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Half Yearly Report 2015





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## Corporate Information

<b>CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR /PRESIDENT DIRECTORS</b>	Chaudhary Najeeb-ur-Rehman Mohammed Rahat Sadiq Khawas Khan Niazi Javaid Sadiq Huma Waheed Chaudhary Aziz-ur-Rehman Chaudhary Maqsood Ahmed
<b>ADVISOR TO BOARD</b>	Mian M.A.Shahid (Chairman UIG)
<b>ADVISORS</b>	Maj. General (R) Asif Duraiz Akhtar  Sardar Khan (Former Managing Director Universal Insurance Company Limited.)
<b>DEPUTY MANAGING DIRECTOR/COMPANY SECRETARY</b>	Zia Hassan Zuberi
<b>CHIEF FINANCIAL OFFICER</b>	Maqbool Ahmed
<b>CHIEF INTERNAL AUDITOR</b>	Mr. Abdul Mannan Munir (ACCA)
<b>AUDITORS</b>	M/S. RSM Avais Hyder Liaquat Nauman Chartered Accountants
<b>LEGAL ADVISORS</b>	Mohammed Farooq Sheikh (Advocate) Mian Asghar Ali (Advocate)
<b>TAX ADVISOR</b>	M/S. Sarwars Chartered Accountants
<b>CREDIT RATING AGENCY (PACRA)</b>	INSURER FINANCIAL STRENGTH A+ (Single A plus) The Rating Denotes a capacity of the company to meet policy holder and contract obligations
<b>COMPANY'S SHARE REGISTRAR</b>	M/S. F.D.Registar Services(SMC-Pvt) Ltd. 1705,17th Floor, Saima Trade Center,I.I.Chundrigar Road-Karachi.
<b>WEB PRESENCE</b>	<a href="http://www.theunitedinsurance.com">www.theunitedinsurance.com</a>
<b>REGISTERED OFFICE</b>	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>
<b>HEAD OFFICE</b>	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:uicp@theunitedinsurance.com">uicp@theunitedinsurance.com</a>

## Corporate Information

### INVESTMENT COMMITTEE

Mr. Ch. Najeeb-Ur-Rehman	Chairman
Mr. Muhammed Rahat Sadiq	Member
Mr. Khawas Khan Niazi	Member
Madam Huma Waheed	Member
Mr. Zia Hassan Zuberi	Member
Mr. Maqbool Ahmad	Member

### RE-INSURANCE COMMITTEE

Mr. Najeeb-Ur-Rehman	Chairman
Mr. Mohammed Rahat Sadiq	Member
Mr. Khawas Khan Niazi	Member
Mr. Abrar Ahmed	Member
Mr. Tayyab Bashir	Member

### UNDER-WRITING COMMITTEE

Mr. Ch. Aziz-Ur-Rehman	Chairman
Mr. Mohammed Rahat Sadiq	Member
Mr. Khawas Khan Niazi	Member
Mr. M. Qaiser Imam	Member

### CLAIMS SETTLEMENT COMMITTEE

Madam Huma Waheed	Chairperson
Mr. Mohammed Rahat Sadiq	Member
Mr. Muhammad Yasin Khan	Member

### AUDIT COMMITTEE

Mr. Javaid Sadiq	Chairman
Mr. Aziz-Ur-Rehman	Member
Mr. Khawas Khan Niazi	Member

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Javaid Sadiq	Chairman
Mr. Khawas Khan Niazi	Member
Mr. Mohammed Rahat Sadiq	Member
Mr. Wakeel Ahmed Mirza	Member

## Key Management Personnel

### CONVENTIONAL BUSINESS

**Head of Conventional Business**

Tajammal Iqbal

**Sr. Executive Director Underwriting**

S.M. Qaiser Imam

**Head of Corporate Compliance**

Rahat Ali Shah (ACA),(CISA)

**Sr. General Manager Re-Insurance**

Abrar Ahmed Minhas

**General Manager (HR & R)**

Wakeel Ahmed Mirza

**General Manager Administration**

Jamil Ahmed

**General Manager Operations**

Tayyab Bashir

**General Manager Claims**

Muhammed Yasin Khan

**General Manager (I.T)**

Munir Ahmed

**A.G.M Underwriting**

Manzoor Hussain Mirza

**A.G.M Reinsurance**

Naeem Ahmed Babar

**A.G.M Health/Travel**

Kashif Shafique

**Chief Manager (Web)**

Mohammed Arshad

**Chief Manager Agriculture**

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**

Saad Munir Malik

### EXECUTIVE DIRECTORS

Qamar-uz-Zaman

Mian M.A Zahid

Zarar Ahmed Butt

Mian Kashif Rasheed

Ch. Aslam Feroz

Mohammed Siddique Sheikh

Rizwan-UI-Haq

### JOINT DIRECTORS

Aslam Rajpoot

Mohammed Naseem Butt

Salman-UI-Haq

Khurram Mansoor

Malik Zafar Yousaf

Mian Mohammed Rafi

Mohammed Mazhar Shah

Mohammed Riaz Hussain Shah

Kh. Adnan Hassan

Shafaqat Ali Goraya

## Bankers & Leasing Companies

### **BANKS**

State Bank of Pakistan  
 National Bank of Pakistan Limited  
 Bank Al-Habib Limited  
 Soneri Bank Limited  
 Bank Al-Falah Limited  
 KASB Bank 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  
 Burj Bank Limited  
 Dubai Islamic Bank Pakistan Limited  
 Faysal Bank Limited  
 Standard Chartered Bank (Pakistan) Limited  
 Barclays Bank PLC, Pakistan  
 Habib Metropolitan Bank Limited  
 Karakoram Co-Operative Bank Limited  
 Industrial Development Bank of Pakistan  
 JS Bank Limited

### **LEASING COMPANIES**

Orix Leasing Company Limited  
 Crescent Standard Modaraba

### **MICRO FINANCE BANKS**

APNA Micro Finance Bank Limited  
 FINCA Micro Finance Bank Limited  
 Khushhali Bank Limited  
 Pak-Oman Micro Finance Bank Limited  
 The First Micro Finance Bank Limited  
 Waseela Micro Finance Bank Limited  
 U Micro Finance Bank Limited  
 Tameer Micro Finance Bank Limited

## Directors' Review Report To The Members

### Dear Fellow Members!

The Directors of "The United Insurance Company of Pakistan Limited" take pleasure in presenting the Half Year review report of your Company for the year ended June 30, 2015 together with condensed interim financial information (un-audited).

### Performance Review – Half Year - 2015

Gross Written Premium (GWP) for the 1st half year-2015 increased by 39.65 %, from Rs. 1010.885 mn in 2014 to Rs. 1411.726 mn. Premium growth has been achieved due to sincere and tireless efforts by the Company's management and the field staff. The Company's net premium stands at Rs. 980.884 mn which is 69.48 % of GWP. The underwriting result decreased by 22.45 %, from Rs. 350.099 mn in 2014 to Rs. 271.485 mn in 2015. The Company's investment income was Rs. 47.086 mn in 2015 as against Rs. 7.570 mn in 2014. The Company made consolidated profit before tax of Rs. 245.401 mn in 2015 as against Rs. 244.844 mn in 2014. Profit after tax came to Rs. 216.809 mn in 2015 against Rs. 216.907 mn in 2014. Earnings per share for the half year remained unchanged in 2015.

### Future Outlook

Pakistan insurance industry future outlook is very bright with lot of investments being pumped into the country this will bring new opportunities for all of us.

Natural catastrophe losses are becoming more frequent than ever before, but as a national duty and obligation we will support our formers now than ever before.

### Acknowledgement

The achievements for the first half of 2015 would have not been possible without the support of our regulatory body and dedication of our employees. We would like to extend our sincere thanks to everyone mainly our valued customers, Banks and SECP for their support and confidence in the Company.

With deep sorrow, it is to inform you that our Chairman Chaudhary Habib-ur-Rahman passed away May 2015 (Inna Lillahe Wainna Ilaihe Rajioon). May God give him his family the courage to bear this heavy loss.

We welcome UIC newly appointed director Mr.Javaid Sadiq on our Board of Director.

For and on behalf of the Board



**Mohammed Rahat Sadiq**

Chief Executive Officer

August 27, 2015

# Financial Statements

For the Half Year ended June 30, 2015

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# Independent Auditors' Report on Review

of Condensed Interim Financial Information To The Members

## Introduction

We have reviewed the accompanying condensed interim balance sheet of **The United Insurance Company of Pakistan Limited** as at June 30, 2015 and the related:

- a) condensed interim profit and loss account;
- b) condensed interim statement of comprehensive income;
- c) condensed interim statement of changes in equity;
- d) condensed interim statement of cash flows;
- e) condensed interim statement of premiums;
- f) condensed interim statement of claims;
- g) condensed interim statement of expenses;
- h) condensed interim statement of investment income; and

notes forming part thereof for the six-month period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarter ended June 30, 2015 and June 30, 2014 in condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have not been reviewed by us as we are required to review only the cumulative figures for the half year ended June 30, 2015.

## 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.

## Conclusion

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



**RSM AVAIS HYDER LIAQUAT NAUMAN**

Chartered Accountants

Engagement Partner: Syed Ali Adnan Tirmizey

Place: Lahore

Date: August 27, 2015

## Condensed Interim Balance Sheet

AS AT JUNE 30, 2015 (UN-AUDITED)

		Unaudited June 30, 2015 Rupees	Audited December 31, 2014 Rupees
<b>Share capital and reserves</b>			
Authorized share capital 200,000,000/- (2014: 200,000,000/-) Ordinary Shares of Rs. 10/- each	5	2,000,000,000	2,000,000,000
Paid-up share capital	5	1,288,000,000	920,000,000
Retained earnings		500,752,898	649,907,057
Reserves		75,115,917	75,115,917
		1,863,868,815	1,645,022,974
Surplus on revaluation of fixed assets		39,666,867	40,098,077
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		1,060,587,163	1,067,276,746
Provision for unearned premium		1,284,762,726	1,357,771,193
Commission income unearned		41,030,622	64,622,689
Total underwriting provisions		2,386,380,511	2,489,670,628
<b>Deferred liabilities</b>			
Staff retirement benefits	6	68,497,588	61,339,710
Deferred tax liabilities		7,428,414	6,878,414
		75,926,002	68,218,124
<b>Creditors and accruals</b>			
Amounts due to other insurers / reinsurers		79,863,401	370,295,656
Accrued expenses		2,193,047	22,503,412
Provision for taxation - net		43,405,795	38,619,506
Other creditors and accruals		43,409,820	64,344,061
		168,872,063	495,762,635
<b>Other liabilities</b>			
Liabilities against assets subject to finance lease		104,135,988	65,637,310
<b>Total liabilities</b>		2,735,314,564	3,119,288,697
<b>TOTAL EQUITY AND LIABILITIES</b>		4,638,850,246	4,804,409,748
<b>Contingencies and Commitments</b>	7	-	-

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



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director

## Condensed Interim Balance Sheet

AS AT JUNE 30, 2015 (UN-AUDITED)

		Unaudited June 30, 2015 Rupees	Audited December 31, 2014 Rupees
<b>Cash and bank deposits</b>			
Cash and other equivalents		378,225	241,739
Current and other accounts		303,154,098	334,135,946
Deposits maturing within 12 months		156,516,783	247,634,507
Deposits maturing after 12 months		15,213,125	11,758,400
		475,262,231	593,770,592
<b>Loans</b>			
To employees and agents		11,756,810	10,406,526
<b>Investments</b>	8	769,275,881	642,625,501
<b>Net assets in Window Takaful Operations</b>	9	128,947,948	78,455,780
<b>Investment property</b>		2,930,008	3,005,136
<b>Current assets - others</b>			
Premiums due but unpaid	10	523,963,268	449,545,585
Amounts due from other insurers / reinsurers		531,084,310	684,203,233
Prepaid reinsurance premium ceded		335,249,803	565,466,498
Reinsurance recoveries against outstanding claims		919,983,126	932,418,605
Deferred commission expense		138,577,926	129,823,217
Accrued investment income		13,652,196	30,595,180
Sundry receivables		111,524,605	58,886,671
		2,574,035,234	2,850,938,988
<b>Fixed assets - Tangible and intangible</b>	11		
<b>Owned</b>			
Land freehold		140,735,600	140,735,600
Buildings		117,431,804	117,430,664
Furniture, fixtures, office and computer equipments		111,915,530	106,926,812
Motor vehicles		125,480,663	129,412,361
Motor tracking devices		43,900,500	38,867,426
Capital work-in-progress		25,297,516	19,134,958
		564,761,613	552,507,821
<b>Leased</b>			
Motor vehicles		111,880,521	72,699,404
<b>TOTAL ASSETS</b>		<b>4,638,850,246</b>	<b>4,804,409,748</b>

  
**Khawas Khan Niazi**  
 Director/President

  
**Ch. Najeem-Ur-Rehman**  
 Chairman

## Condensed Interim Profit and Loss Account

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	Quarter ended June 30, 2015				Quarter ended June 30, 2015 Aggregate	Quarter ended June 30, 2014 Aggregate
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous		
	-----Rupees-----					
<b>Revenue account</b>						
Net premium revenue	39,367,510	30,082,901	127,517,573	227,009,994	423,977,978	393,113,502
Net claims	(1,492,911)	(16,275,186)	(61,958,139)	(118,879,694)	(198,605,930)	(95,322,799)
Management expenses	(17,073,953)	(7,510,625)	(48,293,389)	(33,178,280)	(106,056,247)	(105,777,033)
Net commission	(18,948,597)	(5,610,707)	(15,539,954)	(16,189,831)	(56,289,089)	(29,250,368)
<b>Underwriting results</b>	<u>1,852,049</u>	<u>686,383</u>	<u>1,726,091</u>	<u>58,762,189</u>	<u>63,026,712</u>	<u>162,763,302</u>
Investment income/(loss)					17,724,172	(6,524,680)
Rental income					348,000	348,000
Other income					4,595,678	658,905
General and administration expenses					(53,617,723)	(54,711,637)
Finance charge on lease rentals					(2,862,411)	(1,776,673)
Share of (loss)/ profit from from associate					(6,601,594)	-
					<u>(40,413,878)</u>	<u>(62,006,085)</u>
<b>Profit before tax</b>					<u>22,612,834</u>	<u>100,757,217</u>
<b>Total comprehensive income from window takaful operations</b>					<u>40,296,908</u>	<u>-</u>
<b>Provision for taxation</b>						
- Current					(10,448,000)	(23,161,138)
- Prior					-	-
- Deferred					(428,219)	6,378,178
<b>Profit after tax</b>					<u>52,033,523</u>	<u>83,974,257</u>
<b>Earnings per share of Rs 10/- each - basic and diluted - revised</b>					<u>0.40</u>	<u>0.65</u>

## Condensed Interim Profit and Loss Account

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

Six months ended June 30, 2015						
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Miscellaneous	Half year ended June 30, 2015 Aggregate	Half year ended June 30, 2014 Aggregate
-----Rupees-----						
<b>Revenue account</b>						
Net premium revenue	168,495,618	79,055,418	293,760,206	439,572,822	980,884,064	756,100,213
Net claims	(57,952,119)	(43,719,058)	(118,212,226)	(207,552,996)	(427,436,399)	(173,918,722)
Management expenses	(31,729,743)	(12,903,454)	(84,590,961)	(57,745,954)	(186,970,112)	(180,113,198)
Net commission	(36,254,132)	(10,449,814)	(28,898,517)	(19,389,637)	(94,992,100)	(51,969,178)
<b>Underwriting results</b>	<b>42,559,624</b>	<b>11,983,092</b>	<b>62,058,502</b>	<b>154,884,235</b>	<b>271,485,453</b>	<b>350,099,115</b>
Investment income					47,085,557	7,569,723
Rental income					696,000	696,000
Other income					7,169,578	2,528,337
General and administration expenses					(112,860,534)	(113,153,492)
Finance charges on lease rentals					(5,416,963)	(2,896,135)
Share of (loss)/ profit from from associate					(13,250,159)	-
					(76,576,521)	(105,255,567)
<b>Profit before tax</b>					<b>194,908,932</b>	<b>244,843,548</b>
<b>Total comprehensive income from window takaful operations</b>					<b>50,492,167</b>	<b>-</b>
<b>Provision for taxation</b>						
- Current					(25,448,000)	(33,757,018)
- Prior					(2,593,803)	-
- Deferred					(550,000)	5,820,371
<b>Profit after tax</b>					<b>216,809,296</b>	<b>216,906,901</b>
<b>Profit &amp; loss appropriation account</b>						
Balance at commencement of the period					649,907,057	403,400,095
Total comprehensive income for the period					218,845,841	216,646,722
<b>Profit available for appropriation</b>					<b>868,752,898</b>	<b>620,046,817</b>
Bonus shares issued - final					(368,000,000)	(218,057,204)
<b>Balance un-appropriated profit at the end of period</b>					<b>500,752,898</b>	<b>401,989,613</b>
<b>Earnings per share of Rs 10/- each - basic and diluted - revised</b>					<b>1.68</b>	<b>1.68</b>

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



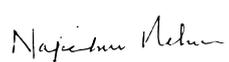
Mohammed Rahat Sadiq  
Chief Executive Officer



Huma Waheed  
Director



Khawas Khan Niazi  
Director/President



Ch. Najeed-Ur-Rehman  
Chairman

## Condensed Interim Statement of Comprehensive Income

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	June 30, 2015 Rupees	June 30, 2014 Rupees
<b>Profit for the period</b>	216,809,296	216,906,901
<b>Other comprehensive income for the period</b>		
Incremental depreciation net of deferred tax	431,210	447,231
Actuarial profit/(loss) on defined benefit plan	1,605,335	(707,410)
	2,036,545	(260,179)
<b>Total comprehensive income for the period</b>	<u>218,845,841</u>	<u>216,646,722</u>

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



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman

## Condensed Interim Statement of Changes In Equity

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

Description	Share capital	Reserve for issue of bonus shares	General reserve	Retained earnings	Total
	-----Rupees-----				
Balance as at January 01, 2014	701,942,796	-	75,115,917	403,400,095	1,180,458,808
Transfer to reserve for issue of bonus shares	-	218,057,204	-	(218,057,204)	-
Bonus share reserve capitalized	218,057,204	(218,057,204)	-	-	-
Transfer to general reserve	-	-	-	-	-
Net profit for the year	-	-	-	216,906,901	216,906,901
Other comprehensive income	-	-	-	(260,179)	(260,179)
Total comprehensive income for the period	-	-	-	216,646,722	216,646,722
Balance as at June 30, 2014	920,000,000	-	75,115,917	401,989,613	1,397,105,530
<b>Balance as at January 01, 2015</b>	920,000,000	-	75,115,917	649,907,057	1,645,022,974
Transfer to reserve for issue of bonus shares	-	368,000,000	-	(368,000,000)	-
Bonus share reserve capitalized	368,000,000	(368,000,000)	-	-	-
Transfer to general reserve	-	-	-	-	-
Net profit for the year	-	-	-	216,809,296	216,809,296
Other comprehensive income	-	-	-	2,036,545	2,036,545
Total comprehensive income for the period	-	-	-	218,845,841	218,845,841
<b>Balance as at June 30, 2015</b>	1,288,000,000	-	75,115,917	500,752,898	1,863,868,815

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



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman

## Condensed Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	June 30, 2015 Rupees	June 30, 2014 Rupees
<b>Operating cash flows:</b>		
<b>a) Underwriting activities:</b>		
Premium received	1,337,307,819	1,057,992,613
Reinsurance premium paid	(564,065,464)	(194,477,687)
Claims paid	(831,120,226)	(677,804,028)
Reinsurance and other recoveries received	562,548,646	232,089,092
Commission paid	(161,874,938)	(96,267,665)
Commission received	34,536,062	4,871,520
<i>Net cash inflow from underwriting activities</i>	377,331,899	326,403,845
<b>b) Other operating activities:</b>		
Income tax paid	(23,255,513)	(9,231,016)
General management expenses paid	(248,673,483)	(230,853,573)
Other operating receipts/(payments)	(52,637,934)	(1,128,508)
Loan to employees and agents	(1,350,284)	1,386,010
<i>Net cash outflow from other operating activities</i>	(325,917,214)	(239,827,087)
<i>Total cash flow from all operating activities</i>	51,414,685	86,576,758
<b>Investment activities:</b>		
Investment income received	64,028,540	8,254,149
Rental income received	696,000	696,000
Net assets in Window Takaful Operations	(50,492,167)	-
Sale/(purchase) of investment and fixed deposits	(38,987,381)	6,324,291
Advance for purchase of shares	-	71,293,786
Proceeds from sale of fixed assets	2,818,385	526,530
<i>Fixed capital expenditure</i>	(37,166,139)	(23,316,257)
<i>Net cashflow from investing activities</i>	(59,102,762)	63,778,499
<b>Financing activities:</b>		
Lease liability paid	(23,157,285)	(12,972,036)
<i>Net cash outflow from financing activities</i>	(23,157,285)	(12,972,036)
<i>Net cash inflow/(outflow) from all activities</i>	(30,845,362)	137,383,221
Cash and cash equivalents at the beginning of the period	334,377,685	146,360,691
<b>Cash and cash equivalents at the end of the period</b>	<b>303,532,323</b>	<b>283,743,912</b>

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

## Condensed Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	June 30, 2015 Rupees	June 30, 2014 Rupees
<b>Reconciliation of profit and loss account</b>		
Net cash inflow from operating activities	51,414,685	86,576,758
Depreciation	(41,049,182)	(37,496,679)
Lease finance charges	(5,416,963)	(2,896,135)
Gain on disposal of fixed assets	1,776,326	-
(Provision) / reversal for impairment in value of investment	(6,831,181)	-
Increase/(decrease) in assets other than cash	(251,386,086)	22,063,286
(Increase)/decrease in liabilities	383,974,133	141,089,947
<b>Others</b>		
Dividend income	9,518,687	43,003
Gain & other investment income	37,566,870	7,526,721
Share of loss from from associate	(13,250,159)	-
Income from window takaful operation	50,492,167	-
Profit after taxation	<u>216,809,297</u>	<u>216,906,901</u>

### Definition of cash

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

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

Cash and other equivalents		
- cash in hand	378,225	318,316
Current and other accounts	303,154,098	283,425,596
	<u>303,532,323</u>	<u>283,743,912</u>



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman

# Condensed Interim Statement of Premiums

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

## BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Quarter ended June 30, 2015										Quarter ended June 30, 2014				
	Premiums written		Unearned premium reserve		Premiums earned		Reinsurance ceded		Prepaid reinsurance premium ceded			Reinsurance expenses		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		Opening	Closing	Opening	Closing
Rupees															
<b>Direct and facultative</b>															
Fire and property damage	148,624,358	259,240,876	310,809,243	97,055,991	57,502,527	121,083,470	120,897,516	57,688,481	39,367,510	42,799,054					
Marine, aviation and transport	66,254,852	90,360,134	36,908,410	119,706,576	45,617,023	66,815,163	22,808,512	89,623,675	30,082,901	22,682,476					
Motor	231,960,316	312,042,127	408,155,754	135,846,689	23,175,624	14,524,747	29,371,255	8,329,116	127,517,573	104,966,923					
Miscellaneous	292,062,137	598,446,744	528,889,319	361,619,562	44,896,295	251,885,793	162,172,520	134,609,568	227,009,994	222,665,049					
<b>Grand total</b>	738,901,663	1,260,089,881	1,284,762,726	714,228,818	171,191,469	454,309,173	335,249,803	290,250,840	423,977,978	393,113,502					

Class	Six months ended June 30, 2015						Six months ended June, 30, 2014				
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	Net premium revenue	
		Opening	Closing			Opening					Closing
Rupees											
<b>Direct &amp; facultative</b>											
Fire and property damage	298,854,690	288,987,733	310,809,243	277,033,180	104,008,109	125,426,969	120,897,516	108,537,562	168,495,618	85,296,513	
Marine, aviation and transport	121,534,476	111,136,458	36,908,410	195,762,524	70,659,563	68,856,054	22,808,512	116,707,106	79,055,418	43,285,454	
Motor	447,441,306	267,585,560	408,155,754	306,871,112	36,535,705	5,946,456	29,371,255	13,110,906	293,760,206	199,049,775	
Miscellaneous	543,895,030	690,061,442	528,889,319	705,067,153	62,429,832	365,237,019	162,172,520	265,494,331	439,572,822	428,468,471	
<b>Grand total</b>	<b>1,411,725,502</b>	<b>1,357,771,193</b>	<b>1,284,762,726</b>	<b>1,484,733,969</b>	<b>273,633,209</b>	<b>565,466,498</b>	<b>335,249,803</b>	<b>503,849,905</b>	<b>980,884,064</b>	<b>756,100,213</b>	

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



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeeb-Ur-Rehman**  
Chairman

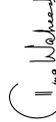


Class	Six months ended June 30, 2015						Six months ended June, 30, 2014			
	Claims paid		Outstanding claims		Reinsurance and other recoveries		Reinsurance and other recoveries	Net claims expenses	Net claims expenses	
	Opening	Closing	Opening	Closing	Opening	Closing				
<b>Direct &amp; facultative</b>	Rupees									
Fire and property damage	224,384,824	584,875,878	643,549,619	283,058,565	177,858,053	513,935,870	561,184,263	225,106,446	57,952,119	14,086,635
Marine, aviation and transport	82,649,271	166,290,855	288,233,065	204,591,481	47,387,267	146,013,000	259,498,156	160,872,423	43,719,058	14,442,154
Motor	114,828,122	17,973,860	23,327,864	120,182,126	-	4,008,860	5,978,760	1,969,900	118,212,226	46,854,030
Miscellaneous	409,258,009	298,136,153	105,476,615	216,598,471	184,184,403	268,460,875	93,321,947	9,045,475	207,552,996	98,535,903
<b>Grand total</b>	831,120,226	1,067,276,746	1,060,587,163	824,430,643	409,429,723	932,418,605	919,983,126	396,994,244	427,436,399	173,918,722

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



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeeb-Ur-Rehman**  
Chairman

# Condensed Interim Statement of Expenses

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

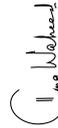
## BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Quarter ended June 30, 2015										Quarter ended June 30, 2014			
	Commissions paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission on reinsurance	Unearned commission		Commission received from re-insurers	Net underwriting expenses	Net underwriting expenses	
	Opening	Closing	Opening	Closing					Opening	Closing				
	Rupees													
<b>Direct &amp; facultative</b>														
Fire and property damage	24,734,223	52,400,488	52,813,744	24,320,967	17,073,953	41,394,920	9,222,401	8,785,569	12,635,600	5,372,370	36,022,550	25,172,198		
Marine, aviation and transport	6,389,362	12,747,124	3,561,216	15,575,270	7,510,625	23,085,895	6,000,000	8,670,208	4,705,646	9,964,563	13,121,332	8,874,939		
Motor	21,899,068	30,703,795	37,062,910	15,539,954	48,293,389	63,833,343	-	-	-	-	63,833,343	65,741,928		
Miscellaneous	30,223,067	51,450,787	45,140,056	36,533,798	33,178,280	69,712,078	10,219,512	33,813,831	23,689,376	20,343,967	49,368,111	35,238,336		
<b>Grand total</b>	83,245,720	147,302,194	138,577,926	91,969,989	106,056,247	198,026,236	25,441,913	51,269,608	41,030,622	35,680,900	162,345,336	135,027,401		

Class	Six months ended June 30, 2015						Six months ended June, 30, 2014												
	Commissions paid or payable		Deferred commission		Net commission expense		Other management expenses		Underwriting expenses		Commission on reinsurance		Unearned commission		Commission received from re-insurers		Net underwriting expenses		
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	
<b>Direct &amp; facultative</b>	Rupees																		
Fire and property damage	50,774,119	47,344,868	52,813,744	45,305,243	31,729,743	77,034,986	12,626,228	9,060,483	12,635,600	9,051,111	67,983,875	44,994,732							
Marine, aviation and transport	13,391,157	11,049,545	3,561,216	20,879,486	12,903,454	33,782,940	9,411,290	5,724,027	4,705,646	10,429,672	23,353,268	20,121,149							
Motor	40,279,386	25,682,040	37,062,910	28,898,517	84,590,961	113,489,478	-	-	-	-	113,489,478	90,131,456							
Miscellaneous	57,430,276	45,746,764	45,140,056	58,036,984	57,745,954	115,782,938	12,498,544	49,838,179	23,689,376	38,647,347	77,135,591	76,835,039							
<b>Grand total</b>	<b>161,874,938</b>	<b>129,823,217</b>	<b>138,577,926</b>	<b>153,120,230</b>	<b>186,970,112</b>	<b>340,090,342</b>	<b>34,536,062</b>	<b>64,622,689</b>	<b>41,030,622</b>	<b>58,128,130</b>	<b>281,962,212</b>	<b>232,082,376</b>							

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

  
**Mohammed Rahat Sadiq**  
 Chief Executive Officer

  
**Huma Waheed**  
 Director

  
**Khawas Khan Niazi**  
 Director/President

  
**Ch. Najeeb-Ur-Rehman**  
 Chairman

## Condensed Interim Statement of Investment Income

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	Quarter Ended		Six Months Ended	
	June 30, 2015 Rupees	June 30, 2014 Rupees	June 30, 2015 Rupees	June 30, 2014 Rupees
<b>Income from non-trading investments:</b>				
<b>Available for sale</b>				
Dividend income	9,268,687	43,003	9,518,687	43,003
Gain / (loss) on sale of 'available for sale' investments	4,049,470	2,114,778	9,899,049	4,447,333
	13,318,157	2,157,781	19,417,736	4,490,336
<b>Held to maturity</b>				
Return on Government securities	4,232,244	11,986,288	31,737,966	20,144,685
Return on F.D.R	1,100,888	2,472,576	2,714,307	4,694,154
Amortization of discount on preference shares	318,328	553,311	636,656	553,311
	18,969,617	17,169,956	54,506,665	29,882,486
(Provision) / Reversal for impairment in value of investment	(954,890)	(23,002,780)	(6,831,181)	(21,240,939)
Investment related expenses	(290,555)	(691,856)	(589,927)	(1,071,824)
<b>Net Investment Income/(loss)</b>	<b>17,724,172</b>	<b>(6,524,680)</b>	<b>47,085,557</b>	<b>7,569,723</b>

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



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeer-Ur-Rehman**  
Chairman

# Notes to the Condensed Interim Financial Information

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

These financial statements have been prepared in accordance with the format of financial statements prescribed under Securities and Exchange Commission (Insurance) Rules, 2002 and SEC (Insurance) Rules, 2002, vide S.R.O. 938, dated: December 12, 2002 & Circular No. 25 of 2015, dated: July 09, 2015 on " Financial Reporting of Window Takaful Operations by Non-Life Insurers.

Prior to the issuance of Circular No. 25 of 2015, dated July 09, 2015, the financial reporting requirements of window takaful operations were not notified. Therefore, assets and liabilities of "window takaful operations" were included in the assets and liabilities of the company as at December 31, 2014. However, SECP with the aforesaid circular has made it mandatory on non-life insurer authorised to carry on window takaful operations to produce the separate set of financial statements for window takaful operations and disclose total assets and total liabilities of operators' fund as single line item in the statement of financial position of the insurer. Accordingly, the financial statements for the quarter and half year ended on June 30, 2015 have been presented in the manner as required. Further the figures for the year ended on December 31, 2014 have been re-arranged in the light of the provisions of above referred circular to make these figures comparable with the current year financial reporting requirements.

### 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 such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 read with Circular No. 25 of 2015 dated July, 09 2015. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 shall prevail.

The SECP has allowed the insurance companies to defer the application of International Accounting Standard-39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of 'available-for-sale investments'. Accordingly, the requirements of IAS-39, to the extent required by SECP as aforesaid, have not been considered in the preparation of these financial statements.

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain financial instruments are carried at fair value and staff retirement benefits are stated at present value.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Company's functional and presentation currency. All financial information presented in Pakistan rupees are rounded off to nearest rupees unless otherwise stated.

### 2.4 Use of estimates and judgments

The preparation of the condensed interim financial statement 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.

## Notes to the Condensed Interim Financial Information

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

The significant judgments made by management and the key sources of estimating uncertainty in preparation of these condensed interim financial statements were same as those applied to the annual financial statements for the year ended December 31, 2014.

The provision for taxation for the six months ended June, 30 2015 has been made using the tax rate that would be applicable to expected total annual earnings

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial report as at June 30, 2015 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2014 except otherwise stated:

#### 3.1 New, amended and revised International Financial Reporting (IFRSs) standards and interpretations of IFRSs

The company has adopted the following amendments and annual improvements to IFRSs, which became effective for the current period:

- Defined Benefit Plans: Employess contributions (Amendments to IAS 19);
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

The adoption of above amedments and improvements did not have any effect on the financial statements.

#### 3.2 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 six 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.

### 4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

Insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2014.

### 5 SHARE CAPITAL

#### 5.1 Authorized share capital

(Unaudited) June 30, 2015	(Audited) December 31, 2014	Note	(Unaudited) June 30, 2015	(Audited) December 31, 2014
(Number of shares)			(Rupees)	
200,000,000	200,000,000	Ordinary shares of Rs. 10/- each	2,000,000,000	100,000,000
<b>5.2 Paid-up share capital</b>				
10,963,475	10,963,475	Ordinary shares of Rs. 10/- each fully paid in cash	109,634,750	109,634,750
117,836,525	81,036,525	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	1,178,365,250	810,365,250
<u>128,800,000</u>	<u>92,000,000</u>		<u>1,288,000,000</u>	<u>920,000,000</u>

## Notes to the Condensed Interim Financial Information

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

Reconciliation of issued, subscribed and paid up share capital

(Unaudited) June 30, 2015	(Audited) December 31, 2014	Note	(Unaudited) June 30, 2015	(Audited) December 31, 2014
(Number of shares)			(Rupees)	
92,000,000	70,194,279	At the beginning of the period	920,000,000	701,942,796
36,800,000	21,805,721	Bonus shares issued during the period	368,000,000	218,057,204
<u>128,800,000</u>	<u>92,000,000</u>		<u>1,288,000,000</u>	<u>920,000,000</u>

### 6 DEFERRED LIABILITIES

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

### 7 CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

There is no change in the status of contingent liabilities since the end of last annual reporting period ended December 31, 2014.

#### 7.2 Commitments

There are no commitments on balance sheet date. (December 2014: Rs. Nil)

### 8 INVESTMENTS

Available for sale	8.1	166,639,445	54,089,259
Held to maturity	8.2	178,078,045	394,968,832
Investment in associate	8.3	424,558,391	193,567,410
		<u>769,275,881</u>	<u>642,625,501</u>

#### 8.1 Available for sale

Ordinary shares of listed companies - cost	55,784,305	47,468,012
Mutual fund certificates	121,065,074	10,000,000
Less: Provision for impairment in value of investment	(10,209,934)	(3,378,753)
	<u>166,639,445</u>	<u>54,089,259</u>

Market value of available for sale investment is Rs. 166,640,207/- (December 31, 2014: Rs. 45,458,087/-)

#### 8.2 Held to Maturity

Pakistan Investment bonds	8.2.1	136,101,389	383,628,832
Preference shares - Silk Bank Limited	8.2.2	11,976,656	11,340,000
Mutual fund certificates		30,000,000	-
		<u>178,078,045</u>	<u>394,968,832</u>

## Notes to the Condensed Interim Financial Information

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

### 8.2.1 Market value of Pakistan Investment bonds is Rs.136,528,405/-(Dec 31, 2014:439,09,619).

The Pakistan Investment Bonds amounting to Rs. 135,065,902/- (2014: Rs. 127,652,672/-) are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of clause (a) of the sub-section 2 of section 29 of the Insurance Ordinance, 2000.

### 8.2.2 The company has acquired 3.6 million Convertible preference shares (CPS) of Silk Bank Limited amounting to Rs. 10.06 million (Rs. 2.8 per CPS) under the agreement dated January 28, 2014. The CPS are subordinate to all other liabilities including deposits of the bank. These CPS have three year tenure ending March, 2016 and are convertible into ordinary shares of the bank at the conversion ratio of 1:1. There is no voting right and dividend on these CPS. The company has an option to exercise put option at the end of the tenure through which it can sell the CPS to Arif Habib Corporation Limited ("the Guarantor") at the strike price of Rs. 3.7 per CPS. The bank is entitled to exercise Call option, which is exercisable in full or in parts at any time after the one year from the issue date i.e. March, 2013..

### 8.3 Particulars of investment in associate

(Unaudited) June 30, 2015 Number of shares	(Audited) December 31, 2014	Face value per share (Rupees)	Name of Associate	(Unaudited) June 30, 2015	(Audited) December 31, 2014
82,772,908	34,021,338	10	Apna Micro Finance Bank Limited	424,558,391	193,567,410
<u>82,772,908</u>	<u>34,021,338</u>			<u>424,558,391</u>	<u>193,567,410</u>

#### Movement in Investment in Associate

Beginning of the year	193,567,410	38,790,544
Purchased during the year	244,241,140	155,059,325
	437,808,550	193,849,869
Share in loss of associate	(13,250,159)	(282,459)
Closing balance	<u>424,558,391</u>	<u>193,567,410</u>

The Market value of investment and percentage of holding in associate are Rs. 579,410,356/- and 37.62% respectively. (2014: 213,654,003 and 30.93%)

## 9 NET ASSETS IN WINDOW TAKAFUL OPERATIONS

Total assets in window takaful operations	156,924,212	95,668,077
Total liabilities in window takaful operations	(27,976,264)	(17,212,297)
Net assets in window takaful operations	<u>128,947,948</u>	<u>78,455,780</u>

The condensed interim financial statements of window takaful operations are separately prepared under the provisions of clause 11(b) of Takaful Rules, 2012 read with Circular No. 25 of 2015 issued dated July 9, 2015.

## Notes to the Condensed Interim Financial Information

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	Note	(Unaudited) June 30, 2015	(Audited) December 31, 2014
(Rupees)			
<b>10 PREMIUM DUE BUT UNPAID</b>			
Unsecured			
- Considered good		523,963,268	449,545,585
- Considered doubtful		13,905,491	17,391,187
		537,868,759	466,936,772
Provision for doubtful balances	9.1	(13,905,491)	(17,391,187)
		<u>523,963,268</u>	<u>449,545,585</u>
<b>10.1 Provision for doubtful balances</b>			
Opening provision		(17,391,187)	(26,262,634)
Charge for the period / year		-	(10,662,255)
Baddebts recovered during the period / year		3,485,696	19,533,702
Closing provision		<u>(13,905,491)</u>	<u>(17,391,187)</u>

### 11 ADDITIONS / DELETIONS IN FIXED ASSETS

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

	Additions (at cost)		Deletions (at net book value)	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
<b>Tangible Owned Assets</b>	(Rupees)		(Rupees)	
Land freehold	-	-	-	-
Building	2,974,391	-	-	-
Furniture, fixture, office and computer equipments	11,307,314	4,681,971	143,085	4,091
Motor vehicles	18,032,875	11,380,879	890,593	467,796
Motor tracking devices	12,282,000	13,975,000	-	-
<b>Leased Assets</b>				
Leased vehicles	56,239,000	32,878,000	7,149,865	9,568,000
<b>Capital Work in Progress</b>	6,162,558	2,841,407	-	-
	<u>106,998,138</u>	<u>65,757,257</u>	<u>8,183,544</u>	<u>10,039,887</u>

# Notes to the Condensed Interim Financial Information

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

## 12 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.

Assets and liabilities of window takatful operations have been disclosed separately as the requirements of Circular No.25 of 2015 dated: July 09, 2015

	(Un-audited)						(Audited)			
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014
Segment assets- conventional business	958,243,416	911,578,923	376,696,203	320,260,864	406,806,449	279,357,149	707,112,364	1,250,260,202	2,448,858,432	2,761,457,138
Segment assets-takatful	7,389,193	1,859,441	7,621,127	1,484,206	6,536,462	750,417	11,638,997	5,554,365	33,185,779	9,648,429
									2,482,044,211	2,771,105,567
Unallocated assets-conventional business									2,033,067,602	2,001,481,430
Unallocated assets-takatful									123,738,433	31,822,751
									2,156,806,035	2,033,304,181
<b>TOTAL ASSETS</b>									4,638,850,246	4,804,409,748
Segment liabilities- conventional business	983,901,114	956,369,670	336,722,505	313,964,630	456,796,035	365,161,162	688,824,256	1,224,470,823	2,466,243,910	2,859,966,285
Unallocated liabilities-conventional business									241,094,386	242,110,115
Unallocated liabilities-takatful									27,976,268	17,12,297
									269,070,654	259,322,412
<b>TOTAL LIABILITIES</b>									2,735,314,564	3,119,288,697

----- Rupees -----

## Notes to the Condensed Interim Financial Information

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

### 13 RELATED PARTY TRANSACTIONS

Related parties comprise 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 if any with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Transactions	Quarter ended June 30, 2015	Quarter ended June 30, 2014	Six months period ended June 30, 2015	Six months period ended June 30, 2014
	Rupees		Rupees	
<b>United Track System (Pvt.) Limited (Associated Company)</b>				
Motor tracking devices	6,582,000	7,252,000	12,282,000	13,975,000
Devices charges	16,605,184	15,120,639	26,013,008	25,954,644
Devices monitoring charges	5,203,200	4,442,100	11,072,600	7,471,400
Rental income	126,000	150,000	300,000	300,000
Balance receivable / (payable)	3,671,997	(6,635,030)	3,671,997	(6,635,030)
<b>Apna Microfinance Bank Ltd. (Associated Company)</b>				
Investment through Equity Shares	244,241,140	144,009,155	244,241,140	144,009,155
Investment through Fixed Deposits	79,171,920	30,000,000	79,171,920	30,000,000
Cash at bank	2,489,824	1,833,619	2,489,824	1,833,619
<b>Key management personnel</b>				
Remuneration of key management personnel	29,798,484	19,379,341	49,552,974	38,211,072
Loan to key management personnel	255,073	2,121,143	8,451,000	1,607,643
<b>Staff retirement benefits plan</b>				
Gratuity payments	292,600	335,000	508,600	1,169,120

### 14 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.

### 15 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue in accordance with a resolution of board of directors of the company on August 27, 2015.

### 16 CORRESPONDING FIGURES

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

  
**Mohammed Rahat Sadiq**  
 Chief Executive Officer

  
**Huma Waheed**  
 Director

  
**Khawas Khan Niazi**  
 Director/President

  
**Ch. Najeem-Ur-Rehman**  
 Chairman



# Directors' Review Report Window Takaful Operations

For the Half Year ended June 30, 2015

## WINDOW TAKAFUL OPERATIONS

## Director's Review Report to the Members

The Directors of "The United Insurance Company of Pakistan Limited" take immense pleasure to present you with the half year ended report on window takaful operations of the company along with the (un-audited) interim financial information for the six months ended June 30, 2015.

### Performance Overview (Half Year 2015)

The Directors of The United Insurance Company of Pakistan Limited are pleased to announce that the company was able to achieve the quarterly goals of window takaful operations, which were set at the beginning of the fiscal year, 2015. From the following financial data it is evident that the company's performance remained excellent during the period.

- During the 2nd Quarter 2015, the Gross Written Contribution came to Rs.162.418 Million, which is an increase of 67.7% over 1st Quarter 2015.
- The Underwriting Profit for 2nd quarter 2015 was Rs.7.833 Million as against Rs.13.169 Million for 1st quarter, 2015.
- The Operator's Fund profit came to Rs.39.270 Million as against Rs. 11.222 Million for 1st quarter, 2015.
- The investments have been increased by Rs.5.149 million of Participants Takaful fund and Rs. 15.616 million of Operators' Fund in June 30, 2015.

Note: As Window Takaful operations commenced on 18th August, 2014, therefore we are unable to make comparison with the last year's figure for the same period.

### Future Prospects

Company anticipates Financial Year 2015 was a challenging year as new competitors entered the market with window takaful operations. The Company will continue to strive to focus on its trends in growth of contribution income, market developments and maintain its profitability to high ethical standard.

### Future Activities

The company has planned to develop and introduce new wide range of takaful products to facilitate its customers at their doorstep. This will help the company to capture more market share for takaful insurance.

### Acknowledgement

We would extend our sincere appreciation and thanks to our valued Customers, Business Allies, SECP, Re-takaful companies, Banks and Employees for reposing their confidence, continued trust and support in UIC.



**Muhammad Rahat Sadiq**

Chief Executive Officer

August 27, 2015



# Financial Statements Window Takaful Operations

For the Half Year ended June 30, 2015

WINDOW TAKAFUL OPERATIONS

# Independent Auditors' Report on Review

of Condensed Interim Financial Information To The Members

## Introduction

We have reviewed the accompanying condensed interim balance sheet of **Window Takaful Operations of The United Insurance Company of Pakistan Limited** as at June 30, 2015 and the related:

- a) condensed interim profit and loss account;
- b) condensed interim statement of comprehensive income;
- c) condensed interim statement of changes in funds;
- d) condensed interim statement of cash flows;
- e) condensed interim statement of contributions;
- f) condensed interim statement of claims;
- g) condensed interim statement of expenses;
- h) condensed interim statement of investment income; and

notes forming part thereof for the six-month period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarter ended June 30, 2015 in condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of contributions, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have not been reviewed by us as we are required to review only the cumulative figures for the half year ended June 30, 2015.

## 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.

## Conclusion

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



**RSM AVAIS HYDER LIAQUAT NAUMAN**

Chartered Accountants

Engagement Partner: Syed Ali Adnan Tirmizey

Place: Lahore

Date: August 27, 2015

WINDOW TAKAFUL OPERATIONS  
**Condensed Interim Balance Sheet**  
 AS AT JUNE 30, 2015 (UN-AUDITED)

	Note	Unaudited June 30, 2015 Rupees	Unaudited June 30, 2015 Rupees	Audited Dec 31, 2014 Rupees
		OPF	PTF	Consolidated
				Consolidated
<b>Operators' fund-(OPF)</b>				
Statutory fund	5	50,000,000	-	50,000,000
Accumulated Profit for the period		78,947,948	-	78,947,948
		128,947,948	-	128,947,948
				78,455,780
<b>Waqf/participants' takaful fund -(PTF)</b>				
Ceded money	6	-	500,000	500,000
Accumulated Surplus		-	22,537,718	22,537,718
		-	23,037,718	23,037,718
				1,441,108
<b>Underwriting provisions - (PTF)</b>				
Provision for outstanding claims (including IBNR)		-	7,055,247	7,055,247
Reserve for unearned contribution		-	121,121,118	121,121,118
Reserve for unearned retakaful rebate		-	16,850,835	16,850,835
Total underwriting provisions		-	145,027,200	145,027,200
				75,649,797
<b>Deferred liabilities</b>				
Staff retirement benefits	7	620,612	-	620,612
				766,216
<b>Creditors and accruals</b>				
Amount due to other takaful/retakaful - (PTF)		-	38,676,612	38,676,612
Accrued expenses		226,574	-	226,574
Other creditors and accruals		27,129,078	88,866,226	115,995,304
		27,355,652	127,542,838	154,898,490
				34,853,084
<b>TOTAL LIABILITIES</b>		27,976,264	272,570,038	300,546,302
				111,269,097
<b>TOTAL FUND AND LIABILITIES</b>		156,924,212	295,607,756	452,531,968
				191,165,986
Contingencies and commitments	8	-	-	-

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

  
**Mohammed Rahat Sadiq**  
 Chief Executive Officer

  
**Huma Waheed**  
 Director

WINDOW TAKAFUL OPERATIONS  
**Condensed Interim Balance Sheet**  
 AS AT JUNE 30, 2015 (UN-AUDITED)

	Note	Unaudited	Unaudited	Audited
		June 30, 2015	June 30, 2015	Dec 31, 2014
		Rupees	Rupees	Rupees
		OPF	PTF	Consolidated
				Consolidated
<b>Cash and bank deposits</b>				
Cash and other equivalent		127,112	-	127,112
Current and other accounts		7,950,476	5,503,625	13,454,101
Deposits maturing within 12 months		-	201,500	201,500
Deposits maturing after 12 months		1,044,000	600,000	1,644,000
		9,121,588	6,305,125	15,426,713
Investments	9	15,616,112	5,149,625	20,765,737
				-
<b>Other Assets</b>				
Contribution due but unpaid -(PTF)	10	-	127,257,580	127,257,580
Amount due from other takaful/retakaful -(PTF)		-	63,090,688	63,090,688
Prepaid retakaful contribution ceded -(PTF)		-	82,280,775	82,280,775
Retakaful recoveries against outstanding claims -(PTF)		-	265,121	265,121
Deferred commission expense-(OPF)		33,185,779	-	33,185,779
Sundry receivables		81,713,147	329,018	82,042,165
		114,898,926	273,223,182	388,122,108
				126,433,543
<b>Fixed assets-Tangibles</b>				
Furniture, fixture, office & computer equipment		17,287,586	-	17,287,586
Motor tracking devices -(PTF)		-	10,929,824	10,929,824
		17,287,586	10,929,824	28,217,410
				3,219,599
<b>TOTAL ASSETS</b>		<b>156,924,212</b>	<b>295,607,756</b>	<b>452,531,968</b>
				<b>191,165,986</b>

  
**Khawas Khan Niazi**  
 Director/President

  
**Ch. Najeem-Ur-Rehman**  
 Chairman

WINDOW TAKAFUL OPERATIONS

## Condensed Interim Profit and Loss Account

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

Quarter ended June 30, 2015					Unaudited Quarter Ended June 30, 2015
	Fire and property damage	Marine aviation and transport	Motor	Health and miscellaneous	Aggregate
-----Rupees-----					
<b>PTF Revenue Account</b>					
Net Contribution revenue	(723,499)	9,152,524	13,254,027	19,250,520	40,933,572
Net claims	(1,649,414)	(6,552,254)	(1,954,611)	(22,979,014)	(33,135,293)
Direct expenses	(272,651)	(304,066)	(687,062)	(824,768)	(2,088,547)
Net rebate on re-takaful	631,473	820,248	433,487	237,991	2,123,199
<b>Surplus / (Deficit) before investment income</b>	<u>(2,014,091)</u>	<u>3,116,452</u>	<u>11,045,841</u>	<u>(4,315,271)</u>	<u>7,832,931</u>
Investment Income					192,955
Other Income					221,090
Surplus for the period					<u>8,246,976</u>
<b>Operator's Revenue Account</b>					
Wakala fee					64,958,351
Commission Expense					(3,326,384)
Management expenses					(18,466,905)
					<u>43,165,062</u>
Investment Income					657,599
Other income					39,947
General & administration expenses					(4,592,208)
<b>Profit for the Period</b>					<u>39,270,400</u>

WINDOW TAKAFUL OPERATIONS  
**Condensed Interim Profit and Loss Account**  
 FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

Six months ended June 30, 2015

	Fire and property damage	Marine aviation and transport	Motor	Health and miscellaneous	Unaudited Half Year Ended June 30, 2015
					Aggregate
	-----Rupees-----				
<b>PTF Revenue Account</b>					
Net Contribution revenue	1,472,668	11,649,639	16,819,945	44,834,038	74,776,290
Net claims	(3,637,375)	(8,880,793)	(3,350,510)	(40,758,525)	(56,627,203)
Direct expenses	(434,013)	(457,037)	(865,329)	(1,193,813)	(2,950,192)
Net rebate on re-takaful	1,110,830	1,116,072	433,487	3,138,052	5,798,441
<b>Surplus / (Deficit) before investment income</b>	<b>(1,487,890)</b>	<b>3,427,881</b>	<b>13,037,593</b>	<b>6,019,752</b>	<b>20,997,336</b>
Investment Income					192,955
Other Income					406,319
Surplus for the period					21,596,610
<b>Accumulated Surplus</b>					
Balance at the beginning of the period					941,108
Profit for the period					21,596,610
<b>Balance at the end of the period</b>					<b>22,537,718</b>
<b>Operator's Revenue Account</b>					
Wakala fee					103,650,573
Commission expense					(10,994,790)
Management expenses					(36,790,734)
					55,865,049
Investment Income					657,599
Other income					353,785
General & administration expenses					(7,410,774)
<b>Profit for the Period</b>					<b>49,465,659</b>
<b>Profit &amp; loss appropriation account</b>					
Balance at the beginning of the period					28,455,780
Total comprehensive income for the period					50,492,168
<b>Accumulated profit for the period</b>					<b>78,947,948</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



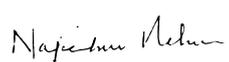
**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman

WINDOW TAKAFUL OPERATIONS

## Condensed Interim Statement of Comprehensive Income

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	Unaudited June 30, 2015 Rupees
<b>OPERATORS' FUND</b>	
Profit for the period	49,465,659
<b>Other comprehensive income:</b>	
Acturil Gain/loss on staff gratuity	1,026,509
Total comprehensive income for the period	<u>50,492,168</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman

## WINDOW TAKAFUL OPERATIONS

## Condensed Interim Statement of Changes In Funds

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	Participants' takaful fund		
	Ceded money	Accumulated surplus	Total
	-----Rupees-----		
Balance as at January 01, 2015	500,000	941,108	1,441,108
Surplus / loss for the period		21,596,610	21,596,610
Balance as at June 30, 2015	500,000	22,537,718	23,037,718
	Operators' fund		
	Stautory fund	Accumulated profit	Total
	-----Rupees-----		
Balance as at January 01, 2015	50,000,000	28,455,780	78,455,780
Profit for the period	-	49,465,659	49,465,659
Other comprehensive income for the period	-	1,026,509	1,026,509
Total Comprehensive income for the period	-	50,492,168	50,492,168
Balance as at June 30, 2015	50,000,000	78,947,948	128,947,948

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman

WINDOW TAKAFUL OPERATIONS

## Condensed Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

Operating cash flows:	Un-audited		Un-audited
	June 30, 2015		June 30, 2015
	Rupees		Rupees
	Un-Consolidated		Consolidated
	OPF	PTF	
<b>a) Operating activities:</b>			
Contribution received	-	201,089,353	201,089,353
Retakaful contribution paid	-	(66,145,670)	(66,145,670)
Claims paid	-	(80,775,181)	(80,775,181)
Retakaful and other recoveries received / (paid)	-	(11,208,627)	(11,208,627)
Commission paid	(34,532,140)	-	(34,532,140)
Wakala fee received / (paid)	103,650,573	(103,650,573)	-
Retakaful rebate received	-	18,357,062	18,357,062
Net cash flow from underwriting activities	69,118,433	(42,333,636)	26,784,797
<b>b) Other operating activities:</b>			
General management expenses paid	(42,911,062)	(2,369,491)	(45,280,553)
Other operating receipts/(payments)	(14,529,616)	32,363,279	17,833,663
Net cash flow from other operating activities	(57,440,678)	29,993,788	(27,446,890)
<b>Total cash flow from all operating activities</b>	<b>11,677,755</b>	<b>(12,339,848)</b>	<b>(662,093)</b>
<b>Investment activities:</b>			
Investment income received	657,599	192,955	850,554
Sale/(Purchase) of investment	(16,216,108)	(5,331,129)	(21,547,237)
Fixed capital expenditure	(15,192,855)	(10,916,000)	(26,108,855)
<b>Net cash flow from investing activities</b>	<b>(30,751,364)</b>	<b>(16,054,174)</b>	<b>(46,805,538)</b>
<b>Financing activities:</b>			
Net cash flow from financing activities	-	-	-
<b>Net cash inflow from all activities</b>	<b>(19,073,609)</b>	<b>(28,394,022)</b>	<b>(47,467,631)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>27,151,197</b>	<b>33,897,647</b>	<b>61,048,844</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>8,077,588</b>	<b>5,503,625</b>	<b>13,581,213</b>

## WINDOW TAKAFUL OPERATIONS

## Condensed Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

Operating cash flows:	Un-audited		Un-audited
	June 30, 2015		June 30, 2015
	Rupees		Rupees
	Un-Consolidated		Consolidated
	OPF	PTF	
<b>Reconciliation of profit and loss account</b>			
Net cash flow from operating activities	11,677,755	(12,339,848)	(662,093)
Depreciation	(936,662)	(174,382)	(1,111,044)
Increase/(Decrease) in assets other than cash	53,045,919	210,093,200	263,139,119
(Increase)/Decrease in liabilities	(13,294,845)	(175,982,360)	(189,277,205)
Profit for the period	50,492,167	21,596,610	72,088,777
<b>Attributed to:</b>			
Window takaful operator	50,492,168	-	50,492,168
Participant's takaful fund	-	21,596,610	21,596,610
	50,492,168	21,596,610	72,088,778

**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	127,112	-	127,112
Current and other accounts			
- bank balances	7,950,476	5,503,625	13,454,101
	8,077,588	5,503,625	13,581,213

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



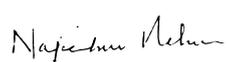
**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman





Window Takatful Operations  
**Condensed Interim Statement of Claims**  
 FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

**BUSINESS UNDERWRITTEN INSIDE PAKISTAN**

Class	Quarter ended June 30, 2015						Unaudited Quarter Ended June 30, 2015		
	Provision for outstanding claims		Claims expense	Re-takatful and other recoveries received	Re-takatful and other Recoveries in respect of outstanding claims			Re-takatful and other recoveries revenue	Net claims and expenses
	Opening	Closing			Opening	Closing			
-----Rupees-----									
<b>Direct &amp; facultative</b>									
Fire and property damage	10,470,272	7,500,000	100,000	3,070,272	8,020,858	6,600,000	-	1,420,858	1,649,414
Marine, aviation and transport	15,041,223	7,950,000	185,245	7,276,468	7,384,985	6,660,771	-	724,214	6,552,254
Motor	882,549	1,041,892	2,418,081	2,258,738	108,179	47,803	243,751	304,127	1,954,611
Health and Miscellaneous	24,002,306	1,916,036	4,351,921	26,438,191	3,437,807	-	21,370	3,459,177	22,979,014
<b>Total</b>	<b>50,396,350</b>	<b>18,407,928</b>	<b>7,055,247</b>	<b>39,043,669</b>	<b>18,951,829</b>	<b>13,308,574</b>	<b>265,121</b>	<b>5,908,376</b>	<b>33,135,293</b>

## Six months ended June 30, 2015

Unaudited

Class	Claims paid		Provision for outstanding claims		Claims expense	Re-takaful and other recoveries received	Re-takaful and other outstanding claims		Re-takaful and other recoveries revenue	Net claims and expenses six months ended June 30, 2015
	Opening	Closing	Opening	Closing			Opening	Closing		
-----Rupees-----										
<b>Direct &amp; facultative</b>										
Fire and property damage	14,952,671	-	100,000	15,052,671	11,415,296	-	-	11,415,296	3,637,375	
Marine, aviation and transport	20,628,043	1,000,000	185,245	19,813,288	11,705,909	773,414	-	10,932,495	8,880,793	
Motor	1,336,859	65,000	2,418,081	3,689,940	108,179	12,500	243,751	339,430	3,350,510	
Health and Miscellaneous	43,857,608	1,380,153	4,351,921	46,829,376	6,720,822	671,341	21,370	6,070,851	40,758,525	
<b>Total</b>	<b>80,775,181</b>	<b>2,445,153</b>	<b>7,055,247</b>	<b>85,385,275</b>	<b>29,950,206</b>	<b>1,457,255</b>	<b>265,121</b>	<b>28,758,072</b>	<b>56,627,203</b>	

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


**Mohammed Rahat Sadiq**  
 Chief Executive Officer


**Huma Waheed**  
 Director


**Khawas Khan Niazi**  
 Director/President


**Ch. Najeeb-Ur-Rehman**  
 Chairman

Window Takatful Operations  
**Condensed Interim Statement of Expenses**  
 FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

**BUSINESS UNDERWRITTEN INSIDE PAKISTAN**

Class	Quarter ended June 30, 2015										Unaudited									
	Commission paid or payable		Deferred commission		Net commission expenses		Direct expenses		Underwriting expenses			Rebate on re-takatful		Unearned retakatful rebate		Net rebate on re-takatful expense		Net takatful expense		
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	
<b>Direct &amp; facultative</b>	-----Rupees-----																			
Fire and property damage	4,001,355	4,281,537	7,389,193	893,699	272,651	1,166,350	2,422,359	1,508,615	3,299,501	631,473	534,877									
Marine, aviation and transport	4,503,423	4,009,688	7,621,127	891,984	304,066	1,196,050	3,147,341	1,589,558	3,916,651	820,248	375,802									
Motor	4,492,314	3,109,953	6,536,462	1,065,805	687,062	1,752,867	3,467,886	-	3,034,399	433,487	1,319,380									
Health and Miscellaneous	6,681,900	5,431,993	11,638,997	474,896	824,768	1,299,664	4,536,268	2,302,007	6,600,284	237,991	1,061,673									
<b>Total</b>	19,678,992	16,833,171	33,185,779	3,326,384	2,088,547	5,414,931	13,573,854	5,400,180	16,850,835	2,123,199	3,291,732									

Class	Six months ended June 30, 2015						Unaudited				
	Commission paid or payable	Deferred commission	Net commission expenses	Direct expenses	Underwriting expenses	Rebate on re-takaful	Unearned retakaful rebate	Net rebate on re-takaful expense	Net takaful expense six months ended June 30, 2015		
	Opening	Closing					Opening	Closing			
-----Rupees-----											
<b>Direct &amp; facultative</b>											
Fire and property damage	7,972,621	1,859,441	7,389,193	2,442,869	434,013	2,876,882	4,017,089	393,242	3,299,501	1,110,830	1,766,052
Marine, aviation and transport	8,241,810	1,484,206	7,621,127	2,104,889	457,037	2,561,926	4,927,916	104,807	3,916,651	1,116,072	1,445,854
Motor	7,555,851	750,417	6,536,462	1,769,806	865,329	2,635,135	3,467,886	-	3,034,399	433,487	2,201,648
Health and Miscellaneous	10,761,858	5,554,365	11,638,997	4,677,226	1,193,813	5,871,039	5,944,171	3,794,165	6,600,284	3,138,052	2,732,987
<b>Total</b>	34,532,140	9,648,429	33,185,779	10,994,790	2,950,192	13,944,982	18,357,062	4,292,214	16,850,835	5,798,441	8,146,541

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeeb-Ur-Rehman**  
Chairman

Window Takaful Operations

## Condensed Interim Statement of Investment Income

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

	Unaudited Half year ended June 30, 2015 Aggregate	Unaudited Quarter ended June 30, 2015 Aggregate
<b>PARTICIPANTS' TAKAFUL FUND</b>		
<b>Income from non-trading investments:</b>		
<b>Available for sale</b>		
Dividend income	173,318	173,318
Gain on sale of mutual funds units	19,637	19,637
<b>Net investment income</b>	<b>192,955</b>	<b>192,955</b>
<b>OPERATORS' FUND</b>		
<b>Income from non-trading investments:</b>		
<b>Available for sale</b>		
Dividend income	165,950	165,950
Gain on sale of mutual funds units	491,649	491,649
<b>Net investment income</b>	<b>657,599</b>	<b>657,599</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman

Window Takaful Operations

## Notes To Condensed Interim Financial Statement

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Company has been allowed to work as Window Takaful Operator (WTO) through Liscence No.1 on August 18, 2014 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Insurance in Pakistan. It 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 on July 9, 2015.

These financial statements reflect the financial position and results of Window Takaful Operations of both the operator and the Participants' Takaful Fund (PTF) in a manner that assets, liabilities, income and expenses of the company 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 such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 read with Circular No. 25 of 2015 dated July 9, 2015. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 shall prevail.

The SECP has allowed the insurance companies to defer the application of International Accounting Standard-39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of 'available-for-sale investments'. Accordingly, the requirements of IAS-39, to the extent required by SECP as aforesaid, have not been considered in the preparation of these financial statements.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain financial instruments are carried at fair value and staff retirement benefits are stated at present value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the company's functional and presentation currency. All financial information presented in Pakistan Rupees are rounded off to the nearest rupees unless otherwise stated

#### 2.4 Use of estimates and judgements

The preparation of the condensed interim financial statement 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.

Window Takaful Operations

## Notes To Condensed Interim Financial Statement

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

The significant judgments made by management and the key sources of estimating uncertainty in preparation of these condensed interim financial statements were same as those applied to the annual financial statements for the year ended December 31, 2014.

### 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 June 30, 2015 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2014.

#### 3.1 New amended and revised International Financial Reporting Standards and interpretations of IFRSs

The company has adopted the following amendments and annual improvements to IFRSs, which became effective for the current period:

- Defined Benefit Plans: Employess contributions (Amendments to IAS 19);
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

The adoption of above amedments and improvements did not have any effect on the financial statements.

### 4 MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

Takaful and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended Decemeber 31,2014

#### 5 Statutory Reserves

	Note	(Unaudited)	(Audited)
		June 30, 2015	December 31, 2014
Statutory reserves	5.1	50,000,000	50,000,000

- 5.1 Amount of Rs 50 million is deposited as statutory resreves 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 seperate bank account for window takaful business duly maintained in a scheduled bank" .

#### 6 Ceded Money

Waqf money	6.1	500,000	500,000
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- 6.1 The amount of Rs.500,000/- has been set a part for Waqf Fund/Partcipant Takaful Fund as waqf money according to the Waqf deed prepared for the purpose of creation of Waqf Fund/Partcipant Takaful Fund.

### 7 DEFERRED LIABILITIES

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

Window Takaful Operations

## Notes To Condensed Interim Financial Statement

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

**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 ended December 31, 2014.

**8.2 Commitments**

There is no change in the status of commitments since the end of last annual reporting period ended December 31, 2014

**9 INVESTMENTS**

(Unaudited)      (Audited)  
June 30,      December  
2015      31, 2014

	(Rupees)	
<b>Available for sale</b>		
Investment in Mutual Fund-PTF	5,149,625	-
Investment in Mutual Fund-OPF	15,616,112	-
	<u>20,765,737</u>	<u>-</u>
<b>10 CONTRIBUTION DUE BUT UNPAID-PTF (UN-SECURED)</b>		
Considered good	127,257,580	69,096,514
	<u>127,257,580</u>	<u>69,096,514</u>

**11 ADDITIONS/ DELETIONS (TRANSFERS) IN FIXED ASSETS-OPF**

Following are the major additions at cost and deletions at net book value in fixed assets of OPF:

	Additions (At cost)		Deletion (Net book value)	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
<b>Tangible Owned Assets (OPF)</b>	(Rupees)		(Rupees)	
Furniture, fixture, office and computer equipments	15,192,855	-	-	-

**12 ADDITIONS/ DELETIONS (TRANSFERS) IN FIXED ASSETS-PTF**

Following are the major additions at cost and deletions at net book value in fixed assets of PTF:

**Tangible Owned Assets (PTF)**

Motor Tracking Devices	10,916,000	-	-	-
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Window Takaful Operations

# Notes To Condensed Interim Financial Statement

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

## 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 contribution written by the segments.

	(Un-audited)						(Audited)			
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014
<b>Participants' takaful fund</b>	----- R u p e e s -----									
Segment assets	45,316,249	9,072,454	45,423,125	7,091,824	72,663,053	8,875,004	109,491,737	90,547,975	272,894,164	115,687,257
Unallocated assets									22,713,592	34,107,548
									295,607,756	149,694,805
<b>Operators' fund</b>										
Segment assets	7,389,193	1,859,441	7,621,127	1,484,206	6,536,462	750,417	11,638,997	5,554,365	33,185,779	9,648,429
Unallocated assets									123,738,433	31,822,752
									156,924,212	41,471,181
<b>Total assets</b>									452,531,968	191,165,986
<b>Participants' takaful fund</b>										
Segment liabilities	30,450,544	7,147,183	22,591,292	6,774,940	47,857,000	6,985,794	82,804,975	71,770,153	183,703,812	92,678,070
Unallocated liabilities									88,866,226	1,378,730
									272,570,038	94,056,800
<b>Operators' fund</b>										
Unallocated liabilities									27,976,264	17,212,297
<b>Total liabilities</b>									300,546,302	111,269,097

Window Takaful Operations

## Notes To Condensed Interim Financial Statement

FOR THE HALF YEAR ENDED JUNE 30, 2015 (UN-AUDITED)

**14 RELATED PARTY TRANSACTIONS**

Related parties comprise 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 & conditions and compensation to key management personnel is on employment terms. The transactions and balances if any with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Transaction	Quarter ended June 30, 2015	Six months period ended June 30, 2015
<b>United Track System (Pvt.) Limited (Associated Company)</b>		
Motor tracking devices	10,238,100	10,916,000
Devices monitoring charges	1,715,358	2,431,848
Balance payable	7,301,120	7,301,120

**15 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, 2014.

**16 DATE OF AUTHORIZATION FOR ISSUE**

The condensed interim financial information was authorized for issue in accordance with a resolution of board of directors of the company on August 27, 2015.

**17 CORRESPONDING FIGURES**

Corresponding figures have been re-classified and re-arranged, wherever necessary to conform with the current classification, however, there are no material re-classification to report.



**Mohammed Rahat Sadiq**  
Chief Executive Officer



**Huma Waheed**  
Director



**Khawas Khan Niazi**  
Director/President



**Ch. Najeem-Ur-Rehman**  
Chairman







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