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Company Information

Board of Directors

Zahid Bashir (Chairman)
Khalid Bashir
Imran Maqbool
Nadeem Maqbool
Khurram Mazhar
Shams Rafi
Attaullah A Rasheed

Chief Executive Officer & Managing Director

Mohammed Asif Arif

Chief Financial Officer & Company Secretary

Iftikhar Gadar

Audit Committee

Khalid Bashir (Chairman)
Nadeem Maqbool (Member)
Imran Maqbool (Member)
Fariq M. K. Rohilla (Secretary)

Human Resources & Remuneration Committee

Nadeem Maqbool (Chairman)
Zahid Bashir (Member)
Attaullah A Rasheed (Member)
Niina Khan (Secretary)

Auditors

Deloitte Yousuf Adil
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) 34380101-5
Fax : (21) 34380106
Email : info.shares@famco.com.pk

Report of the **Directors to the Members**

The directors are pleased to present the unaudited condensed interim financial statements of the Company for the three month period ended March 31, 2016.

Review

(Amounts in Rupees '000)

	2016	2015
Premium written	231	215
Net Premium	216	157
Underwriting result	23	(2)
Investment income	26	37
Window Takaful Operation	(9)	-
Profit before taxation	12	32
Profit after taxation	9	27
EPS	0.25	0.79

The Company's written premium increased by 8% and the Net Premium increased by 38%. Concentrated effort on risk management resulted in an increase in the underwriting profit from Rs. 2 Mn. to Rs. 23 Mn. Given the suppressed investment environment the Company witnessed a drop in investment by Rs. 11 Mn. The Company recorded a net profit of Rs. 9 Mn resulting in an EPS of Rs. 0.25

Window Takaful Operations

The written contribution and the deficit of Participants Takaful Fund were Rs. 30 Mn and Rs. 0.7 Mn respectively and there was a loss from Window Takaful Operations of Rs. 9 Mn. for the three month period ended March 31, 2016.

Outlook

Our recent Annual Report presents our outlook for 2016. The Company continues to make progress despite challenging conditions for business growth still prevalent alongside volatile political conditions. 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. Growth momentum and improved underwriting and overall profitability is expected to be maintained in the coming quarters.

Acknowledgement

The directors acknowledge the support and guidance of SECP, SBP and all Regulators and dedication 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: April 29, 2016

ڈائریکٹرز کی رپورٹ برائے ممبران

ڈائریکٹرز ہمسرت کمپنی کے عبوری غیر آڈٹ شدہ فنانشل اسٹیٹمنٹ برائے سہ ماہی مختتمہ 31 مارچ 2016 کا خلاصہ پیش کر رہے ہیں۔

جائزہ	2016	2015
تخریر شدہ پرییم	231	214
خالص پرییم	216	157
انڈر رائٹنگ رزلٹ	23	(2)
آمدنی بذریعہ سرمایہ کاری	26	37
ونڈ وٹکافل آپریشنز	(9)	-
قبل از ٹیکس منافع	12	32
بعد از ٹیکس منافع	9	27
آمدنی فی حصص	0.25	0.79

کمپنی کے تخریر شدہ پرییم میں آٹھ (8%) فیصد اضافہ ہوا ہے جب کہ خالص پرییم میں 38% اضافہ ریکارڈ کیا گیا۔ رسک منجمنٹ پر خصوصی توجہ کے باعث انڈر رائٹنگ (underwriting) کا منافع 2 ملین روپے سے بڑھ کر 23 ملین روپے ہو گیا ہے۔ سرمایہ کاری کے ماحول میں دباؤ کی وجہ سے کمپنی کی آمدنی بذریعہ سرمایہ کاری کی مد میں 11 ملین روپے کی کمی واقع ہوئی۔ تاہم کمپنی کا خالص منافع 9 ملین روپے رہا جس کے نتیجے میں آمدنی فی حصص 0.25 رہی۔

ونڈ وٹکافل آپریشنز

تخریری حصہ داری اور وٹکافل فنڈز کے شرکاء کا خسارہ بالترتیب 30 ملین اور 0.7 ملین رہا۔ جب کہ گزشتہ سہ ماہی مختتمہ 31 مارچ 2016 کے لئے وٹکافل آپریشنز میں 9 ملین روپے کا نقصان دیکھنے میں آیا۔

آئندہ کے امکانات

ہماری حالیہ سالانہ رپورٹ میں 2016 کا جائزہ پیش کیا گیا ہے۔ ہماری کمپنی نے ہر لمحہ بدلتی سیاسی صورتحال کے نتیجے میں کاروبار کو درپیش چیلنجز کے باوجود ترقی کا سفر جاری رکھا ہے۔ کمپنی اپنے کسٹمرز کی خدمت پر بھرپور توجہ کے ذریعہ آگے بڑھ رہی ہے، ٹیکنالوجی کے وسیع تر استعمال کے ذریعے اپنے مارکٹ شیئر میں اضافہ کیلئے پرامید ہے اور مارکیٹ میں اپنی صف اول کی حیثیت کے دوبارہ حصول کی توقع رکھتی ہے۔ توقع کی جارہی ہے کہ آئندہ سہ ماہیوں میں ترقی کی رفتار بڑھے گی، بہتر انڈر رائٹنگ نتائج اور مجموعی منافع میں اضافہ ہوگا۔

اعتراف

کمپنی کے ڈائریکٹرز SECP کے تعاون اور رہنمائی، SBP اور تمام ریگولیٹرز کے علاوہ کمپنی کے ملازمین کے خلوص دل سے کام کا اعتراف کرتے ہیں اور اس کے ساتھ ساتھ اپنے تمام کسٹمرز اور کاروباری ساتھیوں کا شکریہ ادا کرتے ہیں جنہوں نے ایک بار پھر ہم پر بھرپور اعتماد کا اظہار کیا ہے۔

بجانب بورڈ

زابد بشیر
چیئرمین

کراچی 29 اپریل 2016

Balance Sheet

As at March 31, 2016

(Amounts in Rupees '000)

	Note	Unaudited March 31, 2016	Audited December 31, 2015
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 50,000,000 ordinary shares of Rs 10 each (2015: 50,000,000 ordinary shares of Rs 10 each)		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital 34,824,454 ordinary shares of Rs 10 each (2015: 34,824,454 ordinary shares of Rs10 each)		<u>348,244</u>	348,244
Retained earnings		<u>60,230</u>	51,424
Reserves		<u>1,208,756</u>	1,208,756
Shareholders' equity		<u>1,617,230</u>	1,608,424
Underwriting provisions			
Provision for outstanding claims (including IBNR)		<u>838,149</u>	572,537
Provision for unearned premium		<u>532,277</u>	642,765
Commission income unearned		<u>23,906</u>	27,303
Total underwriting provisions		<u>1,394,332</u>	1,242,605
Deferred liability			
Staff retirement benefits		13,955	13,556
Liabilities against assets subject to finance lease			
		12,853	3,575
Creditors and accruals			
Current maturity of finance lease		<u>2,745</u>	1,027
Amounts due to other insurers / reinsurers		<u>252,139</u>	271,706
Accrued expenses		<u>26,088</u>	26,088
Taxation - provision less payments		<u>79,831</u>	85,818
Other creditors and accruals	8	<u>371,151</u>	403,558
		<u>731,954</u>	788,197
Other liabilities			
Unclaimed dividend		25,227	27,778
Total liabilities of window Takaful Operations - Operator's Fund		14,032	1,277
TOTAL EQUITY AND LIABILITIES		<u>3,809,583</u>	<u>3,685,412</u>
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Balance Sheet

As at March 31, 2016

(Amounts in Rupees '000)

	Note	Unaudited March 31, 2016	Audited December 31, 2015
ASSETS			
Cash and bank deposits			
Cash and other equivalents		802	495
Current and other accounts		98,827	84,302
		<u>99,629</u>	<u>84,797</u>
Investments	10	1,033,938	1,143,588
Loan - unsecured considered good	11	1,475	1,475
Investment properties		25,239	25,249
Other assets			
Premium due but unpaid		742,988	822,817
Amounts due from other insurers / reinsurers		415,106	391,933
Accrued investment income		5,862	365
Accrued salvage recoveries		16,549	12,909
Reinsurance recoveries against outstanding claims		755,714	465,930
Deferred commission expense		71,578	67,420
Prepayments		268,217	305,553
Deposits and other receivables	12	74,224	72,400
		<u>2,350,238</u>	<u>2,139,327</u>
Fixed assets			
Tangible			
Land and buildings	13	154,057	154,228
Furniture, fixtures and office equipment		19,674	18,603
Motor vehicles - Owned		31,981	33,656
Motor vehicles - Leased		15,851	4,757
Capital work in progress		26,109	26,109
Intangible			
Computer software		2,589	2,309
		<u>250,261</u>	<u>239,662</u>
Total assets of window Takaful Operations - Operator's Fund		48,803	51,314
TOTAL ASSETS		<u>3,809,583</u>	<u>3,685,412</u>

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Profit and **Loss Account (Unaudited)**

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	Note					2016	2015	
		Fire and property damage	Marine, aviation & transport	Motor	Misc.	Treaty	Aggregate	Aggregate
Revenue accounts								
Net premium revenue		80,505	10,995	71,570	53,196	-	216,266	157,471
Net claims		(26,163)	(4,243)	(37,996)	(9,949)	-	(78,351)	(77,957)
Management expenses		(35,931)	(4,907)	(31,944)	(23,742)	-	(96,524)	(48,712)
Net commission		(2,434)	(3,294)	(7,780)	(4,848)	-	(18,356)	(32,990)
Underwriting result		<u>15,977</u>	<u>(1,449)</u>	<u>(6,150)</u>	<u>14,657</u>	<u>-</u>	<u>23,035</u>	<u>(2,188)</u>
Investment income							25,829	37,463
Rental income							-	1,246
General and administration expenses							(27,169)	(4,304)
Loss before tax from window takaful operations - OPF							(9,334)	-
Profit before tax							12,361	32,217
Provision for taxation - net							(3,555)	(4,786)
Profit after tax							<u>8,806</u>	<u>27,431</u>
Profit and loss appropriation account								
Balance at commencement of year							51,424	(59,028)
Profit after tax for the period	16						8,806	27,431
Unappropriated profit / (loss) at the end of the period							<u>60,230</u>	<u>(31,597)</u>
Earnings per share - basic and diluted (in Rupees)	16						<u>0.25</u>	<u>0.79</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Comprehensive Income** (Unaudited)
For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	2016	2015
Net profit for the period	8,806	27,431
Other comprehensive income for the period		
Item not to be re-classified to profit and loss account in subsequent period:		
Remeasurement of defined benefit plan	-	-
Total comprehensive income	<u>8,806</u>	<u>27,431</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	2016	2015
OPERATING CASH FLOWS		
a) Underwriting activities		
Premium received	283,441	267,943
Reinsurance premium paid	(107,024)	(140,225)
Claims paid	(175,174)	(186,911)
Reinsurance and other recoveries received	72,651	60,364
Commissions paid	(36,447)	(36,177)
Commissions received	12,187	6,236
Net cash flow from / (used in) underwriting activities	49,634	(28,770)
b) Other operating activities		
Income tax paid	(9,542)	(1,349)
General management expenses paid	(96,524)	(48,712)
Other operating payments	(18,155)	(630)
Advances, deposits and sundry receivables	(16,448)	15,202
Other liabilities and accruals	(20,764)	(7,360)
Net cash used in other operating activities	(161,433)	(42,849)
Total cash used in operating activities	(111,799)	(71,619)
INVESTMENT ACTIVITIES		
Investment income received	6,049	6,022
Payments for investments	(136,388)	(262,338)
Proceeds from disposal of investments	263,099	305,268
Fixed capital expenditure	(13,877)	(929)
Proceeds from disposal of fixed assets	-	24
Rental income received	-	4,203
Total cash flow from investing activities	118,883	52,250
FINANCING ACTIVITIES		
Dividends paid	(1,530)	(6)
Payments against finance leases	9,278	-
Total cash flow from / (used in) financing activities	7,748	(6)
Total cash flow from / (used in) all activities	14,832	(19,375)
Cash and cash equivalents at beginning of the period	84,797	150,993
Cash and cash equivalents at the end of the period	99,629	131,618

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	2016	2015
Reconciliation to profit and loss account		
Operating cash flows	(111,799)	(71,619)
Depreciation expense	(3,287)	(3,237)
Investment income	25,829	37,463
Rental income	-	1,246
Loss from window takaful operations	(9,334)	-
Increase / (Decrease) in assets other than cash	214,856	(195,645)
(Increase) / Decrease in liabilities	(107,459)	259,223
Profit after taxation	<u>8,806</u>	<u>27,431</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	453	180
Stamps in hand	349	420
	802	600

Current and other accounts

Current accounts	9,649	3,403
Savings accounts	89,178	127,615
	98,827	131,018

Total cash and cash equivalents

	<u>99,629</u>	<u>131,618</u>
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The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Changes in Equity (Unaudited)** For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	Share capital	Reserves					Total reserves	Total equity
		Capital reserves		Revenue reserves				
		Issued, subscribed and paid-up	Reserve for exceptional losses	Devaluation reserve	General reserve	Reserve for bad and doubtful debts		
Balance at January 1, 2015	302,821	19,490	185	1,264,436	350	(59,028)	1,225,433	1,528,254
Profit for the three month period ended March 31, 2015	-	-	-	-	-	27,431	27,431	27,431
Remeasurement of defined benefit plan for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the three month period ended March 31, 2015	-	-	-	-	-	27,431	27,431	27,431
Balance as at March 31, 2015	302,821	19,490	185	1,264,436	350	(31,597)	1,252,864	1,555,685
Balance at January 1, 2016	348,244	19,490	185	1,188,731	350	51,424	1,260,180	1,608,424
Profit for the three month period ended March 31, 2016	-	-	-	-	-	8,806	8,806	8,806
Remeasurement of defined benefit plan for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the three month period ended March 31, 2016	-	-	-	-	-	8,806	8,806	8,806
Balance as at March 31, 2016	348,244	19,490	185	1,188,731	350	60,230	1,268,986	1,617,230

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Premium** (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2016	2015
		Opening	Closing			Net premium revenue	Net premium revenue			
Direct and Facultative 1										
1 Fire and property damage	63,476	269,283	192,673	140,086	54,284	183,260	177,963	59,581	80,505	45,835
2 Marine, aviation and transport	21,983	38,504	18,036	42,451	16,635	34,461	19,640	31,456	10,995	13,644
3 Motor	86,456	146,713	160,142	73,027	2,427	2,827	3,797	1,457	71,570	72,627
4 Miscellaneous	59,498	188,265	161,426	86,337	14,111	82,921	63,891	33,141	53,196	25,365
Total	<u>231,413</u>	<u>642,765</u>	<u>532,277</u>	<u>341,901</u>	<u>87,457</u>	<u>303,469</u>	<u>265,291</u>	<u>125,635</u>	<u>216,266</u>	<u>157,471</u>
Treaty										
5 Proportional	-	-	-	-	-	-	-	-	-	-
Grand Total	<u>231,413</u>	<u>642,765</u>	<u>532,277</u>	<u>341,901</u>	<u>87,457</u>	<u>303,469</u>	<u>265,291</u>	<u>125,635</u>	<u>216,266</u>	<u>157,471</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Claims** (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

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	2016	2015
		Opening	Closing			Net claims expense	Net claims expense			
Direct and Facultative 1										
1 Fire and property damage	80,048	171,690	126,525	34,883	34,943	126,904	100,681	8,720	26,163	3,713
2 Marine, aviation and transport	12,452	194,229	450,104	268,327	8,268	194,100	449,916	264,084	4,243	9,011
3 Motor	37,079	22,132	23,151	38,098	368	432	166	102	37,996	45,804
4 Miscellaneous	45,595	184,486	238,369	99,478	29,072	144,494	204,951	89,529	9,949	19,429
Total	<u>175,174</u>	<u>572,537</u>	<u>838,149</u>	<u>440,786</u>	<u>72,651</u>	<u>465,930</u>	<u>755,714</u>	<u>362,435</u>	<u>78,351</u>	<u>77,957</u>
Treaty										
5 Proportional	-	-	-	-	-	-	-	-	-	-
Grand Total	<u>175,174</u>	<u>572,537</u>	<u>838,149</u>	<u>440,786</u>	<u>72,651</u>	<u>465,930</u>	<u>755,714</u>	<u>362,435</u>	<u>78,351</u>	<u>77,957</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Expenses** (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Commission paid or payable	Opening deferred commission	Closing deferred commission	Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	2016	2015
								Net underwriting expense	Net underwriting expense
Direct and Facultative1									
1 Fire and property damage	13,481	17,824	21,746	9,559	35,931	45,490	7,125	38,365	34,221
2 Marine, aviation and transport	5,657	3,506	2,848	6,315	4,907	11,222	3,021	8,201	6,827
3 Motor	10,671	18,937	21,755	7,853	31,944	39,797	73	39,724	33,056
4 Miscellaneous	8,289	27,153	25,229	10,213	23,742	33,955	5,365	28,590	7,598
Total	<u>38,098</u>	<u>67,420</u>	<u>71,578</u>	<u>33,940</u>	<u>96,524</u>	<u>130,464</u>	<u>15,584</u>	<u>114,880</u>	<u>81,702</u>
Treaty									
5 Proportional	-	-	-	-	-	-	-	-	-
Grand Total	<u><u>38,098</u></u>	<u><u>67,420</u></u>	<u><u>71,578</u></u>	<u><u>33,940</u></u>	<u><u>96,524</u></u>	<u><u>130,464</u></u>	<u><u>15,584</u></u>	<u><u>114,880</u></u>	<u><u>81,702</u></u>

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

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	2016	2015
Income from non-trading investments		
Return on bank deposits	829	2,369
Available for sale		
Dividend income	11,140	5,957
Gain on sale of investments	14,279	29,437
	25,419	35,394
Investment management expenses	(419)	(300)
Investment income	<u>25,829</u>	<u>37,463</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

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 Pakistan Stock Exchange. The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Karachi. The Company has been allowed to work as Window Takaful Operator on October 2, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC(Insurance) Rules, 2002] vide S.R.O. 938 dated December 12, 2002.

The financial statements are prepared and presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

During the year, the Company was granted permission by Securities and Exchange Commission of Pakistan to transact Window Takaful Operations. In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated July 9, 2015, the assets, liabilities and profit and loss of the Operator Fund of the General Takaful operations of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

Further, a separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012.

The SECP has allowed the insurance companies to defer the application of International Accounting Standard - 39 (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 the SECP as aforesaid, have not been considered in the preparation of these financial statements.

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

For the three month period ended March 31, 2016

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, 2015, 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 year:

- IFRS 10- Share-based Payment - Definitions of vesting conditions
- IFRS 11 - Joint Arrangements
- IFRS 12- Disclosure of Interests in Other Entities
- IFRS 13- Fair Value Measurement
- IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions

The adoption of the above amendments did not have any material effect on the financial statements.

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, 2015.

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, 2015.

7. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at March 31, 2016 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.

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

For the three month period ended March 31, 2016

	Note	Unaudited March 31, 2016	Audited December 31, 2015
8. OTHER CREDITORS AND ACCRUALS			
Commissions payable		305,621	303,971
Federal excise duty & sales tax		8,679	27,567
Federal insurance fee		584	1,947
Workers welfare fund		9,701	9,701
Deposits and margins		4,277	5,217
Payable against investments		9,253	22,545
Others	8.1	33,036	32,610
		371,151	403,558

8.1 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.

	Note	Unaudited March 31, 2016	Audited December 31, 2015
9. CONTINGENCIES AND COMMITMENTS			
Commitments for capital expenditure		15,038	15,038

There are no contingencies to report as at the balance sheet date.

10. INVESTMENTS

Available for sale

Related Parties

Quoted shares (market value: Rs 147.2 million
[2015: Rs 172.4 million])

Unquoted shares

52,316

42,320

4,000

4,000

56,316

46,320

Others

Quoted shares (market value: Rs 634.9 million
[2015: Rs 504.1million])

Unquoted shares

549,602

528,616

114,983

114,983

Mutual funds (market value: Rs 351.3 million
[2015: Rs 489.5 million])

10.1

313,299

453,931

977,884

1,097,530

(262)

(262)

Less: Impairment

1,033,938

1,143,588

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

For the three month period ended March 31, 2016

10.1 Mutual funds include Rs 27.5 million (2015: Rs 27.5 million) placed as statutory deposit with the State Bank of Pakistan (market value: Rs 49.1 million [2015: Rs 48.4 million]).

11. LOAN - UNSECURED CONSIDERED GOOD

The company has provided an unsecured interest free loan to Novelty Enterprises (Private) Limited for the purpose of real estate development. The company has 16.67% equity stake in Novelty Enterprises (Private) Limited.

	Note	Unaudited March 31, 2016	Audited December 31, 2015
12. DEPOSITS AND OTHER RECEIVABLES			
Deposits	12.1	48,557	33,572
Investment proceeds receivable		14,070	30,145
Others receivables		11,597	8,683
		<u>74,224</u>	<u>72,400</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 13.9 million (2015: Rs 0.93 million).

14. 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 March 31, 2016	Un-audited March 31, 2015
Transactions for the period		
Associated undertakings		
Premium written	<u>10,567</u>	<u>7,769</u>
Claims paid	<u>84,244</u>	<u>5,617</u>
Others		
Premium written	<u>220</u>	<u>67</u>
Meeting fees	<u>368</u>	<u>255</u>
Remuneration and retirement benefits to key personnel	<u>32,704</u>	<u>15,812</u>

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

For the three month period ended March 31, 2016

	Unaudited March 31, 2016	Audited December 31, 2015
Period-end balances		
Associated undertakings		
Claims outstanding	<u>35,957</u>	<u>88,380</u>
Premium receivable	<u>194,276</u>	<u>243,083</u>
Others		
Premium receivable	<u>622</u>	<u>605</u>
Claims outstanding	<u>15</u>	<u>-</u>

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.

15. SEGMENT REPORTING

The following presents segment assets and liabilities as at March 31, 2016 and December 31, 2015.

	Fire and property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Segment assets	618,053	753,201	582,927	480,456	474,414	275,433	591,834	555,389	2,267,228	2,064,479
Unallocated corporate assets									1,542,355	1,620,933
Consolidated total assets									3,809,583	3,685,412
Segment liabilities	398,636	547,033	494,456	290,621	277,644	222,870	475,735	453,787	1,646,471	1,514,311
Unallocated corporate liabilities									545,882	562,677
Consolidated total liabilities									2,192,353	2,076,988

16. 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:

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

For the three month period ended March 31, 2016

	Unaudited March 31, 2016	Audited December 31, 2015
Profit after tax for the period	<u>8,806</u>	<u>27,431</u>
Weighted average number of shares	<u>34,824,454</u>	<u>34,824,454</u>
Basic earnings per share of Rs 10 each - Rupees	<u>0.25</u>	<u>0.79</u>

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

17. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on April 29, 2016 by the Board of Directors of the company.

18. GENERAL

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

18.2 Prior year figures have been rearranged where ever necessary.

Financial Statements (Window Takaful)



Balance Sheet

As at March 31, 2016

	Note	Operator's Fund	Unaudited March 31, 2016 Participants' Takaful Fund	Aggregate	Audited December 31, 2015 Aggregate
(Amounts in Rupees '000)					
FUNDS AND LIABILITIES					
Operator's fund					
Statutory fund		50,000	-	50,000	50,000
Accumulated loss		(15,229)	-	(15,229)	(5,895)
		<u>34,771</u>	<u>-</u>	<u>34,771</u>	<u>44,105</u>
Waqf / Participants' takaful fund					
Ceded money		-	500	500	500
Accumulated deficit		-	(1,041)	(1,041)	(352)
		<u>-</u>	<u>(541)</u>	<u>(541)</u>	<u>148</u>
Underwriting provisions					
Provision for outstanding claims (including IBNR)		-	1,617	1,617	-
Provision for unearned contribution		-	28,430	28,430	2,237
Unearned retakaful rebate		-	2,029	2,029	304
Total underwriting provisions		<u>-</u>	<u>32,076</u>	<u>32,076</u>	<u>2,541</u>
Creditors and accruals					
Amounts due to other takaful / retakaful operators		-	7,691	7,691	1,621
Unearned wakala fees		9,950	-	9,950	783
Wakala and mudarib fee payable		-	-	-	825
Payable to Premier Insurance Limited		1,600	-	1,600	5,932
Other creditors and accruals	6	2,482	1,887	4,369	873
		<u>14,032</u>	<u>9,578</u>	<u>23,610</u>	<u>10,034</u>
TOTAL FUND AND LIABILITIES		<u>48,803</u>	<u>41,113</u>	<u>89,916</u>	<u>56,828</u>
ASSETS					
Cash and bank deposits					
Cash and other equivalents		113	52	165	144
Current and other accounts		159	1,981	2,140	7,046
		<u>272</u>	<u>2,033</u>	<u>2,305</u>	<u>7,190</u>
Investments	7	45,000	-	45,000	45,000
Other assets					
Contribution due but unpaid		-	16,793	16,793	639
Amounts due from other takaful / retakaful operators		-	2,581	2,581	223
Wakala and mudarib fee receivable		-	-	-	825
Deferred wakala fee		-	9,950	9,950	783
Deferred commission expense		2,877	-	2,877	325
Prepayments		-	9,756	9,756	1,843
Deposits and other receivables	8	654	-	654	-
		<u>3,531</u>	<u>39,080</u>	<u>42,611</u>	<u>4,638</u>
TOTAL ASSETS		<u>48,803</u>	<u>41,113</u>	<u>89,916</u>	<u>56,828</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Profit and **Loss Account (Unaudited)**

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	<u>Fire and property damage</u>	<u>Marine, aviation & transport</u>	<u>Motor</u>	<u>Others</u>	<u>Treaty</u>	<u>2016 Aggregate</u>
PTF Revenue accounts						
Net contribution revenue	522	303	1,397	297	-	2,519
Wakala expense	(384)	(242)	(542)	(116)	-	(1,284)
Direct expense	(109)	(62)	(292)	(62)	-	(525)
Net claims	-	-	(1,627)	-	-	(1,627)
Rebate from re-takaful operations	130	89	-	9	-	228
Underwriting result	<u>159</u>	<u>88</u>	<u>(1,064)</u>	<u>128</u>	<u>-</u>	<u>(689)</u>
Accumulated Deficit						
Balance at the beginning of the year						(352)
Deficit for the period						(689)
Balance at the end of the period						<u>(1,041)</u>
Operator's Revenue accounts						
Wakala fee	384	242	542	116	-	1,284
Commission Expenses	(204)	(101)	(66)	(33)	-	(404)
Management expenses	(2,036)	(1,175)	(5,441)	(1,155)	-	(9,807)
	<u>(1,856)</u>	<u>(1,034)</u>	<u>(4,965)</u>	<u>(1,072)</u>	<u>-</u>	<u>(8,927)</u>
Investment income						43
General & administration expenses						(450)
Loss for the period						<u>(9,334)</u>
Accumulated Loss						
Balance at the beginning of the year						(5,895)
Loss for the period						(9,334)
Balance at the end of the period						<u>(15,229)</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Comprehensive Income (Unaudited)**
For the three month period ended March 31, 2016

(Amounts in Rupees '000)

2016

OPERATORS' FUND

Loss for the period **(9,334)**

Total comprehensive loss for the period **(9,334)**

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	<u>Operator's Fund</u>	<u>Participants' Fund</u>	<u>2016 Aggregate</u>
OPERATING CASH FLOWS			
a) Takaful activities			
Contribution received	-	11,348	11,348
Re-takaful contributions paid	-	(2,991)	(2,991)
Claims paid	-	(10)	(10)
Commissions paid	(698)	-	(698)
Re-takaful rebate received	-	1,953	1,953
Net cash (used in) / flow from underwriting activities	(698)	10,300	9,602
b) Other operating activities			
General management expenses paid	(9,807)	(525)	(10,332)
Other operating payments	(450)	(11,276)	(11,726)
Advances, deposits and sundry receivables	1,938	-	1,938
Other liabilities and accruals	4,082	1,508	5,590
Net cash used in other operating activities	(4,237)	(10,293)	(14,530)
Total cash (used in) / flow from operating activities	(4,935)	7	(4,928)
INVESTMENT ACTIVITIES			
Investment income received	43	-	43
Total cash flow from investing activities	43	-	43
Total (used in) / cash flow from all activities	(4,892)	7	(4,885)
Cash and cash equivalents at beginning of the period	5,164	2,026	7,190
Cash and cash equivalents at the end of the period	272	2,033	2,305

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	<u>Operator's Fund</u>	<u>Participants' Fund</u>	<u>2016 Aggregate</u>
Reconciliation to profit and loss account			
Operating cash flows	(4,935)	7	(4,928)
Investment income	43	-	43
Increase in assets other than cash	3,206	36,417	39,623
Increase in liabilities	(7,648)	(37,113)	(44,761)
Loss for the period	<u>(9,334)</u>	<u>(689)</u>	<u>(10,023)</u>
Attributed to			
Operators' Fund	(9,334)	-	(9,334)
Participant's Takaful Fund	-	(689)	(689)
	<u>(9,334)</u>	<u>(689)</u>	<u>(10,023)</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	113	-	113
Stamps in hand	-	52	52
	<u>113</u>	<u>52</u>	<u>165</u>

Current and other accounts

Savings accounts	159	1,981	2,140
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Total cash and cash equivalents

	<u>272</u>	<u>2,033</u>	<u>2,305</u>
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The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Changes in Fund** (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	Operator's Fund		
	Statutory Fund	Accumulated Loss	Total
Contribution made during the period	50,000	-	50,000
Loss for the period	-	(15,229)	(15,229)
Balance as at March 31, 2016	50,000	(15,229)	34,771

	Participants' Fund		
	Cede Money	Accumulated Deficit	Total
Cede money	500	-	500
Deficit for the period	-	(1,041)	(1,041)
Balance as at March 31, 2016	500	(1,041)	(541)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

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Director

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Director

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Chief Executive

Condensed Interim Statement of **Contributions (Unaudited)**

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Contribution written	Unearned Contribution reserve		Contribution earned	Re-takaful contribution ceded	Prepaid re-takaful contribution		Re-takaful expense	2016	
		Opening	Closing			Opening	Closing		Net Contribution revenue	
Direct and Facultative										
1	Fire and property damage	7,325	1,409	7,638	1,096	6,286	1,194	6,906	574	522
2	Marine, aviation and transport	1,757	146	1,213	690	1,571	126	1,310	387	303
3	Motor	14,059	621	13,131	1,549	519	498	865	152	1,397
4	Miscellaneous	6,719	61	6,448	332	685	25	675	35	297
	Total	<u>29,860</u>	<u>2,237</u>	<u>28,430</u>	<u>3,667</u>	<u>9,061</u>	<u>1,843</u>	<u>9,756</u>	<u>1,148</u>	<u>2,519</u>
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-
	Grand Total	<u>29,860</u>	<u>2,237</u>	<u>28,430</u>	<u>3,667</u>	<u>9,061</u>	<u>1,843</u>	<u>9,756</u>	<u>1,148</u>	<u>2,519</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

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Director

Imran Maqbool
Director

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Chief Executive

Condensed Interim Statement of **Claims** (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Claims paid	Outstanding claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	2016
		Opening	Closing			Opening	Closing		Net claims expense
Direct and Facultative 1									
1 Fire and property damage	-	-	-	-	-	-	-	-	-
2 Marine, aviation and transport	-	-	-	-	-	-	-	-	-
3 Motor	10	-	1,617	1,627	-	-	-	-	1,627
4 Miscellaneous	-	-	-	-	-	-	-	-	-
Total	10	-	1,617	1,627	-	-	-	-	1,627
Treaty									
5 Proportional	-	-	-	-	-	-	-	-	-
Grand Total	10	-	1,617	1,627	-	-	-	-	1,627

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Expenses - OPF (Unaudited)** For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Commission paid or payable	2016		Net commission expense	Direct expenses	Net OPF expense
		Deferred commission Opening	Deferred commission Closing			
Direct and Facultative						
1 Fire and property damage	1,355	265	1,416	204	2,036	2,240
2 Marine, aviation and transport	332	28	259	101	1,175	1,276
3 Motor	593	29	556	66	5,441	5,507
4 Miscellaneous	675	3	645	33	1,155	1,188
Total	<u>2,955</u>	<u>325</u>	<u>2,876</u>	<u>404</u>	<u>9,807</u>	<u>10,211</u>
Treaty 5 Proportional	-	-	-	-	-	-
Grand Total	<u>2,955</u>	<u>325</u>	<u>2,876</u>	<u>404</u>	<u>9,807</u>	<u>10,211</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of Expenses - PTF (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Gross wakala fee	Deferred wakala fee		Net expense	PTF direct expenses	Rebate from re-takaful operations	2016
		Opening	Closing				Net PTF expense
Direct and Facultative							
1 Fire and property damage	2,564	493	2,673	384	109	130	363
2 Marine, aviation and transport	615	51	424	242	62	89	215
3 Motor	4,920	218	4,596	542	292	-	834
4 Miscellaneous	2,352	21	2,257	116	62	9	169
Total	<u>10,451</u>	<u>783</u>	<u>9,950</u>	<u>1,284</u>	<u>525</u>	<u>228</u>	<u>1,581</u>
Treaty	-	-	-	-	-	-	-
5 Proportional	-	-	-	-	-	-	-
Grand Total	<u>10,451</u>	<u>783</u>	<u>9,950</u>	<u>1,284</u>	<u>525</u>	<u>228</u>	<u>1,581</u>

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

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Investment Income (Unaudited)**
For the three month period ended March 31, 2016

(Amounts in Rupees '000)

	2016
Income from non-trading investments	
Return on bank deposits	43
Investment income	<u>43</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

1. STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on October 2, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on October 31, 2015 under the Waqf deed with a Cede money of Rs. 500,000. The Waqf deed and PTF Policies (Waqf Rules) which govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The condensed interim financial statements of the Operator are prepared such that the financial position and results from the operations of Waqf and the Operator are shown separately.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC(Insurance) Rules, 2002] and SECP Circular No.25 of 2015 dated July 9, 2015.

The condensed interim financial statements are prepared and presented in Pakistani Rupees, which is the functional and presentation currency. These condensed interim financial statements reflect the financial position and results of operations of both the Operator and PTF in a manner that the assets, liabilities, revenue and expenses of the Operator and PTF remain separately identifiable.

3. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the WTO have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 shall prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements.

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

For the three month period ended March 31, 2016

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, 2015, 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 year:

IFRS 10	-	Share-based Payment - Definitions of vesting conditions
IFRS 11	-	Joint Arrangements
IFRS 12	-	Disclosure of Interests in Other Entities
IFRS 13	-	Fair Value Measurement
IAS 19	-	Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions

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, 2015.

6. OTHER CREDITORS AND ACCRUALS - PTF

	Unaudited March 31, 2016	Audited December 31, 2015
Federal excise duty	1,754	355
Federal takaful fee	133	24
	<u>1,887</u>	<u>379</u>

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

For the three month period ended March 31, 2016

	Unaudited March 31, 2016	Audited December 31, 2015
7. INVESTMENTS		
Available for sale		
Mutual funds (unit trusts) - Others		
Number of units		
2,897,170		
Name of entity		
NAFA Islamic Asset Allocation Fund (Market value Rs 46.1 million (2015: Rs 44.9 million))	<u>45,000</u>	<u>45,000</u>
8. DEPOSITS AND OTHER RECEIVABLES - OPF		
Deposits	571	-
Others	<u>83</u>	-
	<u>654</u>	-

9. 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.

There is no transactions with related parties as at balance sheet date.

10. SEGMENT REPORTING

The following presents segment assets and liabilities as at March 31, 2016 and December 31, 2015.

Operator's Fund

	Fire and property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Segment assets	1,416	780	259	89	556	256	646	25	2,877	1,150
Unallocated corporate assets									45,926	50,164
Consolidated total assets									<u>48,803</u>	<u>51,314</u>
Segment liabilities	3,795	770	917	85	5,278	248	2,915	24	12,905	1,127
Unallocated corporate liabilities									1,127	6,082
Consolidated total liabilities									<u>14,032</u>	<u>7,209</u>

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

For the three month period ended March 31, 2016

Participants' Takaful Fund

	Fire and property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Segment assets	9,587	2,175	2,299	259	18,400	959	8,794	95	39,080	3,488
Unallocated corporate assets									2,033	2,026
Consolidated total assets									41,113	5,514
Segment liabilities	1,887	1,526	453	182	3,621	672	1,730	66	7,691	2,446
Unallocated corporate liabilities									1,887	379
Consolidated total liabilities									9,578	2,825

11. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on April 29, 2016 by the Board of Directors of the company.

12. GENERAL

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Our Network

Karachi

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Nelson Chamber Branch Unit C

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Canal Branch

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Fax: 051-2348169

Rawalpindi Branch

32-Services Plaza The Mall Rawalpindi

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FSD-Chenab Branch

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Fax: 052-3572194

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Fax: 091-5277809

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Sahiwal Branch

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Fax: 040-4220790

Quetta Branch

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Fax: 040-4220790

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