

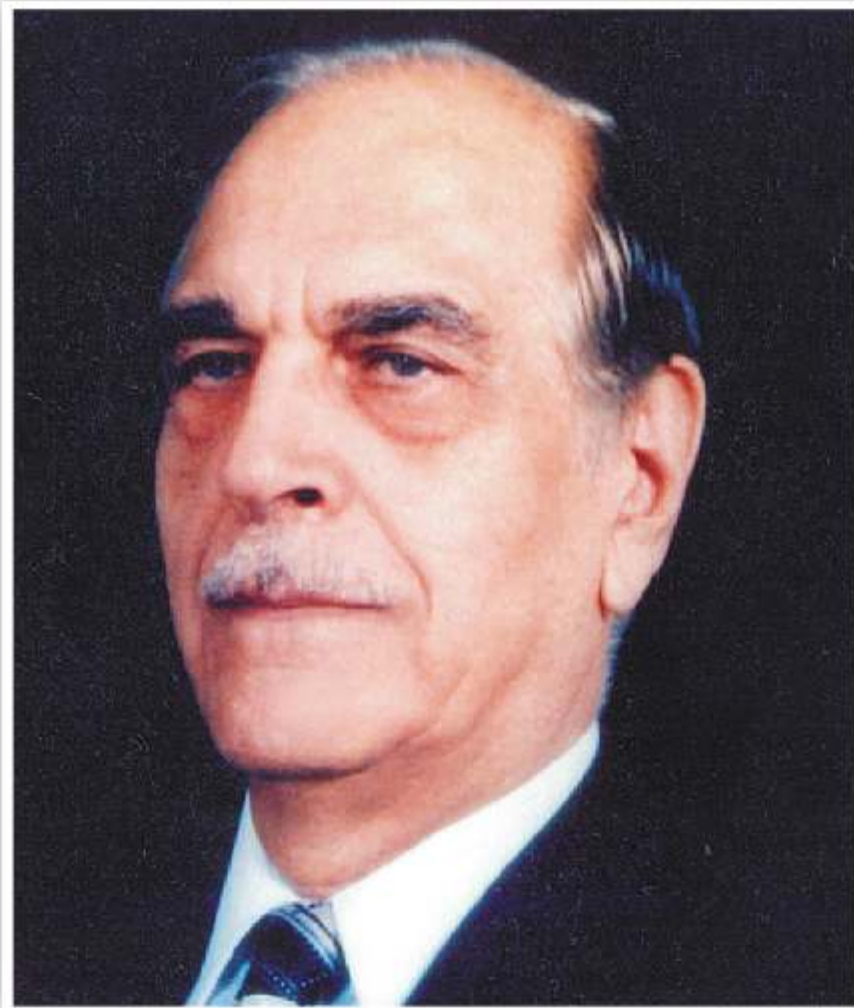
*Condensed
Interim
Financial
Information
for the
Six Months
Period Ended
30 June
2010*



The Universal Insurance Co. Ltd.







Lt. Gen. M. Habib Ullah Khan Khattak (Late)
Founder Chairman
Bibojee Group of Companies

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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 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

MANAGING DIRECTOR

CAPT. M. JAMIL AKHTAR KHAN

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 Statements of the company for the period ended 30th June, 2010.

FINANCIAL PERFORMANCE

The Gross Premium of the company has increased by Rs. 18.443 Million over the Gross Premium of corresponding period which is equivalent to 8% whereas Net Premium has reduced by Rs. 26.444 Million over the period June, 2009.

There is an increase in the Net Claim Ratio of the company which resulted into underwriting losses in all classes of business except Marine & Transport. The comparative results for the six month period are given below.

	<u>2010</u>	<u>2009</u>
Rupees in millions.....	
Gross Premium	260.800	242.357
Net premium	155.415	181.859
(Loss) / Profit from underwriting business	(21.330)	18.747
Net claims (paid & outstanding)	(98.948)	(96.281)
Management / administrative expenses	(101.039)	(82.166)
Capital and reserves	213.996	256.031
Loss before taxation	(57.605)	(2.863)
Loss after taxation	(55.701)	(0.883)
Other comprehensive Income	0.850	-
Add: Balance of un-appropriated profit-b/f	44.479	32.546
(Loss) / Profit available for appropriation	(10.372)	31.663

FUTURE OUTLOOK

Although the Financial results for the period ended June 2010 are not good but the Management of the company is determined to minimize the losses during the 2nd half of the current financial year by re-structuring its underwriting policy and rationalize the existing branch network.

Your Director 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-insurance for their continued guidance and support.

For & on behalf of the Board of Directors

Raza Kuli Khan Khattak
Chairman

Dated : August 25, 2010
Place : Lahore



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 2010 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 six months period 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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The condensed interim financial information for the half year ended 30 June 2009, and financial statements for the year ended 31 December 2009 were reviewed / audited by another firm of Chartered Accountants who had expressed in their review / audit reports unqualified conclusion / opinion vide their reports dated 28 August 2009 and 03 April 2010 respectively.

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 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 30 June 2010.

RIAZ AHMAD & COMPANY
Chartered Accountants
Syed Mustafa Ali

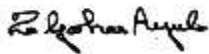
LAHORE: August 25, 2010

CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2010

	Un-audited 30 June 2010 (Rupees in thousand)	Audited 31 December 2009 (Rupees in thousand)		Un-audited 30 June 2010 (Rupees in thousand)	Audited 31 December 2009 (Rupees in thousand)
Note			Note		
SHARE CAPITAL AND RESERVES			CASH AND BANK DEPOSITS		
Authorized share capital 50,000,000 (2009: 50,000,000) ordinary shares of Rupees 10 each	500,000	500,000	Cash and other equivalents	111	48
Issued, subscribed and paid-up share capital	210,000	210,000	Current and other accounts	50,013	93,019
Retained earnings	(10,372)	44,479	Deposits maturing within 12 months	18,333	65,833
Reserves	14,368	10,614		68,457	158,900
	3,996	55,093			
TOTAL EQUITY	213,996	265,093	Loans to employees - secured considered good	804	773
Surplus on revaluation of fixed assets	119,778	120,326	INVESTMENTS	6	82,565
UNDERWRITING PROVISIONS			CURRENT ASSETS - OTHERS		
Provision for outstanding claims (including IBNR)	264,133	212,980	Premiums due but unpaid	7	138,350
Provision for unearned premium	172,159	164,598	Amounts due from other insurers / reinsurers - considered good		140,674
Commission income unearned	13,397	14,379	Accrued investment income		816
Total underwriting provisions	449,689	391,957	Reinsurance recoveries against outstanding claims		143,008
DEFERRED LIABILITIES			Taxation - payment less provision		662
Deferred taxation	25,305	29,130	Deferred commission expense		27,715
CREDITORS AND ACCRUALS			Prepayments		58,934
Amounts due to other insurers / reinsurers	65,683	131,000	Sundry receivables		17,433
Accrued expenses	9,018	6,382		527,592	549,843
Other creditors and accruals	31,305	51,326	FIXED ASSETS - TANGIBLE	8	
	106,006	188,708	OWNED		
BORROWINGS			Land and buildings		176,206
Liabilities against assets subject to finance lease	3,322	5,379	Furniture, fixtures and office equipment		10,235
OTHER LIABILITIES			Computer equipment		9,105
Unclaimed dividends	610	610	Motor vehicles		35,802
TOTAL LIABILITIES	584,932	615,784		231,348	224,541
CONTINGENCIES AND COMMITMENTS	5	-	LEASED		
TOTAL EQUITY AND LIABILITIES	918,706	1,001,203	Motor vehicles		6,427
			Furniture, fixtures and office equipment		1,513
				7,940	12,000
			TOTAL ASSETS	918,706	1,001,203

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


Ch. Sher Mohammad
Director


Capt. M. Jamil Akhtar Khan
Managing Director

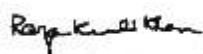


CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2010

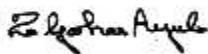
	HALF YEAR ENDED 30 JUNE 2010					Half year ended 30 June 2010	Half year ended 30 June 2009
	Fire and Property Damage	Marine and Transport	Motor	Others	Treaty		
----- (Rupees in thousand) -----							
Revenue account							
Net premium revenue	32,166	24,719	74,365	24,165	-	155,415	181,858
Net claims	(15,199)	(6,096)	(58,616)	(19,037)	-	(98,948)	(96,281)
Management expenses	(18,195)	(11,527)	(23,082)	(6,045)	-	(58,849)	(52,544)
Net commission	(5,488)	(2,196)	(7,030)	(4,234)	-	(18,948)	(14,286)
Underwriting result	<u>(6,716)</u>	<u>4,900</u>	<u>(14,363)</u>	<u>(5,151)</u>	<u>-</u>	<u>(21,330)</u>	<u>18,747</u>
Other income and expenses							
Investment income / (loss)						(1,995)	1,738
Rental income						582	732
Other income						2,138	3,566
						<u>(20,605)</u>	<u>24,783</u>
Share of profit from associates - net of tax						5,190	1,978
General and administration expenses						(41,825)	(28,702)
Finance charge on lease rentals						(365)	(921)
Loss before tax						<u>(57,605)</u>	<u>(2,862)</u>
Provision for taxation - Current						(1,623)	(88)
- Deferred						3,527	2,067
Loss after tax						<u>(55,701)</u>	<u>(883)</u>
PROFIT AND LOSS APPROPRIATION ACCOUNT							
Balance at the commencement of the period						44,479	32,546
Loss after tax for the period						(55,701)	(883)
Balance unappropriated profit / (loss) at the end of the period						<u>(11,222)</u>	<u>31,663</u>
Loss per share - basic and diluted - Rupees						<u>(2.65)</u>	<u>(0.04)</u>

QUARTER ENDED 30 JUNE 2010						
Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Quarter ended 30 June 2010	Quarter ended 30 June 2009
----- (Rupees in thousand) -----						
11,724	13,163	39,842	14,685	-	79,414	92,507
(4,605)	(2,308)	(27,296)	(9,962)	-	(44,171)	(44,007)
(8,508)	(5,996)	(10,967)	(3,287)	-	(28,758)	(26,862)
<u>(4,015)</u>	<u>(1,449)</u>	<u>(4,039)</u>	<u>(2,773)</u>	<u>-</u>	<u>(12,276)</u>	<u>(8,351)</u>
<u>(5,404)</u>	<u>3,410</u>	<u>(2,460)</u>	<u>(1,337)</u>	<u>-</u>	<u>(5,791)</u>	<u>13,287</u>
					(4,100)	(1,356)
					291	366
					350	1,762
					(9,250)	14,059
					5,190	1,979
					(21,951)	(11,777)
					(62)	(381)
					(26,073)	3,880
					(976)	(4,164)
					4,966	3,367
					(22,083)	3,083
					(1.05)	0.15

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



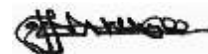
Raza Kuli Khan Khattak
Chairman



Begum Zeb Gohar Ayub Khan
Chief Executive



Ch. Sher Mohammad
Director



Capt. M. Jamil Akhtar Khan
Managing Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2010

	HALF YEAR ENDED		QUARTER ENDED	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
----- (Rupees in thousand) -----				
PROFIT / (LOSS) AFTER TAXATION	(55,701)	(883)	(22,083)	3,083
OTHER COMPREHENSIVE INCOME				
Fair value adjustment relating to impairment loss on available for sale investments	3,754	-	3,754	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(51,947)	(883)	(18,329)	3,083

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

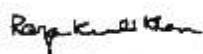
Ch. Sher Mohammad
Director

Capt. M. Jamil Akhtar Khan
Managing Director

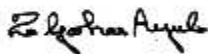
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2010

	Issued, subscribed and paid-up share capital	Capital Reserve	Revenue Reserves		Total
		Fair value reserve	General reserve	Retained earnings	
----- (Rupees in thousand) -----					
Balance as at 31 December 2008 - (audited)	210,000	518	13,850	32,546	256,914
Total comprehensive loss for the half year ended 30 June 2009	-	-	-	(883)	(883)
Balance as at 30 June 2009 - (un-audited)	210,000	518	13,850	31,663	256,031
Total comprehensive income / (loss) for the half year ended 31 December 2009		(3,754)	-	12,816	9,062
Balance as at 31 December 2009- (audited)	210,000	(3,236)	13,850	44,479	265,093
Total comprehensive income / (loss) for the half year ended 30 June 2010	-	3,754	-	(55,701)	(51,947)
Transfer of incremental depreciation from surplus on revaluation of buildings - net of deferred tax	-	-	-	850	850
Balance as at 30 June 2010 - (un-audited)	210,000	518	13,850	(10,372)	213,996

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



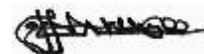
Raza Kuli Khan Khattak
Chairman



Begum Zeb Gohar Ayub Khan
Chief Executive



Ch. Sher Mohammad
Director



Capt. M. Jamil Akhtar Khan
Managing Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2010

Half year ended	
30 June 2010	30 June 2009

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

OPERATING CASH FLOWS

a) Underwriting activities

Premiums received	260,133	256,255
Reinsurance premiums paid	(101,103)	(75,179)
Claims paid	(138,022)	(163,433)
Reinsurance and other recoveries received	56,887	57,645
Commissions paid	(50,307)	(37,056)
Commissions received	25,887	20,661
Net cash inflow from underwriting activities	53,475	58,893

b) Other operating activities

Income tax refund / (paid)	963	(517)
General management expenses paid	(50,657)	(44,287)
Other operating payments	(40,460)	(29,623)
Other operating receipts	1,706	897
Loans to employees - net	(32)	(144)
Other payments on operating assets - net	(23,798)	(22,073)
Net cash outflow from other operating activities	(112,278)	(95,747)
Total cash outflow from all operating activities	(58,803)	(36,854)

INVESTMENT ACTIVITIES

Profit / return received	2,265	3,403
Dividends received	472	350
Rentals received	6	12
Payments for investments	(22,728)	(3,343)
Fixed capital expenditure	(10,307)	(4,521)
Proceeds from disposal of fixed assets	1,073	1,871
Total cash outflow from investing activities	(29,219)	(2,228)

FINANCING ACTIVITIES

Dividends paid	-	(2)
Payments on finance leases	(2,421)	(7,663)
Total cash outflow from financing activities	(2,421)	(7,665)
Net cash outflow from all activities	(90,443)	(46,747)
Cash at the beginning of the period	158,900	151,974
Cash at the end of the period	68,457	105,226



Half year ended	
30 June 2010	30 June 2009

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

RECONCILIATION TO PROFIT AND LOSS ACCOUNT

Operating cash flows
Depreciation expense
Finance charges
Profit on disposal of fixed assets
Share of profit from associates - net of tax
Investment loss
Increase / (decrease) in assets other than cash
(Increase) / decrease in liabilities

(58,803)	(36,854)
(6,920)	(7,095)
(365)	(921)
432	433
5,190	1,979
(1,995)	-
24,836	(71,327)
(22,318)	108,197
(59,943)	(5,588)

OTHERS

Profit on investments and deposits
Rental income

3,660	3,973
582	732
4,242	4,705
(55,701)	(883)

Loss after taxation

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 Cash Flow Statement consists of:

Cash and other equivalent

Cash in hand

111	170
-----	-----

Current and other accounts

Current accounts

Saving accounts

36,824	37,247
13,189	25,006
50,013	62,253

Deposits maturing within 12 months

Fixed and term deposits accounts

18,333	42,802
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Total cash and cash equivalents

68,457	105,225
--------	---------

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

Ch. Sher Mohammad
Director

Capt. M. Jamil Akhtar Khan
Managing Director

CONDENSED INTERIM STATEMENT OF PREMIUM (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2010

Class	Premiums				Reinsurance				Net premium revenue	
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Half year ended 30 June 2010	Half year ended 30 June 2009
		Opening	Closing			Opening	Closing			
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	80,634	64,440	53,198	91,876	57,977	37,375	35,642	59,710	32,166	50,244
Marine and transport	51,087	8,894	12,097	47,884	24,354	4,981	6,170	23,165	24,719	17,921
Motor	102,291	68,585	85,722	85,154	14,389	7,544	11,144	10,789	74,365	85,300
Others	26,788	22,679	21,142	28,325	4,383	2,948	3,171	4,160	24,165	28,393
Total	260,800	164,598	172,159	253,239	101,103	52,848	56,127	97,824	155,415	181,858
Treaty	-	-	-	-	-	-	-	-	-	-
Grand Total	260,800	164,598	172,159	253,239	101,103	52,848	56,127	97,824	155,415	181,858

FOR THE QUARTER ENDED 30 JUNE 2010

Class	Premium			Reinsurance				Net premium revenue	
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Quarter ended 30 June 2010	Quarter ended 30 June 2009
		Opening	Closing			Opening	Closing		
(Rupees in thousand)									
Direct and facultative									
Fire and property damage	38,953	52,912	53,198	38,667	29,250	33,335	35,642	11,724	23,967
Marine and transport	27,286	8,987	12,097	24,176	12,330	4,853	6,170	13,163	7,820
Motor	50,162	81,965	85,722	46,405	7,052	10,655	11,144	39,842	43,668
Others	14,921	23,631	21,142	17,410	2,824	3,072	3,171	14,685	17,052
Total	131,322	167,495	172,159	126,658	51,456	51,915	56,127	79,414	92,507
Treaty	-	-	-	-	-	-	-	-	-
Grand Total	131,322	167,495	172,159	126,658	51,456	51,915	56,127	79,414	92,507

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

Raza Kuli Khan
Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
Chief Executive

Ch. Sher Mohammad
Ch. Sher Mohammad
Director

Capt. M. Jamil Akhtar Khan
Capt. M. Jamil Akhtar Khan
Managing Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED) **FOR THE HALF YEAR ENDED 30 JUNE 2010**

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		Half year ended 30 June 2010	Half year ended 30 June 2009
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	53,093	110,511	138,495	81,077	40,149	83,981	109,710	65,878	15,199	10,192
Marine and transport	13,174	24,535	27,480	16,119	7,634	14,361	16,750	10,023	6,096	4,616
Motor	58,370	55,482	65,544	68,432	7,784	8,421	10,453	9,816	58,616	62,002
Other	13,385	21,483	31,645	23,547	1,320	2,905	6,095	4,510	19,037	19,471
Total	138,022	212,011	263,164	189,175	56,887	109,668	143,008	90,227	98,948	96,281
Treaty - Proportional	-	969	969	-	-	-	-	-	-	-
Grand Total	138,022	212,980	264,133	189,175	56,887	109,668	143,008	90,227	98,948	96,281

FOR THE QUARTER ENDED 30 JUNE 2010

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		Quarter ended 30 June 2010	Quarter ended 30 June 2009
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	10,798	118,428	138,495	30,865	6,106	89,556	109,710	26,260	4,605	7,088
Marine and transport	4,741	26,420	27,480	5,801	1,812	15,069	16,750	3,493	2,308	1,591
Motor	28,453	65,308	65,544	28,689	3,480	12,540	10,453	1,393	27,296	27,902
Others	5,238	22,980	31,645	13,903	305	2,459	6,095	3,941	9,962	7,426
Total	49,230	233,136	263,164	79,258	11,703	119,624	143,008	35,087	44,171	44,007
Treaty - Proportional	-	969	969	-	-	-	-	-	-	-
Grand Total	49,230	234,105	264,133	79,258	11,703	119,624	143,008	35,087	44,171	44,007

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

Raza Kuli Khan
Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
Chief Executive

Ch. Sher Mohammad
Ch. Sher Mohammad
Director

Capt. M. Jamil Akhtar Khan
Capt. M. Jamil Akhtar Khan
Managing Director



CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2010



Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Half year ended 30 June 2010	Half year ended 30 June 2009
Direct and facultative									
Fire and property damage	23,990	12,134	13,365	22,759	18,195	40,954	17,271	23,683	20,211
Marine and transport	11,360	1,780	2,759	10,381	11,527	21,908	8,185	13,723	8,776
Motor	8,585	5,849	7,362	7,072	23,082	30,154	42	30,112	29,678
Other	6,372	3,462	4,229	5,605	6,045	11,650	1,371	10,279	8,165
Total	50,307	23,225	27,715	45,817	58,849	104,666	26,869	77,797	66,830
Treaty - Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	50,307	23,225	27,715	45,817	58,849	104,666	26,869	77,797	66,830

(Rupees in thousand)

FOR THE QUARTER ENDED 30 JUNE 2010

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Quarter ended 30 June 2010	Quarter ended 30 June 2009
Direct and facultative									
Fire and property	14,065	11,029	13,365	11,729	8,508	20,237	7,714	12,523	11,278
Marine and transport	5,949	2,013	2,759	5,203	5,996	11,199	3,754	7,445	3,916
Motor	4,692	6,724	7,362	4,054	10,967	15,021	15	15,006	14,901
Other	3,580	4,315	4,229	3,666	3,287	6,953	893	6,060	5,118
Total	28,286	24,081	27,715	24,652	28,758	53,410	12,376	41,034	35,213
Treaty - Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	28,286	24,081	27,715	24,652	28,758	53,410	12,376	41,034	35,213

(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


Ch. Sher Mohammad
Director


Capt. M. Jamil Akhtar Khan
Managing Director

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2010

Half year ended		Quarter ended	
30 June 2010	30 June 2009	30 June 2010	30 June 2009

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

INCOME FROM TRADING INVESTMENTS

Dividend income	460	350	247	350
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INCOME FROM NON TRADING INVESTMENTS

Held to maturity

Return on Government securities - PIBs	1,056	1,051	531	526
Amortization of discount relative to par	343	343	172	172
	1,399	1,394	703	698

Available for sale

Dividend income	12	-	12	-
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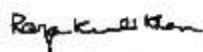
Gain/ (loss) on revaluation of investments at fair value through profit or loss

	565	2,274	(631)	(710)
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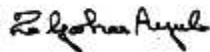
Less: Provision for impairment in value of available for sale investments	(4,431)	(2,280)	(4,431)	(1,694)
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Net investment income / (loss)	<u>(1,995)</u>	<u>1,738</u>	<u>(4,100)</u>	<u>(1,356)</u>
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The annexed notes form an integral part of this condensed interim financial information.



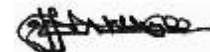
Raza Kuli Khan Khattak
Chairman



Begum Zeb Gohar Ayub Khan
Chief Executive



Ch. Sher Mohammad
Director



Capt. M. Jamil Akhtar Khan
Managing Director



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION(UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2010

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 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 - Shahr-e-Quaid-e-Azam, Lahore. Bibojee Services (Private) Limited, (The holding company) held 15,158,326 (2009: 15,158,326) ordinary shares of the Company as at 30 June 2010.

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.

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 2009.

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 2009.

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 2009.

5. CONTINGENCIES AND COMMITMENTS

5.1 A petitioner has filed an appeal against the Company for the payment of alleged insurance of Rupees 7.3 million (31 December 2009: Rupees 7.3 million) . The appeal is currently pending adjudication before the Honorable Lahore High Court.

5.2 The Commissioner of Income Tax (CIT) has passed an order under section 122 of the Income Tax Ordinance, 2001 assessing the tax liability of the Company at Rupees 11.366 million instead of declared tax liability of Rupees 5.905 million for the tax year 2007. The Company has filed an appeal against the order of CIT and expects a favourable outcome of the appeal based on the advice of the legal counsel.

5.3 As at 30 June 2010, commitments for revolving letters of credit, other than for capital expenditure, were outstanding for Rupees 0.696 million (31 December 2009: Rupees 0.736 million)

5.4 No commitments for capital expenditure were outstanding as at 30 June 2010 (31 December 2009: NIL)

	Un-audited 30 June 2010	Audited 31 December 2009
	(Rupees in thousand)	
6. INVESTMENTS		
IN RELATED PARTIES		
Investment in associates - equity method of accounting	11,557	6,366
OTHERS		
Held to maturity - Government securities (PIBs)	23,131	22,791
Available-for-sale		
Equity investments		
Quoted	140	253
Un-quoted	9	9
Mutual funds		
Open ended	16,981	7,495
Close ended	102	152
	17,232	7,909
Investment at fair value through profit or loss		
Equity investments - quoted	5,476	5,626
Mutual Funds		
Open ended	24,461	1,091
Close ended	708	11,363
	30,645	18,080
	82,565	55,146
6.1 The market value of investments in associates and available for sale investments as on 30 June 2010 was Rupees 38.278 million (31 December 2009 : 16.601 million). The recoverable amount of investments in associate is higher than its carrying amount.		
6.2 The Government securities represent Pakistan Investment Bonds deposited with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.		
7. PREMIUMS DUE BUT UNPAID		
Unsecured - considered good		
Due from associates	24,805	43,417
Others	113,545	94,266
	138,350	137,683



	Un-audited 30 June 2010 (Rupees in thousand)	Audited 31 December 2009
8. FIXED ASSETS		
Owned (Note 8.1)	231,348	224,541
Leased (Note 8.2)	7,940	12,000
	<u>239,288</u>	<u>236,541</u>
8.1 Owned		
Opening book value	224,541	80,912
Add: Cost of additions during the period / year (Note 8.1.1)	10,307	6,591
Surplus on revaluation of land and buildings (Note 8.1.2)	-	132,276
Book value of vehicles transferred from leased assets	1,355	15,688
	<u>236,203</u>	<u>235,467</u>
Less: Book value of deletions during the period / year (Note 8.1.3)	(641)	(3,024)
	<u>235,562</u>	<u>232,443</u>
Less: Depreciation charge for the period / year	(4,214)	(7,902)
	<u>231,348</u>	<u>224,541</u>
8.1.1 Cost of additions		
Building on freehold land	370	-
Furniture, fixture and office equipment	554	1,788
Computer equipment	809	891
Vehicles	8,574	3,912
	<u>10,307</u>	<u>6,591</u>
8.1.2 Surplus on revaluation of land and buildings		
Land	-	98,203
Building on freehold land	-	34,073
	<u>-</u>	<u>132,276</u>
8.1.3 Book value of deletions		
Furniture, fixture and office equipment	(52)	(89)
Computer equipment	-	(329)
Vehicles	(589)	(2,606)
	<u>(641)</u>	<u>(3,024)</u>



	Un-audited 30 June 2010	Un-audited 30 June 2009
	(Rupees in thousand)	
8.2 Leased		
Opening book value	12,000	32,814
Add: Cost of additions in leased assets during the period / year	-	1,435
	12,000	34,249
Less: Book value of leased assets transferred to owned assets during the period / year	(1,355)	(15,688)
	10,645	18,561
Less: Depreciation charge for the period / year	(2,705)	(6,561)
	7,940	12,000

9. 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 payment of rentals for the use of premises rented from them.

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 2010	Un-audited 30 June 2009
	(Rupees in thousand)	
Premium underwritten	11,455	11,541
Claims paid	5,315	7,525
Vehicles purchased	6,615	-
Rental income	576	720

- 9.1 Transactions between the related parties were made at arm's length prices determined in accordance with the comparable uncontrolled price method.



10. 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		Treaty		Unallocated Corporate Assets		Total	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
(Rupees in thousand)														
OTHER INFORMATION														
Segment assets	325,061	334,986	112,372	107,571	183,128	195,626	64,779	56,123	-	-	-	-	685,340	694,306
Unallocated assets	-	-	-	-	-	-	-	-	-	-	233,366	306,897	233,366	306,897
Total assets	325,061	334,986	112,372	107,571	183,128	195,626	64,779	56,123	-	-	233,366	306,897	918,706	1,001,203
Segment liabilities	242,753	264,414	57,263	68,154	159,106	139,982	56,249	50,407	-	-	-	-	515,371	522,957
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	69,561	92,827	69,561	92,827
Total liabilities	242,753	264,414	57,263	68,154	159,106	139,982	56,249	50,407	-	-	69,561	92,827	584,932	615,784



Unaudited	Audited
30 June	31 December
2010	2009
(Rupees in thousand)	

Capital expenditure	10,307	6,591
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11. 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 2009.

12. AUTHORISATION FOR ISSUE

This condensed interim financial information has been approved and authorized for issue on August 25, 2010 by the Board of Directors of the Company.

13. CORRESPONDING FIGURES

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

14. GENERAL

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

Raza Kuli Khan Khattak
Chairman

Begum Zeb Gohar Ayub Khan
Chief Executive

Ch. Sher Mohammad
Director

Capt. M. Jamil Akhtar Khan
Managing Director

UNDER POSTAL CERTIFICATE



THE UNIVERSAL INSURANCE CO. LTD.

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