



INTERIM FINANCIAL STATEMENTS

for the nine month period ended
September 30, 2016 (Unaudited)

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Company Information

Board of Directors

Muhammad Asif Arif (Chief Executive)
Khalid Bashir
Zahid Bashir (Chairman)
Imran Maqbool
Nadeem Maqbool
Khurram Mazhar
Shams Rafi
Attaullah A Rasheed

Chief Financial Officer & Company Secretary

Iftikhar Gadar

Audit Committee

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

Human Resources & Remuneration Committee

Mr Zahid Bashir
Mr Nadeem Maqbool (Chairman)
Mr Attaullah A Rasheed

Auditors

Ernst & Young Ford Rhodes Sidat Hyder,
Chartered Accountants

Legal Advisors

Arfin & Company Advocates

Registered & Head Office

5th Floor, State Life Building No. 2A
Wallace Road, Karachi-74000, Pakistan
Phones : (21) 32416331-4
Fax : (21) 32416572
Email : info@pil.com.pk
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 nine months period ended September 30, 2016.

Review

(Amounts in Rupees millions)

	2016	2015
Premium written	977	1,064
Net Premium	448	531
Underwriting result	(419)	38
Investment income	114	142
(Loss) from Window		
Takaful Operations	(19)	-
(Loss) / profit before taxation	(405)	135
(Loss) / profit after taxation	(424)	114

The company's Net Premium dropped by 15% despite a decrease of 8% in Premium Written. Despite concentrated efforts on risk management and investment monitoring a loss of Rs. 419 M in underwriting loss was recorded. The company witnessed loss of business in marine and higher claims were witnessed in miscellaneous class of business resulting in the underwriting loss. Investment Income dropped to Rs. 28 Mn. due to decrease in discount rates and change in investment strategy in Contribution in loss after tax for the period in Window Takaful Operations by Rs. 19.2 million. The Loss after Tax stands at Rs. 424 million [LPS: Rs. (10.14)] against Profit after Tax of Rs. 114 million (EPS: Rs. 2.73) of the corresponding period.

Your Company is in restructuring phase which has necessitated increased expense for having a stronger infrastructure in place. The Company's adoption of Proportional Treaties currently contribute a higher cost to the Company and would enable the company to have a stable result in the long term. By mentioning

the causes of loss we do not justify the adverse result and assure the shareholders that your board and management will do its best to give better results in future.

Outlook

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 insurance Company of the country. The Company has been rated "A" with a "Stable Outlook" by JCR-VIS and PACRA respectively. We feel that the Company's management is geared to enhance the value for the stakeholders with the good financial results in the times to come.

Acknowledgement

The directors acknowledge the support and guidance of SECP 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: October 29, 2016

ڈائریکٹرز کی رپورٹ برائے ممبران!

آپ کی کمپنی تنظیم نو کے مراحل میں ہے جس میں بیک آفس اور مارکیٹنگ دونوں شعبہ جات کے لئے نئے عملے کی تعیناتی، IT میٹ ورک کی اپ گریڈیشن اور نئے دفاتر کا قیام ضروری ہے اسی وجہ سے اخراجات میں اضافہ ہوا ہے۔

ثانیاً آپ کی کمپنی نے تناسبی ٹریڈز کا انتخاب کیا ہے جن کی لاگت اگرچہ زیادہ ہے مگر طویل مدت میں مستحکم نتائج کے لئے ضروری ہے۔ گذشتہ طور پر ہمارے پاس نقصان کی ٹریڈز کی تعداد بہت زیادہ تھی جس کی وجہ سے ہمیں مقررہ حدود تک تمام نقصانات کی ابتدائی رقم برداشت کرنا پڑتی تھی جبکہ نئی تناسبی ٹریڈز کی وجہ سے ہمارے دعووں کے خدشات کی شرح کافی کم ہوگی۔ نقصانات کے اسباب بیان کر کے ہم منفی نتائج کا جواز فراہم نہیں کر رہے اور شیئر ہولڈرز کو یقین دلاتے ہیں کہ آپ کا بورڈ اور انتظامیہ مستقبل میں بہترین نتائج کے لئے ہر ممکن اقدام عمل میں لائیگی۔

آؤٹ لک:-

کمپنی ٹیکنالوجی کے مزید استعمال کے ذریعے صارفین کی تعداد میں اضافے پر اپنی توجہ مرکوز رکھے گی اور توقع ہے کہ اپنے مارکیٹ شیئر میں اضافہ کر کے ملک کی صف اول کی انشورنس کمپنیوں میں سے ایک ہونے کا اعزاز واپس حاصل کیا جاسکے گا۔ JCR-VIS اور PACRA نے کمپنی کو بالترتیب "مستحکم آؤٹ لک" کے ساتھ "A" ریٹنگ کا حامل قرار دیا ہے۔ ہم سمجھتے ہیں کہ کمپنی کی انتظامیہ اسٹیک ہولڈرز کی قدروں میں اضافے کے لئے پرعزم ہے تاکہ آنے والے وقتوں میں اچھے معاشی نتائج حاصل کئے جاسکیں۔

اظہار تشکر:-

ڈائریکٹرز SECP کی رہنمائی، معاونت اور کمپنی کے ملازمین کی جانفشانی کا اعتراف کرتی ہے۔ ہم کمپنی پر اپنے بھرپور اعتماد کا اظہار کرنے پر اپنے تمام صارفین اور کاروباری متعلقین کے شکر گزار ہیں۔

بورڈ کی جانب سے:

زاہد بشیر

چیئر مین

کراچی 29 اکتوبر 2016

ڈائریکٹرز کی رپورٹ برائے ممبران!

ڈائریکٹرز انتہائی مسرت کے ساتھ 30 ستمبر 2016 کو ختم ہونے والی مدت میں 9 ماہ کے لئے غیر آڈٹ شدہ مالیاتی اسٹیٹمنٹس پیش کرتے ہیں۔

جائزہ	(رقم ملین روپوں میں)	2016	2015
تحریر کردہ پریمنیم	1,064	977	
نیٹ پریمنیم	531	448	
انڈر رائٹنگ کے نتائج	38	(419)	
سرمایہ کاری کی آمدنی	142	114	
(نقصان) / نفع تکافل کے حوالہ سے	-	(19)	
ٹیکس سے قبل (نقصان) / منافع	135	(405)	
ٹیکس کے بعد (نقصان) / منافع	114	(424)	

کمپنی کے مجموعی تحریر کردہ پریمنیم میں 8 فیصد کمی کے تحت کمپنی کے نیٹ پریمنیم میں 15 فیصد کمی ہوئی ہے۔ رسک منیجمنٹ اور سرمایہ کاری پر کوششوں کے باوجود انڈر رائٹنگ میں 419 ملین روپے کا نقصان ریکارڈ کیا گیا۔ کمپنی کو میرین کے شعبے میں نقصان کا سامنا رہا اور کاروبار کے متفرق شعبہ جات دعوؤں کی شرح بہت زیادہ رہی جس کے نتیجے میں انڈر رائٹنگ کے نقصانات واقع ہوئے۔ موجودہ ڈسکاؤنٹ ریٹ میں کمی کی وجہ سے سرمایہ کاری کی آمدنی میں 28 ملین روپے کی کمی واقع ہوئی۔ ونڈو تکافل میں 19.2 ملین روپے کا نقصان واقع ہوا ہے۔ ٹیکس کے بعد نقصان 424 ملین روپے (EPS: Rs. 10.14) رہا جبکہ گزشتہ سال اس مدت کے دوران 114 ملین روپے (EPS: Rs. 2.73) ٹیکس کے بعد منافع پایا گیا۔

Condensed Interim Balance Sheet

As at September 30, 2016

(Amounts in Rupees '000)

	Note	Unaudited September 30, 2016	Audited December 31, 2015
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 75,000,000 ordinary shares of Rs 10 each (2015: 50,000,000 ordinary shares of Rs 10 each)		<u>750,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital 41,789,344 ordinary shares of Rs 10 each (2015: 34,824,454 ordinary shares of Rs10 each)		<u>417,893</u> <u>(372,268)</u>	<u>348,244</u> <u>51,424</u>
Retained earnings		<u>1,104,283</u>	<u>1,208,756</u>
Reserves		<u>1,149,908</u>	<u>1,608,424</u>
Shareholders' equity			
Underwriting provisions			
Provision for outstanding claims (including IBNR)		<u>1,123,192</u>	<u>572,537</u>
Provision for unearned premium		<u>712,676</u>	<u>642,765</u>
Commission income unearned		<u>56,745</u>	<u>27,303</u>
Total underwriting provisions		<u>1,892,613</u>	<u>1,242,605</u>
Deferred liability			
Staff retirement benefits		<u>12,102</u>	<u>13,556</u>
Liabilities against assets subject to finance lease			
		<u>15,419</u>	<u>3,575</u>
Creditors and accruals			
Current maturity of finance lease		<u>2,351</u>	<u>1,027</u>
Amounts due to other insurers / reinsurers		<u>496,469</u>	<u>271,706</u>
Accrued expenses		<u>16,661</u>	<u>26,088</u>
Taxation - provision less payments		<u>81,092</u>	<u>85,818</u>
Other creditors and accruals	9	<u>426,452</u>	<u>403,558</u>
		<u>1,023,025</u>	<u>788,197</u>
Other liabilities			
Unclaimed dividend		<u>26,591</u>	<u>27,778</u>
Total liabilities of window Takaful Operations - Operator's Fund		<u>41,698</u>	<u>1,277</u>
TOTAL EQUITY AND LIABILITIES		<u><u>4,161,356</u></u>	<u><u>3,685,412</u></u>
CONTINGENCIES AND COMMITMENTS			

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The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Condensed Interim Balance Sheet

As at September 30, 2016

(Amounts in Rupees '000)

	Note	Unaudited September 30, 2016	Audited December 31, 2015
ASSETS			
Cash and bank deposits			
Cash and other equivalents		1,220	495
Current and other accounts		397,694	84,302
		398,914	84,797
Investments	11	799,413	1,143,588
Loan - unsecured considered good		1,475	1,475
Investment properties		25,220	25,249
Other assets			
Premium due but unpaid		749,526	822,817
Amounts due from other insurers / reinsurers		480,226	391,933
Accrued investment income		9,100	365
Accrued salvage recoveries		51,151	12,909
Reinsurance recoveries against outstanding claims		782,807	465,930
Deferred commission expense		118,215	67,420
Prepayments		328,692	305,553
Deposits and other receivables	12	98,372	72,400
		2,618,089	2,139,327
Fixed assets			
Tangible			
Land and buildings	13	153,712	154,228
Furniture, fixtures and office equipment		21,206	18,603
Motor vehicles - Owned		21,909	33,656
Motor vehicles - Leased		22,214	4,757
Capital work in progress		26,109	26,109
Intangible			
Computer software		6,531	2,309
		251,681	239,662
Total assets of window Takaful			
Operations - Operator's Fund		66,564	51,314
TOTAL ASSETS		4,161,356	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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

Note	For the quarter ended September 30,					2016	2015
	Fire and property damage	Marine, aviation & transport	Motor	Misc.	Treaty	Aggregate	Aggregate
Revenue accounts							
Net premium revenue	(10,303)	39,167	63,841	37,809	-	130,514	198,396
Net claims	(26,967)	(5,328)	(67,940)	(205,373)	-	(305,608)	(82,145)
Management expenses	(28,781)	(2,810)	(18,268)	(28,953)	-	(78,812)	(58,920)
Net commission	(4,246)	(3,298)	(11,442)	(9,177)	-	(28,163)	(35,183)
Underwriting result	(70,297)	27,731	(33,809)	(205,694)	-	(282,069)	22,148
Investment income						37,735	16,327
Gain on disposal of fixed assets						1,323	-
Rental income						-	991
Other income						6,493	-
General and administration expenses						(30,083)	(22,541)
Loss before tax from window takaful operations - OPF						(3,111)	-
(Loss) / profit before tax						(269,712)	16,925
Provision for taxation						(4,582)	(4,122)
(Loss) / profit after tax						(274,294)	12,803
(Loss) / earnings per share - basic and diluted (in Rupees)						(6.56)	0.31
For the nine months period September 30, 2016							
Revenue accounts							
Net premium revenue	127,562	(78,739)	227,697	171,765	-	448,285	531,248
Net claims	(59,047)	(11,484)	(135,698)	(313,380)	-	(519,609)	(236,860)
Management expenses	(111,894)	(2,491)	(70,567)	(91,579)	-	(276,531)	(154,765)
Net commission	(13,744)	(9,416)	(27,592)	(20,297)	-	(71,049)	(101,368)
Underwriting result	(57,123)	(102,130)	(6,160)	(253,491)	-	(418,904)	38,255
Investment income						113,901	142,116
Gain on disposal of fixed assets						2,488	445
Rental income						-	3,488
Other income						6,493	-
General and administration expenses						(89,953)	(49,669)
Loss before tax from window takaful operations - OPF						(19,240)	-
(Loss) / profit before tax						(405,215)	134,635
Provision for taxation - net						(18,477)	(20,379)
(Loss) / profit after tax						(423,962)	114,256

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

For the quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

						2016	2015
	Note	Fire and property damage	Marine, aviation & transport	Motor	Misc.	Treaty	Aggregate
Profit and loss appropriation account							
Balance at commencement of year						51,424	(59,028)
(Loss) / profit after tax for the period						(423,692)	114,256
Transfer from general reserves						104,473	75,705
Cash dividend for 2015 @ Rs 1 per share (2014: @ Rs 1 per share)						(34,824)	(30,282)
Bonus shares for the year 2015 at 20% (2014: 15%)						(69,649)	(45,423)
Unappropriated loss at the end of the period						(372,268)	55,228
(Loss) / earnings per share - basic and diluted (in Rupees)	17					(10.14)	2.73

The annexed notes from 1 to 19 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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

	For the quarter ended September 30,		For the nine months period ended September 30,	
	2016	2015	2016	2015
Net (loss) / profit for the period	(274,294)	12,803	(423,692)	114,256
Item not to be re-classified to profit and loss account in subsequent period: Remeasurement of defined benefit plan	-	-	-	-
Total comprehensive (loss) for the period	<u>(274,294)</u>	<u>12,803</u>	<u>(423,692)</u>	<u>114,256</u>

The annexed notes from 1 to 19 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 nine months period ended September 30, 2016

(Amounts in Rupees '000)

	2016	2015
OPERATING CASH FLOWS		
a) Underwriting activities		
Premium received	961,775	895,051
Reinsurance premium paid	(258,002)	(369,358)
Claims paid	(415,065)	(419,143)
Reinsurance and other recoveries received	129,234	116,631
Commissions paid	(124,812)	(118,000)
Commissions received	87,509	47,095
Net cash flow from underwriting activities	380,639	152,276
b) Other operating activities		
Income tax paid	(23,203)	(5,403)
General management expenses paid	(276,531)	(154,765)
Other operating payments	(89,320)	(44,539)
Advances, deposits and sundry receivables	(69,390)	5,890
Other liabilities and accruals	(24,427)	(11,410)
Net cash used in other operating activities	(482,871)	(210,227)
Total cash used in operating activities	(102,232)	(57,951)
INVESTMENT ACTIVITIES		
Investment income received	26,609	24,732
Payments for investments	(501,876)	(1,042,926)
Proceeds from disposal of investments	928,982	1,170,496
Fixed capital expenditure	(30,928)	(6,151)
Proceeds from disposal of fixed assets	9,912	524
Rental income received	-	4,920
Other income received	6,493	-
Total cash flow from investing activities	439,192	151,595
FINANCING ACTIVITIES		
Dividends paid	(36,011)	(29,637)
Payments against finance leases	13,168	-
Total cash used in financing activities	(22,843)	(29,637)
Total cash flow from all activities	314,117	64,007
Cash and cash equivalents at beginning of the period	84,797	150,993
Cash and cash equivalents at the end of the period	398,914	215,000

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

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

	2016	2015
Reconciliation to profit and loss account		
Operating cash flows	(95,739)	(57,951)
Depreciation expense	(11,514)	(10,242)
Investment income	113,901	142,116
Gain on disposal of fixed assets	2,488	445
Rental income	-	3,488
Other income	6,493	-
Loss from window takaful operations	(19,240)	-
Increase in assets other than cash	476,248	187,938
Increase in liabilities	(896,329)	(151,538)
(Loss) / profit after taxation	(423,692)	114,256

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	383	341
Stamps in hand	837	578
	1,220	919

Current and other accounts

Current accounts	16,763	52,267
Savings accounts	380,931	161,814
	397,694	214,081

Total cash and cash equivalents

398,914	215,000
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The annexed notes from 1 to 19 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 nine months period ended September 30, 2016

(Amounts in Rupees '000)

	Share capital	Reserves							
		Capital reserves			Revenue reserves				
	Issued, subscribed and paid-up	Reserve for exceptional losses	Devaluation reserve	Reserve for issue of bonus shares	General reserve	Reserve for bad and doubtful debts	Unappropriated profit / (accumulated loss)	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 nine months ended September 30, 2015	-	-	-	-	-	-	114,256	114,256	114,256
Remeasurement of defined benefit plan for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months period ended September 30, 2015	-	-	-	-	-	-	114,256	114,256	114,256
Transfer from general reserve	-	-	-	-	(30,282)	-	30,282	-	-
Cash dividend for the year ended December 31, 2014 declared subsequent to the year ended	-	-	-	-	-	-	(30,282)	(30,282)	(30,282)
Transferred from reserve for issue of bonus shares	-	-	-	45,423	(45,423)	-	-	-	-
Bonus shares issued	45,423	-	-	(45,423)	-	-	-	(45,423)	-
Balance as at September 30, 2015	348,244	19,490	185	-	1,188,731	350	55,228	1,263,984	1,612,228
Balance at January 1, 2016	348,244	19,490	185	-	1,188,731	350	51,424	1,260,180	1,608,424
Loss for the nine months period ended September 30, 2016	-	-	-	-	-	-	(423,692)	(423,692)	(423,692)
Remeasurement of defined benefit plan for the period	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the nine months period ended September 30, 2016	-	-	-	-	-	-	(423,692)	(423,692)	(423,692)
Transfer from general reserve	-	-	-	-	(34,824)	-	34,824	-	-
Cash dividend for the year ended December 31, 2015 declared subsequent to the year ended	-	-	-	-	-	-	(34,824)	(34,824)	(34,824)
Transferred from reserve for issue of bonus shares	-	-	-	69,649	(69,649)	-	-	-	-
Bonus shares issued	69,649	-	-	(69,649)	-	-	-	(69,649)	-
Balance as at September 30, 2016	417,893	19,490	185	-	1,084,258	350	(372,268)	732,015	1,149,908

The annexed notes from 1 to 19 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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,								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	141,284	245,598	283,571	103,311	127,994	227,280	241,660	113,614	(10,303)	59,236
	2 Marine, aviation and transport	(9,909)	111,519	33,794	67,816	22,243	15,946	9,540	28,649	39,167	23,199
	3 Motor	77,025	152,075	163,476	65,624	1,638	3,247	3,102	1,783	63,841	65,124
	4 Miscellaneous	117,236	196,874	231,835	82,275	32,016	85,801	73,351	44,466	37,809	50,837
	Total	325,636	706,066	712,676	319,026	183,891	332,274	327,653	188,512	130,514	198,396
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-	-
	Grand Total	325,636	706,066	712,676	319,026	183,891	332,274	327,653	188,512	130,514	198,396

		For the nine months period ended September 30,								2016	2015
Direct and Facultative 1	Fire and property damage	395,237	269,283	283,571	380,949	311,787	183,260	241,660	253,387	127,562	157,022
	2 Marine, aviation and transport	8,799	38,504	33,794	13,509	67,327	34,461	9,540	92,248	(78,739)	46,271
	3 Motor	249,260	146,713	163,476	232,497	5,075	2,827	3,102	4,800	227,697	203,623
	4 Miscellaneous	323,481	188,265	231,835	279,911	98,576	82,921	73,351	108,146	171,765	124,332
	Total	976,777	642,765	712,676	906,866	482,765	303,469	327,653	458,581	448,285	531,248
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-	-
Grand Total		976,777	642,765	712,676	906,866	482,765	303,469	327,653	458,581	448,285	531,248

The annexed notes from 1 to 19 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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,								2016	2015
Class		Claims paid	Outstanding claims Opening	Outstanding claims Closing	Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	Net claims expense
							Opening	Closing			
Direct and Facultative 1	Fire and property damage	15,910	122,892	143,065	36,083	5,712	97,897	101,301	9,116	26,967	15,616
	2 Marine, aviation and transport	7,962	455,069	472,824	25,717	5,843	453,314	467,860	20,389	5,328	2,487
	3 Motor	43,140	28,581	53,477	68,036	113	177	160	96	67,940	16,795
	4 Miscellaneous	90,410	310,508	453,826	233,728	14,272	199,403	213,486	28,355	205,373	47,247
	Total	157,422	917,050	1,123,192	363,564	25,940	750,791	782,807	57,956	305,608	82,145
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-	-
	Grand Total	157,422	917,050	1,123,192	363,564	25,940	750,791	782,807	57,956	305,608	82,145
		For the nine months period ended September 30,								2016	2015
Direct and Facultative 1	Fire and property damage	104,861	171,690	143,065	76,236	42,792	126,904	101,301	17,189	59,047	9,835
	2 Marine, aviation and transport	24,150	194,229	472,824	302,745	17,501	194,100	467,860	291,261	11,484	18,828
	3 Motor	104,707	22,132	53,477	136,052	626	432	160	354	135,698	104,640
	4 Miscellaneous	181,347	184,486	453,826	450,687	68,315	144,494	213,486	137,307	313,380	103,557
	Total	415,065	572,537	1,123,192	965,720	129,234	465,930	782,807	446,111	519,609	236,860
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-	-
	Grand Total	415,065	572,537	1,123,192	965,720	129,234	465,930	782,807	446,111	519,609	236,860

The annexed notes from 1 to 19 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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,							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	Net underwriting expense
Direct and Facultative	1 Fire and property damage	29,662	42,536	53,965	18,233	28,781	47,014	13,987	33,027	37,829
	2 Marine, aviation and transport	6,610	5,445	2,837	9,218	2,810	12,028	5,920	6,108	11,180
	3 Motor	10,071	23,476	22,026	11,521	18,268	29,789	79	29,710	27,118
	4 Miscellaneous	22,429	32,739	39,387	15,781	28,953	44,734	6,604	38,130	17,976
	Total	68,772	104,196	118,215	54,753	78,812	133,565	26,590	106,975	94,103
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-
	Grand Total	68,772	104,196	118,215	54,753	78,812	133,565	26,590	106,975	94,103

		For the nine months period ended September 30,							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	Net underwriting expense
Direct and Facultative	1 Fire and property damage	77,013	17,824	53,965	40,872	111,894	152,766	27,128	125,638	106,626
	2 Marine, aviation and transport	21,104	3,506	2,837	21,773	2,491	24,264	12,357	11,907	22,439
	3 Motor	30,912	18,937	22,026	27,823	70,567	98,390	231	98,159	86,717
	4 Miscellaneous	50,882	27,153	39,387	38,648	91,579	130,227	18,351	111,876	40,351
	Total	179,911	67,420	118,215	129,116	276,531	405,647	58,067	347,580	256,133
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-
	Grand Total	179,911	67,420	118,215	129,116	276,531	405,647	58,067	347,580	256,133

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

The annexed notes from 1 to 19 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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

	For the quarter ended September 30,		For the nine months period ended September 30,	
	2016	2015	2016	2015
Income from non-trading investments				
Return on bank deposits	6,691	2,046	8,514	7,053
Available for sale				
Dividend income	8,201	4,449	29,134	21,805
Gain on sale of investments	23,780	10,519	78,557	114,789
	31,981	14,968	107,691	136,594
Investment management expenses	(937)	(687)	(2,304)	(1,531)
Investment income	37,735	16,327	113,901	142,116

The annexed notes from 1 to 19 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 nine months period ended September 30, 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.

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:

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

For the nine months period ended September 30, 2016

New, amended and revised standards and interpretations of IFRSs

The following standards amendments and interpretations are effective for the nine months period ended September 30, 2016. Certain annual improvements have also been made to number of IFRSs. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's condensed interim financial statements other than certain additional disclosures.

IFRS 10	- Consolidation Financial Statements
IFRS 11	- Joint Arrangements
IFRS 12	- Disclosure of Interests in Other Entities
IFRS 13	- Fair Value Measurement
IAS 27 (Revised 2011)	- Separate Financial Statements
IAS 28 (Revised 2011)	- Investments in Associates and Joint Ventures

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 September 30, 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.

8. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

The Board of Directors in its meeting held on March 29, 2016 announced a bonus issue of 20% (69,649 shares), which was distributed out of reserves. The distribution was approved by the shareholders in the Annual General Meeting held on April 27, 2016.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

	Note	Unaudited September 30, 2016	Audited December 31, 2015
9. OTHER CREDITORS AND ACCRUALS			
Commissions payable		352,576	303,971
Federal excise duty & sales tax		11,068	27,567
Federal insurance fee		756	1,947
Workers welfare fund		9,701	9,701
Deposits and margins		7,648	5,217
Payable against investments		14,767	22,545
Others	9.1	29,936	32,610
		<u>426,452</u>	<u>403,558</u>

9.1 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.

	Note	Unaudited September 30, 2016	Audited December 31, 2015
10. CONTINGENCIES AND COMMITMENTS			
Commitment for capital expenditure		<u>15,038</u>	<u>15,038</u>

There are no contingencies on the reporting date.

11. INVESTMENTS

Available for sale

Related Parties

Quoted shares (market value: Rs 191.3 million
[2015: Rs 172.4 million])

	73,525	42,320
Unquoted shares	<u>4,000</u>	<u>4,000</u>
	<u>77,525</u>	<u>46,320</u>

Others

Quoted shares (market value: Rs 733.5 million
[2015: Rs 504.1 million])

Unquoted shares

Mutual funds (market value: Rs 55.5 million
[2015: Rs 489.5 million])

Less: Impairment

11.1

574,400	528,616
114,983	114,983
32,767	453,931
722,150	1,097,530
(262)	(262)
<u>799,413</u>	<u>1,143,588</u>

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

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

- 11.1** Mutual funds include Rs 29.5 million (2015: Rs 27.5 million) placed as statutory deposit with the State Bank of Pakistan (market value: Rs 49.5 million [2015: Rs 48.4 million]).

Note	Unaudited September 30, 2016	Audited December 31, 2015
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12. DEPOSITS AND OTHER RECEIVABLES

Deposits	12.1	68,619	33,572
Investment proceeds receivable		17,992	30,145
Others receivables		11,761	8,683
		98,372	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 30.9 million (2015: Rs 6.6 million). Disposals at cost 7.4 million (2015: Rs 0.66 million).

14. PROVISION FOR TAXATION

Unaudited September 30, 2016	Unaudited September 30, 2015
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Current	18,477	20,379
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15. TRANACTIONS 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.

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

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

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

	Unaudited September 30, 2016	Unaudited September 30, 2015
Transactions for the period		
Associated undertakings		
Premium written	124,011	112,168
Claims paid	103,280	28,466
Dividend paid	8,810	3,273
Commission paid	2,217	16,946
Dividend received	1,152	400
Others		
Premium written	447	212
Claims paid	-	20
Dividend paid	1,595	1,412
Meeting fees	878	685
Remuneration and retirement benefits to key personnel	90,411	75,304
Period-end balances		
	Unaudited September 30, 2016	Audited December 31, 2015
Associated undertakings		
Claims outstanding	19,186	88,380
Premium receivable	243,132	243,083
Others		
Premium receivable	374	605

Transactions with related parties are in the normal course of business at rates and terms consistent with the market. Other related party transactions such as those relating to key management personnel and retirement plans are in accordance with terms of employment and company policy.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

16. SEGMENT REPORTING

The following presents segment assets and liabilities as at September 30, 2016 and December 31, 2015.

	Fire and property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
SEGMENT ASSETS										
Segment assets	904,314	753,201	491,550	480,456	374,746	275,433	738,969	555,389	2,509,579	2,064,479
Unallocated corporate assets									1,651,777	1,620,933
Consolidated total assets									<u>4,161,356</u>	<u>3,685,412</u>
SEGMENT LIABILITIES										
Segment liabilities	669,074	547,033	512,873	290,621	343,773	222,870	863,362	453,787	2,389,082	1,514,311
Unallocated corporate liabilities									622,366	562,677
Consolidated total liabilities									<u>3,011,448</u>	<u>2,076,988</u>

17. EARNINGS PER SHARE – basic and diluted

Basic (loss) / earnings per share are calculated by dividing the net (loss) / profit for the period by the weighted average number of shares at the period end as follows:

	Unaudited September 30, 2016	Unaudited September 30, 2015
(Loss) / profit after tax for the period	<u>(423,692)</u>	<u>114,256</u>
Weighted average number of shares	<u>41,789,344</u>	<u>41,789,344</u>
Basic (loss) / earnings per share of Rs 10 each – Rupees	<u>(10.14)</u>	<u>2.73</u>

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

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

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

18. DATE OF AUTHORIZATION OF ISSUE

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

19. GENERAL

19.1 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

Financial Statements (Window Takaful)



Condensed Interim Balance Sheet

As as September 30, 2016

(Amounts in Rupees '000)

Audited
December
31, 2015

(Amounts in Rupees '000)		Unaudited September 30, 2016			December 31, 2015
	Note	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
FUNDS AND LIABILITIES					
Operator's fund					
Statutory fund		50,000	-	50,000	50,000
Accumulated loss		(25,134)	-	(25,134)	(5,895)
		<u>24,866</u>	<u>-</u>	<u>24,866</u>	<u>44,105</u>
Waqf / Participants' takaful fund					
Ceded money		-	500	500	500
Accumulated deficit		-	(7,085)	(7,085)	(352)
		<u>-</u>	<u>(6,585)</u>	<u>(6,585)</u>	<u>148</u>
Underwriting provisions					
Provision for outstanding claims (including IBNR)		-	41,711	41,711	-
Provision for unearned contribution		-	99,270	99,270	2,237
Unearned retakaful rebate		-	5,061	5,061	304
Total underwriting provisions		<u>-</u>	<u>146,042</u>	<u>146,042</u>	<u>2,541</u>
Creditors and accruals					
Amounts due to other takaful / retakaful operators		-	21,451	21,451	1,621
Unearned wakala fees		34,754	-	34,754	783
Wakala and mudarib fee payable		-	-	-	825
Payable to Premier Insurance Limited		4,123	-	4,123	5,932
Other creditors and accruals	8	2,821	8,406	11,227	873
		<u>41,698</u>	<u>29,857</u>	<u>71,555</u>	<u>10,034</u>
TOTAL FUND AND LIABILITIES		<u><u>66,564</u></u>	<u><u>169,314</u></u>	<u><u>235,878</u></u>	<u><u>56,828</u></u>
ASSETS					
Cash and bank deposits					
Cash and other equivalents		5	-	5	144
Current and other accounts		7,698	27,786	35,484	7,046
		<u>7,703</u>	<u>27,786</u>	<u>35,489</u>	<u>7,190</u>
Investments	9	<u>48,342</u>	<u>-</u>	<u>48,342</u>	<u>45,000</u>
Other assets					
Contribution due but unpaid		-	36,906	36,906	639
Amounts due from other takaful / retakaful operators		-	21,524	21,524	223
Wakala and mudarib fee receivable		-	-	-	825
Deferred wakala fee		-	34,754	34,754	783
Deferred commission expense		10,027	-	10,027	325
Reinsurance recoveries against outstanding claims		-	24,767	24,767	-
Prepayments		30	23,577	23,607	1,843
Deposits and other receivables	10	462	-	462	-
		<u>10,519</u>	<u>141,528</u>	<u>152,047</u>	<u>4,638</u>
TOTAL ASSETS		<u><u>66,564</u></u>	<u><u>169,314</u></u>	<u><u>235,878</u></u>	<u><u>56,828</u></u>

The annexed notes from 1 to 14 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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

	For the quarter ended September 30, 2016					
	Fire and property damage	Marine, aviation & transport	Motor	Misc.	Treaty	Aggregate
PTF Revenue accounts						
Net contribution revenue	1,080	994	13,706	4,667	-	20,447
Wakala expense	(2,421)	(1,557)	(5,033)	(1,863)	-	(10,874)
Direct expense	(32)	(13)	(115)	(25)	-	(185)
Net claims	(472)	(44)	(4,235)	(8,279)	-	(13,030)
Rebate from re-takaful operations	1,326	794	18	151	-	2,289
Underwriting result	(519)	174	4,341	(5,349)	-	(1,353)
Deficit for the period						(1,353)
Operator's Revenue accounts						
Wakala fee	2,421	1,557	5,033	1,863	-	10,874
Commission Expenses	(1,364)	(860)	(1,050)	(451)	-	(3,725)
Management expenses	(1,833)	(698)	(6,358)	(1,367)	-	(10,256)
	(776)	(1)	(2,375)	45	-	(3,107)
Investment income						129
General & administration expenses						(150)
Loss for the period						(3,128)

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

For the quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

	For the nine months period ended September					2016
	Fire and property damage	Marine, aviation & transport	Motor	Misc.	Treaty	Aggregate
PTF Revenue accounts						
Net contribution revenue	2,389	2,311	21,205	7,277	-	33,182
Wakala expense	(3,898)	(2,766)	(7,856)	(2,868)	-	(17,388)
Direct expense	(1,412)	(438)	(3,639)	(1,210)	-	(6,699)
Net claims	(2,672)	(68)	(8,321)	(8,280)	-	(19,341)
Rebate from re-takaful operations	1,985	1,286	30	212	-	3,513
Underwriting result	(3,608)	325	1,419	(4,869)	-	(6,733)
Deficit for the period						(6,733)
Accumulated Deficit						
Balance at the beginning of the year						(352)
Deficit for the period						(6,733)
Balance at the end of the period						(7,085)
Operator's Revenue accounts						
Wakala fee	3,898	2,766	7,856	2,868	-	17,388
Commission Expenses	(2,147)	(1,457)	(1,571)	(738)	-	(5,913)
Management expenses	(7,218)	(2,238)	(18,595)	(6,184)	-	(34,235)
	(5,467)	(929)	(12,310)	(4,054)	-	(22,760)
Investment income						4,702
General & administration expenses						(1,181)
Loss for the period						(19,239)
Accumulated Loss						
Balance at the beginning of the year						(5,895)
Loss for the period						(19,239)
Balance at the end of the period						(25,134)

The annexed notes from 1 to 14 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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

	For the quarter ended September 30, 2016	For the nine months period ended September 30, 2016
OPERATORS' FUND		
Loss for the period	(3,128)	(19,239)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(3,128)</u>	<u>(19,239)</u>

The annexed notes from 1 to 14 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 nine months period ended September 30, 2016

(Amounts in Rupees '000)

	Operator's Fund	Participants' Fund	2016 Aggregate
OPERATING CASH FLOWS			
a) Takaful activities			
Contribution received	-	89,143	89,143
Re-takaful contributions paid	-	(18,400)	(18,400)
Claims paid	-	(2,425)	(2,425)
Commissions paid	(18,265)	-	(18,265)
Re-takaful rebate received	-	8,270	8,270
Wakala fees received	52,184	-	52,184
Wakala fees paid	-	(52,184)	(52,184)
Net cash flow from underwriting activities	33,919	24,404	58,323
b) Other operating activities			
General management expenses paid	(34,235)	(6,699)	(40,934)
Other operating payments	(1,181)	-	(1,181)
Other liabilities and accruals	2,676	8,055	10,731
Net cash (used in) / flow from other operating activities	(32,740)	1,356	(31,384)
Total cash flow from operating activities	1,179	25,760	26,939
INVESTMENT ACTIVITIES			
Investment income received	4,702	-	4,702
Payments for investments	(3,342)	-	(3,342)
Total cash flow from investing activities	1,360	-	1,360
Total cash flow from all activities	2,539	25,760	28,299
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	7,703	27,786	35,489

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

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

	Operator's Fund	Participants' Fund	2016 Aggregate
Reconciliation to profit and loss account			
Operating cash flows	1,179	25,760	26,939
Investment income	4,702	-	4,702
Increase in assets other than cash	10,194	79,802	89,996
Decrease in liabilities	(35,314)	(112,295)	(147,609)
Loss for the period	<u>(19,239)</u>	<u>(6,733)</u>	<u>(25,972)</u>
Attributed to			
Operators' Fund	(19,239)	-	(19,239)
Participant's Takaful Fund	-	(6,733)	(6,733)
	<u>(19,239)</u>	<u>(6,733)</u>	<u>(25,972)</u>

Definition of cash

Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits.

Cash for the purpose of the statement of cash flows consists of:

Cash and other equivalents			
Cash	5	-	5
	5	-	5
Current and other accounts			
Savings accounts	7,698	27,786	35,484
Total cash and cash equivalents	<u>7,703</u>	<u>27,786</u>	<u>35,489</u>

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

Zahid Bashir
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Chief Executive

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

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

	Operator's Fund		
	Statutory Fund	Accumulated Loss	Total
Balance at January 01, 2015	-	-	-
Contribution made during the period	50,000	-	50,000
Loss for the period from October 31, 2015 to December 31, 2015	-	(5,895)	(5,895)
Balance as at December 31, 2015	50,000	(5,895)	44,105
Loss for the period	-	(19,239)	(19,239)
Balance as at September 30, 2016	50,000	(25,134)	24,866

	Participants' Fund		
	Cede Money	Accumulated Deficit	Total
Cede money	500	-	500
Deficit for the period from October 31, 2015 to December 31, 2015	-	(352)	(352)
Balance as at December 31, 2015	500	(352)	148
Deficit for the period	-	(6,733)	(6,733)
Balance as at September 30, 2016	500	(7,085)	(6,585)

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

Zahid Bashir
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Chief Executive

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

For the quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,							2016
Class	Contribution written	Unearned Contribution reserve Opening	Unearned Contribution reserve Closing	Contribution earned	Re-takaful contribution ceded	Prepaid re-takaful contribution Opening	Prepaid re-takaful contribution Closing	Re-takaful expense	Net Contribution revenue
Direct and Facultative									
1 Fire and property damage	12,113	16,010	21,209	6,914	9,922	14,315	18,403	5,834	1,080
2 Marine, aviation and transport	4,611	1,672	1,834	4,449	2,536	2,202	1,283	3,455	994
3 Motor	42,011	30,229	57,859	14,381	832	1,628	1,785	675	13,706
4 Miscellaneous	9,033	14,656	18,368	5,321	1,107	1,653	2,106	654	4,667
Total	67,768	62,567	99,270	31,065	14,397	19,798	23,577	10,618	20,447
Treaty 5 Proportional	-	-	-	-	-	-	-	-	-
Grand Total	67,768	62,567	99,270	31,065	14,397	19,798	23,577	10,618	20,447

For the nine months period ended September 30,										2016
Direct and Facultative										
1	Fire and property damage	30,933	1,409	21,209	11,133	25,953	1,194	18,403	8,744	2,389
2	Marine, aviation and transport	9,592	146	1,834	7,904	6,750	126	1,283	5,593	2,311
3	Motor	79,684	621	57,859	22,446	2,528	498	1,785	1,241	21,205
4	Miscellaneous	26,502	61	18,368	8,195	2,999	25	2,106	918	7,277
	Total	146,711	2,237	99,270	49,678	38,230	1,843	23,577	16,496	33,182
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-
	Grand Total	146,711	2,237	99,270	49,678	38,230	1,843	23,577	16,496	33,182

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

Zahid Bashir
Chairman

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Director

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Director

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Chief Executive

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

For the quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,							2016	
Class		Claims paid	Outstanding claims Opening	Closing	Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	Net claims expense
							Opening	Closing		
Direct and Facultative 1	Fire and property damage	-	22,000	26,720	4,720	-	19,800	24,048	4,248	472
	2 Marine, aviation and transport	31	240	650	441	28	216	585	397	44
	3 Motor	2,024	3,716	5,927	4,235	-	-	-	-	4,235
	4 Miscellaneous	-	15	8,414	8,399	-	14	134	120	8,279
	Total	2,055	25,971	41,711	17,795	28	20,030	24,767	4,765	13,030
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-
	Grand Total	2,055	25,971	41,711	17,795	28	20,030	24,767	4,765	13,030

		For the nine months period ended September 30,								2016
Direct and										
Facultative 1	Fire and property damage	-	-	26,720	26,720	-	-	24,048	24,048	2,672
	2 Marine, aviation and transport	31	-	650	681	28	-	585	613	68
	3 Motor	2,394	-	5,927	8,321	-	-	-	-	8,321
	4 Miscellaneous	-	-	8,414	8,414	-	-	134	134	8,280
	Total	2,425	-	41,711	44,136	28	-	24,767	24,795	19,341
Treaty	5 Proportional	-	-	-	-	-	-	-	-	-
	Grand Total	2,425	-	41,711	44,136	28	-	24,767	24,795	19,341

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

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Director

Mohammed Asif Arif
Chief Executive

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

For the quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

Class	For the quarter ended September 30,					2016
	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	2,588	3,052	4,276	1,364	1,833	3,197
2 Marine, aviation and transport	914	320	374	860	698	1,558
3 Motor	2,788	2,359	4,097	1,050	6,358	7,408
4 Miscellaneous	254	1,477	1,280	451	1,367	1,818
Total	<u>6,544</u>	<u>7,208</u>	<u>10,027</u>	<u>3,725</u>	<u>10,256</u>	<u>13,981</u>
Treaty 5 Proportional	-	-	-	-	-	-
Grand Total	<u><u>6,544</u></u>	<u><u>7,208</u></u>	<u><u>10,027</u></u>	<u><u>3,725</u></u>	<u><u>10,256</u></u>	<u><u>13,981</u></u>

For the nine months period ended September 30,						2016
Direct and Facultative						
1 Fire and property damage	6,158	265	4,276	2,147	7,218	9,365
2 Marine, aviation and transport	1,803	28	374	1,457	2,238	3,695
3 Motor	5,639	29	4,097	1,571	18,595	20,166
4 Miscellaneous	2,015	3	1,280	738	6,184	6,922
Total	<u>15,615</u>	<u>325</u>	<u>10,027</u>	<u>5,913</u>	<u>34,235</u>	<u>40,148</u>
Treaty 5 Proportional	-	-	-	-	-	-
Grand Total	<u><u>15,615</u></u>	<u><u>325</u></u>	<u><u>10,027</u></u>	<u><u>5,913</u></u>	<u><u>34,235</u></u>	<u><u>40,148</u></u>

The annexed notes from 1 to 14 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 quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

Business underwritten inside Pakistan

		For the quarter ended September 30,						2016
Class		Gross wakala fee	Deferred wakala fee Opening	Closing	Net expense	PTF direct expenses	Rebate from re-takaful operations	Net PTF expense
Direct and Facultative	1 Fire and property damage	4,249	5,604	7,432	2,421	32	1,326	1,127
	2 Marine, aviation and transport	1,614	585	642	1,557	13	794	776
	3 Motor	14,704	10,580	20,251	5,033	115	18	5,130
	4 Miscellaneous	3,162	5,130	6,429	1,863	25	151	1,737
	Total	23,729	21,899	34,754	10,874	185	2,289	8,770
Treaty	5 Proportional	-	-	-	-	-	-	-
	Grand Total	23,729	21,899	34,754	10,874	185	2,289	8,770

		For the nine months period ended September 30,						2016
Class		Gross wakala fee	Deferred wakala fee Opening	Closing	Net expense	PTF direct expenses	Rebate from re-takaful operations	Net PTF expense
Direct and Facultative	1 Fire and property damage	10,837	493	7,432	3,898	1,412	1,985	3,325
	2 Marine, aviation and transport	3,357	51	642	2,766	438	1,286	1,918
	3 Motor	27,889	218	20,251	7,856	3,639	30	11,465
	4 Miscellaneous	9,276	21	6,429	2,868	1,210	212	3,866
	Total	51,359	783	34,754	17,388	6,699	3,513	20,574
Treaty	5 Proportional	-	-	-	-	-	-	-
	Grand Total	51,359	783	34,754	17,388	6,699	3,513	20,574

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

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

Zahid Bashir
Chairman

Nadeem Maqbool
Director

Imran Maqbool
Director

Mohammed Asif Arif
Chief Executive

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

For the quarter and nine months period ended September 30, 2016

(Amounts in Rupees '000)

	For the quarter ended September 30, 2016	For the nine months period ended September 30, 2016
Income from non-trading investments		
Return on bank deposits	146	246
Dividend income	-	4,456
Investment income	<u>146</u>	<u>4,702</u>

The annexed notes from 1 to 14 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 nine months period ended September 30, 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.

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:

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

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

New, amended and revised standards and interpretations of IFRSs

The following standards amendments and interpretations are effective for the nine months period ended September 30, 2016. Certain annual improvements have also been made to number of IFRSs. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's condensed interim financial statements other than certain additional disclosures.

IFRS 10	- Consolidation Financial Statements
IFRS 11	- Joint Arrangements
IFRS 12	- Disclosure of Interests in Other Entities
IFRS 13	- Fair Value Measurement
IAS 27 (Revised 2011)	- Separate Financial Statements
IAS 28 (Revised 2011)	- Investments in Associates and Joint Ventures

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 TAKAFUL RISK MANAGEMENT

The Company's financial and takaful management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the period ended December 31, 2015.

7. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business as at September 30, 2016 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

	Unaudited September 30, 2016	Audited December 31, 2015
Federal excise duty	2,431	355
Federal takaful fee	179	24
Others	211	-
	<u>2,821</u>	<u>379</u>

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

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

9. INVESTMENTS

	Unaudited September 30, 2016			Audited December 31, 2015
	(OPF)	(PTF)	Aggregate	Aggregate
Available for sale-lower of Cost or market value				
Mutual funds (unit trusts) - Others				
Name of entity				
NAFA Islamic Assets Allocation Fund [number of units: 3,111,485 (2015: 2,897,170)]				
[Market value Rs. 51.8 million 2015: Rs. 44.9 million]	48,342	-	48,342	45,000

10. DEPOSITS AND OTHER RECEIVABLES - OPF

Deposits	231	-	231	231
Others	231	-	231	198
	462	-	462	429

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 scheme.

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

	Un audited September 30, 2016
Transactions for the period	
Associated undertakings	
Premium written	1,455
Period end Balances	
Associated undertakings	
Premium receivable	132

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 30, 2016

(Amounts in Rupees '000)

12. SEGMENT REPORTING

The following presents segment assets and liabilities as at September 30, 2016 and December 31, 2015.

Operator's Funds

	Fire and property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
SEGMENT ASSETS										
Segment assets	4,276	780	374	89	4,097	256	1,280	25	10,027	1,150
Unallocated corporate assets									56,537	50,164
Consolidated total assets									66,564	51,314
SEGMENT LIABILITIES										
Segment liabilities	7,432	770	642	85	20,251	248	6,429	24	34,754	1,127
Unallocated corporate liabilities									6,944	6,082
Consolidated total liabilities									41,698	7,209

Participants' Takaful Fund

	Fire and property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
SEGMENT ASSETS										
Segment assets	38,154	2,175	5,745	259	53,771	959	19,091	95	116,761	3,488
Unallocated corporate assets									52,553	2,026
Consolidated total assets									169,314	5,514
SEGMENT LIABILITIES										
Segment liabilities	56,961	1,526	4,279	182	76,336	672	31,411	66	168,987	2,446
Unallocated corporate liabilities									6,912	379
Consolidated total liabilities									175,899	2,825

13. DATE OF AUTHORIZATION OF ISSUE

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

14. GENERAL

14.1 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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Nelson Chamber Branch Unit A

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Phone: 021-32622131-33-34

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Nelson Chamber Branch Unit C

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Gulberg Branch

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Fax: 042-35874249

Shadman Branch

177- B Shadman II Lahore

Canal Branch

162- Shadman II Lahore

Phone: 042-35407001-5

Fax: 042-35407006

Mall Branch

23 Shahrah-e-Quaid-e-Azam Lahore

Phone: 042-37230602-03

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Islamabad Branch

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

Phone: 051-2348167-8

Fax: 051-2348169

Rawalpindi Branch

32-Services Plaza The Mall Rawalpindi

Phone: 051-5562113, 5568907

Fax: 051-5566900

FSD-Regency Branch

1st Floor Regency Arcade 949-Mall Road Faisalabad

Phone: 041-2632211-12

Fax: 041-2617802

FSD-Chenab Branch

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

Phone: 041-8503541-42

Fax: 041-8503543

Gujrawala Branch

Block - L Trust Plaza G.T Road Gujranwala

Phone: 055-3859719-20

Fax: 055-3256432

Sialkot Branch

Room No. 3 & 4 Sahib Plaza Saga Chowk Defence Road Sialkot

Phone: 052-3572192-93

Fax: 052-3572194

Peshawar Branch

1081/A, Rehman Building Saddar Road Peshawar Cantt

Phone: 091-5273757

Fax: 091-5277809

Multan Branch

4th Floor Mehr Fatima Tower Opp. High Court Old Bahawalpur Road Multan

Phone: 061-4515007, 4515009

Fax: 061-4587143

Sahiwal Branch

Room No. 1 Sattar Complex Stadium Road Sahiwal

Phone: 040-4220918

Fax: 040-4220790

Quetta Branch

43-Regal Plaza 2nd Floor Circular Road Quetta

Phone: 081-2842883

Fax: 040-4220790

Takaful **Branches**

Saima Trade Tower - Takaful

5th Floor, State Life Building 2-A,
Wallace Road, I.I. Chundrigar Road,
Karachi.

Phone: 021-32416331-4

Fax: 021-3246572

Nelson Chamber Branch Unit B

Plot # SR-512/1 2nd Floor Nelsons Chamber
I.I.Chundrigar Road Karachi

Phone: 021-32622131-33-34

Fax: 021-32622135

Mall Branch Lahore - Takaful

23 Shahrah-e-Quaid-e-Azam Lahore

Phone: 042-37230602-03

Fax: 042-37235557

Islamabad Branch - Takaful

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

Phone: 051-2348167-8

Fax: 051-2348169

Faisalabad Branch - Takaful

1st Floor Hassan Arcade 871-B Chen One
Road Peoples Colony No.1 Faisalabad

Phone: 041-8723047-49

Fax: 041-8723046

Sialkot Branch - Takaful

1st Floor Suit # 3 & 4 Sahib Plaza Saga
Chowk Defence Road Sialkot

Phone: 052-3253313, 3572192

Fax: 052-3272194

Peshawar Branch- Takaful

Jawad Tower Building, 4th Floor, Office # 5,
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