

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

2016

56th

Year of Continuous Services



BIBOJEE GROUP



The Universal Insurance Co. Ltd.



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VISION STATEMENT

We, at Universal Insurance Company Limited recognize the importance of satisfying our customers by consistently providing quality insurance services in accordance with their needs and expectations. We strive to be competent partner of our customers against insured perils.



MISSION STATEMENT QUALITY POLICY

We, strive to provide our customers cost effective insurance cover by continually increasing the productivity of our employees. To increase productivity, we conduct regular training programs during which employees are assessed and allocated a career path in accordance with their performance.

We diligently follow the applicable laws ensure strict compliance by conducting regular internal audit and educating our employees about the law.

We try to improve our services by continually assessing our systems and procedures based on customers and team feedback. We strive to maintain a customer focused approach by ensuring that our service is delivered to the customer on time, according to the customer required specifications and with in our stipulated Cost.



CORPORATE INFORMATION

Board of Directors	Mr. Raza Kuli Khan Khattak (Chairman)
	Lt. GEN (R) Ali Kuli Khan Khattak
	Mr. Gohar Ayub Khan (Chief Executive)
	Mrs. Shahnaz Sajjad Ahmed
	Dr. Shaheen Kuli Khan Khattak
	Mr. Mushtaq Ahmed Khan F.C.A.
	Mr. Muhammad Kuli Khan Khattak
	Mr. Pervez Iftikhar Ahmed Khan
	Mr. Muhammad Imran Malik
	Mr. Amir Raza (Principal Officer)
Principal Officer	Mr. Amir Raza
Chief Operating Officer	Mr. Omar Ayub Khan
Chief Financial Officer	Mr. Ashfaq Ahmed
Company Secretary	Mr. Liaqat Ali Shaukat
Internal Auditor	Mr. Abdul Waheed Chaudhry
Auditors	M/S. Shinewing Hameed Chaudhri & Co. Chartered Accountants
Legal Advisor	Mr. Rana Muhammad Aamir Zulfiqar
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 REPORT

On behalf of the Board of Directors, I am pleased to present the un-audited financial statements of the company for the period ended September 30, 2016.

FINANCIAL PERFORMANCE

The financial results of the company for the period are reflecting positive underwriting results. The investment income of the company has increased from Rs. 3.610 million to Rs. 18.190 million over the period of last year.

	2016	2015
	------(Rupees in million)-----	
Gross premium	28.789	37.422
Net premium	20.743	21.161
Profit from underwriting business	28.482	54.163
Net claims expense	(6.796)	(40.572)
Management / administrative expenses	49.651	18.522
Capital and reserves	336.726	210.927
Profit before taxation	25.523	91.855
Profit after taxation	<u>24.263</u>	<u>90.253</u>
Earning per share	0.58	2.44

FUTURE OUTLOOK

The Company's policy to underwrite the Group Business and selected clientage during the last quarter will continue. The positive financial results have decreased the accumulated losses of the company from Rs. 266.854 million to Rs. 133.578 million as on December 31, 2015 and from Rs. 133.578 million to Rs. 107.763 million as on September 30, 2016 and we hope these losses will further reduces by the end of financial year.

For & on behalf of the Board of Directors

Raza Kuli Khan Khattak
Chairman

Dated : October 26, 2016

Place : Lahore



ڈائریکٹرز کی جائزہ رپورٹ (یہ انگریزی رپورٹ کا ترجمہ ہے)

بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کے 30 ستمبر 2016 کو ختم ہونے والی مدت کے غیر نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے مجھے خوشی محسوس ہو رہی ہے۔

مالیاتی کارکردگی (Financial Performance)

اس مدت کے لیے کمپنی کے مالیاتی نتائج مثبت انڈر رائٹنگ نتائج کی عکاسی کرتے ہیں۔ کمپنی کی سرمایہ کاری کی آمدنی گزشتہ سال کے عرصے میں 3.610 ملین روپے سے 18.190 ملین روپے تک بڑھی ہے۔

2016	2015	
	(روپے ملین میں)	
28.789	37.422	مجموعی پریمیم
20.743	21.161	نیٹ پریمیم
28.482	54.163	انڈر رائٹنگ کاروبار سے منافع
(6.796)	(40.572)	نیٹ کلیمز
49.651	18.522	انتظامی اخراجات
336.726	210.927	سرمایہ اور ذخائر
25.523	91.855	قبل از ٹیکس منافع
24.263	90.253	بعد از ٹیکس منافع
0.58	2.44	آمدنی فی شیئر

مستقبل کا جائزہ (Future Outlook)

کمپنی کی پالیسی ہے کہ وہ گروپ کاروبار اور منتخب شدہ کلائنٹس کے بیمہ کو آخری سہ ماہی میں بھی جاری رکھے گی۔ مثبت مالیاتی نتائج نے 31 دسمبر 2015 میں کمپنی مجموعی نقصان کو 266.854 ملین روپے سے 133.578 ملین روپے تک اور 30 ستمبر 2016 میں 133.578 ملین روپے سے 107.763 روپے تک کم کیا ہے اور ہمیں امید ہے کہ اس مالیاتی سال کے اختتام تک یہ مجموعی نقصان اور کم ہو جائے گا۔

منجانب بورڈ

Raza Khan

رضائل خان خٹک

(چیئرمین)

تاریخ: 26 اکتوبر 2016

مقام: لاہور



CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2016

		Un-audited 30 September 2016 (Rupees in thousand)	Audited 31 December 2015 (Rupees in thousand)			Un-audited 30 September 2016 (Rupees in thousand)	Audited 31 December 2015 (Rupees in thousand)
Note	2016	2015	2016	2015	Note	2016	2015
SHARE CAPITAL AND RESERVES				CASH AND BANK DEPOSITS			
Authorized share capital					Cash and other equivalents	-	1
50,000,000 (31 December 2014: 50,000,000)							
ordinary shares of Rupees 10 each	500,000	500,000			Current and other accounts	9,991	108,192
Issued, subscribed and paid-up share capital	416,180	416,180				9,991	108,193
Accumulated loss	(107,763)	(133,578)					
Reserves	28,309	28,309					
	(79,454)	(105,269)			INVESTMENTS	7	300,096
TOTAL EQUITY	336,726	310,911				8	33,191
Surplus on revaluation of fixed assets	253,388	242,501			DEFERRED TAXATION		33,191
UNDERWRITING PROVISIONS				CURRENT ASSETS - OTHERS			
Provision for outstanding claims (including IBNR)	82,029	106,234			Premiums due but unpaid - unsecured	9	4,104
Premium deficiency reserve	1,191	3,032			Amounts due from other insurers / reinsurers	10	154,193
Provision for unearned premium	10,902	16,805			Accrued investment income		17
Commission income unearned	1,333	3,050			Reinsurance recoveries against outstanding claims		55,106
Total underwriting provisions	95,455	129,121			Taxation - payment less provision		10,812
					Deferred commission expense		1,240
DEFERRED LIABILITY					Prepayments		5,305
Staff retirement benefits - gratuity	8,332	6,714			Loans to employees - unsecured considered good		259
					Sundry receivables		9,293
						240,312	270,664
CREDITORS AND ACCRUALS				FIXED ASSETS - TANGIBLE			
Premiums received in advance	-	249			OWNED		
Amounts due to other insurers / reinsurers	33,989	37,339			Land and buildings	170,042	171,801
Accrued expenses	14,740	26,304			Furniture, fixtures and office equipment	4,248	4,657
Other creditors and accruals	20,422	26,929			Computer equipment	1,169	1,389
	69,151	90,821			Motor vehicles	7,605	6,489
						183,064	184,336
OTHER LIABILITIES							
Deposits against performance bonds	2,993	2,993					
Unclaimed dividends	609	609					
	3,602	3,602					
TOTAL LIABILITIES	176,540	230,258					
CONTINGENCIES AND COMMITMENTS	6	-	-				
TOTAL EQUITY AND LIABILITIES	766,654	783,670			TOTAL ASSETS	766,654	783,670

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


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kuli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016 (UN-AUDITED)**

	Fire and Property Damage	Marine and Transport	Motor	Others	Nine months ended 30 September 2016	Nine months ended 30 September 2015
(Rupees in thousand)						
Revenue account						
Net premium revenue	3,978	5,964	4,904	5,897	20,743	21,161
Net claims	94	998	2,987	2,717	6,796	40,572
Change in premium deficiency reserve	-	-	-	1,841	1,841	(6,382)
Management expenses	(147)	(211)	(129)	(112)	(599)	(638)
Net commission	645	(705)	(523)	284	(299)	(550)
	498	(916)	(652)	172	(898)	(1,188)
Underwriting result	4,570	6,046	7,239	10,627	28,482	54,163
Investment income - note 12					18,190	3,610
Rental income					512	-
Other income - note 13					4,634	41,611
					51,818	99,384
General and administration expenses - note 14					(48,930)	(16,638)
Financial charges					(122)	(1,246)
Share of profit from associates - net of tax					22,757	10,355
Profit before taxation					25,523	91,855
Taxation - Current					(474)	(327)
- Deferred					(786)	(1,275)
Profit after taxation					24,263	90,253
PROFIT AND LOSS APPROPRIATION ACCOUNT						
Balance of accumulated loss at the commencement of the period					(133,578)	(266,854)
Profit after taxation for the period					24,263	90,253
Items directly recognized in condensed interim statement of changes in equity					1,580	3,039
Balance of accumulated loss at the end of the period					(107,735)	(173,562)
Earnings per share - (in rupees)					0.58	2.44


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DIRECTOR


Amir Raza
PRINCIPAL OFFICER



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)**

QUARTER ENDED 30 SEPTEMBER 2016						
	Fire and Property Damage	Marine and Transport	Motor	Others	Quarter ended 30 September 2016	Quarter ended 30 September 2015
(Rupees in thousand)						
Revenue account						
Net premium revenue	(812)	624	1,091	(235)	668	12,338
Net claims	(195)	470	(1,281)	(9)	(1,015)	6,314
Change in premium deficiency reserve	-	-	-	(358)	(358)	(7,185)
Management expenses	(119)	59	(47)	(21)	(128)	(132)
Net commission	(89)	7	(104)	156	(30)	(2,250)
	(208)	66	(151)	135	(158)	(2,382)
Underwriting result	(1,215)	1,160	(341)	(467)	(863)	9,085
Investment income					7,611	1,174
Rental income					180	-
Other income					451	6,841
					7,379	17,100
General and administration expenses					(12,476)	(4,993)
Financial charges					(41)	(116)
Share of profit from associates - net of tax					13,445	8,725
Profit before taxation					8,307	20,716
Taxation - current					(98)	(134)
- deferred					(141)	(624)
Profit after taxation					8,068	19,958
Earnings per share - (in rupees)					0.19	0.54

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


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DIRECTOR


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PRINCIPAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016 (UN-AUDITED)**

	NINE MONTHS ENDED		QUARTER ENDED	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	----- (Rupees in thousand) -----			
Profit after taxation	24,263	90,253	8,068	19,958
Share of other comprehensive loss of Associates - net of tax	(28)	-	(28)	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	24,235	90,253	8,040	19,958

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016 (UN-AUDITED)**

	CAPITAL RESERVES		REVENUE RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	SHARE CAPITAL	Capital			
Balance as at 31 December 2014 - (audited)	370,000	4 18	14,467	(266,854)	117,635
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	1,348	1,348
Surplus on revaluation realised on disposal of buildings	-	-	-	1,493	1,493
Share of associates accounted for under equity method	-	-	-	198	198
Profit for the nine months ended 30 September 2015	-	-	-	90,253	90,253
Other comprehensive income for the nine months ended 30 September 2015	-	-	-	-	-
Total comprehensive loss for the nine months ended 30 September 2015	-	-	-	90,253	90,253
Balance as at 30 September 2015 - (un-audited)	370,000	4 18	14,467	(173,562)	210,927
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	435	435
Share of associates accounted for under equity method	-	-	-	242	242
Transaction with owners:					
Shares issued during the period	46,180	13,820.00	-	-	60,000
Profit for the year ended 31 December 2015	-	-	-	39,464	39,464
Other comprehensive loss for the year ended 31 December 2015	-	-	-	(157)	(157)
Total comprehensive profit for the year ended 31 December 2015	-	-	-	39,307	39,307
Balance as at 31 December 2015 - (audited)	416,180	13,824 18	14,467	(133,578)	310,911
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	1,354	1,354
Share of associates accounted for under equity method	-	-	-	226	226
Profit for the nine months ended 30 September 2016	-	-	-	24,263	24,263
Other comprehensive loss for the nine months ended 30 September 2016	-	-	-	(28)	(28)
Total comprehensive income for the nine months ended 30 September 2016	-	-	-	24,235	24,235
Balance as at 30 September 2016 - (un-audited)	416,180	13,824 18	14,467	(107,763)	336,726

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


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DIRECTOR


Amir Raza
PRINCIPAL OFFICER





CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

	Nine months ended	
	30 September 2016	30 September 2015
	------(Rupees in thousand)-----	
OPERATING CASH FLOWS		
a) Underwriting activities		
Premiums received	29,038	49,454
Reinsurance premiums paid	(12,535)	(9,099)
Claims paid	(18,045)	(65,600)
Reinsurance and other recoveries received	9,733	23,319
Commissions paid	(12,962)	(6,148)
Commissions received	2,474	2,311
Net cash inflow from underwriting activities	(2,297)	(5,763)
b) Other operating activities		
Income tax	(396)	(2,075)
General management expenses paid	(930)	(1,773)
Other operating payments	(30,995)	(28,072)
Other operating receipts	691	21,238
Loans to employees repaid	(116)	(85)
Other receipts / (payments) - net	(2,137)	(23,611)
Net cash outflow from other operating activities	(33,883)	(34,378)
Total cash outflow from all operating activities	(36,180)	(40,141)
INVESTMENT ACTIVITIES		
Profit / return received	5,134	5,137
Dividends received	-	3
Rental income received	512	1,347
Payments for purchase of investments	(65,342)	-
Fixed capital expenditure	(2,365)	-
Proceeds from disposal of fixed assets	161	14,519
Total cash inflow from investing activities	(61,900)	21,006
FINANCING ACTIVITIES		
Financial charges paid	(122)	(1,246)
Repayment of short term running finance	-	(22,185)
Total cash outflow from financing activities	(122)	(23,431)
Net cash inflow / (outflow) from all activities	(98,202)	(42,566)
Cash at the beginning of the period	108,193	122,232
Cash at the end of the period	9,991	79,666



**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016 (UN-AUDITED)**

Nine months ended	
30 September 2016	30 September 2015

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

RECONCILIATION TO CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

Operating cash flows	(36,180)	(40,141)
Depreciation	(3,569)	(4,066)
Provision for doubtful receivables	(14,687)	16,653
Financial charges	(122)	(1,246)
Profit / (Loss) on disposal of fixed assets	93	9,646
Increase / (decrease) in assets other than cash	(17,402)	(51,953)
(Increase) / decrease in liabilities	52,830	148,594
	(19,037)	77,487

OTHER ADJUSTMENTS

Profit on investments and deposits	18,190	3,610
Share of profit / (loss) from associates - net of tax	22,757	10,355
Change in premium deficiency reserve	1,841	(6,382)
Rental income	512	-
Profit on term deposit receipts	-	5,183
	43,300	12,766
Profit after taxation	<u>24,263</u>	<u>90,253</u>

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	-	22
Current and other accounts		
Current accounts	8,885	8,551
Saving accounts	1,106	1,093
	9,991	9,644
Deposits maturing within 12 months Fixed and term deposits accounts	-	70,000
Total cash and cash equivalents	<u>9,991</u>	<u>79,666</u>

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


Raza Kuli Khan Khattak
CHAIRMAN


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CHIEF EXECUTIVE


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DIRECTOR


Amir Raza
PRINCIPAL OFFICER

CONDENSED INTERIM STATEMENT OF PREMIUMS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016 (UN-AUDITED)

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	Opening	Closing
Direct and facultative	7,068	9,192	5,168	11,092	6,193	4,228	3,307	7,114	3,978	10,167					
Fire and property damage	10,164	4	477	9,691	3,905	3	181	3,727	5,964	335					
Marine and transport	6,223	1,885	2,681	5,427	255	509	241	523	4,904	4,605					
Motor	5,334	5,724	2,576	8,482	2,182	1,202	799	2,585	5,897	6,054					
Others	28,789	16,805	10,902	34,692	12,535	5,942	4,528	13,949	20,743	21,161					
Total															

(Rupees in thousand)



FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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	Opening	Closing
Direct and facultative	6,163	417	5,168	1,412	5,323	208	3,307	2,224	(812)	5,372					
Fire and property damage	1,516	553	477	1,592	961	188	181	968	624	264					
Marine and transport	3,591	29	2,681	939	85	4	241	(152)	1,091	1,163					
Motor	2,466	1,444	2,576	1,334	2,166	202	799	1,569	(235)	5,539					
Others	13,736	2,443	10,902	5,277	8,535	602	4,528	4,609	668	12,338					
Total															

(Rupees in thousand)

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

 Raza Kuli Khan Khattak
 CHAIRMAN
 Gohar Ayub Khan
 CHIEF EXECUTIVE
 Lt. GEN (R) Ali Kuli Khan Khattak
 DIRECTOR
 Mrs. Shahnaz Sajjad Ahmed
 DIRECTOR
 Amir Raza
 PRINCIPAL OFFICER



**CONDENSED INTERIM STATEMENT OF CLAIMS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016 (UN-AUDITED)**

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 2016	Nine months ended 30 September 2015
Direct and facultative										
Fire and property damage	3,359	35,562	32,591	388	2,820	29,539	27,201	482	(94)	(871)
Marine and transport	4,458	32,775	28,524	207	3,569	27,408	25,044	1,205	(998)	(1,836)
Motor	7,602	25,337	15,150	(2,585)	1,034	2,260	1,628	402	(2,987)	(26,694)
Others	2,626	12,560	5,764	(4,170)	2,310	4,996	1,233	(1,453)	(2,717)	(10,202)
Total	18,045	106,234	82,029	(6,160)	9,733	64,203	55,106	636	(6,796)	(39,603)
Treaty - Proportional	-	-	-	-	-	-	-	-	-	(969)
Grand Total	18,045	106,234	82,029	(6,160)	9,733	64,203	55,106	636	(6,796)	(40,572)

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

Class	Claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended 30 September 2016	Quarter ended 30 September 2015
Direct and facultative										
Fire and property damage	331	32,315	32,591	607	308	27,097	27,201	412	195	741
Marine and transport	(187)	28,524	28,524	(187)	283	25,044	25,044	283	(470)	(612)
Motor	1,808	15,677	15,150	1,281	-	1,628	1,628	-	1,281	(4,276)
Others	1,085	6,787	5,764	62	973	2,153	1,233	53	9	(2,167)
Total	3,037	83,303	82,029	1,763	1,564	55,922	55,106	748	1,015	(6,314)

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


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


Lt. GEN (R) Ali Kujli Khan Khattak
DIRECTOR


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Amir Raza
PRINCIPAL OFFICER

CONDENSED INTERIM STATEMENT OF EXPENSES
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016 (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					Nine months ended 30 September 2016	Nine months ended 30 September 2015
Direct and facultative									
Fire and property damage	361	1,962	743	1,580	147	1,727	2,225	(498)	462
Marine and transport	2,031	-	102	1,929	211	2,140	1,224	916	(69)
Motor	608	173	258	523	129	652	-	652	640
Others	389	206	137	458	112	570	742	(172)	155
Total	3,589	2,341	1,240	4,490	599	5,089	4,191	898	1,188

(Rupees in thousand)

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurer	Net underwriting expense	
		Opening	Closing					Quarter ended 30 September 2016	Quarter ended 30 September 2015
Direct and facultative									
Fire and property	180	86	743	(477)	119	(358)	(566)	208	2,523
Marine and transport	302	104	102	304	(59)	245	311	(66)	(149)
Motor	357	4	258	103	47	150	(1)	151	(188)
Others	385	36	137	284	21	305	440	(135)	196
Total	1,224	230	1,240	214	128	342	184	158	2,382

(Rupees in thousand)

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.


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**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2016 (UN-AUDITED)**

Nine months ended		Quarter ended	
September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015

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

INCOME FROM NON-TRADING INVESTMENTS

Held to maturity

Return on fixed income securities	3,775	3,618	1,146	1,220
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Available for sale

Dividend income - From others	-	3	-	3
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Gain on revaluation of investments at fair value through profit or loss	14,415	(11)	6,465	(49)
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Net investment income	<u>18,190</u>	<u>3,610</u>	<u>7,611</u>	<u>1,174</u>
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The annexed notes form an integral part of this condensed interim financial information.


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SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2016

1. LEGAL STATUS AND OPERATIONS

The Universal Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on May 09, 1958 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The Company is listed on Pakistan Stock Exchange and is engaged in non-life insurance business. The registered office of the Company is situated at Universal Insurance House, 63 - Shahrah-e-Quaid-e-Azam, Lahore. Bibojee Services (Pvt.) Ltd. (the Holding Company) holds 35,776,303 ordinary shares i.e. 85.96% of the Company's paid-up capital as at September 30, 2016.

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' - as applicable in Pakistan, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SECP (Insurance) Rules, 2002 have been followed.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2015.

3. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except for investments at fair value through profit or loss, which are stated at fair value, available-for-sale investments, which are stated at lower of cost and market value, held to maturity investments, which are stated at amortised cost, land & buildings, which are stated at revalued amounts and the obligation under the employee benefit, which is measured at present value.

4. SIGNIFICANT ACCOUNTING POLICIES

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 financial statements of the Company for the year ended December 31, 2015.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2015.

6. CONTINGENCIES AND COMMITMENTS

There is no significant change in the contingencies and commitments disclosed in the preceding condensed interim financial information for the six months period ended June 30, 2016.



		Un-audited 30 September 2016	Audited 31 December 2015
(Rupees in thousand)			
7. INVESTMENTS			
IN RELATED PARTIES - equity method of accounting			
Banuu Woollen Mills Ltd. (BWM)	7.1	1,661	1,418
Gandhara Industries Ltd. (GIL)	7.1	172,259	138,088
		<u>173,920</u>	<u>139,506</u>
OTHERS			
Held to maturity - Pakistan Investment Bonds (including accrued interest)	7.2	51,298	47,317
Available-for-sale	7.3	159	159
Investments at fair value through profit or loss	7.4	74,719	304
		<u>126,176</u>	<u>47,780</u>
		<u>300,096</u>	<u>187,286</u>

- 7.1 Market values of investments in BWM and GIL as at September 30, 2016 were Rs. 634 thousand (31 December 2015: Rs. 452 thousand) and Rs. 779.974 million (31 December 2015: Rs. 364.753 million) respectively.
- 7.2 These investments, held with State Bank of Pakistan, have been made to meet the statutory requirement of section 29(2)(a) of the Insurance Ordinance, 2000.
- 7.3 Market values of available-for-sale investments as at September 30, 2016 were Rs. 606 thousand (2015: Rs. 534 thousand).
- 7.4 The Company, during the period, has invested Rs.60 million in NAFA Islamic Stock Fund; the fair value of this investment as at September 30, 2016 was Rs. 74.719 million.
8. Deferred tax recognised as at September 30, 2016 has been restricted to Rs.33.191 million (December 31, 2015: Rs.33.191 million) and balance deferred tax asset amounting Rs. 62.373 million approximately has not been recognised in this condensed interim financial information as the taxable profits will not probably be available in the foreseeable future against which the temporary differences can be utilised.

		Un-audited 30 September 2016	Audited 31 December 2015
(Rupees in thousand)			
9. PREMIUMS DUE BUT UNPAID - Unsecured			
Considered good		4,104	15,909
Considered doubtful		84,211	72,655
		<u>88,315</u>	<u>88,564</u>
Provision for doubtful receivables		(84,211)	(72,655)
		<u>4,104</u>	<u>15,909</u>



	Un-audited 30 September 2016	Audited 31 December 2015
10. AMOUNTS DUE FROM OTHER INSURERS / REINSURERS		
	(Rupees in thousand)	
Amounts due from coinsurers	116,749	121,007
Amounts due from reinsurers	57,186	56,422
	173,935	177,429
Provision for doubtful receivables	(19,742)	(17,895)
Amounts due from other insurers / reinsurers - considered good	154,193	159,534
11. FIXED ASSETS - TANGIBLE		
Opening book value	184,336	191,585
Additions made during the period		
- surplus on revaluation	-	3,264
- motor vehicles	2,266	-
- computer equipment	99	-
	2,365	3,264
Less: Book values of assets disposed-off during the period:		
- buildings on freehold land	-	1,509
- furniture, fixtures and office equipment	27	709
- computer equipment	-	493
- motor vehicles	41	2,463
	68	5,174
	186,633	189,675
Less: Depreciation charge for the period / year	3,569	5,339
	183,064	184,336
12. INVESTMENT INCOME		
Income for the current nine months period ended includes interest income on Pakistan Investment Bonds aggregating Rs. 3.775 million and unrealised gain on remeasurement of investment at fair value through profit or loss amounting Rs. 14.415 million.		
13. OTHER INCOME	Un-audited 30 September 2016	Un-audited 30 September 2015
	(Rupees in thousand)	
Income from financial assets		
Profit on term deposit receipts	-	5,183
Profit on bank saving accounts	617	136
Payable balances written-back	2,508	5,408
	3,125	10,727
Income from non-financial assets		
Fronting Fee	472	967
Gain on disposal of fixed assets	93	9,646
Federal excise duty - written-back	-	20,220
Sale of scrap	22	46
Recovery of health insurance claims	725	-
Miscellaneous	-	5
	1,312	30,884
	4,437	41,611



	Un-audited 30 September 2016	Un-audited 30 September 2015
	(Rupees in thousand)	
14. GENERAL AND ADMINISTRATION EXPENSES		
Salaries and other benefits	20,293	16,455
Rent, rates and taxes	226	211
Electricity charges	801	782
Insurance	521	137
Communication	666	690
Printing and stationery	306	376
Travelling and entertainment	1,263	1,121
Depreciation	3,569	4,066
Repair and maintenance	868	1,088
Legal and professional	2,156	1,856
Provision for doubtful receivables - made / (reversed)	13,404	(14,177)
Provision for leave encashment	1,266	1,072
Advertisement	73	106
Auditors' remuneration	573	385
Gratuity	1,617	1,412
Provision for advance rent of closed branches - made / (reversed)	17	(411)
Others	1,311	1,469
	48,930	16,638

15. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of Holding Company, Associated Companies and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. Details of period / year-end balances and significant transactions with related parties were as follows:

	Un-audited 30 September 2016	Audited 31 December 2015
	(Rupees in thousand)	
The Holding Company		
Period end balances		
Commission payable	5,506	5,506
Transactions during the period / year		
Share deposit money received against issue of share capital	-	60,000

	Un-audited 30 September 2016	Un-audited 30 September 2015
	(Rupees in thousand)	
ASSOCIATED COMPANIES		
Transactions during the period / year		
Premium received / adjusted	-	16,510
Claims paid	-	14,270
Rent expense	-	75
Rent adjusted / received	-	1,347
Remuneration to key management personnel	12,522	11,210



16. 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. Following is a schedule of class of business wise assets and liabilities:

Fire and property damage		Marine and Transport		Motor		Others		Total	
September, 30 2016	December 31, 2015	September, 30 2016	December 31, 2015	September, 30 2016	December 31, 2015	September, 30 2016	December 31, 2015	September, 30 2016	December 31, 2015
----- (Rupees in thousand) -----									

OTHER INFORMATION

Segment assets	90,700	116,442	71,178	56,880	19,991	26,409	37,302	48,199	219,171	247,930
Unallocated assets									547,483	535,740
Total assets	90,700	116,442	71,178	56,880	19,991	26,409	37,302	48,199	766,654	783,670
Segment liabilities	53,459	64,758	39,258	41,874	20,193	30,773	19,527	32,048	132,437	169,453
Unallocated liabilities									44,103	60,805
Total liabilities	53,459	64,758	39,258	41,874	20,193	30,773	19,527	32,048	176,540	230,258

17. FINANCIAL RISK MANAGEMENT

17.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements, and should therefore be read in conjunction with the Company's financial statements for the year ended December 31, 2015. There have been no significant changes in the risk management policies since the year-end.

17.2 Fair Value Estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

18. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 26, 2016 by the Board of Directors of the Company.



19. CORRESPONDING FIGURES

19.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have been compared with the balances of comparable period of immediately preceding financial year.

19.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information.

20. GENERAL

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


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CHAIRMAN


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