

2021

September 30,

Condensed Interim

Financial Information

For The Nine Months Period Ended



61st

YEAR OF CONTINUOUS SERVICES

BIBOJEE GROUP



The Universal Insurance Co. Ltd.



CONTENTS

Vision and Mission Statement / Quality Policy	02
Corporate Information	03
Board & Management Committees	04
Director's Review Report	05
Statement of Financial Position	07
Statement of Profit or Loss	08
Statement of other Comprehensive Income	09
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Condensed Interim Financial Statements	13



VISION STATEMENT

We, at Universal Insurance Company Limited recognize the importance of satisfying our customers by consistently providing quality insurance service 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 bases 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
	Mr. Gohar Ayub Khan	Chief Executive
	Mr. Ahmed Kuli Khan Khattak	
	Mrs. Shahnaz Sajjad Ahmed	
	Mr. Muhammad Imran Malik	
	Mr. Haroon Ahmed Zuberi	
	Mr. Khalid kuli Khan Khattak	
Principal Officer	Mr. Amir Raza	
Chief Financial Officer	Mr. Ashfaq Ahmed	
Company Secretary	Mr. Liaqat Ali Shaukat	
Internal Auditor	Mr. Abdul Waheed Chaudhry	
Auditors	M/s. Junaidy Shoaib Asad Chartered Accountants	
Legal Adviosor	Rana Muhammad Aamir Zulfiqar (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	



BOARD AND MANAGEMENT COMMITTEES

Board Committees:

i) Ethics, Human Resource & Remuneration Committee

Mr. Haroon Ahmed Zuberi	Chairman	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive
Mr. Muhammad Imran Malik	Member	Independent
Mr. Liaqat Ali Shaukat	Secretary	

ii) Investment Committee

Mr. Haroon Ahmed Zuberi	Chairman	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mr. Gohar Ayub Khan	Member	Executive (CEO)
Mr. Muhammad Imran Malik	Member	Independent
Mr. Ashfaq Ahmed	Member/Secretary	Chief Financial Officer

iii) Audit Committee

Mr. Muhammad Imran Malik	Chairman	Independent
Mr. Haroon Ahmed Zuberi	Member	Independent
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mrs. Shahnaz Sajjad Ahmed	Member	Non-Executive
Mr. Abdul Waheed Ch.	Secretary	

Management Committees:

iv) Underwriting, Reinsurance & Co-Insurance Committee;

Mr. Muhammad Imran Malik	Chairman	Independent
Mr. Gohar Ayub Khan	Member	Executive
Mr. Muhammad Alyas	Member/Secretary	

v) Claims Settlement Committee;

Mr. Haroon Ahmed Zuberi	Chairman	Independent
Mr. Gohar Ayub Khan	Member	Executive
Mr. Ahmed Kuli Khan Khattak	Member	Non-Executive
Mr. Amir Raza	Member	
Mr. Abdul Waheed Ch.	Secretary	

vi) Risk Management & Compliance Committee

Mr. Gohar Ayub Khan	Chairman	Executive
Mrs. Shahnaz Sajjad Ahmed	Member	Non-Executive
Mr. Amir Raza	Member	
Mr. Ashfaq Ahmed	Member	
Mr. Muhammad Alyas	Secretary	



DIRECTORS' REVIEW REPORT

We on behalf of the Board of Directors are presenting the financial statements of the Company for the period ended on 30th September, 2021.

Financial Performance

The gross written premium of the company has reduced by 12 % over the gross written premium of corresponding period. However, net premium has registered an increase by 19% over the similar period. The claim expense during the period under review have increased substantially. Further the investment income of the Company has increased by Rs. 4.230 Million. The loss after taxation is Rs. 3.492 Million against Rs. 103.219 Million of last year.

	2021	2020
	----- (Rupees in million) -----	
Written Gross premium	75.684	86.298
Net Insurance premium	54.305	45.586
Net Insurance claims	29.176	17.500
Underwriting results	(45.565)	(42.225)
Investment Income	10.638	6.408
Loss before taxation	4.077	101.737
Loss after taxation	3.492	103.219
Loss per share	0.07	2.06

Future Outlook

The Board of Directors are actively reviewing the underwriting strategy of the Company with the aim to enhance the premium volume in future.

Acknowledgement

We would like to thank the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Co. Ltd., State Bank of Pakistan, other Reinsurers and Co-Insurers for their continued cooperation and guidance through-out the period and our valued clients for their continued patronage extended to us.

For & on behalf of the Board of Directors

Date: October 30, 2021

Place: Lahore

Muhammad Imran Malik
Director

Gohar Ayub Khan
Chief Executive Officer



ڈائریکٹرز کی جائزہ رپورٹ (Directors' Review Report) (یہ انگریزی رپورٹ کا ترجمہ ہے)

ہم بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2021 کو ختم ہونے والی مدت کے لئے کمپنی کے مالی گوشوارے پیش کر رہے ہیں۔

مالیاتی کارکردگی (Financial Performance)

کمپنی کا مجموعی تحریری پریئم اسی مدت کے مجموعی تحریری پریئم کے مقابلے میں 12% کم ہوا ہے۔ تاہم اسی مدت کے دوران نیٹ پریئم میں 19% اضافہ ریکارڈ کیا گیا ہے۔ زیر جائزہ مدت کے دوران کلیم اخراجات میں کافی اضافہ ہوا ہے۔ مزید یہ کہ کمپنی کی سرمایہ کاری آمدنی میں 4.230 ملین روپے کا اضافہ ہوا ہے۔ بعد از ٹیکس نقصان پچھلے سال کے 103.219 ملین روپے کے مقابلے میں 3.492 ملین روپے ہے۔

2021	2020	
رقم ملین میں		
75.684	86.298	- تحریری مجموعی پریئم
54.305	45.586	- نیٹ انشورنس پریئم
29.176	17.500	- نیٹ انشورنس کلیمز
(45.565)	(42.225)	- انڈر رائٹنگ نتائج
10.638	6.408	- سرمایہ کاری آمدنی
4.077	101.737	- قبل از ٹیکس نقصان
3.492	103.319	- بعد از ٹیکس نقصان
(0.07)	(2.06)	- نقصان فی شیئر

مستقبل کا نظریہ (Future Outlook)

بورڈ آف ڈائریکٹرز مستقبل میں پریئم حجم کو بڑھانے کے مقصد کے ساتھ کمپنی کی انڈر رائٹنگ حکمت عملی کا فعال طور پر جائزہ لے رہا ہے۔

اعتراف (Acknowledgement)

ہم سیکورٹی ریٹز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ، سٹیٹ بینک آف پاکستان اور دوسری ری انشوررز اور کو انشوررز کی پورے سال کے دوران مسلسل مدد اور رہنمائی کے شکر گزار ہیں اور ہم اپنے معزز کلائنٹس کے مسلسل اعتماد پر ان کے بھی شکر گزار ہیں۔

منجانب بورڈ

تاریخ: 30 اکتوبر 2021

مقام: لاہور

گوہر ایوب خان
(چیف ایگزیکٹو آفیسر)




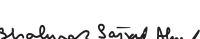


محمد عمران ملک
(ڈائریکٹر)



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

		Un-audited Sept. 30, 2021	Audited Dec. 31, 2020
	Note	('Rupees in thousand)	
Assets			
Property and equipment	7	186,374	188,466
Investment property		30,660	30,660
Investments in Associates	8	317,808	284,720
Investments			
- equity securities	9	110,917	134,987
- debt securities	10	54,170	55,362
Loans and other receivables		33,759	35,063
Insurance / reinsurance receivables	11	106,543	122,451
Reinsurance recoveries against outstanding claims		43,312	26,175
Deferred commission expense		7,440	9,967
Deferred taxation	12	59,928	57,007
Taxation - payments less provisions		9,748	8,811
Prepayments	13	24,214	22,507
Cash and bank balances	14	5,192	9,332
Total Assets		990,065	985,508
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital		750,000	750,000
Issued, subscribed and paid-up share capital		500,000	500,000
Capital reserves:			
- share premium		13,824	13,824
- others		18	18
- revaluation surplus on fixed assets		384,103	385,135
Fair value reserve on available-for-sale investments		267	313
Accumulated loss		(71,995)	(69,589)
Total Equity		826,217	829,701
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		55,987	35,472
Unearned premium reserves		45,016	62,720
Premium deficiency reserves		-	-
Unearned reinsurance commission		3,612	3,791
Long term deposits		107	62
Insurance / reinsurance payables	11.1	46,983	41,059
Unclaimed dividends		555	555
Other creditors and accruals		11,588	12,148
Total Liabilities		163,848	155,807
Contingencies and Commitments	15		
Total Equity and Liabilities		990,065	985,508

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


					
Raza Kuli Khan Khattak CHAIRMAN	Gohar Ayub Khan CHIEF EXECUTIVE	M. Imran Malik DIRECTOR	Mrs. Shahnaz Sajjad Ahmed DIRECTOR	Amir Raza PRINCIPAL OFFICER	Ashfaq Ahmed CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE 3RD QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		For the 3rd Quarter		Cumulative	
		July	July	January	January
		to Sept.,	to Sept.,	to Sept.,	to Sept.,
		2021	2020	2021	2020
Note		(Rupees in thousand)			
		-----	-----	-----	-----
Net insurance premium	16	15,813	16,418	54,305	45,586
Net insurance claims	17	(16,950)	(7,763)	(29,176)	(17,500)
Premium deficiency		-	-	-	(454)
Net commission	18	(2,301)	(3,610)	(8,382)	(9,113)
Insurance claims and expense		(19,251)	(11,373)	(37,558)	(27,067)
Management expenses	19	(19,831)	(21,724)	(62,312)	(60,744)
Underwriting results		(23,269)	(16,679)	(45,565)	(42,225)
Income on Investments	20	3,903	21,715	10,638	6,408
Rental income		275	264	831	787
Other income	21	138	537	626	2,514
Other expenses	22	(1,137)	(1,035)	(3,922)	(3,660)
Results of operating activities		(20,090)	4,802	(37,392)	(36,176)
Share of profit / (loss) of associates - net	8	10,601	(45,572)	33,315	(65,561)
Loss before taxation		(9,489)	(40,770)	(4,077)	(101,737)
Taxation					
- current		(331)	(431)	(1,167)	(1,186)
- prior year		-	-	(865)	-
- deferred		3,855	(77)	2,617	(296)
		3,524	(508)	585	(1,482)
Loss after taxation		(5,965)	(41,278)	(3,492)	(103,219)
		-----	-----	-----	-----
		Rupee			
Loss per share (after taxation)		(0.12)	(0.83)	(0.07)	(2.06)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


M. Imran Malik
DIRECTOR


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 3RD QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	For the 3rd Quarter		Cumulative	
	July to Sept., 2021	July to Sept., 2020	January to Sept., 2021	January to Sept., 2020
	----- (Rupees in thousand) -----			
Loss for the period after taxation	(5,965)	(41,278)	(3,492)	(103,219)
Other comprehensive (loss) / gain				
Unrealised (loss) / gain on available-for-sale investments	(68)	83	(65)	15
Impact of deferred taxation on remeasurement of available-for-sale investments	20	(24)	19	(4)
	(48)	59	(46)	11
Net share of other comprehensive (loss) / income of associates - net of taxation	-	5	(231)	5
Total comprehensive loss for the period	<u>(6,013)</u>	<u>(41,214)</u>	<u>(3,769)</u>	<u>(103,203)</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


M. Imran Malik
DIRECTOR


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Amir Raza
PRINCIPAL OFFICER



Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Attributable to equity holders of the Company						
	Share capital	Capital Reserves			Fair value reserve on available-for-sale investments	(Accumulated loss) / unappropriated profit	Total
		Share premium	Others	Revaluation surplus on fixed assets			
	(Rupees in thousand)						
Balance as at December 31, 2019 - audited	500,000	13,824	18	291,636	280	16,356	822,114
Transfer from revaluation surplus on buildings on account of incremental depreciation	-	-	-	(1,035)	-	1,035	-
Deferred tax adjustment	-	-	-	300	-	-	300
Miscellaneous items of associates accounted for under equity method	-	-	-	94,810	-	201	95,011
Loss for the nine months period ended September 30, 2020	-	-	-	-	-	(103,219)	(103,219)
Other comprehensive income for the nine months period ended September 30, 2020	-	-	-	-	11	5	16
Total comprehensive income / (loss) for the nine months period ended September 30, 2020	-	-	-	-	11	(103,214)	(103,203)
Balance as at September 30, 2020 - un-audited	500,000	13,824	18	385,711	291	(85,622)	814,222
Profit for the quarter ended December 31, 2020	-	-	-	-	-	15,374	15,374
Other comprehensive income for the quarter ended December 31, 2020	-	-	-	-	22	-	22
Total comprehensive income for the quarter ended December 31, 2020	-	-	-	-	22	15,374	15,396
Transfer from revaluation surplus on buildings on account of incremental depreciation	-	-	-	(348)	-	348	-
Deferred tax adjustment	-	-	-	101	-	-	101
Miscellaneous items of associates accounted for under equity method	-	-	-	(329)	-	311	(18)
Balance as at December 31, 2020 - audited	500,000	13,824	18	385,135	313	(69,589)	829,701
Transfer from revaluation surplus on buildings on account of incremental depreciation	-	-	-	(983)	-	983	-
Deferred tax adjustment	-	-	-	285	-	-	285
Miscellaneous items of associates accounted for under equity method	-	-	-	(334)	-	334	-
Loss for the nine months period ended September 30, 2021	-	-	-	-	-	(3,492)	(3,492)
Other comprehensive loss for the nine months period ended September 30, 2021	-	-	-	-	(46)	(231)	(277)
Total comprehensive loss for the nine months period ended September 30, 2021	-	-	-	-	(46)	(3,723)	(3,769)
Balance as at September 30, 2021 - Un-audited	500,000	13,824	18	384,103	267	(71,995)	826,217

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


M. Imran Malik
DIRECTOR


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Nine months period ended	
	Sept. 30, 2021	Sept. 30, 2020
	('Rupees in thousand)	
Operating Cash Flows		
a) Underwriting activities		
Insurance premium received	75,684	86,298
Reinsurance premium paid	(39,943)	(38,059)
Claims paid	(43,480)	(23,351)
Reinsurance and other recoveries received	17,682	6,164
Commission paid	(12,097)	(13,805)
Commission received	6,173	4,092
Management expenses paid	(51,889)	(48,174)
Net cash outflows from underwriting activities	(47,870)	(26,835)
b) Other operating activities		
Income tax paid	(4,057)	(1,071)
Other operating payments	(4,019)	(3,796)
Other operating receipts	199	192
Loans advanced	968	(1,212)
Other receipts - net	15,035	(6,646)
Net cash inflows / (outflow) from other operating activities	8,126	(12,533)
Total cash outflows from all operating activities	(39,744)	(39,368)
Investment activities		
Profit / return received	4,969	6,883
Rental received	831	787
Payment for investments	(20,496)	(11,131)
Proceeds from redemption of investments	50,688	10,500
Fixed capital expenditure	(388)	(598)
Proceeds from sale of fixed assets	-	536
Total cash inflows from investing activities	35,604	6,977
Cash flows from financing activities	-	-
Net cash outflows from all activities	(4,140)	(32,391)
Cash and cash equivalents at beginning of the period	9,332	46,376
Cash and cash equivalents at end of the period	5,192	13,985



Reconciliation to Condensed Interim Statement of Profit or Loss

Nine months period ended

Sept. 30, 2021 Sept. 30, 2020

Rupees in thousand

Operating cash flows	(39,744)	(39,368)
Depreciation expense	(2,480)	(2,808)
Provision for doubtful insurance / reinsurance receivables	(5,406)	(6,536)
Gain on disposal of fixed assets	-	243
Increase in assets other than cash	8,065	36,931
Increase in liabilities	(6,925)	(32,057)
	(46,490)	(43,595)

Other adjustments

Income on investments	10,638	6,408
Share of profit / (loss) of associates - net	33,315	(65,561)
Change in premium deficiency reserve	-	(454)
Assets written-off	-	(14)
Rental income	831	787
Provision for leave encashment	(2,177)	(2,599)
Sale of scrap	114	-
Profit on savings accounts	277	1,809
	42,998	(59,624)

Loss after taxation

(3,492) (103,219)

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 Statement of Cash Flows consists of:

Cash and cash equivalents

Cash-in-hand and policy stamps **156 93**


Current and other accounts

Current accounts	722	2,616
Saving accounts	4,314	11,276
	5,036	13,892

Total cash and cash equivalents

5,192 13,985

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


M. Imran Malik
DIRECTOR


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

1. Legal status and nature of business

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 Act, 2017). The Company is listed on Pakistan Stock Exchange Limited 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. Presently, the Company is operating through one (2020: one) branch in Pakistan.

The Company is a Subsidiary of Bibojee Services (Pvt.) Limited (the Holding Company), which holds 42,981,788 (December 31, 2020: 42,981,788) ordinary shares of the Company at the period-end.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017.

Where the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 have been followed.

3. Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except for investments at fair value through profit or loss and available-for-sale investments, which are stated at fair value, held to maturity investments, which are stated at amortised cost and land & buildings, which are stated at revalued amounts.

4. Accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended December 31, 2020.

5. Standards, amendments and interpretations to approved accounting standards that are effective in current period

- 5.1 Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on January 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.



- 5.2 In addition to above, the following standards, amendments and interpretations to accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments and interpretations:

Standards, amendments and interpretations	Effective date (accounting period beginning on or after)
- IFRS 17, Insurance contracts	January 01, 2023
- IFRS 9, Financial instruments	January 01, 2022*

* The management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 are given in note 25 to these condensed interim financial statements.

6. Accounting estimates, judgments and financial risk management

- 6.1 The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 6.2 Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended December 31, 2020.
- 6.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2020.

7. Property and equipment - Operating assets	Un-audited Sept. 30, 2021	Audited Dec. 31, 2020
	(Rupees in thousand)	
Opening book value	188,466	191,912
Additions / revaluation made during the period / year:		
- furniture and fixture	-	16
- office equipment	-	56
- computer equipment	301	186
- vehicles	87	353
	388	611
Book values of assets disposed-off during the period / year:		
- Office equipment	-	48
- vehicles	-	244
Book values of assets written-off during the period / year:		
- vehicles	-	14
Depreciation charge for the period / year	2,480	3,751
Closing book value	186,374	188,466



8. Investments in Associates - Quoted

Bannu Woollen Mills Ltd. (BWM)

	Un-audited Sept. 30, 2021	Audited Dec. 31, 2020
Carrying value at beginning of the year		
8,940 (2020: 8,940) ordinary shares of Rs. 10 each	2,603	2,610
Share of loss after taxation	(1)	(6)
Other changes in comprehensive (loss) / income	(13)	46
Share of items directly recognised in equity	4	(47)
	2,593	2,603

Ghandhara Industries Ltd. (GIL)

Carrying value at beginning of the year		
2,368,296 (2020: 2,368,296) ordinary shares of Rs. 10 each	282,117	252,309
Share of profit / (loss) after taxation	33,316	(65,191)
Other changes in comprehensive loss	(218)	(41)
Share of surplus on revaluation of property, plant and equipment of GIL	-	95,040
	315,215	282,117
	317,808	284,720

8.1 Market values of the Company's investments in BWM and GIL as at September 30, 2021 were Rs.373 thousand (December 31, 2020: Rs.420 thousand) and Rs.461.747 million (December 31, 2020: Rs.773.059 million) respectively.

9. Investments in equity securities

	Note		
Available-for-sale investments	9.1	550	615
Investments at fair value through profit or loss	9.2	110,367	134,372
		110,917	134,987

9.1 Available-for-sale investments

Listed shares	No. of shares / units as at Sept. 30, 2021	September, 30, 2021			No. of shares / units as at Dec. 31, 2020	December 31, 2020		
		Cost	Unrealised gain / (impairment)	Carrying value		Cost	Unrealised gain / (impairment)	Carrying value
		----- (Rupees in thousand) -----				----- (Rupees in thousand) -----		
Hamid Textile Mills Ltd.	49,000	490	(490)	-	49,000	490	(490)	-
Pakistan National Shipping Corporation	888	24	31	55	888	24	57	81
Mutual fund								
JS Growth Fund	2,968	135	360	495	2,968	135	399	534
		649	(99)	550		649	(34)	615



9.2 Investments at fair value through profit or loss

Mutual funds	No. of units	Cost	Un-realised (loss) / gain	Carrying and fair value
September 30, 2021				
----- (Rupees in thousand) -----				
HBL Growth and Cash Fund	13,967	520	(263)	257
NBP Islamic Mahana Amdani Fund	10,722,057	107,577	2,533	110,110
		<u>108,097</u>	<u>2,270</u>	<u>110,367</u>
December 31, 2020				
HBL Growth and Cash Fund	13,962	520	(255)	265
NBP Islamic Mahana Amdani Fund	12,936,963	130,984	3,123	134,107
		<u>131,504</u>	<u>2,868</u>	<u>134,372</u>

10. Investments in debt securities (Held to maturity)

	No. of certificates	Face value	Value of certificates	
	Un-audited	Audited	Un-audited	Audited
	Sept. 30, 2021	Dec. 31, 2020	Sept. 30, 2021	Dec. 31, 2020
----- (Rupees in thousand) -----				
Pakistan Investment Bonds - PIBs (including accrued interest)	7	8	54,500	54,170
			<u>55,362</u>	

10.1 Profit on PIBs is received bi-annually. Market value of these PIBs as at September 30, 2021 was Rs.51.534 million (December 31, 2020: Rs.52.462 million)

10.2 Investments in PIBs have been made to meet the statutory requirements of section 29(2)(a) of the Insurance Ordinance, 2000.

11. Insurance / reinsurance receivables	Un-audited	Audited
Unsecured and considered good	Sept. 30, 2021	Dec. 31, 2020
	Rupees in thousand	
Due from insurance contract holders	56,882	70,009
Less: provision for impairment of receivables from insurance contract holders	(56,882)	(70,009)
	-	-
Due from other insurers	129,671	140,548
Due from reinsurers	21,818	21,443
Less: provision for impairment of due from other insurers / reinsurers	(44,946)	(39,540)
	<u>106,543</u>	<u>122,451</u>
	<u>106,543</u>	<u>122,451</u>

11.1 The balances as at September 30, 2021 relating to insurance / reinsurance receivables and payables are although unconfirmed but are considered to be accurately stated by the management.

11.2 No balance was due from Associated Companies as at September 30, 2021 and December 31, 2020.



12. Deferred taxation - net	Un-audited	Audited
This is composed of the following:	Sept. 30,	Dec. 31,
	2021	2020
Taxable temporary differences arising in respect of:	Rupees in thousand	
- accelerated tax depreciation allowances	1,805	1,766
- surplus on revaluation of buildings	12,073	12,363
- surplus on revaluation of investment property	3,880	3,880
	17,758	18,009
Deductible temporary differences arising in respect of:		
- unused tax losses	42,609	36,904
- provision for doubtful insurance / reinsurance receivables and others	29,920	32,159
- employee's retirement benefits	631	969
- minimum tax recoverable against normal tax charge in future years	4,526	4,984
	77,686	75,016
	59,928	57,007
13. Prepayments		
Prepaid reinsurance premium ceded	22,500	21,640
Others	1,714	867
	24,214	22,507
14. Cash and bank balances		
Cash and cash equivalents		
Cash-in-hand	155	124
Policy stamps	1	-
Cash at commercial banks		
- Current accounts	722	2,652
- Savings accounts	4,314	6,556
	5,036	9,208
Deposits maturing within 12 months		
Term deposit receipts	855	855
Provision for impairment	(855)	(855)
	-	-
	5,192	9,332
15. Contingencies and commitments		
15.1 Except for the following significant changes in the status of contingencies, there has been no change in the status of contingencies as disclosed in notes 22.1 to 22.11 to the Company's audited financial statements for the year ended December 31, 2020:		
15.2 (Refer Note 22.1) The Appellate Tribunal Inland Revenue (ATIR) in case titled "CIR vs UIC" (Tax Year 2009) has upheld the order passed by the Learned CIR (A) and accordingly the Departmental Appeal has been dismissed.		
15.3 (Refer Note 22.2) The ATIR in case titled "CIR vs UIC" (Tax Year 2008) has upheld the order passed by the Learned CIR (A) and accordingly the Departmental Appeal has been dismissed.		
15.4 (Refer Note 22.4) The Honorable Supreme Court of Pakistan, Islamabad in cases titled "CIR vs UIC" in respect of forced recovery of Rs. 23.831 million made by the Department, has while setting aside the order of Lahore High Court, Lahore remanded back these three appeals to Lahore High Court, Lahore with the direction to decide afresh. Meanwhile, the Company has preferred to file the civil review petition before the Honorable Supreme Court of Pakistan, Islamabad.		



- 15.5** (Refer Note 22.9) The execution petition pending before the Insurance Tribunal in case titled “Shad & Co vs UIC” asking for recovery of alleged liquidated damages for Rs. 25.547 million approximately is yet pending adjudication. However, the Company has made payment of liquidated damages for Rs. 764,688 in full and final settlement of claim, hence no provision is made in the accounts as the Company considers that it has fully discharge it's liability against alleged and exaggerated demand of liquidated damages by the policyholder M/s. Shad & Co.
- 15.5** (Refer Note 22.10) Suit filed by M/s. Chancellor Overseas has been compromised, out of court, for Rs. 1.0 million and accordingly Insurance Tribunal, Lahore has dismissed the case as withdrawn by the plaintiff.
- 15.6** (Refer note 22.11) The appeal filed by the Company in case titled “UIC vs Karim Gul” has been dismissed by the Honorable Supreme Court of Pakistan, Islamabad. The Company therefore, opted to file civil review petition before the apex Court.
- 15.7** No commitments were outstanding as at June 30, 2021 and December 31, 2020.

16. Net insurance premium

	For the 3rd Quarter		Cumulative	
	July to Sept., 2021	July to Sept., 2020	January to Sept., 2021	January to Sept., 2020
	----- (Rupees in thousand) -----			
Written gross premium	51,079	57,166	75,684	86,298
Add: unearned premium reserve opening	20,452	20,163	62,720	41,338
Less: unearned premium reserve closing	45,016	48,577	45,016	48,577
Premium earned	26,515	28,752	93,388	79,059
Less: reinsurance premium ceded	28,622	29,020	39,943	38,058
Add: prepaid reinsurance premium opening	4,580	5,578	21,640	17,679
Less: prepaid reinsurance premium closing	22,500	22,264	22,500	22,264
Reinsurance expense	10,702	12,334	39,083	33,473
	15,813	16,418	54,305	45,586

17. Net insurance claims expense

Claims paid	21,437	8,724	43,480	23,351
Add: outstanding claims including IBNR closing	55,987	41,858	55,987	41,858
Less: outstanding claims including IBNR opening	32,415	41,866	35,472	35,375
Claims expense	45,009	8,716	63,995	29,834
Less: reinsurance and other recoveries received	10,496	952	17,682	6,164
Add: reinsurance and other recoveries in respect of outstanding claims closing	43,312	32,373	43,312	32,373
Less: reinsurance and other recoveries in respect of outstanding claims opening	25,749	32,372	26,175	26,203
Reinsurance and other recoveries revenue	28,059	953	34,819	12,334
	16,950	7,763	29,176	17,500

18. Net commission expense

Commission paid or payable	8,385	9,936	12,207	14,566
Add: deferred commission expense opening	2,951	3,108	9,967	6,796
Less: deferred commission expense closing	7,440	8,236	7,440	8,236
Net commission	3,896	4,808	14,734	13,126
Less: commission received or recoverable	4,436	3,137	6,173	4,092
Add: unearned reinsurance commission opening	771	734	3,791	2,594
Less: unearned reinsurance commission closing	3,612	2,673	3,612	2,673
Commission from reinsurers	1,595	1,198	6,352	4,013
	2,301	3,610	8,382	9,113



19. Management expenses

	For the 3rd Quarter		Cumulative	
	July to Sept., 2021	July to Sept., 2020	January to Sept., 2021	January to Sept., 2020
	----- Rupees in thousand -----			
Employees' benefit cost	14,116	13,113	40,800	42,968
Travelling	141	47	530	330
Advertisements and business promotion	-	15	42	110
Printing and stationery	49	36	309	208
Depreciation	843	943	2,480	2,808
Rent, rates and taxes	428	118	628	468
Legal and professional charges - business related	383	516	5,673	1,640
Electricity, gas and water	636	614	1,552	1,379
Entertainment	162	107	597	349
Vehicles' running	883	832	2,625	2,424
Office repairs and maintenance	123	62	316	224
Bank charges	28	27	61	51
Postage, telegrams and telephone	220	225	725	726
Annual supervision fee SECP	25	25	75	75
Provision for doubtful insurance / reinsurance receivables	1,487	4,737	5,406	6,536
Miscellaneous	307	307	493	448
	19,831	21,724	62,312	60,744

20. Income on investments

Income from equity securities				
- Dividend income	1	-	6,335	-
- Realized gain on investments at fair value through profit or loss	170	1,086	897	1,086
Income from debt securities (held to maturity)				
- Return on fixed income securities and deposits	1,412	1,395	4,004	4,203
Net unrealised (loss) / gain on investments at fair value through profit or loss	2,320	19,234	(598)	1,119
	3,903	21,715	10,638	6,408

21. Other income

Income from financial assets				
Profit on savings accounts	37	214	277	1,809
Payable balances written-back	-	270	36	270
	37	484	313	2,079
Income from non-financial assets				
Fronting fee	101	-	199	192
Gain on disposal of fixed assets	-	53	-	243
Sale of scrap	0	-	114	-
	101	53	313	435
	138	537	626	2,514

22. Other expenses

Legal & professional fees other than business related	107	110	607	431
Auditors' remuneration	225	207	926	834
Donations	-	-	-	58
Subscription	454	136	635	529
Insurance	166	363	1,096	1,137
Office expenses	85	81	246	251
Assets written-off	-	14	-	14
Repair and maintenance of computer equipment	70	22	259	92
Others	30	102	153	314
	1,137	1,035	3,922	3,660



23. Transactions with Related Parties

Related parties comprise of the Holding Company, Associated Companies and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Details of significant transactions with related parties during the period of nine months ended are as follows:

		Sept. 30, 2021	Sept. 30, 2020
	Nature of transaction	Rupees In thousand	
i) Associated Companies due to common directorship			
Janana De Malucho Textile Mills Ltd. (an Associated Company)	Salaries & benefits - shared expenses charged	1,876	1,457
ii) Key management personnel			
Salary and other employment benefits		24,533	23,779
Period end balances			
Loan - receivable		1,250	1,850

24. Segment Information

Nine months period ended September 30, 2021

	Fire and property damage	Marine and transport	Motor	Others	Total
(Rupees in thousand)					
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	38,029	7,406	25,552	6,500	77,487
Less: Federal excise duty	-	478	1,015	183	1,676
Federal insurance fee	-	37	77	13	127
Gross written premium (inclusive of administrative surcharge)	38,029	6,891	24,460	6,304	75,684
Gross direct premium	492	3,630	7,577	1,276	12,975
Facultative inward premium	37,534	3,212	16,826	5,000	62,572
Administrative surcharge	3	49	57	28	137
Insurance premium earned	37,630	6,991	42,981	5,786	93,388
Insurance premium ceded to reinsurers	31,006	4,152	615	3,310	39,083
Net insurance premium	6,624	2,839	42,366	2,476	54,305
Commission income	5,156	713	-	483	6,352
Net underwriting income	11,780	3,552	42,366	2,959	60,657
Insurance claims	33,026	3,941	19,666	7,362	63,995
Insurance claims recovered from reinsurers	25,984	2,858	-	5,977	34,819
Net claims	7,042	1,083	19,666	1,385	29,176
Commission expense	7,588	1,207	5,009	930	14,734
Management expenses	31,310	5,674	20,138	5,190	62,312
Net insurance claims and expenses	45,940	7,964	44,813	7,505	106,222
Underwriting result	(34,160)	(4,412)	(2,447)	(4,546)	(45,565)
Income on investments					10,638
Rental income					831
Other income					626
Other expenses					(3,922)
Share of profit of associates - net					33,315
Loss before taxation					(4,077)
As at September 30, 2021 (Un-audited)					
Segment assets	103,980	15,806	44,215	15,794	179,795
Unallocated assets					810,270
					990,065
Segment liabilities	99,078	13,110	24,496	14,914	151,598
Unallocated liabilities					12,250
					163,848



Nine months period ended September 30, 2020

	Fire and property damage	Marine and transport	Motor	Others	Total
	(Rupees in thousand)				
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	38,321	8,321	37,175	4,109	87,926
Less: Federal excise duty	67.00	358	983	106	1,514
Federal insurance fee	4.00	28	74	8	114
Gross written premium (inclusive of administrative surcharge)	38,250	7,935	36,118	3,992	86,298
Gross direct premium	417	2,706	7,360	793	11,276
Facultative inward premium	37,832	5,184	28,692	3176	74,884
Administrative surcharge	1.00	45	66	23	135
	38,250	7,935	36,118	3,992	86,298
Insurance premium earned	32,376	5,650	33,911	7,122	79,059
Insurance premium ceded to reinsurers	26,431	2,903	552	3,587	33,473
Net insurance premium	5,945	2,747	33,359	3,535	45,586
Commission income	3,236	348	-	429	4,013
Net underwriting income	9,181	3,095	33,359	3,964	49,599
Insurance claims	13,987	3,095	10,825	1,927	29,834
Insurance claims recovered from reinsurers	11,619	1,701	(1,402)	416	12,334
Net claims	2,368	1,394	12,227	1,511	17,500
Commission expense	6,501	1,138	4,312	1,175	13,126
Management expenses	26,924	5,585	25,423	2,812	60,744
Premium deficiency expense	2,248	(1,595)	695	(894)	454
Net insurance claims and expenses	38,041	6,522	42,657	4,604	91,824
Underwriting result	(28,860)	(3,427)	(9,298)	(640)	(42,225)
Income on investments					6,408
Rental income					787
Other income					2,514
Other expenses					(3,660)
Share of loss of associates - net					(65,561)
Loss before taxation					(101,737)
As at December 31, 2020 (Audited)					
Segment assets	99,764	17,283	49,302	13,884	180,233
Unallocated assets					805,275
					985,508
Segment liabilities	77,590	12,632	43,968	8,852	143,042
Unallocated liabilities					12,765
					155,807

25. Temporary exemption from application of IFRS 9

The management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosure, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9.



25.1 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

'Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

'Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

30 September, 2021											
Particulars	Carrying value							Fair value hierarchy			
	Note	Available for sale / FVTPL	Held to maturity	Other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees in thousand -----											
Financial assets - measured at fair value											
Equity share - Quoted	9.1	55	-	-	-	-	55	55	-	-	55
Mutual funds - JS Growth fund	9.1	495	-	-	-	-	495	-	-	-	-
Mutual funds	9.2	110,367	-	-	-	-	110,367	-	-	-	-
Financial assets - not measured at fair value*											
Debt securities	10	-	54,170	-	-	-	54,170	-	-	-	-
Loans and other receivables		-	-	33,759	-	-	33,759	-	-	-	-
Insurance / reinsurance receivables	11	-	-	106,543	-	-	106,543	-	-	-	-
Reinsurance recoveries against outstanding claims		-	-	43,312	-	-	43,312	-	-	-	-
Prepayment	13	-	-	24,214	-	-	24,214	-	-	-	-
Cash and bank	14	-	-	-	5,192	-	5,192	-	-	-	-
		110,917	54,170	207,828	5,192	-	378,107	55	-	-	55
Financial liabilities - not measured at fair value*											
Outstanding claims (including IBNR)		-	-	-	-	55,987					
Long term deposits		-	-	-	-	107					
Insurance / reinsurance payables	11.1	-	-	-	-	46,983					
Unclaimed dividend		-	-	-	-	555					
Other creditors and accruals		-	-	-	-	11,588					
		-	-	-	-	115,220					

* The carrying amounts of financial assets and liabilities which are not measured at fair value are considered to be reasonable approximation of their fair values and based on the presumption that these are short term in nature.



31 December, 2020											
Particulars	Carrying value							Fair value hierarchy			
	Note	Available for sale / FVTPL	Held to maturity	Other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

----- Rupees in thousand -----

Financial assets - measured at fair value

Equity share - Qouted	9.1	81	-	-	-	-	81	81	-	-	81
Mutual funds - JS Growth fund	9.1	534	-	-	-	-	534	-	-	-	-
Mutual funds	9.2	134,372	-	-	-	-	134,372	-	-	-	-

Financial assets - not measured at fair value*

Debt securities	10	-	55,362	-	-	-	55,362	-	-	-	-
Loans and other receivables		-	-	35,063	-	-	35,063	-	-	-	-
Insurance / reinsurance receivables	11	-	-	122,451	-	-	122,451	-	-	-	-
Reinsurance recoveries against outstanding claims		-	-	26,175	-	-	26,175	-	-	-	-
Prepayment	13	-	-	22,507	-	-	22,507	-	-	-	-
Cash and bank	14	-	-	-	9,332	-	9,332	-	-	-	-
		134,987	55,362	206,196	9,332	-	405,877	81	-	-	81

Financial liabilities - not measured at fair value*

Outstanding claims (including IBNR)	-	-	-	-	35,472	
Long term deposits	-	-	-	-	62	
Insurance / reinsurance payables	-	-	-	-	41,059	
Unclaimed dividend	-	-	-	-	555	
Other creditors and accruals	-	-	-	-	12,148	
	-	-	-	-	89,296	

* The carrying amounts of financial assets and liabilities which are not measured at fair value are considered to be a reasonable approximation of their fair values and based on the presumption that these are short term in nature.

26. Impact of COVID-19 pandemic on financial statements

Management has assessed the accounting implications of COVID-19 on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements.



27. Corresponding figures

In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes and condensed interim statement of cash flows in equity have been compared with the balances of comparable period of the immediately preceding financial year.

28. Date of authorisation for issue

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on October 30, 2021.


Raza Kuli Khan Khattak
CHAIRMAN


Gohar Ayub Khan
CHIEF EXECUTIVE


M. Imran Malik
DIRECTOR


Mrs. Shahnaz Sajjad Ahmed
DIRECTOR


Amir Raza
PRINCIPAL OFFICER


Ashfaq Ahmed
CHIEF FINANCIAL OFFICER

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