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**PREMIER INSURANCE LIMITED**  
(Formerly Premier Insurance Company of Pakistan Limited)

## Company Information

**Board of Directors**

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

**Company Secretary**

Afroz Quraishi

**Audit Committee**

Khalid Bashir (Chairman)  
Nadeem Maqbool  
Shaukat Shafi

**Auditors**

Anjum Asim Shahid Rahman  
Chartered Accountants

**Legal Advisors**

Arfin & Co.  
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

**Registrar**

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



## 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 months ended March 31, 2008.

### Review

	(Amounts in Rupees millions)	
	2008	2007
Premium written	<b>116.0</b>	106.2
Net premium	<b>86.3</b>	94.0
Underwriting result	<b>2.8</b>	9.7
Investment income	<b>60.1</b>	36.1
Profit before taxation	<b>57.1</b>	41.2
Profit after taxation	<b>52.3</b>	35.9

Compared to the corresponding period, premium written increased in property and marine businesses, was flat in motor and decreased in miscellaneous business due to discontinuation of certain coverage that had become redundant in particular instances. The lower net premium and underwriting profit reflects risk-consistent retentions and HR and occupancy related expense increases.

Investment income is 66% higher than the corresponding period with the investment portfolio well diversified amongst equities and income funds; cash and bank deposits are managed according to operational requirements.

We have continued to strengthen the company's equity, and revenue reserves now stand at Rs 1.6 billion and total equity at Rs 1.9 billion.

### Outlook

Our plans, progress and perspectives were presented to you very recently in our 56th Annual Report and remain substantially current. These were discussed along with the other contents of the Annual Report at the Annual General Meeting held on March 29, 2008.

### 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: April 29, 2008



**PREMIER INSURANCE LIMITED**  
(Formerly Premier Insurance Company of Pakistan Limited)

**Condensed Interim Balance Sheet**

As at March 31, 2008

(Amounts in Rupees '000)	Note	Unaudited March 31, 2008	Audited December 31, 2007
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 100,000,000 ordinary shares of Rs 5 each		<u>500,000</u>	<u>500,000</u>
<b>Issued subscribed and paid-up capital</b>			
39,897,411 ordinary shares of Rs.5 each		199,488	199,488
Retained earnings		199,149	626,693
Reserves		1,459,922	1,020,025
<b>Shareholders' equity</b>		<u>1,858,559</u>	<u>1,846,206</u>
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		388,902	436,465
Provision for unearned premium		223,960	277,928
Commission income unearned		24,309	32,367
<b>Total underwriting provisions</b>		<u>637,171</u>	<u>746,760</u>
<b>Deferred liability</b>			
Staff retirement benefits		11,829	11,409
<b>Liabilities against assets subject to finance lease</b>			
		415	734
<b>Creditors and accruals</b>			
Current maturity of lease finance		959	1,075
Amounts due to other insurers / reinsurers		53,691	99,472
Accrued expenses		12,222	10,345
Taxation - provision less payments		108,128	104,153
Other creditors and accruals	6	123,565	117,919
		<u>298,565</u>	<u>332,964</u>
<b>Other liabilities</b>			
Unclaimed and dividend payable		44,952	5,124
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,851,491</u>	<u>2,943,197</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

THREE MONTHS 2008



(Amounts in Rupees '000)	Note	Unaudited March 31, 2008	Audited December 31, 2007
<b>ASSETS</b>			
<b>Cash and bank deposits</b>			
Cash and other equivalents		453	379
Current and other accounts		120,855	220,807
Deposits maturing within 12 months		-	5,000
Deposits maturing after 12 months		8,743	8,743
		<b>130,051</b>	<b>234,929</b>
<b>Loans to employees - Secured, considered good</b>		<b>3,648</b>	<b>3,826</b>
<b>Investments</b>	8	<b>1,566,399</b>	<b>1,560,824</b>
<b>Other assets</b>			
Premium due but unpaid		106,524	128,949
Amounts due from other insurers / reinsurers - unsecured, considered good		332,336	291,099
Accrued investment income		32,491	2,862
Reinsurance recoveries against outstanding claims		246,140	286,498
Deferred commission expense		31,197	38,661
Prepayments		121,367	157,094
Sundry receivables	9	20,261	7,423
		<b>890,316</b>	<b>912,586</b>
<b>Fixed assets</b>	10		
<b>Tangible</b>			
Land and buildings		195,482	169,264
Furniture, fixtures and office equipment		18,709	18,672
Motor vehicles		34,972	32,941
<b>Intangible</b>			
Computer software		1,900	1,682
		<b>251,063</b>	<b>222,559</b>
<b>Capital work in progress</b>		<b>10,014</b>	<b>8,473</b>
<b>TOTAL ASSETS</b>		<b><u>2,851,491</u></b>	<b><u>2,943,197</u></b>

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008



**PREMIER INSURANCE LIMITED**  
(Formerly Premier Insurance Company of Pakistan Limited)

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

Three months ended March 31, 2008

(Amounts in Rupees '000)

	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	2008 Aggregate	2007 Aggregate
<b>Revenue accounts</b>							
Net premium revenue	17,761	23,061	44,318	1,192	5	<b>86,337</b>	93,984
Net claims	(9,915)	(3,302)	(32,671)	(44)	(802)	<b>(46,734)</b>	(54,081)
Expenses	(6,122)	(7,949)	(15,277)	(411)	(2)	<b>(29,761)</b>	(23,142)
Net commission	(2,208)	(977)	(5,191)	1,369	(68)	<b>(7,075)</b>	(7,024)
<b>Underwriting result</b>	<u>(484)</u>	<u>10,833</u>	<u>(8,821)</u>	<u>2,106</u>	<u>(867)</u>	<u><b>2,767</b></u>	<u>9,737</u>
Investment income						<b>60,125</b>	36,050
Gain on disposal of fixed assets						-	605
General and administration expenses						<b>(5,758)</b>	(5,155)
<b>Profit before tax</b>						<u><b>57,134</b></u>	<u>41,237</u>
Provision for taxation						<b>(4,884)</b>	(5,324)
<b>Profit after tax</b>						<u><b>52,250</b></u>	<u>35,913</u>
<b>Profit and loss appropriation account</b>							
Balance at commencement of period						<b>626,693</b>	749,250
Profit after tax for the period						<b>52,250</b>	35,913
Cash dividend for 2007 at 20% (2006: 20%)						<b>(39,897)</b>	(33,248)
Bonus shares for 2007 at 20% (2006: 20%)						<b>(39,897)</b>	(33,248)
Transfer to general reserve						<b>(400,000)</b>	(535,000)
<b>Balance unappropriated profit at the end of the period</b>						<u><b>199,149</b></u>	<u>183,667</u>
<b>Earnings per share - basic and diluted (in Rupees)</b>					Note 12	<u><b>1.31</b></u>	<u>0.90</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008



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

Three months ended March 31, 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 three months ended March 31, 2007	-	-	-	-	-	-	35,913	35,913	35,913
Cash dividend for the year 2006	-	-	-	-	-	-	(33,248)	(33,248)	(33,248)
Transferred to reserve for issue of bonus shares	-	-	-	33,248	-	-	(33,248)	-	-
Transferred to general reserve	-	-	-	-	535,000	-	(535,000)	-	-
	<u>166,240</u>	<u>19,490</u>	<u>185</u>	<u>33,248</u>	<u>1,000,000</u>	<u>350</u>	<u>183,667</u>	<u>1,236,940</u>	<u>1,403,180</u>
Profit for the nine months ended December 31, 2007	-	-	-	-	-	-	443,026	443,026	443,026
Bonus shares issued	33,248	-	-	(33,248)	-	-	-	(33,248)	-
Balance as at December 31, 2007	<u>199,488</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>1,000,000</u>	<u>350</u>	<u>626,693</u>	<u>1,646,718</u>	<u>1,846,206</u>
Profit for the three months ended March 31, 2008	-	-	-	-	-	-	52,250	52,250	52,250
Cash dividend for the year 2007	-	-	-	-	-	-	(39,897)	(39,897)	(39,897)
Transferred to reserve for issue of bonus shares	-	-	-	39,897	-	-	(39,897)	-	-
Transferred to general reserve	-	-	-	-	400,000	-	(400,000)	-	-
<b>Balance as at March 31, 2008</b>	<u><b>199,488</b></u>	<u><b>19,490</b></u>	<u><b>185</b></u>	<u><b>39,897</b></u>	<u><b>1,400,000</b></u>	<u><b>350</b></u>	<u><b>199,149</b></u>	<u><b>1,659,071</b></u>	<u><b>1,858,559</b></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008



**PREMIER INSURANCE LIMITED**  
(Formerly Premier Insurance Company of Pakistan Limited)

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

Three months ended March 31, 2008

(Amounts in Rupees '000)

	2008	2007
<b>Operating cash flows</b>		
a) Underwriting activities		
Premium received	97,218	126,161
Reinsurance premium paid	(94,934)	(27,874)
Claims paid	(160,977)	(81,820)
Reinsurance and other recoveries received	107,038	33,243
Commissions paid	(10,224)	(11,088)
Commissions received	9,783	10,857
Net cash (used in) / flow from underwriting activities	(52,096)	49,479
b) Other operating activities		
Income tax	(909)	(1,003)
General management expenses paid	(29,761)	(23,142)
Other operating payments	(431)	(221)
Advances, deposits and sundry receivables	1,970	6,572
Other liabilities and accruals	(2,854)	(2,671)
Net cash used in other operating activities	(31,985)	(20,465)
<b>Total cash (used in) / flow from operating activities</b>	<b>(84,081)</b>	<b>29,014</b>
<b>Investment activities</b>		
Investment income	7,213	9,773
Payments for investments	(1,097,319)	(634,388)
Proceeds from disposal of investments	1,102,888	648,683
Fixed capital expenditure	(33,075)	(10,116)
Proceeds from disposal of fixed assets	-	2,266
Deposits maturing after 12 months	(8,743)	-
<b>Total cash (used in) / flow from investing activities</b>	<b>(29,036)</b>	<b>16,218</b>
<b>Financing activities</b>		
Dividends paid	(69)	(31)
Payments on finance leases	(435)	(439)
<b>Total cash used in financing activities</b>	<b>(504)</b>	<b>(470)</b>
<b>Total cash (used in) / flow from all activities</b>	<b>(113,621)</b>	<b>44,762</b>
<b>Cash at the beginning of the period</b>	<b>234,929</b>	<b>262,480</b>
<b>Cash at the end of the period</b>	<b>121,308</b>	<b>307,242</b>





(Amounts in Rupees '000)

	2008	2007
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(84,081)	29,014
Depreciation expense	(3,030)	(2,462)
Investment income	60,125	36,050
Profit on disposal of fixed assets	-	605
Decrease in assets other than cash	(65,488)	(45,858)
Decrease in liabilities other than running finance	144,724	18,564
<b>Profit after taxation</b>	<u>52,250</u>	<u>35,913</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 cash equivalents

Cash	182	769
Stamps in hand	271	663
	453	1,432

#### Current and other accounts

Current accounts	25,730	31,224
Savings accounts	94,755	134,473
Statutory deposit with State Bank of Pakistan	370	370
	120,855	166,067

Deposits maturing within 12 months	-	139,743
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<b>Total cash and cash equivalents</b>	<u>121,308</u>	<u>307,242</u>
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The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008



**PREMIER INSURANCE LIMITED**  
(Formerly Premier Insurance Company of Pakistan Limited)

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

Three months ended March 31, 2008

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2008	2007
		Opening	Closing			Opening	Closing		Net premium revenue	Net premium revenue
Direct and Facultative										
1 Fire and property damage	49,864	119,312	109,053	60,123	34,903	96,079	88,620	42,362	<b>17,761</b>	22,964
2 Marine, aviation and transport	19,991	37,757	9,118	48,630	12,643	23,462	10,536	25,569	<b>23,061</b>	8,056
3 Motor	45,894	87,728	88,078	45,544	1,779	2,707	3,260	1,226	<b>44,318</b>	60,703
4 Miscellaneous	280	33,119	17,703	15,696	(172)	32,223	17,547	14,504	<b>1,192</b>	2,263
Total	<u>116,029</u>	<u>277,916</u>	<u>223,952</u>	<u>169,993</u>	<u>49,153</u>	<u>154,471</u>	<u>119,963</u>	<u>83,661</u>	<b><u>86,332</u></b>	<u>93,986</u>
Treaty										
5 Proportional	1	12	8	5	-	-	-	-	<b>5</b>	(2)
Grand Total	<u>116,030</u>	<u>277,928</u>	<u>223,960</u>	<u>169,998</u>	<u>49,153</u>	<u>154,471</u>	<u>119,963</u>	<u>83,661</u>	<b><u>86,337</u></b>	<u>93,984</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008



## Condensed Interim Statement of Claims (unaudited)

Three months ended March 31, 2008

(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	2008	2007
		Opening	Closing			Opening	Closing		Net claims expense	Net claims expense
Direct and Facultative										
1 Fire and property damage	109,032	257,609	210,068	61,491	96,702	204,934	159,808	51,576	9,915	1,304
2 Marine, aviation and transport	10,936	62,762	61,648	9,822	6,253	45,457	45,724	6,520	3,302	3,721
3 Motor	35,570	63,180	60,341	32,731	(18)	665	743	60	32,671	48,286
4 Miscellaneous	4,637	47,857	51,788	8,568	4,101	35,442	39,865	8,524	44	762
Total	160,175	431,408	383,845	112,612	107,038	286,498	246,140	66,680	45,932	54,073
Treaty										
5 Proportional	802	5,057	5,057	802	-	-	-	-	802	8
Grand Total	160,977	436,465	388,902	113,414	107,038	286,498	246,140	66,680	46,734	54,081

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008



**PREMIER INSURANCE LIMITED**  
(Formerly Premier Insurance Company of Pakistan Limited)

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

Three months ended March 31, 2008

(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	2008		2007
							Commission from reinsurers	Net underwriting expense	Net underwriting expense
Direct and Facultative									
1 Fire and property damage	8,553	20,847	18,641	10,759	6,122	16,881	8,551	<b>8,330</b>	7,923
2 Marine, aviation and transport	2,729	6,178	1,373	7,534	7,949	15,483	6,557	<b>8,926</b>	1,903
3 Motor	6,103	8,365	9,274	5,194	15,277	20,471	3	<b>20,468</b>	20,886
4 Miscellaneous	67	3,090	1,796	1,361	411	1,772	2,730	<b>(958)</b>	(510)
Total	17,452	38,480	31,084	24,848	29,759	54,607	17,841	<b>36,766</b>	30,202
Treaty									
5 Proportional	-	181	113	68	2	70	-	<b>70</b>	(36)
Grand Total	<u>17,452</u>	<u>38,661</u>	<u>31,197</u>	<u>24,916</u>	<u>29,761</u>	<u>54,677</u>	<u>17,841</u>	<u><b>36,836</b></u>	<u>30,166</u>

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 these condensed interim financial statements.

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008



## Condensed Interim Statement of Investment Income (unaudited)

Three months ended March 31, 2008

(Amounts in Rupees '000)

	2008	2007
<b>Income from non-trading investments</b>		
<b>Held to maturity</b>		
Return on bank deposits	4,090	6,803
Return on term finance certificates	-	40
	4,090	6,843
<b>Available for sale</b>		
Dividend income	32,782	3,595
Gain on sale of investments	23,283	25,688
	56,065	29,283
Investment management expenses	(30)	(76)
<b>Investment income</b>	<u>60,125</u>	<u>36,050</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008



**PREMIER INSURANCE LIMITED**  
(Formerly Premier Insurance Company of Pakistan Limited)

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

Three months ended March 31, 2008

**1. STATUS AND NATURE OF BUSINESS**

Premier Insurance Limited (formerly Premier Insurance Company of Pakistan Ltd.) (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**

These condensed interim financial statements are unaudited and have 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 these condensed interim financial statements 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 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.

**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. 16.3 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 Condensed Interim Financial Statements (unaudited)

Three months ended March 31, 2008

(Amounts in Rupees '000)	Unaudited March 31, 2008	Audited December 31, 2007
<b>6. OTHER CREDITORS AND ACCRUALS</b>		
Creditors for investments	1,272	-
Commission payable	105,262	98,034
Central excise duty	2,088	1,912
Federal insurance fee	347	295
Tax deducted at source	141	132
Advance recoveries	551	530
Others	13,904	17,016
	<u>123,565</u>	<u>117,919</u>
<b>7. CONTINGENCIES AND COMMITMENTS</b>		
<p>A departmental order has been received for payment of additional 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.</p> <p>Commitments for capital expenditure amount to Rs 30.4 million (December 31, 2007: Rs 32 million).</p>		
	Unaudited March 31, 2008	Audited December 31, 2007
<b>8. INVESTMENTS</b>		
<b>Available for sale</b>		
Quoted shares - (market value: Rs 684,588 [2007: Rs 677,100])	721,744	716,169
Unquoted shares	4,645	4,645
Mutual funds - quoted (market value: Rs 860,904 [2007: Rs 841,614])	840,010	840,010
	<u>1,566,399</u>	<u>1,560,824</u>
<b>9. SUNDRY RECEIVABLES</b>		
Lease deposits	415	554
Other deposits	2,603	2,593
Other receivables	17,243	4,276
	<u>20,261</u>	<u>7,423</u>



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

Three months ended March 31, 2008

(Amounts in Rupees '000)

### 10. ADDITIONS TO FIXED ASSETS

During the period, the company expended Rs 33.1 million on acquisition of fixed assets.

	2008	2007
<b>11. TRANSACTIONS WITH RELATED PARTIES</b>		
Premium written	3,433	4,364
Claims paid	5,574	5,011
Commission paid	616	278
Dividend received	17,400	-
Investment made	-	56,606

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:

	2008	2007
Profit after tax for the period	<u>52,250</u>	<u>35,913</u>
Weighted average number of shares of Rs.5 each at period end	<u>39,897,411</u>	<u>39,897,411</u>
Basic earnings per share of Rs.5 each	<u>1.31</u>	<u>0.90</u>

Earnings per share for the corresponding period have been adjusted for the effect of subsequent issue of bonus shares during 2007.

### 13. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on April 29, 2008 by the directors of the company.

### 14. GENERAL

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

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison.

Zahid Bashir  
Chairman

Shaukat Shafi  
Director

Nadeem Maqbool  
Director

Fakhir Rahman  
Chief Executive

Karachi: April 29, 2008





## Locations

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### PESHAWAR

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Fax : (091) 5277809

### BHAWALPUR

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Saraiki Chowk  
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Fax : (0621) 2875458

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### VEHARI

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### GUJRANWALA

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### LAHORE

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