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## Company Information

### Board of Directors

Mr. Mohammed Basheer Janm oham med  
(Chairman)  
Mr. Muhammad Rafiq Tum bi  
Mr. Yameen Kerai  
Syed Naseerul Hassan  
Mr. Rizwan Abbas  
Mr. Muhammad Riaz  
Mr. Ahmed Sahhuddin  
(MD & Chief Executive Officer)

### Board Audit Committee

Mr. Yameen Kerai  
Mr. Rizwan Abbas  
Mr. Muhammad Rafiq Tum bi  
Syed Naseerul Hassan

### CFO & Company Secretary

Mr. Abdul Aziz Siwani

### Auditors

Ford Rhodes SifatHyder & Co  
Chartered Accountants

### Legal Advisor

Syed AliHyder

### Bankers

NB Bank Limited  
Habb Metropolitan Bank Limited

### Shares Registrar

FAMCO Associates (Pvt.) Ltd.  
State Life Building # 1-A, 1st floor  
LL Chundrigar Road Karachi Pakistan.

### Credit Rating

Triple B Plus BBB+ 'by JCR-VIS

### Registered & Head Office

8th Floor, Shaheen Complex  
M R Kiyani Road Karachi  
Tel# (92-21) 2219555-60  
Fax # (92-21) 2219561

## Directors' Review

The Directors of your Company would like to present the financial statements for your Company for the half year ended 30 June 2009. The auditors of the Company have performed the limited scope review on these financial statements.

### Business Review

We are happy to report that the Company this year has a half year profit of Rs.21.5 million compared to loss of Rs.12.7 million in the same period last year. We hope that the management will be able to maintain this pace and carried forward losses will be wiped out in due course.

The Directors are pleased to report that the gross premium written for half year 2009 is Rs.317.5 million as compared to Rs.260.3 million for the corresponding period of last year showing a growth of 22%. The general insurance industry is showing improved results this year as no major untoward incident has taken place and your Company has taken preventive measures such as writing premiums carefully, ascertaining the loss ratio of those concerned and adopted a conservative policy of refusing to write premium that appear to have negative records generally to the industry. The insurance industry will continue to face challenges because of operations being carried out by the Government against terrorism in the country but we hope in long run the industry will benefit by good law and order situation.

### Financial Highlights

The comparative financial highlights of your Company for the half year ended 30 June 2009 are as follows:

	2009	2008	Variance %
	(Rupees in thousand)		
Gross Premium Written	317,552	260,323	22.0
Net Premium Revenue	99,949	121,287	17.6
Net Claims including BNR	60,670	81,565	25.6
Management Expenses charged to Revenue Accounts	26,700	37,683	29.1
Profit from underwriting business	12,990	588	
Investment & Other Income	12,434	3,594	245.8
Disposal on sale of fixed assets	8,972	0	100.0
Profit after Taxation	21,521	(12,658)	270.0
Profit per share (Rupees)	0.61	(0.36)	

### Acknowledgement

In the end, we are grateful to our valued clients of their confidence placed in our Company. We would also like to take this opportunity to thank and place on record the guidance and support made by the Securities & Exchange Commission of Pakistan, Stock Exchanges and especially to all our panel of reinsurance companies. We also thank the CEO, the management and all our staff members for their sincere and dedicated services.

Mohammed Basheer Janmohammed  
Chairman

Karachi: 29 April 2009

## Auditors' report to the members on review of Interim financial information

### Introduction

We have reviewed the accompanying interim condensed balance sheet of PICIC Insurance Limited as at 30 June 2009 and the related interim condensed profit and loss account, interim condensed statements of changes in equity, cash flows, premiums, claims, expenses and investment income and explanatory notes (hereinafter referred to as the "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

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

### Conclusion

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

Karachi: 31 August 2009

**Ford Rhodes Sidat Hyder & Co.**  
Chartered Accountants

## Interim Condensed Balance Sheet

As at 30 June 2009

	(Un-audited) 30 June 2009	(Audited) 31 December 2008
Note		
	(Rupees in thousand)	
<b>Share capital and reserves</b>		
Authorised share capital		
50,000,000 Ordinary shares of Rs.10/- each	500,000	500,000
Issued, subscribed and paid up capital		
35,000,000 Ordinary shares of Rs.10/- each	350,000	350,000
Accumulated loss	(119,523)	(141,044)
	230,477	208,956
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	151,054	155,531
Provision for unearned premium	263,141	162,378
Commission income unearned	26,388	14,669
	440,583	332,578
<b>Creditors and accruals</b>		
Amounts due to other insurers / re-insurers	255,653	107,854
Sundry creditors and accruals	93,490	50,228
	349,143	158,082
<b>Borrowing</b>		
Liabilities against assets subject to finance lease	-	4,425
<b>Other liability</b>		
Unclaimed dividend	195	195
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,020,398</b>	<b>704,236</b>

### CONTINGENCY

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The annexed notes from 1 to 11 form an integral part of these interim condensed financial statements.

Mohammed Basheer Jammohammed  
Chairman

Yameen Kerai  
Director

		(Un-audited) 30 June 2009	(Audited) 31 December 2008
	Note		
(Rupees in thousand)			
<b>Cash and bank deposits</b>			
Cash and other equivalent		353	399
Current and other accounts		65,380	52,011
Deposits maturing within 12 months		115,000	135,000
		180,733	187,410
<b>Investments</b>	5	40,984	37,107
<b>Security deposits</b>		3,115	6,357
<b>Other assets</b>			
Premiums due but unpaid		377,405	167,964
Amounts due from other insurers / re-insurers		69,090	78,086
Accrued interest		7,235	2,781
Re-insurance recoveries against outstanding claims		67,192	61,962
Taxation - payments less provision		10,706	9,974
Deferred commission expense		23,304	16,005
Deferred acquisition costs		48,435	35,660
Prepayments - prepaid re-insurance premium ceded		172,263	82,020
- others		15,367	5,194
		790,997	459,646
<b>Fixed assets</b>			
<b>Tangible</b>	6		
<b>Owned</b>			
Furniture and fixture		1,668	2,367
Office equipment		1,454	1,886
Computers		737	1,145
Motor vehicles		293	5,356
<b>Leased</b>			
Motor vehicles		-	2,962
<b>Intangible - Computer software</b>		417	-
		4,569	13,716
<b>TOTAL ASSETS</b>		1,020,398	704,236

Muhammad Rafiq Tumbi  
Director

Ahmed Sahhuddin  
MD & Chief Executive Officer

## Interim Condensed Profit and Loss Account

For the half year ended 30 June 2009

(Unaudited)

	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Quarter ended 30 June 2009 Aggregate	30 June 2008 Aggregate
	(Rupees in thousand)						
<b>Revenue account</b>							
Net premium revenue	3,892	5,852	26,164	9,658	4,448	50,014	48,282
Net claims	2,720	(3,949)	(13,991)	(10,023)	(3,606)	(28,849)	(26,093)
Management expenses	(1,552)	2,575	(2,817)	1,144	(3,377)	(4,027)	(21,594)
Net commission	313	(836)	(3,907)	30	(128)	(4,528)	(2,407)
	1,481	(2,210)	(20,715)	(8,849)	(7,111)	(37,404)	(50,094)
<b>Underwriting results</b>	5,373	3,642	5,449	809	(2,663)	12,610	(1,812)
Investment income / (loss)						1,951	(2,421)
Return on bank balances						3,304	830
Gain on disposal of fixed assets						8,972	-
						26,837	(3,403)
General and administration expenses						(6,925)	(9,260)
Financial charges						(137)	(220)
<b>Net profit / (loss) for the period</b>						19,775	(12,883)

	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Half year ended 30 June 2009 Aggregate	30 June 2008 Aggregate
	(Rupees in thousand)						
<b>Revenue account</b>							
Net premium revenue	12,999	12,166	46,458	19,885	8,441	99,949	121,287
Net claims	2,900	(6,877)	(29,327)	(20,637)	(6,729)	(60,670)	(81,565)
Management expenses	(8,205)	(3,567)	(7,457)	(699)	(6,772)	(26,700)	(37,683)
Net commission	1,888	437	(4,003)	(319)	2,408	411	(1,451)
	(3,417)	(10,007)	(40,787)	(21,655)	(11,093)	(86,959)	(120,699)
<b>Underwriting results</b>	9,582	2,159	5,671	(1,770)	(2,652)	12,990	588
Investment income						3,269	1,980
Return on bank balances						9,165	1,614
Gain on disposal of fixed assets						8,972	-
						34,396	4,182
General and administration expenses						(12,640)	(16,450)
Financial charges						(235)	(390)
<b>Net profit / (loss) for the period</b>						21,521	(12,658)
<b>Earnings / (loss) per share - basic and diluted (Rupee)</b>						0.61	(0.63)

The annexed notes from 1 to 11 form an integral part of these interim condensed financial statements.

Mohammad Basheer Jamil Mohammad Yameen Kerai Muhammad Rafiq Tumbi Ahmed Sabhuddin  
Chairman Director Director MD & Chief Executive Officer

## Interim Condensed Statement of Changes in Equity

For the half year ended 30 June 2009  
(Unaudited)

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	(Rupees in thousand)		
Balance as at 01 January 2008	200,000	(87,792)	112,208
Net loss for the period	-	(12,658)	(12,658)
<b>Balance as at 30 June 2008</b>	<b>200,000</b>	<b>(100,450)</b>	<b>99,550</b>
Balance as at 01 January 2009	350,000	(141,044)	208,956
Net profit for the period	-	21,521	21,521
<b>Balance as at 30 June 2009</b>	<b>350,000</b>	<b>(119,523)</b>	<b>230,477</b>

The annexed notes from 1 to 11 form an integral part of these interim condensed financial statements.

Mohammed Basheer Jarrah Mohammed Yameen Kerai Muhammad Rafiq Tumbi Ahmed Sabhuddin  
Chairman Director Director MD & Chief Executive Officer



## Interim Condensed Statement of Cash Flows

For the half year ended 30 June 2009

(Unaudited)

	30 June 2009	30 June 2008
	(Rupees in thousand)	
<b>OPERATING ACTIVITIES</b>		
<b>a) Underwriting activities</b>		
Premiums received	253,630	266,822
Re-insurance premiums paid	(187,091)	(118,548)
Claims paid	(125,424)	(187,698)
Re-insurance and other recoveries received	55,047	61,418
Commission paid	(16,519)	(22,055)
Commission received	14,053	(7,030)
Net cash used in underwriting activities	(6,304)	(7,091)
<b>b) Other operating activities</b>		
Income tax paid	(732)	(5,890)
General management expenses paid	(29,230)	(55,270)
Operating payments - net	23,522	1,464
Net cash used in other operating activities	(6,440)	(59,696)
<b>Total cash used in all operating activities</b>	(12,744)	(66,787)
<b>INVESTMENT ACTIVITIES</b>		
Profit / return received	4,412	2,046
Dividend received	554	103
Payments for investments	(47,841)	(3)
Proceeds from sale / redemption of investments	46,734	40,000
Fixed capital expenditure	(763)	(1,898)
Proceeds from disposal of assets	5,739	-
<b>Total cash inflow from investing activities</b>	8,835	40,248
<b>FINANCING ACTIVITIES</b>		
Payments on finance leases	(2,768)	(1,801)
<b>Net cash used in all activities</b>	(6,677)	(28,340)
Cash at the beginning of the period	187,410	60,747
<b>Cash at the end of the period</b>	180,733	32,407
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(12,744)	(66,787)
Depreciation	(1,658)	(4,847)
Gain / (loss) on disposal of fixed assets	8,972	(6)
Financial charges	(64)	(205)
Investment income	3,269	1,980
Return on bank balances	9,165	1,614
Increase in assets other than cash	222,354	98,653
Increase in liabilities	(207,773)	(43,060)
<b>Profit / loss after taxation</b>	21,521	(12,658)
<b>Definition of cash</b>		
Cash comprises of cash in hand and at banks, stamps in hand and short term placements with banks		
<b>Cash for the purpose of statement of cash flows consists of:</b>		
<b>Cash and other equivalent</b>		
Cash in hand	253	218
Stamps in hand	100	286
	353	504
<b>Current and other accounts</b>		
Current accounts	16,712	12,445
Saving accounts	48,668	16,958
	65,380	29,403
<b>Deposits maturing within 12 months</b>	115,000	2,500
	180,733	32,407

The annexed notes from 1 to 11 form an integral part of these interim condensed financial statements.

Moham m ed Basheer Janm oham m ed Yam een Kerai Muham m ad Rafiq Tum bi Ahmed Sabhuddin  
Chairman Director Director MD & Chief Executive Officer

## Interim Condensed Statement of Premiums

For the half year ended 30 June 2009  
(Unaudited)

Business underwritten inside Pakistan

Business underwritten inside Pakistan											
Class	Premiums written	Unearned premium reserve		Premiums earned	Re-insurance ceded	Prepaid re-insurance premium ceded		Re-insurance expense	Net premium revenue		
		Opening	Closing			Opening	Closing		30 June 2009	30 June 2008	
Direct and facultative											
1.	Fire and property	59,525	40,456	73,651	26,330	50,059	32,087	59,708	22,438	3,892	5,632
2.	Marine, aviation and transport	71,256	2,721	63,309	10,668	59,461	2,946	57,591	4,816	5,852	4,920
3.	Motor	46,232	43,380	62,814	26,798	889	553	808	634	26,164	28,077
4.	Accident and health	22,705	12,946	24,853	10,798	21,893	96	20,849	1,140	9,658	5,561
5.	Miscellaneous	48,413	18,362	38,514	28,261	41,669	15,451	33,307	23,813	4,448	4,092
		248,131	117,865	263,141	102,855	173,971	51,133	172,263	52,841	50,014	48,282

Class	Premiums written	Unearned premium reserve		Premiums earned	Re-insurance ceded	Prepaid re-insurance premium ceded		Re-insurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		30 June 2009	30 June 2008
Direct and facultative										
1. Fire and property	85,199	47,691	73,651	59,239	69,502	36,446	59,708	46,240	12,999	15,842
2. Marine, aviation and transport	78,919	21,603	63,309	37,213	63,370	19,288	57,591	25,047	12,166	10,096
3. Motor	70,269	45,140	62,814	52,595	3,230	3,715	808	6,137	46,458	68,411
4. Accident and health	27,314	18,630	24,853	21,091	21,918	137	20,849	1,206	19,885	17,148
5. Miscellaneous	55,851	29,314	36,514	46,651	49,063	22,454	33,307	38,210	8,441	9,790
	317,552	162,378	263,141	216,789	207,083	82,020	172,263	116,840	99,949	121,287

The annexed notes from 1 to 11 form an integral part of these interim condensed financial statements.

**Mohammed Basheer Janmohammed**  
Chairman

**Yameen Kera**  
Director

**Muhammad Rafiq Tumbi**  
Director

**Ahmed Salahuddin**  
MD & Chief Executive Officer

## Interim Condensed Statement of Claims

For the half year ended 30 June 2009  
(Unaudited)

Business underwritten inside Pakistan

Business underwritten inside Pakistan											
Class	Claims paid	Outstanding claims		Claims expense	Re-insurance and other recoveries received (Recoveries in Insurance)		Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net claims expense	
		Opening	Closing		Opening	Closing	Opening	Closing		Quarter ended 30 June 2009	Quarter ended 30 June 2008
Direct and facultative											
1. Fire and property	23,407	40,676	31,093	13,824	18,285	26,543	24,802	16,544		(2,720)	1,267
2. Marine, aviation and transport	7,832	14,725	17,353	10,460	5,277	8,827	10,061	6,511		3,949	1,825
3. Motor	15,551	53,830	52,766	14,487	44	892	1,344	496		13,991	16,242
4. Accident and health	10,023	13,570	13,570	10,023	-	-	-	-		10,023	5,943
5. Miscellaneous	9,228	35,381	36,272	10,119	5,965	30,437	30,985	6,513		3,606	816
	66,041	158,182	151,054	58,913	29,571	66,699	67,192	30,064		28,849	26,093

Class	Claims Paid	Outstanding claims		Claims expense	Re-insurance and other recoveries received		Re-insurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net claims expense	
		Opening	Closing		Opening	Closing	Opening	Closing		Half year ended 30 June 2009	Half year ended 30 June 2008
Direct and facultative											
1. Fire and property	49,794	55,737	31,093	25,150	39,520	36,272	24,802	28,050	(2,900)	4,081	
2. Marine, aviation and transport	13,874	13,505	17,353	17,722	8,806	8,022	10,061	10,845	6,877	4,941	
3. Motor	30,037	52,535	52,766	30,268	107	510	1,344	941	29,327	56,516	
4. Accident and health	20,217	13,150	13,570	20,637	-	-	-	-	20,637	13,868	
5. Miscellaneous	11,502	20,604	36,272	27,170	6,614	17,158	30,985	20,441	6,729	2,159	
	125,424	155,531	151,054	120,947	55,047	61,962	67,192	60,277	60,670	81,565	

The annexed notes from 1 to 11 form an integral part of these interim condensed financial statements.

**Mohammed Basheer Janmohammed**  
Chairman

**Yameen Kerai**  
Director

**Muhammad Rafiq Tumbi**  
Director

**Ahmed Salahuddin**  
MD & Chief Executive Officer

## Interim Condensed Statement of Expenses

For the half year ended 30 June 2009  
(Unaudited)

Business underwritten inside Pakistan

Class	Commission paid or payable	Deferred commission Opening	Deferred commission Closing	Net commission expense	Other management expenses	Underwriting expense	Commission from re-insurers *	Underwriting expense Quarter ended 30 June 2009	Underwriting expense 30 June 2008
<b>Direct and facultative</b>									
1. Fire and property	8,608	6,444	10,335	4,717	1,552	6,269	5,030	1,239	4,258
2. Marine, aviation and transport	5,860	175	4,724	1,311	(2,575)	(1,264)	475	(1,739)	4,203
3. Motor	4,566	4,920	5,927	3,559	2,817	6,376	(348)	6,724	8,828
4. Accident and health	190	24	110	104	(1,144)	(1,040)	134	(1,174)	2,288
5. Miscellaneous	3,207	1,195	2,208	2,194	3,377	5,571	2,066	3,505	4,454
	22,431	12,758	23,304	11,885	4,027	15,912	7,357	8,555	24,001
<b>Indirect</b>									
1. Fire and property	12,182	7,862	10,335	9,709	8,205	17,914	11,597	6,317	7,259
2. Marine, aviation and transport	6,891	1,695	4,724	3,862	3,567	7,429	4,299	3,130	5,236
3. Motor	6,137	4,319	5,927	4,529	7,457	11,986	526	11,460	16,976
4. Accident and health	292	291	110	473	699	1,172	154	1,018	4,341
5. Miscellaneous	3,712	1,838	2,208	3,342	6,772	10,114	5,750	4,364	5,322
	29,214	16,005	23,304	21,915	26,700	48,615	22,326	26,289	39,134

\* Commission from reinsurers is arrived after taking impact of opening and closing unearned commission.

The annexed notes from 1 to 11 form an integral part of these interim condensed financial statements.

**Mohammed Basheer Janmohammed**  
Chairman

**Yameen Kerai**  
Director

**Muhammad Rafiq Tumbi**  
Director

**Ahmed Salahuddin**  
MD & Chief Executive Officer

## Interim Condensed Statement of Investment Income

For the half year ended 30 June 2009  
(Unaudited)

	Quarter ended		Half year ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	(Rupees in thousand)			
<b>Income from investments classified as investments at fair value through profit and loss account</b>				
Gain on sale of securities	130	282	862	656
Net unrealised (loss) / gain on revaluation of investments	(1,041)	(2,786)	(473)	1,224
Dividend income	534	85	554	103
Return on Government securities	2,371	-	2,371	-
	<u>1,994</u>	<u>(2,419)</u>	<u>3,314</u>	<u>1,983</u>
Investment related expenses	(43)	(2)	(45)	(3)
<b>Net investment income / (loss)</b>	<u>1,951</u>	<u>(2,421)</u>	<u>3,269</u>	<u>1,980</u>

The annexed notes from 1 to 11 form an integral part of these interim condensed financial statements.

**Mohammed Basheer Janmohammed** Chairman  
**Yameen Kerai** Director  
**Muhammad Rafiq Tumbi** Director  
**Ahmed Salahuddin** MD & Chief Executive Officer

## Notes to the Interim Condensed Financial Statements

For the half year ended 30 June 2009  
(Unaudited)

### 1. STATUS AND NATURE OF BUSINESS

PICIC Insurance Limited (the Company) was incorporated on 23 April 2004 under the Companies Ordinance, 1984 as a public limited company and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. It is engaged in providing all classes of non-life insurance business. The Company is listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at Shaheen Complex, M.R. Kiyani Road, Karachi. The Company operates with 9 (31 December 2008: 8) branches in Pakistan.

### 2. BASIS OF PREPARATION

These interim condensed financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and comply with the format prescribed by the SECP in its Circular No. 7 of 2003.

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

### 3. ACCOUNTING POLICIES

The accounting policies adopted in preparation of these interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended 31 December 2008. Further, during the period, following new / revised standards, amendments and interpretations to accounting standards became effective:

IAS 1 - Presentation of Financial Statements (Revised)

IAS 23 - Borrowing Costs (Revised)

IAS 32 - Financial Instruments: Presentation - Amendments regarding puttable Financial Instruments

IAS 39 - Financial Instruments: Recognition and measurement - Amendments regarding Eligible Hedge items

IFRS 2 - Share Based Payment - Vesting Conditions and Cancellations

IFRS 4 - Insurance Contracts

IFRS 8 - Operating Segments

IFRIC 13 - Current Loyalty Programs

IFRIC 15 - Agreements for the Construction of Real Estate

Adoption of the above standards, amendments and interpretations did not affect the accounting policies of the Company for the purposes of these interim condensed financial statements.

IFRS-4 " Insurance Contracts" became effective for the current accounting year. The standard applies to insurance contracts that the Company issues and to reinsurance contracts it holds. However, the SECP has deferred various requirements of this standard through its Circular No. 22/2009 for the first three quarters of 2009. Accordingly, the Company would adopt the said standard for the purpose of preparing the annual financial statements for the year ending 31 December 2009.

### 4. CONTINGENCY

During the period the taxation officer has passed an order alongwith notice of demand under section 161/205 of the Income Tax Ordinance, 2001, on account of non deduction of withholding tax on payments of insurance premium to non-resident reinsurer for tax year 2009. The Company has filed a writ petition along with other insurance companies in the High Court of Sindh against the order on which the stay has been granted by the Court. The Company has also filed an appeal with the Commissioner Income Tax (Appeals) which is pending adjudication. The tax impact of the above amounts to Rs. 5.48 million against which no provision is considered necessary in these interim condensed financial statements, as the Company is confident of favourable outcome.

		30 June 2009	31 December 2008
	Note	(Rupees in thousand) (Un-audited)	(Rupees in thousand) (Audited)
<b>5. INVESTMENTS - at fair value through profit and loss account</b>			
Mutual funds	5.1	491	129
Listed shares	5.2	7,765	1,704
Government securities	5.3	32,728	35,274
		<u>40,984</u>	<u>37,107</u>
<b>5.1 Mutual funds-close ended</b>			
Golden Arrow Fund		148	129
Pakistan Strategic Fund		343	-
		<u>491</u>	<u>129</u>
<b>5.2 Listed shares</b>			
National Bank of Pakistan		5,631	-
The Bank of Khyber Limited		35	60
GlaxoSmithKline Limited		1,048	699
Oil and Gas Development Company Limited		786	526
Arif Habib Securities Limited		259	415
Arif Habib Bank Limited		6	4
		<u>7,765</u>	<u>1,704</u>
<b>5.3 Government securities - market treasury bills</b>			
These securities are deposited with State Bank of Pakistan in compliance with the requirements of section 29 of the Insurance Ordinance, 2000. These carry rate of return of 14% (31 December 2008: 12%) per annum and will mature in January 2010.			
<b>6. FIXED ASSETS</b>			
Opening book value		13,716	21,611
Additions during the period / year - at cost		763	2,013
Disposal / adjustment during the period / year		<u>(8,252)</u>	<u>(81)</u>
		6,227	23,543
Depreciation / amortisation for the period / year		<u>(1,658)</u>	<u>(9,827)</u>
Closing book value		<u>4,569</u>	<u>13,716</u>
<b>7. TAXATION</b>			
Deferred tax amounting to Rs.57.80 (31 December 2008: Rs.59.71) million including Rs.39.78 (31 December 2008: Rs.45.06) million in respect of tax losses of Rs. 113.66 (31 December 2008: Rs.128.74) million has not been recognised in these interim condensed financial statements in accordance with the accounting policy as disclosed in note 5.12 to the annual financial statements of the Company for the year ended 31 December 2008.			
<b>8. TRANSACTIONS WITH RELATED PARTIES</b>			
Related parties of the Company comprise of associated entities, entities under common control or influence, entities with common directors, major shareholders, directors and key management personnel. The transactions with related parties, are as follows:			
		30 June 2009	31 December 2008
		(Rupees in thousand) (Un-audited)	(Rupees in thousand) (Audited)
<b>Balances outstanding at period / year end</b>			
Bank deposits		110,175	92,020
Premiums due but unpaid		7,895	9,230
Liabilities against assets subject to finance lease		-	4,525

	30 June 2009 (Un-audited)	30 June 2008 (Un-audited)
<b>Transactions for the period</b>		
Premium income	6,462	29,622
Claims paid	3,534	7,002
Lease payments	2,768	1,801
Sale of fixed assets	3,655	-
Return on bank deposits	4,113	1,472
Rent expenses	60	60
Bank charges	171	184
Remuneration of key management personnel	13,841	15,489
Contribution for - staff provident fund	1,413	1,206
- staff gratuity fund	-	2,505

#### 9. SEGMENT REPORTING

	Segment assets	30 June 2009 (Un-audited) Unallocated assets	Total assets	Segment assets	31 December 2008 (Audited) Unallocated assets	Total assets
<b>(Rupees in thousand)</b>						
Fire and property	296,395	-	296,395	194,214	-	194,214
Marine, aviation and transport	151,259	-	151,259	63,382	-	63,382
Motor	99,610	-	99,610	74,868	-	74,868
Accident and health	52,191	-	52,191	13,541	-	13,541
Miscellaneous	158,234	-	158,234	95,695	-	95,695
Unallocated	-	262,709	262,709	-	262,536	262,536
<b>Total</b>	<b>757,689</b>	<b>262,709</b>	<b>1,020,398</b>	<b>441,700</b>	<b>262,536</b>	<b>704,236</b>

The information regarding segments results have been disclosed in the profit and loss account and related statements.

#### 10. GENERAL

Figures for the quarter ended 30 June 2009 and 30 June 2008 have not been subject to limited scope review by the statutory auditors.

#### 11. AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors of the Company on 31 August 2009.

<b>Mohammed Basheer Janmohammed</b> Chairman	<b>Yameen Kerai</b> Director	<b>Muhammad Rafiq Tumbi</b> Director	<b>Ahmed Salahuddin</b> MD & Chief Executive Officer
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Branch Network	Branch Head / Incharge	Details
Karachi Corporate Branch	Mr. Aseem Ahmed	Suit No.E-1,Executive Floor, Glass Tower, Main Clifton Road, Karachi. TEL : 021-565 3394-5,565 5612-3 & 563 9713 FAX : 021-565 4764
Lahore Branch	Mr. Nadeem Quraishi	3rd Floor, PICIC House, 14-A, Shahrah-e-Aiwan-e-Tijarat, Lahore. TEL :042-920 3890 & 920 3670-1 FAX : 042-920 3714
Islamabad Branch	Mr. Muhammed Iftikhar Awan	4th Floor Malik Complex, 80-West Jinnah Avenue, Blue Area, Islamabad TEL : 051-287 0613 -14, 227 1974, 287 6452 & 287 7020 FAX : 051-287 0621
Multan Branch	Mr. Muhammed Waheed Zafar	Ground floor, Commercial Plaza No. 1 Opp.Civil Hospital, Multan TEL : 061-458 9398 - 99 & 458 6665 FAX : 061-458 5896
Faisalabad Branch	Mr. Sajjad Ali	State Life Building, 12th Floor, 2 Lquat Raod, Faisalabad. TEL :041-254 0418-21 FAX : 041-254 0423
Hyderabad Branch	Mr. Adil Abbas	State Life Building, No. 1, Gul Center, Fatima Jinnah Road, Hyderabad TEL :022-272 0753 FAX :022-272 0578
Sukkur Branch	Mr. Muhammed Jamshed	Mezanine Floor , Madina Complex, Opp.Makki Masjid, Minara Road, Sukkur. TEL : 071-562 7263 FAX :071-562 7283
Rahim Yar Khan Branch	Mr. Muhammad Nadeem Zia	1st Floor , Near Saudi Pak Commercial Bank Ltd 26-Shahi Road, Rahim Yar Khan. Tel :06858-83055 & 73083 Cell :0300-9670626
Bahawalpur Branch	Mr. Muhammad Azam Sabir	1st Floor , Aga Khan Lab, Circular Road, Bahawalpur. Cell :0300-6809913 & 0321-6815829