



بمیشد کالتو

Interim Financial Statements
for the quarter ended March 31, 2022
(Unaudited)

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Company Information

Board of Directors

Khalid Bashir
(Chairman)
Nadeem Maqbool
Ahsan Bashir
Asadullah Khawaja
Attaullah A. Rasheed
Imran Maqbool
Shameen Azfar
Sharik Bashir

Ethics, Human Resource, Remuneration & Nomination Committee

Attaullah A Rasheed
(Chairman)
Shameen Azfar
(Member)
Nadeem Maqbool
(Member)
Niina Afridi
(Secretary)

Chief Executive Officer

Nadeem Maqbool

Chief Financial Officer

Amjed Bahadur Ali

Company Secretary

Fariq Mahmood Khan Rohilla

Investment Committee

Ahsan Bashir
(Chairman)
Nadeem Maqbool
(Member)
Imran Maqbool
(Member)
Asadullah Khawaja
(Member)
Sharik Bashir
(Member)
Amjed Bahadur Ali (Secretary)

Audit Committee

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

Claim Settlement Committee

Imran Maqbool
(Chairman)
Ahsan Bashir
(Member)
Nadeem Maqbool
(Member)
Hassan Mustafa
(Secretary)

Company Information

Underwriting Committee

Attaullah A. Rasheed
[Chairman]
M. K. Baig
[Member]
Afzal Ur Rehman
[Member]
M. A. Hannan Shadani
[Secretary]

Reinsurance & Co-Insurance Committee

Sharik Bashir
[Chairman]
Afzal Ur Rehman
[Member]
Kamran Safi Rizvi
[Secretary]

Risk Management & Compliance Committee

Shameen Azfar
[Chairman]
Nadeem Maqbool
[Member]
Sharik Bashir
[Member]
Amjed Bahadur Ali
[Member]
Niina Afridi
[Secretary]

Auditors

EY Ford Rhodes, Chartered
Accountants.

Legal Advisors

Arfin & Company Advocates

Registrar

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

P : (21) 34380101-2
F : (21) 34380106
E : info.shares@famco.com.pk

Registered & Head Office

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

P : (21) 32416331-4
F : (21) 32416572
E : info@pil.com.pk
W : www.pil.com.pk

Report of the Directors to Members

The Directors are pleased to present the unaudited condensed interim financial statements of the Company for the three months period ended March 31, 2022.

Performance Review

Following is the overall performance of the Company.

	Conventional		Takaful	
	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
	(Rupees in '000)			
Premium / contribution written	57,831	96,270	28,962	28,939
Net Premium / contribution *	70,423	54,024	35,983	15,398
Underwriting Result	(58,171)	(44,333)	(9,633)	(2,716)
Investment income	7,481	9,851	8	1
(Loss) /Profit before taxation	(56,067)	(42,612)	(8,944)	(2,357)
(Loss) /Profit after taxation	(56,817)	(44,340)	-	-
(Loss) /Earning) per share	(1.12)	(0.88)		

* Net contribution exclusive of wakala fee

Gross written premium during the three months period ended March 31, 2022 was Rs. 57.83 million as against Rs. 96.27 million. The investment income was Rs. 7.48 million as against Rs. 9.85 million of the same period of last year. Due to one of significant fire claim incurred during this quarter, the overall net claim ratio increased by 82% which had resulted the overall underwriting loss.

Gross contribution written during the three months period ended March 31, 2021 was Rs. 28.96 million as against Rs. 28.93 million. Net contribution increase by Rs. 20.58 million as compared to the last year. However, due to increase in health claims the overall net claims increased by 172% resulting in overall underwriting loss.

Outlook

Our strategy is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain growing position in the industry. Although we have been able to engage the initial effects of the pandemic, challenges remain in the current situation. We are concentrating on marketing efforts bring new business in the traditional areas as well as work on new and innovative products. The prevailing economic and political situation around the country and the soft insurance market will of course present challenges. We have however, taken clear and decisive action to develop and grow each of our activities.

Acknowledgement

The directors acknowledge the dedication of the company's employee, thank all our valued customers for their continued patronage and support, and to our Reinsurers, Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance.

On behalf of the Board

Chairman

CEO / Director

Karachi, Dated: April 29, 2022

ڈائریکٹرز رپورٹ برائے ممبران

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے برائے تین ماہ کی اختتامی مدت 31 مارچ 2022ء پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کارکردگی کا جائزہ:

کمپنی کی مجموعی کارکردگی درج ذیل ہے:

مقابل		روایتی		
31 مارچ 2021	31 مارچ 2022	31 مارچ 2021	31 مارچ 2022	
(روپے '000)				
28,939	28,962	96,270	57,831	تحریری پریمیم / کنٹری بیوشن
15,398	35,983	54,024	70,423	خالص تحریری پریمیم / کنٹری بیوشن *
(2,716)	(9,633)	(44,333)	(58,171)	ذمہ داری کے نتائج
1	8	9,851	7,481	سرمایہ کاری آمدنی
(2,357)	(8,944)	(42,612)	(56,067)	قبل از ٹیکس منافع / (خسارہ)
-	-	(44,340)	(56,817)	بعد از ٹیکس منافع / (خسارہ)
		(0.88)	(1.12)	منافع / (خسارہ) فی حصص
				* وکالٹیس کے علاوہ مجموعی کنٹری بیوشن

روایتی آپریشنز:

31 مارچ 2022 کو ختم ہونے والی تین ماہ کی مدت کے دوران مجموعی تحریری پریمیم 96.27 ملین روپے کے مقابلے میں 57.83 ملین روپے رہا۔ سرمایہ کاری آمدنی 7.48 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت میں 9.85 ملین روپے تھی۔ دوران سرمایہ فائز کلیم کے باعث مجموعی خالص کلیم کا تناسب میں 82% اضافہ ہوا جس کے نتیجے میں مجموعی طور پر ذمہ داری میں خسارہ ہوا۔

31 مارچ 2022 کو ختم ہونے والی تین ماہ کی مدت کے دوران مجموعی تحریری کنٹری بیوشن 28.93 ملین روپے کے مقابلے میں 28.96 ملین روپے رہی۔ گزشتہ سال کے مقابلے میں خالص کنٹری بیوشن میں 20.58 ملین روپے کا اضافہ ہوا۔ تاہم سحوت کے گلیمر میں اضافے کے باعث مجموعی خالص گلیمر میں 172% اضافہ ہوا جس کے نتیجے میں مجموعی طور پر ذمہ داری میں خسارہ ہوا۔

مستقبل کے امکانات:

ہماری حکمت عملی صنعت میں اپنی پوزیشن کو برقرار رکھنے، بدلتے ہوئے مسابقتی کاروباری ماحول میں پائیدار منافع بخش شرح نمو فراہم کرنے کیلئے مرتب کی گئی ہے۔ اگرچہ ہم وبائی امراض کے ابتدائی اثرات سے نمٹنے میں کامیاب رہے ہیں لیکن موجودہ صورتحال میں چیلنجز بدستور موجود ہیں۔ ہماری تمام تر توجہ مارکیٹنگ پر مرکوز ہے جو روایتی علاقوں میں نیا کاروبار لانے کے ساتھ ساتھ نئی اور اختراعی مصنوعات پر کام کرتے ہیں۔ ملک بھر میں موجود معاشی اور سیاسی صورتحال اور سافٹ انشورنس مارکیٹ یقیناً چیلنجز پیش کرے گی۔ تاہم، ہم نے اپنی ہر سرگرمی میں اضافہ کے لیے واضح اور فیصلہ کن اقدام کیا ہے۔

اعتراف:

ڈائریکٹرز کمپنی کے ملازمین کی کوششوں، اپنے تمام قابل قدر گاہکوں کی مسلسل سرپرستی اور تعاون، اور ہمارے ری انشوررز، سکیورٹیز اینڈ ایکٹیو کمپنیز آف پاکستان اور اسٹیٹ بینک آف پاکستان کی رہنمائی اور تعاون پر ان کے شکرگزار ہیں۔

اظرف بورڈ

چیئرمین

سی ای او / ڈائریکٹر

کراچی، مورخہ: 29 اپریل 2022ء

Condensed Interim Statement of Financial Position

As at 31 March 2022

	Note	Unaudited 31 March 2022	Audited 31 December 2021
(Rupees in ` 000)			
Assets			
Property and equipment	7	211,749	213,569
Intangible assets	8	1,027	1,109
Investment properties	9	297,740	297,740
Investments			
- Equity securities	10	702,210	724,433
- Mutual funds	10	65,266	63,792
Investment in associate		405,040	405,040
Loans and other receivables	11	48,781	52,323
Insurance / reinsurance receivables	12	496,161	587,493
Reinsurance recoveries against outstanding claims	19	797,314	714,347
Salvage recoveries accrued		2,904	-
Deferred commission expense	20	15,864	19,206
Taxation - provision less payment		21,303	20,613
Deferred tax asset		48,168	47,833
Prepayments	13	145,367	166,616
Cash and bank	14	89,851	75,964
		3,348,745	3,390,078
Total Assets of Window Takaful Operations - Operator's Fund			
		85,955	89,280
Total Assets		3,434,700	3,479,358
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		505,650	505,650
Reserves		1,632,999	1,653,748
Accumulated losses		(883,832)	(827,015)
Total Equity		1,254,817	1,332,383
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	1,147,415	1,026,820
Unearned premium reserves	18	232,637	319,480
Unearned reinsurance commission	20	16,272	22,358
Retirement benefit obligations		7,949	7,690
Lease liabilities		9,719	10,218
Insurance / reinsurance payables		446,650	420,332
Other creditors and accruals	16	257,279	274,067
Unclaimed dividends		22,750	22,750
Total Liabilities		2,140,671	2,103,715
Total Liabilities of Window Takaful Operations - Operator's Fund			
		39,211	43,260
Total Equity and Liabilities		3,434,700	3,479,358
Contingencies and commitments	17		

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Profit and Loss Account (unaudited)

For the Three Months Period Ended 31 March 2022

	Note	Three Months Period Ended	
		31 March 2022	31 March 2021
		(Rupees in '000)	
Net insurance premium	18	70,423	54,024
Net insurance claims	19	(79,696)	(43,769)
Net commission expense and other acquisition costs	20	(5,360)	(3,585)
Insurance claims and acquisition expenses		(85,056)	(47,354)
Management expenses	21	(43,538)	(51,003)
Underwriting results		(58,171)	(44,333)
Investment income	22	7,481	9,851
Rental income		1,174	836
Other income	23	1,949	1,762
Other expenses	24	(860)	(1,315)
Results of operating activities		(48,427)	(33,199)
Finance costs		(317)	(330)
Loss before tax from General Insurance Operations		(48,744)	(33,529)
Loss before tax from Window Takaful			
Operations - Operator's Fund		(7,323)	(9,083)
Loss before tax		(56,067)	(42,612)
Income tax expense	25	(750)	(1,728)
Loss after tax		(56,817)	(44,340)
Loss per share - Rupees	26	(1.12)	(0.88)

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (unaudited)

For the Three Months Period Ended 31 March 2022

	Note	Three Months Period Ended	
		31 March 2022	31 March 2021
		(Rupees in '000)	
Loss after tax		(56,817)	(44,340)
Other comprehensive income:			
Unrealized (loss) / gain on available-for-sale investments during the period	29	(20,749)	23,425
Other comprehensive (loss) / income for the period		(20,749)	23,425
Total comprehensive loss for the period		(77,566)	(20,915)

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Changes in Equity (unaudited)

For the Three Months Period Ended 31 March 2022

	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 of the Company and associate	Revaluation Reserves - Property and Equipment	Accumulated losses		
Balance as at 01 January 2021	505,650	19,490	185	996,851	576,923	35,859	(798,049)	831,259	1,336,909	
Loss for the period ended 31 March 2021	-	-	-	-	-	-	(44,340)	(44,340)	(44,340)	
Other comprehensive income for the period	-	-	-	-	23,425	-	-	23,425	23,425	
Total comprehensive Income / [loss] for the period ended 31 March 2021	-	-	-	-	23,425	-	(44,340)	(20,915)	(20,915)	
Balance as at 31 March 2021	505,650	19,490	185	996,851	600,348	35,859	(842,389)	810,344	1,315,994	
Balance as at 01 January 2022	505,650	19,490	185	996,851	601,363	35,859	(827,015)	826,733	1,332,383	
Loss for the period ended 31 March 2022	-	-	-	-	-	-	(56,817)	(56,817)	(56,817)	
Other comprehensive loss for the period	-	-	-	-	(20,749)	-	-	(20,749)	(20,749)	
Total comprehensive loss for the period ended 31 March 2022	-	-	-	-	(20,749)	-	(56,817)	(77,566)	(77,566)	
Balance as at 31 March 2022	505,650	19,490	185	996,851	580,614	35,859	(883,832)	749,167	1,254,817	

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Cashflows (unaudited)

For the Three Months Period Ended 31 March 2022

	Note	Three Months Period Ended	
		31 March 2022	31 March 2021
(Rupees in ` 000)			
Operating cash flows			
a) Underwriting activities			
Insurance premium received		103,219	160,274
Reinsurance premium paid		(5,036)	(33,635)
Claims paid	19	(165,774)	(38,911)
Reinsurance and other recoveries received	19	122,647	14,979
Commission paid		(12,878)	(9,941)
Commission received		4,142	7,254
Other acquisition costs paid		(5,640)	(4,079)
Management expenses paid		(30,545)	(40,486)
Net cash used in underwriting activities		10,136	55,455
b) Other operating activities			
Income tax paid		60	(3,018)
Other operating payments		(5,739)	(10,737)
Other operating receipts		808	236
Loans advanced, deposits (received) / made		(1,893)	(8,215)
Other liabilities paid / (received)		2,800	(15,746)
Total cash generated from other operating activities		(3,964)	(37,479)
Total cash used in all operating activities		6,172	17,976
Investment activities			
Profit / return received		9,130	6,834
Rental received		1,174	836
Payment for investments made		-	(15,501)
Proceeds from investments disposed		-	1,668
Fixed capital expenditure incurred		(407)	(205)
Proceeds from sale of property and equipment		1,344	3,727
Total cash flow generated from investing activities		11,241	(2,641)
Financing activities			
Finance cost paid		(317)	(330)
Dividend paid		-	-
Payment of lease liability		(3,210)	(778)
Total cash used in financing activities		(3,527)	(1,108)
Net cash generated from / (used in) all activities		13,886	14,226
Cash and cash equivalents at beginning of the period		75,964	37,590
Cash and cash equivalents at end of the period	14	89,851	51,818

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

	Note	Three Months Period Ended	
		31 March 2022	31 March 2021
(Rupees in '000)			
Reconciliation to profit and loss account			
Operating cashflows		6,172	17,976
Depreciation and amortization expense	21	(2,176)	(2,794)
Finance costs		(317)	(330)
Gain on sale of operating fixed assets	23	1,210	1,526
Net realized (loss) / gain on investments	22	9	1,132
Rental income		1,174	836
Dividend income	22	7,630	8,883
Other income	23	(1,805)	236
Loss from Window Takaful Operations - Operator's Fund	15	(7,323)	(9,083)
Increase in assets other than cash		(23,434)	(73,731)
Decrease in liabilities other than borrowings		(37,957)	11,009
Loss after taxation		(56,817)	(44,340)
Definition of cash and cash equivalent			
Cash and cash equivalent comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits having maturing 3 months from the date of acquisition.			
Cash for the purpose of the statement of cash flows consists of:			
Cash and other equivalent			
Cash		-	35
Stamps in hand		261	301
		261	336
Current and other accounts			
Current accounts		12,405	18,477
PLS account		77,185	33,005
		89,590	51,482
Total cash and cash equivalent		89,851	51,818

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

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, Off. I.I. Chundrigar Road, Karachi. The Company has been allowed to work as Window Takaful Operator since 02 October 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

Following are the geographical location and address of all the business units of the Company

Head office - Registered Office

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

Branches

i) Province of Punjab, Pakistan:

- Zonal office, 162 Shadman II, Lahore
- CSD North, 162 Shadman II, Lahore
- Canal Branch, 162 Shadman II, Lahore
- Mall Branch, 23 Shahrah-e-Quaid-e-Azam, Lahore
- 4th Floor, Mehr Fatima Tower, Opp. High Court, Old Bahawalpur Road, Multan
- 1st Floor, Regency Arcade, 949-Mall Road, Faisalabad
- Room 3 & 4, Sahib Plaza, Saga Chowk, Defense Road, Sialkot
- Block - L, Trust Plaza, G.T Road, Gujranwala

ii) Province of Sindh, Pakistan:

- CSD South Karachi, 5th Floor State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi
- Clifton Branch, 5th Floor State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi

iii) Province of Khyber Pakhtunkhwa, Pakistan:

- 1081/A, Rehman Building, Saddar Road, Peshawar

iv) Islamabad Capital Territory

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

2. BASIS OF PREPARATION

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS), Interim Financial Reporting (IAS) 34 issued by International Accounting Standards Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 shall prevail.

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

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to nearest Rupees, unless otherwise stated.

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

These condensed interim financial statements for the three months period ended 31 March 2022 have been prepared under the historical cost convention, except that investments classified as available-for-sale and investment properties are stated at fair value and obligations under employee benefits are measured at present value.

In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's Fund of the Window Takaful Operations (WTO) of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2021.

4. ESTIMATES AND JUDGMENTS

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

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 annual financial statements for the year ended December 31, 2021.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2021.

During the year, the COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. The World Health Organization has declared COVID-19 a pandemic. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

COVID-19 has adversely impacted the insurance industry on a number of fronts including increase in overall credit risk pertaining to the premium receivables and other financial assets, disruption in growth due to slowdown in economic activity, continuity of business operations.

Due to overall uncertain situation about the impacts and duration for which such a situation will continue, the overall impact on the Company's financial position and financial performance cannot be predicted with reasonable certainty. The management continues to monitor the developing situation and would proactively manage any risk arising thereof.

5.1 Credit Risk

The Risk Management function is regularly conducting detailed analysis on sectors/industries and identify the degree by which the company's policy holder and their businesses have been impacted amid COVID-19. Keeping in view short term and long term outlook of each sector, management has taken into consideration the factors while determining required provisions against financial assets where required.

5.2 Liquidity Risk

Due to COVID-19 outbreak Company's policy holders and their businesses has been adversely impacted. The management is continuously monitoring the liquidity position and solvency position and is taking necessary precautionary measures where needed.

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

5.3 Market Risk

The Company has significant investment in shares classified as available-for-sale category. Due to COVID-19 pandemic, the Pakistan Stock Market (PSX) has shown volatility in performance during the period, accordingly the management is continuously monitoring the shares portfolio for significant price fluctuations and is taking necessary precautionary measures where needed and provisions where required.

5.4 Interest Rate Risk

The Company invests in securities and has deposits that are subject to interest / mark-up rate risk. Due to COVID-19 pandemic, the State Bank of Pakistan has responded to the crises by cutting the Policy Rate. Accordingly, the market interest rates have declined significantly. The management is continuously monitoring the situation and is taking necessary precautionary measures where needed.

5.5 Operational Risk

COVID-19 pandemic has created an unprecedented challenge for Company in terms of Business Continuity Management. The management is closely monitoring the situation and has invoked required actions to ensure the safety and security of Company's staff and uninterrupted service to policy holders.

Business Continuity Plans for respective areas are in place and tested. Work-from-Home capabilities have been enabled for staff where required, while ensuring adequate controls to ensure that Company's information assets are adequately protected from emerging cyber threats.

6. PREMIUM DEFICIENCY RESERVE

No provision has been made as the premium deficiency reserve for each class of business as at 31 March 2022 and 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.

7. PROPERTY AND EQUIPMENT

	Note	Unaudited 31 March 2022	Audited 31 December 2021
		(Rupees in `000)	
Operating fixed assets	7.1	177,825	179,073
Capital work-in-progress		26,109	26,109
Right of use assets	7.2	7,814	8,387
		211,749	213,569

7.1 Operating fixed assets

	Note	Unaudited 31 March 2022	Audited 31 December 2021
		(Rupees in `000)	
Opening written down value		179,073	186,991
Add: Additions during the period		407	1,477
Less: Book value of disposals during the period		(134)	(2,070)
Depreciation charged during the period		(1,521)	(7,325)
		177,825	179,073
Closing written down value		177,825	179,073

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

7.2 Right-of-use assets

The Company has recognized right-of-use assets in respect of the Head Office and its branches:

Head Office and branches:

	Note	Unaudited 31 March 2022	Audited 31 December 2021
		(Rupees in `000)	
Opening written down value		8,387	8,635
Add: Additions during the period		-	2,020
		8,387	10,655
Less: Reversal due to termination during the period		-	-
Depreciation charged during the period		(573)	(2,268)
Closing written down value		7,814	8,387

8. INTANGIBLE ASSETS

	Note	Unaudited 31 March 2022	Audited 31 December 2021
		(Rupees in `000)	
Opening written down value		1,109	1,978
Less: Amortization charged during the period		(82)	(869)
Closing written down value		1,027	1,109

9. INVESTMENT PROPERTIES

	Note	Unaudited 31 March 2022	Audited 31 December 2021
		(Rupees in `000)	
Carrying value at the beginning of the period		297,740	275,740
Revaluation gain on investment property		-	22,000
Carrying value at the end of the period		297,740	297,740

10. INVESTMENTS

	Unaudited 31 March 2022				Audited 31 December 2021			
	Cost	Impairment / provision for the year	Revaluation surplus / (deficit)	Carrying value	Cost	Impairment / provision for the year	Revaluation surplus / (deficit)	Carrying value
	(Rupees in `000)							
Available-for-sale								
Related parties								
Listed shares	196,282	-	204,527	400,809	196,282	-	221,328	417,610
Unlisted shares	-	-	-	-	-	-	-	-
Other than related parties								
Unlisted shares	1,483	-	-	1,483	1,483	-	-	1,483
Listed shares	273,064	-	26,854	299,918	282,461	(9,396)	32,275	305,340
Mutual funds *	47,713	-	17,553	65,266	47,713	-	16,079	63,792
	518,541	-	248,934	767,476	527,939	(9,396)	269,682	788,225

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

* Investments in Mutual funds 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 31 March 2022	Audited 31 December 2021
		(Rupees in `000)	
Mark-up and dividend receivable		878	2,527
Loans to employees	11.1	2,253	2,956
Deposits	11.2	35,121	33,956
Advance to agents		1,320	1,234
Other receivables		9,209	11,650
		48,781	52,323

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 (31 December 2021: 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.

12. INSURANCE / REINSURANCE RECEIVABLES

	Note	Unaudited 31 March 2022	Audited 31 December 2021
		(Rupees in `000)	
Premium due but unpaid		415,241	461,786
Less: Provision for doubtful receivables from insurance contract holder		<u>(168,068)</u>	<u>(167,490)</u>
		247,173	294,296
Amounts due from other insurers / reinsurers		355,856	399,487
Less: Provision for doubtful receivables from insurers / reinsurers		<u>(106,868)</u>	<u>(106,290)</u>
		248,988	293,197
		496,161	587,493

13. PREPAYMENTS

	Note	Unaudited 31 March 2022	Audited 31 December 2021
		(Rupees in `000)	
Prepaid reinsurance premium ceded	18	116,215	159,112
Other prepaid expense		29,152	7,504
		145,367	166,616

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

14. CASH AND BANK

	Note	Unaudited 31 March 2022	Audited 31 December 2021
(Rupees in ` 000)			
Cash and cash equivalent			
- Policy and revenue stamps, bond papers		261	258
Cash at bank			
- Current accounts		12,405	6,624
- Savings account	14.1	77,185	69,082
		89,851	75,964

14.1 The rate of return on savings account held with various banks range from 7.96% to 8.28% per annum (December 31, 2021: 5.12% to 7.3%).

15. WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

	Note	Unaudited 31 March 2022	Audited 31 December 2021
(Rupees in ` 000)			
Assets			
Loan and other receivables		108	114
Receivable from PTF		15,800	22,336
Deferred commission expense		6,934	7,105
Cash and bank		8,710	15,322
		<u>31,552</u>	<u>44,877</u>
Qard-e-hasna contributed to PTF		54,403	44,403
Total Assets		85,955	89,280
Total Liabilities		137,291	133,293

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
(Rupees in ` 000)		
Operator's revenue accounts		
Wakala fee	14,543	6,636
Commission expense	(3,264)	(1,239)
General, administrative and management expenses	(18,403)	(14,112)
Modarib's share of PTF Investment income	371	193
Profit on bank accounts	88	11
Other expenses	(658)	(572)
Loss for the period	(7,323)	(9,083)

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

16. OTHER CREDITORS AND ACCRUALS

	Note	Unaudited 31 March 2022	Audited 31 December 2021
(Rupees in '000)			
Bonus payable		3,102	3,102
Commissions payable		169,978	176,671
Federal excise duty and sales tax		18,200	16,732
Salvage recoveries accrued		-	502
Federal insurance fee		133	-
Deposits and margins		3,727	3,727
Provision for rent	16.1	14,000	14,000
Others		48,139	59,333
		257,279	234,067

16.1 This represents provision for rent amounting to Rs.14 million [December 31, 2021: Rs.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.

17. CONTINGENCIES AND COMMITMENTS

17.1 Commitments

	Unaudited 31 March 2022	Audited 31 December 2021
(Rupees in '000)		
Commitment for capital expenditure	15,038	15,038

18. NET INSURANCE PREMIUM

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
(Rupees in '000)		
Written gross premium	57,831	96,270
Add: Unearned premium reserve opening	319,480	277,987
Less: Unearned premium reserve closing	(232,637)	(239,752)
Premium Earned	144,674	134,505
Less: Reinsurance premium ceded	31,354	49,827
Add: Prepaid reinsurance premium opening	159,112	153,696
Less: Prepaid reinsurance premium closing	(116,215)	(123,042)
Reinsurance expense	74,251	80,481
Net insurance premium	70,423	54,024

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

19. NET INSURANCE CLAIMS

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in ` 000)	
Claims paid	164,715	38,911
Less: Outstanding claims including IBNR opening	(1,026,820)	(700,569)
Add: Outstanding claims including IBNR closing	1,147,415	732,335
Claims expense	285,310	70,676
Less: Reinsurance and other recoveries received	122,647	14,979
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(714,347)	(405,249)
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	797,314	417,177
Reinsurance and other recoveries revenue	205,614	26,907
Net insurance claims	79,696	43,769

20. NET COMMISSION EXPENSE AND OTHER ACQUISITION COSTS

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in ` 000)	
Commission paid or payable	6,606	8,907
Add: Deferred commission opening	19,206	19,549
Less: Deferred commission closing	(15,864)	(18,230)
Commission expense	9,948	10,226
Less: Commission received or recoverable from reinsurers	4,142	7,254
Add: Unearned reinsurance commission opening	22,358	21,079
Less: Unearned reinsurance commission closing	(16,272)	(17,612)
Commission from reinsurance	10,228	10,721
Net Commission expense	(280)	(494)
Add: Other acquisition costs:		
Tracking device expenses	80	156
Service charges	4,053	3,371
Other costs	1,507	552
	5,640	4,079
Net Commission expense and other acquisition costs	5,360	3,585

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

21. MANAGEMENT EXPENSES

	Unaudited	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in ` 000)	
Employee benefit cost	31,953	36,575
Travelling expenses	311	206
Advertisement and sales promotion	369	285
Printing and stationery	511	920
Depreciation	2,094	2,648
Amortization	82	146
Rent, rates and taxes	283	191
Legal and professional charges - business related	1,324	2,062
Electricity, gas and water	739	663
Entertainment	474	688
Vehicle running expenses	334	272
Office repairs and maintenance	1,414	1,404
Bank charges	6	67
Postages, telegrams and telephone	892	1,088
Insurance expense	452	610
Annual supervision fee SECP	860	1,006
Bad and doubtful debts	1,157	1,925
Others	283	247
	43,538	51,003

22. INVESTMENT INCOME

	Unaudited	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in ` 000)	
Income from equity securities and mutual fund units		
Available for sale		
- Dividend income	7,630	8,883
Net realized (loss) / gain on investments		
Available for sale		
- Equity securities	9	1,132
	7,639	10,015
Less: Impairment in value of available for sale securities		-
- Equity Securities	-	-
Less: Investment related expenses	(158)	(164)
	7,481	9,851

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

23. OTHER INCOME

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Return on bank balances	773	190
Exchange gain	(70)	-
Gain on sale of operating fixed assets	1,210	1,526
Miscellaneous	35	47
	1,949	1,762

24. OTHER EXPENSES

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Auditors' remuneration	678	530
Subscription	516	299
Donations	-	500
Inadmissible input tax expense	(94)	7
Sales promotion expense	-	75
Others	(240)	(96)
	860	1,315

25. TAXATION

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Current tax	1,085	1,728
Deferred tax	(335)	-
	750	1,728

25.1 The relationship between tax expense and accounting profit has not been presented in these condensed interim financial statements as the income of the Company is subject to tax under section 113 of the Income Tax Ordinance, 2001.

26. LOSS PER SHARE

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Loss after tax for the period	(56,817)	(44,340)
	(Number of shares in '000)	
Weighted average number of ordinary shares	50,565	50,565
	(Rupees)	
Loss per share	(1.12)	(0.88)

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

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

27. 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 condensed interim financial statements, are as follows:

	Unaudited Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Transactions during the period		
Associated Companies		
Premium underwritten	6,212	9,514
Claims paid	28,151	5,700
Others		
Premium underwritten	213	-
Meeting fees	260	280
Remuneration and retirement benefits to key management personnel	43,736	31,485
	Unaudited	Audited
	31 March 2022	31 December 2021
	(Rupees in '000)	
Period end balances		
Associated Companies		
Premium receivable	36,897	54,891
Claims outstanding	109,306	132,421
Commission outstanding	19,719	19,213
Others		
Premium receivable	148	361

27.1 Company's contribution toward staff provident fund during the year is Rs. 989,227 (2021 : Rs. 1,105,378)

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

28. SEGMENT REPORTING

28.1 Segment profit or loss

	Unaudited											
	Three Months Period Ended											
	2022		2021		2022		2021		2022		2021	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in ` 000)											
Premium receivable (inclusive of FED / Sales Tax, Federal insurance fee and Administrative surcharge)	23,559	37,259	9,103	8,399	13,550	11,960	12,524	42,738	4,876	3,874	63,611	104,230
Less: FED / sales tax	2,408	4,100	928	944	1,594	1,572	-	-	369	468	5,300	7,084
Less: Federal insurance fee	147	248	76	73	110	100	124	423	23	32	480	876
Gross written Premium (inclusive of Administrative surcharge)	21,004	32,911	8,099	7,382	11,846	10,288	12,400	42,315	4,484	3,374	57,831	96,270
Gross direct premium	15,377	24,677	7,396	7,110	10,756	9,587	12,349	42,301	2,783	3,125	48,661	86,800
Facultative inward premium	5,527	8,140	418	39	806	321	-	-	1,641	222	8,392	8,722
Administrative surcharge	99	93	285	233	284	380	52	15	60	27	780	748
Insurance premium earned	60,395	56,624	8,935	7,382	16,388	17,512	46,277	42,395	12,679	10,591	144,674	134,505
Insurance premium ceded to reinsurers	(56,659)	(57,273)	(3,830)	(2,925)	(758)	(843)	(5,936)	(13,281)	(7,069)	(6,159)	(74,251)	(80,481)
Net Insurance premium	3,735	(649)	5,105	4,457	15,630	16,669	40,341	29,114	5,611	4,432	70,423	54,024
Commission income from reinsurers	7,376	6,404	670	512	48	51	1,039	2,324	1,095	1,430	10,228	10,721
Net underwriting income	11,111	5,755	5,775	4,969	15,678	16,720	41,380	31,438	6,706	5,862	80,650	64,745
Insurance claims expense	(229,835)	(3,107)	(8,702)	(370)	(7,672)	(8,161)	(37,438)	(50,313)	(1,663)	(8,225)	(285,310)	(70,676)
Insurance claims recovered from reinsurers and other recoveries revenue	194,502	375	5,531	451	145	4	5,320	20,971	115	5,106	205,614	26,907
Net Insurance claims	(35,333)	(2,732)	(3,171)	81	(7,527)	(8,157)	(32,118)	(29,342)	(1,548)	(3,619)	(79,696)	(43,769)
Commission expense	(4,107)	(5,232)	(887)	(773)	(1,114)	(1,281)	(2,912)	(2,574)	(927)	(367)	(9,948)	(10,226)
Management expense	(18,175)	(21,471)	(2,689)	(2,799)	(4,932)	(6,640)	(13,927)	(16,076)	(3,816)	(4,016)	(43,538)	(51,003)
Other acquisition cost	(113)	(49)	(59)	(42)	(262)	(299)	(5,138)	(3,639)	(68)	(50)	(5,640)	(4,079)
Net insurance claims and expenses	(57,728)	(29,484)	(6,806)	(3,533)	(13,835)	(16,377)	(54,095)	(51,632)	(6,359)	(8,052)	(138,824)	(109,077)
Underwriting result:	(46,618)	(23,729)	(1,031)	1,436	1,843	343	(12,715)	(20,194)	347	(2,190)	(58,171)	(44,333)
Investment income											7,481	9,851
Rental income											1,174	836
Other income											1,949	1,762
Other expenses											(860)	(1,315)
Finance cost											(317)	(330)
Share of Profit / (loss) from WTO - Operator's Fund											(7,323)	(9,083)
Loss before tax											(56,067)	(42,612)

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

28.2 Segment assets and liabilities

The following presents segments assets and liabilities for the period March 31, 2022 (unaudited) and December 31, 2021 (audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)											
Segment assets	528,114	610,081	203,641	102,245	297,855	160,008	311,793	491,861	112,746	122,908	1,454,149	1,487,160
Unallocated corporate assets											1,980,551	1,991,753
Total assets											3,434,700	3,478,956
Segment Liabilities	669,325	733,929	258,093	123,002	377,499	192,491	395,163	591,710	142,863	147,858	1,842,973	1,788,990
Unallocated corporate liabilities											297,698	314,723
Total liabilities											2,140,671	2,103,713

29. MOVEMENT IN INVESTMENTS

	Available for Sale (Rupees in '000)
01 January, 2021	888,933
Additions	256,561
Disposals (sale and redemptions)	(350,038)
Fair value net gains (excluding net realized gains)	2,166
Impairment losses	(9,397)
31 December, 2021	788,225
Fair value net gains (excluding net realized gain)	(20,749)
31 March, 2022	767,476

30. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in these condensed interim financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.
- Level 3** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There had been no transfers between the fair value of hierarchy during the year

Following are the assets which are either measured at fair value or for which fair value is only disclosed and is different from their carrying value:

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

	31 March 2022 (unaudited)		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Available for sale investments (measured at fair value)			
Equity securities	700,727		1,483
Mutual fund units	-	65,266	-
	700,727	65,266	1,483

	31 December 2021 (audited)		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Available for sale investments (measured at fair value)			
Equity securities	714,185	-	-
Mutual fund units	-	59,765	-
	714,185	59,765	-

31. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **29th April 2022** by the Board of directors of the Company.

32. GENERAL

- 32.1** 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.
- 32.2** The comparative information has been reclassified, rearranged or additionally restated in these condensed interim financial statements, wherever necessary, to facilitate comparative and to confirm with changes in presentation in the current year. However there were no material reclassification / restatements to report.
- 32.3** All amounts have been rounded to the nearest thousand Rupees.

Condensed Interim Statement of Financial Position of Operator's Fund and Participants' Takaful Fund

As at 31 March 2022

Note	Operator's Fund		Participant's Takaful Fund	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
(Rupees in '000)				
Assets				
Investments				
Mutual funds	7	-	5,011	5,035
Term deposits	8	-	600	600
Loans and other receivables	10	108	33,089	31,431
Takaful / retakaful receivables	12	-	44,756	68,987
Retakaful recoveries against outstanding claims	19	-	10,647	20,271
Qard-e-hasna contributed to PTF	9	54,403	-	-
Salvage recoveries accrued		-	333	350
Receivable from OPF / PTF	11	15,800	-	-
Deferred wakala expense	22	-	26,986	31,140
Deferred commission expense	23	6,934	-	-
Prepayments	13	-	9,836	13,027
Cash and bank	14	8,710	59,298	45,782
Total Assets		85,955	190,556	216,623
Funds and Liabilities				
Reserve attributable to:				
Operator's Fund (OPF)				
Statutory fund		50,000	-	-
Accumulated deficit		(101,336)	(94,013)	-
Balance of Operator's Fund		(51,336)	-	-
Participant's Takaful Fund (PTF) / Waqf				
Seed money		-	500	500
Revaluation reserves		-	(558)	(533)
Accumulated deficit		-	(52,270)	(43,327)
Balance of Participant's Takaful Fund / Waqf		-	(52,328)	(43,360)
Qard-e-Hasna		-	54,403	44,403
Liabilities				
PTF Underwriting provisions				
Unearned contribution reserve	18	-	76,408	88,967
Outstanding claims (including IBNR)	19	-	70,509	70,595
Contribution deficiency reserve		-	4,160	4,160
Reserve for Unearned retakaful rebate	21	-	1,494	2,134
		-	152,571	165,856
Unearned wakala fees	22	26,986	31,140	-
Takaful / retakaful payables		-	18,418	25,506
Payable to OPF / PTF	16	-	15,800	22,336
Other creditors and accruals	15	110,305	1,692	1,882
		137,291	35,910	49,724
Total Fund and Liabilities		85,955	190,556	216,623
Contingencies and commitments	17			

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Profit and Loss (unaudited)

For the Three Months Period Ended 31 March 2022

	Note	Three Months Period Ended	
		31 March 2022	31 March 2021
(Rupees in '000)			
Participant's Takaful Fund			
Contribution earned - net of wakala fee	18	26,978	12,324
Less: Contribution ceded to retakaful	18	(5,538)	(3,562)
Net contribution revenue	18	21,440	8,762
Re-takaful rebate earned	21	1,080	666
Net underwriting income		22,520	9,428
Net claims - reported / settled	19	(29,199)	(10,964)
- IBNR	19	(911)	221
		(7,590)	(1,315)
Other direct expenses	20	(2,043)	(1,401)
Deficit before investment income		(9,633)	(2,716)
Investment income	26	8	1
Other income	27	1,052	551
Less: Modarib's share of investment income	28	(371)	(193)
Deficit for the period		(8,944)	(2,357)
Operator's Fund			
Wakala fee	22	14,543	6,636
Commission expense	23	(3,264)	(1,239)
General, administrative and management expenses	24	(18,403)	(14,112)
		(7,124)	(8,715)
Modarib's share of PTF investment income	28	371	193
Profit on bank accounts		88	11
Other expenses	25	(658)	(572)
Loss for the period		(7,323)	(9,083)

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (unaudited)

For the Three Months Period Ended 31 March 2022

	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in ` 000)	
<u>Participant's Takaful Fund</u>		
Deficit for the period	(8,944)	(2,357)
Other comprehensive income / (loss) for the period:		
Unrealized loss on available for sale securities	(24)	101
Total comprehensive loss for the period	(8,968)	(2,256)
<u>Operator's Fund</u>		
Loss for the period	(7,323)	(9,083)
Other comprehensive income / (loss) for the period:		
Unrealized income on available for sale securities	-	-
Total comprehensive Loss for the period	(7,323)	(9,083)

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Changes in Operator's Fund and Participants' Takaful Fund (unaudited)

For the Three Months Period Ended 31 March 2022

	Attributable to Operator's Fund			Total
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale (Rupees in '000)	Accumulated deficit	
Balance as at 01 January 2021	50,000	-	(72,512)	(22,512)
Net loss for the period	-	-	(9,083)	(9,083)
Other comprehensive income for the period	-	-	-	-
Balance as at 31 March 2021	50,000	-	(81,595)	(31,595)
Balance as at 01 January 2022	50,000	-	(94,013)	(44,013)
Net loss for the period	-	-	(7,323)	(7,323)
Other comprehensive income for the period	-	-	-	-
Balance as at 31 March 2022	50,000	-	(101,336)	(51,336)

	Attributable to participants of the Participant's Fund			Total
	Seed Money	Unrealized gain / (loss) on revaluation of available-for-sale (Rupees in '000)	Accumulated deficit	
Balance as at 01 January 2021	500	(462)	(28,901)	(28,863)
Deficit for the period	-	-	(2,357)	(2,357)
Other comprehensive income for the period	-	101	-	101
Balance as at 31 March 2021	500	(361)	(31,258)	(31,119)
Balance as at 01 January 2022	500	(534)	(43,326)	(43,360)
Deficit for the period	-	-	(8,944)	(8,944)
Other comprehensive loss for the period	-	(24)	-	(24)
Balance as at 31 March 2022	500	(558)	(52,270)	(52,328)

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Cash Flows (unaudited)

For the Three Months Period Ended 31 March 2022

	Note	Three Months Period Ended			
		Operator's Fund		Participant's Takaful Fund	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		(Rupees in '000)			
Operating Activities					
a) Takaful activities					
		-	-	51,209	20,191
		-	-	(9,860)	104
	19	-	-	(29,463)	(7,461)
	19	-	-	8,891	672
		(3,075)	(1,771)	440	421
		16,925	6,799	-	-
		-	-	(16,925)	(6,799)
		371	193	(371)	(193)
		14,221	5,221	3,921	6,935
Total cash generated / (used in) takaful activities					
b) Other operating activities					
		(4,659)	(14,684)	(2,485)	(1,401)
		-	-	-	-
		-	-	(24,231)	(8,749)
		(16)	15	1,566	(3,983)
		(7,458)	9,324	23,851	8,454
		17	(207)	-	-
		1,195	390	190	352
		(10,000)	(3,300)	10,000	3,300
		(20,921)	(8,462)	8,891	(2,027)
Total cash used in other operating activities					
Total cash used in from operating activities		(6,700)	(3,241)	12,812	4,908
Investment Activities					
		-	-	(372)	(186)
		88	11	1,052	-
		-	-	24	(100)
Total cash generated / (used in) from investing activities		88	11	704	(286)
Total cash generated from all activities		(6,612)	(3,230)	13,516	4,622
Cash and cash equivalents at beginning of the period		15,322	3,701	45,782	36,440
Cash and cash equivalents at the end of the period		8,710	471	59,298	41,062

Condensed Interim Statement of Cash Flows (unaudited)

For the Three Months Period Ended 31 March 2022

Note	Three Months Period Ended			
	Operator's Fund		Participant's Takaful Fund	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees in ` 000)			
Reconciliation to profit and loss account				
Operating cash flows	(6,700)	(3,241)	12,812	4,908
Depreciation expense	-	-	-	-
Investment income	-	-	8	1
Increase in assets other than cash	(6,625)	(3,994)	(39,584)	(15,504)
(Increase) / Decrease in liabilities	(3,998)	1,452	27,820	4,938
Qard-e-hasna contributions	10,000	(3,300)	(10,000)	3,300
Loss for the period	(7,323)	(9,083)	(8,944)	(2,357)
Attributed to				
Operator's Fund	(7,323)	(9,083)	-	-
Participants' Takaful Fund	-	-	(8,944)	(2,357)
	(7,323)	(9,083)	(8,944)	(2,357)
Definition of cash and cash equivalent				
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 equivalent				
Policy, revenue stamps and bond papers	-	20	-	-
Current and other accounts				
Current and savings accounts	8,710	451	59,298	41,062
Term deposit receipt	-	-	-	-
Total cash and cash equivalent	14	8,710	471	59,298
			59,298	41,062

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Operator) has been authorized to undertake Window Takaful Operations (WTO) on 02 October 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The operator of the Company are listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Karachi.

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on 31 October 2015 under the Waqf Deed with a Seed 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

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(I)/2019 dated 20th November, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business. These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SECP. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements as prescribed by the SECP and should be read in conjunction with the annual audited financial statements of the Operator for the year ended December 31, 2021.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

2.1 Statement of Compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IAS) 34, interim Financial Reporting issued by the International Accounting Standards Board (IASB) as for interim Financial Reporting notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 shall prevail.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except investments which are carried at fair value and at amortized cost.

2.3 Functional and Presentation Currency

These condensed interim financial statements are presented in Pakistani Rupees which is also the Operator's functional currency. All financial information presented in Pakistani Rupees has been rounded to nearest Thousand Rupees, unless otherwise stated.

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2021.

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 Operator'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, 2021.

5. FINANCIAL AND TAKAFUL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2021.

During the start of 2020, the COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. The World Health Organization has declared COVID-19 a pandemic. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts

COVID-19 has adversely impacted the Insurance industry on a number of fronts including increase in overall credit risk pertaining to the contribution receivables and other financial assets, disruption in growth due to slowdown in economic activity, continuity of business operations and managing cyber security threat as a significant number of the company's staff is working from home.

Due to overall uncertain situation about the impacts and duration for which such a situation will continue, the overall impact on the company's financial position and financial performance cannot be predicted with reasonable certainty. The management continues to monitor the developing situation and would proactively manage any risk arising thereof.

5.1 Credit Risk

The Risk Management function is regularly conducting detailed analysis on sectors/industries and identify the degree by which the company's policy holder and their businesses have been impacted amid COVID-19. Keeping in view short term and long term outlook of each sector, management has taken into consideration the factors while determining required provisions against financial assets where required.

5.2 Liquidity Risk

Due to COVID-19 outbreak company's policy holders and their businesses has been adversely impacted. The management is continuously monitoring the liquidity position and solvency position and is taking necessary precautionary measures where needed.

5.3 Market Risk

The company has significant investment in shares classified as available-for-sale category. Due to COVID-19 pandemic, the Pakistan Stock Market (PSX) has shown volatility in performance during the period, accordingly the management is continuously monitoring the shares portfolio for significant price fluctuations and is taking necessary precautionary measures where needed and provisions where required.

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

5.4 Interest Rate Risk

The Company invests in securities and has deposits that are subject to interest / mark-up rate risk. Due to COVID-19 Pandemic, the State Bank of Pakistan has responded to the crises by reducing the Policy Rate. Accordingly, the market interest rates have declined significantly. The management is continuously monitoring the situation and is taking necessary precautionary measures where needed.

5.5 Operational Risk

COVID-19 pandemic has created an unprecedented challenge for company in terms of Business Continuity Management. The management is closely monitoring the situation and has invoked required actions to ensure the safety and security of company's staff and uninterrupted service to policy holders.

Business Continuity Plans for respective areas are in place and tested. Work-from-Home capabilities have been enabled for staff where required, while ensuring adequate controls to ensure that company's information assets are adequately protected from emerging cyber threats.

6. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business as at March 31, 2022 and 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. INVESTMENTS IN MUTUAL FUNDS - PTF

	Note	(Unaudited) 31 March 2022		(Audited) 31 December 2021			
		Cost	Impairment / provision for the year	Carrying value (Rupees in '000)	Cost	Impairment / Provision for the year	Carrying value
Classified as available for sale							
Mutual fund units		5,100	-	5,011	5,100	-	5,035
		5,100	-	5,011	5,100	-	5,035

8. INVESTMENTS IN TERM DEPOSITS - PTF

	Note	(Unaudited) 31 March 2022		(Audited) 31 December 2021			
		Cost	Impairment / provision for the year	Carrying value (Rupees in '000)	Cost	Impairment / Provision for the year	Carrying value
Classified as held to maturity							
Term deposit receipt	8.1	600	-	600	600	-	600
		600	-	600	600	-	600

- 8.1** This represents a term deposit with bank having profit at the average rate of 5.0% per annum (31 December 2021: 5%) having maturity till 1 July 2022.

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

9. QARD-E-HASNA

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)	
Balance as at the beginning of the period	44,403	83,020
Repayment during the period	-	(41,917)
Qard-e-Hasna contributed during the period	10,000	3,300
Balance as at the end of the period	54,403	44,403

10. LOANS AND OTHER RECEIVABLES - Considered good

	Operator's Fund		Participant's Takaful Fund	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)			
Profit receivable	11	33	391	299
Federal excise duty	97	81	5,648	5,748
Others	-	-	27,050	25,384
	108	114	33,089	31,431

11. RECEIVABLE FROM OPF / PTF

	Operator's Fund		Participant's Takaful Fund	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)			
Wakala fee receivable	15,800	22,336	-	-
Inter fund receivable	-	-	-	-
	15,800	22,336	-	-

12. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good

	Operator's Fund		Participant's Takaful Fund	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)			
Contribution due but unpaid	-	-	42,249	63,453
Less: Provision for doubtful receivables takaful participants' holders	-	-	(5,714)	(5,714)
	-	-	36,535	57,739
Amounts due from other takaful / retakaful operators	-	-	8,221	11,248
	-	-	44,756	68,987

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

13. PREPAYMENTS

	Operator's Fund		Participant's Takaful Fund	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in ` 000)			
Prepaid retakaful contribution ceded	-	-	7,355	10,121
Other prepaid expense	-	-	2,481	2,906
	-	-	9,836	13,027

14. CASH AND BANK

Note	Operator's Fund		Participant's Takaful Fund	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in ` 000)			
Cash and cash equivalent				
Policy, revenue stamps and bond papers	-	-	21	36
Cash at bank				
Current accounts	15	15	612	403
Profit & Loss sharing accounts	14.1	8,695	15,307	58,665
	8,710	15,322	59,298	45,782

14.1 The rate of return on profit and loss sharing accounts held with Islamic banks during the period range from 2.9% to 8.25% per annum (December 31, 2021: 2.75% to 8.25%).

15. OTHER CREDITORS AND ACCRUALS

Note	Operator's Fund		Participant's Takaful Fund	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in ` 000)			
Payable to Premier Insurance Limited	98,668	90,621	-	-
Federal takaful fee	-	-	169	39
Sales tax on services	-	-	707	19
Commission payable	11,589	11,571	-	-
Auditor's fee	576	416	-	-
Others	(528)	(455)	816	1,824
	110,305	102,153	1,692	1,882

16. PAYABLE TO OPF / PTF

	Operator's Fund		Participant's Takaful Fund	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in ` 000)			
Wakala fee payable	-	-	15,800	22,336
Other Payable	-	-	-	-
	-	-	15,800	22,336

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

17. CONTINGENCES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2022 (31 December 2021: Nil)

18. NET CONTRIBUTION

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Written gross contribution	28,962	28,940
Less: Wakala fee	(14,543)	(6,636)
Contribution Net of Wakala Fee	14,419	22,304
Add: Unearned contribution reserve opening	88,967	35,064
Less: Unearned contribution reserve closing	(76,408)	(45,044)
Contribution earned	26,978	12,324
Less: Retakaful contribution ceded	2,772	2,409
Add: Prepaid retakaful contribution opening	10,121	5,575
Less: Prepaid retakaful contribution closing	(7,355)	(4,422)
Retakaful expense	5,538	3,562
Net contribution	21,440	8,762

19. NET CLAIMS EXPENSE

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Claims paid or payable	29,463	7,461
Less: Outstanding claims including IBNR opening	(70,595)	(37,789)
Add: Outstanding claims including IBNR closing	70,509	41,284
Claims expense	29,377	10,956
Less: Retakaful and other recoveries received	8,891	672
Less: Retakaful recoveries against outstanding claims - opening	(20,271)	(5,004)
Add: Retakaful recoveries against outstanding claims - closing	10,647	4,545
Retakaful and other recoveries revenue	(733)	213
Net claim	30,110	10,743

20. DIRECT EXPENSES - PTF

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Service charges	1,727	780
Others	316	621
	2,043	1,401

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

21. RETAKAFUL REBATE - PTF

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Rebate from re-takaful received	440	421
Add: Deferred rebate opening	2,134	1,167
Less: Deferred rebate closing	(1,494)	(922)
Rebate from retakaful earned	1,080	666

22. WAKALA FEE - OPF

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Gross wakala fee	10,389	10,128
Add: Deferred wakala opening	31,140	12,273
Less: Deferred wakala closing	(26,986)	(15,765)
Net wakala fee	14,543	6,636

The shareholders of the company manage the general takaful operations for the participants and charges 35% of the gross contribution written as wakala fee against the services.

23. COMMISSION EXPENSE - OPF

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Commission paid or payable	3,093	1,917
Add: Deferred commission opening	7,105	2,105
Less: Deferred commission closing	(6,934)	(2,783)
Commission expense	3,264	1,239

24. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Employee benefit cost	15,823	10,980
Rent, rates and taxes	142	57
Communications	170	126
Fuel and power	370	199
Travelling expenses	156	62
Entertainments	237	207
Advertisements and sales promotions	287	1,187
Repair and maintenance	343	422
Printing and stationery	246	269
Vehicle running expenses	167	82
Annual supervision fee SECP	119	262
Miscellaneous	343	259
	18,403	14,112

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

25. OTHER EXPENSES - OPF

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Auditors' remuneration	160	122
Fees and subscription	498	450
	658	572

26. INVESTMENT INCOME - PTF

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Income from term deposits		
Return on term deposits	8	1
	8	1

27. OTHER INCOME - PTF

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Profit on bank deposits	1,052	551
	1,052	551

28. MODARIB FEE

The operator manage the participants' investments as a Modarib and charge 35% Modarib's share of the investment income earned by PTF.

29. RELATED PARTY TRANSACTIONS - PTF

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 condensed interim financial statements, are as follows:

	(Unaudited)	
	Three Months Period Ended	
	31 March 2022	31 March 2021
	(Rupees in '000)	
Transactions during the period		
Associated companies		
Contribution underwritten	1,378	7,957
Contribution received	4,103	1,024
Claims paid	795	390

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

	(Unaudited) 31 March 2022	(Audited) 31 December 2021 (Rupees in '000)
Period end balances		
Associated Companies		
Contribution receivable	2,967	13,611
Claims outstanding	1,383	241
Commission outstanding	743	420

29.1 Company's contribution toward staff provident fund during the period is Rs. 507,834 (2021 : Rs. 344,734)

30. SEGMENT INFORMATION

30.1 Participants Takaful Fund

Segment profit and loss	(Unaudited)											
	Three Months Period Ended											
	31 March 2022		31 March 2021		31 March 2022		31 March 2021		31 March 2022		31 March 2021	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)											
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)	900	936	1,449	1,321	15,344	19,898	12,794	9,564	782	1	31,269	31,721
Less: Federal excise duty	82	104	173	152	1,684	2,241	-	-	89	0	2,028	2,497
Less: Federal takaful fee	6	7	13	11	127	171	127	95	7	-	279	284
Gross written contribution (inclusive of administrative surcharge)	812	825	1,264	1,158	13,532	17,486	12,668	9,469	686	1	28,962	28,940
Gross direct contribution	690	714	1,213	1,076	12,212	16,408	12,653	9,465	665	1	27,432	27,664
Facultative inward contribution	110	102	-	35	843	397	-	-	-	-	953	535
Administrative surcharge	13	9	51	48	478	681	15	4	21	0	577	741
Less: Wakala expense	(1,172)	(657)	(490)	(458)	(6,022)	(2,824)	(6,474)	(2,582)	(387)	(115)	(14,543)	(6,636)
Takaful contribution earned	3,346	1,878	1,400	1,307	17,204	8,069	18,496	7,376	1,075	330	41,521	18,960
Takaful contribution ceded to retakaful operators	(2,978)	(1,562)	(1,284)	(1,132)	(889)	(589)	-	-	(387)	(279)	(5,538)	(3,562)
Net takaful contribution	(804)	(341)	(374)	(283)	10,293	4,656	12,022	4,794	301	(63)	21,440	8,762
Rebate earned	661	337	293	256	36	9	-	-	89	64	1,080	666
Net underwriting income	(143)	(4)	(81)	(27)	10,329	4,665	12,022	4,794	390	1	22,520	9,428
Takaful claims	(293)	(240)	1,047	(26)	(6,910)	(2,612)	(22,633)	(8,094)	(588)	16	(29,377)	(10,956)
Takaful claims recovered from retakaful operators	264	209	(929)	22	-	-	-	(18)	(68)	-	(733)	213
Net claim	(29)	(31)	118	(4)	(6,910)	(2,612)	(22,633)	(8,112)	(656)	16	(30,110)	(10,743)
Other direct expense	(11)	(40)	(16)	(56)	(176)	(847)	(1,831)	(458)	(9)	-	(2,043)	(1,401)
Surplus before investment income	(183)	(75)	21	(87)	3,244	1,206	(12,442)	(3,776)	(274)	17	(9,633)	(2,716)
Investment income											8	1
Other Income											1,052	551
Less: Modarib's share of investment income											(371)	(193)
Deficit transferred to accumulated surplus											(8,944)	(2,357)

Segment assets and liabilities

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

The following presents segments assets and liabilities as at 31 March 2022 (unaudited) and 31 December 2021 (audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Segment assets	2,595	10,521	4,039	4,577	43,248	57,152	40,485	58,495	2,192	3,030	92,558	133,775
Unallocated corporate assets											97,998	82,848
Total assets											190,556	216,623
Segment liabilities	4,677	14,724	7,279	6,404	77,951	79,978	72,970	81,857	3,951	4,240	166,829	187,202
Unallocated corporate liabilities											21,652	28,378
Total liabilities											188,481	215,580

30.2 Operators Fund

Segments profit and loss	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in `000)											
Wakala fee earned	1,172	657	490	458	6,022	2,824	6,474	2,582	387	115	14,543	6,636
Commission expense	(351)	(252)	(89)	(84)	(1,869)	(719)	(583)	(169)	(372)	(15)	(3,264)	(1,239)
Management expense	690	549	321	455	(8,835)	(7,499)	(10,319)	(7,722)	(259)	104	(18,403)	(14,112)
	1,510	954	722	829	(4,683)	(5,394)	(4,429)	(5,309)	(244)	204	(7,124)	(8,715)
Modarib's share of PTF investment income											371	193
Profit on bank deposits											88	11
Other expenses											(658)	(572)
Loss before taxation											(7,323)	(9,083)

Segment assets and liabilities

The following presents segments assets and liabilities as at 31 March 2022 (unaudited) and 31 December 2021 (audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Segment assets	194	559	303	243	3,240	3,035	3,033	3,107	164	161	6,934	7,105
Unallocated corporate assets											79,021	82,175
Total assets											85,955	89,280
Segment liabilities	757	2,449	1,177	1,065	12,609	13,304	11,804	13,616	639	705	26,986	31,140
Unallocated corporate liabilities											110,305	102,153
Total liabilities											137,291	133,293

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

31. MOVEMENT IN INVESTMENTS

	OPF	PTF		Total
	Available for sale	Available for sale	Held to maturity	
		(Rupees in `000)		
01 January 2021	-	6,820	600	7,420
Addition	-	5,100	2,400	7,500
Disposal (sale and redemption)	-	(6,813)	(2,400)	(9,213)
Designated at available for sale upon initial recognition	-	(72)	-	(72)
31 December 2021	-	5,035	600	5,635
Addition	-	-	600	600
Disposal (sale and redemption)	-	-	(600)	(600)
Designated at available for sale upon initial recognition	-	(24)	-	(24)
31 March 2022	-	5,011	600	5,611

32. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the condensed interim financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets which are either measured at fair value or for which fair value is only disclosed and is different from their carrying value:

	(unaudited)		
	31 March 2022		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
		(Rupees in `000)	
PTF			
Available for sale investments (measured at fair value)			
Mutual fund units	-	5,011	-
	-	5,011	-

	(Audited)		
	31 December 2021		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
		(Rupees in `000)	
PTF			
Available for sale investments (measured at fair value)			
Mutual fund units	-	5,035	-
	-	5,035	-

Notes to the Condensed Interim Financial Statements (unaudited)

For the Three Months Period Ended 31 March 2022

33. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **29th April 2022** by the Board of Directors of the Operator.

34. GENERAL

34.1 There is no individual class of business within the category of 'miscellaneous', where the gross contribution of the class of business is 10% or more of the gross contribution revenue of the Operator.

34.2 The comparative information has been reclassified, rearranged or additionally restated in these condensed interim financial statements, wherever necessary, to facilitate comparative and to confirm with changes in presentation in the current period. However there were no material reclassification / restatements to report.

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

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