

CONDENSED INTERIM FINANCIAL  
INFORMATION FOR THE NINE MONTHS  
PERIOD ENDED SEPTEMBER 30,

**2015**  
**(Un-Audited)**



Year of Continuous Services

**55<sup>th</sup>**



BIBOJEE GROUP



**The Universal Insurance Co. Ltd.**

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# vision statement



*We, at Universal Insurance Company Limited recognize the importance of satisfying our customers by consistently providing quality insurance services in accordance with their needs and expectations. We strive to be competent partner of our customers against insured perils.*

# Mission Statement Quality Policy

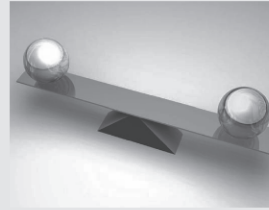


*We strive to provide our customers cost effective insurance cover by continually increasing the productivity of our employees. To increase productivity, we conduct regular training programs during which employees are assessed and allocated a career path in accordance with their performance.*

*We diligently follow the applicable laws and ensure strict compliance by conducting regular internal audits and educating our employees about the law.*

*We try to improve our services by continually assessing our systems and procedures based on customers and team feedback. We strive to maintain a customer focused approach by ensuring that our service is delivered to the customer on time, according to the customer required specifications and with in our stipulated cost.*

# Corporate Information



## Board of Directors

**Mr. Raza Kuli Khan Khattak** (Chairman)

**Lt. GEN (R) Ali Kuli Khan Khattak**

**Begum Zeb Gohar Ayub Khan** (Chief Executive)

**Mrs. Shahnaz Sajjad Ahmed**

**Dr. Shaheen Kuli Khan Khattak**

**Mr. Mushtaq Ahmed Khan F.C.A.**

**Ch. Sher Mohammad**

**Mr. Pervez Iftikhar Ahmed Khan**

**Mr. Muhammad Imran Malik**

**Mr. Amir Raza** (Principal Officer)

**Principal Officer** Mr. Amir Raza

**Chief Operating Officer** Mr. Omar Ayub Khan

**Chief Financial Officer** Mr. Ashfaq Ahmed

**Company Secretary** Mr. Liaqat Ali Shaukat

**Internal Auditor** Mr. Abdul Waheed Chaudhry

**Auditors** M/S. Hameed Chaudhri & Co.,  
Chartered Accountants

**Legal Advisor** Mr. Abrar 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](http://www.uic.com.pk)  
Email: [info@uic.com.pk](mailto:info@uic.com.pk)



## DIRECTOR'S REVIEW

On behalf of the Board of Directors, I am presenting the un-audited financial statements of the company for the period ended 30<sup>th</sup> September, 2015.

### FINANCIAL PERFORMANCE

The underwriting results of the company are reflecting an underwriting profit by Rs. 49.718 million over the corresponding period. Similarly the profit after tax is showing significant amount over the same period. The highlights of results are given below:

	2015	2014
	----- (Rupees in million) -----	
Gross premium	37.422	68.171
Net premium	21.161	39.738
Profit from underwriting business	54.163	4.445
Net claims	(40.572)	(3.036)
Management / administrative expenses	18.522	77.552
Capital and reserves	210.927	132.604
Profit/(Loss) before taxation	91.855	(24.195)
Profit/(Loss) after taxation	<u>90.253</u>	<u>(29.855)</u>
Earnings/ (Loss) per share	<u>2.44</u>	<u>(0.92)</u>

As a result of above positive figure the accumulated losses of the company has reduced from Rs. 251.885 million to Rs. 173.562 million which has certainly improved the financial position of the company by significant margin over the period of last year. This improvement will also impact the solvency margin of the company positively. Further the Board of Directors has decided to inject additional capital before the end of current financial year to recover the deficit in solvency margin.

### FUTURE OUTLOOK

The company will continue to underwrite selective business aiming to further improve the financials of the company during the last quarter of current financial year.

For & on behalf of the Board of Directors

**Raza Kuli Khan Khattak**  
Chairman

**Dated : October 31, 2015**

**Place : Lahore**



## CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2015

	Un-audited	Audited		Un-audited	Audited
	Note 30 September 2015	31 December 2014		Note 30 September 2015	31 December 2014
	(Rupees in thousand)			(Rupees in thousand)	
<b>SHARE CAPITAL AND RESERVES</b>			<b>CASH AND BANK DEPOSITS</b>		
Authorized share capital			Cash and other equivalents	22	1
50,000,000 (31 December 2014: 50,000,000) ordinary shares of Rupees 10 each	500,000	500,000	Current and other accounts	9,644	22,231
Issued, subscribed and paid-up share capital	370,000	370,000	Deposits maturing within 12 months	70,000	100,000
Accumulated loss	(173,562)	(266,854)		79,666	122,232
Reserves	14,489	14,489			
	(159,073)	(252,365)	<b>INVESTMENTS</b>	6	166,982
<b>TOTAL EQUITY</b>	210,927	117,635			157,447
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	241,012	242,578	<b>DEFERRED TAXATION</b>	33,191	33,191
<b>UNDERWRITING PROVISIONS</b>			<b>CURRENT ASSETS - OTHERS</b>		
Provision for outstanding claims (including IBNR)	157,436	272,601	Premiums due but unpaid - unsecured	7 33,284	29,074
Premium deficiency reserve	7,205	825	Amounts due from other insurers / reinsurers - unsecured	8 151,290	157,903
Provision for unearned premium	23,808	19,067	Accrued investment income	4,695	24
Commission income unearned	3,266	5,269	Reinsurance recoveries against outstanding claims	94,836	127,148
<b>Total underwriting provisions</b>	191,715	297,762	Taxation - payment less provision	9,274	8,801
<b>DEFERRED LIABILITY</b>			Deferred commission expense	3,493	3,457
Employee benefit - unfunded	5,748	4,596	Prepayments	8,634	10,238
<b>CREDITORS AND ACCRUALS</b>			Loans to employees - unsecured considered good	167	82
Premiums received in advance	249	786	Sundry receivables	6,207	5,577
Amounts due to other insurers / reinsurers	54,098	76,786		311,880	342,304
Accrued expenses	28,808	32,307	<b>FIXED ASSETS - TANGIBLE</b>	9	
Accrued mark-up on borrowing	-	566	<b>OWNED</b>		
Other creditors and accruals	38,206	47,955	Land and buildings	169,119	172,407
	121,361	158,400	Furniture, fixtures and office equipment	4,969	5,959
<b>BORROWING</b>			Computer equipment	1,540	2,510
Short term running finance	-	22,185	Motor vehicles	7,019	10,709
<b>OTHER LIABILITIES</b>				182,647	191,585
Deposits against performance bonds	2,993	2,993			
Unclaimed dividends	610	610			
	3,603	3,603			
<b>TOTAL LIABILITIES</b>	322,427	486,546			
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-			
<b>TOTAL EQUITY AND LIABILITIES</b>	774,366	846,759	<b>TOTAL ASSETS</b>	774,366	846,759

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

  
Raza Kuli Khan Khattak  
CHAIRMAN

  
Begum Zeb Gohar Ayub  
CHIEF EXECUTIVE

  
Mr. Pervez Ifitikhar Khan  
DIRECTOR

  
Ch. Sher Mohammad  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

	Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Nine months ended 30 September 2015	Nine months ended 30 September 2014
----- (Rupees in thousand) -----							
<b>REVENUE ACCOUNT</b>							
Net premium revenue	10,167	335	4,605	6,054	-	21,161	39,738
Net claims	871	1,836	26,694	10,202	969	40,572	(3,036)
Change in premium deficiency reserve	-	(1)	(179)	(6,202)	-	(6,382)	(713)
Management expenses	(315)	(30)	(59)	(234)	-	(638)	(26,491)
Net commission	(147)	99	(581)	79	-	(550)	(5,053)
	(462)	69	(640)	(155)	-	(1,188)	(31,544)
<b>UNDERWRITING RESULT</b>	<b>10,576</b>	<b>2,239</b>	<b>30,480</b>	<b>9,899</b>	<b>969</b>	<b>54,163</b>	<b>4,445</b>
Investment income						3,610	3,517
Rental income						-	9
Other income						41,611	16,498
						99,384	24,469
General and administration expenses						(16,638)	(50,556)
Financial charges						(1,246)	(505)
Share of profit from associates - net of tax						10,355	2,397
<b>PROFIT / (LOSS) BEFORE TAXATION</b>						<b>91,855</b>	<b>(24,195)</b>
Taxation - Current						(327)	(714)
- Deferred						(1,275)	(4,946)
<b>PROFIT / (LOSS) AFTER TAXATION</b>						<b>90,253</b>	<b>(29,855)</b>
<b>PROFIT AND LOSS APPROPRIATION ACCOUNT</b>							
Balance of accumulated loss at the commencement of the period						(266,854)	(236,603)
Profit / (loss) after taxation for the period						90,253	(29,855)
Items directly recognized in condensed interim statement of changes in equity						3,039	14,573
<b>Balance of accumulated loss at the end of the period</b>						<b>(173,562)</b>	<b>(251,885)</b>
<b>Profit / (loss) per share - basic and diluted - Rupees</b>						<b>2.44</b>	<b>(0.92)</b>

  
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Amir Raza  
PRINCIPAL OFFICER





**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

FOR THE QUARTER ENDED 30 SEPTEMBER 2015 (UN-AUDITED)						
Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Quarter ended 30 September 2015	Quarter ended 30 September 2014

------(Rupees in thousand)-----

**REVENUE ACCOUNT**

Net premium revenue	5,372	264	1,163	5,539	-	12,338	20,331
Net claims	(741)	612	4,276	2,167	-	6,314	(6,128)
Change in premium deficiency reserve	-	(1)	(87)	(7,097)	-	(7,185)	(174)
Management expenses	(277)	76	302	(233)	-	(132)	(8,212)
Net commission	(2,246)	73	(114)	37	-	(2,250)	(3,565)
	(2,523)	149	188	(196)	-	(2,382)	(11,777)

**UNDERWRITING RESULT**

	<u>2,108</u>	<u>1,024</u>	<u>5,540</u>	<u>413</u>	<u>-</u>	<u>9,085</u>	<u>2,252</u>
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Investment income						1,174	1,144
Rental income						-	3
Other income						6,841	6,841
						<u>17,100</u>	<u>10,240</u>
General and administration expenses						(4,993)	(9,419)
Financial charges						(116)	(290)
Share of profit / (loss) from associates - net of tax						8,725	-
<b>PROFIT BEFORE TAXATION</b>						<u>20,716</u>	<u>531</u>
Taxation - Current						(134)	(311)
- Deferred						(624)	(141)
<b>PROFIT AFTER TAXATION</b>						<u>19,958</u>	<u>79</u>
<b>Profit per share - basic and diluted - Rupees</b>						<u>0.54</u>	<u>0.002</u>

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

  
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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2015 (UN-AUDITED)**

NINE MONTHS ENDED		QUARTER ENDED	
30 September 2015	30 September 2014	30 September 2015	30 September 2014

----- (Rupees in thousand) -----

Profit / (loss) after taxation	90,253	(29,855)	19,958	79
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit / (loss) for the period</b>	<b>90,253</b>	<b>(29,855)</b>	<b>19,958</b>	<b>79</b>

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

	CAPITAL RESERVES		REVENUE RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	SHARE CAPITAL	CAPITAL			
<b>Balance as at 31 December 2013 - (audited)</b>	300,000	18	14,467	(236,603)	77,866
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	1,316	1,316
Surplus on revaluation realised on disposal of buildings	-	-	-	13,255	13,255
Share of associates accounted for under equity method	-	-	-	2	2
Shares issued during the period	70,000	-	-	-	70,000
Loss for the nine months ended 30 September 2014	-	-	-	(29,855)	(29,855)
Other comprehensive income for the nine months ended 30 September 2014	-	-	-	-	-
Total comprehensive loss for the nine months ended 30 September 2014	-	-	-	(29,855)	(29,855)
<b>Balance as at 30 September 2014 - (un-audited)</b>	370,000	18	14,467	(251,865)	132,604
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	449	449
Surplus on revaluation of fixed assets realised on disposal of buildings	-	-	-	1	1
Share of associates accounted for under equity method	-	-	-	427	427
Loss for the period ended 31 December 2014	-	-	-	(15,984)	(15,984)
Other comprehensive loss for the period ended 31 December 2014	-	-	-	138	138
Total comprehensive loss for the period ended 31 December 2014	-	-	-	(15,846)	(15,846)
<b>Balance as at 31 December 2014 - (audited)</b>	370,000	18	14,467	(266,854)	117,635
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	1,348	1,348
Surplus on revaluation realised on disposal of buildings	-	-	-	1,493	1,493
Share of associates accounted for under equity method	-	-	-	198	198
Increase of paid-up share capital	-	-	-	-	-
Profit for the nine months ended 30 September 2015	-	-	-	90,253	90,253
Other comprehensive income for the nine months ended 30 September 2015	-	-	-	-	-
Total comprehensive Profit for the nine months ended 30 September 2015	-	-	-	90,253	90,253
<b>Balance as at 30 September 2015 - (un-audited)</b>	370,000	18	14,467	(173,562)	210,927

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

  
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Mr. Pervez Iftikhar Khan  
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Ch. Sher Mohammad  
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Amir Raza  
PRINCIPAL OFFICER





**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

	Nine months ended	
	30 September 2015	30 September 2014
	------(Rupees in thousand)-----	
<b>OPERATING CASH FLOWS</b>		
<b>a) Underwriting activities</b>		
Premiums received	49,454	70,167
Reinsurance premiums paid	(9,099)	(28,886)
Claims paid	(65,600)	(67,494)
Reinsurance and other recoveries received	23,319	22,438
Commissions paid	(6,148)	(12,196)
Commissions received	2,311	6,769
<b>Net cash inflow from underwriting activities</b>	<b>(5,763)</b>	<b>(9,202)</b>
<b>b) Other operating activities</b>		
Income tax	(2,075)	(583)
General management expenses paid	(1,773)	(34,826)
Other operating payments	(28,072)	(41,019)
Other operating receipts	21,238	1,969
Loans to employees repaid	(85)	(160)
Other receipts / (payments) - net	(23,611)	(2,438)
<b>Net cash outflow from other operating activities</b>	<b>(34,378)</b>	<b>(77,057)</b>
<b>Total cash outflow from all operating activities</b>	<b>(40,141)</b>	<b>(86,259)</b>
<b>INVESTMENT ACTIVITIES</b>		
Profit / return received	5,137	7,607
Dividends received	3	-
Rental income received	1,347	1,118
Payments for purchase of investments	-	(14,776)
Proceeds from disposal of investments	-	1,762
Fixed capital expenditure	-	(327)
Proceeds from disposal of fixed assets	14,519	16,485
<b>Total cash inflow from investing activities</b>	<b>21,006</b>	<b>11,869</b>
<b>FINANCING ACTIVITIES</b>		
Financial charges paid	(1,246)	(505)
Short term running finance	(22,185)	20,183
<b>Total cash outflow from financing activities</b>	<b>(23,431)</b>	<b>19,678</b>
<b>Net cash inflow / (outflow) from all activities</b>	<b>(42,566)</b>	<b>(54,712)</b>
Cash at the beginning of the period	122,232	159,998
<b>Cash at the end of the period</b>	<b>79,666</b>	<b>105,286</b>



**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

Nine months ended	
30 September 2015	30 September 2014

------(Rupees in thousand)-----

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

Operating cash flows	(40,141)	(86,259)
Depreciation	(4,066)	(5,325)
Provision for doubtful receivables	16,653	(7,762)
Financial charges	(1,246)	(505)
Profit / (Loss) on disposal of fixed assets	9,646	1,059
Increase / (decrease) in assets other than cash	(51,953)	(44,750)
(Increase) / decrease in liabilities	148,594	100,702
	77,487	(42,840)

**OTHER ADJUSTMENTS**

Profit on investments and deposits	3,610	3,517
Share of profit / (loss) from associates - net of tax	10,355	2,397
Change in premium deficiency reserve	(6,382)	(713)
Rental income	-	9
Profit on term deposit receipts	5,183	7,775
	12,766	12,985
<b>Profit / (loss) after taxation</b>	90,253	(29,855)

**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	22	2
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**Current and other accounts**

Current accounts	8,551	4,207
Saving accounts	1,093	1,077
	9,644	5,284

**Deposits maturing within 12 months**

Fixed and term deposits accounts	70,000	100,000
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**Total cash and cash equivalents**

	79,666	105,286
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The annexed notes form an integral part of this condensed interim financial information.

  
Raza Kuli Khan Khattak  
CHAIRMAN

  
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Amir Raza  
PRINCIPAL OFFICER

**CONDENSED INTERIM STATEMENT OF PREMIUMS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

Business underwritten inside Pakistan

Class	Premiums written			Premiums earned			Reinsurance ceded			Reinsurance premium ceded			Net premium revenue	
	Unearned premium reserve		Premiums earned	Prepaid reinsurance premium ceded		Reinsurance expense	Opening		Closing	Nine months ended 30 September 2015		Nine months ended 30 September 2014		
	Opening	Closing		Opening	Closing		Opening	Closing		Opening	Closing			
Direct and facultative														
Fire and property damage	18,453	12,177	13,743	16,887	4,896	7,184	5,360	6,720	10,167	17,196				
Marine and transport	1,743	166	180	1,749	1,415	128	129	1,414	335	4,995				
Motor	3,534	4,917	2,153	6,298	750	1,524	581	1,693	4,605	15,528				
Others	13,692	1,808	7,752	7,748	2,038	1,284	1,628	1,694	6,054	2,019				
<b>Total</b>	<b>37,422</b>	<b>19,068</b>	<b>23,808</b>	<b>32,682</b>	<b>9,099</b>	<b>10,120</b>	<b>7,698</b>	<b>11,521</b>	<b>21,161</b>	<b>39,738</b>				
Treaty - Proportional	-	-	-	-	-	-	-	-	-	-				
<b>Grand Total</b>	<b>37,422</b>	<b>19,068</b>	<b>23,808</b>	<b>32,682</b>	<b>9,099</b>	<b>10,120</b>	<b>7,698</b>	<b>11,521</b>	<b>21,161</b>	<b>39,738</b>				

(Rupees in thousand)

**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

Class	Premiums written			Premiums earned			Reinsurance ceded			Reinsurance premium ceded			Net premium revenue	
	Unearned premium reserve		Premiums earned	Prepaid reinsurance premium ceded		Reinsurance expense	Opening		Closing	Quarter ended 30 September 2015		Quarter ended 30 September 2014		
	Opening	Closing		Opening	Closing		Opening	Closing		Opening	Closing			
Direct and facultative														
Fire and property damage	18,374	505	13,743	5,136	4,826	288	5,360	(236)	5,372	12,004				
Marine and transport	1,523	12	160	1,375	1,231	9	129	1,111	264	1,872				
Motor	2,783	315	2,153	945	250	113	581	(218)	1,163	5,130				
Others	13,692	28	7,752	5,968	2,037	20	1,628	429	5,539	1,325				
<b>Total</b>	<b>36,372</b>	<b>860</b>	<b>23,808</b>	<b>13,424</b>	<b>8,344</b>	<b>440</b>	<b>7,698</b>	<b>1,086</b>	<b>12,338</b>	<b>20,331</b>				
Treaty - Proportional	-	-	-	-	-	-	-	-	-	-				
<b>Grand Total</b>	<b>36,372</b>	<b>860</b>	<b>23,808</b>	<b>13,424</b>	<b>8,344</b>	<b>440</b>	<b>7,698</b>	<b>1,086</b>	<b>12,338</b>	<b>20,331</b>				

(Rupees in thousand)

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

  
Raza Kuli Khan Khattak  
CHAIRMAN

  
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CHIEF EXECUTIVE

  
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Ch. Sher Mohammad  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER



**CONDENSED INTERIM STATEMENT OF CLAIMS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

Business underwritten inside Pakistan

Class	Claims paid		Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
	Opening	Closing	Opening	Closing			Opening	Closing		Nine months ended 30 September 2015	Nine months ended 30 September 2014
<b>Direct and facultative</b>											
Fire and property damage	30,258	73,055	38,677	4,120	(4,120)	13,057	48,036	31,730	(3,249)	(871)	(5,452)
Marine and transport	7,117	76,112	64,503	(4,492)	(4,492)	4,552	61,968	54,750	(2,656)	(1,836)	(1,426)
Motor	20,845	89,048	39,823	(28,380)	(28,380)	2,159	6,919	3,074	(1,686)	(26,694)	8,549
Others	7,380	33,417	14,433	(11,604)	(11,604)	3,551	10,235	5,282	(1,402)	(10,202)	1,365
<b>Total</b>	<b>65,600</b>	<b>271,632</b>	<b>157,436</b>	<b>(48,596)</b>	<b>(48,596)</b>	<b>23,319</b>	<b>127,148</b>	<b>94,836</b>	<b>(8,993)</b>	<b>(39,603)</b>	<b>3,036</b>
Treaty - Proportional	-	969	-	(969)	(969)	-	-	-	-	(969)	-
<b>Grand Total</b>	<b>65,600</b>	<b>272,601</b>	<b>157,436</b>	<b>(49,565)</b>	<b>(49,565)</b>	<b>23,319</b>	<b>127,148</b>	<b>94,836</b>	<b>(8,993)</b>	<b>(40,572)</b>	<b>3,036</b>

(Rupees in thousand)




**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

Class	Claims paid		Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
	Opening	Closing	Opening	Closing			Opening	Closing		Quarter ended 30 September 2015	Quarter ended 30 September 2014
<b>Direct and facultative</b>											
Fire and property damage	6,242	44,790	38,677	129	129	1,831	34,173	31,730	(612)	741	(99)
Marine and transport	4,429	69,438	64,503	(506)	(506)	2,373	57,017	54,750	106	(612)	(100)
Motor	15,027	59,989	39,823	(5,139)	(5,139)	665	4,602	3,074	(863)	(4,276)	5,050
Others	3,779	21,248	14,433	(3,036)	(3,036)	1,186	7,337	5,282	(869)	(2,167)	1,277
<b>Total</b>	<b>29,477</b>	<b>195,465</b>	<b>157,436</b>	<b>(8,552)</b>	<b>(8,552)</b>	<b>6,055</b>	<b>103,129</b>	<b>94,836</b>	<b>(2,238)</b>	<b>(6,314)</b>	<b>6,128</b>
Treaty - Proportional	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>29,477</b>	<b>195,465</b>	<b>157,436</b>	<b>(8,552)</b>	<b>(8,552)</b>	<b>6,055</b>	<b>103,129</b>	<b>94,836</b>	<b>(2,238)</b>	<b>(6,314)</b>	<b>6,128</b>

(Rupees in thousand)

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

  
Raza Kuli Khan Khattak  
CHAIRMAN

  
Begum Zeb Gohar Ayub Khan  
CHIEF EXECUTIVE

  
Mr. Pervez Iftikhar Khan  
DIRECTOR

  
Ch. Sher Mohammad  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER

**CONDENSED INTERIM STATEMENT OF EXPENSES  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

Business underwritten inside Pakistan

Class	Commissions paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
	Opening	Closing	Opening	Closing					Nine months ended 30 September 2015	Nine months ended 30 September 2014
<b>Direct and facultative</b>										
Fire and property damage	3,733	2,768	2,935	315	3,586	3,901	3,439	462	15,464	
Marine and transport	367	26	31	30	362	392	461	(69)	4,429	
Motor	348	431	195	59	584	643	3	640	9,353	
Others	452	212	332	234	332	566	411	155	2,298	
<b>Total</b>	<b>4,900</b>	<b>3,457</b>	<b>3,493</b>	<b>638</b>	<b>4,864</b>	<b>5,502</b>	<b>4,314</b>	<b>1,188</b>	<b>31,544</b>	
Treaty - Proportional	-	-	-	-	-	-	-	-	-	
<b>Grand Total</b>	<b>4,900</b>	<b>3,457</b>	<b>3,493</b>	<b>638</b>	<b>4,864</b>	<b>5,502</b>	<b>4,314</b>	<b>1,188</b>	<b>31,544</b>	

THE UNIVERSAL INSURANCE COMPANY LIMITED



**FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

Class	Commissions paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
	Opening	Closing	Opening	Closing					Quarter ended 30 September 2015	Quarter ended 30 September 2014
<b>Direct and facultative</b>										
Fire and property	3,713	112	2,935	277	890	1,167	(1,356)	2,523	8,457	
Marine and transport	325	2	31	(76)	296	220	369	(149)	642	
Motor	278	30	195	(302)	113	(189)	(1)	(188)	1,820	
Others	452	4	332	233	124	357	161	196	858	
<b>Total</b>	<b>4,768</b>	<b>148</b>	<b>3,493</b>	<b>132</b>	<b>1,423</b>	<b>1,555</b>	<b>(827)</b>	<b>2,382</b>	<b>11,777</b>	
Treaty - Proportional	-	-	-	-	-	-	-	-	-	
<b>Grand Total</b>	<b>4,768</b>	<b>148</b>	<b>3,493</b>	<b>132</b>	<b>1,423</b>	<b>1,555</b>	<b>(827)</b>	<b>2,382</b>	<b>11,777</b>	

Note: Commission from reinsurers is arrived at after taking impact of opening and closing unearned commission. The annexed notes form an integral part of this condensed interim financial information.

  
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DIRECTOR

  
Ch. Sher Mohammad  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER





**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)**

Nine months ended		Quarter ended	
30 September 2015	30 September 2014	30 September 2015	30 September 2014

**INCOME FROM NON-TRADING INVESTMENTS**

**Held to maturity**

Return on fixed income securities	3,618	3,471	1,220	1,208
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**Available for sale**

Dividend income

From related parties

From others

-	-	-	-
3	-	3	-
3	-	3	-

Gain on sale of investments at fair value through profit or loss	-	20	-	(0.09)
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Gain on revaluation of investments at fair value through profit or loss	(11)	26	(49)	(64)
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**Net investment income**

3,610	3,517	1,174	1,144
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The annexed notes form an integral part of this condensed interim financial information.

  
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## **SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015**

### **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 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 'available-for-sale investments' 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 2014.

### **3. ACCOUNTING POLICIES AND COMPUTATION METHODS**

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 2014.

### **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 2014.

### **5. CONTINGENCIES AND COMMITMENTS**

There is no significant change in the contingencies and commitments disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2014.



	<b>Un-audited 30 September 2015</b>	<b>Audited 31 December 2014</b>
	<b>(Rupees in thousand)</b>	
<b>6. INVESTMENTS</b>		
<b>In related parties - equity method of accounting</b>		
Bannu Woollen Mills Ltd. (BWM)	1,378	1,365
Ghandhara Industries Ltd. (GIL)	124,912	114,372
	<u>126,290</u>	<u>115,737</u>
<b>OTHERS</b>		
Held to maturity - Government securities (PIBs) (Note 6.2)	40,211	41,219
<b>Available-for-sale</b>		
Equity investments - quoted	24	24
<b>Mutual funds</b>		
Open ended	135	135
	159	159
<b>Investment at fair value through profit or loss</b>		
<b>Mutual funds</b>		
Close ended	322	332
	322	332
	<u>166,982</u>	<u>157,447</u>
<b>6.1</b>	The market value of investments in associates and available-for-sale investments as on 30 September 2015 was Rupees 177.053 million (31 December 2014: Rupees 56.377 million). The recoverable amount of investments in associates is higher than its carrying amount.	
<b>6.2</b>	Investment in Pakistan Investment Bonds, held with State Bank of Pakistan, is made to meet the statutory requirement as required by section 29(2)(a) of The Insurance Ordinance, 2000.	
	<b>Un-audited 30 September 2015</b>	<b>Audited 31 December 2014</b>
	<b>(Rupees in thousand)</b>	
<b>7. PREMIUMS DUE BUT UNPAID - Unsecured</b>		
<b>Considered good</b>		
Due from associates	-	11,759
Others	33,284	17,315
	<u>33,284</u>	<u>29,074</u>
<b>Considered doubtful</b>		
Due from associates	-	4,758
Others	71,491	82,975
	71,491	87,733
<b>Provision for doubtful receivables</b>	<u>(71,491)</u>	<u>(87,733)</u>
	<u>33,284</u>	<u>29,074</u>



	<b>Un-audited 30 September 2015</b>	<b>Audited 31 December 2014</b>
	<b>(Rupees in thousand)</b>	
<b>8. AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured</b>		
Amounts due from coinsurers	130,454	124,087
Amounts due from reinsurers	38,242	49,158
	<u>168,696</u>	<u>173,245</u>
Provision for doubtful receivables	(17,406)	(15,342)
Amounts due from other insurers / reinsurers - considered good	<u>151,290</u>	<u>157,903</u>
<b>9. FIXED ASSESTS - TANGIBLE</b>		
Opening book value	191,585	201,162
Add: Cost of additions during the period / year (Note 9.1)	-	329
Add: Surplus on revaluation of land and buildings (Note 9.2)	-	13,514
	<u>191,585</u>	<u>215,005</u>
Less: Book value of deletions during the period / year (Note 9.3)	4,872	16,354
	<u>186,713</u>	<u>198,651</u>
Less: Depreciation charge for the period / year	4,066	7,066
	<u>182,647</u>	<u>191,585</u>
<b>9.1 Cost of additions</b>		
Furniture, fixture and office equipment	-	34
Computer equipment	-	257
Motor vehicles	-	38
	<u>-</u>	<u>329</u>
<b>9.2 Surplus on revaluation of land and buildings</b>		
Land	-	9,360
Buildings on freehold land	-	4,154
	<u>-</u>	<u>13,514</u>
<b>9.3 Book value of deletions</b>		
Buildings on freehold land	1,509	14,920
Furniture, fixture and office equipment	531	170
Computer equipment	493	11
Motor vehicles	2,340	1,253
	<u>4,873</u>	<u>16,354</u>
<b>10. TRANSACTIONS WITH RELATED PARTIES</b>		
<b>Period end balances</b>		
Provision for outstanding claims	-	15,811
Premiums due but unpaid	-	16,517
Provision for doubtful receivables	-	4,758
Commission payable	5,506	7,680
Recoverable from holding company against rent and sale of fixed assets	-	1,347
	<u>-</u>	<u>35,013</u>
	<b>Un-audited 30 September 2015</b>	<b>Un-audited 30 September 2014</b>
	<b>(Rupees in thousand)</b>	
<b>Transactions during the period</b>		
Premium underwritten	-	755
Premium received / adjusted	16,510	3,068
Claims paid	14,270	531
Rent expense	75	675
Rent adjusted / received	1,347	1
Remuneration to key management personnel	11,210	13,738



#### 11. SEGMENT REPORTING

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:

Fire and property damage		Marine and Transport		Motor		Others		Total	
30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014

(Rupees in thousand)

#### OTHER INFORMATION

<b>Segment assets</b>	136,129	138,446	68,285	104,728	35,636	59,173	50,551	25,355	290,601	327,702
Unallocated assets									483,765	519,057
<b>Total assets</b>	<b>136,129</b>	<b>138,446</b>	<b>68,285</b>	<b>104,728</b>	<b>35,636</b>	<b>59,173</b>	<b>50,551</b>	<b>25,355</b>	<b>774,366</b>	<b>846,759</b>
<b>Segment liabilities</b>	84,085	127,208	71,884	96,168	47,868	107,842	44,968	46,323	248,805	377,541
Unallocated liabilities									73,622	109,005
<b>Total liabilities</b>	<b>84,085</b>	<b>127,208</b>	<b>71,884</b>	<b>96,168</b>	<b>47,868</b>	<b>107,842</b>	<b>44,968</b>	<b>46,323</b>	<b>322,427</b>	<b>486,546</b>

#### 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 2014.

#### 13. AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved and authorized for issue on October 31, 2015 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.

  
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**THE UNIVERSAL INSURANCE CO. LTD.**

**UNIVERSAL INSURANCE HOUSE**

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