

Chairman's Review

I am happy to present results of your Company's first half year ending 30th June 2000 which show an overall improvement over the corresponding half of the last year.

The Economy

The half year ending 30th June 2000, remained under shadow of the political and economic situation prevailing in the year 1999. Nuclear detonation, Kargil issue and army take over on October 12, 1999 continued with its impact on the political and economic fabric of the society. Additionally, the good cotton, rice and bumper wheat crops could not yield the desired results.

Towards the end of the half year under review the new 3 years perspective budget package was presented. The plan envisages an average GDP growth of 6% for 3 years and the budgetary deficit of well below 5% of the GDP. The GDP growth for the year 1999-2000 was 4.5%, the agriculture being highest at 5.5% and the manufacturing the lowest at 1.6%. The Government is however concerned to improve economy and ensure good governance. Their emphasis on agriculture, manufacturing and exports are steps in the right direction. The Government is also determined to document economy, which will certainly create a healthy impact in the long run.

Company Performance

Despite the slow moving economy on the whole, your company has performed better than the corresponding half of the last year. The gross premium for the period under review rose to Rs. 96.038 million against Rs. 86.755 million of the corresponding half year of 1999, up 10.70%. The underwriting profit at Rs.11.436 million against Rs.8.803 million showed an improvement of 29.90%. The investment income rose to Rs. 2.155 million as against Rs.0.819 million of the corresponding period of last year. The net profit before tax improved to Rs. 11.116 million as against Rs. 7.415 million of the corresponding period which under the circumstances seems satisfactory.

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Future Outlook

We continue to follow our policy of investing in people, emphasis on quality business, higher productivity and providing quality service to clients besides ensuring a fair return to the equity holders.

While we see the country up against odds – the mounting debt burden, rising dollar, imperatives of WTO, globalisation, CTBT and a hostile attitude of India, we feel strongly that this country with a strong resource base – agriculture, minerals, gas, coal mines, high class entrepreneurs and professionals and 138 million people have a great potential for a better tomorrow.

(UNAUDITED RESULT) (Rs. in 000)

BALANCE SHEET AS AT 30TH JUNE, 2000

	30-6-2000 Rs.	31-12-1999 Rs.
PROPERTY AND ASSETS		
Fixed Assets-at Cost less Depreciation		
Office Equipment, Furniture & Fixture	6,174	5,422
Land & Building	6,002	6,126
	12,176	11,548
Investments-at Cost		
Statutory deposit with State Bank of Pakistan	350	350
Shares of joint stock companies	49,114	41,930
	49,464	42,280
Current Assets		
Agents Balances	34,501	11,378
Amount due from Insurance Companies	61,470	52,177
Other Current Assets	8,481	9,573
Cash & Bank Balances	14,879	33,827
	119,331	106,955
	180,971	160,783
CAPITAL AND LIABILITIES		
Shareholders Equity:		
Share Capital	67,077	55,898
Capital Reserve	2,251	2,251
General Reserve	12,350	12,350
Unappropriated Profits	7,587	139
Investment Fluctuation Reserve	3,000	3,000
Reserve for Bonus Shares	-	11,180
	25,188	28,920
Reserve for unexpired risks	35,133	30,636
Reserve for exceptional losses	2,164	2,164
	37,297	32,800
Liabilities & Provisions		
Other Payables	18,477	14,787
Amount Due to Other Ins. Cos.	21,524	17,719
Provision for outstanding claims	5,277	6,027
Provision for taxation	6,131	4,632
	51,409	43,165
	180,971	160,783

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2000

	30-6-2000 Rs.	30-6-1999 Rs.
Cash flow from operating activities		
Net profit after taxation Adjust for	7,448	4,968
Depreciation	437	392
(Profit)/Loss on disposal of fixed assets	-	-
(Profit) on sale of investments	150	-
Increase in reserve for unexpired risks	4,497	1,642
	<u>5,084</u>	<u>2,034</u>
Operating profit before working capital changes	12,532	7,002
(increase) in:		
Current assets other than cash and bank balances	(39,151)	(37,852)
(Decrease) in:		
Current liabilities other than proposed dividend	16,072	32,286
Net cash from operating activities	(10,547)	1,436
Cash flow from investing activities		
Purchase of fixed assets	(1,066)	-
Sale proceeds of fixed assets	-	-
Purchase of investments	(7,475)	(75)
Sale proceeds of investments	140	-
Net Cash used in investing activities	(8,401)	(75)
Cash flow from financing activities		
payments of dividend	-	-
Net increase/(decrease) in cash and cash equivalent.	<u>(18,948)</u>	<u>1,361</u>
Cash and cash equivalents at the beginning of the year	33,827	16,255
Cash and cash equivalents at the end of the year	<u>14,879</u>	<u>17,616</u>

Board of Directors

Chairman	Yusuf H. Shirazi
Directors	Muhammad Faruque
	Jawaid Iqbal Ahmed
	Frahim Ali Khan
	Iftikhar H. Shirazi
	Saqib H. Shirazi
	S.C. Subjally
Chief Executive	S.C. Subjally
General Manager	Arshad P. Rana

Group Executive Committee

Chairman	Yusuf H. Shirazi
Members	Jawaid Iqbal Ahmed
	Frahim Ali Khan
	Iftikhar H. Shirazi
	Aamir H. Shirazi
	Saqib H. Shirazi
Secretary	Amjad Hussain

Group Personnel Committee

Chairman	Yusuf H. Shirazi
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Group Audit Committee

Chairman	Sanaullah Qureshi
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HEAD OFFICE

3 - Bank Square
Shahrah-e-Quaid-e-Azam
P.O.Box: 1219 Lahore.
Grams: BIMAMUS

PABX: 7320542-3,
7322271 & 73
Direct: 7310658-7234757
7234812-7314241
Fax: 7234742

NORTH ZONE BRANCHES

NAPIER ROAD BRANCH	Nairobi Mansion Napier Road, Lahore	7352560 7358190
MALL ROAD BRANCH	Hafeez Chambers 85 - Shahrah-e-Quaid-e-Azam Lahore.	6305595
FATIMA JINNAH RD. BRANCH	Nawai-Waqat Bldg., Fatima Jinnah Road., Lahore.	6364906 6371185 Fax: 6371186
AL-NOOR BRANCH	Al-noor Bldg, Bank Square, Lahore.	7358805
FAISALABAD BRANCH I	Chartered Bank Chambers, Railway Road, Faisalabad.	647194 635080 Fax: 635080
FAISALABAD BRANCH II	Room: 8 to 11 Ismail Plaza, 3rd Floor, Satiana Road, Faisalabad	721256 Fax: 721256
MULTAN BRANCH	Atlas Honda Bldg, Azmat Wasti Road, Multan	544494
SIALKOT BRANCH	Allama Iqbal Market, Shahrah-e-Aiwan-e-Sanat-o-Tijarat, Sialkot.	594520 592863
RAWALPINDI BRANCH	101/13, Bank Road, Grand Hotel Building, Rawalpindi.	563413 Fax: 566518
PESHAWAR BRANCH	15-Saddar Road, Peshawar Cantt.	275705 Fax: 275705
SAHIWAL BRANCH	147-Railway Road Sahiwal.	66044 Fax: 66044
BAHAWALPUR BRANCH	2nd Floor, Gulf Plaza, Near Erum Hotel, Circular Road., Bahawalpur.	880802

SOUTH ZONE OFFICE

2nd Floor
Amejee Chambers
Campbell Street Karachi.

PABX: 2620081-85 (5 Lines)
Direct: 2629531, 2621924,
2621925, 2625697
Fax: 2629532

SOUTH ZONE BRANCHES

KARACHI BRANCH	2nd Floor Amejee Chambers Campbell Street P.O.Box: 5126 Karachi.	PABX: 2620081-5 Ext.313 Direct: 2621925 Fax: 2621925
CORPORATE BRANCH	4th Floor Amejee Chambers Campbell Street P.O.Box: 5126 Karachi.	PABX: 2620081-5 Ext: 301 & 308 Direct: 2636576 Fax: 2625651
KARACHI BRANCH-VI	4th Floor Amejee Chambers Campbell Street, Karachi.	2620081-85 Ext: 317
PLAZA BRANCH	3/3, Rimpa Plaza M.A. Jinnah Road Karachi.	7720852 7729339
TOWER BRANCH	State Life Building No. 7, Room #,101 1st Floor, G. Allana Road, Karachi.	2201471 2316503 2315248 Fax: 2315248
HYDERABAD BRANCH	Akbar Chamber Saddar, P.O. Box: 284, Hyderabad.	782659 Fax: 782660
SUKKUR BRANCH	House No. C-631/13 Minara Road, Sukkur.	Tel: 25965 Fax: 25977
QUETTA BRANCH	Taj Plaza, No. 4-36/13-B Mir Ahmed Khan Road Quetta.	825936



(UNAUDITED RESULT) (Rs. in 000)

CONSOLIDATED REVENUE ACCOUNT FOR THE HALF YEAR ENDED 30TH JUNE, 2000

	30-6-2000 Rs.	30-6-1999 Rs.
Reserve for unexpired risks as on 1st January	30,636	28,702
Premium-less re-insurances	49,539	40,970
	80,175	69,672
Commission and discount	257	(671)
Claims Incurred	8,799	10,263
Expenses of Management	24,550	19,102
Reserve for unexpired risks as on 30th June	35,133	32,175
	68,739	60,869
Underwriting Profit: carried down	11,436	8,803

PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED 30th JUNE, 2000

	30-6-2000 Rs.	30-6-1999 Rs.
Underwriting Profit: brought down	11,436	8,803
Dividend income	2,155	819
Profit on sale of investments/ Fixed Assets etc.	168	132
	2,323	951
	13,759	9,754
Expenses of Management (not applicable to revenue accounts):	2,206	1,947
Depreciation on Assets	437	392
	2,643	2,339
Net profit for the half year before taxation	11,116	7,415
Provision for taxation	3,668	2,447
	7,448	4,968
Unappropriated Profit	139	38
Unappropriated Profit: carried to Balance Sheet	7,587	5,006
Earning per share After Tax.	1.11	1.11