

CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE
NINE MONTHS PERIOD ENDED
September 30,
2012



The Universal Insurance Co. Ltd.



BIBOJEE GROUP



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
Principal Officer	Mr. Muhammad Rafiq Chaudhry
Chief Operating Officer	Mr. Omar Ayub Khan
Chief Financial Officer & Acting Company Secretary	Mr. Amir Raza
Internal Auditor	Mr. Abdul Waheed Chaudhry
Auditors	M/S. Riaz Ahmed & 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 i am presenting the un-audited Financial Information of the company for the period ended September 30, 2012.

FINANCIAL PERFORMANCE

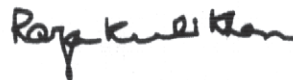
The Gross Premium of the company for the period ended 30 September, 2012 has decreased by 34% over the corresponding period due to change in IFS rating and selective underwriting. The management & administrative expenses have decreased substantially by Rs. 48.870 million over the expense of similar period. As the result of this reduction the loss before tax of the company has reduced by Rs. 25.490 million.

	2012	2011
	-----	-----
	(Rupees in million)	(Rupees in million)
Gross premium	240.033	364.593
Net premium	171.288	232.613
Profit / (loss) from underwriting business	2.108	2.188
Net claims expense	(86.508)	(106.795)
Management / administrative expenses	(132.341)	(181.212)
Capital and reserves	162.041	181.449
Loss before taxation	(48.956)	(74.446)
Loss after taxation	(47.457)	(52.994)
Loss per share	(1.58)	(2.02)

FUTURE OUTLOOK

The management has been concentrating on the merger of low volume branches with the intention to further minimum the operating cost. We have also planned to induct fresh graduates for strengthening the business development department.

For & on behalf of the Board of Directors



Dated : October 31, 2012
Place : Lahore

Raza Kuli Khan Khattak
Chairman

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2012

	Un-audited 30 SEPTEMBER 2012	Audited 31 December 2011		Un-audited 30 SEPTEMBER 2012	Audited 31 December 2011	
Note	(RUPEES IN THOUSAND)		Note	(RUPEES IN THOUSAND)		
SHARE CAPITAL AND RESERVES			CASH AND BANK DEPOSITS			
Authorized share capital						
50,000,000 (2011: 50,000,000) ordinary shares of Rupees 10 each	500,000	500,000	Cash and other equivalents	36	33	
			Current and other accounts	14,881	89,619	
Issued, subscribed and paid-up share capital	300,000	300,000	Deposits maturing within 12 months	80,155	40,000	
				95,072	129,652	
Accumulated loss	(152,208)	(106,484)				
Reserves	14,249	14,249	INVESTMENTS	6	130,989	135,201
	(137,959)	(92,235)				
TOTAL EQUITY	162,041	207,765				
Surplus on revaluation of fixed assets	229,390	230,544	DEFERRED TAXATION	37,353	35,240	
UNDERWRITING PROVISIONS			CURRENT ASSETS - OTHERS			
Provision for outstanding claims (including IBNR)	309,197	319,304	Premiums due but unpaid	7	91,212	114,512
Provision for premium deficiency	839	1,242	Amounts due from other insurers / reinsurers	8	126,670	128,443
Provision for unearned premium	101,562	136,314	Salvage recoveries accrued		3,975	2,500
Commission income unearned	6,938	10,717	Accrued investment income		4,448	530
Total underwriting provisions	418,536	467,577	Reinsurance recoveries against outstanding claims		157,046	177,750
			Taxation - payment less provision		6,790	5,848
DEFERRED LIABILITIES			Deferred commission expense		15,633	23,242
Employee benefit - unfunded	4,359	16,328	Prepayments		34,209	48,625
			Loans to employees - unsecured considered good		1,072	1,096
CREDITORS AND ACCRUALS			Sundry receivables		15,793	9,927
Amounts due to other insurers / reinsurers	48,171	56,462		456,848	512,473	
Accrued expenses	31,796	26,898				
Premium received in advance	-	-	FIXED ASSETS - TANGIBLE	9		
Other creditors and accruals	64,181	59,414	OWNED			
	144,148	142,774	Land and buildings		202,985	205,862
BORROWINGS			Furniture, fixtures and office equipment		9,794	10,979
Liabilities against assets subject to finance lease	309	628	Computer equipment		5,931	5,615
			Motor vehicles		21,795	32,441
OTHER LIABILITIES				240,505	254,897	
Deposits against performance bonds	2,826	2,946	LEASED			
Unclaimed dividends	611	610	Furniture, fixtures and office equipment		-	-
TOTAL LIABILITIES	570,789	630,863	Motor vehicles		1,453	1,709
				1,453	1,709	
CONTINGENCIES AND COMMITMENTS 5						
TOTAL EQUITY AND LIABILITIES	962,220	1,069,172	TOTAL ASSETS	962,220	1,069,172	

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


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED


CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2012						
Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Nine months ended 30 September, 2012	Nine months ended 30 September, 2011
(RUPEES IN THOUSAND)						


Revenue account							
Net premium revenue	41,505	22,716	83,388	23,679	-	171,288	232,613
Net claims	(8,306)	(5,440)	(61,596)	(11,166)	-	(86,508)	(106,795)
Premium deficiency expenses	-	-	-	403	-	403	-
Expenses	(22,133)	(10,368)	(21,088)	(7,228)	-	(60,817)	(90,529)
Net commission	(9,138)	(707)	(11,022)	(1,391)	-	(22,258)	(33,101)
Underwriting result	1,928	6,201	(10,318)	4,297	-	2,108	2,188
Investment income						5,719	6,063
Rental income						873	870
Other income						14,267	7,042
						22,967	16,163
General and administration expenses						(71,182)	(90,560)
Financial charge on lease liabilities						(342)	(123)
Share of profit from associates - net of tax						(399)	74
Loss before taxation						(48,956)	(74,446)
Taxation - Current						(34)	(3,641)
- Deferred						1,533	25,143
Loss after taxation						(47,457)	(52,944)

PROFIT AND LOSS APPROPRIATION ACCOUNT


Balance at the commencement of the period	(106,484)	(43,631)
Loss after taxation for the quarter	(47,457)	(52,944)
Items directly recognised in statement of changes in equity	1,733	1,397
Balance unappropriated profit / (loss) at the end of the period	(152,208)	(95,178)
Loss per share - Rupees		
	(1.58)	(2.02)




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THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Quarter ended 30 September, 2012	Quarter ended 30 September, 2011
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(RUPEES IN THOUSAND)

Revenue account

Net premium revenue	8,860	5,330	23,875	7,300	-	45,365	76,313
Net claims	(1,844)	(671)	(14,196)	(1,526)	-	(18,237)	(23,841)
Premium deficiency expenses	-	-	-	-	-	-	-
Expenses	(6,673)	(2,638)	(4,264)	(1,771)	-	(15,346)	(25,861)
Net commission	(1,330)	70	(2,732)	(170)	-	(4,162)	(10,538)
Underwriting result	(987)	2,091	2,683	3,833	-	7,620	16,073

Investment income	1,553	1,811
Rental income	291	(192)
Other income	6,762	2,231
	16,226	19,923

General and administration expenses	(23,466)	(35,867)
Financial charges	(109)	(22)
Share of profit from associates - net of tax	-	-

Loss before taxation (7,349) (15,966)

Provision for taxation	-	202
- Deferred	1,533	4,313

Loss after taxation (5,816) (11,451)

Loss per share - Rupees (0.19) (0.44)

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


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THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

	NINE MONTHS ENDED		QUARTER ENDED	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
----- (Rupees in thousand) -----				
PROFIT / (LOSS) AFTER TAXATION	(47,457)	(52,944)	(5,816)	(11,451)
OTHER COMPREHENSIVE INCOME				
Fair value adjustment relating to impairment loss on available for sale investments	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(47,457)	(52,944)	(5,816)	(11,451)

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	SHARE PREMIUM	CAPITAL RESERVE	REVENUE RESERVE	RETAINED EARNINGS	TOTAL
	(RUPEES IN THOUSAND)					
Balance as at December 31, 2010	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 half year 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
Issue of ordinary share capital - other than right	37,500	-	-	-	-	37,500
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	445	445
Share of associates accounted for under equity method	-	-	-	122	113	235
Total comprehensive loss for the year ended 31 December 2011	-	-	-	-	(11,864)	(11,864)
Balance as at 31 December 2011 (audited)	300,000	4	18	14,227	(106,484)	207,765
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	1,653	1,653
Share of associates accounted for under equity method	-	-	-	-	80	80
Total comprehensive loss for the nine months period ended 30 September 2012	-	-	-	-	(47,457)	(47,457)
Balance as at September 30, 2012 (un-audited)	300,000	4	18	14,227	(152,208)	162,041

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THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

	Nine Months ended	
	30 September 2012	30 September 2011
	(RUPEES IN THOUSAND)	
OPERATING CASH FLOWS		
a) Underwriting activities		
Premiums received	252,925	315,277
Reinsurance premiums paid	(88,739)	(109,724)
Claims paid	(128,829)	(174,823)
Reinsurance and other recoveries received	51,443	73,823
Commissions paid	(40,104)	(66,192)
Commissions received	21,676	28,032
Net cash flow from underwriting activities	68,372	66,393
b) Other operating activities		
Income tax paid	(942)	(200)
General management expenses paid	(57,797)	(51,158)
Other operating payments	(58,741)	(77,522)
Other operating receipts	1,369	7,041
Loans to employees (given) / repaid	24	(350)
Deposit against performance bonds received	-	-
Other receipts / (payments) - net	(9,007)	(3,164)
Net cash outflow from other operating activities	(125,094)	(125,353)
Total cash outflow from all operating activities	(56,722)	(58,960)
INVESTMENT ACTIVITIES		
Profit / return received	4,897	4,354
Dividends received	298	794
Rental income received	441	6
Payments for purchase of investments	-	-
Proceeds from redemption / disposal of investments	6,323	24,782
Fixed capital expenditure	(3,553)	(2,506)
Proceeds from disposal of fixed assets	14,397	2,248
Net cash inflow / (outflow) from investing activities	22,803	29,678
FINANCING ACTIVITIES		
Share capital received	-	-
Financial charges paid	(342)	(122)
Dividends paid	-	-
Payments on finance leases	(319)	(1,320)
Net cash inflow from financing activities	(661)	(1,442)
Net cash inflow / (outflow) from all activities	(34,580)	(30,724)
Cash at the beginning of the year	129,652	88,309
Cash at the end of the year	95,072	57,585

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

	Nine Months ended	
	30 September 2012	30 September 2011
	(RUPEES IN THOUSAND)	
Operating cash flows	(56,722)	(58,960)
Depreciation	(10,104)	(11,706)
Provision for doubtful receivables	(12,441)	-
Financial charges	(342)	(122)
Profit on disposal of fixed assets	6,299	764
Increase / (decrease) in assets other than cash	(47,534)	18,984
(Increase) / decrease in liabilities other than borrowings	60,852	(14,069)
	(59,992)	(65,109)
OTHER ADJUSTMENTS		
Profit on investments and deposits	5,732	11,221
Share of (loss) / profit from associates - net of taxation	(399)	74
Premium deficiency expense	403	-
Rental income	873	870
Profit on term deposit receipts	5,926	-
	12,535	12,165
Loss after taxation	(47,457)	(52,944)

Definition of cash:

Cash comprises cash in hand, bank balances and other deposits which are readily convertible to cash and which are used in 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 (stamps in hand)	36	2,814
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Current and other accounts

Current accounts	12,882	14,771
Saving accounts	1,999	-
	14,881	14,771

Deposits maturing within 12 months

Fixed and term deposits accounts	80,155	40,000
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Total cash and cash equivalents

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


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CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012


Business underwritten inside Pakistan


Class	Premiums			Reinsurance ceded	Reinsurance		Reinsurance expense	Net premium revenue	
	Premiums written	Unearned premium reserve			Prepaid reinsurance premium ceded	Closing		Nine months ended 30 September, 2012	Nine months ended 30 September, 2011
		Opening	Closing						
(RUPEES IN THOUSAND)									
Direct and facultative									
Fire and property damage	87,358	47,323	36,183	50,170	27,447	20,624	56,993	41,505	56,417
Marine and transport	40,919	11,243	5,008	21,421	5,621	2,604	24,438	22,716	31,456
Motor	83,230	60,444	46,916	9,933	9,067	5,630	13,370	83,388	112,463
Others	28,526	17,304	13,455	7,215	4,845	3,364	8,696	23,679	32,277
Total	240,033	136,314	101,562	88,739	46,980	32,222	103,497	171,288	232,613
Treaty	-	-	-	-	-	-	-	-	-
Grand Total	240,033	136,314	101,562	88,739	46,980	32,222	103,497	171,288	232,613

FOR THE QUARTER ENDED 30 SEPTEMBER 2012

Class	Premiums			Premiums earned	Reinsurance			Net premium revenue		
	Premiums written	Unearned premium reserve			Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Quarter ended September 30, 2012	Quarter ended September 30, 2011
		Opening	Closing			Opening	Closing			
----- (RUPEES IN THOUSAND) -----										
Direct and facultative										
Fire and property damage	29,005	28,929	36,183	21,751	17,025	16,490	20,624	12,891	8,860	
Marine and transport	12,251	5,406	5,008	12,649	7,274	2,649	2,604	7,319	5,330	
Motor	18,627	55,301	46,916	27,012	3,237	5,530	5,630	3,137	23,875	
Others	8,275	15,141	13,455	9,961	2,240	3,785	3,364	2,661	7,300	
Total	68,158	104,777	101,562	71,373	29,776	28,454	32,222	26,008	45,365	
Treaty	-	-	-	-	-	-	-	-	-	
Grand Total	68,158	104,777	101,562	71,373	29,776	28,454	32,222	26,008	45,365	

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PRINCIPAL OFFICER

CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

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		Nine months ended 30 September, 2012	Nine months ended 30 September, 2011
(RUPEES IN THOUSAND)										
Direct and facultative										
Fire and property damage	40,181	151,107	134,637	23,711	27,126	119,690	107,969	15,405	8,306	10,768
Marine and transport	16,788	44,350	38,775	11,213	9,247	26,311	22,836	5,772	5,440	8,290
Motor	56,933	89,945	102,080	69,068	11,086	17,564	13,949	7,471	61,596	63,844
Others	13,453	32,933	32,736	13,256	3,984	14,186	12,292	2,090	11,166	23,893
Total	127,355	318,335	308,228	117,248	51,443	177,751	157,046	30,738	86,508	106,795
Treaty - proportional	-	969	969	-	-	-	-	-	-	-
Grand Total	127,355	319,304	309,197	117,248	51,443	177,751	157,046	30,738	86,508	106,795

FOR THE QUARTER ENDED 30 SEPTEMBER 2012

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 September 30, 2012	Quarter ended September 30, 2011
Direct and facultative										
Fire and property damage	2,576	140,154	134,637	(2,941)	1,548	114,302	107,969	(4,785)	1,844	3,029
Marine and transport	5,282	42,184	38,775	1,873	2,914	24,548	22,836	1,202	671	4,847
Motor	9,366	94,646	102,080	16,800	2,521	13,867	13,949	2,603	14,196	14,465
Others	3,365	36,912	32,736	(811)	803	15,432	12,292	(2,337)	1,526	1,500
Total	20,589	313,896	308,228	14,921	7,786	168,149	157,046	(3,317)	18,237	23,841
Treaty - proportional	-	969	969	-	-	-	-	-	-	-
Grand Total	20,589	314,865	309,197	14,921	7,786	168,149	157,046	(3,317)	18,237	23,841

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Raza Kuli Khan
CHAIRMAN


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CHIEF EXECUTIVE


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER


CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011									
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					Nine months ended 30 September, 2012	Nine months ended 30 September, 2011
(RUPEES IN THOUSAND)									
Direct and facultative									
Fire and property damage	21,099	11,619	8,651	24,067	22,133	46,200	14,929	31,271	47,050
Marine and transport	7,886	2,099	946	9,039	10,368	19,407	8,332	11,075	18,011
Motor	9,008	7,068	5,044	11,032	21,088	32,120	10	32,110	47,365
Others	2,111	2,456	992	3,575	7,228	10,803	2,184	8,619	11,204
Total	40,104	23,242	15,633	47,713	60,817	108,530	25,455	83,075	123,630
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand Total	40,104	23,242	15,633	47,713	60,817	108,530	25,455	83,075	123,630
FOR THE QUARTER ENDED 30 SEPTEMBER 2012									
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 September 30, 2012	Quarter ended September 30, 2011
(RUPEES IN THOUSAND)									
Direct and facultative									
Fire and property damage	6,987	6,350	8,651	4,686	6,673	11,359	3,356	8,003	18,361
Marine and transport	2,363	994	946	2,411	2,638	5,049	2,481	2,568	3,918
Motor	1,804	5,979	5,044	2,739	4,264	7,003	7	6,996	11,232
Others	781	971	992	760	1,771	2,531	590	1,941	2,888
Total	11,935	14,294	15,633	10,596	15,346	25,942	6,434	19,508	36,399
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand Total	11,935	14,294	15,633	10,596	15,346	25,942	6,434	19,508	36,399

Note: Commission from reinsurers is arrived at after taking impact of opening and closing unearned commission.

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Raza Kuli Khan
CHAIRMAN


Begum Zeb Gohar Ayub Khan
CHIEF EXECUTIVE


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

Nine Months ended		Quarter ended	
30 September 2012	30 September 2011	30 September 2012	30 September 2011

(RUPEES IN THOUSAND)

INCOME FROM TRADING INVESTMENTS

Dividend income

From related parties

From others

-	-	-	-
298	789	-	-
298	789	-	-

INCOME FROM NON -TRADING INVESTMENTS

Held to maturity

Return on fixed income securities and deposits

3,522 1,984 1,095 361

Available for sale

Dividend income

From related parties

From others

-	-	-	-
-	5	-	-
-	5	-	-

Gain on sale of investments at fair value through profit or loss

1,161 727 - -

Gain on sale of investments - available for sale

- 1,053 - -

Gain on revaluation of investments at fair value through profit or loss

748 1,494 197 1,465

Reversal / (Provision) for impairment in value of available for sale investments

3 18 - (8)

Less : Investment related expenses

(13) (7) - (7)

Net investment income

5,719	6,063	1,292	1,811
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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


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-UNDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012

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 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 Exchange 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 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 2011.

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 2011.

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 2011.

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 2011.

THE UNIVERSAL INSURANCE COMPANY LIMITED

	Un-audited 30 September 2012 (Rupees in thousand)	Audited 31 December 2011
6. INVESTMENTS		
IN RELATED PARTIES		
Investment in associates - equity method of accounting	91,556	91,955
Less: Provision for impairment in value of investments	-	-
	<u>91,556</u>	<u>91,955</u>
OTHERS		
Held to maturity - Government securities (PIBs)	34,743	34,145
Deposit held with State Bank of Pakistan (note 6.2)	-	-
Available-for-sale		
Equity investments		
Quoted	168	191
Un-quoted	-	-
Mutual funds		
Open ended	500	500
Close ended	170	144
	<u>838</u>	<u>835</u>
Investment at fair value through profit or loss		
Equity investments - quoted	2,948	6,719
Mutual Funds		
Open ended	729	594
Close ended	175	953
	<u>3,852</u>	<u>8,266</u>
	<u>3,852</u>	<u>8,266</u>
	<u>130,989</u>	<u>135,201</u>
6.1	The market value of investments in associates and available for sale investments as on 30 September 2012 was Rupees 10.982 million (31 December 2011 9.675 million). The recoverable amount of investments in associate is higher than its carrying amount.	
6.2	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.	
7. PREMIUMS DUE BUT UNPAID - Unsecured		
Considered good		
Due from associates (7.1)	17,959	25,704
Others	73,253	88,808
	<u>91,212</u>	<u>114,512</u>
Considered doubtful		
Due from associates	-	-
Others	31,929	21,521
	<u>31,929</u>	<u>21,521</u>
Provision for doubtful receivables	(31,929)	(21,521)
	<u>91,212</u>	<u>114,512</u>

THE UNIVERSAL INSURANCE COMPANY LIMITED

	Un-audited 30 September 2012 (Rupees in thousand)	Audited 31 December 2011
8	AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured	
Amounts due from coinsurers	133,351	127,892
Amounts due from reinsurers	2,095	7,294
	<u>135,446</u>	<u>135,186</u>
Provision for doubtful receivables	<u>(8,776)</u>	<u>(6,743)</u>
Amount due from other insurers / reinsurers - considered good	<u>126,670</u>	<u>128,443</u>
9	FIXED ASSETS	
Owned (Note 9.1)	240,505	254,897
Leased (Note 9.2)	1,453	1,709
	<u>241,958</u>	<u>256,606</u>
9.1	Owned	
Opening book value	254,898	242,084
Add: Cost of additions during the period / year (Note 9.1.1)	3,553	3,712
Surplus on revaluation of land and buildings (Note 9.1.2)	-	24,066
Book value of vehicles transferred from leased assets	-	2,618
	<u>258,451</u>	<u>272,480</u>
Less: Book value of deletions during the period / year (Note 9.1.3)	8,098	2,530
	<u>250,353</u>	<u>269,950</u>
Less: Depreciation charge for the period / year	9,848	15,053
	<u>240,505</u>	<u>254,897</u>
9.1.1	Cost of additions	
Building on freehold land	-	-
Furniture, fixture and office equipment	170	566
Computer equipment	1,797	499
Vehicles	1,586	2,647
	<u>3,553</u>	<u>3,712</u>
9.1.2	Surplus on revaluation of land and buildings	
Land	-	13,400
Building on freehold land	-	10,666
	<u>-</u>	<u>24,066</u>
9.1.3	Book value of deletions	
Furniture, fixture and office equipment	449	71
Computer equipment	-	-
Vehicles	7,649	2,459
	<u>8,098</u>	<u>2,530</u>
9.2	Leased	
Opening book value	1,709	4,967
Add: Cost of additions in leased assets during the period / year	-	-
	<u>1,709</u>	<u>4,967</u>
Less: Book value of leased assets transferred to owned assets during the period / year	-	2,618
	<u>1,709</u>	<u>2,349</u>
Less: Depreciation charge for the period / year	256	640
	<u>1,453</u>	<u>1,709</u>

THE UNIVERSAL INSURANCE COMPANY LIMITED

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise holding company, associated undertakings, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Transactions with related parties are summarized as follows:

	Un-audited 30 September 2012	Un-audited 30 September 2011
	(Rupees in thousand)	
Premium underwritten	31,728	46,489
Premium Received	39,664	29,787
Claims paid	6,085	9,559
Rental income	1,296	870

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 accident		Others		Total	
	30 September, 2012	31 December, 2011	30 September, 2012	31 December, 2011	30 September, 2012	31 December, 2011	30 September, 2012	31 December, 2011	30 September, 2012	31 December, 2011
	----- Rupees in Thousand -----									
Segment assets	215,778	249,421	63,921	76,183	104,817	118,130	42,242	49,693	426,758	493,427
Unallocated assets	-	-	-	-	-	-	-	-	535,462	575,745
Total assets	215,778	249,421	63,921	76,183	104,817	118,130	42,242	49,693	962,220	1,069,172
Segment liabilities	200,327	234,675	55,244	70,278	158,869	161,348	55,094	60,684	469,534	526,985
Unallocated liabilities	-	-	-	-	-	-	-	-	101,256	103,878
Consolidated total liabilities	200,327	234,675	55,244	70,278	158,869	161,348	55,094	60,684	570,790	630,863

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 2011.

13. AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved and authorized for issue on 31 October 2012 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. Figures have been rounded off to the nearest Thousand of Rupees.


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CHAIRMAN


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