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Premier Insurance Limited

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بمیشہ کالتہ

Interim Financial Statements for the
quarter ended March 31, 2019 (Unaudited)



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Company Information

Board of Directors

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

Chief Executive Officer

Zahid Bashir

Chief Financial Officer

Amjed Bahadur Ali

Head of Internal Audit

Oan Ali Mustansir

Company Secretary & Head of Compliance

Zeeshan Sattar

Claim Settlement Committee

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

Audit Committee

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

Ethics, Human Resource' Remuneration & Nomination Committee

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

Investment Committee

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

Auditors

M/s. EY Ford Rhodes (Chartered Accountants)

Legal Advisors

Arfin & Company Advocates

Company Information

Underwriting Committee

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

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

Reinsurance & Co-Insurance Committee

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

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

Risk Management & Compliance Committee

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

Report of the Directors to the Members

The Directors are pleased to present the unaudited condensed interim financial statements of the Company for the three months period ended March 31, 2019.

Performance Review

	Conventional		Takaful	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees in '000) -----			
Premium / contribution written	111,296	117,869	27,195	29,683
Net Premium / contribution	55,582	113,029	34,210	36,779
Underwriting Result	(40,214)	(13,039)	5,269	1,555
Investment Income	2,146	11,686	25	507
(Loss) before taxation	(36,954)	(9,834)	(5,403)	(3,387)
(Loss) after taxation	(38,890)	(13,313)	-	-
(Loss) per share	(0.77)	(0.26)		

Company reported a decline of 5.6% in gross written premium during the three months period ended March 31, 2019. The overall claim ratio decrease by 64.4% as compared to last year and underwriting loss increased by Rs. 27 million.

Company's Window Takaful Operations reported a decline of 8.38% in gross written premium during the three months period ended March 31, 2019. The overall claim ratio decrease by 16.6% as compared to last year and underwriting profit increase by Rs. 4 million.

Your company is constantly striving to acquire new business through customization of its products to suit a wider customer base. As a result your company will regain its momentum in the future years to come. The Company has adopted prudent approach in conducting business as those businesses were not renewed during the period under review which were incurring losses regularly.

Appointment of Auditors

M/s. EY Ford Rhodes (Chartered Accountants) has been appointed as statutory auditors of the company for the next term i.e., year ending on December 31, 2019.

Acknowledgement

We would like to thank our valued customers for their continued patronage and support and to the Pakistan Reinsurance Company Limited, 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 officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

On behalf of the Board

Chairman

Karachi, Dated: April 27, 2019

CEO/Director

Report of the Directors to the Members

ممبران کے لئے ڈائریکٹران کی رپورٹ

ڈائریکٹران غیر آڈٹ شدہ اختصادی عبوری مالیاتی گوشورے برائے سہ ماہی تختہ 31 مارچ 2019 پیش کرتے ہوئے اظہار مسرت کرتے ہیں

جائزہ کارکردگی:

نکافل جائزہ		روایتی جائزہ		
31 مارچ 2018	31 مارچ 2019	31 مارچ 2018	31 مارچ 2019	
29,683	27,195	117,869	111,296	تحریری پریمیم
36,779	34,210	113,029	55,582	خالص پریمیم
1,555,269	1,555,269	(13,039)	(40,214)	بیمہ داری کے نتائج
507	25	111,686	2,146	سرمایا کاری سے حاصل ہونے والی آمدنی
(3,387)	(5,403)	(9,834)	(36,954)	منافع قبل اڈیکس
		(13,313)	(38,890)	منافع بعد ٹیکس
		(0.26)	(0.77)	فی حصص نقصان

کمپنی نے رپورٹ پیش کی کہ سہ ماہی تختہ کے دوران مجموعی تحریری پریمیم میں 5.6 فیصد کمی ہوئی۔

مجموعی طور پر دعویٰ کا تناسب 64.4 فیصد تک گھٹا / کم ہوا۔ پچھلے سال کے مقابلے میں اور پاسیداری نقصان میں 27 ملین تک اضافہ ہوا۔ کمپنی میں ونڈو نکافل آپریشن نے رپورٹ دی کہ مجموعی تحریری پریمیم میں 8.38 فیصد کمی ہوئی سہ ماہی تختہ کے دوران دعویٰ کا تناسب مجموعی طور پر 16.6 فیصد کم ہوا پچھلے سال کے مقابلے میں اور پاسیداری منافع میں 4 ملین کا اضافہ ہوا۔

نئے کاروبار کو حاصل کرنے کے لئے اور اپنی مصنوعات کو گاہک کی عین ضرورت کے مطابق بنانے کے لئے آپ کی کمپنی ہمہ وقت کوشہ ہے جس کے نتیجے میں آپ کی کمپنی آنے والے سالوں میں اپنی رفتار دوبارہ حاصل کر لے گی۔

کمپنی نے کاروبار چلانے میں محتاط نقطہ نظر اپنایا ہے چونکہ جو کاروبار زیر جائزہ مدت کے رواں تھے تجدید شدہ نہیں تھے اور باقاعدہ طور پر نقصان میں جارہے تھے۔

تعییناتی محاسب:

M/S ای وائے فور ڈیوڈ ڈیکو کمپنی کے قانونی محاسب کے طور پر تعینات کیا گیا ہے 31 دسمبر 2019 کے لئے۔

اعتراف:

ہم شکر ادا کرنا چاہیں گے اپنے محترم گاہکوں کا اسکے مسلسل حمایت اور سہارے کے لئے اور پاکستان کی دوہری بیمہ کاری کمپنی کا تحفظاتی ادارے کا اور پاکستان کے ایکٹیو کمپنی کا ادا سٹیٹ بینک آف پاکستان کا ان کے تعاون اور رہنمائی کے لئے یہ بڑے اطمینان کی بات ہے کہ ہمارے ڈائریکٹران کے لیے کہ وہ ہمارے افسران فیلڈ فورس اور اسٹاف کی کوششوں اور جدوجہد کو سراہتے ہیں جو کمپنی کی نشوونما اور اسکے آپریشن کے مسلسل کامیابی کا باعث بنے۔

منجانب چیرمین

کراچی مورخہ 27 اپریل 2019

Condensed Interim Statement of Financial Position

As at
March 31, 2019

		Unaudited March 31, 2019	Audited December 31, 2018
	Note	----- Rupees in 000 -----	
Assets			
Property and equipment	7	228,522	232,684
Intangible assets	8	3,743	4,038
Investment properties	9	266,586	266,586
Investment in equity securities	10	770,165	806,621
Investment in associates		204,828	204,828
Loans and other receivables	11	66,741	50,992
Insurance / Reinsurance receivables	12	546,990	556,605
Reinsurance recoveries against outstanding claims	21	527,310	540,560
Salvage recoveries accrued		3,040	3,080
Deferred commission expense / acquisition cost	22	22,785	27,131
Prepayments	13	129,613	116,927
Cash and bank balances	14	38,859	72,840
Total assets related to operator's fund from Window Takaful Operations (including Qard-e-Hasna)		<u>112,096</u>	<u>106,312</u>
Total Assets		<u>2,921,279</u>	<u>2,989,203</u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Share Capital		505,650	505,650
Reserves		1,130,651	1,148,897
Accumulated loss		<u>(518,303)</u>	<u>(479,415)</u>
Total Equity		<u>1,117,999</u>	<u>1,175,133</u>
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	21	896,748	923,861
Unearned premium reserves	20	234,578	249,002
Unearned reinsurance commission	22	15,047	18,362
Retirement benefit obligations		6,720	6,561
Borrowings	17	1,184	1,614
Insurance / Reinsurance payables	16	223,869	192,399
Other creditors and accruals	18	290,185	300,623
Unclaimed dividends		25,528	26,166
Taxation - provision less payment		<u>53,158</u>	<u>51,517</u>
Total Liabilities		<u>1,747,016</u>	<u>1,770,106</u>
Total liabilities related to operator's fund from Window Takaful Operations		<u>56,264</u>	<u>43,964</u>
Total Equity and Liabilities		<u>2,921,279</u>	<u>2,989,203</u>
Contingencies and commitments	19		

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Profit And Loss Account (Unaudited)

For the quarter ended
March 31, 2019

	Note	For the three months period ended	
		March 31, 2019	March 31, 2018
----- Rupees in 000 -----			
Net insurance premium	20	55,582	113,029
Net Insurance claims	21	(19,739)	(55,436)
Net Commission and other acquisition costs	22	(14,740)	(12,616)
Insurance claims and acquisition expenses		(34,478)	(68,052)
Management Expenses	23	(61,318)	(58,017)
Underwriting results		(40,214)	(13,039)
Investment income	24	2,146	11,686
Rental income		630	-
Other income	25	1,930	1,398
Other expenses	26	3,990	(6,492)
Results of operating activities		(31,518)	(6,447)
Finance costs		(33)	-
Loss before tax from window takaful operations - OPF		(5,403)	(3,387)
Loss before tax		(36,954)	(9,834)
Income tax expense		(1,936)	(3,479)
Loss after tax		(38,890)	(13,313)
Loss (after tax) per share - Rupees	27	(0.77)	(0.26)

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended
March 31, 2019

	Note	For the three months period ended	
		March 31, 2019	March 31, 2018
		----- Rupees in 000 -----	
Loss after tax		(38,890)	(13,313)
Other comprehensive income:			
Unrealized losses on available-for-sale investments		(19,080)	(9,659)
Others comprehensive Income from window takaful operations		835	-
Other comprehensive loss for the period		(18,246)	(9,659)
Total comprehensive loss for the period		<u>(57,136)</u>	<u>(22,972)</u>

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

For the quarter ended
March 31, 2019

	Share capital			Reserves				Total reserves	Total equity
	Capital reserves			Revenue reserves					
	Issued, subscribed and paid-up	Reserve for exceptional losses	Devaluation reserve	General reserve	Revaluation Reserves - Available for sale investments	Revaluation Reserves - Investment Properties	Unappropriate d profit / (accumulated loss)		
----- Rupees in 000 -----									
Balance as at January 01, 2018	505,650	19,490	185	996,501	350	-	(388,467)	628,059	1,133,709
Loss for the period ended March 31, 2018	-	-	-	-	-	-	(13,313)	(13,313)	(13,313)
Other comprehensive Loss	-	-	-	-	-	-	(9,659)	(9,659)	(9,659)
Total comprehensive loss for the period ended March 31, 2018	-	-	-	-	-	-	(22,972)	(22,972)	(22,972)
Bonus shares issued	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	505,650	19,490	185	996,501	350	-	(411,439)	605,087	1,110,737
Balance as at January 01, 2019	505,650	19,490	185	996,851	96,512	35,859	(479,413)	669,484	1,175,134
Loss for the period ended March 31, 2019	-	-	-	-	-	-	(38,890)	(38,890)	(38,890)
Other comprehensive Loss	-	-	-	-	(18,246)	-	-	(18,246)	(18,246)
Total comprehensive loss for the period ended March 31, 2019	-	-	-	-	(18,246)	-	(38,890)	(57,136)	(57,136)
Balance as at March 31, 2019	505,650	19,490	185	996,851	78,266	35,859	(518,303)	612,349	1,117,999

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Cashflows (Unaudited)

For the quarter ended
March 31, 2019

	For the three months period ended	
	March 31, 2019	March 31, 2018
	----- Rs in 000 -----	
Operating Cash flows		
a) Underwriting Activities		
Insurance premium received	122,929	158,974
Reinsurance premium paid	(14,885)	(129,539)
Claims paid	(51,884)	(244,735)
Reinsurance and other recoveries received	1,708	78,658
Commission paid	(13,620)	(23,016)
Commission received	6,315	8,140
Other acquisition costs paid	(9,611)	-
Management expenses paid	(71,930)	(48,395)
Net cash flows from underwriting activities	(30,978)	(199,913)
b) Other Operating Activities		
Income tax paid	(295)	(90)
Other operating payments	(2,625)	(16,396)
Other operating receipts	589	350
Loans advanced, deposits made and other receivables	(15,749)	(30,303)
Other Liabilities & Accruals	(7,231)	39,888
Net cash flows from other operating activities	(25,311)	(6,551)
Total Cash Outflows from Operating Activities	(56,289)	(206,464)
Investment activities		
Profit/ return received	452	5,521
Rental received	630	-
Payment for investments / investment properties	(2,901)	(59,782)
Proceeds from investments / investment properties	18,888	138,368
Fixed capital expenditure	-	-
Proceeds from sale of property, plant and equipment	5,271	3,113
Total cash flow from investing activities	22,340	87,220
Financing activities		
Interest paid	(33)	(951)
Dividends paid	-	-
Total cash flow from financing activities	(33)	(951)
Net Cash flows from all activities	(33,981)	(120,195)
Cash and cash equivalents at the beginning of the period	72,840	149,275
Cash and cash equivalents at the end of the period	38,859	29,080

Reconciliation to Profit or Loss Account

For the quarter ended
March 31, 2019

Reconciliation to Profit or Loss Account

	For the three months period ended	
	March 31, 2019	March 31, 2018
	----- Rs in 000 -----	
Operating cash flows	(56,289)	(206,464)
Depreciation expense	(2,763)	(2,900)
Financial charges expense	(33)	-
Profit on disposal of property and equipment	1,340	1,048
Profit on disposal of investments	(1,388)	11,686
Rental income	630	-
Dividend income	4,242	-
Other income	1,930	350
Loss from Window Takaful Operations	(5,403)	(3,387)
Increase/(decrease) in assets other than cash	(33,943)	(200,580)
(Increase)/decrease in liabilities other than borrowings	54,203	386,934
Loss after taxation	(38,890)	(13,313)

Definition of cash

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

Cash and other equivalents

Cash	57	137
Stamps in hand	886	1,295
	943	1,432

Current and other accounts

Current accounts	25,426	19,353
Savings accounts	12,490	8,295
	37,916	27,648

Total cash and cash equivalents

	38,859	29,080
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The annexed notes 1 to 31 form an integral part of these condensed interim financial information.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Notes to the Financial Statements

For the quarter ended
March 31, 2019

1. LEGAL 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 since 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 PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements are 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 Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000 the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 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 December 31, 2018.

Further, a separate set of condensed financial information of the General Takaful Operations has been annexed to these financial informations 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.

These condensed interim financial information for the quarter ended March 31, 2019 have been prepared under the historical cost convention, except that 'held to maturity' investments are stated at amortized cost, investment 'at fair value through profit or loss- held for trading investments' are stated at fair value, certain investments classified as available-for-sale are stated at fair value and obligations under employee benefits are measured at present 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 December 31, 2018. Other changes issued by The SECP vide SRO 88 dated February 9, 2017 are not considered material to these condensed interim financial information.

The Company has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2019.

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, 2018 except in cases enumerated above.

Notes to the Financial Statements

For the quarter ended
March 31, 2019

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 March 31, 2019 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.

	Note	Unaudited March 31, 2019	Audited December 31, 2018
----- Rupees in 000 -----			
7. PROPERTY AND EQUIPMENT			
Operating fixed assets	7.1	202,413	206,575
Capital work-in-progress		26,109	26,109
		<u>228,522</u>	<u>232,684</u>
7.1 Operating assets			
Opening Balance - Net Book Value		206,574	232,346
Add: Additions during the period		-	837
Less:			
Book value of disposals during the period		(1,693)	(13,367)
Depreciation charged during the period		(2,469)	(13,241)
		(4,161)	(26,608)
		<u>202,413</u>	<u>206,575</u>
8. INTANGIBLE ASSETS			
Operating fixed assets		4,038	5,006
Add: Additions during the period		-	680
		<u>4,038</u>	<u>5,686</u>
Less:			
Book value of disposals during the period		-	-
Amortization charged during the period		(295)	(1,648)
		(295)	(1,648)
		<u>3,743</u>	<u>4,038</u>
9. INVESTMENT PROPERTIES			
Net book value/ cost		266,586	162,243
Transfer from property plant and equipment		-	44,954
Unrealized fair value gain		-	59,389
		<u>266,586</u>	<u>266,586</u>

Notes to the Financial Statements

For the quarter ended
March 31, 2019

10. INVESTMENTS IN EQUITY SECURITIES

Cost	Unaudited March 31, 2019		Audited December 31, 2018		
	(Impairment) / Fair Value Gain/ (Loss)	Carrying Value	Cost	(Impairment) / Fair Value Gain/ (Loss)	Carrying Value

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

Available for sale

Related parties - Associated Companies

Listed shares	230,458	(13,025)	217,433	200,481	29,977	230,458
Unlisted shares	114,983	-	114,983	114,983	-	114,983

Other than related parties

Listed shares	422,872	(24,239)	398,633	618,626	(195,754)	422,872
Mutual funds	38,307	810	39,117	53,433	(15,126)	38,307
	806,620	(36,455)	770,165	987,523	(180,903)	806,620

Investments in Mutual funds amounting to Rs. 23,675 million (2018: Rs. 23,675 million) are placed as statutory deposit with State Bank of Pakistan in compliance of section 29 of Insurance Ordinance, 2000.

11. LOANS AND OTHER RECEIVABLES	Note	Unaudited	Audited
		March 31, 2019	December 31, 2018
		----- Rupees in 000 -----	
Accrued investment income		4,077	90
Loans to employees	11.1	1,756	1,638
Deposits	11.2	34,732	35,095
Advance to agents		1,999	2,835
Other receivables		24,178	11,334
		66,741	50,992
11.1	These are short term, unsecured interest free loans and advances provided to permanent employees of the company adjustable against salaries.		
11.2	These include Rs. 24 million (2017: 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.		

Notes to the Financial Statements

For the quarter ended
March 31, 2019

12. INSURANCE / REINSURANCE RECEIVABLES

Premium due but unpaid	389,474	403,333
Less: Provision for doubtful receivables from insurance contract holder	(124,331)	(123,218)
	<u>265,143</u>	<u>280,115</u>

Amounts due from other insurers / reinsurers	358,465	351,994
Less: Provision for doubtful receivables from insurers/ reinsurers	(76,618)	(75,505)
	<u>281,847</u>	<u>276,490</u>

	<u>546,990</u>	<u>556,605</u>
--	----------------	----------------

13. PREPAYMENTS

Prepaid reinsurance premium ceded	93,013	116,797
Other prepaid expense	36,600	131
	<u>129,613</u>	<u>116,927</u>

14. CASH AND BANK BALANCES

Cash and cash equivalent		
- Cash in hand	57	46
- Policy & revenue stamps, bond papers	886	856

Cash at bank	14.1	
- Current account		25,426
- Savings account		12,490
		<u>26,919</u>
		<u>38,859</u>

14.1 This includes Rs. 20 million (2018: 20 million) placed as statutory deposit with the State Bank of Pakistan in compliance with section 29 of Insurance Ordinance, 2000.

Notes to the Financial Statements

For the quarter ended
March 31, 2019

15. WINDOW TAKAFUL OPERATIONS - Operator's Fund	Note	Unaudited	Audited
		March 31, 2019	December 31, 2018
		----- Rupees In 000 -----	
ASSETS			
Property and equipment		1,015	1,040
Intangible assets		785	847
Investments		40,300	39,465
Loan and other receivables		22,677	19,100
Deferred commission expense		7,322	7,742
Prepayments		1,958	539
Cash and bank		2,019	1,559
		<u>76,076</u>	<u>70,292</u>
Qard-e-Hasna		36,020	36,020
Total Assets		<u>112,096</u>	<u>106,312</u>
Total Liabilities			
		<u>56,264</u>	<u>43,964</u>
Operator's revenue accounts			
Wakala fee		12,778	13,966
Net commission expenses and other acquisition costs		(3,263)	(3,014)
Management expenses		(14,040)	(13,774)
Investment income		25	507
Other expenses		(903)	(1,072)
(Loss) / Profit for the period		<u>(5,403)</u>	<u>(3,387)</u>
16. INSURANCE / REINSURANCE PAYABLE			
Amounts due to other insurers / reinsurers		<u>223,869</u>	<u>192,399</u>
17. BORROWINGS			
Liabilities against asset subject to finance lease		<u>1,184</u>	<u>1,614</u>
18. OTHER CREDITORS AND ACCRUALS			
Bonus payable		11,021	11,021
Commissions payable		204,390	207,597
Federal excise duty & sales tax		19,412	16,994
Federal insurance fee		195	117
Deposits and margins		6,690	6,690
Provision for sales tax		-	7,728
Provision for rent	18.1	14,000	14,000
Others		34,477	36,476
		<u>290,185</u>	<u>300,623</u>

Notes to the Financial Statements

For the quarter ended
March 31, 2019

- 18.1 This includes provision for rent amounting to Rs 14 million (2018: 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

Unaudited March 31, 2019	Audited December 31, 2018
----- Rupees in 000 -----	

19. CONTINGENCIES AND COMMITMENTS

- 19.1 Contingencies are same as disclosed in the annual financial statement for the year ended December 31, 2018.

- 19.2 Commitment for capital expenditure

<u>15,038</u>	<u>15,038</u>
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Unaudited For the three months period ended	
March 31, 2019	March 31, 2018
----- Rupees in 000 -----	

20. NET INSURANCE PREMIUM

Written Gross Premium	111,296	117,869
Add: Unearned premium reserve opening	249,002	389,884
Less: Unearned premium reserve closing	(234,578)	(312,991)
Premium Earned	<u>125,720</u>	<u>194,762</u>
Less: Reinsurance premium ceded	46,354	31,900
Add: Prepaid reinsurance premium opening	116,797	151,352
Less: Prepaid reinsurance premium closing	(93,013)	(201,185)
Reinsurance expense	<u>70,138</u>	<u>(81,733)</u>
Net Insurance Premium	<u><u>55,582</u></u>	<u><u>113,029</u></u>

21. NET INSURANCE CLAIMS

Claims Paid	51,923	244,735
Less: Outstanding claims including IBNR opening	(923,861)	(1,267,121)
Add: Outstanding claims including IBNR closing	896,748	1,075,775
Claims expense	<u>24,810</u>	<u>53,389</u>
Less: Reinsurance and other recoveries received	18,322	(83,952)
Less: Reinsurance and other recoveries received in respect of Outstanding claims opening	(540,560)	(733,104)
Add: Reinsurance and other recoveries received in respect of Outstanding claims closing	527,310	786,215
Reinsurance and other recoveries revenue	<u>5,072</u>	<u>(30,841)</u>
Net Insurance claims expense	<u><u>19,739</u></u>	<u><u>22,548</u></u>

Notes to the Financial Statements

For the quarter ended
March 31, 2019

	Unaudited For the three months period ended	
	March 31, 2019	March 31, 2018
	----- Rupees in 000 -----	
22. NET COMMISSION EXPENSE AND OTHER ACQUISITION COSTS		
Commission Paid or payable	10,413	17,000
Add: Deffered commission opening	27,131	50,501
Less: Deffered commission closing	(22,785)	(40,973)
Commission expense	14,759	26,528
Less: Commission received or recoverable from reinsurers	(12,945)	(8,139)
Add: Unearned reinsurance commission opening	18,362	24,755
Less: Unearned reinsurance commission closing	(15,047)	(33,363)
Commission from reinsurance	(9,630)	(16,747)
Net Commission expense	5,128	9,781
Add: Other Acquisition Costs		
Tracking device expenses	8,901	2,284
Service charges	191	28
Other Costs	520	522
	9,611	2,835
Net Commission expense and other acquisition costs	14,740	12,616
23. MANAGEMENT EXPENSES		
Employee benefit cost	44,876	37,902
Traveling expenses	694	731
Advertisements & sales promotion	832	161
Printing and stationery	570	552
Depreciation	2,469	2,599
Amortization	295	300
Rent, rates and taxes	575	1,005
Legal and professional charges - business related	962	2,715
Electricity, gas and water	694	751
Entertainment	946	697
Vehicle running expenses	644	607
Office repairs and maintenance	1,313	1,069
Bank charges	123	42
Postages, telegrams and telephone	1,256	1,414
Insurance Ombudsman expense contribution	1,028	3,610
Annual Supervision fee SECP	1,359	1,779
Bad and doubtful debts	2,226	1,886
Miscellaneous	456	198
	61,318	58,017

Notes to the Financial Statements

For the quarter ended
March 31, 2019

	Unaudited For the three months period ended	
	March 31, 2019	March 31, 2018
	Rupees in '000	
24. INVESTMENT INCOME		
Income from equity securities		
- Dividend income	4,242	4,719
Net realized gains/(losses) on investments Available for sale financial assets		
- Equity securities	(1,388)	7,566
Total investment income	2,854	12,285
Less: Impairment in value of available for sale securities		
- Equity Securities	-	-
Less: Investment related expenses	(708)	(1,026)
	2,146	11,260
25. OTHER INCOME		
Return on bank balances	589	426
Gain on sale of fixed assets	1,340	1,048
Miscellaneous	-	350
	1,930	1,825
26. OTHER EXPENSES		
Legal & professional fee other than business related	-	1,237
Auditors' remuneration	536	337
Subscription	1,108	2,715
Inadmissible input tax expense	626	989
Sales Promotion Expense	1,000	800
Reversal of Excess Provision of Sales Tax	(7,728)	-
Others	468	414
	(3,990)	6,492
27. LOSS PER SHARE		
Loss after tax for the period	(38,890)	(13,313)
Weighted average number of ordinary shares	505,650	505,650
loss per share	(0.77)	(0.26)

No figure for diluted earnings per share has been presented as the company has not issued any instrument which would dilute its basic earnings / (loss) per share when exercised.

Notes to the Financial Statements

For the quarter ended
March 31, 2019

28. RELATED PARTY TRANSACTIONS

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.

Details of the balances and transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

	Unaudited For the three months period ended	
	March 31, 2019	March 31, 2018
	----- Rupees in 000 -----	
Associated Companies		
Premium underwritten	11,690	6,478
Claims paid	2,579	19,865
Commission paid	1,590	778
Others		
Meeting fees	105	250
Remuneration and retirement benefits to key management personnel	31,458	17,949
Period end balances		
Associated Companies		
Premium receivable	167,291	158,316
Claims outstanding	43,545	63,174
Commission outstanding	1,057	-
Others		
Premium receivable	689	649

Notes to the Financial Statements

For the quarter ended
March 31, 2019

29. SEGMENT INFORMATION

29.1 Segment profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Health		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees in 000											
Premium receivable (inclusive of Federal excise duty, Federal insurance fee and Administrative surcharge)	32,674	49,692	9,498	16,166	36,784	50,862	5,570	9,035	38,817	8,995	123,342	134,750
Less: Federal excise duty	4,650	6,500	948	1,726	4,552	6,379	802	1,115	-	-	10,952	15,720
Less: Federal insurance fee	261	417	85	143	318	435	46	78	385	89	1,095	1,162
Gross written Premium (inclusive of Administrative surcharge)	27,763	42,775	8,465	14,297	31,914	44,048	4,721	7,842	38,432	8,906	111,295	117,868
Gross direct premium	26,035	41,445	8,465	14,297	31,806	43,491	4,721	7,842	38,432	8,906	109,459	115,981
Facultative inward premium	1,728	1,330	-	-	108	557	-	-	-	-	1,836	1,887
Administrative surcharge	-	-	-	-	-	-	-	-	-	-	-	-
Insurance premium earned	54,131	83,096	9,543	18,553	34,658	54,869	2,996	17,633	24,391	20,026	125,719	193,977
Insurance premium ceded to reinsurers	(18,608)	(47,771)	(5,919)	(9,494)	621	852	(5,058)	(11,488)	(41,174)	(13,047)	(70,138)	(80,948)
Net Insurance premium	35,523	35,325	3,624	9,059	35,279	55,521	(2,062)	6,145	(16,783)	6,979	55,581	106,050
Commission income	6,780	11,317	1,035	1,657	24	41	195.83	1,747	1,594	1,985	9,629	16,747
Net underwriting income	42,303	46,642	4,659	10,716	35,303	55,562	(1,866)	7,893	(15,189)	8,963	65,210	129,776
Insurance claims	(3,741)	(17,459)	1,537	(6,165)	(12,493)	(30,246)	(4,349)	(11,670)	(5,764)	(31,553)	(19,046)	(99,093)
Insurance claims recovered from reinsurance	1,780	13,420	(1,139)	5,340	14	-	1,148	13,943	3,268	10,956	1,803	32,703
Net Claim	(1,961)	(4,039)	398	(2,825)	(12,479)	(30,246)	(3,200)	2,273	(2,497)	(20,597)	(19,739)	(55,434)
Commission expense	(8,213)	(14,319)	(1,824)	(3,570)	(3,052)	(6,255)	(182)	(1,117)	(1,485)	(1,269)	(14,756)	(26,530)
Management expense	(15,296)	(21,055)	(4,664)	(7,037)	(17,583)	(21,681)	(2,601)	(3,860)	(21,174)	(4,384)	(61,318)	(58,017)
Other Acquisition Cost	(249)	(319)	(76)	(107)	(8,901)	(2,284)	(42)	(58)	(344)	(66)	(9,611)	(2,835)
Net insurance claims and expenses	(25,719)	(39,732)	(6,165)	(13,539)	(42,015)	(60,467)	(6,026)	(2,762)	(25,500)	(26,316)	(105,424)	(142,815)
Underwriting result	16,584	6,910	(1,506)	(2,823)	(6,712)	(4,905)	(7,892)	5,130	(40,689)	(17,353)	(40,214)	(13,039)
Net investment income											2,146	11,686
Rental income											630	-
Fair value gains on investment properties											-	-
Other income											1,930	1,398
Other expenses											3,990	(6,492)
Finance cost											(33)	-
Share of loss from associate											-	-
Share of profit / (loss) from WTO											(5,403)	(3,387)
Profit before tax											(36,954)	(9,834)

29.2 Segment Assets & Liabilities

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Health		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees in 000											
Premium Written	27,763	42,775	8,465	14,297	31,914	44,048	4,721	7,842	38,432	8,906	111,295	117,868
Ratios	25%	36%	8%	12%	29%	37%	4%	7%	35%	8%	100%	100%
Segment assets	306,763	451,566	93,529	150,926	352,628	465,005	52,165	82,787	424,652	94,019	1,229,738	1,244,302
Unallocated corporate assets											1,691,541	1,744,901
Total assets											2,921,279	2,989,203
Segment Liabilities	341,812	502,127	104,216	167,825	392,918	517,071	58,125	92,056	473,171	104,546	1,370,242	1,383,625
Unallocated corporate liabilities											376,774	366,461
Total liabilities											1,747,016	1,770,106

Notes to the Financial Statements

For the quarter ended
March 31, 2019

30. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **27th April 2019** by the directors of the Company.

31. GENERAL

31.1 There is no individual class of business within the category of 'miscellaneous', where the gross premium of the class of business is 10% or more of the gross premium revenue of the company.

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

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer



**Financial Statements
(Window Takaful)**

Interim Financial Statements March 2019

Condensed Interim Statement of Financial Position (Unaudited)

As at
March 31, 2019

Note	Unaudited March 31, 2019			Audited December 31, 2018
	Operator's Fund (OPF)	Participants' Takaful Fund (PTF)	Aggregate	Aggregate
	-----Rupees in `000-----			
ASSETS				
Qard-e-hasna contributed to PTF	36,020	-	36,020	36,020
Property and equipment	7 1,015	-	1,015	1,040
Intangible assets	8 785	-	785	847
Investments	9 40,300	10,446	50,746	49,707
Loan and other receivables	10 22,677	24,343	47,020	23,507
Takaful / retakaful receivables	11 -	76,105	76,105	84,764
Retakaful recoveries against outstanding claims	17 -	4,260	4,260	5,114
Salvage recoveries accrued	-	196	196	1,043
Deferred wakala fee	20 -	25,729	25,729	28,989
Deferred commission expense	21 7,322	-	7,322	7,742
Prepayments	12 1,958	2,832	4,790	3,974
Cash and bank	13 2,019	50,938	52,957	55,152
	76,076	194,849	270,925	261,879
TOTAL ASSETS	112,096	194,849	306,945	297,899
EQUITY AND LIABILITIES				
Operator's fund				
Statutory fund	50,000	-	50,000	50,000
Revaluation reserves	(1,622)	-	(1,622)	(2,456)
Accumulated loss	(48,541)	-	(48,541)	(43,138)
	(163)	-	(163)	4,406
Waqf / participants' takaful fund				
Ceded money	-	500	500	500
Qard-e-hasna contributed by OPF	-	36,020	36,020	36,020
Revaluation reserves	-	(264)	(264)	(468)
Accumulated deficit	-	(19,276)	(19,276)	(24,545)
	-	16,980	16,980	11,507
LIABILITIES				
Underwriting provisions				
Outstanding claims including IBNR	17 -	50,051	50,051	49,676
Unearned contribution reserve	16 -	73,512	73,512	82,824
Unearned retakaful rebate	19 -	491	491	674
Unearned wakala fees	20 25,729	-	25,729	28,989
Takaful / retakaful payables	14 -	30,512	30,512	28,039
Other creditors and accruals	15 86,530	23,303	109,833	91,784
	112,259	177,869	290,128	281,986
TOTAL FUNDS AND LIABILITIES	112,096	194,849	306,945	297,899

The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

Condensed Interim Profit And Loss Account (Unaudited)

For the quarter ended
March 31, 2019

	Note	For the three months period ended	
		March 31, 2019	March 31, 2018
----- Rupees in 000 -----			
PTF revenue accounts			
Net takaful contribution	16	34,210	36,779
Net takaful claims	17	(16,249)	(19,494)
Direct expenses	18	(1,336)	(2,563)
Re-takaful rebate	19	465	799
Wakala expense	20	(12,778)	(13,966)
		(29,898)	(35,224)
Investment income	25	957	-
		<u>5,269</u>	<u>1,555</u>
Underwriting result			
Surplus for the period		<u>5,269</u>	<u>1,555</u>
Accumulated deficit			
Balance at the beginning of the period		(24,545)	(23,109)
Surplus for the period		<u>5,269</u>	<u>1,555</u>
Balance at the end of the period		<u>(19,276)</u>	<u>(21,554)</u>
OPF revenue accounts			
Wakala fee	20	12,778	13,966
Net commission expenses and other acquisition costs	21	(3,263)	(3,014)
Management expenses		(14,040)	(12,885)
		<u>(4,525)</u>	<u>(1,933)</u>
Investment income	24	25	507
Other expenses		(903)	(1,961)
Loss for the period		<u>(5,403)</u>	<u>(3,387)</u>
Accumulated loss			
Balance at the beginning of the period		(43,138)	(26,684)
Loss for the period		<u>(5,403)</u>	<u>(3,387)</u>
Balance at the end of the period		<u>(48,541)</u>	<u>(30,071)</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended
March 31, 2019

	For the three months period ended	
	March 31, 2019	March 31, 2018
	----- (Rupees in 000) -----	
PARTICIPANTS' TAKAFUL FUND		
Surplus for the period	5,269	1,555
Unrealized Gain on available for sale securities	204	-
Total comprehensive income for the period	<u>5,473</u>	<u>1,555</u>
OPERATORS' FUND		
Loss for the period	(5,403)	(3,387)
Unrealized Gain on available for sale securities	835	-
Total comprehensive loss for the period	<u>(4,568)</u>	<u>(3,387)</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

Condensed Interim Statement of Changes in Fund (Unaudited)

For the quarter ended
March 31, 2019

	Operator's Fund				Total
	Statutory fund	Qard-e-hasna	Unrealized gain / (loss) on available for sale securities	Accumulated deficit	
			-----Rupees in `000-----		
Balance as at January 01, 2018	50,000	(22,610)	-	(26,684)	706
Profit for the period ended March 31, 2018	-	-	-	(3,387)	(3,387)
Qard-e-hasna contributed to PTF	-	-	-	-	-
Balance as at March 31, 2018	50,000	(22,610)	-	(30,071)	(2,681)
Balance as at January 01, 2019	50,000		(2,456)	(43,139)	4,405
Loss for the period ended March 31, 2019	-	-	-	(5,403)	(5,403)
Other comprehensive income	-	-	835	-	835
Qard-e-hasna contributed to PTF	-	(36,020)	-	-	(36,020)
Balance as at March 31, 2019	50,000	(36,020)	(1,621)	(48,542)	(36,183)
	Participants' Takaful Fund				
	Cede Money	Qard-e-hasna	Unrealized gain / (loss) on available for sale securities	Accumulated Deficit	Total
Balance as at January 01, 2018	500	22,610	-	(23,109)	1
Surplus for the period ended March 31, 2018	-	-	-	1,555	1,555
Qard-e-hasna contributed by OPF	-	-	-	-	-
Balance as at March 31, 2018	500	22,610	-	(21,554)	1,556
Balance as at January 01, 2019	500	36,020	(468)	(24,545)	11,507
Surplus for the period ended March 31, 2019	-	-	-	5,269	5,269
Other comprehensive income	-	-	204	-	204
Qard-e-hasna contributed by OPF	-	-	-	-	-
Balance as at March 31, 2019	500	36,020	(264)	(19,276)	16,980

The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the quarter ended
March 31, 2019

	Operator's Fund	Participants' Takaful Fund	For the three months period ended	
			March 31, 2019 Aggregate	March 31, 2018 Aggregate
----- Rupees in `000-----				
a) Takaful activities				
Contribution received	-	35,854	35,854	37,247
Re-takaful contributions paid	-	779	779	(100)
Claims paid	-	(15,451)	(15,451)	(19,152)
Re-takaful recoveries	-	431	431	-
(Commissions paid) / re-takaful rebate received	14,391	282	14,673	(3,193)
Wakala fees received	6,000	-	6,000	20,000
Wakala fees paid	-	(6,000)	(6,000)	(20,000)
Net cash generated from underwriting activities	20,391	15,895	36,286	14,802
b) Other operating activities				
General and administration expenses paid	(15,030)	(1,336)	(16,366)	(16,337)
Other operating payments	(1,416)	-	(1,416)	(479)
Amounts due from other takaful / retakaful operators	-	(94)	(94)	-
Deposits and other receivables	-	(127)	(127)	(546)
Paid to Premier Insurance Limited	(1,950)	-	(1,950)	(4,594)
Accrued salvage recoveries	1,210	-	1,210	(14)
Other liabilities and accruals	(1,671)	(16,992)	(18,663)	(2,697)
Qard-e-hasna contributions	-	-	-	-
Net cash used in other operating activities	(18,857)	(18,549)	(37,406)	(24,667)
Total cash generated from operating activities	(1,534)	(2,654)	(1,120)	(9,865)
INVESTMENT ACTIVITIES				
Investment income received	(34)	-	(34)	507
Additions to fixed assets	-	-	-	-
Sale / (purchase) of investment	(1,040)	-	(1,040)	-
Total cash generated / (used) in investing activities	(1,074)	-	(1,074)	507
Total cash generated from all activities	460	(2654)	(2194)	(9,358)
Cash and cash equivalents at beginning of the period	1,559	53,592	55,152	66,859
Cash and cash equivalents at the end of the period	2,019	50,938	54,958	57,501

Condensed Interim Statement of Cash Flows

For the quarter ended
March 31, 2019

Operator's Fund	Participants' Takaful Fund	For the three months period ended	
		March 31, 2019 Aggregate	March 31, 2018 Aggregate

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

Reconciliation to profit and loss account

Operating cash flows	1,534	(2,645)	(1,120)	(9,865)
Depreciation	(87)	-	(87)	(121)
Investment income	25	-	25	507
Increase in assets other than cash	(5,324)	(5,917)	(11,241)	(21,028)
Decrease in liabilities	(1,551)	5184	3673	28,675
Qard-e-hasna contributions	-	-	-	-
Profit / (loss) for the period	(5,403)	(3,387)	(8,790)	(1,832)

Attributed to

Operators' Fund	(5,403)		(5,403)	(3,387)
Participant's Takaful Fund		(3,387)	(3,387)	1,555
	(5,403)	(3,387)	(8,790)	(1,832)

Definition of cash

Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits having maturity of less than three months..

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

Cash and other equivalents

Cash	15	1,767	1,782	32
------	----	-------	-------	----

Current and other accounts

Current and savings accounts	2,004	49,171	51,175	57,469
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Total cash and cash equivalents

	2,019	50,938	52,957	57,501
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The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

Notes to the Financial Statements

For the quarter ended
March 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

These financial statements are prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 and the Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, and the Takaful Rules, 2012 shall prevail. These financial statements reflect the financial position and results of operations of both the Operator and PTF in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable. For this purpose, the receivables and payables between the

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 Information of the Operator for the year ended 31 December 2018.

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.

These financial statements have been prepared under the historical cost convention, except that 'held to maturity' investments are stated at amortized cost, investment 'at fair value through profit or loss- held for trading investments' are stated at fair value, certain investments classified as available-for-sale are stated at fair value and obligations under employee benefits are measured at present 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 December 31, 2018. Other changes issued by The SECP vide SRO 88 dated February 9, 2017 are not considered material to these condensed interim financial information.

Notes to the Financial Statements

For the quarter ended
March 31, 2019

The Company has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2019.

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.

The accounting policies applied in the preparation of these financial statements are set out below:

4. ESTIMATES AND JUDGEMENTS

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, 2018 except in

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 March 31, 2019 is considered adequate to meet the expected liability after retakaful for claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

7. PROPERTY AND EQUIPMENT

	Unaudited March 31, 2019			Audited December 31, 2018
	OPF	PTF	Aggregate	Aggregate
	----- Rupees in 000 -----			
Net book value as at Jan 1, 2019	1,040	-	1,040	1,162
Less: Depreciation charged during the period	(25)	-	(25)	(122)
	1,015	-	1,015	1,040

8. INTANGIBLE ASSETS

Net book value as at Jan 1, 2019	847	-	847	1,208
Less: Amortization charged during the period	(62)	-	(62)	(361)
	785	-	785	847

Notes to the Financial Statements

For the quarter ended
March 31, 2019

Note	Unaudited March 31, 2019			Audited December 31, 2018
	OPF	PTF	Aggregate	Aggregate
----- Rupees in '000 -----				
9. INVESTMENTS				
Mutual funds	40,300	9,846	50,146	49,107
Term deposits	-	600	600	600
	40,300	10,446	50,746	49,707

9.1 Investments in mutual funds Available for sale

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

	2019	2018		2019	2018
	Number of Units			----- Rupees in '000 -----	
OPF	2,694,127	2,694,127	Carrying Cost: 41.922 million (2018: 41.922 million)	40,300	39,465
PTF	658,200	658,200	Carrying Cost: 10.11 million (2018: 10.11 million)	9,846	9,642

9.2 Investments in term deposits

The investment represent a term deposit of Rs. 600,000 (2018: Rs. 600,000) with Meezan Bank Limited having profit at the rate of 4.5% p.a.

	Unaudited March 31, 2019			Audited December 31, 2018
	OPF	PTF	Aggregate	Aggregate
----- Rupees in '000 -----				
10. LOANS AND OTHER RECEIVABLES - Considered good				
Accrued investment income	315	-	315	256
Federal excise duty	30	3,500	3,530	3,403
Others	-	20,843	20,843	1,034
Wakala fee receivable	22,332	-	22,332	18,814
	22,677	24,343	47,020	23,507
11. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good				
Contribution due but unpaid	-	27,437	27,437	36,190
Amounts due from other takaful / retakaful operators	-	48,668	48,668	48,574
	-	76,105	76,105	84,764
12. PREPAYMENTS				
Prepaid retakaful premium ceded	-	2,832	2,832	3,435
Other prepaid expense	1,955	-	1,955	539
	1,955	2,832	4,787	3,974

Notes to the Financial Statements

For the quarter ended
March 31, 2019

13. CASH AND BANK

Note	Unaudited March 31, 2019			Audited December 31, 2018
	OPF	PTF	Aggregate	Aggregate
	-----Rupees in '000-----			
Cash and cash equivalent				
Cash in hand	-	-	-	-
Policy & revenue stamps, bond papers	-	-	-	-
Cash at bank				
Current account	15	1,767	1,782	992
Savings account	2,004	49,171	51,175	54,160
	<u>2,019</u>	<u>50,938</u>	<u>52,957</u>	<u>55,152</u>

14. TAKAFUL / RETAKAFUL PAYABLES

Due to takaful contract holders	-	-	-	-
Due to other takaful / retakaful contract holders	-	30,512	30,512	28,039
	<u>-</u>	<u>30,512</u>	<u>30,512</u>	<u>28,039</u>

15. OTHER CREDITORS AND ACCRUALS

Wakala fee payable	-	22,332	22,332	18,814
Payable to Premier Insurance Limited	56,581	-	56,581	58,531
Federal insurance fee	-	5	5	6
Sales tax on services	-	966	966	49
Commission payable	29,178	-	29,178	11,944
Auditors' fee	134	-	134	183
Others	637	-	637	2,259
	<u>86,530</u>	<u>23,303</u>	<u>109,833</u>	<u>91,786</u>

16. NET TAKAFUL CONTRIBUTION

	Unaudited For the three months period ended	
	March 31, 2019	March 31, 2018
	Aggregate	Aggregate
	-----Rupees in '000-----	
Written Gross Contribution	27,195	29,683
Add: Unearned contribution reserve opening	82,824	88,245
Less: Unearned contribution reserve closing	(73,512)	(78,026)
Contribution earned	<u>36,507</u>	<u>39,902</u>
Less:		
Retakaful contribution ceded	1,694	1,520
Add: Prepaid retakaful contribution opening	3,435	6,777
Less: Prepaid retakaful contribution closing	(2,832)	(5,174)
Retakaful expense	<u>2,297</u>	<u>3,123</u>
Net Contribution	<u><u>34,210</u></u>	<u><u>36,779</u></u>

17. NET CLAIMS EXPENSE

Claims paid	15,451	19,152
Less: Outstanding claims including IBNR opening	(49,676)	(52,949)
Add: Outstanding claims including IBNR closing	50,051	55,127
Claims expense	<u>15,826</u>	<u>21,330</u>
Less:		
Retakaful and other recoveries received	431	2,904
Less: Retakaful and other recoveries receivable in respect of outstanding claims opening	(5,114)	(6,664)
Add: Retakaful and other recoveries receivable in respect of outstanding claims closing	4,260	5,596
Retakaful and other recoveries revenue	<u>(423)</u>	<u>1,836</u>
Net claim	<u><u>16,249</u></u>	<u><u>19,494</u></u>

Notes to the Financial Statements

For the quarter ended
March 31, 2019

	Unaudited	
	For the three months period ended	
	March 31, 2019	March 31, 2018
	Aggregate	Aggregate
	-----Rupees in '000'-----	
18. DIRECT EXPENSES - PTF		
Tracking services	1,306	1,533
Service charges	27	116
Others	3	914
	<u>1,336</u>	<u>2,563</u>
19. REBATE FROM RETAKAFUL OPERATIONS		
Less: Rebate from re-takaful	282	456
Add: Deferred rebate opening	674	(962)
Less: Deferred rebate closing	(491)	1,305
	<u>465</u>	<u>799</u>
20. WAKALA EXPENSE		
Gross wakala fee	9,518	10,389
Add: Deferred wakala opening	28,989	30,886
Less: Deferred wakala closing	(25,729)	(27,309)
	<u>12,778</u>	<u>13,966</u>
21. COMMISSION EXPENSE		
Commission paid or payable	2,843	2,241
Add: Deferred commission opening	7,742	6,469
Less: Deferred commission closing	(7,322)	(5,696)
	<u>3,263</u>	<u>3,014</u>
22. MANAGEMENT EXPENSES - OPF		
Underwriting Expenses		
Employee benefit cost	10,051	8,158
Rent, rates and taxes	140	251
Communication	153	164
Fuel and power	853	655
Travelling	442	174
Entertainment	231	174
Advertisements & sales promotion	203	240
Depreciation and amortization	87	1,318
Repair and maintenance	671	267
Printing and stationary	132	133
Vehicle running expenses	157	152
Annual supervision fee SECP	646	440
Bank charges	39	52
Other	235	707
	<u>14,040</u>	<u>12,885</u>

Notes to the Financial Statements

For the quarter ended
March 31, 2019

Unaudited
For the three months
period ended
March 31, March 31,
2019 2018
Aggregate Aggregate
-----Rupees in '000'-----

23. GENERAL & ADMINISTRATION EXPENSES

Auditors' remuneration
Fees and subscription
Legal and professional charges

92	169
811	804
-	988
<u>903</u>	<u>1,961</u>
<u>14,943</u>	<u>14,846</u>

24. INVESTMENT INCOME - OPF

Income from term deposits
Return on deposits

<u>25</u>	<u>507</u>
<u>25</u>	<u>507</u>

25. INVESTMENT INCOME - PTF

Income from term deposits
Return on deposits

<u>957</u>	<u>507</u>
<u>957</u>	<u>507</u>

26. RELATED PARTY TRANSACTIONS

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.

Details of the balances and transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

Unaudited
For the three months
period ended
March 31, March 31,
2019 2018
----- Rupees in 000 -----

Associated Companies

Premium underwritten
Claims paid

641	351
479	129

Period end balances

Associated Companies

Premium receivable
Claims outstanding

5,534	1,838
35	1,609

Notes to the Financial Statements

For the quarter ended
March 31, 2019

27. SEGMENT INFORMATION

27.1 Segment profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees in 000									
Participants Takaful Fund										
Contribution receivable (inclusive of Federal excise duty, Federal insurance fee and Administrative surcharge)	405	1,357	1,111	1,400	30,191	32,241	(554)	(870)	31,153	34,128
Less: Federal excise duty	58	178	128	147	3,485	3,857	15	(33)	3,686	4,149
Less: Federal insurance fee	3	12	10	12	264	280	(5)	(8)	272	296
Gross written contribution (inclusive of Administrative surcharge)	344	1,167	973	1,241	26,442	28,104	(564)	(829)	27,195	29,683
Gross direct contribution	344	1,112	973	1,241	26,442	28,027	(564)	(829)	27,195	29,551
Facultative inward contribution	-	55	-	-	-	77	-	-	-	132
Administrative surcharge	-	-	-	-	-	-	-	-	-	-
Takaful contribution earned	784	2,346	1,194	1,440	30,024	31,596	4,506	4,519	36,508	39,901
Takaful contribution ceded to retakaful operators	721	(1,963)	1,028	(1,221)	(1,382)	746	515	(686)	882	(3,124)
Net takaful contribution	63	383	166	219	31,406	32,342	3,991	3,833	35,626	36,777
Rebate earned	165	452	236	281	1	10	62	56	464	799
Net underwriting income	228	835	402	500	31,407	32,352	4,053	3,889	36,090	73,438
Takaful claims	390	-	17	(2,003)	(14,334)	(15,402)	(1,899)	(3,925)	(15,826)	(21,330)
Takaful claims recovered from retakaful	(351)	-	(9)	1,836	-	-	(63)	-	(423)	1,836
Net claim	39	-	8	(167)	(14,334)	(15,402)	(1,962)	(3,925)	(16,249)	(19,494)
Wakala expense	(274)	(821)	(418)	(505)	(10,509)	(11,058)	(1,577)	(1,582)	(12,778)	(13,966)
Direct expense	(29)	(101)	(44)	(107)	(1,099)	(2,427)	(165)	74	(1,336)	(2,561)
Net takaful claims and expense	(264)	(922)	(454)	(779)	(25,941)	(28,887)	(3,704)	(5,433)	(30,363)	(36,021)
Investment income	21	-	31	-	787	-	118	-	957	-
Surplus (deficit)	(15)	(87)	(21)	(279)	6,253	3,485	467	(1,544)	6,685	1,555
Operators Fund										
Wakala fee earned	274	821	418	505	10,509	11,058	1,577	1,582	12,778	13,966
Commission expense	(144)	(456)	(208)	(224)	(2,528)	(1,966)	(383)	(368)	(3,263)	(3,014)
Management expense	(301)	(534)	(460)	(568)	(11,546)	(12,862)	(1,733)	190	(14,040)	(12,885)
	(171)	(169)	(249)	(287)	(3,565)	(3,770)	(539)	1,404	(4,525)	(1,933)
Investment income									25	507
Other expenses									(903)	(1,961)
Profit/ (loss) before taxation									(5,403)	(3,387)

27.2 Segment Assets & Liabilities

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees in 000									
Segment assets	1,629	9,472	3,347	7,511	107,387	102,125	1,249	4,743	113,612	123,851
Unallocated corporate assets									193,333	174,048
Total assets									306,945	297,899
Segment liabilities	2,268	8,746	6,416	7,635	174,348	163,288	(3,719)	23,101	179,313	202,770
Unallocated corporate liabilities									110,815	79,216
Total liabilities									290,128	281,986

Notes to the Financial Statements

For the quarter ended
March 31, 2019

28. **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on **27th April 2019** by the Board of Directors of the Company.

29. **GENERAL**

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer



Branch Networks

Conventional Branches

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

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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

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Fax: 042-35407006

Mall Branch

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

Phone: 042-37324262 37230602-03
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Multan Branch

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Fax: 061-4587143

Conventional Branches

Islamabad Branch

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Phone: 051-2348167-8
Fax: 051-2378169

Gujrawala Branch

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

Phone: 055-3859719-20
Fax: 055-3256432

Regency Branch Faisalabad

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

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Fax: 041-2617802

Peshawar Branch

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

Phone: 091-5273757
Fax: 081-2821383

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.

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Fax: 052-3572194