

Half Yearly Report 2018

Rated **AA-** by PACRA



The **UNITED
INSURANCE**
COMPANY OF PAKISTAN LTD.
A member Company of United International Group

Reflection of Trust 58 years of Excellence



CONTENTS

COMPANY INFORMATION

02

Corporate
Information

03

Committies
Composition

04

Key Management
Personnel

05

Banks &
Leasing Companies

06

Directors' Report
To The Members

08

اراکین کو
ڈائریکٹرز رپورٹ

CONDENSED INTERIM FINANCIAL STATEMENTS

11

Independent Auditors'
Review Report

12

Statement of
Financial Position

13

Profit and
Loss Account

14

Statement of
Comprehensive Income

15

Cash Flow
Statement

17

Statement of
Changes in Equity

18

Notes to and Forming
Part of the Financial
Statements

WINDOW TAKAFUL OPERATIONS CONDENSED INTERIM FINANCIAL STATEMENTS

34

Independent Auditors'
Review Report

35

Statement of
Financial Position

36

Profit and
Loss Account

37

Statement of
Comprehensive Income

38

Cash flow
Statement

40

Statement of
Changes in Funds

41

Notes to and Forming
Part of the Financial
Statements

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

Jamil A. Khan

Syed Rahat Ali Shah

ADVISOR TO BOARD

Mian M.A.Shahid (Chairman UIG)

ADVISORS

Sardar Khan

(Former Managing Director
Universal Insurance Company
Limited)

Major General (R) Asif Duraiz
Akhtar

COMPANY SECRETARY

Athar A. Khan

CHIEF FINANCIAL OFFICER

Maqbool Ahmed

CHIEF INTERNAL AUDITOR

Abdul Mannan Munir

AUDITORS

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.

WEB PRESENCE

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REGISTERED OFFICE

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Abdullah Haroon Road, Saddar
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Email:
uicp@theunitedinsurance.com

COMMITTEES COMPOSITION

Ethics, Human Resource & Remuneration Committee:

Name of Member	Category
Mr. Javaid Sadiq	Chairman
Mr. Mohammed Rahat Sadiq	Member
Mr. Wakeel Ahmed Mirza	Secretary

Investment Committee:

Name of Member	Category
Mr. Jamil Ahmed Khan	Chairman
Mr. Agha Ali Imam	Member
Mr. Mohammed Rahat Sadiq	Member
Mr. Maqbool Ahmed	Secretary

Audit Committee:

Name of Member	Category
Mr. Agha Ali Imam	Chairman
Mr. Jamil Ahmed Khan	Member
Mr. Maqbool Ahmed	Member
Mr. Abdul Mannan Munir	Secretary

Underwriting Committee:

Name of Member	Category
Mr. Khawas Khan Niazi	Chairman
Syed Muhammed Qaisar Imam	Member
Mr. Mohammed Rahat Sadiq	Member
Mr. Fahad Butt	Secretary

Claims Settlement Committee:

Name of Member	Category
Ms. Huma Waheed	Chairperson
Mr. Mohammed Rahat Sadiq	Member
Mr. Kamran Zaman	Member

Reinsurance & Co-insurance Committee:

Name of Member	Category
Mr. Khawas Khan Niazi	Chairman
Mr. Mohammed Rahat Sadiq	Member
Mr. Abrar Ahmed Minhas	Secretary

Risk Management & Compliance Committee:

Name of Member	Category
Syed Rahat Ali Shah	Chairman
Ms. Huma Waheed	Member
Mr. Ali Hassan Bhatti	Secretary

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

Ali Hassan Bhatti

SR. GENERAL MANAGER RE-INSURANCE

Abrar Ahmed Minhas

JOINT DIRECTOR OPERATION

Tayyab Bashir

GENERAL MANAGER HR & R

Wakeel Ahmed Mirza

GENERAL MANAGER (I.T)

Munir Ahmed

GENERAL MANAGER HEALTH/ TRAVEL

Kashif Shafique

GENERAL MANAGER ADMINISTRATION

Maj.(R) Nadeem Iqbal Naz

DEPUTY GENERAL MANAGER CLAIMS

Kamran Zaman

A.G.M UNDERWRITING

Manzoor Hussain Mirza

A.G.M REINSURANCE

Naeem Ahmed Babar

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

Saad Munir Malik

EXECUTIVE DIRECTORS (MARKETING)

Mohammad Rafique Khan

Zarar Ahmed Butt

Mian Kashif Rasheed

Ch. Aslam Feroze

Mohammed Siddique Sheikh

Rizwan-Ul-Haq

Shafaqat Ali Goraya

Hassan Nadeem

Ch. Shamas-ul-Haq

Kh. Adnan Hassan

Mohammed Mazhar Shah

Malik Khurram Mansoor

Nauman-ul-Haq

JOINT DIRECTORS (MARKETING)

Aslam Rajpoot

Mohammed Naseem Butt

Malik Zafar Yousaf

Mian Mohammed Rafi

Tanveer Ahmad Bhatti

Faisal Javaid

Mohammed Mohsin ullah

Chaudhary Iqbal Tahir

Zafar Mahmood

Syed Ahmad Ali

Hassan Bin Daud

Malik Azhar Ahmed

Mujeeb-ur-Rehman Khokhar

Zahid Mukhtar Paracha

Mian Muhammad Asif

Fahad Liaqat

BANKS & LEASING COMPANIES

BANKS

State Bank of Pakistan
National Bank of Pakistan
Bank Al-Habib Limited
Soneri Bank Limited
Bank Alfalah Limited
Meezan 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 Pakistan Limited
Bank of Azad Jammu and Kashmir

LEASING COMPANIES

Orix Leasing Company Limited
Crescent Standard Modaraba

MICRO FINANCE BANKS

APNA 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

DIRECTORS' REPORT TO THE MEMBERS

Dear Fellow Members!

We are pleased to present the auditor's reviewed financial statements for the half year ended June 30, 2018. The directors of The United Insurance Company of Pakistan Limited are grateful to announce the financial results for the half year ended June 30, 2018. These also outline the development of the principal activities of the company as compared to the previous year 2017.

Performance Overview "Conventional Operations" – (Half Year Ended 2018)

There has been acceleration of the financial data and performance has certainly exceeded the anticipated targets at the inception of the current year and performance has exceeded in certain areas of the business. The company's Gross Premium Income and Net Premium Income for the half year ended 2018 stands at Rs 1,788.155 million and Rs. 1,271.740 million, respectively. Whereas during the year ended 2017, Gross Premium Income was Rs 2,412.493 million and Net Premium Income was Rs. 1,640.767 million.

Underwriting Results for the half year ended 2018 are being reported as Rs. 229.770 million, whereas for the same period in the previous year 2017 it was reported as Rs. 312.082 million.

The company's Profit Before Tax has increased during the half year ended 2018 by 2% from Rs. 311.281 million during the year ended 2017 to Rs. 316.348 million during the half year ended 2018. Similarly, Profit After Tax being reported amounts to Rs. 270.440 million in half year ended 2018. Whereas Profit after Tax for the same period in 2017 was Rs. 273.633 million.

The Earnings Per Share (EPS) of the company which includes both basic and diluted stands at Rs. 1.20 per share during half year ended 2018 as compared to Rs. 1.21 per share in 2017.

Investment income has increased to Rs. 11.553 million for the 2nd quarter ended June 2018 as compared to Rs.6.538 million in 2nd quarter ended June 2017. Whereas, the investments income reduced to Rs. 40.046 million for the half year ended June 2018 as compared to Rs. 67.930 million in June 2017.

Performance Overview Takaful Operations - (Half Year Ended 2018)

The following financial data reflects the performance of Window Takaful Operations during the half year ended June 30, 2018.

There was a significant growth of Contribution Income of 1% and 13% in the Gross Written Contribution and Net Contribution of Participants Takaful Fund, respectively, compared to the last half year ended 2017. The above reflects real efforts of Window Takaful Operations' management and the dedication and eagerness of the field staff. The Gross Written Contribution for the half year ended 2018 increased from Rs. 322.441 million in 2017 to Rs. 324.699 for 2018. The Company's Net Written Contribution increased by Rs. 34.83 million and stands at Rs. 273.041 million as against Rs. 238.212 million during the same period of 2017.

Aggregate investments of Window Takaful Operations decreased to Rs. 154.972 million in the half year ended 2018 compared to Rs. 191.954 million in 2017.

General and management expenses of the operator decreased by 6% from Rs. 51.129 million in 2017 to Rs. 48.385 million in 2018.

Total Comprehensive Income for the period has decreased by 24% from Rs. 41.807 million in 2017 to Rs. 33.666 million in 2018 for the half year ended 2018.

State of Company's Business affairs

Directors of the Company:

The Board of Directors of the Company consisted of following members:

- Mr. Javaid Sadiq,
- Mr. Mohammed Rahat Sadiq,
- Mr. Khawas Khan Niazi,
- Miss. Huma Waheed,
- Mr. Agha Ali Imam,
- Mr. Jamil A. Khan and
- Mr. Syed Rahat Ali Shah

Risks and Uncertainties Facing the Business:

The success of UIC as an organisation depends on our ability to identify and exploit the opportunities generated by our business and the markets we are in. In order to successfully execute this, we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the leadership team agenda. Risk management is integral to our strategy and UIC adopts a risk profile that is aligned to our vision to accelerate growth and increasing positive social impact.

We aim to safeguard our assets and enhance customer satisfaction by adapting to a reasonable but not absolute risk management system. In an environment facing greater uncertainty and growing threats from cyber-attacks, geopolitical events and other strategic risk, UIC has always ensure stringent risk management policies are undertaken to mitigate such risks.

Future Outlook

Pakistan's existing reserves of natural resources and asset base serves as one of the mainstays of its economic development. Its vast tracts of fertile agricultural land, developed irrigation system such as the Indus Basin Irrigation, harbours substantial equation of economic progression. Since the election stocks rallied with KSE100 index gaining 1.8 per cent. Although the rupee had little change at 129.125 against the dollar, the new government aims to tackle the foreign reserve crunch. Consecutively, a bailout from the International Monetary Fund is an inevitable intent for the new government.

The government further aims to address the structural tax compliance issue in its economic agenda. Most of the government's tax revenue comes from indirect levies, and there is a huge pool of untaxed money in real estate and savings instrument, as well as non-declaration of income that can be tapped. Given the bright economic outlook of the country and the formation of a government with hopes of building economically strong "Naya Pakistan", we are hopeful for tremendous growth in the insurance and compliance sector.

CSR and Company's Business Impact on Environment:

The vision of CSR at UIC outlines our role as a socially responsible corporate citizen that will endeavor to participate in programs that benefit the society at a large and also those who need special assistance. Our objective, which we have been positively fulfilling for decades, is to operate our business in an economically, social and environmentally sustainable manner, to introduce and participate in programs that benefit the community. To enhance the quality of life for those in need and to create a community goodwill is how we aim to enhance our company as a socially responsible corporate citizen.

We comply with the law, ethical standards and international norms for implementing CSR in our business activities. Being accountable for our actions is what we embrace here at UIC.

Adequacy of Internal Control:

The management of UIC is responsible for the establishment and maintenance of the system of internal control in order to identify and manage risks faced by the company. We have designed sound system of internal controls to adequately provide reasonable assurance that the assets are safeguarded against unauthorized disposition. A proper and reliable accounting records are available for use which is safeguarded through adequate control mechanisms.

Acknowledgement

We wish to thank our valued customers for their faith in our products and services and sincerely hope that they will continue their support, care and confidence in our leadership. We also take this opportunity to thank our bankers and regulatory bodies for providing us with their valuable support throughout this period.

Finally, we wish to thank our staff whose dedication and commitment has been a source of strength for the company.

For and on behalf of the Board



Mohammed Rahat Sadiq

Chief Executive Officer

Date: August 28, 2018

اراکین کو ڈائریکٹرز رپورٹ

محترم اراکین!

ہم 2018 کی پہلی ششماہی کی مالیاتی رپورٹ جو کہ آڈیٹرز کی جائزہ شدہ ہے کو پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ دی یونائیٹڈ انشورنس کمپنی آف پاکستان لمیٹڈ کے ڈائریکٹرز 2018 کی ششماہی جائزہ رپورٹ پیش کرتے ہوئے شکر گزار ہیں۔ یہ رپورٹ پچھلے سال کی نسبت کمپنی کی کارکردگی میں نمایاں اضافہ پر روشنی ڈال رہی ہے۔

2018 کی پہلی ششماہی میں روایتی کاروبار کی کارکردگی کا جائزہ:

کمپنی کے مالیاتی نتائج اور کارکردگی میں اس سال نمایاں اضافہ دیکھنے میں آیا ہے اور کمپنی کے مختلف کاروبار میں نمایاں بہتری ہے۔

2018 کی پہلی ششماہی میں کمپنی کا خام بیہ 1,788.155 ملین روپے رہا جبکہ خالص بیہ 1,271.740 ملین روپے رہا۔ پچھلے سال 2017 میں خام بیہ 2,412.493 ملین تھا اور خالص بیہ 1,640.767 ملین روپے تھا۔

2018 کی پہلی ششماہی میں ڈیمونڈی نتائج 229.770 ملین روپے رہے جو کہ پچھلے سال 2017 میں 312.082 ملین روپے تھے۔

کمپنی کا قبل از ٹیکس منافع 2 فیصد اضافے سے 316.348 ملین روپے رہا جو کہ 2017 کی پہلی ششماہی میں 311.281 ملین روپے تھا۔ اسی طرح بعد از ٹیکس منافع 2018 کی پہلی ششماہی میں 270.440 ملین روپے رہا جبکہ 2017 میں بعد از ٹیکس منافع 273.633 ملین روپے ریکارڈ کیا گیا تھا۔

2018 کی پہلی ششماہی میں کمپنی کی فی حصص آمدن 1.20 روپے رہی جو کہ 2017 میں 1.21 روپے فی حصص تھی۔

2018 کی دوسری سہ ماہی میں کمپنی کی سرمایہ کاری آمدن 11.553 ملین روپے رہی جو کہ 2017 کی دوسری سہ ماہی میں 6.538 ملین روپے ریکارڈ کی گئی تھی۔

کمپنی کی سرمایہ کاری آمدن کی کے ساتھ 40.046 ملین روپے رہی جبکہ 2017 میں سرمایہ کاری آمدن 67.930 ملین روپے حاصل ہوئی تھی۔

2018 کی پہلی ششماہی میں نکافل کاروبار کی کارکردگی کا جائزہ:

30 جون 2018 کے اختتام پر مندرجہ ذیل مالی اعداد و شمار نکافل کاروبار کی کارکردگی کا مظہر ہیں:

2017 کی نسبت 2018 میں نکافل فنڈ کی خام اور خالص اعانت میں بالترتیب 1 فیصد اور 13 فی صد نمایاں اضافہ دیکھنے میں آیا ہے جو کہ وٹڈ نکافل انتظامیہ اور فیلڈ سٹاف کی ایماندارانہ، مسلسل اور بھرپور کاوشوں کا نتیجہ ہے۔ نکافل فنڈ کی خام اعانت 2018 کے چھ ماہ میں 224.699 ملین روپے رہی جو کہ 2017 میں 322.441 ملین روپے تھی۔ 2018 کی ششماہی میں نکافل فنڈ کی خالص اعانت 34.83 ملین روپے اضافے سے 273.041 ملین روپے رہی جو کہ 2017 میں 238.212 ملین روپے تھی۔ سال 2018 کی پہلی ششماہی میں نکافل فنڈ کی مجموعی سرمایہ کاری میں کمی دیکھنے میں آئی جو کہ 156.927 ملین روپے رہی۔

کمپنی کے عمومی اور انتظامی اخراجات 6 فیصد کی رہی جو کہ 2017 میں 51.129 ملین روپے سے کم ہو کر 2018 میں 48.385 ملین روپے رہے۔

کمپنی کی آمدن 24 فیصد کمی سے 2018 میں 33.666 ملین روپے رہی۔

کمپنی کے کاروباری معاملات کا جائزہ:

کمپنی کا بورڈ آف ڈائریکٹرز:

☆ جناب جاوید صادق صاحب

☆ جناب راحت صادق صاحب

☆ جناب خواص خان نیازی صاحب

☆ محترمہ ہما وحید صاحبہ

☆ جناب سید راحت علی شاہ صاحب

☆ جناب آغا علی امام صاحب

☆ جناب جمیل اے۔ خان صاحب

کاروبار کو درپیش ریکی اور غیر یقینی عوامل:

کمپنی کو درپیش بنیادی ریکی اور غیر یقینی صورتحال کا سامنا اس وقت کرنا پڑتا ہے جب کوئی غیر معمولی صورتحال یا انشورنس سے متعلقہ کسی لین و دین میں معاشی نقصان کے خطرے میں اضافہ ہوتا ہے۔ ہم نے ایسے خطرات کی نشاندہی اور کمی کے لئے مضبوطی اور رسک مینجمنٹ پالیسیاں مرتب کی ہوئی ہے۔ کمپنی کے کاروبار کی نوعیت میں 2018 کی نسبت کسی قسم کی تبدیلی دیکھنے میں نہیں آئی ہے۔ رسک مینجمنٹ کمپنی کی پالیسیوں کا نہایت ہی اہم حصہ ہے، کمپنی کی رسک پروفائل مثبت سماجی اثر اور کمپنی کی ترقی سے منسلک ہے۔

مناسب رسک مینجمنٹ سسٹم کے ذریعے کمپنی اپنے صارفین کو مطمئن کرنے اور اپنے اثاثہ جات کی حفاظت کے لئے کوشاں ہے۔ UIC نے ہمیشہ مضبوط رسک مینجمنٹ پولیسیاں مرتب کیں ہیں تاکہ بدلتے ماحول میں بڑھتے ہوئے خطرات کا مقابلہ کیا جاسکے۔
مستقبل کا جائزہ:

پاکستان کے معدنی وسائل اور اثاثہ جات ملک کی معاشی ترقی میں کلیدی حیثیت رکھتے ہیں۔ پاکستان کا وسیع زرعی رقبہ اور نہری نظام معاشی ترقی میں اہم کردار ادا کرتے ہیں۔ ایکشن کے بعد KSE-100 انڈیکس میں 1.8 فیصد اضافہ ہوا ہے۔ تاہم روپے کی قدر میں ڈالر کے مقابلے میں معمولی کمی دیکھنے میں آئی ہے۔ نئی حکومت بیرونی ذخائر کو متوازن کرنے میں کوشاں ہوگی۔ آئی ایم ایف سے نیل آؤٹ چیک لینے کے علاوہ نئی حکومت کے پاس کوئی راستہ نظر نہیں آ رہا ہے۔ حکومت ٹیکس کے نظام میں تبدیلی لانا چاہتی ہے اور معاشی ایجنڈا میں یہ سب سے خاص عنصر ہے۔ زیادہ تر ٹیکس بالواسطہ ذرائع سے اکٹھا ہو رہا ہے اور بہت سی رقم بغیر ٹیکس کے گردش میں ہے جسکو ٹیکس کے نظام میں شامل کرنا اشد ضروری ہے۔ مستقبل کے عمدہ مواقع اور نئی حکومت کی تشکیل سے نیا پاکستان بننے کی امیدوں میں اضافہ ہوا ہے۔ ہم انشورنس سیکٹر میں مزید ترقی کے لئے پرامید ہیں۔

سی ایس آر اور کمپنی کے کاروبار کا ماحول پر اثر:

کمپنی کا سی ایس آر سے متعلق نقطہ نظر اپنے آپ کو ایک ایسا ذمہ دار ادارہ ثابت کرنا ہے جو کہ معاشرے کی بھلائی میں بہترین کردار ادا کر سکے اور ان لوگوں کی مدد کی جاسکے جو اس کے مستحق ہیں۔ ہمارا مقصد ایسا کاروباری ماحول متعارف کروانا ہے جو معاشرے کے لئے فائدہ مند ہو اور اس پر ہم نئی دباؤوں سے گامزن ہیں۔ ضرورت مندوں کی معیار زندگی کو بہتر بنانا اور مضبوط فلاحی معاشرے کا قیام کمپنی کے مقاصد میں شامل ہے۔

قانون کی عمل داری، بہترین اخلاقی معیار اور بین الاقوامی روایات پر چلنے ہوئے ہم کاروبار میں سی ایس آر سرگرمیاں مرتب کر رہے ہیں۔

اضطل کنٹرول کی افادیت:

UIC کی انتظامیہ مضبوط اضطل کنٹرول سسٹم قائم کرنے اور رسک کو کم کرنے کی پولیسیاں تیار کرنے اور ان پر عمل درآمد کو اپنی بنیاد ذمہ داری سمجھتی ہے۔ ہم نے ایسا مضبوط اضطل کنٹرول سسٹم بنایا ہوا ہے جو کمپنی کے اثاثہ جات کی مکمل حفاظت کرتا ہے۔ منظم اور با اعتبار کا ڈانگ سسٹم استعمال کیا جا رہا ہے۔

اعتراف:

ہم اپنے کسٹمرز کے شکرگزار ہیں کہ انہوں نے ہماری خدمات پر بھرپور اعتماد کا اظہار کیا ہے۔ ہم اپنے ٹیکنیکل اور ریگولیٹری اداروں کا بھی شکریہ ادا کرتے ہیں جنہوں نے ہمیں اس عرصے میں اپنا قیمتی ساتھ دیا کیا۔

آخر میں ہم اپنے سٹاف کی بھی بھرپور کوششوں کے شکرگزار ہیں جو کمپنی کے لئے بھرپور طاقت کا باعث ہے۔

یورڈ کی جانب سے



محمد راحت صادق

کمپنی کا سربراہ

مورخہ 28 اگست 2018

Condensed Interim Financial Statements

For The Six Months Period Ended on June 30, 2018

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of The United Insurance Company of Pakistan Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of The United Insurance Company of Pakistan Limited as at June 30, 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity, and notes to and forming part of the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Ilyas.



ILYAS SAEED & CO.

Chartered Accountants
Engagement Partner: Muhammad Ilyas
Place: Lahore

Date: August 28, 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2018 (Un-Audited)

	Note	Un-Audited	Audited
		June 30, 2018	December 31, 2017
----- Rupees -----			
ASSETS			
Property and equipment	5	791,519,552	810,595,553
Intangible assets	6	3,913,009	4,687,812
Investment property	7	2,513,041	2,576,528
Investment in subsidiary and associate	8	988,687,428	876,239,590
Investments			
Equity Securities	9	127,464,522	82,573,398
Debt Securities	10	287,359,680	282,770,694
Term deposits	11	34,265,937	59,939,775
Loans and other receivables	12	163,434,691	175,713,991
Total assets in window takaful operations	12A	474,346,972	466,952,852
Insurance / Reinsurance receivables	13	1,081,159,352	1,070,663,833
Reinsurance recoveries against outstanding claims	24	816,913,930	1,022,607,058
Salvage recoveries accrued		-	-
Deferred commission expense/ Acquisition cost	25	172,521,955	175,925,630
Deferred taxation	14	-	-
Taxation-Payment less provisions		-	-
Prepayments	15	806,200,105	690,012,811
Cash & Bank	16	410,238,138	490,059,464
Total Assets		6,160,538,312	6,211,318,989
EQUITY AND LIABILITIES			
Capital and reserve attributable to Company's equity holders			
Ordinary share capital	17	2,261,753,760	2,001,552,000
Share premium		-	-
Reserves	18	64,554,343	46,490,767
Unappropriated profit		604,528,606	593,724,039
Total Equity		2,930,836,709	2,641,766,806
Surplus on revaluation of fixed assets		80,704,493	81,106,747
Total liabilities in window takaful operations	12A	45,619,846	72,593,162
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	24	1,280,701,789	1,385,321,234
Unearned premium reserves	23	1,325,148,444	1,581,500,585
Premium deficiency reserves		58,423,886	18,728,362
Unearned Reinsurance commission	25	82,076,753	102,043,115
Retirement benefit obligations		-	-
Deferred taxation	14	13,339,607	13,841,974
Borrowings	19	59,246,236	69,741,811
Premium received in advance		-	-
Insurance / Reinsurance payables	20	142,018,773	107,818,532
Other Creditors and Accruals	21	63,345,731	68,890,402
Taxation - provision less payment		79,076,045	67,966,259
		3,103,377,264	3,415,852,274
Total Liabilities		3,148,997,110	3,488,445,436
Total Equity And Liabilities		6,160,538,312	6,211,318,989
CONTINGENCY(IES) AND COMMITMENT(S)	22	-	-

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director / President



Javaid Sadiq
Chairman

CONDENSED INTERIM STATEMENT OF PROFIT & LOSS ACCOUNT

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Note	Un-Audited			
		Quarter ended		Six Months Ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
----- Rupees -----					
Net insurance premium	23	717,323,672	772,132,598	1,271,739,793	1,640,767,277
Net insurance claims	24	(386,799,840)	(359,650,461)	(588,328,046)	(749,932,332)
Premium deficiency		(22,435,850)	-	(39,695,524)	1,696,000
Net Commission and other acquisition costs	25	(36,614,330)	(53,352,789)	8,691,660	(116,322,298)
Insurance claims and acquisition expenses		(445,850,020)	(413,003,250)	(619,331,910)	(864,558,630)
Management expenses	26	(234,893,239)	(268,709,834)	(422,638,183)	(464,126,834)
Underwriting results		36,580,413	90,419,514	229,769,700	312,081,813
Investment income	27	11,553,477	6,537,990	40,045,818	67,930,140
Rental income	28	573,000	685,078	1,146,000	1,258,078
Other income	29	5,973,745	15,635,182	8,687,460	17,893,116
Other expenses	30	(672,755)	(3,880,790)	(9,763,038)	(9,492,918)
		17,427,467	18,977,460	40,116,240	77,588,416
Results of operating activities		54,007,880	109,396,974	269,885,940	389,670,229
Finance cost	31	(744,324)	(1,508,790)	(1,583,821)	(2,885,398)
Share of (Loss) / profit from associate		7,494,399	(40,385,881)	14,404,537	(117,310,461)
Profit from window takaful operations		10,413,293	21,775,474	33,640,957	41,807,023
Profit before tax for the period		71,171,248	89,277,777	316,347,613	311,281,393
Income tax expense	32	(2,407,853)	(5,798,840)	(45,907,853)	(37,648,840)
Profit for the period		68,763,395	83,478,937	270,439,760	273,632,553
Earnings (after tax) per share - basic and diluted (Restated)	33	0.30	0.37	1.20	1.21

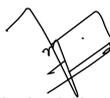
The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director / President



Javaid Sadiq
Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Un-Audited			
	Quarter ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	Aggregate	Aggregate	Aggregate	Aggregate
----- Rupees -----				
Profit after tax	68,763,395	83,478,937	270,439,760	273,632,553
Other comprehensive income/ (loss) for the period:				
Items to be re-classified to profit and loss account in subsequent period:				
Unrealized (loss) / gain on revaluation of available for sale investments net of deferred tax	1,399,348	-	(1,902,510)	-
Realized (gain) / loss on revaluation of available for sale investments net of deferred tax	(4,996,075)	-	19,457,551	-
Share of other comprehensive (loss)/income from takaful:	-	-	-	-
Unrealized (loss) / gain on revaluation of available for sale investments net of deferred tax	(1,558,166)	-	(2,020,778)	-
Realized (gain) / loss on revaluation of available for sale investments net of deferred tax	(621,379)	-	2,529,313	-
	(5,776,272)	-	18,063,576	-
Items not to be re-classified to profit and loss account in subsequent period:				
Actuarial gain on defined benefit plan	-	(76,360)	-	623,840
Incremental depreciation net of deferred tax	357,832	205,753	566,567	411,506
Share of other comprehensive income from takaful	-	(392,174)	-	480,164
	357,832	(262,781)	566,567	1,515,510
Share of other comprehensive loss from associate	-	36,548	-	(592,612)
Total comprehensive income for the period	63,344,955	83,252,704	289,069,903	274,555,451

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.



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Director



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Director / President



Javaid Sadiq
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Un-Audited	
	June 30, 2018	June 30, 2017
----- Rupees -----		
OPERATING CASH FLOWS		
a) Underwriting activities		
Insurance premium received	1,780,048,507	2,133,473,540
Reinsurance premium paid	(853,277,634)	(746,961,778)
Claims paid	(1,257,010,797)	(1,056,210,274)
Reinsurance and other recoveries received	767,367,037	349,308,919
Commission paid	(177,698,668)	(237,713,715)
Commission received	169,827,641	135,461,480
Management expenses paid	(370,151,381)	(296,506,581)
Net cash flow from underwriting activities	59,104,705	280,851,591
b) Other operating activities		
Income tax paid	(33,790,214)	(52,254,999)
General expenses paid	(9,763,038)	(34,714,807)
Other operating receipts/(payments)	14,902,608	97,815,509
Loan to employees and agents	324,010	(2,744,332)
Net cash flows from other operating activities	(28,326,634)	8,101,371
Total cash flows from all operating activities	30,778,071	288,952,962
INVESTMENT ACTIVITIES		
Investment income received	41,694,626	68,555,213
Rental income received	1,146,000	1,258,078
Net assets in window takaful operations	(33,640,957)	(42,287,187)
Sale/(purchase) of investment & fixed deposits	(84,721,985)	803,819
Fixed capital expenditure	(10,262,419)	(21,486,733)
Proceeds from disposal of property and equipment	4,461,733	9,382,090
Net cash flow from investing activities	(81,323,002)	16,225,280
FINANCING ACTIVITIES		
Finance leases charges paid	(1,583,821)	(8,325,790)
Payments on finance leases	(27,692,575)	(30,175,064)
Dividends paid	-	(180,320,000)
Net cash flow from financing activities	(29,276,396)	(218,820,854)
Net cash (outflow)/ inflow from all activities	(79,821,326)	86,357,389
Cash and cash equivalents at the beginning of the period	490,059,464	365,488,217
Cash and cash equivalents at the end of the period	410,238,138	451,845,606

CONDENSED INTERIM CASH FLOW STATEMENT

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Un-Audited	
	June 30, 2018	June 30, 2017
	----- Rupees -----	
Reconciliation of Profit and Loss Account		
Operating cash flows	30,803,071	288,952,961
Depreciation/amortization	(46,537,016)	(52,061,892)
Lease finance charges	(1,583,821)	(2,885,398)
Car Ijarah expense	(5,440,391)	(5,440,391)
Profit on disposal of property and equipment	3,666,796	5,888,789
Dividend income	3,500,705	5,671,475
Gain & other investment income	36,545,113	63,362,796
Reversal/(Provision) for impairment in value of investments	-	(1,104,131)
Share of profit/(loss) from associate	14,404,537	(117,310,461)
Income from Window Takaful Operations	33,640,957	41,807,023
Increase/(decrease) in assets other than cash	(137,983,517)	171,771,444
(Increase)/decrease in liabilities other than borrowings	339,448,326	(125,019,662)
Profit after taxation for the period	270,439,760	273,632,553

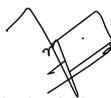
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Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Attributable to equity hold us of the company					Total
	Share capital	Reserve for issue of bonus shares	General reserve	Available for sale reserve	Unappropriated profit	
----- Rupees -----						
Balance as at January 01, 2017 (restated)	1,803,200,000	-	75,115,917	30,118,343	679,890,351	2,588,324,611
Transfer to reserve for issue of final bonus shares	-	198,352,000	-	-	(198,352,000)	-
Bonus shares reserve capitalized	198,352,000	(198,352,000)	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Final cash dividend paid @ Rs. 1.0/- per share for the year - 2017	-	-	-	-	(180,320,000)	(180,320,000)
Total comprehensive income for the period						
Profit after tax for the six months period ended June 30, 2017	-	-	-	-	273,632,553	273,632,553
Other comprehensive income	-	-	-	-	922,898	922,898
	-	-	-	-	274,555,451	274,555,451
Balance as at June 30, 2017 (Un-Audited)	2,001,552,000	-	75,115,917	30,118,343	575,773,802	2,682,560,062
Balance as at January 01, 2018	2,001,552,000	-	75,115,917	(28,625,150)	593,724,039	2,641,766,806
Transfer to reserve for issue of final bonus shares	-	260,201,760	-	-	260,201,760	-
Bonus share reserve capitalized	260,201,760	(260,201,760)	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Final cash dividend for the period - 2018	-	-	-	-	-	-
Total comprehensive income for the period						
Profit after tax for the six months period ended June 30, 2018	-	-	-	-	270,439,760	270,439,760
Other comprehensive income	-	-	-	18,063,576	566,567	18,630,143
	-	-	-	18,063,576	271,031,327	289,069,903
Balance as at June 30, 2018 (Un-Audited)	2,261,753,760	-	75,115,917	(10,561,574)	604,528,606	2,930,836,709

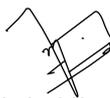
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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (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 Act, 2017, and its shares are quoted on Pakistan Stock Exchange Limited. The Registered Office of the company is situated at 204, 2nd floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi, in the province of Sindh, and its Head Office is located in Lahore, in the province of Punjab. 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 AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 read with Circular No. 25 of 2015 issued on July 9, 2015 and the directives issued by SECP. Wherever the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 read with Circular No. 25 of 2015 issued on July 9, 2015 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of the standard, the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 read with Circular No. 25 of 2015 issued on July 9, 2015 and the requirements of the said directives take precedence.

These condensed interim financial statements 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, 2017.

2.1 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except that certain financial instruments are carried at fair value, freehold land and building is stated at revalued amount and staff retirement benefits are stated at present value.

2.2 Functional and presentation currency

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

2.3 Standards, interpretations, and amendments effective in 2018

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Standards, Amendments and Interpretations		IASB effective date (Annual periods beginning on or after)
IFRS-15	Revenue from Contracts with Customers	01 July 2018
IFRS-9	Financial Instruments – Classification and measurement	01 July 2018
IFRS-16	Leases	01 January 2019
IFRIC-23	Uncertainty over Income Tax Treatments	01 January 2019
Amendments		
IFRS -9	Financial Instruments – Prepayment Features with Negative Compensation	01 January 2019
IAS-19	Employee Benefits – Plan Amendment, Curtailment or Settlement	01 January 2019
IAS-28	Investments in Associates and Joint Ventures –Long-term Interests in Associates and Joint Ventures	01 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle		
IFRS-3	Business Combinations	01 January 2019
IFRIC-11	Joint Arrangements	01 January 2019
IAS-12	Income Taxes	01 January 2019
IAS-23	Borrowing Costs	01 January 2019
	Conceptual Framework for Financial Reporting	01 January 2020

2.4 Standards, interpretations, and amendments not effective at year end

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards, Amendments and Interpretations

IFRIC-22	Foreign Currency Transactions and Advance Consideration	01 January 2018
IAS-28	Investments in Associates and Joint Ventures– Annual Improvements to IFRS Standards 2014–2016 Cycle	01 January 2018
IFRS -1	First-time Adoption of International Financial Reporting Standards	01 January 2018
IFRS-14	Regulatory Deferral Accounts	01 January 2016
IFRS-17	Insurance Contracts	01 January 2021
Amendments		
IFRS-2	Share-based Payment – Classification and Measurement of Share-based Payments Transactions	01 January 2018
IFRS-4	Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018
IAS-40	Investment Property – Transfers of Investment Property	01 January 2018

The Company expects that the adoption of the above standards will have no material effect on the Company's condensed interim financial statements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (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 June 30, 2018 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2017.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2017.

	Note	Un-Audited	Audited	
		June 30, 2018	December 31, 2017	
		----- Rupees -----		
5	PROPERTY AND EQUIPMENT			
	Operating assets at net book value - Owned	5.1	710,358,639	711,480,493
	Operating assets at net book value - Leased	5.2	81,160,913	99,115,060
	Capital work-in-progress		-	-
			791,519,552	810,595,553
5.1	Opening net book value		711,480,493	734,898,904
	Add: Additions made during the period at cost		10,262,419	40,706,671
	Add: Transfers made during the period at cost		49,831,000	51,528,000
	Add: Accumulated depreciation reversed on disposals made during the period		7,325,941	38,283,640
	Less: Disposals made during the period at cost		8,162,636	47,921,294
	Less: Accumulated depreciation reversed on matured assets made during the period		22,976,383	24,165,427
	Less: Depreciation for the period		37,402,195	81,850,001
			(1,121,854)	(23,418,411)
	Closing net book value		710,358,639	711,480,493
5.2	Opening net book value		99,115,060	106,998,487
	Add: Additions made during the period at cost		17,197,000	43,929,000
	Less: Transfers made during the period at cost		49,831,000	51,528,000
	Add: Accumulated depreciation reversed on matured assets made during the period		22,976,384	24,165,427
	Less: Depreciation for the period		8,296,531	24,449,854
			(17,954,147)	(7,883,427)
	Closing net book value		81,160,913	99,115,060

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Note	Un-Audited	Audited
		June 30, 2018	December 31, 2017
----- Rupees -----			
8.1.3	Summarised financial information extracted from the financial statements of the associate as at June 30, 2018 and 2017 is given below:		
Total assets		15,932,878,397	13,983,590,224
Total liabilities		(14,881,118,411)	(12,963,177,221)
Net assets		1,051,759,986	1,020,413,003
Company's share of net asset of associate		468,033,194	454,083,786
Total revenue		938,841,705	1,577,979,881
Profit/(loss) after taxation		32,369,747	(79,510,907)
8.2	These advances have been given for the purchase of shares of M/s. Apna Microfinance Bank Limited to the other sponsors / shareholders of M/s. Apna Microfinance Bank Limited.		
9	EQUITY SECURITIES		
	The equity securities comprise of the following:		
	Available for sale		
Ordinary shares of listed companies	9.1	127,559,447	115,206,925
Mutual fund certificates - at cost		2,600,000	2,600,000
		130,159,447	117,806,925
Less: unrealized loss on revaluation of investment		(2,694,925)	(35,233,527)
Closing balance		127,464,522	82,573,398
9.1	Cost of ordinary shares of quoted companies as at June 30, 2018 is Rs. 131,543,275/- (2017: Rs. 117,078,309/-)		
10	DEBT SECURITIES		
	The Government securities comprise of the following:		
Pakistan Investment Bonds - Held to maturity		287,359,680	282,770,694
11	TERM DEPOSITS		
	The term deposits comprise of the following:		
Deposits maturing within 12 months		34,265,937	59,939,775
Deposits maturing after 12 months		-	-
		34,265,937	59,939,775
12	LOANS AND OTHER RECEIVABLES		
	Considered good		
Loans to employees		13,643,689	13,967,699
Accrued investment income		7,149,950	6,103,833
Sundry receivables	12.1	142,641,052	155,642,459
		163,434,691	175,713,991

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Note	Un-Audited	Audited	
		June 30, 2018	December 31, 2017	
		----- Rupees -----		
12.1	Receivable from related parties	12.1.1	7,203,391	-
	Branch balances		51,622,606	49,848,985
	Other receivables		83,815,055	105,793,474
			142,641,052	155,642,459
12.1.1	This represents amount due from M/s United Track System (Pvt) Ltd., an associated undertaking. (2017 Rs. Nil).			
12A	Investment in window takaful operations (WTO)			
	Total assets in operator's fund		474,346,972	466,952,852
	Total liabilities in operator's fund		(45,619,846)	(72,593,162)
	Net assets in window takaful operations (WTO)	12A.1	428,727,126	394,359,690
12A.1	Movement of investment in window takaful operations (WTO)			
	Balance at beginning of the year		394,359,690	198,937,941
	Share in profit of WTO		33,640,957	199,068,982
	Share in other comprehensive income / (loss) of WTO		726,479	(3,647,233)
	Qarz-e-hasna to Participant's Takaful Fund		-	-
			428,727,126	394,359,690
13	INSURANCE / REINSURANCE RECEIVABLES			
	- Unsecured and considered good			
	Due from insurance contract holders	13.1	765,501,010	757,394,888
	Due from other insurers / re-insurers contract holders		315,658,342	313,268,945
			1,081,159,352	1,070,663,833
13.1	Due from insurance contract holders		771,122,164	763,903,406
	Less: Provision for impairment of receivables from insurance contract holders		(5,621,154)	(6,508,518)
			765,501,010	757,394,888
14	DEFERRED TAXATION			
	Deferred tax liability		13,339,607	13,841,974
15	PREPAYMENTS			
	Prepaid reinsurance premium ceded	23	803,075,883	688,364,984
	Prepaid rent		3,124,222	1,647,827
			806,200,105	690,012,811

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Note	Un-Audited	Audited
		June 30, 2018	December 31, 2017
		----- Rupees -----	
16 CASH & BANK			
Cash and cash equivalents			
- Cash in hand		572,433	195,693
Cash at bank			
- Current accounts		298,114,488	289,573,399
- Saving accounts		111,551,217	200,290,372
		409,665,705	489,863,771
		410,238,138	490,059,464

17 SHARE CAPITAL

17.1 Authorized share capital

	June 30, 2018	December 31, 2017			
	(Number of shares)				
	300,000,000	300,000,000	Ordinary shares of Rs. 10/- each	3,000,000,000	3,000,000,000

17.2 Issued, subscribed and paid-up share capital

	June 30, 2018	December 31, 2017			
	(Number of shares)				
	10,963,475	10,963,475	Ordinary shares of Rs. 10/- each fully paid in cash	109,634,750	109,634,750
	215,211,901	189,191,725	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	2,152,119,010	1,891,917,250
	226,175,376	200,155,200		2,261,753,760	2,001,552,000
Reconciliation of issued, subscribed and paid up share capital					
	200,155,200	180,320,000	At the beginning of the period	2,001,552,000	1,803,200,000
	26,020,176	19,835,200	Bonus shares issued during the period	260,201,760	198,352,000
	226,175,376	200,155,200		2,261,753,760	2,001,552,000

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Note	Un-Audited	Audited
		June 30, 2018	December 31, 2017
		----- Rupees -----	
18 RESERVES			
General reserves		75,115,917	75,115,917
Available for sale reserve		(10,561,574)	(28,625,150)
Closing balance		64,554,343	46,490,767
19 BORROWINGS			
Liabilities against assets subject to finance lease		59,246,236	69,741,811
19.1 Opening Balance		69,741,811	80,605,304
Add: Disbursement during the period		46,321,000	49,285,197
Less: Repaid during the period		56,816,575	60,148,690
		(10,495,575)	(10,863,493)
Closing Balance		59,246,236	69,741,811
20 INSURANCE / REINSURANCE PAYABLES			
Due to insurance contract holders		-	-
Due to other insurers / reinsurers		142,018,773	107,818,532
		142,018,773	107,818,532
21 OTHER CREDITORS AND ACCRUALS			
Accrued expenses		20,667,779	5,238,300
Provident fund payable		3,567,056	3,605,074
Unpaid and unclaimed dividend		1,507,891	1,946,665
Other creditors and accruals		37,603,005	55,800,363
		63,345,731	68,890,402
22 CONTINGENCY(IES) AND COMMITMENT(S)			
22.1 Contingencies			
There is no change in the status of contingent liabilities since the end of last annual reporting period December 31, 2017.			
22.2 Commitments in respect of operating Ijarah			
There are following commitments on balance sheet date			
For future Ijarah rentals payable	22.2.1	15,224,217	18,851,154

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Un-Audited		Audited	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	----- Rupees -----			
22.2.1 Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:				
Due within one year	10,880,784	10,880,793		
Due after one year but not later than five year	4,343,433	7,970,361		
	15,224,217	18,851,154		

	Un-Audited		Un-Audited	
	Quarter Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	----- Rupees -----			
23 NET INSURANCE PREMIUM				
Written Gross Premium	799,682,462	980,716,560	1,788,154,629	2,412,493,004
Add: Unearned premium reserve - Opening	1,600,022,902	1,735,899,932	1,581,500,585	1,490,001,500
Less: Unearned premium reserve - Closing	1,325,148,445	1,588,458,559	1,325,148,445	1,588,458,559
Premium earned	1,074,556,919	1,128,157,933	2,044,506,769	2,314,035,945
Less: Reinsurance premium ceded	434,465,578	331,251,281	887,477,875	688,905,240
Add: Prepaid reinsurance premium - Opening	725,843,552	636,387,925	688,364,984	595,977,299
Less: Prepaid reinsurance premium - Closing	803,075,883	611,613,871	803,075,883	611,613,871
Reinsurance expense	357,233,247	356,025,335	772,766,976	673,268,668
	717,323,672	772,132,598	1,271,739,793	1,640,767,277
24 NET INSURANCE CLAIMS EXPENSE				
Claims Paid	537,683,881	412,657,514	1,257,010,797	1,056,210,274
Add: Outstanding claims including IBNR - Closing	1,280,701,789	816,812,020	1,280,701,789	816,812,020
Less: Outstanding claims including IBNR - Opening	1,158,990,555	810,515,850	1,385,321,234	791,222,496
Claims expense	659,395,115	418,953,684	1,152,391,352	1,081,799,798
Less: Reinsurance and other recoveries received	272,774,134	66,860,334	769,756,434	319,541,045
Add: Reinsurance and other recoveries in respect of outstanding claims - Closing	816,913,930	593,627,887	816,913,930	593,627,887
Less: Reinsurance and other recoveries in respect of outstanding claims - Opening	817,092,789	601,184,998	1,022,607,058	581,301,466
Reinsurance and other recoveries revenue	272,595,275	59,303,223	564,063,306	331,867,466
	386,799,840	359,650,461	588,328,046	749,932,332

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Un-Audited			
	Quarter Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
----- Rupees -----				
24.1	The aforesaid includes outstanding claims of Rs. 107,188,627/- (2017: 207,331,534/-) which are payable to a related party.			
25	NET COMMISSION AND OTHER ACQUISITION COSTS			
	86,046,931	139,589,980	177,698,668	237,713,715
Commission paid or payable				
Add: Deferred commission expense - Opening	164,107,756	189,777,330	175,925,630	197,015,310
Less: Deferred commission expense - Closing	172,521,955	212,557,924	172,521,955	212,557,924
Net Commission	77,632,732	116,809,386	181,102,343	222,171,101
Less: Commission received or recoverable	85,508,810	68,631,000	169,827,641	135,461,480
Add: Unearned re-insurance commission -Opening	37,586,345	107,901,039	102,043,115	83,462,765
Less: Unearned re-insurance commission -Closing	82,076,753	113,075,442	82,076,753	113,075,442
Commission from reinsurers	41,018,402	63,456,597	189,794,003	105,848,803
	36,614,330	53,352,789	(8,691,660)	116,322,298
26	MANAGEMENT EXPENSES			
	234,893,239	268,709,834	422,638,183	464,126,834
27	INVESTMENT INCOME			
	Income from non-trading investments			
Available for sale	5,906,164	2,698,914	24,751,870	49,320,768
Held to maturity	5,824,952	4,888,373	15,700,626	20,281,372
	11,731,116	7,587,287	40,452,496	69,602,140
(Provision) / Reversal for impairment in value of investment	-	-	-	-
Investment related expenses	(177,639)	(1,049,297)	(406,678)	(1,672,000)
Net investment income	11,553,477	6,537,990	40,045,818	67,930,140
28	RENTAL INCOME			
	573,000	685,078	1,146,000	1,258,078
29	OTHER INCOME			
	5,973,745	15,635,182	8,687,460	17,893,116
30	OTHER EXPENSES			
	622,755	3,880,790	9,713,038	9,492,918
31	FINANCE COST			
Finance Lease Charges	744,324	1,508,790	1,583,821	2,885,398

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Un-Audited			
	Quarter Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	----- Rupees -----			
32 TAXATION				
For the period				
-Current	4,900,000	9,933,018	44,900,000	39,933,018
-Prior period's	-	-	-	-
-Deferred	(2,492,147)	(4,134,178)	1,007,853	(2,284,178)
	2,407,853	5,798,840	45,907,853	37,648,840

33 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares at the period end as follows:

Basic earnings per share

Profit after tax for the period	68,763,395	83,478,937	270,439,760	273,632,553
	Number of shares		Number of shares	
Weighted average number of shares of Rs. 10/- each	226,175,376	226,175,376	226,175,376	226,175,376
Earnings per share of Rs. 10/- each- basic and diluted (Restated)	0.30	0.37	1.20	1.21

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

34 COMPENSATION OF DIRECTORS & EXECUTIVES

Remuneration of Chief executive & Directors during the period	5,064,029	4,368,000	10,128,058	8,736,000
Remuneration of key management personnel during the period	19,144,511	34,257,501	61,017,744	53,219,634

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

35 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:

Nature of relationship	Nature of transaction	Un-Audited	Audited
		As at	
		June 30, 2018	December 31, 2017
Balances at period end:			
Associated undertakings	Receivable / (Payable) at period end	7,203,391	(6,637,386)
	Investment through equity shares at period end	411,892,468	397,487,931
	Investment through fixed deposits at period end	-	2,500,000
	Share deposit money at period end	350,000,000	350,000,000
	Bank deposits at period end	6,754,823	2,535,299
	Claims lodged /payable	380,091,583	432,566,253
Associated persons	Advance for purchase of shares at period end	226,794,960	56,643,479
Key management personnel	Loan to key management personnel at period end	4,636,300	8,176,835
Employees' Provident Fund	(Payable to) defined benefit plan at period end	3,567,056	3,605,074

Transactions during the period:	Un-Audited			
	Quarter Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Associated undertakings				
Motor tracking devices purchased during the period	3,417,000	6,851,000	7,352,500	13,588,500
Motor tracking device charges paid during the period	16,324,158	10,647,140	19,642,150	22,300,800
Device monitoring charges paid during the period	6,302,000	4,642,000	7,917,582	9,629,000
Rental income received during the period	573,000	487,500	1,146,000	675,000
Health service charges during the period	-	6,760,797	-	6,946,853
Interest received on bank deposits during the period	-	69,270	610,137	137,122
Cash deposited in bank deposits during the period	126,884,709	40,827,317	241,925,972	64,575,539
Cash withdrawals in bank deposits during the period	183,681,207	52,973,279	238,810,402	76,113,244
Claims paid during the period	150,055,500	3,657,736	175,147,627	17,157,360
Share deposit money paid during the period	-	100,000,000	-	100,000,000
Associated persons				
Advance for purchase of shares paid during the period	-	-	-	42,307,940

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Transactions during the period:	Un-Audited			
	Quarter Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Key management personnel				
Remuneration of key management personnel during the period	29,272,569	36,427,710	71,145,802	69,177,096
Staff retirement benefits plan				
Provision for gratuity during period	-	1,397,327	-	6,986,634
Benefits paid during the period	-	45,492,000	-	46,332,000
Employees' Provident Fund				
Employer's contributions made during the period	7,054,568	-	13,898,559	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Note	Un-Audited	
	Quarter Ended	Six Months Ended
	June 30, 2018	June 30, 2017
	----- Rupees -----	

37 CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified, wherever necessary, to facilitate the comparison. However, there were no material reclassifications to report.

Reclassified from component		Reclassified to component		
Other expenses	26	Management expenses	162,179,861	81,171,037
Finance cost	31	Management expenses	5,440,392	2,720,196

38 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on August 28, 2018 by the Board of Directors of the Company.

39 GENERAL

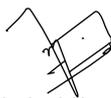
The figures in the financial statements have been rounded off to the nearest rupees.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director / President



Javaid Sadiq
Chairman

United Window Takaful Operations

Condensed Interim Financial Statements

For The Six Months Period Ended on June 30, 2018

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of The United Insurance Company of Pakistan Limited-Window Takaful Operations

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of The United Insurance Company of Pakistan Limited-Window Takaful Operations as at June 30, 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in funds, and notes to and forming part of the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Ilyas.



ILYAS SAEED & CO.

Chartered Accountants
Engagement Partner: Muhammad Ilyas
Place: Lahore

Date: August 28, 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2018 (Un-Audited)

Note	Un-Audited	Un-Audited	Un-Audited	Audited	
	June 30, 2018	June 30, 2018	June 30, 2018	December 31, 2017	
	PTF	OPF	Aggregate	Aggregate	
----- Rupees -----					
ASSETS					
Property and equipment	5	40,689,734	20,736,473	61,426,207	66,246,195
Intangible assets		-	-	-	-
Investment property		-	-	-	-
Investment in subsidiary and associate		-	-	-	-
Investments					
Equity securities	6	53,338,841	21,603,182	74,942,023	43,828,968
Debt securities	7	61,938,042	20,047,406	81,985,448	82,125,960
Term deposits	8	-	-	-	66,000,000
Loans and other receivables	9	91,767,621	369,625,471	461,393,092	384,207,502
Takaful / re-takaful receivables	10	251,481,878	-	251,481,878	344,131,218
Re-takaful recoveries against outstanding claims		117,754,055	-	117,754,055	50,883,177
Salvage recoveries accrued		-	-	-	-
Deferred commission expense		-	37,228,686	37,228,686	44,263,854
Deferred taxation		-	-	-	-
Taxation - payment less provision		-	-	-	-
Prepayments	11	175,224,051	-	175,224,051	169,830,482
Cash & Bank	12	50,789,994	5,105,754	55,895,748	27,378,442
TOTAL ASSETS		842,984,216	474,346,972	1,317,331,188	1,278,895,798
FUND AND LIABILITIES					
WAQF/ PARTICIPANTS' TAKAFUL FUND (PTF)					
Ceded money	13	500,000	-	500,000	500,000
Accumulated surplus		11,704,441	-	11,704,441	10,350,095
Available for sale reserves		(5,622,872)	-	(5,622,872)	(5,101,569)
Total Waqf/Participants' Takaful Funds		6,581,569	-	6,581,569	5,748,526
OPERATOR'S FUND (OPF)					
Statutory fund	14	-	50,000,000	50,000,000	50,000,000
Accumulated profit		-	381,613,951	381,613,951	347,972,994
Available for sale reserves		-	(2,886,825)	(2,886,825)	(3,613,304)
Total Operator's Fund		-	428,727,126	428,727,126	394,359,690
LIABILITIES					
Underwriting provisions					
Provision for outstanding claims (including IBNR)		200,312,659	-	200,312,659	116,989,901
Contribution deficiency reserve		633,460	-	633,460	633,460
Reserve for unearned contribution		189,813,342	-	189,813,342	295,890,385
Reserve for unearned retakaful rebate		33,824,559	-	33,824,559	35,558,525
Staff retirement benefits		-	-	-	-
Deferred taxation		-	-	-	-
Borrowings		-	-	-	-
Contribution received in advance		-	-	-	-
Takaful / re-takaful payables	15	66,193,604	27,718,331	93,911,935	67,455,786
Other creditors and accruals	16	345,625,023	17,901,515	363,526,538	362,259,527
Taxation - payment less provision		-	-	-	-
TOTAL LIABILITIES		836,402,647	45,619,846	882,022,493	878,787,584
TOTAL EQUITY AND LIABILITIES		842,984,216	474,346,972	1,317,331,188	1,278,895,798
CONTINGENCY(IES) & COMMITMENT(S)	17	-	-	-	-

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director / President



Javaid Sadiq
Chairman

CONDENSED INTERIM PROFIT & LOSS ACCOUNT

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Note	Un-Audited				
	Quarter ended		Six Months Ended		
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	
----- Rupees -----					
PARTICIPANTS' TAKAFUL FUND (PTF)					
Revenue Account					
Net takaful contribution	18	135,401,998	122,340,079	273,041,223	238,212,390
Net takaful claims	19	(76,533,531)	(35,705,762)	(149,991,543)	(46,823,192)
Contribution deficiency		-	-	-	-
Net rebate on retakaful	20	13,723,747	5,024,545	30,824,862	11,270,011
Wakala fee		(62,505,775)	(63,350,671)	(129,810,808)	(128,917,564)
Takaful claims and acquisition expenses		(125,315,559)	(94,031,888)	(248,977,489)	(164,470,745)
Direct expenses	22	(12,519,082)	(22,534,763)	(25,713,912)	(35,356,893)
Underwriting results		(2,432,643)	5,773,428	(1,650,178)	38,384,752
Investment income	24	(1,457,811)	1,232,137	1,995,573	2,710,004
Other income	25	546,512	393,913	1,008,951	758,751
Result of operating activities-PTF		(3,343,942)	7,399,478	1,354,346	41,853,507
OPERATOR'S REVENUE ACCOUNT					
Wakala fee		62,505,775	63,350,671	129,810,808	128,917,564
Net commission and other acquisition costs	21	(23,874,332)	(14,959,739)	(45,862,206)	(36,180,054)
Management expenses	23	(24,770,832)	(26,681,829)	(48,384,792)	(51,128,199)
		13,860,611	21,709,103	35,563,810	41,609,311
Investment income	24	(2,427,739)	598,199	(611,453)	1,007,391
Other income	25	162,795	6,523	181,650	12,021
Other expense	26	(1,182,374)	(538,350)	(1,493,050)	(821,700)
Profit for the period		10,413,293	21,775,475	33,640,957	41,807,023

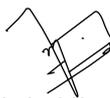
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Director



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Chief Financial Officer



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Director / President



Javaid Sadiq
Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Un-Audited			
	Quarter ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
----- Rupees -----				
PARTICIPANTS' TAKAFUL FUND (PTF)				
Results of operating activities- PTF	(3,343,942)	7,399,478	1,354,346	41,853,507
Other comprehensive income for the period				
Item to be re-classified to profit and loss account in subsequent period:				
Unrealized loss on revaluation of available for sale investment	(5,074,672)	-	(5,622,872)	-
Realized loss on revaluation of available for sale investment	-	-	5,101,569	-
	(5,074,672)	-	(521,303)	-
Total comprehensive (loss)/income for the period	(8,418,614)	7,399,478	833,043	41,853,507
OPERATOR'S FUND (OPF)				
Profit for the period	10,413,293	21,775,475	33,640,957	41,807,023
Other comprehensive income for the year				
Item to be re-classified to profit and loss account in subsequent period:				
Unrealized loss on revaluation of available for sale investment	(2,424,213)	-	(2,886,825)	-
Realized loss on revaluation of available for sale investment	-	-	3,613,304	-
Items not to be re-classified to profit and loss account in subsequent period:				
Actuarial (loss)/gain on defined benefit plan	-	(392,174)	-	480,164
	(2,424,213)	(392,174)	726,479	480,164
Total comprehensive income for the period	7,989,080	21,383,301	34,367,436	42,287,187

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



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CONDENSED INTERIM CASH FLOW STATEMENT

For the Six Months Period Ended June 30, 2018 (Un-Audited)

	Un-Audited			
	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2017
	PTF	OPF	Aggregate	Aggregate
----- Rupees -----				
OPERATING CASH FLOWS				
a) Underwriting activities				
Contribution received	481,519,890	-	481,519,890	212,727,958
Re-takaful contribution paid	(126,829,363)	(9,842,404)	(136,671,767)	(86,981,975)
Claims paid	(213,835,906)	-	(213,835,906)	(90,937,959)
Re-takaful and other recoveries received	16,124,219	-	16,124,219	68,188,214
Commission paid	-	(38,827,036)	(38,827,036)	(33,819,209)
Wakala fee paid/received	(129,810,808)	129,810,808	-	-
Rebate received	29,090,896	-	29,090,896	14,572,420
Management expenses paid	(16,860,610)	(44,086,418)	(60,947,028)	(63,301,913)
Net cash flow from underwriting activities	39,398,318	37,054,950	76,453,268	20,447,536
b) Other operating activities				
General expenses paid	-	(1,493,050)	(1,493,050)	(10,151,260)
Other operating (payments)/receipts	(32,284,826)	(43,222,964)	(75,507,790)	5,799,754
Loan to employees and agents	-	168,340	168,340	(919,882)
Net cash flows from other operating activities	(32,284,826)	(44,547,674)	(76,832,500)	(5,271,388)
Total cash flows from all operating activities	7,113,492	(7,492,724)	(379,232)	15,176,147
INVESTMENT ACTIVITIES				
Investment income received	1,163,317	(646,453)	516,864	3,086,377
Sale/(purchase) of investment & fixed deposits	20,833,926	13,311,677	34,145,603	(947,413)
Fixed capital expenditure	(2,269,500)	(2,121,271)	(4,390,771)	(8,799,511)
Net cash flow from investing activities	19,727,743	10,543,953	30,271,696	(6,660,547)
FINANCING ACTIVITIES				
Statutory reserve	-	-	-	-
Ijarah liability paid	-	(1,375,158)	(1,375,158)	(1,352,408)
Qarz e hasna	-	-	-	-
Total cash flow financing activities	-	(1,375,158)	(1,375,158)	(1,352,408)
Net cash flow from all activities	26,841,235	1,676,071	28,517,306	7,163,192
Cash and cash equivalents at the beginning of the period	23,948,759	3,429,683	27,378,442	14,999,226
Cash and cash equivalents at the end of the period	50,789,994	5,105,754	55,895,748	22,162,418

CONDENSED INTERIM CASH FLOW STATEMENT

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Un-Audited			
June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2017
PTF	OPF	Aggregate	Aggregate
----- Rupees -----			

Reconciliation of Profit and Loss Account

Net cash generated from underwriting activities	7,113,492	(7,492,724)	(379,232)	15,176,147
Depreciation	(7,844,351)	(1,366,408)	(9,210,759)	(11,730,439)
Rentals on car ijarah	-	(1,375,158)	(1,375,158)	(1,352,408)
Increase in assets other than cash	30,297,858	17,513,385	47,811,243	133,339,356
(Increase)/decrease in liabilities	(30,208,226)	26,973,315	(3,234,912)	(55,009,356)
Investment income	1,995,573	(611,453)	1,384,120	3,717,395
Profit for the year	1,354,346	33,640,957	34,995,303	84,140,694
Attributed to:				
Participant's takaful fund	1,354,346	-	1,354,346	41,853,507
Operator's fund	-	33,640,957	33,640,957	42,287,187
	1,354,346	33,640,957	34,995,303	84,140,694

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Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

PARTICIPANTS' TAKAFUL FUND (PTF)	Ceded money	Accumulated surplus	Available for sale reserves	Total
Balance as at January 01, 2017 (Restated)	500,000	(51,036,774)	129,820	(50,406,954)
Total comprehensive income				
Surplus for the period ended June 30, 2017	-	41,853,507	-	41,853,507
Other comprehensive income the period ended June 30, 2017	-	-	-	-
Balance as at June 30, 2017 (Un-Audited)	500,000	(9,183,267)	129,820	(8,553,447)
Total comprehensive income				
Surplus for the six months period ended December 31, 2017	-	19,533,362	-	19,533,362
Other comprehensive loss for the six months period ended December 31, 2017	-	-	(5,231,389)	(5,231,389)
	-	19,533,362	(5,231,389)	14,301,973
Balance as at December 31, 2017 (Audited)	500,000	10,350,095	(5,101,569)	5,748,526
Total comprehensive income				
Surplus for the period ended June 30, 2018	-	1,354,346	-	1,354,346
Other comprehensive loss for the period ended June 30, 2018	-	-	(521,303)	(521,303)
	-	1,354,346	(521,303)	833,043
Balance as at June 30, 2018 (Un-Audited)	500,000	11,704,441	(5,622,872)	6,581,569
OPERATOR'S FUND (OPF)	Statutory fund	Accumulated profit	Available for sale reserves	Total
Balance as at January 01, 2017 (Restated)	50,000,000	148,904,012	33,929	198,937,941
Total comprehensive income				
Profit for the period ended June 30, 2017	-	41,807,023	-	41,807,023
Other comprehensive income for the period ended June 30, 2017	-	-	-	-
	-	41,807,023	-	41,807,023
Balance as at June 30, 2017 (Un-Audited)	50,000,000	190,711,035	33,929	240,744,964
Total comprehensive income				
Profit for the six months period ended December 31, 2017	-	157,261,959	-	157,261,959
Other comprehensive loss for the six months period ended December 31, 2017	-	-	(3,647,233)	(3,647,233)
	-	157,261,959	(3,647,233)	153,614,726
Balance as at December 31, 2017 (Audited)	50,000,000	347,972,994	(3,613,304)	394,359,690
Total comprehensive income				
Profit for the period ended June 30, 2018	-	33,640,957	-	33,640,957
Other comprehensive income for the period ended June 30, 2018	-	-	726,479	726,479
	-	33,640,957	726,479	34,367,436
Balance as at June 30, 2018 (Un-Audited)	50,000,000	381,613,951	(2,886,825)	428,727,126

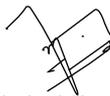
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Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (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 Act, 2017, and its shares are quoted on Pakistan Stock Exchange Limited. The Registered Office of the company is situated at 204, 2nd floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi, in the province of Sindh, and its Head Office is located in Lahore in the province of Punjab. 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 (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 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 AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and the requirements of the repealed Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 read with Circular No. 25 of 2015 issued on July 9, 2015 and the directives issued by SECP. Wherever the requirements of the repealed Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 read with Circular No. 25 of 2015 issued on July 9, 2015 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the repealed Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 read with Circular No. 25 of 2015 issued on July 9, 2015 or the requirements of the said directives take precedence.

This 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, 2017.

2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain financial instruments are carried at fair value.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

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

2.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Standards, Amendments or Interpretation		Effective date (Annual periods beginning on or after)
IFRS-15	Revenue from Contracts with Customers	01 July 2018
IFRS-9	Financial Instruments – Classification and measurement	01 July 2018
IFRS-16	Leases	01 January 2019
IFRIC-23	Uncertainty over Income Tax Treatments	01 January 2019

Amendments

IFRS-9	Financial Instruments – Prepayment Features with Negative Compensation (Amendments)	01 January 2019
IAS-19	Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS-28	Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019

Annual Improvements to IFRS Standards 2015–2017 Cycle

IFRS-3	Business Combinations – Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019
IFRS-11	Joint Arrangements – Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019
IAS-12	Income Taxes – Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019
IAS-23	Borrowing Costs – Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019
	Conceptual Framework for Financial Reporting	01 January 2020

2.4 Standards, interpretations, and amendments not effective at period end

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

IFRIC-22	Foreign Currency Transactions and Advance Consideration	
IAS-28	Investments in Associates and Joint Ventures– Annual Improvements to IFRS Standards 2014–2016 Cycle	01 January 2018
IFRS -1	First-time Adoption of International Financial Reporting Standards	01 January 2016
IFRS-14	Regulatory Deferral Accounts	01 January 2016
IFRS-17	Insurance Contracts	01 January 2021

Amendments

IFRS-2	Share-based Payment – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IAS-40	Investment Property – Transfers of Investment Property (Amendments)	01 January 2018
IFRS-4	Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	01 January 2018

The Company expects that the adoption of the above standards will have no material effect on the Company's condensed interim financial statements, in the period of initial application, except for IFRS 15 and IFRS 16. The management is in the process of determining the effect of application of IFRS 15 and IFRS 16.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the interim financial report as at June 30, 2018 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2017.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of 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 this 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, 2017.

Note	Un-Audited	Audited	Un-Audited	Audited
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	PTF	PTF	OPF	OPF
----- Rupees -----				

5 PROPERTY AND EQUIPMENT

Operating assets at net book value - Owned	5.1	40,689,734	46,264,585	20,736,473	19,981,610
		40,689,734	46,264,585	20,736,473	19,981,610

5.1 Operating assets at net book value - Owned

Opening net book value -owned		46,264,585	57,460,367	19,981,610	20,178,405
Add:Additions/transfers/reevaluation surplus made during the period at cost		2,269,500	10,373,925	2,121,271	2,500,004
Add: Accumulated depreciation reversed on disposals made during the period		-	-	-	-
Less:Accumulated depreciation reversed on matured assets made during the period		-	-	-	-
Less: Disposals made during the period at cost		-	-	-	-
Less: Depreciation for the period		7,844,351	21,569,707	1,366,408	2,696,799
		(5,574,851)	(11,195,782)	754,863	(196,795)
Closing net book value		40,689,734	46,264,585	20,736,473	19,981,610

6 EQUITY SECURITIES

The equity securities comprise of the following:

Available for sale

Listed shares - at cost		51,718,248	24,771,144	18,872,939	10,910,020
Less: unrealized loss on revaluation of investment		(4,685,778)	(4,135,364)	(2,160,139)	(2,876,730)
		47,032,470	20,635,780	16,712,800	8,033,290

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Note	Un-Audited	Audited	Un-Audited	Audited
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	PTF	PTF	OPF	OPF
----- Rupees -----				
Mutual fund certificates - at cost	7,243,465	9,244,537	5,617,068	7,618,141
Less: unrealized loss on revaluation of investment	(937,094)	(966,205)	(726,686)	(736,575)
	6,306,371	8,278,332	4,890,382	6,881,566
Closing balance	53,338,841	28,914,112	21,603,182	14,914,856

7 DEBT SECURITIES

The debt securities comprise of the following:

Govt of Pakistan ijarah Suuks - Held to maturity	61,938,042	62,046,973	20,047,406	20,078,987
	61,938,042	62,046,973	20,047,406	20,078,987

8 TERM DEPOSITS

The term deposits comprise of the following:

Deposits maturing within 12 months	-	46,000,000	-	20,000,000
Deposits maturing after 12 months	-	-	-	-
	-	46,000,000	-	20,000,000

9 LOANS AND OTHER RECEIVABLES

- Considered good

Receivable from related parties	2,280,554	1,456,049	-	-
Accrued investment income	921,976	1,754,231	453,075	373,044
Security deposits	23,315,368	20,196,503	1,209,000	1,174,000
Loans to employees	-	-	1,691,392	1,859,732
Branch balances	-	-	-	-
Wakala fee receivable	-	-	317,568,775	299,700,235
Advance tax	30,839,968	579,298	-	404,665
Other receivables	34,409,755	15,937,559	48,703,229	40,772,186
	91,767,621	39,923,640	369,625,471	344,283,862

10 TAKAFUL / RE-TAKAFUL RECEIVABLES

- Unsecured and considered good

Due from participants	10	77,069,830	233,891,193	-	-
Due from other Insurers / reinsurers contract holders		174,412,048	110,240,025	-	-
		251,481,878	344,131,218	-	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Note	Un-Audited	Audited	Un-Audited	Audited	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	
	PTF	PTF	OPF	OPF	
----- Rupees -----					
10.1	Due from participants	77,069,830	233,891,193	-	-
	Less: Provision for impairment of receivables from insurance contract holders	-	-	-	-
	Closing balance	77,069,830	233,891,193	-	-
11	PREPAYMENTS				
	Prepaid re-takaful contribution ceded	175,224,051	169,830,482	-	-
	Prepaid rent	-	-	-	-
		175,224,051	169,830,482	-	-
12	CASH & BANK				
	Cash and cash equivalents				
	- Cash in hand	-	-	511,225	136,226
	Cash at bank				
	- Current accounts	39,609,430	14,336,447	1,507,591	1,995,065
	- Saving accounts	11,180,564	9,612,312	3,086,938	1,298,392
		50,789,994	23,948,759	5,105,754	3,429,683
13	CEDED MONEY				
	Waqf money			500,000	500,000
	The amount of Rs. 500,000/- has been set apart for Waqf Fund/ Participant Takaful Fund as Waqf money according to the Waqf deed prepared for the purpose of creation of Waqf Fund/ Participant Takaful Fund.				
14	STATUTORY FUND				
	Statutory reserves			50,000,000	50,000,000

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 of Pakistan 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" .

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Note	Un-Audited	Audited	Un-Audited	Audited	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	
	PTF	PTF	OPF	OPF	
----- Rupees -----					
15	TAKAFUL / RETAKAFUL PAYABLES				
	Due to other insurers/re-insurers (contract holders)	66,193,604	29,895,051	27,718,331	37,560,735
16	OTHER CREDITORS AND ACCRUALS				
	Provision for government levies	-	-	-	-
	Payable to related parties	21,091,851	-	-	-
	Accrued expenses	-	-	-	-
	Wakala fee payable	317,568,775	299,700,234	-	-
	Others	6,964,397	27,526,865	17,901,515	35,032,427
		345,625,023	327,227,099	17,901,515	35,032,427
17	CONTINGENCY(IES) AND COMMITMENT(S)				
17.1	Contingency(ies)				
	There is no change in the status of contingent liabilities since the end of last annual reporting period December 31, 2017.				
17.2	Commitments in respect of operating Ijarah				
	There are following commitments on balance sheet date.				
	For future Ijarah rentals payable		17.2.1	1,890,097	3,036,062
	Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:				
17.2.1	Due within one year			1,890,097	2,750,316
	Due after one year but not later than five year			-	285,746
				1,890,097	3,036,062

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Note	Un-Audited		Un-Audited	
	Quarter Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
----- Rupees -----				
18	NET TAKAFUL CONTRIBUTION			
Written gross contribution	156,328,855	160,929,041	324,698,527	322,441,539
Add: Provision for unearned contribution - Opening	249,088,187	173,586,897	295,890,385	155,854,152
Less: Provision for unearned contribution - Closing	(189,813,342)	(184,465,756)	(189,813,342)	(184,465,756)
Contribution earned	215,603,700	150,050,182	430,775,570	293,829,935
Less: Re-takaful contribution ceded	43,673,697	44,080,444	163,127,916	70,986,385
Add: Prepaid re-takaful contribution - Opening	211,752,056	43,917,391	169,830,482	44,918,892
Less: Prepaid re-takaful contribution - Closing	(175,224,051)	(60,287,732)	(175,224,051)	(60,287,732)
Re-takaful expense	(80,201,702)	(27,710,103)	(157,734,347)	(55,617,545)
	135,401,998	122,340,079	273,041,223	238,212,390
19	NET TAKAFUL CLAIMS			
Claims Paid	96,904,451	65,722,576	213,835,906	90,937,959
Add: Outstanding claims including IBNR - Closing	200,312,658	57,481,492	200,312,658	57,481,492
Less: Outstanding claims including IBNR - Opening	(109,171,241)	(101,605,389)	(116,989,901)	(59,800,049)
Claims expense	188,045,868	21,598,679	297,158,663	88,619,402
Less: Reinsurance and other recoveries received	44,274,353	14,554,857	80,296,242	18,997,252
Add: Reinsurance and other recoveries in respect of outstanding claims - Closing	117,754,055	36,995,831	117,754,055	36,995,831
Less: Reinsurance and other recoveries in respect of outstanding claims - Opening	(50,516,071)	(65,657,771)	(50,883,177)	(14,196,873)
Reinsurance and other recoveries revenue	111,512,337	(14,107,083)	147,167,120	41,796,210
	76,533,531	35,705,762	149,991,543	46,823,192
20	NET REBATE ON RETAKAFUL			
Rebate received or recoverable	9,679,341	8,650,322	29,090,896	14,572,420
Add: Unearned re-takaful rebate - Opening	37,868,965	8,289,405	35,558,525	8,612,773
Less: Unearned re-takaful rebate - Closing	(33,824,559)	(11,915,182)	(33,824,559)	(11,915,182)
	13,723,747	5,024,545	30,824,862	11,270,011

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

Note	Un-Audited		Un-Audited		
	Quarter Ended		Six Months Ended		
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	
----- Rupees -----					
21	NET COMMISSION AND OTHER ACQUISITION COST				
	Commission paid or payable	16,643,209	16,304,394	38,827,036	33,819,209
	Add: Deferred commission expense - Opening	44,459,809	32,474,697	44,263,856	36,180,197
	Less: Deferred commission expense - Closing	(37,228,686)	(33,819,352)	(37,228,686)	(33,819,352)
	Net Commission	23,874,332	14,959,739	45,862,206	36,180,054
22	DIRECT EXPENSES				
	PTF	(12,519,082)	(22,534,763)	(25,713,912)	(35,356,893)
23	MANAGEMENT EXPENSES				
	OPF	(24,770,832)	(26,681,829)	(48,384,792)	(51,129,199)
24	INVESTMENT INCOME				
	Income from non-trading investments				
	Net investment income PTF	(1,457,811)	1,232,137	1,995,573	2,710,004
	Net investment income OPF	(2,427,739)	598,199	(611,453)	1,007,391
25	OTHER INCOME				
	PTF	546,512	393,913	1,008,951	758,751
	OPF	162,795	6,523	181,650	12,021
26	OTHER EXPENSES				
	OPF	(1,182,374)	(538,350)	(1,493,050)	(821,700)
27	COMPENSATION OF EXECUTIVES				
	Remuneration of key management personnel during the period	(10,639,932)	(9,936,825)	(17,647,158)	(18,497,100)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

28 SEGMENT REPORTING

The operator has four primary business segments for reporting purposes namely fire and Property damage, marine aviation & transport, motor, and health & miscellaneous.

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of contribution written by each segment.

2018 (Un-Audited)	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	HEALTH & MISC	TREATY	TOTAL
----- Rupees -----						
Gross written contribution (inclusive of Admin surcharge)	51,081,857	31,800,028	168,859,691	72,956,951	-	324,698,527
Takaful contribution earned	48,719,339	28,111,318	164,064,600	189,880,312	-	430,775,570
Takaful contribution ceded to retakaful	(31,242,215)	(12,914,259)	(17,743,936)	(95,833,937)	-	(157,734,347)
Net Takaful contribution	17,477,124	15,197,059	146,320,664	94,046,375	-	273,041,223
Net Rebate income	5,744,563	3,353,224	3,367,005	18,360,071	-	30,824,862
Net underwriting income	23,221,687	18,550,283	149,687,669	112,406,446	-	303,866,085
Takaful claims	(80,945,537)	(12,673,887)	(63,426,530)	(140,112,709)	-	(297,158,663)
Takaful claims recovered from retakaful	68,457,074	9,457,973	5,716,055	63,536,018	-	147,167,120
Net claims	(12,488,463)	(3,215,914)	(57,710,475)	(76,576,691)	-	(149,991,543)
Wakala fee	(20,420,971)	(12,702,696)	(67,517,272)	(29,169,869)	-	(129,810,808)
Direct expenses	(4,045,337)	(2,518,346)	(13,372,539)	(5,777,690)	-	(25,713,912)
contribution deficiency expense	-	-	-	-	-	-
Net Takaful claims and expenses	(36,954,771)	(18,436,956)	(138,600,286)	(111,524,250)	-	(305,516,263)
Underwriting results	(13,733,084)	113,327	11,087,383	882,196	-	(1,650,178)
Net investment income						1,995,573
Rental income						-
Other income						1,008,951
Other expenses						-
Result of operating activities-PTF						1,354,346
Wakala fee	20,420,971	12,702,696	67,517,272	29,169,869	-	129,810,808
Net Commission and other acquisition costs	(8,270,982)	(4,193,940)	(18,604,880)	(14,792,404)	-	(45,862,206)
Management expenses						(48,384,792)
Investment income						(611,453)
Other income						181,650
Other expenses						(1,493,050)
Profit for the year						33,640,957
Segment assets - (PTF)	135,948,742	31,677,154	175,586,816	237,144,247	-	580,356,958
Unallocated assets - (PTF)						262,627,258
Total assets - (PTF)						842,984,216
Segment assets - (OPF)	115,468,885	52,635,009	105,493,077	81,200,490	-	354,797,461
Unallocated assets - (OPF)						119,549,511
Total assets - (OPF)						474,346,972
Segment liabilities - (PTF)	252,992,120	77,780,562	236,820,562	240,753,156	-	808,346,399
Unallocated liabilities - (PTF)						28,056,248
Total liabilities - (PTF)						836,402,647
Segment liabilities - (OPF)	12,888,136	5,282,167	11,150,488	13,154,074	-	42,474,865
Unallocated liabilities - (OPF)						3,144,981
Total liabilities - (OPF)						45,619,846

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

28.1 SEGMENT REPORTING

The operator has four primary business segments for reporting purposes namely fire and Property damage, marine aviation & transport, motor, and health & miscellaneous.

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of contribution written by each segment.

2017 (Un-Audited)	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	HEALTH & MISC	TREATY	TOTAL
----- Rupees in thousand -----						
Gross written contribution (inclusive of Admin surcharge)	36,318,676	18,667,087	161,554,643	105,901,133	-	322,441,539
Takaful contribution earned	55,936,473	18,507,831	152,591,923	66,793,708	-	293,829,935
Takaful contribution ceded to retakaful	(32,134,587)	(10,534,563)	(5,665,893)	(7,282,502)	-	(55,617,545)
Net Takaful contribution	23,801,886	7,973,268	146,926,030	59,511,206	-	238,212,390
Net Rebate income	5,938,020	2,547,774	1,165,369	1,618,848	-	11,270,011
Net underwriting income	29,739,906	10,521,042	148,091,399	61,130,054	-	249,482,401
Takaful claims	(58,266,137)	(2,418,312)	(22,325,856)	(5,609,097)	-	(88,619,402)
Takaful claims recovered from retakaful	43,715,304	988,251	2,031,532	(4,938,877)	-	41,796,210
Net claims	(14,550,833)	(1,430,061)	(20,294,324)	(10,547,974)	-	(46,823,192)
Wakala fee	(14,516,642)	(7,457,339)	(64,593,446)	(42,350,137)	-	(128,917,564)
Direct expenses	(1,351,945)	(694,873)	(29,367,955)	(3,942,119)	-	(35,356,893)
contribution deficiency expense	-	-	-	-	-	-
Net Takaful claims and expenses	(30,419,420)	(9,582,273)	(114,255,725)	(56,840,230)	-	(211,097,649)
Underwriting results	(679,515)	938,769	33,835,674	4,289,825	-	38,384,752
Net investment income						2,710,004
Rental income						-
Other income						758,751
Other expenses						-
Result of operating activities-PTF						41,853,507
Operators' fund account						
Wakala fee	14,516,642	7,457,339	64,593,446	42,350,137	-	128,917,564
Net Commission and other acquisition costs	(14,835,015)	(2,879,175)	(15,248,445)	(3,217,419)	-	(36,180,054)
Management expenses						(51,128,199)
						52,291,279
Investment income						1,007,391
Other income						12,021
Other expenses						(821,700)
						41,807,023
Segment assets - (PTF)	33,845,090	17,395,712	150,551,508	98,688,437	-	300,480,747
Unallocated assets - (PTF)						194,105,683
Total assets - (PTF)						494,586,430
Segment assets - (OPF)	76,560,887	33,654,003	44,139,256	57,456,025	-	211,810,171
Unallocated assets - (OPF)						84,942,757
Total assets - (OPF)						296,752,928
Segment liabilities - (PTF)	141,861,656	40,422,718	143,494,205	142,637,905	-	468,416,484
Unallocated liabilities - (PTF)						34,853,213
Total liabilities - (PTF)						503,269,697
Segment liabilities - (OPF)	2,604,820	1,338,121	11,590,444	7,599,176	-	23,132,561
Unallocated liabilities - (OPF)						32,429,168
Total liabilities - (OPF)						55,561,729

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

29 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:

		(Un-Audited)	
		Six Months Ended	
		2018	2017
		----- Rupees -----	
Nature of relationship	Nature of transaction		
Balances at period end:			
Associated undertakings	[Payable] / Receivable at period end	(21,091,851)	16,918,159
Key management personnel	Loan to key management personnel at period end	1,515,685	1,963,685
Staff Provident Fund	Provident fund contribution payable	(1,269,702)	-
Staff retirement benefits plan	[Payable to] defined benefit plan at period end	-	(4,165,296)

		(Un-Audited)		(Un-Audited)	
		Quarter Ended		Six Months Ended	
		2018	2017	2018	2017
		----- Rupees -----			
Associated undertakings:	Motor tracking devices purchased during the period	1,360,000	1,370,500	2,269,500	7,905,115
	Device monitoring charges paid during the period	6,729,125	6,950,461	10,631,597	14,090,795
	Rental paid during the period	300,000	300,000	600,000	600,000
	Health service charges during the period	912,540	-	4,571,965	138,994
Key management personnel	Remuneration of key management personnel during the period	10,639,932	9,936,825	17,647,158	18,497,100
Staff retirement benefits plan	Provision for gratuity during the period	-	591,081	-	827,890
	Contribution paid during the period	1,648,290	-	2,081,467	-

		Un-Audited	
		Quarter Ended	Six Months Ended
		June 30, 2018	June 30, 2017
		----- Rupees -----	

30 CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified, wherever necessary, to comply with the requirements of the Insurance Rules, 2017 and for facilitate the comparison. Following reclassifications have been made which, however, have not been significant / material.

Reclassified from component	Reclassified to component		
Other expenses	Management expenses	4,853,498	9,329,560
Finance cost	Management expenses	664,829	1,352,408

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months Period Ended June 30, 2018 (Un-Audited)

31 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements have been authorized for issue on August 28, 2018 by the Board of Directors of the Company.

32 GENERAL

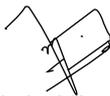
The figures in the financial statements have been rounded off to the nearest rupees.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director / President



Javaid Sadiq
Chairman

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