



QUARTERLY FINANCIAL STATEMENTS

SEPTEMBER 30, 2009
(UN-AUDITED)



The Universal Insurance Co. Ltd.



BIBOJEE GROUP



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 within our stipulated cost.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. RAZA KULI KHAN KHATTAK (Chairman)
 LT. GEN (R) ALI KULI KHAN KHATTAK
 MR. AHMED 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. MOHAMMAD KULI KHAN KHATTAK
 MR. SARDAR KHAN (Managing Director)

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. MUNIFF ZIA UDDIN & 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 # 042-3723 5081-82
 FAX # 042-3735 8817

REGISTERED OFFICE:

UNIVERSAL INSURANCE HOUSE
 63-SHAHRAH-E-QUAID-E-AZAM,
 LAHORE, 54000
 PAKISTAN.
 PH: 042-3735 3453-3735 3458
 FAX: 042-3723 0326
 WEB: www.uic.com.pk
 EMAIL: tuic@nexlinx.net.pk

BOARD & MANAGEMENT COMMITTEES

- 1. Audit Committee:-**
 Ch. Sher Mohammad Chairman
 Lt. Gen (R) Ali Kuli Khan Khattak Member
 Mr. Mushtaq Ahmed Khan F.C.A. Member
- 2. Investment Committee:-**
 Mr. Mushtaq Ahmed Khan F.C.A. Chairman
 Ch. Sher Mohammad Member
 Mr. Sardar Khan Member
- 3. Underwriting Committee:-**
 Mr. Mushtaq Ahmed Khan F.C.A. Chairman
 Mr. M. Rafiq Chaudhry Member
 Mr. Fazal-ur-Rehman Malik Member
- 4. Claim Settlement Committee:-**
 Mr. Mushtaq Ahmed Khan F.C.A. Chairman
 Mr. Sardar Khan Member
 Mr. Omar Ayub Khan Member
- 5. Re- Insurance & Co- Insurance Committee:-**
 Mr. Mushtaq Ahmed Khan F.C.A. Chairman
 Mr. M. Rafiq Chaudhry Member
 Mr. Ghulam Qamber Naqvi Member

DIRECTOR'S REVIEW

We are on behalf of the Board of Directors pleased to present the Financial Statements of the company for the period ended 30th September, 2009.

Financial Performance

Due to prevalent economic recession in the market the underwritten premium of the company has dropped to Rs.396.968 million as against the premium of Rs.456.855 million underwritten for the similar period during the year 2008. The major decrease of premium is in motor segment as a result of strict controls introduced by banks on their leasing business.

However, our business in medical insurance has shown improvement over the corresponding period. Further our investment income has enhanced significantly from Rs.3.786 million to Rs.10.215 million during the period ended 30th September, 2009.

The results for the period ended 30th September, 2009 are summarized below:

	<u>2009</u>	<u>2008</u>
	-----Rupees in millions-----	
Gross premium	396.968	456.855
Net premium	267.642	311.139
Profit from underwriting business	23.391	28.753
Net claims (paid & outstanding)	(147.704)	(154.270)
Management / administrative expenses	(124.138)	(124.260)
Capital and reserves	241.563	232.337
(Loss) / profit before taxation	(11.651)	19.476
(Loss) / profit after taxation	(15.351)	9.719
Add: Balance of unappropriated profit - b/f	32.546	93.714
Less: Bonus shares	-	(64.800)
Profit available for appropriation	<u>17.195</u>	<u>38.633</u>

Future Outlook

In order to expand our portfolio business, we have been developing new products which would be offered to the existing and to the prospective clients as well. We have plans to concentrate for the enhancement of our business by re-structuring our existing branches network for proper penetration.

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 Co, Limited and all our re-insurers for their continued guidance and support.

For & on behalf of the Board of Directors

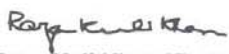


Raza Kuli Khan Khattak
Chairman


Lahore: October 24, 2009

BALANCE SHEET AS AT 30 SEPTEMBER, 2009

	Un-Audited Sep-09 (Rupees in '000)	Audited Dec-08 (Rupees in '000)		Un-Audited Sep-09 (Rupees in '000)	Audited Dec-08 (Rupees in '000)
SHARE CAPITAL AND RESERVES			CASH AND BANK DEPOSITS		
Authorised share capital 50,000,000 ordinary shares of Rs. 10 each	500,000	500,000	Cash and other equivalents	121	56
Issued, subscribed and paid-up share capital	210,000	210,000	Current and other accounts	62,795	107,116
Retained earnings	17,195	32,546	Deposits maturing within 12 months	24,833	44,802
Reserves	14,368	14,368		87,750	151,974
TOTAL EQUITY	241,563	256,914	Loan to employees and agents	854	554
UNDERWRITING PROVISIONS			Investment	92,715	84,172
Provision for outstanding claims	195,242	207,842	OTHER ASSETS		
Provision for unearned premium	191,046	182,631	Premiums due but unpaid - unsecured, considered good	156,716	149,446
Commission income unearned	14,572	15,605	Amount due from others insurers / reinsurers unsecured, considered good	132,465	150,666
Total underwriting provisions	400,860	406,078	Accrued investment income	2,884	1,808
DEFERRED TAXATION	20,408	16,873	Reinsurance recoveries against outstanding claims	85,091	92,562
CREDITORS AND ACCRUALS			Deferred commission expense	26,609	23,019
Amounts due to other insurers / reinsurers	69,504	119,647	Advance income tax / income tax refundable	11,709	11,709
Taxation	7,811	7,646	Prepayments	58,844	57,277
Accrued expenses	5,047	4,980	Sundry receivables	29,239	18,817
Other creditors	41,704	29,330		503,557	505,304
Unclaimed dividend	124,066 611	161,602 612	FIXED ASSETS - Tangible		
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	5,257	13,652	Land and buildings	45,530	47,297
TOTAL LIABILITIES	551,201	598,817	Furniture, fixtures and office equipment	20,951	20,848
			Motor vehicles including vehicles acquired under finance lease arrangements	41,407	45,582
				107,888	113,727
TOTAL EQUITY AND LIABILITIES	792,764	855,731	TOTAL ASSETS	792,764	855,731


Raza Kuli Khan Khattak
Chairman


Begum Zeb Gohar Ayub Khan
Chief Executive


Ch. Sher Muhammad
Director


Sardar Khan
Managing Director &
Principal Officer

**PROFIT & LOSS ACCOUNT
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER, 2009**

Fire and Property Damage	Marine and Transport	Motor Accident	Others	Total
2009				2008
------(Rupees in '000)-----				

PROFIT & LOSS ACCOUNT

Net premium revenue	68,891	31,711	132,775	33,837	267,213	311,139
Net claims	(18,103)	(10,690)	(93,044)	(25,868)	(147,704)	(154,270)
Expenses of management	(27,837)	(10,695)	(27,897)	(7,972)	(74,401)	(72,876)
Net commission	(2,358)	(2,524)	(12,453)	(4,382)	(21,717)	(15,824)
Underwriting result	20,594	7,801	(619)	(4,385)	23,391	68,170
Investment income					10,215	3,786
Rental income					1,098	18
Gain on disposal of fixed assets					763	661
Misc. income					945	2,827
General and administrative expenses					(49,737)	(51,385)
Share of profit / (loss) of associates-net of taxation					1,674	(4,601)
(Loss)/profit before tax					(11,651)	19,476
Less: Taxation						
-current					165	5,280
-deferred					3,535	4,478
					3,700	9,757
(Loss)/profit after tax					(15,351)	9,719

PROFIT & LOSS

APPROPRIATION ACCOUNT

Balance at commencement of period					32,546	93,714
(Loss)/profit after tax for the period					(15,351)	9,719
Reserve for bonus shares					0	(64,800)
Balance of unappropriated profit at the end of period					17,195	38,633
EARNINGS PER SHARE					(0.73)	0.53

Raza Kuli Khan
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Director

Sardar Khan
Sardar Khan
Managing Director &
Principal Officer


**PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED 30 SEPTEMBER, 2009**

Fire and Property Damage	Marine and Transport	Motor Accident	Others	Total	
2009					2008


------(Rupees in '000)-----

PROFIT & LOSS ACCOUNT

Net premium revenue	18,647	13,790	47,475	5,442	85,354	109,865
Net claims	(7,911)	(6,074)	(31,041)	(6,397)	(51,423)	(60,007)
Expenses of management	(9,301)	(2,562)	(6,285)	(3,710)	(21,858)	(23,433)
Net commission	(683)	(1,881)	(4,387)	(478)	(7,429)	(5,154)
Underwriting result	752	3,273	5,762	(5,143)	4,644	21,271
Investment income					6,242	4,409
Rental income					366	6
Gain on disposal of fixed assets					330	492
Misc. income					48	1,288
General and administrative expenses					(20,114)	(18,589)
Share of (loss) / profit of associates-net of taxation					(305)	12
(Loss) before tax					(8,788)	(8,890)
Less: Taxation						
-current					77	2,196
-deferred					5,603	861
					5,680	3,058
(Loss)/profit after tax					(14,468)	5,832


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**STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2009**

Share capital	Reserves						Sub-total	Retained earnings	Total
	General	Doubtful debts	Reserves for issue of bonus shares	Exceptional losses	Unrealised gain / (loss) on remeasurement of investments				
(Rupees in '000)									
Balance as at 31 December, 2007	120,000	13,125	25	0	700	4,222	18,072	97,535	235,607
Deferred tax-prior year adjustment	0	0	0	0	0	0	0	(3,820)	(3,820)
Balance as at 31 December, 2007 (Restated)	120,000	13,125	25	0	700	4,222	18,072	93,715	231,787
Bonus shares issued	64,800	0	0	0	0	0	0	(64,800)	0
Share capital issued (Right issue)	25,200	0	0	0	0	0	0	0	25,200
Adjustment on remeasurement of investments to fair value	0	0	0	0	0	(3,905)	(3,905)	0	(3,905)
Effect of items directly taken in equity by associated companies investments	0	0	0	0	0	200	200	0	200
Transfer of reserves for doubtful debts and exceptional losses to reserves	0	725	(25)	0	(700)	0	0	0	0
Profit for the year ended 31 December, 2008	0	0	0	0	0	0	0	3,632	3,632
	210,000	13,850	0	0	0	518	14,368	32,546	256,914
Loss for the period ended 30 September, 2009	0	0	0	0	0	0	0	(15,351)	(15,351)
	210,000	13,850	0	0	0	518	14,368	17,195	241,563

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CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2009

	2009	2008
	(Rupees in '000)	
OPERATING CASH FLOWS		
(a) Underwriting activities		
Premiums received	389,697	431,367
Reinsurance premiums paid	(121,300)	(131,160)
Claims paid	(231,116)	(218,063)
Reinsurance and other recoveries received	78,284	78,957
Commissions paid	(59,550)	(56,851)
Commissions received	33,211	38,608
Net cash inflow from underwriting activities	89,225	142,858
(b) Other operating activities		
Income tax paid / refunds received - net	(1,007)	12,682
General management expenses	(65,814)	(62,426)
Loans to employees - net	(300)	(278)
Other operating payments	(46,250)	(49,038)
Other operating receipts	945	3,027
Other payments / receipts in respect of operating assets - net	(29,509)	(15,296)
Net cash outflow from other operating activities	(141,935)	(111,330)
TOTAL CASH (OUTFLOW) / INFLOW FROM ALL OPERATING ACTIVITIES	(52,710)	31,528
INVESTING ACTIVITIES		
Profit / return received	4,683	4,264
Rental received	18	18
Dividend received	1,103	1,987
Investments-net	(3,517)	(21,500)
Fixed capital expenditure including assets acquired under finance lease arrangements	(6,833)	(26,720)
Proceeds from disposal of fixed assets	2,593	2,395
TOTAL CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,952)	(39,556)
FINANCING ACTIVITIES		
Lease finance charges paid	(1,165)	(2,389)
Dividend paid	(2)	0
Lease finances - net	(8,395)	(5,694)
TOTAL CASH OUTFLOW FROM FINANCING ACTIVITIES	(9,562)	(8,083)
NET CASH OUTFLOW FROM ALL ACTIVITIES	(64,224)	(16,111)
CASH AND CASH EQUIVALENTS - At the beginning of the year	151,974	143,232
CASH AND CASH EQUIVALENTS - At the end of the period	87,750	127,121

	2009 (Rupees in '000)	2008
Reconciliation to profit and loss account		
Operating cash flows	(52,710)	31,528
Depreciation expense	(10,841)	(11,149)
Rental income	1,098	18
Lease finance charges	(1,165)	(2,389)
Gain on disposal of fixed assets - net	763	661
Profit / (loss) for associates	1,674	(4,601)
Investments income	10,215	3,786
Increase / (decrease) in assets	38,140	(19,371)
(Decrease) / Increase in liabilities	(2,524)	11,235
(Loss) / profit after taxation	<u>(15,351)</u>	<u>9,719</u>


DEFINITION OF CASH

Cash and other equivalents, current and other bank accounts and deposits maturing within 12 months.


Cash for the purpose of the cash flow statement consists of:

Cash and bank deposits:

- cash and other equivalents	121	116
- current and other accounts	62,795	92,203
- deposits maturing within 12 months	24,833	34,802
	<u>87,750</u>	<u>127,121</u>


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Director


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**STATEMENT OF PREMIUMS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2009**

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue	
		Opening	Closing			Opening	Closing		2009	2008

----- (Rupees in '000) -----

DIRECT AND
FACULTATIVE

Fire and

property damage	148,363	72,338	72,806	147,894	78,538	40,509	40,044	79,003	68,891	74,877
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Marine and

transport	57,004	11,335	10,930	57,409	24,941	5,894	5,137	25,697	31,711	44,633
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Motor accident

	148,683	77,164	81,095	144,753	13,103	6,173	7,299	11,977	132,775	167,110
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Others

	42,489	21,794	26,214	38,069	4,718	2,397	2,884	4,232	33,837	24,519
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	396,539	182,631	191,046	388,124	121,300	54,974	55,363	120,911	267,213	311,139
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**STATEMENT OF CLAIMS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2009**

Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense 2009	Net claims expense 2008
		Opening	Closing			Opening	Closing			
------(Rupees in '000)-----										
DIRECT AND FACULTATIVE										
Fire and property damage	67,706	69,934	80,136	77,908	49,921	51,196	61,497	60,222	17,686	21,239
Marine and transport	23,776	33,842	24,051	13,985	15,400	24,729	12,632	3,304	10,681	7,953
Motor accident	111,287	79,791	67,755	99,251	10,598	12,739	8,351	6,210	93,041	110,704
Others	27,919	23,306	22,330	26,943	2,364	3,898	2,610	1,076	25,868	14,373
	230,688	206,873	194,273	218,087	78,284	92,562	85,091	70,812	147,275	154,270
TREATY										
Fire and property damage	417	582	582	417	-	-	-	-	417	-
Marine and transport	9	246	246	9	-	-	-	-	9	-
Motor accident	2	141	141	2	-	-	-	-	2	-
	429	969	969	429	-	-	-	-	429	-
	231,116	207,842	195,242	218,516	78,284	92,562	85,091	70,812	147,704	154,270

Raza Kuli Khan
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Director


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**STATEMENT OF EXPENSES
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2009**

Class	Commission paid or payable	Deferred Commission		Net commission expense	Other management expenses	Under writing expenses	Commission from reinsurers	Net underwriting expenses	
		Opening	Closing					2009	2008
------(Rupees in '000)-----									
DIRECT AND FACULTATIVE									
Fire and									
Property Damage	28,643	10,488	12,913	26,218	27,837	54,055	23,860	30,194	22,981
Marine and									
Transport	12,058	1,789	2,354	11,493	10,695	22,189	8,969	13,220	13,061
Motor Accident	12,687	7,083	7,315	12,455	27,897	40,352	2	40,350	44,662
Others	6,162	3,659	4,026	5,794	7,972	13,766	1,412	12,354	7,997
	59,550	23,019	26,609	55,961	74,401	130,362	34,244	96,118	88,700

Note: Commission from reinsurers is calculated after taking the effect of opening and closing unearned commission.


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Chairman



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Chief Executive

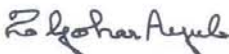

Ch. Sher Muhammad
Director


Sardar Khan
Managing Director &
Principal Officer

**STATEMENT OF INVESTMENT INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2009**

	2009	2008
	(Rupees in '000)	
Income from investment at fair value through profit or loss		
Unrealised gain on remeasurement of investment to fair value	6,084	(1,574)
Dividend income	350	480
	6,434	(1,094)
Income from non-trading investments		
Held to maturity		
Return on Government securities	2,105	694
Return on other fixed income securities and deposits:		
- term deposit receipts	2,707	1,815
- profit on PLS accounts	1,008	930
	5,819	3,439
Available-for-sale		
Dividend income	753	1,507
Unrealized loss	(2,732)	0
Less: Zakat deducted	(60)	(66)
Net investment income	10,215	3,786


Raza Kuli Khan Khattak
Chairman


Begum Zeb Gohar Ayub Khan
Chief Executive


Ch. Sher Muhammad
Director


Sardar Khan
Managing Director &
Principal Officer

**NOTES TO THE FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2009**

1. STATUS AND NATURE OF BUSINESS

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 Universal Insurance House, 63-Shahrah-e-Quaid-e-Azam, Lahore Bibojee Services (Pvt) Ltd., (the Holding Company) held 15,158,327 (31 December, 2008:15,158,327) i.e. 72.18% ordinary share of the Company as at 30 September, 2009.

2. ACCOUNTING POLICIES

The Accounting Policies and methods of computation, which have been used in the preparation of these financial statements, are the same as those applied in the preparation of the financial statements as at and for the year ended 31 December, 2008.

3. ESTIMATES AND JUDGEMENTS

Preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.


The significant judgment, estimates and assumptions used by the management in preparation of these financial statements are the same as those applied to the annual financial statements as at and for the year ended 31 December, 2008.

4. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 24 October, 2009 by the Board of Directors of the Company.

5. FIGURES

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees.
- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison; however, no significant rearrangements / reclassifications have been made in these financial statements.


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