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Company Information

Board of Directors

Syed Arshad Ali
Khalid Bashir
Zahid Bashir (Chairman)
Imran Maqbool
Nadeem Maqbool
Khurram Mazhar
Shaukat Shafi
Fakhir Rahman (Chief Executive)

Company Secretary

Afroz Quraishi

Audit Committee

Khalid Bashir (Chairman)
Nadeem Maqbool
Shaukat Shafi

Auditors

Anjum Asim Shahid Rahman
Chartered Accountants

Legal Advisors

Arfin & Co.
Advocates

Registered & Head Office

5th Floor, State Life Building No. 2A
Wallace Road, Karachi-74000, Pakistan
Phones : (21) 2416331-4
Fax : (21) 2416572
Email : info@pil.com.pk

Registrar

Ferguson Associates (Pvt) Limited
4th Floor, State Life Building No. 2A
Wallace Road, Karachi-74000, Pakistan



Report of the Directors to the Members

The directors are pleased to present the accounts of the company for the nine months ended September 30, 2007.

Review

	(Amounts in Rupees millions)	
	2007	2006
Premium written	447.4	481.7
Net premium	269.9	299.2
Underwriting result	22.7	14.2
Investment income	305.9	215.6
Profit before taxation	313.6	201.5
Profit after taxation	295.6	191.5

Premium written, and retained, are below the corresponding period, mainly from motor business. However, the year over year underwriting result is higher by 131% for the quarter and 60% for the 9 months; lower claims ratios and expense control are notable in this regard.

Cash flows have also improved visibly over the year, as have the investment and treasury management results. Returns from bank deposits have tripled to Rs 30 million, while total returns from equities, based on value at risk, have exceeded the benchmark KSE 100 index returns by a wide margin. Measured on cost, the results are yet more impressive.

The company's equity of Rs 1.7 billion equalled investments, cash and bank balances of Rs 1.7 billion, representing a tangible break-up value of Rs 42 per share of Rs 5 each.

Earnings of Rs 7.4 per share of Rs 5 each were 54% above the corresponding period.

Outlook

We continue to highlight pressures on profitability exerted by irrational competitive pricing, the rising cost of doing business and, possibly, by certain potential regulatory changes. Regardless, our efforts to broaden and qualitatively improve our business portfolio are ongoing.



Acknowledgement

We acknowledge a deep debt of gratitude to Mr A.U. Siddiqui who passed away earlier this month. He had a long and illustrious career with the company, leading its operations for several years, with many more as an Advisor. His professional expertise and loyalty to the company will remain legendary.

The directors acknowledge the dedication of the company's 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: October 27, 2007



PREMIER INSURANCE LIMITED
(Formerly Premier Insurance Company of Pakistan Limited)

Condensed Interim Balance Sheet

As at September 30, 2007

(Amounts in Rupees '000)	Note	Unaudited September 30, 2007	Audited December 31, 2006
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2006: 40,000,000) ordinary shares of Rs 5 each		<u>500,000</u>	<u>200,000</u>
Issued subscribed and paid-up capital			
39,897,411 (2006: 33,247,843) ordinary shares of Rs.5 each		199,488	166,240
Retained earnings		443,347	749,250
Reserves		1,020,025	485,025
Shareholders' equity		<u>1,662,860</u>	<u>1,400,515</u>
Underwriting provisions			
Provision for outstanding claims (including IBNR)		365,007	288,555
Provision for unearned premium		318,641	328,109
Commission income unearned		39,268	34,229
Total underwriting provisions		<u>722,916</u>	<u>650,893</u>
Deferred liability			
Staff retirement benefits		10,420	9,336
Liabilities against assets subject to finance lease			
		1,097	2,067
Creditors and accruals			
Current maturity of lease finance		1,180	1,568
Amounts due to other insurers / reinsurers		164,712	131,691
Accrued expenses		6,844	8,000
Taxation - provision less payments		110,074	96,802
Other creditors and accruals	6	117,844	119,924
		<u>400,654</u>	<u>357,985</u>
Other liabilities			
Unclaimed and dividend payable		5,182	3,984
TOTAL EQUITY AND LIABILITIES		<u>2,803,129</u>	<u>2,424,780</u>
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



(Amounts in Rupees '000)	Note	Unaudited September 30, 2007	Audited December 31, 2006
ASSETS			
Cash and bank deposits			
Cash and other equivalents		815	1,435
Current and other accounts		305,038	90,802
Deposits maturing within 12 months		34,744	170,243
		340,597	262,480
Loans to employees - Secured, considered good		4,008	48
Investments	8	1,242,532	1,080,517
Other assets			
Premium due but unpaid		367,186	352,189
Amounts due from other insurers / reinsurers - unsecured, considered good		157,387	160,099
Accrued investment income		9,642	6,557
Reinsurance recoveries against outstanding claims		219,293	149,274
Deferred commission expense		43,975	47,440
Prepayments		189,556	140,828
Sundry receivables	9	7,767	12,838
		994,806	869,225
Fixed assets			
Tangible			
Land and buildings		169,647	169,456
Furniture, fixtures and office equipment		14,607	15,473
Motor vehicles		28,135	25,178
Intangible			
Computer software		1,864	2,403
		214,253	212,510
Capital work in progress		6,933	-
TOTAL ASSETS		<u>2,803,129</u>	<u>2,424,780</u>

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 27, 2007



PREMIER INSURANCE LIMITED
(Formerly Premier Insurance Company of Pakistan Limited)

Condensed Interim Profit and Loss Account (unaudited)

Nine months ended September 30, 2007

(Amounts in Rupees '000)

	Quarter ended September 30,					2007	2006
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
Revenue accounts							
Net premium revenue	23,083	7,079	53,001	1,562	2	84,727	97,269
Net claims	(8,802)	(2,990)	(28,284)	(1,598)	(271)	(41,945)	(63,142)
Expenses	(7,181)	(2,231)	(16,741)	(526)	(1)	(26,680)	(22,538)
Net commission	(1,907)	(473)	(5,344)	1,147	(74)	(6,651)	(7,480)
Underwriting result	<u>5,193</u>	<u>1,385</u>	<u>2,632</u>	<u>585</u>	<u>(344)</u>	<u>9,451</u>	<u>4,109</u>
Investment income						52,415	86,034
Gain on disposal of fixed assets						191	326
General and administration expenses						(6,236)	(9,228)
Profit before tax						<u>55,821</u>	<u>81,241</u>
Provision for taxation						(9,313)	(3,000)
Profit after tax						<u>46,508</u>	<u>78,241</u>
Earnings per share - basic and diluted (in Rupees)					Note 12	<u>1.17</u>	<u>1.96</u>

	Nine months ended September 30,					2007	2006
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
Revenue accounts							
Net premium revenue	68,911	22,670	171,533	6,757	1	269,872	299,177
Net claims	(16,351)	(9,806)	(124,324)	(2,879)	(317)	(153,677)	(196,377)
Expenses	(18,836)	(6,197)	(46,886)	(1,847)	-	(73,766)	(68,232)
Net commission	(5,047)	(553)	(16,983)	2,962	(82)	(19,703)	(20,398)
Underwriting result	<u>28,677</u>	<u>6,114</u>	<u>(16,660)</u>	<u>4,993</u>	<u>(398)</u>	<u>22,726</u>	<u>14,170</u>
Investment income						305,978	215,578
Gain on disposal of fixed assets						834	338
General and administration expenses						(15,972)	(28,578)
Profit before tax						<u>313,566</u>	<u>201,508</u>
Provision for taxation						(17,973)	(10,000)
Profit after tax						<u>295,593</u>	<u>191,508</u>

Profit and loss appropriation account

Balance at commencement of period		749,250	189,237
Profit after tax for the period		295,593	191,508
Cash dividend for 2006 at 20% (2005: 20%)		(33,248)	(27,707)
Bonus shares for 2006 at 20% (2005: 20%)		(33,248)	(27,707)
Transfer to general reserve		(535,000)	(100,000)
Balance unappropriated profit at the end of the period		<u>443,347</u>	<u>225,331</u>
Earnings per share - basic and diluted (in Rupees)	Note 12	<u>7.41</u>	<u>4.80</u>

The annexed notes from 1 to 14 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 Changes in Equity (unaudited)

Nine months ended September 30, 2007

(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, 2006	138,533	19,490	185	-	365,000	350	189,237	574,262	712,795
Profit for the nine months ended September 30, 2006	-	-	-	-	-	-	191,508	191,508	191,508
Cash dividend for the year 2005	-	-	-	-	-	-	(27,707)	(27,707)	(27,707)
Transferred to reserve for issue of bonus shares	-	-	-	27,707	-	-	(27,707)	-	-
Bonus shares issued	27,707	-	-	(27,707)	-	-	-	(27,707)	-
Transferred to general reserve	-	-	-	-	100,000	-	(100,000)	-	-
	<u>166,240</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>465,000</u>	<u>350</u>	<u>225,331</u>	<u>710,356</u>	<u>876,596</u>
Profit for the three months ended December 31, 2006	-	-	-	-	-	-	523,919	523,919	523,919
Balance as at December 31, 2006	166,240	19,490	185	-	465,000	350	749,250	1,234,275	1,400,515
Profit for the nine months ended September 30, 2007	-	-	-	-	-	-	295,593	295,593	295,593
Cash dividend for the year 2006	-	-	-	-	-	-	(33,248)	(33,248)	(33,248)
Transferred to reserve for issue of bonus shares	-	-	-	33,248	-	-	(33,248)	-	-
Bonus shares issued	33,248	-	-	(33,248)	-	-	-	(33,248)	-
Transferred to general reserve	-	-	-	-	535,000	-	(535,000)	-	-
Balance as at September 30, 2007	<u>199,488</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>1,000,000</u>	<u>350</u>	<u>443,347</u>	<u>1,463,372</u>	<u>1,662,860</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 27, 2007



PREMIER INSURANCE LIMITED
(Formerly Premier Insurance Company of Pakistan Limited)

Condensed Interim Statement of Cash Flows (unaudited)

Nine months ended September 30, 2007

(Amounts in Rupees '000)

	September 30, 2007	September 30, 2006
Operating cash flows		
a) Underwriting activities		
Premium received	432,393	344,942
Reinsurance premium paid	(198,456)	(212,629)
Claims paid	(228,435)	(361,061)
Reinsurance and other recoveries received	81,191	190,100
Commissions paid	(40,788)	(41,846)
Commissions received	48,883	49,740
Net cash flow from / (used in) underwriting activities	94,788	(30,754)
b) Other operating activities		
Income tax	(4,701)	23,439
General management expenses paid	(73,766)	(68,232)
Other operating payments	(8,060)	(22,534)
Advances, deposits and sundry receivables	183	(3,157)
Other liabilities and accruals	(14,614)	3,878
Net cash used in other operating activities	(100,958)	(66,606)
Total cash flow (used in) operating activities	(6,170)	(97,360)
Investment activities		
Investment income	43,898	69,460
Payments for investments	(2,823,791)	(1,512,679)
Proceeds from disposal of investments	2,913,389	1,661,493
Fixed capital expenditure	(18,603)	(152,248)
Proceeds from disposal of fixed assets	2,802	2,404
Total cash flow from investing activities	117,695	68,430
Financing activities		
Dividends paid	(32,050)	(26,292)
Payments on finance leases	(1,358)	(1,240)
Total cash used in financing activities	(33,408)	(27,532)
Total cash flow from / (used in) all activities	78,117	(56,462)
Cash at the beginning of the period	262,480	305,679
Cash at the end of the period	340,597	249,217

**(Amounts in Rupees '000)**

	September 30, 2007	September 30, 2006
Reconciliation to profit and loss account		
Operating cash flows	(6,170)	(97,360)
Depreciation expense	(7,985)	(6,876)
Investment income	305,953	215,578
Profit on disposal of fixed assets	859	338
Increase in assets other than cash	125,860	153,390
Increase in liabilities other than running finance	(122,924)	(73,562)
Profit after taxation	<u>295,593</u>	<u>191,508</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	495	1,032
Stamps in hand	320	522
	815	1,554

Current and other accounts

Current accounts	35,002	24,010
Savings accounts	269,666	3,940
Statutory deposit with State Bank of Pakistan	370	370
	305,038	28,320

Deposits maturing within 12 months

Term deposits	34,744	219,343
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Total cash and cash equivalents

	<u>340,597</u>	<u>249,217</u>
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The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 27, 2007



PREMIER INSURANCE LIMITED
(Formerly Premier Insurance Company of Pakistan Limited)

Condensed Interim Statement of Premium (unaudited)

Nine months ended September 30, 2007

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended September 30,									2007	2006
	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	Net premium revenue	
		Opening	Closing			Opening	Closing				
Direct and Facultative 1											
1 Fire and property damage	90,512	113,223	140,766	62,969	71,120	89,415	120,649	39,886	23,083	22,059	
2 Marine, aviation and transport	16,533	31,938	32,255	16,216	8,150	20,441	19,454	9,137	7,079	9,558	
3 Motor	45,063	109,111	100,806	53,368	2,626	915	3,174	367	53,001	63,705	
4 Miscellaneous	20,498	41,627	44,801	17,324	17,885	40,532	42,655	15,762	1,562	1,950	
Total	<u>172,606</u>	<u>295,899</u>	<u>318,628</u>	<u>149,877</u>	<u>99,781</u>	<u>151,303</u>	<u>185,932</u>	<u>65,152</u>	<u>84,725</u>	<u>97,272</u>	
Treaty 5											
5 Proportional	6	9	13	2	-	-	-	-	2	(3)	
Grand Total	<u>172,612</u>	<u>295,908</u>	<u>318,641</u>	<u>149,879</u>	<u>99,781</u>	<u>151,303</u>	<u>185,932</u>	<u>65,152</u>	<u>84,727</u>	<u>97,269</u>	

Class	Nine months ended September 30,									2007	2006
	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	Net premium revenue	
		Opening	Closing			Opening	Closing				
Direct and Facultative 1											
1 Fire and property damage	192,068	133,763	140,766	185,065	150,999	85,804	120,649	116,154	68,911	69,980	
2 Marine, aviation and transport	45,113	39,012	32,255	51,870	24,342	24,312	19,454	29,200	22,670	29,051	
3 Motor	148,844	124,659	100,806	172,697	4,406	(68)	3,174	1,164	171,533	190,911	
4 Miscellaneous	61,349	30,677	44,801	47,225	54,443	28,680	42,655	40,468	6,757	9,237	
Total	<u>447,374</u>	<u>328,111</u>	<u>318,628</u>	<u>456,857</u>	<u>234,190</u>	<u>138,728</u>	<u>185,932</u>	<u>186,986</u>	<u>269,871</u>	<u>299,179</u>	
Treaty 5											
5 Proportional	16	(2)	13	1	-	-	-	-	1	(2)	
Grand Total	<u>447,390</u>	<u>328,109</u>	<u>318,641</u>	<u>456,858</u>	<u>234,190</u>	<u>138,728</u>	<u>185,932</u>	<u>186,986</u>	<u>269,872</u>	<u>299,177</u>	

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 27, 2007



Condensed Interim Statement of Claims (unaudited)

Nine months ended September 30, 2007

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended September 30,								2007	2006
	Claims paid	Outstanding claims Opening	Outstanding claims Closing	Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims Opening	Reinsurance and other recoveries in respect of outstanding claims Closing	Reinsurance and other recoveries revenue	Net claims expense	Net claims expense
Direct and Facultative										
1 Fire and property damage	24,162	127,633	186,793	83,322	16,938	88,509	146,091	74,520	8,802	9,285
2 Marine, aviation and transport	5,639	44,204	48,386	9,821	3,932	30,839	33,738	6,831	2,990	6,140
3 Motor	40,398	89,955	74,760	25,203	890	4,939	968	(3,081)	28,284	47,350
4 Miscellaneous	5,777	49,646	50,011	6,142	4,818	38,770	38,496	4,544	1,598	377
Total	75,976	311,438	359,950	124,488	26,578	163,057	219,293	82,814	41,674	63,152
Treaty										
5 Proportional	271	5,057	5,057	271	-	-	-	-	271	(10)
Grand Total	76,247	316,495	365,007	124,759	26,578	163,057	219,293	82,814	41,945	63,142
Nine months ended September 30,									2007	2006
Direct and Facultative										
1 Fire and property damage	62,365	120,809	186,793	128,349	48,675	82,768	146,091	111,998	16,351	32,676
2 Marine, aviation and transport	26,598	44,438	48,386	30,546	19,806	32,804	33,738	20,740	9,806	9,320
3 Motor	124,003	73,611	74,760	125,152	1,053	1,193	968	828	124,324	152,057
4 Miscellaneous	15,152	44,640	50,011	20,523	11,657	32,509	38,496	17,644	2,879	1,744
Total	228,118	283,498	359,950	304,570	81,191	149,274	219,293	151,210	153,360	195,797
Treaty										
5 Proportional	317	5,057	5,057	317	-	-	-	-	317	580
Grand Total	228,435	288,555	365,007	304,887	81,191	149,274	219,293	151,210	153,677	196,377

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 27, 2007



PREMIER INSURANCE LIMITED
(Formerly Premier Insurance Company of Pakistan Limited)

Condensed Interim Statement of Expenses (unaudited)

Nine months ended September 30, 2007

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended September 30,						2007	2006	
	Commission paid or payable	Opening deferred commission	Closing deferred commission	Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	Net underwriting expense	Net underwriting expense
Direct and Facultative									
1 Fire and property damage	15,206	20,593	24,153	11,646	7,181	18,827	9,739	9,088	6,158
2 Marine, aviation and transport	2,377	5,887	5,431	2,833	2,231	5,064	2,360	2,704	3,242
3 Motor	4,353	10,896	9,883	5,366	16,741	22,107	22	22,085	21,131
4 Miscellaneous	2,019	4,167	4,293	1,893	526	2,419	3,040	(621)	(551)
Total	<u>23,955</u>	<u>41,543</u>	<u>43,760</u>	<u>21,738</u>	<u>26,679</u>	<u>48,417</u>	<u>15,161</u>	<u>33,256</u>	<u>29,980</u>
Treaty									
5 Proportional	282	7	215	74	1	75	-	75	38
Grand Total	<u>24,237</u>	<u>41,550</u>	<u>43,975</u>	<u>21,812</u>	<u>26,680</u>	<u>48,492</u>	<u>15,161</u>	<u>33,331</u>	<u>30,018</u>

Class	Nine months ended September 30,						2007	2006	
	Commission paid or payable	Opening deferred commission	Closing deferred commission	Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	Net underwriting expense	Net underwriting expense
Direct and Facultative									
1 Fire and property damage	32,664	24,247	24,153	32,758	18,836	51,594	27,711	23,883	17,410
2 Marine, aviation and transport	7,143	7,297	5,431	9,009	6,197	15,206	8,456	6,750	8,890
3 Motor	14,349	12,522	9,883	16,988	46,886	63,874	5	63,869	62,371
4 Miscellaneous	5,639	3,364	4,293	4,710	1,847	6,557	7,672	(1,115)	(13)
Total	<u>59,795</u>	<u>47,430</u>	<u>43,760</u>	<u>63,465</u>	<u>73,766</u>	<u>137,231</u>	<u>43,844</u>	<u>93,387</u>	<u>88,658</u>
Treaty									
5 Proportional	287	10	215	82	-	82	-	82	(28)
Grand Total	<u>60,082</u>	<u>47,440</u>	<u>43,975</u>	<u>63,547</u>	<u>73,766</u>	<u>137,313</u>	<u>43,844</u>	<u>93,469</u>	<u>88,630</u>

Note: Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 27, 2007



Condensed Interim Statement of Investment Income (unaudited)

Nine months ended September 30, 2007

(Amounts in Rupees '000)

	Quarter ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Income from non-trading investments				
Held to maturity				
Return on bank deposits	16,709	3,758	29,939	10,106
Return on term finance certificates	31	40	112	121
	<u>16,740</u>	<u>3,798</u>	<u>30,051</u>	<u>10,227</u>
Available for sale				
Dividend income	11,065	11,446	17,165	64,669
Gain on sale of investments	24,713	70,876	258,970	140,971
	<u>35,778</u>	<u>82,322</u>	<u>276,135</u>	<u>205,640</u>
Investment management expenses	(103)	(86)	(208)	(289)
Investment income	<u><u>52,415</u></u>	<u><u>86,034</u></u>	<u><u>305,978</u></u>	<u><u>215,578</u></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 27, 2007



PREMIER INSURANCE LIMITED
(Formerly Premier Insurance Company of Pakistan Limited)

Notes to the Condensed Interim Financial Statements (unaudited)

For the Nine months ended September 30, 2007

1. STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (formerly Premier Insurance Company of Pakistan Ltd.) (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. BASIS OF PRESENTATION

These Condensed Interim financial statements are unaudited and have been prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the International Accounting Standard (IAS)-34, Interim Financial Reporting, and are being submitted to the members as required under section 245 of the Companies Ordinance, 1984, Circular No.7 of 2003 dated August 27, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) and the listing regulations of the Karachi, Lahore and Islamabad stock exchanges where the company is listed.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the company for the year ended December 31, 2006.

4. ESTIMATES AND JUDGMENTS

Preparation of 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.

5. INVESTMENTS

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. Subsequently, these are recognized and classified into "at fair value through profit or loss", "available for sale" or "held to maturity".

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available for sale. Subsequent to initial recognition at cost, quoted investments are stated at the lower of cost or market value in accordance with the requirements of S.R.O. 938 issued by the SECP in December 2002. Under the requirements of IAS-39, Financial Instruments: Recognition and Measurement, the investments of the company would have been higher by Rs 97.4 million (December 31, 2006: Rs 13.0 million) and the corresponding amount would have either increased the profits or a revaluation reserve by the same amount subject to the accounting policy adopted by the company.



Notes to the Condensed Interim Financial Statements (unaudited)

For the Nine months ended September 30, 2007

(Amounts in Rupees '000)	Unaudited September 30, 2007	Audited December 31, 2006
6. OTHER CREDITORS AND ACCRUALS		
Creditors for investments	-	6,760
Commission payable	101,634	82,340
Central excise duty	2,115	3,648
Federal insurance fee	360	617
Tax deducted at source	584	933
Advance recoveries	529	820
Others	12,622	24,806
	<u>117,844</u>	<u>119,924</u>
7. CONTINGENCIES AND COMMITMENTS		
There are no material contingencies at the balance sheet date.		
Commitments for capital expenditure amount to Rs 33.5 million (December 31, 2006: Nil).		
8. INVESTMENTS	Unaudited September 30, 2007	Audited December 31, 2006
Available for sale		
Quoted shares - (market value: Rs 659,492 [2006: Rs 1,087,536])	567,877	1,074,507
Unquoted shares	4,645	4,645
Mutual funds - quoted (market value: Rs 675,832 [2006: Rs 10])	670,010	10
Held to maturity		
Term finance certificates - quoted (market value Nil [2006: Rs 1,355])	-	1,355
	<u>1,242,532</u>	<u>1,080,517</u>
9. SUNDRY RECEIVABLES		
Lease deposits	653	764
Other deposits	1,827	7,204
Receivables for investments	643	47
Other receivables	4,644	4,823
	<u>7,767</u>	<u>12,838</u>



Notes to the Condensed Interim Financial Statements (unaudited)

For the Nine months ended September 30, 2007

(Amounts in Rupees '000)

10. ADDITIONS TO FIXED ASSETS

During the period, the company expended Rs 18.6 million on acquisition of fixed assets.

September 30,	September 30,
2007	2006

11. TRANSACTIONS WITH RELATED PARTIES

Premium written	45,780	94,244
Claims paid	14,708	48,728
Commission paid	3,338	2,870
Dividend paid	3,209	2,504
Dividend received	45	51,313
Investment disposed of during the period	-	50,000

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.

12. EARNINGS PER SHARE - Basic and Diluted

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

	Unaudited			
	Quarter ended September 30, 2007	September 30, 2006	Nine months ended September 30, 2007	September 30, 2006
	----- Rupees in '000 -----			
Profit after tax for the period	46,508	78,241	295,593	191,508
	----- Numbers in '000 -----			
Weighted average number of shares of Rs.5 each at period end	39,898	39,898	39,898	39,898
	----- Rupees -----			
Basic earnings per share of Rs.5 each	1.17	1.96	7.41	4.80

Earnings per share for the corresponding period have been adjusted for the effect of subsequent issue of bonus shares during 2007.



Notes to the Condensed Interim Financial Statements (unaudited)

For the Nine months ended September 30, 2007

13. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on October 27, 2007 by the Board of Directors of the company.

14. GENERAL

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison.

All amounts have been rounded off to the nearest thousand Rupees.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 27, 2007



PREMIER INSURANCE LIMITED
(Formerly Premier Insurance Company of Pakistan Limited)

Locations

KARACHI

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Fax : (091) 5277809

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ISLAMABAD

Masco Plaza
64-E, Blue Area
Jinnah Avenue
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SAHIWAL

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