



**CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE
SIX MONTHS PERIOD ENDED
JUNE 30**

2014



THE UNIVERSAL INSURANCE CO. LTD.
UNIVERSAL INSURANCE HOUSE
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LAHORE-54000 PAKISTAN.
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BIBOJEE GROUP



The Universal Insurance Co. Ltd.

contents



Vision Statement	02
Mission Statement / Quality Policy	03
Corporate Information	04
Directors' Review	05
Auditor Report to the Members on Review of Condensed Interim Financial Information	06
Balance Sheet	08
Profit & Loss Account	09
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Statement of Premiums	15
Statement of Claims	16
Statement of Expenses	17
Statement of Investment Income	18
Notes to the Financial Statement	19

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 and ensure strict compliance by conducting regular internal audits 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
	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. Pervez Iftikhar Ahmed Khan
	Mr. Muhammad Imran Malik
	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. Riaz Ahmed & Company Chartered Accountants
Legal Advisor	Mr. Abrar Hasan Advocate
Share Registrar	M/S Hameed Majeed Associates (Pvt) Ltd. H.M House, 7-Bank Square, Lahore Phone # 042-37235081-82 Fax: # 042-37358817
Registered Office:	Universal Insurance House 63-Shahrah-e-Quaid-e-Azam Lahore, 54000 Pakistan. Ph: 042-37353453-37353458 Fax: 042-37230326 Web: www.uic.com.pk Email: info@uic.com.pk



DIRECTOR'S REVIEW

On behalf of the Board of Directors I am presenting the un-audited financial statements of the company for the period ended 30th June, 2014.

FINANCIAL PERFORMANCE

The Gross Premium of the company has reduced by Rs. 38.607 million as compared to the Gross Premium of half year ended 2013. However there is underwriting profit of Rs. 2.193 million against the underwriting loss of Rs. 9.847 in the half year accounts of last year.

	2014	2013
	----- Rupees in million -----	
Gross premium	36.950	75.557
Net premium	19.408	65.633
Profit / (loss) from underwriting business	2.193	(9.847)
Net claims expense	(3.091)	36.260
Management / administrative expenses	59.631	84.406
Capital and reserves	132.109	97.047
Profit/(Loss) before taxation	(24.726)	(52.105)
Profit/(Loss) after taxation	(29.934)	(55.386)
Profit/(Loss) per share	(0.97)	(1.85)

It is informed to the shareholders that those claims were closed which the management believes would not be payable after consulting with the legal council.

FUTURE OUTLOOK

The business performances of the Branches are being monitored on quarterly basis and the branches with satisfactory performance are encouraged to produce more business. Al HamduLillah on the basis of our financial for the year ended 2013 our credit rating has been improved from BBB - (Triple B minus) to BBB+ (Triple B plus) stable outlook which would certainly be helpful to re- capture the lost business on this account. The present marketing team is being motivated to generate high quality business through adopting risk assessment policy.

For & on behalf of the Board of Directors

Raza Kuli Khan Khattak
Chairman

Dated : August 31, 2014

Place : Lahore



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 2014 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 premium
- (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.

Basis for Qualified Conclusion

Based on the advice of the legal counsel, the management believes that claims under litigation amounting to Rupees 46.725 million are no more payable. Therefore, such claims have been



netted off with claim expense in this condensed interim financial information. The management has been advised by the legal counsel that such claims are long outstanding and are not being actively pursued by the plaintiffs, in most of the cases. However, as these cases have not finally been determined by the relevant courts of law, hence, the ultimate outcome of the claims under litigation cannot be presently determined. Therefore, reversal of claims payable at this point of time is not appropriate. Had these claims payable not been reversed, provision for outstanding claims (including IBNR) as on 30 June 2014 and loss after taxation for the half year ended 30 June 2014 would have been higher by Rupees 46.725 million.

Qualified Conclusion

Based on our review, except for the matter referred in the preceding paragraph, 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 2014 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 2014 and 2013 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 2014.

RIAZ AHMAD & COMPANY

Chartered Accountants

Name of engagement partner:

Syed Mustafa Ali

Date:

LAHORE



THE UNIVERSAL INSURANCE COMPANY LIMITED CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2014

Note	Un-audited	Audited	Note	Un-audited	Audited
	30 June 2014	31 December 2013		30 June 2014	31 December 2013
(Rupees in thousand)					
SHARE CAPITAL AND RESERVES					
Authorized share capital 50,000,000 (31 December 2013: 50,000,000) ordinary shares of Rupees 10 each	500,000	500,000			
Issued, subscribed and paid-up share capital 37,000,000 (31 December 2013: 30,000,000) Ordinary shares of Rupees 10 each	370,000	300,000			
Accumulated loss	(252,380)	(236,603)			
Reserves	14,489	14,489			
	(237,891)	(222,114)			
TOTAL EQUITY	132,109	77,886			
Share deposit money	-	70,000			
Surplus on revaluation of fixed assets	230,981	240,332			
UNDERWRITING PROVISIONS					
Provision for outstanding claims (including IBNR)	274,464	363,735			
Premium deficiency reserve	1,159	620			
Provision for unearned premium	20,599	23,297			
Commission income unearned	1,769	2,232			
Total underwriting provisions	297,991	379,884			
DEFERRED LIABILITY					
Employee benefit - unfunded	7,517	6,052			
CREDITORS AND ACCRUALS					
Premiums received in advance	782	365			
Amounts due to other insurers / reinsurers	51,937	52,018			
Accrued expenses	34,072	43,683			
Other creditors and accruals	50,663	61,464			
	137,454	157,530			
OTHER LIABILITIES					
Deposits against performance bonds	3,068	2,826			
Unclaimed dividends	610	610			
	3,678	3,436			
TOTAL LIABILITIES	446,640	546,902			
CONTINGENCIES AND COMMITMENTS					
TOTAL EQUITY AND LIABILITIES	809,730	935,120			
CASH AND BANK DEPOSITS					
Cash and other equivalents		179	8		
Current and other accounts		12,431		18,790	
Deposits maturing within 12 months		100,000		141,200	
		112,610		159,988	
INVESTMENTS					
		154,619	6	138,297	
DEFERRED TAXATION					
		33,191		33,191	
CURRENT ASSETS - OTHERS					
Premiums due but unpaid - unsecured		51,368	7	59,984	
Amounts due from other insurers / reinsurers - unsecured		112,677	8	118,349	
Accrued investment income		4,939		3,513	
Reinsurance recoveries against outstanding claims		128,030		182,884	
Taxation - payment less provision		7,683		7,258	
Deferred commission expense		3,318		3,761	
Prepayments		10,487		9,278	
Loans to employees - unsecured considered good		527		396	
Sundry receivables		7,805		17,049	
		326,834		402,472	
FIXED ASSETS - TANGIBLE					
OWNED					
Land and buildings		160,037		176,167	
Furniture, fixtures and office equipment		6,337		6,842	
Computer equipment		3,056		3,328	
Motor vehicles		13,046		14,825	
		182,476		201,162	
TOTAL ASSETS	809,730	935,120			

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

Raza Kuli Khan Khattak
CHAIRMAN

Begum Zohra Gulzar Khan
CHIEF EXECUTIVE

Mushtaq Ahmed Khan F.C.A.
DIRECTOR

M. Imran Malik
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 2014

	HALF YEAR ENDED 30 JUNE 2014					Half year ended 30 June 2014	Half year ended 30 June 2013
	Fire and Property Damage	Marine and Transport	Motor	Others	Treaty		
	(Rupees in thousand)						
Revenue account							
Net premium revenue	5,192	3,124	10,398	694	-	19,408	65,633
Net claims	5,352	1,326	(3,499)	(88)	-	3,091	(36,260)
Change in premium deficiency reserve	-	-	11	(550)	-	(539)	1,195
Management expenses	(6,219)	(4,295)	(6,296)	(1,469)	-	(18,279)	(31,934)
Net commission	(788)	508	(1,237)	29	-	(1,488)	(8,481)
	(7,007)	(3,787)	(7,533)	(1,440)	-	(19,767)	(40,415)
Underwriting result	3,537	663	(623)	(1,384)	-	2,193	(9,847)
Investment income						2,373	3,331
Rental income						6	645
Other income						9,657	3,297
						14,229	(2,574)
General and administration expenses						(41,137)	(52,220)
Financial charges						(215)	(252)
Share of profits from associates - net of tax						2,397	2,941
Loss before taxation						(24,726)	(52,105)
Taxation - Current						(403)	(151)
- Deferred						(4,805)	(3,130)
Loss after taxation						(29,934)	(55,386)
PROFIT AND LOSS APPROPRIATION ACCOUNT							
Balance of accumulated loss at the commencement of the period						(236,603)	(170,980)
Loss after taxation for the period						(29,934)	(55,386)
Items directly recognized in condensed interim statement of changes in equity						14,157	9,053
Balance of accumulated loss at the end of the period						(252,380)	(217,313)
Loss per share - basic and diluted - Rupees						(0.97)	(1.85)



THE UNIVERSAL INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014

	QUARTER ENDED 30 JUNE 2014					Quarter ended 30 June 2014	Quarter ended 30 June 2013
	Fire and Property Damage	Marine and Transport	Motor	Others	Treaty		
	(Rupees in thousand)						
Revenue account							
Net premium revenue	2,853	982	4,603	507	-	8,945	30,874
Net claims	2,351	(423)	(2,016)	(5,008)	-	(5,096)	(16,970)
Change in premium deficiency reserve	-	-	(64)	264	-	200	1,195
Management expenses	(2,504)	(1,836)	(3,305)	(680)	-	(8,325)	(15,056)
Net commission	(412)	294	(564)	20	-	(662)	(4,135)
	(2,916)	(1,542)	(3,869)	(660)	-	(8,987)	(19,191)
Underwriting result	2,288	(983)	(1,346)	(4,897)	-	(4,938)	(4,092)
Investment income						1,265	2,280
Rental income						3	351
Other income						4,746	51
						1,076	(1,410)
General and administration expenses						(29,403)	(30,994)
Financial charges						(108)	(118)
Share of profits from associates - net of tax						2,397	2,941
Loss before taxation						(26,038)	(29,581)
Taxation - Current						(403)	(151)
- Deferred						(4,805)	(3,115)
Loss after taxation						(31,246)	(32,847)
Loss per share - basic and diluted - Rupees						(1.01)	(1.09)

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

Raza Kuli Khan Khattak
CHAIRMAN

Begum Zubo Gulam Ayub Khan
CHIEF EXECUTIVE

Mushtaq Ahmed Khan F.C.A.
DIRECTOR

M. Imran Malik
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 2014

	HALF YEAR ENDED		QUARTER ENDED	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	----- (Rupees in thousand) -----			
LOSS AFTER TAXATION	(29,934)	(55,386)	(31,246)	(32,847)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(29,934)	(55,386)	(31,246)	(32,847)

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

Raza Kuli Khan Khattak
CHAIRMAN

Begum Zehra Ghohar Ayub Khan
CHIEF EXECUTIVE

Mushtaq Ahmed Khan F.C.A.
DIRECTOR

M. Imran Malik
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 2014

	CAPITAL RESERVES		REVENUE RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	SHARE PREMIUM	CAPITAL RESERVE			
	----- (Rupees in thousand) -----				
Balance as at 31 December 2012 - (audited)	300,000	4	18	14,338	143,380
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)
Balance as at 30 June 2013 - (un-audited)	300,000	4	18	(217,313)	97,047
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	1,105	1,105
Surplus on revaluation of fixed assets realised on disposal of buildings	-	-	-	12,571	12,571
Share of associates accounted for under equity method	-	-	-	44	44
Share of surplus on revaluation of fixed assets realised on disposal of investments in associates	-	-	-	735	735
Loss for the half year ended 31 December 2013	-	-	-	(33,711)	(33,711)
Other comprehensive loss for the half year ended 31 December 2013	-	-	-	(34)	(34)
Total comprehensive loss for the half year ended 31 December 2013	-	-	-	(33,745)	(33,745)
Balance as at 31 December 2013 - (audited)	300,000	4	18	(236,603)	77,886
Transfer of incremental depreciation from surplus on revaluation of buildings	-	-	-	899	899
Surplus on revaluation realised on disposal of building	-	-	-	13,256	13,256
Share of associates accounted for under equity method	-	-	-	2	2
Shares issued during the period	70,000	-	-	-	70,000
Loss for the half year ended 30 June 2014	-	-	-	(29,934)	(29,934)
Other comprehensive income for the half year ended 30 June 2014	-	-	-	-	-
Total comprehensive loss for the half year ended 30 June 2014	-	-	-	(29,934)	(29,934)
Balance as at 30 June 2014 - (un-audited)	370,000	4	18	(252,380)	132,109

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

Raza Kuli Khan Khattak
CHAIRMAN

Begum Zehra Ghohar Ayub Khan
CHIEF EXECUTIVE

Mushtaq Ahmed Khan F.C.A.
DIRECTOR

M. Imran Malik
DIRECTOR

Amir Raza
PRINCIPAL OFFICER

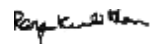

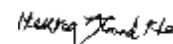




**THE UNIVERSAL INSURANCE COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014**

	Half year ended	
	30 June 2014	30 June 2013
(Rupees in thousand)		
OPERATING CASH FLOWS		
a) Underwriting activities		
Premiums received	37,269	86,298
Reinsurance premiums paid	(20,886)	(28,906)
Claims paid	(38,048)	(45,021)
Reinsurance and other recoveries received	16,722	13,651
Commissions paid	(6,518)	(13,375)
Commissions received	5,010	7,039
Net cash (outflow) / inflow from underwriting activities	(6,451)	19,686
b) Other operating activities		
Income tax paid	(828)	(577)
Management expenses paid	(24,033)	(23,921)
Other operating payments	(28,931)	(26,696)
Other operating receipts	1,406	1,067
Loans to employees - net	(131)	442
Other receipts - net	2,224	26,206
Net cash outflow from other operating activities	(50,293)	(23,479)
Total cash outflow from all operating activities	(56,744)	(3,793)
INVESTMENT ACTIVITIES		
Profit / return received	5,312	4,030
Dividends received	-	347
Rental income received	1,116	5
Payments for purchase of investment	(14,776)	-
Proceeds from disposal of investment	1,762	-
Fixed capital expenditure	(327)	(29)
Proceeds from disposal of fixed assets	16,484	11,574
Total cash inflow from investing activities	9,571	15,927
FINANCING ACTIVITIES		
Financial charges paid	(215)	(252)
Total cash outflow from financing activities	(215)	(252)
Net cash (outflow) / inflow from all activities	(47,388)	11,882
Cash at the beginning of the period	159,998	61,875
Cash at the end of the period	112,610	73,757



**THE UNIVERSAL INSURANCE COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014**

	Half year ended	
	30 June 2014	30 June 2013
(Rupees in thousand)		
RECONCILIATION TO CONDENSED INTERIM PROFIT AND LOSS ACCOUNT		
Operating cash flows	(56,744)	(3,793)
Depreciation	(3,588)	(5,064)
Provision for doubtful receivables	(11,010)	(23,836)
Financial charges	(215)	(252)
Gain / (loss) on disposal of fixed assets	1,059	(140)
Increase / (decrease) in assets other than cash	(64,543)	12,504
(Increase) / decrease in liabilities	95,593	(44,258)
	(39,448)	(64,839)
OTHER ADJUSTMENTS		
Profit on investments and deposits	2,373	3,331
Share of profits from associates - net of tax	2,397	2,941
Change in premium deficiency reserve	(539)	1,195
Rental income	6	645
Profit on term deposit receipts	5,277	1,341
	9,514	9,453
	(29,934)	(55,386)
Loss after taxation		
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	179	187
Current and other accounts		
Current accounts	8,590	30,286
Saving accounts	3,841	1,929
	12,431	32,215
Deposits maturing within 12 months		
Fixed and term deposits accounts	100,000	41,355
Total cash and cash equivalents	112,610	73,757
The annexed notes form an integral part of this condensed interim financial information.		
 Raza Kuli Khan Khattak CHAIRMAN	 Begum Zubo Gulshan Ayub Khan CHIEF EXECUTIVE	 Mushtaq Ahmed Khan F.C.A. DIRECTOR
	 M. Imran Malik DIRECTOR	 Amir Raza PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014

Class	Business underwritten inside Pakistan				Reinsurance				Net premium revenue		
	Premiums written		Premiums earned		Reinsurance ceded		Reinsurance premium ceded		Half year ended 30 June 2014	Half year ended 30 June 2013	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
Direct and facultative											
Fire and property damage	12,573	9,329	7,729	14,173	10,282	5,037	6,338	8,981	5,192	19,116	
Marine and transport	8,682	2,329	141	10,870	6,667	1,187	108	7,746	3,124	10,949	
Motor	12,727	10,876	10,777	12,826	2,517	2,066	2,155	2,428	10,398	34,082	
Others	2,968	763	1,952	1,779	1,420	603	938	1,085	694	1,486	
Total	36,950	23,297	20,599	39,648	20,886	8,893	9,539	20,240	19,408	65,633	
Treaty - Proportional											
Grand Total	36,950	23,297	20,599	39,648	20,886	8,893	9,539	20,240	19,408	65,633	



FOR THE QUARTER ENDED 30 JUNE 2014

Class	Premiums				Reinsurance				Net premium revenue	
	Premiums written		Premiums earned		Reinsurance ceded		Reinsurance premium ceded		Quarter ended 30 June 2014	Quarter ended 30 June 2013
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		
Direct and facultative										
Fire and property damage	5,381	6,655	7,729	6,307	3,733	6,059	6,338	3,454	2,853	10,508
Marine and transport	3,921	1,289	141	5,069	3,383	812	108	4,087	982	3,921
Motor	6,937	9,414	10,777	5,574	1,243	1,883	2,155	971	4,603	15,400
Others	1,441	1,730	1,952	1,219	525	1,125	938	712	507	1,045
Total	17,680	21,088	20,599	18,169	8,884	9,879	9,539	9,224	8,945	30,874
Treaty - Proportional										
Grand Total	17,680	21,088	20,599	18,169	8,884	9,879	9,539	9,224	8,945	30,874

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

Raza Kuli Khan
Raza Kuli Khan Khaifak
CHAIRMAN

Begum Zohra Ahsan
Begum Zohra Ahsan
CHIEF EXECUTIVE

Munshiq Ahmed Khan F.C.A.
Munshiq Ahmed Khan F.C.A.
DIRECTOR

M. Imran Malik
M. Imran Malik
DIRECTOR

Amir Raza
Amir Raza
PRINCIPAL OFFICER

THE UNIVERSAL INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014

Class	Business underwritten inside Pakistan				Reinsurance				Net claims expense	
	Claims paid		Outstanding claims		Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Half year ended 30 June 2014	Half year ended 30 June 2013
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		
Direct and facultative										
Fire and property damage	8,024	120,931	72,292	(40,615)	5,145	89,969	49,561	(35,263)	(5,352)	2,198
Marine and transport	11,335	93,625	76,289	(6,001)	9,444	76,060	61,941	(4,675)	(1,326)	3,472
Motor	13,860	107,262	98,437	5,035	693	9,748	10,591	1,536	3,499	25,028
Others	4,829	30,948	26,477	358	1,440	7,107	5,937	270	88	5,562
Total	38,048	352,766	273,495	(41,223)	16,722	182,884	128,030	(38,132)	(3,091)	36,260
Treaty - Proportional										
Grand Total	38,048	353,735	274,464	(41,223)	16,722	182,884	128,030	(38,132)	(3,091)	36,260



FOR THE QUARTER ENDED 30 JUNE 2014

Class	Business underwritten inside Pakistan				Reinsurance				Net claims expense	
	Claims paid		Outstanding claims		Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Quarter ended 30 June 2014	Quarter ended 30 June 2013
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		
Direct and facultative										
Fire and property damage	(1,535)	104,373	72,292	(33,616)	3,592	84,418	49,561	(31,265)	(2,351)	(233)
Marine and transport	901	71,936	76,289	5,254	244	57,354	61,941	4,831	423	3,888
Motor	(4,863)	90,623	98,437	2,951	693	10,349	10,591	935	2,016	12,367
Others	1,452	23,445	26,477	4,484	215	6,676	5,937	(524)	5,008	948
Total	(4,045)	290,377	273,495	(20,927)	4,744	158,797	128,030	(26,023)	5,096	16,970
Treaty - Proportional										
Grand Total	(4,045)	291,346	274,464	(20,927)	4,744	158,797	128,030	(26,023)	5,096	16,970

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

Raza Kuli Khan
Raza Kuli Khan Khaifak
CHAIRMAN

Begum Zohra Ahsan
Begum Zohra Ahsan
CHIEF EXECUTIVE

Munshiq Ahmed Khan F.C.A.
Munshiq Ahmed Khan F.C.A.
DIRECTOR

M. Imran Malik
M. Imran Malik
DIRECTOR

Amir Raza
Amir Raza
PRINCIPAL OFFICER

**THE UNIVERSAL INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)**

FOR THE HALF YEAR ENDED 30 JUNE 2014

Business underwritten inside Pakistan

Class	Deferred commission		Commissions paid or payable	Other management expenses		Underwriting expense	Commission from reinsurer	Net underwriting expense	
	Opening	Closing		Net commission expense	Closing			Half year ended 30 June 2014	Half year ended 30 June 2013
Direct and facultative									
Fire and property damage	2,155	2,147	3,520	6,219	9,747	2,740	7,007	16,581	
Marine and transport	456	32	1,599	4,295	6,318	2,531	3,787	7,034	
Motor	1,068	963	1,132	6,296	7,533	-	7,533	16,882	
Others	82	176	267	1,469	1,642	202	1,440	(182)	
Total	3,761	3,318	6,518	18,279	25,240	5,473	19,767	40,415	
Treaty - Proportional									
Grand Total	3,761	3,318	6,518	18,279	25,240	5,473	19,767	40,415	



FOR THE QUARTER ENDED 30 JUNE 2014

Class	Deferred commission		Commissions paid or payable	Other management expenses		Underwriting expense	Commission from reinsurer	Net underwriting expense	
	Opening	Closing		Net commission expense	Closing			Quarter ended 30 June 2014	Quarter ended 30 June 2013
Direct and facultative									
Fire and property	2,165	2,147	1,511	2,504	4,033	1,117	2,916	8,429	
Marine and transport	216	32	857	1,836	2,877	1,335	1,542	2,470	
Motor	856	963	671	3,305	3,869	-	3,869	8,090	
Others	192	176	97	680	793	133	660	202	
Total	3,429	3,318	3,136	8,325	11,572	2,585	8,987	19,191	
Treaty - Proportional									
Grand Total	3,429	3,318	3,136	8,325	11,572	2,585	8,987	19,191	

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
Raza Kuli Khan Khattak
CHAIRMAN

Begum Zohra Gulzar
Begum Zohra Gulzar Ayub Khan
CHIEF EXECUTIVE

Mushtaq Ahmed Khan
Mushtaq Ahmed Khan F.C.A.
DIRECTOR

M. Imran Malik
M. Imran Malik
DIRECTOR

Amir Raza
Amir Raza
PRINCIPAL OFFICER



**THE UNIVERSAL INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014**

Half year ended		Quarter ended	
30 June 2014	30 June 2013	30 June 2014	30 June 2013
------(Rupees in thousand)-----			

INCOME FROM TRADING INVESTMENTS

Dividend income

From related parties
From others

-	-	-	-
-	323	-	323
-	323	-	323

INCOME FROM NON-TRADING INVESTMENTS

Held to maturity

Return on fixed income securities

2,263	2,169	1,217	1,098
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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

20	-	-	-
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Gain on revaluation of investments at fair value through profit or loss

90	834	48	808
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(Provision) / reversal in value of available for sale investments - net

-	(19)	-	27
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Net investment income

<u>2,373</u>	<u>3,331</u>	<u>1,265</u>	<u>2,280</u>
--------------	--------------	--------------	--------------

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

Raza Kuli Khan
Raza Kuli Khan Khattak
CHAIRMAN

Begum Zohra Gulzar
Begum Zohra Gulzar Ayub Khan
CHIEF EXECUTIVE

Mushtaq Ahmed Khan
Mushtaq Ahmed Khan F.C.A.
DIRECTOR

M. Imran Malik
M. Imran Malik
DIRECTOR

Amir Raza
Amir Raza
PRINCIPAL OFFICER



THE UNIVERSAL INSURANCE COMPANY LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2014

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 disposal of certain investments and properties of the Company in the current financial year. 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 audited annual published financial statements for the year ended 31 December 2013.

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 audited annual published financial statements of the Company for the year ended 31 December 2013.

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 audited annual published financial statements of the Company for the year ended 31 December 2013.

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 2013.



Un-audited **Audited**
30 June **31 December**
2014 **2013**
(Rupees in thousand)

6. INVESTMENTS

IN RELATED PARTIES

Investments in associates - equity method of accounting 112,946 110,549

OTHERS

Held to maturity - Government securities (PIBs) (Note 6.2) 41,086 25,509

Available-for-sale

Equity investments - quoted 24 24

Mutual funds

Open ended 135 135

159 159

Investment at fair value through profit or loss

Equity investments - quoted - 1,742

Mutual funds

Close ended 428 338

428 2,080

154,619 138,297

6.1 The market value of investments in associates and available-for-sale investments as on 30 June 2014 was Rupees 41,016 million (31 December 2013: Rupees 21,959 million). The recoverable amount of investments in associates is higher than its carrying amount.

6.2 Investment in Pakistan Investment Bonds, held with State Bank of Pakistan, is made to meet the statutory requirement as required by section 29(2)(a) of the Insurance Ordinance, 2000.

7. PREMIUMS DUE BUT UNPAID - Unsecured

Considered good

Due from associates 11,665 15,965

Others 39,703 44,019

51,368 59,984

Considered doubtful

Due from associates 6,408 4,568

Others 72,642 66,185

79,050 70,753

Provision for doubtful receivables (79,050) (70,753)

51,368 59,984



Un-audited 30 June 2014 (Rupees in thousand)	Audited 31 December 2013
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8. AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured

Amounts due from coinsurers	113,335	117,912
Amounts due from reinsurers	14,250	12,653
	<u>127,585</u>	<u>130,565</u>
Provision for doubtful receivables	(14,908)	(12,216)
Amounts due from other insurers / reinsurers - considered good	<u>112,677</u>	<u>118,349</u>

9. FIXED ASSETS - TANGIBLE

Opening book value	201,162	254,984
Add: Cost of additions during the period / year (Note 9.1)	327	2,360
Add: Surplus on revaluation of land and buildings (Note 9.2)	-	6,073
Add: Book value of assets transferred from leased assets	-	1,263
	<u>201,489</u>	<u>264,680</u>
Less: Book value of deletions during the period / year (Note 9.3)	15,425	51,327
	<u>186,064</u>	<u>213,353</u>
Less: Depreciation charge for the period / year	3,588	9,689
Less: Impairment charge for the period / year	-	3,775
Add: Reversal of Impairment loss	-	1,273
Closing book value	<u>182,476</u>	<u>201,162</u>

9.1 Cost of additions

Furniture, fixture and office equipment	32	15
Computer equipment	257	29
Motor vehicles	38	2,316
	<u>327</u>	<u>2,360</u>

9.2 Surplus on revaluation of land and buildings

Land	-	4,540
Buildings on freehold land	-	1,533
	<u>-</u>	<u>6,073</u>



Un-audited 30 June 2014 (Rupees in thousand)	Audited 31 December 2013
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9.3 Book value of deletions

Freehold land	-	31,500
Buildings on freehold land	14,919	13,787
Furniture, fixture and office equipment	161	1,467
Computer equipment	1	234
Motor vehicles	344	4,339
	<u>15,425</u>	<u>51,327</u>

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 2014 (Rupees in thousand)	Audited 31 December 2013
Period end balances		
Provision for outstanding claims	18,253	18,618
Premiums due but unpaid	18,073	20,533
Provision for doubtful receivables	6,408	4,568
Commission payable	8,030	8,168
Recoverable from holding company against rent and sale of fixed assets	1,346	11,456
Share deposit money	-	70,000
	<u>Un-audited 30 June 2014</u>	<u>Un-audited 30 June 2013</u>
	<u>(Rupees in thousand)</u>	
Transactions during the period		
Premium underwritten	755	4,897
Premium received / adjusted	605	13,330
Claims paid	365	2,233
Rental income	-	639
Rent expense	450	75
Rent adjusted / received	1,109	-
Remuneration to key management personnel	8,719	11,665



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 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013

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

OTHER INFORMATION

Segment assets	118,384	171,994	107,622	106,111	64,222	77,368	14,703	18,399	304,931	373,872
Unallocated assets									504,798	561,248
Total assets	118,384	171,994	107,622	106,111	64,222	77,368	14,703	18,399	809,729	935,120
Segment liabilities	105,521	158,753	92,553	106,810	119,480	129,878	35,443	39,287	352,997	434,728
Unallocated liabilities									93,644	112,174
Total liabilities	105,521	158,753	92,553	106,810	119,480	129,878	35,443	39,287	446,641	546,902

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 2013.

13. AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved and authorized for issue on 31 August, 2014 by the Board of Directors of the Company.

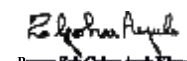
14. CORRESPONDING FIGURES

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 Esh-Gohar Ayub Khan
CHIEF EXECUTIVE


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DIRECTOR


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