

## 02. STAKEHOLDERS' INFORMATION

---

ANNUAL REPORT/2012

# HORIZONTAL ANALYSIS

## BALANCE SHEET

2012 2011 2010 2009 2008 2007  
Rupees in millions

Cash and bank deposits	17.77	22.06	4.66	1.81	1.63	5.00
Investments	149.27	163.06	33.85	38.84	34.32	25.70
Deferred tax	-	24.22	33.40	34.60	25.06	18.53
Premiums due but unpaid - unsecured	47.16	33.05	13.60	8.30	0.23	1.28
Amounts due from other insurers / reinsurers - unsecured	1.50	3.24	2.75	12.81	5.08	5.11
Accrued investment income	2.13	2.13	0.79	0.80	-	-
Reinsurance recoveries against outstanding claims	11.22	2.78	4.38	2.36	2.74	5.82
Deferred commission expense	32.55	24.23	21.40	15.27	7.51	7.78
Prepayments	279.85	216.45	128.24	16.44	16.47	19.02
Taxation - payments less provision	4.78	-	-	-	1.05	0.74
Sundry receivables and others	28.79	30.41	47.94	58.85	100.74	1.72
Loan to associated company	100.00	-	-	-	-	-
Fixed assets	120.16	106.35	112.07	141.11	119.07	99.55
Capital work in progress	47.89	147.93	161.00	129.85	44.00	1.26
<b>Total Assets</b>	<b>843.07</b>	<b>775.92</b>	<b>564.08</b>	<b>461.03</b>	<b>357.89</b>	<b>191.51</b>
Issued, subscribed and paid up share capital	452.31	452.31	310.00	310.00	310.00	160.41
Accumulated losses	(65.01)	(84.72)	(114.49)	(96.48)	(98.35)	(100.19)
<b>Total Shareholders' Equity</b>	<b>387.30</b>	<b>367.60</b>	<b>195.51</b>	<b>213.52</b>	<b>211.65</b>	<b>60.22</b>
Provision for outstanding claims [including IBNR]	76.69	52.33	51.91	34.76	14.53	16.82
Provision for unearned premium	328.15	247.67	199.42	141.47	86.65	79.29
Commission income unearned	-	0.02	0.03	0.18	0.62	0.99
Premiums received in advance	2.29	2.26	2.87	1.24	0.97	0.71
Amounts due to other insurers / reinsurers	10.64	12.50	10.15	6.29	4.81	4.24
Deferred tax liability	3.40	-	-	-	-	-
Accrued expenses	2.60	2.32	2.09	1.76	1.28	2.18
Sundry creditors and others	32.00	89.66	57.63	27.18	8.80	26.68
Short term finance	-	-	37.27	24.46	22.10	-
Obligation under finance lease	-	1.56	7.21	10.17	6.49	0.38
<b>Total Shareholders' Equity and Liabilities</b>	<b>843.07</b>	<b>775.92</b>	<b>564.08</b>	<b>461.03</b>	<b>357.89</b>	<b>191.51</b>

# HORIZONTAL ANALYSIS

## PROFIT AND LOSS ACCOUNT

2012 2011 2010 2009 2008 2007  
Rupees in millions

Net premium revenue	<b>619.85</b>	453.63	331.29	223.57	166.70	138.70
Net claims	<b>(253.89)</b>	(171.29)	(141.86)	(64.63)	(48.56)	(32.98)
Expenses	<b>(213.54)</b>	(163.01)	(135.96)	(112.04)	(96.36)	(71.01)
Net commission	<b>(64.96)</b>	(46.38)	(35.65)	(17.47)	(13.16)	(14.49)
<b>Underwriting results</b>	<b>87.46</b>	<b>72.96</b>	<b>17.82</b>	<b>29.43</b>	<b>8.62</b>	<b>20.22</b>
Investment income	<b>6.18</b>	8.52	3.98	(2.56)	2.48	3.04
Other income	<b>76.44</b>	33.16	15.50	14.81	5.62	0.71
Financial charges	<b>(1.24)</b>	(5.21)	(7.95)	(5.61)	(1.22)	(0.22)
General and administration expenses	<b>(106.65)</b>	(66.61)	(41.72)	(25.93)	(20.17)	(24.91)
<b>Profit / (Loss) before tax</b>	<b>62.19</b>	<b>42.81</b>	<b>(12.37)</b>	<b>10.14</b>	<b>(4.68)</b>	<b>(1.16)</b>
Taxation	<b>(19.48)</b>	(13.04)	(5.64)	(8.28)	6.52	35.23
<b>Profit / (Loss) after tax</b>	<b>42.71</b>	<b>29.78</b>	<b>(18.01)</b>	<b>1.86</b>	<b>1.85</b>	<b>34.08</b>

# VERTICAL ANALYSIS

## BALANCE SHEET

	2012	2011	2010	2009	2008	2007
Cash and bank deposits	2.11%	2.84%	0.83%	0.39%	0.45%	2.61%
Investments	17.71%	21.02%	6.00%	8.42%	9.59%	13.42%
Deferred tax	0.00%	3.12%	5.92%	7.50%	7.00%	9.68%
Premiums due but unpaid - unsecured	5.59%	4.26%	2.41%	1.80%	0.06%	0.67%
Amounts due from other insurers / reinsurers - unsecured	0.18%	0.42%	0.49%	2.78%	1.42%	2.67%
Accrued investment income	0.25%	0.27%	0.14%	0.17%	0.00%	0.00%
Reinsurance recoveries against outstanding claims	1.33%	0.36%	0.78%	0.51%	0.77%	3.04%
Deferred commission expense	3.86%	3.12%	3.79%	3.31%	2.10%	4.06%
Prepayments	33.19%	27.89%	22.74%	3.57%	4.60%	9.93%
Taxation - payments less provision	0.57%	0.00%	0.00%	0.00%	0.29%	0.38%
Sundry receivables and others	3.41%	3.92%	8.50%	12.77%	28.15%	0.90%
Loan to associated company	11.86%	0.00%	0.00%	0.00%	0.00%	0.00%
Fixed assets	14.25%	13.71%	19.87%	30.61%	33.27%	51.98%
Capital work in progress	5.68%	19.06%	28.54%	28.16%	12.29%	0.66%
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Issued, subscribed and paid up share capital	53.65%	58.29%	54.96%	67.24%	86.62%	83.76%
Accumulated losses	-7.71%	-10.91%	-20.30%	-20.93%	-27.48%	-52.32%
<b>Total Shareholders' Equity</b>	<b>45.94%</b>	<b>47.38%</b>	<b>34.66%</b>	<b>46.31%</b>	<b>59.14%</b>	<b>31.44%</b>
Provision for outstanding claims [including IBNR]	9.10%	6.74%	9.20%	7.54%	4.06%	8.78%
Provision for unearned premium	38.92%	31.92%	35.35%	30.69%	24.21%	41.40%
Commission income unearned	0.00%	0.00%	0.00%	0.04%	0.17%	0.52%
Premiums received in advance	0.27%	0.29%	0.51%	0.27%	0.27%	0.37%
Amounts due to other insurers / reinsurers	1.26%	1.61%	1.80%	1.36%	1.34%	2.21%
Deferred tax liability	0.40%	0.00%	0.00%	0.00%	0.00%	0.00%
Accrued expenses	0.31%	0.30%	0.37%	0.38%	0.36%	1.14%
Sundry creditors and others	3.80%	11.55%	10.22%	5.89%	2.46%	13.93%
Short term finance	0.00%	0.00%	6.61%	5.31%	6.18%	0.00%
Obligation under finance lease	0.00%	0.20%	1.28%	2.21%	1.81%	0.20%
<b>Total Shareholders' Equity and Liabilities</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

# VERTICAL ANALYSIS

## PROFIT AND LOSS ACCOUNT

2012 2011 2010 2009 2008 2007

Net premium revenue	<b>100.00%</b>	100.00%	100.00%	100.00%	100.00%	100.00%
Net claims	<b>-40.96%</b>	-37.76%	-42.82%	-28.91%	-29.13%	-23.77%
Expenses	<b>-34.45%</b>	-35.93%	-41.04%	-50.11%	-57.80%	-51.20%
Net commission	<b>-10.48%</b>	-10.22%	-10.76%	-7.81%	-7.90%	-10.45%
<b>Underwriting results</b>	<b>14.11%</b>	<b>16.08%</b>	<b>5.38%</b>	<b>13.16%</b>	<b>5.17%</b>	<b>14.58%</b>
Investment income	<b>1.00%</b>	1.89%	1.20%	-1.15%	1.49%	2.19%
Other income	<b>12.33%</b>	7.31%	4.68%	6.63%	3.37%	0.51%
Financial charges	<b>-0.20%</b>	-1.15%	-2.40%	-2.51%	-0.73%	-0.16%
General and administration expenses	<b>-17.21%</b>	-14.68%	-12.59%	-11.60%	-12.10%	-17.96%
Profit / (Loss) before tax	<b>10.03%</b>	9.45%	-3.74%	4.54%	-2.80%	-0.83%
Taxation	<b>-3.14%</b>	-2.87%	-1.70%	-3.70%	3.91%	25.40%
<b>Profit / (Loss) after tax</b>	<b>6.89%</b>	<b>6.58%</b>	<b>-5.44%</b>	<b>0.83%</b>	<b>1.11%</b>	<b>24.57%</b>

# CASH FLOW ANALYSIS

	2012	2011	2010	2009	2008	2007
	Rupees in millions					
<b>Operating activities</b>						
(a) Underwriting activities						
Premiums received	692.39	484.16	417.02	279.20	189.42	164.98
Reinsurance premiums paid	(6.13)	(0.44)	(16.64)	(5.41)	(12.11)	(6.45)
Claims paid	(327.93)	(246.25)	(181.33)	(83.99)	(54.95)	(33.20)
Reinsurance and other recoveries received	89.97	76.98	54.59	32.25	7.20	2.43
Commission paid	(72.33)	(44.00)	(41.99)	(26.49)	(15.20)	(15.87)
Commission received	-	0.14	0.08	0.83	1.93	1.72
Net cash inflow from underwriting activities	375.97	270.59	231.74	196.39	116.29	113.61
(b) Other operating activities						
Income tax paid	(3.53)	(1.16)	(0.31)	(0.02)	(0.31)	(0.01)
General management expenses paid	(258.59)	(211.93)	(216.61)	(53.69)	(200.50)	(62.52)
Other operating receipts	(58.51)	15.58	29.09	13.37	-	0.54
Loans advanced	(2.01)	(0.59)	(0.67)	(0.21)	-	-
Loans repayments received	1.50	0.52	0.33	0.21	-	-
Net cash outflow from other operating activities	(321.14)	(197.58)	(188.17)	(40.33)	(200.81)	(61.99)
Total cash inflow from all operating activities	54.83	73.02	43.57	156.06	(84.53)	51.62
<b>Investment activities</b>						
Payments for purchase of investments	(1.00)	(138.31)	(60.20)	(28.43)	(10.00)	(47.61)
Proceeds from disposal of investments	10.83	14.15	66.72	21.29	1.14	37.70
Fixed capital expenditure	(55.93)	(42.46)	(52.66)	(147.23)	(87.27)	(55.82)
Advance given against CWIP	(1.63)	(61.93)	-	-	-	-
Advance against construction of office space refunded	-	75.00	-	-	-	-
Other receipts from investing activities	13.07	3.94	5.01	6.82	9.93	5.38
Total cash outflow from investing activities	(34.66)	(149.62)	(41.14)	(147.54)	(86.21)	(60.36)
<b>Financing activities</b>						
Issue of new shares	-	142.31	-	-	149.59	-
Financial charges paid	(0.95)	(4.49)	(6.29)	(5.61)	(1.22)	(0.22)
Payments on finance leases	(0.52)	(6.14)	(6.11)	(5.13)	(3.10)	(1.05)
Dividend	(23.00)	-	-	-	-	-
Total cash inflow / (outflow) from financing activities	(24.47)	131.68	(12.39)	(10.74)	145.26	(1.27)
Net cash inflow / (outflow) from all activities	(4.30)	55.08	(9.96)	(2.23)	(25.47)	(10.01)
Cash and cash equivalent at beginning of the year	22.06	(33.01)	(23.05)	(20.83)	4.65	14.66
Cash and cash equivalent at end of the year	17.76	22.06	(33.01)	(23.05)	(20.83)	4.65

# RATIO ANALYSIS

## KEY FINANCIAL RATIOS

	2012	2011	2010	2009	2008	2007
Current ratio	4.04	1.98	1.22	1.07	2.48	0.77
Break-up value per share	8.42	7.99	6.31	6.89	6.83	3.75
Debt Equity Ratio	0.0%	0.4%	22.8%	16.2%	13.5%	0.6%
Return on Assets	5.1%	3.8%	-3.2%	0.4%	0.5%	17.8%
Return on Equity	11.0%	8.1%	-9.2%	0.9%	0.9%	56.6%
Asset Turnover Ratio	73.5%	58.5%	58.7%	48.5%	46.6%	72.4%
Underwriting Margin	14.1%	16.1%	5.4%	13.2%	5.2%	14.6%
Net profit Margin	6.9%	6.6%	-5.4%	0.8%	1.1%	24.6%