

Quarterly Financial Statements
September 30,
2011
(Un-Audited)



The Universal Insurance Co. Ltd.





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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
CAPT. M. JAMIL AKHTAR 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. 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
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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 September, 2011.

FINANCIAL PERFORMANCE

The Gross Premium of the company has decreased by Rs. 41.576 Million over the Gross Premium of corresponding period due to business selection and Net Premium has also decreased from Rs.248.990 to Rs. 232.613 Million as compared to the period ended September, 2010.

The net claim ratio of the company has decreased over the correspondence period where as the management expenses has registered an increase.

	2011	2010
	------(Rupees in million)-----	
Gross Premium	364.593	406.169
Net Premium	232.613	248.990
(Loss) / Profit from underwriting business	2.188	(6.163)
Net claims (paid & outstanding)	(106.795)	(131.817)
Management / administrative expenses	(181.212)	(150.364)
Capital and reserves	181.449	215.130
Loss before taxation	(74.446)	(55.269)
Loss after taxation	(52.944)	(54.988)
Other comprehensive Income	1.397	-
Add: Balance of unappropriated (Loss)/ profit - b/f	(43.631)	44.479
Loss available for appropriation	(95.178)	(10.509)

FUTURE OUTLOOK

The management had serious concern on the financial results for the period ended 30-09-2011 and initiated the steps for taking the remedial measures not only to minimize the loss but to convert the loss into profit through dedicated branch network and by improving services to the existing & prospective clients.

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

Raza Kuli Khan Khattak
Chairman

Dated : October 31, 2011

Place : Lahore



CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2011


	Un-audited 30 September 2011	Audited 31 December 2010		Un-audited 30 September 2011	Audited 31 December 2010
Note			Note		
	(Rupees in thousand)			(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			CASH AND BANK DEPOSITS		
Authorized share capital 50,000,000 (2010: 50,000,000) ordinary shares of Rupees 10 each	500,000	500,000	Cash and other equivalents	2,814	81
Issued, subscribed and paid-up share capital	262,500	262,500	Current and other accounts	14,771	83,628
Accumulated loss	(95,178)	(43,630)	Deposits maturing within 12 months	40,000	4,600
Reserves	14,127	14,127		57,585	88,309
	(81,051)	(29,503)	Loans to employees - secured considered good	994	643
TOTAL EQUITY	181,449	232,997	INVESTMENTS	6	135,393
Surplus on revaluation of fixed assets	210,439	211,373	DEFERRED TAXATION	23,389	-
UNDERWRITING PROVISIONS			CURRENT ASSETS - OTHERS		
Provision for outstanding claims (including IBNR)	290,929	318,351	Premiums due but unpaid	7	191,205
Provision for unearned premium	169,649	155,657	Amounts due from other insurers / reinsurers - considered good	159,661	222,321
Commission income unearned	11,581	12,936	Salvage recoveries accrued	-	2,910
Total underwriting provisions	472,159	486,944	Accrued investment income	1,841	124
DEFERRED LIABILITIES			Reinsurance recoveries against outstanding claims	160,219	193,437
Deferred taxation	-	2,300	Deferred commission expense	28,682	27,065
CREDITORS AND ACCRUALS			Prepayments	53,273	62,263
Premium received in advance	7,532	-	Sundry receivables	13,086	16,959
Amounts due to other insurers / reinsurers	67,964	153,100		607,967	667,795
Accrued expenses	37,281	9,715	FIXED ASSETS - TANGIBLE	8	
Taxation - less provision	3,590	1,200	OWNED		
Other creditors and accruals	76,172	59,749	Land and buildings	182,674	185,280
	192,539	223,764	Furniture, fixtures and office equipment	11,349	10,476
BORROWINGS			Computer equipment	6,186	7,495
Liabilities against assets subject to finance lease	1,127	2,447	Motor vehicles	34,094	38,833
OTHER LIABILITIES				234,303	242,084
Deposits against performance bonds	3,372	3538	LEASED		
Unclaimed dividends	610	610	Motor vehicles	2,064	3,577
TOTAL LIABILITIES	669,807	719,603	Furniture, fixtures and office equipment	-	1,390
				2,064	4,967
CONTINGENCIES AND COMMITMENTS			TOTAL ASSETS		
5				1,061,695	1,163,973
TOTAL EQUITY AND LIABILITIES	1,061,695	1,163,973			

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


Raza Kuli Khan Khattak
CHAIRMAN


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Ch. Sher Mohammad
DIRECTOR


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



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011**

	FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011						
	Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Nine months ended 30 Sep 2011	Nine months ended 30 Sep 2010
	(Rupees in thousand)						
Revenue account							
Net premium revenue	56,417	31,456	112,463	32,277	-	232,613	248,990
Net claims	(10,768)	(8,290)	(63,844)	(23,893)	-	(106,795)	(131,817)
Management expenses	(32,686)	(14,871)	(33,769)	(9,203)	-	(90,529)	(89,113)
Net commission	(14,364)	(3,140)	(13,596)	(2,001)	-	(33,101)	(34,223)
Underwriting result	<u>(1,401)</u>	<u>5,155</u>	<u>1,254</u>	<u>(2,820)</u>	<u>-</u>	<u>2,188</u>	<u>(6,163)</u>
Other income and expenses							
Investment income						6,063	1,663
Rental income						870	873
Other income						<u>7,042</u>	<u>3,071</u>
						16,163	(556)
Share of profit from associates - net of tax						74	6,538
General and administration expenses						(90,560)	(60,769)
Finance charge on lease rentals						<u>(123)</u>	<u>(482)</u>
Loss before tax						(74,446)	(55,269)
Provision for taxation - Current						(3,641)	(2,540)
- Deferred						<u>25,143</u>	<u>2,821</u>
Loss after tax						<u>(52,944)</u>	<u>(54,988)</u>
PROFIT AND LOSS APPROPRIATION ACCOUNT							
Balance at the commencement of the period						(43,631)	44,479
Loss after tax for the period						(52,944)	(54,988)
Items directly recognized in condensed interim statement of changes in equity						<u>1,397</u>	<u>-</u>
Balance of unappropriated loss at the end of the period						<u>(95,178)</u>	<u>(10,509)</u>
Loss per share - Rupees						<u>(2.02)</u>	<u>(2.62)</u>


	FOR THE QUARTER ENDED 30 SEPTEMBER 2011						
	Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Quarter ended 30 September 2011	Quarter ended 30 September 2010
	(Rupees in thousand)						
Revenue account							
Net premium revenue	21,075	9,001	37,310	8,927	-	76,313	93,575
Net claims	(3,029)	(4,847)	(14,465)	(1,500)	-	(23,841)	(32,869)
Management expenses	(13,429)	(3,279)	(6,768)	(2,385)	-	(25,861)	(30,264)
Net commission	(4,932)	(639)	(4,464)	(503)	-	(10,538)	(15,276)
Underwriting result	<u>(315)</u>	<u>236</u>	<u>11,613</u>	<u>4,539</u>	<u>-</u>	<u>16,073</u>	<u>15,166</u>
Other income and expenses							
Investment loss						1,811	3,659
Rental income						(192)	291
Other income						<u>2,231</u>	<u>933</u>
						19,923	20,050
Share of profit from associates - net of tax						-	1,348
General and administration expenses						(35,867)	(18,944)
Finance charge on lease rentals						<u>(22)</u>	<u>(117)</u>
Profit before tax						(15,966)	2,337
Provision for taxation - Current						202	(917)
- Deferred						<u>4,313</u>	<u>(706)</u>
Profit / (loss) after tax						<u>(11,451)</u>	<u>714</u>
Earnings / (loss) per share - Rupees						<u>(0.44)</u>	<u>0.03</u>

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


Raza Kuli Khan Khattak
CHAIRMAN


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Ch. Sher Mohammad
DIRECTOR


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



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011

Nine Months ended		QUARTER ENDED	
30 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010

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

PROFIT / (LOSS) AFTER TAXATION	(52,944)	(54,988)	(11,451)	714
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OTHER COMPREHENSIVE INCOME

Fair value adjustment relating to impairment loss on available for sale investments

-	3,754	-	-
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TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(52,944)	(51,234)	(11,451)	714
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**MANAGING DIRECTOR &
 PRINCIPAL OFFICER**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011


	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVES		REVENUE RESERVES		TOTAL EQUITY
		Share Premium	Capital	Revenue	Accumulated Loss	
(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	-	-	-	-	1,271	1,271
Share of associates accounted for under equity method	-	-	-	-	6,538	6,538
Total comprehensive loss for the nine months period ended 30 September 2010	-	-	-	-	(54,988)	(54,988)
Balance as at 30 September 2010 - (un-audited)	210,000	4	2,303	14,090	(8,552)	217,845
Issue of ordinary share capital - other than right	52,500	-	-	-	-	52,500
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	429	429
Share of associates accounted for under equity method	-	-	(2,285)	15	(4,010)	(6,280)
Total comprehensive loss for the half year ended 31 December 2010	-	-	-	-	(31,497)	(31,497)
Balance as at 31 December 2010- (audited)	262,500	4	18	14,105	(43,630)	232,997
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	1,318	1,318
Share of associates accounted for under equity method	-	-	-	-	78	78
Total comprehensive loss for the nine months period ended 30 September 2011	-	-	-	-	(52,944)	(52,944)
Balance as at 30 September 2011 - (un-audited)	262,500	4	18	14,105	(95,178)	181,449

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Ch. Sher Mohammad
DIRECTOR


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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011

	Nine months ended	
	30 September 2011	30 September 2010
	------(Rupees in thousand)-----	
OPERATING CASH FLOWS		
a) Underwriting activities		
Premiums received	315,277	382,385
Reinsurance premiums paid	(109,724)	(141,230)
Claims paid	(174,823)	(185,414)
Reinsurance and other recoveries received	73,823	69,475
Commissions paid	(66,192)	(78,917)
Commissions received	28,032	35,565
Net cash inflow from underwriting activities	66,393	81,863
b) Other operating activities		
Income tax paid	(200)	(2,340)
General management expenses paid	(51,158)	(87,615)
Other operating payments	(77,522)	(55,394)
Other operating receipts	7,041	921
Loans to employees - net	(350)	43
Other payments on operating assets - net	(3,164)	(15,789)
Net cash outflow from other operating activities	(125,353)	(160,173)
Total cash outflow from all operating activities	(58,960)	(78,309)
INVESTMENT ACTIVITIES		
Profit / return received	4,354	5,195
Dividends received	794	1,467
Rentals received	6	9
Payments made for investments	-	(23,449)
Proceeds from disposal of investment	24,782	-
Fixed capital expenditure	(2,506)	(17,804)
Proceeds from disposal of fixed assets	2,248	1,169
Total cash inflow / (outflow) from investing activities	29,678	(33,413)
FINANCING ACTIVITIES		
Financial charges paid	(122)	(482)
Lease finance - net	(1,320)	(3,111)
Total cash outflow from financing activities	(1,442)	(3,593)
Net cash outflow from all activities	(30,724)	(115,315)
Cash at the beginning of the period	88,309	158,901
Cash at the end of the period	57,585	43,586



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011

Nine months ended	
30 September 2011	30 September 2010

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

RECONCILIATION TO PROFIT AND LOSS ACCOUNT

Operating cash flows	(58,960)	(78,309)
Depreciation expense	(11,706)	(10,382)
Lease finance charges	(122)	(482)
Profit on disposal of fixed assets	764	403
Share of profit from associates - net of tax	74	6,538
Investment income	6,070	1,663
Increase / (decrease) in assets other than cash	18,984	74,267
(Increase) / decrease in liabilities	(14,069)	(51,305)
	(58,965)	(57,608)

OTHERS

Profit on investments and deposits	5,151	1,747
Rental income	870	873
	6,021	2,620
	(52,944)	(54,988)

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	2,814	225
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Current and other accounts

14,771	30,059
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Deposits maturing within 12 months

Fixed and term deposits accounts	40,000	13,302
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Total cash and cash equivalents

57,585	43,586
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MANAGING DIRECTOR &
PRINCIPAL OFFICER

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011

Class	Premiums				Reinsurance				Net premium revenue	
	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Nine months ended 30 Sep 2011	Nine months ended 30 Sep 2010
		Opening	Closing			Opening	Closing			
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	131,639	56,200	64,244	123,595	65,982	36,530	35,334	67,178	56,417	55,021
Marine and transport	59,892	10,128	9,359	60,661	28,633	5,064	4,492	29,205	31,456	37,910
Motor	135,999	65,036	77,157	123,878	9,376	9,755	7,716	11,415	112,463	123,778
Others	37,063	24,293	18,889	42,467	5,735	8,988	4,533	10,190	32,277	32,281
Total	364,593	155,657	169,649	350,601	109,726	60,337	52,075	117,988	232,613	248,990
Treaty	-	-	-	-	-	-	-	-	-	-
Grand Total	364,593	155,657	169,649	350,601	109,726	60,337	52,075	117,988	232,613	248,990

FOR THE QUARTER ENDED 30 SEPTEMBER 2011

Class	Premium				Reinsurance ceded	Reinsurance		Net premium revenue	
	Premiums written	Unearned premium reserve		Premiums earned		Prepaid reinsurance premium ceded	Reinsurance expenses	Quarter ended 30 September 2011	Quarter ended 30 September 2010
		Opening	Closing						
(Rupees in thousand)									
Direct and facultative									
Fire and property damage	59,100	40,196	64,244	35,052	25,193	24,118	35,334	13,977	22,854
Marine and transport	16,229	10,879	9,359	17,749	8,018	5,222	4,492	8,748	13,192
Motor	34,291	83,419	77,157	40,553	3,451	7,508	7,716	3,243	49,414
Others	11,381	18,329	18,889	10,821	1,478	4,949	4,533	1,894	8,115
Total	121,001	152,823	169,649	104,175	38,140	41,797	52,075	27,862	93,575
Treaty	-	-	-	-	-	-	-	-	-
Grand Total	121,001	152,823	169,649	104,175	38,140	41,797	52,075	27,862	93,575

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Raza Kuli Khan
Raza Kuli Khan Khattak
CHAIRMAN

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DIRECTOR

Ch. Sher Mohammad
Ch. Sher Mohammad
DIRECTOR

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



CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011

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		Nine months ended 30 Sep 2011	Nine months ended 30 Sep 2010
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	43,107	145,668	142,204	39,643	33,482	118,007	113,400	28,875	10,768	14,178
Marine and transport	20,745	46,454	40,068	14,359	11,404	28,350	23,015	6,069	8,290	11,824
Motor	71,364	74,306	72,359	69,417	11,784	16,583	10,373	5,574	63,844	79,744
Other	39,606	50,954	35,329	23,981	17,154	30,497	13,431	88	23,893	26,072
Total	174,822	317,382	289,960	147,400	73,824	193,437	160,219	40,606	106,795	131,817
Treaty - Proportional	-	969	969	-	-	-	-	-	-	-
Grand Total	174,822	318,351	290,929	147,400	73,824	193,437	160,219	40,606	106,795	131,817

THE UNIVERSAL INSURANCE COMPANY LIMITED

FOR THE QUARTER ENDED 30 SEPTEMBER 2011

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 September 2011	Quarter ended 30 September 2010
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	19,906	152,411	142,204	9,699	16,195	122,925	113,400	6,670	3,029	(1,020)
Marine and transport	1,880	32,416	40,068	9,532	226	18,556	23,015	4,685	4,847	5,727
Motor	23,220	79,705	72,359	15,874	2,999	11,963	10,373	1,409	14,465	21,129
Others	17,674	60,339	35,329	(7,336)	11,976	34,243	13,431	(8,836)	1,500	7,034
Total	62,680	324,871	289,960	27,769	31,396	187,687	160,219	3,928	23,841	32,869
Treaty - Proportional	-	969	969	-	-	-	-	-	-	-
Grand Total	62,680	325,840	290,929	27,769	31,396	187,687	160,219	3,928	23,841	32,869

SECURITY - SERVICE - PROSPERITY



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

Raza Kuli Khan
Raza Kuli Khan Khattak
CHAIRMAN

Mushtaq Ahmed Khan
Mushtaq Ahmed Khan F.C.A.
DIRECTOR

Ch. Sher Mohammad
Ch. Sher Mohammad
DIRECTOR

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



CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED) **FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011**

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Nine months ended 30 Sep 2011	Nine months ended 30 Sep 2010
(Rupees in thousand)									
Direct and facultative									
Fire and property damage	32,382	16,306	16,554	32,134	32,686	64,820	17,770	47,050	39,118
Marine and transport	11,400	2,926	1,862	12,464	14,871	27,335	9,324	18,011	21,935
Motor	16,977	4,986	8,346	13,617	33,769	47,386	21	47,365	46,722
Other	3,346	2,847	1,920	4,273	9,203	13,476	2,272	11,204	15,562
Total	64,105	27,065	28,682	62,488	90,529	153,017	29,387	123,630	123,336
Treaty - Proportional	-	-	-	-	-	-	-	-	-
Total	64,105	27,065	28,682	62,488	90,529	153,017	29,387	123,630	123,336
Grand Total	64,105	27,065	28,682	62,488	90,529	153,017	29,387	123,630	123,336

FOR THE QUARTER ENDED 30 SEPTEMBER 2011

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 September 2011	Quarter ended 30 September 2010
(Rupees in thousand)									
Direct and facultative									
Fire and property	14,587	10,571	16,554	8,604	13,429	22,033	3,672	18,361	15,438
Marine and transport	2,980	2,269	1,862	3,387	3,279	6,666	2,748	3,918	8,212
Motor	3,665	9,149	8,346	4,468	6,768	11,236	4	11,232	16,609
Other	1,324	1,802	1,920	1,206	2,385	3,591	703	2,888	5,282
Total	22,556	23,791	28,682	17,665	25,861	43,526	7,127	36,399	45,540
Treaty - Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	22,556	23,791	28,682	17,665	25,861	43,526	7,127	36,399	45,540

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

Raza Kuli Khan
Raza Kuli Khan Khattak
 CHAIRMAN

Mushtaq Ahmed Khan
Mushtaq Ahmed Khan F.C.A.
 DIRECTOR

Ch. Sher Mohammad
Ch. Sher Mohammad
 DIRECTOR

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



CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011

Nine Months ended		Quarter ended	
30 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010

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

INCOME FROM TRADING INVESTMENTS

Dividend income	789	584	-	124
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INCOME FROM NON TRADING INVESTMENTS

Held to maturity

Return on fixed income securities and deposits	1,984	2,119	361	720
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Available for sale

Dividend income	5	883	-	872
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Gain on sale of investments at fair value through profit or loss	727	2,561	-	1,995
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Gain on sale of investment - available for sale	1,053	-	-	-
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Gain on revaluation of investments at fair value through profit or loss	1,494	-	1,465	-
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Provision for impairment in value of available for sale investments	18	(4,483)	(8)	(51)
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Less: Investment related expenses	(7)	-	(7)	-
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Net investment income	<u>6,063</u>	<u>1,663</u>	<u>1,811</u>	<u>3,659</u>
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The annexed notes form an integral part of this condensed interim financial information.


Raza Kuli Khan Khattak
CHAIRMAN


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Ch. Sher Mohammad
DIRECTOR


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



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

	Un-audited 30 September 2011 (Rupees in thousand)	Audited 31 December 2010
6. INVESTMENTS		
IN RELATED PARTIES		
Investment in associates - equity method of accounting	95,389	95,865
OTHERS		
Held to maturity - Government securities (PIBs) (Note 6.2)	29,040	28,170
Deposit held with State Bank of Pakistan (Note 6.2)	-	-
Available-for-sale		
Equity investments		
Quoted	174	153
Un-quoted	-	9
Mutual funds		
Open ended	500	10,500
Close ended	168	170
	842	10,832
Investment at fair value through profit or loss		
Equity investments - quoted	8,613	7,056
Mutual Funds		
Open ended	578	17,238
Close ended	931	1,014
	10,122	25,308
	135,393	160,175

- 6.1** 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. The said amount held with SBP in the form of cash.



	Un-audited 30 September 2011	Audited 31 December 2010
	(Rupees in thousand)	
7. PREMIUMS DUE BUT UNPAID - Unsecured		
Considered good		
Due from associates	70,448	36,740
Others	147,361	118,375
	<u>217,809</u>	<u>155,115</u>
Considered doubtful		
Provision for doubtful receivables	(26,604)	(12,399)
	<u>191,205</u>	<u>142,716</u>
8. AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured		
Amounts due from coinsurers	141,989	147,140
Amounts due from reinsurers	24,200	79,220
	<u>166,189</u>	<u>226,360</u>
Provision for doubtful receivables	(6,528)	(4,039)
Amounts due from other insurers / reinsurers - considered good	<u>159,661</u>	<u>222,321</u>
9. FIXED ASSETS		
Owned (Note 9.1)	234,198	242,084
Leased (Note 9.2)	2,169	4,967
	<u>236,367</u>	<u>247,051</u>
9.1 Owned		
Opening book value	242,084	224,541
Add: Cost of additions during the period / year (Note 9.1.1)	2,507	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
	<u>246,868</u>	<u>258,194</u>
Less: Book value of deletions during the period / year (Note 9.1.3)	1,484	1,346
	<u>245,384</u>	<u>256,848</u>
Less: Depreciation charge for the period / year	11,186	14,764
	<u>234,198</u>	<u>242,084</u>
9.1.1 Cost of additions		
Furniture, fixture and office equipment	461	1,550
Computer equipment	465	1,958
Motor vehicles	1,581	14,223
	<u>2,507</u>	<u>17,731</u>



	Un-audited 30 September 2011	Audited 31 December 2010
	(Rupees in thousand)	
9.1.2 Surplus on revaluation of land and buildings		
Land	-	8,240
Buildings on freehold land	-	2,967
	<u>-</u>	<u>11,207</u>
9.1.3 Book value of deletions		
Furniture, fixture and office equipment	(1)	(176)
Computer equipment	-	(248)
Motor vehicles	(1,483)	(922)
	<u>(1,484)</u>	<u>(1,346)</u>
9.2 Leased		
Opening book value	4,967	12,000
Less: Book value of leased assets transferred to owned assets during the period / year	<u>2,277</u>	<u>4,715</u>
	2,690	7,285
Less: Depreciation charge for the period / year	<u>521</u>	<u>2,318</u>
	<u>2,169</u>	<u>4,967</u>

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 September 2011	Un-audited 30 September 2010
	(Rupees in thousand)	
Premium underwritten	46,489	46,343
Premium received	29,787	42,919
Claims paid	9,559	8,913
Motor vehicles purchased	-	8,098
Rental income	870	864

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 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010
358,111	315,724	137,771	105,874	207,182	144,806	84,637	82,381	787,701	648,785
358,111	315,724	137,771	105,874	207,182	144,806	84,637	82,381	1,061,695	1,163,973
253,073	296,621	67,605	93,559	158,699	162,837	67,677	90,565	547,054	643,582
253,073	296,621	67,605	93,559	158,699	162,837	67,677	90,565	122,753	76,021
253,073	296,621	67,605	93,559	158,699	162,837	67,677	90,565	689,807	719,603

OTHER INFORMATION

Segment assets

Unallocated assets

Total assets

Segment liabilities

Unallocated liabilities

Total liabilities





12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited audit 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 October 31, 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


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DIRECTOR


Ch. Sher Mohammad
DIRECTOR


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

UNDER POSTAL CERTIFICATE



THE UNIVERSAL INSURANCE CO. LTD.

UNIVERSAL INSURANCE HOUSE

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