



PREMIER INSURANCE



INTERIM FINANCIAL STATEMENTS
for the nine month period ended
September 30, 2012 (Unaudited)





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PREMIER INSURANCE LIMITED

Company Information

Board of Directors

Attaullah
Khalid Bashir
Zahid Bashir (Chairman)
Imran Maqbool
Nadeem Maqbool
Shams Rafi
Fakhir Rahman (Chief Executive)

Company Secretary

Afroz Quraishi

Audit Committee

Khalid Bashir (Chairman)
Imran Maqbool
Nadeem Maqbool

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
1st Floor, State Life Building No.1-A
I.I.Chundrigar Road, Karachi-74000, Pakistan



Report of the Directors to the Members

The directors are pleased to present the unaudited interim financial statements of the company for the nine month period ended September 30, 2012.

Review

	(Amounts in Rupees millions)	
	2012	2011
Premium written	879.4	750.5
Net premium	403.4	342.5
Underwriting result	(37.4)	11.7
Investment income	61.3	124.0
(Loss) / Profit before taxation	(8.4)	110.1
(Loss) / Profit after taxation	(12.8)	93.7

An increase of 17% in written premium and 18% in net premium in the current market conditions is very satisfactory. However, despite tight expense control, higher claims expenses and up trending acquisition costs prevented a flow through of this growth to the underwriting result.

As reported earlier, the lower investment income is planned as we move towards a more tax efficient portfolio. Both the claims expenses and investment income are expected to normalize over time.

Compliance with your company's prudent policies for provisioning against receivables and investments, as also the minimum tax regime, have impacted the profit before and after tax in addition to the aforementioned.

Outlook

As anticipated, this is proving a difficult year in terms of after tax earnings; planned in terms of investment income, somewhat in terms of acquisition costs but not so for claims. While we expect the exceptional claims not to recur, and we rethink our strategy and tactics, our stakeholders can take comfort from our equity of Rs 1.8 Billion, and assets of Rs 3.5 Billion.

We carry an IFS rating of "A" with Stable Outlook from JCR-VCR Credit Rating Company denoting a "high capacity to meet policyholder and contract obligations". This is well supported by our ability to pay claims of Rs 624 Million, 91% higher than the corresponding period's Rs 326 Million. Your company has met its claims, all the time, every time. And shall continue to do so, Inshallah.

We are strongly capitalized with liquidity to meet any contingency, and to capture any business that meets our criteria.

Acknowledgement

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

On behalf of the Board

Zahid Bashir
Chairman
Karachi: October 25, 2012



PREMIER INSURANCE LIMITED

Condensed Interim Balance Sheet

As at September 30, 2012

(Amounts in Rupees '000)	Note	Unaudited September 30, 2012	Audited December 31, 2011
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital Rs 100,000,000 ordinary shares of Rs 5 each		<u>500,000</u>	<u>500,000</u>
Issued subscribed and paid-up capital 60,564,269 ordinary shares of Rs.5 each		302,821	302,821
Retained earnings		116,760	190,163
Reserves		1,345,025	1,345,025
Shareholders' equity		1,764,606	1,838,009
Underwriting provisions			
Provision for outstanding claims (including IBNR)		472,405	430,567
Provision for unearned premium		571,556	460,867
Commission income unearned		74,972	54,288
Total underwriting provisions		1,118,933	945,722
Deferred liability			
Staff retirement benefits		28,413	26,472
Creditors and accruals			
Amounts due to other insurers / reinsurers		105,645	114,393
Accrued expenses		25,129	16,200
Taxation - provision less payments		115,252	115,462
Other creditors and accruals	8	306,503	235,359
		552,529	481,414
Other liabilities			
Unclaimed and dividend payable		15,920	10,032
TOTAL EQUITY AND LIABILITIES		<u>3,480,401</u>	<u>3,301,649</u>
CONTINGENCIES AND COMMITMENTS	9		

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



(Amounts in Rupees '000)	Note	Unaudited September 30, 2012	Audited December 31, 2011
ASSETS			
Cash and bank deposits			
Cash and other equivalents		586	628
Current and other accounts		121,869	186,005
		122,455	186,633
Loans to employees		471	1,000
Investments	10	1,183,591	1,290,920
Investment properties		54,902	55,286
Other assets			
Premium due but unpaid		657,155	612,048
Amounts due from other insurers / reinsurers		413,667	269,516
Accrued investment income		2,031	1,354
Accrued salvage recoveries		12,225	8,347
Reinsurance recoveries against outstanding claims		281,941	278,307
Deferred commission expense		97,156	74,718
Prepayments		369,178	262,341
Sundry receivables	11	32,610	5,729
		1,865,963	1,512,360
Fixed assets			
Tangible			
Land and buildings	12	145,676	145,879
Furniture, fixtures and office equipment		24,584	26,998
Motor vehicles		46,945	46,571
Capital work in progress		30,072	33,172
Intangible			
Computer software		5,742	2,830
		253,019	255,450
TOTAL ASSETS		3,480,401	3,301,649

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



PREMIER INSURANCE LIMITED

Condensed Interim Profit and Loss Account (Unaudited)

For the quarter and nine month period ended September 30, 2012

(Amounts in Rupees '000)

	Quarter ended September 30,					2012	2011
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
Revenue accounts							
Net premium revenue	34,652	30,609	72,218	10,458	(1)	147,936	129,935
Net claims	(16,991)	(10,023)	(46,850)	(7,037)	-	(80,901)	(63,067)
Expenses	(11,037)	(10,873)	(24,046)	(3,536)	-	(49,492)	(45,792)
Net commission	(5,262)	(4,820)	(12,860)	2,551	(1)	(20,392)	(16,549)
Underwriting result	<u>1,362</u>	<u>4,893</u>	<u>(11,538)</u>	<u>2,436</u>	<u>(2)</u>	<u>(2,849)</u>	<u>4,527</u>
Investment income						18,288	42,365
Loss on disposal of fixed assets						-	(22)
Rental income						859	749
Other income						126	490
General and administration expenses						(22,029)	(10,120)
(Loss) / profit before tax						<u>(5,605)</u>	<u>37,989</u>
Provision for taxation						(1,352)	(5,308)
(Loss) / profit after tax						<u>(6,957)</u>	<u>32,681</u>
(Loss) / earnings per share - basic and diluted (in Rupees)						<u>(0.11)</u>	<u>0.54</u>

	Nine month period ended September 30,					2012	2011
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
Revenue accounts							
Net premium revenue	116,910	57,947	201,517	26,997	(1)	403,370	342,537
Net claims	(47,343)	(22,989)	(151,413)	(20,164)	54	(241,855)	(160,138)
Expenses	(44,122)	(21,868)	(76,051)	(10,188)	-	(152,229)	(136,891)
Net commission	(13,831)	(7,511)	(30,524)	5,217	(1)	(46,650)	(33,840)
Underwriting result	<u>11,614</u>	<u>5,579</u>	<u>(56,471)</u>	<u>1,862</u>	<u>52</u>	<u>(37,364)</u>	<u>11,668</u>
Investment income						61,257	124,020
Gain on disposal of fixed assets						3,689	318
Rental income						2,468	2,180
Other income						1,158	1,510
General and administration expenses						(39,624)	(29,569)
(Loss) / profit before tax						<u>(8,416)</u>	<u>110,127</u>
Provision for taxation						(4,423)	(16,456)
(Loss) / profit after tax						<u>(12,839)</u>	<u>93,671</u>

Profit and loss appropriation account

Balance at commencement of period		190,163	269,812
(Loss) / profit after tax for the period		(12,839)	93,671
Cash dividend for 2011 @ Re 1 per share (2010 @ Rs 1.25 per share)		(60,564)	(75,705)
Transfer to general reserve		-	(75,000)
Balance unappropriated profit at the end of the period		<u>116,760</u>	<u>212,778</u>
(Loss) / earnings per share - basic and diluted (in Rupees)	Note 15	<u>(0.21)</u>	<u>1.55</u>

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine month period ended September 30, 2012

(Amounts in Rupees '000)

	2012	2011
Net (loss) / profit for the period	(12,839)	93,671
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the period	<u>(12,839)</u>	<u>93,671</u>

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

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Chief Executive



PREMIER INSURANCE LIMITED

Condensed Interim Statement of Cash Flows (Unaudited)

For the nine month period ended September 30, 2012

(Amounts in Rupees '000)	2012	2011
OPERATING CASH FLOWS		
a) Underwriting activities		
Premium received	690,150	557,334
Reinsurance premium paid	(477,652)	(305,817)
Claims paid	(624,071)	(326,027)
Reinsurance and other recoveries received	420,420	184,020
Commissions paid	(77,829)	(91,065)
Commissions received	101,977	84,955
Net cash flow from underwriting activities	32,995	103,400
b) Other operating activities		
Income tax paid	(4,633)	(15,028)
General management expenses paid	(152,229)	(136,891)
Other operating payments	(17,474)	(7,954)
Advances, deposits and sundry receivables	(31,685)	1,405
Other liabilities and accruals	(1,410)	(3,665)
Net cash used in other operating activities	(207,431)	(162,133)
Total cash used in operating activities	(174,436)	(58,733)
INVESTMENT ACTIVITIES		
Investment income received	22,819	104,018
Payments for investments	(776,674)	(668,446)
Proceeds from disposal of investments	919,939	638,202
Fixed capital expenditure	(10,207)	(17,499)
Proceeds from disposal of fixed assets	5,048	1,723
Rental income received	2,851	2,584
Other income received	1,158	1,510
Total cash flow from investing activities	164,934	62,092
FINANCING ACTIVITIES		
Dividends paid	(54,676)	(73,291)
Total cash used in financing activities	(54,676)	(73,291)
Total cash used in all activities	(64,178)	(69,932)
Cash and cash equivalents at beginning of the period	186,633	148,601
Cash and cash equivalents at the end of the period	122,455	78,669



Condensed Interim Statement of Cash Flows (Unaudited)

For the nine month period ended September 30, 2012

(Amounts in Rupees '000)

	2012	2011
Reconciliation to profit and loss account		
Operating cash flows	(174,436)	(58,733)
Depreciation expense	(11,280)	(11,301)
Investment income	61,257	124,020
Gain on disposal of fixed assets	3,689	318
Rental income	2,468	2,180
Other income	1,158	1,510
Increase in assets other than cash	350,571	312,925
Increase in liabilities	(246,266)	(277,248)
(Loss) / profit after taxation	<u>(12,839)</u>	<u>93,671</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	61	884
Stamps in hand	525	433
	586	1,317

Current and other accounts

Current accounts	8,350	16,854
Savings accounts	113,519	60,498
	121,869	77,352

Total cash and cash equivalents

	<u>122,455</u>	<u>78,669</u>
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The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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Chairman

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Director

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Fakhir Rahman
Chief Executive



PREMIER INSURANCE LIMITED

Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine month period ended September 30, 2012

(Amounts in Rupees '000)

	Share capital Issued, subscribed and paid-up	Capital reserves			Reserves			Total reserves	Total equity
		Reserve for exceptional losses	Devaluation reserve	Reserve for issue of bonus shares	Revenue reserves				
					General reserve	Reserve for bad and doubtful debts	Unappropriated profit		
Balance as at January 1, 2011	302,821	19,490	185	-	1,250,000	350	269,812	1,539,837	1,842,658
Total comprehensive income for the nine month period ended September 30, 2011	-	-	-	-	-	-	93,671	93,671	93,671
Cash dividend for the year ended December 31, 2010 declared subsequent to the year ended	-	-	-	-	-	-	(75,705)	(75,705)	(75,705)
Transferred to general reserve	-	-	-	-	75,000	-	(75,000)	-	-
Balance as at September 30, 2011	302,821	19,490	185	-	1,325,000	350	212,778	1,557,803	1,860,624
Total comprehensive loss for the three month period ended December 31, 2011	-	-	-	-	-	-	(22,615)	(22,615)	(22,615)
Balance at January 1, 2012	302,821	19,490	185	-	1,325,000	350	190,163	1,535,188	1,838,009
Total comprehensive loss for the nine month period ended September 30, 2012	-	-	-	-	-	-	(12,839)	(12,839)	(12,839)
Cash dividend for the year ended December 31, 2011 declared subsequent to the year ended	-	-	-	-	-	-	(60,564)	(60,564)	(60,564)
Balance as at September 30, 2012	302,821	19,490	185	-	1,325,000	350	116,760	1,461,785	1,764,606

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



Condensed Interim Statement of Premium (Unaudited)

For the quarter and nine month period ended September 30, 2012

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class		Quarter ended September 30,							2012	2011	
		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	132,226	252,789	273,653	111,362	119,840	194,238	237,368	76,710	34,652	42,612
	2 Marine, aviation and transport	39,020	27,118	15,634	50,504	23,355	16,003	19,463	19,895	30,609	21,924
	3 Motor	97,670	150,084	172,994	74,760	1,296	4,199	2,953	2,542	72,218	55,828
	4 Miscellaneous	66,105	84,771	109,279	41,597	51,683	75,622	96,166	31,139	10,458	9,572
	Total	335,021	514,762	571,560	278,223	196,174	290,062	355,950	130,286	147,937	129,936
Treaty	5 Proportional	-	(5)	(4)	(1)	-	-	-	-	(1)	(1)
	Grand Total	335,021	514,757	571,556	278,222	196,174	290,062	355,950	130,286	147,936	129,935
		Nine month period ended September 30,							2012	2011	
Direct and Facultative	1 Fire and property damage	382,659	220,532	273,653	329,538	290,617	159,379	237,368	212,628	116,910	113,244
	2 Marine, aviation and transport	111,593	16,556	15,634	112,515	58,550	15,481	19,463	54,568	57,947	52,015
	3 Motor	236,841	148,378	172,994	212,225	3,889	9,772	2,953	10,708	201,517	155,774
	4 Miscellaneous	148,317	75,401	109,279	114,439	115,848	67,760	96,166	87,442	26,997	21,505
	Total	879,410	460,867	571,560	768,717	468,904	252,392	355,950	365,346	403,371	342,538
Treaty	5 Proportional	(5)	-	(4)	(1)	-	-	-	-	(1)	(1)
	Grand Total	879,405	460,867	571,556	768,716	468,904	252,392	355,950	365,346	403,370	342,537

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



PREMIER INSURANCE LIMITED

Condensed Interim Statement of Claims (Unaudited)

For the quarter and nine month period ended September 30, 2012

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		Quarter ended September 30,							2012	2011	
Class		Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	Net claims expense
			Opening	Closing			Opening	Closing			
Direct and Facultative	1 Fire and property damage	110,876	244,439	165,457	31,894	92,054	201,664	124,513	14,903	16,991	6,895
	2 Marine, aviation and transport	28,577	81,035	75,160	22,702	21,108	52,340	43,911	12,679	10,023	5,801
	3 Motor	41,500	87,580	94,354	48,274	1,033	1,311	1,702	1,424	46,850	43,677
	4 Miscellaneous	33,319	131,655	132,377	34,041	27,005	111,816	111,815	27,004	7,037	6,694
	Total	214,272	544,709	467,348	136,911	141,200	367,131	281,941	56,010	80,901	63,067
Treaty	5 Proportional	-	5,057	5,057	-	-	-	-	-	-	-
	Grand Total	214,272	549,766	472,405	136,911	141,200	367,131	281,941	56,010	80,901	63,067
		Nine month period ended September 30,							2012	2011	
Direct and Facultative	1 Fire and property damage	361,506	179,989	165,457	346,974	315,716	140,598	124,513	299,631	47,343	16,726
	2 Marine, aviation and transport	55,803	70,402	75,160	60,561	39,264	45,603	43,911	37,572	22,989	15,722
	3 Motor	125,265	65,765	94,354	153,854	1,732	993	1,702	2,441	151,413	110,998
	4 Miscellaneous	81,551	109,354	132,377	104,574	63,708	91,113	111,815	84,410	20,164	16,688
	Total	624,125	425,510	467,348	665,963	420,420	278,307	281,941	424,054	241,909	160,134
Treaty	5 Proportional	(54)	5,057	5,057	(54)	-	-	-	-	(54)	4
	Grand Total	624,071	430,567	472,405	665,909	420,420	278,307	281,941	424,054	241,855	160,138

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



Condensed Interim Statement of Expenses (Unaudited)

For the quarter and nine month period ended September 30, 2012

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended September 30,							2012	2011
	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	26,804	47,442	51,990	22,256	11,037	33,293	16,994	16,299	21,783
2 Marine, aviation and transport	7,608	5,004	2,913	9,699	10,873	20,572	4,879	15,693	10,875
3 Motor	18,010	24,212	29,184	13,038	24,046	37,084	178	36,906	28,679
4 Miscellaneous	7,842	9,775	13,069	4,548	3,536	8,084	7,099	985	1,004
Total	60,264	86,433	97,156	49,541	49,492	99,033	29,150	69,883	62,341
Treaty									
5 Proportional	-	1	-	1	-	1	-	1	-
Grand Total	60,264	86,434	97,156	49,542	49,492	99,034	29,150	69,884	62,341
	Nine month period ended September 30,							2012	2011
Direct and Facultative									
1 Fire and property damage	73,172	41,044	51,990	62,226	44,122	106,348	48,395	57,953	59,610
2 Marine, aviation and transport	20,807	2,997	2,913	20,891	21,868	42,759	13,380	29,379	26,377
3 Motor	38,509	21,919	29,184	31,244	76,051	107,295	720	106,575	82,423
4 Miscellaneous	17,894	8,758	13,069	13,583	10,188	23,771	18,800	4,971	2,323
Total	150,382	74,718	97,156	127,944	152,229	280,173	81,295	198,878	170,733
Treaty									
5 Proportional	1	-	-	1	-	1	-	1	(2)
Grand Total	150,383	74,718	97,156	127,945	152,229	280,174	81,295	198,879	170,731

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

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



PREMIER INSURANCE LIMITED

Condensed Interim Statement of Investment Income (Unaudited)

For the quarter and nine month period ended September 30, 2012

(Amounts in Rupees '000)

	Quarter ended September 30,		Nine month period ended September 30,	
	2012	2011	2012	2011
Income from non-trading investments				
Held to maturity				
Return on bank deposits	3,150	2,875	10,282	9,014
Available for sale				
Dividend income	1,500	33,681	13,312	104,535
Gain on sale of investments	13,716	5,893	39,085	20,216
	15,216	39,574	52,397	124,751
Impairment in value of investments	-	-	(1,324)	(9,645)
Investment management expenses	(78)	(84)	(98)	(100)
Investment income	<u>18,288</u>	<u>42,365</u>	<u>61,257</u>	<u>124,020</u>

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine month period ended September 30, 2012

1. STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

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

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

3. BASIS OF PRESENTATION

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

New and amended standards and interpretations

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

IFRS 7 - Financial Instruments: Disclosures (Amendment)

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

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



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine month period ended September 30, 2012

(Amounts in Rupees '000)

5. ESTIMATES AND JUDGMENTS

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

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

6. FINANCIAL AND INSURANCE RISK MANAGEMENT

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

7. PREMIUM DEFICIENCY RESERVE

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

8. OTHER CREDITORS AND ACCRUALS

	Unaudited September 30, 2012	Audited December 31, 2011
Commissions payable	262,793	190,239
Federal excise duty & sales tax	4,602	5,364
Federal insurance fee	213	190
Donations	4,779	4,935
Workers welfare fund	6,355	6,355
Deposits and margins	11,520	10,567
Others	16,241	17,709
	<u>306,503</u>	<u>235,359</u>

9. CONTINGENCIES AND COMMITMENTS

Commitments for capital expenditure	<u>19,357</u>	<u>20,257</u>
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There are no contingencies to report as at the balance sheet date.



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine month period ended September 30, 2012

(Amounts in Rupees '000)

	Unaudited September 30, 2012	Audited December 31, 2011
10. INVESTMENTS		
Available for sale		
Related Parties		
Quoted shares (market value: Rs 42.9 million [2011: Rs 23.7 million])	32,846	33,692
Unquoted shares	4,000	4,000
	<u>36,846</u>	<u>37,692</u>
Others		
Quoted shares (market value: Rs 193.7 million [2011: Rs 229.7 million])	234,961	303,478
Unquoted shares	115,203	115,203
Mutual funds (market value: Rs 852.4 million [2011: Rs 854.3 million])	805,434	842,076
	<u>1,155,598</u>	<u>1,260,757</u>
Less: Impairment	(8,853)	(7,529)
	<u><u>1,183,591</u></u>	<u><u>1,290,920</u></u>

10.1 Mutual funds include Rs 24.7 million (2011: Rs 24.7 million) placed as statutory deposit with the State Bank of Pakistan (market value: Rs 37.8 million [2011: Rs 35.4 million]).

	Note	Unaudited September 30, 2012	Audited December 31, 2011
11. SUNDRY RECEIVABLES			
Deposits	11.1	25,799	1,300
Others receivables		6,811	4,429
		<u>32,610</u>	<u>5,729</u>

11.1 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.



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine month period ended September 30, 2012

(Amounts in Rupees '000)

12. FIXED ASSETS - TANGIBLE AND INTANGIBLE

During the period, the company acquired fixed assets for Rs 10.2 million (2011: Rs 17.5 million). Disposals at cost amounted to Rs 6.5 million (2011: Rs 5.2 million).

13. TRANSACTIONS WITH RELATED PARTIES

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

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

	Unaudited September 30, 2012	Unaudited September 30, 2011
Transactions for the period		
Associated undertakings		
Premium written	92,441	80,191
Claims paid	246,340	31,088
Commission paid	2,746	6,512
Dividend paid	7,450	9,312
Dividend received	1,600	156
Others		
Premium written	78	47
Dividend paid	2,315	2,894
Rent received	728	675
Meeting fees	405	535
Remuneration and retirement benefits to key personnel	49,009	41,947
Period-end balances		
Associated undertakings		
Claims outstanding	33,957	58,676
Premium receivable	196,180	163,212
Others		
Premium receivable	31	78
Other payables	2	141

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



Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine month period ended September 30, 2012

(Amounts in Rupees '000)

14. SEGMENT REPORTING

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

	Fire and property		Marine, aviation & transport		Motor		Miscellaneous		Total	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Segment assets	885,142	734,595	203,721	189,093	325,525	275,252	403,706	296,388	1,818,094	1,495,328
Unallocated corporate assets									1,662,307	1,806,321
Consolidated total assets									3,480,401	3,301,649
Segment liabilities	538,935	489,997	109,742	107,550	296,211	246,576	279,690	215,992	1,224,578	1,060,115
Unallocated corporate liabilities									491,217	403,525
Consolidated total liabilities									1,715,795	1,463,640

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

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

	Unaudited September 30, 2012	Unaudited September 30, 2011
(Loss) / profit after tax for the period	(12,839)	93,671
Weighted average number of shares	60,564,269	60,564,269
Basic (loss) / earnings per share of Rs.5 each - Rupees	(0.21)	1.55

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



PREMIER INSURANCE LIMITED

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine month period ended September 30, 2012

16. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on October 25, 2012 by the Board of Directors of the company.

17. GENERAL

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



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