



**INTERIM FINANCIAL REPORT**  
for the nine month period ended  
September 30, 2014  
(Unaudited)

**PREMIER INSURANCE**





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## PREMIER INSURANCE LIMITED

### Company Information

#### Board of Directors

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

#### Chief Financial Officer & Company Secretary

Iftikhar Gadar

#### Audit Committee

Khalid Bashir (Chairman)  
Imran Maqbool  
Nadeem Maqbool

#### 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](mailto:info@pil.com.pk)  
Website : [www.pil.com.pk](http://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](mailto: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, 2014.

### Review

	(Amounts in Rupees millions)	
	2014	2013
Premium written	<b>1,159.9</b>	1,003.5
Net premium	<b>517.7</b>	482.3
Underwriting result	<b>(41.1)</b>	(91.8)
Investment income	<b>116.6</b>	114.0
Profit / (loss) before taxation	<b>42.8</b>	(21.7)
Profit / (loss) after taxation	<b>31.9</b>	(30.0)

During the period under review the company posted a 16% plus growth in written premium, coming from all business classes in the last quarter. The rise in net premium was 7% due to nature, timing and re-insurance of the risks underwritten.

Improvement in the claims ratio affected the underwriting results positively for period. Despite the investment income registering a decline in the last quarter, the company recorded profits before and after tax over the corresponding period.

### Outlook

The economic indicators are not very promising and business conditions are becoming more challenging and the political scenario deteriorating, the economy is yet to see any improvement. However, the company possesses the financial means with a management that has continued to strive hard to protect and create long term value for all stakeholders despite adverse economic conditions. We are hopeful of maintaining the growth momentum and further improve underwriting and overall profitability by the year end.

### Acknowledgement

The directors acknowledge the dedication of the company's employees, thank all our business associates and members for their confidence reposed in the company, and our regulators for their guidance

On behalf of the Board

Nadeem Maqbool  
Chairman

Karachi: October 30, 2014



## PREMIER INSURANCE LIMITED

### Condensed Interim Balance Sheet

As at September 30, 2014

(Amounts in Rupees '000)	Note	Unaudited September 30, 2014	Audited December 31, 2013
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 50,000,000 ordinary shares of Rs 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital 30,282,134 ordinary shares of Rs.10 each		302,821	302,821
Retained earnings		(61,992)	(93,938)
Reserves		1,284,461	1,345,025
<b>Shareholders' equity</b>		<b>1,525,290</b>	<b>1,553,908</b>
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		536,558	731,767
Provision for unearned premium		720,351	567,149
Commission income unearned		32,807	26,222
<b>Total underwriting provisions</b>		<b>1,289,716</b>	<b>1,325,138</b>
<b>Deferred liability</b>			
Staff retirement benefits		32,167	32,206
<b>Creditors and accruals</b>			
Amounts due to other insurers / reinsurers		204,178	144,630
Accrued expenses		24,835	27,980
Taxation - provision less payments		108,121	100,055
Other creditors and accruals	8	413,354	349,039
		<b>750,488</b>	<b>621,704</b>
<b>Other liabilities</b>			
Unclaimed dividend		26,766	21,341
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>3,624,427</u></b>	<b><u>3,554,297</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

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



(Amounts in Rupees '000)	Note	Unaudited September 30, 2014	Audited December 31, 2013
<b>ASSETS</b>			
<b>Cash and bank deposits</b>			
Cash and other equivalents		969	744
Current and other accounts		112,629	108,194
		113,598	108,938
<b>Investments</b>	10	1,106,289	1,169,535
<b>Loan - unsecured considered good</b>	11	1,350	250
<b>Investment properties</b>		53,940	54,286
<b>Other assets</b>			
Premium due but unpaid		747,851	537,574
Amounts due from other insurers / reinsurers		503,409	606,017
Accrued investment income		4,037	1,338
Accrued salvage recoveries		26,034	32,776
Reinsurance recoveries against outstanding claims		311,016	362,964
Deferred commission expense		114,927	90,478
Prepayments		361,448	311,158
Deposits and other receivables	12	31,692	35,524
		2,100,414	1,977,829
<b>Fixed assets</b>	13		
<b>Tangible</b>			
Land and buildings		155,153	155,744
Furniture, fixtures and office equipment		20,842	21,134
Motor vehicles		43,894	36,813
Capital work in progress		26,109	26,109
<b>Intangible</b>			
Computer software		2,838	3,659
		248,836	243,459
<b>TOTAL ASSETS</b>		<u>3,624,427</u>	<u>3,554,297</u>

Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive



## PREMIER INSURANCE LIMITED

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

For the quarter and nine month period ended September 30, 2014

(Amounts in Rupees '000)	For the quarter ended September 30,					2014	2013
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
<b>Revenue accounts</b>							
Net premium revenue	64,974	22,368	90,605	18,301	-	196,248	182,895
Net claims	(37,274)	(3,989)	(33,856)	(14,090)	-	(89,209)	(148,998)
Management expenses	(18,479)	(6,629)	(25,819)	(5,535)	-	(56,462)	(46,564)
Net commission	(18,700)	(4,573)	(11,575)	1,729	-	(33,119)	(30,057)
<b>Underwriting result</b>	<u>(9,479)</u>	<u>7,177</u>	<u>19,355</u>	<u>405</u>	<u>-</u>	<u>17,458</u>	<u>(42,724)</u>
Investment income						34,015	40,994
Rental income						985	1,101
General and administration expenses						(22,996)	(43,564)
Profit / (Loss) before tax						29,462	(44,193)
Provision for taxation						(3,449)	(4,043)
<b>Profit / (Loss) after tax</b>						<u>26,013</u>	<u>(48,236)</u>
Earnings / (Loss) per share - basic and diluted (in Rupees)						<u>0.86</u>	<u>(1.59)</u>
<b>Revenue accounts</b>							
Net premium revenue	189,208	42,987	259,645	25,911	-	517,751	482,308
Net claims	(116,283)	(19,788)	(128,810)	(32,308)	-	(297,189)	(350,161)
Management expenses	(58,173)	(13,216)	(79,828)	(7,966)	-	(159,183)	(152,038)
Net commission	(63,099)	(10,588)	(36,812)	8,033	-	(102,466)	(71,901)
<b>Underwriting result</b>	<u>(48,347)</u>	<u>(605)</u>	<u>14,195</u>	<u>(6,330)</u>	<u>-</u>	<u>(41,087)</u>	<u>(91,792)</u>
Investment income						116,567	113,971
Gain / (loss) on disposal of fixed assets						161	(42)
Rental income						3,311	2,942
General and administration expenses						(36,165)	(46,776)
<b>Profit before tax</b>						<u>42,787</u>	<u>(21,697)</u>
Provision for taxation						(10,841)	(8,301)
<b>Profit after tax</b>						<u>31,946</u>	<u>(29,998)</u>
<b>Profit and loss appropriation account</b>							
Balance at commencement of year						(93,938)	134,092
Profit after tax for the period						31,946	(29,998)
Transfer from general reserves						60,564	-
Cash dividend for 2013 @ Re 1 per share (2012 @ Re 1 per share)						(60,564)	(60,564)
<b>Balance unappropriated (loss) / profit at the end of the period</b>						<u>(61,992)</u>	<u>43,530</u>
Earnings / (loss) per share - basic and diluted (in Rupees)					Note 16	<u>1.05</u>	<u>(0.99)</u>

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

Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive





## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter and nine month period ended September 30, 2014

(Amounts in Rupees '000)	For the quarter ended September 30,		For the Nine month period ended September 30,	
	2014	2013	2014	2013
Net profit / (loss) for the period	26,013	(48,236)	31,946	(29,998)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>26,013</u>	<u>(48,236)</u>	<u>31,946</u>	<u>(29,998)</u>

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

Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive



PREMIER INSURANCE LIMITED

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

For the nine month period ended September 30, 2014

<b>(Amounts in Rupees '000)</b>	<b>2014</b>	<b>2013</b>
<b>OPERATING CASH FLOWS</b>		
a) Underwriting activities		
Premium received	1,052,257	657,827
Reinsurance premium paid	(488,402)	(335,397)
Claims paid	(649,110)	(533,421)
Reinsurance and other recoveries received	208,660	280,133
Commissions paid	(120,510)	(112,496)
Commissions received	54,041	49,438
Net cash flow from underwriting activities	56,936	6,084
b) Other operating activities		
Income tax paid	(2,775)	(2,420)
General management expenses paid	(159,183)	(152,038)
Other operating payments	(29,210)	(6,934)
Advances, deposits and sundry receivables	17,968	(8,116)
Other liabilities and accruals	9,114	(3,068)
Net cash used in other operating activities	(164,086)	(172,576)
<b>Total cash used in operating activities</b>	<b>(107,150)</b>	<b>(166,492)</b>
<b>INVESTMENT ACTIVITIES</b>		
Investment income received	17,740	16,045
Payments for investments	(952,671)	(979,575)
Proceeds from disposal of investments	1,113,851	1,188,161
Loan - unsecured considered good	(1,100)	-
Fixed capital expenditure	(15,604)	(2,734)
Proceeds from disposal of fixed assets	250	103
Rental income received	4,483	4,254
<b>Total cash flow from investing activities</b>	<b>166,949</b>	<b>226,254</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(55,139)	(54,486)
<b>Total cash used in financing activities</b>	<b>(55,139)</b>	<b>(54,486)</b>
<b>Total cash flow from all activities</b>	<b>4,660</b>	<b>5,276</b>
Cash and cash equivalents at beginning of the period	108,938	146,836
<b>Cash and cash equivalents at the end of the period</b>	<b>113,598</b>	<b>152,112</b>

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



## Condensed Interim Statement of Cash Flows (Unaudited)

For the nine month period ended September 30, 2014

(Amounts in Rupees '000)

	2014	2013
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(107,150)	(166,492)
Depreciation expense	(10,139)	(10,981)
Investment income	116,568	113,971
Gain / (loss) on disposal of fixed assets	161	(42)
Rental income	3,311	2,942
Increase in assets other than cash	121,183	437,248
Increase in liabilities	(91,988)	(406,644)
Profit / (loss) after taxation	<u>31,946</u>	<u>(29,998)</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	31	103
Stamps in hand	938	619
	969	722

### Current and other accounts

Current accounts	9,683	9,776
Savings accounts	102,946	141,614
	112,629	151,390

### Total cash and cash equivalents

<u>113,598</u>	<u>152,112</u>
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Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive



## PREMIER INSURANCE LIMITED

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

For the nine month period ended September 30, 2014

(Amounts in Rupees '000)

	Share capital Issued, subscribed and paid-up	Capital reserves		Reserves			Total reserves	Total equity
		Reserve for exceptional losses	Devaluation reserve	Revenue reserves				
				General reserve	Reserve for bad and doubtful debts	Unappro- priated profit		
Balance at January 1, 2013 (restated)	302,821	19,490	185	1,325,000	350	134,092	1,479,117	1,781,938
Total comprehensive loss for the nine month period ended September 30, 2013	-	-	-	-	-	(29,998)	(29,998)	(29,998)
Cash dividend for the year ended December 31, 2012 declared subsequent to the year ended	-	-	-	-	-	(60,564)	(60,564)	(60,564)
Balance as at September 30, 2013	302,821	19,490	185	1,325,000	350	43,530	1,388,555	1,691,376
Balance as 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)
<b>Balance as at September 30, 2014</b>	<b>302,821</b>	<b>19,490</b>	<b>185</b>	<b>1,264,436</b>	<b>350</b>	<b>(61,992)</b>	<b>1,222,469</b>	<b>1,525,290</b>

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

Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive



## Condensed Interim Statement of Premium (Unaudited)

For the quarter and nine month period ended September 30, 2014

(Amounts in Rupees '000)

### Business underwritten inside Pakistan

Class	For the quarter ended September 30,								2014	2013	
	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	312,932	155,030	325,410	142,552	129,154	125,240	176,816	77,578	64,974	51,166
2	Marine, aviation and transport	58,919	103,121	87,678	74,362	38,183	90,109	76,298	51,994	22,368	20,277
3	Motor	105,264	158,702	171,622	92,344	2,257	3,793	4,311	1,739	90,605	86,222
4	Miscellaneous	126,857	65,397	135,641	56,613	101,162	40,602	103,452	38,312	18,301	25,230
	<b>Total</b>	<b>603,972</b>	<b>482,250</b>	<b>720,351</b>	<b>365,871</b>	<b>270,756</b>	<b>259,744</b>	<b>360,877</b>	<b>169,623</b>	<b>196,248</b>	<b>182,895</b>
Treaty 5	Proportional	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>603,972</b>	<b>482,250</b>	<b>720,351</b>	<b>365,871</b>	<b>270,756</b>	<b>259,744</b>	<b>360,877</b>	<b>169,623</b>	<b>196,248</b>	<b>182,895</b>

Class	For the Nine month period ended September 30,								2014	2013	
	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	466,786	251,649	325,410	393,025	231,935	148,698	176,816	203,817	189,208	107,429
2	Marine, aviation and transport	238,354	47,745	87,678	198,421	179,069	52,663	76,298	155,434	42,987	74,135
3	Motor	267,675	168,856	171,622	264,909	5,652	3,923	4,311	5,264	259,645	256,062
4	Miscellaneous	187,111	98,899	135,641	150,369	131,294	96,616	103,452	124,458	25,911	44,685
	<b>Total</b>	<b>1,159,926</b>	<b>567,149</b>	<b>720,351</b>	<b>1,006,724</b>	<b>547,950</b>	<b>301,900</b>	<b>360,877</b>	<b>488,973</b>	<b>517,751</b>	<b>482,311</b>
Treaty 5	Proportional	-	-	-	-	-	-	-	-	-	(3)
	<b>Grand Total</b>	<b>1,159,926</b>	<b>567,149</b>	<b>720,351</b>	<b>1,006,724</b>	<b>547,950</b>	<b>301,900</b>	<b>360,877</b>	<b>488,973</b>	<b>517,751</b>	<b>482,308</b>

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

Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive



## PREMIER INSURANCE LIMITED

### Condensed Interim Statement of Claims (Unaudited)

For the quarter and nine month period ended September 30, 2014

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,							2014	2013	
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	138,816	314,458	213,771	38,129	4,064	132,537	129,328	855	37,274	56,067
	2 Marine, aviation and transport	26,170	87,162	79,842	18,850	19,690	58,224	53,395	14,861	3,989	17,068
	3 Motor	52,632	100,090	82,801	35,343	-	48	1,535	1,487	33,856	66,594
	4 Miscellaneous	37,702	157,581	160,144	40,265	26,656	127,239	126,758	26,175	14,090	9,269
	Total	255,320	659,291	536,558	132,587	50,410	318,048	311,016	43,378	89,209	148,998
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>255,320</b>	<b>659,291</b>	<b>536,558</b>	<b>132,587</b>	<b>50,410</b>	<b>318,048</b>	<b>311,016</b>	<b>43,378</b>	<b>89,209</b>	<b>148,998</b>

		For the Nine month period ended September 30,							2014	2013	
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	254,786	349,837	213,771	118,720	29,207	156,098	129,328	2,437	116,283	133,751
	2 Marine, aviation and transport	109,863	115,373	79,842	74,332	87,364	86,215	53,395	54,544	19,788	28,711
	3 Motor	158,714	111,226	82,801	130,289	40	96	1,535	1,479	128,810	169,364
	4 Miscellaneous	125,747	155,331	160,144	130,560	92,049	120,555	126,758	98,252	32,308	18,335
	Total	649,110	731,767	536,558	453,901	208,660	362,964	311,016	156,712	297,189	350,161
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>649,110</b>	<b>731,767</b>	<b>536,558</b>	<b>453,901</b>	<b>208,660</b>	<b>362,964</b>	<b>311,016</b>	<b>156,712</b>	<b>297,189</b>	<b>350,161</b>

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

Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive





## PREMIER INSURANCE LIMITED

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

For the quarter and nine month period ended September 30, 2014

(Amounts in Rupees '000)

	For the quarter ended September 30,		For the Nine month period ended September 30,	
	2014	2013	2014	2013
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on bank deposits	2,639	2,471	7,626	7,016
<b>Available for sale</b>				
Dividend income	4,614	6,465	12,976	13,908
Gain on sale of investments	29,151	33,234	97,130	95,839
	33,765	39,699	110,106	109,747
Impairment in value of investments - net	(2,265)	(1,077)	(1,001)	(2,652)
Investment management expenses	(124)	(99)	(164)	(140)
<b>Investment income</b>	<u>34,015</u>	<u>40,994</u>	<u>116,567</u>	<u>113,971</u>

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

Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive





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

For the nine month period ended September 30, 2014

### 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 2014 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of and 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, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail. These condensed interim financial statements do not include all the information and 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, 2013.

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 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 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, 2013, except as follows:

#### **New, amended and revised standards and interpretations of IFRSs**

The company has adopted the following revised standards, amendments and interpretation of IFRSs which became effective for the current period:

- IAS 32 - Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendment)
- IAS 36 - Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendment)
- IAS 39 - Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendment)
- IFRIC 21 - Levies

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



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

For the nine month period ended September 30, 2014

(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 for the year ended December 31, 2013.

### 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 for the year ended December 31, 2013.

### 7. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at September 30, 2014 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.

	Note	Unaudited September 30, 2014	Audited December 31, 2013
<b>8. OTHER CREDITORS AND ACCRUALS</b>			
Commissions payable		335,634	281,765
Federal excise duty & sales tax		16,466	16,485
Federal insurance fee		1,103	1,078
Donations		3,685	7,035
Workers welfare fund		6,355	6,355
Deposits and margins		6,846	10,844
Salaries payable		21,735	6,219
Others	8.1	21,530	19,258
		<u>413,354</u>	<u>349,039</u>

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.

### 9. CONTINGENCIES AND COMMITMENTS

Commitments for capital expenditure	<u>15,038</u>	<u>15,038</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, 2014

(Amounts in Rupees '000)

**13. FIXED ASSETS - TANGIBLE AND INTANGIBLE**

During the period, the company acquired fixed assets for Rs 15.6 million (2013: Rs 2.7 million). Disposals at cost were Rs 0.59 million (2013: Rs 0.35 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:

	<b>Un-audited September 30, 2014</b>	Un-audited September 30, 2013
<b>Transactions for the period</b>		
<b>Associated undertakings</b>		
Premium written	81,076	73,301
Reinsurance premium ceded	94,809	68,546
Claims paid	69,611	35,670
Dividend paid	7,450	7,450
Dividend received	682	250
<b>Others</b>		
Premium written	387	60
Dividend paid	2,497	2,315
Rent received	-	844
Meeting fees	670	620
Remuneration and retirement benefits to key personnel	43,794	53,111
<b>Period-end balances</b>		
Associated undertakings		
Claims outstanding	24,999	35,250
Premium receivable	134,530	96,135
Reinsurance claims receivable	700,748	664,002
Reinsurance premium payable	826,696	734,553
Other payables	-	425

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, 2014

(Amounts in Rupees '000)

### 15. SEGMENT REPORTING

The following presents segment assets and liabilities as at September 30, 2014 and December 31, 2013.

	Fire and property		Marine, aviation & transport		Motor		Miscellaneous		Total	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Segment assets	876,648	795,304	403,982	392,244	335,111	351,849	448,373	392,312	2,064,114	1,931,709
Unallocated corporate assets									1,560,313	1,622,588
Consolidated total assets									3,624,427	3,554,297
Segment liabilities	635,342	661,705	211,691	197,372	301,591	319,520	345,271	291,171	1,493,895	1,469,768
Unallocated corporate liabilities									605,242	530,621
Consolidated total liabilities									2,099,137	2,000,389

### 16. EARNINGS PER SHARE - basic and diluted

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

	Un-audited September 30, 2014	Un-audited September 30, 2013
Profit / (loss) after tax for the period	31,946	(29,998)
Weighted average number of shares	30,282,134	30,282,134
Basic earnings per share of Rs.10 each - Rupees	1.05	(0.99)

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 October 30, 2014 by the Board of Directors of the company.

### 18. GENERAL

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

Nadeem Maqbool  
Chairman

Attaullah A Rasheed  
Director

Imran Maqbool  
Director

Zahid Bashir  
Chief Executive



## PREMIER INSURANCE LIMITED

### Locations

#### KARACHI

Head Office:  
State Life Building No. 2A  
5th Floor, Wallace Road  
Phones : (021) 32416331-34  
Fax : (021) 32416572

3rd Floor,  
Lakhani Centre  
I.I. Chundrigar Road  
Phone : (021) 32210866-67  
Fax : (021) 32210870

#### QUETTA

43-Regal Plaza  
2nd Floor  
Circular Road  
Phones : (081) 2842883

#### PESHAWAR

1081/A, Rehman Building  
Saddar Road Cantt  
Phones : (091) 5273757  
Fax : (091) 5277809

#### SIALKOT

Room # 3 & 4, Sahib Plaza  
Saga Chowk  
Defence Road  
Phones : (052) 3572192-3  
Fax : (052) 3572194

#### GUJRANWALA

Block "L"  
Trust Plaza  
G.T. Road  
Phones : (055) 3859719-20  
Fax : (055) 3256432

#### KHANPUR

Liaison office  
365, Model Town - B  
Phones : (068) 5572834  
Fax : (068) 5572834

#### LAHORE

North Zone Office:  
162, Shadman II  
Phones : (042) 37425881-85  
Fax : (042) 37425886

F-13, Hafeez Centre, 4th Floor  
Main Boulevard Gulberg  
Phones : (042) 35874271/35873636  
Fax : (042) 35750749

23, Shahrah-e-Quaid-e-Azam  
P. O. Box No. 355  
Phones : (042) 37230602-5  
Fax : (042) 37235557

#### FAISALABAD

1st Floor Regency Arcade, 949, Mall Road  
P. O. Box No. 105  
Phones : (041) 2632211-13  
Fax : (041) 2617802

2nd Floor, 18-S.M. Plaza, Chenab Market  
Susan Road, Madina Town  
Phones : (041) 8503541-42

#### MULTAN

4th Floor, Mehr Fatima Tower, Opp: High Court,  
Old Bahawalpur Road  
Phones : (061) 4515007, 4515009, 4585006  
4580114, 4545008  
Fax : (061) 4587143

#### RAWALPINDI

32, Service Plaza, The Mall  
Phones : (051) 5562113, 5568907  
Fax : (051) 5566900

#### ISLAMABAD

Masco Plaza, 64-E, 2nd Floor Blue Area,  
Jinnah Avenue  
Phones : (051) 2270134, 2270135, 2876967  
Fax : (051) 2829654

#### SAHIWAL

Room No.1, Sattar Complex, Stadium Road  
Phones : (040) 4220918  
Fax : (040) 4220790



