# Condensed Interim Financial Information for the Six Months Period Ended 30 June **2011**





## The Universal Insurance Co. Ltd.







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## **CORPORATE INFORMATION**

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK (Chairma	an)
	LT. GEN (R) ALI KULI KHAN KHATTAK	
	MR. AHMED KULI KHAN KHATTAK	
	BEGUM ZEB GOHAR AYUB KHAN (Chief Executi	ive)
	MRS. SHAHNAZ SAJJAD AHMED	
	DR. SHAHEEN KULI KHAN KHATTAK	
	MR. MUSHTAQ AHMED KHAN F.C.A.	
	CH. SHER MOHAMMAD	
	CAPT. M. JAMIL AKHTAR KHAN (Managing Direct	tor)
CHIEF OPERATING OFFICER	MR. OMAR AYUB KHAN	
CHIEF FINANCIAL OFFICER	MR. AMIR RAZA	
COMPANY SECRETARY	MR. IJAZ AHMED	
INTERNAL AUDITOR	MR. ABDUL WAHEED CHAUDHRY	
AUDITORS	M/S. RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS	
LEGAL ADVISOR	MR. MAQSOOD HASAN ADVOCATE	
SHARE REGISTRAR	M/S HAMEED MAJEED ASSOCIATES (PVT) LTD.	
	H.M HOUSE, 7-BANK SQUARE, LAHORE PHONE # 042-37235081-82	
	FAX # 042-37358817	
REGISTERED OFFICE:	UNIVERSAL INSURANCE HOUSE	
	63-SHAHRAH-E-QUAID-E-AZAM, LAHORE, 54000	
	PAKISTAN. PH: 042-37353453-37353458	
	FAX: 042-37230326	
	WEB: www.uic.com.pk	
	EMAIL: info@uic.com.pk	



## DIRECTOR'S REVIEW

On behalf of the Board of Directors we are presenting the un-audited Financial Information of the Company for the period ended 30th June, 2011.

#### FINANCIAL PERFORMANCE

The Gross Premium of the Company has decreased by Rs. 17.208 Million over the Gross Premium of corresponding period due to selective underwriting whereas the Net Premium reflects an increase of Rs. 0.885 Million as compared to the period ended June, 2010.

Further there is a significant fall in overall net claim ratio by 11% However the management expense has increased by 18%

	<u>2011</u>	<u>2010</u>	
	Rupees in millions		
Gross premium	243.592	260.800	
Net premium	156.300	155.415	
Loss from underwriting business	(13.884)	(21.330)	
Net claims (paid & outstanding)	(82.953)	(98.948)	
Management / administrative expenses	(119.462)	(101.039)	
Capital and reserves	192.459	213.996	
Loss before taxation	(58.478)	(57.605)	
Loss after taxation	(41.491)	(55.701)	
Other comprehensive Income / (loss)	-	0.850	
Add: Balance of unappropriated (Loss) profit - b/f	(46.119)	44.479	
(Loss) / Profit available for appropriation	(87.610)	10.372	

#### FUTURE OUTLOOK

In the view of losses after tax the management has initiated remedial measures for the increase of business and decrease of management expenses up to a satisfactory level.

Your Directors would like to place on record their highest appreciation to the field force, officers and staff of the company for the dedicated contribution.

Your Directors would also like to thank the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our re-insurers for their continued guidance and support.

For & on behalf of the Board of Directors

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Raza Kuli Khan Khattak Chairman

Dated: August 19, 2011 Place: Lahore

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## REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

#### Introduction

We have reviewed the accompanying condensed interim balance sheet of THE UNIVERSAL INSURANCE COMPANY LIMITED as at 30 June 2011 and the related:

- (i) condensed interim profit and loss account;
- (ii) condensed interim statement of comprehensive income;
- (iii) condensed interim statement of changes in equity;
- (iv) condensed interim cash flow statement;
- (v) condensed interim statement of premium;
- (vi) condensed interim statement of claims;
- (vii) condensed interim statement of expenses;
- (viii) condensed interim statement of investment income;

and notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 condensed 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 condensed interim financial information as of and for the half year ended 30 June 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

#### **Other Matter**

The figures of the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the quarters ended 30 June 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 30 June 2011.

#### **RIAZAHMAD & COMPANY**

**Chartered Accountants** 

Name of engagement partner: Syed Mustafa Ali

DATE: August 19, 2011

LAHORE



## **CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2011**

Note	Un-audited 30 June 2011	Audited 31 December 2010		Note	Un-audited 30 June 2011	Audited 31 December 2010
	(Rupees in t				(Rupees in t	
SHARE CAPITAL AND RESERVES Authorized share capital			CASH AND BANK DEPOSITS			
50,000,000 (2010: 50,000,000) ordinary shares of Rupees 10 each	500,000	500,000	Cash and other equivalents		217	81
			Current and other accounts		43,878	83,628
Issued, subscribed and paid-up share capital	262,500	262,500	Deposits maturing within 12 months	_	40,000	4,600
				-	84,095	88,309
Accumulated loss	(84,168)	(43,630)				
Reserves	14,127	14,127	Loans to employees - secured, considered good		414	643
	(70,041)	(29,503)	INCOTNENTO	0	400.074	400.475
TOTAL EQUITY	192,459	232,997	INVESTMENTS	6	133,874	160,175
Surplus on revaluation of fixed assets	210,727	211,373	DEFERRED TAXATION		18,836	-
UNDERWRITING PROVISIONS	r		CURRENT ASSETS - OTHERS			
Provision for outstanding claims (including IBNR)	325,840	318,351	Premiums due but unpaid	7	174,132	142,716
Provision for unearned premium	152,823	155,657	Amounts due from other insurers / reinsurers	8	191,932	222,321
Commission income unearned	8,916	12,936	Salvage recoveries accrued		875	2,910
Total underwriting provisions	487,579	486,944	Accrued investment income		596	124
			Reinsurance recoveries against outstanding claims		187,687	193,437
DEFERRED LIABILITIES			Deferred commission expense		23,791	27,065
			Prepayments		44,818	62,263
Deferred taxation	-	2,300	Sundry receivables		15,985	16,959
Staff retirement benefit - gratuity	14,955	276		_	639,816	667,795
	14,955	2,576				
CREDITORS AND ACCRUALS			FIXED ASSETS - TANGIBLE	9		
Amounts due to other insurers / reinsurers	113,144	153,100				
Accrued expenses	30,156	9,715	Owned	-	, ,	
Taxation - payment less provision	4,053	1,200	Land and buildings		183,552	185,280
Other creditors and accruals	58,059	59,473	Furniture, fixtures and office equipment		11,628	10,476
	205,412	223,488	Computer equipment		6,776	7,495
BORROWINGS			Motor vehicles	L	35,334	38,833
Liabilities against assets subject to finance lease OTHER LIABILITIES	1,221	2,447	Leased		237,290	242,084
Deposits against performance bonds	3,659	3,538	Furniture, fixtures and office equipment	Г		1,390
Unclaimed dividends	610	610	Motor vehicles		2,297	3,577
TOTAL LIABILITIES	713,436	719,603			2,297	4,967
CONTINGENCIES AND COMMITMENTS 5						
TOTAL EQUITY AND LIABILITIES	1,116,622	1,163,973	TOTAL ASSETS	-	1,116,622	1,163,973
The encountry of the form on informal part of this analysis	and interim financial informer	tion		-		

The annexed notes form an integral part of this condensed interim financial information.

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Raza Kuli Khan Khattak CHAIRMAN

Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE

Hertog Thed Han

Mushtaq Ähmed Khan F.C.A. DIRECTOR

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Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2017	1

		HA	LF YEAR END	ED 30 JUNE 20	11		
	Fire and Property Damage	Marine and Transport	Motor	Others bees in thousand)	Treaty	Half year ended 30 June 2011	Half year ended 30 June 2010
Revenue account			(104)	, and the and the addition of the second s			
Net premium revenue	35,342	22,455	75,153	23,350	-	156,300	155,415
Net claims	(7,739)	(3,443)	(49,378)	(22,393)	-	(82,953)	(98,948
Management expenses Net commission	(19,257)	(11,592)	(27,001)	(6,818) (1,498)	-	(64,668)	(58,849
	(9,432)	(2,501)	(9,132)		-	(22,563)	(18,948
Underwriting result	(1,086)	4,919	(10,358)	(7,359)	-	(13,884)	(21,330
Other income and expenses						4,253	1,75
Investment income							
Rental income						1,062	58
Other income						4,811	2,13
						(3,758)	(16,85
General and administration expenses						(54,693)	(41,82
Finance charge on lease rentals						(101)	(36
Share of profit from associates - net of tax						74	5,19
Loss before taxation						(58,478)	(53,85
Provision for taxation - Current						(3,843)	(1,62
- Deferred						20,830	3,52
Loss after taxation						(41,491)	(51,94
PROFIT AND LOSS APPROPRIATION ACCOUNT							
Balance at the commencement of the period						(43,630)	38,62
Loss after taxation for the period						(41,491)	(51,94
Items directly recognized in condensed interim stateme	ent of changes in eq	uity				953	93
, ,	sint of onliningoo in oq	any					
Balance at the end of the period						(84,168)	(12.38
Balance at the end of the period						(84,168)	
Balance at the end of the period Loss per share - basic and diluted  - Rupees						(84,168)	(12,38
			JARTER ENDE	D 30 JUNE 201	1	(1.58)	(2.4
	Fire and Property Damage	QI Marine and Transport	Motor	Others	Treaty		
Loss per share - basic and diluted - Rupees	Property	Marine and	Motor		Treaty	(1.58) Quarter ended 30	(2.4 Quarter ended 30
Loss per share - basic and diluted - Rupees Revenue account	Property Damage	Marine and Transport	Motor (Rup	Others bees in thousand)	Treaty	(1.58) Quarter ended 30 June 2011	(2.4 Quarter ended 30 June 2010
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue	Property Damage 16,261	Marine and Transport 11,867	Motor (Rug 40,652	Others Dees in thousand) 17,801	Treaty	(1.58) Quarter ended 30 June 2011 86,581	(2.4 Quarter ended 30 June 2010 79,41
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims	Property Damage 16,261 (4,700)	Marine and Transport 11,867 (1,744)	Motor (Rug 40,652 (30,277)	Others bees in thousand) 17,801 (12,167)	Treaty	(1.58) Quarter ended 30 June 2011 86,581 (48,888)	(2.4 Quarter ended 30 June 2010 79,41 (44,17
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Management expenses	Property Damage 16,261 (4,700) (9,356)	Marine and Transport 11,867 (1,744) (7,199)	Motor 40,652 (30,277) (19,251)	Others bees in thousand) 17,801 (12,167) (3,315)	Treaty	(1.58) Quarter ended 30 June 2011 86,581 (48,888) (39,121)	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Vanagement expenses Net commission	Property Damage 16,261 (4,700)	Marine and Transport 11,867 (1,744)	Motor (Rug 40,652 (30,277)	Others bees in thousand) 17,801 (12,167)	Treaty	(1.58) Quarter ended 30 June 2011 86,581 (48,888)	(2.4 Quarter ended 30
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Wanagement expenses Net commission Jnderwriting result Dther income and expenses	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 86,581 (48,888) (39,121) (12,026) (13,454)	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Vanagement expenses Net commission Junderwriting result Other income and expenses nvestment income	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 86,581 (48,888) (39,121) (12,026) (13,454) 2,265	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Wanagement expenses Net commission Jnderwriting result Dther income and expenses Neestment income Rental income	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 86,581 (48,888) (39,121) (12,026) (13,454) 2,265 408	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Wanagement expenses Net commission Jnderwriting result Dther income and expenses Neestment income Rental income	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 86,581 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,669	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29 35
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Vet claims Management expenses Net commission Underwriting result Dther income and expenses nvestment income Rental income Dther income	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,669 (8,112)	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29 35 (3,95
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Management expenses Net commission Jnderwriting result Dther income and expenses Rental income Cher income General and administration expenses	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,265 408 2,669 (8,112) (33,595)	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29 35 (3,95 (21,95
Account Accoun	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,669 (8,112) (33,595) (29)	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79) 1,19 29 355 (3,95 (3,95 (21,95) (21,95) (6)
Account Accoun	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,669 (8,112) (33,595) (29) 74	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29 35 (3,95 (21,95 (21,95 (6) 5,19
Account Accoun	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,265 408 2,265 (33,595) (33,595) (29) 74 (41,662)	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29 35 (3,95 (21,95 (21,95 (6) 5,19 (20,78
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Management expenses Vet commission Junderwriting result Dther income and expenses Rental income Dther income Dther income Seneral and administration expenses Finance charge on lease rentals Share of profit from associates - net of tax Loss before taxation Provision for taxation - Current	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,669 (8,112) (33,595) (29) 74 (41,662) (3,542)	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29 35 (3,95 (21,95 (6) 5,19 (20,78 (20,78 (97
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Vet claims Management expenses Net commission Underwriting result Other income and expenses Investment income Rental income Other income General and administration expenses Finance charge on lease rentals Share of profit from associates - net of tax Loss before taxation Provision for taxation - Current - Deferred	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,669 (8,112) (33,595) (29) 74 (41,662) (3,542) 20,830	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29 35 (3,95 (21,95 (6) 5,19 (20,78 (97 4,96
Loss per share - basic and diluted - Rupees Revenue account Net premium revenue Net claims Management expenses Net commission Underwriting result Other income and expenses Investment income Rental income Other income General and administration expenses Finance charge on lease rentals Share of profit from associates - net of tax Loss before taxation Provision for taxation - Current	Property Damage 16,261 (4,700) (9,356) (4,165)	Marine and Transport 11,867 (1,744) (7,199) (1,214)	Motor 40,652 (30,277) (19,251) (5,820)	Others Dees in thousand) 17,801 (12,167) (3,315) (827)	Treaty	(1.58) Quarter ended 30 June 2011 (48,888) (39,121) (12,026) (13,454) 2,265 408 2,669 (8,112) (33,595) (29) 74 (41,662) (3,542)	(2.4 Quarter ended 30 June 2010 79,41 (44,17 (28,75 (12,27 (5,79 1,19 29 35 (3,95

Raza Kuli Khan Khattak CHAIRMAN

Eleonate Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE

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Mushtaq Ahmed Khan F.C.A. DIRECTOR

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Capt. M. Jamil Akhtar Khan **MANAGING DIRECTOR &** PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

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## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2011

	HALF YEA	AR ENDED	QUARTE	R ENDED
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	(Rupees in thousand)			
LOSS AFTER TAXATION	(41,491)	(51,947)	(24,374)	(16,791)
OTHER COMPREHENSIVE INCOME / (LOSS)	-	-	-	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(41,491)	(51,947)	(24,374)	(16,791)

The annexed notes form an integral part of this condensed interim financial information.

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Mushtaq Áhmed Khan F.C.A. DIRECTOR

Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER

Raza Kuli Khan Khattak CHAIRMAN

Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE

SECURITY - SERVICE - PROSPERITY

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2011 **REVENUE RESERVES** 

**CAPITAL RESERVES** 

- 1.11			CAPIIAL	CAPIIAL RESERVES	KEVENUE	KEVENUE KESEKVES		
		ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL	Share Premium	Capital	Revenue	Accumulated Loss	ΤΟΤΑL ΕQUITY	
				(Rupees ir	(Rupees in thousand)			
	Balance as at 31 December 2009 - (audited)	210,000	4	2,303	14,090	38,627	265,024	
	Transfer of incremental depreciation from surplus on revaluation of buildings	ı	ı	ı	ı	850	850	
	Share of associates accounted for under equity method	ı	ı	ı	ı	89	89	
	Total comprehensive loss for the half year ended 30 June 2010	•		ı		(51,947)	(51,947)	
	Balance as at 30 June 2010 - (un-audited)	210,000	4	2,303	14,090	(12,381)	214,016	1
٥	Issue of ordinary share capital - other than right	52,500	·	·	ı	·	52,500	
Q	Transfer of incremental depreciation from surplus on revaluation of buildings	ı	ı	ı	ı	850	850	
	Share of associates accounted for under equity method	•	ı	(2,285)	15	2,439	169	-
e=	Total comprehensive loss for the half year ended 31 December 2010	•	ı	ı	ı	(34,538)	(34,538)	1
CUP	Balance as at 31 December 2010- (audited)	262,500	4	18	14,105	(43,630)	232,997	
TV P	Transfer of incremental depreciation from surplus on revaluation of buildings	·	ı	I	ı	874	874	
EDVI	Share of associates accounted for under equity method	ı	ı	ı	ı	62	62	
ים שי	Total comprehensive loss for the half year ended 30 June 2011	·	ı		ı	(41,491)	(41,491)	
	Balance as at 30 June 2011 - (un-audited)	262,500	4	18	14,105	(84,168)	192,459	
	The annexed notes form an integral part of this condensed interim financial information.	ormation.						

I he annexed notes form an integral part of this condensed interim financial information.



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Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER - -----

Mushtaq Ahmed Khan F.C.A. DIRECTOR

Raza Kuli Khan Khattak CHAIRMAN

Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE 2 galan Angle

Rane Ku al Han

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## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR 30 JUNE 2011

30 June 2011         30 June 2010           (Rupees in thousand)		Half yea	r ended
OPERATING CASH FLOWS           a) Underwriting activities           Premiums received         212,176         260,133           Reinsurance premiums paid         (112,142)         (130,022)           Reinsurance and other recoveries received         42,428         56,887           Commissions received         41,5491         (50,307)           Commissions received         47,567         53,475           b) Other operating activities         47,567         53,475           b) Other operating payments         (24,370)         (50,667)           Other operating payments         (24,370)         (50,667)           Other operating payments         (24,370)         (50,667)           Other operating payments         (24,370)         (52,164)         (40,460)           Other operating payments         (24,370)         (52,164)         (41,278)           Other operating pactivities         (37,311)<		30 June 2011	30 June 2010
a) Underwriting activities         Premiums received       212,176       260,133         Reinsurance premiums paid       (71,586)       (101,103)         Claims paid       (112,142)       42,428       56,887         Commissions paid       (14,549)       (25,587         Commissions paid       (41,549)       (50,307)         Commissions received       47,567       53,475         b) Other operating activities       47,567       53,475         b) Other operating activities       (42,370)       (46,460)         Income tax       1,836       963         General management expenses paid       (24,370)       (40,460)         Other operating receipts       1,954       1,706         Loans to employees - net       228       (23,788)         Deposits against performance bonds received       (112,278)       (23,788)         Net cash flow from other operating activities       (37,311)       (58,803)         INVESTMENT ACTIVITIES       2,207       2,265         Prodeds from disposal of investments       2,404       -         Proceeds from disposal of investments       2,442       -         Proceeds from disposal of investments       2,444       -         Proceeds from disposal of fixed		(Rupees in	thousand)
Premiums received         212,176         260,133           Reinsurance premiums paid         (11,2,142)         (13,8,022)           Claims paid         (12,142)         (13,8,022)           Reinsurance and other recoveries received         (24,242)         (56,887)           Commissions paid         (41,549)         (50,037)           Commissions received         (41,549)         (50,037)           Net cash flow from underwriting activities         (47,567)         (53,475)           b) Other operating activities         (62,104)         (40,460)           Other operating payments         (62,104)         (17,06)           Other operating payments         (24,370)         (52,044)           Other operating payments         (24,370)         (23,21)           Other operating payments         (12,243)         (23,2798)           Deposits against performance bonds received         (24,270)         (23,2798)           Net cash flow from other operating activities         (37,311)         (58,803)           INVESTMENT ACTIVITIES         (24,270)         (22,07)         (2,265)           Profit / return received         (24,776)         (2,176)         (10,307)           Dividends received         (24,776)         (2,2728)         (2,2728)         (2	OPERATING CASH FLOWS		
Reinsurance premiums paid       (71,566)       (101,103)         Claims paid       (112,142)       (138,022)         Reinsurance and other recoveries received       (41,549)       (23,027)         Commissions paid       (41,549)       (50,307)         Commissions received       47,567       53,475         b) Other operating activities       47,567       53,475         income tax       1,836       963         General management expenses paid       (24,370)       (50,657)         Other operating payments       (52,104)       (40,460)         Uher operating receipts       228       (32)         Loans to employees - net       228       (32)         Deposits against performance bonds received       (112,278)       (112,278)         Total cash flow from all operating activities       (04,876)       (112,278)         INVESTMENT ACTIVITIES       2207       2,265       (22,728)         Profit / return received       2,207       2,265       (10,307)         Dividends received       2,233       (10,307)       (27,784)         Proceeds from disposal of investments       2,424       (29,219)       (10,307)         Proceeds from disposal of investments       2,233       (10,307)       (27,265	a) Underwriting activities		
Claims paid         (112,142)         (138,022)           Reinsurance and other recoveries received         (24,248)         56,887           Commissions received         (41,549)         (25,887)           Net cash flow from underwriting activities         47,557         53,475           b) Other operating activities         (10,60,67)         (112,420)         (112,420)           Income tax         1,836         9633         (50,657)           Other operating payments         (16,52,104)         (140,460)         (140,460)           Other operating payments         (12,543)         (23,798)         (23,798)           Loans to employees - net         (28,878)         (112,278)         (23,798)           Deposits against performance bonds received         (21,12,12)         -         (23,798)           Net cash flow from other operating activities         (37,311)         (58,803)         (112,278)           NVESTMENT ACTIVITIES         (37,311)         (58,803)         (112,278)         -           Proceeds from disposal of investments         2,233         1,073         (22,728)         -         -           Proceeds from disposal of fixed assets         2,233         1,073         1,073         1,073         1,073           Total cash flow from inve	Premiums received	212,176	260,133
Reinsurance and other recoveries received         42,428         56,887           Commissions paid         (41,549)         (50,307)           Commissions received         47,567         53,475           b) Other operating activities         47,567         53,475           b) Other operating activities         (24,370)         (52,104)         (40,460)           Other operating received         1,836         963         (50,657)         (40,460)           Other operating receives         1,836         (23,21)         (40,460)         (40,460)           Other operating receives         1,21         -         (23,298)         (23,21)         -         (23,298)         (32)         -         (23,798)         (32)         -         (23,798)         (32,21)         -         -         (23,798)         (32,21)         -         (23,798)         (32,21)         -         (23,798)         (32,21)         -         (23,798)         (32,21)         -         (23,798)         (32,21)         -         (23,798)         (32,21)         -         (23,798)         (32,21)         -         (23,798)         (32,21)         -         (23,798)         (32,21)         -         (23,798)         (32,311)         (58,803)         -         2,202 <td></td> <td></td> <td></td>			
Commissions paid         (41,549)         (50,307)           Commissions received         47,567         53,475           Net cash flow from underwriting activities         47,567         53,475           b) Other operating activities         (24,370)         (36,0657)           Income tax         (24,370)         (52,104)         (40,460)           Other operating payments         (24,370)         (52,104)         (40,460)           Other operating receipts         1,836         (32)         (22,278)           Loans to employees - net         228         (32)         (23,788)           Net cash flow from other operating activities         (84,878)         (112,278)         (23,788)           Net cash flow from all operating activities         (37,311)         (58,803)         (58,803)           INVESTMENT ACTIVITIES         (77,311)         (58,803)         (41,2278)           Profit / return received         2,207         2,265         794         4722           Rentals received         7,94         4722         6         6           Payments for investments         2,502         6         6           Proceeds from disposal of fixed assets         2,233         1,073         1,073           Total cash flow from investing act	•		
Commissions received         18,240         25,887           Net cash flow from underwriting activities         47,567         53,475           b) Other operating activities         1,836         963           Income tax         1,836         963           General management expenses paid         (24,370)         (50,657)           Other operating payments         (24,370)         (40,460)           Other operating payments         (24,370)         (40,460)           Other operating payments         (23,104)         1,706           Loans to employees - net         228         (32)           Deposits against performance bonds received         211         (23,708)           Other operating activities         (84,878)         (112,278)           Net cash flow from dher operating activities         (37,311)         (58,803)           INVESTMENT ACTIVITIES         2,207         2,265           Profit / return received         2,007         472           Dividends received         2,027         472           Proceeds from disposal of investments         -         -           Proceeds from disposal of fixed assets         2,233         -           Proceeds from disposal of fixed assets         2,233         -         -			
b) Other operating activities         Income tax <ul> <li></li></ul>		18,240	25,887
Income tax       1,836       963         General management expenses paid       (24,370)       (50,657)         Other operating payments       1,954       1,706         Loans to employees - net       228       (32)         Deposits against performance bonds received       121       -         Other payments on operating assets - net       (12,543)       (23,798)         Net cash flow from other operating activities       (84,878)       (112,278)         Total cash flow from all operating activities       (37,311)       (58,803)         INVESTMENT ACTIVITIES       2,207       2,265         Profit / return received       2,207       2,265         Dividends received       2,502       6         Payments for investments       -       (22,728)         Proceeds from disposal of investments       2,203       (10,307)         Proceeds from disposal of fixed assets       2,233       1,073         Total cash flow from investing activities       34,424       (29,219)         Financial charges paid       (1011)       (2,421)         Proceeds from disposal of fixed assets       (1,327)       (2,421)         Proceeds from disposal of fixed assets       (1,327)       (2,421)         Financial charges paid	Net cash flow from underwriting activities	47,567	53,475
General management expenses paid         (24,370)         (50,657)           Other operating payments         (40,460)           Other operating receipts         1,954         1,706           Loans to employees - net         228         (32)           Deposits against performance bonds received         121         -           Other payments on operating assets - net         (12,543)         (23,798)           Net cash flow from other operating activities         (84,878)         (112,278)           Total cash flow from all operating activities         (37,311)         (58,803)           INVESTMENT ACTIVITIES         2,207         2,265           Profit / return received         2,207         2,265           Payments for investments         -         (22,728)           Proceeds from disposal of investments         -         (22,728)           Proceeds from disposal of fixed assets         2,233         1,073           Total cash flow from investing activities         34,424         (29,219)           FINANCING ACTIVITIES         -         -           Financial charges paid         (1,011)         (2,421)           Payments on finance leases         (1,327)         (2,421)           Financial charges paid         (1,327)         (2,421) </td <td>b) Other operating activities</td> <td></td> <td></td>	b) Other operating activities		
Other operating payments         (52,104)         (40,460)           Other operating receipts         1,954         (32)           Loans to employees - net         228         (32)           Deposits against performance bonds received         (12,543)         (112,278)           Other operating assets - net         (32,1731)         (58,803)           Net cash flow from other operating activities         (37,311)         (58,803)           INVESTMENT ACTIVITIES         (37,311)         (58,803)           Profit / return received         2,207         2,265           Dividends received         2,207         2,265           Point / return received         2,502         6           Payments for investments         2,8,464         -           Fixed capital expenditure         2,233         1,0037)           Proceeds from disposal of fixed assets         2,233         1,073           Total cash flow from investing activities         34,424         (29,219)           FINANCING ACTIVITIES         (101)         (2,421)           Payments on finance leases         (1,327)         (2,421)           Payments on finance leases         (1,327)         (2,421)           Financial charges paid         (1,327)         (2,421)			
Other operating receipts         1,954         1,706           Loans to employees - net         228         (32)           Deposits against performance bonds received         11         (12,543)         (23,798)           Net cash flow from other operating activities         (84,878)         (112,278)         (23,798)           Net cash flow from all operating activities         (37,311)         (58,803)         (112,278)           INVESTMENT ACTIVITIES         (37,311)         (58,803)         (472)           Profit / return received         2,207         2,265         (22,728)           Profit / return received         2,502         6         (22,728)           Profit / return received         2,8464         -         (10,307)           Proceeds from disposal of investments         2,8464         -         -           Fixed capital expenditure         2,233         10,073         10,073           Total cash flow from investing activities         34,424         (29,219)         10,073           FINANCING ACTIVITIES         -         -         -         -           Financial charges paid         (1,01)         (2,421)         -         -           Payments on finance leases         (1,327)         (2,421)         -         -<			
Loans to employees - net         228         (32)           Deposits against performance bonds received         121         -           Other payments on operating assets - net         (12,543)         (23,798)           Net cash flow from other operating activities         (84,878)         (112,278)           Total cash flow from all operating activities         (37,311)         (58,803)           INVESTMENT ACTIVITIES         2,207         2,265           Profit / return received         2,207         2,265           Dividends received         2,502         6           Payments for investments         -         (22,728)           Proceeds from disposal of investments         2,8464         -           Fixed capital expenditure         (11,0307)         2,233         1,073           Total cash flow from investing activities         34,424         (29,219)         1,073           Total cash flow from financing activities         (1011)         (2,421)         -           Proceeds from financing activities         (1,327)         (2,421)         -           Proceeds from disposal of fixed assets         34,424         (29,219)         1,073           Total cash flow from financing activities         (1,1327)         (2,421)         -           Pa			
Other payments on operating assets - net         (12,543)         (23,798)           Net cash flow from other operating activities         (84,878)         (112,278)           Total cash flow from all operating activities         (37,311)         (58,803)           INVESTMENT ACTIVITIES         2,207         2,265           Dividends received         794         472           Rentals received         2,502         6           Payments for investments         28,464         -           Fixed capital expenditure         (11,776)         (10,307)           Proceeds from disposal of fixed assets         34,424         (29,219)           Financial charges paid         (1011)         (2,421)           Payments on finance leases         (1,327)         (2,421)           Net cash flow from all activities         (4,214)         (90,443)			
Net cash flow from other operating activities(84,878)(112,278)Total cash flow from all operating activities(37,311)(58,803)INVESTMENT ACTIVITIESProfit / return received2,2072,265Dividends received794472Rentals received2,5026Payments for investments28,464-Proceeds from disposal of investments2,233(10,307)Proceeds from disposal of fixed assets2,2331,073Total cash flow from investing activities34,424(29,219)FINANCING ACTIVITIES(1011)(2,421)Payments on finance leases(1,327)(2,421)Payments on finance leases(1,327)(2,421)Net cash outflow from all activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900			-
Total cash flow from all operating activities         (37,311)         (58,803)           INVESTMENT ACTIVITIES         2,207         2,265           Profit / return received         2,207         2,265           Dividends received         794         472           Rentals received         2,502         6           Payments for investments         28,464         (22,728)           Proceeds from disposal of investments         24,464         -           Fixed capital expenditure         (1,776)         (10,307)           Proceeds from disposal of fixed assets         34,424         (29,219)           FINANCING ACTIVITIES         34,424         (29,219)           Financial charges paid         (101)         (2,421)           Payments on finance leases         (1,327)         (2,421)           Total cash flow from financing activities         (1,327)         (2,421)           Payments on finance leases         (4,214)         (90,443)           Cash at the beginning of the period         88,309         158,900		· · ·	
INVESTMENT ACTIVITIESProfit / return received2,2072,265Dividends received794472Rentals received2,5026Payments for investments-(22,728)Proceeds from disposal of investments28,464-Fixed capital expenditure(1,776)(10,307)Proceeds from disposal of fixed assets2,2331,073Total cash flow from investing activities34,424(29,219)FINANCING ACTIVITIES(101)(2,421)Financial charges paid(101)(2,421)Payments on finance leases(1,327)(2,421)Total cash flow from financing activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900	Net cash flow from other operating activities	(84,878)	(112,278)
Profit / return received2,2072,265Dividends received794472Rentals received2,5026Payments for investments28,464-Fixed capital expenditure(1,776)(10,307)Proceeds from disposal of fixed assets2,2331,073Total cash flow from investing activities34,424(29,219)FINANCING ACTIVITIES(101)(2,421)Payments on finance leases(1,327)(2,421)Payments on finance leases(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900	Total cash flow from all operating activities	(37,311)	(58,803)
Dividends received794472Rentals received2,5026Payments for investments-(22,728)Proceeds from disposal of investments28,464-Fixed capital expenditure(1,776)(10,307)Proceeds from disposal of fixed assets34,424(29,219)FINANCING ACTIVITIESFinancial charges paid(101)(2,421)Payments on finance leases(1,327)(2,421)Total cash flow from financing activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900	INVESTMENT ACTIVITIES		
Rentals received2,5026Payments for investments-(22,728)Proceeds from disposal of investments28,464-Fixed capital expenditure(1,776)(10,307)Proceeds from disposal of fixed assets2,2331,073Total cash flow from investing activities34,424(29,219)FINANCING ACTIVITIES(101)(2,421)Financial charges paid(101)(2,421)Payments on finance leases(1,327)(2,421)Total cash flow from financing activities(4,214)(90,443)Cash at the beginning of the period88,309158,900	Profit / return received	2,207	2,265
Payments for investments(22,728)Proceeds from disposal of investments28,464Fixed capital expenditure(1,776)Proceeds from disposal of fixed assets2,233Total cash flow from investing activities34,424FINANCING ACTIVITIESFinancial charges paid(101)Payments on finance leases(101)Cash flow from financing activities(1,327)Vet cash flow from financing activities(1,327)Net cash outflow from all activities(4,214)Cash at the beginning of the period88,309158,900			
Proceeds from disposal of investments28,464-Fixed capital expenditure(1,776)(10,307)Proceeds from disposal of fixed assets2,2331,073Total cash flow from investing activities34,424(29,219)FINANCING ACTIVITIES(101)(2,421)Payments on finance leases(101)(2,421)Total cash flow from financing activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900		2,502	
Fixed capital expenditure(1,776)(10,307)Proceeds from disposal of fixed assets2,2331,073Total cash flow from investing activities34,424(29,219)FINANCING ACTIVITIES(101)(2,421)Payments on finance leases(101)(2,421)Total cash flow from financing activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900	•	28.464	(22,720)
Total cash flow from investing activities34,424(29,219)FINANCING ACTIVITIESFinancial charges paid(101)(2,421)Payments on finance leases(101)(2,421)Total cash flow from financing activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900	•	(1,776)	
FINANCING ACTIVITIESFinancial charges paid(101)(2,421)Payments on finance leases(1,226)-Total cash flow from financing activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900	•		
Financial charges paid(101)(2,421)Payments on finance leases(1,226)-Total cash flow from financing activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900	Total cash flow from investing activities	34,424	(29,219)
Payments on finance leases(1,226)Total cash flow from financing activities(1,327)Net cash outflow from all activities(4,214)Cash at the beginning of the period88,309158,900	FINANCING ACTIVITIES		
Total cash flow from financing activities(1,327)(2,421)Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900			(2,421)
Net cash outflow from all activities(4,214)(90,443)Cash at the beginning of the period88,309158,900		· · · · · · · · ·	<u> </u>
Cash at the beginning of the period 88,309 158,900	-		
		(4,214)	(90,443)
Cash at the end of the period         84,095         68,457			
	Cash at the end of the period	84,095	68,457

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## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2011

Half year ended			
30 June 2011	30 June 2010		
(Rupees in			

#### RECONCILIATION TO CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

Operating cash flows	(37,311)	(58,803)
Depreciation expense	(7,767)	(6,920)
Finance charges	(101)	(365)
Profit on disposal of fixed assets	760	432
Share of profit from associates - net of tax	74	5,190
Investment income	4,253	1,759
Increase / (decrease) in assets other than cash	(26,026)	24,836
(Increase) / decrease in liabilities	20,294	(22,318)
	(45,824)	(56,189)
OTHER ADJUSTMENTS		

Profit on investments and deposits Rental income	3,271 1.062	3,660 582
	4,333	4,242
Loss after taxation	(41,491)	(51,947)

#### **Definition of cash**

Cash comprises of cash in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

#### Cash for the purposes of the condensed interim Cash Flow Statement consists of:

Cash and other equivalent Cash in hand	217	111
Current and other accounts Current accounts Saving accounts	19,092 24,786	36,824 13,189
Deposits maturing within 12 months	43,878	50,013
Fixed and term deposits accounts	40,000	18,333
Total cash and cash equivalents	84,095	68,457

The annexed notes form an integral part of this condensed interim financial information.

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Mushtaq Ähmed Khan F.C.A. DIRECTOR

Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER

Raza Kuli Khan Khattak CHAIRMAN Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE

SECURITY - SERVICE - PROSPERITY

THE UNIVERSAL INSURANCE COMPANY LIMITED

Pakistan	
inside	
underwritten	
Business	

		Draw	Dramiume			Daineuranca	ance		Not promi	Not promine revenue
			2110				alive			
Class	Premiums	Unearned prei	Unearned premium reserve	Premiums	Reinsurance	Prepaid reinsurand	Prepaid reinsurance premium ceded	Reinsurance	Half year ended	Half year ended
	written	Opening	Closing	earned	ceded	Opening	Closing	expense	30 June 2011	30 June 2010
					(Rupees in thousand)	sand)				
Direct and facultative										
Fire and property damage	72,539	56,200	40,196	88,543	40,789	36,530	24,118	53,201	35,342	32,166
Marine and transport	43,663	10,128	10,879	42,912	20,615	5,064	5,222	20,457	22,455	24,719
Motor	101,708	65,036	83,419	83,325	5,925	9,755	7,508	8,172	75,153	74,365
Others	25,682	24,293	18,329	31,646	4,257	8,988	4,949	8,296	23,350	24,165
Total	243,592	155,657	152,823	246,426	71,586	60,337	41,797	90,126	156,300	155,415
Treaty	I	ī		•	I		ī	•		•
Grand Total	243,592	155,657	152,823	246,426	71,586	60,337	41,797	90,126	156,300	155,415
				FOR THE QUARI	FOR THE QUARTER ENDED 30 JUNE 2011	: 2011				
		Pre	Premium			Reinsurance	ance		Net premiu	Net premium revenue
Class	Premiums	Unearned prei	Unearned premium reserve	Premiums	Reinsurance	Prepaid reinsurance premium ceded	ce premium ceded	Reinsurance	Quarter ended	Quarter ended
	written	Opening	Closing	earned	ceded	Opening	Closing	expenses	30 June 2011	30 June 2010
Direct and facultative					)	(Rupees in thousand)				
Fire and property damage	31,073	48,901	40,196	39,778	17,806	29,829	24,118	23,517	16,261	11,724
Marine and transport	25,265	7,695	10,879	22,081	11,665	3,771	5,222	10,214	11,867	13,163
Motor	69,250	57,813	83,419	43,644	2,406	8,094	7,508	2,992	40,652	39,842
Others	11,012	31,528	18,329	24,211	3,162	8,197	4,949	6,410	17,801	14,685
Total	136,600	145,937	152,823	129,714	35,039	49,891	41,797	43,133	86,581	79,414
Treaty	•	•	•		•		•	•	•	•
Grand Total	136,600	145,937	152,823	129,714	35,039	49,891	41,797	43,133	86,581	79,414

SECULATION SECULATION

The annexed notes form an integral part of this condensed interim financial information.

Raza Kuli Khan Khattak CHAIRMAN By Kielden

Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE 2 Rohm Augur

Heway Then the Mushtaq Ahmed Khan F.C.A. DIRECTOR

Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER

Business underwritten inside Pakistan

					Keinsurance	Reinsurance and	Reinsurance and other recoveries	Keinsurance	Net claims expense	is expense
Class	Claims paid	Outstanding claims	ig claims	Claims expenses	and other recoveries	in respect of ou	in respect of outstanding claims	and other recoveries	Half year ended	Half year ended
		Opening	Closing		received	Opening	Closing	revenue	30 June 2011	30 June 2010
					(Rup	(Rupees in thousand)				
Direct and facultative										
Fire and property damage	23,201	145,668	152,411	29,944	17,287	118,007	122,925	22,205	7,739	15,199
Marine and transport	18,865	46,454	32,416	4,827	11,178	28,350	18,556	1,384	3,443	6,096
Motor	48,144	74,306	79,705	53,543	8,785	16,583	11,963	4,165	49,378	58,616
Others	21,932	50,954	60,339	31,317	5,178	30,497	34,243	8,924	22,393	19,037
Total	112,142	317,382	324,871	119,631	42,428	193,437	187,687	36,678	82,953	98,948
Treaty - Proportional	ı	696	696		,	ı	ı	,		
Grand Total	112,142	318,351	325,840	119,631	42,428	193,437	187,687	36,678	82,953	98,948
1									Net claim	Net claims expense
Class	Claims paid	Outstanding claims	ig claims	Claims expenses	Reinsurance and other recoveries	Reinsurance an in respect of ou	Reinsurance and other recoveries in respect of outstanding claims	Reinsurance and other recoveries	Quarter ended	Quarter ended 30
		Opening	Closing		received	Opening	Closing	revenue	30 June 2011	June 2010
						(Rupees in thousand)	(p			
Direct and facultative										
Fire and property damage	15,829	159,058	152,411	9,182	11,897	130,340	122,925	4,482	4,700	4,605
Marine and transport	11,882	42,704	32,416	1,594	6,661	25,367	18,556	(150)	1,744	2,308
Motor	19,985	68,975	79,705	30,715	708	12,233	11,963	438	30,277	27,296
Others	10,817	57,421	60,339	13,735	2,366	35,041	34,243	1,568	12,167	9,962
Lotal	58,513	328,158	324,871	55,226	21,632	202,981	187,687	6,338	48,888	44,171
Treaty - Proportional	i	696	696	ı	ı	I	ı	ı		Î
Grand Total	58.513	329,127	325,840	55,226	21,632	202,981	187,687	6,338	48,888	44,171



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Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE

Mushtag Xmael XLan Mushtag Ahmed Khan F.C.A. DIRECTOR

- BAAR

Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER

Raza Kuli Khan Khattak CHAIRMAN

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CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2011
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Pakistan	
inside	
ess underwritten	
Busines	

Class	Commissions paid	Deferred commission	nmission	Net commission	Otner management	Underwriting	Commission from		Half year ended 30
	or payable	Opening	Closing	asiladxa	expenses	asiladya	lainsilai	30 June 2011	June 2010
					(Rupees in thousand)	(p			
Direct and facultative									
Fire and property damage	17,795	16,306	10,571	23,530	19,257	42,787	14,098	28,689	23,683
Marine and transport	8,420	2,926	2,269	9,077	11,592	20,669	6,576	14,093	13,723
Motor	13,312	4,986	9,149	9,149	27,001	36,150	17	36,133	30,112
Others	2,022	2,847	1,802	3,067	6,818	9,885	1,569	8,316	10,279
Total	41,549	27,065	23,791	44,823	64,668	109,491	22,260	87,231	797,797
Treaty - Proportional		ı	ı	i	ı		ı		
Grand Total	41,549	27,065	23,791	44,823	64,668	109,491	22,260	87,231	77,797
				Othor	Othor			Net underwriting expense	ting expense
Class	Commissions paid	Deferred commission	nmission	Net commission	Otner management	Underwriting	Commission from	Quarter ended 30	Quarter ended 30
	or payable	Opening	Closing	expense	expenses	expense	reinsurer	June 2011	June 2010
					(Rupees in thousand)				
Direct and facultative									
Fire and property	7,646	13,228	10,571	10,303	9,356	19,659	6,138	13,521	12,523
Marine and transport	4,884	1,745	2,269	4,360	7,199	11,559	3,146	8,413	7,445
Motor	10,186	4,786	9,149	5,823	19,251	25,074	3	25,071	15,006
Others	(152)	4,067	1,802	2,113	3,315	5,428	1,286	4,142	6,060
Total	22,564	23,826	23,791	22,599	39,121	61,720	10,573	51,147	41,034
Treaty - Proportional	•	•	•		•	•	•	•	
Grand Total	22,564	23,826	23,791	22,599	39,121	61.720	10.573	51.147	41.034

The annexed notes form an integral part of this condensed interim financial information.

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Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER

Heuter That then Mushtaq Ahmed Khan F.C.A. DIRECTOR

Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE

Raza Kuli Khan Khattak CHAIRMAN Ray Kualden

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### CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME FOR THE HALF YEAR 30 JUNE 2011

	Half yea	r ended	Quarter	ended
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
		(Rupees In	thousand)	
INCOME FROM TRADING INVESTMENTS				
Dividend income				
From related parties From others	- 789 789	- 460 460	- 789 789	- 247 247
INCOME FROM NON-TRADING INVESTMENTS				
Held to maturity				
Return on fixed income securities	1,623	1,399	497	703
Available for sale				
Dividend income				
From related parties From others	- 5	- 12 12	- 5	- 12 12
Gain on sale of investments at fair value through profit or loss	727	- -	727	-
Gain on sale of investments - available for sale	1,053	-	1,054	-
Gain / (loss) on revaluation of investments at fair value through profit or loss	30	565	(833)	(631)
(Provision) / Reversal for impairment in value of available for sale investments	26	(677)	26	861
Less: Investment related expenses	-	-	-	-
Net investment income	4,253	1,759	2,265	1,192

The annexed notes form an integral part of this condensed interim financial information.

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Eljohn Ayul

Hertog 7 med than Mushtaq Ahmed Khan F.C.A.

DIRECTOR

Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER

Raza Kuli Khan Khattak CHAIRMAN

Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE

SECURITY - SERVICE - PROSPERITY

THE UNIVERSAL INSURANCE COMPANY LIMITED



#### SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2011

#### 1. THE COMPANY AND ITS OPERATIONS

The Universal Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on 09 May 1958 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The Company is listed on Karachi and Lahore Stock Exchanges and is engaged in the non-life insurance business. The registered office of the Company is situated at The Universal Insurance House, 63 -Shahrah-e-Quaid-e-Azam, Lahore.

#### 2. BASIS OF PREPARATION

This condensed interim financial information is unaudited but subject to limited scope review by the auditors and is being submitted to the shareholders in accordance with the listing regulations of the Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting' and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 dated 27 August 2003.

The SECP has allowed insurance companies to defer the application of International Accounting Standard (IAS) 39 'Financial Instruments: Recognition and Measurement' in respect of 'Investment available-for-sale' until suitable amendments have been made in the law. Accordingly, the requirements of IAS 39, to the extent allowed by SECP, have not been considered in the preparation of this condensed interim financial information.

This condensed interim financial information do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual published financial statements for the year ended 31 December 2010.

#### 3. ACCOUNTING POLICIES AND COMPUTATION METHODS

Except for the change discussed in note 3.1 to this condensed interim financial information, the accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 31 December 2010.

3.1 During the half year, as on 02 April 2011 the Company has changed its employee benefit scheme from defined contribution plan (approved contributory provident fund) to defined benefit plan (gratuity). Previously, in approved contributory provident fund, for all permanent employees equal monthly contributions were made by the Company and employees to the fund at the rate of 10 percent of basic salary. Now, the Company operates an unfunded gratuity scheme for all permanent employees according to the terms of employment. Annual provision will be made on the basis of actuarial valuation to cover the obligations under the scheme for all permanent employees eligible to gratuity benefits. However, provision for gratuity made in this condensed interim financial information is based on management's best estimate. The aforesaid change has no effect on the corresponding figures in this condensed interim financial information.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied to the preceding annual published financial statements of the Company for the year ended 31 December 2010.

#### 5. CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2010.

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THE UNIVERSAL INSURANCE COMPANY LIMITED



		Un-audited 30 June 2011 (Rupees ir	Audited 31 December 2010 1 thousand)
6.	INVESTMENTS		
	IN RELATED PARTIES		
	Investment in associates - equity method of accounting OTHERS	95,939	95,865
	Held to maturity - Government securities (PIBs) (Note 6.2)	18,432	28,170
	Deposit held with State Bank of Pakistan (Note 6.2)	10,000	-
	Available-for-sale		
	Equity investments		
	Quoted	177	153
	Un-quoted	-	9
	Mutual funds		
	Open ended	500	10,500
	Close ended	173	170
	Investment at fair value through profit or loss	850	10,832
	Equity investments - quoted	7,037	7,056
	Mutual Funds		
	Open ended	593	17,238
	Close ended	1,023	1,014
		8,653	25,308
		133,874	160,175

**6.1** The market value of investments in associates and available for sale investments as on 30 June 2011 was Rupees 10.974 million (31 December 2010 : Rupees. 25.523 million). The recoverable amount of investments in associate is higher than its carrying amount.

**6.2** Pakistan Investment Bond of Rupees 10 million has matured on 19 May 2011. This amount is held with State Bank of Pakistan. Investment in Pakistan Investment Bond and deposit with State Bank of Pakistan are made to meet the statutory requirement as required by section 29(2)(a) of The Insurance Ordinance, 2000.

		Un-audited 30 June 2011	Audited 31 December 2010
		(Rupees in	thousand)
7.	PREMIUMS DUE BUT UNPAID - Unsecured		
	Considered good		
	Due from associates	50,308	36,740
	Others	123,824	105,976
	Considered doubtful	174,132	142,716
	Due from associates	-	-
	Others	18,247	12,399
		18,247	12,399
	Provision for doubtful receivables	(18,247)	(12,399)
		174,132	142,716

THE UNIVERSAL INSURANCE COMPANY LIMITED



		Un-audited 30 June 2011	Audited 31 December 2010
		(Rupees i	n thousand)
8.	AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured		
	Amounts due from coinsurers	146,901	147,140
	Amounts due from reinsurers	51,008	79,220
		197,909	226,360
	Provision for doubtful receivables	(5,977)	(4,039)
	Amounts due from other insurers / reinsurers - considered good	191,932	222,321
9.	FIXED ASSETS		
	Owned (Note 9.1)	237,290	242,084
	Leased (Note 9.2)	2,297	4,967
9.1	Owned	239,587	247,051
	Opening book value	242,084	224,541
	Add: Cost of additions during the period / year (Note 9.1.1)	1,776	17,731
	Add: Surplus on revaluation of land and buildings (Note 9.1.2)	-	11,207
	Add: Book value of motor vehicles transferred from leased assets	2,277	4,715
		246,137	258,194
	Less: Book value of deletions during the period / year (Note 9.1.3)	1,473	1,346
		244,664	256,848
	Less: Depreciation charge for the period / year	7,374	14,764
		237,290	242,084
9.1.1	Cost of additions		
	Furniture, fixture and office equipment	441	1,550
	Computer equipment	454	1,958
	Motor vehicles	881	14,223
		1,776	17,731

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		Un-audited 30 June	Audited 31 December
		2011	2010
		(Rupees ir	n thousand)
9.1.2	Surplus on revaluation of land and buildings		
	Land	-	8,240
	Buildings on freehold land	-	2,967
		-	11,207
9.1.3	Book value of deletions		
	Furniture, fixture and office equipment	-	(176)
	Computer equipment	-	(248)
	Motor vehicles	(1,473)	(922)
		(1,473)	(1,346)
9.2	Leased		
	Opening book value	4,967	12,000
	Less: Book value of leased assets transferred to		
	owned assets during the period / year	2,277	4,715
		2,690	7,285
	Less: Depreciation charge for the period / year	393	2,318
		2,297	4,967

#### 10. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its associates, employee benefit plans, key management personnel and other parties. Transactions are entered into with certain related parties for the issuance of policies to and disbursements of claims incurred by them and receipt of rentals for the use of premises.

Investment in related parties have been disclosed in note 6 to this condensed interim financial information. Other transactions with related parties are summarized as follows:

	Un-audited 30 June 2011	Un-audited 30 June 2010
	(Rupees in	thousand)
Premium underwritten	18,978	11,455
Premium received	10,508	30,923
Claims paid	6,815	5,315
Motor vehicles purchased	-	6,615
Rental income	1,056	576
Contribution to provident fund trust	1,142	2,382
Remuneration to key management personnel	17,615	13,496

THE UNIVERSAL INSURANCE COMPANY LIMITED

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	Fire and pr	Fire and property damage	Marine an	Marine and Transport	Mc	Motor	ŏ	Others	Т	Total
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
					(Rupe	es in thousand)				
OTHER INFORMATION										
Segment assets	298,622	315,724	94,919	105,874	141,774	144,806	84,899	82,381	620,214	648,785
Unallocated assets									496,408	515,188
Total assets	298,622	315,724	94,919	105,874	141,774	144,806	84,899	82,381	1,116,622	1,163,973
Segment liabilities	243,811	296,621	66,853	93,559	197,131	162,837	96,588	90,565	604,383	643,582
Unallocated liabilities									109,053	76,021
Total liabilities	243,811	296,621	66,853	93,559	197,131	162,837	96,588	90'265	713,436	719,603

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Class of business wise revenue and results have been disclosed in the condensed interim profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets and liabilities:

11. SEGMENT REPORTING



#### 12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2010.

#### 13. AUTHORISATION FOR ISSUE

This condensed interim financial information has been approved and authorized for issue on August 19, 2011 by the Board of Directors of the Company.

#### 14. CORRESPONDING FIGURES

Corresponding figures have been rearranged wherever necessary for the purpose of comparison, however, there were no significant reclassifications during the period.

#### 15. GENERAL

Figures have been rounded off to the nearest thousand of Rupees.

Raza Kuli Khan Khattak CHAIRMAN

Eljoha Heyel

Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE

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Mushtaq Ähmed Khan F.C.A. DIRECTOR

Capt. M. Jamil Akhtar Khan MANAGING DIRECTOR & PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

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## UNDER POSTAL CERTIFICATE





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