



ہمیشہ کالتہ

Interim Financial Statements
for the quarter ended March 31, 2021
(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

Audit Committee

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

Investment Committee

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

Chief Executive Officer

Nadeem Maqbool

Chief Financial Officer

Amjed Bahadur Ali

Company Secretary

Fariq Mahmood Khan Rohilla

Ethics, Human Resource, Remuneration & Nomination Committee

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

Claim Settlement Committee

Imran Maqbool
(Chairman)
Attaullah A. Rasheed
(Member)
Afzal-ur-Rehman
(Member)
Hassan Mustafa
(Secretary)

Company Information

Underwriting Committee

Imran Maqbool
(Chairman)

M. K. Baig
(Member)

Afzal Ur Rehman
(Member)

M. A. Hannan Shadani
(Secretary)

Risk Management & Compliance Committee

Shameen Azfar
(Chairman)

Nadeem Maqbool
(Member)

Sharik Bashir
(Member)

Amjed Bahadur Ali
(Member)

Niina Afridi
(Secretary)

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

Reinsurance & Co-Insurance Committee

Sharik Bashir
(Chairman)

Afzal Ur Rehman
(Member)

Kamran Safi Rizvi
(Secretary)

Auditors

EY Ford Rhodes, Chartered
Accountants.

Legal Advisors

Arfin & Company Advocates

Registered & Head Office

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

P : (21) 32416331-4

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E : info@pil.com.pk

W : www.pil.com.pk

Director's Report

The Directors are pleased to present the unaudited condensed interim financial statements of the Company for the three months period ended March 31, 2021.

Performance Review

Following is the overall performance of the Company.

	Conventional		Takaful	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
	(Rupees in '000)			
Premium / contribution written	96,270	80,586	28,939	20,172
Net Premium / contribution *	54,024	47,493	15,398	29,162
Underwriting Result	(44,333)	(46,641)	(2,716)	4,366
Investment income	9,851	3,602	1	1,523
(Loss) /Profit before taxation	(42,612)	(40,731)	(2,357)	5,823
(Loss) /Profit after taxation	(44,340)	(42,242)	-	-
(Loss) /Earning per share	(0.88)	(0.84)		

* Net contribution exclusive of wakala fee

Company reported a gain of 19.5% in gross written premium during the three months period ended March 31, 2021. The investment income also registered a growth of 173.5% as compared to the same period of last year. Commission and other acquisition cost also showed a decline of 67%, but the overall net claim ratio increase by 50.32%, which had wiped off the profitability.

Company's Window Takaful Operations also reported a gain of 43.5% in gross contribution written during the three months period ended March 31, 2021. Due to the drop of unearned contribution opening reserve of Rs. 36 million the net contribution comes down by Rs. 13.7 million as compare to the last year, which had resulted the overall underwriting loss of Rs. 2.7 million.

Outlook

Although we have been able to engage the initial effects of the pandemic, challenges remain in the current situation. The management is striving to bring about growth and profitability and although there have been small gains, there is still a lot of work to be done. We are concentrating on marketing efforts bring new business in the traditional areas as well as work on new and innovative products. With the improvement in the economy we hope that the investment income will contribute positively as we move to bring about profitability in the coming period.

Acknowledgement

The directors acknowledge the dedication of the company's employee, thank all our valued customers for their continued patronage and support, also would like to thank to the Pakistan Reinsurance Company Limited, 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 28, 2021

ممبران کیلئے ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کے غیر آڈٹ شدہ مجموعی مالیاتی حسابات پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کارکردگی کا جائزہ:

کمپنی کی مجموعی کارکردگی درج ذیل ہے:

نتیجہ		کنٹریبیوٹن		
31 مارچ 2020	31 مارچ 2021	31 مارچ 2020	31 مارچ 2021	
روپے ملین میں				
20,172	28,939	80,586	96,270	تحریری/شریکتی پریمیم
29,162	15,398	47,493	54,024	خالص/شریکتی پریمیم *
4,366	(2,716)	(46,641)	(44,333)	بیمہ نویسی کے نتائج
1,523	1	3,602	9,851	سرمایہ کاری آمدنی
5,823	(2,357)	(40,731)	(42,612)	(خسارہ)/منافع قبل از ٹیکس
-	-	(42,242)	(44,340)	(خسارہ)/منافع بعد از ٹیکس
		(0.84)	(0.88)	(خسارہ)/آمدنی فی حصص
* وکالہ فیس کے علاوہ خالص شراکت				

کمپنی نے 31 مارچ 2021 کو ختم ہونے والے پہلی سہ ماہی کے دوران مجموعی تحریری پریمیم میں 19.5 فیصد کا اضافہ رپورٹ کیا۔ گزشتہ سال کی اسی مدت کے مقابلے میں سرمایہ کاری کی آمدنی میں بھی 173.5 فیصد کا اضافہ ریکارڈ کیا گیا۔ کمیشن اور دیگر حصول لاگت میں بھی 67 فیصد کی کمی ہوئی، لیکن مجموعی طور پر خالص دعویٰ کے تناسب میں 50.32 فیصد کا اضافہ ہوا، جس نے منافع کو ختم کر دیا۔

31 مارچ 2021 کو ختم ہونے والی پہلی سہ ماہی کی مدت کے دوران کمپنی کے ونڈ و کفائل آپریٹرز نے تحریری مجموعی شراکتی پریمیم میں 43.5 فیصد اضافہ رپورٹ کیا۔ غیر حاصل شدہ شراکتی اوپننگ ریزرو مالیت میں مبلغ 36 ملین روپے کی کمی کے باعث گزشتہ سال کے مقابلے میں خالص شراکت میں مبلغ 13.7 ملین روپے کی کمی ہوئی، جس کے نتیجے میں مجموعی طور پر بیمہ نویسی میں مبلغ 2.7 ملین روپے کا خسارہ ہوا۔

مستقبل کی پیش بینی:

اگرچہ ہم وبائی مرض کی ابتدائی مشکلات والے دورانیے کو برداشت کر چکے ہیں، تاہم موجودہ صورتحال میں چیلنجز باقی ہیں۔ انتظامیہ ترقی اور منافع لانے کے لئے کوشاں ہے اور اگرچہ اس میں بہت کم فائدہ ہوا ہے، لیکن ابھی بہت کام باقی ہے۔ ہم روایتی ماحول میں نئے کاروبار لانے کے ساتھ ساتھ نئی اور جدید مصنوعات پر کام کرنے کے لئے مارکیٹنگ کی کوششوں پر توجہ دے رہے ہیں۔ ہم امید کرتے ہیں کہ معیشت میں بہتری کے ساتھ آنے والے دور میں منافع کیلئے ہم سرمایہ کاری کی آمدنی میں مثبت کردار ادا کریں گے۔

اعتراف:

ڈائریکٹر کمپنی کے ملازمین کی لگن، اپنے قابل قدر کاموں کی مسلسل سرپرستی اور تعاون اور پاکستان ری انشورنس کمپنی لمیٹڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی رہنمائی اور مدد کے شکر گزار ہیں۔

از طرف بورڈ

چیف ایگزیکٹو آفیسر/ڈائریکٹر

چیئر مین

کراچی، مورخہ 28 اپریل 2021ء

Condensed Interim Statement of Financial Position

As at
31 March 2021

	Note	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)			
Assets			
Property and equipment	7	218,572	221,735
Intangible assets	8	1,832	1,978
Investment properties	9	275,740	275,740
Investments			
- Equity securities	10	865,322	829,168
- Mutual funds	10	60,868	59,765
Investment in associate		373,069	373,069
Loans and other receivables	11	57,760	62,941
Insurance / reinsurance receivables	12	572,921	655,338
Reinsurance recoveries against outstanding claims	19	417,177	405,249
Salvage recoveries accrued		1,337	1,805
Deferred commission expense	20	18,230	19,549
Taxation - provision less payment		2,021	3,311
Deferred tax asset		46,575	46,425
Prepayments	13	153,254	155,688
Cash and bank	14	51,818	37,590
		3,116,496	3,149,351
Total Assets of Window Takaful Operations - Operator's Fund		103,993	99,929
Total Assets		3,220,489	3,249,280
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		505,650	505,650
Reserves		1,652,733	1,629,308
Accumulated losses		(842,389)	(798,049)
Total Equity		1,315,994	1,336,909
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	732,335	700,569
Unearned premium reserves	18	239,752	277,987
Unearned reinsurance commission	20	17,612	21,079
Retirement benefit obligations		4,846	5,296
Lease liabilities		9,630	10,222
Insurance / reinsurance payables		565,120	548,928
Other creditors and accruals	16	245,372	262,187
Unclaimed dividends		22,773	22,773
Total Liabilities		1,837,440	1,849,041
Total Liabilities of Window Takaful Operations - Operator's Fund		67,055	63,330
Total Equity and Liabilities		3,220,489	3,249,280
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

March 2021
Premier Insurance Limited

For the three months
period ended 31
March 2021

Condensed Interim Statement of Profit and Loss Account (unaudited)

		Three Months Period Ended	
	Note	31 March 2021	31 March 2020
		(Rupees in '000)	
Net insurance premium	18	54,024	47,493
Net insurance claims	19	(43,769)	(29,118)
Net commission expense and other acquisition costs	20	(3,585)	(10,942)
Insurance claims and acquisition expenses		(47,354)	(40,060)
Management expenses	21	(51,003)	(54,074)
Underwriting results		(44,333)	(46,641)
Investment income / (loss)	22	9,851	3,602
Rental income		836	970
Revaluation gain on investment property		-	-
Other income	23	1,762	5,505
Other expenses	24	(1,315)	39
Results of operating activities		(33,199)	(36,525)
Finance costs		(330)	(418)
Loss before tax from General Insurance Operations		(33,529)	(36,943)
Loss before tax from Window Takaful Operations - Operator's Fund		(9,083)	(3,788)
Loss before tax		(42,612)	(40,731)
Income tax expense		(1,728)	(1,511)
Loss after tax		(44,340)	(42,242)
Loss per share - Rupees	26	(0.88)	(0.84)

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 2021

		Three Months Period Ended	
	Note	31 March 2021	31 March 2020
		(Rupees in '000)	
Loss after tax		(44,340)	(42,242)
Other comprehensive income:			
Unrealized gain / (loss) on available-for-sale investments during the period	29	23,425	(44,966)
Other comprehensive income / (loss) for the period		23,425	(44,966)
Total comprehensive loss for the period		(20,915)	(87,208)

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

For the three months
period ended 31
March 2021

Condensed Interim Statement of Changes in Equity (unaudited)

	Share capital	Reserves							
		Capital reserves		Revenue reserves					
	Issued, subscribed and paid-up	Reserve for exceptional losses	Devaluation reserve	General reserve	Revaluation Reserves - Available for sale investments of Company and associate	Revaluation Reserves - Property and Equipment	Unappropriated profit / Accumulated losses	Total reserves	Total equity
	(Rupees in '000)								
Balance as at 01 January 2020	505,650	19,490	185	996,851	280,054	35,859	(681,066)	651,373	1,157,023
Loss for the period ended 31 March 2020	-	-	-	-	-	-	(42,242)	(42,242)	(42,242)
Other comprehensive loss for the period	-	-	-	-	(44,966)	-	-	(44,966)	(44,966)
Total comprehensive loss for the period ended 31 March 2020	-	-	-	-	(44,966)	-	(42,242)	(87,208)	(87,208)
Balance as at 31 March 2020	505,650	19,490	185	996,851	235,088	35,859	(723,308)	564,165	1,069,815
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 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

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 2021

		Three Months Period Ended	
	Note	31 March 2021	31 March 2020
		(Rupees in '000)	
Operating cash flows			
a) Underwriting activities			
Insurance premium received		160,274	84,156
Reinsurance premium paid		(33,635)	(20,593)
Claims paid		(38,911)	(31,247)
Reinsurance and other recoveries received		14,979	(18,820)
Commission paid		(9,941)	(5,088)
Commission received		7,254	7,636
Other acquisition costs paid		(4,079)	(8,702)
Management expenses paid		(40,486)	(41,759)
Net cash used in underwriting activities		55,455	(34,417)
b) Other operating activities			
Income tax paid		(3,018)	(874)
Other operating payments		(10,737)	(1,378)
Other operating receipts		236	3,788
Loans advanced, deposits made/received		(8,215)	(118)
Other liabilities paid/received		(15,746)	(19,769)
Total cash used in other operating activities		(37,479)	(18,351)
Total cash used in all operating activities		17,976	(52,768)
Investment activities			
Profit / return received		6,834	3,429
Rental received		836	970
Payment for investments made		(15,501)	(20,195)
Proceeds from investments disposed		1,668	20,195
Fixed capital expenditure incurred		(205)	(346)
Proceeds from sale of property and equipment		3,727	1,989
Total cash flow generated from investing activities		(2,641)	6,042
Financing activities			
Finance cost paid		(330)	(418)
Payment of lease liability		(778)	(3)
Total cash used in financing activities		(1,108)	(421)
Net cash used in / generated from all activities		14,226	(47,147)
Cash and cash equivalents at beginning of the period		37,590	95,196
Cash and cash equivalents at end of the period	14	51,818	48,049

For the three months
period ended 31
March 2021

Condensed Interim Statement of Cashflows (unaudited)

		Three Months Period Ended	
	Note	31 March 2021	31 March 2020
		(Rupees in '000)	
Reconciliation to profit or loss account			
Operating cashflows		17,976	(52,768)
Depreciation and amortization expense	21	(2,794)	(3,138)
Finance costs		(330)	(418)
Profit on disposal of property and equipment	23	1,526	1,717
Profit on disposal of investments	22	1,132	69
Rental income		836	970
Dividend income	22	8,883	3,541
Other income	23	236	3,788
Share of profit of associates		-	-
Profit / (loss) from Window Takaful Operations - Operator's Fund	15	(9,083)	(3,788)
Increase / (decrease) in assets other than cash		(73,731)	176
Increase / (decrease) in liabilities other than borrowings		11,009	7,609
Loss after taxation		(44,340)	(42,242)

Definition of cash and cash equivalent

Cash 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 equivalents			
Cash		35	241
Stamps in hand		301	384
		336	625
Current and other accounts			
Current accounts		18,477	3,036
Savings accounts		33,005	44,387
		51,482	47,424
Total cash and cash equivalents		51,818	48,049

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 2021

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 Shahr-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) Province of Baluchistan, Pakistan:

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

v) Islamabad Capital Territory

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

Notes to the Condensed Interim Financial Statements (unaudited)

2. BASIS OF PREPARATION

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), 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.

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, 2020.

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.

These condensed interim financial statements for the quarter ended March 31, 2021 have been prepared under the historical cost convention, except that investments classified as available-for-sale 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.

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months
period ended 31
March 2021

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 December 31, 2020.

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, 2020.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The company's financial and Insurance risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2020 except for as stated below:

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. SECP has also given regulatory relief to corporate sector which includes extension of holding Annual General Meeting, alternatives to disseminate information to shareholders through post, relaxation for filing of interim financial statements, relaxation to hold Board of Director's meeting once in each quarter and instructions to prioritize safety of employees in COVID-19 outbreak.

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.

Notes to the Condensed Interim Financial Statements (unaudited)

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.

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 2021 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.

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

7. PROPERTY AND EQUIPMENT

	Note	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)			
Operating fixed assets	7.1	184,397	186,991
Capital work-in-progress		26,109	26,109
Right of use assets	7.2	8,066	8,635
		218,572	221,735

7.1 Operating fixed assets

	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)		
Opening written down value	186,991	194,961
Add: Additions during the period	205	1,742
Less: Book value of disposals during the period	(720)	(787)
Depreciation charged during the period	(2,079)	(8,925)
	(2,799)	(9,712)
Closing written down value	184,397	186,991

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:	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)		
Opening written down value	8,635	11,312
Add: Additions during the period	-	-
	8,635	11,312
Less: Reversal due to termination during the period	-	(284)
Depreciation charged during the period	(569)	(2,393)
Closing written down value	8,066	8,635

Notes to the Condensed Interim Financial Statements (unaudited)

8. INTANGIBLE ASSETS

	Unaudited 31 March 2021	Audited 31 December 2020
	(Rupees in '000)	
Opening written down value	1,978	2,826
Less: Amortization charged during the period	(145)	(848)
Closing written down value	1,832	1,978

9. INVESTMENT PROPERTIES

	Unaudited 31 March 2021	Audited 31 December 2020
	(Rupees in '000)	
Carrying value at the beginning of the period	275,740	268,348
Unrealized gain on revaluation during the period	-	4,105
Capital expenditure during the period	-	3,287
Carrying value at the end of the period	275,740	275,740

10. INVESTMENTS IN EQUITY SECURITIES AND MUTUAL FUND UNITS

	Unaudited 31 March 2021				Audited 31 December 2020			
	Cost	Impairment / provision for the period	Revaluation surplus / (deficit)	Carrying value	Cost	Impairment / provision for the period	Revaluation surplus / (deficit)	Carrying value
(Rupees in '000)								
Available for sale								
Related parties								
Listed shares	192,502	-	197,042	389,544	192,502	-	187,828	380,330
Unlisted shares	116,465	-	-	116,465	114,983	-	-	114,983
Other than related parties								
Listed shares	282,259	-	77,054	359,313	296,906	(26,996)	63,945	333,855
Mutual funds *	44,021	-	16,847	60,868	44,021	-	15,744	59,765
	635,247	-	290,943	926,190	648,412	(26,996)	267,517	888,933

* Investments in Mutual funds are placed as statutory deposit with State Bank of Pakistan in compliance of section 29 of Insurance Ordinance, 2000.

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

11. LOANS AND OTHER RECEIVABLES

	Note	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)			
Mark-up and dividend receivable		3,581	547
Loans to employees	11.1	3,313	3,784
Deposits	11.2	35,140	34,965
Receivables against sale of Investment		1,593	11,630
Advance to agents		737	737
Other receivables		13,396	11,278
		57,760	62,941

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 (December 31, 2020: 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

	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)		
Premium due but unpaid	481,533	547,462
Less: Provision for doubtful receivables from insurance contract holder	(162,743)	(161,781)
	318,790	385,681
Amounts due from other insurers / reinsurers	356,430	370,993
Less: Provision for doubtful receivables from insurers / reinsurers	(102,299)	(101,336)
	254,131	269,657
	572,921	655,338

13. PREPAYMENTS

	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)		
Prepaid reinsurance premium ceded	123,042	153,696
Other prepaid expense	30,212	1,992
	153,254	155,688

Notes to the Condensed Interim Financial Statements (unaudited)

14. CASH AND BANK

	Note	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)			
Cash and cash equivalents			
- Cash in hand		35	-
- Policy and revenue stamps, bond papers		301	184
Cash at bank			
- Current accounts		18,477	10,354
- Savings accounts	14.1	33,005	27,052
		51,818	37,590

14.1 The rate of return on saving accounts held with various banks range from 5.49% to 5.50% per annum (December 31, 2020: 5.48% to 13.69%).

15. WINDOW TAKAFUL OPERATIONS - Operator's Fund

	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)		
Assets		
Loan and other receivables	100	113
Receivable from PTF	14,319	10,990
Deferred commission expense	2,783	2,105
Cash and bank	471	3,701
	17,673	16,909
Qard-e-hasna contributed to PTF	86,320	83,020
Total Assets	103,993	99,929
Total Liabilities	135,588	122,441

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
(Rupees in '000)		
Operator's revenue accounts		
Wakala fee	6,636	11,265
Commission expense	(1,239)	(2,600)
General, administrative and management expenses	(14,112)	(12,073)
Modarib's share of PTF Investment income	193	-
Profit on bank accounts	11	47
Other expenses	(572)	(427)
Loss for the period	(9,083)	(3,788)

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

16. OTHER CREDITORS AND ACCRUALS

	Note	Unaudited 31 March 2021	Audited 31 December 2020
(Rupees in '000)			
Bonus payable		4,541	4,541
Commissions payable		175,216	176,250
Federal excise duty and sales tax		19,148	16,506
Federal insurance fee		91	505
Deposits and margins		3,727	3,727
Provision for rent	16.1	14,000	14,000
Others		28,649	46,658
		245,372	262,187

16.1 This represents provision for rent amounting to Rs.14 million (December 31, 2020: 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 2021	Audited 31 December 2020
(Rupees in '000)		
Commitment for capital expenditure	15,038	15,038

18. NET INSURANCE PREMIUM

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
(Rupees in '000)		
Written gross premium	96,270	80,586
Add: Unearned premium reserve opening	277,987	241,735
Less: Unearned premium reserve closing	(239,752)	(202,358)
Premium Earned	134,505	119,963
Less: Reinsurance premium ceded	49,827	53,845
Add: Prepaid reinsurance premium opening	153,696	124,400
Less: Prepaid reinsurance premium closing	(123,042)	(105,775)
Reinsurance expense	80,481	72,470
Net insurance premium	54,024	47,493

Notes to the Condensed Interim Financial Statements (unaudited)

19. NET INSURANCE CLAIMS

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Claims paid	38,911	31,247
Less: Outstanding claims including IBNR opening	(700,569)	(682,106)
Add: Outstanding claims including IBNR closing	732,335	701,401
Claims expense	70,676	50,542
Less: Reinsurance and other recoveries received	14,979	18,133
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(405,249)	(377,512)
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	417,177	380,803
Reinsurance and other recoveries revenue	26,907	21,424
Net insurance claims	43,769	29,118

20. NET COMMISSION EXPENSE AND OTHER ACQUISITION COSTS

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Commission paid or payable	8,907	6,669
Add: Deferred commission opening	19,549	20,156
Less: Deferred commission closing	(18,230)	(15,941)
Commission expense	10,226	10,884
Less: Commission received or recoverable from reinsurers	7,254	7,636
Add: Unearned reinsurance commission opening	21,079	15,263
Less: Unearned reinsurance commission closing	(17,612)	(14,255)
Commission from reinsurance	10,721	8,644
Net Commission expense	(494)	2,240
Add: Other acquisition costs:		
Tracking device expenses	156	6,000
Service charges	3,371	2,474
Other costs	552	228
	4,079	8,702
Net Commission expense and other acquisition costs	3,585	10,942

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

21. MANAGEMENT EXPENSES

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Employee benefit cost	36,575	41,049
Travelling expenses	206	522
Advertisement and sales promotion	285	34
Printing and stationary	920	447
Depreciation	2,648	2,927
Amortization	146	211
Rent, rates and taxes	191	293
Legal and professional charges - business related	2,062	697
Electricity, gas and water	663	870
Entertainment	688	684
Vehicle running expenses	272	350
Office repairs and maintenance	1,404	1,191
Bank charges	67	111
Postages, telegrams and telephone	1,088	1,410
Insurance expense	610	388
Annual supervision fee SECP	1,006	1,071
Bad and doubtful debts	1,925	1,612
Others	247	207
	51,003	54,074

22. INVESTMENT INCOME / (LOSS)

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Income from equity securities and mutual fund units		
- Dividend income	8,883	3,541
Net realized gains on investments		
Available for sale		
- Equity securities	1,132	69
Total investment income	10,015	3,610
Less: Impairment in value of available for sale securities		.
- Equity Securities	-	-
Less: Investment related expenses	(164)	(8)
	9,851	3,602

Notes to the Condensed Interim Financial Statements (unaudited)

23. OTHER INCOME

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Return on bank balances	190	2,017
Gain on sale of operating fixed assets	1,526	1,717
Miscellaneous	47	1,771
	1,762	5,505

24. OTHER EXPENSES

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Auditors' remuneration	530	-
Subscription	299	28
Donations	500	100
Inadmissible input tax expense	7	(98)
Sales promotion expense	75	58
Others	(96)	(127)
	1,315	(39)

25. TAXATION

	Unaudited Three Months Period Ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Current tax	1,728	1,511
	1,728	1,511

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 2021	31 March 2020
	(Rupees in '000)	
Loss after tax for the period	(44,340)	(42,242)
	(Number of shares in '000)	
Weighted average number of ordinary shares	50,565	50,565
	(Rupees)	
Loss per share	(0.88)	(0.84)

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

No figure for diluted earnings per share has been presented as the company has not issued any instrument which would dilute its basic 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 financial statements, are as follows:

	Unaudited	
	Three Months Period Ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Transactions during the period		
Associated Companies		
Premium underwritten	9,514	15,971
Claims paid	5,700	5,524
Commission paid	-	-
Others		
Premium underwritten	-	20
Meeting fees	280	-
Remuneration and retirement benefits to key management personnel	31,485	29,981
	Unaudited	Audited
	31 March 2021	31 December 2020
	(Rupees in '000)	
Period end balances		
Associated Companies		
Premium receivable	113,750	138,176
Claims outstanding	39,034	36,107
Commission outstanding	24,079	25,189

For the three months
period ended 31
March 2021

Notes to the Condensed Interim Financial Statements (unaudited)

28. SEGMENT REPORTING

28.1 Segment profit or loss

											Unaudited Three Months Period Ended	
											31 March 2021	31 March 2020
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
(Rupees in '000)												
Premium receivable (inclusive of FED / Sales Tax, Federal insurance fee and Administrative surcharge)	37,259	30,446	8,399	8,198	11,960	22,297	42,738	23,740	3,874	4,267	104,230	88,948
Less: FED / sales tax	4,100	3,546	944	821	1,572	2,695	-	-	468	527	7,084	7,589
Less: Federal insurance fee	248	235	73	73	100	193	423	235	32	37	876	773
Gross written Premium (inclusive of Administrative surcharge)	32,911	26,665	7,382	7,304	10,288	19,409	42,315	23,505	3,374	3,703	96,270	80,586
Gross direct premium	24,677	23,418	7,110	7,055	9,587	18,954	42,301	23,493	3,125	3,664	86,800	76,584
Facultative inward premium	8,140	3,165	39	-	321	84	-	-	222	-	8,722	3,249
Administrative surcharge	93	81	233	249	380	371	15	12	27	39	748	752
Insurance premium earned	56,624	54,876	7,382	6,772	17,512	27,809	42,395	20,183	10,591	10,323	134,505	119,963
Insurance premium ceded to reinsurers	(57,273)	(56,236)	(2,925)	(3,941)	(843)	(664)	(13,281)	(6,560)	(6,159)	(5,069)	(80,481)	(72,470)
Net Insurance premium	(649)	(1,360)	4,457	2,831	16,669	27,145	29,114	13,623	4,432	5,254	54,025	47,493
Commission income from reinsurers	6,404	5,984	512	690	51	24	2,324	782	1,430	1,164	10,721	8,644
Net underwriting income	5,755	4,624	4,969	3,521	16,721	27,169	31,438	14,405	5,862	6,418	64,745	56,137
Insurance claims expense	(3,107)	(8,003)	(370)	(4,014)	(8,161)	(9,260)	(50,313)	(22,089)	(8,725)	(7,176)	(70,676)	(50,542)
Insurance claims recovered from reinsurers and other recoveries revenue	375	5,382	451	3,156	4	406	20,971	6,474	5,106	6,006	26,907	21,424
Net Insurance claims	(2,732)	(2,621)	81	(858)	(8,157)	(8,854)	(29,342)	(15,615)	(3,619)	(1,169)	(43,769)	(29,118)
Commission expense	(5,232)	(5,929)	(773)	(929)	(1,281)	(1,868)	(2,574)	(1,261)	(367)	(898)	(10,226)	(10,884)
Management expense	(21,471)	(24,736)	(2,799)	(3,053)	(6,640)	(12,535)	(16,076)	(9,098)	(4,016)	(4,653)	(51,003)	(54,074)
Other acquisition cost	(49)	(19)	(42)	(14)	(299)	(6,110)	(3,639)	(2,533)	(50)	(26)	(4,079)	(8,702)
Net insurance claims and expenses	(29,484)	(33,305)	(3,533)	(4,854)	(16,377)	(29,367)	(51,632)	(28,507)	(8,052)	(6,746)	(109,077)	(102,779)
Underwriting result	(23,729)	(28,681)	1,436	(1,333)	344	(2,198)	(20,193)	(14,102)	(2,190)	(328)	(44,333)	(46,641)
Net investment income / (loss)											9,851	3,602
Rental income											836	970
Other income											1,762	5,505
Other expenses											(1,315)	39
Finance cost											(330)	(418)
Share of profit/(loss) from WTO											(9,083)	(3,788)
- Operator's Fund												
Loss before tax											(42,612)	(40,731)

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

28.2 Segment assets and liabilities

The following presents segments assets and liabilities for the period March 31, 2021 (unaudited) and December 31, 2020 (audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Segment assets	397,559	529,111	89,168	74,426	124,277	174,249	511,157	360,026	40,757	99,816	1,162,918	1,237,629
Unallocated corporate assets											2,057,570	2,011,651
Total assets											3,220,489	3,249,280
Segment Liabilities	531,534	662,042	119,218	93,124	166,158	218,027	683,416	450,477	54,492	124,893	1,554,818	1,548,563
Unallocated corporate liabilities											282,622	300,478
Total liabilities											1,837,440	1,849,041

29. MOVEMENT IN INVESTMENTS

Available for sale

(Rupees in '000)

01 January, 2020	742,852
Additions	68,064
Disposals (sale and redemptions)	(61,847)
Fair value net gains (excluding net realized gains)	166,860
Designated at fair value through profit of loss upon initial recognition	-
Impairment losses	(26,996)
31 December, 2020	888,933
Additions	15,501
Disposals (sale and redemptions)	(1,668)
Fair value net gains (excluding net realized gains)	23,424
Designated at fair value through profit of loss upon initial recognition	-
Impairment losses	-
31 March, 2021	926,190

Notes to the Condensed Interim Financial Statements (unaudited)

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 period

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:

31 March 2021 (Unaudited)			
Fair Value Measurement			
Level 1	Level 2	Level 3	
(Rupees in '000)			
Available for sale investments (measured at fair value)			
Equity securities	748,857	-	-
Mutual fund units	-	60,868	-
	748,857	60,868	-

31 December 2020 (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	-

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months
period ended 31
March 2021

31. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **April 28, 2021** 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 period. However there were no material reclassification / restatements to report.
- 32.3** All amounts have been rounded to the nearest thousand Rupees.

Financial Statements

(Window Takaful)



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

As at
31 March 2021

		Operator's Fund		Participant's Takaful Fund	
	Note	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(Rupees in '000)			
Assets					
Investments					
Mutual funds	7	-	-	6,920	6,820
Term deposits	8	-	-	600	600
Loans and other receivables	9	100	113	19,974	16,011
Takaful / retakaful receivables	11	-	-	44,772	36,023
Retakaful recoveries against outstanding claims	18	-	-	4,545	5,004
Qard-e-hasna contributed to PTF		86,320	83,020	-	-
Salvage recoveries accrued		-	-	279	72
Receivable from OPF / PTF	10	14,319	10,990	41,614	41,684
Deferred wakala expense	21	-	-	15,765	12,273
Deferred commission expense	22	2,783	2,105	-	-
Prepayments	12	-	-	5,866	5,901
Cash and bank	13	471	3,701	41,062	36,440
Total Assets		103,993	99,929	181,397	160,828
Funds and Liabilities					
Reserve attributable to:					
Operator's Fund (OPF)					
Statutory fund		50,000	50,000	-	-
Accumulated deficit		(81,595)	(72,512)	-	-
Balance of Operator's Fund		(31,595)	(22,512)	-	-
Participant's Takaful Fund (PTF) / Waqf					
Seed money		-	-	500	500
Revaluation reserves		-	-	(361)	(462)
Accumulated deficit		-	-	(31,258)	(28,901)
Balance of Participant's Takaful Fund / Waqf		-	-	(31,119)	(28,863)
Qard-e-Hasna		-	-	86,320	83,020
Liabilities					
PTF Underwriting provisions					
Unearned contribution reserve	17	-	-	45,044	35,064
Outstanding claims (including IBNR)	18	-	-	41,284	37,789
Contribution deficiency reserve		-	-	4,410	4,410
Unearned retakaful rebate	20	-	-	922	1,167
		-	-	91,660	78,430
Unearned wakala fees	21	15,765	12,273	-	-
Takaful / retakaful payables		-	-	17,002	14,489
Payable to OPF / PTF	15	41,614	41,684	14,319	10,990
Other creditors and accruals	14	78,209	68,484	3,215	2,762
		135,588	122,441	37,836	28,241
Total Fund and Liabilities		103,993	99,929	181,397	160,828
Contingencies and commitments					
	16				

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

March 2021
Premier Insurance Limited

For the three months
period ended 31
March 2021

Condensed Interim Statement of Profit and Loss (unaudited)

		Three months period ended	
	Note	31 March 2021	31 March 2020
		(Rupees in '000)	
Participant's Takaful Fund			
Contribution earned - net of wakala fee	17	12,324	20,920
Less: Contribution ceded to retakaful	17	(3,562)	(3,023)
Net contribution revenue	17	8,762	17,897
Re-takaful rebate earned	20	666	427
Net underwriting income		9,428	18,324
Net claims - reported / settled	18	(10,964)	(13,388)
- IBNR		221	-
		(1,315)	4,936
Other direct expenses	19	(1,401)	(570)
Deficit before investment income		(2,716)	4,366
Investment income	25	1	1,523
Other income	26	551	(66)
Less: Modarib's share of investment income	27	(193)	-
Surplus / (Deficit) for the period		(2,357)	5,823
Operator's Fund			
Wakala fee	21	6,636	11,265
Commission expense	22	(1,239)	(2,600)
General, administrative and management expenses	23	(14,112)	(12,073)
		(8,715)	(3,408)
Modarib's share of PTF investment income	27	193	-
Profit on bank accounts		11	47
Other expenses	24	(572)	(427)
(Loss) for the period		(9,083)	(3,788)

The annexed notes from 1 to 33 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 2021

	Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Participant's Takaful Fund		
Surplus / (Deficit) for the period	(2,357)	5,823
Other comprehensive income / (loss) for the period:		
Unrealized (loss) / gain on available for sale securities	101	(2,012)
Total comprehensive (loss) / gain for the period	(2,256)	3,811
Operator's Fund		
(Loss) for the period	(9,083)	(3,788)
Other comprehensive income / (loss) for the period:		
Unrealized income on available for sale securities	-	-
Total comprehensive (Loss) for the period	(9,083)	(3,788)

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.

For the three months
period ended 31
March 2021

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

	Attributable to Operator's Fund			
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale	Accumulated deficit	Total
(Rupees in '000)				
Balance as at 01 January 2020	50,000	-	(73,621)	(23,621)
Net loss for the period	-	-	(3,788)	(3,788)
Other comprehensive income for the period	-	-	-	-
Balance as at 31 March 2020	50,000	-	(77,409)	(27,409)
Balance as at 01 January 2021	50,000	-	(72,512)	(22,512)
Net profit 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)

	Attributable to participants of the Participant's Fund			
	Seed Money	Unrealized gain / (loss) on revaluation of available-for-sale	Accumulated Deficit	Total
(Rupees in '000)				
Balance as at 01 January 2020	500	557	(28,444)	(27,387)
Deficit for the period	-	-	5,823	5,823
Other comprehensive loss for the period	-	(2,012)	-	(2,012)
Qard-e-Hasna contributed by OPF	-	-	-	-
Balance as at 31 March 2020	500	(1,455)	(22,621)	(23,576)
Balance as at 01 January 2021	500	(462)	(28,901)	(28,863)
Deficit for the period	-	-	(2,357)	(2,357)
Other comprehensive loss for the period	-	101	-	101
Qard-e-Hasna contributed by OPF	-	-	-	-
Balance as at 31 March 2021	500	(362)	(31,258)	(31,119)

The annexed notes from 1 to 33 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 2021

		Three months period ended			
		Operator's Fund		Participant's Takaful Fund	
	Note	31 March 2021	31 March 2020	31 March 2021	31 March 2020
(Rupees in '000)					
Operating Activities					
a) Takaful activities					
Contribution received		-	-	20,191	22,938
Re-takaful contributions paid		-	-	104	7,620
Claims / benefit paid	18	-	-	(7,461)	(8,918)
Re-takaful and other recoveries	18	-	-	672	182
(Commissions paid) / re-takaful rebate received		(1,771)	(1,907)	421	423
Wakala fees received		6,799	11,000	-	-
Wakala fees paid		-	-	(6,799)	(11,000)
Modarib received / (paid)		193	-	(193)	-
Total cash generated / (used in) takaful activities		5,221	9,093	6,935	11,245
b) Other operating activities					
General and administration expenses paid		(14,684)	(12,500)	(1,401)	(570)
Other operating payments		-	(1,669)	-	-
Amounts due from other takaful / retakaful operators		-	-	(8,749)	2,767
Deposits and other receivables		15	(15)	(3,983)	(6,332)
Paid to Premier Insurance Limited		9,324	3,279	8,454	(7,528)
Accrued salvage recoveries		(207)	(97)	-	-
Other liabilities paid		390	1,809	352	(1,164)
Qard-e-Hasna contributing		(3,300)	-	3,300	-
Total cash used in other operating activities		(8,462)	(9,193)	(5,027)	(12,827)
Total cash used in from operating activities		(3,241)	(100)	4,908	(1,582)
Investment Activities					
Investment income received		-	-	(186)	671
Bank profit received		11	47	-	-
Sale / (purchase) of investment		-	-	(100)	2,013
Total cash generated / (used in) from investing activities		11	47	(286)	2,684
Total cash generated / (used in) from all activities		(3,230)	(53)	4,622	1,102
Cash and cash equivalents at beginning of the period		3,701	1,559	36,440	53,593
Cash and cash equivalents at the end of the period		471	1,506	41,062	54,695

For the three months
period ended 31
March 2021

Condensed Interim Statement Of Cash Flows (unaudited)

	Three months period ended			
	Operator's Fund		Participant's Takaful Fund	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
(Rupees in '000)				
Reconciliation to profit and loss account				
Operating cash flows	(3,241)	(100)	4,908	(1,582)
Investment income	-	-	1	1,523
Increase / (decrease) in assets other than cash	(3,994)	3,068	(15,504)	7,223
(Decrease) / increase in liabilities	1,452	(6,756)	4,938	(1,341)
Income / (loss) for the period	(9,083)	(3,788)	(2,357)	5,823
Attributed to				
Operator's Fund	(9,083)	(3,788)	-	-
Participants' Takaful Fund	-	-	(2,357)	5,823
	(9,083)	(3,788)	(2,357)	5,823
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				
Policy, revenue stamps and bond papers	20	64	-	-
Current and other accounts				
Current and savings accounts	451	1,442	41,062	54,695
Term deposit receipt	-	-	-	-
Total cash and cash equivalents	471	1,506	41,062	54,695

The annexed notes from 1 to 33 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 2021

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, 2020.

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 (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the 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.

Notes to the Condensed Interim Financial Statements (unaudited)

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.

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 2020.

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, 2020.

5. FINANCIAL AND TAKAFUL RISK MANAGEMENT

The company's financial and Insurance risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2020 except for as stated below:

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. SECP has also given regulatory relief to corporate sector which includes extension of holding Annual General Meeting, alternatives to disseminate information to shareholders through post, relaxation for filing of interim financial statements, relaxation to hold Board of Director's meeting once in each quarter and instructions to prioritize safety of employees in COVID-19 outbreak.

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months
period ended 31
March 2021

COVID-19 has adversely 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 and managing cybersecurity 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.

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 by 625 basis point. 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.

Notes to the Condensed Interim Financial Statements (unaudited)

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, 2021 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 2021			(Audited) 31 December 2020		
	Cost	Impairment / provision for the period	Carrying value	Cost	Impairment / Provision for the period	Carrying value
(Rupees in '000)						
Classified at available for sale - AFS						
Mutual fund units	6,813	-	6,920	6,813	-	6,820
	6,813	-	6,920	6,813	-	6,820

8. INVESTMENTS IN TERM DEPOSITS - PTF

Note	(Unaudited) 31 March 2021			(Audited) 31 December 2020		
	Cost	Impairment / provision for the period	Carrying value	Cost	Impairment / Provision for the period	Carrying value
(Rupees in '000)						
Classified at held to maturity						
Term deposit receipt - held to maturity	8.1	600	-	600	-	600
		600	-	600	-	600

8.1 This represents a term deposit with bank having profit at the average rate of 3.75% per annum (December 31, 2020:4.57%) having maturity till 16 April 2021.

In accordance with takaful rules 2012, if at any point in time, assets in participant takaful fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an profit free loan, (Qard-e-Hasna) from Operator fund. In the event of future surplus in the participant takaful to which a qard-e-hasna has been made, the qard-e-hasna shall be repaid prior to distribution of surplus to participants.

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

9. LOANS AND OTHER RECEIVABLES - Considered good

	Operator's Fund		Participant's Takaful Fund	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in '000)			
Profit receivable	3	1	191	211
Federal excise duty	97	112	5,554	5,124
Others	-	-	14,229	10,676
	100	113	19,974	16,011

10. RECEIVABLE OPF / PTF

	Operator's Fund		Participant's Takaful Fund	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in '000)			
Wakala fee receivable	14,319	10,990	-	-
Inter fund receivable	-	-	41,614	41,684
	17,619	10,990	41,614	41,684

11. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good

	Operator's Fund		Participant's Takaful Fund	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in '000)			
Contribution due but unpaid	-	-	40,874	31,584
Less: Provision for doubtful receivables	-	-	(5,552)	(5,552)
Amounts due from other takaful / retakaful operators	-	-	9,450	9,991
	-	-	44,772	36,023

12. PREPAYMENTS

	Operator's Fund		Participant's Takaful Fund	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in '000)			
Prepaid retakaful contribution ceded	-	-	4,422	5,575
Other prepaid expense	-	-	1,444	326
	-	-	5,866	5,901

Notes to the Condensed Interim Financial Statements (unaudited)

13. CASH AND BANK

	Note	Operator's Fund		Participant's Takaful Fund	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(Rupees in '000)			
Cash and cash equivalent					
Policy, revenue stamps and bond papers		20	29	-	-
Cash at bank					
Current account		15	15	239	397
Savings account	13.1	436	3,657	40,823	36,043
		471	3,701	41,062	36,440

13.1 The rate of return on profit and loss sharing accounts held with Islamic banks during the period ranges from 2.76% to 5.75% per annum (December 31, 2020: 2.75% to 6.55%).

14. OTHER CREDITORS AND ACCRUALS

	Operator's Fund		Participant's Takaful Fund	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in '000)			
Payable to Premier Insurance Limited	69,021	59,697	101	-
Federal takaful fee	-	-	80	45
Sales tax on services	-	-	794	49
Commission payable	9,339	9,193	-	-
Auditor's fee	420	299	-	-
Others	(571)	(705)	2,240	2,668
	78,209	68,484	3,215	2,762

15. PAYABLE OPF / PTF

	Operator's Fund		Participant's Takaful Fund	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in '000)			
Wakala fee payable	-	-	14,319	10,990
Other Payable	41,614	41,684	-	-
	41,614	41,684	17,619	10,990

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

16. CONTINGENCES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2021 (31 December 2020: Nil)

17. NET CONTRIBUTION

	(Unaudited) Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Written gross contribution	28,940	20,172
Less: Wakala fee	(6,636)	(11,265)
Contribution Net of Wakala Fee	22,304	8,907
Add: Unearned contribution reserve opening	35,064	71,187
Less: Unearned contribution reserve closing	(45,044)	(59,174)
Contribution earned	12,324	20,920
Less: Retakaful contribution ceded	2,409	2,849
Add: Prepaid retakaful contribution opening	5,575	3,115
Less: Prepaid retakaful contribution closing	(4,422)	(2,941)
Retakaful expense	3,562	3,023
Net contribution	8,762	17,897

18. NET CLAIMS EXPENSE

	(Unaudited) Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Claims paid or payable	7,461	8,918
Less: Outstanding claims including IBNR opening	(37,789)	(52,440)
Add: Outstanding claims including IBNR closing	41,284	57,110
Claims expense	10,956	13,588
Less: Retakaful and other recoveries received	672	182
Less: Retakaful recoveries against outstanding claims - opening	(5,004)	(5,442)
Add: Retakaful recoveries against outstanding claims - closing	4,545	5,460
Retakaful and other recoveries revenue	213	200
Net claim	10,743	13,388

Notes to the Condensed Interim Financial Statements (unaudited)

19. DIRECT EXPENSES - PTF

	(Unaudited) Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Tracking services	-	94
Service charges	780	105
Others	621	371
	1,401	570

20. RETAKAFUL REBATE - PTF

	(Unaudited) Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Rebate from re-takaful received	421	423
Add: Deferred rebate opening	1,167	606
Less: Deferred rebate closing	(922)	(602)
Rebate from retakaful earned	666	427

21. WAKALA FEE - OPF

	(Unaudited) Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Gross wakala fee	10,128	7,060
Add: Deferred wakala opening	12,273	24,916
Less: Deferred wakala closing	(15,765)	(20,711)
Net wakala fee	6,636	11,265

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.

22. COMMISSION EXPENSE - OPF

	(Unaudited) Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Commission paid or payable	1,917	1,776
Add: Deferred commission opening	2,105	5,586
Less: Deferred commission closing	(2,783)	(4,762)
Commission expense	1,239	2,600

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

23. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF

	(Unaudited)	
	Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Employee benefit cost	10,980	9,660
Rent, rates and taxes	57	73
Communications	126	204
Fuel and power	199	813
Travelling expenses	62	127
Entertainments	207	171
Advertisements and sales promotions	1,187	67
Repair and maintenance	422	298
Printing and stationery	269	104
Vehicle running expenses	82	88
Annual supervision fee SECP	262	298
Bank charges	-	-
Miscellaneous	259	170
	14,112	12,073

24. OTHER EXPENSES - OPF

	(Unaudited)	
	Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Auditors' remuneration	122	60
Fees and subscription	450	367
	572	427

25. INVESTMENT INCOME - PTF

	(Unaudited)	
	Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Income from mutual funds		
Realized Gain on sale of mutual fund units	-	-
Dividend income	-	1,062
Income from term deposits		
Return on term deposits	1	461
	1	1,523

Notes to the Condensed Interim Financial Statements (unaudited)

26. OTHER INCOME - PTF

	(Unaudited) Three months period ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
Profit on bank deposits	551	-
Exchange loss	-	(66)
	551	(66)

27. MODARIB FEE

The operator manage the participants' investments as a Modarib and charge 35% Modarib's share of the investment income earned by PTF of Rs. 193,213/- during the period.

28. 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 2021	31 March 2020
	(Rupees in '000)	
Transactions during the period		
Associated companies		
Contribution underwritten	7,957	1,986
Contribution received	1,024	2,378
Claims paid	390	124

	(Unaudited) 31 March 2021	(Audited) 31 December 2020
	(Rupees in '000)	
Period end balances		
Associated Companies		
Contribution receivable	13,611	7,097
Claims outstanding	241	224
Commission outstanding	420	486

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

29. SEGMENT INFORMATION

29.1 Participant's Takaful Fund

Segment profit and loss

											Unaudited Three months period ended	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		31 March 2021	31 March 2020
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)	936	1,155	1,321	1,013	19,898	18,823	9,564	1,497	1	373	31,720	22,861
Less: Federal excise duty	104	153	152	126	2,241	2,157	-	-	-	51	2,497	2,487
Less: Federal takaful fee	7	10	11	9	171	165	95	15	-	3	284	202
Gross written contribution (inclusive of administrative surcharge)	825	992	1,158	878	17,486	16,501	9,469	1,482	1	319	28,939	20,172
Gross direct contribution	714	975	1,076	854	16,408	15,827	9,465	1,478	-	315	27,663	19,449
Facultative inward contribution	102	-	35	-	397	34	-	-	-	-	535	34
Administrative surcharge	9	17	48	24	681	639	4	4	-	4	741	688
Less: Wakala expense	(657)	(350)	(458)	(280)	(2,824)	(7,264)	(2,582)	(3,283)	(115)	(88)	(6,636)	(11,265)
Takaful contribution earned	1,878	999	1,307	801	8,069	20,755	7,376	9,341	330	290	18,960	32,185
Takaful contribution ceded to retakaful operators	(1,562)	(850)	(1,132)	(658)	(589)	(1,271)	-	-	(279)	(244)	(3,562)	(3,023)
Net takaful contribution	(341)	(201)	(283)	(137)	4,656	12,220	4,794	6,058	(65)	(42)	8,762	17,897
Rebate earned	337	190	256	151	9	30	-	-	64	56	666	427
Net underwriting income	(4)	(11)	(27)	14	4,665	12,250	4,794	6,058	(1)	14	9,428	18,324
Takaful claims	(240)	(19)	(26)	(136)	(2,612)	(3,661)	(8,094)	(9,771)	16	-	(10,956)	(13,588)
Takaful claims recovered from retakaful	209	9	22	191	-	-	(18)	-	-	-	213	200
Net claim	(31)	(10)	(4)	55	(2,612)	(3,661)	(8,112)	(9,771)	16	-	(10,743)	(13,388)
Other direct expense	(40)	(28)	(56)	(25)	(847)	(466)	(458)	(42)	-	(9)	(1,401)	(570)
Surplus before investment income	(75)	(49)	(87)	44	1,206	8,123	(3,776)	(3,755)	15	5	(2,716)	4,366
Investment income											1	1,523
Other Income											551	(66)
Less: Modarib's share of investment income											(193)	-
Surplus / (Deficit) transferred to accumulated surplus											(2,357)	5,823

Notes to the Condensed Interim Financial Statements (unaudited)

Segment assets and liabilities

The following presents segments assets and liabilities as at 31 March 2021 (Unaudited) and 31 December 2020 (Audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Segment assets	5,290	10,048	3,970	7,168	43,437	28,914	18,045	17,894	281	2,358	71,023	66,382
Unallocated corporate assets											110,374	94,446
Total assets											181,397	160,828
Segment liabilities	2,972	9,100	4,172	5,511	62,993	38,074	34,112	33,949	3	1,876	104,252	88,509
Unallocated corporate liabilities											25,244	18,162
Total liabilities											129,496	106,671

29.2 Operator's Fund

Segment profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Wakala fee earned	657	350	458	280	2,824	7,264	2,582	3,283	115	88	6,636	11,265
Commission expense	(252)	(202)	(84)	(97)	(719)	(1,834)	(169)	(445)	(15)	(22)	(1,239)	(2,600)
Management expense	549	136	455	92	(7,499)	(8,243)	(7,722)	(4,087)	104	29	(14,112)	(12,073)
	954	284	829	275	(5,394)	(2,813)	(5,309)	(1,249)	204	95	(8,715)	(3,408)
Modarib's share of PTF investment income											193	-
Investment income											-	-
Profit on bank deposits											11	47
Other expenses											(572)	(427)
Loss before taxation											(9,083)	(3,788)

Segment assets and liabilities

The following presents segments assets and liabilities as at 31 March 2021 (Unaudited) and 31 December 2020 (Audited):

Notes to the Condensed Interim Financial Statements (unaudited)

For the three months period ended 31 March 2021

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Segment assets	79	216	111	131	1,682	906	911	807	-	45	2,783	2,105
Unallocated corporate assets											101,210	97,824
Total assets											103,993	99,929
Segment liabilities	449	1,262	631	764	9,526	5,279	5,158	4,708	-	260	15,765	12,273
Unallocated corporate liabilities											119,823	110,168
Total liabilities											135,588	122,441

30. MOVEMENT IN INVESTMENTS

	OPF		PTF		Total
	Available for sale	Available for sale	Held to maturity		
	(Rupees in '000)				
01 January 2020	-	40,782	600		41,382
Addition	-	17,462	1,200		18,662
Disposal (sale and redemption)	-	(50,405)	(1,200)		(51,605)
Designated at fair value through profit of loss upon initial recognition	-	(1,019)	-		(1,019)
31 December 2020	-	6,820	600		7,420
Addition	-	-	600		600
Disposal (sale and redemption)	-	-	(600)		(600)
Designated at fair value through profit of loss upon initial recognition	-	101	-		101
31 March 2021	-	6,920	600		7,520

31. 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

Notes to the Condensed Interim Financial Statements (unaudited)

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:

31 March 2021 (Unaudited) Fair Value Measurement			
Level 1	Level 2 (Rupees in '000)	Level 3	
PTF			
Available for sale investments (measured at fair value)			
Mutual fund units	-	6,920	-
	-	6,920	-

31 December 2020 (Audited) Fair Value Measurement			
Level 1	Level 2 (Rupees in '000)	Level 3	
PTF			
Available for sale investments (measured at fair value)			
Mutual fund units	-	6,820	-
	-	6,820	-

32. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **April 28, 2021** by the Board of Directors of the Operator.

33. GENERAL

- 33.1** 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.
- 33.2** 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.
- 33.3** All amounts have been rounded to the nearest thousand Rupees.

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