

# 1<sup>st</sup> Quarter Report 2017

57 years of Excellence



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## Corporate Information

### BOARD OF DIRECTORS

Chairman	Javaid Sadiq
Director /President	Khawas Khan Niazi
Chief Executive Officer	Mohammed Rahat Sadiq
Directors	Huma Waheed Agha Ali Imam Chaudhary Najeeb-ur-Rehman Taseer Yousaf Makhdoom
Advisor to Board	Mian M.A.Shahid (Chairman UIG)
Advisor	Sardar Khan (Former Managing Director Universal Insurance Company Limited)  Major General (R) Asif Duraiz Akhtar  Mr. Jamal-Ud-Din (Ex-President/Chief Executive Officer Askari General Insurance Company Limited)
Company Secretary	Athar A Khan
Chief Financial Officer Chief Internal Auditor Auditors	Maqbool Ahmed Abdul Mannan Munir M/S. Ilyas Saeed & Co. Chartered Accountants
Legal Advisors	Mohammed Farooq Sheikh (Advocate) Mian Asghar Ali (Advocate)
Tax Advisor	M/S. Sarwars Chartered Accountants
Credit Rating Agency (Pacra)	INSURER FINANCIAL STRENGTH AA-[Double A Minus] The Rating Denotes a very strong capacity to meet policyholder and contract obligations. Risk factors are modest, and the impact of any adverse business and economic factors is expected to be very small.
Company's Share Registrar	M/S. F.D.Registrar Services(SMC-Pvt) Ltd. 1705,17th Floor, Saima Trade Center, I.I.Chundrigar Road-Karachi.

## Corporate Information

Web Presence	<a href="http://www.theunitedinsurance.com">www.theunitedinsurance.com</a>
Registered Office	204, 2nd Floor, Madina City Mall, Abdullah Haroon Road, Saddar Karachi. TEL: 021-35621460-2, 021-35221803-4 FAX: 021-35621459 Email: <a href="mailto:info@theunitedinsurance.com">info@theunitedinsurance.com</a>
Head Office	UIG House, 6-D, Upper Mall, Lahore TEL: 042-35776475, 35776486 UAN: 92-42-111-000-014 FAX: 92-42-35776486, 35776487 Email: <a href="mailto:uicpl@theunitedinsurance.com">uicpl@theunitedinsurance.com</a>

## Committees Composition

### Underwriting Committee:

Category	Names
Chairman	Mr. Taseer Yousaf Makhdoom
Member	Mr. Mohammad Rahat Sadiq
Member	Mr. Syed Qaisar Imam
Member	Mr. Tajammal Iqbal
Secretary	Mr. Fahad Butt

### Audit Committee:

Category	Names
Chairman	Mr. Agha Ali Imam
Member	Mr. Taseer Yousaf Makhdoom
Member	Mr. Khawas Khan Niazi
Member	Mr. Maqbool Ahmed
Secretary	Mr. Abdul Mannan Muneer

### Claims Settlement Committee:

Category	Names
Chairperson	Ms. Huma Waheed
Member	Mr. Mohammad Rahat Sadiq
Member	Mr. Kamran Zaman
Member	Mr. Mazhar Bhatti
Member	Mr. Kashif Shafique
Secretary	Mr. Rizwan Safdar

### Reinsurance & Co-insurance Committee:

Category	Names
Chairman	Mr. Khawas Khan Niazi
Member	Mr. Najeeb-ur-Rehman
Member	Mr. Mohammad Rahat Sadiq
Member	Mr. Abrar Ahmed Minhas
Member	Mr. Amir Hameed
Secretary	Mr. Tayyab Bashir

### Risk Management & Compliance Committee:

Category	Names
Chairman	Mr. Javaid Sadiq
Member	Mr. Mohammad Rahat Sadiq
Member	Ms. Huma Waheed
Member	Mr. S. Rahat Ali Shah
Member	Mr. Tayyab Bashir
Secretary	Mr. Saad Munir

### Ethics, Human Resource & Remuneration Committee:

Category	Names
Chairman	Mr. Javaid Sadiq
Member	Mr. Mohammad Rahat Sadiq
Member	Mr. Taseer Yousaf Makhdoom
Member	Mr. Athar A. Khan
Secretary	Mr. Wakeel Ahmed Mirza

### Investment Committee:

Category	Names
Chairman	Mr. Agha Ali Imam
Member	Mr. Khawas Khan Niazi
Member	Mr. Mohammad Rahat Sadiq
Member	Ms. Huma Waheed
Member	Mr. Tajammal Iqbal
Secretary	Mr. Maqbool Ahmed

## Key Management Personnel

### CONVENTIONAL BUSINESS

Head of Conventional Business	Tajammal Iqbal
Sr. Executive Director Underwriting	S.M. Qaiser Imam
Sr. Executive Director/Group Country Manager	Dr. Murtaza Mughal
Head of Corporate Compliance	Syed Rahat Ali Shah
Sr. General Manager Re-Insurance	Abrar Ahmed Minhas
General Manager (HR & R)	Wakeel Ahmed Mirza
General Manager Administration	Jamil Ahmed
Joint Director Operations	Tayyab Bashir
Deputy General Manager Claims	Kamran Zaman
General Manager (I.T)	Munir Ahmed
A.G.M Underwriting	Manzoor Hussain Mirza
A.G.M Reinsurance	Naeem Ahmed Babar
A.G.M Health/Travel	Kashif Shafique
Chief Manager (Web)	Mohammed Arshad
Chief Manager (Agri)	Zulfiqar Ahmed
Sr. Manager Coordination	Tahira Ashar

### WINDOW TAKAFUL OPERATIONS

Head of Takaful Operations	Shakeel Ahmed
Shariah Advisor	Mufti Farhan Farooq
Joint Director Operations & Technical	Amir Hameed
Shariah Compliance Officer	Malik Saad Munir

## Key Management Personnel

### EXECUTIVE DIRECTORS (MARKETING)

Mohammad Rafique Khan  
Qamar-uz-Zaman  
Mian M.A Zahid  
Zarar Ahmed Butt  
Mian Kashif Rasheed  
Ch. Aslam Feroz  
Mohammed Siddique Sheikh  
Rizwan-Ul-Haq  
Shafaqat Ali Goraya  
Hassan Nadeem  
Ch. Shamas-ul-haq  
Kh. Adnan Hassan  
Mohammed Mazhar Shah

### JOINT DIRECTORS (MARKETING)

Aslam Rajpoot  
Mohammed Naseem Butt  
Khurram Mansoor  
Malik Zafar Yousaf  
Mian Mohammed Rafi  
Tanveer Ahmad Bhatti  
Faisal Javaid  
Sh. Musa Saleem  
Mohammed Mohsin ullah  
Chaudhary Iqbal Tahir  
Zafar Mahmood  
Syed Ahmad Ali  
Nauman-ul-Haq  
Hassan Bin Daud  
Malik Azhar Hussain

## Bankers & Leasing Companies

### BANKS

State Bank of Pakistan  
 National Bank of Pakistan  
 Bank Al-Habib Limited  
 Soneri Bank Limited  
 Bank Alfalah Limited  
 Meezan Bank Limited  
 NIB Bank Limited  
 SME Bank Limited  
 The Bank of Khyber  
 Summit Bank Limited  
 Silk Bank Limited  
 Samba Bank Limited  
 Zarai Taraqiati Bank Limited  
 Sindh Bank Limited  
 The Bank of Punjab  
 First Women Bank Limited  
 The Punjab Provincial Cooperative Bank Limited  
 Allied Bank Limited  
 Habib Bank Limited  
 MCB Bank Limited  
 United Bank Limited  
 Al Baraka Bank (Pakistan) Limited  
 Askari Bank Limited  
 Dubai Islamic Bank Pakistan Limited  
 Faysal Bank Limited  
 Standard Chartered Bank (Pakistan) Limited  
 Barclays Bank PLC, Pakistan  
 Habib Metropolitan Bank Limited  
 Karakoram Cooperative Bank Limited  
 Industrial Development Bank of Pakistan  
 JS Bank Limited  
 Bank Islami Limited  
 Bank of Azad Jamu and Kashmir

### LEASING COMPANIES

Orix Leasing Company Limited  
 Crescent Standard Modaraba

### MICRO FINANCE BANKS

APNA Microfinance Bank Limited  
 FINCA Microfinance Bank Limited  
 Khushhali Microfinance Bank Limited  
 Pak-Oman Microfinance Bank Limited  
 The First Microfinance Bank Limited  
 Waseela Microfinance Bank Limited  
 U Microfinance Bank Limited  
 Tameer Microfinance Bank Limited  
 NRSP Microfinance Bank Limited

# Director Report to the Members

## Dear Fellow Members!

The Directors of "The United Insurance Company of Pakistan Limited" take pleasure in presenting the 1st Quarter, 2017 Report of your Company, together with the condensed interim financial information of UIC and its Window Takaful Operations (un-audited) for the period ended March 31, 2017.

### Conventional Performance Review – 1st Quarter – 2017

Gross Written Premium (GWP) during 1st quarter increased by 61.16%, from Rs. 888.423 million in 2016 to Rs.1,431.776 million in 2017. Premium growth has been achieved due to sincere and tireless efforts of the Company's management and the field staff. The Company's net premium stands at 60.67% of GWP. The underwriting results increased by 22.48% from Rs. 249,349 million in 2016 to Rs.305.391million in 2017. The Company's investment income increased from Rs. 24.122 million in 2016 to Rs.61.392 million in 2017. The Company earned Profit before tax of Rs.223.324 million in 2017 against Rs. 191.449 million in 2016. Furthermore, during the same period, profit after tax increased to Rs.191.474 million as against Rs. 166.899 million in 2016. Earnings per share (basic & diluted) of the Company, for the period ended March 31 also increased to Rs.1.06 per share in 2017 as against Rs.0.93 per share in 2016.

### Window Takaful Operations Performance Review – 1st Quarter – 2017

The directors of The United Insurance Company of Pakistan Limited jubilantly announce that quarterly goals of window takaful operations set by the directors at the beginning of the fiscal year are successfully achieved. The following financial data reflects the performance of window takaful operations during the 1st Qtr 2017.

- We have significant increase of 20.73% in the Gross written contribution of Participants takaful fund from March 31, 2016. The above reflects true and honest efforts of window takaful management and the dedication and enthusiasm of the field staff. The Gross written contribution for the 1st quarter 2017 increased from Rs.133.781 million in March 31, 2016 to Rs.161.512 million in first three months of 2017. The Company's net written contribution for the first three months of 2017 stands at Rs.115.872 million as against Rs.92.412 million in the same period of 2016 which shows an increase of 25.39% .
- The investments of participant takaful fund increased to Rs.67.442 million in 1st quarter 2017. Total investment income for the first three months ended on March 31, 2017 came to Rs.1.478 million.
- The Operators' fund of the window takaful operations has earned profit for the period of Rs.20.031 million in three months ended on March 31, 2017 as compared to Rs.1.879 million in March 31, 2016 which shows an increase of Rs.18.152 million.
- Management expenses of the operator are controlled during the first three months of 2017 and resulted in decrease of 26.82% as compared to 1st Quarter 2016.
- The investments of Operators fund increased by Rs.25.639 million. Total investment income for the first three months ended on March 31, 2017 came to Rs. 0.409 million.

### Future Outlook

The key drivers of insurance growth in a country are typically macro-economic factors, regulatory factors and demographic of a country. In Pakistan the insurance penetration is very low as compared to south Asian countries. Yet there are new opportunities for the un-tapped markets. The Company will continue to maintain its trends in growth of premium and maintain its profitability to high ethical standards.

### Acknowledgement

We would like to express our special thanks of gratitude to our valued customers, Business allies, SECP, Reinsurers, Banks and employees for reposing there continued trust and support in UIC.

For and on behalf of the Board



**Mohammed Rahat Sadiq**

Chief Executive Officer

Date: **April 29, 2017**

## ممبرز کو ڈائریکٹرز رپورٹ

محترم ساتھی اراکین!

دی یونائیٹڈ انشورنس کمپنی آف پاکستان لمیٹڈ کے ڈائریکٹرز یونٹی سی اور اس کی ونڈ وکفال آپریٹرز کی مشترکہ پہلی سرمایہ سال 2017 کے غیر محاسبی مالیاتی گوشوارے پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

**2017 کی پہلی سرمایہ سال میں روایتی کاروبار کی کارکردگی کا جائزہ:**

کمپنی کا خام بیرونی سرمایہ سال 2016 میں 61.16 فی صد اضافے کے پچھلے سال 2016 میں 88.423 ملین روپے کے مقابلے میں اس سال 2017 میں 1,431,776 ملین روپے رہا۔ کمپنی نے یہ کارکردگی بہتر انتظامی و فیڈ بیک کے نتیجہ اور استحکام کو بشوں کی وجہ سے حاصل کی ہے۔ کمپنی کا خالص سرمایہ عام بیمہ کے 60.67 فی صد رہا۔ مجموعی طور پر ذمہ دہی کا نتیجہ 22.48 فی صد تک بڑھا جو کہ پچھلے سال 2016 میں 249,349 ملین روپے تھا جو اس سال 2017 میں 305,391 ملین روپے رہا۔ کمپنی کی خالص سرمایہ کاری سے حاصل کی گئی آمدنی اس سال 2017 میں 61,392 ملین روپے پر پہنچ گئی جو کہ 2016 میں 24,122 ملین تھی۔ اس کی وجہ سے کمپنی کا ٹیکس سے قبل منافع پچھلے سال 2016 میں 191,449 ملین روپے سے بڑھ کر اس سال 2017 میں 223,324 ملین روپے رہا، مزید برآں بعد از ٹیکس منافع پچھلے سال 2016 میں 166,899 ملین روپے کے مقابلے میں اس سال 2017 میں 191,474 ملین روپے رہا۔ فی شخص منافع میں بھی اس سال 1.06 روپے فی شخص کا اضافہ ہوا جو 2016 میں 0.93 روپے تھا۔

**2017 کی پہلی سرمایہ سال میں بحال کاروبار کی کارکردگی کا جائزہ:**

دی یونائیٹڈ انشورنس کمپنی آف پاکستان لمیٹڈ کے ڈائریکٹرز بخوشی اعلان کرتے ہیں کہ ونڈ وکفال نے اس مالی سال کی پہلی سرمایہ سال کے مقررہ اہداف کو کامیابی سے حاصل کر لیا ہے۔ مندرجہ ذیل مالی اعداد و شمار ونڈ وکفال کی پہلے تین ماہ کی کارکردگی کا مظہر ہیں:

☆ ونڈ وکفال فنڈ کے حصہ داروں کی خام اعانت میں 20.73 فی صد نمایاں اضافہ ہوا ہے جو کہ صحیح معنوں میں ونڈ وکفال انتظامیہ اور فیڈ بیک کے ایما ندری گن اور مسلسل کوششوں کا نتیجہ ہے۔ خام اعانت پچھلے سال 2016 کی پہلی سرمایہ سال میں 133,781 ملین روپے کے مقابلے میں پہلی سرمایہ سال 2017 میں 161,512 ملین روپے رہے۔ ونڈ وکفال فنڈ کی خالص اعانت اس سال 2017 کی پہلی سرمایہ سال میں 25.39 فی صد اضافے سے 115,872 ملین روپے رہے، جو کہ پچھلے سال 2016 میں 92,412 ملین روپے تھے۔

☆ سال 2017 کی پہلی سرمایہ سال میں ونڈ وکفال فنڈ کے حصہ داروں کی سرمایہ کاری 67,442 ملین روپے رہی۔ سال 2017 کی پہلی سرمایہ سال میں سرمایہ کاری سے حاصل شدہ آمدنی 1,478 ملین روپے رہی۔

☆ رواں سرمایہ سال میں ونڈ وکفال آپریٹرز فنڈ کی آمدنی میں 18,152 ملین اضافے ہوا جس کی وجہ سے آمدنی 20,031 ملین روپے رہی جو کہ سال 2016 میں 1,879 ملین روپے تھی۔

☆ سال 2017 کی پہلی سرمایہ سال کے انتظامی اخراجات میں خاطر خواہ کمی دیکھنے میں آئی جس کے نتیجہ میں اخراجات میں پچھلے سال 2016 کی نسبت 26.82 فی صد کمی رہی۔

☆ رواں سرمایہ سال میں ونڈ وکفال آپریٹرز فنڈ میں 25,639 ملین روپے اضافے ہوئے۔ سال 2017 کی پہلی سرمایہ سال میں کل سرمایہ کاری آمدنی 0,409 ملین روپے پر پہنچ گئی۔

**مستقبل کے نقطہ نظر:**

ملک میں بیمہ سازی کی ترقی میں شامل اہم عوامل میں عام طور پر پروجیکٹ الیٹیا و معاشی عناصر، انضباطی عناصر اور ملک میں موجود آبادیاتی عناصر ہیں۔ پاکستان میں بیمہ سازی کا شعور دوسرے جنوبی ایشیائی ممالک کی نسبت بہت کم ہے۔ پاکستان میں بیمہ سازی کے لئے ابھی بھی دستیاب منڈیوں میں نئے مواقع موجود ہیں۔ کمپنی اپنے سابقہ رجحانات کو برقرار رکھنے ہوئے بیمہ میں اضافے اور اخلاقیات کے عالی اصولوں کو قائم رکھنے ہوئے اپنے منافع میں استحکام جاری رکھے گی۔

**اعتراف:**

ہم اپنے قابل قادر صارفین، کاروباری معاونین، SECP، بینکاروں اور ملازمین کے مسلسل اعتماد و حمایت کے اظہار کوشہرتے ہیں اور ان کا نہایت شکر گزار کرتے ہیں۔

یورڈ کی جانب سے



محمد راحت صادق

کمپنی کا سربراہ

مورخہ 29 اپریل 2017



# Financial Statements

For The 1<sup>st</sup> Quarter Ended March 31, 2017

## Condensed Interim Balance Sheet

as at March 31, 2017 (Un-Audited)

	Un-Audited	Audited
Note	March 31 2017 Rupees	December 31, 2016 Rupees
<b>Share capital and reserves</b>		
Authorized share capital	3,000,000,000	3,000,000,000
300,000,000/- (2016 : 300,000,000/-)		
Ordinary Shares of Rs. 10/- each		
Paid-up share capital	1,803,200,000	1,803,200,000
Retained earnings	869,700,006	677,076,606
Reserves	75,115,917	75,115,917
	2,748,015,923	2,555,392,523
<b>Surplus on revaluation of fixed assets</b>	81,735,934	81,941,687
<b>Total liabilities in window takaful operations</b>	50,602,205	60,293,684
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	810,515,850	791,222,496
Provision for unearned premium	1,735,899,932	1,490,001,500
Premium deficiency reserve	-	1,696,000
Commission income unearned	107,901,039	83,462,765
Total underwriting provisions	2,654,316,821	2,366,382,761
<b>Deferred liabilities</b>		
Staff retirement benefits	52,232,602	58,683,316
Deferred tax liabilities	16,182,308	14,332,308
	68,414,910	73,015,624
<b>Creditors and accruals</b>		
Amounts due to other insurers/ reinsurers	74,236,455	146,211,061
Accrued expenses	4,691,130	7,402,019
Provision for taxation - net	24,714,744	17,705,603
Other creditors and accruals	81,338,335	77,629,557
	184,980,664	248,948,240
<b>Other liabilities</b>		
Liabilities against assets subject to finance lease	94,006,839	80,605,304
<b>TOTAL LIABILITIES</b>	<b>3,052,321,439</b>	<b>2,829,245,613</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,882,073,296</b>	<b>5,466,579,823</b>

### CONTINGENCIES & COMMITMENTS

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



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director

## Condensed Interim Balance Sheet

as at March 31, 2017 (Un-Audited)

	Note	Un-Audited	Audited
		March 31 2017 Rupees	December 31, 2016 Rupees
<b>Cash and bank deposits</b>			
Cash and other equivalents		352,815	160,190
Current and other accounts		427,256,814	365,328,027
Deposits maturing within 12 months		117,519,718	138,190,119
Deposits maturing after 12 months		30,973,408	32,570,160
		576,102,755	536,248,496
<b>Loans</b>			
To employees and agents		20,282,217	17,394,811
<b>Investments</b>			
	9	1,073,256,352	1,064,659,968
<b>Total assets in window takaful operations</b>		270,410,104	259,197,696
<b>Investment property</b>		2,576,528	2,712,135
<b>Current assets - others</b>			
Premiums due but unpaid		874,098,288	709,226,890
Amounts due from other insurers/ reinsurers		560,487,377	501,916,703
Reinsurance recoveries against outstanding claims		601,184,998	581,301,466
Prepaid reinsurance premium ceded		636,387,925	595,977,299
Accrued investment income		32,148,129	13,556,698
Deferred commission expense		189,777,330	197,015,310
Sundry receivables		183,205,426	139,224,544
		3,077,289,473	2,738,218,910
<b>Fixed assets - Tangible and intangibles</b>			
	10		
<b>Owned</b>			
Land freehold		268,295,000	268,295,000
Buildings		136,840,580	138,548,710
Furniture, fixtures, office and computer equipments		110,649,375	112,243,377
Motor vehicles		157,973,274	153,934,824
Motor tracking devices		63,346,239	61,876,993
Intangible asset		5,736,735	6,250,416
		742,841,203	741,149,320
<b>Leased</b>			
Motor vehicles		116,083,488	103,685,624
Office Equipments		3,231,176	3,312,863
		119,314,664	106,998,487
<b>TOTAL ASSETS</b>		5,882,073,296	5,466,579,823

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



Khawas Khan Niazi  
Director / President



Javaid Sadiq  
Chairman

## Condensed Interim Profit And Loss Account

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	Fire and property damage	Marine aviation and transport	Motor	Crop	Miscellaneous	January To March	
						2017 Aggregate	2016 Aggregate
----- Rupees -----							
<b>REVENUE ACCOUNT</b>							
Net premium revenue	88,455,238	47,972,590	144,887,413	164,232,109	423,087,331	<b>868,634,681</b>	611,311,362
Net claims	(142,864,353)	(3,868,012)	(85,803,268)	(16,307,858)	(141,438,380)	<b>(390,281,871)</b>	(219,553,134)
Change in premium deficiency reserve	-	-	-	-	1,696,000	<b>1,696,000</b>	-
Management expenses	(11,519,540)	(4,090,507)	(32,316,438)	(17,448,914)	(46,312,581)	<b>(111,687,980)</b>	(104,599,523)
Net commission	(28,106,439)	(5,617,829)	(10,577,688)	(4,586,896)	(14,080,656)	<b>(62,969,508)</b>	(37,809,733)
<b>UNDERWRITING RESULT</b>	<b>(94,035,094)</b>	<b>34,396,242</b>	<b>16,190,019</b>	<b>125,888,441</b>	<b>222,951,714</b>	<b>305,391,322</b>	<b>249,348,972</b>
Investment income						<b>61,392,150</b>	24,122,255
Rental Income						<b>573,000</b>	348,000
Other income						<b>2,257,934</b>	899,656
Share of loss from associate						<b>(75,603,927)</b>	(1,950,780)
Profit from Window Takaful Operations						<b>20,031,549</b>	1,836,250
General and administration expenses						<b>(86,620,955)</b>	(80,120,788)
Finance charge on lease rentals						<b>(1,376,608)</b>	(3,034,995)
Car Ijarah expense						<b>(2,720,196)</b>	-
						<b>(82,067,053)</b>	(57,900,402)
Profit before tax						<b>223,324,269</b>	191,448,570
Provision for taxation							
- Current						<b>(30,000,000)</b>	(25,000,000)
- Prior							-
- Deferred						<b>(1,850,000)</b>	450,260
						<b>(31,850,000)</b>	(24,549,740)
<b>Profit after tax</b>						<b>191,474,269</b>	<b>166,898,830</b>
<b>PROFIT AND LOSS APPROPRIATION ACCOUNT</b>							
Balance at commencement of the period						<b>677,076,606</b>	881,893,837
Total comprehensive income for the period						<b>192,623,400</b>	166,817,605
Profit available for appropriation						<b>869,700,006</b>	1,048,711,442
Return of Qarz-e-hasna from participants' takaful fund (PTF)							19,000,000
<b>Balance of unappropriated profit at end of the period</b>						<b>869,700,006</b>	<b>1,067,711,442</b>
<b>Earning per share of Rs. 10/- each</b>							
- basic and diluted (Restated)						<b>1.06</b>	0.93

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



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Comprehensive Income

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January To March	
	2017 Rupees	2016 Rupees
Profit for the period	191,474,269	166,898,830
<b>Item not to be re-classified to profit and loss account in subsequent period:</b>		
<b>Other comprehensive income for the period</b>		
Actuarial gain / (loss) on defined benefit plan	700,200	(245,853)
Incremental depreciation net of deferred tax	205,753	207,837
Share of other comprehensive (loss) from associate	(629,160)	-
	276,793	(38,016)
Share of other comprehensive income/ (loss) from window takaful operations	872,338	(43,209)
<b>Total comprehensive income for the period</b>	<b>192,623,400</b>	<b>166,817,605</b>

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



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Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Changes In Equity

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

Description	Share capital	Reserve for issue of bonus shares	General reserve	Retained earnings	Total
	----- Rupees -----				
<b>Balance as at January 01, 2016</b>	1,288,000,000	-	75,115,917	881,893,837	2,245,009,754
Transfer to reserve for issue of bonus shares	-	-	-	-	-
Bonus shares reserve capitalized	-	-	-	-	-
Net profit for the period	-	-	-	166,898,830	166,898,830
Other comprehensive income	-	-	-	(81,225)	(81,225)
Total comprehensive income	-	-	-	166,817,605	166,817,605
Return of Qarz-e-hasna from participants' takaful fund (PTF)				19,000,000	19,000,000
<b>Balance as at March 31, 2016</b>	1,288,000,000	-	75,115,917	1,067,711,442	2,430,827,359
<b>Balance as at January 01, 2017</b>	1,803,200,000	-	75,115,917	677,076,606	2,555,392,523
Transfer to reserve for issue of bonus shares	-	-	-	-	-
Bonus share reserve capitalized	-	-	-	-	-
Net profit for the period	-	-	-	191,474,269	191,474,269
Other comprehensive income	-	-	-	1,149,131	1,149,131
Total comprehensive income	-	-	-	192,623,400	192,623,400
<b>Balance as at March 31, 2017</b>	1,803,200,000	-	75,115,917	869,700,006	2,748,015,923

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



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Director



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Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Cash Flows

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January To March	
	2017 Rupees	2016 Rupees
<b>OPERATING CASH FLOWS</b>		
<b>a) Underwriting activities</b>		
Premium received	1,266,905,046	833,959,704
Reinsurance premium paid	(429,628,565)	(264,944,940)
Claims paid	(643,552,760)	(353,391,101)
Reinsurance and other recoveries received	194,110,037	114,658,931
Commission paid	(98,123,735)	(67,666,284)
Commission received	66,830,480	37,296,910
Net cash flows from underwriting activities	356,540,503	299,913,220
<b>b) Other operating activities</b>		
Income tax paid	(22,990,859)	(18,609,208)
General management expenses paid	(176,861,559)	(165,012,610)
Other operating receipts/(payments)	(43,980,882)	(63,803,157)
Loan to employees and agents	(2,887,406)	(3,574,688)
Net cash flows from other operating activities	(246,720,706)	(250,999,663)
Total cash flows from all operating activities	109,819,797	48,913,557
<b>INVESTMENT ACTIVITIES</b>		
Investment income received	42,923,220	35,914,930
Rental income received	573,000	348,000
Sale/(Purchase) of investment & fixed deposits	(64,869,404)	9,577,300
Fixed capital expenditure	(11,519,629)	(97,204,587)
Proceeds from disposal of fixed assets	737,000	430,000
Net cash flow from investing activities	(32,155,813)	(50,934,357)
<b>FINANCING ACTIVITIES</b>		
Lease liability paid	(15,542,573)	(16,107,801)
<b>Net cash flow from financing activities</b>	<b>(15,542,573)</b>	<b>(16,107,801)</b>
<b>Net cash (outflow)/ inflow from all activities</b>	<b>62,121,411</b>	<b>(18,128,601)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>365,488,217</b>	<b>324,822,286</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>427,609,629</b>	<b>306,693,685</b>

## Condensed Interim Statement of Cash Flows

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January To March	
	2017 Rupees	2016 Rupees
<b>Reconciliation to profit and loss account</b>		
Net cash flow from operating activities	109,819,797	48,913,557
Depreciation / Amortization	(25,035,108)	(23,948,933)
Lease finance charges	(1,376,608)	(3,034,995)
Car Ijarah expense	(2,720,196)	-
Gain on disposal of fixed assets	533,248	137,097
Increase/(Decrease) in Assets other than cash	327,631,690	4,344,018
(Increase)/Decrease in Liabilities	(223,075,825)	112,075,132
Reversal/(Provision) for impairment in value of investments	(122,501)	4,405,229
<b>Others</b>		
Dividend income	4,627,043	51,000
Gain & other investment income	56,765,107	24,071,255
Share of (loss) from associate	(75,603,927)	(1,950,780)
Income from Window Takaful Operations	20,031,549	1,836,250
<b>Profit after taxation</b>	<b>191,474,269</b>	<b>166,898,830</b>

### Definition of cash

Cash for the purpose of the statement of cash flows comprises of cash in hand, bank balances and other assets which are readily convertible to cash and used for cash management for day to day business operations.

### Cash for the purpose of cash flows Compriss of:

Cash and other equivalents		
- cash in hand	352,815	482,042
Current and other accounts		
- bank balances	427,256,814	306,211,643
	<b>427,609,629</b>	<b>306,693,685</b>

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



Mohammad Rahat Sadiq  
Chief Executive Officer



Huma Waheed  
Director



Khawas Khan Niazi  
Director / President



Javaid Sadiq  
Chairman

## Condensed Interim Statement of Premiums

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

Business Underwritten Inside Pakistan

Class	Premiums written		Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	January To March	
	Opening	Closing	Opening	Closing			Opening	Closing		2017	2016
----- Rupees -----											
Direct and facultative											
Fire and property damage	173,528,358	356,779,156	350,701,332	179,606,182	47,678,600	193,758,247	150,285,903	91,150,944	88,455,238	79,927,653	
Marine, aviation and transport	61,618,696	31,786,707	32,150,676	61,254,727	11,892,322	7,335,976	5,946,161	13,282,137	47,972,590	33,087,112	
Motor	236,137,218	414,648,263	423,329,428	227,456,053	138,255,017	101,570,145	157,256,522	82,568,640	144,887,413	196,561,033	
Crop	262,847,431	74,833,985	157,430,346	180,251,072	54,475,852	3,200,000	41,656,889	16,018,963	164,232,109	88,778,504	
Miscellaneous	697,644,741	611,953,389	772,288,150	537,309,980	105,352,168	290,112,931	281,242,450	114,222,649	423,087,331	212,957,060	
<b>GRAND TOTAL</b>	<b>1,431,776,444</b>	<b>1,490,001,500</b>	<b>1,735,899,932</b>	<b>1,185,878,014</b>	<b>357,653,959</b>	<b>595,977,299</b>	<b>636,387,925</b>	<b>317,243,333</b>	<b>868,634,681</b>	<b>611,311,362</b>	

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Director



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Director / President



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Chairman

## Condensed Interim Statement of Claims

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

Business Underwritten Inside Pakistan

Class	Claims paid		Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	January To March	
	Opening	Closing	Opening	Closing			Opening	Closing		2017	2016
----- Rupees -----											
<b>Direct and facultative</b>											
Fire and property damage	312,917,438	431,239,520	321,976,683	203,654,601	220,795,730	385,770,088	225,764,606	60,790,248	<b>142,864,353</b>		41,286,268
Marine, aviation and transport	37,977,419	62,672,045	36,253,899	11,559,273	29,264,947	48,194,879	26,621,193	7,691,261	<b>3,868,012</b>		16,558,340
Motor	88,833,936	37,966,096	45,062,656	95,930,496	1,206,690	19,436,979	28,357,517	10,127,228	<b>85,803,268</b>		66,171,116
Crop	19,316,800	9,799,613	9,433,369	18,950,556	-	-	2,642,698	2,642,698	<b>16,307,858</b>		15,075,623
Miscellaneous	184,507,167	249,545,222	397,789,243	332,751,188	1,413,344	127,899,520	317,798,984	191,312,808	<b>141,438,380</b>		80,461,787
<b>GRAND TOTAL</b>	<b>643,552,760</b>	<b>791,222,496</b>	<b>810,515,850</b>	<b>662,846,114</b>	<b>252,680,711</b>	<b>581,301,466</b>	<b>601,184,998</b>	<b>272,564,243</b>	<b>390,281,871</b>		<b>219,553,134</b>

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



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Chairman

## Condensed Interim Statement of Expenses for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commission paid or payable	Deferred commission	Net commission expense	Other management expenses	Underwriting expenses	Commission on reinsurance	Unearned commission		Net commission income	January To March	
							Opening	Closing		2017	2016
----- Rupees -----											
<b>Direct &amp; facultative</b>											
Fire and property damage	24,402,079	68,816,277	32,733,957	11,519,540	44,253,497	2,506,803	15,347,475	13,226,760	4,627,518	<b>39,625,979</b>	23,438,767
Marine, aviation and transport	5,515,990	3,985,170	6,220,537	4,090,507	10,311,044	-	602,708	-	602,708	<b>9,708,336</b>	5,763,602
Motor	19,519,699	55,442,968	26,713,456	32,316,438	59,029,894	30,881,766	21,432,152	36,178,150	16,135,768	<b>42,894,126</b>	71,274,798
Crop	23,941,008	6,221,149	7,887,904	17,448,914	25,336,818	11,923,245	644,256	9,266,493	3,301,008	<b>22,035,810</b>	36,685,619
Miscellaneous	24,744,959	62,549,746	31,805,861	46,312,581	78,118,442	21,518,666	45,436,174	49,229,636	17,725,204	<b>60,393,238</b>	5,246,470
<b>GRAND TOTAL</b>	<b>98,123,735</b>	<b>197,015,310</b>	<b>105,361,715</b>	<b>111,687,980</b>	<b>217,049,695</b>	<b>66,830,480</b>	<b>83,462,765</b>	<b>107,901,039</b>	<b>42,392,206</b>	<b>174,657,489</b>	<b>142,409,256</b>

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



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Chief Executive Officer



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Director



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Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Investment Income

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January To March	
	2017 Rupees	2016 Rupees
<b>Income from non-trading investments:</b>		
<b>Available for sale</b>		
Dividend income	4,627,043	51,000
Return on Government securities	34,345,063	18,133,501
Gain / (loss) on sale of 'available for sale' in listed securities	7,772,249	(4,398,570)
	<b>46,744,355</b>	<b>13,785,931</b>
<b>Held to maturity</b>		
Return on Government securities	13,946,425	5,276,919
Return on F.D.R	1,446,574	825,126
	<b>15,392,999</b>	<b>6,102,045</b>
(Provision) / reversal for impairment in value of 'available for sale' in listed securities	<b>(122,501)</b>	4,405,229
Investment related expenses	<b>(622,703)</b>	(170,950)
<b>Net investment income</b>	<b>61,392,150</b>	<b>24,122,255</b>

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



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



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Chairman

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### 1 LEGAL STATUS AND NATURE OF BUSINESS

The United Insurance Company of Pakistan Limited (hereinafter called "the company ") was incorporated on October 20, 1959, as a Public Limited Company under the Defunct Companies Act, 1913, now the Companies Ordinance, 1984, and its shares are quoted Pakistan Stock Exchange. The Registered Office of the company is situated at 204, 2nd floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi, and its Head Office is located in Lahore. The principal activity of the company is General Insurance Business and it qualifies as a domestic insurance company under Insurance Ordinance, 2000 and undertakes Fire, Marine, Motor, Crop and Miscellaneous General insurance. The company has been allowed to work as Window Takaful Operator on August 18, 2014 by Securities and Exchange Commission of Pakistan under Takaful Rules, 2012 to carry on Islamic General Takaful in Pakistan. It has not transacted any insurance business outside Pakistan.

For the purpose of carrying on the takaful business, the company has formed a Waqf/Participants' Takaful Fund (PTF) on June 09, 2014 under a trust deed. The trust deed governs the relationship of shareholders and policy holders for management of takaful operations.

### 2 BASIS OF PREPARATION

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

This condensed interim financial information does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016.

### 3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial report as at March 31, 2017 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2016.

### 4 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements at and for the year ended December 31, 2016.

### 5 PREMIUM DEFICIENCY RESERVE

No provision for premium deficiency has been made as the unearned premium reserve for each class of business as at the end of three months is adequate to meet the expected future liability, after re-insurance, from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### 6 DEFERRED LIABILITIES

The Company has provided for estimated deferred tax liability / asset and staff retirement benefits for the quarter ended March 31, 2017.

	Note	March 31, 2017 Rupees	December 31, 2016 Rupees
<b>7</b>	<b>LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
Opening balance for the period		80,605,304	110,644,177
Disbursement during the period		27,567,500	19,173,000
		108,172,804	129,817,177
Repaid during the period		(14,165,965)	(49,211,873)
<b>Closing balance for the period</b>		<b>94,006,839</b>	<b>80,605,304</b>

### 8 CONTINGENCIES AND COMMITMENTS

#### 8.1 Contingencies

There is no change in the status of contingent liabilities since the end of last annual reporting period December 31, 2016.

#### 8.2 Commitments

There are following commitments on balance sheet date.

For future Ijarah rentals payable	8.2.1	27,011,733	32,050,865
		27,011,733	32,050,865

#### 8.2.1 Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:

Due within one year		10,880,784	11,699,232
Due after one year but not later than five year		16,130,949	20,351,633
		27,011,733	32,050,865

### 9 INVESTMENTS

The investments comprise of the following:

Investment in associate	9.1	276,998,829	148,712,806
Available for sale	9.2	212,270,034	169,748,503
Held to maturity		283,987,489	283,987,489
Share deposit money		300,000,000	300,000,000
Advance for purchase of shares		-	162,211,170
		1,073,256,352	1,064,659,968

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> Quarter ended March 31, 2017 (Un-Audited)

### 9.1 Investment in associate

#### 9.1.1 Particulars of investment in associate

2017	2016	Face value per share	Name of associate	March 31, 2017	December 31, 2016
Number of shares				Rupees	Rupees
103,224,820	82,772,909	10	Apna Micro Finance Bank Limited	276,998,829	148,712,806
<b>103,224,820</b>	<b>82,772,909</b>			<b>276,998,829</b>	<b>148,712,806</b>

9.1.2 Market value of investment and percentage of holding in associate are Rs. 701,928,776/- and 46.92% respectively (2016: Rs. 703,569,727/- and 37.62%). 103,224,820/(2016: 82,772,909/-) number of shares in associate are frozen with CDC under the provision of section 10 (2) of Micro finance Institutions Ordinance, 2001.

#### 9.1.3 Movement in Investment in Associate

Beginning of the period	148,712,806	426,142,564
Purchased during the period	204,519,110	-
	353,231,916	426,142,564
Share of (loss) of associate for the period	(75,603,927)	(276,733,384)
Share of other comprehensive (loss) of associate for the period	(629,160)	(696,374)
Closing balance	276,998,829	148,712,806

### 9.2 Available for sale

#### Note

Ordinary shares of listed companies	9.2.1	87,521,328	10,973,817
Mutual fund certificates		-	31,227,980
Government securities		127,684,952	130,360,451
		215,206,280	172,562,248
(Provision) / reversal for impairment in value of 'available for sale' in listed securities		(2,936,246)	(2,813,745)
		212,270,034	169,748,503

9.2.1 Market value of available for sale investments [Ordinary shares listed] on March 31, 2017 is Rs. 84,988,314/- (2016: Rs. 8,447,969/-)

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	March 31, 2017 Rupees	December 31, 2016 Rupees
<b>10 Fixed assets - Tangible &amp; Intengibles</b>		
Opening book value for the period	<b>848,147,807</b>	703,899,002
Additions/transfers/revaluation surplus made during the period at cost	<b>39,087,129</b>	252,344,427
Accumulated depreciation reversed on disposals made during the period	<b>1,609,048</b>	11,765,533
Disposals made during the period at cost	<b>(1,653,009)</b>	(14,670,804)
	<b>39,043,168</b>	249,439,156
Depreciation / Amortization for the period	<b>(25,035,108)</b>	(105,190,351)
<b>Closing book value for the period</b>	<b>862,155,867</b>	848,147,807

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### 11 SEGMENT REPORTING

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

	FIRE		MARINE		MOTOR		CROP		MISCELLANEOUS		TOTAL	
	Mar. 31 2017	Dec. 31 2016	Mar. 31 2017	Dec. 31 2016								
----- Rupees in thousand -----												
<b>Conventional</b>												
Segment assets	346,861	906,237	123,168	132,348	472,008	460,136	525,398	184,594	1,394,502	902,123	2,861,936	2,585,438
<b>Takaful [OPF]</b>												
Segment assets	80,671	18,363	29,802	687	56,377	15,077	-	-	33,981	2,053	200,831	36,180
Unallocated assets - Conventional											5,608,801	2,621,944
Unallocated assets - Takaful [OPF]											69,579	223,017
<b>Consolidated total assets</b>											<b>5,882,073</b>	<b>5,466,580</b>

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### 12 RELATED PARTY TRANSACTIONS

Related parties comprise of chief executive officer, directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

		March 31, 2017 Rupees	December 31, 2016 Rupees
<b>Nature of relationship</b>	<b>Nature of transaction</b>		
<b>Balances at period end:</b>			
<b>Associated undertakings</b>	Receivable at period end	46,863,577	66,514,865
	Investment through equity shares at period end	276,998,829	148,712,806
	Investment through fixed deposits at period end	2,500,000	2,500,000
	Share deposit money at period end	300,000,000	300,000,000
	Bank deposits at period end	17,700,525	16,806,983
	Claims lodged/payable at period end	29,254,899	35,969,629
<b>Associated persons</b>	Advance for purchase of shares at period end	-	90,102,990
<b>Key management personnel</b>	Loan to key management personnel period end	7,538,635	7,713,531
<b>Staff retirement benefits plan</b>	(Payable to) defined benefit plan period end	(52,232,602)	(58,683,316)
	Benefits due but unpaid at period end	-	6,712,500
<b>Transactions during the period:</b>			
<b>Associated undertakings</b>	Motor tracking devices purchased during the period	6,737,500	28,347,000
	Motor tracking device charges paid during the period	11,653,660	21,581,824
	Device monitoring charges paid during the period	4,987,000	15,501,340
	Rental income received during the period	187,500	150,000
	Health service charges during the period	186,056	1,515,839
	Interest received on bank deposits during the period	67,852	9,880
	Cash deposited in bank deposits during the period	23,748,222	72,274,243
	Cash withdrawals in bank deposits during the period	23,139,965	76,949,370
	Insurance premium received during the period	-	1,248,197
	Claims paid during the period	13,499,624	-
	Share deposit money paid during the period	-	-
<b>Associated persons</b>	Advance for purchase of shares paid during the period	42,307,940	-
<b>Key management personnel</b>	Remuneration of key management personnel during the period	32,749,386	18,962,133
<b>Staff retirement benefits plan</b>	Provision for gratuity during period	5,589,307	5,029,226
	Benefits paid during the period	840,000	3,616,450

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### 13 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2016.

### 14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on April 29, 2017 by the Board of Directors of the Company.

### 15 PROVISION FOR TAXATION

The Company has provided for estimated current tax expense for the quarter ended March 31, 2017.

### 16 GENERAL

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

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



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javid Sadiq**  
Chairman

**United  
Window Takaful  
Operations**

United Window Takaful Operations

# Financial Statements

For The 1<sup>st</sup> Quarter Ended March 31, 2017

## Condensed Interim Balance Sheet

as at March 31,2017 (Un-Audited)

	Note	Participants'	Operator's	Aggregate	Aggregate
		Takaful Fund	Fund	2017	2016
-----Rupees-----					
<b>OPERATOR'S FUND (OPF)</b>					
Statutory fund	6	-	50,000,000	50,000,000	50,000,000
Accumulated Profit		-	169,807,899	169,807,899	148,904,012
		-	219,807,899	219,807,899	198,904,012
<b>WAQF/PARTICIPANTS' TAKAFUL FUND (PTF)</b>					
Ceded money	7	500,000	-	500,000	500,000
Qarz e hasna		-	-	-	-
Accumulated (deficit)		(16,582,746)	-	(16,582,746)	(51,036,774)
		(16,082,746)	-	(16,082,746)	(50,536,774)
<b>Underwriting provisions</b>					
Provision for outstanding claims (including IBNR)		101,605,389	-	101,605,389	59,800,049
Contribution deficiency reserve		20,207,851	-	20,207,851	20,207,851
Reserve for unearned contribution		173,586,898	-	173,586,898	155,854,152
Reserve for unearned retakaful rebate		8,289,405	-	8,289,405	8,612,773
Total underwriting provisions		303,689,542	-	303,689,543	244,474,826
<b>Deferred liabilities</b>					
Staff retirement benefits	8	-	3,574,215	3,574,215	3,337,406
<b>Creditors and accruals</b>					
Amount due to other takaful/ retakaful		21,797,048	21,103,570	42,900,618	53,539,355
Accrued expenses		-	472,500	472,500	638,982
Wakala fee payable		159,122,415	-	159,122,414	145,089,458
Other creditors and accruals		37,507,330	25,451,920	62,959,251	56,742,044
		218,426,793	47,027,990	265,454,783	256,009,839
<b>TOTAL LIABILITIES</b>		<b>522,116,335</b>	<b>50,602,205</b>	<b>572,718,540</b>	<b>503,822,070</b>
<b>TOTAL FUND AND LIABILITIES</b>		<b>506,033,589</b>	<b>270,410,104</b>	<b>776,443,693</b>	<b>652,189,308</b>
<b>COMMITMENTS</b>	9	-	-	-	-

The annexed notes from 1 to 16 form an integral part of these financial statement.



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director

## Condensed Interim Balance Sheet

as at March 31, 2017 (Un-Audited)

Note	Participants' Takaful Fund	Operator's Fund	Aggregate 2017	Aggregate 2016
	-----Rupees-----			
<b>Cash and bank deposits</b>				
	-	126,527	126,527	219,448
	8,617,193	3,255,602	11,872,795	14,779,778
	53,508,955	10,000,000	63,508,955	64,173,107
	1,332,340	1,174,000	2,506,340	1,574,000
	63,458,488	14,556,129	78,014,617	80,746,333
<b>Loan to employees and agents</b>				
	-	1,834,143	1,834,143	1,243,143
<b>Investments</b>				
10	67,442,277	25,639,655	93,081,932	89,081,932
<b>Other assets</b>				
	79,543,380	-	79,543,380	9,573,669
	118,347,269	-	118,347,269	133,100,896
	43,917,391	-	43,917,391	44,918,892
	65,657,771	-	65,657,771	14,196,873
	-	32,474,697	32,474,697	36,180,197
	2,175,951	804,570	2,980,521	1,214,523
	-	159,122,415	159,122,415	145,089,458
	6,628,382	15,585,514	22,213,896	19,204,620
	316,270,144	207,987,196	524,257,340	403,479,128
<b>Fixed assets-Tangibles</b>				
11				
	-	18,480,776	18,480,776	18,376,639
	-	1,912,205	1,912,205	1,801,766
	58,862,680	-	58,862,680	57,460,367
	58,862,680	20,392,981	79,255,661	77,638,772
<b>TOTAL ASSETS</b>				
	506,033,589	270,410,104	776,443,693	652,189,308

The annexed notes from 1 to 16 form an integral part of these financial statement.



Khawas Khan Niazi  
Director / President



Javaid Sadiq  
Chairman

## Condensed Interim Profit And Loss Account

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January to March					Aggregate 2017	Aggregate 2016
	Fire and Property damage	Marine aviation and transport	Motor	Health and Misc.			
----- R u p e e s -----							
<b>PARTICIPANTS' TAKAFUL FUND REVENUE ACCOUNT</b>							
Net contribution revenue	11,314,048	3,966,946	72,507,703	28,083,615	<b>115,872,312</b>	92,411,606	
Wakala fee	(6,111,610)	(3,575,022)	(33,006,571)	(22,873,690)	<b>(65,566,893)</b>	(41,079,124)	
Net claims	(772,120)	(1,022,733)	(5,667,044)	(3,655,533)	<b>(11,117,430)</b>	(46,344,523)	
Change in contribution deficiency reserve	-	-	-	-	-	-	
Direct expenses	(1,214,497)	(710,698)	(6,355,861)	(4,541,074)	<b>(12,822,130)</b>	(10,960,918)	
Net rebate on re-takaful	2,473,675	1,173,895	371,189	2,226,705	<b>6,245,464</b>	6,981,017	
<b>Underwriting results</b>	<b>5,689,496</b>	<b>(167,612)</b>	<b>27,849,416</b>	<b>(759,977)</b>	<b>32,611,323</b>	1,008,058	
Other income					<b>364,838</b>	150,828	
Investment Income					<b>1,477,867</b>	1,167,125	
<b>Surplus for the period</b>					<b>34,454,028</b>	2,326,011	
<b>Accumulated (deficit)</b>							
Balance at commencement of period					<b>(51,036,774)</b>	(17,134,069)	
Surplus for the period					<b>34,454,028</b>	2,326,011	
<b>Balance at the end of the period</b>					<b>(16,582,746)</b>	(14,808,058)	
<b>Operator's Revenue Account</b>							
Wakala fee					<b>65,566,893</b>	41,079,124	
Commission expense					<b>(21,220,315)</b>	(17,056,207)	
Management expenses					<b>(19,282,729)</b>	(17,522,545)	
					<b>25,063,849</b>	6,500,372	
Other income					<b>5,498</b>	50,071	
Investment income					<b>409,192</b>	154,098	
Rentals on car ijarah					<b>(687,579)</b>	(81,889)	
General and administration expenses					<b>(4,759,412)</b>	(4,743,194)	
<b>Profit for the Period</b>					<b>20,031,549</b>	1,879,458	
<b>Profit and loss appropriation account</b>							
Balance at commencement of period					<b>148,904,012</b>	79,076,965	
Total comprehensive income for the period					<b>20,903,887</b>	1,836,249	
Qarz-e-hasna returned from Participants' Takaful Fund					-	19,000,000	
<b>Balance of unappropriated profit at end of the period</b>					<b>169,807,899</b>	99,913,214	

The annexed notes from 1 to 16 form an integral part of these financial statement.



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Comprehensive Income

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January to March	
	2017 Rupees	2016 Rupees
<b>OPERATOR'S FUND</b>		
Profit for the period	20,031,549	1,879,458
<b>Other comprehensive income for the period</b>		
<b>Item not to be re-classified to profit and loss account in subsequent period:</b>		
Actuarial gain/ (loss) on defined benefit plan	872,338	(43,209)
<b>Total comprehensive income for the period</b>	<b>20,903,887</b>	<b>1,836,249</b>

The annexed notes from 1 to 16 form an integral part of these financial statement.



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Changes in Funds

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

Description	Participants' takaful fund		
	Ceded Money	Accumulated surplus/ (deficit)	Total
	----- Rupees -----		
<b>Balance as at January 01, 2016</b>	500,000	1,865,931	2,365,931
Qarz-e-hasna to Participants' Takaful Fund		(19,000,000)	(19,000,000)
Surplus for the period	-	2,326,011	2,326,011
<b>Balance as at March 31, 2016</b>	500,000	(14,808,058)	(14,308,058)
<b>Balance as at January 01, 2017</b>	500,000	(51,036,774)	(50,536,774)
Surplus for the period	-	34,454,028	34,454,028
<b>Balance as at March 31, 2017</b>	500,000	(16,582,746)	(16,082,746)

Description	Operator's fund		
	Statutory fund	Accumulated profit	Total
	----- Rupees -----		
<b>Balance as at January 01, 2016</b>	50,000,000	79,076,965	129,076,965
Profit for the period	-	1,879,458	1,879,458
Other comprehensive income for the period	-	18,956,791	18,956,791
Total comprehensive income for the period	-	20,836,249	20,836,249
<b>Balance as at March 31, 2016</b>	50,000,000	99,913,214	149,913,214
<b>Balance as at January 01, 2017</b>	50,000,000	148,904,012	198,904,012
Statutory reserves	-	-	-
Profit for the period	-	20,031,549	20,031,549
Other comprehensive income for the period	-	872,338	872,338
Total comprehensive income for the period	-	20,903,887	20,903,887
<b>Balance as at March 31, 2017</b>	50,000,000	169,807,899	219,807,899

The annexed notes from 1 to 16 form an integral part of these financial statement.



Mohammad Rahat Sadiq  
Chief Executive Officer



Huma Waheed  
Director



Khawas Khan Niazi  
Director / President



Javaid Sadiq  
Chairman

## Condensed Interim Statement of Cash Flows

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January to March			
	Participants' Takaful Fund	Operator's Fund	Aggregate	Aggregate
			2017	2016
----- Rupees -----				
<b>Operating cash flows:</b>				
<b>a) Operating activities:</b>				
Contribution received	91,542,787	-	91,542,787	112,290,049
Retakaful contribution paid	(37,544,678)	-	(37,544,678)	(34,683,039)
Claims paid	(25,215,383)	-	(25,215,383)	(77,216,505)
Retakaful and other recoveries received	19,196,022	-	19,196,022	25,404,845
Commission paid	-	(17,514,815)	(17,514,815)	(19,140,629)
Wakala fee (paid)/ received	(51,533,936)	51,533,936	-	-
Retakaful rebate received	5,922,096	-	5,922,096	8,121,574
Net cash generated from underwriting activities	2,366,908	34,019,121	36,386,029	14,776,295
<b>b) Other operating activities:</b>				
General and management expenses paid	(7,405,721)	(24,084,868)	(31,490,589)	(27,485,717)
Other operating (payments)/ receipts	1,641,490	(91,434,964)	(89,793,474)	40,072,540
Net cash (used in) operating activities	(5,764,230)	(115,519,832)	(121,284,063)	12,586,823
Total cash generated from all operating activities	(3,397,322)	(81,500,711)	(84,898,034)	27,363,118
<b>Investment activities:</b>				
Investment income/ (loss) received	121,061	-	121,061	1,239,190
(Purchase) of investment and fixed deposits	(2,268,188)	(2,000,000)	(4,268,188)	63,903,021
Fixed capital expenditure	(6,453,885)	(853,929)	(7,307,814)	(19,964,307)
Net cash (used in) investing activities	(8,601,012)	(2,853,929)	(11,454,941)	45,177,904
<b>Financing activities:</b>				
Rentals on car ijarah	-	(687,579)	(687,579)	(604,023)
Net cash flows (used in) financing activities	-	(687,579)	(687,579)	(604,023)
Net cash (used in) all activities	(11,998,334)	(85,042,219)	(97,040,554)	71,936,999
Cash and cash equivalents at the beginning of the period	20,615,527	88,424,348	109,039,875	37,102,876
Cash and cash equivalents at the end of the period	8,617,193	3,382,129	11,999,322	109,039,875

## Condensed Interim Statement of Cash Flows

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January to March			
	Participants' Takaful Fund	Operator's Fund	Aggregate 2017	Aggregate 2016
----- Rupees -----				
<b>Reconciliation of profit and loss account</b>				
Net cash generated from underwriting activities	(3,397,322)	(81,500,711)	(84,898,033)	27,363,117
Depreciation	5,051,571	(639,354)	4,412,218	(4,218,817)
Rentals on car ijarah	-	(687,579)	(687,579)	(81,889)
Increase/ (decrease) in assets other than cash	109,909,861	93,630,860	203,540,721	48,153,475
(Increase)/ decrease in liabilities	(78,587,949)	9,691,479	(68,896,470)	(48,053,626)
Investment income	1,477,867	409,192	1,887,059	-
<b>(Deficit)/ profit for the period</b>	<b>34,454,028</b>	<b>20,903,887</b>	<b>55,357,915</b>	<b>23,162,260</b>
<b>Attributed to:</b>				
Participants' takaful fund	34,454,028	-	34,454,028	2,326,011
Operator's fund	-	20,903,887	20,903,887	20,836,249
	<b>34,454,028</b>	<b>20,903,887</b>	<b>55,357,915</b>	<b>23,162,260</b>

### Definition of cash

Cash for the purpose of the statement of cash flows comprises of cash in hand, bank balances and other assets which are readily convertible to cash and used for cash management for day to day business operations.

### Cash for the purpose of cash flows comprises of:

#### Cash and other equivalents

- Cash in hand	-	126,527	126,527	90,799
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#### Current and other accounts

- Bank balances	8,617,193	3,255,602	11,872,795	108,949,076
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	<b>8,617,193</b>	<b>3,382,129</b>	<b>11,999,322</b>	<b>109,039,875</b>
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The annexed notes from 1 to 16 form an integral part of these financial statement.



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Contributions

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

Class	Contribution written	Unearned contribution reserve		Contribution earned	Re-takaful ceded	Prepaid re-takaful contribution		Re-takaful expense	January to March	
		Opening	Closing			Opening	Closing		2017	2016
----- Rupees -----										
<b>Direct and facultative</b>										
Fire and property damage	15,298,274	49,915,413	36,979,544	28,234,143	10,391,589	35,610,208	29,081,702	16,920,095	<b>11,314,048</b>	12,146,960
Marine, aviation and transport	8,952,223	2,539,080	2,697,937	8,793,366	6,630,863	1,510,989	3,315,432	4,826,420	<b>3,966,946</b>	8,381,891
Motor	80,060,876	88,220,308	92,385,038	75,896,146	-	5,475,387	2,086,944	3,388,443	<b>72,507,703</b>	54,531,433
Health and Miscellaneous	57,201,125	15,179,351	41,524,378	30,856,098	9,883,489	2,322,308	9,433,314	2,772,483	<b>28,083,615</b>	17,351,322
<b>TOTAL</b>	<b>161,512,498</b>	<b>155,854,152</b>	<b>173,586,898</b>	<b>143,779,752</b>	<b>26,905,941</b>	<b>44,918,892</b>	<b>43,917,391</b>	<b>27,907,441</b>	<b>115,872,311</b>	<b>92,411,606</b>

The annexed notes from 1 to 16 form an integral part of these financial statement.



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Claims

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

Business Underwritten Inside Pakistan

Class	Claims paid				Provision for Outstanding claims		Claims expense		Re-takaful and other recoveries received		Re-takaful and other recoveries outstanding claims		Re-takaful and other recoveries revenue		Net claims expenses	
	Opening		Closing		Opening		Closing		Opening		Closing		Opening		Closing	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
----- Rupees -----																
<b>Direct and facultative</b>																
Fire and property damage	4,092,348	14,788,898	64,438,754	53,742,204	3,689,479	4,466,892	53,747,497	52,970,084	772,120	10,804,852						
Marine, aviation and transport	694,841	4,476,023	4,977,309	1,196,127	365,021	3,026,580	2,834,953	173,394	1,022,733	3,673,757						
Motor	12,060,697	21,030,910	16,350,612	7,380,399	319,807	625,600	2,019,148	1,713,355	5,667,044	8,666,315						
Health and miscellaneous	8,367,497	19,504,218	15,838,714	4,701,993	68,088	6,077,801	7,056,173	1,046,460	3,655,533	23,199,599						
<b>TOTAL</b>	<b>25,215,383</b>	<b>59,800,049</b>	<b>101,605,389</b>	<b>67,020,723</b>	<b>4,442,395</b>	<b>14,196,873</b>	<b>65,657,771</b>	<b>55,903,293</b>	<b>11,117,430</b>	<b>46,344,523</b>						

The annexed notes from 1 to 16 form an integral part of these financial statement.



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javid Sadiq**  
Chairman

## Condensed Interim Statement of Expenses

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commission paid or payable	Deferred commission		Net commission expense	Direct expenses	Underwriting expenses	Rebate on re-takaful	Unearned Rebate on re-takaful		Net rebate on re-takaful	January to March	
		Opening	Closing					Opening	Closing		2017	2016
<b>Direct &amp; facultative</b>												
Fire and property damage	2,186,746	18,362,719	12,964,173	7,585,292	1,214,497	8,799,789	1,947,697	6,580,857	6,054,879	2,473,675	6,326,114	4,198,205
Marine, aviation and transport	7,573,848	686,668	710,341	7,550,175	710,698	8,260,873	1,627,568	360,111	813,784	1,173,895	7,086,978	3,248,726
Motor	2,576,263	15,077,395	16,230,593	1,423,065	6,355,861	7,778,926	147,427	1,159,775	936,013	371,189	7,407,737	10,743,229
Health and Miscellaneous	5,177,958	2,053,415	2,569,590	4,661,783	4,541,074	9,202,857	2,199,404	512,030	484,729	2,226,705	6,976,153	2,845,948
<b>TOTAL</b>	17,514,815	36,180,197	32,474,697	21,220,315	12,822,130	34,042,445	5,922,096	8,612,773	8,289,405	6,245,464	27,796,982	21,036,108

The annexed notes from 1 to 16 form an integral part of these financial statement.



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javaid Sadiq**  
Chairman

## Condensed Interim Statement of Investment income

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	January to March	
	2017 Rupees	2016 Rupees
<b>PARTICIPANTS' TAKAFUL FUND</b>		
<b>Income from non-trading investments:</b>		
<b>Available for sale</b>		
Dividend income	-	-
Gain on sale of units of mutual funds	-	640,622
	-	640,622
<b>Held to maturity</b>		
Return on Government securities	794,024	244,637
Return on fixed income securities and deposits	683,843	281,866
	1,477,867	526,503
<b>Net investment income</b>	<b>1,477,867</b>	<b>1,167,125</b>
<b>OPERATOR'S FUND</b>		
<b>Income from non-trading investments:</b>		
<b>Available for sale</b>		
Dividend income	-	-
Gain on sale of units of mutual funds	-	154,098
	-	154,098
<b>Held to maturity</b>		
Return on Government securities	278,014	-
Return on fixed income securities and deposits	131,178	-
	409,192	-
<b>Net investment income</b>	<b>409,192</b>	<b>154,098</b>

The annexed notes from 1 to 16 form an integral part of these financial statement.



Mohammad Rahat Sadiq  
Chief Executive Officer



Huma Waheed  
Director



Khawas Khan Niazi  
Director / President



Javaid Sadiq  
Chairman

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### 1 STATUS AND NATURE OF BUSINESS

The United Insurance Company of Pakistan Limited (hereinafter called 'the Company') was incorporated on October 20, 1959, as a Public Limited Company under the Defunct Companies Act, 1913, now the Companies Ordinance, 1984, and its shares are quoted on Pakistan Stock Exchange Limited. The Registered Office of the Company is situated at 204, 2nd floor, Medina City Mall, Abdullah Haroon Road, Saddar, Karachi, and its Head Office is located in Lahore. The principal activity of the Company is General Insurance Business and it qualifies as a domestic insurance company under Insurance Ordinance, 2000 and undertakes Fire, Marine, Motor and Miscellaneous General insurance.

The United Insurance Company of Pakistan Limited has been allowed to work as Window Takaful Operator (WTO) (hereinafter called "the Operator") through License No. 1 on August 18, 2014 by Securities and Exchange Commission of Pakistan under Takaful Rules, 2012 to carry on Islamic General Insurance in Pakistan. For the purpose of carrying on takaful business, the Company has formed a Waqf/Participants' Takaful Fund (PTF) on June 09, 2014 under a trust deed. The trust deed governs the relationship of shareholders and policy holders for management of takaful operations. The Operator has not transacted any business outside Pakistan.

### 2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the format of financial statements prescribed under Securities and Exchange Commission (Insurance) Rules, 2002, SEC (Insurance) Rules, 2002 issued vide S.R.O. 938 dated December 12, 2002 and Takaful Rules, 2012 read with Circular No. 25 of 2015 issued dated July 9, 2015.

These financial statements reflect the financial position and results of Window Takaful Operations of both the Operators' Fund (OPF) and the Participants' Takaful Fund (PTF) in a manner that assets, liabilities, income and expenses of the Operator and PTF remains separately identifiable.

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012. In case the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 shall prevail.

In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator Fund of the General Takaful operations of the Operator have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

#### 2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention except for certain obligations under employee retirement benefits which are measured at present value and certain financial instruments which are measured at fair value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Operator's functional currency and presentation currency. All figures have been rounded to the nearest rupee, unless otherwise stated.

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial report as at March 31, 2017 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2016.

### 4 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities as well as income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the current and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- Provision for unearned contribution and bad debts
- Provision for outstanding claims (including IBNR)
- Deferred commission/ unearned rebate on retakaful
- Contribution deficiency reserve
- Useful lives of fixed assets
- Staff retirement benefits
- Segment reporting
- Impairment in value of investments
- Allocation of direct and management expenses

### 5 PREMIUM DEFICIENCY RESERVE

No provision for premium deficiency has been made as the unearned contribution reserve for each class of business as at the end of three months is adequate to meet the expected future liability, after re-insurance, from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

	<b>March 31, 2017</b>	December31, 2016
	<b>Rupees</b>	Rupees
<b>6 STATUTORY FUND-OPF</b>		
Statutory reserves	<b>50,000,000</b>	50,000,000

- 6.1 Amount of Rs 50 million is deposited as statutory reserves to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of Takaful Rules, 2012 issued by Securities and Exchange Commission which states that "Every insurer who is interested to commence window takaful business shall transfer an amount of not less than 50.million Rupees to be deposited in a separate bank account for window takaful business duly maintained in a scheduled bank".

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

	March 31, 2017 Rupees	December 31, 2016 Rupees
<b>7 CEDED MONEY-PTF</b>		
Waqf money	500,000	500,000

- 7.1 The amount of Rs.500,000/- has been set a part for Waqf Fund/Participants Takaful Fund as Waqf money according to the Waqf deed prepared for the purpose of creation of Waqf Fund/Participants Takaful Fund.

### 8 DEFERRED LIABILITIES

The company has provided for estimated staff retirement benefits for the quoted ended March 31, 2016.

<b>9 COMMITMENTS</b>			
Future Ijarah rentals payable	9.1	5,072,111	5,786,378

- 9.1 Commitments for rentals under ijarah contracts are as follows:

Due within one year	2,051,955	2,750,316
Due after one year but not later than five year	3,020,156	3,036,062
	<b>5,072,111</b>	<b>5,786,378</b>

### 10 INVESTMENTS

#### 10.1 Participants' Takaful Fund (PTF)

##### Available for sale

Mutual Funds	7,000,000	5,000,000
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##### Held to Maturity

Investments PTF	60,442,277	60,442,277
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	<b>67,442,277</b>	<b>65,442,277</b>
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#### 10.2 Operator's Fund (OPF)

##### Available for sale

Mutual Funds	5,500,000	3,500,000
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##### Held to Maturity

Investments OPF	20,139,655	20,139,655
-----------------	------------	------------

	<b>25,639,655</b>	<b>23,639,655</b>
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	March 31, 2017 PTF	March 31, 2017 OPF	December 31, 2016 PTF	December 31, 2016 OPF
<b>11 FIXED ASSETS-TANGIBLE</b>				
Opening book value	57,460,367	20,178,405	36,819,137	18,627,718
Additions during the period	6,453,885	853,929	45,385,770	4,306,196
Disposals during the period	-	-	-	-
Depreciation for the period	(5,051,571)	(639,354)	(24,744,540)	(2,755,509)
<b>Closing book value</b>	<b>58,862,681</b>	<b>20,392,980</b>	<b>57,460,367</b>	<b>20,178,405</b>

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

The operator has four primary business segments for reporting purposes namely fire, marine, motor, and health & miscellaneous. There has been no change in the basis of segmentation. Class of business wise revenue and results has been disclosed in the condensed interim statement of premiums and profit and loss account respectively.

	FIRE		MARINE		MOTOR		HEALTH AND MISC.		TOTAL	
	Mar, 31	Dec, 31	Mar, 31	Dec, 31	Mar, 31	Dec, 31	Mar, 31	Dec, 31	Mar, 31	Dec, 31
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
----- Rupees -----										
<b>PTF</b>										
Segment assets	29,122,800	56,357,570	17,042,040	31,052,224	152,409,148	105,682,322	108,891,823	22,247,247	307,465,811	215,339,363
Unallocated assets									198,567,778	161,552,149
<b>Total assets</b>	<b>29,122,800</b>	<b>56,357,570</b>	<b>17,042,040</b>	<b>31,052,224</b>	<b>152,409,148</b>	<b>105,682,322</b>	<b>108,891,823</b>	<b>22,247,247</b>	<b>506,033,589</b>	<b>376,891,512</b>
<b>OPF</b>										
Segment assets	80,671,038	8,458,325	29,801,721	4,705,946	56,376,800	16,664,502	33,981,491	3,060,610	200,831,050	32,889,383
Unallocated assets									69,579,054	175,429,138
<b>Total assets</b>	<b>80,671,038</b>	<b>8,458,325</b>	<b>29,801,721</b>	<b>4,705,946</b>	<b>56,376,800</b>	<b>16,664,502</b>	<b>33,981,491</b>	<b>3,060,610</b>	<b>270,410,104</b>	<b>208,318,521</b>

## Condensed Interim Notes To The Financial Statements

for the 1<sup>st</sup> quarter ended March 31, 2017 (Un-Audited)

### 13 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relation with undertaking	Nature and transaction	March 31,	March 31,
		2017 Rupees	2016 Rupees
<b>Associated companies</b>	Motor tracking devices purchased	<b>6,534,615</b>	9,158,830
	Device monitoring charges	<b>7,140,334</b>	7,496,905
	Software maintenance fee	<b>300,000</b>	-
	Advance against claim management fee	<b>476,363</b>	300,000
<b>Key management personnel</b>	Remuneration of key management personnel	<b>8,560,275</b>	8,939,750

### 14 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The company's financial risk management objectives are consistent with those disclosed in the annual financial statement as at and for the year ended December 31, 2016

### 15 DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been authorized for issue on April 29, 2017 by the board of directors of the company.

### 16 GENERAL

16.1 All figures have been rounded off to the nearest rupee for better presentation

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



**Mohammad Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director / President



**Javaid Sadiq**  
Chairman





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