



بمیشه کالو

Interim Financial Statements  
for the half year ended June 30, 2018 (Unaudited)

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## Financial Statements

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# Company Information

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## Board of Directors

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Khalid Bashir (Chairman)  
Zahid Bashir  
Imran Maqbool  
Nadeem Maqbool  
Shams Rafi  
Asadullah Khawaja  
Attaullah A. Rasheed

## Chief Executive Officer

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Zahid Bashir

## Chief Financial Officer

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Amjed Bahadur Ali

## Company Secretary & Head of Compliance

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Zeeshan Sattar

## Head of Internal Audit

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Oan Ali Mustansir

## Audit Committee

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Nadeem Maqbool (Chairman)  
Khalid Bashir (Member)  
Imran Maqbool (Member)  
Asadullah Khawaja (Member)  
Oan Ali Mustansir (Secretary)

## Ethics, Human Resource, Remuneration & Nomination Committee

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

## Investment Committee

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Zahid Bashir (Chairman)  
Nadeem Maqbool (Member)  
Imran Maqbool (Member)  
Asadullah Khawaja (Member)  
Amjed Bahadur Ali (Member)  
Shazia Bashir (Member/Secretary)

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# Company Information

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## Claim Settlement Committee

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Attaullah A. Rasheed (Chairman)  
Muhammad Imran (Member)  
Hassan Mustafa (Member/Secretary)

## Underwriting Committee

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Imran Maqbool (Chairman)  
M. K. Baig (Member)  
Afzal Ur Rahman (Member)  
M. A. Hannan Shadani (Member/Secretary)

## Reinsurance & Co-Insurance Committee

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Shams Rafi (Chairman)  
Afzal Ur Rahman (Member)  
Kamran Safi Rizvi (Member/Secretary)

## Risk Management & Compliance Committee

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Shams Rafi (Chairman)  
Zahid Bashir (Member)  
Amjed Bahadur Ali (Member)  
Zeeshan Sattar (Member/Secretary)

## Auditors

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Deloitte Yousuf Adil & Co  
Chartered Accountants

## Legal Advisors

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Arfin & Company Advocates

## Registered & Head Office

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5th Floor, State Life Building No.2A  
Wallace Road, Karachi-74000, Pakistan.

Phones : (21) 32416331-4

Fax : (21) 32416572

Email : [info@pil.com.pk](mailto:info@pil.com.pk)

Website : [www.pil.com.pk](http://www.pil.com.pk)

## Registrar

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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](mailto: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 half year ended June 30, 2018.

## Review including Window Takaful Operations

	2018	2017
	(Rupees "000")	
Premium written	247,413	373,623
Net Premium	241,461	360,674
Underwriting result	(54,838)	(48,315)
Investment income	(4,510)	89,826
Profit before taxation	(100,649)	9,351
Profit after taxation	(93,833)	3,747
	<b>Earnings per share</b>	
	<b>(1.86)</b>	<b>0.08</b>

The underwriting loss for the half year ended June 30, 2018 is 54 million. Investments has resulted in a decrease in investment income by 105%.

## Outlook

Our strategy for 2018 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain a growing position in the industry. We continue to invest in our people and making Premier a great place to build their career.

Our success in winning new business and therefore creating growth will give us great confidence that the areas of activity in which we have chosen to operate are the right ones for the company. The prevailing economic and political situation around the country and the soft insurance markets will of course present challenges. We

have, however, taken clear and decisive action to develop and grow each of our activities.

Your Company, due to a strong balance sheet, liquidity and above all a competent and proactive management will be able to explore and write any business that meets its criteria for safe and sustainable growth without compromising our high standards in 2018.

## Credit Rating

Your Company has been rated by PACRA. PACRA has assigned rating of A to the Company.

## Acknowledgement

The directors would like to thank our valued customers for their continued patronage and support and to the Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance. It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by all the Company employees.

On behalf of the Board

## Zahid Bashir

Chief Executive Officer

**Karachi: dated, August 20, 2018**

# ممبران کے لئے ڈائریکٹران کی رپورٹ

موزوں ہیں۔ ملک بھر میں جاری معاشی اور سیاسی صورتحال اور بازار بیمہ کاری کی نازک صورتحال یقینی طور پر درپیش اہم چیلنجز ہیں۔ تاہم اپنی ہر سرگرمی کی ترقی اور نمو کے لئے ہم نے واضح اور فیصلہ کن اقدامات کئے ہیں۔

ڈائریکٹران کمپنی کے غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے برائے ششماہی مدت ختمہ 30 جون 2018 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

## جائزہ بشمول ونڈ وکافل آپریشنز

آپ کی کمپنی کا مستحکم میزانیہ، روانیت اور سب سے بڑھ کر ایک اہل اور پیشقدم انتظامیہ ایسے نئے کاروبار کو تلاش کرنے اور حاصل کرنے میں کامیاب ہو جائے گی جو کہ اعلیٰ معیارات پر سمجھوتا کئے بغیر ہمارے محفوظ اور پائیدار ضابطہ کار پر پورا اترتے ہیں۔

## کریڈٹ ریٹنگ

آپ کی کمپنی کی ریٹنگ پا کرانے کی ہے۔ پا کرانے اپنی ریٹنگ میں کمپنی کو A کی درجہ بندی سے نوازا ہے۔

	2017	2018	
تحریری پریمیم	373,623	247,413	
خالص پریمیم	360,674	241,461	
انڈر رائٹنگ (ذمہ نویسی) کے نتائج	(48,315)	(54,838)	
سرمایہ کاری (خسارہ) / منافع	89,826	(4,510)	
(خسارہ) / منافع قبل از ٹیکس	9,351	(100,649)	
(خسارہ) / منافع بعد از ٹیکس	3,747	(93,833)	
فی حصص (خسارہ) / منافع	0.08	(1.86)	

ششماہی ختمہ مدت 30 جون 2018 میں انڈر رائٹنگ (ذمہ نویسی) کا خسارہ 54 ملین روپے رہا۔

سرمایہ کاری سے حاصل ہونے والی آمدنی میں 105 فیصد کمی ہوئی۔

## اعتراف

ڈائریکٹران کمپنی کے قابل قدر گاہکوں کی مسلسل سرپرستی و تعاون اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی رہنمائی اور مدد پران کے مشکور ہیں۔ کمپنی کے ملازمین کی کوششوں پر ڈائریکٹران اپنی ستائش ریکارڈ پر لاتے ہوئے انتہائی خوشی کا اظہار کرتے ہیں۔

## منجانب

## زاد بھیر

چیف ایگزیکٹو آفیسر

کراچی، مورخہ 20 اگست 2018

## پیش بینی

2018 میں ہماری حکمت ہوگی کہ بدلتے ہوئے اور مسابقتی کاروباری ماحول میں پائیدار، منافع بخش نمو فراہم کی جائے تاکہ صنعت کی بڑھتی ہوئی پوزیشن برقرار رہے۔ ہم تسلسل کے ساتھ اپنے لوگوں پر سرمایہ کریں گے اور ان کے اپنے طرز پیشہ کو سنوارنے کے لئے ایک بہترین جگہ بنائیں گے۔

ہماری ترقی نئے کاروبار کے حصول میں ہے جس میں نمو ہمیں عظیم اعتماد فراہم کرے گی کہ ہماری منتخب کاروباری سرگرمیاں ہماری کمپنی کے لئے

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# Independent auditor's review report to the members of Premier Insurance Limited

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## Introduction

We have reviewed the accompanying condensed interim statement of financial position of Premier Insurance Limited as at June 30, 2018 and the related condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

## Scope of Review

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

## Bases for Qualified Conclusion

During our review, we noted that material unreconciled differences exist between the subsidiary ledgers (registers) and the general ledger (GL) maintained by the Company aggregating to a net amount of Rs. 96.19 million. In absence of any reconciliation or reasonable explanation for these differences in the books of account of the Company, we were unable to obtain sufficient appropriate evidence as to rights and obligations and existence of above mentioned balances and as such, we were unable to determine whether any adjustments to these amounts were necessary.

## Conclusion

Based on our review, except for the possible effects of matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq

## Chartered Accountants

Place: Karachi

Date: August 30, 2018

# Condensed Interim Statement of Financial Position

As at June 30, 2018

			(Restated)
		Unaudited	Audited
ASSETS	Note	June 30, 2018	December 31, 2017
			(Rupees in '000)
Property and equipment	7	249,248	258,457
Intangible assets	8	4,896	5,007
Investment properties		25,156	25,173
Investments	9		
Equity securities		873,691	938,090
Mutual funds		37,220	53,433
Loan and other receivables	10	77,742	69,803
Insurance / reinsurance receivables	11	546,183	665,171
Accrued salvage recoveries		20,366	6,450
Reinsurance recoveries against outstanding claims		727,727	864,119
Deferred commission expense		24,037	50,501
Prepayments	12	101,750	201,939
Cash and bank		63,661	149,275
Total assets of Window Takaful Operations (including Qard-e-hasna) - Operator's Fund		78,401	95,596
Total assets		2,830,078	3,383,014



# Condensed Interim Statement of Financial Position

As at June 30, 2018

			(Restated)
		Unaudited	Audited
EQUITY AND LIABILITIES	Note	June 30, 2018	December 31, 2017
			(Rupees in '000)
Capital and reserves attributable to Compay's equity holders			
Ordinary shares capital		505,650	505,650
Reserves		1,070,393	1,016,255
Accumulated loss		(600,630)	(506,797)
Total equity		975,413	1,015,108
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		1,068,184	1,221,416
Unearned premium reserves		198,896	389,884
Unearned reinsurance commission		14,455	33,363
Retirement benefits obligations		7,278	7,350
Borrowings	13	3,615	5,537
Insurance / reinsurance payables	14	148,021	233,261
Other creditors and accruals	15	327,865	382,275
Taxation - provision less payments		54,966	51,586
Total liabilities of Window Takaful			
Operations - Operator's Fund		31,385	43,234
Total equity and liabilities		2,830,078	3,383,014

## CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 26 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

# Condensed Interim Profit and Loss Account (Unaudited)

For the quarter and half year ended June 30, 2018

		Quarter ended Unaudited (Restated) June 30, 2018    June 30, 2017		Half year ended Unaudited (Restated) June 30, 2018    June 30, 2017	
		Aggregate		Aggregate	
	Note	(Rupees in `000)			
Net insurance premium revenue	17	58,760	139,217	171,789	286,575
Net insurance claims	18	(52,268)	(83,393)	(107,703)	(161,225)
Net commission and other acquisition cost	19	(9,445)	(35,315)	(19,226)	(44,839)
Insurance claims and acquisition cost		(61,713)	(118,708)	(126,929)	(206,064)
Management expenses		(51,246)	(64,689)	(99,293)	(122,623)
<b>Underwriting result</b>		(54,199)	(44,180)	(54,433)	(42,112)
Investment (loss) / income	20	(17,223)	44,373	(5,537)	89,889
Rental income		275	-	275	-
Other income	21	21,039	2,034	22,437	3,813
Other expenses		(22,560)	(24,359)	(41,856)	(47,968)
Results of operating activities		(72,668)	(22,132)	(79,114)	3,622
finance charge		(191)	-	(191)	-
Loss before tax from General insurance operations		(72,858)	(51,593)	(79,305)	(38,490)
(Loss) / profit before tax from window takaful operations - OPF		(7,285)	9,488	(10,672)	11,587
<b>(Loss) / profit before tax</b>		(80,143)	(42,105)	(89,977)	(26,903)
Provision for taxation		(377)	630	(3,856)	(5,604)
<b>(Loss) / profit after tax</b>		<b>(80,520)</b>	<b>(41,475)</b>	<b>(93,833)</b>	<b>(32,507)</b>
Earnings per share - basic and diluted (Rupees) - restated	22	(1.59)	(0.82)	(1.86)	0.07

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

# Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter and half year ended June 30, 2018

	Quarter ended Unaudited (Restated)		Half year ended Unaudited (Restated)	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees in `000)			
Net (loss) / profit for the period	(80,520)	(41,475)	(93,833)	(32,507)
<b>Other comprehensive income for the period</b>				
Unrealised gains / (losses) on 'available for sale investments	63,384	-	53,725	-
Remeasurement of defined benefit plan for the period - net of tax	-	-	-	-
Other comprehensive income from window takaful operations - OPF	-	-	413	-
<b>Total comprehensive income</b>	<b>(17,136)</b>	<b>(41,475)</b>	<b>(39,695)</b>	<b>(32,507)</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

# Condensed Statement of Cash Flows (Unaudited)

For the half year ended  
June 30, 2018

	2018	2017
	(Rupees in `000)	
<b>OPERATING CASH FLOWS</b>		
<b>a) Underwriting activities</b>		
Premium received	243,887	453,764
Reinsurance premium paid	(189,971)	(246,190)
Claims paid	(340,075)	(324,182)
Reinsurance and other recoveries received	266,824	116,773
Commissions paid	(38,939)	(79,636)
Commissions received	13,664	23,207
Net cash used in underwriting activities	(44,610)	(56,264)
<b>b) Other operating activities</b>		
Income tax paid	(476)	(7,530)
General management expenses paid	(133,436)	(122,623)
Other operating payments	(5,326)	(34,357)
Other income	20,445	155
Advances, deposits and sundry receivables	(7,271)	4,075
Other liabilities and accruals	(40,805)	(13,530)
Net cash used in other operating activities	(166,869)	(173,810)
<b>Total cash used in operating activities</b>	<b>(211,479)</b>	<b>(230,074)</b>
<b>INVESTMENT ACTIVITIES</b>		
Investment income received	5,985	19,535
Investments made	(83,661)	(592,549)
Proceeds from disposal of investments	201,644	446,254
Fixed capital expenditure	(818)	(1,990)
Proceeds from disposal of fixed assets	4,828	9,164
<b>Total cash generated from / (used in) investing activities</b>	<b>127,978</b>	<b>(119,586)</b>
<b>FINANCING ACTIVITIES</b>		
Payment against finance lease	(2,113)	(1,774)
Dividends paid	-	(15)
<b>Total cash used in financing activities</b>	<b>(2,113)</b>	<b>(1,789)</b>
<b>Total cash flow used in all activities</b>	<b>(85,614)</b>	<b>(351,449)</b>
Cash and cash equivalents at beginning of the year	149,275	417,714
<b>Cash and cash equivalents at the end of the period</b>	<b>63,661</b>	<b>66,265</b>

# Condensed Statement of Cash Flows (Unaudited)

For the half year ended June  
30, 2018

	2018	2017
	(Rupees in `000)	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(211,479)	(210,540)
Depreciation	(7,577)	(9,748)
Investment income	33,286	64,496
Impairment loss	(38,823)	-
Gain on disposal of fixed assets	2,267	3,658
Other income	20,170	-
Rent Income	275	-
(Loss) / profit from window takaful operations	(10,672)	11,587
Increase / (decrease) in assets other than cash	(377,373)	(327,575)
(Increase) / decrease in liabilities	496,093	471,869
<b>(Loss) / profit after taxation</b>	<b>(93,833)</b>	<b>3,747</b>

## Definition of cash

Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits maturing within 3 months.  
Cash for the purpose of the statement of cash flows consists of:

<b>Cash and other equivalents</b>		
Cash	57	199
Stamps in Hand	906	418
	<b>963</b>	<b>617</b>
<b>Current and other accounts</b>		
Current Account	33,098	23,180
Saving Account	29,600	42,467
	<b>62,698</b>	<b>65,647</b>
<b>Total cash and cash equivalents</b>	<b>63,661</b>	<b>66,264</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

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

For the half year ended  
June 30, 2018

	Share capital	Capital reserves			Reserves					Total equity
	Issued, subscribed and paid-up	Reserve for exceptional losses	Devaluation reserve	Reserve for issue of bonus shares	Revenue reserves			Accumulated loss	Total reserves	
					General reserve	Revaluation Reserves - Available for sale investments	Reserve for bad & doubtful debts			
	(Rupees in `000)									
Balance as at January 01, 2017 (as reported previously)	417,893	19,490	185	-	1,084,258	-	350	(280,102)	824,181	1,242,074
Net effect of change in accounting policy including Window Takaful Operation (refer note 3.1)	-	-	-	-	-	168,358	-	(12,332)	156,026	156,026
Balance as at January 01, 2017 (restated)	417,893	19,490	185	-	1,084,258	168,358	350	(292,434)	980,207	1,398,100
Profit for the period ended June 30, 2017 (restated)	-	-	-	-	-	-	-	(32,507)	(32,507)	(32,507)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period ended June 30, 2017 (restated)	-	-	-	-	-	-	-	(32,507)	(32,507)	(32,507)
Transfer from reserve to issue of bonus shares	-	-	-	41,789	(41,789)	-	-	-	-	-
Bonus shares issued	41,789	-	-	(41,789)	-	-	-	-	(41,789)	-
Balance as at June 30, 2017 (restated)	459,682	19,490	185	-	1,042,469	168,358	350	(324,941)	905,911	1,365,593
Balance as at January 01, 2018 (as reported previously)	505,650	19,490	185	-	996,501	-	350	(388,467)	628,059	1,133,709
Net effect of change in accounting policy including Window Takaful Operation (refer note 3.1)	-	-	-	-	-	(271)	-	(118,330)	(118,601)	(118,601)
Balance as at January 01, 2018 (restated)	505,650	19,490	185	-	996,501	(271)	350	(506,797)	509,458	1,015,108
Profit for the year ended June 30, 2018	-	-	-	-	-	-	-	(93,833)	(93,833)	(93,833)
Other comprehensive income	-	-	-	-	-	54,138	-	-	54,138	54,138
Total comprehensive income for the period ended June 30, 2018	-	-	-	-	-	54,138	-	(93,833)	(39,695)	(39,695)
<b>Balance as at June 30, 2018</b>	<b>505,650</b>	<b>19,490</b>	<b>185</b>	<b>-</b>	<b>996,501</b>	<b>53,867</b>	<b>350</b>	<b>(600,630)</b>	<b>469,763</b>	<b>975,413</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

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# Notes To The Condensed Interim Financial Information (Unaudited)

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For the half year ended  
June 30, 2018

## 1. STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Company) was incorporated as a public limited company in Pakistan on 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 was 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 AND STATEMENT OF COMPLIANCE

The condensed interim financial information for the period ended June 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful rules 2012. In case where requirements differ the provisions of or directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012 shall prevail.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with annual financial statements of the company for the year ended 31 December, 2017.

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

The condensed interim financial information is prepared and presented in Pakistani Rupees, which is the Company's functional and presentation currency.

During the period the Companies Act, 2017 has been implemented, however there is no impact on the condensed interim financial information.

"During the period, the Company has changed format for preparation of its condensed interim financial information to comply with the requirements of the 'Insurance Rules, 2017' issued by SECP vide its S.R.O. 89(1) / 2017 dated 09 February 2017. In line with the requirements provided in the Rules, these are the first set of condensed interim financial information of the Company for the six month period ended 30 June 2018. Certain changes have been made to the presentation of the financial information which includes the following:"

-Changes in sequence of assets / liabilities in the statement of financial position.

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# Notes To The Condensed Interim Financial Information (Unaudited)

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For the half year ended  
June 30, 2018

-Discontinuation of separate statements of premium, claims, commissions, and investment income which are now presented on aggregate basis into the notes to the condensed interim financial information.

-Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented in aggregate.

Prior year figures have been reclassified / rearranged for the purpose of comparison where necessary.

The condensed interim financial information for the period ended June 30, 2018 has been prepared under historic cost basis except for the available for sale investments, that have been measured at market value.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The format for preparation of these condensed interim financial information has changed as described above but the accounting policies and methods of computation adopted in its preparation are the same as those applied in the preparation of the financial statements of the Company for the year ended 31 December 2017 except for valuation of available for sale investment and recognition criteria of premium due to adaption of Insurance Accounting Regulations 2017 (the Regulations). Other changes issued by The SECP vide SRO 88 dated 09 February, 2017 are not considered material to these condensed interim financial information.

### 3.1 Available for sale investments

The SEC (Insurance) Rules 2002 (repealed) 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. Hence subsequent to initial recognition the available for sale investments were stated at the lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary).

Furthermore, investments in equity instruments that do not have a quoted price in an active market are measured at cost.

During the current period, the adoption of The Regulation required every insurer to comply with applicable International Financial Reporting Standards (IFRS) for recognition and measurement of assets, liabilities, expenses and revenues.

Accordingly, the company has applied IAS-39 and available for sale investments at reporting date are measured at market value. This change has been applied retrospectively in accordance with the requirements of International Accounting Standard-8 'Accounting Policies, Change in Account-



# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

ing Estimates and Errors" and comparatives have been restated to confirm to the changed accounting policy.

Accordingly, retrospectively adjustments have been made in these condensed interim financial statements and comparatives have been revised as follows:

<b>December 31, 2017 (Audited)</b>			
	<b>Balance previously reported</b>	<b>Adjustment</b>	<b>Balance restated</b>
	(Rupees in `000)		
<b>Investment</b>			
Equity securities	1,076,826	(138,736)	938,090
Mutual Fund	32,756	20,677	53,433
Reserves	1,016,526	(271)	1,016,255
Accumulated loss	(388,467)	(118,330)	(506,797)
Total assets from Window Takaful Operations - OPF	96,138	(542)	95,596

<b>December 31, 2016 (Audited)</b>			
	<b>Balance previously reported</b>	<b>Adjustment</b>	<b>Balance restated</b>
	(Rupees in `000)		
<b>Investment</b>			
Equity securities	875,780	124,755	1,000,535
Mutual Fund	29,524	21,733	51,257
Reserves	1,104,283	168,358	1,272,641
Accumulated loss	(280,102)	(12,332)	(292,434)
Total assets from Window Takaful Operations - OPF	80,304	9,538	89,842

## 3.2 Premium

The Insurance Accounting Regulations, 2017 remodel the recognition criteria for the premium written under an Insurance Policy. The said regulations require the Company to recognize premium receivable under an Insurance policy/cover note as written from the date of attachment of risk to the policy / covernote. Accordingly, the Company is required to account for cover notes which are effective as at balance sheet date. As per repealed SEC (Insurance) Rules, 2002, the premium

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# Notes To The Condensed Interim Financial Information (Unaudited)

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For the half year ended  
June 30, 2018

was written under an insurance policy at the time of its issuance. The change is considered to be a change in accounting policy in accordance with IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors". The impact of the same is not considered to be material to the condensed interim financial information and accordingly not included in the comparative restated financial information.

- 3.3** Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the company's operation and do not have any impact on the accounting policies of the company.

## **4 ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by 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, 2017 except in cases enumerated above.

## **5 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, 2017.

## **6 PREMIUM DEFICIENCY RESERVE**

No provision has been made as the unearned premium reserve for each class of business as at June 30, 2018 is considered adequate to meet the expected liability after reinsurance, for claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

## 7. PROPERTY AND EQUIPMENT

	Note	Unaudited June 30, 2018	Audited December 31, 2017
(Rupees in '000)			
Operating assets	7.1	223,139	232,348
Capital work in progress		26,109	26,109
		<b>249,248</b>	<b>258,457</b>
<b>7.1 OPERATING ASSETS</b>			
Opening balance - Net book value		232,348	249,678
Additions during the period		137	6,208
		<b>232,485</b>	<b>255,886</b>
Less:			
Book value of disposals during the period		2,561	21,584
Depreciation charged during the period		6,785	1,954
		<b>(9,346)</b>	<b>(23,538)</b>
		<b>223,139</b>	<b>232,348</b>

## 8. Intangible Assets

Opening Balance - Net Book Value	5,007	6,718
Additions During the Period	681	671
	<b>5,688</b>	<b>7,389</b>
Less:		
Book Value of Disposals during the Period	-	-
Depreciation/Amortization Charged during the Period	792	2,382
	<b>(792)</b>	<b>(2,382)</b>
	<b>4,896</b>	<b>5,007</b>

## 9. INVESTMENTS IN EQUITY SECURITIES - AVAILABLE FOR SALE

### Related Parties

Listed shares (Carrying cost of Rs. 156.389 million)	227,250	200,481
Unlisted shares	118,983	118,983
	<b>346,233</b>	<b>319,464</b>

### Others

Listed shares (Carrying cost of Rs. 559.028 million)	527,458	618,626
Mutual funds (Carrying cost of Rs. 22.243 million )	37,220	53,433
	<b>564,678</b>	<b>672,059</b>
	<b>910,911</b>	<b>991,523</b>

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

## 10. LOANS AND OTHER RECEIVABLES

	Note	Unaudited June 30, 2018	Audited December 31, 2017
(Rupees in '000)			
Accrued investment income		11,124	6,294
Loan to employees		311	-
Deposits	10.1	51,826	52,753
Investment proceeds receivable		4,326	-
Other receivables		10,155	10,756
		<b>77,742</b>	<b>69,803</b>

**10.1** These include Rs. 24 million (2017: 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.

## 11. INSURANCE / REINSURANCE RECEIVABLES

Premium due but unpaid	486,238	538,117
Less: Provision for impairment of receivables from insurance contract holder	(119,759)	(117,858)
	<b>366,479</b>	<b>420,259</b>
Amounts due from other insurers / re-insurers	201,247	264,554
Less: Provision for impairment of receivables from other insurers / re-insurers	(21,543)	(19,642)
	<b>179,704</b>	<b>244,912</b>
	<b>546,183</b>	<b>665,171</b>

## 12. PREPAYMENTS

Prepaid reinsurance premium ceded	96,610	201,185
Other prepaid expense	5,140	754
	<b>101,750</b>	<b>201,939</b>

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

## 13. BORROWINGS

	Note	Unaudited June 30, 2018	Audited December 31, 2017
		(Rupees in `000)	
Not later than one year		2,568	3,923
Later than one year and not later than five year		1,047	1,614
		<u>3,615</u>	<u>5,537</u>

## 14. INSURANCE / REINSURANCE PAYABLES

Due to other insurers / reinsurers	<b>148,021</b>	<b>233,261</b>
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## 15. OTHER CREDITORS AND ACCRUALS

Agents' commission payable		229,677	243,282
Federal excise duty & sales tax		20,928	23,857
Federal insurance fee		76	211
Accrued expenses		11,021	11,021
Unclaimed dividend		26,166	26,166
Deposits and margins		-	4,803
Payable against investments		3,447	24,031
Others	15.1	36,550	48,904
		<b>327,865</b>	<b>382,275</b>

**15.1** This includes provision for rent amounting to Rs 14 million (2017: 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.

## 16. CONTINGENCIES AND COMMITMENTS

**16.1** Contingencies are same as disclosed in the annual financial statement for the year ended December 31, 2017.

<b>16.2</b> Commitments for capital expenditure	<b>15,038</b>	<b>15,038</b>
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# Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter & half year ended June 30, 2018

## 17. NET INSURANCE PREMIUM

	Quarter ended Unaudited		Half year ended Unaudited	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees in '000)			
Written gross premium	72,238	142,834	190,107	311,955
Add: Unearned premium reserve opening	312,991	400,584	389,884	509,562
Less: Unearned premium reserve closing	(198,896)	(280,340)	(198,896)	(280,340)
Premium earned	<b>186,333</b>	<b>263,078</b>	<b>381,095</b>	<b>541,177</b>
Less: Reinsurance premium ceded	72,831	75,622	104,731	146,104
Add: Prepaid reinsurance premium opening	151,352	153,627	201,185	213,886
Less: Prepaid reinsurance premium closing	(96,610)	(105,388)	(96,610)	(105,388)
Reinsurance expense	<b>127,573</b>	<b>123,861</b>	<b>209,306</b>	<b>254,602</b>
	<b>58,760</b>	<b>139,217</b>	<b>171,789</b>	<b>286,575</b>

## 18. NET INSURANCE CLAIMS EXPENSE

Claims Paid	81,424	144,667	326,159	324,182
Add: Outstanding claims including IBNR closing	1,068,184	1,089,802	1,068,184	1,089,802
Less: Outstanding claims including IBNR opening	(1,075,775)	(1,102,979)	(1,221,416)	(1,161,637)
Claims expense	<b>73,833</b>	<b>131,490</b>	<b>172,927</b>	<b>252,347</b>
Less: Reinsurance and other recoveries received	39,759	37,301	201,616	116,773
Less: Reinsurance and other recoveries in respect of outstanding claims opening	(745,921)	(749,768)	(864,119)	(786,215)
Add: Reinsurance and other recoveries in respect of outstanding claims closing	727,727	760,564	727,727	760,564
Reinsurance and other recoveries revenue	<b>21,565</b>	<b>48,097</b>	<b>65,224</b>	<b>91,122</b>
	<b>52,268</b>	<b>83,393</b>	<b>107,703</b>	<b>161,225</b>

# Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter & half year ended June 30, 2018

## 19. NET COMMISSION EXPENSE AND OTHER ACQUISITION COST

	Quarter ended Unaudited		Half year ended Unaudited	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees in '000)			
Commission paid or payable	8,334	21,415	25,334	47,349
Add: Deferred commission expense opening	40,973	66,862	50,501	86,921
Less: Deferred commission expense closing	(24,037)	(43,965)	(24,037)	(43,965)
Commission expense	<b>25,270</b>	<b>44,312</b>	<b>51,798</b>	<b>90,305</b>
Less: Commission received or recoverable	5,525	(609)	13,664	23,207
Add: Unearned reinsurance commission opening	24,755	29,502	33,363	42,155
Less: Unearned reinsurance commission closing	(14,455)	(19,896)	(14,455)	(19,896)
Commission from reinsurers	<b>15,825</b>	<b>8,997</b>	<b>32,572</b>	<b>45,466</b>
	<b>9,445</b>	<b>35,315</b>	<b>19,226</b>	<b>44,839</b>

## 20. INVESTMENT INCOME

Income from bank deposits	193	1,567	620	5,034
Income from equity securities - Dividend income	7,459	10,506	12,178	17,153
Net realised gain / (loss) on investment - AFS	14,905	33,074	22,471	69,305
Total investment income	<b>22,557</b>	<b>45,147</b>	<b>35,269</b>	<b>91,492</b>
less: Impairment in value of available for sale securities	(38,823)	-	(38,823)	-
less: Investment related expenses	(957)	(774)	(1,983)	(1,603)
	<b>(17,223)</b>	<b>44,373</b>	<b>(5,537)</b>	<b>89,889</b>

## 21. OTHER INCOME

Gain on disposal of fixed assets	1,219	1,927	2,267	3,658
Recovery of receivables balances previously written off	19,295	-	19,295	-
Other income	525	107	875	155
	<b>1,744</b>	<b>2,034</b>	<b>22,437</b>	<b>3,813</b>

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

## 22. EARNING PER SHARE - basic and diluted

	Unaudited June 30, 2018	Unaudited June 30, 2017 Restated
(Loss) / Profit after tax for the period (Rupees in '000')	<b>(93,833)</b>	<b>3,747</b>
Weighted average number of shares	<b>50,565,044</b>	<b>50,565,044</b>
Basic earnings per share of Rs 10 each – Rupees	<b>(1.86)</b>	<b>0.07</b>

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

## 23. 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:

	Unaudited June 30, 2018	Unaudited June 30, 2017 (Rupees in '000)
<b>Associated undertakings</b>		
Premium written	<b>37,125</b>	32,700
Claims paid	<b>31,090</b>	5,077
Commission paid	<b>1,476</b>	6,127
<b>Others</b>		
Premium written	<b>20</b>	8
Meeting fees	<b>720</b>	642
Remuneration and retirement benefits to key personnel	<b>46,978</b>	61,905



# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

	Unaudited June 30, 2018	Audited December, 2017
	(Rupees in '000)	
<b>Period-end balances</b>		
Associated undertakings		
Claims outstanding	<b>76,183</b>	54,636
Premium receivable	<b>165,315</b>	160,221
<b>Others</b>		
Claims outstanding	<b>53</b>	15
Premium receivable	<b>655</b>	588

## 24. SEGMENT REPORTING

	Fire and property damages		Marine, aviation & transport		Motor		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	June 2018	June 2017
Premium Written (inclusive of Federal Excise Duty, Federal Insurance Fee, and Administrative Surcharge)	83,871	121,338	36,819	60,596	74,571	125,998	23,278	52,988	218,539	360,920
Less : Federal Excise Duty	10,898	15,841	5,046	8,598	9,361	16,482	1,244	4,929	26,549	45,850
Less : Federal Insurance Fee	711	1,037	315	516	641	711	216	851	1,883	3,115
Gross written Premium (inclusive of Administrative Surcharge)	<b>72,262</b>	<b>104,460</b>	<b>31,458</b>	<b>51,482</b>	<b>64,569</b>	<b>108,805</b>	<b>21,818</b>	<b>47,208</b>	<b>190,107</b>	<b>311,955</b>
Gross Premium Direct	70,312	102,185	30,154	49,423	62,473	105,979	21,437	46,624	184,376	305,570
Facultative Premium	1,459	1,359	-	-	556	-	88	-	2,103	-
Admin Surcharge	491	916	1,304	2,059	1,540	2,826	293	584	3,628	6,385
	<b>72,262</b>	<b>104,460</b>	<b>31,458</b>	<b>51,482</b>	<b>64,569</b>	<b>108,805</b>	<b>21,818</b>	<b>47,208</b>	<b>190,107</b>	<b>311,955</b>
Gross written premium (inclusive of Administrative Surcharges)	<b>72,262</b>	<b>104,460</b>	<b>31,458</b>	<b>51,482</b>	<b>64,569</b>	<b>108,805</b>	<b>21,818</b>	<b>47,208</b>	<b>190,107</b>	<b>311,955</b>
Insurance premium earned	162,476	224,473	34,082	51,691	103,504	152,491	81,033	112,522	381,095	541,177
Insurance premium ceded to reinsurers	(125,282)	(184,918)	(16,886)	(28,266)	(635)	(1,601)	(66,503)	(39,817)	(209,306)	(254,602)
Net Insurance premium	<b>37,194</b>	<b>39,555</b>	<b>17,196</b>	<b>23,425</b>	<b>102,869</b>	<b>150,890</b>	<b>14,530</b>	<b>72,705</b>	<b>171,789</b>	<b>286,575</b>
Commission income	<b>22,290</b>	<b>32,180</b>	<b>2,951</b>	<b>5,010</b>	<b>(20)</b>	<b>89</b>	<b>7,351</b>	<b>8,187</b>	<b>32,572</b>	<b>45,466</b>
Net underwriting income	<b>59,484</b>	<b>71,735</b>	<b>20,147</b>	<b>28,435</b>	<b>102,849</b>	<b>150,979</b>	<b>21,881</b>	<b>80,892</b>	<b>204,361</b>	<b>332,041</b>

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

	Fire and property damages		Marine, aviation & transport		Motor		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	June 2018	June 2017
Insurance claims	(30,430)	(44,504)	(17,887)	(13,290)	(55,256)	(76,471)	(69,354)	(118,082)	(172,927)	(252,347)
Insurance claims recovered from reinsurers	21,534	23,894	11,725	10,003	(12)	242	31,978	56,983	65,224	91,122
Net claims	(8,896)	(20,610)	(6,163)	(3,287)	(55,268)	(76,229)	(37,376)	(61,099)	(107,703)	(161,225)
Commission Expense	(27,867)	(42,578)	(6,411)	(10,125)	(11,808)	(18,195)	(5,712)	(19,407)	(19,226)	(44,839)
Management Expense	(37,623)	(41,061)	(16,462)	(20,237)	(33,789)	(42,769)	(11,419)	(18,556)	(99,293)	(122,623)
Net Insurance Claim & Expense	<b>(74,386)</b>	<b>(104,249)</b>	<b>(29,036)</b>	<b>(33,649)</b>	<b>(100,865)</b>	<b>(137,193)</b>	<b>(54,507)</b>	<b>(99,062)</b>	<b>(226,222)</b>	<b>(328,687)</b>
Underwriting Result	<b>(14,902)</b>	<b>(32,514)</b>	<b>(8,888)</b>	<b>(5,214)</b>	<b>1,984</b>	<b>13,786</b>	<b>(32,627)</b>	<b>(18,170)</b>	<b>(54,433)</b>	<b>(42,112)</b>
Net Investment Income									(5,537)	89,889
Rental Income									275	-
Other Income									22,437	3,813
Other Expense									(41,856)	(47,968)
Result of Operating Activity									<b>(79,114)</b>	3,622
Finance charge									(191)	-
Profit / (loss) before tax from General Insurance Operations									<b>(79,305)</b>	(38,490)
Loss before tax from WTO									<b>(10,672)</b>	11,587
Profit before tax for the period									<b>(89,977)</b>	(26,903)

The following presents segments assets and liabilities as at June 30, 2018 and December 31, 2017:

<b>Segment assets - including takaful operations</b>	<b>336,936</b>	688,794	<b>155,777</b>	530,338	<b>931,878</b>	195,677	<b>131,635</b>	372,617	<b>1,556,225</b>	1,787,426
<b>Unallocated corporate assets</b>									<b>1,273,853</b>	1,595,588
<b>Consolidated total assets</b>									<b>2,830,078</b>	3,383,014
<b>Segment liabilities</b>	<b>309,511</b>	575,646	<b>143,097</b>	469,606	<b>856,028</b>	222,470	<b>120,920</b>	610,202	<b>1,429,556</b>	1,877,924
<b>Unallocated corporate liabilities</b>									<b>425,109</b>	489,982
<b>Consolidated total liabilities</b>									<b>1,854,665</b>	2,367,906

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# Notes To The Condensed Interim Financial Information (Unaudited)

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For the half year ended  
June 30, 2018

## 25 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on August 20, 2018 by the directors of the Company.

## 26 GENERAL

All amounts have been rounded to the nearest thousand Rupees.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer



## **Financial Statements (Window Takaful)**

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# **Independent Auditor's Review Report To the Members of Premier Insurance Limited Window Takaful Operations**

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## **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Premier Insurance Limited – Window Takaful Operations as at June 30, 2018 and the related condensed interim profit or loss account and other comprehensive income, condensed interim statement of funds in equity, condensed interim statement of cash flows, and notes to the interim financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

## **Scope of Review**

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

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.

## **Chartered Accountants**

Place: Karachi

Date: August 30, 2018

# Condensed Interim Statement of Financial Position

As at  
June 30, 2018

			Unaudited June 30, 2018		(Restated) Audited December 31, 2017
	Note	Operator's Fund (OPF)	Participants' Takaful Fund (PTF)	Aggregate	Aggregate
Rupees in `000					
<b>ASSETS</b>					
Property and equipment	7	1,100	-	1,100	1,162
Intangible assets	8	1,029	-	1,029	1,208
<b>Investments</b>	9				
Mutual Funds		41,793	10,211	52,004	51,490
Term Deposits		-	600	600	600
Loan and other receivables	10	1,699	2,840	4,539	17,594
Takaful / Retakaful receivables	11	-	79,245	79,245	85,400
Retakaful recoveries against outstanding claims		-	5,961	5,961	5,596
Salvage recoveries accrued		1,009	-	1,009	1,160
Deferred wakala fee		-	23,439	23,439	30,886
Deferred commission expense		4,478	-	4,478	6,469
Prepayments	12	685	3,140	3,825	7,026
Cash and bank		3,588	36,155	39,743	66,859
<b>TOTAL ASSETS</b>		<b>55,381</b>	<b>161,591</b>	<b>216,972</b>	<b>275,450</b>

# Condensed Interim Statement of Financial Position

As at  
June 30, 2018

		Unaudited June 30, 2018	(Restated) Audited December 31, 2017
Note	Operator's Fund (OPF)	Participants' Takaful Fund (PTF)	Aggregate
			Aggregate
			Rupees in '000
<b>EQUITY AND LIABILITIES</b>			
<b>Operator's fund</b>			
	50,000	-	50,000
Statutory fund			50,000
Qard-e-hasna contributed to PTF	(23,020)	-	(23,020)
Revaluation reserves	(129)	-	(129)
Accumulated loss	(37,356)	-	(37,356)
	<b>(10,505)</b>	<b>-</b>	<b>(10,505)</b>
<b>Waqf / Participants' takaful fund</b>			
	-	500	500
Ceded money			500
Qard-e-hasna contributed by OPF	-	23,020	23,020
Revaluation reserves	-	101	101
Accumulated deficit	-	(23,514)	(23,514)
	<b>-</b>	<b>107</b>	<b>107</b>
<b>LIABILITIES</b>			
<b>PTF Underwriting provisions</b>			
	-	50,860	50,860
Outstanding claims including IBNR			52,949
Unearned contribution reserve	-	66,969	66,969
Unearned retakaful rebate		637	637
Unearned wakala fees	23,439	-	23,439
Takaful / Retakaful payables	13	36,026	36,026
Other creditors and accruals	14	42,447	49,439
	<b>65,886</b>	<b>161,484</b>	<b>227,370</b>
	<b>65,886</b>	<b>161,484</b>	<b>275,285</b>
<b>TOTAL FUNDS AND LIABILITIES</b>			
	<b>55,381</b>	<b>161,591</b>	<b>216,972</b>
	<b>55,381</b>	<b>161,591</b>	<b>275,450</b>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

# Condensed Interim Profit and Loss Account (Unaudited)

For the quarter and half year ended June 30, 2018

		Quarter ended Unaudited		Half year ended Unaudited	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
		(Restated)		(Restated)	
	Note	Aggregate		Aggregate	
		(Rupees in `000)			
PTF revenue accounts					
Net takaful contribution	15	32,893	37,353	69,672	74,099
Net takaful claims	16	(21,652)	(23,353)	(41,146)	(43,568)
Direct expenses		(527)	(5,865)	(3,090)	(7,551)
Re-takaful rebate	17	863	(9,393)	1,662	4,748
Wakala expense	18	(13,537)	(16,615)	(27,503)	(33,931)
		(34,853)	(55,226)	(70,077)	(80,302)
Underwriting result		1,960	(17,873)	(405)	(6,203)
Loss for the period		1,712	(17,873)	(405)	(6,203)
OPF revenue accounts					
Wakala fee		13,537	16,615	27,503	33,931
Net commission expenses and other acquisition costs	19	(3,099)	(4,666)	(6,113)	(9,834)
Management expenses		(15,858)	(7,904)	(29,632)	(18,225)
		(5,420)	4,045	(8,242)	5,872
Investment income		520	5,483	1,027	5,795
Other expenses		(2,385)	(40)	(3,457)	(80)
(Loss) / profit for the period		(7,285)	9,488	(10,672)	11,587

The annexed notes from 1 to 23 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer



# Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter and half year ended June 30, 2018

	Quarter ended Unaudited		Half year ended Unaudited	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
(Rupees in '000)				
<b>PARTICIPANTS' TAKAFUL FUND</b>				
Profit / (Loss) for the period	(1,960)	(17,873)	(405)	(6,203)
Revaluation gain on AFS securities	413	-	413	-
	<b>(1,547)</b>	<b>(17,873)</b>	<b>8</b>	<b>(6,203)</b>
<b>OPERATORS' FUND</b>				
(Loss) / profit for the period	(7,285)	9,488	(10,672)	11,587
Revaluation gain on AFS securities	101	-	101	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(7,184)</b>	<b>9,488</b>	<b>(10,571)</b>	<b>11,587</b>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Unaudited)

For the half year ended  
June 30, 2018

	Operator's Fund	Participants' Fund	2018 Aggregate	2017 Aggregate
	(Rupees in '000)			
<b>OPERATING CASH FLOWS</b>				
<b>a) Takaful activities</b>				
Contribution received	-	62,356	62,356	60,818
Re-takaful contributions paid	-	(9,174)	(9,174)	9,601
Claims paid	-	(45,502)	(45,502)	(27,450)
Re-takaful recoveries	-	3,006	3,006	442
(Commissions paid) / re-takaful rebate received	(6,270)	994	(5,276)	(4,508)
Wakala fees received	33,488	-	33,488	32,000
Wakala fees paid	-	(33,488)	(33,488)	(32,000)
Net cash generated from / (used in) underwriting activities	<b>27,218</b>	<b>(21,808)</b>	<b>5,410</b>	<b>38,903</b>
<b>b) Other operating activities</b>				
General and administration expenses paid	(32,848)	(3,090)	(35,938)	(25,856)
Other operating payments	(436)	-	(436)	328
Deposits and other receivable	(272)	(376)	(648)	-
Accrued salvage recoveries	151	-	151	(3,000)
Other liabilities and accruals	(2,254)	388	(1,866)	(1,987)
Received from Premier Insurance Limited	4,913	-	4,913	3,008
Qard-e-hasna contributions	(410)	410	-	-
Net cash used in other operating activities	<b>(31,156)</b>	<b>(2,668)</b>	<b>(33,824)</b>	<b>(27,507)</b>
<b>Total cash (used in) / generated from operating activities</b>	<b>(3,938)</b>	<b>(24,476)</b>	<b>(28,414)</b>	<b>11,396</b>
<b>INVESTMENT ACTIVITIES</b>				
Investment income received	1,298	-	1,298	5,795
Additions to fixed assets	-	-	-	-
Investments sale / (purchase)	-	-	-	(4,422)
<b>Total cash generated from / (used in) investing activities</b>	<b>1,298</b>	<b>-</b>	<b>1,298</b>	<b>1,373</b>
<b>Total cash (used in) / generated from all activities</b>	<b>(2,640)</b>	<b>(24,476)</b>	<b>(27,116)</b>	<b>12,769</b>
Cash and cash equivalents at beginning of the year	6,228	60,631	66,859	27,906
<b>Cash and cash equivalents at the end of the period</b>	<b>3,588</b>	<b>36,155</b>	<b>39,743</b>	<b>40,675</b>

# Condensed Statement of Cash Flows (Unaudited)

For the half year ended  
June 30, 2018

	Operator's Fund	Participants' Fund	2018 Aggregate	2017 Aggregate
	(Rupees in `000)			
<b>Reconciliation to profit and loss account</b>				
Operating cash flows	(3,938)	(24,476)	(28,414)	17,191
Depreciation	(241)	-	(241)	(328)
Investment income	1,027	-	1,027	-
Increase/(Decrease) in assets	(14,866)	(16,498)	(31,364)	(36,982)
(Increase)/Decrease in liabilities	6,936	40,979	47,915	25,503
Qard-e-hasna contributions	410	(410)	-	-
<b>(Loss) / profit for the period</b>	<b>(10,672)</b>	<b>(405)</b>	<b>(11,077)</b>	<b>5,384</b>
<b>Attributed to</b>				
Operators' Fund	(10,672)	-	(10,672)	11,587
Participant's Takaful Fund	-	(405)	(405)	(6,203)
	<b>(10,672)</b>	<b>(405)</b>	<b>(11,077)</b>	<b>5,384</b>
<b>Definition of cash</b>				
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:				
<b>Cash and other equivalents</b>				
Cash	15	1,559	1,574	29
<b>Current and other accounts</b>				
Current and savings accounts	3,573	34,596	38,169	40,646
<b>Total cash and cash equivalents</b>	<b>3,588</b>	<b>36,155</b>	<b>39,743</b>	<b>40,675</b>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

# Condensed Interim Statement of Changes in Fund (Unaudited)

For the half year ended  
June 30, 2018

	Statutory fund	Qard-e- hasna	Operator's Fund Revaluation reserve (Rupees in '000)	Accumulated loss	Total
Balance as at January 01, 2017 (as reported previously)	50,000	(5,500)	-	(33,444)	11,056
Net effect of change in accounting policy	-	-	9,538	-	9,538
Balance as at January 01, 2017 (restated)	50,000	(5,500)	9,538	(33,444)	20,594
Profit for the period ended June 30, 2017	-	-	-	11,587	11,587
Qard-e-hasna contributed to PTF	-	(7,000)	-	-	(7,000)
<b>Balance as at June 30, 2017 (restated)</b>	<b>50,000</b>	<b>(12,500)</b>	<b>9,538</b>	<b>(21,857)</b>	<b>25,181</b>
Balance as at January 01, 2018 (as reported previously)	50,000	(22,610)	-	(26,684)	706
Net effect of change in accounting policy	-	-	(542)	-	(542)
Balance as at January 01, 2017 (restated)	50,000	(22,610)	(542)	(26,684)	164
Loss for the period ended June 30, 2018	-	-	-	(10,672)	(10,672)
Other comprehensive income	-	-	413	-	413
Qard-e-hasna contributed to PTF	-	(410)	-	-	(410)
<b>Balance as at June 30, 2018</b>	<b>50,000</b>	<b>(23,020)</b>	<b>(129)</b>	<b>(37,356)</b>	<b>(10,505)</b>

	Cede Money	Qard-e- hasna	Participants' Takaful Fund Revaluation reserve	Accumulated Deficit	Total
Balance as at January 01, 2017	500	5,500	-	(5,180)	820
Loss for the period ended June 30, 2017	-	-	-	(6,203)	(6,203)
Qard-e-hasna contributed by OPF	-	7,000	-	-	7,000
<b>Balance as at June 30, 2017</b>	<b>500</b>	<b>12,500</b>	<b>-</b>	<b>(11,383)</b>	<b>1,617</b>
Balance as at January 01, 2018	500	22,610	-	(23,109)	1
Loss for the period ended June 30, 2018	-	-	-	(405)	(405)
Other comprehensive income	-	-	101	-	101
Qard-e-hasna contributed by OPF	-	410	-	-	410
<b>Balance as at June 30, 2018</b>	<b>500</b>	<b>23,020</b>	<b>101</b>	<b>(23,514)</b>	<b>107</b>

The annexed notes from 1 to 23 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

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# Notes To The Condensed Interim Financial Information (Unaudited)

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For the half year ended  
June 30, 2018

## 1. STATUS AND NATURE OF BUSINESS

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

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 AND STATEMENT OF COMPLIANCE

The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting standard ( IAS ) 34 - ' Interim Financial Reporting as applicable in Pakistan, provisions and Directives issued under Companies Act 2017, the Insurance Ordinance 2000, Insurance Rules 2017, the Insurance Accounting Regulations 2017 and Takaful Rules 2012. In case where requirements differ the provisions of or directives issued under Companies Act 2017 the Insurance Ordinance 2000, Insurance Rules 2017 the Insurance Accounting Regulations 2017 and Takaful Rules 2012 shall prevail.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Annual Financial Statements of the Operator for the year ended 31 December 2017.

The condensed interim financial information reflect the financial position and result of operations of both OPF and PTF in a manner that the assets, liabilities, income and expenses of the OPF and PTF remain separately identifiable.

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

During the period the Companies Act, 2017 has been implemented, however there is no impact on the condensed interim financial information.

"During the period, the Company has changed format for preparation of its condensed interim financial information to comply with the requirements of the 'Insurance Rules, 2017' issued by SECP vide its S.R.O.

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# Notes To The Condensed Interim Financial Information (Unaudited)

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For the half year ended  
June 30, 2018

89(1) / 2017 dated 09 February 2017. In line with the requirements provided in the Rules, these are the first set of condensed interim financial information of the Company for the six month period ended 30 June 2018. Certain changes have been made to the presentation of the financial information which includes the following:"

- Changes in sequence of assets / liabilities in the statement of financial position.
- Discontinuation of separate statements of premium, claims, commissions, and investment income which are now presented on aggregate basis into the notes to the condensed interim financial information.
- Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented in aggregate.

Prior year figures have been reclassified / rearranged for the purpose of comparison where necessary.

The condensed interim financial information for the period ended June 30, 2018 has been prepared under historic cost basis except for the available for sale investments, that have been measured at market value.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The format for preparation of these condensed interim financial information has changed as described above but the accounting policies and methods of computation adopted in its preparation are the same as those applied in the preparation of the financial statements of the Company for the year ended 31 December 2017 except for valuation of available for sale investment and recognition criteria of premium due to adaption of Insurance Accounting Regulations 2017 (the Regulations). Other changes issued by The SECP vide SRO 88 dated 9 February, 2017 are not considered material to these condensed interim financial information.

### 3.1 Available for sale investments

The SEC (Insurance) Rules 2002 (repealed) 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. Hence subsequent to initial recognition the available for sale investments were stated at the lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary).

Furthermore, investments in equity instruments that do not have a quoted price in an active market are measured at cost.

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

During the current period, the adoption of The Regulation required every insurer to comply with applicable International Financial Reporting Standards (IFRS) for recognition and measurement of assets, liabilities, expenses and revenues.

Accordingly, the company has applied IAS-39 and available for sale investments at reporting date are measured at market value. This change has been applied retrospectively in accordance with the requirements of International Accounting Standard-8 'Accounting Policies, Change in Accounting Estimates and Errors' and comparatives have been restated to confirm to the changed accounting policy.

Accordingly, retrospectively adjustments have been made in these condensed interim financial statements and comparatives have been revised as follows:

OPF	December 31, 2017 (Audited)		
	Balance previously reported	Adjustment	Balance restated
	(Rupees in `000)		
<b>Investment</b>			
Mutual fund	41,922	(542)	41,380
Revaluation reserves	-	(542)	(542)
	December 31, 2016 (Audited)		
	Balance previously reported	Adjustment	Balance restated
	(Rupees in `000)		
<b>Investment</b>			
Mutual fund	48,342	9,538	57,880
Revaluation reserves	-	9,538	9,538

## 3.2 Contribution

The Insurance Accounting Regulations, 2017 remodel the recognition criteria for the contribution written under a Insurance Policy. The said regulations require the Company to recognize premium receivable under a participant policy/cover note as written from the date of attachment of risk to the policy/covernote. Accordingly, the Company is required to account for cover notes which are effective as at reporting date. As per repealed SEC(Insurance) Rules, 2002, the premium was writ-

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# Notes To The Condensed Interim Financial Information (Unaudited)

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For the half year ended  
June 30, 2018

ten under a takaful policy at the time of its issuance. The change is considered to be a change in accounting policy in accordance with IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors". The impact of the same is not considered to be material to the financial statements and accordingly not included in the comparative restated financial information.

- 3.3** Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the company's operation and do not have any impact on the accounting policies of the company.

## **4. ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim financial information are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial information, the significant judgments made by 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 31 December 2017.

## **5. 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, 2017.

## **6. CONTRIBUTION DEFICIENCY RESERVE**

No provision has been made as the unearned contribution reserve for each class of business as at June 30, 2018 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



# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

		Unaudited June 30, 2018		Audited 2017 December 31, 2017
		OPF	PTF	Aggregate
		(Rupees in `000)		
<b>7. PROPERTY AND EQUIPMENT</b>				
Net Book Value as at Jan 01, 2018		1,162	-	1,162
less: Depreciation charged during the period		(62)	-	(62)
		<b>1,100</b>	<b>-</b>	<b>1,100</b>
<b>8. INTANGIBLE ASSETS</b>				
Net Book Value as at Jan 01, 2018		1,208	-	1,208
less: Amortization charged during the period		(179)	-	(179)
		<b>1,029</b>	<b>-</b>	<b>1,029</b>

			Unaudited June 30, 2018		(Restated) Audited 2017 December 31, 2017
	Note		OPF	PTF	Aggregate
			(Rupees in `000)		
<b>9. INVESTMENTS</b>					
Investment in mutual funds	9.1	41,793	10,211	52,004	51,490
Investment in term deposit	9.2	-	600	600	600
		<b>41,793</b>	<b>10,811</b>	<b>52,604</b>	<b>52,090</b>

## 9.1 INVESTMENTS IN MUTUAL FUNDS

### Available for sale

### Mutual funds (unit trusts) - NAFA Islamic Asset Allocation Fund

	Number of units			Unaudited 2018	(Restated) Audited 2017
	2018	2017		(Rupees in `000)	
OPF	2,694,127	2,694,127	Carrying cost Rs. 41.922 million (2017: Rs 41.922 million)	41,793	41,380
PTF	658,200	658,200	Carrying cost Rs. 10.11 million (2017: 10.11)	10,211	10,110

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

- 9.2** The investment represent a term deposit of Rs 600,000 (2017: 600,000) with Meezan Bank having profit at the rate of 4.25% p.a.

	Unaudited June 30, 2018			Audited 2017 December 31, 2017
	OPF	PTF	Aggregate	Aggregate
	(Rupees in `000)			
<b>10. LOAN AND OTHER RECEIVABLES</b>				
Accrued profit	-	-	-	271
Federal excise duty	30	2,840	2,870	2,222
Wakala fee receivable	1,669	-	1,669	15,101
	<b>1,699</b>	<b>2,840</b>	<b>4,539</b>	<b>17,594</b>
<b>11. TAKAFUL / RETAKAFUL RECEIVABLES</b>				
Contribution due but unpaid	-	21,700	21,700	26,751
Due from other takaful / retakaful operators	-	57,545	57,545	58,649
	<b>-</b>	<b>79,245</b>	<b>79,245</b>	<b>85,400</b>
<b>12. PREPAYMENTS</b>				
Prepaid reinsurance premium ceded	-	3,140	3,140	6,777
Other prepaid expense	685	-	685	249
	<b>685</b>	<b>3,140</b>	<b>3,825</b>	<b>7,026</b>
<b>13. TAKAFUL / RETAKAFUL PAYABLES</b>				
Due to other takaful / retakaful operators	-	36,026	36,026	39,928
	<b>-</b>	<b>36,026</b>	<b>36,026</b>	<b>39,928</b>
<b>14. OTHER CREDITORS AND ACCRUALS</b>				
Agents' commission payable	7,739	-	7,739	9,887
Sales tax on services	-	5,305	5,305	4,911
Federal insurance fee	-	18	18	24
Payable to Premier Insurance Limited	34,501	-	34,501	29,588
Wakala fee payable	-	1,669	1,669	15,101
Auditors fee	174	-	174	196
Others	33	-	33	2,265
	<b>42,447</b>	<b>6,992</b>	<b>49,439</b>	<b>61,972</b>

# Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter & half year  
ended June 30, 2018

	Quarter ended Unaudited		Half year ended Unaudited	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees in '000)			
<b>15. NET TAKAFUL CONTRIBUTION</b>				
Written gross contribution	27,622	26,708	57,305	61,668
Add: Unearned contribution reserve opening	78,026	88,116	88,245	102,612
Less: Unearned contribution reserve closing	(66,969)	(67,376)	(66,969)	(67,376)
Contribution earned	38,679	47,448	78,581	96,904
Less: Re-takaful Contribution ceded	3,752	2,715	5,272	7,486
Add: Prepaid re-takaful contribution opening	5,174	14,965	6,777	22,904
Less: Prepaid re-takaful contribution closing	(3,140)	(7,585)	(3,140)	(7,585)
Re-takaful expense	5,786	10,095	8,909	22,805
<b>Net contribution revenue</b>	<b>32,893</b>	<b>37,353</b>	<b>69,672</b>	<b>74,099</b>
<b>16. NET TAKAFUL CLAIMS EXPENSE</b>				
Claims paid	26,350	13,444	45,502	27,450
Add: Outstanding claims including IBNR closing	50,860	42,385	50,860	42,385
Less: Outstanding claims including IBNR opening	(55,127)	(30,687)	(52,949)	(24,051)
Claims expense	22,083	25,142	43,413	45,784
Less: Re-takaful and other recoveries received	1,134	51	1,902	442
Add: Re-takaful and other recoveries in respect of outstanding claims closing	5,961	4,651	5,961	4,651
Less: Re-takaful and other recoveries in respect of outstanding claims opening	(6,664)	(2,913)	(5,596)	(2,877)
Re-takaful and other recoveries revenue	431	1,789	2,267	2,216
<b>Net Takaful claims expense</b>	<b>21,652</b>	<b>23,353</b>	<b>41,146</b>	<b>43,568</b>

# Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter & half year ended June 30, 2018

	Quarter ended Unaudited		Half year ended Unaudited	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees in '000)			
<b>17. REBATE FROM RETAKAFUL OPERATIONS</b>				
Less: Rebate from re-takaful	538	(10,945)	994	1,764
Add: Deferred rebate opening	962	3,224	1,305	4,656
Less: Deferred rebate closing	(637)	(1,672)	(637)	(1,672)
<b>Rebate from re-takaful operations</b>	<b>863</b>	<b>(9,393)</b>	<b>1,662</b>	<b>4,748</b>
<b>18. WAKALA EXPENSE</b>				
Gross wakala fee	9,667	9,348	20,056	21,584
Add: Deferred wakala opening	27,309	30,859	30,886	35,939
Less: Deferred wakala closing	(23,439)	(23,592)	(23,439)	(23,592)
<b>Wakala expense</b>	<b>13,537</b>	<b>16,615</b>	<b>27,503</b>	<b>33,931</b>
<b>19. COMMISSION EXPENSE</b>				
Commission paid or payable	1,881	2,143	4,122	4,957
Add: Deferred commission opening	5,696	8,280	6,469	10,634
Less: Deferred commission closing	(4,478)	(5,757)	(4,478)	(5,757)
<b>Commission expense</b>	<b>3,099</b>	<b>4,666</b>	<b>6,113</b>	<b>9,834</b>

## 20. SEGMENT REPORTING

	Fire and property damages		Marine, aviation & transport		Motor		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	June 2018	June 2017
Contribution written (inclusive of federal excise duty, federal insurance fee, and administrative surcharge)	1,427	4,023	4,204	4,373	57,272	57,261	2,689	5,218	65,592	70,875
Less : Federal excise duty	200	690	643	681	6,856	7,041	16	180	7,716	8,592
Less : Federal insurance fee	12	1	35	36	498	496	26	82	571	615
Gross written contribution (inclusive of administrative surcharge)	1,215	3,332	3,526	3,656	49,918	49,724	2,647	4,956	57,305	61,668
Gross contribution direct	1,120	3,281	3,366	3,477	47,968	47,923	2,632	4,916	55,086	59,597
Facultative contribution	68			21	76	118	-		144	139
Admin surcharge	27	51	160	158	1,874	1,683	15	40	2,075	1,932
	1,215	3,332	3,526	3,656	49,918	49,724	2,647	4,956	57,305	61,668

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

	Fire and property damages		Marine, aviation & transport		Motor		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	June 2018	June 2017
Gross written contribution (inclusive of Administrative Surcharges)	1,215	3,332	3,526	3,656	49,918	49,724	2,647	4,956	57,305	61,668
Takaful contribution earned	4,395	16,359	3,335	4,229	61,858	66,681	8,993	9,635	78,581	96,904
Re-takaful expense	(3,706)	(15,083)	(2,722)	(3,665)	(1,209)	(1,810)	(1,271)	(2,247)	(8,909)	(22,805)
Net takaful contribution	688	1,276	613	564	60,649	64,871	7,722	7,388	69,672	74,099
Rebate earned	856	3,308	626	890	20	120	159	430	1,662	4,748
Operation income	1,545	4,584	1,239	1,454	60,669	64,991	7,881	7,818	71,334	78,847
Claim expense	(758)	(665)	(2,125)	(1,567)	(30,757)	(33,171)	(9,773)	(10,381)	(43,413)	(45,784)
Re-takaful & other recoveries revenue	682	598	1,950	1,410	-	57	(365)	151	2,267	2,216
Net claims	(76)	(67)	(175)	(157)	(30,757)	(33,114)	(10,138)	(10,230)	(41,146)	(43,568)
Wakala expense	(1,538)	(5,730)	(1,168)	(1,481)	(21,650)	(23,339)	(3,147)	(3,381)	(27,503)	(33,931)
Direct expense	(66)	(408)	(190)	(448)	(2,693)	(6,088)	(141)	(607)	(3,090)	(7,551)
Net takaful claim & expense	(1,680)	(6,205)	(1,533)	(2,086)	(55,100)	(62,541)	(13,426)	(14,218)	(71,739)	(85,050)
Surplus/(deficit) before investment income	(135)	(1,621)	(294)	(632)	5,569	2,450	(5,545)	(6,400)	(405)	(6,203)
Net investment income									-	-
Deficit for the period									(405)	(6,203)
<b>Operator's Fund</b>										
Wakala fee income	1,538	5,730	1,168	1,481	21,650	23,339	3,147	3,381	27,503	33,931
Commission expense	(861)	(3,110)	(627)	(739)	(3,799)	(5,162)	(826)	(823)	(6,113)	(9,834)
Management expense	(51)	(989)	(2,451)	(1,085)	(23,401)	(14,680)	(3,727)	(1,471)	(29,632)	(18,225)
									(8,242)	5,872
Investment income									1,027	5,795
Other expense									(3,457)	(80)
(Loss) / profit before taxation									(10,672)	11,587
The following presents segments assets and liabilities as at June 30, 2018 and December 31, 2017:										
<b>Segment assets</b>	5,873	11,699	9,370	11,089	93,185	71,274	8,845	15,185	117,272	109,247
<b>Unallocated assets</b>									99,700	166,745
									216,972	275,992
<b>Segment liabilities</b>	5,412	9,823	8,693	5,481	143,633	139,167	20,194	27,955	177,931	182,426
<b>Unallocated liabilities</b>									49,439	92,859
									227,370	275,285

# Notes To The Condensed Interim Financial Information (Unaudited)

For the half year ended  
June 30, 2018

## 21. 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:

	Unaudited June 30, 2018	Unaudited June 30, 2017
<b>Transactions for the period</b>		
<b>Associated undertakings</b>		
Premium written	1,179	1,758
Claims paid	1,063	4
Commission paid	-	77
<b>Period end balances</b>		
<b>Associated undertakings</b>		
Premium receivable	2,168	1,866
Claims outstanding	1,100	1,457

## 22. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on August 20, 2018 by the Board of Directors of the Company.

## 23. GENERAL

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer



## Branch Network

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# Conventional Branches

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## Karachi

### Head Office

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

Phone: 021-32416331-4

Fax: 021-32416572

### CSD South Karachi

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

Phone: 021-32416331-4

Fax: 021-32416572

### Clifton Branch

Office # 401, 4th Floor Clifton Centre, Kehkhashan,  
Block-5, Clifton, Karachi.

Phone: 021-35293383-5

Fax: 021-35293386

## Lahore

### Zonal Office

162 Shadman II Lahore.

Phone: 042-35407001-5

Fax: 042-35407006

### CSD North Lahore

162 Shadman II Lahore.

Phone: 042-35407001-5

Fax: 042-35407006

### Canal Branch

162 Shadman II Lahore.

Phone: 042-35407001-5

Fax: 042-35407006

### Mall Branch

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

Phone: 042-37324262 | 37230602-03

Fax: 042-37235557

### Multan Branch

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

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

### **Gujrawala Branch**

Block - L, Trust Plaza, G.T Road, Gujranwala.

Phone: 055-3859719-20

Fax: 055-3256432

### **Regency Branch Faisalabad**

1st Floor Regency Arcade, 949-Mall Road, Faisalabad.

Phone: 041-2632211-3

Fax: 041-2617802

### **Peshawar Branch**

1081/A, Rehman Building, Saddar Road, Peshawar Cantt.

Phone: 091-5273757

Fax: 091-5277809

### **Chenab Branch Faisalabad**

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

Phone: 041-8503541-42

Fax: 041-8503543

### **Quetta Branch**

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

Phone: 081-2842883

Fax: 081-2821383

### **Sialkot Branch**

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

Phone: 052-3572192-93

Fax: 052-3572194



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