

**CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE
SIX MONTHS PERIOD ENDED
June 30,
2012**



The Universal Insurance Co. Ltd.



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

THE UNIVERSAL INSURANCE COMPANY LIMITED

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 June 30, 2012.

FINANCIAL PERFORMANCE

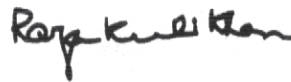
The Gross Premium of the company has reduced by Rs. 71.717 million over the period of June, 2011 due to selective underwriting. This has resulted into reduction in underwriting loss to the tune of Rs. 8.372 million over the corresponding period. Further the loss before taxation has also reduced by Rs. 16.871 million.

	2012	2011
	------(Rupees in million)-----	
Gross premium	171.875	243.592
Net premium	125.923	156.300
Profit / (loss) from underwriting business	(5.512)	(13.884)
Net claims expense	68.271	82.953
Management / administrative expenses	93.420	119.462
Capital and reserves	167.302	192.459
Loss before taxation	(41.607)	(58.478)
Loss after taxation	<u>(41,641)</u>	<u>(41.491)</u>
Loss per share	(1.39)	(1.58)

FUTURE OUTLOOK

The management has taken corrective measures for minimising the management expenses which would hopefully be reflected positively in the coming financial statments.

For & on behalf of the Board of Directors



Raza Kuli Khan Khattak
Chairman

Dated : August 27, 2012
Place : Lahore

THE UNIVERSAL INSURANCE COMPANY LIMITED

**AUDITORS' 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 2012 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 premiums;
- (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 half year 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 as of and for the half year ended 30 June 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the quarters ended 30 June 2012 and 2011 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 30 June 2012.

**RIAZ AHMAD & COMPANY
Chartered Accountants**

**Name of engagement partner:
Syed Mustafa Ali**


**Date: August 27, 2012
LAHORE**

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2012

	Un-audited		Audited			Un-audited		Audited		
	Note	30 June 2012	31 December 2011	(Rupees in thousand)		Note	30 June 2012	31 December 2011	(Rupees in thousand)	
SHARE CAPITAL AND RESERVES					CASH AND BANK DEPOSITS					
Authorized share capital 50,000,000 (31 December 2011: 50,000,000) ordinary shares of Rupees 10 each		500,000	500,000		Cash and other equivalents	69	33			
Issued, subscribed and paid-up share capital		300,000	300,000		Current and other accounts	51,611	89,619			
Accumulated loss	(146,947)		(106,484)		Deposits maturing within 12 months	40,000	40,000			
Reserves	14,249		14,249			91,680	129,652			
	(132,698)		(92,235)		INVESTMENTS					
TOTAL EQUITY		167,302	207,765		6	130,593	135,201			
Surplus on revaluation of fixed assets		229,751	230,544		DEFERRED TAXATION					
UNDERWRITING PROVISIONS						35,624	35,240			
Provision for outstanding claims (including IBNR)	314,865		319,304		CURRENT ASSETS - OTHERS					
Provision for premium deficiency	839		1,242		7	101,140	114,512			
Provision for unearned premium	104,777		136,314		8	123,801	128,443			
Commission income unearned	6,050		10,717			51	2,500			
Total underwriting provisions	426,531		467,577			2,877	530			
DEFERRED LIABILITIES						168,149	177,750			
Employee benefit - unfunded	4,440		16,328			6,253	5,848			
CREDITORS AND ACCRUALS						14,294	23,242			
Amounts due to other insurers / reinsurers	43,849		56,462			31,841	48,625			
Accrued expenses	30,380		26,898			688	1,096			
Other creditors and accruals	62,033		59,414			14,378	9,927			
	136,262		142,774			463,472	512,473			
BORROWINGS						FIXED ASSETS - TANGIBLE				
Liabilities against assets subject to finance lease	420		628		9					
OTHER LIABILITIES					OWNED					
Deposits against performance bonds	2,826		2,946			203,951	205,862			
Unclaimed dividends	610		610			10,291	10,979			
TOTAL LIABILITIES	571,089		630,863			5,367	5,615			
CONTINGENCIES AND COMMITMENTS 5						25,625	32,441			
						245,234	254,897			
TOTAL EQUITY AND LIABILITIES	968,142		1,069,172		LEASED					
						1,539	1,709			
					TOTAL ASSETS					
	968,142		1,069,172			968,142	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


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

| THE UNIVERSAL INSURANCE COMPANY LIMITED |

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012**

HALF YEAR ENDED 30 JUNE 2012

Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Half year ended 30 June 2012	Half year ended 30 June 2011
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----- (Rupees in thousand) -----

Revenue account

Net premium revenue	32,645	17,386	59,513	16,379	-	125,923	156,300
Net claims	(6,462)	(4,770)	(47,399)	(9,640)	-	(68,271)	(82,953)
Change in premium deficiency reserve	-	-	-	403	-	403	-
Management expenses	(15,460)	(7,730)	(16,824)	(5,457)	-	(45,471)	(64,668)
Net commission	(7,808)	(777)	(8,290)	(1,221)	-	(18,096)	(22,563)
	<u>(23,268)</u>	<u>(8,507)</u>	<u>(25,114)</u>	<u>(6,678)</u>	<u>-</u>	<u>(63,567)</u>	<u>(87,231)</u>
Underwriting result	<u>2,915</u>	<u>4,109</u>	<u>(13,000)</u>	<u>464</u>	<u>-</u>	<u>(5,512)</u>	<u>(13,884)</u>

Investment income						4,166	4,253
Rental income						582	1,062
Other income						7,505	4,811
						<u>6,741</u>	<u>(3,758)</u>
General and administration expenses						(47,716)	(54,693)
Financial charges						(233)	(101)
Share of (loss) / profit from associates - net of tax						(399)	74
Loss before taxation						<u>(41,607)</u>	<u>(58,478)</u>
Taxation - Current						(34)	(3,843)
- Deferred						-	20,830
Loss after taxation						<u>(41,641)</u>	<u>(41,491)</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT

Balance at the commencement of the period						(106,484)	(43,630)
Loss after taxation for the period						(41,641)	(41,491)
Items directly recognized in condensed interim statement of changes in equity						1,178	953
Balance at the end of the period						<u>(146,947)</u>	<u>(84,168)</u>
Loss per share - basic and diluted - Rupees						<u>(1.39)</u>	<u>(1.58)</u>

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012**


QUARTER ENDED 30 JUNE 2012


Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Quarter ended 30 June 2012	Quarter ended 30 June 2011
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(Rupees in thousand)

Revenue account							
Net premium revenue	12,967	8,007	27,461	7,929	-	56,364	86,581
Net claims	(2,410)	(1,507)	(26,525)	(5,752)	-	(36,194)	(48,888)
Change in premium deficiency reserve	-	-	-	403	-	403	-
Management expenses	(5,607)	(4,013)	(9,850)	(2,489)	-	(21,959)	(39,121)
Net commission	(3,417)	(712)	(3,867)	(642)	-	(8,638)	(12,026)
	<u>(9,024)</u>	<u>(4,725)</u>	<u>(13,717)</u>	<u>(3,131)</u>	<u>-</u>	<u>(30,597)</u>	<u>(51,147)</u>
Underwriting result	<u>1,533</u>	<u>1,775</u>	<u>(12,781)</u>	<u>(551)</u>	<u>-</u>	<u>(10,024)</u>	<u>(13,454)</u>
Investment income						1,228	2,265
Rental income						291	408
Other income						5,612	2,669
						<u>(2,893)</u>	<u>(8,112)</u>
General and administration expenses						(28,015)	(33,595)
Financial charges						(219)	(29)
Share of (loss) / profit from associates - net of tax						(399)	74
Loss before taxation						<u>(31,526)</u>	<u>(41,662)</u>
Taxation - Current						2,247	(3,542)
- Deferred						-	20,830
Loss after taxation						<u>(29,279)</u>	<u>(24,374)</u>
Loss per share - basic and diluted - Rupees						<u>(0.98)</u>	<u>(0.93)</u>

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


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR



Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER


| THE UNIVERSAL INSURANCE COMPANY LIMITED |

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012

	HALF YEAR ENDED		QUARTER ENDED	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	----- (Rupees in thousand) -----			
LOSS AFTER TAXATION	(41,641)	(41,491)	(29,279)	(24,374)
OTHER COMPREHENSIVE INCOME / (LOSS)	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(41,641)	(41,491)	(29,279)	(24,374)

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


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012


THE UNIVERSAL INSURANCE COMPANY LIMITED

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		CAPITAL RESERVES		REVENUE RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	Share Premium	Capital	Share Premium	Capital			
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	-	-	-	-	874	874	
Share of associates accounted for under equity method	-	-	-	-	79	79	
Total comprehensive loss for the half year ended 30 June 2011	-	-	-	-	(41,491)	(41,491)	
Balance as at 30 June 2011 - (un-audited)	262,500	4	18	14,105	(84,168)	192,459	
Issue of ordinary share capital - other than right	37,500	-	-	-	-	37,500	
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	889	889	
Share of associates accounted for under equity method	-	-	-	122	112	234	
Total comprehensive loss for the half year ended 31 December 2011	-	-	-	-	(23,317)	(23,317)	
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	-	-	-	-	1,098	1,098	
Share of associates accounted for under equity method	-	-	-	-	80	80	
Total comprehensive loss for the half year ended 30 June 2012	-	-	-	-	(41,641)	(41,641)	
Balance as at 30 June 2012 - (un-audited)	300,000	4	18	14,227	(146,947)	167,302	

(Rupees in thousand)

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


Raiza Khatik
 CHAIRMAN


Begum Zeb Gohar Ayub Khan
 CHIEF EXECUTIVE


Mrs. Shahnaz Sajjad Ahmed
 DIRECTOR


Muhammad Rafiq Chaudhry
 PRINCIPAL OFFICER

| THE UNIVERSAL INSURANCE COMPANY LIMITED |

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012**

	Half year ended	
	30 June 2012	30 June 2011
	----- (Rupees in thousand) -----	
OPERATING CASH FLOWS		
a) Underwriting activities		
Premiums received	178,401	212,176
Reinsurance premiums paid	(58,963)	(71,586)
Claims paid	(104,317)	(112,142)
Reinsurance and other recoveries received	43,657	42,428
Commissions paid	(28,169)	(41,549)
Commissions received	14,354	18,240
Net cash inflow from underwriting activities	44,963	47,567
b) Other operating activities		
Income tax	(439)	1,836
General management expenses paid	(47,076)	(24,370)
Other operating payments	(39,551)	(52,104)
Other operating receipts	1,115	1,954
Loans to employees repaid	408	228
Other payments - net	(11,951)	(12,422)
Net cash outflow from other operating activities	(97,494)	(84,878)
Total cash outflow from all operating activities	(52,531)	(37,311)
INVESTMENT ACTIVITIES		
Profit / return received	1,769	2,207
Dividends received	298	794
Rental income received	222	2,502
Proceeds from disposal of investments	6,322	28,464
Fixed capital expenditure	(2,358)	(1,776)
Proceeds from disposal of fixed assets	8,747	2,233
Total cash inflow from investing activities	15,000	34,424
FINANCING ACTIVITIES		
Financial charges paid	(233)	(101)
Payments on finance leases	(208)	(1,226)
Total cash outflow from financing activities	(441)	(1,327)
Net cash outflow from all activities	(37,972)	(4,214)
Cash at the beginning of the period	129,652	88,309
Cash at the end of the period	91,680	84,095

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012**

Half year ended	
30 June 2012	30 June 2011
----- (Rupees in thousand) -----	

RECONCILIATION TO CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

Operating cash flows	(52,531)	(37,311)
Depreciation	(6,815)	(7,767)
Provision for doubtful receivables	(8,165)	(7,786)
Financial charges	(233)	(101)
Profit on disposal of fixed assets	3,371	760
Decrease in assets other than cash	(43,509)	(18,240)
Increase in liabilities	59,129	20,294
	(48,753)	(50,151)

OTHER ADJUSTMENTS

Profit on investments	4,179	3,271
Share of (loss) / profit from associates - net of tax	(399)	74
Change in premium deficiency reserve	403	-
Rental income	582	1,062
Profit on term deposit receipts	2,347	4,253
	7,112	8,660
Loss after taxation	(41,641)	(41,491)

Definition of cash

Cash comprises of cash in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purposes of the Condensed Interim Cash Flow Statement consists of:

Cash and other equivalent

Cash in hand	69	217
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Current and other accounts

Current accounts	49,103	19,092
Saving accounts	2,508	24,786
	51,611	43,878


Deposits maturing within 12 months

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

	91,680	84,095
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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


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012

Business underwritten inside Pakistan

Class	Premiums written		Premiums earned		Reinsurance ceded		Reinsurance premium ceded		Net premium revenue	
	Unearned premium reserve		Premiums earned		Reinsurance ceded		Reinsurance premium ceded		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Quarter ended 30 June 2012	Half year ended 30 June 2011
Direct and facultative										
Fire and property damage	58,353	47,323	28,929	76,747	33,145	27,447	16,490	44,102	32,645	35,342
Marine and transport	28,668	11,243	5,406	34,505	14,147	5,621	2,649	17,119	17,386	22,455
Motor	64,603	60,444	55,301	69,746	6,696	9,067	5,530	10,233	59,513	75,153
Others	20,251	17,304	15,141	22,414	4,975	4,845	3,785	6,035	16,379	23,350
Total	171,875	136,314	104,777	203,412	58,963	46,980	28,454	77,489	125,923	156,300
Treaty - Proportional										
Grand Total	171,875	136,314	104,777	203,412	58,963	46,980	28,454	77,489	125,923	156,300

FOR THE QUARTER ENDED 30 JUNE 2012

Class	Premiums written		Premiums earned		Reinsurance ceded		Reinsurance premium ceded		Net premium revenue	
	Unearned premium reserve		Premiums earned		Reinsurance ceded		Reinsurance premium ceded		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Quarter ended 30 June 2012	Quarter ended 30 June 2011
Direct and facultative										
Fire and property damage	19,623	41,237	28,929	31,931	12,361	23,093	16,490	18,964	12,967	16,261
Marine and transport	14,059	5,214	5,406	13,867	5,642	2,867	2,649	5,860	8,007	11,867
Motor	37,191	50,336	55,301	32,226	2,745	7,550	5,530	4,765	27,461	40,652
Others	8,585	18,237	15,141	11,681	3,707	3,830	3,785	3,752	7,929	17,801
Total	79,458	115,024	104,777	89,705	24,455	37,340	28,454	33,341	56,364	86,581
Treaty - Proportional										
Grand Total	79,458	115,024	104,777	89,705	24,455	37,340	28,454	33,341	56,364	86,581

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

Rayez Khatkhat
Raiza Kuli Khan Khatkhat
CHAIRMAN

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
CHIEF EXECUTIVE

Mrs. Shahnaz Sajjad Ahmed
Mrs. Shahnaz Sajjad Ahmed
DIRECTOR

Muhammad Rafiq Chaudhry
Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 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			Opening	Closing		Half year ended 30 June 2012	Half year ended 30 June 2011
Direct and facultative											
Fire and property damage	37,605	140,154	140,154	140,154	26,652	25,578	119,690	114,302	20,190	6,462	7,739
Marine and transport	11,506	44,350	42,184	42,184	9,340	6,333	26,311	24,548	4,570	4,770	3,443
Motor	47,567	89,945	94,646	94,646	52,268	8,565	17,563	13,867	4,869	47,399	49,378
Others	10,088	32,933	36,912	36,912	14,067	3,181	14,186	15,432	4,427	9,640	22,393
Total	106,766	318,335	313,896	313,896	102,327	43,657	177,750	168,149	34,056	68,271	82,953
Treaty - Proportional	-	969	969	969	-	-	-	-	-	-	-
Grand Total	106,766	319,304	314,865	314,865	102,327	43,657	177,750	168,149	34,056	68,271	82,953

FOR THE QUARTER ENDED 30 JUNE 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			Opening	Closing		Quarter ended 30 June 2012	Quarter ended 30 June 2011
Direct and facultative											
Fire and property damage	17,076	152,086	140,154	140,154	5,144	11,653	123,221	114,302	2,734	2,410	4,700
Marine and transport	4,696	46,238	42,184	42,184	642	1,903	27,316	24,548	(865)	1,507	1,744
Motor	21,856	90,990	94,646	94,646	25,512	4,081	18,961	13,867	(1,013)	26,525	30,277
Others	3,505	32,366	36,912	36,912	8,051	589	13,722	15,432	2,299	5,752	12,167
Total	47,133	321,680	313,896	313,896	39,349	18,226	183,220	168,149	3,155	36,194	48,888
Treaty - Proportional	-	969	969	969	-	-	-	-	-	-	-
Grand Total	47,133	322,649	314,865	314,865	39,349	18,226	183,220	168,149	3,155	36,194	48,888

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

Rayez Khatik
Raiza Kuli Khan Khatik
CHAIRMAN

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
CHIEF EXECUTIVE

Mrs. Shahnaz Sajjad Ahmed
Mrs. Shahnaz Sajjad Ahmed
DIRECTOR

Muhammad Rafiq Chaudhry
Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF EXPENSES
FOR THE QUARTER ENDED MARCH 31, 2012 (UN-AUDITED)

Business underwritten inside Pakistan

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Half year ended 30 June 2012	Half year ended 30 June 2011
Direct and facultative									
Fire and property damage	14,112	11,619	6,350	19,381	15,460	34,841	11,573	23,268	28,689
Marine and transport	5,523	2,099	994	6,628	7,730	14,358	5,851	8,507	14,093
Motor	7,204	7,068	5,979	8,293	16,824	25,117	3	25,114	36,133
Others	1,330	2,456	971	2,815	5,457	8,272	1,594	6,678	8,316
Total	28,169	23,242	14,294	37,117	45,471	82,588	19,021	63,567	87,231
Treaty - Proportional	-	-	-	-	-	-	-	-	-
Grand Total	28,169	23,242	14,294	37,117	45,471	82,588	19,021	63,567	87,231

FOR THE QUARTER ENDED 30 JUNE 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 30 June 2012	Quarter ended 30 June 2011
Direct and facultative									
Fire and property	4,634	10,126	6,350	8,410	5,607	14,017	4,993	9,024	13,521
Marine and transport	2,712	982	994	2,700	4,013	6,713	1,988	4,725	8,413
Motor	3,977	5,868	5,979	3,866	9,850	13,716	(1)	13,717	25,071
Others	515	2,061	971	1,605	2,489	4,094	963	3,131	4,142
Total	11,838	19,037	14,294	16,581	21,959	38,540	7,943	30,597	51,147
Treaty - Proportional	-	-	-	-	-	-	-	-	-
Grand Total	11,838	19,037	14,294	16,581	21,959	38,540	7,943	30,597	51,147

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

Rayez Khatkhat
Raaza Kuli Khan Khatkhat
CHAIRMAN

Begum Zeb Gohar Ayub Khan
Begum Zeb Gohar Ayub Khan
CHIEF EXECUTIVE

Mrs. Shahnaz Sajjad Ahmed
Mrs. Shahnaz Sajjad Ahmed
DIRECTOR

Muhammad Rafiq Chaudhry
Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012**

Half year ended		Quarter ended	
30 June 2012	30 June 2011	30 June 2012	30 June 2011

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

INCOME FROM TRADING INVESTMENTS

Dividend income

From related parties
From others

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

INCOME FROM NON-TRADING INVESTMENTS

Held to maturity

Return on fixed income securities

2,166 1,623 527 497

Available for sale

Dividend income

From related parties
From others

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

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

1,161 727 168 727

Gain on sale of investments - available for sale

- 1,053 - 1,054

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

551 30 242 (833)

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

3 26 (7) 26


Less: Investment related expenses

(13) - - -

Net investment income

4,166	4,253	1,228	2,265
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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


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-UNDITED)
FOR THE HALF YEAR ENDED 30 JUNE 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 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 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.

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 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 significant change in the contingencies and commitments disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2011.

THE UNIVERSAL INSURANCE COMPANY LIMITED

	Un-audited 30 June 2012 (Rupees in thousand)	Audited 31 December 2011
6. INVESTMENTS		
IN RELATED PARTIES		
Investment in associates - equity method of accounting	91,556	91,955
OTHERS		
Held to maturity - Government securities (PIBs) (Note 6.2)	34,543	34,145
Available-for-sale		
Equity investments		
Quoted	168	191
Un-quoted	-	-
Mutual funds		
Open ended	500	500
Close ended	171	144
	839	835
Investment at fair value through profit or loss		
Equity investments - quoted	2,812	6,719
Mutual Funds		
Open ended	678	594
Close ended	165	953
	3,655	8,266
	<u>130,593</u>	<u>135,201</u>

6.1 The market value of investments in associates and available for sale investments as on 30 June 2012 was Rupees 8.983 million (31 December 2011: Rupees 9.675 million). The recoverable amount of investments in associates 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.

	Un-audited 30 June 2012 (Rupees in thousand)	Audited 31 December 2011
7. PREMIUMS DUE BUT UNPAID - Unsecured		
Considered good		
Due from associates	6,617	25,704
Others	94,523	88,808
	<u>101,140</u>	<u>114,512</u>
Considered doubtful		
Due from associates	-	-
Others	28,367	21,521
	<u>28,367</u>	<u>21,521</u>
Provision for doubtful receivables	<u>(28,367)</u>	<u>(21,521)</u>
	<u>101,140</u>	<u>114,512</u>

THE UNIVERSAL INSURANCE COMPANY LIMITED

	Un-audited 30 June 2012	Audited 31 December 2011
	(Rupees in thousand)	
8. AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured		
Amounts due from coinsurers	127,849	127,892
Amounts due from reinsurers	4,014	7,294
	<u>131,863</u>	<u>135,186</u>
Provision for doubtful receivables	(8,062)	(6,743)
Amounts due from other insurers / reinsurers - considered good	<u>123,801</u>	<u>128,443</u>
9. FIXED ASSETS		
Owned (Note 9.1)	245,234	254,897
Leased (Note 9.2)	1,539	1,709
	<u>246,773</u>	<u>256,606</u>
9.1 Owned		
Opening book value	254,897	242,084
Add: Cost of additions during the period / year (Note 9.1.1)	2,358	3,712
Add: Surplus on revaluation of land and buildings (Note 9.1.2)	-	24,066
Add: Book value of assets transferred from leased assets	-	2,618
	<u>257,255</u>	<u>272,480</u>
Less: Book value of deletions during the period / year (Note 9.1.3)	5,376	1,694
Less: Book value of assets written-off during the period / year (Note 9.1.4)	-	836
	<u>251,879</u>	<u>269,950</u>
Less: Depreciation charge for the period / year	6,645	15,053
	<u>245,234</u>	<u>254,897</u>
9.1.1 Cost of additions		
Furniture, fixture and office equipment	164	566
Computer equipment	608	499
Motor vehicles	1,586	2,647
	<u>2,358</u>	<u>3,712</u>
9.1.2 Surplus on revaluation of land and buildings		
Land	-	13,400
Buildings on freehold land	-	10,666
	<u>-</u>	<u>24,066</u>
9.1.3 Book value of deletions		
Furniture, fixture and office equipment	246	2
Motor vehicles	5,130	1,692
	<u>5,376</u>	<u>1,694</u>
9.1.4 Book value of assets written-off		
Furniture, fixture and office equipment	-	69
Motor vehicles	-	767
	<u>-</u>	<u>836</u>
9.2 Leased		
Opening book value	1,709	4,967
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	170	640
	<u>1,539</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 June 2012	Un-audited 30 June 2011
(Rupees in thousand)		
Premium underwritten	16,592	18,978
Premium received / adjusted	35,679	10,508
Claims paid	6,020	6,815
Rental income	576	1,056
Contribution to provident fund trust	-	1,142
Remuneration to key management personnel	13,434	17,615

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 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
(Rupees in thousand)									

OTHER INFORMATION

Segment assets	222,753	249,421	66,630	76,183	101,635	118,130	44,871	49,693	435,889	493,427
Unallocated assets									532,253	575,745
Total assets	222,753	249,421	66,630	76,183	101,635	118,130	44,871	49,693	968,142	1,069,172
Segment liabilities	193,460	234,675	57,293	70,278	161,423	161,348	61,030	60,684	473,206	526,985
Unallocated liabilities									97,883	103,878
Total liabilities	193,460	234,675	57,293	70,278	161,423	161,348	61,030	60,684	571,089	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 27 August 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. GENERAL

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


Raza Kuli Khan Khattak
CHAIRMAN


Begum Zeb Gohar Ayub Khan
CHIEF EXECUTIVE


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Muhammad Rafiq Chaudhry
PRINCIPAL OFFICER

UNDER POSTAL CERTIFICATE



THE UNIVERSAL INSURANCE CO. LTD.
UNIVERSAL INSURANCE HOUSE
63-SHAHRAH-E-QUAID-E-AZAM
LAHORE-54000 PAKISTAN.
PH: 042-3735 5426, 3732 4244, 3732 4194
FAX: 042-3723 0326
WEB: www.uic.com.pk
E-MAIL: info@uic.com.pk