



ہمیشہ سگاتہ

INTERIM FINANCIAL STATEMENTS

for the quarter year ended
March 31, 2016 (Unaudited)

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Company Information

Board of Directors

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

Chief Executive Officer & Managing Director

Mohammed Asif Arif

Chief Financial Officer & Company Secretary

Iftikhar Gadar

Audit Committee

Khalid Bashir (Chairman)
Nadeem Maqbool (Member)
Imran Maqbool (Member)
Fariq M. K. Rohilla (Secretary)

Human Resources & Remuneration Committee

Nadeem Maqbool (Chairman)
Zahid Bashir (Member)
Attaullah A Rasheed (Member)
Niina Khan (Secretary)

Auditors

Deloitte Yousuf Adil
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

Website : www.pil.com.pk

Registrar

FAMCO Associates (Pvt) Limited
8-F, Next to Hotel Faran, Nursery
Block-6, P.E.C.H.S.
Shahrah-e-Faisal, Karachi.

Phones : (21) 34380101-5

Fax : (21) 34380106

Email : info.shares@famco.com.pk

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 month period ended March 31, 2016.

Review

(Amounts in Rupees '000)

| | 2016 | 2015 |
|--------------------------|-------------|------|
| Premium written | 231 | 215 |
| Net Premium | 216 | 157 |
| Underwriting result | 23 | (2) |
| Investment income | 26 | 37 |
| Window Takaful Operation | (9) | - |
| Profit before taxation | 12 | 32 |
| Profit after taxation | 9 | 27 |
| EPS | 0.25 | 0.79 |

The Company's written premium increased by 8% and the Net Premium increased by 38%. Concentrated effort on risk management resulted in an increase in the underwriting profit from Rs. 2 Mn. to Rs. 23 Mn. Given the suppressed investment environment the Company witnessed a drop in investment by Rs. 11 Mn. The Company recorded a net profit of Rs. 9 Mn resulting in an EPS of Rs. 0.25

Window Takaful Operations

The written contribution and the deficit of Participants Takaful Fund were Rs. 30 Mn and Rs. 0.7 Mn respectively and there was a loss from Window Takaful Operations of Rs. 9 Mn. for the three month period ended March 31, 2016.

Outlook

Our recent Annual Report presents our outlook for 2016. The Company continues to make progress despite challenging conditions for business growth still prevalent alongside volatile political conditions. The Company continues to focus on customer centric growth with extensive use of technology, expecting to grow its market share and regain its position as one of the top most insurance company of the country. Growth momentum and improved underwriting and overall profitability is expected to be maintained in the coming quarters.

Acknowledgement

The directors acknowledge the support and guidance of SECP, SBP and all Regulators and dedication of the company's employees. We are thankful to all our customers and business associates for reposing their confidence in the company.

On behalf of the Board

Zahid Bashir
Chairman

Karachi: April 29, 2016

ڈائریکٹرز کی رپورٹ برائے ممبران

ڈائریکٹرز بمسرت کمپنی کے عبوری غیر آڈٹ شدہ فنانشل اسٹیٹمنٹ برائے سہ ماہی مختتمہ 31 مارچ 2016 کا خلاصہ پیش کر رہے ہیں۔

| جائزہ | 2016 | 2015 |
|--------------------------|------|------|
| تخریر شدہ پرییم | 231 | 214 |
| خالص پرییم | 216 | 157 |
| انڈر رائٹنگ رزلٹ | 23 | (2) |
| آمدنی بذریعہ سرمایہ کاری | 26 | 37 |
| ونڈ وٹکفل آپریشنز | (9) | - |
| قبل از ٹیکس منافع | 12 | 32 |
| بعد از ٹیکس منافع | 9 | 27 |
| آمدنی فی حصص | 0.25 | 0.79 |

کمپنی کے تخریر شدہ پرییم میں آٹھ (8%) فیصد اضافہ ہوا ہے جب کہ خالص پرییم میں 38% اضافہ ریکارڈ کیا گیا۔ رسک منیجمنٹ پر خصوصی توجہ کے باعث انڈر رائٹنگ (underwriting) کا منافع 2 ملین روپے سے بڑھ کر 23 ملین روپے ہو گیا ہے۔ سرمایہ کاری کے ماحول میں وباؤ کی وجہ سے کمپنی کی آمدنی بذریعہ سرمایہ کاری کی مد میں 11 ملین روپے کی کمی واقع ہوئی۔ تاہم کمپنی کا خالص منافع 9 ملین روپے رہا جس کے نتیجے میں آمدنی فی حصص 0.25 رہی۔

ونڈ وٹکفل آپریشنز

تخریری حصہ داری اور وٹکفل فنڈز کے شرکاء کا خسارہ بالترتیب 30 ملین اور 0.7 ملین رہا۔ جب کہ گزشتہ سہ ماہی مختتمہ 31 مارچ 2016 کے لئے وٹکفل آپریشنز میں 9 ملین روپے کا نقصان دیکھنے میں آیا۔

آئندہ کے امکانات

ہماری حالیہ سالانہ رپورٹ میں 2016 کا جائزہ پیش کیا گیا ہے۔ ہماری کمپنی نے ہر لمحہ بدلتی سیاسی صورتحال کے نتیجے میں کاروبار کو درپیش چیلنجز کے باوجود ترقی کا سفر جاری رکھا ہے۔ کمپنی اپنے کسٹمرز کی خدمت پر بھرپور توجہ کے ذریعہ آگے بڑھ رہی ہے، ٹیکنالوجی کے وسیع تر استعمال کے ذریعے اپنے مارکٹ شیئر میں اضافہ کیلئے پرامید ہے اور مارکیٹ میں اپنی صف اول کی حیثیت کے دوبارہ حصول کی توقع رکھتی ہے۔ توقع کی جارہی ہے کہ آئندہ سہ ماہیوں میں ترقی کی رفتار بڑھے گی، بہتر انڈر رائٹنگ نتائج اور مجموعی منافع میں اضافہ ہوگا۔

اعتراف

کمپنی کے ڈائریکٹرز SECP کے تعاون اور رہنمائی، SBP اور تمام ریگولیٹرز کے علاوہ کمپنی کے ملازمین کے خلوص دل سے کام کا اعتراف کرتے ہیں اور اس کے ساتھ ساتھ اپنے تمام کسٹمرز اور کاروباری ساتھیوں کا شکریہ ادا کرتے ہیں جنہوں نے ایک بار پھر ہم پر بھرپور اعتماد کا اظہار کیا ہے۔

بجانب بورڈ

زاہد بشیر
چیئرمین

کراچی 29 اپریل 2016

Balance Sheet

As at March 31, 2016

(Amounts in Rupees '000)

| | Note | Unaudited March 31, 2016 | Audited December 31, 2015 |
|---|------|--------------------------------|---------------------------------|
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised share capital 50,000,000 ordinary shares of Rs 10 each (2015: 50,000,000 ordinary shares of Rs 10 each) | | 500,000 | 500,000 |
| Issued, subscribed and paid-up capital 34,824,454 ordinary shares of Rs 10 each (2015: 34,824,454 ordinary shares of Rs10 each) | | 348,244 | 348,244 |
| Retained earnings | | 60,230 | 51,424 |
| Reserves | | 1,208,756 | 1,208,756 |
| Shareholders' equity | | 1,617,230 | 1,608,424 |
| Underwriting provisions | | | |
| Provision for outstanding claims (including IBNR) | | 838,149 | 572,537 |
| Provision for unearned premium | | 532,277 | 642,765 |
| Commission income unearned | | 23,906 | 27,303 |
| Total underwriting provisions | | 1,394,332 | 1,242,605 |
| Deferred liability | | | |
| Staff retirement benefits | | 13,955 | 13,556 |
| Liabilities against assets subject to finance lease | | 12,853 | 3,575 |
| Creditors and accruals | | | |
| Current maturity of finance lease | | 2,745 | 1,027 |
| Amounts due to other insurers / reinsurers | | 252,139 | 271,706 |
| Accrued expenses | | 26,088 | 26,088 |
| Taxation - provision less payments | | 79,831 | 85,818 |
| Other creditors and accruals | 8 | 371,151 | 403,558 |
| | | 731,954 | 788,197 |
| Other liabilities | | | |
| Unclaimed dividend | | 25,227 | 27,778 |
| Total liabilities of window Takaful Operations - Operator's Fund | | 14,032 | 1,277 |
| TOTAL EQUITY AND LIABILITIES | | 3,809,583 | 3,685,412 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 9 | | |

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

Balance Sheet

As at March 31, 2016

(Amounts in Rupees '000)

| | Note | Unaudited March 31, 2016 | Audited December 31, 2015 |
|---|------|--------------------------------|---------------------------------|
| ASSETS | | | |
| Cash and bank deposits | | | |
| Cash and other equivalents | | 802 | 495 |
| Current and other accounts | | 98,827 | 84,302 |
| | | 99,629 | 84,797 |
| Investments | 10 | 1,033,938 | 1,143,588 |
| Loan - unsecured considered good | 11 | 1,475 | 1,475 |
| Investment properties | | 25,239 | 25,249 |
| Other assets | | | |
| Premium due but unpaid | | 742,988 | 822,817 |
| Amounts due from other insurers / reinsurers | | 415,106 | 391,933 |
| Accrued investment income | | 5,862 | 365 |
| Accrued salvage recoveries | | 16,549 | 12,909 |
| Reinsurance recoveries against outstanding claims | | 755,714 | 465,930 |
| Deferred commission expense | | 71,578 | 67,420 |
| Prepayments | | 268,217 | 305,553 |
| Deposits and other receivables | 12 | 74,224 | 72,400 |
| | | 2,350,238 | 2,139,327 |
| Fixed assets | | | |
| Tangible | | | |
| Land and buildings | 13 | 154,057 | 154,228 |
| Furniture, fixtures and office equipment | | 19,674 | 18,603 |
| Motor vehicles - Owned | | 31,981 | 33,656 |
| Motor vehicles - Leased | | 15,851 | 4,757 |
| Capital work in progress | | 26,109 | 26,109 |
| Intangible | | | |
| Computer software | | 2,589 | 2,309 |
| | | 250,261 | 239,662 |
| Total assets of window Takaful Operations - Operator's Fund | | 48,803 | 51,314 |
| TOTAL ASSETS | | 3,809,583 | 3,685,412 |

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | Note | Fire and property damage | Marine, aviation & transport | Motor | Misc. | Treaty | 2016 <u>Aggregate</u> | 2015 Aggregate |
|--|------|--------------------------------|------------------------------------|----------|----------|--------|--------------------------|-------------------|
| Revenue accounts | | | | | | | | |
| Net premium revenue | | 80,505 | 10,995 | 71,570 | 53,196 | - | 216,266 | 157,471 |
| Net claims | | (26,163) | (4,243) | (37,996) | (9,949) | - | (78,351) | (77,957) |
| Management expenses | | (35,931) | (4,907) | (31,944) | (23,742) | - | (96,524) | (48,712) |
| Net commission | | (2,434) | (3,294) | (7,780) | (4,848) | - | (18,356) | (32,990) |
| Underwriting result | | 15,977 | (1,449) | (6,150) | 14,657 | - | 23,035 | (2,188) |
| Investment income | | | | | | | 25,829 | 37,463 |
| Rental income | | | | | | | - | 1,246 |
| General and administration expenses | | | | | | | (27,169) | (4,304) |
| Loss before tax from window takaful operations - OPF | | | | | | | (9,334) | - |
| Profit before tax | | | | | | | 12,361 | 32,217 |
| Provision for taxation - net | | | | | | | (3,555) | (4,786) |
| Profit after tax | | | | | | | 8,806 | 27,431 |
| Profit and loss appropriation account | | | | | | | | |
| Balance at commencement of year | | | | | | | 51,424 | (59,028) |
| Profit after tax for the period | 16 | | | | | | 8,806 | 27,431 |
| Unappropriated profit / (loss) at the end of the period | | | | | | | 60,230 | (31,597) |
| Earnings per share - basic and diluted (in Rupees) | 16 | | | | | | 0.25 | 0.79 |

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Comprehensive Income** (Unaudited)
For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | 2016 | 2015 |
|---|--------------|---------------|
| Net profit for the period | 8,806 | 27,431 |
| Other comprehensive income for the period | | |
| Item not to be re-classified to profit and loss account in subsequent period: | | |
| Remeasurement of defined benefit plan | - | - |
| Total comprehensive income | <u>8,806</u> | <u>27,431</u> |

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | 2016 | 2015 |
|---|---------------|-----------------|
| OPERATING CASH FLOWS | | |
| a) Underwriting activities | | |
| Premium received | 283,441 | 267,943 |
| Reinsurance premium paid | (107,024) | (140,225) |
| Claims paid | (175,174) | (186,911) |
| Reinsurance and other recoveries received | 72,651 | 60,364 |
| Commissions paid | (36,447) | (36,177) |
| Commissions received | 12,187 | 6,236 |
| Net cash flow from / (used in) underwriting activities | 49,634 | (28,770) |
| b) Other operating activities | | |
| Income tax paid | (9,542) | (1,349) |
| General management expenses paid | (96,524) | (48,712) |
| Other operating payments | (18,155) | (630) |
| Advances, deposits and sundry receivables | (16,448) | 15,202 |
| Other liabilities and accruals | (20,764) | (7,360) |
| Net cash used in other operating activities | (161,433) | (42,849) |
| Total cash used in operating activities | (111,799) | (71,619) |
| INVESTMENT ACTIVITIES | | |
| Investment income received | 6,049 | 6,022 |
| Payments for investments | (136,388) | (262,338) |
| Proceeds from disposal of investments | 263,099 | 305,268 |
| Fixed capital expenditure | (13,877) | (929) |
| Proceeds from disposal of fixed assets | - | 24 |
| Rental income received | - | 4,203 |
| Total cash flow from investing activities | 118,883 | 52,250 |
| FINANCING ACTIVITIES | | |
| Dividends paid | (1,530) | (6) |
| Payments against finance leases | 9,278 | - |
| Total cash flow from / (used in) financing activities | 7,748 | (6) |
| Total cash flow from / (used in) all activities | 14,832 | (19,375) |
| Cash and cash equivalents at beginning of the period | 84,797 | 150,993 |
| Cash and cash equivalents at the end of the period | 99,629 | 131,618 |

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | 2016 | 2015 |
|--|--------------|---------------|
| Reconciliation to profit and loss account | | |
| Operating cash flows | (111,799) | (71,619) |
| Depreciation expense | (3,287) | (3,237) |
| Investment income | 25,829 | 37,463 |
| Rental income | - | 1,246 |
| Loss from window takaful operations | (9,334) | - |
| Increase / (Decrease) in assets other than cash | 214,856 | (195,645) |
| (Increase) / Decrease in liabilities | (107,459) | 259,223 |
| Profit after taxation | 8,806 | 27,431 |

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 | 453 | 180 |
| Stamps in hand | 349 | 420 |
| | 802 | 600 |

Current and other accounts

| | | |
|------------------|---------------|----------------|
| Current accounts | 9,649 | 3,403 |
| Savings accounts | 89,178 | 127,615 |
| | 98,827 | 131,018 |

Total cash and cash equivalents

| | |
|---------------|----------------|
| 99,629 | 131,618 |
|---------------|----------------|

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | Share capital | Reserves | | | | | | |
|--|--------------------------------|--------------------------------|---------------------|------------------|------------------------------------|-----------------------|------------------|------------------|
| | | Capital reserves | | Revenue reserves | | | | |
| | Issued, subscribed and paid-up | Reserve for exceptional losses | Devaluation reserve | General reserve | Reserve for bad and doubtful debts | Unappropriated profit | Total reserves | Total equity |
| Balance at January 1, 2015 | 302,821 | 19,490 | 185 | 1,264,436 | 350 | (59,028) | 1,225,433 | 1,528,254 |
| Profit for the three month period ended March 31, 2015 | - | - | - | - | - | 27,431 | 27,431 | 27,431 |
| Remeasurement of defined benefit plan for the year | - | - | - | - | - | - | - | - |
| Total comprehensive income for the three month period ended March 31, 2015 | - | - | - | - | - | 27,431 | 27,431 | 27,431 |
| Balance as at March 31, 2015 | 302,821 | 19,490 | 185 | 1,264,436 | 350 | (31,597) | 1,252,864 | 1,555,685 |
| Balance at January 1, 2016 | 348,244 | 19,490 | 185 | 1,188,731 | 350 | 51,424 | 1,260,180 | 1,608,424 |
| Profit for the three month period ended March 31, 2016 | - | - | - | - | - | 8,806 | 8,806 | 8,806 |
| Remeasurement of defined benefit plan for the period | - | - | - | - | - | - | - | - |
| Total comprehensive income for the three month period ended March 31, 2016 | - | - | - | - | - | 8,806 | 8,806 | 8,806 |
| Balance as at March 31, 2016 | 348,244 | 19,490 | 185 | 1,188,731 | 350 | 60,230 | 1,268,986 | 1,617,230 |

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

| | | | | | | | | | | 2016 | 2015 |
|------------------------|----------------------------------|-----------------|--------------------------|---------|----------------|-------------------|-----------------------------------|---------|---------------------|---------------------|---------------------|
| Class | | 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 | 63,476 | 269,283 | 192,673 | 140,086 | 54,284 | 183,260 | 177,963 | 59,581 | 80,505 | 45,835 |
| | 2 Marine, aviation and transport | 21,983 | 38,504 | 18,036 | 42,451 | 16,635 | 34,461 | 19,640 | 31,456 | 10,995 | 13,644 |
| | 3 Motor | 86,456 | 146,713 | 160,142 | 73,027 | 2,427 | 2,827 | 3,797 | 1,457 | 71,570 | 72,627 |
| | 4 Miscellaneous | 59,498 | 188,265 | 161,426 | 86,337 | 14,111 | 82,921 | 63,891 | 33,141 | 53,196 | 25,365 |
| | Total | 231,413 | 642,765 | 532,277 | 341,901 | 87,457 | 303,469 | 265,291 | 125,635 | 216,266 | 157,471 |
| Treaty | 5 Proportional | - | - | - | - | - | - | - | - | - | - |
| Grand Total | | 231,413 | 642,765 | 532,277 | 341,901 | 87,457 | 303,469 | 265,291 | 125,635 | 216,266 | 157,471 |

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Claims** (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

| | | | | | | | | | 2016 | 2015 | |
|--------------------------|----------------------------------|-------------|--------------------|---------|----------------|---|---|---------|--|--------------------|--------|
| 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 | 2016 | 2015 |
| | | Opening | Closing | | | Opening | Closing | | Net claims expense | Net claims expense | |
| Direct and Facultative 1 | Fire and property damage | 80,048 | 171,690 | 126,525 | 34,883 | 34,943 | 126,904 | 100,681 | 8,720 | 26,163 | 3,713 |
| | 2 Marine, aviation and transport | 12,452 | 194,229 | 450,104 | 268,327 | 8,268 | 194,100 | 449,916 | 264,084 | 4,243 | 9,011 |
| | 3 Motor | 37,079 | 22,132 | 23,151 | 38,098 | 368 | 432 | 166 | 102 | 37,996 | 45,804 |
| | 4 Miscellaneous | 45,595 | 184,486 | 238,369 | 99,478 | 29,072 | 144,494 | 204,951 | 89,529 | 9,949 | 19,429 |
| | Total | 175,174 | 572,537 | 838,149 | 440,786 | 72,651 | 465,930 | 755,714 | 362,435 | 78,351 | 77,957 |
| Treaty | 5 Proportional | - | - | - | - | - | - | - | - | - | - |
| | Grand Total | 175,174 | 572,537 | 838,149 | 440,786 | 72,651 | 465,930 | 755,714 | 362,435 | 78,351 | 77,957 |

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

| | | 2016 | | | | | | | 2015 |
|------------------------|----------------------------------|----------------------------|-----------------------------|-----------------------------|------------------------|---------------------------|-----------------------|----------------------------|--------------------------|
| Class | | Commission paid or payable | Opening deferred commission | Closing deferred commission | Net commission expense | Other management expenses | Underwriting expenses | Commission from reinsurers | Net underwriting expense |
| Direct and Facultative | 1 Fire and property damage | 13,481 | 17,824 | 21,746 | 9,559 | 35,931 | 45,490 | 7,125 | 38,365 |
| | 2 Marine, aviation and transport | 5,657 | 3,506 | 2,848 | 6,315 | 4,907 | 11,222 | 3,021 | 8,201 |
| | 3 Motor | 10,671 | 18,937 | 21,755 | 7,853 | 31,944 | 39,797 | 73 | 39,724 |
| | 4 Miscellaneous | 8,289 | 27,153 | 25,229 | 10,213 | 23,742 | 33,955 | 5,365 | 28,590 |
| | Total | 38,098 | 67,420 | 71,578 | 33,940 | 96,524 | 130,464 | 15,584 | 114,880 |
| Treaty | 5 Proportional | - | - | - | - | - | - | - | - |
| | Grand Total | 38,098 | 67,420 | 71,578 | 33,940 | 96,524 | 130,464 | 15,584 | 114,880 |

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

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | 2016 | 2015 |
|-------------------------------------|--------|--------|
| Income from non-trading investments | | |
| Return on bank deposits | 829 | 2,369 |
| Available for sale | | |
| Dividend income | 11,140 | 5,957 |
| Gain on sale of investments | 14,279 | 29,437 |
| | 25,419 | 35,394 |
| Investment management expenses | (419) | (300) |
| Investment income | 25,829 | 37,463 |

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

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 Pakistan Stock Exchange. The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Karachi. The Company has been allowed to work as Window Takaful Operator on October 2, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC(Insurance) Rules, 2002] vide S.R.O. 938 dated December 12, 2002.

The financial statements are prepared and presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

During the year, the Company was granted permission by Securities and Exchange Commission of Pakistan to transact Window Takaful Operations. In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated July 9, 2015, the assets, liabilities and profit and loss of the Operator Fund of the General Takaful operations of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

Further, a separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012.

The SECP has allowed the insurance companies to defer the application of International Accounting Standard - 39 (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 the SECP as aforesaid, have not been considered in the preparation of these financial statements.

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

For the three month period ended March 31, 2016

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, 2015, except as follows:

New, amended and revised standards and interpretations of IFRSs

The company has adopted the following new and amended IFRS which became effective during the year:

IFRS 10- Share-based Payment - Definitions of vesting conditions
IFRS 11 - Joint Arrangements
IFRS 12- Disclosure of Interests in Other Entities
IFRS 13- Fair Value Measurement
IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions

The adoption of the above amendments 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 affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2015.

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 as at and for the year ended December 31, 2015.

7. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at March 31, 2016 is considered adequate to meet the expected liability after reinsurance, for claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

For the three month period ended March 31, 2016

8.1 This includes provision for rent amounting to Rs 14 million. The company is under litigation against the landlord. The possibility of the eventual beneficiary being other than the company is considered remote by the company's legal advisor. However, the company has made a provision of the disputed amount as a matter of prudence.

There are no contingencies to report as at the balance sheet date.

Available for sale

18

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three month period ended March 31, 2016

10.1 Mutual funds include Rs 27.5 million (2015: Rs 27.5 million) placed as statutory deposit with the State Bank of Pakistan (market value: Rs 49.1 million [2015: Rs 48.4 million]).

11. LOAN - UNSECURED CONSIDERED GOOD

The company has provided an unsecured interest free loan to Novelty Enterprises (Private) Limited for the purpose of real estate development. The company has 16.67% equity stake in Novelty Enterprises (Private) Limited.

| | Note | Unaudited March 31, 2016 | Audited December 31, 2015 |
|---|------|--------------------------------|---------------------------------|
| 12. DEPOSITS AND OTHER RECEIVABLES | | | |
| Deposits | 12.1 | 48,557 | 33,572 |
| Investment proceeds receivable | | 14,070 | 30,145 |
| Others receivables | | 11,597 | 8,683 |
| | | 74,224 | 72,400 |

12.1 These include Rs 24 million deposited under a court order in respect of a claim where the possibility of the eventual beneficiary being other than the company is considered remote by the company's legal advisor.

13. FIXED ASSETS - TANGIBLE AND INTANGIBLE

During the period, the company acquired fixed assets for Rs 13.9 million (2015: Rs 0.93 million).

14. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit scheme.

Transactions and balances with related parties, including remuneration and retirement benefits, are as follows:

| | Unaudited March 31, 2016 | Un-audited March 31, 2015 |
|--|--------------------------------|---------------------------------|
| Transactions for the period | | |
| Associated undertakings | | |
| Premium written | 10,567 | 7,769 |
| Claims paid | 84,244 | 5,617 |
| Others | | |
| Premium written | 220 | 67 |
| Meeting fees | 368 | 255 |
| Remuneration and retirement benefits to key personnel | 32,704 | 15,812 |

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three month period ended March 31, 2016

| | Unaudited March 31, 2016 | Audited December 31, 2015 |
|--------------------------------|--------------------------------|---------------------------------|
| Period-end balances | | |
| Associated undertakings | | |
| Claims outstanding | <u>35,957</u> | <u>88,380</u> |
| Premium receivable | <u>194,276</u> | <u>243,083</u> |
| Others | | |
| Premium receivable | <u>622</u> | <u>605</u> |
| Claims outstanding | <u>15</u> | <u>-</u> |

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.

15. SEGMENT REPORTING

The following presents segment assets and liabilities as at March 31, 2016 and December 31, 2015.

| | Fire and property damage | | Marine, aviation & transport | | Motor | | Miscellaneous | | Total | |
|---------------------------------------|-----------------------------|----------------------|---------------------------------|----------------------|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 |
| Segment assets | 618,053 | 753,201 | 582,927 | 480,456 | 474,414 | 275,433 | 591,834 | 555,389 | 2,267,228 | 2,064,479 |
| Unallocated corporate assets | | | | | | | | | 1,542,355 | 1,620,933 |
| Consolidated total assets | | | | | | | | | 3,809,583 | 3,685,412 |
| Segment liabilities | 398,636 | 547,033 | 494,456 | 290,621 | 277,644 | 222,870 | 475,735 | 453,787 | 1,646,471 | 1,514,311 |
| Unallocated corporate liabilities | | | | | | | | | 545,882 | 562,677 |
| Consolidated total liabilities | | | | | | | | | 2,192,353 | 2,076,988 |

16. 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:

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

For the three month period ended March 31, 2016

| | Unaudited March 31, 2016 | Audited December 31, 2015 |
|---|---|---------------------------------|
| Profit after tax for the period | <u>8,806</u> | <u>27,431</u> |
| Weighted average number of shares | <u>34,824,454</u> | <u>34,824,454</u> |
| Basic earnings per share of Rs 10 each - Rupees | <u>0.25</u> | <u>0.79</u> |

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

17. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on April 29, 2016 by the Board of Directors of the company.

18. GENERAL

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

18.2 Prior year figures have been rearranged where ever necessary.

Financial Statements (Window Takaful)



Balance Sheet

As at March 31, 2016

(Amounts in Rupees '000)

| | Note | Operator's Fund | Unaudited March 31, 2016 Participants' Takaful Fund | Aggregate | Audited December 31, 2015 Aggregate |
|--|------|----------------------|--|----------------------|--|
| FUNDS AND LIABILITIES | | | | | |
| Operator's fund | | | | | |
| Statutory fund | | 50,000 | - | 50,000 | 50,000 |
| Accumulated loss | | (15,229) | - | (15,229) | (5,895) |
| | | <u>34,771</u> | <u>-</u> | <u>34,771</u> | <u>44,105</u> |
| Waqf / Participants' takaful fund | | | | | |
| Ceded money | | - | 500 | 500 | 500 |
| Accumulated deficit | | - | (1,041) | (1,041) | (352) |
| | | <u>-</u> | <u>(541)</u> | <u>(541)</u> | <u>148</u> |
| Underwriting provisions | | | | | |
| Provision for outstanding claims (including IBNR) | | - | 1,617 | 1,617 | - |
| Provision for unearned contribution | | - | 28,430 | 28,430 | 2,237 |
| Unearned retakaful rebate | | - | 2,029 | 2,029 | 304 |
| Total underwriting provisions | | <u>-</u> | <u>32,076</u> | <u>32,076</u> | <u>2,541</u> |
| Creditors and accruals | | | | | |
| Amounts due to other takaful / retakaful operators | | - | 7,691 | 7,691 | 1,621 |
| Unearned wakala fees | | 9,950 | - | 9,950 | 783 |
| Wakala and mudarib fee payable | | - | - | - | 825 |
| Payable to Premier Insurance Limited | | 1,600 | - | 1,600 | 5,932 |
| Other creditors and accruals | 6 | 2,482 | 1,887 | 4,369 | 873 |
| | | <u>14,032</u> | <u>9,578</u> | <u>23,610</u> | <u>10,034</u> |
| TOTAL FUND AND LIABILITIES | | <u><u>48,803</u></u> | <u><u>41,113</u></u> | <u><u>89,916</u></u> | <u><u>56,828</u></u> |
| ASSETS | | | | | |
| Cash and bank deposits | | | | | |
| Cash and other equivalents | | 113 | 52 | 165 | 144 |
| Current and other accounts | | 159 | 1,981 | 2,140 | 7,046 |
| | | <u>272</u> | <u>2,033</u> | <u>2,305</u> | <u>7,190</u> |
| Investments | 7 | 45,000 | - | 45,000 | 45,000 |
| Other assets | | | | | |
| Contribution due but unpaid | | - | 16,793 | 16,793 | 639 |
| Amounts due from other takaful / retakaful operators | | - | 2,581 | 2,581 | 223 |
| Wakala and mudarib fee receivable | | - | - | - | 825 |
| Deferred wakala fee | | - | 9,950 | 9,950 | 783 |
| Deferred commission expense | | 2,877 | - | 2,877 | 325 |
| Prepayments | | - | 9,756 | 9,756 | 1,843 |
| Deposits and other receivables | 8 | 654 | - | 654 | - |
| | | <u>3,531</u> | <u>39,080</u> | <u>42,611</u> | <u>4,638</u> |
| TOTAL ASSETS | | <u><u>48,803</u></u> | <u><u>41,113</u></u> | <u><u>89,916</u></u> | <u><u>56,828</u></u> |

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | Fire and property damage | Marine, aviation & transport | Motor | Others | Treaty | 2016 Aggregate |
|--------------------------------------|--------------------------------|------------------------------------|----------------|----------------|----------|-------------------|
| PTF Revenue accounts | | | | | | |
| Net contribution revenue | 522 | 303 | 1,397 | 297 | - | 2,519 |
| Wakala expense | (384) | (242) | (542) | (116) | - | (1,284) |
| Direct expense | (109) | (62) | (292) | (62) | - | (525) |
| Net claims | - | - | (1,627) | - | - | (1,627) |
| Rebate from re-takaful operations | 130 | 89 | - | 9 | - | 228 |
| Underwriting result | 159 | 88 | (1,064) | 128 | - | (689) |
| Accumulated Deficit | | | | | | |
| Balance at the beginning of the year | | | | | | (352) |
| Deficit for the period | | | | | | (689) |
| Balance at the end of the period | | | | | | (1,041) |
| Operator's Revenue accounts | | | | | | |
| Wakala fee | 384 | 242 | 542 | 116 | - | 1,284 |
| Commission Expenses | (204) | (101) | (66) | (33) | - | (404) |
| Management expenses | (2,036) | (1,175) | (5,441) | (1,155) | - | (9,807) |
| | (1,856) | (1,034) | (4,965) | (1,072) | - | (8,927) |
| Investment income | | | | | | 43 |
| General & administration expenses | | | | | | (450) |
| Loss for the period | | | | | | (9,334) |
| Accumulated Loss | | | | | | |
| Balance at the beginning of the year | | | | | | (5,895) |
| Loss for the period | | | | | | (9,334) |
| Balance at the end of the period | | | | | | (15,229) |

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Comprehensive Income (Unaudited)**
For the three month period ended March 31, 2016

(Amounts in Rupees '000)

2016

OPERATORS' FUND

Loss for the period **(9,334)**

Total comprehensive loss for the period **(9,334)**

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | <u>Operator's Fund</u> | <u>Participants' Fund</u> | <u>2016 Aggregate</u> |
|--|----------------------------|-------------------------------|---------------------------|
| OPERATING CASH FLOWS | | | |
| a) Takaful activities | | | |
| Contribution received | - | 11,348 | 11,348 |
| Re-takaful contributions paid | - | (2,991) | (2,991) |
| Claims paid | - | (10) | (10) |
| Commissions paid | (698) | - | (698) |
| Re-takaful rebate received | - | 1,953 | 1,953 |
| Net cash (used in) / flow from underwriting activities | (698) | 10,300 | 9,602 |
| b) Other operating activities | | | |
| General management expenses paid | (9,807) | (525) | (10,332) |
| Other operating payments | (450) | (11,276) | (11,726) |
| Advances, deposits and sundry receivables | 1,938 | - | 1,938 |
| Other liabilities and accruals | 4,082 | 1,508 | 5,590 |
| Net cash used in other operating activities | (4,237) | (10,293) | (14,530) |
| Total cash (used in) / flow from operating activities | (4,935) | 7 | (4,928) |
| INVESTMENT ACTIVITIES | | | |
| Investment income received | 43 | - | 43 |
| Total cash flow from investing activities | 43 | - | 43 |
| Total (used in) / cash flow from all activities | (4,892) | 7 | (4,885) |
| Cash and cash equivalents at beginning of the period | 5,164 | 2,026 | 7,190 |
| Cash and cash equivalents at the end of the period | 272 | 2,033 | 2,305 |

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | Operator's Fund | Participants' Fund | 2016 Aggregate |
|--|--------------------|-----------------------|-------------------|
| Reconciliation to profit and loss account | | | |
| Operating cash flows | (4,935) | 7 | (4,928) |
| Investment income | 43 | - | 43 |
| Increase in assets other than cash | 3,206 | 36,417 | 39,623 |
| Increase in liabilities | (7,648) | (37,113) | (44,761) |
| Loss for the period | (9,334) | (689) | (10,023) |
| Attributed to | | | |
| Operators' Fund | (9,334) | - | (9,334) |
| Participant's Takaful Fund | - | (689) | (689) |
| | (9,334) | (689) | (10,023) |

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 | 113 | - | 113 |
| Stamps in hand | - | 52 | 52 |
| | 113 | 52 | 165 |

Current and other accounts

| | | | |
|--|------------|--------------|--------------|
| Savings accounts | 159 | 1,981 | 2,140 |
| Total cash and cash equivalents | 272 | 2,033 | 2,305 |

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Changes in Fund** (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | Operator's Fund | | |
|-------------------------------------|-----------------|------------------|---------------|
| | Statutory Fund | Accumulated Loss | Total |
| Contribution made during the period | 50,000 | - | 50,000 |
| Loss for the period | - | (15,229) | (15,229) |
| Balance as at March 31, 2016 | 50,000 | (15,229) | 34,771 |

| | Participants' Fund | | |
|-------------------------------------|--------------------|---------------------|--------------|
| | Cede Money | Accumulated Deficit | Total |
| Cede money | 500 | - | 500 |
| Deficit for the period | - | (1,041) | (1,041) |
| Balance as at March 31, 2016 | 500 | (1,041) | (541) |

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Contributions (Unaudited)**

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

| | | 2016 | | | | | | | | | |
|------------------------|---|--------------------------------|-------------------------------|---------|---------------------|-------------------------------|---------------------------------|---------|--------------------|--------------------------|-------|
| Class | | Contribution written | Unearned Contribution reserve | | Contribution earned | Re-takaful contribution ceded | Prepaid re-takaful contribution | | Re-takaful expense | Net Contribution revenue | |
| | | | Opening | Closing | | | Opening | Closing | | | |
| Direct and Facultative | | | | | | | | | | | |
| | 1 | Fire and property damage | 7,325 | 1,409 | 7,638 | 1,096 | 6,286 | 1,194 | 6,906 | 574 | 522 |
| | 2 | Marine, aviation and transport | 1,757 | 146 | 1,213 | 690 | 1,571 | 126 | 1,310 | 387 | 303 |
| | 3 | Motor | 14,059 | 621 | 13,131 | 1,549 | 519 | 498 | 865 | 152 | 1,397 |
| | 4 | Miscellaneous | 6,719 | 61 | 6,448 | 332 | 685 | 25 | 675 | 35 | 297 |
| | | Total | 29,860 | 2,237 | 28,430 | 3,667 | 9,061 | 1,843 | 9,756 | 1,148 | 2,519 |
| Treaty | 5 | Proportional | - | - | - | - | - | - | - | - | - |
| | | Grand Total | 29,860 | 2,237 | 28,430 | 3,667 | 9,061 | 1,843 | 9,756 | 1,148 | 2,519 |

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Claims** (Unaudited)

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

| Class | | Claims paid | Outstanding claims | | Claims expense | Retakaful and other recoveries received | Retakaful and other recoveries in respect of outstanding claims | | Retakaful and other recoveries revenue | 2016 |
|--------------------------|----------------------------------|-------------|--------------------|---------|----------------|---|---|---------|--|--------------------|
| | | | Opening | Closing | | | Opening | Closing | | Net claims expense |
| Direct and Facultative 1 | Fire and property damage | - | - | - | - | - | - | - | - | - |
| | 2 Marine, aviation and transport | - | - | - | - | - | - | - | - | - |
| | 3 Motor | 10 | - | 1,617 | 1,627 | - | - | - | - | 1,627 |
| | 4 Miscellaneous | - | - | - | - | - | - | - | - | - |
| | Total | 10 | - | 1,617 | 1,627 | - | - | - | - | 1,627 |
| Treaty | 5 Proportional | - | - | - | - | - | - | - | - | - |
| Grand Total | | 10 | - | 1,617 | 1,627 | - | - | - | - | 1,627 |

The annexed notes from 1 to 17 form an integral part of these financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Expenses - OPF (Unaudited)**

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

| | | | | | | | 2016 |
|------------------------|----------------------------------|----------------------------|-----------------------------|-----------------------------|------------------------|---------------------|-----------------------------|
| Class | | Commission paid or payable | Deferred commission Opening | Deferred commission Closing | Net commission expense | Direct expenses | Net OPF expense |
| Direct and Facultative | | | | | | | |
| | 1 Fire and property damage | 1,355 | 265 | 1,416 | 204 | 2,036 | 2,240 |
| | 2 Marine, aviation and transport | 332 | 28 | 259 | 101 | 1,175 | 1,276 |
| | 3 Motor | 593 | 29 | 556 | 66 | 5,441 | 5,507 |
| | 4 Miscellaneous | 675 | 3 | 645 | 33 | 1,155 | 1,188 |
| | Total | <u>2,955</u> | <u>325</u> | <u>2,876</u> | <u>404</u> | <u>9,807</u> | <u>10,211</u> |
| Treaty | 5 Proportional | - | - | - | - | - | - |
| | Grand Total | <u><u>2,955</u></u> | <u><u>325</u></u> | <u><u>2,876</u></u> | <u><u>404</u></u> | <u><u>9,807</u></u> | <u><u>10,211</u></u> |

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Condensed Interim Statement of **Expenses - PTF (Unaudited)**

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

| | | | | | | | 2016 | |
|------------------------|--------------------------------|-----------------------------|-----------------------------|-------------|---------------------|-----------------------------------|-----------------|-------|
| Class | Gross wakala fee | Deferred wakala fee Opening | Deferred wakala fee Closing | Net expense | PTF direct expenses | Rebate from re-takaful operations | Net PTF expense | |
| Direct and Facultative | | | | | | | | |
| 1 | Fire and property damage | 2,564 | 493 | 2,673 | 384 | 109 | 130 | 363 |
| 2 | Marine, aviation and transport | 615 | 51 | 424 | 242 | 62 | 89 | 215 |
| 3 | Motor | 4,920 | 218 | 4,596 | 542 | 292 | - | 834 |
| 4 | Miscellaneous | 2,352 | 21 | 2,257 | 116 | 62 | 9 | 169 |
| | Total | 10,451 | 783 | 9,950 | 1,284 | 525 | 228 | 1,581 |
| Treaty | 5 Proportional | - | - | - | - | - | - | - |
| | Grand Total | 10,451 | 783 | 9,950 | 1,284 | 525 | 228 | 1,581 |

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

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

(Amounts in Rupees '000)

| | 2016 |
|--|-----------|
| Income from non-trading investments | |
| Return on bank deposits | 43 |
| Investment income | <u>43</u> |

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the three month period ended March 31, 2016

1. STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on October 2, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on October 31, 2015 under the Waqf deed with a Cede money of Rs. 500,000. The Waqf deed and PTF Policies (Waqf Rules) which govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The condensed interim financial statements of the Operator are prepared such that the financial position and results from the operations of Waqf and the Operator are shown separately.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC(Insurance) Rules, 2002] and SECP Circular No.25 of 2015 dated July 9, 2015.

The condensed interim financial statements are prepared and presented in Pakistani Rupees, which is the functional and presentation currency. These condensed interim financial statements reflect the financial position and results of operations of both the Operator and PTF in a manner that the assets, liabilities, revenue and expenses of the Operator and PTF remain separately identifiable.

3. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the WTO have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 shall prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements.

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

For the three month period ended March 31, 2016

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, 2015, except as follows:

New, amended and revised standards and interpretations of IFRSs

The company has adopted the following new and amended IFRS which became effective during the year:

| | | |
|---------|---|---|
| IFRS 10 | - | Share-based Payment - Definitions of vesting conditions |
| IFRS 11 | - | Joint Arrangements |
| IFRS 12 | - | Disclosure of Interests in Other Entities |
| IFRS 13 | - | Fair Value Measurement |
| IAS 19 | - | Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions |

5. ESTIMATES AND JUDGMENTS

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

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2015.

6. OTHER CREDITORS AND ACCRUALS - PTF

| | Unaudited March 31, 2016 | Audited December 31, 2015 |
|---------------------|---|---------------------------------|
| Federal excise duty | 1,754 | 355 |
| Federal takaful fee | 133 | 24 |
| | <u>1,887</u> | <u>379</u> |

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three month period ended March 31, 2016

| | Unaudited March 31, 2016 | Audited December 31, 2015 |
|--|--------------------------------|---------------------------------|
| 7. INVESTMENTS | | |
| Available for sale | | |
| Mutual funds (unit trusts) - Others | | |
| Number of units | | |
| 2,897,170 | | |
| Name of entity | | |
| NAFA Islamic Asset Allocation Fund | | |
| (Market value Rs 46.1 million | | |
| (2015: Rs 44.9 million) | 45,000 | 45,000 |
| 8. DEPOSITS AND OTHER RECEIVABLES - OPF | | |
| Deposits | 571 | - |
| Others | 83 | - |
| | 654 | - |

9. 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.

There is no transactions with related parties as at balance sheet date.

10. SEGMENT REPORTING

The following presents segment assets and liabilities as at March 31, 2016 and December 31, 2015.

Operator's Fund

| | Fire and property damage | | Marine, aviation & transport | | Motor | | Miscellaneous | | Total | |
|-----------------------------------|--------------------------|-------------------|------------------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|
| | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 |
| Segment assets | 1,416 | 780 | 259 | 89 | 556 | 256 | 646 | 25 | 2,877 | 1,150 |
| Unallocated corporate assets | | | | | | | | | 45,926 | 50,164 |
| Consolidated total assets | | | | | | | | | 48,803 | 51,314 |
| Segment liabilities | 3,795 | 770 | 917 | 85 | 5,278 | 248 | 2,915 | 24 | 12,905 | 1,127 |
| Unallocated corporate liabilities | | | | | | | | | 1,127 | 6,082 |
| Consolidated total liabilities | | | | | | | | | 14,032 | 7,209 |

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three month period ended March 31, 2016

Participants' Takaful Fund

| | Fire and property damage | | Marine, aviation & transport | | Motor | | Miscellaneous | | Total | |
|---------------------------------------|--------------------------|-------------------|------------------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|
| | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 |
| Segment assets | 9,587 | 2,175 | 2,299 | 259 | 18,400 | 959 | 8,794 | 95 | 39,080 | 3,488 |
| Unallocated corporate assets | | | | | | | | | 2,033 | 2,026 |
| Consolidated total assets | | | | | | | | | 41,113 | 5,514 |
| Segment liabilities | 1,887 | 1,526 | 453 | 182 | 3,621 | 672 | 1,730 | 66 | 7,691 | 2,446 |
| Unallocated corporate liabilities | | | | | | | | | 1,887 | 379 |
| Consolidated total liabilities | | | | | | | | | 9,578 | 2,825 |

11. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements were authorized for issue on April 29, 2016 by the Board of Directors of the company.

12. GENERAL

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

Our Network

Karachi

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Fax: 021-35293386

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Fax: 021-32622135

Nelson Chamber Branch Unit C

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Shadman Branch

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Canal Branch

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Mall Branch

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FSD-Regency Branch

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Fax: 041-2617802

FSD-Chenab Branch

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Sahiwal Branch

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Fax: 040-4220790

Quetta Branch

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Phone: 081-2842883

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