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Company Information

Board of Directors	<p>Mr. Mohammed Basheer Janmohammed (Chairman)</p> <p>Mr. Muhammad Rafiq Tumbi</p> <p>Mr. Yameen Kerai</p> <p>Syed Naseer ul Hassan</p> <p>Mr. Rizwan Abbas</p> <p>Mr. Muhammad Riaz</p> <p>Mr. Ahmed Salahuddin (MD & Chief Executive Officer)</p>
Board Audit Committee	<p>Mr. Yameen Kerai</p> <p>Mr. Rizwan Abbas</p> <p>Mr. Muhammad Rafiq Tumbi</p> <p>Syed Naseer ul Hassan</p>
CFO & Company Secretary	Mr. Abdul Aziz Siwani
Auditors	Ford Rhodes Sidat Hyder & Co Chartered Accountants
Legal Advisor	Syed Ali Hyder
Bankers	<p>NIB Bank Limited</p> <p>Habib Metropolitan Bank Limited</p> <p>Bank Al Habib Limited</p> <p>JS Bank Limited</p>
Shares Registrar	<p>FAMCO Associates (Pvt.) Ltd.</p> <p>State Life Building # 2-A, 4th Floor</p> <p>I.I Chundrigar Road</p> <p>Karachi, Pakistan</p>
Credit Rating	Triple B Plus 'BBB+' by JCR-VIS
Registered & Head Office	<p>8th Floor , Shaheen Complex</p> <p>M.R Kiyani Road Karachi</p> <p>Tel # (92-21) 221 9555-60</p>

Directors' Report

The Directors of your Company would like to present the un-audited financial statements for the quarter ended 31 March 2009.

Business Review

The Directors are pleased to report profit after tax of Rs.1.7 million in Q1 2009 compared to Rs.0.2 million in the same period last year. The Directors have directed the management to take a number of steps in order to show continuing profitability quarter on quarter. The marketing staff have been given challenging and aggressive targets and underwriting processes have been strengthened. Also, the company continues to move away from those niches of business which contributed to underwriting losses in the past. Most importantly, the company is embarking on a major cost optimization exercise covering all areas of expenses with strict quarterly targets to be revisited in case premium generation falls short of agreed upon targets.

Despite lower gross and net premiums in the first quarter of 2009 compared to the same period last year, the company has managed to reduce the impact on its underwriting results by contained the impact of improved claims ratio from 76.0% in Q1 2008 to 63.7% in Q1 2009. This has resulted from stricter underwriting and exiting from lines of business with higher claims ratios like bank financed motor. The shortfall in underwriting results during Q1 2009 has been firstly compensated by timely investments in high yielding investments and secondly by tighter control on general and administrative expenses compared to Q1 2008.

Financial Highlights

The comparative financial highlights of your Company for the Quarter ended 31 March 2009 are as follows:

	2009	2008	Variance %
	(Rupees in thousand)		
Gross Premium Written	69,421	160,429	(56.7)
Net Premium Revenue	49,935	73,005	(31.6)
Net Claims including IBNR	31,821	55,472	42.6
Management Expenses charged to Revenue Accounts	22,673	16,089	40.9
Profit from underwriting business	380	2,400	(84.2)
Investment & Other Income	7,179	5,185	38.5
Profit before Taxation	1,746	225	675.6
Profit after Taxation	1,746	225	675.6
Profit per share (Rupee)	0.05	0.01	400.0

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 all our staff members for their sincere and dedicated services.

For and on behalf of the Board

Mohammed Basheer Janmohammed
Chairman

Ahmed Salahuddin
MD & Chief Executive Officer

Karachi: 29 April 2009

Interim Condensed Balance Sheet

As at 31 March 2009

	Unaudited 31 March 2009	Audited 31 December 2008
	(Rupees in thousand)	
Share capital and reserves		
Authorised share capital [50,000,000 (2008: 50,000,000) Ordinary shares of Rs. 10/- each]	<u>500,000</u>	<u>500,000</u>
Paid-up share capital 35,000,000 (2008: 20,000,000) Ordinary shares of Rs. 10/- each]	350,000	350,000
Accumulated loss	(139,298)	(141,044)
	210,702	208,956
Underwriting provisions		
Provision for outstanding claims (including IBNR)	158,182	155,531
Provision for unearned premium	117,865	162,378
Commission income unearned	8,372	14,669
	284,419	332,578
Creditors and accruals		
Amounts due to other insurers / reinsurers	85,932	107,854
Sundry creditors and accruals	49,484	50,228
	135,416	158,082
Borrowing		
Liabilities against assets subject to finance lease	3,574	4,425
Other liability		
Unclaimed dividend	195	195
TOTAL EQUITY AND LIABILITIES	<u>634,306</u>	<u>704,236</u>

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

Mohammed Basheer Janmohammed
Chairman

Yameen Kerai
Director

	Note	Unaudited 31 March 2009	Audited 31 December 2008
(Rupees in thousand)			
Cash and bank deposits			
Cash and other equivalent		320	399
Current and other accounts		28,625	52,011
Deposits maturing within 12 months		115,000	135,000
		143,945	187,410
Investments	4	34,905	37,107
Security deposits		5,315	6,357
Other assets			
Premiums due but unpaid	5	159,974	167,964
Amounts due from other insurers / reinsurers		97,438	78,086
Accrued interest		5,328	2,781
Reinsurance recoveries against outstanding claims		66,699	61,962
Taxation - payments less provision		10,282	9,974
Deferred commission expense		12,758	16,005
Deferred acquisition costs		32,733	35,660
Prepayments - prepaid reinsurance premium ceded		51,133	82,020
- others		2,550	5,194
		438,895	459,646
Fixed assets-tangible			
Owned			
Furniture and fixture		2,076	2,367
Office equipment		1,659	1,886
Computer equipment		940	1,145
Motor vehicles		4,350	5,356
Leased			
Motor vehicles		2,221	2,962
		11,246	13,716
TOTAL ASSETS		634,306	704,236

Muhammad Riaz
 Director

Ahmed Salahuddin
 MD & Chief Executive Officer

Interim Condensed Profit and Loss Account

For the quarter ended 31 March 2009

(Unaudited)

	For the quarter ended 31 March 2009.....					Quarter ended 31 March 2008	
	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Aggregate	Aggregate
	(Rupees in thousand)						
Revenue account							
Net premium revenue	9,108	6,314	20,294	10,227	3,992	49,935	73,005
Net claims	179	(2,927)	(15,336)	(10,614)	(3,123)	(31,821)	(55,472)
Management expenses	(6,653)	(6,142)	(4,640)	(1,843)	(3,395)	(22,673)	(16,089)
Net commission	1,575	1,273	(96)	(349)	2,536	4,939	956
	(4,899)	(7,796)	(20,072)	(12,806)	(3,982)	(49,555)	(70,605)
Underwriting results	4,209	(1,482)	222	(2,579)	10	380	2,400
Investment income						1,318	4,401
Return on bank balances						5,861	784
						7,559	7,585
General and administrative expenses						(5,715)	(7,190)
Financial charges						(98)	(170)
Profit before taxation						1,746	225
Provision for taxation						-	-
Profit after taxation						1,746	225
Profit and loss appropriation account							
Balance at the beginning of the year						(141,044)	(87,792)
Profit after taxation						1,746	225
Balance at the end of the year						(139,298)	(87,567)
Earnings per share - basic and diluted (Rupee)						0.05	0.01

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

Mohammed Basheer Janmohammed
Chairman

Yameen Kerai
Director

Muhammad Riaz
Director

Ahmed Salahuddin
MD & Chief Executive Officer

Interim Condensed Statement of Changes in Equity

For the quarter ended 31 March 2009

(Unaudited)

	Paid-up share capital	Accumulated loss	Total
	(Rupees in thousand)		
Balance as at 01 January 2008	200,000	(87,792)	112,208
Profit after taxation	-	225	225
Balance as at 31 March 2008	<u>200,000</u>	<u>(87,567)</u>	<u>112,433</u>
Balance as at 01 January 2009	350,000	(141,044)	208,956
Profit after taxation	-	1,746	1,746
Balance as at 31 March 2009	<u>350,000</u>	<u>(139,298)</u>	<u>210,702</u>

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

Mohammed Basheer Janmohammed
Chairman

Yameen Kerai
Director

Muhammad Riaz
Director

Ahmed Salahuddin
MD & Chief Executive Officer

Interim Condensed Statement of Cash Flows

For the quarter ended 31 March 2009

(Unaudited)

31 March.....	
	2009	2008
	(Rupees in thousand)	
OPERATING ACTIVITIES		
(a) Underwriting activities		
Premiums received	36,759	145,546
Reinsurance premiums paid	(37,635)	(91,216)
Claims paid	(59,382)	(97,049)
Reinsurance and other recoveries received	25,475	32,779
Commission paid	(11,459)	(17,774)
Commission received	13,195	13,756
Net cash used in underwriting activities	(33,047)	(13,958)
(b) Other operating activities		
Income tax paid	(308)	(2,971)
General management expenses paid	(14,937)	(17,709)
Operating (payments) / receipts - net	(1,413)	2,197
Bank charges	(66)	(93)
Net cash used in other operating activities	(16,724)	(18,576)
Total cash used in all operating activities	(49,771)	(32,534)
INVESTMENT ACTIVITIES		
Profit / return received	3,314	1,399
Dividend received	20	17
Payments for investments	(462)	-
Proceeds from redemption/disposal of investments	3,963	30,000
Proceeds from disposal of fixed assets	372	-
Fixed capital expenditure	-	(1,199)
Total cash inflow from investing activities	7,207	30,217
FINANCING ACTIVITIES		
Payments on finance leases	(901)	(901)
Net cash used in all activities	(43,465)	(3,218)
Cash at the beginning of the year	187,410	60,747
Cash at the end of the year	143,945	57,529
Reconciliation to profit and loss account		
Operating cash flows	(49,771)	(32,534)
Depreciation	(1,977)	(2,388)
Loss on disposal of fixed assets	(122)	-
Financial charges	(31)	(77)
Investment income	1,318	4,401
Return on bank balances	5,861	784
Increase in assets other than cash	6,239	106,504
Decrease / (Increase) in liabilities	26,601	(81,223)
Decrease in unearned premium	13,627	4,758
Profit after taxation	1,746	225
Definition of cash		
Cash comprises of cash in hand and at banks, stamps in hand and short term placements with banks		
Cash for the purpose of statement of cash flows consists of:		
Cash and other equivalent		
- cash in hand	147	216
- stamps in hand	173	227
	320	443
Current and other accounts		
- current accounts	14,925	20,490
- saving accounts	13,700	34,096
	28,625	54,586
Deposits maturing within 12 months	115,000	2,500
	143,945	57,529

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

Mohammed Basheer Janmohammed
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Ahmed Salahuddin
MD & Chief Executive Officer

Interim Condensed Statement of Premiums

For the quarter ended 31 March 2009
(Unaudited)

Business underwritten inside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	Quarter ended 31 March 2008 Aggregate
		Opening	Closing			Opening	Closing			
Direct and facultative										
1. Fire and property	25,675	47,691	40,456	32,910	19,443	36,446	32,087	23,802	9,108	10,210
2. Marine, aviation and transport	7,663	21,603	2,721	26,545	3,909	19,268	2,946	20,231	6,314	5,176
3. Motor	24,037	45,140	43,380	25,797	2,341	3,715	553	5,503	20,294	40,334
4. Accident and health	4,609	18,630	12,946	10,293	25	137	96	66	10,227	11,587
5. Miscellaneous	7,437	29,314	18,362	18,389	7,394	22,454	15,451	14,397	3,992	5,698
Total	69,421	162,378	117,865	113,934	33,112	82,020	51,133	63,999	49,935	73,005

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

Mohammed Basheer Janmohammed
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MD & Chief Executive Officer

Interim Condensed Statement of Claims

For the quarter ended 31 March 2009
(Unaudited)

Business underwritten inside Pakistan

.....For the quarter ended 31 March 2009.....

Class	Outstanding claims		Claims paid	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	Quarter ended 31 March 2008 Aggregate
	Opening	Closing			Opening	Closing			
(Rupees in thousand)									
Direct and facultative									
1. Fire and property	55,737	40,676	26,387	21,234	36,272	26,543	11,505	(179)	2,814
2. Marine, aviation and transport	13,505	14,725	6,041	3,529	8,022	8,827	4,334	2,927	3,116
3. Motor	52,535	53,830	14,486	63	510	892	445	15,336	40,274
4. Accident and health	13,150	13,570	10,194	-	-	-	-	10,614	7,925
5. Miscellaneous	20,604	35,381	2,274	649	17,158	30,437	13,928	3,123	1,343
Total	155,531	158,182	59,382	25,475	61,962	66,699	30,212	31,821	55,472

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

Mohammed Basheer Janmohammed
Chairman

Yameen Kerai
Director

Muhammad Riaz
Director

Ahmed Salahuddin
MD & Chief Executive Officer

Interim Condensed Statement of Expenses

For the quarter ended 31 March 2009
(Unaudited)

Business underwritten inside Pakistan

For the quarter ended 31 March 2009

Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers *	Net underwriting Expense	Quarter ended 31 March 2008 Aggregate
		Opening	Closing						
Direct and facultative									
1. Fire and property	3,574	7,862	6,444	4,992	6,653	11,645	6,567	5,078	3,001
2. Marine, aviation and transport	1,031	1,695	175	2,551	6,142	8,693	3,824	4,869	1,033
3. Motor	1,571	4,319	4,920	970	4,640	5,610	874	4,736	8,148
4. Accident and health	102	291	24	369	1,843	2,212	20	2,192	2,083
5. Miscellaneous	505	1,838	1,195	1,148	3,395	4,543	3,684	859	868
Total	6,783	16,005	12,758	10,030	22,673	32,703	14,969	17,734	15,133

* Commissions from reinsurers is arrived at by taking impact of opening and closing unearned commission.

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

Mohammed Basheer Janmohammed
Chairman

Yameen Kerai
Director

Muhammad Riaz
Director

Ahmed Salahuddin
MD & Chief Executive Officer

Interim Condensed Statement of Investment Income

For the quarter ended 31 March 2009

(Unaudited)

	Quarter ended 31 March	
	2009	2008
	(Rupees in thousand)	
Income from investments classified as investments at fair value through profit and loss account		
Net gain on sale / redemption of investments	732	374
Net unrealised gain on revaluation of investments	568	4,010
Dividend income	20	18
	<u>1,320</u>	<u>4,402</u>
Investment related expenses	(2)	(1)
Net investment income	<u><u>1,318</u></u>	<u><u>4,401</u></u>

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

Mohammed Basheer Janmohammed
Chairman

Yameen Kerai
Director

Muhammad Riaz
Director

Ahmed Salahuddin
MD & Chief Executive Officer

Notes to the Interim Condensed Financial Statements

For the quarter ended 31 March 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 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 branches in Pakistan.

2. BASIS OF PRESENTATION

These interim condensed financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges and have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and in the format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the audited financial statements of the Company for the year ended 31 December 2008.

	31 March 2009	31 December 2008
(Rupees in thousand)		

4. INVESTMENTS - at fair value through profit and loss account

Mutual funds	154	129
Listed shares	3,892	1,704
Government Securities	30,859	35,274
	<u>34,905</u>	<u>37,107</u>

5. PREMIUMS DUE BUT UNPAID

Considered good	159,974	167,964
Considered doubtful	25,910	25,910
Less: Provision for doubtful recovery	(25,910)	(25,910)
	-	-
	<u>159,974</u>	<u>167,964</u>

6. FIXED ASSETS - Tangible

During the quarter ended 31 March 2009 the Company has acquired fixed assets amounting to Rs. NIL (31 March 2008: Rs.747 thousand) and made disposal of Rs.1,823 thousand (31 March 2008: NIL).

7. TRANSACTIONS WITH RELATED PARTIES

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:

	Quarter ended 31 March	
	2009	2008
(Rupees in thousand)		
Transactions for the period		
Premium income	5,017	33,115
Claims expense	2,991	5,391
Lease payments	901	786
Profit earned on bank deposits	2,475	671
Rent expense	30	30
Bank charges	66	93
Remuneration of key management personnel	6,809	8,003
Contribution for staff provident fund	511	485

The transactions with related parties are in the normal course of business and basis determined on commercial terms.

	31 March	31 December
	2009	2008
(Rupees in thousand)		
Balances outstanding at quarter / year end		
Liabilities against assets subject to finance lease	3,574	4,425
Bank deposits	73,619	92,020
Lease deposits	1,656	1,656
Premium due but unpaid	10,772	9,230
Amounts due from other insurer / reinsurer	-	595

8. GENERAL

Figures have been rounded off to the nearest thousand rupees.

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors on 29 April 2009.

Mohammed Basheer Janmohammed
Chairman

Yameen Kerai
Director

Muhammad Riaz
Director

Ahmed Salahuddin
MD & Chief Executive Officer

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 0419-21 & 254 0418 FAX : 041-254 0423
Hyderabad Branch		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 Commerical 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, Cricular Road, Bahawalpur. Cell :0300-6809913 & 0321-6815829