

Interim Financial Statements
For the Nine Month Period ended September 30, 2020
(Unaudited)



بمیشه کالو

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Branch Network

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Company Information

Board of Directors

Khalid Bashir
(Chairman)

Ahsan Bashir

Sharik Bashir

Shameen Azfar

Imran Maqbool

Mr. Asadullah Khawaja

Attaullah A. Rasheed

Chief Executive Officer

Nadeem Maqbool

Chief Financial Officer

Amjed Bahadur Ali

Company Secretary & Head of Compliance

Zeeshan Sattar

Audit Committee

Asadullah Khawaja
(Chairman)

Khalid Bashir
(Member)

Imran Maqbool
(Member)

Oan Ali
(Secretary)

Ethics, Human Resource, Remuneration & Nomination Committee

Attaullah A Rasheed
(Chairman)

Shameen Azfar
(Member)

Nadeem Maqbool
(Member)

Niina Khan
(Secretary)

Investment Committee

Ahsan Bashir
(Chairman)

Nadeem Maqbool
(Member)

Imran Maqbool
(Member)

Asadullah Khawaja
(Member)

Sharik Bashir
(Member)

Amjed Bahadur Ali
(Secretary)

Claim Settlement Committee

Imran Maqbool
(Chairman)

Attaullah A. Rasheed
(Chairman)

Afzal-ur-Rehman
(Member)

Hassan Mustafa
(Member/Secretary)

Underwriting Committee

Imran Maqbool
(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
(Member/Secretary)

Risk Management & Compliance Committee

Shameen Azfar
(Chairman)

Nadeem Maqbool
(Member)

Sharik Bashir
(Member)

Amjed Bahadur Ali
(Member)

Zeeshan Sattar
(Secretary)

Auditors

EY Ford Rhodes,
Chartered Accountants.

Legal Advisors

Arfin & Company
Advocates

Registrar

FAMCO Associates (Pvt) Ltd
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Report of the Directors to the Members

The Directors are pleased to present the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2020.

	Conventional		Takaful	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
(Rupees in `000)				
Premium / contribution written	427,430	408,272	55,020	86,534
Net Premium / contribution	143,563	170,128	79,893	101,022
Underwriting Result	(152,691)	(120,616)	1,231	61
Investment loss	12,408	(146,288)	1,429	3,582
Profit / (Loss) before taxation	(115,490)	-(257,667)	11,209	(15,899)
Profit / (Loss) after taxation	(121,104)	(265,875)	-	-
(Loss) per share	(2.40)	(5.26)		

The Company was able to increase its gross written premium by approximately 5% during the nine months period ended September 30, 2020. As outlined previously, the management had decided at the start of the year to improve premium revenues in order to work towards growth and profitability. Our efforts were stymied by the COVID 19 pandemic but in spite of that we have managed to retain our major businesses and managed a marginal growth in premium. We are hopeful that in the remaining period of the current financial year we will be able to improve on this further. Our Health portfolio has grown during the year which has resulted in an increased in the overall claim ratio.

Company's Window Takaful Operations reported a decline of 36.4% in gross contribution during the nine months period ended September 30, 2020. The overall claims decreased by 18.8% as compared to last year and underwriting profit increase by Rs. 1.17 million.

Your company is constantly striving to acquire new business through an aggressive marketing strategy and customization of its products to suit a wider customer base. We have also initiated a continuous evaluation process to augment our policy of eliminating loss making businesses. We hope that these measures will result in Premier being able to regain momentum and become an insurer of choice.

Report of the **Directors to the Members**

Future prospects

The management has embarked on a continuous process to reduce loss generating businesses and reduction of costs. Being one of the oldest names in the insurance sector, we have the resources and human resource skills to improve our operating results and add value to our stakeholder's interest. Our Board of Directors is very diligent and oversees all our efforts while giving valuable input. We hope that we will be able to grow profitably and are confident of increasing our market share. We have been able to retain our existing clients, regain some lost clients as well attract new clients. This positive trend is expected to continue in the remaining period of the year, and we hope that our efforts towards writing quality business will enable us to post better results. During this period, we intend to continue our efforts at reorganization of the company while not losing sight of our marketing efforts.

Acknowledgement

We would like to thank our valued customers for their continued patronage and support and to the Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance. We also wish to place on record our appreciation for our Reinsurance partners for their support and guidance.

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

On behalf of the Board

Chairman

CEO/Director

Karachi, Dated: October 29, 2020

کاروبار کو حاصل کرنے کی جدوجہد کر رہی ہے۔ ہم نے مسلسل تشخیصی عمل کا آغاز کیا ہے جس کے تحت نقصان میں جانے والے کاروبار کو ختم کرنے کی پالیسی وضع کی گئی ہے۔ ہمیں امید ہے کہ ان اقدامات کے نتیجے میں پریمر معیار حرکت کو دوبارہ حاصل کرنے اور ایک مرتبہ پھر پسندیدہ بیمہ کار بننے میں کامیاب ہو جائے گی۔

مستقبل کے امکانات

انتظامیہ تسلسل کے ساتھ نقصان میں جانے والے کاروباروں کو بٹانے اور لاگتوں کو کم کرنے کے لئے کام کر رہی ہے۔ انشورنس کے شعبہ میں ایک قدیم نام ہونے کے ناتے ہمارے پاس وسائل اور انسانی وسائل ہیں جن سے کاروباری نتائج میں بہتری اور مستفیدان کے مفادات میں قدر پیدا کی جاسکتی ہے۔ ہمارا بورڈ آف ڈائریکٹرز انتہائی شائستہ ہے اور قابل قدر رہنمائی کرتے ہوئے ہماری تمام کوششوں کی نگرانی کرتا ہے۔ امید ہے کہ ہم منافع کاری میں اضافہ میں کامیاب ہو جائیں گے اور پر اعتماد ہیں کہ مارکیٹ میں ہمارے حصے میں اضافہ ہوگا۔ ہم اپنے موجودہ کلائنٹس کو برقرار رکھنے، کھوئے ہوئے کلائنٹس کو حاصل کرنے کے ساتھ نئے کلائنٹس کو کشش کرنے کے قابل ہو جائیں گے۔ توقع ہے کہ مثبت رجحان سال کی بقایا مدت میں جاری رہے گا اور امید ہے کہ معیاری تحریری کاروبار کے لئے ہماری کوششوں سے بعد ازاں بہتر نتائج حاصل ہونگے۔ اس مدت کے دوران اپنی مارکیٹنگ کوششوں سے صرف نظر نہ کرتے ہوئے ہمارا اردادہ کمپنی کی از سر نو ساخت بندی کرنا ہے۔

اعتراف

ہم اپنے قابل قدر گاہکوں کی مسلسل سرپرستی اور تعاون اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی رہنمائی اور مدد پران کے مشکور ہیں۔ ہم اپنے ری انشورنس شرکاء اور ان کے تعاون اور رہنمائی کے لئے ستائش ریکارڈ پر لا نا چاہتے ہیں۔

آپ کے ڈائریکٹران کمپنی کی نمواور اس کے آپریشن میں مسلسل کامیابی میں افسران، فیلڈ فورس اور عملہ کی معاونت پران کے انتہائی مشکور ہیں۔

منجانب

سی ای او/ڈائریکٹر

چیرمین

کراچی: 29 اکتوبر 2020

ڈائریکٹران کی رپورٹ برائے ممبران

ڈائریکٹران کمپنی غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے برائے نو ماہی مدت ختمہ 30 ستمبر 2020 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کارکردگی کا جائزہ

مکافل		روایتی		
30 ستمبر 2019	30 ستمبر 2020	30 ستمبر 2019	30 ستمبر 2020	
روپے '000				
86,534	55,020	408,272	427,430	پریمیم/کنٹری بیوشن تحریری
101,022	79,893	170,128	143,563	خالص پریمیم/کنٹری بیوشن
61	1,231	(120,616)	(152,691)	ذمہ داری کے نتائج
3,582	1,429	(146,288)	12,408	سرمایہ کاری خسارہ
(15,899)	11,209	-(257,667)	(115,490)	منافع/(خسارہ) قبل از ٹیکس
-	-	(265,875)	(121,104)	منافع/(خسارہ) قبل از ٹیکس
		(5.26)	(2.40)	(خسارہ) فی حصص

نو ماہی مدت ختمہ 30 ستمبر 2020 کے دوران کمپنی اپنے خام تحریری پریمیم میں تقریباً 5 فیصد اضافہ کرنے میں کامیاب رہی۔ جیسا کہ پہلے بتایا گیا ہے کہ کمپنی نے سال کے آغاز ہی میں پریمیم کی آمدن میں نمو اور منافع کاری میں اضافہ کے لئے کام کرنے کا فیصلہ کر لیا تھا۔ ہماری کوششیں COVID-19 کی وباء میں ماند پڑ گئیں لیکن اس کے باوجود ہم اپنے بڑے کاروبار کو برقرار رکھنے اور پریمیم میں بہتر نمو حاصل کرنے میں کامیاب رہے۔ ہم پر امید ہیں کہ مالیاتی سال کی بقایا مدت میں ہم اس میں مزید بہتری لانے میں کامیاب رہیں گے۔ سال کے دوران ہمارے صحت کے پورٹ فولیو میں نمو ہوئی جس کے نتیجے میں مجموعی کلیم کی شرح میں اضافہ ہوا۔

نو ماہی مدت ختمہ 30 ستمبر 2020 کے دوران کمپنی کے ونڈو مکافل آپریشنز کے خام کنٹری بیوشن میں 36.4 فیصد کمی ہوئی۔ گزشتہ سال کے مقابلے میں مجموعی کلیم میں 18.8 فیصد کمی ہوئی اور ذمہ داری کے منافع میں 1.17 ملین روپے کا اضافہ ہوا۔

آپ کی کمپنی تسلسل کے ساتھ اپنی متحرک مارکیٹنگ حکمت عملی اور کسٹمرز کے کے ضروریات کے مطابق موزوں مصنوعات کو متعارف کروانے کے

Condensed Interim Statement of Financial Position

As at 30 September 2020

	Note	Unaudited September 30, 2020	Audited December 31, 2019
(Rupees in `000)			
Assets			
Property and equipment	7	224,906	232,382
Intangible assets	8	2,192	2,826
Investment properties	9	273,382	268,348
Investment in equity securities and mutual fund units	10	794,167	742,852
Investment in associate		261,802	242,729
Loans and other receivables	11	50,405	51,370
Insurance / reinsurance receivables	12	678,014	635,165
Reinsurance recoveries against outstanding claims	19	388,018	377,512
Salvage recoveries accrued		3,975	3,531
Deferred commission expense	20	23,916	20,156
Taxation - provision less payment		3,585	7,725
Deferred tax asset		46,012	44,390
Prepayments	13	171,200	125,078
Cash and bank	14	51,089	95,196
		2,972,663	2,849,260
Total Assets of Window Takaful Operations - Operator's Fund		98,903	108,040
Total Assets		3,071,566	2,957,300
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		505,650	505,650
Reserves		1,415,457	1,332,439
Accumulated losses		(802,170)	(681,066)
Total Equity		1,118,937	1,157,023
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	711,197	682,106
Unearned premium reserves	18	302,272	241,735
Unearned reinsurance commission	20	24,289	15,263
Retirement benefit obligations		4,663	4,447
Lease Liabilities		11,175	12,948
Insurance / reinsurance payables		527,829	454,165
Other creditors and accruals	16	282,410	283,529
Unclaimed dividends		22,773	25,527
Total Liabilities		1,886,608	1,719,720
Total Liabilities of Window Takaful Operations - Operator's Fund		66,021	80,557
Total Equity and Liabilities		3,071,566	2,957,300
Contingencies and commitments	17		

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

Chairman

Chief Executive
Officer

Director

Director

Chief Financial
Officer

Condensed Interim Statement of

Profit & Loss Account (Unaudited) | For the quarter and nine months period ended 30 September 2020

	Note	Quarter ended		Nine Months Period Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
(Rupees in `000)					
Net insurance premium	18	51,072	55,367	143,563	170,128
Net insurance claims	19	(29,651)	(25,528)	(81,633)	(60,069)
Net commission expense and other acquisition costs	20	(8,257)	(12,951)	(22,792)	(34,249)
Insurance claims and acquisition expenses		(37,908)	(38,479)	(104,425)	(94,318)
Management expenses	21	(75,823)	(74,330)	(191,829)	(196,426)
Underwriting results		(62,659)	(57,441)	(152,691)	(120,616)
Investment income / (loss)	22	2,915	4,368	12,408	(146,288)
Rental income		1,023	860	2,983	2,421
Revaluation gain on investment property		-	-	1,747	1,762
Other income	23	891	8,961	12,710	29,949
Other expenses	24	(664)	609	(1,627)	(7,640)
Results of operating activities		(58,494)	(42,644)	(124,470)	(240,412)
Finance costs		(379)	(442)	(1,195)	(1,356)
Share of loss from associate		(1)	-	(1,034)	-
Loss before tax from General Insurance Operations		(58,874)	(43,086)	(126,699)	(241,768)
Loss before tax from Window Takaful Operations - Operator's Fund		13,592	4,980	11,209	(15,899)
Loss before tax		(45,282)	(38,106)	(115,490)	(257,667)
Income tax expense	25	(4,103)	(4,743)	(5,614)	(8,208)
Loss after tax		(49,384)	(42,849)	(121,104)	(265,875)
Loss per share - Rupees	26	(0.98)	(0.85)	(2.40)	(5.26)

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

Chairman

Chief Executive
Officer

Director

Director

Chief Financial
Officer

Condensed Interim Statement of
Comprehensive Income (Unaudited)

For the quarter and nine months period ended 30 September 2020

	Quarter ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
(Rupees in '000)				
Loss after tax	(49,384)	(42,849)	(121,104)	(265,875)
Other comprehensive income:				
Unrealized gain / (loss) on available-for-sale investments during the period	107,877	(17,155)	62,911	34,056
Other comprehensive income from associated company	-	-	20,107	-
Other comprehensive income from Window Takaful Operations - Operator's Fund	-	-	-	2,456
Other comprehensive income for the period	107,877	(17,155)	83,018	36,512
Total comprehensive income / (loss) for the period	58,493	(60,003)	(38,086)	(229,364)

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

Chairman

Chief Executive
Officer

Director

Director

Chief Financial
Officer

Condensed Interim Statement of

Changes In Equity (Unaudited) | For the nine months period ended 30 September 2020

	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 2019	505,650	19,490	185	996,851	96,512	35,859	(479,413)	669,484	1,175,134	
Loss for the period ended 30 September 2019	-	-	-	-	-	-	(265,875)	(265,875)	(265,875)	
Other comprehensive income for the period	-	-	-	-	36,512	-	-	36,512	36,512	
Total comprehensive loss for the period ended 30 September 2019	-	-	-	-	36,512	-	(265,875)	(229,363)	(229,363)	
Balance as at 30 September 2019	505,650	19,490	185	996,851	133,024	35,859	(745,288)	440,121	945,772	
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 30 September 2020	-	-	-	-	-	-	(121,104)	(121,104)	(121,104)	
Other comprehensive income for the period	-	-	-	-	83,018	-	-	83,018	83,018	
Total comprehensive loss for the period ended 30 September 2020	-	-	-	-	83,018	-	(121,104)	(38,086)	(38,086)	
Balance as at 30 September 2020	505,650	19,490	185	996,851	363,072	35,859	(802,170)	613,287	1,118,937	

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

Chairman

Chief Executive
Officer

Director

Director

Chief Financial
Officer

Condensed Interim Statement of

Cashflows (Unaudited) | For the nine months period ended 30 September 2020

	Note	Nine months period ended	
		September 30,	September 30,
		2020	2019
(Rupees in `000)			
Operating cash flows			
a) Underwriting activities			
Insurance premium received		356,554	413,710
Reinsurance premium paid		(182,493)	(188,354)
Claims paid	19	(110,408)	(140,162)
Reinsurance and other recoveries received	19	47,360	50,190
Commission paid		(17,805)	(48,276)
Commission received		35,925	32,538
Other acquisition costs paid		(17,878)	(21,783)
Management expenses paid		(229,335)	(131,966)
Net cash used in underwriting activities		(118,079)	(34,104)
b) Other operating activities			
Income tax paid		9,754	(3,352)
Other operating payments		4,182	2,845
Other operating receipts		10,895	17,044
Loans advanced, deposits made		921	(20,999)
Other liabilities paid		(18,887)	(17,037)
Total cash used in other operating activities		6,865	(21,499)
Total cash used in all operating activities		(111,214)	(55,602)
Investment activities			
Profit / return received		56,922	14,122
Rental received		2,983	2,420
Payment for investments		(64,723)	(3,772)
Proceeds from investments		75,198	46,517
Fixed capital expenditure		(1,064)	(2,635)
Proceeds from sale of property and equipment		1,743	17,103
Total cash flow generated from investing activities		71,059	73,756
Financing activities			
Interest paid		(1,195)	(1,356)
Dividend paid		(2,754)	(639)
Payment of lease liability		(2)	(2,903)
Total cash used in financing activities		(3,952)	(4,898)
Net cash used in all activities		(44,107)	13,255
Cash and cash equivalents at beginning of the period	14	95,196	72,840
Cash and cash equivalents at end of the period		51,089	86,095

Condensed Interim Statement of
Cashflows (Unaudited) | For the nine months period ended 30 September 2020

		Nine months period ended	
	Note	September 30, 2020	September 30, 2019
(Rupees in `000)			
Reconciliation to profit or loss account			
Total operating		(111,214)	(55,603)
Depreciation and amortization expense	21	(9,221)	(9,344)
Finance costs		(1,195)	(1,356)
Profit on disposal of property and equipment	23	1,458	12,904
Profit / (loss) on disposal of investments	22	19,368	(1,368)
Impairment in value of AFS Securities	22	(22,235)	(162,321)
Rental income		2,983	2,420
Dividends income	22	15,265	18,245
Other income	23	11,253	29,949
Share of loss of associates		(1,034)	0
Loss from Window Takaful Operations - Operator's Fund	15	11,209	(15,899)
Increase in assets other than cash		129,173	(203,531)
Decrease in liabilities other than borrowings		(168,661)	118,266
Gain on revaluation of investment property	9	1,747	1,762
Loss after taxation		(121,103)	(265,875)

Definition of cash

Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits maturing within 3 months.

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

Cash and other equivalents

Cash	-	81
Stamps in hand	313	672
	313	753

Current and other accounts

Current accounts	6,033	23,246
Savings accounts	44,743	62,096
	50,776	85,342

Total cash and cash equivalents	51,089	86,095
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The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive
Officer

Director

Director

Chief Financial
Officer

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Company) was incorporated as a public limited Company in Pakistan in May 1952 and is engaged in general insurance business. The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Karachi. The Company has been allowed to work as Window Takaful Operator since October 2, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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) 34, Interim Financial Reporting issued by International Accounting Standards Board (IASB) as for interim financial reporting 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.

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 nine month period ended September 30, 2020 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.

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

The condensed interim financial statements do not include all the information and disclosure required in the audited financial statements and should be read in connection with annual audited financial statements of the Company for the year ended December 31, 2019.

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, 2019.

3.1 Adoption of amendments to accounting standards effective during the period

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current period:

- IFRS 3 - Definition of a Business (Amendments)
- IAS 39 - Interest Rate Benchmark Reform (Amendments)
- IFRS 16 - COVID 19 Related Rent Concessions (Amendments)
- IAS 1 / IAS 8 - Definition of Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

3.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

Standard or Amendments		Effective date (period beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022
IAS 16	Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

Standard or Amendments		Effective date (period beginning on or after)
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Amendments		Effective date (period beginning on or after)
IFRS 1	First time adoption of IFRSs	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

4. ESTIMATES AND JUDGMENTS

The preparation of these 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.

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

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 disclosed in the annual financial statements for the year ended December 31, 2019.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The company's financial and Insurance risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2019 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.

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

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.

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

6. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at 30 September 2020 is considered adequate to meet the expected liability after reinsurance, for claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

7. PROPERTY AND EQUIPMENT

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
(Rupees in `000)			
Operating fixed assets	7.1	189,298	194,961
Capital work-in-progress		26,109	26,109
Right of use assets	7.2	9,499	11,312
		224,906	232,382

7.1 Operating fixed assets

Opening written down value	194,961	206,575
Add: Additions during the period	1,707	3,876
Less: Book value of disposals during the period	(596)	(5,008)
Depreciation charged during the period	(6,774)	(10,481)
	(7,370)	(15,490)
Closing written down value	189,298	194,961

7.2 Right-of-use assets

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

Opening written down value	11,312	13,729
Less: Depreciation charged during the period	(1,813)	(2,417)
Closing written down value	9,499	11,312

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

8. INTANGIBLE ASSETS

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
(Rupees in `000)			
Opening written down value		2,826	4,038
Less: Amortization charged during the period		(634)	(1,212)
Closing written down value		2,192	2,826

9. INVESTMENT PROPERTIES

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
(Rupees in `000)			
Carrying value at the beginning of the period		268,348	266,586
Unrealized gain on revaluation during the period		1,747	1,762
Capital expenditure during the period		3,287	-
Carrying value at the end of the period		273,382	268,348

10. INVESTMENTS IN EQUITY SECURITIES AND MUTUAL FUND UNITS - AVAILABLE FOR SALE

	Unaudited September 30, 2020				Audited December 31, 2019			
	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	-	111,686	304,188	204,142	(11,640)	51,172	243,674
Unlisted shares	114,983	-	-	114,983	114,983	-	-	114,983
Other than related parties								
Listed shares	279,094	(22,235)	59,286	316,145	451,797	(155,790)	33,356	329,363
Mutual funds *	44,021	-	14,830	58,851	38,703	-	16,129	54,832
	630,600	(22,235)	185,802	794,167	809,625	(167,430)	100,657	742,852

* Investments in Mutual funds having carrying cost of Rs.44.021 Million (2019: Rs.38.703 million) 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 quarter and nine months period ended 30 September 2020

11. LOANS AND OTHER RECEIVABLES

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
(Rupees in `000)			
Mark-up and dividend receivable		333	377
Loans to employees	11.1	2,848	4,933
Deposits	11.2	34,656	36,223
Advance to agents		834	1,346
Other receivables		11,734	8,491
		50,405	51,370

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 (2019: 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	Audited
	September 30, 2020	December 31, 2019
	(Rupees in `000)	
Premium due but unpaid	598,956	536,629
Less: Provision for doubtful receivables from insurance contract holder	(160,728)	(156,455)
	438,228	380,174
Amounts due from other insurers / reinsurers	340,069	351,001
Less: Provision for doubtful receivables from insurers / reinsurers	(100,283)	(96,010)
	239,786	254,991
	678,014	635,165

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

13. PREPAYMENTS

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
(Rupees in `000)			
Prepaid reinsurance premium ceded	18	157,227	124,400
Other prepaid expense		13,973	678
		171,200	125,078

14. CASH AND BANK

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
(Rupees in `000)			
Cash and cash equivalents			
- Policy and revenue stamps, bond papers		313	560
Cash at bank			
- Current accounts		6,033	25,471
- Savings accounts	14.1	44,743	69,165
		51,089	95,196

- 14.1** The rate of return on saving accounts held with various banks range from 5.48% to 13.69% per annum (2019: 6.0% to 11.80%).

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

15. WINDOW TAKAFUL OPERATIONS - Operator's Fund

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
(Rupees in `000)			
ASSETS			
Loan and other receivables		12,833	14,735
Deferred commission expense		2,430	5,586
Prepayments		-	720
Cash and bank		620	3,979
		15,883	25,020
Qard-e-Hasna		83,020	83,020
Total Assets		98,903	108,040
Total Liabilities		66,021	80,557

	Unaudited	
	Nine Months Period Ended	
	September 30, 2020	September 30, 2019
(Rupees in `000)		
Operator's revenue accounts		
Wakala fee	31,179	38,020
Commission expenses	(6,954)	(10,115)
General, administrative, management expenses	(12,849)	(37,064)
Investment loss	-	(4,652)
Modarib's share of PTF Investment income	1,227	-
Profit on bank deposits	78	148
Other expenses	(1,472)	(2,236)
Loss for the period	11,209	(15,899)

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

16. OTHER CREDITORS AND ACCRUALS

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
(Rupees in `000)			
Bonus payable		4,541	4,541
Commissions payable		208,298	190,530
Federal excise duty and sales tax		17,892	16,863
Federal insurance fee		52	361
Deposits and margins		4,805	6,312
Provision for rent	16.1	14,000	14,000
Others		32,822	50,922
		282,410	283,529

- 16.1** This represents provision for rent amounting to Rs.14 million (2019: 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 & COMMITMENTS**17.1 Contingencies**

Contingencies are same as disclosed in the annual financial statements for the year ended 31 December 2019.

17.2 Commitments

	Unaudited	Audited
	September 30, 2020	December 31, 2019
(Rupees in `000)		
Commitment for capital expenditure	15,038	15,038

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

18. NET INSURANCE PREMIUM

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Written gross premium	270,349	222,340	427,430	408,272
Add: Unearned premium reserve opening	161,839	180,398	241,735	249,002
Less: Unearned premium reserve closing	(302,272)	(271,245)	(302,272)	(271,245)
Premium Earned	129,916	131,493	366,893	386,029
Less: Reinsurance premium ceded	172,555	144,237	256,157	240,394
Add: Prepaid reinsurance premium opening	63,516	73,179	124,400	116,797
Less: Prepaid reinsurance premium closing	(157,227)	(141,290)	(157,227)	(141,290)
Reinsurance expense	78,844	76,126	223,330	215,901
Net insurance premium	51,072	55,367	143,563	170,128

19. NET INSURANCE CLAIMS

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Claims paid	40,545	35,422	110,408	140,162
Less: Outstanding claims including IBNR opening	(693,670)	(857,678)	(682,106)	(923,861)
Add: Outstanding claims including IBNR closing	711,197	871,413	711,197	871,413
Claims expense	58,072	49,157	139,499	87,714
Less: Reinsurance and other recoveries received	14,340	15,274	47,360	52,677
Less: Reinsurance and other recoveries received in respect of outstanding claims - opening	(373,937)	(507,173)	(377,512)	(540,560)
Add: Reinsurance and other recoveries received in respect of outstanding claims - closing	388,018	515,528	388,018	515,528
Reinsurance and other recoveries revenue	28,421	23,629	57,866	27,645
Net insurance claims	29,651	25,528	81,633	60,069

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

20. NET COMMISSION EXPENSE AND OTHER ACQUISITION COSTS

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Commission paid or payable	23,031	23,053	35,573	40,857
Add: Deferred commission opening	11,683	16,008	20,156	27,131
Less: Deferred commission closing	(23,916)	(26,131)	(23,916)	(26,131)
Commission expense	10,798	12,930	31,813	41,857
Less: Commission received or recoverable from reinsurers	25,213	19,394	35,926	32,538
Add: Unearned reinsurance commission opening	8,810	12,266	15,263	18,362
Less: Unearned reinsurance commission closing	(24,289)	(21,509)	(24,289)	(21,509)
Commission from reinsurance	9,734	10,151	26,899	29,391
Net Commission expense	1,065	2,779	4,914	12,466
Add: Other acquisition costs				
Tracking device expenses	3,085	2,673	8,439	13,189
Service charges	2,843	7,230	7,013	7,467
Other costs	1,264	269	2,426	1,127
	7,192	10,172	17,878	21,783
Net commission expense and other acquisition costs	8,257	12,951	22,792	34,249

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

21. MANAGEMENT EXPENSES

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Employee benefit cost	53,726	52,016	141,258	140,652
Travelling expenses	593	1,286	1,693	3,263
Advertisement and sales promotion	53	349	381	1,545
Printing and stationary	535	793	1,890	2,667
Depreciation	2,871	3,133	8,586	9,344
Amortization	213	304	635	900
Rent, rates and taxes	1,140	719	1,501	719
Legal and professional charges	1,807	1,960	6,556	4,438
Electricity, gas and water	1,662	1,626	3,076	4,181
Entertainment	727	999	1,769	2,667
Vehicle running expenses	1,593	898	2,200	2,532
Office repairs and maintenance	1,988	1,294	4,638	3,479
Bank charges	93	139	324	388
Postages, telegrams and telephone	1,600	1,376	4,514	4,074
Insurance expense	762	2,013	1,717	4,365
Annual supervision fee SECP	496	419	1,567	1,735
Bad and doubtful debts	5,407	4,446	8,549	8,165
Others	557	560	975	1,312
	75,823	74,330	191,829	196,426

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

22. INVESTMENT INCOME / (LOSS)

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Income from equity securities and mutual fund units				
- Dividend income	2,478	4,503	15,265	18,245
Net realized gains / (losses) on investments Available for sale				
- Equity securities	403	(119)	19,368	(1,368)
Total investment income	2,881	4,384	34,633	16,877
Less: Impairment in value of available for sale securities				
- Equity Securities	-	-	(22,235)	(162,320)
Less: Investment related expenses	34	(16)	10	(845)
	2,915	4,368	12,408	(146,288)

23. OTHER INCOME

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Return on bank balances	952	742	3,669	2,052
Exchange gain	111	-	357	-
(Loss) / gain on sale of property and equipment	(256)	6,266	1,458	12,904
Reversal of excess provision of sales tax - health insurance	-	-	-	7,728
Liabilities no longer payable	-	-	5,215	-
Miscellaneous	83	1,952	2,011	7,264
	891	8,961	12,710	29,949

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

24. OTHER EXPENSES

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Auditors' remuneration	320	453	1,340	1,360
Subscription	307	(1,526)	342	1,799
Donations	-	-	303	-
Inadmissible input tax expense	(26)	390	(195)	1,716
Sales promotion expense	341	269	412	2,292
Others	(278)	(195)	(575)	473
	664	(609)	1,627	7,640

25. TAXATION

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Current tax	(5,725)	(4,743)	(7,237)	(8,208)
Deferred tax	1,622	-	1,622	-
	(4,102)	(4,743)	(5,614)	(8,208)

26. LOSS PER SHARE

	Unaudited			
	Quarter ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in `000)			
Loss after tax for the period	(49,384)	(42,849)	(121,104)	(265,875)
	(Number of shares in `000)			
Weighted average number of ordinary shares	50,565	50,565	50,565	50,565
	(Rupees)			
Loss per share	(0.98)	(0.85)	(2.40)	(5.26)

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

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	
	Nine Months Period Ended	
	September 30, 2020	September 30, 2019
	(Rupees in '000)	
Transactions during the period		
Associated Companies		
Premium underwritten	135,876	127,149
Claims paid	43,054	22,612
Commission paid	-	14,733
Others		
Premium underwritten	-	69
Meeting fees	1,020	1,315
Remuneration and retirement benefits to key management personnel	86,416	107,544
	Unaudited	Audited
	September 30, 2020	31 December 2019
	(Rupees in '000)	
Period end balances		
Associated Companies		
Premium receivable	185,639	153,662
Claims outstanding	44,082	47,317
Commission outstanding	24,010	32,203
Others		
Premium receivable	-	393
Claims outstanding	-	67

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

28. SEGMENT REPORTING

28.1 Segment profit or loss

	Unaudited Quarter ended											
	September 30, 2020					September 30, 2019						
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Rupees in `000)												
Premium receivable (inclusive of FED / sales tax, federal insurance fee and administrative surcharge)	149,762	139,875	15,239	13,780	40,996	43,471	63,613	22,282	33,009	34,282	302,619	253,690
Less: FED / sales tax	18,265	17,419	1,802	1,597	5,250	5,598	-	-	4,298	4,560	29,615	29,174
Less: Federal insurance fee	1,255	1,166	133	121	353	373	630	221	284	295	2,655	2,176
Gross written premium (inclusive of administrative surcharge)	130,242	121,290	13,304	12,062	35,393	37,500	62,983	22,061	28,427	29,427	270,349	222,340
Gross direct premium	124,449	116,028	13,048	11,778	34,741	36,632	62,943	22,017	28,202	29,180	263,383	215,634
Facultative inward premium	5,239	4,736	-	-	86	199	-	-	-	-	5,324	4,935
Administrative surcharge	554	526	256	284	567	668	40	45	225	247	1,642	1,770
Insurance premium earned	53,572	52,539	11,975	12,836	25,244	31,743	29,020	11,934	10,105	22,441	129,917	131,493
Insurance premium ceded to reinsurers	(56,462)	(54,829)	(7,640)	(7,969)	(756)	(587)	(8,538)	(4,394)	(5,449)	(8,347)	(78,845)	(76,126)
Net Insurance premium	(2,890)	(2,290)	4,336	4,867	24,488	31,156	20,482	7,540	4,656	14,094	51,072	55,367
Commission income	6,007	6,583	1,337	1,396	33	16	1,497	743	861	1,413	9,734	10,151
Net underwriting income	3,117	4,293	5,673	6,263	24,521	31,172	21,979	8,283	5,517	15,508	60,806	65,518
Insurance claims	(12,804)	(8,156)	103	(707)	(8,442)	(14,738)	(27,645)	(23,055)	(9,283)	(2,500)	(58,072)	(49,156)
Insurance claims recovered from reinsurance	7,926	7,560	251	611	10	151	12,228	13,258	8,006	2,049	28,422	23,629
Net Claim	(4,878)	(596)	354	(96)	(8,432)	(14,587)	(15,418)	(9,797)	(1,277)	(451)	(29,650)	(25,527)
Commission expense	(5,439)	(5,136)	(1,295)	(1,297)	(1,586)	(3,088)	(1,777)	(1,019)	(701)	(2,391)	(10,798)	(12,931)
Management expense	(31,591)	(29,874)	(6,674)	(7,063)	(14,980)	(18,131)	(16,618)	(7,609)	(5,960)	(11,652)	(75,823)	(74,329)
Other acquisition cost	(73)	(4,129)	(105)	(921)	(3,623)	(2,525)	(3,270)	(1,244)	(120)	(1,353)	(7,192)	(10,172)
Net insurance claims and expenses	(41,981)	(39,737)	(7,720)	(9,377)	(28,622)	(38,331)	(37,083)	(19,669)	(8,058)	(15,847)	(123,463)	(122,961)
Underwriting result	(38,865)	(35,443)	(2,047)	(3,114)	(4,101)	(7,159)	(15,104)	(11,386)	(2,541)	(339)	(62,657)	(57,442)
Net investment Income / (loss)											2,915	4,368
Rental income											1,023	860
Fair value gain on investment property											-	-
Other income											890	8,961
Other expenses											(664)	609
Finance cost											(379)	(442)
Share of loss from associate											-	-
Share of loss from WTO - Operator's Fund											13,592	4,980
Loss before tax											(45,280)	(38,106)

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

	Unaudited Nine Months Period Ended September											
	September											
	30, 2020		30, 2019									
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in `000)											
Premium receivable (inclusive of FED / Sales Tax, Federal insurance fee and Administrative surcharge)	198,062	201,397	28,242	33,140	74,759	97,710	133,588	82,498	38,734	44,992	473,385	459,737
Less: FED / sales tax	24,230	25,580	3,167	3,504	9,383	12,342	-	-	4,982	6,023	41,762	47,449
Less: Federal insurance fee	1,641	1,678	248	294	646	841	1,323	817	334	386	4,192	4,016
Gross written Premium (inclusive of Administrative surcharge)	172,191	174,139	24,827	29,342	64,730	84,527	132,265	81,681	33,418	38,583	427,430	408,272
Gross direct premium	162,957	166,849	24,161	28,375	63,279	82,351	132,193	81,602	33,137	38,224	415,727	397,401
Facultative inward premium	8,551	6,464	-	-	170	307	-	-	-	-	8,721	6,771
Administrative surcharge	683	826	666	967	1,281	1,867	72	79	281	360	2,983	4,100
Insurance premium earned	161,017	160,231	24,363	31,068	78,700	99,628	72,398	64,658	30,414	30,444	366,893	386,029
Insurance premium ceded to reinsurers	(167,795)	(159,089)	(14,513)	(19,349)	(2,143)	(1,894)	(22,923)	(24,182)	(15,955)	(11,387)	(223,330)	(215,901)
Net Insurance premium	(6,778)	1,142	9,851	11,719	76,557	97,734	49,474	40,476	14,459	19,057	143,563	170,128
Commission income from reinsurers	17,739	19,920	2,540	3,387	86	61	4,005	4,095	2,530	1,928	26,899	29,391
Net underwriting income	10,961	21,062	12,390	15,106	76,643	97,795	53,479	44,571	16,989	20,986	170,463	199,519
Insurance claims expense	(26,490)	(9,738)	(4,233)	3,509	(25,925)	(39,990)	(64,813)	(30,404)	(18,037)	(11,091)	(139,499)	(87,714)
Insurance claims recovered from reinsurers and other recoveries revenue	17,454	7,388	3,657	(2,406)	472	160	24,337	18,676	11,946	3,827	57,866	27,645
Net Insurance claims	(9,036)	(2,350)	(576)	1,103	(25,453)	(39,830)	(40,477)	(11,728)	(6,091)	(7,264)	(81,633)	(60,069)
Commission expense	(16,835)	(17,374)	(2,894)	(3,369)	(5,083)	(10,803)	(4,607)	(7,011)	(2,393)	(3,301)	(31,813)	(41,858)
Management expense	(84,188)	(81,532)	(12,738)	(15,809)	(41,148)	(50,694)	(37,853)	(32,900)	(15,902)	(15,491)	(191,829)	(196,426)
Other acquisition cost	(156)	(9,041)	(176)	(1,753)	(9,530)	(5,622)	(7,774)	(3,649)	(242)	(1,718)	(17,878)	(21,783)
Net insurance claims and expenses	(110,215)	(110,297)	(16,384)	(19,828)	(81,214)	(106,949)	(90,711)	(55,288)	(24,629)	(27,774)	(323,153)	(320,135)
Underwriting result	(99,254)	(89,235)	(3,993)	(4,722)	(4,571)	(9,154)	(37,232)	(10,717)	(7,639)	(6,788)	(152,689)	(120,616)
Net investment Income / (loss)											12,408	(146,288)
Rental income											2,983	2,421
Revaluation gain on investment property											1,747	1,762
Other income											12,710	29,949
Other expenses											(1,627)	(7,640)
Finance cost											(1,195)	(1,356)
Share of loss from associate											(1,034)	-
Share of loss from WTO - Operator's Fund											11,209	(15,899)
Loss before tax											(115,488)	(257,668)

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

28.2 Segment assets and liabilities

The following presents segments assets and liabilities as at September 30, 2020 (unaudited) and December 31, 2019 (audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Rupees in `000)												
Segment assets	509,657	496,767	73,484	82,945	191,590	275,857	391,483	208,586	98,912	97,289	1,265,126	1,161,442
Unallocated corporate assets											1,806,440	1,795,858
Total assets											3,071,566	2,957,300
Segment Liabilities	630,700	595,922	90,936	99,501	237,092	330,918	484,459	250,220	122,403		1,565,591	1,393,269
Unallocated corporate liabilities											321,017	326,451
Total liabilities											1,886,608	1,719,720

29. 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 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
Premium receivable (inclusive of FED / sales tax, federal insurance fee and administrative surcharge)

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:

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

	September 30, 2020		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
	(Rupees in `000)		
Available for sale investments (measured at fair value)			
Equity securities	620,333	-	114,983
Mutual fund units	-	58,851	-
	620,333	58,851	114,983

	December 31, 2019		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
	(Rupees in `000)		
Available for sale investments (measured at fair value)			
Equity securities	573,037	-	114,983
Mutual fund units	-	54,832	-
	573,037	54,832	114,983

30. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on October 29, 2020 by the Board of directors of the Company.

31. GENERAL

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

31.2 IMPACT OF COVID-19 ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

During the period, the novel coronavirus (COVID 19) emerged and since then, the condition has continued to deteriorate. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a Public Health Emergency of International Concern. The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do

Notes To The Condensed Interim

Financial Statements (Unaudited)

For the quarter and nine months period ended 30 September 2020

so in the coming months of 2020. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the Company based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the Company.

31.3 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.

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

Chairman

Chief Executive
Officer

Director

Director

Chief Financial
Officer

FINANCIAL STATEMENTS (WINDOW TAKAFUL)



Condensed Interim Statement of Financial Position of
Operator's Fund and Participants' Takaful Fund | As at 30 September 2020

		Operator's Fund		Participants' Takaful Fund	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Note		(Rupees in `000)			
Assets					
Investments in mutual funds and term deposits	7	-	-	7,121	41,382
Loans and other receivables	8	12,833	14,735	59,333	56,569
Takaful / retakaful receivables	9	-	-	41,093	57,696
Retakaful recoveries against outstanding claims	14	-	-	8,287	5,442
Qard-e-hasna contributed to PTF		83,020	83,020	-	-
Salvage recoveries accrued		-	-	136	178
Deferred wakala expense	17	-	-	12,994	24,916
Deferred commission expense	18	2,430	5,586	-	-
Prepayments	10	-	720	4,983	3,115
Cash and bank	11	620	3,979	48,561	19,190
Total Assets		98,903	108,040	182,508	208,488
Funds and Liabilities					
Funds attributable to:					
Operator's Fund (OPF)					
Statutory fund		50,000	50,000	-	-
Accumulated deficit		(62,412)	(73,621)	-	-
Balance of Operator's Fund		(12,412)	(23,621)	-	-
Participants' Takaful Fund (PTF)					
Ceded money		-	-	500	500
Qard-e-hasna contributed by OPF		-	-	83,020	83,020
Revaluation reserves		-	-	(54)	557
Accumulated deficit		-	-	(25,001)	(28,444)
Balance of Participants' Takaful Fund		-	-	58,465	55,633
Liabilities					
PTF Underwriting provisions					
Unearned contribution reserve	13	-	-	37,125	71,187
Outstanding claims including IBNR	14	-	-	56,659	52,440
Unearned retakaful rebate	16	-	-	956	606
		-	-	94,740	124,233
Unearned wakala fees	17	12,994	24,916	-	-
Takaful / retakaful payables		-	-	13,820	11,120
Other creditors and accruals	12	98,321	106,745	15,483	17,502
		111,315	131,661	29,303	28,622
Total Fund and Liabilities		98,903	108,040	182,508	208,488

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

Chairman

Chief Executive
Officer

Director

Director

Chief Financial
Officer

Condensed Interim Statement of

Profit and Loss Account (Unaudited) | For the quarter and nine months ended 30 September 2020

	Note	Quarter ended		Nine months period ended	
		30 September	30 September	30 September	30 September
		2020	2019	2020	2019
(Rupees in '000)					
Participants' Takaful Fund					
Contribution earned	13	17,537	23,235	57,903	70,490
Less: Contribution ceded to retakaful	13	(3,620)	(2,318)	(9,189)	(7,488)
Net contribution revenue	13	13,917	20,917	48,714	63,002
Re-takaful rebate	16	626	373	1,494	1,216
Net underwriting income		14,543	21,290	50,208	64,218
Net claims - reported / settled	14	(18,315)	(18,913)	(47,139)	(58,048)
		(3,772)	2,377	3,069	6,170
Direct expenses	15	(565)	(2,233)	(1,838)	(6,109)
Surplus before investment income		(4,337)	144	1,231	61
Investment income	22	-	2,058	1,429	3,582
Other income	23	762	-	2,011	-
Less: Modarib's share of investment income		(266)	-	(1,227)	-
Surplus / (deficit) transferred to accumulated surplus		(3,841)	2,202	3,444	3,643
Operator's Fund					
Wakala fee	17	9,444	12,543	31,179	38,020
Commission expense	18	(2,021)	(3,442)	(6,954)	(10,115)
General, administrative and management expenses	19	6,364	(4,345)	(12,849)	(37,064)
		13,787	4,756	11,376	(9,159)
Modarib's share of PTF investment income		266	-	1,227	-
Investment loss	21	-	-	-	(4,652)
Profit on bank accounts		17	99	78	148
Other expenses	20	(478)	125	(1,472)	(2,236)
Income / (loss) for the period		13,592	4,980	11,209	(15,899)

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

Chairman

Chief Executive
Officer

Director

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Chief Financial
Officer

Condensed Interim Statement of

Comprehensive Income (Unaudited) | For the quarter and nine months ended 30 September 2020

	Quarter ended		Nine months period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
(Rupees in `000)				
Participants' Takaful Fund				
Surplus / (Deficit) for the period	(3,841)	2,202	3,444	3,643
Other comprehensive income / (loss) for the period:				
Unrealized loss on available for sale securities	599	(195)	(611)	(793)
Total comprehensive income / (loss) for the period	(3,242)	2,007	2,833	2,850
Operator's Fund				
Income / (Loss) for the period	13,592	4,980	11,209	(15,899)
Other comprehensive income for the period:				
Unrealized income on available for sale securities	-	-	-	2,456
Total comprehensive income / (loss) for the period	13,592	4,980	11,209	(13,443)

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

Chairman

Chief Executive
Officer

Director

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Chief Financial
Officer

Condensed Interim Statement of

Change in Operator's Fund and Participants'

Takaful Fund (Unaudited) | For the nine months ended 30 September 2020

	Attributable to Operator's Fund			
	Statutory fund	Revaluation reserve - Available for sale investment	Accumulated deficit	Total
(Rupees in `000)				
Balance as at 01 January 2019	50,000	(2,456)	(43,138)	4,406
Deficit for the period ended 30 September 2019	-	-	(15,899)	(15,899)
Other comprehensive income for the period	-	2,456	-	2,456
Balance as at 30 September 2019	50,000	-	(59,037)	(9,037)
Balance as at 01 January 2020	50,000	-	(73,621)	(23,621)
Deficit for the period ended 30 September 2020	-	-	11,209	11,209
Other comprehensive income for the period	-	-	-	-
Balance as at 30 September 2020	50,000	-	(62,412)	(12,412)

	Attributable to participants of the PTF				
	Seed Money	Qard-e-Hasna	Revaluation reserve - Available for sale investment	Accumulated Deficit	Total
(Rupees in `000)					
Balance as at 01 January 2019	500	36,020	(468)	(24,545)	11,507
Surplus for the period ended 30 September 2019	-	-	-	3,643	3,643
Other comprehensive loss for the period	-	-	(793)	-	(793)
Qard-e-Hasna contributed by OPF	-	47,000	-	-	47,000
Balance as at 30 September 2019	500	83,020	(1,261)	(20,902)	61,357
Balance as at 01 January 2020	500	83,020	557	(28,445)	55,632
Surplus for the period ended 30 September 2020	-	-	-	3,444	3,444
Other comprehensive loss for the period	-	-	(611)	-	(611)
Qard-e-Hasna contributed by OPF	-	-	-	-	-
Balance as at 30 September 2020	500	83,020	(54)	(25,001)	58,465

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

Chairman

Chief Executive
Officer

Director

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Officer

Condensed Interim Statement of

Cash Flows (Unaudited) | For the nine months ended 30 September 2020

	Note	Operator's Fund		Participants' Takaful Fund	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
(Rupees in `000)					
Operating Activities					
a) Takaful activities					
Contribution received		-	-	71,623	98,762
Re-takaful contributions paid		-	-	(7,728)	(912)
Claims paid	14	-	-	(46,052)	(51,146)
Re-takaful and other recoveries	14	-	-	287	1,052
(Commissions paid) / re-takaful rebate received		(5,111)	(10,316)	1,844	1,351
Wakala fees received		21,207	29,999	-	-
Wakala fees paid		-	-	(21,207)	(29,999)
Net cash generated from underwriting activities		16,096	19,683	(1,233)	19,108
b) Other operating activities					
General and administration expenses paid		(14,321)	(37,413)	(1,838)	(6,109)
Other operating payments		720	(259)	-	-
Amounts due from other takaful / retakaful operators		-	-	2,255	(333)
Deposits and other receivables		(49)	235	(2,843)	(56,568)
Paid to Premier Insurance Limited		(6,304)	(18,565)	(423)	4,495
Accrued salvage recoveries		42	499	-	-
Other liabilities paid		379	42,385	(562)	1,786
Qard-e-hasna contributions		-	(47,000)	-	47,000
Net cash generated / (used in) other operating activities		(19,533)	(60,118)	(3,411)	(9,729)
Total cash used in from operating activities		(3,437)	(40,435)	(4,644)	9,379
Investment Activities					
Investment income received		-	-	109	3,838
Bank profit received		78	148	-	-
Sale / (purchase) of investment		-	39,465	33,906	(49,808)
Total cash generated / (used in) from investing activities		78	39,613	34,015	(45,970)
Total cash generated / (used in) from all activities		(3,359)	(822)	29,371	(36,591)
Cash and cash equivalents at beginning of the period		3,979	1,559	19,190	53,593
Cash and cash equivalents at the end of the period		620	737	48,561	17,002

Condensed Interim Statement of
Cash Flows (Unaudited) | For the nine months ended 30 September 2020

	Operator's Fund		Participants' Takaful Fund	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
(Rupees in '000)				
Reconciliation to profit and loss account				
Operating cash flows	(3,437)	(40,435)	(4,646)	9,379
Depreciation expense	-	-	-	-
Investment income	-	(4,652)	1,429	3,582
Increase / (decrease) in assets other than cash	5,778	43,570	55,351	(85,207)
(Decrease) / increase in liabilities	8,868	32,618	(48,692)	28,889
Qard-e-hasna contributions	-	(47,000)	-	47,000
(Loss) / income for the year	11,209	(15,899)	(3,444)	3,643
Attributed to				
Operator's Fund	11,209	(15,899)	-	-
Participants' Takaful Fund	-	-	(3,444)	3,643
	11,209	(15,899)	(3,444)	3,643
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				
Current and saving accounts	46	20	-	-
Current and other accounts				
Current and savings accounts	574	717	48,561	17,002
Total cash and cash equivalents	620	737	48,561	17,002

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

Chairman

Chief Executive
Officer

Director

Director

Chief Financial
Officer

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

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.

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, 2019.

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.

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

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.

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 both 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 financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2019.

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

3.1 Adoption of amendments to accounting standards effective during the period

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current period:

- IFRS 3 - Definition of a Business (Amendments)
- IAS 39 - Interest Rate Benchmark Reform (Amendments)
- IFRS 16 - COVID 19 Related Rent Concessions (Amendments)
- IAS 1 / IAS 8 - Definition of Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

3.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	Standard or Amendments	Effective date (period beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022
IAS 16	Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

	Standard or Amendments	Effective date (period beginning on or after)
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	Standard or Amendments	Effective date (period beginning on or after)
IFRS 1	First time adoption of IFRSs	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

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 disclosed in the financial statements as at and for the year ended December 31, 2019.

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, 2019 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

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

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 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.

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

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For the quarter and nine months period ended 30 September 2020

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. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business as at September 30, 2020 is considered adequate to meet the expected liability after retakaful for claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

Notes To The Condensed Interim

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

7. INVESTMENTS IN MUTUAL FUNDS AND TERM DEPOSITS

Note	(Unaudited) 30 September 2020			(Audited) 31 December 2019		
	Cost	Impairment / provision for the period	Carrying value	Cost	Impairment / Provision for the period	Carrying value
(Rupees in `000)						
Available for sale - AFS						
PTF						
Mutual fund units	6,106	-	6,521	40,356	-	40,782
Term deposit receipt - held to maturity	600	-	600	600	-	600
	6,706	-	7,121	40,956	-	41,382

8. LOANS AND OTHER RECEIVABLES - Considered good

Note	Operator's Fund		Participants' Takaful Fund	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
(Rupees in `000)				
Profit receivable	3	4	238	317
Federal excise duty	128	79	4,951	3,980
Others	-	-	54,144	52,272
Wakala fee receivable	12,702	14,652	-	-
	12,833	14,735	59,333	56,569

9. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good

Note	Operator's Fund		Participants' Takaful Fund	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
(Rupees in `000)				
Contribution due but unpaid	-	-	31,066	45,414
Amounts due from other takaful / retakaful operators	-	-	10,027	12,282
	-	-	41,093	57,696

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

10. PREPAYMENTS

	Note	Operator's Fund		Participants' Takaful Fund	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(Rupees in `ooo)			
Prepaid retakaful contribution ceded	-	-	4,354	3,115	
Other prepaid expense	-	720	629	-	
	-	720	4,983	3,115	

11. CASH AND BANK

	Note	Operator's Fund		Participants' Takaful Fund	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
(Rupees in `ooo)					
Cash and cash equivalent					
Policy, revenue stamps and bond papers		46	68	-	-
Cash at bank					
Current account		15	15	606	620
Savings account	11.1	559	3,896	47,955	18,570
		620	3,979	48,561	19,190

- 11.1** The rate of return on profit and loss sharing accounts held with Islamic banks during the period ranges from 2.75% to 7.26% per annum (2019: 5% to 7.5%).

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

12. OTHER CREDITORS AND ACCRUALS

	Operator's Fund		Participants' Takaful Fund	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	Note	(Unaudited)	(Unaudited)	(Audited)
(Rupees in `000)				
Wakala fee payable		-	12,702	14,652
Payable to Premier Insurance Limited		45,844	36	(459)
Federal insurance fee		-	1	3
Sales tax on services		-	234	49
Commission payable		8,299	-	-
Auditor's fee		198	-	-
Others		43,980	2,510	3,257
		98,321	15,483	17,502

13. NET CONTRIBUTION

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
(Rupees in `000)				
Written gross contribution	21,042	33,349	55,020	86,534
Less: Wakala fee	(9,444)	(12,543)	(31,179)	(38,020)
Contribution Net of Wakala Fee	11,598	20,806	23,841	48,514
Add: Unearned contribution reserve opening	43,064	63,277	71,187	82,824
Less: Unearned contribution reserve closing	(37,125)	(60,848)	(37,125)	(60,848)
Contribution earned	17,537	23,235	57,903	70,490
Less:	6,058	5,262	10,428	8,501
Retakaful contribution ceded	1,916	1,504	3,115	3,435
Add: Prepaid retakaful contribution opening	(4,354)	(4,448)	(4,354)	(4,448)
Less: Prepaid retakaful contribution closing	3,620	2,318	9,189	7,488
Retakaful expense				
Net contribution	13,917	20,917	48,714	63,002

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

14. NET CLAIMS EXPENSE

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Claims paid	25,609	17,220	46,052	51,146
Less: Outstanding claims including IBNR opening	(61,099)	(54,951)	(52,440)	(49,676)
Add: Outstanding claims including IBNR closing	56,659	57,702	56,659	57,702
Claims expense	21,169	19,971	50,271	59,172
Less:				
Retakaful and other recoveries received	106	15	287	1,052
Less: Retakaful recoveries against outstanding claims - opening	(5,539)	(4,143)	(5,442)	(5,114)
Add: Retakaful recoveries against outstanding claims - closing	8,287	5,186	8,287	5,186
Retakaful and other recoveries revenue	2,854	1,058	3,132	1,124
Net claim	18,315	18,913	47,139	58,048

15. DIRECT EXPENSES - PTF

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Tracking services	81	165	175	2,723
Service charges	1,015	1,805	1,577	1,825
Others	(531)	263	86	1,561
	565	2,233	1,838	6,109

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

16. RETAKAFUL REBATE - PTF

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Rebate from re-takaful received	1,192	986	1,844	1,351
Add: Deferred rebate opening	390	196	606	674
Less: Deferred rebate closing	(956)	(809)	(956)	(809)
Rebate from retakaful earned	626	373	1,494	1,216

17. WAKALA EXPENSE - OPF

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Gross wakala fee	7,366	11,671	19,258	30,328
Add: Deferred wakala opening	15,072	22,169	24,916	28,989
Less: Deferred wakala closing	(12,994)	(21,297)	(12,994)	(21,297)
Net wakala fee	9,444	12,543	31,179	38,020

18. COMMISSION EXPENSE - OPF

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Commission paid or payable	1,125	2,700	3,798	7,500
Add: Deferred commission opening	3,326	5,869	5,586	7,742
Less: Deferred commission closing	(2,430)	(5,127)	(2,430)	(5,127)
Commission expense	2,021	3,442	6,954	10,115

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

19. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Employee benefit cost	(5,320)	4,237	10,603	27,398
Rent, rates and taxes	(22)	(327)	40	152
Communications	(107)	51	206	424
Fuel and power	(360)	558	644	2,909
Travelling expenses	(73)	122	130	952
Entertainments	(67)	88	121	566
Advertisements and sales promotions	-	(342)	67	-
Loss on assets written off	-	-	-	1,887
Depreciation and amortization	-	(176)	-	-
Repair and office maintenance	(183)	112	326	1,087
Printing and stationery	(93)	27	166	548
Vehicle running expenses	(40)	69	72	537
Annual supervision fee SECP	-	(369)	298	320
Bank charges	-	-	-	40
Miscellaneous	(99)	295	176	244
	(6,364)	4,345	12,849	37,064

20. OTHER EXPENSES - OPF

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Auditors' remuneration	120	85	388	595
Fees and subscription	358	(210)	1,084	1,641
	478	(125)	1,472	2,236

21. INVESTMENT LOSS - OPF**Net realized losses on investments Available for Sale (AFS)**

Realized loss on sale of mutual fund units	-	-	-	(4,652)
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Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

22. INVESTMENT INCOME - PTF

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Income from mutual funds				
Realized Gain on sale of mutual fund units	-	-	47	-
Dividend income	-	-	1,352	-
Income from term deposits				
Return on term deposits	-	2,058	30	3,582
	-	2,058	1,429	3,582

23. OTHER INCOME - PTF

	(Unaudited)			
	Quarter ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	(Rupees in `000)			
Profit on Bank Deposits	762	-	2,078	-
Exchange Loss	-	-	(67)	-
	762	-	2,011	-

24. 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 financial statements, are as follows:

	(Unaudited)	
	Nine months period ended	
	30 September	30 September
	2020	2019
	(Rupees in `000)	
Transactions during the period		
Associated Companies		
Contribution underwritten	8,899	6,233
Contribution received	5,064	-
Claims paid	1,274	952

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	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	(Rupees in '000)	
Period end balances		
Associated Companies		
Contribution receivable	14,372	8,251
Claims outstanding	357	100
Commission outstanding	536	279

25. SEGMENT INFORMATION

25.1 Participants Takaful Fund

Segment profit and loss

	(Unaudited)										(Unaudited)	
											Quarter ended	30
											September	September
											2020	2019
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in `000)											
Contribution receivable (inclusive of Federal excise duty, Federal insurance fee and Administrative surcharge)	4,574	2,866	1,700	1,480	2,914	21,978	12,266	9,664	1,073	939	22,526	36,926
Less: Federal excise duty	567	375	219	187	352	2,561	-	-	139	122	1,276	3,245
Less: Federal insurance fee	39	24	15	13	23	192	121	96	10	8	208	333
Gross written contribution (inclusive of Administrative surcharge)	3,968	2,467	1,466	1,280	2,540	19,225	12,145	9,568	924	809	21,042	33,349
Gross direct contribution	3,923	2,435	1,418	1,238	2,210	18,475	12,131	9,556	907	788	20,588	32,491
Facultative inward contribution	11	2	-	-	221	68	-	-	-	-	232	70
Administrative surcharge	34	31	48	42	109	683	14	12	17	21	222	789
Less: Wakala expense	(475)	(1,077)	(501)	(504)	(4,909)	(6,619)	(3,427)	(4,275)	(133)	(68)	(9,444)	(12,543)
Takaful contribution earned	1,357	871	1,431	788	14,027	28,044	9,789	5,302	377	774	26,981	35,779
Takaful contribution ceded to retakaful operators	(1,105)	(775)	(1,222)	(680)	(972)	(699)	-	-	(321)	(164)	(3,620)	(2,318)
Net takaful contribution	(222)	(981)	(291)	(396)	8,145	20,726	6,362	1,027	(77)	542	13,917	20,918
Rebate earned	249	175	281	156	23	5	-	-	74	36	626	373
Net underwriting income	27	(806)	(10)	(239)	8,168	20,731	6,362	1,027	(3)	578	14,543	21,291
Takaful claims	(3,144)	(674)	(48)	90	(7,606)	(10,258)	(10,364)	(8,467)	(8)	(662)	(21,169)	(19,971)
Takaful claims recovered from retakaful	2,801	606	45	(81)	-	-	8	-	-	533	2,854	1,058
Net claim	(343)	(68)	(2)	9	(7,606)	(10,258)	(10,356)	(8,467)	(8)	(129)	(18,315)	(18,913)
Direct expense	(128)	(173)	(42)	(87)	7	(1,253)	(373)	(663)	(29)	(57)	(565)	(2,233)
Surplus / (Deficit) before investment income	(444)	(1,047)	(55)	(317)	569	9,220	(4,367)	(8,103)	(40)	392	(4,337)	144
Investment income											-	2,058
Other Income											762	-
Less: Modarib's share of investment income											(266)	-
Surplus transferred to accumulated surplus											(3,842)	2,202

Notes To The Condensed Interim

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

Segment profit and loss

											(Unaudited) Nine months period ended	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		30 September 2020	30 September 2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in '000)											
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)	5,927	3,112	3,819	3,181	28,533	74,567	20,548	15,066	1,465	1,058	60,291	96,984
Less: Federal excise duty	747	447	476	386	3,311	8,617	-	-	192	138	4,726	9,588
Less: Federal insurance fee	51	26	33	28	245	650	203	149	13	9	545	862
Gross written contribution (inclusive of administrative surcharge)	5,129	2,639	3,310	2,767	24,977	65,301	20,345	14,917	1,260	911	55,020	86,534
Gross direct contribution	5,063	2,588	3,203	2,655	23,567	62,507	20,321	14,897	1,238	887	53,391	83,534
Facultative inward contribution	11	6	-	-	500	309	-	-	-	-	511	315
Administrative surcharge	55	45	107	112	910	2,485	24	20	22	24	1,118	2,686
Less: Wakala expense	(1,196)	(806)	(1,066)	(1,077)	(18,452)	(30,791)	(10,130)	(5,016)	(336)	(330)	(31,179)	(38,020)
Takaful contribution earned	3,417	2,304	3,044	2,957	52,721	87,975	28,942	14,331	959	942	89,082	108,510
Takaful contribution ceded to retakaful operators	(2,839)	(2,064)	(2,540)	(2,545)	(2,999)	(1,757)	-	-	(812)	(1,122)	(9,189)	(7,488)
Net takaful contribution	(618)	(566)	(561)	(665)	31,270	55,427	18,812	9,315	(189)	(510)	48,714	63,002
Rebate earned	636	471	584	585	88	8	-	-	187	151	1,494	1,216
Net underwriting income	18	(95)	23	(79)	31,357	55,435	18,812	9,315	(2)	(359)	50,208	64,218
Takaful claims	(3,256)	(914)	1	103	(18,563)	(46,270)	(28,448)	(11,664)	(5)	(427)	(50,271)	(59,172)
Takaful claims recovered from retakaful	2,872	822	252	(86)	-	-	8	-	-	388	3,132	1,124
Net claim	(384)	(92)	253	17	(18,563)	(46,270)	(28,441)	(11,664)	(5)	(39)	(47,140)	(58,048)
Direct expense	(171)	(186)	(111)	(195)	(834)	(4,611)	(680)	(1,053)	(42)	(64)	(1,838)	(6,109)
Surplus before investment income	(537)	(373)	165	(257)	11,960	4,554	(10,309)	(3,402)	(49)	(462)	1,231	61
Investment income											1,429	3,582
Other Income											2,011	-
Less: Modarib's share of investment income											(1,227)	-
Surplus transferred to accumulated surplus											3,444	3,643

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Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

Segment assets and liabilities

The following presents segments assets and liabilities as at September 30, 2020 (unaudited) and December 31, 2019 (audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Rupees in `000)												
Segment assets	8,798	2,675	6,300	2,805	31,376	66,202	18,310	15,123	2,244	924	67,027	87,728
Unallocated corporate assets											115,481	120,760
Total assets											182,508	208,488
Segment liabilities	10,119	4,134	6,531	4,335	49,281	102,292	40,143	23,367	2,486	1,427	108,560	135,556
Unallocated corporate liabilities											15,483	17,299
Total liabilities											124,043	152,855

25.2 Operators Fund

Segment profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Rupees in `000)												
Wakala fee earned	475	1,077	501	504	4,909	6,619	3,427	4,275	133	68	9,444	12,543
Commission expense	(186)	(210)	(107)	(136)	(1,270)	(2,701)	(434)	(260)	(23)	(135)	(2,021)	(3,442)
Management expense	(55)	(874)	(1)	(118)	4,520	3,911	1,912	(7,096)	(12)	(168)	6,364	(4,345)
	234	(7)	393	250	8,159	7,829	4,905	(3,081)	97	(235)	13,787	4,756
Modarib's share of PTF investment income											266	-
Investment income											-	-
Profit on bank deposits											17	99
Other expenses											(478)	125
Loss before taxation											13,592	4,980

Segment profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Rupees in `000)												
Wakala fee earned	1,196	806	1,066	1,077	18,452	30,791	10,130	5,016	336	330	31,179	38,020
Commission expense	(550)	(525)	(283)	(545)	(4,713)	(7,880)	(1,340)	(1,063)	(67)	(102)	(6,954)	(10,115)
Management expense	163	(979)	148	(1,026)	(8,248)	(24,220)	(4,962)	(10,216)	50	(623)	(12,849)	(37,064)
	809	(698)	931	(494)	5,491	(1,309)	3,827	(6,263)	318	(395)	11,376	(9,159)
Modarib's share of PTF investment income											1,227	-
Investment income											-	(4,652)
Profit on bank deposits											78	148
Other expenses											(1,472)	(2,236)
Loss before taxation											11,209	(15,899)

Notes To The Condensed Interim

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

Segment assets and liabilities

The following presents segments assets and liabilities as at September 30, 2020 (unaudited) and December 31, 2019 (audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Rupees in `ooo)												
Segment assets	227	170	146	179	1,103	4,215	899	963	56	59	2,430	5,586
Unallocated corporate assets											96,473	102,454
Total assets											98,903	108,040
Segment liabilities	1,211	760	782	797	5,899	18,802	4,805	4,295	298	262	12,994	24,916
Unallocated corporate liabilities											98,321	106,745
Total liabilities											111,315	131,661

26. MOVEMENT IN INVESTMENTS

	OPF	PTF		Total
	Available for sale	Available for sale	Held to maturity	
(Rupees in `ooo)				
01 January 2019	39,465	9,642	600	49,707
Addition	-	30,714	33,500	64,214
Disposal (sale and redemption)	(41,921)	-	(33,500)	(75,421)
Designated at fair value through profit of loss upon initial recognition	2,456	426	-	2,882
31 December 2019	-	40,782	600	41,382
Addition	-	10,649	600	11,249
Disposal (sale and redemption)	-	(44,299)	(600)	(44,899)
Designated at fair value through profit of loss upon initial recognition	-	(611)	-	(611)
30 September 2020	-	6,521	600	7,121

27. 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level

Notes To The Condensed Interim

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

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:

		30 September 2020		
		Fair Value Measurement		
		Level 1	Level 2	Level 3
		(Rupees in `000)		
PTF				
Available for sale investments (measured at fair value)				
Mutual fund units		-	6,521	-
		-	6,521	-

		31 December 2019		
		Fair Value Measurement		
		Level 1	Level 2	Level 3
		(Rupees in `000)		
PTF				
Available for sale investments (measured at fair value)				
Mutual fund units		-	40,782	-
		-	40,782	-

28. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 29, 2020 by the Board of Directors of the Operator.

Financial Information (Unaudited)

For the quarter and nine months period ended 30 September 2020

29. GENERAL

29.1 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 premium revenue of the Operator.

29.2 IMPACT OF COVID-19 ON THE CONDENSED INTERIM FINANCIAL STATEMENTS.

During the period, the novel coronavirus (COVID 19) emerged and since then, the condition has continued to deteriorate. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a Public Health Emergency of International Concern. The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do so in the coming months of 2020. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the Company based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the Company.

29.3 The comparative information has been reclassified, rearranged or additionally restated in these 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.

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

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CSD North Lahore

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Canal Branch

162 Shadman II Lahore.

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Mall Branch

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Branch

Network

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F: 091-5277809

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Dera Ghazi Khan

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