165)	(275,000)
Profit/ (loss) after Tax					42,044,557	16,052,423
Basic earning per share					1.22	0.47

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Six months ended June 30, 2009

Note	Fire & Property Damage	Marine, Aviation & Transport	Motor	Misc	Half year ended June 30, 2009 Aggregate Rs.	Half year ended June 30, 2008 Aggregate Rs.
	Rs.	Rs.	Rs.	Rs.		
Revenue account						
Net premium revenue	39,388,783	20,303,661	112,542,288	112,437,382	284,672,114	223,419,451
Net claims	(21,920,388)	(1,871,534)	(31,519,646)	(13,447,736)	(68,759,304)	(56,085,646)
Management expenses	(10,102,985)	(2,589,067)	(6,245,950)	(13,954,862)	(32,892,864)	(29,830,304)
Net commission	1,608,481	(1,200,635)	(20,685,026)	(7,210,124)	(27,487,304)	(22,827,476)
Underwriting results	8,973,891	14,642,426	54,091,666	77,824,660	155,532,642	114,676,025
Investment income					4,735,744	1,684,847
Rental income					485,850	240,000
Other income					17,124	73,378
General & admin expenses					(63,589,288)	(46,180,042)
Finance charge on lease rentals					(3,987,684)	(3,447,216)
Profit/ (loss) before tax					93,194,389	67,046,992
Provision for taxation						
Current					(4,000,000)	(4,000,000)
Deferred					(449,165)	(275,000)
Profit/ (loss) after Tax					88,745,224	62,771,992
Profit & Loss Appropriation Account						
Balance at commencement of period					106,322,600	100,728,591
Amortization of surplus on revaluation					38,926	40,750
Profit after tax for the period					88,745,224	62,771,992
Profit available for appropriation					195,106,750	163,541,333
Bonus shares issued					(42,593,220)	(50,401,130)
Transfer to general reserve					-	(110,000,000)
Balance un-appropriated profit at end of period					152,513,530	3,140,203
Basic earning per share					2.57	1.82

The annexed notes form an integral part of these interim condensed financial statements.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED CASH FLOWS STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

	June 30, 2009	June 30, 2008
	Rupees	Rupees
Operating cash flows:		
a) Underwriting activities:		
Premium received	278,907,526	225,542,420
Reinsurance premium paid	(110,988,349)	(75,799,154)
Claims paid	(108,331,569)	(108,054,985)
Reinsurance and other recoveries received	59,096,931	41,005,237
Commission paid	(54,719,139)	(46,530,048)
Commission received	34,651,750	23,005,625
Net cash flow from underwriting activities	98,617,150	59,169,095
b) Other operating activities:		
Income tax paid	(2,075,775)	(7,225,349)
General management expenses paid	(76,365,090)	(46,807,467)
Other operating receipts/(payments)	(18,663,641)	73,378
Loan to employees and agents	262,354	(258,466)
Net cash flow from other operating activities	(96,842,153)	(54,217,904)
Total cash flow from all operating activities	1,774,998	4,951,191
Investment activities:		
Investment income received	3,890,887	1,684,847
Rental income received	485,850	240,000
Sale/(Purchase) of investment	(8,937,189)	(2,015,377)
Fixed capital expenditure	(6,671,454)	(16,398,932)
Net cash flow from investing activities	(11,231,906)	(16,489,462)
Financing activities:		
Bank borrowings	(9,847,863)	1,687,256
Lease liability paid	(22,313,033)	9,408,132
Net cash flow from financing activities	(32,160,896)	11,095,388
Net cash inflow from all activities	(41,617,804)	(442,883)
Cash and cash equivalents at the beginning of the period	206,770,143	191,199,078
Cash and cash equivalents at the end of the period	165,152,339	190,756,195
Reconciliation of profit and loss account		
Net cash flow from operating activities	1,774,998	4,951,191
Depreciation	(17,100,986)	(15,156,919)
Investment income	4,735,744	1,684,847
Lease finance charges	(3,987,684)	(3,447,216)
Provision for taxation	(4,449,165)	(4,275,000)
(Increase)/Decrease in Liabilities	39,857,233	134,595,649
Increase/(Decrease) in Assets other than cash	65,353,460	(55,580,560)
Taxes Paid	2,075,775	-
Rental income received	485,850	-
Profit after Taxation	88,745,224	62,771,992

The annexed notes form an integral part of these interim condensed financial statement

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED STATEMENT OF PREMIUMS
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

Quarter ended June 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Premiums Written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid Reinsurance premium ceded		Reinsurance expenses	Rupees	
		Opening	Closing			Opening	Closing		Net premium revenue	
									June-09	June-08
Direct & Facultative										
1. Fire and Property Damage	36,074,706	12,361,471	21,802,520	26,633,657	34,417,768	3,456,948	30,984,181	6,890,535	19,743,121	423,956
2. Marine, Aviation and Transport	16,483,265	1,618,521	7,329,191	10,772,595	5,345,422	605,452	5,046,194	904,680	9,867,915	6,129,764
3. Motor	45,670,831	3,380,732	37,344,329	11,707,234	-	-	611,104	(611,104)	12,318,338	70,091,764
4. Miscellaneous	141,789,440	2,528,042	51,010,675	93,306,807	32,740,575	1,454,302	21,781,702	12,413,175	80,893,632	28,217,238
GRAND TOTAL	240,018,242	19,888,766	117,486,714	142,420,294	72,503,765	5,516,702	58,423,180	19,597,287	122,823,007	104,862,722

SIX MONTHS ENDED JUNE 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Premiums Written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid Reinsurance premium ceded		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		June-09	June-08
Direct & Facultative										
1. Fire and Property Damage	118,918,126	38,207,921	21,802,520	135,323,527	63,191,406	63,727,518	30,984,181	95,934,743	39,388,783	25,082,024
2. Marine, Aviation and Transport	30,474,857	11,506,953	7,329,191	34,652,619	10,328,943	9,066,209	5,046,194	14,348,958	20,303,661	11,536,866
3. Motor	73,518,535	78,316,382	37,344,329	114,490,588	-	2,559,404	611,104	1,948,300	112,542,288	138,846,649
4. Miscellaneous	164,257,014	46,766,659	51,010,675	160,012,999	43,112,552	26,244,767	21,781,702	47,575,617	112,437,381	47,953,912
GRAND TOTAL	387,168,532	174,797,915	117,486,714	444,479,733	116,632,901	101,597,898	58,423,180	159,807,619	284,672,114	223,419,451

The annexed notes form an integral part of these interim condensed financial statement

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED STATEMENT OF CLAIMS
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

Quarter ended June 30, 2009										
BUSINESS UNDERWRITTEN INSIDE PAKISTAN										
Class	Claims paid	Outstanding claims		Claims expense	Re-Insurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Re-Insurance and other recoveries revenue	Net Claims expenses	
		Opening	Closing			Opening	Closing		June-09	June-08
Direct & Facultative										
1. Fire and Property Damage	27,340,946	5,738,703	7,621,943	29,224,186	21,033,023	4,187,338	5,051,172	21,896,857	7,327,329	7,376,982
2. Marine, Aviation and Transport	3,943,624	2,863,951	2,870,619	3,950,292	2,782,752	1,260,544	1,260,544	2,782,752	1,167,540	1,211,655
3. Motor	6,290,500	22,708,613	22,853,064	6,434,951	-	1,467,284	1,639,090	171,806	6,263,145	18,844,305
4. Miscellaneous	16,407,927	-	-	16,407,927	9,363,829	-	-	9,363,829	7,044,098	3,376,591
GRAND TOTAL	53,982,997	31,311,267	33,345,626	56,017,356	33,179,604	6,915,166	7,950,806	34,215,244	21,802,112	30,809,533

SIX MONTHS ENDED JUNE 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Rupees

Class	Claims paid		Outstanding claims		Claims expense received	Reinsurance and other recoveries in respect of outstanding claims		Re-Insurance and other recoveries	Net Claims expenses		
	Opening	Closing	Opening	Closing		Opening	Closing		June-09	June-08	
Direct & Facultative											
1. Fire and Property Damage	59,492,872	7,621,943	5,813,371	7,621,943	61,301,444	38,363,182	4,033,298	5,051,172	39,381,056	21,920,388	11,971,296
2. Marine, Aviation and Transport	7,303,526	2,870,619	2,863,951	2,870,619	7,310,194	5,438,660	1,260,544	1,260,544	5,438,660	1,871,534	2,386,649
3. Motor	13,854,531	4,775,043	4,775,043	22,853,064	31,932,552	-	1,226,184	1,639,090	412,906	31,519,646	35,837,855
4. Miscellaneous	27,680,640	-	-	-	27,680,640	14,232,904	-	-	14,232,904	13,447,736	5,889,846
GRAND TOTAL	108,331,569	13,452,365	13,452,365	33,345,626	128,224,830	58,034,746	6,520,026	7,950,806	59,465,526	68,759,304	56,085,646

The annexed notes form an integral part of these interim condensed financial statement

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED STATEMENT OF EXPENSES
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

Quarter ended June 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commissions Paid or Payable	Deferred Commission		Net Commission expenses	Other Management expenses	Underwriting expenses	Commission on Re-Insurance	Unearned commission		Net Commission on Re-insurance	Net underwriting expenses	
		Opening	Closing					Opening	Closing		June-09	June-08
Direct & Facultative												
1. Fire and Property Damage	12,105,479	1,239,449	11,149,608	2,195,320	4,234,779	6,430,099	11,907,370	1,199,051	10,774,200	2,332,221	4,097,877	7,955,171
2. Marine, Aviation and Transport	2,413,883	221,098	1,962,145	672,836	1,595,244	2,268,080	1,567,692	180,044	1,494,424	253,312	2,014,768	1,064,165
3. Motor	6,399,894	802,589	6,617,007	585,476	2,363,834	2,949,310	-	-	-	-	2,949,310	22,460,100
4. Miscellaneous	8,388,031	846,510	6,700,368	2,534,173	9,678,719	12,212,892	6,744,820	416,395	5,588,844	1,572,371	10,640,521	8,114,147
GRAND TOTAL	29,307,287	3,109,646	26,429,129	5,987,804	17,872,576	23,860,380	20,219,882	1,795,490	17,857,468	4,157,904	19,702,476	39,593,583

SIX MONTHS ENDED JUNE 30, 2009

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commissions Paid or Payable	Deferred Commission		Net Commission expenses	Other Management expenses	Underwriting expenses	Commission on Re-Insurance	Unearned commission		Net Commission on Re-insurance	Net underwriting expenses	
		Opening	Closing					Opening	Closing		June-09	June-08
Direct & Facultative												
1. Fire and Property Damage	22,033,517	20,851,808	11,149,608	31,735,717	10,102,985	41,838,702	21,887,582	22,230,815	10,774,200	33,344,197	8,494,504	10,261,653
2. Marine, Aviation and Transport	4,095,267	3,268,941	1,962,145	5,402,063	2,589,067	799,130	3,049,650	2,646,202	1,494,424	4,201,428	3,789,702	1,652,359
3. Motor	12,967,794	14,334,239	6,617,007	20,685,026	6,245,950	26,930,976	-	-	-	-	26,930,976	29,647,629
4. Miscellaneous	15,622,561	10,174,209	6,700,368	19,096,402	13,954,862	33,051,264	9,714,518	7,760,604	5,588,844	11,886,278	21,164,986	11,096,139
GRAND TOTAL	54,719,139	48,629,197	26,429,129	76,919,207	32,892,864	109,812,071	34,651,750	32,637,621	17,857,468	49,431,903	60,380,168	52,657,780

The annexed notes form an integral part of these interim condensed financial statement

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

INTERIM CONDENSED STATEMENT OF INVESTMENT INCOME
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)

Quarter ended		Six months ended	
June 30, 2009 Rs.	June 30, 2008 Rs.	June 30, 2009 Rs.	June 30, 2008 Rs.

Income from non-trading investments:

Available for sale

Dividend income	110,827	180,232	124,263	189,507
Gain or loss on sale of 'available for sale' investments	181,063	-	623,096	-
	<u>291,890</u>	<u>180,232</u>	<u>747,359</u>	<u>189,507</u>

Held to maturity

Return on government bonds	1,498,141	-	2,338,225	-
Return on F.D.R	1,415,099	1,452,672	1,512,799	1,495,340
	<u>3,205,130</u>	<u>1,632,904</u>	<u>4,598,383</u>	<u>1,684,847</u>

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Less: Reversal of provision for available for sale investments	137,361	-	137,361	-
Net Investment Income	<u>3,342,491</u>	<u>1,632,904</u>	<u>4,735,744</u>	<u>1,684,847</u>

The annexed notes form an integral part of these interim condensed financial statements.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2009 (UN-AUDITED)**

DESCRIPTION	SHARE CAPITAL	RESERVE FOR ISSUE OF BONUS SHARES	GENERAL RESERVE	RETAINED EARNINGS	TOTAL
	RS.	RS.	RS.	RS.	RS.
Balance as at January 01, 2008	252,005,650	-	75,115,917	100,728,591	427,850,158
Transfer to reserve for issue of bonus shares	-	50,401,130	-	(50,401,130)	-
Bonus Share reserve capitalized	50,401,130	(50,401,130)	-	-	-
Incremental depreciation net of deferred tax	-	-	-	40,750	40,750
Net profit for the period	-	-	-	62,771,992	62,771,992
Transfer to general reserves	-	-	110,000,000	(110,000,000)	-
Balance as at June 30, 2008	302,406,780	-	185,115,917	3,140,203	490,662,900
Balance as at January 01, 2009	302,406,780	-	75,115,917	106,322,600	483,845,297
Transfer to reserve for issue of bonus shares	-	42,593,220	-	(42,593,220)	-
Bonus Share reserve capitalized	42,593,220	(42,593,220)	-	-	-
Incremental depreciation net of deferred tax	-	-	-	38,926	38,926
Net profit for the period	-	-	-	88,745,224	88,745,224
Transfer to general reserves	-	-	-	-	-
Balance as at June 30, 2009	345,000,000	-	75,115,917	152,513,530	572,629,447

The annexed notes form an integral part of these interim condensed financial statements.

Khawwas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman

Notes for the Interim Condensed Financial Statements For the Half Year Ended June 30, 2009

1. STATUS AND NATURE OF BUSINESS

The company was incorporated on October 20, 1959 as a Public Limited Company and its shares are quoted On Karachi Stock Exchange (Guarantee) Limited. The Registered Office of the Company is situated at 204, 2nd Floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi and Head Office is 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 business outside Pakistan.

2. BASIS OF PREPARATION

The interim condensed financial statements are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Karachi Stock Exchange. These interim condensed financial statements have been prepared in accordance with the requirements International Accounting Standard 34 " Interim Financial Reporting " as applicable in Pakistan and in the format prescribed by the Securities & Exchange Commission of Pakistan its circular No. 7 of 2003.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2008.

3. ACCOUNTING POLICIES

These financial statements have been prepared using the same accounting policies, which were applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2008.

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4. PAID-UP CAPITAL

Jun 30, 2009	Dec 31, 2008		Jun 30, 2009	Dec 31, 2008
(Number of Shares)			(Rupees)	
Issued, Subscribed and paid up capital:				
Fully paid shares				
10,963,475	10,963,475	Ordinary shares of Rs. 10/- each fully paid in cash	109,634,750	109,634,750
Bonus shares				
23,536,525	19,277,203	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	235,365,250	192,772,030
<u>34,500,000</u>	<u>30,240,678</u>		<u>345,000,000</u>	<u>302,406,780</u>

5. CONTINGENCIES AND COMMITMENTS

There have been no changes in the contingencies and commitments as disclosed in the annual financial statements of the company for the year ended 31 December 2008.

Notes for the Interim Condensed Financial Statements
For the Half Year Ended June 30, 2009

6. INVESTMENTS	Jun 30, 2009	Dec 31, 2008
	(Rupees)	
Available for sale		
Marketable securities	6.1 11,670,386	11,806,692
Less: Provision for impairment in value in investment	(1,798,478)	(2,644,620)
	9,871,908	9,162,072
Held to maturity	39,445,151	31,217,798
	<u>49,317,059</u>	<u>40,379,870</u>
Available for sale		
6.1 - Listed shares	4,115,980	3,676,000
- Unlisted / delisted shares	7,054,406	7,054,406
- Mutual fund certificates	500,000	1,076,286
	<u>11,670,386</u>	<u>11,806,692</u>

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Aggregate market value of investments is Rs. 9,871,908/= (December 31, 2008: Rs. 9,162,072/=)

7. ADDITIONS/ DELETIONS IN FIXED ASSETS

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

	ADDITIONS Jan-Jun 2009	DELETIONS Jan-Jun 2008
Owned Assets		
Building	-	255,890
Furniture, fixture, office and computer equipments	4,416,466	6,973,499
Motor vehicles	24,524,584	1,198,960
Leased Assets		
Leased vehicles	17,251,000	23,127,500
	<u>46,192,050</u>	<u>31,555,849</u>

Additions includes transfer of leased assets to owned assets

Notes for the Interim Condensed Financial Statements
For the Half Year Ended June 30, 2009

8. SEGMENT REPORTING

The company has four primary business segments for reporting purpose namely fire, marine, motor and miscellaneous. Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of gross premium written by the segments.

	FIRE		MARINE		MOTOR		MISCELLANEOUS		TOTAL	
	June 30, 2009 Rs.	Dec 31, 2008 Rs.	June 30, 2009 Rs.	Dec 31, 2008 Rs.	June 30, 2009 Rs.	Dec 31, 2008 Rs.	June 30, 2009 Rs.	Dec 31, 2008 Rs.	June 30, 2009 Rs.	Dec 31, 2008 Rs.
OTHER INFORMATION										
Segment assets	130,284,589	148,496,109	29,564,622	25,876,150	59,630,628	69,030,171	143,264,377	76,698,075	362,744,216	320,100,505
Unallocated assets									522,248,360	524,552,902
TOTAL ASSETS									<u>884,992,576</u>	<u>844,653,407</u>
Segment liabilities	48,011,917	73,508,180	13,696,517	18,505,127	65,027,766	89,260,224	67,391,665	59,407,875	194,127,865	240,681,406
Unallocated liabilities									116,717,164	118,569,677
TOTAL LIABILITIES									<u>310,845,029</u>	<u>359,251,083</u>

Notes for the Interim Condensed Financial Statements
For the Half Year Ended June 30, 2009

9. RELATED PARTY TRANSACTIONS

The company has relationship of associated undertaking with M/s. United Track Systems (Private) Limited due to common directorship. Transactions with related party is summarized as follows:

	Jun 30, 2009	Dec 31, 2008
	(Rupees)	
Purchase of Track Systems	30,419,370	46,350,790

10. TAXATION

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

11. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements have been authorized for issue on 25-08-2009 in accordance with a resolution of board of directors of the company.

12. CORRESPONDING FIGURES

Corresponding figures have been reclassified and re-arranged, wherever necessary to confirm with the current classification. However, there are no material classification to report.

Khawas Khan Niazi
Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

Mian M. A. Shahid
Chairman