

CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE
NINE MONTHS PERIOD ENDED
September 30,
2013

THE UNIVERSAL INSURANCE CO. LTD. THE UNIVERSAL INSURANCE CO. LTD.

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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 Mr. Amir Raza
Principal Officer	Mr. Amir Raza
Chief Operating Officer	Mr. Omar Ayub Khan
CFO & 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 Statements of the company for the period ended September 30, 2013.

FINANCIAL PERFORMANCE

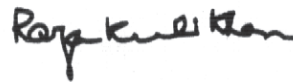
The Gross Premium of the company for the period ended 30 September, 2013 has decreased by Rs. 151.034 million over the corresponding period. However the management & administrative expenses have decreased substantially by Rs. 20.933 million over the expense of similar period. The loss before tax of the company has increased by Rs. 24.738 million.

	2013	2012
	------(Rupees in million)-----	
Gross premium	88.999	240.033
Net premium	82.440	171.288
Profit / (loss) from underwriting business	(15.397)	2.108
Net claims expense	48.331	86.508
Management / administrative expenses	111.408	132.341
Capital and reserves	75.738	162.041
Loss before taxation	73.694	48.956
Loss after taxation	77.188	47.457
Loss per share	2.57	1.58

FUTURE OUTLOOK

In view of continued enhancement in the losses the management has taken the remedial measures in term of merging of branches, monitoring of financial performance of branches on regular basis. The branches with satisfactory performance are encouraged to produce more profitable business.

For & on behalf of the Board of Directors



Dated : October 30, 2013

Place : Lahore

Raza Kuli Khan Khattak

Chairman

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2013

	Un-audited 30 September 2013 (RUPEES IN THOUSAND)	Audited 31 December 2012 (RUPEES IN THOUSAND)		Un-audited 30 September 2013 (RUPEES IN THOUSAND)	Audited 31 December 2012 (RUPEES IN THOUSAND)
Note			Note		
SHARE CAPITAL AND RESERVES			CASH AND BANK DEPOSITS		
Authorized share capital 50,000,000 (31 December 2012: 50,000,000) ordinary shares of Rupees 10 each	500,000	500,000	Cash and other equivalents	15	32
Issued, subscribed and paid-up share capital	300,000	300,000	Current and other accounts	9,521	21,688
Accumulated loss	(238,622)	(170,980)	Deposits maturing within 12 months	41,255	40,155
Reserves	14,360	14,360		50,791	61,875
	(224,262)	(156,620)			
TOTAL EQUITY	75,738	143,380	INVESTMENTS	6	135,164
Surplus on revaluation of fixed assets	241,192	247,442	DEFERRED TAXATION	33,191	33,191
UNDERWRITING PROVISIONS			CURRENT ASSETS - OTHERS		
Provision for outstanding claims (including IBNR)	347,430	296,614	Premiums due but unpaid	7	58,199
Provision for premium deficiency	530	2,134	Amounts due from other insurers / reinsurers	8	112,852
Provision for unearned premium	29,404	81,272	Salvage recoveries accrued		1,050
Commission income unearned	2,025	6,584	Accrued investment income		2,526
Total underwriting provisions	379,389	386,604	Reinsurance recoveries against outstanding claims		192,931
			Taxation - payment less provision		7,131
DEFERRED LIABILITIES			Deferred commission expense		4,463
Employee benefit - unfunded	5,381	5,516	Prepayments		11,152
			Loans to employees - unsecured considered good		306
CREDITORS AND ACCRUALS			Sundry receivables		9,178
Premium received in advance	422	353		398,679	426,450
Amounts due to other insurers / reinsurers	52,145	30,977	FIXED ASSETS - TANGIBLE	9	
Accrued expenses	39,878	34,050	OWNED		
Other creditors and accruals	56,820	61,076	Land and buildings	209,603	221,482
	149,265	126,456	Furniture, fixtures and office equipment	7,385	9,244
BORROWINGS			Computer equipment	3,915	5,039
Liabilities against assets subject to finance lease	-	-	Motor vehicles	15,672	19,219
				236,577	254,984
OTHER LIABILITIES			LEASED		
Deposits against performance bonds	2,826	2,826	Furniture, fixtures and office equipment	-	-
Unclaimed dividends	611	610	Motor vehicles	-	1,367
TOTAL LIABILITIES	537,472	522,012		236,577	256,351
CONTINGENCIES AND COMMITMENTS	5				
TOTAL EQUITY AND LIABILITIES	854,402	912,834	TOTAL ASSETS	854,402	912,834

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


Raza Kull Khan Khattak
CHAIRMAN


Begum Zeb Gohar Ayub Khan
CHIEF EXECUTIVE


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Ch. Sher Mohammad
DIRECTOR


Amir Raza
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Nine months ended 30 September 2013	Nine months ended 30 September 2012
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(RUPEES IN THOUSAND)

Revenue account

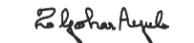
Net premium revenue	23,049	12,825	44,896	1,672	-	82,442	171,288
Net claims	(9,094)	(6,015)	(27,793)	(5,429)	-	(48,331)	(86,508)
Premium deficiency expenses	-	-	512	1,092	-	1,604	403
Expenses	(15,081)	(8,801)	(13,930)	(2,772)	-	(40,584)	(60,817)
Net commission	(4,809)	(419)	(5,825)	525	-	(10,528)	(22,258)
	(19,890)	(9,220)	(19,755)	(2,247)	-	(51,112)	(83,075)
Underwriting result	(5,935)	(2,410)	(2,140)	(4,912)	-	(15,397)	2,108

Investment income						3,610	5,719
Rental income						1,032	873
Other income						4,944	14,267
						(5,811)	22,967
General and administration expenses						(70,454)	(71,182)
Financial charge on lease liabilities						(370)	(342)
Share of profit from associates - net of tax						2,941	(399)
Loss before taxation						(73,694)	(48,956)
Taxation - Current						(195)	(34)
- Deferred						(3,299)	1,533
Loss after taxation						(77,188)	(47,457)

PROFIT AND LOSS APPROPRIATION ACCOUNT

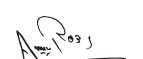
Balance at the commencement of the period						(170,983)	(106,484)
Loss after taxation for the quarter						(77,188)	(47,457)
Items directly recognised in statement of changes in equity						9,549	1,733
Balance unappropriated profit / (loss) at the end of the period						(238,622)	(152,208)
Loss per share - Rupees						(2.57)	(1.58)


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Amir Raza
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Quarter ended 30 September 2013	Quarter ended 30 September 2012
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----- (RUPEES IN THOUSAND) -----

Revenue account

Net premium revenue	3,932	1,876	10,813	186	-	16,807	45,365
Net claims	(6,895)	(2,543)	(2,767)	132	-	(12,073)	(18,237)
Premium deficiency expenses	-	-	283	126	-	409	-
Expenses	(2,407)	(2,135)	(1,513)	(2,595)	-	(8,650)	(15,346)
Net commission	(902)	(51)	(1,261)	166	-	(2,048)	(4,162)
	<u>(3,309)</u>	<u>(2,186)</u>	<u>(2,774)</u>	<u>(2,429)</u>	<u>-</u>	<u>(10,698)</u>	<u>(19,508)</u>
Underwriting result	<u>(6,272)</u>	<u>(2,853)</u>	<u>5,555</u>	<u>(1,985)</u>	<u>-</u>	<u>(5,555)</u>	<u>7,620</u>

Investment income						279	1,553
Rental income						387	291
Other income						1,647	6,762
						<u>(3,242)</u>	<u>16,226</u>
General and administration expenses						(18,234)	(23,466)
Financial charge on lease liabilities						(118)	(109)
Share of profit from associates - net of tax						-	-
Loss before taxation						<u>(21,594)</u>	<u>(7,349)</u>
Provision for taxation						(44)	-
- Deferred						(169)	1,533
Loss after taxation						<u>(21,807)</u>	<u>(5,816)</u>
Loss per share - Rupees						<u>(0.73)</u>	<u>(0.19)</u>

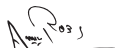
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| THE UNIVERSAL INSURANCE COMPANY LIMITED |

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

NINE MONTHS ENDED		QUARTER ENDED	
30 September 2013	30 September 2012	30 September 2013	30 September 2012

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

Loss after taxation for the period ended September 30, 2013.	(77,188)	(47,457)	(21,807)	(5,816)
Other comprehensive income:	-	-	-	-
Total comprehensive loss for the quarter	<u>(77,188)</u>	<u>(47,457)</u>	<u>(21,807)</u>	<u>(5,816)</u>

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THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013


	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	SHARE PREMIUM	CAPITAL RESERVE	REVENUE RESERVE	RETAINED EARNINGS	TOTAL
	(RUPEES IN THOUSAND)					
Balance as at December 31, 2011	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
Loss for the nine months period ended 30 September 2012	-	-	-	-	(47,457)	(47,457)
Other comprehensive income for the nine months period ended 30 September 2012	-	-	-	-	-	-
Total comprehensive loss for the nine months period ended 30 September 2012	-	-	-	-	(47,457)	(47,457)
Balance as at 30 September 2012 - (un-audited)	300,000	4	18	14,227	(152,208)	162,041
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	455	455
Share of associates accounted for under equity method	-	-	-	111	133	244
Loss for the year ended 31 December 2012	-	-	-	-	(18,799)	(18,799)
Other comprehensive loss for the year ended 31 December 2012	-	-	-	-	(561)	(561)
Total comprehensive loss for the year ended 31 December 2012	-	-	-	-	(19,360)	(19,360)
Balance as at 31 December 2012	300,000	4	18	14,338	(170,980)	143,380
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	8,351	8,351
Surplus on revaluation realised on disposal of buildings	-	-	-	-	1,119	1,119
Share of associates accounted for under equity method	-	-	-	-	80	80
Loss for the nine months ended 30 September 2013	-	-	-	-	(77,188)	(77,188)
Other comprehensive income for the nine months ended 30 September 2013	-	-	-	-	-	-
Total comprehensive loss for the nine months ended 30 September 2013	-	-	-	-	(77,188)	(77,188)
Balance as at September 30, 2013	300,000	4	18	14,338	(238,618)	75,742

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**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

	Nine months ended	
	30 September 2013	30 September 2012
	(RUPEES IN THOUSAND)	
OPERATING CASH FLOWS		
a) Underwriting activities		
Premiums received	99,496	252,925
Reinsurance premiums paid	(37,868)	(88,739)
Claims paid	(70,009)	(128,829)
Reinsurance and other recoveries received	29,371	51,443
Commissions paid	(15,997)	(40,104)
Commissions received	9,096	21,676
Net cash flow from underwriting activities	14,089	68,372
b) Other operating activities		
Income tax paid	(874)	(942)
General management expenses paid	(29,909)	(57,797)
Other operating payments	(40,075)	(58,741)
Other operating receipts	1,995	1,369
Loans to employees (given) / repaid	620	24
Deposit against performance bonds received	-	-
Other receipts / (payments) - net	22,226	(9,007)
Net cash outflow from other operating activities	(46,017)	(125,094)
Total cash outflow from all operating activities	(31,928)	(56,722)
INVESTMENT ACTIVITIES		
Profit / return received	5,181	4,897
Dividends received	399	298
Rental income received	684	441
Payments for purchase of investments	-	-
Proceeds from redemption / disposal of investments	3,031	6,323
Fixed capital expenditure	(30)	(3,553)
Proceeds from disposal of fixed assets	11,950	14,397
Net cash inflow / (outflow) from investing activities	21,215	22,803
FINANCING ACTIVITIES		
Share capital received	-	-
Financial charges paid	(370)	(342)
Dividends paid	-	-
Payments on finance leases	-	(319)
Net cash inflow from financing activities	(370)	(661)
Net cash inflow / (outflow) from all activities	(11,083)	(34,580)
Cash at the beginning of the year	61,875	129,652
Cash at the end of the year	50,792	95,072

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

	Nine months ended	
	30 September 2013	30 September 2012
	(RUPEES IN THOUSAND)	
Operating cash flows	(31,928)	(56,722)
Depreciation	(7,473)	(10,104)
Provision for doubtful receivables	(27,888)	(12,441)
Financial charges	(370)	(342)
Profit on disposal of fixed assets	(382)	6,299
Increase / (decrease) in assets other than cash	(64)	(47,534)
(Increase) / decrease in liabilities other than borrowings	(20,557)	60,852
	(88,662)	(59,992)

OTHER ADJUSTMENTS

Profit on investments and deposits	3,607	5,732
Share of (loss) / profit from associates - net of taxation	2,941	(399)
Premium deficiency expense	1,604	403
Rental income	1,032	873
Profit on term deposit receipts	2,290	5,926
	11,474	12,535
Loss after taxation	(77,188)	(47,457)

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)	15	36
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Current and other accounts

Current accounts	(1,769)	12,882
Saving accounts	11,291	1,999
	9,522	14,881

Deposits maturing within 12 months


Fixed and term deposits accounts	41,255	80,155
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Total cash and cash equivalents

	50,792	95,072
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THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

Business underwritten inside Pakistan

Class	Premiums written		Unearned premium reserve		Premiums earned		Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expense		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	September 2013	September 2012
Direct and facultative														
Fire and property damage	34,941	26,909	10,314	51,536	18,988	15,069	5,570	28,487	23,049	41,505				
Marine and transport	20,392	6,784	1,372	25,804	10,273	3,392	686	12,979	12,825	22,716				
Motor	32,275	38,720	15,280	55,715	4,288	8,518	1,987	10,819	44,896	83,388				
Others	1,391	8,859	2,438	7,812	4,319	3,455	1,634	6,140	1,672	23,679				
Total	88,999	81,272	29,404	140,867	37,868	30,434	9,877	58,425	82,442	171,288				
Treaty	-	-	-	-	-	-	-	-	-	-				
Grand Total	88,999	81,272	29,404	140,867	37,868	30,434	9,877	58,425	82,442	171,288				

FOR THE QUARTER ENDED 30 SEPTEMBER 2013

Business underwritten inside Pakistan

Class	Premiums written		Unearned premium reserve		Premiums earned		Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expense		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	September 2013	September 30, 2012
Direct and facultative														
Fire and property damage	4,951	14,826	10,314	9,463	3,391	7,709	5,570	5,531	3,932	8,860				
Marine and transport	4,620	972	1,372	4,220	2,553	477	686	2,344	1,876	5,330				
Motor	2,897	25,154	15,280	12,771	1,429	2,515	1,987	1,958	10,813	23,875				
Others	974	3,209	2,438	1,745	1,589	1,604	1,634	1,559	186	7,300				
Total	13,442	44,161	29,404	28,199	8,962	12,305	9,877	11,392	16,807	45,365				
Treaty	-	-	-	-	-	-	-	-	-	-				
Grand Total	13,442	44,161	29,404	28,199	8,962	12,305	9,877	11,392	16,807	45,365				

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Raza Khalid Khan
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CHAIRMAN

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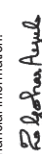


**CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

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 2013	Nine months ended 30 September 2012	
Direct and facultative											
Fire and property damage	29,629	129,473	120,790	20,946	22,220	103,637	93,289	11,852	9,094	8,306	
Marine and transport	4,682	36,684	94,257	62,255	1,374	21,669	76,535	56,240	6,015	5,440	
Motor	32,240	98,534	100,793	34,499	4,261	12,950	15,395	6,706	27,793	61,596	
Others	4,508	30,954	30,621	4,175	1,516	10,502	7,732	(1,254)	5,429	11,166	
Total	71,059	295,645	346,461	121,875	29,371	148,758	192,931	73,544	48,331	86,508	
Treaty - proportional	-	969	969	-	-	-	-	-	-	-	
Grand Total	71,059	296,614	347,430	121,875	29,371	148,758	192,931	73,544	48,331	86,508	

FOR THE QUARTER ENDED 30 SEPTEMBER 2013

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		Quarter ended September 30, 2013	Quarter ended September 30, 2012	
Direct and facultative											
Fire and property damage	16,977	121,263	120,790	16,504	14,429	98,089	93,289	9,609	6,895	1,844	
Marine and transport	2,340	90,040	94,257	6,557	20	72,541	76,535	4,014	2,543	671	
Motor	4,781	101,326	100,793	4,248	867	14,781	15,395	1,481	2,767	14,196	
Others	890	31,587	30,621	(76)	404	8,080	7,732	56	(132)	1,526	
Total	24,988	344,216	346,461	27,233	15,720	193,491	192,931	15,160	12,073	18,237	
Treaty - proportional	-	969	969	-	-	-	-	-	-	-	
Grand Total	24,988	345,185	347,430	27,233	15,720	193,491	192,931	15,160	12,073	18,237	

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

			
Reza Khil Khan Khattak	Begum Zeb Gohar Ayub Khan	Mushtaq Ahmed Khan F.C.A.	Amir Raza
CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	PRINCIPAL OFFICER
		Ch. Sher Mohammad	
		DIRECTOR	

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013

Class	Commissions paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
	Opening	Closing	Opening	Closing					Nine months ended 30 September 2013	Nine months ended 30 September 2012
Business underwritten inside Pakistan										
Direct and facultative										
Fire and property damage	8,475	6,430	2,543	12,362	15,081	27,443	7,553	19,890	31,271	
Marine and transport	3,934	1,343	276	5,001	8,801	13,802	4,582	9,220	11,075	
Motor	3,129	4,175	1,470	5,834	13,930	19,764	9	19,755	32,110	
Others	459	701	174	986	2,772	3,758	1,511	2,247	8,619	
Total	15,997	12,649	4,463	24,183	40,584	64,767	13,655	51,112	83,075	
Treaty - proportional										
Grand Total	15,997	12,649	4,463	24,183	40,584	64,767	13,655	51,112	83,075	

FOR THE QUARTER ENDED 30 SEPTEMBER 2013

Class	Commissions paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
	Opening	Closing	Opening	Closing					Quarter ended September 30, 2013	Quarter ended September 30, 2012
Business underwritten inside Pakistan										
Direct and facultative										
Fire and property damage	1,236	3,547	2,543	2,240	2,407	4,647	1,338	3,309	8,003	
Marine and transport	903	182	276	809	2,135	2,944	758	2,186	2,688	
Motor	275	2,456	1,470	1,261	1,513	2,774	-	2,774	6,996	
Others	208	148	174	182	2,595	2,777	348	2,429	1,941	
Total	2,622	6,333	4,463	4,492	8,650	13,142	2,444	10,698	19,608	
Treaty - proportional										
Grand Total	2,622	6,333	4,463	4,492	8,650	13,142	2,444	10,698	19,608	

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.

 Reza Khaliq
 CHAIRMAN
 Begum Zeb Gohar
 Ayub Khan
 CHIEF EXECUTIVE
 Mushtaq Ahmed
 Khan F.C.A.
 DIRECTOR
 Ch. Sher Mohammad
 DIRECTOR
 Amir Raza
 PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

	Nine months ended		Quarter ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	(RUPEES IN THOUSAND)			
INCOME FROM TRADING INVESTMENTS				
Dividend income				
From related parties	-	-	-	-
From others	375	298	53	-
	375	298	53	-
INCOME FROM NON - TRADING INVESTMENTS				
Held to maturity				
Return on fixed income securities and deposits	3,249	3,522	1,081	1,095
Available for sale				
Dividend income				
From related parties	-	-	-	-
From others	24	-	-	-
	24	-	-	-
Gain / (Loss) on sale of investments in associates through profit or loss	(583)	-	(583)	-
Gain on sale of investments at fair value through profit or loss	258	1,161	258	-
Gain on sale of investments - available for sale	12	-	12	-
Gain on revaluation of investments at fair value through profit or loss	438	748	(396)	197
Reversal / (Provision) for impairment in value of available for sale investments	(159)	3	(140)	-
Less : Investment related expenses	(4)	(13)	(4)	-
Net investment income	3,610	5,719	864	1,292

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


Raza Kull Khan Khattak
CHAIRMAN


Begum Zeb Gohar Ayub Khan
CHIEF EXECUTIVE


Mushtaq Ahmed Khan F.C.A.
DIRECTOR


Ch. Sher Mohammad
DIRECTOR


Amir Raza
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 2013

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.

- 1.1 Currently, the Company is not in compliance with the minimum solvency requirement as required in Section 36 of the Insurance Ordinance, 2000. However, the management has submitted its plans and applied to Securities and Exchange Commission of Pakistan (SECP) for forbearance period upto 31 December 2014 to comply with minimum solvency requirement. These plans include injection of share capital by the sponsors over the period of next 3 years out of which Rupees 70 million will be injected during the month of October 2013 and disposal of certain investments and properties of the company in the current financial year also. The management is confident that the forbearance period will be granted by the SECP.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited but subject to limited scope review by the statutory 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 'available-for-sale investments' 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 2012.

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 2012.

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 2012.

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 2012.

THE UNIVERSAL INSURANCE COMPANY LIMITED

	Un-audited 30 September 2013	Audited 31 December 2012
(Rupees in thousand)		
6. INVESTMENTS		
IN RELATED PARTIES		
Investment in associates - equity method of accounting	96,581	95,180
	96,581	95,180
OTHERS		
Held to maturity - Government securities (PIBs) (note 6.2)	35,293	34,967
Available-for-sale		
Equity investments		
Quoted	24	72
Mutual funds		
Open ended	500	500
Close ended	69	180
	593	752
Investment at fair value through profit or loss		
Equity investments - quoted	1,479	3,099
Mutual Funds		
Open ended	892	748
Close ended	326	221
	2,697	4,068
Unrealized loss on remeasurement of investments	2,697	4,068
	135,164	134,967

6.1 The market value of investments in associates and available-for-sale investments as on 30 September 2013 was Rupees 30.677 million (31 December 2012 16.607 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.

7. PREMIUMS DUE BUT UNPAID - Unsecured

Considered good

Due from associates	14,786	22,267
Others	43,413	71,681
	58,199	93,948

Considered doubtful

Due from associates	-	-
Others	62,497	37,245
	62,497	37,245
Provision for doubtful receivables	(62,497)	(37,245)
	58,199	93,948

THE UNIVERSAL INSURANCE COMPANY LIMITED

	Un-audited 30 September 2013	Audited 31 December 2012
(Rupees in thousand)		
8 AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured		
Amounts due from coinsurers	116,349	127,361
Amounts due from reinsurers	8,601	1,506
	124,950	128,867
Provision for doubtful receivables	(12,098)	(9,462)
Amount due from other insurers / reinsurers - considered good	112,852	119,405
9 FIXED ASSETS		
Owned (Note 9.1)	236,577	254,984
Leased (Note 9.2)	-	1,367
	236,577	256,351
9.1 Owned		
Opening book value	254,985	254,897
Add: Cost of additions during the period / year (Note 9.1.1)	30	3,567
Surplus on revaluation of land and buildings (Note 9.1.2)	-	21,363
Book value of vehicles transferred from leased assets	1,263	-
	256,278	279,827
Less: Book value of deletions during the period / year (Note 9.1.3)	12,332	10,418
Less: Book value of assets written-off during the period / year (Note 9.1.4)	-	36
	243,946	269,373
Less: Depreciation charge for the period / year	7,369	12,389
Less: Impairment charge for the period / year	-	2,000
	236,577	254,984
9.1.1 Cost of additions		
Furniture, fixture and office equipment	-	184
Computer equipment	30	1,797
Vehicles	-	1,586
	30	3,567
9.1.2 Surplus on revaluation of land and buildings		
Land	-	13,400
Building on freehold land	-	7,963
	-	21,363
9.1.3 Book value of deletions		
Building and Property	9,131	-
Furniture, fixture and office equipment	1,133	710
Computer equipment	19	410
Vehicles	2,049	9,298
	12,332	10,418
9.1.4 Book value of assets written-off		
Furniture, fixture and office equipment	-	10
Computer equipment	-	26
	-	36
9.2 Leased		
Opening book value	1,367	1,709
Less: Book value of leased assets transferred to owned assets during the period / year	1,263	-
	104	1,709
Less: Depreciation charge for the period / year	104	342
	-	1,367

THE UNIVERSAL INSURANCE COMPANY LIMITED

10 TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited 30 September 2013	Un-audited 30 September 2012
(Rupees in thousand)		
Premium underwritten	13,577	31,728
Premium Received	21,732	39,664
Claims paid	9,561	6,085
Rental income	1,023	1,296
Rent expense	150	-

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		Miscellaneous		Total	
								30 September 2013	31 December 2012
30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012

----- Rupees -----

Other information

Segment assets	165,014	202,052	109,516	64,609	84,310	100,880	19,481	38,704	378,321	406,245
Unallocated assets									476,081	506,589
Total assets	165,014	202,052	109,516	64,609	84,310	100,880	19,481	38,704	854,402	912,834
Segment liabilities	157,029	174,256	108,809	51,596	126,763	145,596	41,759	48,959	434,360	420,407
Unallocated liabilities									103,112	101,605
Total liabilities	157,029	174,256	108,809	51,596	126,763	145,596	41,759	48,959	537,472	522,012

THE UNIVERSAL INSURANCE COMPANY LIMITED

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 2012.

13. AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved and authorized for issue on October 30, 2013 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.


Raza Kull Khan Khattak
CHAIRMAN


Begum Zeb Gohar Ayub Khan
CHIEF EXECUTIVE


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DIRECTOR


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Amir Raza
PRINCIPAL OFFICER

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