




PREMIER INSURANCE



INTERIM FINANCIAL STATEMENTS  
for the half year ended  
June 30, 2012 (Unaudited)







## Contents

Company Information .....	3
Report of the Directors to the Members.....	4
Auditor's Report to the Members on Review of Interim Financial Information .....	5
Condensed Interim Balance Sheet .....	6
Condensed Interim Profit and Loss Account .....	8
Condensed Interim Statement of Comprehensive Income .....	9
Condensed Interim Statement of Cash Flows .....	10
Condensed Interim Statement of Changes in Equity .....	12
Condensed Interim Statement of Premium .....	13
Condensed Interim Statement of Claims.....	14
Condensed Interim Statement of Expenses.....	15
Condensed Interim Statement of Investment Income .....	16
Notes to the Condensed Interim Financial Statements .....	17
Locations.....	23





## Company Information

<b>Board of Directors</b>	Attaullah Khalid Bashir Zahid Bashir (Chairman) Imran Maqbool Nadeem Maqbool Shams Rafi Fakhir Rahman (Chief Executive)
<b>Company Secretary</b>	Afroz Quraishi
<b>Audit Committee</b>	Khalid Bashir (Chairman) Imran Maqbool Nadeem Maqbool
<b>Auditors</b>	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
<b>Legal Advisors</b>	Arfin & Company Advocates
<b>Registered &amp; Head Office</b>	5th Floor, State Life Building No. 2A Wallace Road, Karachi-74000, Pakistan Phones : (21) 32416331-4 Fax : (21) 32416572 Email : info@pil.com.pk Website : www.pil.com.pk
<b>Registrar</b>	FAMCO Associates (Pvt) Limited 1st Floor, State Life Building No.1-A I.I.Chundrigar Road, Karachi-74000, Pakistan



## Report of the Directors to the Members

The directors are pleased to present the unaudited interim financial statements of the company for the half year ended June 30, 2012.

### Review

	(Amounts in Rupees millions)	
	2012	2011
Premium written	544.4	492.7
Net premium	255.4	212.6
Underwriting result	(34.5)	7.1
Investment income	43.0	81.7
(Loss) / Profit before taxation	(2.8)	72.1
(Loss) / Profit after taxation	(5.9)	61.0

Growth of 20.1% in net premium was achieved over the corresponding period, with written premium rising 10.5%. However, 66% higher claims expenses, mostly incurred in the first quarter, and up trending acquisition costs depressed the underwriting results, despite containment of expenses.

Our investment income has seen a significant, but planned decline as we transition to better tax efficiency in this area. Both the claims experience and the investment income are expected to normalize over time, though subject to variables external to the company.

The loss after tax is higher than the loss before tax mainly due to the minimum turnover based taxation provisions.

### Outlook

We believe all our stakeholders to be well informed and that they appreciate transparent and candid communication from their Board. While as a company we can withstand considerable stress, with equity of Rs 1.8 Billion and assets of Rs 3.5 Billion, perhaps the global economic and financial troubles will have consequences, both in terms of direct business and re-insurance. Our national economic and other statistics also do not appear to offer comfort in this respect.

Your company carries an IFS rating of "A" with stable outlook from JCR-VIS Credit Rating Company denoting a "high capacity to meet policyholder and contract obligations". This is well corroborated by our claims payments of Rs 410 Million (82% higher than corresponding 2011: Rs 225 Million) without any distress. We remain well capitalized and otherwise equipped to capture business that meets our criteria.

### Acknowledgement

In our 61st year, the directors gratefully acknowledge the dedication of our employees, thank all our business associates and members for their confidence reposed in the company, and our regulators for their guidance and support.

On behalf of the Board

Zahid Bashir  
Chairman  
Karachi: August 30, 2012



## Auditor's Report to the Members on Review of Interim Financial Information

### *Introduction*

We have reviewed the accompanying

- (i) Condensed interim balance sheet;
- (ii) Condensed interim profit and loss account;
- (iii) Condensed interim statement of comprehensive income;
- (iv) Condensed interim statement of changes in equity;
- (v) Condensed interim statement of cash flows;
- (vi) Condensed interim statement of premiums;
- (vii) Condensed interim statement of claims;
- (viii) Condensed interim statement of expenses; and
- (ix) Condensed interim statement of investment income

and notes to the accounts of **Premier Insurance Limited (the Company)** as at **June 30, 2012** and for the six month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. 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 condensed Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for condensed interim financial reporting.

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

Karachi: August 30, 2012



PREMIER INSURANCE LIMITED

**Condensed Interim Balance Sheet**

As at June 30, 2012

(Amounts in Rupees '000)	Note	Unaudited June 30, 2012	Audited December 31, 2011
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital			
Rs 100,000,000 ordinary shares of Rs 5 each		<u>500,000</u>	<u>500,000</u>
Issued subscribed and paid-up capital			
60,564,269 ordinary shares of Rs.5 each		302,821	302,821
Retained earnings		123,718	190,163
Reserves		1,345,025	1,345,025
<b>Shareholders' equity</b>		<b>1,771,564</b>	<b>1,838,009</b>
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		549,766	430,567
Provision for unearned premium		514,757	460,867
Commission income unearned		61,244	54,288
<b>Total underwriting provisions</b>		<b>1,125,767</b>	<b>945,722</b>
<b>Deferred liability</b>			
Staff retirement benefits		27,824	26,472
<b>Creditors and accruals</b>			
Amounts due to other insurers / reinsurers		98,915	114,393
Accrued expenses		20,575	16,200
Taxation - provision less payments		114,985	115,462
Other creditors and accruals	8	293,899	235,359
		<u>528,374</u>	<u>481,414</u>
<b>Other liabilities</b>			
Unclaimed and dividend payable		19,625	10,032
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>3,473,154</u></b>	<b><u>3,301,649</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.





(Amounts in Rupees '000)	Note	Unaudited June 30, 2012	Audited December 31, 2011
<b>ASSETS</b>			
<b>Cash and bank deposits</b>			
Cash and other equivalents		565	628
Current and other accounts		115,390	186,005
		<u>115,955</u>	<u>186,633</u>
<b>Loans to employees</b>		647	1,000
<b>Investments</b>	10	1,220,208	1,290,920
<b>Investment properties</b>		55,031	55,286
<b>Other assets</b>			
Premium due but unpaid		681,748	612,048
Amounts due from other insurers / reinsurers		347,214	269,516
Accrued investment income		1,045	1,354
Accrued salvage recoveries		12,322	8,347
Reinsurance recoveries against outstanding claims		367,131	278,307
Deferred commission expense		86,434	74,718
Prepayments		301,051	262,341
Sundry receivables	11	32,469	5,729
		<u>1,829,414</u>	<u>1,512,360</u>
<b>Fixed assets</b>			
<b>Tangible</b>			
Land and buildings	12	145,744	145,879
Furniture, fixtures and office equipment		25,514	26,998
Motor vehicles		44,312	46,571
Capital work in progress		30,072	33,172
<b>Intangible</b>			
Computer software		6,257	2,830
		<u>251,899</u>	<u>255,450</u>
<b>TOTAL ASSETS</b>		<u><u>3,473,154</u></u>	<u><u>3,301,649</u></u>

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



# PREMIER INSURANCE LIMITED

## Condensed Interim Profit and Loss Account (Unaudited)

For the quarter and half year ended June 30, 2012

(Amounts in Rupees '000)

	Quarter ended June 30,					2012	2011
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
<b>Revenue accounts</b>							
Net premium revenue	39,101	15,666	66,124	8,969	(2)	<b>129,858</b>	108,878
Net claims	(1,684)	(4,716)	(53,601)	(6,589)	52	<b>(66,538)</b>	(51,544)
Expenses	(16,104)	(6,404)	(27,149)	(3,674)	1	<b>(53,330)</b>	(47,499)
Net commission	(1,829)	(1,720)	(8,370)	1,392	1	<b>(10,526)</b>	(7,392)
<b>Underwriting result</b>	<u>19,484</u>	<u>2,826</u>	<u>(22,996)</u>	<u>98</u>	<u>52</u>	<u><b>(536)</b></u>	<u>2,443</u>
Investment income						<b>15,731</b>	38,338
Gain on disposal of fixed assets						<b>943</b>	338
Rental income						<b>807</b>	750
Other income						<b>492</b>	509
General and administration expenses						<b>(8,437)</b>	(9,999)
<b>Profit before tax</b>						<u><b>9,000</b></u>	<u>32,379</u>
Provision for taxation						<b>(305)</b>	(5,532)
<b>Profit after tax</b>						<u><b>8,695</b></u>	<u>26,847</u>
<b>Earnings per share - basic and diluted (in Rupee)</b>						<u><b>0.14</b></u>	<u>0.44</u>

	Half year ended June 30,					2012	2011
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
<b>Revenue accounts</b>							
Net premium revenue	82,258	27,340	129,298	16,539	-	<b>255,435</b>	212,602
Net claims	(30,352)	(12,965)	(104,562)	(13,128)	54	<b>(160,953)</b>	(97,071)
Expenses	(33,085)	(10,996)	(52,005)	(6,652)	-	<b>(102,738)</b>	(91,099)
Net commission	(8,569)	(2,691)	(17,664)	2,665	-	<b>(26,259)</b>	(17,291)
<b>Underwriting result</b>	<u>10,252</u>	<u>688</u>	<u>(44,933)</u>	<u>(576)</u>	<u>54</u>	<u><b>(34,515)</b></u>	<u>7,141</u>
Investment income						<b>42,969</b>	81,655
Gain on disposal of fixed assets						<b>3,689</b>	340
Rental income						<b>1,609</b>	1,431
Other income						<b>1,032</b>	1,020
General and administration expenses						<b>(17,595)</b>	(19,449)
<b>(Loss) / profit before tax</b>						<u><b>(2,811)</b></u>	<u>72,138</u>
Provision for taxation						<b>(3,070)</b>	(11,148)
<b>(Loss) / profit after tax</b>						<u><b>(5,881)</b></u>	<u>60,990</u>
<b>Profit and loss appropriation account</b>							
Balance at commencement of period						<b>190,163</b>	269,812
(Loss) / profit after tax for the period						<b>(5,881)</b>	60,990
Cash dividend for 2011 @ Re 1 per share (2010 @ Rs 1.25 per share)						<b>(60,564)</b>	(75,705)
Transfer to general reserve						-	(75,000)
<b>Balance unappropriated profit at the end of the period</b>						<u><b>123,718</b></u>	<u>180,097</u>
<b>(Loss) / earnings per share - basic and diluted (in Rupees)</b>					Note 15	<u><b>(0.10)</b></u>	<u>1.01</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive

**Condensed Interim Statement of Comprehensive Income (Unaudited)**

For the half year ended June 30, 2012

**(Amounts in Rupees '000)**

	2012	2011
Net (loss)/profit for the period	(5,881)	60,990
Other comprehensive income for the period	-	-
Total comprehensive (loss)/income for the period	<u>(5,881)</u>	<u>60,990</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



PREMIER INSURANCE LIMITED

**Condensed Interim Statement of Cash Flows (Unaudited)**

For the half year ended June 30, 2012

(Amounts in Rupees '000)	2012	2011
<b>OPERATING CASH FLOWS</b>		
a) Underwriting activities		
Premium received	397,970	386,452
Reinsurance premium paid	(288,207)	(215,433)
Claims paid	(409,798)	(225,440)
Reinsurance and other recoveries received	279,220	131,999
Commissions paid	(47,543)	(50,577)
Commissions received	59,097	54,296
Net cash (used in) / flow from underwriting activities	(9,261)	81,297
b) Other operating activities		
Income tax paid	(3,547)	(11,102)
General management expenses paid	(102,738)	(91,099)
Other operating payments	(5,638)	(5,922)
Advances, deposits and sundry receivables	(31,402)	912
Other liabilities and accruals	15,965	4,905
Net cash used in other operating activities	(127,360)	(102,306)
<b>Total cash used in operating activities</b>	<b>(136,621)</b>	<b>(21,009)</b>
<b>INVESTMENT ACTIVITIES</b>		
Investment income received	19,232	76,985
Payments for investments	(578,950)	(502,381)
Proceeds from disposal of investments	673,708	512,742
Fixed capital expenditure	(5,020)	(14,751)
Proceeds from disposal of fixed assets	5,048	1,716
Rental income received	1,864	1,699
Other income received	1,032	1,020
<b>Total cash flow from investing activities</b>	<b>116,914</b>	<b>77,030</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(50,971)	(71,228)
<b>Total cash used in financing activities</b>	<b>(50,971)</b>	<b>(71,228)</b>
<b>Total cash used in all activities</b>	<b>(70,678)</b>	<b>(15,207)</b>
Cash and cash equivalents at beginning of the period	186,633	148,601
<b>Cash and cash equivalents at the end of the period</b>	<b>115,955</b>	<b>133,394</b>



## Condensed Interim Statement of Cash Flows (Unaudited)

For the half year ended June 30, 2012

(Amounts in Rupees '000)

	2012	2011
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(136,621)	(21,009)
Depreciation expense	(7,212)	(7,158)
Investment income	42,969	81,655
Profit on disposal of fixed assets	3,689	340
Rental income	1,609	1,431
Other income	1,032	1,020
Increase in assets other than cash	317,009	158,963
Increase in liabilities	(228,356)	(154,252)
<b>(Loss) / profit after taxation</b>	<u>(5,881)</u>	<u>60,990</u>

### Definition of cash

Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits.

Cash for the purpose of the statement of cash flows consists of:

### Cash and other equivalents

Cash	145	427
Stamps in hand	420	218
	<u>565</u>	<u>645</u>

### Current and other accounts

Current accounts	8,820	4,646
Savings accounts	106,570	128,103
	<u>115,390</u>	<u>132,749</u>

### Total cash and cash equivalents

	<u>115,955</u>	<u>133,394</u>
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The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



## PREMIER INSURANCE LIMITED

### Condensed Interim Statement of Changes in Equity (Unaudited)

For the half year ended June 30, 2012

(Amounts in Rupees '000)

	Share capital Issued, subscribed and paid-up	Capital reserves			Reserves			Total reserves	Total equity
		Reserve for exceptional losses	Devaluation reserve	Reserve for issue of bonus shares	Revenue reserves				
					General reserve	Reserve for bad and doubtful debts	Unappropriated profit		
Balance as at January 1, 2011	302,821	19,490	185	-	1,250,000	350	269,812	1,539,837	1,842,658
Total comprehensive income for the half year ended June 30, 2011	-	-	-	-	-	-	60,990	60,990	60,990
Cash dividend for the year ended December 31, 2010 declared subsequent to the year ended	-	-	-	-	-	-	(75,705)	(75,705)	(75,705)
Transferred to general reserve	-	-	-	-	75,000	-	(75,000)	-	-
Balance as at June 30, 2011	302,821	19,490	185	-	1,325,000	350	180,097	1,525,122	1,827,943
Total comprehensive income for the half year ended December 31, 2011	-	-	-	-	-	-	10,066	10,066	10,066
Balance at January 1, 2012	302,821	19,490	185	-	1,325,000	350	190,163	1,535,188	1,838,009
Total comprehensive loss for the half year ended June 30, 2012	-	-	-	-	-	-	(5,881)	(5,881)	(5,881)
Cash dividend for the year ended December 31, 2011 declared subsequent to the year ended	-	-	-	-	-	-	(60,564)	(60,564)	(60,564)
Balance as at June 30, 2012	<u>302,821</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>1,325,000</u>	<u>350</u>	<u>123,718</u>	<u>1,468,743</u>	<u>1,771,564</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive





## PREMIER INSURANCE LIMITED

### Condensed Interim Statement of Claims (Unaudited)

For the quarter and half year ended June 30, 2012

(Amounts in Rupees '000)

#### Business underwritten inside Pakistan

		Quarter ended June 30,							2012	2011	
Class		Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	Net claims expense
			Opening	Closing			Opening	Closing			
Direct and Facultative	1 Fire and property damage	148,031	350,087	244,439	42,383	133,287	294,252	201,664	40,699	1,684	9,469
	2 Marine, aviation and transport	17,174	81,849	81,035	16,360	12,032	52,728	52,340	11,644	4,716	5,970
	3 Motor	43,279	76,404	87,580	54,455	172	629	1,311	854	53,601	33,132
	4 Miscellaneous	26,113	113,569	131,655	44,199	18,913	93,119	111,816	37,610	6,589	2,969
	Total	234,597	621,909	544,709	157,397	164,404	440,728	367,131	90,807	66,590	51,540
Treaty	5 Proportional	(52)	5,057	5,057	(52)	-	-	-	-	(52)	4
	Grand Total	234,545	626,966	549,766	157,345	164,404	440,728	367,131	90,807	66,538	51,544
		Half year ended June 30,							2012	2011	
Direct and Facultative	1 Fire and property damage	250,630	179,989	244,439	315,080	223,662	140,598	201,664	284,728	30,352	9,831
	2 Marine, aviation and transport	27,225	70,402	81,035	37,858	18,156	45,603	52,340	24,893	12,965	9,921
	3 Motor	83,765	65,765	87,580	105,580	700	993	1,311	1,018	104,562	67,321
	4 Miscellaneous	48,232	109,354	131,655	70,533	36,702	91,113	111,816	57,405	13,128	9,994
	Total	409,852	425,510	544,709	529,051	279,220	278,307	367,131	368,044	161,007	97,067
Treaty	5 Proportional	(54)	5,057	5,057	(54)	-	-	-	-	(54)	4
	Grand Total	409,798	430,567	549,766	528,997	279,220	278,307	367,131	368,044	160,953	97,071

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive







## PREMIER INSURANCE LIMITED

### Condensed Interim Statement of Investment Income (Unaudited)

For the quarter and half year ended June 30, 2012

(Amounts in Rupees '000)

	Quarter ended June 30,		Half year ended June 30,	
	2012	2011	2012	2011
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on bank deposits	2,942	3,377	7,132	6,139
<b>Available for sale</b>				
Dividend income	2,184	38,658	11,811	70,854
Gain on sale of investments	11,943	5,958	25,370	14,323
	14,127	44,616	37,181	85,177
<b>Impairment in value of investments</b>	(1,324)	(9,645)	(1,324)	(9,645)
Investment management expenses	(14)	(10)	(20)	(16)
<b>Investment income</b>	<u>15,731</u>	<u>38,338</u>	<u>42,969</u>	<u>81,655</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



## Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2012

### 1. STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Company) was incorporated as a public limited company in Pakistan in May 1952 and is engaged in general insurance business. The shares of the company are listed on the Karachi, Lahore and Islamabad stock exchanges. The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Karachi.

### 2. STATEMENT OF COMPLIANCE

These condensed interim financial statements are unaudited but subject to a limited scope review by the auditors. These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standards - 34 "Interim Financial Reporting" as applicable in Pakistan in accordance with the format prescribed under SEC (Insurance) Rules 2002. They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2011.

The Securities and Exchange Commission of Pakistan (SECP) has allowed the insurance companies to defer the application of International Accounting Standard (IAS) - 39 "Financial Instruments: Recognition and Measurement" in respect of valuation of "available-for-sale investments". Accordingly, the requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of these condensed interim financial statements.

### 3. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared under the historical cost convention, except that obligations under employee benefits are measured at present value.

These condensed interim financial statements have been prepared and presented in Pakistani Rupees, which is the Company's functional and presentation currency.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2011, except as follows:

#### **New and amended standards and interpretations**

The Company has adopted the following amended IFRS which became effective during the period:

IFRS 7 - Financial Instruments: Disclosures (Amendment)

IAS 12 - Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above standards / amendments did not have any material effect on these condensed interim financial statements.

**Notes to the Condensed Interim Financial Statements (Unaudited)**

For the half year ended June 30, 2012

(Amounts in Rupees '000)

**5. ESTIMATES AND JUDGMENTS**

Preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2011.

**6. FINANCIAL AND INSURANCE RISK MANAGEMENT**

The Company's financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2011.

**7. PREMIUM DEFICIENCY RESERVE**

No provision has been made as the unearned premium reserve for each class of business as at June 30, 2012 is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

**8. OTHER CREDITORS AND ACCRUALS**

	<b>Unaudited June 30, 2012</b>	Audited December 31, 2011
Commissions payable	232,814	190,239
Federal excise duty & sales tax	16,855	5,364
Federal insurance fee	2,764	190
Donations	4,829	4,935
Workers welfare fund	6,355	6,355
Deposits and margins	10,905	10,567
Others	19,377	17,709
	<u>293,899</u>	<u>235,359</u>

**9. CONTINGENCIES AND COMMITMENTS**

Commitments for capital expenditure	<u>19,257</u>	<u>20,257</u>
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There are no contingencies to report as at the balance sheet date.





## Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2012

(Amounts in Rupees '000)

### 12. FIXED ASSETS - TANGIBLE AND INTANGIBLE

During the period, the company acquired fixed assets for Rs 5.0 million (2011: Rs 14.8 million). Disposals at cost amounted to Rs 6.5 million (2011: Rs 5.2 million).

### 13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit scheme.

Transactions and balances with related parties, including remuneration and retirement benefits, are as follows:

	Unaudited June 30, 2012	Unaudited June 30, 2011
<b>Transactions for the period</b>		
<b>Associated undertakings</b>		
Premium written	85,822	73,400
Claims paid	214,272	27,697
Commission paid	2,746	6,039
Dividend paid	7,450	9,312
Dividend received	1,600	89
<b>Others</b>		
Premium written	52	47
Dividend paid	2,315	2,894
Rent received	450	450
Meeting fees	275	370
Remuneration and retirement benefits to key personnel	33,287	28,186
<b>Period-end balances</b>		
<b>Associated undertakings</b>		
Claims outstanding	53,902	17,645
Premium receivable	204,541	174,660
<b>Others</b>		
Premium receivable	60	78
Other payables	11	102

Transactions with related parties are in the normal course of business at rates and terms consistent with the market. Other related party transactions such as those relating to key management personnel and retirement plans are in accordance with terms of employment and company policy.



## Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2012

(Amounts in Rupees '000)

### 14. SEGMENT REPORTING

The following presents segment assets and liabilities as at June 30, 2012 and December 31, 2011.

	Fire and property		Marine, aviation & transport		Motor		Miscellaneous		Total	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Segment assets	922,366	734,595	212,165	189,093	295,923	275,252	354,458	296,388	1,784,912	1,495,328
Unallocated corporate assets									1,688,242	1,806,321
<b>Consolidated total assets</b>									<b>3,473,154</b>	<b>3,301,649</b>
Segment liabilities	587,459	489,997	126,039	107,550	263,540	246,576	247,644	215,992	1,224,682	1,060,115
Unallocated corporate liabilities									476,908	403,525
<b>Consolidated total liabilities</b>									<b>1,701,590</b>	<b>1,463,640</b>

### 15. (LOSS) / EARNINGS PER SHARE - basic and diluted

Basic loss / earnings per share are calculated by dividing the net loss or profit for the period by the weighted average number of shares at the period end as follows:

	Unaudited June 30, 2012	Unaudited June 30, 2011
(Loss) / profit after tax for the period	<u>(5,881)</u>	<u>60,990</u>
Weighted average number of shares	<u>60,564,269</u>	<u>60,564,269</u>
Basic (loss) / earnings per share of Rs.5 each - Rupees	<u>(0.10)</u>	<u>1.01</u>

The company has not issued any instrument which would dilute its basic earnings per share when exercised.



## Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2012

### 16. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on August 30, 2012 by the Board of Directors of the company.

### 17. GENERAL

17.1 All amounts have been rounded off to the nearest thousand Rupees, unless otherwise stated.

17.2 Figures of condensed interim financial statements for the quarters ended June 30, 2012 and June 30, 2011 have not been subjected to limited scope review of the auditors.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive





## Locations

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Fax : (021) 32210870

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