

CONDENSED INTERIM  
FINANCIAL INFORMATION FOR THE  
SIX MONTHS PERIOD ENDED  
June 30,  
**2013**



---

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**

THE UNIVERSAL INSURANCE COMPANY LIMITED

**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 June 30, 2013.

**FINANCIAL PERFORMANCE**

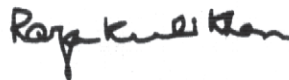
The Gross Premium of the company has reduced by Rs. 96.318 million over the period of June, 2012 due to policy of selective underwriting. The underwriting loss of the company has increased by Rs 4.335 million over the corresponding period. However the management expenses has reduced by Rs. 9.014 million.

	<b>2013</b>	<b>2012</b>
	----- <b>(Rupees in million)</b> -----	
Gross premium	<b>75.557</b>	171.875
Net premium	<b>65.633</b>	125.923
Profit / (loss) from underwriting business	<b>(9.847)</b>	(5.512)
Net claims expense	<b>36.26</b>	68.271
Management / administrative expenses	<b>84.406</b>	93.42
Capital and reserves	<b>97.047</b>	167.302
Loss before taxation	<u><b>(52.105)</b></u>	<u>(41.607)</u>
Loss after taxation	<u><b>(55.386)</b></u>	<u>(41.641)</u>
Loss per share	(1.85)	(1.39)

**FUTURE OUTLOOK**

In view of continued enhancement in the losses the management has taken the remedial measures in term of merging of branches and induction of new business producers which will generate a positive financial impact in the Financial Statements of third quarter 2013.

For & on behalf of the Board of Directors



**Raza Kuli Khan Khattak**  
Chairman

Dated : August 29, 2013

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 2013 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 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

#### Emphasis of Matter

Admissible assets of the Company as at the reporting date are not sufficient to meet the minimum solvency requirement as specified under Section 36 of the Insurance Ordinance, 2000. As explained in Note 1.1 to this condensed interim financial information, the management of the Company has submitted its plans to meet the minimum solvency requirement to the Securities and Exchange Commission of Pakistan and applied for forbearance period upto 31 December 2014 which is pending for approval. Our conclusion is not qualified in respect of this matter.

#### 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 2013 and 2012 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 2013.

#### RIAZ AHMAD & COMPANY

Chartered Accountants

Name of engagement partner:

Syed Mustafa Ali

Date: August 29, 2013

LAHORE


# THE UNIVERSAL INSURANCE COMPANY LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2013

	Un-audited		Audited			Un-audited		Audited	
	Note	30 June 2013	31 December 2012	1,194		Note	30 June 2013	31 December 2012	1,194
(Rupees in thousand)					(Rupees in thousand)				
<b>SHARE CAPITAL AND RESERVES</b>					<b>CASH AND BANK DEPOSITS</b>				
Authorized share capital					Cash and other equivalents		187		32
50,000,000 (31 December 2012: 50,000,000) ordinary shares of Rupees 10 each		500,000	500,000		Current and other accounts		32,215		21,688
Issued, subscribed and paid-up share capital		300,000	300,000		Deposits maturing within 12 months		41,355		40,155
Accumulated loss		(217,313)	(170,980)				73,757		61,875
Reserves		14,360	14,360						
		(202,953)	(156,620)		<b>INVESTMENTS</b>	6	139,122		134,967
<b>TOTAL EQUITY</b>		97,047	143,380		<b>DEFERRED TAXATION</b>		33,191		33,191
Surplus on revaluation of fixed assets		241,520	247,442		<b>CURRENT ASSETS - OTHERS</b>				
<b>UNDERWRITING PROVISIONS</b>					Premiums due but unpaid - unsecured	7	62,139		93,948
Provision for outstanding claims (including IBNR)		345,185	296,614		Amounts due from other insurers / reinsurers - unsecured	8	118,964		119,405
Premium deficiency reserve		939	2,134		Salvage recoveries accrued		-		1,050
Provision for unearned premium		44,161	81,272		Accrued investment income		1,576		2,494
Commission income unearned		2,412	6,584		Reinsurance recoveries against outstanding claims		193,490		148,759
<b>Total underwriting provisions</b>		392,697	386,604		Taxation - payment less provision		6,878		6,452
					Deferred commission expense		6,332		12,649
<b>DEFERRED LIABILITY</b>					Prepayments		14,123		31,589
Employee benefit - unfunded		6,432	5,516		Loans to employees - unsecured considered good		484		926
					Sundry receivables		10,703		9,178
<b>CREDITORS AND ACCRUALS</b>							414,689		426,450
Premiums received in advance		419	353		<b>FIXED ASSETS - TANGIBLE</b>				
Amounts due to other insurers / reinsurers		62,490	30,977		<b>OWNED</b>				
Accrued expenses		37,772	34,050		Land and buildings		210,469		221,482
Other creditors and accruals		58,548	61,076		Furniture, fixtures and office equipment		8,190		9,244
		159,229	126,456		Computer equipment		4,297		5,039
					Motor vehicles		16,646		19,219
<b>OTHER LIABILITIES</b>							239,602		254,984
Deposits against performance bonds		2,826	2,826		<b>LEASED</b>				
Unclaimed dividends		610	610		Motor vehicles		-		1,367
		3,436	3,436				239,602		256,351
<b>TOTAL LIABILITIES</b>		561,794	522,012		<b>TOTAL ASSETS</b>		900,361		912,834
<b>CONTINGENCIES AND COMMITMENTS</b>					5				
<b>TOTAL EQUITY AND LIABILITIES</b>		900,361	912,834				900,361		912,834

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

  
Lt. GEN (R) Ali Kuli Khan Khattak  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2013**

HALF YEAR ENDED 30 JUNE 2013							
Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Half year ended 30 June 2013	Half year ended 30 June 2012	
----- (Rupees in thousand) -----							
<b>Revenue account</b>							
Net premium revenue	19,116	10,949	34,082	1,486	-	65,633	125,923
Net claims	(2,198)	(3,472)	(25,028)	(5,562)	-	(36,260)	(68,271)
Change in premium deficiency reserve	-	-	229	966	-	1,195	403
Management expenses	(12,674)	(6,666)	(12,417)	(177)	-	(31,934)	(45,471)
Net commission	(3,907)	(368)	(4,565)	359	-	(8,481)	(18,096)
	(16,581)	(7,034)	(16,982)	182	-	(40,415)	(63,567)
<b>Underwriting result</b>	<b>337</b>	<b>443</b>	<b>(7,699)</b>	<b>(2,928)</b>	<b>-</b>	<b>(9,847)</b>	<b>(5,512)</b>
Investment income						3,331	4,166
Rental income						645	582
Other income						3,297	7,505
						(2,574)	6,741
General and administration expenses						(52,220)	(47,716)
Financial charges						(252)	(233)
Share of profit / (loss) from associates - net of tax						2,941	(399)
<b>Loss before taxation</b>						<b>(52,105)</b>	<b>(41,607)</b>
Taxation - Current						(151)	(34)
- Deferred						(3,130)	-
<b>Loss after taxation</b>						<b>(55,386)</b>	<b>(41,641)</b>
<b>PROFIT AND LOSS APPROPRIATION ACCOUNT</b>							
<b>Balance of accumulated loss at the commencement of the period</b>						(170,980)	(106,484)
Loss after taxation for the period						(55,386)	(41,641)
Items directly recognized in condensed interim statement of changes in equity						9,053	1,178
<b>Balance of accumulated loss at the end of the period</b>						<b>(217,313)</b>	<b>(146,947)</b>
<b>Loss per share - basic and diluted - Rupees</b>						<b>(1.85)</b>	<b>(1.39)</b>

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2013**

QUARTER ENDED 30 JUNE 2013							Quarter ended 30 June 2012
Fire and Property Damage	Marine and Transport	Motor	Others	Treaty	Quarter ended 30 June 2013	Quarter ended 30 June 2012	
----- (Rupees in thousand) -----							
<b>Revenue account</b>							
Net premium revenue	10,508	3,921	15,400	1,045	-	30,874	56,364
Net claims	233	(3,888)	(12,367)	(948)	-	(16,970)	(36,194)
Change in premium deficiency reserve	-	-	229	966	-	1,195	403
Management expenses	(6,295)	(2,326)	(5,932)	(503)	-	(15,056)	(21,959)
Net commission	(2,134)	(144)	(2,158)	301	-	(4,135)	(8,638)
	(8,429)	(2,470)	(8,090)	(202)	-	(19,191)	(30,597)
<b>Underwriting result</b>	<u>2,312</u>	<u>(2,437)</u>	<u>(4,828)</u>	<u>861</u>	<u>-</u>	<u>(4,092)</u>	<u>(10,024)</u>
Investment income					2,280	1,228	
Rental income					351	291	
Other income					51	5,612	
					(1,410)	(2,893)	
General and administration expenses					(30,994)	(28,015)	
Financial charges					(118)	(219)	
Share of profit / (loss) from associates - net of tax					2,941	(399)	
<b>Loss before taxation</b>					(29,581)	(31,526)	
Taxation - Current					(151)	2,247	
- Deferred					(3,115)	-	
<b>Loss after taxation</b>					<u>(32,847)</u>	<u>(29,279)</u>	
<b>Loss per share - basic and diluted - Rupees</b>					<u>(1.09)</u>	<u>(0.98)</u>	

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

  
Raza Kuli Khan  
CHAIRMAN

  
Begum Zeb Gohar Ayub Khan  
CHIEF EXECUTIVE

  
Mushtaq Ahmed Khan F.C.A.  
DIRECTOR

  
Lt. GEN (R) Ali Kuli Khan Khattak  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER

| THE UNIVERSAL INSURANCE COMPANY LIMITED |

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE HALF YEAR ENDED 30 JUNE 2013

	HALF YEAR ENDED		QUARTER ENDED	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	----- (Rupees in thousand) -----			
LOSS AFTER TAXATION	(55,386)	(41,641)	(32,847)	(29,279)
OTHER COMPREHENSIVE INCOME / (LOSS)	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(55,386)</u>	<u>(41,641)</u>	<u>(32,847)</u>	<u>(29,279)</u>

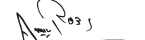
The annexed notes form an integral part of this condensed interim financial information.

  
Raza Kuli Khan  
CHAIRMAN

  
Begum Zeb Gohar Ayub Khan  
CHIEF EXECUTIVE

  
Mushtaq Ahmed Khan F.C.A.  
DIRECTOR

  
Lt. GEN (R) Ali Kuli Khan Khattak  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER








THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2013

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		CAPITAL RESERVES		REVENUE RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	Share Premium	Capital	Share Premium	Capital			
<b>Balance as at 31 December 2011 - (audited)</b>	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	
Loss for the half year ended 30 June 2012	-	-	-	-	(41,641)	(41,641)	
Other comprehensive income for the half year ended 30 June 2012	-	-	-	-	-	-	
Total comprehensive loss for the half year ended 30 June 2012	-	-	-	-	(41,641)	(41,641)	
<b>Balance as at 30 June 2012 - (un-audited)</b>	300,000	4	18	14,227	(146,947)	167,302	
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	1,010	1,010	
Share of associates accounted for under equity method	-	-	-	111	133	244	
Loss for the half year ended 31 December 2012	-	-	-	-	(24,615)	(24,615)	
Other comprehensive loss for the half year ended 31 December 2012	-	-	-	-	(561)	(561)	
Total comprehensive loss for the half year ended 31 December 2012	-	-	-	-	(25,176)	(25,176)	
<b>Balance as at 31 December 2012 - (audited)</b>	300,000	4	18	14,338	(170,980)	143,360	
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	-	1,119	1,119	
Surplus on revaluation realised on disposal of buildings	-	-	-	-	7,854	7,854	
Share of associates accounted for under equity method	-	-	-	-	80	80	
Loss for the half year ended 30 June 2013	-	-	-	-	(55,386)	(55,386)	
Other comprehensive income for the half year ended 30 June 2013	-	-	-	-	-	-	
Total comprehensive loss for the half year ended 30 June 2013	-	-	-	-	(55,386)	(55,386)	
<b>Balance as at 30 June 2013 - (un-audited)</b>	300,000	4	18	14,338	(217,313)	97,047	

(Rupees in thousand)

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

 Raza Kuli Khan Khattak  
 Chairman  
 Begum Zeb Gohar Ayub Khan  
 Chief Executive  
 Mushtaq Ahmed Khan F.C.A.  
 Director  
 Amir Raza  
 Director  
 Lt. Gen (R) Ali Kuli Khan Khattak  
 Principal Officer

| THE UNIVERSAL INSURANCE COMPANY LIMITED |

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 30 JUNE 2013**

Half year ended	
30 June 2013	30 June 2012
----- (Rupees in thousand) -----	

**OPERATING CASH FLOWS**

**a) Underwriting activities**

Premiums received	86,298	178,401
Reinsurance premiums paid	(28,906)	(58,963)
Claims paid	(45,021)	(104,317)
Reinsurance and other recoveries received	13,651	43,657
Commissions paid	(13,375)	(28,169)
Commissions received	7,039	14,354
<b>Net cash inflow from underwriting activities</b>	<b>19,686</b>	<b>44,963</b>

**b) Other operating activities**

Income tax	(577)	(439)
General management expenses paid	(23,921)	(47,076)
Other operating payments	(26,696)	(39,551)
Other operating receipts	1,067	1,115
Loans to employees repaid	442	408
Other receipts / (payments) - net	26,206	(11,951)
<b>Net cash outflow from other operating activities</b>	<b>(23,479)</b>	<b>(97,494)</b>
<b>Total cash outflow from all operating activities</b>	<b>(3,793)</b>	<b>(52,531)</b>

**INVESTMENT ACTIVITIES**

Profit / return received	4,030	1,769
Dividends received	347	298
Rental income received	5	222
Proceeds from disposal of investments	-	6,322
Fixed capital expenditure	(29)	(2,358)
Proceeds from disposal of fixed assets	11,574	8,747
<b>Total cash inflow from investing activities</b>	<b>15,927</b>	<b>15,000</b>

**FINANCING ACTIVITIES**

Financial charges paid	(252)	(233)
Payments on finance leases	-	(208)
<b>Total cash outflow from financing activities</b>	<b>(252)</b>	<b>(441)</b>
<b>Net cash inflow / (outflow) from all activities</b>	<b>11,882</b>	<b>(37,972)</b>
Cash at the beginning of the period	61,875	129,652
<b>Cash at the end of the period</b>	<b>73,757</b>	<b>91,680</b>

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2013**

Half year ended	
30 June 2013	30 June 2012
------(Rupees in thousand)-----	

**RECONCILIATION TO CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**

Operating cash flows	(3,793)	(52,531)
Depreciation	(5,064)	(6,815)
Provision for doubtful receivables	(23,836)	(8,165)
Financial charges	(252)	(233)
(Loss) / profit on disposal of fixed assets	(140)	3,371
Increase / (decrease) in assets other than cash	12,504	(43,509)
(Increase) / decrease in liabilities	(44,258)	59,129
	(64,839)	(48,753)

**OTHER ADJUSTMENTS**

Profit on investments and deposits	3,331	4,179
Share of profit / (loss) from associates - net of tax	2,941	(399)
Change in premium deficiency reserve	1,195	403
Rental income	645	582
Profit on term deposit receipts	1,341	2,347
	9,453	7,112
<b>Loss after taxation</b>	<b>(55,386)</b>	<b>(41,641)</b>

**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	187	69
--------------	-----	----

**Current and other accounts**

Current accounts	30,286	49,103
Saving accounts	1,929	2,508
	32,215	51,611

**Deposits maturing within 12 months**

Fixed and term deposits accounts	41,355	40,000
----------------------------------	--------	--------

**Total cash and cash equivalents**

	73,757	91,680
--	--------	--------

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	 Lt. GEN (R) Ali Kuli Khan Khattak DIRECTOR	 Amir Raza PRINCIPAL OFFICER
---	---	--	--	--

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2013





Business underwritten inside Pakistan

Class	Premiums written		Premiums earned		Reinsurance ceded		Reinsurance prepaid reinsurance premium ceded		Reinsurance expense		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Half year ended 30 June 2013	Half year ended 30 June 2012
<b>Direct and facultative</b>												
Fire and property damage	29,990	14,826	42,073	15,597	7,709	22,957	19,116	32,645				
Marine and transport	15,772	6,784	21,584	7,720	3,392	10,635	10,949	17,386				
Motor	29,378	38,720	42,944	2,859	8,518	8,862	59,513					
Others	417	8,889	6,067	2,730	3,455	4,591	1,486	16,379				
<b>Total</b>	<b>75,557</b>	<b>81,272</b>	<b>112,668</b>	<b>28,906</b>	<b>30,434</b>	<b>47,035</b>	<b>65,633</b>	<b>125,923</b>				
Treaty - Proportional	-	-	-	-	-	-	-	-				
<b>Grand Total</b>	<b>75,557</b>	<b>81,272</b>	<b>112,668</b>	<b>28,906</b>	<b>30,434</b>	<b>47,035</b>	<b>65,633</b>	<b>125,923</b>				

FOR THE QUARTER ENDED 30 JUNE 2013

Class	Premiums written		Premiums earned		Reinsurance ceded		Reinsurance prepaid reinsurance premium ceded		Reinsurance expense		Net premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Quarter ended 30 June 2013	Quarter ended 30 June 2012
<b>Direct and facultative</b>												
Fire and property damage	14,242	20,990	20,406	5,013	12,594	7,709	9,898	10,508	12,967			
Marine and transport	5,058	3,888	7,974	2,625	1,905	4,77	4,053	3,921	8,007			
Motor	13,369	31,829	20,044	1,430	5,729	2,515	4,644	15,400	27,461			
Others	1,223	6,962	4,976	1,427	4,108	1,604	3,931	1,045	7,929			
<b>Total</b>	<b>33,892</b>	<b>63,669</b>	<b>53,400</b>	<b>10,495</b>	<b>24,336</b>	<b>12,305</b>	<b>22,526</b>	<b>30,874</b>	<b>66,364</b>			
Treaty - Proportional	-	-	-	-	-	-	-	-	-			
<b>Grand Total</b>	<b>33,892</b>	<b>63,669</b>	<b>53,400</b>	<b>10,495</b>	<b>24,336</b>	<b>12,305</b>	<b>22,526</b>	<b>30,874</b>	<b>66,364</b>			

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

 Raza Kuli Khan Khattak  
 Begum Zeb Gohar Ayub Khan  
 Mushtaq Ahmed Khan F.C.A.  
 Amir Raza

Raza Kuli Khan Khattak CHAIRMAN  
 Begum Zeb Gohar Ayub Khan CHIEF EXECUTIVE  
 Mushtaq Ahmed Khan F.C.A. DIRECTOR  
 Amir Raza PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 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			Opening	Closing		Half year ended 30 June 2013	Half year ended 30 June 2012
<b>Direct and facultative</b>											
Fire and property damage	12,652	129,474	121,263	98,089	4,441	7,791	103,637	2,243	2,198	6,462	
Marine and transport	2,342	36,684	90,040	72,541	55,698	1,354	21,669	52,226	3,472	4,770	
Motor	27,459	98,533	101,326	14,781	3,394	12,951	14,781	5,224	25,028	47,399	
Others	3,618	30,954	31,587	8,079	4,251	1,112	10,502	(1,311)	5,562	9,640	
<b>Total</b>	<b>46,071</b>	<b>295,645</b>	<b>344,216</b>	<b>193,490</b>	<b>94,642</b>	<b>13,651</b>	<b>148,759</b>	<b>58,382</b>	<b>36,260</b>	<b>68,271</b>	
Treaty - Proportional	-	969	969	-	-	-	148,759	-	-	-	
<b>Grand Total</b>	<b>46,071</b>	<b>296,614</b>	<b>345,185</b>	<b>193,490</b>	<b>94,642</b>	<b>13,651</b>	<b>148,759</b>	<b>58,382</b>	<b>36,260</b>	<b>68,271</b>	

FOR THE QUARTER ENDED 30 JUNE 2013

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 2013	Quarter ended 30 June 2012
<b>Direct and facultative</b>											
Fire and property damage	9,392	130,594	121,263	98,089	61	6,327	104,122	294	(233)	2,410	
Marine and transport	856	32,874	90,040	72,541	58,022	377	18,784	54,134	3,888	1,507	
Motor	12,410	100,230	101,326	14,781	13,506	1,322	14,964	1,139	12,367	26,525	
Others	1,625	31,835	31,587	8,079	1,377	708	8,358	429	948	5,752	
<b>Total</b>	<b>24,283</b>	<b>295,633</b>	<b>344,216</b>	<b>193,490</b>	<b>72,966</b>	<b>8,734</b>	<b>146,228</b>	<b>55,996</b>	<b>16,970</b>	<b>36,194</b>	
Treaty - Proportional	-	969	969	-	-	-	146,228	-	-	-	
<b>Grand Total</b>	<b>24,283</b>	<b>296,602</b>	<b>345,185</b>	<b>193,490</b>	<b>72,966</b>	<b>8,734</b>	<b>146,228</b>	<b>55,996</b>	<b>16,970</b>	<b>36,194</b>	

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

 Raza Kuli Khan Khattak  
 Begum Zeb Gohar Ayub Khan  
 Mushtaq Ahmed Khan F.C.A.  
 Amir Raza

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF EXPENSES  
FOR THE HALF YEAR ENDED 30 JUNE 2013 (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 2013	Half year ended 30 June 2012
<b>Direct and facultative</b>									
Fire and property damage	7,239	6,430	3,547	10,122	12,674	22,796	6,215	16,581	23,268
Marine and transport	3,031	1,343	182	4,192	6,666	10,858	3,824	7,034	8,507
Motor	2,854	4,175	2,455	4,574	12,417	16,991	9	16,982	25,114
Others	251	701	148	804	177	981	1,163	(182)	6,678
<b>Total</b>	<b>13,375</b>	<b>12,649</b>	<b>6,332</b>	<b>19,692</b>	<b>31,934</b>	<b>51,626</b>	<b>11,211</b>	<b>40,415</b>	<b>63,567</b>
Treaty - Proportional	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>13,375</b>	<b>12,649</b>	<b>6,332</b>	<b>19,692</b>	<b>31,934</b>	<b>51,626</b>	<b>11,211</b>	<b>40,415</b>	<b>63,567</b>

FOR THE QUARTER ENDED 30 JUNE 2013

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 2013	Quarter ended 30 June 2012
<b>Direct and facultative</b>									
Fire and property	3,323	5,070	3,547	4,846	6,295	11,141	2,712	8,429	9,024
Marine and transport	976	748	182	1,542	2,326	3,868	1,398	2,470	4,725
Motor	1,289	3,329	2,455	2,163	5,932	8,095	5	8,090	13,717
Others	161	680	148	693	503	1,196	994	202	3,131
<b>Total</b>	<b>5,749</b>	<b>9,827</b>	<b>6,332</b>	<b>9,244</b>	<b>15,056</b>	<b>24,300</b>	<b>5,109</b>	<b>19,191</b>	<b>30,587</b>
Treaty - Proportional	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>5,749</b>	<b>9,827</b>	<b>6,332</b>	<b>9,244</b>	<b>15,056</b>	<b>24,300</b>	<b>5,109</b>	<b>19,191</b>	<b>30,587</b>

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.

 Raza Kuli Khan  
 Begum Zeb Gohar Ayub Khan  
 Mushtaq Ahmed Khan F.C.A.  
 Amir Raza

**CHAIRMAN**  
**CHIEF EXECUTIVE**  
**DIRECTOR**  
**DIRECTOR**  
**PRINCIPAL OFFICER**

THE UNIVERSAL INSURANCE COMPANY LIMITED

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2013**

Half year ended		Quarter ended	
30 June 2013	30 June 2012	30 June 2013	30 June 2012

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

**INCOME FROM TRADING INVESTMENTS**

Dividend income

From related parties  
From others

-	-	-	-
323	298	323	298
323	298	323	298

**INCOME FROM NON-TRADING INVESTMENTS**

**Held to maturity**

Return on fixed income securities

2,169                      2,166                      1,098                      527

**Available for sale**

Dividend income

From related parties  
From others

-	-	-	-
24	-	24	-
24	-	24	-

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

-                      1,161                      -                      168

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

834                      551                      808                      242

(Provision) for / reversal of impairment in value of available for  
sale investments - net

(19)                      3                      27                      (7)

Less: Investment related expenses


-                      (13)                      -                      -

**Net investment income**

3,331	4,166	2,280	1,228
-------	-------	-------	-------

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

  
Lt. GEN (R) Ali Kuli Khan Khattak  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER

## THE UNIVERSAL INSURANCE COMPANY LIMITED

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

- 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 September 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 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 2012.



**THE UNIVERSAL INSURANCE COMPANY LIMITED**

	Un-audited 30 June 2013 (Rupees in thousand)	Audited 31 December 2012
<b>6. INVESTMENTS</b>		
<b>IN RELATED PARTIES</b>		
Investments in associates - equity method of accounting	98,121	95,180
<b>OTHERS</b>		
Held to maturity - Government securities (PIBs) (Note 6.2)	35,366	34,967
<b>Available-for-sale</b>		
Equity investments - quoted	24	72
<b>Mutual funds</b>		
Open ended	500	500
Close ended	209	180
	733	752
<b>Investment at fair value through profit or loss</b>		
Equity investments - quoted	3,700	3,099
<b>Mutual funds</b>		
Open ended	876	748
Close ended	326	221
	4,902	4,068
	139,122	134,967

6.1 The market value of investments in associates and available-for-sale investments as on 30 June 2013 was Rupees 23.645 million (31 December 2012: Rupees 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.

	Un-audited 30 June 2013 (Rupees in thousand)	Audited 31 December 2012
<b>7. PREMIUMS DUE BUT UNPAID - Unsecured</b>		
<b>Considered good</b>		
Due from associates	13,834	22,267
Others	48,305	71,681
	62,139	93,948
<b>Considered doubtful</b>		
Due from associates	-	-
Others	58,313	37,245
	58,313	37,245
<b>Provision for doubtful receivables</b>	(58,313)	(37,245)
	62,139	93,948

**THE UNIVERSAL INSURANCE COMPANY LIMITED**

	Un-audited 30 June 2013	Audited 31 December 2012
	(Rupees in thousand)	
<b>8. AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured</b>		
Amounts due from coinsurers	122,311	127,361
Amounts due from reinsurers	8,883	1,506
	131,194	128,867
Provision for doubtful receivables	(12,230)	(9,462)
Amounts due from other insurers / reinsurers - considered good	118,964	119,405
<b>9. FIXED ASSETS</b>		
Owned (Note 9.1)	239,602	254,984
Leased (Note 9.2)	-	1,367
	239,602	256,351
<b>9.1 Owned</b>		
Opening book value	254,984	254,897
Add: Cost of additions during the period / year (Note 9.1.1)	29	3,567
Add: Surplus on revaluation of land and buildings (Note 9.1.2)	-	21,363
Add: Book value of assets transferred from leased assets	1,263	-
	256,276	279,827
Less: Book value of deletions during the period / year (Note 9.1.3)	11,714	10,418
Less: Book value of assets written-off during the period / year (Note 9.1.4)	-	36
	244,562	269,373
Less: Depreciation charge for the period / year	4,960	12,389
Less: Impairment charge for the period / year	-	2,000
	239,602	254,984
<b>9.1.1 Cost of additions</b>		
Furniture, fixture and office equipment	-	184
Computer equipment	29	1,797
Motor vehicles	-	1,586
	29	3,567
<b>9.1.2 Surplus on revaluation of land and buildings</b>		
Land	-	13,400
Buildings on freehold land	-	7,963
	-	21,363
<b>9.1.3 Book value of deletions</b>		
Buildings on freehold land	9,131	-
Furniture, fixture and office equipment	557	710
Computer equipment	19	410
Motor vehicles	2,007	9,298
	11,714	10,418
<b>9.1.4 Book value of assets written-off</b>		
Furniture, fixture and office equipment	-	10
Computer equipment	-	26
	-	36
<b>9.2 Leased</b>		
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 June 2013	Audited 31 December 2012
	(Rupees in thousand)	
<b>Period end balances</b>		
Provision for outstanding claims	15,114	14,561
Premiums due but unpaid	13,834	22,267
Commission payable	6,591	5,904
Rent receivable	2,460	1,820
Rent payable	75	-
	Un-audited 30 June 2013	Un-audited 30 June 2012
	(Rupees in thousand)	
<b>Transactions during the period</b>		
Premium underwritten	4,897	16,592
Premium received / adjusted	13,330	35,679
Claims paid	2,233	6,020
Rental income	639	576
Rent expense	75	-
Remuneration to key management personnel	11,665	13,434

### 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 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
(Rupees in thousand)									

#### OTHER INFORMATION

<b>Segment assets</b>	178,311	202,052	108,502	64,609	86,507	100,880	19,910	38,704	393,230	406,245
Unallocated assets									507,131	506,589
<b>Total assets</b>	<u>178,311</u>	<u>202,052</u>	<u>108,502</u>	<u>64,609</u>	<u>86,507</u>	<u>100,880</u>	<u>19,910</u>	<u>38,704</u>	<u>900,361</u>	<u>912,834</u>
<b>Segment liabilities</b>	169,475	174,256	106,814	51,596	138,294	145,596	43,430	48,959	458,013	420,407
Unallocated liabilities									103,781	101,605
<b>Total liabilities</b>	<u>169,475</u>	<u>174,256</u>	<u>106,814</u>	<u>51,596</u>	<u>138,294</u>	<u>145,596</u>	<u>43,430</u>	<u>48,959</u>	<u>561,794</u>	<u>522,012</u>

### 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 August 29, 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. GENERAL

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

  
Raza Kuli Khan Khattak  
CHAIRMAN

  
Begum Zeb Gohar Ayub Khan  
CHIEF EXECUTIVE

  
Mushtaq Ahmed Khan F.C.A.  
DIRECTOR

  
Lt. GEN(R) Ali Kuli Khan Khattak  
DIRECTOR

  
Amir Raza  
PRINCIPAL OFFICER

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



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](http://www.uic.com.pk)  
E-MAIL: [info@uic.com.pk](mailto:info@uic.com.pk)