



Interim Financial Report
for the nine month period ended
September 30, 2015
(Unaudited)



Contents

Company Information	2
Report of the Directors to the Members.....	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Cash Flows	8
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Premium	11
Condensed Interim Statement of Claims.....	12
Condensed Interim Statement of Expenses.....	13
Condensed Interim Statement of Investment Income	14
Notes to the Condensed Interim Financial Information.....	15
Locations.....	20

Company Information

Board of Directors	Muhammad Asif Arif (Chief Executive) Khalid Bashir Zahid Bashir (Chairman) Imran Maqbool Nadeem Maqbool Shams Rafi Attaullah A Rasheed Khurram Mazhar
Chief Financial Officer & Company Secretary	Iftikhar Gadar
Audit Committee	Khalid Bashir (Chairman) Imran Maqbool Nadeem Maqbool Fariq M.K. Rohilla (Secretary)
Human Resources & Remuneration Committee	Mr Zahid Bashir Mr Nadeem Maqbool (Chairman) Mr Attaullah A Rasheed
Auditors	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Legal Advisors	Arfin & Company Advocates
Registered & Head Office	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
Registrar	FAMCO Associates (Pvt) Limited 8-F, Next to Hotel Faran, Nursery Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. Phones : (21) 34380101-2 Fax : (21) 34380106 Email : info.shares@famco.com.pk

Report of the Directors to the Members

The directors are pleased to present the unaudited interim financial statements of the company for the nine month period ended September 30, 2015.

Review

(Amounts in Rupees millions)

	2015	2014
Premium written	1,064	1,160
Net Premium	531	518
Underwriting result	38	(41)
Investment income	142	117
Profit before taxation	135	43
Profit after taxation	114	32

The company's profitability continues despite a drop in Gross Premium Written and a growth of 2% in the Net Premium. Concentrated effort on risk management and investment monitoring resulted in an increase of 192% in underwriting profit whereas Investment Income grew by 21%. The Profit after Tax increased to Rs. 114 million from Rs. 32 million against the corresponding period.

Outlook

The company continues to focus on customer centric growth with extensive use of technology, expecting to grow its market share and regain its position as one of the top most insurance company of the country. The company has been rated "A" with a "Stable" and "Positive Outlook" by JCR-VIS and PACRA respectively. We feel that the company's management is geared to enhance the value for the stakeholders with the good financial results in the times to come.

Acknowledgement

The directors acknowledge the guidance of SECP and support of all stake holders including reinsurers, banks and dedicated efforts of the company's employees. We are thankful to all our customers and business associates for reposing their confidence in the company.

On behalf of the Board

Zahid Bashir
Chairman

Karachi: October 30, 2015

Condensed Interim Balance Sheet

As at September 30, 2015

(Amounts in Rupees '000)	Note	Unaudited September 30, 2015	Audited December 31, 2014
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 50,000,000 ordinary shares of Rs 10 each (2014: 50,000,000 ordinary shares of Rs 10 each)		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	8		
34,824,454 ordinary shares of Rs 10 each (2014: 30,282,134 ordinary shares of Rs10 each)		<u>348,244</u>	<u>302,821</u>
Retained earnings		<u>55,228</u>	<u>(59,028)</u>
Reserves		<u>1,208,756</u>	<u>1,284,461</u>
Shareholders' equity		<u>1,612,228</u>	<u>1,528,254</u>
Underwriting provisions			
Provision for outstanding claims (including IBNR)		<u>388,821</u>	<u>466,606</u>
Provision for unearned premium		<u>708,265</u>	<u>595,858</u>
Commission income unearned		<u>35,229</u>	<u>33,086</u>
Total underwriting provisions		<u>1,132,315</u>	<u>1,095,550</u>
Deferred liability			
Staff retirement benefits		<u>33,282</u>	<u>32,346</u>
Creditors and accruals			
Amounts due to other insurers / reinsurers		<u>279,083</u>	<u>211,284</u>
Accrued expenses		<u>16,088</u>	<u>24,835</u>
Taxation - provision less payments		<u>116,014</u>	<u>101,038</u>
Other creditors and accruals	9	<u>450,827</u>	<u>409,918</u>
		<u>862,012</u>	<u>747,075</u>
Other liabilities			
Unclaimed dividend		<u>27,808</u>	<u>26,757</u>
TOTAL EQUITY AND LIABILITIES		<u>3,667,645</u>	<u>3,429,982</u>
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

(Amounts in Rupees '000)	Note	Unaudited September 30, 2015	Audited December 31, 2014
ASSETS			
Cash and bank deposits			
Cash and other equivalents		919	745
Current and other accounts		214,081	150,248
		215,000	150,993
Investments	11	1,126,782	1,121,133
Loan - unsecured considered good		1,475	1,475
Investment properties		53,497	53,823
Other assets			
Premium due but unpaid		763,063	567,327
Amounts due from other insurers / reinsurers		430,239	456,818
Accrued investment income		3,685	1,090
Accrued salvage recoveries		19,937	26,026
Reinsurance recoveries against outstanding claims		309,432	321,565
Deferred commission expense		113,579	93,379
Prepayments		357,418	338,770
Deposits and other receivables	12	32,660	52,935
		2,030,013	1,857,910
Fixed assets			
Tangible			
Land and buildings	13	154,376	154,954
Furniture, fixtures and office equipment		18,753	19,916
Motor vehicles		39,077	41,107
Capital work in progress		26,109	26,109
Intangible			
Computer software		2,563	2,562
		240,878	244,648
TOTAL ASSETS		<u>3,667,645</u>	<u>3,429,982</u>

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Condensed Interim Profit and Loss Account (Unaudited)

For the quarter and nine month period ended September 30, 2015

(Amounts in Rupees '000)		For the quarter ended September 30,					2015	2014
Note	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate	
Revenue accounts								
	59,236	23,199	65,124	50,837	-	198,396	196,248	
	(15,616)	(2,487)	(16,795)	(47,247)	-	(82,145)	(89,209)	
	(17,586)	(6,836)	(19,440)	(15,058)	-	(58,920)	(56,462)	
	(20,243)	(4,344)	(7,678)	(2,918)	-	(35,183)	(33,119)	
	5,791	9,532	21,211	(14,386)	-	22,148	17,458	
						16,327	34,015	
						991	985	
						(22,541)	(22,996)	
						16,925	29,462	
						(4,122)	(3,449)	
						12,803	26,013	
						0.37	0.75	
Earnings per share - basic and diluted (in Rupees)								
		For the nine month period ended September 30,					2015	2014
Revenue accounts								
	157,022	46,271	203,623	124,332	-	531,248	517,751	
	(9,835)	(18,828)	(104,640)	(103,557)	-	(236,860)	(297,189)	
	(45,744)	(13,480)	(59,321)	(36,220)	-	(154,765)	(159,183)	
	(60,882)	(8,959)	(27,396)	(4,131)	-	(101,368)	(102,466)	
	40,561	5,004	12,266	(19,576)	-	38,255	(41,087)	
						142,116	116,567	
						445	161	
						3,488	3,311	
						(49,669)	(36,165)	
						134,635	42,787	
	14					(20,379)	(10,841)	
	17					114,256	31,946	
Profit and loss appropriation account								
						(59,028)	(93,938)	
						114,256	31,946	
						75,705	60,564	
						(30,282)	(60,564)	
						(45,423)	-	
						55,228	(61,992)	
						3.28	0.92	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter and nine month period ended September 30, 2015

(Amounts in Rupees '000)

	For the quarter ended September 30,		For the nine month period ended September 30,	
	2015	2014	2015	2014
Net profit for the period	12,803	26,013	114,256	31,946
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>12,803</u>	<u>26,013</u>	<u>114,256</u>	<u>31,946</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Condensed Interim Statement of Cash Flows (Unaudited)

For the nine month period ended September 30, 2015

(Amounts in Rupees '000)	2015	2014
OPERATING CASH FLOWS		
a) Underwriting activities		
Premium received	895,051	1,052,257
Reinsurance premium paid	(369,358)	(488,402)
Claims paid	(419,143)	(649,110)
Reinsurance and other recoveries received	116,631	208,660
Commissions paid	(118,000)	(120,510)
Commissions received	47,095	54,041
Net cash flow from underwriting activities	152,276	56,936
b) Other operating activities		
Income tax paid	(5,403)	(2,775)
General management expenses paid	(154,765)	(159,183)
Other operating payments	(44,539)	(29,210)
Advances, deposits and sundry receivables	5,890	17,968
Other liabilities and accruals	(11,410)	9,114
Net cash used in other operating activities	(210,227)	(164,086)
Total cash used in operating activities	(57,951)	(107,150)
INVESTMENT ACTIVITIES		
Investment income received	24,732	17,740
Payments for investments	(1,042,926)	(952,671)
Proceeds from disposal of investments	1,170,496	1,113,851
Loan - unsecured considered good	-	(1,100)
Fixed capital expenditure	(6,151)	(15,604)
Proceeds from disposal of fixed assets	524	250
Rental income received	4,920	4,483
Total cash flow from investing activities	151,595	166,949
FINANCING ACTIVITIES		
Dividends paid	(29,637)	(55,139)
Total cash used in financing activities	(29,637)	(55,139)
Total cash flow from all activities	64,007	4,660
Cash and cash equivalents at beginning of the period	150,993	108,938
Cash and cash equivalents at the end of the period	215,000	113,598

Condensed Interim Statement of Cash Flows (Unaudited)

For the nine month period ended September 30, 2015

(Amounts in Rupees '000)

	2015	2014
Reconciliation to profit and loss account		
Operating cash flows	(57,951)	(107,150)
Depreciation expense	(10,242)	(10,139)
Investment income	142,116	116,568
Gain on disposal of fixed assets	445	161
Rental income	3,488	3,311
Increase in assets other than cash	187,938	121,183
Increase in liabilities	(151,538)	(91,988)
Profit after taxation	<u>114,256</u>	<u>31,946</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	341	31
Stamps in hand	578	938
	919	969

Current and other accounts

Current accounts	52,267	9,683
Savings accounts	161,814	102,946
	214,081	112,629

Total cash and cash equivalents

<u>215,000</u>	<u>113,598</u>
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Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine month period ended September 30, 2015

(Amounts in Rupees '000)

	Share capital Issued, subscribed and paid-up	Reserves							Total equity
		Capital reserves			Revenue reserves				
		Reserve for exceptional losses	Devaluation reserve	Reserve for issue of bonus shares	General reserve	Reserve for bad and doubtful debts	Unappropriated profit	Total reserves	
Balance at January 1, 2014	302,821	19,490	185	-	1,325,000	350	(93,938)	1,251,087	1,553,908
Total comprehensive income for the nine month period ended September 30, 2014	-	-	-	-	-	-	31,946	31,946	31,946
Transfer from general reserve	-	-	-	(60,564)	-	60,564	-	-	-
Cash dividend for the year ended December 31, 2013 declared subsequent to the year ended	-	-	-	-	-	-	(60,564)	(60,564)	(60,564)
Balance as at September 30, 2014	<u>302,821</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>1,264,436</u>	<u>350</u>	<u>(61,992)</u>	<u>1,222,469</u>	<u>1,525,290</u>
Balance as at January 1, 2015	302,821	19,490	185	-	1,264,436	350	(59,028)	1,225,433	1,528,254
Total comprehensive income for the nine month period ended September 30, 2015	-	-	-	-	-	-	114,256	114,256	114,256
Transfer from general reserve	-	-	-	-	(30,282)	-	30,282	-	-
Cash dividend for the year ended December 31, 2014 declared subsequent to the year ended	-	-	-	-	-	-	(30,282)	(30,282)	(30,282)
Transferred from reserve for issue of bonus shares	-	-	-	45,423	(45,423)	-	-	-	-
Bonus shares issued	45,423	-	-	(45,423)	-	-	-	(45,423)	-
Balance as at September 30, 2015	<u>348,244</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>1,188,731</u>	<u>350</u>	<u>55,228</u>	<u>1,263,984</u>	<u>1,612,228</u>

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Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Condensed Interim Statement of Premium (Unaudited)

For the quarter and nine month period ended September 30, 2015

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,							2015	2014	
Class		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 Fire and property damage	321,958	122,450	310,160	134,248	121,662	117,885	164,535	75,012	59,236	64,974
	2 Marine, aviation and transport	34,398	92,986	66,384	61,000	17,455	91,448	71,102	37,801	23,199	22,368
	3 Motor	100,903	106,132	140,457	66,578	2,716	2,540	3,802	1,454	65,124	90,605
	4 Miscellaneous	164,641	105,236	191,264	78,613	88,461	54,909	115,594	27,776	50,837	18,301
	Total	621,900	426,804	708,265	340,439	230,294	266,782	355,033	142,043	198,396	196,248
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-	-
	Grand Total	621,900	426,804	708,265	340,439	230,294	266,782	355,033	142,043	198,396	196,248
		For the nine month period ended September 30,							2015	2014	
Direct and Facultative	1 Fire and property damage	416,525	280,052	310,160	386,417	190,847	203,083	164,535	229,395	157,022	189,208
	2 Marine, aviation and transport	165,408	49,189	66,384	148,213	127,799	45,245	71,102	101,942	46,271	42,987
	3 Motor	208,623	140,385	140,457	208,551	5,085	3,645	3,802	4,928	203,623	259,645
	4 Miscellaneous	273,652	126,232	191,264	208,620	113,426	86,456	115,594	84,288	124,332	25,911
	Total	1,064,208	595,858	708,265	951,801	437,157	338,429	355,033	420,553	531,248	517,751
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-	-
	Grand Total	1,064,208	595,858	708,265	951,801	437,157	338,429	355,033	420,553	531,248	517,751

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Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Condensed Interim Statement of Claims (Unaudited)

For the quarter and nine month period ended September 30, 2015

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,							2015	2014
Class	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	21,262	110,588	106,970	17,644	6,967	103,263	98,324	2,028	15,616	37,274
2 Marine, aviation and transport	7,840	86,498	87,239	8,581	4,503	49,474	51,065	6,094	2,487	3,989
3 Motor	29,176	19,317	7,013	16,872	2	434	509	77	16,795	33,856
4 Miscellaneous	33,905	143,988	187,599	77,516	10,507	139,772	159,534	30,269	47,247	14,090
Total	92,183	360,391	388,821	120,613	21,979	292,943	309,432	38,468	82,145	89,209
Treaty										
5 Proportional	-	-	-	-	-	-	-	-	-	-
Grand Total	92,183	360,391	388,821	120,613	21,979	292,943	309,432	38,468	82,145	89,209
		For the nine month period ended September 30,							2015	2014
Direct and Facultative										
1 Fire and property damage	127,993	222,076	106,970	12,887	44,585	139,857	98,324	3,052	9,835	116,283
2 Marine, aviation and transport	34,240	72,475	87,239	49,004	22,953	43,842	51,065	30,176	18,828	19,788
3 Motor	119,917	20,265	7,013	106,665	1,557	41	509	2,025	104,640	128,810
4 Miscellaneous	136,993	151,790	187,599	172,802	47,536	137,825	159,534	69,245	103,557	32,308
Total	419,143	466,606	388,821	341,358	116,631	321,565	309,432	104,498	236,860	297,189
Treaty										
5 Proportional	-	-	-	-	-	-	-	-	-	-
Grand Total	419,143	466,606	388,821	341,358	116,631	321,565	309,432	104,498	236,860	297,189

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Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Condensed Interim Statement of Expenses (Unaudited)

For the quarter and nine month period ended September 30, 2015

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	For the quarter ended September 30,						2015	2014		
	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	60,975	28,550	64,411	25,114	17,586	42,700	4,871	37,829	37,179	
2 Marine, aviation and transport	8,468	2,341	3,355	7,454	6,836	14,290	3,110	11,180	11,202	
3 Motor	14,095	11,809	18,181	7,723	19,440	27,163	45	27,118	37,394	
4 Miscellaneous	21,850	15,750	27,632	9,968	15,058	25,026	7,050	17,976	3,806	
Total	105,388	58,450	113,579	50,259	58,920	109,179	15,076	94,103	89,581	
Treaty										
5 Proportional	-	-	-	-	-	-	-	-	-	
Grand Total	105,388	58,450	113,579	50,259	58,920	109,179	15,076	94,103	89,581	
	For the nine month period ended September 30,						2015	2014		
Direct and Facultative										
1 Fire and property damage	85,192	54,661	64,411	75,442	45,744	121,186	14,560	106,626	121,272	
2 Marine, aviation and transport	18,057	2,196	3,355	16,898	13,480	30,378	7,939	22,439	23,804	
3 Motor	24,995	20,684	18,181	27,498	59,321	86,819	102	86,717	116,640	
4 Miscellaneous	38,276	15,838	27,632	26,482	36,220	62,702	22,351	40,351	(67)	
Total	166,520	93,379	113,579	146,320	154,765	301,085	44,952	256,133	261,649	
Treaty										
5 Proportional	-	-	-	-	-	-	-	-	-	
Grand Total	166,520	93,379	113,579	146,320	154,765	301,085	44,952	256,133	261,649	

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

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Condensed Interim Statement of Investment Income (Unaudited)

For the quarter and nine month period ended September 30, 2015

(Amounts in Rupees '000)	For the quarter ended September 30,		For the nine month period ended September 30,	
	2015	2014	2015	2014
Income from non-trading investments				
Return on bank deposits	2,046	2,639	7,053	7,626
Available for sale				
Dividend income	4,449	4,614	21,805	12,976
Gain on sale of investments	10,519	29,151	114,789	97,130
	14,968	33,765	136,594	110,106
(Impairment) / reversal in value of investments - net	-	(2,265)	-	(1,001)
Investment management expenses	(687)	(124)	(1,531)	(164)
Investment income	<u>16,327</u>	<u>34,015</u>	<u>142,116</u>	<u>116,567</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

Notes to the Condensed Interim Financial Statements (Unaudited)

for the nine month period ended September 30, 2015

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 of the Company for the nine month period ended September 30, 2015 have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting", provision of the directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules 2002. In case where requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules 2002 shall prevail.

These condensed interim financial statements do not include all the information in disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2014.

3. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared under the historical cost convention, except that obligations for employee retirement 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 adopted in the preparation of these condensed interim financial statements are consistent with those of the annual financial statements for the year ended December 31, 2014, except as follows:

New, amended and revised standards and interpretations of IFRSs

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

- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in other entities
- IFRS 13 - Fair Value
- IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions

The adoption of the above amendments to the accounting standards did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretation, improvements to various accounting standards have also been issued by IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

Notes to the Condensed Interim Financial Statements (Unaudited)

for the nine month period ended September 30, 2015

(Amounts in Rupees '000)

5. ESTIMATES AND JUDGMENTS

Preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect 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, 2014.

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, 2014.

7. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at September 30, 2015 is considered adequate to meet the expected liability after reinsurance, for 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. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

The Board of Directors in its meeting held on March 27, 2015 announced a bonus issue of 15% (45,423 shares), which was distributed out of reserves. The distribution was approved by the shareholders in the Annual General Meeting held on April 28, 2015.

	Unaudited September 30, Note 2015	Audited December 31, 2014
9. OTHER CREDITORS AND ACCRUALS		
Commissions payable	381,568	333,049
Federal excise duty & sales tax	4,826	12,815
Federal insurance fee	345	832
Donations	5,035	5,235
Workers welfare fund	9,881	7,182
Deposits and margins	5,580	6,737
Salaries payable	21,416	21,416
Others	9.1 22,176	22,652
	<u>450,827</u>	<u>409,918</u>

9.1 This includes provision for rent amounting to Rs 14 million. The Company is under litigation against the landlord. The possibility of the eventual beneficiary being other than the Company is considered remote by the Company's legal advisor. However, the Company has made a provision of the disputed amount as a matter of prudence.

Notes to the Condensed Interim Financial Statements (Unaudited)

for the nine month period ended September 30, 2015

(Amounts in Rupees '000)

	Note	Unaudited September 30, 2015	Audited December 31, 2014
10. CONTINGENCIES AND COMMITMENTS			
Commitments for capital expenditure		<u>15,038</u>	<u>15,038</u>
There are no contingencies to report as at the balance sheet date.			
11. INVESTMENTS			
Available for sale			
Related Parties			
Quoted shares (market value: Rs 162.3 million [2014: Rs 124.0 million])		42,015	44,643
Unquoted shares		<u>4,000</u>	<u>4,000</u>
		<u>46,015</u>	<u>48,643</u>
Others			
Quoted shares (market value: Rs 584.4 million [2014: Rs 341.2 million])		529,352	348,411
Unquoted shares		114,983	114,983
Mutual funds (market value: Rs 489.3 million [2014: Rs 698.8 million])	11.1	456,247	628,911
		<u>1,100,582</u>	<u>1,092,305</u>
Less: Impairment		<u>(19,815)</u>	<u>(19,815)</u>
		<u>1,126,782</u>	<u>1,121,133</u>

11.1 Mutual funds include Rs 27.5 million (2014: Rs 24.7 million) placed as statutory deposit with the State Bank of Pakistan (market value: Rs 47.9 million [2014: Rs 45.6 million]).

12. DEPOSITS AND OTHER RECEIVABLES

Deposits	12.1	27,752	29,145
Investment proceeds receivable		-	18,430
Others receivables		<u>4,908</u>	<u>5,360</u>
		<u>32,660</u>	<u>52,935</u>

12.1 These include Rs 24 million deposited under a court order in respect of a claim where the possibility of the eventual beneficiary being other than the Company is considered remote by the Company's legal advisor.

13. FIXED ASSETS - TANGIBLE AND INTANGIBLE

During the period, the Company acquired fixed assets for Rs 6.6 million (2014: Rs 15.6 million). Disposals at cost 0.66 million (2014: Rs 0.59 million).

Notes to the Condensed Interim Financial Statements (Unaudited)

for the nine month period ended September 30, 2015

(Amounts in Rupees '000)

14. PROVISION FOR TAXATION

	Note	Unaudited September 30, 2015	Unaudited September 30, 2014
Current		17,956	10,841
Prior	14.1	2,423	-
		<u>20,379</u>	<u>10,841</u>

14.1 Under Finance Act 2015, table under Income Tax Ordinance, 2001 Fourth Schedule Sec 66 Rule 6B was substituted resulting a change in capital gain tax for tax year 2015.

15. 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 September 30, 2015	Unaudited September 30, 2014
Transactions for the period		
Associated undertakings		
Premium written	<u>112,168</u>	<u>81,076</u>
Commission paid	<u>16,946</u>	<u>-</u>
Claims paid	<u>28,466</u>	<u>69,611</u>
Dividend paid	<u>3,273</u>	<u>7,450</u>
Dividend received	<u>400</u>	<u>682</u>
Others		
Premium written	<u>212</u>	<u>387</u>
Claims paid	<u>20</u>	<u>-</u>
Dividend paid	<u>1,412</u>	<u>2,497</u>
Meeting fees	<u>685</u>	<u>670</u>
Remuneration and retirement benefits to key personnel	<u>75,304</u>	<u>43,794</u>
	Unaudited September 30, 2015	Unaudited December 31, 2014
Period-end balances		
Associated undertakings		
Claims outstanding	<u>35,019</u>	<u>13,931</u>
Premium receivable	<u>261,763</u>	<u>88,308</u>
Others		
Premium receivable	<u>735</u>	<u>1,134</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

for the nine month period ended September 30, 2015

(Amounts in Rupees '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.

16. SEGMENT REPORTING

The following presents segment assets and liabilities as at September 30, 2015 and December 31, 2014.

	Fire and property		Marine, aviation & transport		Motor		Miscellaneous		Total	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Segment assets	794,372	812,525	311,505	304,201	275,791	273,260	609,615	413,558	1,991,283	1,803,544
Unallocated corporate assets									1,676,362	1,626,438
Consolidated total assets									3,667,645	3,429,982
Segment liabilities	541,354	598,728	201,132	164,542	202,342	209,387	466,570	334,177	1,411,398	1,306,834
Unallocated corporate liabilities									644,019	594,894
Consolidated total liabilities									2,055,417	1,901,728

17. 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 September 30, 2015	Unaudited September 30, 2014
Profit after tax for the period	114,256	31,946
Weighted average number of shares	34,824,454	34,824,454
Basic earnings per share of Rs 10 each - Rupees	3.28	0.92

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

18. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on October 30, 2015, by the Board of Directors of the Company.

19. GENERAL

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

19.2 Prior year figures have been rearranged where ever necessary.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Muhammad Asif Arif
Chief Executive

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