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Company Information

Board of Directors

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

Company Secretary

Afroz Quraishi

Audit Committee

Khalid Bashir (Chairman)
Imran Maqbool
Nadeem Maqbool

Auditors

Anjum Asim Shahid Rahman
Chartered Accountants

Legal Advisors

Arfin & Company
Advocates

Registered & Head Office

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

Registrar

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



Report of the Directors to the Members

The directors are pleased to present the unaudited interim financial information of the company for the nine months ended September 30, 2008.

Review

	(Amounts in Rupees millions)	
	2008	2007
Premium written	450.1	447.4
Net premium	234.0	269.9
Underwriting result	22.9	22.7
Investment income	136.4	305.9
Profit before taxation	137.4	313.6
Profit after taxation	123.4	295.6

Premium written increased marginally with reduction in motor business compensated by other classes. However, due to lower retentions in these business classes relative to motor business, net premium declined by 13%. The apparently flat underwriting result actually improved to 9.8% from 8.4% last year, comprising a drop in claims ratio to 42% from 57% and a 7% reduction in commission expense.

Overall expense increases reflect the rising cost of doing business, including higher levies, taxes and Workers Welfare Fund. From a commercial standpoint, these cannot be passed on completely to clients.

Excluding the one-time gain of Rs 182.1 million on disposal of our PICIC shareholding in 2007, investment income is still higher than 2007 by Rs 12.5 million. The third quarter of 2008, though, yielded only 38% of the income of the corresponding period. This highlights the evaporation of earning opportunities with the rapid and steep plunge of market volumes and values.

Nevertheless, our financial strength with shareholder's equity exceeding Rs 1.9 billion and a break-up value of Rs 40.3 per share of Rs 5 each, provides adequate protection, and comfort, for all our stakeholders.

Outlook

Our concerns about our faltering economy and its fallout on the insurance sector, expressed in our last report have crystallized more rapidly, widely and severely than anticipated. We fear the worst is yet to come. The global financial meltdown translates into any external financial support being too little, too late. Pressure on our exports, remittances etc. will follow as world economies contract, jobs, consumer spending and wealth disappear. The strongest economies are still looking for solutions and the means to contain a catastrophe that keeps widening and deepening. Clearly, it is only possible to describe the business outlook for the year as uncertain. What we can express is our determination to safeguard the interests of all our stakeholders through these turbulent times.



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 and support.

On behalf of the Board

Zahid Bashir
Chairman

Karachi: October 28, 2008



PREMIER INSURANCE LIMITED

Condensed Interim Balance Sheet

As at September 30, 2008

(Amounts in Rupees '000)	Note	Unaudited September 30, 2008	Audited December 31, 2007
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 100,000,000 ordinary shares of Rs 5 each		<u>500,000</u>	<u>500,000</u>
Issued subscribed and paid-up capital 47,876,893 (2007: 39,897,411) ordinary shares of Rs.5 each		239,385	199,488
Retained earnings		270,316	626,693
Reserves		1,420,025	1,020,025
Shareholders' equity		<u>1,929,726</u>	<u>1,846,206</u>
Underwriting provisions			
Provision for outstanding claims (including IBNR)		308,238	436,465
Provision for unearned premium		278,109	277,928
Commission income unearned		36,402	32,367
Total underwriting provisions		<u>622,749</u>	<u>746,760</u>
Deferred liability			
Staff retirement benefits		16,010	11,409
Liabilities against assets subject to finance lease			
		-	734
Creditors and accruals			
Current maturity of lease finance		860	1,075
Amounts due to other insurers / reinsurers		36,788	99,472
Accrued expenses		8,028	10,345
Taxation - provision less payments		111,245	104,153
Other creditors and accruals	6	141,206	117,919
		<u>298,127</u>	<u>332,964</u>
Other liabilities			
Unclaimed and dividend payable		5,609	5,124
TOTAL EQUITY AND LIABILITIES		<u>2,872,221</u>	<u>2,943,197</u>
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes from 1 to 14 form an integral part of this interim financial information.



(Amounts in Rupees '000)

	Note	Unaudited September 30, 2008	Audited December 31, 2007
ASSETS			
Cash and bank deposits			
Cash and other equivalents		548	379
Current and other accounts		132,083	220,807
Deposits maturing within 12 months		-	5,000
Deposits maturing after 12 months		8,743	8,743
		141,374	234,929
Loans to employees		3,294	3,826
Investments	8	1,550,783	1,560,824
Other assets			
Premium due but unpaid		121,464	128,949
Amounts due from other insurers / reinsurers - unsecured, considered good		346,115	291,099
Accrued investment income		2,641	2,862
Reinsurance recoveries against outstanding claims		209,136	286,498
Deferred commission expense		40,273	38,661
Prepayments		181,723	157,094
Sundry receivables	9	6,825	7,423
		908,177	912,586
Fixed assets	10		
Tangible			
Land and buildings		194,578	169,264
Furniture, fixtures and office equipment		17,889	18,672
Motor vehicles		32,189	32,941
Intangible			
Computer software		1,597	1,682
		246,253	222,559
Capital work in progress		22,340	8,473
TOTAL ASSETS		<u>2,872,221</u>	<u>2,943,197</u>

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 28, 2008



PREMIER INSURANCE LIMITED

Condensed Interim Profit and Loss Account (unaudited)

Nine months ended September 30, 2008

(Amounts in Rupees '000)

	Quarter ended September 30,					2008	2007
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
Revenue accounts							
Net premium revenue	15,868	8,917	38,555	3,023	2	66,365	84,727
Net claims	(2,479)	(1,922)	(24,084)	(69)	-	(28,554)	(41,945)
Expenses	(7,905)	(4,730)	(18,468)	(1,361)	(1)	(32,465)	(26,680)
Net commission	(678)	(871)	(3,813)	506	(90)	(4,946)	(6,651)
Underwriting result	<u>4,806</u>	<u>1,394</u>	<u>(7,810)</u>	<u>2,099</u>	<u>(89)</u>	<u>400</u>	9,451
Investment income						20,011	52,415
Gain on disposal of fixed assets						273	191
General and administration expenses						<u>(5,582)</u>	<u>(6,236)</u>
Profit before tax						<u>15,102</u>	55,821
Provision for taxation						<u>(1,232)</u>	<u>(9,313)</u>
Profit after tax						<u>13,870</u>	<u>46,508</u>
Earnings per share - basic and diluted (in Rupees)					Note 12	<u>0.29</u>	<u>0.97</u>
Revenue accounts	Nine months ended September 30,					2008	2007
Net premium revenue	60,012	41,989	124,692	7,272	12	233,977	269,872
Net claims	(17,990)	(8,264)	(70,647)	(1,250)	(802)	(98,953)	(153,677)
Expenses	(24,064)	(16,837)	(49,999)	(2,916)	(5)	(93,821)	(73,766)
Net commission	(5,264)	(3,244)	(12,495)	2,886	(180)	(18,297)	(19,703)
Underwriting result	<u>12,694</u>	<u>13,644</u>	<u>(8,449)</u>	<u>5,992</u>	<u>(975)</u>	<u>22,906</u>	22,726
Investment income						136,426	305,978
Gain on disposal of fixed assets						964	834
General and administration expenses						<u>(22,879)</u>	<u>(15,972)</u>
Profit before tax						<u>137,417</u>	313,566
Provision for taxation						<u>(14,000)</u>	<u>(17,973)</u>
Profit after tax						<u>123,417</u>	<u>295,593</u>
Profit and loss appropriation account							
Balance at commencement of period						626,693	749,250
Profit after tax for the period						123,417	295,593
Cash dividend for 2007 at 20% (2006: 20%)						<u>(39,897)</u>	<u>(33,248)</u>
Bonus shares for 2007 at 20% (2006: 20%)						<u>(39,897)</u>	<u>(33,248)</u>
Transfer to general reserve						<u>(400,000)</u>	<u>(535,000)</u>
Balance unappropriated profit at the end of the period						<u>270,316</u>	<u>443,347</u>
Earnings per share - basic and diluted (in Rupees)					Note 12	<u>2.58</u>	<u>6.17</u>

The annexed notes from 1 to 14 form an integral part of this interim financial information.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive



Condensed Interim Statement of Cash Flows (unaudited)

Nine months ended September 30, 2008

(Amounts in Rupees '000)

	September 30, 2008	September 30, 2007
Operating cash flows		
a) Underwriting activities		
Premium received	402,568	432,393
Reinsurance premium paid	(302,174)	(198,456)
Claims paid	(388,340)	(228,435)
Reinsurance and other recoveries received	238,522	81,191
Commissions paid	(37,302)	(40,788)
Commissions received	50,256	48,883
Net cash (used in) / flow from underwriting activities	(36,470)	94,788
b) Other operating activities		
Income tax	(6,908)	(4,701)
General management expenses	(93,821)	(73,766)
Other operating payments	(8,199)	(8,060)
Advances, deposits and sundry receivables	(106)	183
Other liabilities and accruals	(8,345)	(14,614)
Net cash used in other operating activities	(117,379)	(100,958)
Total cash used in operating activities	(153,849)	(6,170)
Investment activities		
Investment income	62,109	43,898
Payments for investments	(2,070,204)	(2,823,791)
Proceeds from disposal of investments	2,154,940	2,913,389
Fixed capital expenditure	(49,332)	(18,603)
Proceeds from disposal of fixed assets	3,142	2,802
Total cash flow from investing activities	100,655	117,695
Financing activities		
Dividends paid	(39,412)	(32,050)
Payments on finance leases	(949)	(1,358)
Total cash used in financing activities	(40,361)	(33,408)
Total cash (used in) / flow from all activities	(93,555)	78,117
Cash and cash equivalents at the beginning of the period	226,186	262,480
Cash and cash equivalents at the end of the period	132,631	340,597



PREMIER INSURANCE LIMITED

(Amounts in Rupees '000)

	September 30, 2008	September 30, 2007
Reconciliation to profit and loss account		
Operating cash flows	(153,849)	(6,170)
Depreciation expense	(9,592)	(7,985)
Investment income	136,426	305,953
Profit on disposal of fixed assets	964	859
(Decrease) / Increase in assets other than cash	(4,564)	125,860
Decrease / (Increase) in liabilities other than running finance	154,032	(122,924)
Profit after taxation	123,417	295,593

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	362	495
Stamps in hand	186	320
	548	815

Current and other accounts

Current accounts	17,069	35,002
Savings accounts	114,644	269,666
Statutory deposit with State Bank of Pakistan	370	370
	132,083	305,038

Deposits maturing within 12 months	-	34,744
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Total cash and cash equivalents	132,631	340,597
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The annexed notes from 1 to 14 form an integral part of this interim financial information.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 28, 2008



Condensed Interim Statement of Changes in Equity (unaudited)

Nine months ended September 30, 2008

(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, 2007	166,240	19,490	185	-	465,000	350	749,250	1,234,275	1,400,515
Profit for the nine months ended September 30, 2007	-	-	-	-	-	-	295,593	295,593	295,593
Cash dividend for the year 2006	-	-	-	-	-	-	(33,248)	(33,248)	(33,248)
Transferred to reserve for issue of bonus shares	-	-	-	33,248	-	-	(33,248)	-	-
Bonus shares issued	33,248	-	-	(33,248)	-	-	-	(33,248)	-
Transferred to general reserve	-	-	-	-	535,000	-	(535,000)	-	-
	<u>199,488</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>1,000,000</u>	<u>350</u>	<u>443,347</u>	<u>1,463,372</u>	<u>1,662,860</u>
Profit for the three months ended December 31, 2007	-	-	-	-	-	-	183,346	183,346	183,346
Balance as at December 31, 2007	199,488	19,490	185	-	1,000,000	350	626,693	1,646,718	1,846,206
Profit for the nine months ended September 30, 2008	-	-	-	-	-	-	123,417	123,417	123,417
Cash dividend for the year 2007	-	-	-	-	-	-	(39,897)	(39,897)	(39,897)
Transferred to reserve for issue of bonus shares	-	-	-	39,897	-	-	(39,897)	-	-
Bonus shares issued	39,897	-	-	(39,897)	-	-	-	(39,897)	-
Transferred to general reserve	-	-	-	-	400,000	-	(400,000)	-	-
Balance as at September 30, 2008	<u><u>239,385</u></u>	<u><u>19,490</u></u>	<u><u>185</u></u>	<u><u>-</u></u>	<u><u>1,400,000</u></u>	<u><u>350</u></u>	<u><u>270,316</u></u>	<u><u>1,690,341</u></u>	<u><u>1,929,726</u></u>

The annexed notes from 1 to 14 form an integral part of this interim financial information.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 28, 2008



PREMIER INSURANCE LIMITED

Condensed Interim Statement of Premium (unaudited)

Nine months ended September 30, 2008

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended September 30,									2008	2007
	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	57,565	161,628	151,365	67,828	43,657	136,673	128,370	51,960	15,868	23,083	
2 Marine, aviation and transport	18,593	11,276	9,661	20,208	8,946	11,291	8,946	11,291	8,917	7,079	
3 Motor	28,761	91,439	79,667	40,533	2,048	5,250	5,320	1,978	38,555	53,001	
4 Miscellaneous	21,949	29,730	37,415	14,264	17,440	29,185	35,384	11,241	3,023	1,562	
Total	126,868	294,073	278,108	142,833	72,091	182,399	178,020	76,470	66,363	84,725	
Treaty											
5 Proportional	-	3	1	2	-	-	-	-	2	2	
Grand Total	126,868	294,076	278,109	142,835	72,091	182,399	178,020	76,470	66,365	84,727	

Class	Nine months ended September 30,									2008	2007
	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	221,951	119,312	151,365	189,898	162,177	96,079	128,370	129,886	60,012	68,911	
2 Marine, aviation and transport	59,182	37,757	9,661	87,278	30,773	23,462	8,946	45,289	41,989	22,670	
3 Motor	120,856	87,728	79,667	128,917	6,838	2,707	5,320	4,225	124,692	171,533	
4 Miscellaneous	48,109	33,119	37,415	43,813	39,702	32,223	35,384	36,541	7,272	6,757	
Total	450,098	277,916	278,108	449,906	239,490	154,471	178,020	215,941	233,965	269,871	
Treaty											
5 Proportional	1	12	1	12	-	-	-	-	12	1	
Grand Total	450,099	277,928	278,109	449,918	239,490	154,471	178,020	215,941	233,977	269,872	

The annexed notes from 1 to 14 form an integral part of this interim financial information.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 28, 2008

NINE MONTHS 2008



Condensed Interim Statement of Claims (unaudited)

Nine months ended September 30, 2008

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended September 30,								2008 Net claims expense	2007 Net claims expense
	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		
		Opening	Closing			Opening	Closing			
Direct and Facultative										
1 Fire and property damage	62,675	196,410	172,901	39,166	54,202	152,782	135,267	36,687	2,479	8,802
2 Marine, aviation and transport	5,187	41,349	48,228	12,066	3,626	27,485	34,003	10,144	1,922	2,990
3 Motor	37,731	42,181	31,798	27,348	3,268	345	341	3,264	24,084	28,284
4 Miscellaneous	8,035	46,438	50,254	11,851	6,519	34,262	39,525	11,782	69	1,598
Total	113,628	326,378	303,181	90,431	67,615	214,874	209,136	61,877	28,554	41,674
Treaty										
5 Proportional	-	5,057	5,057	-	-	-	-	-	-	271
Grand Total	113,628	331,435	308,238	90,431	67,615	214,874	209,136	61,877	28,554	41,945
Nine months ended September 30,									2008	2007
Direct and Facultative										
1 Fire and property damage	219,741	257,609	172,901	135,033	186,710	204,934	135,267	117,043	17,990	16,351
2 Marine, aviation and transport	37,462	62,762	48,228	22,928	26,118	45,457	34,003	14,664	8,264	9,806
3 Motor	104,978	63,180	31,798	73,596	3,273	665	341	2,949	70,647	124,324
4 Miscellaneous	25,357	47,857	50,254	27,754	22,421	35,442	39,525	26,504	1,250	2,879
Total	387,538	431,408	303,181	259,311	238,522	286,498	209,136	161,160	98,151	153,360
Treaty										
5 Proportional	802	5,057	5,057	802	-	-	-	-	802	317
Grand Total	388,340	436,465	308,238	260,113	238,522	286,498	209,136	161,160	98,953	153,677

The annexed notes from 1 to 14 form an integral part of this interim financial information.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 28, 2008



PREMIER INSURANCE LIMITED

Condensed Interim Statement of Expenses (unaudited)

Nine months ended September 30, 2008

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended September 30,						2008	2007	
	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	9,614	28,406	26,716	11,304	7,905	19,209	10,626	8,583	9,088
2 Marine, aviation and transport	3,595	1,863	1,700	3,758	4,730	8,488	2,887	5,601	2,704
3 Motor	2,743	9,017	7,854	3,906	18,468	22,374	93	22,281	22,085
4 Miscellaneous	2,496	2,997	4,002	1,491	1,361	2,852	1,997	855	(621)
Total	18,448	42,283	40,272	20,459	32,464	52,923	15,603	37,320	33,256
Treaty									
5 Proportional	-	91	1	90	1	91	-	91	75
Grand Total	18,448	42,374	40,273	20,549	32,465	53,014	15,603	37,411	33,331

Class	Nine months ended September 30,						2008	2007	
	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	38,351	20,847	26,716	32,482	24,064	56,546	27,218	29,328	23,883
2 Marine, aviation and transport	10,451	6,178	1,700	14,929	16,837	31,766	11,685	20,081	6,750
3 Motor	12,189	8,365	7,854	12,700	49,999	62,699	205	62,494	63,869
4 Miscellaneous	5,139	3,090	4,002	4,227	2,916	7,143	7,113	30	(1,115)
Total	66,130	38,480	40,272	64,338	93,816	158,154	46,221	111,933	93,387
Treaty									
5 Proportional	-	181	1	180	5	185	-	185	82
Grand Total	66,130	38,661	40,273	64,518	93,821	158,339	46,221	112,118	93,469

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

The annexed notes from 1 to 14 form an integral part of this interim financial information.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 28, 2008



Condensed Interim Statement of Investment Income (unaudited)

Nine months ended September 30, 2008

(Amounts in Rupees '000)

	Quarter ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Income from non-trading investments				
Held to maturity				
Return on bank deposits	1,898	16,709	8,535	29,939
Return on term finance certificates	-	31	-	112
	1,898	16,740	8,535	30,051
Available for sale				
Dividend income	5,053	11,065	53,516	17,165
Gain on sale of investments	13,156	24,713	74,538	258,970
	18,209	35,778	128,054	276,135
Investment management expenses	(96)	(103)	(163)	(208)
Investment income	20,011	52,415	136,426	305,978

The annexed notes from 1 to 14 form an integral part of this interim financial information.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 28, 2008



Notes to the Interim Financial Information (unaudited)

For the Nine months ended September 30, 2008

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. BASIS OF PRESENTATION

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

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim financial information are the same as those applied in the preparation of the financial statements of the company for the year ended December 31, 2007.

4. ESTIMATES AND JUDGMENTS

Preparation of the interim financial information 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 the interim financial information, 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, 2007.

5. INVESTMENTS

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the company commits to purchase or sell the investment. Subsequently, these are recognized and classified into "at fair value through profit or loss", "held to maturity" or "available for sale".

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available for sale. Subsequent to initial recognition at cost, quoted investments are stated at the lower of cost or market value in accordance with the requirements of S.R.O. 938 issued by the SECP in December 2002. Under the requirements of IAS-39, Financial Instruments: Recognition and Measurement, the investments of the company would have been lower by Rs 258.7 million (December 31, 2007: Rs 37.5 million) and the corresponding amount would have either been reflected in the profits or a revaluation reserve by the same amount subject to the accounting policy adopted by the company.



Notes to the Interim Financial Information (unaudited)

For the Nine months ended September 30, 2008

(Amounts in Rupees '000)

	Unaudited September 30, 2008	Audited December 31, 2007
6. OTHER CREDITORS AND ACCRUALS		
Commission payable	126,862	98,034
Tax deducted at source	51	132
Advance recoveries	433	530
Others	13,860	19,223
	<u>141,206</u>	<u>117,919</u>

7. CONTINGENCIES AND COMMITMENTS

A departmental order has been received for payment of income tax amounting to Rs 37.7 million for the tax year 2005, against which a writ was filed in the High Court of Sindh. A restraint order has been passed by the Honorable High Court. The management does not consider any additional provisioning to be required in this regard.

Commitments for capital expenditure amount to Rs 30 million (December 31, 2007: Rs 32 million).

	Unaudited September 30, 2008	Audited December 31, 2007
8. INVESTMENTS		
Available for sale		
Shares - quoted (market value: Rs 411,349 [2007: Rs 677,100])	676,731	716,169
Shares - unquoted	119,628	4,645
Mutual funds - quoted (market value: Rs 761,121 [2007: Rs 841,614])	754,424	840,010
	<u>1,550,783</u>	<u>1,560,824</u>

Mutual funds include statutory deposit of Rs 24.1 million with the State Bank of Pakistan.

9. SUNDRY RECEIVABLES

Lease deposits	415	554
Other deposits	2,742	2,593
Other receivables	3,668	4,276
	<u>6,825</u>	<u>7,423</u>



Notes to the Interim Financial Information (unaudited)

For the Nine months ended September 30, 2008

(Amounts in Rupees '000)

10. FIXED ASSETS

During the period, the company expended Rs 49.3 million (2007: Rs 18.6 million) on acquisition and disposed of Rs 2.1 million (2007: Rs 1.9 million) fixed assets.

	September 30, 2008	September 30, 2007
11. TRANSACTIONS WITH RELATED PARTIES		
Premium written	58,056	45,780
Claims paid	52,711	14,708
Commission paid	8,296	3,338
Dividend paid	4,206	3,209
Dividend received	27	45

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

12. EARNINGS PER SHARE - Basic and diluted

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

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
	----- Rupees in '000 -----			
Profit after tax for the period	<u>13,870</u>	<u>46,508</u>	<u>123,417</u>	<u>295,593</u>
	----- Numbers in '000 -----			
Weighted average number of shares of Rs.5 each at period end	<u>47,877</u>	<u>47,877</u>	<u>47,877</u>	<u>47,877</u>
	----- Rupees -----			
Basic earnings per share of Rs.5 each	<u>0.29</u>	<u>0.97</u>	<u>2.58</u>	<u>6.17</u>

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



Notes to the Interim Financial Information (unaudited)

For the Nine months ended September 30, 2008

13. DATE OF AUTHORIZATION OF ISSUE

This interim financial information was authorized for issue on October 28, 2008 by the directors of the company.

14. GENERAL

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : October 28, 2008



PREMIER INSURANCE LIMITED

Locations

KARACHI

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Fax : (091) 5277809

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Saraiki Chowk
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Fax : (0621) 2875458

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SIALKOT

Fazal Market
Mujahid Road
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Fax : (052) 4588526

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