



INTERIM FINANCIAL STATEMENTS
for the quarter ended
March 31, 2017 (Unaudited)

همیشه کلاه



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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

Munawar Salemwala

Audit Committee

Khalid Bashir (Chairman)
Nadeem Maqbool (Member)
Imran Maqbool (Member)
Rao Ali Zeeshan (Secretary)

Claim Settlement Committee

Attaullah A. Rasheed (Chairman)
Brendan D' Lima (Member)
Muhammad Imran (Member)
Hasan Mustafa (Secretary)

Underwriting Committee

Imran Maqbool (Chairman)
M. K. Baig (Member)
Brendan D' Lima (Member)
Ali Asghar Bhojani (Secretary)

Investment Committee

Zahid Bashir (Chairman)
Nadeem Maqbool (Member)
Shazia Bashir (Secretary)

Reinsurance & Co-Insurance Committee

Khurram Mazhar (Chairman)
Brendan D' Lima (Member)
Kamran Safi Rizvi (Secretary)

Ethics, Human Resource & Remuneration Committee

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

Risk Management & Compliance Committee

Shams Rafi (Chairman)
Munawar Salemwala (Member)
Brendan D' Lima (Member)
Rao Ali Zeeshan (Member)

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) 34380101-2

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 months period ended March 31, 2017.

Review including Window Takaful Operations

	2017	2016
(Amounts in Rupees "000")		
Premium written	204,080	261,273
Net Premium	184,104	218,785
Underwriting result	(10,486)	22,346
Investment income	45,828	25,872
Profit before taxation	15,202	12,361
Profit after taxation	8,968	8,806
Earnings per share (2016: Restated)	0.21	0.21

Your company maintained its profitability despite a drop in Premium Written by 22%. The Company has initiated rigorous cost control measures and in the period under review the management expenses were reduced by 40%. The underwriting loss for the quarter ended March 31, 2017 is 10.486 million. The Company's continuous emphasis on a prudent approach in investments has resulted in an increase in investment income by 77%.

Outlook

A detailed outlook for 2017 is presented in our Annual Report. The Company was faced with some challenges in 2016 which we have

successfully managed to overcome and we are hopeful of improved results in the current financial year. We will continue to focus on customer centric growth as well as explore new avenues where we are able to provide an edge to our customers. It is our intent to grow our market share and become an insurer of choice. We hope that with investments in new technology and human resource we hope to be able to give better returns to our shareholders. It is our view that the equity markets will continue to perform well and as a result our investments will lend support to our operations.

Acknowledgement

The directors acknowledged 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 28, 2017

ڈائریکٹران کی رپورٹ ممبران کے لئے:

درواندیشی امکانات

ڈائریکٹران کمپنی کے غیر آڈٹ شدہ عبوری مختصر مالیاتی گوشوارے برائے اختتام سال 31 مارچ 2017 کو پیش کرتے ہوئے پُرسرت ہیں۔

جائزہ:

برائے سال 2017 امکانی تفصیلات کو اس سالانہ رپورٹ میں پیش کیا گیا ہے۔ کمپنی کو 2016 میں کئی مسائل کا سامنا تھا جن کا کمپنی نے کامیابی کے ساتھ مقابلہ کیا اور حالیہ سال میں مزید بہتری کی امید ہے۔ ہم صارفین میں نمایاں اضافے کی جدوجہد جاری رکھیں گے اور اسی طرح ایسی نئی جہتوں کو اجاگر کیا جائے گا جن سے صارفین کو نئی سہولیات اور ترغیب ملے گی۔ یہ ہماری عہد ہے کہ ہم مارکیٹ شیئر میں اضافہ کریں تا کہ صارفین ہمیں ایک ممتاز بیم کار کے طور منتخب کریں۔ ہمیں امید ہے کہ نئی جہتوں اور افرادی قوت میں سرمایہ کاری کر کے ہم اپنے حصص یافتگان کے لئے ایک بہترین منافع حاصل کر سکتے ہیں۔ ہمارا مقصد یہ ہے کہ ہماری ایکویٹی مارکیٹ میں عمدہ کارکردگی جاری رہے اور نتیجتاً سرمایہ کاری کے ذریعے ہمارے آپریشن کو تقویت ملے۔

اعتراف (تسلیمات)

ہمارے ڈائریکٹران SBP، SECP اور تمام ارباب اختیار کی رہنمائی و تعاون اور کمپنی کے عملی خدمات کو سراہتے ہیں۔ اپنے صارفین اور کاروباری شراکت داروں کا ہماری کمپنی پر اعتماد کرنے پر ہم ان کے شکر گزار ہیں۔

بورڈ کی جانب سے

زابدیشیر

چیرمین

کراچی: 28 اپریل 2017

2017	2016	
		(رقم روپوں میں '000')
204,080	261,273	تحریر شدہ پریمیم
184,104	218,785	خالص پریمیم
		انڈر رائٹنگ (بیمہ کاری)
(10,486)	22,346	کے نتائج
45,828	25,872	سرمایہ کاری منافع
15,202	12,361	منافع قبل از ٹیکس
8,968	8,806	منافع بعد از ٹیکس
0.21	0.21	منافع فی حصص

تحریری پریمیم میں 22% کمی کے باوجود آپ کی کمپنی نے اپنا منافع کو برقرار رکھا ہے۔ کمپنی نے لاگت کو کم کرنے کے لئے سخت اقدامات اٹھائے ہیں اور زیر جائزہ مدت میں انتظامی اخراجات کو 40% کم کیا گیا ہے۔ انڈر رائٹنگ (بیمہ کاری) نقصان برائے اختتام سال 31 مارچ 2017 کو 10.486 ملین ہے۔ کمپنی کے سرمایہ کاری میں تسلسل کے ساتھ دانشمندانہ اقدامات کرنے کی وجہ سے سرمایہ کاری منافع میں 77% فیصد اضافہ ہوا ہے۔

BALANCE SHEET

As at March 31, 2017

(Amounts in Rupees '000)

		Unaudited March 2017	Audited December 2016
	Note		
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
75,000,000 ordinary shares of Rs 10 each (2016: 75,000,000 ordinary shares of Rs 10 each)		750,000	750,000
Issued, subscribed and paid-up capital			
41,789,344 (2016: 41,789,344) ordinary shares of Rs 10 each	8	417,893	417,893
Accumulated loss		(271,134)	(280,102)
Reserves		1,104,283	1,104,283
Shareholders' equity		1,251,042	1,242,074
Underwriting provisions			
Provision for outstanding claims (including IBNR)		1,102,979	1,161,637
Provision for unearned premium		400,584	509,562
Commission income unearned		29,502	42,155
Total underwriting provisions		1,533,066	1,713,354
Deferred liability			
Staff retirement benefits		13,153	13,441
Liabilities against assets subject to finance lease		4,586	5,643
Creditors and accruals			
Current maturity of finance lease		3,693	3,514
Amounts due to other insurers / reinsurers		280,883	290,824
Accrued expenses		15,202	15,202
Taxation - provision less payments		59,065	54,174
Other creditors and accruals	9	313,302	334,840
		672,146	698,554
Other liabilities			
Unclaimed dividend		26,220	26,235
Total liabilities of Window Takaful			
Operations - Operator's Fund		53,186	45,853
TOTAL EQUITY AND LIABILITIES		3,553,399	3,745,154
CONTINGENCIES AND COMMITMENTS			

BALANCE SHEET

As at March 31, 2017

(Amounts in Rupees '000)

		Unaudited March 2017	Audited December 2016
	Note		
ASSETS			
Cash and bank deposits			
Cash and other equivalents		1,549	1,039
Current and other accounts		227,399	416,675
		228,948	417,714
Investments	10	1,093,713	905,304
Loan - unsecured considered good		2,081	1,475
Investment properties		25,201	25,210
Other assets			
Premium due but unpaid		453,709	539,596
Amounts due from other insurers / reinsurers		327,590	322,927
Accrued investment income		3,815	1,105
Accrued salvage recoveries		13,497	15,771
Reinsurance recoveries against outstanding claims		749,768	786,215
Deferred commission expense		66,862	86,921
Prepayments		169,072	214,078
Deposits and other receivables	11	70,920	66,029
		1,855,234	2,032,642
Fixed assets- Tangible and Intangible			
Land and buildings	12	162,786	163,062
Furniture, fixtures and office equipment		23,018	22,783
Motor vehicles - Owned		46,475	51,189
Motor vehicles - Leased		11,929	12,644
Capital work in progress		26,109	26,109
Intangible			
Computer software		6,807	6,718
		277,124	282,505
Total assets of Window Takaful			
Operations (including Qard-e-hasna) - Operator's Fund		71,099	80,304
TOTAL ASSETS		3,553,399	3,745,154

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

(Amounts in Rupees 000)							2017	2016
Note	Fire and property damage	Marine, aviation & transport	Motor	Misc.	Treaty	Aggregate	Aggregate	
Revenue accounts								
Net premium revenue	19,260	12,614	77,582	37,902	-	147,358	216,266	
Net claims	(4,508)	(1,240)	(36,332)	(35,753)	-	(77,833)	(78,351)	
Management expenses	(18,054)	(7,920)	(23,950)	(8,010)	-	(57,934)	(96,524)	
Net commission	(4,656)	(2,852)	(9,388)	(5,278)	-	(22,174)	(18,356)	
Underwriting results	<u>(7,958)</u>	<u>602</u>	<u>7,912</u>	<u>(11,139)</u>	<u>-</u>	<u>(10,583)</u>	23,035	
Investment income						45,516	25,829	
Gain on disposal of fixed assets						1,731	-	
Other income						48	-	
General and administration expenses						(23,609)	(27,169)	
Profit / (loss) before tax from window takaful operations - OPF						2,099	(9,334)	
Profit before tax						15,202	12,361	
Provision for taxation	15					(6,234)	(3,555)	
Profit after tax						<u>8,968</u>	<u>8,806</u>	
Profit and loss appropriation account								
Balance at commencement of the year						(280,102)	51,424	
Profit after tax for the period						8,968	8,806	
Balance at the end of the period						<u>(271,134)</u>	<u>60,230</u>	
Earnings per share - basic and diluted Rupees)								
						0.21	0.21	

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	2017	2016
Net profit for the period	8,968	8,806
Other comprehensive income		
Item not to be re-classified to profit and loss account in subsequent period:	-	-
Remeasurement of defined benefit plan for the period - net of tax	-	-
Total comprehensive income for the period	<u>8,968</u>	<u>8,806</u>

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	2017	2,016
OPERATING CASH FLOWS		
a) Underwriting activities		
Premium received	250,344	283,441
Reinsurance premium paid	(80,423)	(107,024)
Claims paid	(179,515)	(175,174)
Reinsurance and other recoveries received	79,472	72,651
Commissions paid	(45,005)	(36,447)
Commissions received	23,819	12,187
Net cash generated from underwriting activities	48,692	49,634
b) Other operating activities		
Income tax paid	(1,343)	(9,542)
General management expenses paid	(57,934)	(96,524)
Other operating payments	(23,608)	(18,155)
Other income	48	-
Advances, deposits and sundry receivables	(16,890)	(16,448)
Other liabilities and accruals	6,764	(20,764)
Net cash used in other operating activities	(92,963)	(161,433)
Total cash used in operating activities	(44,272)	(111,799)
INVESTMENT ACTIVITIES		
Investment income received	10,179	6,049
Investments made	(393,963)	(136,388)
Proceeds from disposal of investments	236,415	263,099
Fixed capital expenditure	(33)	(13,877)
Proceeds from disposal of fixed assets	3,800	-
Total cash (used) / generated from investing activities	(143,602)	118,883
FINANCING ACTIVITIES		
Dividends paid	(15)	(1,530)
Payment against finance lease	(878)	9,278
Total cash (used in) / generated from financing activities	(893)	7,748
Total cash flow (used in) / generated from all activities	(188,766)	14,832
Cash and cash equivalents at beginning of the period	417,714	84,797
Cash and cash equivalents at the end of the period	228,948	99,629

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	2017	2016
Reconciliation to profit and loss account		
Operating cash flows	(44,274)	(111,799)
Depreciation	(5,245)	(3,287)
Investment income	45,516	25,829
Gain on disposal of fixed assets	1,731	-
Other income	48	-
Profit / (loss) from window takaful operations	2,099	(9,334)
Increase in assets other than cash	141,481	214,856
(Increase) in liabilities	(132,388)	(107,459)
Profit after taxation	8,968	8,806

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	172	453
Stamps in hand	1,377	349
	1,549	802

Current and other accounts

Current accounts	23,032	9,649
Savings accounts	204,367	89,178
	227,399	98,827

Total cash and cash equivalents

228,948	99,629
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Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	Share capital	Reserves						Total equity
	Issued, subscribed paid-up	Capital reserves		Revenue reserves			Total reserves	
		Reserve for exceptional losses	Devaluation reserve	General reserve	Reserve for bad and doubtful debts	Unappropri- ated profit / (accumulated loss)		
Balance as at January 01, 2016	348,244	19,490	185	1,188,731	350	51,424	1,260,180	1,608,424
Profit for the period ended March 31, 2016	-	-	-	-	-	8,806	8,806	8,806
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2016	-	-	-	-	-	8,806	8,806	8,806
Balance as at March 31, 2016	<u>348,244</u>	<u>19,490</u>	<u>185</u>	<u>1,188,731</u>	<u>350</u>	<u>60,230</u>	<u>1,268,986</u>	<u>1,617,230</u>
Balance as at January 01, 2017	417,893	19,490	185	1,084,258	350	(280,102)	824,181	1,242,074
Profit for the period ended March 31, 2017	-	-	-	-	-	8,968	8,968	8,968
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2017	-	-	-	-	-	8,968	8,968	8,968
Balance as at March 31, 2017	<u>417,893</u>	<u>19,490</u>	<u>185</u>	<u>1,084,258</u>	<u>350</u>	<u>(271,134)</u>	<u>833,149</u>	<u>1,251,042</u>

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF PREMIUM (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

Business underwritten inside Pakistan

2017 2016

Class	Premium written	Unearned premium reserve		Premium earned	Rein-surance ceded	Prepaid reinsurance premium ceded		Rein-surance expense	Net premium revenue	Net premium revenue
		Opening	Closing			Opening	Closing			
Direct and Facultative										
Fire and property damage	52,701	237,562	175,326	114,938	43,893	179,500	127,714	95,678	19,260	80,505
Marine, aviation and transport	23,121	13,650	11,547	25,224	12,309	6,709	6,408	12,611	12,614	10,995
Motor	69,915	156,689	147,751	78,853	622	1,216	566	1,271	77,582	71,570
Miscellaneous	23,383	101,661	65,961	59,083	13,659	26,461	18,938	21,181	37,902	53,196
Total	169,120	509,562	400,584	278,097	70,482	213,886	153,627	130,741	147,357	216,266
Treaty Proportional	-	-	-	-	-	-	-	-	-	-
Grand Total	169,120	509,562	400,584	278,097	70,482	213,886	153,627	130,741	147,357	216,266

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

Business underwritten inside Pakistan

2017

2016

Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims 2		Reinsurance and other recoveries revenue	Net claims expense	Net claims expense	
		Opening	Closing			Opening	Closing				
Direct and Facultative											
1	Fire and property damage	31,370	129,523	110,200	12,047	16,844	97,744	88,440	7,539	4,508	26,163
2	Marine, aviation and transport	11,012	455,507	446,337	1,843	8,840	447,596	439,360	603	1,240	4,243
3	Motor	38,281	41,165	39,519	36,635	178	320	445	303	36,332	37,996
4	Miscellaneous	98,852	535,441	506,922	70,332	53,611	240,555	221,524	34,580	35,753	9,949
	Total	179,515	1,161,637	1,102,979	120,857	79,472	786,216	749,768	43,024	77,833	78,351
Treaty 5 Proportional											
		-	-	-	-	-	-	-	-	-	-
	Grand Total	179,515	1,161,637	1,102,979	120,857	79,472	786,216	749,768	43,024	77,833	78,351

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

Business underwritten inside Pakistan

	2017							2016	
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	Net underwriting expense
Fire and property									
1 damage	10,981	44,205	33,419	21,767	18,054	39,820	17,110	22,710	38,365
Marine, aviation and									
2 transport	4,654	2,685	2,259	5,079	7,920	13,000	2,227	10,773	8,201
3 Motor	7,936	18,793	17,279	9,451	23,950	33,401	63	33,338	39,724
4 Miscellaneous	2,363	21,238	13,905	9,696	8,010	17,706	4,418	13,288	28,590
Total	25,934	86,921	66,862	45,993	57,934	103,927	23,819	80,108	114,880
Treaty 5 Proportional	-	-	-	-	-	-	-	-	-
Grand Total	25,934	86,921	66,862	45,993	57,934	103,927	23,819	80,108	114,880

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM INVESTMENT INCOME (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	2017	2016
Income from non-trading investments		
Return on bank deposits	3,356	829
Available for sale		
Dividend income	7,364	11,140
Capital gain	35,337	14,279
	42,701	25,419
Investment management expenses	(540)	(419)
Net investment income	45,516	25,829

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

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 02, 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 (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.

From October 2015, the Company has been granted permission by the Securities and Exchange Commission (SECP) of Pakistan to transact Window Takaful Operations. In accordance with 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.

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

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.

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, 2016

Accounting standards / amendments and IFRS interpretations that are effective for the period ended March 31, 2017

The following amendments to published approved accounting standards are effective from January 1, 2017. These amendments are, either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:-

Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

- Amendments to IFRS 7 - Financial Instruments – Disclosures:
- Amendments to IFRS 10 - Consolidated Financial Statements
- Amendments to IFRS 11
- Joint Arrangements: Accounting for acquisitions of an interest in a joint operation
- Amendments to IAS 1 - Presentation of Financial Statements:
- Amendments to IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture:
- Amendments to IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets:
- Amendments to IAS 19 - Employee Benefits.
- Amendments to IAS 27 (Revised 2011) - Separate Financial Statements:
- Amendments to IAS 34 - Interim Financial Reporting:

5. ESTIMATES AND JUDGMENTS

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

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, 2016.

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, 2016.

7 PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at March 31, 2017 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

8 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

The Board of Directors in its meeting held on April 07, 2017 announced a bonus issue of 10% (41,789 shares), which was distributed out of reserves. The distribution was approved by the shareholders in the Annual General Meeting held on April 29, 2017.

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

	Note	2017 (Rupees in `000)	2016
9 OTHER CREDITORS AND ACCRUALS			
Commissions payable		244,554	263,625
Federal excise duty & sales tax		6,470	8,859
Federal insurance fee		449	219
Deposits and margins		4,803	4,803
Payable against investments		3,025	-
Others	9.1	54,000	57,334
		313,302	334,840

9.1 This includes provision for rent amounting to Rs 14 million (2016: 14 million) against which the Company is in litigation with 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.

	Note	2017 (Rupees in `000)	2016
10. INVESTMENTS			
Available for sale			
Related Parties			
Quoted Shares 258.5 (market value of Rs. [2016: Rs. 211.1 million])		165,919	157,575
Unquoted shares		118,983	118,983
		284,902	276,558

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

Others

Quoted Shares 926.7 (market value of Rs. [2016: Rs. 665.3 million])	779,549	599,484
Mutual funds (market value of Rs. 51.5 million [2016: Rs. 50.1 million])	29,524	29,524
	809,073	629,008
Less: impairment	(262)	(262)
	<u>1,093,713</u>	<u>905,304</u>

11. DEPOSITS, ADVANCES AND OTHER RECEIVABLES

Deposits	11.1	57,128	58,226
Investment proceeds receivable		4,441	-
Other receivables		9,352	7,803
		<u>70,921</u>	<u>66,029</u>

11.1 These include Rs 24 million (2016: 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.

12. FIXED ASSETS – TANGIBLE AND INTANGIBLE

During the period, the Company acquired fixed assets for Rs. 33,000 (2016: Rs 63.4 million). Disposals at cost 5.4 million (2016: Rs 29.182 million).

13. CONTINGENCIES AND COMMITMENTS

Commitment for capital expenditure	<u>15,038</u>	<u>15,038</u>
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CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

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 schemes.

Transactions and balances with related parties, including chief executive, directors and executives under the terms of employment and employee retirement benefits, are as follows:

	2017	2016
Associated undertakings		
Premium written	3,183	10,567
Claims paid	1,577	84,244
Commission paid	6,391	-
Others		
Premium written	8	220
Meeting fees	156	368
Remuneration and retirement benefits to key personnel	26,147	32,704
Year-end balances		
Associated undertakings		
Claims outstanding	9,036	9,535
Premium receivable	138,231	181,758
Others		
Premium receivable	383	374

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

15. SEGMENT REPORTING

The following presents segments assets and liabilities as at March 31, 2017 and December 31, 2016:

	Fire and property damages		Marine, aviation & transport		Motor		Miscellaneous		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	March	December
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Segment assets	497,248	689,365	556,685	484,416	346,864	274,486	364,256	517,049	1,765,053	1,965,316
Unallocated corporate assets									1,788,346	1,779,838
Consolidated total assets									3,553,399	3,745,154
Segment liabilities	396,531	522,273	497,415	479,425	303,460	282,146	616,543	720,334	1,813,949	2,004,178
Unallocated corporate liabilities									1,739,450	498,902
Consolidated total liabilities									3,553,399	2,503,080

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

16. EARNING PER SHARE - basic and diluted

2017

2016

Restated

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

Profit after tax for the period	<u>8,968</u>	<u>8,806</u>
Weighted average number of shares	<u>417,983</u>	<u>417,983</u>
Basic earnings per share of Rs 10 each – Rupees	<u>0.21</u>	<u>0.21</u>

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

17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28 April 2017 by the directors of the Company.

18. GENERAL

All amounts have been rounded to the nearest thousand Rupees.

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

FINANCIAL
STATEMENTS
(WINDOW
TAKAFUL)



BALANCE SHEET

As at March 31, 2017

(Amounts in Rupees '000)

	Note	Unaudited Mar-2017		Audited 2016
		Operator's Fund (OPF)	Participants' Takaful Fund (PTF)	Aggregate
				Aggregate
FUNDS AND LIABILITIES				
Operator's fund				
Statutory fund		50,000	-	50,000
Qard-e-hasna contributed to PTF		(5,500)	-	(5,500)
Accumulated loss		(31,345)	-	(31,345)
		13,155	-	13,155
Waqf / Participants' takaful fund				
Ceded money		-	500	500
Qard-e-hasna contributed by OPF		-	5,500	5,500
Accumulated deficit		-	(5,083)	(5,083)
		-	917	917
Underwriting provisions				
Provision for outstanding claims (including IBNR)		-	30,687	30,687
Provision for unearned contribution		-	88,116	88,116
Unearned retakaful rebate		-	3,224	3,224
Total underwriting provisions		-	122,027	122,027
Creditors and accruals				
Amounts due to other takaful / retakaful operators		-	36,490	36,490
Unearned wakala fees		30,859	-	30,859
Wakala fee payable		-	-	-
Payable to Premier Insurance Limited		12,414	-	12,414
Other creditors and accruals	8	9,172	1,906	11,078
		52,445	38,396	90,840
TOTAL FUND AND LIABILITIES		65,600	161,341	226,941

BALANCE SHEET

As at March 31, 2017

(Amounts in Rupees '000)

	Note	Unaudited Mar-2017		Audited 2016
		Operator's Fund (OPF)	Participants' Takaful Fund (PTF)	Aggregate
ASSETS				Aggregate
Cash and bank deposits				
Cash and other equivalents		-	26	26
Current and other accounts		5,798	31,590	37,387
		5,798	31,615	37,413
Investments	9	48,342	-	48,342
Other assets				
Contribution due but unpaid		-	23,821	23,821
Amounts due from other takaful / retakaful operators		-	56,284	56,284
Wakala fee receivable		-	-	-
Deferred wakala fee		-	30,859	30,859
Deferred commission expense		8,280	-	8,280
Retakaful recoveries against outstanding claims		-	2,913	2,913
Prepayments		30	14,965	14,995
Accrued profit		-	93	93
Deposits and other receivables	10	262	790	1,052
		8,572	129,726	138,297
Fixed assets		2,889	-	2,889
TOTAL ASSETS		65,600	161,341	226,941

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

						2017	2016
	Fire and property damage	Marine, aviation & transport	Motor	Misc.	Treaty	Aggregate	Aggregate
PTF Revenue accounts							
Net contribution revenue	1,083	14	31,180	4,468	-	36,746	2,519
Wakala expense	(3,146)	(781)	(11,425)	(1,964)	-	(17,317)	(1,284)
Direct expense	(133)	(87)	(1,451)	(15)	-	(1,686)	(525)
Net claims	(14)	25	(14,723)	(5,502)	-	(20,215)	(1,627)
Rebate from re-takaful operations	<u>1,698</u>	<u>557</u>	<u>103</u>	<u>211</u>	-	<u>2,569</u>	<u>228</u>
Underwriting result	<u>(512)</u>	<u>(273)</u>	<u>3,683</u>	<u>(2,802)</u>	-	<u>97</u>	<u>(689)</u>
Deficit for the period						<u>97</u>	<u>(689)</u>
Accumulated deficit							
Balance at the beginning of the year						(5,180)	(352)
Deficit for the period						<u>97</u>	<u>(689)</u>
Balance at the end of the period						<u>(5,083)</u>	<u>(1,041)</u>
Operator's Revenue accounts							
Wakala fee	3,146	781	11,425	1,964	-	17,317	1,284
Commission expenses	(1,705)	(411)	(2,554)	(499)	-	(5,169)	(404)
Management expenses	(813)	(531)	(8,884)	(93)	-	(10,321)	(9,807)
	<u>627</u>	<u>(161)</u>	<u>(13)</u>	<u>1,373</u>	-	<u>1,826</u>	<u>(8,927)</u>
Investment income						312	43
General and administration expenses						<u>(40)</u>	<u>(450)</u>
Profit / (Loss) for the period						<u>2,099</u>	<u>(9,334)</u>
Accumulated loss							
Balance at the beginning of the year						(33,444)	(5,895)
Profit / (Loss) for the period						<u>2,099</u>	<u>(9,334)</u>
Balance at the end of the period						<u>(31,345)</u>	<u>(15,229)</u>

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	2017	2016
OPERATORS' FUND		
Profit / (Loss) for the period	2,099	(9,334)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>2,099</u>	<u>(9,334)</u>

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	Operator's Fund	Participants Fund	2017 Aggregate	2016 Aggregate
OPERATING CASH FLOWS				
a) Takaful activities				
Contribution received	-	16,691	16,691	11,348
Re-takaful contributions paid	-	(5,302)	(5,302)	(2,991)
Claims paid	-	(14,006)	(14,006)	(10)
Re-takaful recoveries	-	391	391	-
(Commissions paid) / re-takaful rebate received	(1,897)	7,375	5,478	1,255
Wakala fees received	24,378	-	24,378	-
Wakala fees paid	-	(24,378)	(24,378)	-
Net cash generated from underwriting activities	22,481	(19,230)	3,252	9,602
b) Other operating activities				
General and administration expenses paid	(40)	(1,685)	(1,725)	(10,332)
Other operating payments	(10,321)	-	(10,321)	(11,726)
Amounts due from other takaful / retakaful operators	-	24,981	24,981	-
Other liabilities and accruals	(1,511)	-	(1,511)	7,528
Paid to Premier Insurance Limited	(5,481)	-	(5,481)	-
Qard-e-hasna contributions	-	-	-	-
Net cash generated / (used in) from other operating activities	(17,353)	23,296	5,943	(14,530)
Total cash generated / (used in) from operating activities	5,128	4,066	9,194	(4,928)
INVESTMENT ACTIVITIES				
Investment income received	312	-	312	43
Additions to fixed assets	-	-	-	-
Investments purchased	-	-	-	-
Total cash used in investing activities	312	-	312	43
FINANCING ACTIVITIES				
Contribution to the Operators' Fund	-	-	-	-
Cede money	-	-	-	-
Total cash used in financing activities	-	-	-	-
Total cash generated / (used in) from all activities	5,441	4,066	9,507	(4,885)
Cash and cash equivalents at beginning of the year	357	27,549	27,906	7,190
Cash and cash equivalents at the end of the year	5,798	31,615	37,413	2,305

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	Operator's Fund	Participants Fund	2017 Aggregate	2016 Aggregate
Reconciliation to profit and loss account				
Operating cash flows	5,128	4,066	9,194	(4,928)
Depreciation	(150)	-	(150)	
Investment income	312	-	312	43
Increase in assets other than cash	42,044	151,088	193,131	39,623
Decrease in liabilities	(45,236)	(155,057)	(200,293)	(44,761)
Profit / (Loss) for the period	2,099	97	2,195	(10,023)
Attributed to				
Operators' Fund	2,099	-	2,099	(9,334)
Participant's Takaful Fund	-	97	97	(689)
	2,099	97	2,195	(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	-	26	26	165
Current and other accounts				
Current and savings accounts	5,798	31,590	37,387	2,140
Total cash and cash equivalents	5,798	31,615	37,413	2,305

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	Operator's Fund			
	Statutory fund	Qard-e-hasna	Accumulated loss	Total
Balance at January 01, 2016	50,000	-	(5,895)	44,105
Loss for the period ended March 31, 2016	-	-	(9,334)	(9,334)
Balance as at March 31, 2016	50,000	-	(15,229)	34,771
Balance as at January 01, 2017	50,000	(5,500)	(33,444)	11,056
Profit for the period ended March 31, 2017	-	-	2,099	2,099
Balance as at March 31, 2017	50,000	(5,500)	(31,345)	13,155

	Participants' Fund			
	Cede Money	Qard-e-hasna	Accumulated Deficit	Total
Balance at January 01, 2016	500	-	(352)	148
Loss for the period ended March 31, 2016	-	-	(689)	(689)
Balance as at March 31, 2016	500	-	(1,041)	(541)
Balance as at January 01, 2017	500	5,500	(5,180)	820
Profit for the period ended March 31, 2017	-	-	97	97
Balance as at March 31, 2017	500	5,500	(5,083)	917

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF CONTRIBUTION (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Net contribution
revenue

Class	Contribution written	Unearned Contribution reserve		Contribution earned	Re-takaful contribution ceded	Prepaid re-takaful contribution		Re-takaful expense	2017	2016
		Opening	Closing			Opening	Closing			
Direct and Facultative										
1 Fire and property damage	2,755	18,368	12,141	8,982	2,462	17,756	12,318	7,899	1,083	522
2 Marine, aviation and transport	1,798	1,233	799	2,233	1,589	1,039	409	2,219	14	303
3 Motor	30,092	74,290	71,740	32,643	531	1,366	434	1,463	31,180	1,397
4 Miscellaneous	314	8,721	3,437	5,597	189	2,743	1,803	1,129	4,468	297
Total	34,960	102,612	88,116	49,455	4,771	22,904	14,965	12,709	36,746	2,519
Treaty 5 Proportional	-	-	-	-	-	-	-	-	-	-
Grand total	34,960	102,612	88,116	49,455	4,771	22,904	14,965	12,709	36,746	2,519

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Net claims expense

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	2017	2016
		Opening	Closing			Opening	Closing			
Direct and Facultative										
1 Fire and property damage	64	614	1,019	469	110	254	598	455	14	-
2 Marine, aviation and transport	45	2,223	1,933	(245)	40	1,845	1,584	(221)	(25)	-
3 Motor	7,537	12,415	19,638	14,760	35	5	6	36	14,723	1,627
4 Miscellaneous	6,361	8,799	8,097	5,658	205	773	724	157	5,502	-
Total	14,006	24,051	30,687	20,642	391	2,877	2,913	427	20,215	1,627
Treaty 5 Proportional	-	-	-	-	-	-	-	-	-	-
Grand total	14,006	(1,510)	30,687	20,642	391	2,877	2,913	427	20,215	1,627

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF EXPENSES - OPF (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Net expenses OPF

Class	Commission paid or payable	Deferred commission		Net commission expense	Management expenses	2017	2016
		Opening	Closing				
Direct and Facultative							
1 Fire and property damage	405	3,491	2,191	1,705	813	2,519	2,240
2 Marine, aviation and transport	333	227	149	411	531	942	1,276
3 Motor	2,056	6,080	5,583	2,554	8,884	11,438	5,507
4 Miscellaneous	19	836	357	499	93	591	1,188
Total	2,814	10,634	8,280	5,169	10,321	15,490	10,211
Treaty 5 Proportional	-	-	-	-	-	-	-
Grand total	2,814	(1,510)	8,280	5,169	10,321	15,490	10,211

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF EXPENSES - PTF (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

Business underwritten inside Pakistan

'Net expenses PTF

Class	Gross wakala fee	Deferred wakala fee		Net expense	PTF direct expenses	Rebate from re-takaful operations	2017	2016
		Opening	Closing					
Direct and Facultative								
1 Fire and property damage	964	6,435	4,254	3,146	133	1,698	1,581	363
2 Marine, aviation and transport	629	432	280	781	87	557	311	215
3 Motor	10,532	26,002	25,109	11,425	1,451	103	12,773	834
4 Miscellaneous	110	3,071	1,217	1,964	15	211	1,768	169
Total	12,236	35,939	30,859	17,317	1,686	2,569	16,434	1,581
Treaty 5 Proportional								
	-	-	-	-	-	-	-	-
Grand total	12,236	35,939	30,859	17,317	1,686	2,569	16,434	1,581

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

(Amounts in Rupees '000)

	2017	2016
Income from non-trading investments		
Return on bank deposits	312	43
Dividend income	-	-
Investment income	<u>312</u>	<u>43</u>

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

1. STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Operator) has been authorized 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) 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 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 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 with appropriate modifications based on the advice of the Shariah advisor of the Company.

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

3.1 These financial statements of 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 (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984 and the requirements of Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002, Takaful Rules, 2012, the Companies Ordinance, 1984 and directives issued by the SECP. Wherever the requirements of Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, Takaful Rules, 2012 or directives issued by the SECP differ with the requirements of IFRS / IFAS, the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, Takaful Rules, 2012 shall prevail.

NOTES TO THE FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

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, 2016

Accounting standards / amendments and IFRS interpretations that are effective:

The following amendments to published approved accounting standards are effective from January 1, 2017. These amendments are, either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

- Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations
- Amendments to IFRS 7 - Financial Instruments – Disclosures:
- Amendments to IFRS 10 - Consolidated Financial Statements
- Amendments to IFRS 11 - Joint Arrangements: Accounting for acquisitions of an interest in a joint operation
- Amendments to IAS 1 - Presentation of Financial Statements:
- Amendments to IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture:
- Amendments to IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets:
- Amendments to IAS 19 - Employee Benefits.
- Amendments to IAS 27 (Revised 2011) - Separate Financial Statements:
- Amendments to IAS 34 - Interim Financial Reporting:

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, 2016.

NOTES TO THE FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

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, 2016.

7 CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business as at March 31, 2017 is considered adequate to meet the expected liability after retakaful, 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

8. OTHER CREDITORS AND ACCRUALS

Note	2017			2016
	OPF	PTF	Aggregate	Aggregate
	-----Rupees in '000'-----			
Federal insurance fee	-	129	129	82
Sales tax on services	-	1,777	1,777	1,852
Commission payable	7,554	-	7,554	8,254
Auditors Fee	240	-	240	240
Others	1,378	-	1,378	1,420
	<u>9,172</u>	<u>1,906</u>	<u>11,078</u>	<u>11,848</u>

9. INVESTMENTS - OPF

2017 2016
---Rupees in '000---

**Available for sale-lower of
cost or market value**

Mutual funds (unit trusts)

Number of units

Name of entity

3,111,485 (2016: 3,111,485)

NAFA Islamic Asset
Allocation Fund

48,342

48,342

Market value Rs 59.1 million
(2016: Rs 57.88 million)

NOTES TO THE FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

10. DEPOSITS AND OTHER RECEIVABLES

Deposit miscellaneous - OPF	231	231
Sales tax - OPF	30	30
Sales tax - PTF	790	538
	<u>1,052</u>	<u>800</u>

11. 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 schemes.

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

Transactions for the period	2017	2016
Associated undertakings		
Premium written	304	-
Claims paid	4	-
Commission paid	65	-
Period end balances		
Associated undertakings		
Premium receivable	650	331
Claims outstanding	55	4

NOTES TO THE FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2017

12. SEGMENT REPORTING

2017 2016

Fire and property damage	Marine, aviation & transport	Motor	Misc.	Treaty	Aggregate	Aggregate
Fire	Marine	Motor	Misc		Total	Total

-----Rupees in '000'-----

Other information

Segment assets 25,790 6,618 101,347 4,833 - **138,588** 148,201

Unallocated
corporate
assets

88,353 94,263

Consolidated total assets

226,941 242,464

Segment
liabilities

23,072 4,982 147,924 13,398 - **189,376** 152,764

Unallocated
corporate
liabilities

37,565 89,700

Consolidated total liabilities

226,941 242,464

13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28 April 2017 by the Board of Directors of the Company.

14. GENERAL

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

Zahid Bashir
Chairman

Imran Maqbool
Director

Nadeem Maqbool
Director

Mohammed Asif Arif
Chief Executive

OUR BRANCH NETWORK

Karachi

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Fax: 021-32416572

Corporate Service Division

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Fax: 021-32416572

Clifton Branch

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Fax: 021-35293386

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Corporate service division

162 Shadman II Lahore.

Phone: 042-35407001-5

Fax: 042-35407006

Canal Branch

162 Shadman II Lahore.

Phone: 042-35407001-5

Fax: 042-35407006

Macleod Branch

23 Shahrah-e-Quaid-e-Azam, Lahore.

Phone: 042-37324262 | 37230602-03

Fax: 042-37235557

Mall Branch

23 Shahrah-e-Quaid-e-Azam, Lahore.

Phone: 042-37324262 | 37230602-03

Fax: 042-37235557

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Phone: 061-4515007 | 4515009

Fax: 061-4587143

Islamabad Branch

64-E 2nd Floor, Masco Plaza, Jinnah Avenue, Blue Area, Islamabad.

Phone: 051-2348167-8

Fax: 051-2348169

Regency Branch Faisalabad

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Phone: 041-2632211-3

Fax: 041-2617802

Chenab Branch Faisalabad

2nd Floor, S.M. Plaza, 18 Chenab Market, Susan Road, Madina Town, Faisalabad.

Phone: 041-8503541-42

Fax: 041-8503543

Sialkot Branch

Room # 3 & 4, Sahib Plaza, Saga Chowk, Defence Road, Sialkot.

Phone: 052-3572192-93

Fax: 052-3572194

Sahiwal Branch

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Fax: 040-4220790

Gujrawala Branch

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Fax: 055-3256432

Peshawar Branch

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Fax: 091-5277809

Quetta Branch

43-Regal Plaza, 2nd Floor, Circular Road, Quetta.

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Since 1952 as a life-time companion we have delivered distinctive general insurance services across the country with diligence, zeal and commitment. Yet our journey to excel continues; to do more and better for our clients.

Premier Insurance Limited

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