



PREMIER  
INSURANCE

Interim Financial Statements  
for the half year  
ended June 30, 2011  
(Unaudited)



## Contents

Company Information.....	3
Report of the Directors to the Members .....	4
Auditor's Report to the Members on Review of Interim Financial Information.....	5
Condensed Interim Balance Sheet.....	6
Condensed Interim Profit and Loss Account.....	8
Condensed Interim Statement of Comprehensive Income.....	9
Condensed Interim Statement of Cash Flows.....	10
Condensed Interim Statement of Changes in Equity.....	12
Condensed Interim Statement of Premium .....	13
Condensed Interim Statement of Claims .....	14
Condensed Interim Statement of Expenses .....	15
Condensed Interim Statement of Investment Income.....	16
Notes to the Condensed Interim Financial Statements.....	17
Locations.....	23





## Company Information

**Board of Directors**

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

**Company Secretary**

Afroz Quraishi

**Audit Committee**

Khalid Bashir (Chairman)  
Imran Maqbool  
Nadeem Maqbool

**Auditors**

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

**Legal Advisors**

Arfin & Company  
Advocates

**Registered & Head Office**

5th Floor, State Life Building No. 2A  
Wallace Road, Karachi-74000, Pakistan  
Phones : (21) 32416331-4  
Fax : (21) 32416572  
Email : [info@pil.com.pk](mailto:info@pil.com.pk)  
Website : [www.pil.com.pk](http://www.pil.com.pk)

**Registrar**

FAMCO Associates (Pvt) Limited  
Ground Floor, State Life Building No.1-A  
I.I.Chundrigar Road, Karachi-74000, Pakistan



## Report of the Directors to the Members

The directors are pleased to present the unaudited interim financial statements of the company for the half year ended June 30, 2011.

<b>Review</b>	<b>(Amounts in Rupees millions)</b>	
	<b>2011</b>	<b>2010</b>
Premium written	<b>492.7</b>	435.7
Net premium	<b>212.6</b>	177.6
Underwriting result	<b>7.1</b>	17.7
Investment income	<b>86.9</b>	70.7
Profit before taxation	<b>72.1</b>	71.5
Profit after taxation	<b>61.0</b>	58.0

Significant growth in written and net premium, 13% and 20% respectively, and a flat expense ratio were achieved during the six month period, despite a difficult economic and business environment. However, these could not flow to the underwriting result due to higher claims and commission costs.

Likewise, a 29% increase in investment income was restricted to 23% by impairment charges of Rs 4.4 million. As a matter of further prudence, impairment of Rs 5.2 million was also recorded for other financial assets.

Our higher business and investment income for the review period would have delivered similarly improved profits but for the extraneously driven costs highlighted above. Therefore, the increase in profit after tax and in the earnings per share (Rs 1.01 per ordinary share of Rs 5 each; comparable to Rs 2.02 per ordinary share of Rs 10 each), though an apparently modest 5%, remains noteworthy.

### **Outlook**

Our considerable financial and operational resources and efforts are reflected in the foregoing performance review. These have also been independently evaluated and endorsed recently by JCR-VIS while reaffirming our IFS Rating of "A" with Stable Outlook, denoting "a high capacity to meet policyholder and contract obligations".

While we continue our endeavors to build the company's business and the infrastructure to support it, various uncertainties around our business and operating environment, regularly reported by us, also continue to multiply as reported by the media. Accordingly, presenting a whole year outlook vulnerable to predominant external drivers would be imprudent, and also not useful.

### **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: August 20, 2011



## Auditor's Report to the Members on Review of Interim Financial Information

### *Introduction*

We have reviewed the accompanying

- (i) Condensed interim balance sheet;
- (ii) Condensed interim profit and loss account;
- (iii) Condensed interim statement of comprehensive income;
- (iv) Condensed interim statement of changes in equity;
- (v) Condensed interim statement of cash flows;
- (vi) Condensed interim statement of premiums;
- (vii) Condensed interim statement of claims;
- (viii) Condensed interim statement of expenses; and
- (ix) Condensed interim statement of investment income

and notes to the accounts of **Premier Insurance Limited (the Company)** as at **June 30, 2011** and for the six month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of condensed Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for condensed interim financial reporting.

### Other Matters

The financial statements of the Company for the six months ended June 30, 2010 and for the year ended December 31, 2010 were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated August 20, 2010 and audit report dated April 01, 2011 expressed an unmodified conclusion and unmodified opinion on those statements respectively.

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

Karachi: August 20, 2011



## PREMIER INSURANCE LIMITED

### Condensed Interim Balance Sheet

As at June 30, 2011

(Amount in Rupees '000)	Note	Unaudited June 30, 2011	Audited December 31, 2010
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital			
Rs 100,000,000 ordinary shares of Rs 5 each		<u>500,000</u>	<u>500,000</u>
Issued subscribed and paid-up capital			
60,564,269 ordinary shares of Rs.5 each		302,821	302,821
Retained earnings		180,097	269,812
Reserves		1,345,025	1,270,025
<b>Shareholders' equity</b>		<b>1,827,943</b>	<b>1,842,658</b>
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		353,960	339,603
Provision for unearned premium		455,363	386,246
Commission income unearned		51,703	43,641
<b>Total underwriting provisions</b>		<b>861,026</b>	<b>769,490</b>
<b>Deferred liability</b>			
Staff retirement benefits		23,611	23,079
<b>Creditors and accruals</b>			
Amounts due to other insurers / reinsurers		141,950	117,981
Accrued expenses		19,527	15,359
Taxation - provision less payments		116,528	116,482
Other creditors and accruals	8	244,323	208,531
		<u>522,328</u>	<u>458,353</u>
<b>Other liabilities</b>			
Unclaimed and dividend payable		12,177	7,700
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>3,247,085</u></b>	<b><u>3,101,280</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



(Amount in Rupees '000)	Note	Unaudited June 30, 2011	Audited December 31, 2010
<b>ASSETS</b>			
<b>Cash and bank deposits</b>			
Cash and other equivalents		645	443
Current and other accounts		132,749	148,158
Deposits maturing after 12 months		-	5,246
		133,394	153,847
<b>Loans - Considered good, secured</b>			
To employees		1,353	1,706
<b>Investments</b>	10	1,350,431	1,343,391
<b>Investment properties</b>		55,558	55,825
<b>Current assets-Others</b>			
Premium due but unpaid		526,184	439,701
Amounts due from other insurers / reinsurers - unsecured, considered good		352,799	333,027
Accrued investment income		10,818	10,826
Accrued salvage recoveries		7,671	8,260
Reinsurance recoveries against outstanding claims		219,733	209,006
Deferred commission expense		73,017	58,538
Prepayments		249,122	219,062
Sundry receivables		8,255	15,558
		1,447,599	1,293,978
<b>Fixed assets</b>			
<b>Tangible</b>			
Land and buildings		146,023	146,164
Furniture, fixtures and office equipment		28,166	22,770
Motor vehicles		49,019	51,391
Capital work in progress		32,128	30,072
<b>Intangible</b>			
Computer software		3,414	2,136
		258,750	252,533
<b>TOTAL ASSETS</b>		<u>3,247,085</u>	<u>3,101,280</u>

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive







## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the half year ended June 30, 2011

(Amount in Rupees '000)

	2011	2010
Net profit for the period	60,990	57,988
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>60,990</u>	<u>57,988</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



PREMIER INSURANCE LIMITED

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

For the half year ended June 30, 2011

(Amount in Rupees '000)	June 30, 2011	June 30, 2010
<b>OPERATING CASH FLOWS</b>		
a) Underwriting activities		
Premium received	386,452	268,047
Reinsurance premium paid	(215,433)	(115,671)
Claims paid	(225,440)	(152,592)
Reinsurance and other recoveries received	131,999	77,746
Commissions paid	(50,577)	(43,805)
Commissions received	54,296	47,805
Net cash inflow from underwriting activities	81,297	81,530
b) Other operating activities		
Income tax paid	(11,102)	(1,984)
General management expenses paid	(91,099)	(76,510)
Other operating payments	(5,922)	(4,922)
Advances, deposits and sundry receivables	912	(2,502)
Other liabilities and accruals	4,905	32,950
Net cash used in other operating activities	(102,306)	(52,968)
<b>Total cash (used in) / flow from operating activities</b>	<b>(21,009)</b>	<b>28,562</b>
<b>INVESTMENT ACTIVITIES</b>		
Investment income received	76,985	16,254
Payments for investments	(502,381)	(2,167,190)
Proceeds from disposal of investments	512,742	2,116,058
Fixed capital expenditure	(14,751)	(19,521)
Proceeds from disposal of fixed assets	1,716	2,027
Rental income received	1,699	450
Other income received	1,020	828
<b>Total cash flow from / (used in) investing activities</b>	<b>77,030</b>	<b>(51,094)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(71,228)	(51,068)
<b>Total cash used in financing activities</b>	<b>(71,228)</b>	<b>(51,068)</b>
<b>Total cash used in all activities</b>	<b>(15,207)</b>	<b>(73,600)</b>
Cash and cash equivalents at beginning of the period	148,601	215,332
<b>Cash and cash equivalents at the end of the period</b>	<b>133,394</b>	<b>141,732</b>



## Condensed Interim Statement of Cash Flows (Unaudited)

For the half year ended June 30, 2011

(Amount in Rupees '000)

	June 30, 2011	June 30, 2010
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(21,009)	28,562
Depreciation expense	(7,158)	(5,933)
Investment income	86,901	70,720
Profit on disposal of fixed assets	340	1,080
Rental income	1,431	168
Other income	1,020	828
Impairment of financial assets other than investments	(5,246)	-
Increase in assets other than cash	158,963	246,959
Increase in liabilities	<u>(154,252)</u>	<u>(284,396)</u>
<b>Profit after taxation</b>	<u>60,990</u>	<u>57,988</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	427	638
Stamps in hand	218	258
	645	896

### Current and other accounts

Current accounts	4,646	12,204
Savings accounts	128,103	125,135
	132,749	137,339

Deposits maturing within 12 months	-	3,497
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<b>Total cash and cash equivalents</b>	<u>133,394</u>	<u>141,732</u>
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The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



## PREMIER INSURANCE LIMITED

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

For the half year ended June 30, 2011

(Amount 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, 2010	263,323	19,490	185	-	1,250,000	350	240,992	1,511,017	1,774,340
Total comprehensive income for the half year ended June 30, 2010	-	-	-	-	-	-	57,988	57,988	57,988
Cash dividend for the year ended December 31, 2009 declared subsequent to the year end	-	-	-	-	-	-	(52,665)	(52,665)	(52,665)
Transfer to reserve for issue of bonus shares	-	-	-	39,498	-	-	(39,498)	-	-
Bonus shares issued	39,498	-	-	(39,498)	-	-	-	(39,498)	-
Balance at June 30, 2010	302,821	19,490	185	-	1,250,000	350	206,817	1,476,842	1,779,663
Total comprehensive income for the half year ended December 31, 2010	-	-	-	-	-	-	62,995	62,995	62,995
Balance at January 1, 2011	302,821	19,490	185	-	1,250,000	350	269,812	1,539,837	1,842,658
Total comprehensive income for the half year ended June 30, 2011	-	-	-	-	-	-	60,990	60,990	60,990
Cash dividend for the year ended December 31, 2010 declared subsequent to the year end	-	-	-	-	-	-	(75,705)	(75,705)	(75,705)
Transferred to general reserve	-	-	-	-	75,000	-	(75,000)	-	-
<b>Balance as at June 30, 2011</b>	<b>302,821</b>	<b>19,490</b>	<b>185</b>	<b>-</b>	<b>1,325,000</b>	<b>350</b>	<b>180,097</b>	<b>1,525,122</b>	<b>1,827,943</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



## Condensed Interim Statement of Premium (Unaudited)

For the quarter and half year ended June 30, 2011

(Amount in Rupees '000)

Business underwritten inside Pakistan

Class	Quarter ended June 30,								2011	2010
	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	178,534	157,743	242,332	93,945	102,651	108,939	154,045	57,545	36,400	28,371
2 Marine, aviation and transport	40,240	17,147	23,351	34,036	18,424	15,851	15,353	18,922	15,114	13,417
3 Motor	75,446	105,140	125,651	54,935	6,124	7,127	9,858	3,393	51,542	41,876
4 Miscellaneous	48,020	47,343	64,030	31,333	42,604	44,353	61,446	25,511	5,822	5,685
Total	342,240	327,373	455,364	214,249	169,803	176,270	240,702	105,371	108,878	89,349
Treaty										
5 Proportional	-	(1)	(1)	-	-	-	-	-	-	-
Grand Total	342,240	327,372	455,363	214,249	169,803	176,270	240,702	105,371	108,878	89,349
Direct and Facultative										
	Half year ended June 30,								2011	2010
1 Fire and property damage	243,167	182,302	242,332	183,137	140,839	125,713	154,045	112,507	70,630	58,227
2 Marine, aviation and transport	72,940	20,985	23,351	70,574	37,445	18,390	15,353	40,482	30,092	23,708
3 Motor	116,509	115,965	125,651	106,823	8,228	8,506	9,858	6,876	99,947	83,912
4 Miscellaneous	60,091	66,995	64,030	63,056	52,890	59,680	61,447	51,123	11,933	11,798
Total	492,707	386,247	455,364	423,590	239,402	212,289	240,703	210,988	212,602	177,645
Treaty										
5 Proportional	-	(1)	(1)	-	-	-	-	-	-	(4)
Grand Total	492,707	386,246	455,363	423,590	239,402	212,289	240,703	210,988	212,602	177,641

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive









## PREMIER INSURANCE LIMITED

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

For the half year ended June 30, 2011

(Amount in Rupees '000)

	Quarter ended June 30,		Half year ended June 30,	
	2011	2010	2011	2010
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on bank deposits	3,377	4,165	6,139	8,668
<b>Available for sale</b>				
Dividend income	38,658	1,942	70,854	5,344
Gain on sale of investments	5,958	26,845	14,323	56,728
	44,616	28,787	85,177	62,072
<b>Provision for Impairment in value of investments</b>				
Provision for diminution in the value of available for sale investments	(4,399)	-	(4,399)	-
Investment management expenses	(10)	(13)	(16)	(20)
<b>Investment income</b>	<u>43,584</u>	<u>32,939</u>	<u>86,901</u>	<u>70,720</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



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

For the half year ended June 30, 2011

### 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 are unaudited but subject to a limited scope review by the auditors. These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standards - 34 "Interim Financial Reporting" as applicable in Pakistan in accordance with the format prescribed under SEC (Insurance) Rules 2002. They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2010.

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

### 3. BASIS OF PRESENTATION

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

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2010, except as follows:

The company has adopted the following new amended IFRS and IFRIC interpretations which became effective during the period.

IAS 24 - Related Party Disclosure (Revised)

IAS 32 - Financial Instruments: Presentation - Classification of Right Issues (Amendment)

IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments



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

For the half year ended June 30, 2011

(Amount in Rupees '000)

Improvements to various standards issued by IASB in April 2010

- IFRS 3 - Business Combinations
- IFRS 7 - Financial Instruments Disclosures
- IAS 27 - Consolidated and Separate Financial Statements
- IAS 1 - Presentation of Financial Statements
- IFRIC 13 - Customer Loyalty Programmes
- IAS 34 - Interim Financial Reporting

The adoption of the above standards, amendments and interpretations did not have any material effect on the financial statements.

### 5. ESTIMATES AND JUDGMENTS

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

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2010.

### 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, 2010.

### 7. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at June 30, 2011 is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

### 8. OTHER CREDITORS AND ACCRUALS

	Unaudited June 30, 2011	Audited December 31, 2010
Commission payable	198,588	171,161
Federal excise duty	12,749	11,065
Federal insurance fee	188	181
Advance recoveries	154	254
Others	32,644	25,870
	<u>244,323</u>	<u>208,531</u>



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

For the half year ended June 30, 2011

(Amount in Rupees '000)

### 9. CONTINGENCIES AND COMMITMENTS

#### CONTINGENCY

There is no change during the half year ended June 30, 2011 in the status of the contingency as disclosed in the financial statements for the year ended December 31, 2010.

#### COMMITMENTS

Commitments for capital expenditure amount to Rs 21.4 million (December 31, 2010: Rs 21.3 million).

	Unaudited June 30, 2011	Audited December 31, 2010
<b>10. INVESTMENTS</b>		
<b>Available for sale</b>		
<b>Related Parties</b>		
Quoted shares [market value: Rs 36.906 million (2010: Rs 40.177 million)]	33,692	33,692
Unquoted shares	<u>4,000</u>	<u>4,000</u>
	37,692	37,692
<b>Others</b>		
Quoted shares [market value: Rs 234.054 million (2010: Rs 150.416 million)]	253,717	160,056
Unquoted shares	115,203	115,203
Mutual funds [market value: Rs 947.967 million (2010: Rs 1,031.524 million)] (Note 10.1)	943,819	1,030,440
	<u>1,312,739</u>	<u>1,305,699</u>
	<u>1,350,431</u>	<u>1,343,391</u>

**10.1** Mutual funds include Rs 24.7 million (2010: Rs 24.1 million) placed as statutory deposit with the State Bank of Pakistan (market value: Rs 33.8 million [2010: Rs 31.2 million]).

### 11. FIXED ASSETS-TANGIBLE AND INTANGIBLE

During the period, the Company acquired fixed assets for Rs 14.8 million (2010: Rs 19.5 million). Disposals at cost amounted to Rs 5.2 million (2010: Rs 3.3 million).



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

For the half year ended June 30, 2011

(Amount in Rupees '000)

### 12. 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:

Transaction for the period	June 30, 2011	June 30, 2010
<b>Associated undertakings</b>		
Premium written	73,400	71,372
Claims paid	27,697	6,659
Commission paid	6,039	4,517
Dividend received	89	-
Dividend paid	9,312	5,830
<b>Others</b>		
Premium written	47	-
Dividend paid	2,894	1,805
Rent received	450	450
Remuneration and retirement benefit to key personnel	28,186	20,334
<b>Period-end balances</b>		
<b>Associated undertakings</b>		
Claims outstanding	17,645	37,394
Premium receivable	174,660	128,272
<b>Others</b>		
Premium receivable	78	-
Other payables	102	147

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 half year ended June 30, 2011

(Amount in Rupees '000)

### 13. SEGMENT REPORTING

The following presents segment assets and liabilities as at June 30, 2011 and December 31, 2010.

	Fire and property		Marine, aviation & transport		Motor		Miscellaneous		Total	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
<b>Segment assets</b>	734,265	596,972	190,111	178,401	236,774	225,635	258,958	259,813	1,420,108	1,260,821
Unallocated corporate assets									1,826,977	1,840,459
<b>Consolidated total assets</b>									<u>3,247,977</u>	<u>3,101,280</u>
<b>Segment liabilities</b>	483,129	395,168	108,319	99,915	218,501	200,202	193,027	192,186	1,002,976	887,471
Unallocated corporate liabilities									416,166	371,151
<b>Consolidated total liabilities</b>									<u>1,419,142</u>	<u>1,258,622</u>

### 14. 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:

	June 30, 2011	June 30, 2010
Profit after tax for the period	<u>60,990</u>	<u>57,988</u>
Weighted average number of shares	<u>60,564,269</u>	<u>60,564,269</u>
Basic earnings per share of Rs.5 each - Rupees	<u>1.01</u>	<u>0.96</u>

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



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

For the half year ended June 30, 2011

### 15. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on August 20, 2011 by the Board of Directors of the Company.

### 16. GENERAL

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

16.2 Figures of condensed interim profit and loss account for the quarters ended June 30, 2011 and June 30, 2010 have not been subjected to limited scope review of the auditors.

Zahid Bashir  
Chairman

Nadeem Maqbool  
Director

Imran Maqbool  
Director

Fakhir Rahman  
Chief Executive



## Locations

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### FAISALABAD

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