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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



PREMIER INSURANCE LIMITED
(FORMERLY PREMIER INSURANCE COMPANY OF PAKISTAN LIMITED)

Report of the Directors to the Members

The directors are pleased to present the accounts of the company for the six months ended June 30, 2007.

Review

	(Amounts in Rupees millions)	
	2007	2006
Premium written	274.8	300.5
Net premium	185.1	201.9
Underwriting result	13.3	10.1
Investment income	253.6	129.5
Profit before taxation	257.7	120.3
Profit after taxation	249.1	113.3

We have continued to realign our business portfolio with the objective of improving our underwriting profit, which was 32% higher than the corresponding period. While lower claims, in absolute and percentage terms, contributed to this increase, year-over-year expense growth was contained at 3%.

The company received Rs 914.1 million from the disposal of 11.7 million shares of PICIC Limited with a gain of Rs 182.1 million being recorded during the period. This was a one-time transaction whereby the company and others jointly disposed of a substantial shareholding in PICIC Limited. The returns from other investments and bank deposits were also quite satisfactory.

The company's equity stood at over Rs 1.6 billion, with investments, cash and bank balances in excess of Rs 1.5 billion; the break-up value per share of Rs 5 each was Rs 40.52.

Outlook

We remain concerned at the deteriorating rating and cost dynamics being fostered by competition among established players and recent industry entrants. Also, a proposed regime intended to improve solvency margins would, in our view, perhaps prove too restrictive and impractical at this stage. Among others, the proposals constrain creating long-term assets through diversifying investment in real-estate for income generation and own use. We believe various other issues warrant more urgent regulatory attention at this time.

The foregoing is to keep our stakeholders abreast of industry developments. As always, our priority is to protect and augment the interest of all our stakeholders.

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 Board

Zahid Bashir
Chairman

Karachi: August 27, 2007



Review Report to the Members

We have reviewed the accompanying condensed interim balance sheet of Premier Insurance Limited, formerly Premier Insurance Company of Pakistan Limited, (the company) as at June 30, 2007 and the condensed interim profit and loss account, condensed interim statement of changes in equity, condensed interim cash flow statement, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the six months then ended (here-in-after referred to as the “interim financial information”). Management is responsible for the preparation and presentation of the interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account, condensed interim statement of premium, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the quarters ended June 30, 2006 and 2007 have not been reviewed by us, as we are only required to review the cumulative figures for the six months ended June 30, 2007.

Scope of Review

We conducted our review in accordance with international Standard on Review Engagement 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months ended June 30, 2007 is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Anjum Asim Shahid Rahman
Chartered accountants

Karachi : August 27, 2007



PREMIER INSURANCE LIMITED
(FORMERLY PREMIER INSURANCE COMPANY OF PAKISTAN LIMITED)

Condensed Interim Balance Sheet

As at June 30, 2007

(Amounts in Rupees '000)	Note	Unaudited June 30, 2007	Audited December 31, 2006
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 100,000,000 (2006: 40,000,000) ordinary shares of Rs 5 each		<u>500,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital			
39,897,411 (2006: 33,247,843) ordinary shares of Rs.5 each		199,488	166,240
Retained earnings		396,834	749,250
Reserves		1,020,025	485,025
Shareholders' equity		<u>1,616,347</u>	<u>1,400,515</u>
Underwriting provisions			
Provision for outstanding claims (including IBNR)		316,495	288,555
Provision for unearned premium		295,908	328,109
Commission income unearned		34,146	34,229
Total underwriting provisions		<u>646,549</u>	<u>650,893</u>
Deferred liability			
Staff retirement benefits		10,213	9,336
Liabilities against assets subject to finance lease		1,357	2,067
Creditors and accruals			
Current maturity of lease finance		1,312	1,568
Amounts due to other insurers / reinsurers		110,422	131,691
Accrued expenses		4,362	8,000
Taxation - provision less payments		103,539	96,802
Other creditors and accruals	5	127,142	119,924
		<u>346,777</u>	<u>357,985</u>
Other liabilities			
Unclaimed and dividend payable		8,712	3,984
TOTAL EQUITY AND LIABILITIES		<u><u>2,629,955</u></u>	<u><u>2,424,780</u></u>
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



(Amounts in Rupees '000)	Note	Unaudited June 30, 2007	Audited December 31, 2006
ASSETS			
Cash and bank deposits			
Cash and other equivalents		852	1,435
Current and other accounts		362,329	90,802
Deposits maturing within 12 months		749,701	170,243
		1,112,882	262,480
Loans to employees		9	48
Investments	7	435,108	1,080,517
Other assets			
Premium due but unpaid		328,689	352,189
Amounts due from other insurers / reinsurers - unsecured, considered good		126,995	160,099
Accrued investment income		6,970	6,557
Reinsurance recoveries against outstanding claims		163,057	149,274
Deferred commission expense		41,550	47,440
Prepayments		155,177	140,828
Sundry receivables	8	38,561	12,838
		860,999	869,225
Fixed assets			
Tangible			
Land and buildings		170,029	169,456
Furniture, fixtures and office equipment		14,991	15,473
Motor vehicles		30,040	25,178
Intangible			
Computer software		2,046	2,403
		217,106	212,510
Capital work in progress		3,851	-
TOTAL ASSETS		<u>2,629,955</u>	<u>2,424,780</u>

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : August 27, 2007



PREMIER INSURANCE LIMITED
(FORMERLY PREMIER INSURANCE COMPANY OF PAKISTAN LIMITED)

Condensed Interim Profit and Loss Account (unaudited)

Six months and quarter ended June 30, 2007

(Amounts in Rupees '000)

	Quarter ended June 30,					2007	2006
	Fire and property	Marine, aviation & transport	Motor	Others	Treaty	Aggregate	Aggregate
Revenue accounts							
Net premium revenue	22,864	7,536	57,828	2,931	1	91,160	101,436
Net claims	(6,246)	(3,095)	(47,754)	(520)	(37)	(57,652)	(68,847)
Expenses	(6,000)	(1,982)	(15,197)	(764)	-	(23,943)	(21,896)
Net commission	(872)	(159)	(5,701)	747	(42)	(6,027)	(7,488)
Underwriting result	<u>9,746</u>	<u>2,300</u>	<u>(10,824)</u>	<u>2,394</u>	<u>(78)</u>	<u>3,538</u>	<u>3,205</u>
Investment income						217,512	29,203
Gain on disposal of fixed assets						38	11
General and administration expenses						(4,581)	(10,258)
Profit before tax						<u>216,507</u>	<u>22,161</u>
Provision for taxation						(3,335)	(2,000)
Profit after tax						<u>213,172</u>	<u>20,161</u>
Earnings per share - basic and diluted (in Rupees)					Note 11	<u>5.34</u>	<u>0.51</u>
Revenue accounts							
Net premium revenue	45,828	15,592	118,531	5,195	(2)	185,144	201,910
Net claims	(7,550)	(6,817)	(96,040)	(1,282)	(45)	(111,734)	(133,235)
Expenses	(11,656)	(3,966)	(30,146)	(1,321)	1	(47,088)	(45,692)
Net commission	(3,140)	(80)	(11,639)	1,814	(7)	(13,052)	(12,918)
Underwriting result	<u>23,482</u>	<u>4,729</u>	<u>(19,294)</u>	<u>4,406</u>	<u>(53)</u>	<u>13,270</u>	<u>10,065</u>
Investment income						253,562	129,544
Gain on disposal of fixed assets						643	11
General and administration expenses						(9,736)	(19,350)
Profit before tax						<u>257,739</u>	<u>120,270</u>
Provision for taxation						(8,659)	(7,000)
Profit after tax						<u>249,080</u>	<u>113,270</u>
Profit and loss appropriation account							
Balance at commencement of period						749,250	189,237
Profit after tax for the period						249,080	113,270
Cash dividend for 2006 at 20% (2005: 20%)						(33,248)	(27,707)
Bonus shares for 2006 at 20% (2005: 20%)						(33,248)	(27,707)
Transfer to general reserve						(535,000)	(100,000)
Balance unappropriated profit at the end of the period						<u>396,834</u>	<u>147,093</u>
Earnings per share - basic and diluted (in Rupees)					Note 11	<u>6.24</u>	<u>2.84</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : August 27, 2007



Condensed Interim Statement of Changes in Equity (unaudited)

Six months ended June 30, 2007

(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, 2006	138,533	19,490	185	-	365,000	350	189,237	574,262	712,795
Profit for the six months ended June 30, 2006	-	-	-	-	-	-	113,270	113,270	113,270
Cash dividend for the year 2005	-	-	-	-	-	-	(27,707)	(27,707)	(27,707)
Transferred to reserve for issue of bonus shares	-	-	-	27,707	-	-	(27,707)	-	-
Bonus shares issued	27,707	-	-	(27,707)	-	-	-	(27,707)	-
Transferred to general reserve	-	-	-	-	100,000	-	(100,000)	-	-
	<u>166,240</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>465,000</u>	<u>350</u>	<u>147,093</u>	<u>632,118</u>	<u>798,358</u>
Profit for the six months ended December 31, 2006	-	-	-	-	-	-	602,157	602,157	602,157
Balance as at December 31, 2006	166,240	19,490	185	-	465,000	350	749,250	1,234,275	1,400,515
Profit for the six months ended June 30, 2007	-	-	-	-	-	-	249,080	249,080	249,080
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)	-	-
Balance as at June 30, 2007	<u>199,488</u>	<u>19,490</u>	<u>185</u>	<u>-</u>	<u>1,000,000</u>	<u>350</u>	<u>396,834</u>	<u>1,416,859</u>	<u>1,616,347</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : August 27, 2007



PREMIER INSURANCE LIMITED
(FORMERLY PREMIER INSURANCE COMPANY OF PAKISTAN LIMITED)

Condensed Interim Statement of Cash Flows (unaudited)

Six months and quarter ended June 30, 2007

(Amounts in Rupees '000)

	June 30, 2007	June 30, 2006
Operating cash flows		
a) Underwriting activities		
Premium received	298,278	184,478
Reinsurance premium paid	(122,574)	(117,984)
Claims paid	(152,190)	(241,571)
Reinsurance and other recoveries received	54,612	128,457
Commissions paid	(24,131)	(30,342)
Commissions received	28,600	28,751
Net cash flow from / (used in) underwriting activities	82,595	(48,211)
b) Other operating activities		
Income tax	(1,922)	24,152
General management expenses paid	(47,087)	(45,692)
Other operating payments	(7,311)	(16,985)
Advances, deposits and sundry receivables	3,903	4,136
Other liabilities and accruals	(7,010)	3,747
Net cash used in other operating activities	(59,427)	(30,642)
Total cash flow from / (used in) operating activities	23,168	(78,853)
Investment activities		
Investment income	18,893	57,366
Payments for investments	(1,452,698)	(1,149,477)
Proceeds from disposal of investments	2,303,515	1,200,700
Fixed capital expenditure	(15,325)	(149,673)
Proceeds from disposal of fixed assets	2,335	1,751
Total cash flow from / (used in) investing activities	856,720	(39,333)
Financing activities		
Dividends paid	(28,520)	(24,480)
Payments on finance leases	(966)	(819)
Total cash used in financing activities	(29,486)	(25,299)
Total cash flow from / (used in) all activities	850,402	(143,485)
Cash and cash equivalents at the beginning of the period	262,480	305,679
Cash and cash equivalents at the end of the period	<u>1,112,882</u>	<u>162,194</u>



(Amounts in Rupees '000)

	June 30, 2007	June 30, 2006
Reconciliation to profit and loss account		
Operating cash flows	23,168	(78,853)
Depreciation expense	(5,185)	(4,539)
Investment income	253,562	129,544
Profit on disposal of fixed assets	643	11
(Decrease) / increase in assets other than cash	(40,037)	89,434
Decrease / (increase) in liabilities other than running finance	16,929	(22,327)
Profit after taxation	<u>249,080</u>	<u>113,270</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	520	1,696
Stamps in hand	332	352
	852	2,048

Current and other accounts

Current accounts	13,996	11,952
Savings accounts	347,963	6,581
Statutory deposit with State Bank of Pakistan	370	370
	362,329	18,903

Deposits maturing within 12 months

Term deposits	749,701	141,243
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Total cash and cash equivalents

	<u>1,112,882</u>	<u>162,194</u>
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The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : August 27, 2007



PREMIER INSURANCE LIMITED
(FORMERLY PREMIER INSURANCE COMPANY OF PAKISTAN LIMITED)

Condensed Interim Statement of Premium (unaudited)

Six months and quarter ended June 30, 2007

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended June 30,									2007	2006
	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											
1 Fire and property damage	61,133	113,470	113,223	61,380	46,488	81,443	89,415	38,516	22,864	27,767	
2 Marine, aviation and transport	15,742	33,664	31,938	17,468	7,083	23,290	20,441	9,932	7,536	8,650	
3 Motor	59,559	107,810	109,111	58,258	-	1,345	915	430	57,828	63,645	
4 Miscellaneous	32,124	25,225	41,627	15,722	29,290	24,033	40,532	12,791	2,931	1,376	
Total	168,558	280,169	295,899	152,828	82,861	130,111	151,303	61,669	91,159	101,438	
Treaty 5											
5 Proportional	10	-	9	1	-	-	-	-	1	(2)	
Grand Total	<u>168,568</u>	<u>280,169</u>	<u>295,908</u>	<u>152,829</u>	<u>82,861</u>	<u>130,111</u>	<u>151,303</u>	<u>61,669</u>	<u>91,160</u>	<u>101,436</u>	

Class	Six months ended June 30,									2007	2006
	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											
1 Fire and property damage	101,556	133,763	113,223	122,096	79,879	85,804	89,415	76,268	45,828	47,922	
2 Marine, aviation and transport	28,580	39,012	31,938	35,654	16,191	24,312	20,441	20,062	15,592	19,494	
3 Motor	103,781	124,659	109,111	119,329	1,781	(68)	915	798	118,531	127,206	
4 Miscellaneous	40,851	30,677	41,627	29,901	36,558	28,680	40,532	24,706	5,195	7,287	
Total	274,768	328,111	295,899	306,980	134,409	138,728	151,303	121,834	185,146	201,909	
Treaty 5											
5 Proportional	9	(2)	9	(2)	-	-	-	-	(2)	1	
Grand Total	<u>274,777</u>	<u>328,109</u>	<u>295,908</u>	<u>306,978</u>	<u>134,409</u>	<u>138,728</u>	<u>151,303</u>	<u>121,834</u>	<u>185,144</u>	<u>201,910</u>	

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : August 27, 2007



Condensed Interim Statement of Claims (unaudited)

Six months and quarter ended June 30, 2007

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	Claims paid	Outstanding claims		Quarter ended June 30,		Reinsurance and other recoveries in respect of		Reinsurance and other recoveries		2007	2006
		Opening	Closing	Claims expense	Reinsurances and other recoveries received	Opening	Closing	Net claims expense	Net claims expense		
Direct and Facultative											
1 Fire and property damage	7,484	102,759	127,633	32,358	6,969	69,366	88,509	26,112	6,246	15,669	
2 Marine, aviation and transport	13,382	53,052	44,204	4,534	9,269	38,669	30,839	1,439	3,095	1,515	
3 Motor	42,179	80,453	89,955	51,681	164	1,176	4,939	3,927	47,754	50,549	
4 Miscellaneous	7,287	48,648	49,646	8,285	4,968	35,973	38,770	7,765	520	976	
Total	<u>70,332</u>	<u>284,912</u>	<u>311,438</u>	<u>96,858</u>	<u>21,370</u>	<u>145,184</u>	<u>163,057</u>	<u>39,243</u>	<u>57,615</u>	<u>68,709</u>	
Treaty											
5 Proportional	37	5,057	5,057	37	-	-	-	-	37	138	
Grand Total	<u>70,369</u>	<u>289,969</u>	<u>316,495</u>	<u>96,895</u>	<u>21,370</u>	<u>145,184</u>	<u>163,057</u>	<u>39,243</u>	<u>57,652</u>	<u>68,847</u>	
Six months ended June 30,										2007	2006
Direct and Facultative											
1 Fire and property damage	38,204	120,809	127,633	45,028	31,737	82,768	88,509	37,478	7,550	23,391	
2 Marine, aviation and transport	20,960	44,438	44,204	20,726	15,874	32,804	30,839	13,909	6,817	3,180	
3 Motor	83,605	73,611	89,955	99,949	163	1,193	4,939	3,909	96,040	104,707	
4 Miscellaneous	9,375	44,640	49,646	14,381	6,838	32,509	38,770	13,099	1,282	1,367	
Total	<u>152,144</u>	<u>283,498</u>	<u>311,438</u>	<u>180,084</u>	<u>54,612</u>	<u>149,274</u>	<u>163,057</u>	<u>68,395</u>	<u>111,689</u>	<u>132,645</u>	
Treaty											
5 Proportional	45	5,057	5,057	45	-	-	-	-	45	590	
Grand Total	<u>152,189</u>	<u>288,555</u>	<u>316,495</u>	<u>180,129</u>	<u>54,612</u>	<u>149,274</u>	<u>163,057</u>	<u>68,395</u>	<u>111,734</u>	<u>133,235</u>	

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : August 27, 2007



PREMIER INSURANCE LIMITED
(FORMERLY PREMIER INSURANCE COMPANY OF PAKISTAN LIMITED)

Condensed Interim Statement of Expenses (unaudited)

Six months and quarter ended June 30, 2007

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class		Quarter ended June 30,					2007			2006
		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	9,617	21,093	20,593	10,117	6,000	16,117	9,245	6,872	7,281
	2	2,237	6,449	5,887	2,799	1,982	4,781	2,640	2,141	2,901
	3	5,864	10,727	10,896	5,695	15,197	20,892	(6)	20,898	19,977
	4	3,299	2,498	4,167	1,630	764	2,394	2,377	17	(726)
	Total	21,017	40,767	41,543	20,241	23,943	44,184	14,256	29,928	29,433
Treaty	5	4	45	7	42	-	42	-	42	(49)
	Grand Total	<u>21,021</u>	<u>40,812</u>	<u>41,550</u>	<u>20,283</u>	<u>23,943</u>	<u>44,226</u>	<u>14,256</u>	<u>29,970</u>	<u>29,384</u>
		Six months ended June 30,					2007		2006	
Direct and Facultative	1	17,458	24,247	20,593	21,112	11,656	32,768	17,972	14,796	11,252
	2	4,766	7,297	5,887	6,176	3,966	10,142	6,096	4,046	5,647
	3	9,996	12,522	10,896	11,622	30,146	41,768	(17)	41,785	41,241
	4	3,621	3,364	4,167	2,818	1,321	4,139	4,632	(493)	537
	Total	35,841	47,430	41,543	41,728	47,089	88,817	28,683	60,134	58,677
Treaty	5	4	10	7	7	(1)	6	-	6	(67)
	Grand Total	<u>35,845</u>	<u>47,440</u>	<u>41,550</u>	<u>41,735</u>	<u>47,088</u>	<u>88,823</u>	<u>28,683</u>	<u>60,140</u>	<u>58,610</u>

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

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : August 27, 2007



Condensed Interim Statement of Investment Income (unaudited)

Six months and quarter ended June 30, 2007

(Amounts in Rupees '000)

	Quarter ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Income from non-trading investments				
Held to maturity				
Return on bank deposits	6,427	3,366	13,230	6,349
Return on term finance certificates	41	40	81	80
	<u>6,468</u>	<u>3,406</u>	<u>13,311</u>	<u>6,429</u>
Available for sale				
Dividend income	2,505	4,218	6,100	53,223
Gain on sale of investments	208,568	21,666	234,256	70,095
	<u>211,073</u>	<u>25,884</u>	<u>240,356</u>	<u>123,318</u>
Investment management expenses	(29)	(87)	(105)	(203)
Investment income	<u><u>217,512</u></u>	<u><u>29,203</u></u>	<u><u>253,562</u></u>	<u><u>129,544</u></u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Fakhir Rahman
Chief Executive

Karachi : August 27, 2007



PREMIER INSURANCE LIMITED
(FORMERLY PREMIER INSURANCE COMPANY OF PAKISTAN LIMITED)

Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended June 30, 2007

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 but subject to limited scope review by the auditors 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, 2006.

3.1 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.

4. INVESTMENTS

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. Subsequently, these are recognized and classified into "at fair value through profit or loss", "available for sale" or "held to maturity".

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 higher by Rs 82.8 million (December 31, 2006: Rs 13.0 million) and the corresponding amount would have either increased 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)

For the six months ended June 30, 2007

(Amounts in Rupees '000)	Unaudited June 30, 2007	Audited December 31, 2006
5. OTHER CREDITORS AND ACCRUALS		
Creditors for investments	9,272	6,760
Commission payable	94,054	82,340
Central excise duty	2,508	3,648
Federal insurance fee	842	617
Tax deducted at source	674	933
Advance recoveries	571	820
Others	19,221	24,806
	<u>127,142</u>	<u>119,924</u>
6. CONTINGENCIES AND COMMITMENTS		
There are no material contingencies at the balance sheet date.		
Commitments for capital expenditure amount to Rs 36.6 million (December 31, 2006: Nil).		
7. INVESTMENTS	Unaudited June 30, 2007	Audited December 31, 2006
Available for sale		
Quoted shares - (market value: Rs 398,900 [2006: Rs 1,087,536])	319,098	1,074,507
Unquoted shares	4,645	4,645
Mutual funds - quoted (market value: Rs 112,996 [2006: Rs 10])	110,010	10
Held to maturity		
Term finance certificates - quoted (market value Rs 1,355 [2006: Rs 1,355])	1,355	1,355
	<u>435,108</u>	<u>1,080,517</u>
8. SUNDRY RECEIVABLES		
Lease deposits	653	764
Other deposits	1,775	7,204
Receivables for investments	31,408	47
Other receivables	4,725	4,823
	<u>38,561</u>	<u>12,838</u>



Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended June 30, 2007

(Amounts in Rupees '000)

9. ADDITIONS TO FIXED ASSETS

During the period, the company expended Rs 15.3 million on acquisition of fixed assets.

June 30,	June 30,
2007	2006

10. TRANSACTIONS WITH RELATED PARTIES

Premium written	53,668	50,733
Claims paid	14,428	31,112
Commission paid	4,449	2,010
Dividend paid	3,361	2,504
Dividend received	45	45,584
Investment disposed of during the period	-	50,000

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.

11. 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		Six months ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	----- Rupees in '000 -----			
Profit after tax for the period	<u>213,172</u>	<u>20,161</u>	<u>249,080</u>	<u>113,270</u>
	----- Numbers in '000 -----			
Weighted average number of shares of Rs.5 each at period end	<u>39,898</u>	<u>39,898</u>	<u>39,898</u>	<u>39,898</u>
	----- Rupees -----			
Earnings per share of Rs.5 each - basic and diluted	<u>5.34</u>	<u>0.51</u>	<u>6.24</u>	<u>2.84</u>

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



Notes to the Condensed Interim Financial Statements (unaudited)

For the six months ended June 30, 2007

12. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on August 27, 2007 by the Board of Directors of the company.

13. 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 : August 27, 2007



PREMIER INSURANCE LIMITED
(FORMERLY PREMIER INSURANCE COMPANY OF PAKISTAN LIMITED)

Locations

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Saraiki Chowk
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