



ہمیشہ کالتہ

Interim Financial Statements
For the Nine Month Period ended September 30, 2021
(Unaudited)

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Company Information

Board of Directors

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

Audit Committee

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

Investment Committee

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

Chief Executive Officer

Nadeem Maqbool

Chief Financial Officer

Amjed Bahadur Ali

Company Secretary

Fariq Mahmood Khan Rohilla

Ethics, Human Resource, Remuneration & Nomination Committee

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

Claim Settlement Committee

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

Company Information

Underwriting Committee

Imran Maqbool
(Chairman)

M. K. Baig
(Member)

Afzal Ur Rehman
(Member)

M. A. Hannan Shadani
(Secretary)

Risk Management & Compliance Committee

Shameen Azfar
(Chairman)

Nadeem Maqbool
(Member)

Sharik Bashir
(Member)

Amjed Bahadur Ali
(Member)

Niina Afridi
(Secretary)

Registrar

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

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Reinsurance & Co-Insurance Committee

Sharik Bashir
(Chairman)

Afzal Ur Rehman
(Member)

Kamran Safi Rizvi
(Secretary)

Auditors

EY Ford Rhodes, Chartered
Accountants.

Legal Advisors

Arfin & Company Advocates

Registered & Head Office

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

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Director's Report

The Directors are pleased to present the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2021.

Performance Review

Following is the overall performance of the Company.

	Conventional		Takaful	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Rupees in '000)			
Premium / contribution written	481,185	427,430	134,668	55,020
Net Premium / contribution	177,777	143,563	36,371	48,714
Underwriting Result	(189,417)	(152,691)	(16,634)	1,231
Investment income	132,945	12,408	396	1,429
Profit / (Loss) before taxation	(34,467)	(115,490)	(18,712)	11,209
Profit / (Loss) after taxation	(41,700)	(121,104)	-	-
Earning (Loss) / per share	(0.83)	(2.40)		

On the Conventional side, Company reported a gain of 12.6% in gross written premium and 23.8% in net premium during the nine months period ended September 30, 2021. Fire business was almost same as last year, Marine business was improved by 26.8%, there was reduction of 20.0% in Motor business, Engineering and Health was increased by 45% and 36% as compared to the same period last year.

Company's Window Takaful Operations also reported a gain of 144.8.6% in gross contribution written during the nine months period ended September 30, 2021. Fire and Marine business increased by 82% and 22% respectively, the major contributor of this growth were Motor and Health which were increased by 142.5% and 191.6%.

The underwriting results for the period were Rs. (189.4) million as against Rs. (152.6) million in the corresponding period. Gross claims shows significant increase on account of two major claims in Fire class. Had this been not occurred, the loss before tax would have been in the positive zone.

During the period under review your Company able to book Investment Income including Other Income of Rs.165.5 million as against 28.1 million as compared to the same period last year.

Management and General expenses have been reduced by 15.7% as compared to the same period of last year. Due to various cost control measures other fixed cost is continuously decreasing.

Future Outlook

The management is striving to bring about growth and profitability, 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 this will help us in improving our operating results. As a result your company will regain its momentum in the coming months ahead and also add value to our stakeholders' interest. 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.

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 30, 2021

مستقبل کے امکانات:

انتظامیہ کمپنی کی ترقی اور اسے منافع بخش بنانے کے مسلسل کوششیں کر رہی ہے، آپ کی کمپنی مارکیٹنگ حکمت عملی کے تحت نئے کاروبار کے حصول اور وسیع تر کسٹمرز کے مطابق اپنی مصنوعات کی تخصیص کے لیے مسلسل کوشاں ہے جس سے ہمارے آپریٹنگ نتائج کو بہتر بنانے میں مدد ملے گی۔ اس کے نتیجے میں آپ کی کمپنی آنے والے مہینوں میں اپنی رفتار دوبارہ حاصل کرے گی اور ہمارے اسٹیک ہولڈرز کی دلچسپی میں بھی اضافہ کرے گی۔ توقع ہے کہ یہی مثبت رجحان آنے والے مہینوں میں بھی برقرار رہے گا اور ہم امید کرتے ہیں کہ معیاری کاروبار لکھنے کی طرف ہماری کوششیں ہمیں بہتر نتائج پیش کرنے کے قابل بنائیں گی۔

اعتراف:

ہم اپنے قابل قدر گاہکوں کی مسلسل سرپرستی اور تعاون اور پاکستان ری انشورنس کمپنی لمیٹڈ، سکیورٹیز ڈائریکٹوریٹ آف پاکستان، اسٹیٹ بینک آف پاکستان اور دی کریڈٹ ریٹنگ ایجنسی کی رہنمائی اور مدد پر ان کے شکر گزار ہیں۔ ہم اپنے ری انشورنس شراکت داران کے بھی ان کے تعاون اور رہنمائی کیلئے ان کے شکر گزار ہیں۔ یہ آپ کے ڈائریکٹرز کے لیے انتہائی خوشی کی بات ہے کہ وہ افسران، فیلڈ فورس اور اسٹاف کی جانب سے کی جانے والی کوششوں کی تعریف کرتے ہیں جنہوں نے کمپنی کی ترقی اور اس کے آپریٹنگز کی مسلسل کامیابی میں اپنا کردار ادا کیا۔

بتوسط بورڈ

چیئر مین

چیف ایگزیکٹو آفیسر / ڈائریکٹر

کراچی مورخہ: 30 اکتوبر 2021ء

ممبران کیلئے ڈائریکٹرز رپورٹ

ڈائریکٹران کمپنی کے غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے برائے تختہ نو ماہی 30 ستمبر 2021ء پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کارکردگی کا جائزہ:

کمپنی کی مجموعی کارکردگی درج ذیل ہے:

مقابلہ		روایتی	
30 ستمبر 2020	30 ستمبر 2021	30 ستمبر 2020	30 ستمبر 2021
روپے ملین میں			
55,020	134,668	427,430	481,185
48,714	36,371	143,563	177,777
1,231	(16,634)	(152,691)	(189,417)
1,429	396	12,408	132,945
11,209	(18,712)	(115,490)	(34,467)
-	-	(121,104)	(41,700)
		(2.40)	(0.83)

تحریری پر بیم / کنٹری بیوشن

خالص تحریری پر بیم / کنٹری بیوشن

ذمہ نویسی کے نتائج

سرمایہ کاری آمدنی

منافع / (خسارہ) قبل از ٹیکس

منافع / (خسارہ) بعد از ٹیکس

منافع / (خسارہ) فی حصص

روایتی پہلو پر 30 ستمبر 2021 کی تختہ نو ماہی کے دوران کمپنی کے مجموعی تحریری پر بیم میں 12.6 فیصد اور خالص پر بیم کی آمدنی میں 23.8 فیصد اضافہ ہوا۔ فائز برنس تقریباً گزشتہ سال جیسا ہی رہا، ممبرین کاروبار میں 26.8 فیصد کی بہتری آئی، موثر برنس میں 20.0 فیصد کی کمی ہوئی، انجینئرنگ اور ہیلتھ میں 45 فیصد اور 36 فیصد اضافہ ہوا جس کا موازنہ گزشتہ سال کی مدت سے کیا جاسکتا ہے۔

30 ستمبر 2021 کی تختہ نو ماہی کے دوران کمپنی کے ونڈ وٹکا فل آپریشنز کے خاتم تحریری کنٹری بیوشن میں 144.8.6 فیصد کا اضافہ ہوا۔ فائز اور ممبرین کاروبار میں بالترتیب 82 فیصد اور 22 فیصد کا اضافہ ہوا، اس نموء میں سب سے بڑا حصہ موثر اور ہیلتھ کاروبار جو کہ 142.5 فیصد اور 191.6 فیصد کا اضافہ کے باعث ہوا۔

دوران مدت ذمہ نویسی کے نتائج گزشتہ سال (152.6) ملین روپے کے مقابلے میں (189.4) ملین روپے رہے۔ دوران مدت، مجموعی کلیم فائز کلاس میں دو بڑے کلیم کی وجہ سے نمایاں اضافہ ظاہر کرتے ہیں، اگر ایسا نہ ہوتا تو قبل از ٹیکس خسارہ مثبت زون میں ہوتا۔

دوران مدت، کمپنی نے سرمایہ کاری پر 165.5 ملین روپے کی آمدنی حاصل کی جو کہ گزشتہ سال کی اسی مدت کے دوران 28.1 ملین روپے تھی۔

انتظامی اور عبوری اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں 15.7 فیصد کمی کی گئی۔ لاگت پر قابو پانے کے مختلف اقدامات کے باعث دیگر مقررہ لاگوں میں مسلسل کمی واقع ہو رہی ہے۔

Condensed Interim Statement of Financial Position

As at 30
September 2021

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Assets			
Property and equipment	7	213,450	221,735
Intangible assets	8	1,535	1,978
Investment properties	9	287,240	275,740
Investments			
- Equity securities	10.1	732,248	829,168
- Mutual funds	10.1	62,556	59,765
Investment in associate		400,820	373,069
Loans and other receivables	11	17,329	62,941
Insurance / reinsurance receivables	12	638,614	655,338
Reinsurance recoveries against outstanding claims	19	755,214	405,249
Salvage recoveries accrued		699	1,805
Deferred commission expense	20	22,798	19,549
Taxation - provision less payment		18,340	3,311
Deferred tax asset		46,870	46,425
Prepayments	13	160,131	155,688
Cash and bank	14	70,369	37,590
		3,428,213	3,149,351
Total Assets of Window Takaful Operations - Operator's Fund	15	123,305	99,929
Total Assets		3,551,518	3,249,280
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		505,650	505,650
Reserves		1,655,417	1,629,308
Accumulated losses		(839,769)	(798,049)
Total Equity		1,321,298	1,336,909
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	1,095,788	700,569
Unearned premium reserves	18	344,177	277,987
Unearned reinsurance commission	20	26,547	21,079
Retirement benefit obligations		5,250	5,296
Lease liabilities		8,581	10,222
Insurance / reinsurance payables		395,632	548,928
Other creditors and accruals	16	244,606	262,187
Unclaimed dividends		22,773	22,773
Total Liabilities		2,143,354	1,849,041
Total Liabilities of Window Takaful Operations - Operator's Fund		86,866	63,330
Total Equity and Liabilities		3,551,518	3,249,280
Contingencies and commitments	17		

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

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

September 2021
Premier Insurance Limited

Condensed Interim Statement of Profit and Loss Account (unaudited)

		Quarter Ended		Nine Months Period Ended	
	Note	30 September 2021	30 September 2020	30 September 2021	30 September 2020
(Rupees in '000)					
Net insurance premium	18	59,731	51,072	177,777	143,563
Net insurance claims	19	(56,724)	(29,651)	(192,507)	(81,633)
Net commission expense and other acquisition costs	20	(9,287)	(8,257)	(16,514)	(22,792)
Insurance claims and acquisition expenses		(66,011)	(37,908)	(209,021)	(104,425)
Management expenses	21	(60,573)	(75,823)	(158,173)	(191,829)
Underwriting results		(66,853)	(62,659)	(189,417)	(152,691)
Investment income	22	6,201	2,915	132,945	12,408
Rental income		1,101	1,023	3,038	2,983
Revaluation gain on investment property		-	-	11,500	1,747
Other income	23	21,247	891	29,559	12,710
Other expenses	24	(668)	(664)	(4,877)	(1,627)
Results of operating activities		(38,972)	(58,494)	(17,252)	(124,470)
Finance costs		(300)	(379)	(940)	(1,195)
Share of profit / (loss) from associate		(1,129)	(1)	2,437	(1,034)
Loss before tax from General Insurance Operations		(40,401)	(58,874)	(15,755)	(126,699)
(Loss) / Profit before tax from Window Takaful Operations - Operator's Fund		545	13,592	(18,712)	11,209
Loss before tax		(39,856)	(45,282)	(34,467)	(115,490)
Income tax expense		(4,809)	(4,102)	(7,253)	(5,614)
Loss after tax		(44,665)	(49,384)	(41,720)	(121,104)
Loss per share - Rupees	26	(0.88)	(0.98)	(0.83)	(2.40)

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

Condensed Interim Statement of Comprehensive Income (unaudited)

For the Quarter &
Nine Months Period
Ended 30 September
2021

		Quarter Ended		Nine Months Period Ended	
	Note	30 September 2021	30 September 2020	30 September 2021	30 September 2020
(Rupees in '000)					
Loss after tax		(44,665)	(49,384)	(41,720)	(121,104)
Other comprehensive income:					
Unrealized gain / (loss) on available-for-sale investments during the period	29	(62,438)	107,877	795	62,911
Share of other comprehensive income from associated company		(302)	-	25,314	20,107
Other comprehensive income / (loss) for the period		(62,740)	107,877	26,109	83,018
Total comprehensive income / (loss) for the period		(107,405)	58,493	(15,611)	(38,086)

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

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

September 2021
Premier Insurance Limited

For the Nine Months
Period Ended 30
September 2021

Condensed Interim Statement of Changes in Equity (unaudited)

	Share capital	Reserves								
	Issued, subscribed and paid-up	Capital reserves		Revenue reserves					Total reserves	Total equity
		Reserve for exceptional losses	Devaluation reserve	General reserve	Revaluation Reserves - Available for sale investments of Company and associate	Revaluation Reserves - Property and Equipment	Accumulated losses			
(Rupees in '000)										
Balance as at 01 January 2020	505,650	19,490	185	996,851	280,054	35,859	(681,066)	651,373	1,157,023	
Loss for the period ended 30 September 2020	-	-	-	-	-	-	(121,104)	(121,104)	(121,104)	
Other comprehensive income for the period	-	-	-	-	83,018	-	-	83,018	83,018	
Total comprehensive Profit / (loss) for the period ended 30 September 2020	-	-	-	-	83,018	-	(121,104)	(38,086)	(38,087)	
Balance as at 30 September 2020	505,650	19,490	185	996,851	363,072	35,859	(802,170)	613,287	1,118,937	
Balance as at 01 January 2021	505,650	19,490	185	996,851	576,923	35,859	(798,049)	831,259	1,336,909	
Profit for the period ended 30 September 2021	-	-	-	-	-	-	(41,720)	(41,720)	(41,720)	
Other comprehensive income for the period	-	-	-	-	26,109	-	-	26,109	26,109	
Total comprehensive Income / (loss) for the period ended 30 September 2021	-	-	-	-	26,109	-	(41,720)	(15,611)	(15,611)	
Balance as at 30 September 2021	505,650	19,490	185	996,851	603,032	35,859	(839,769)	815,648	1,321,298	

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

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Cashflows (unaudited)

For the Nine Months Period Ended 30 September 2021

		Nine Months Period Ended	
	Note	30 September 2021	30 September 2020
		(Rupees in '000)	
Operating cash flows			
a) Underwriting activities			
Insurance premium received		494,433	356,554
Reinsurance premium paid		(385,089)	(182,493)
Claims paid		(384,576)	(110,408)
Reinsurance and other recoveries received	19	237,323	47,360
Commission paid	19	(31,669)	(17,805)
Commission received		37,821	35,925
Other acquisition costs paid		(17,767)	(17,878)
Management expenses paid		(76,278)	(229,335)
Net cash used in underwriting activities		(125,801)	(118,079)
b) Other operating activities			
Income tax paid		(7,776)	9,754
Other operating payments		(23,429)	4,182
Other operating receipts		23,526	10,895
Loans advanced, deposits made/received		(47,130)	921
Other liabilities paid/received		(18,822)	(18,887)
Total cash used in other operating activities		(73,631)	6,865
Total cash used in all operating activities		(199,432)	(111,214)
Investment activities			
Profit / return received		132,733	56,922
Rental received		3,038	2,983
Payment for investments made		(257,632)	(64,723)
Proceeds from investments disposed		351,267	75,198
Fixed capital expenditure incurred		(424)	(1,064)
Proceeds from sale of property and equipment		4,946	1,743
Total cash flow generated from investing activities		233,928	71,059
Financing activities			
Finance cost paid		(940)	(1,195)
Dividend paid		-	(2,754)
Payment of lease liability		(778)	(2)
Total cash used in financing activities		(1,717)	(3,952)
Net cash generated / used in from all activities		32,779	(44,107)
Cash and cash equivalents at beginning of the period		37,590	95,196
Cash and cash equivalents at end of the period	14	70,369	51,089

Condensed Interim Statement of Cashflows (unaudited)

		Nine Months Period Ended	
	Note	30 September 2021	30 September 2020
		(Rupees in '000)	
Reconciliation to profit or loss account			
Operating cashflows		(199,432)	(111,214)
Depreciation and amortization expense	21	(7,635)	(9,221)
Finance costs		(940)	(1,195)
Gain on sale of operating fixed assets	23	6,020	1,458
Net realized (loss) / gain on investments	22	(19,788)	19,368
Impairment in value of available for sale securities		(1,289)	(22,235)
Rental income		3,038	2,983
Dividend income	22	152,870	15,265
Other income	23	23,539	11,253
Share of profit / (Loss) of associates		2,437	(1,033)
Profit / (loss) from Window Takaful Operations - Operator's Fund	15	(18,712)	11,209
Increase / (decrease) in assets other than cash		302,627	129,173
Increase / (decrease) in liabilities other than borrowings		(295,954)	(168,662)
Gain on revaluation of investment property		11,500	1,747
Profit / (Loss) after taxation		(41,720)	(121,104)

Definition of cash and cash equivalent

Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits having maturing 3 months from the date of acquisition.

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

Cash and other equivalents			
Cash		-	-
Stamps in hand		182	313
		182	313
Current and other accounts			
Current accounts		26,805	6,033
Savings accounts		43,382	44,743
		70,187	50,776
Total cash and cash equivalents		70,369	51,089

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

Notes to the Condensed Interim Financial Statements (unaudited)

For the Quarter and
Nine Months Period
Ended 30 September
2021

1. LEGAL STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Company) was incorporated as a public limited Company in Pakistan in May 1952 and is engaged in general insurance business. The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Off. I.I. Chundrigar Road, Karachi. The Company has been allowed to work as Window Takaful Operator since 02 October 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

2. BASIS OF PREPARATION

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

- International Financial Reporting Standards (IAS) 34, interim Financial Reporting issued by the International Accounting Standards Board (IASB) as for interim Financial Reporting notified under the Companies Act, 2017;

Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

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

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(I)/2019 dated 20th November, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business. These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SECP. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements as prescribed by the SECP and should be read in conjunction with the annual audited financial statements of the Operator for the year ended December 31, 2020.

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

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

These condensed interim financial statements for the quarter and nine months period ended 30 September 2021 have been prepared under the historical cost convention, except that investments classified as available-for-sale and investment properties are stated at fair value and obligations under employee benefits are measured at present value.

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

Notes to the Condensed Interim Financial Statements (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2020.

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period.

The Company has adopted the following amendments to IFRSs which became effective for the current period:

Standard or Interpretation

- IFRS 3 - Definition of a Business (Amendments)
- IAS 1/ IAS 8 - Definition of Material (Amendments)
- International Accounting Standard Board (IASB) revised Conceptual Framework
- IFRS 16 - Rent concessions on leased assets on account of Covid-19
- IFRS 14 - Regulatory Deferral Accounts

The adoption of the above Standards / amendments and improvements to accounting standards did not have any effect on the Company's condensed interim financial statements.

3.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

The following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on or after 01 January 2021:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 3 - Revised Conceptual Framework (Amendments)	01 January 2022
- IAS 16 – Property, Plant and Equipments: proceeds before intended use	01 January 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	01 January 2022
- IAS 1 - Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023

The above amendments are not likely to have an impact on Company's condensed interim financial statements. In addition to above Standards, there are certain new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after 01 January 2021 but are considered not to be relevant to the Company's operations and therefore, are not detailed in these condensed interim financial statements.

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

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Standard, interpretation or amendment

Effective date (annual periods beginning on or after)

- IFRS 1 – First time adoption of IFRSs
- IFRS 17 – Insurance Contracts

01 January 2004
01 January 2023

4. ESTIMATES AND JUDGMENTS

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended December 31, 2020.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2020.

6. PREMIUM DEFICIENCY RESERVE

No provision has been made as the premium deficiency reserve for each class of business as at 30 September 2021 and considered adequate to meet the expected liability after reinsurance, for claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

7. PROPERTY AND EQUIPMENT

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Operating fixed assets	7.1	180,413	186,991
Capital work-in-progress		26,109	26,109
Right-of-use assets	7.2	6,928	8,635
		213,450	221,735

7.1 Operating fixed assets

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Opening written down value		186,991	194,961
Add: Additions during the period/year		424	1,742
Less: Book value of disposals during the period		(1,074)	(787)
Depreciation charged during the period		(5,928)	(8,925)
		(7,002)	(9,712)
Closing written down value		180,413	186,991

Notes to the Condensed Interim Financial Statements (unaudited)

7.2 Right-of-use assets

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

Head Office and branches:

	Note	Unaudited 30 September 2021	Audited 31 December 2020
		(Rupees in '000)	
Opening written down value		8,635	11,312
Add: Additions during the period/year		-	-
		8,635	11,312
Less: Reversal due to termination during the period		-	(284)
Depreciation charged during the period		(1,707)	(2,393)
Closing written down value		6,928	8,635

8. INTANGIBLE ASSETS

	Note	Unaudited 30 September 2021	Audited 31 December 2020
		(Rupees in '000)	
Opening written down value		1,978	2,826
Less: Amortization charged during the period		(443)	(848)
Closing written down value		1,535	1,978

9. INVESTMENT PROPERTIES

	Note	Unaudited 30 September 2021	Audited 31 December 2020
		(Rupees in '000)	
Carrying value at the beginning of the period		275,740	268,348
Revaluation gain on investment property		11,500	4,105
Additions & capital improvements		-	3,287
Carrying value at the end of the period/year		287,240	275,740

Notes to the Condensed Interim Financial Statements (unaudited)

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10. INVESTMENTS

10.1. AVAILABLE FOR SALE

	Unaudited 30 September 2021				Audited 31 December 2020			
	Cost	Impairment / provision for the period	Revaluation surplus / (deficit)	Carrying value	Cost	Impairment / provision for the period	Revaluation surplus / (deficit)	Carrying value
(Rupees in '000)								
Related parties								
Listed shares	196,282	(1,289)	226,267	421,260	192,502	-	187,828	380,330
Unlisted shares	1,483	-	-	1,483	114,983	-	-	114,983
Other than related parties								
Listed shares	281,172	-	28,333	309,505	296,906	(26,996)	63,945	333,855
Mutual funds *	47,554	-	15,002	62,556	44,021	-	15,744	59,765
	526,491	(1,289)	269,602	794,804	648,412	(26,996)	267,517	888,933

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

11. LOANS AND OTHER RECEIVABLES

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Mark-up and dividend receivable		2,065	547
Loans to employees	11.1	3,119	3,784
Deposits	11.2	33,943	34,965
Receivables against sale of Investment		-	11,630
Advance to agents		1,234	737
Other receivables		(23,032)	11,278
		17,329	62,941

11.1 These are short term, unsecured interest free loans and advances provided to permanent employees of the Company adjustable against salaries.

11.2 These include Rs. 24 million (December 31, 2020: Rs. 24 million) deposited under a court order in respect of a claim where the possibility of the eventual beneficiary being other than the Company is considered remote by the Company's legal advisor.

Notes to the Condensed Interim Financial Statements (unaudited)

12. INSURANCE / REINSURANCE RECEIVABLES

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Premium due but unpaid		524,590	547,462
Less: Provision for doubtful receivables from insurance contract holder		(166,333)	(161,781)
		358,257	385,681
Amounts due from other insurers / reinsurers		385,434	370,993
Less: Provision for doubtful receivables from insurers / reinsurers		(105,077)	(101,336)
		280,357	269,657
		638,614	655,338

13. PREPAYMENTS

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Prepaid reinsurance premium ceded	18	148,271	153,696
Other prepaid expense		11,860	1,992
		160,131	155,688

14. CASH AND BANK

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Cash and cash equivalent			
- Policy and revenue stamps, bond papers		182	184
Cash at bank			
- Current accounts		26,805	10,354
- Savings account	14.1	43,382	27,052
		70,369	37,590

14.1 The rate of return on savings account held with various banks range from 5.12% to 5.52% per annum (December 31, 2020: 5.48% to 13.69%).

Notes to the Condensed Interim Financial Statements (unaudited)

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15. WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Assets			
Loan and other receivables		105	113
Receivable from PTF		23,053	10,990
Deferred commission expense		6,883	2,105
Cash and bank		6,944	3,701
		<u>36,985</u>	<u>16,909</u>
Qard-e-hasna contributed to PTF		86,320	83,020
Total Assets		123,305	99,929
Total Liabilities		164,529	122,441

	Note	Unaudited Nine Months Period Ended 30 September 2021	30 September 2020
(Rupees in '000)			
Operator's revenue accounts			
Wakala fee		25,722	31,179
Commission expense		(4,781)	(6,954)
General, administrative and management expenses		(38,289)	(12,849)
Modarib's share of PTF Investment income		783	1,227
Profit on bank accounts		30	78
Other expenses		(2,177)	(1,472)
Profit / (Loss) for the period		(18,712)	11,209

16. OTHER CREDITORS AND ACCRUALS

	Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)			
Bonus payable		3,102	4,541
Commissions payable		178,930	176,250
Federal excise duty and sales tax		20,421	16,506
Federal insurance fee		177	505
Deposits and margins		3,727	3,727
Provision for rent	16.1	14,000	14,000
Others		24,249	46,658
		<u>244,606</u>	<u>262,187</u>

- 16.1** This represents provision for rent amounting to Rs.14 million (December 31, 2020: Rs.14 million) against which the Company is in litigation with the landlord. The possibility of the eventual beneficiary being other than the Company is considered remote by the Company's legal advisor. However, the Company has made a provision of the disputed amount as a matter of prudence.

Notes to the Condensed Interim Financial Statements (unaudited)

17. CONTINGENCIES AND COMMITMENTS

17.1 Commitments

Note	Unaudited 30 September 2021	Audited 31 December 2020
(Rupees in '000)		
Commitment for capital expenditure	15,038	15,038

17.2 There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended December 31, 2020.

18. NET INSURANCE PREMIUM

	Unaudited			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
(Rupees in '000)				
Written gross premium	309,731	270,349	481,185	427,430
Add: Unearned premium reserve opening	171,808	161,839	277,987	241,735
Less: Unearned premium reserve closing	(344,177)	(302,272)	(344,177)	(302,272)
Premium Earned	137,362	129,916	414,995	366,893
Less: Reinsurance premium ceded	153,818	172,555	231,793	256,157
Add: Prepaid reinsurance premium opening	72,084	63,516	153,696	124,400
Less: Prepaid reinsurance premium closing	(148,271)	(157,227)	(148,271)	(157,227)
Reinsurance expense	77,631	78,844	237,218	223,330
Net insurance premium	59,731	51,072	177,777	143,563

Notes to the Condensed Interim Financial Statements (unaudited)

For the Quarter and
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19. NET INSURANCE CLAIMS

	Unaudited			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Claims paid	282,327	40,544	384,576	110,408
Less: Outstanding claims including IBNR opening	(1,286,340)	(693,670)	(700,569)	(682,106)
Add: Outstanding claims including IBNR closing	1,095,788	711,197	1,095,788	711,197
Claims expense	91,775	58,072	779,795	139,499
Less: Reinsurance and other recoveries received	183,599	14,340	237,323	47,360
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(903,762)	(373,937)	(405,249)	(377,512)
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	755,214	388,018	755,214	388,018
Reinsurance and other recoveries revenue	35,051	28,421	587,288	57,866
Net insurance claims	56,724	29,651	192,507	81,633

Notes to the Condensed Interim Financial Statements (unaudited)

20. NET COMMISSION EXPENSE AND OTHER ACQUISITION COSTS

	Unaudited			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Commission paid or payable	20,748	23,031	34,349	35,573
Add: Deferred commission opening	12,055	11,683	19,549	20,156
Less: Deferred commission closing	(22,798)	(23,916)	(22,798)	(23,916)
Commission expense	10,005	10,798	31,100	31,813
Less: Commission received or recoverable from reinsurers	27,075	25,213	37,821	35,926
Add: Unearned reinsurance commission opening	10,629	8,810	21,079	15,263
Less: Unearned reinsurance commission closing	(26,547)	(24,289)	(26,547)	(24,289)
Commission from reinsurance	11,157	9,733	32,353	26,899
Net Commission expense	(1,152)	1,065	(1,253)	4,914
Add: Other acquisition costs:				
Tracking device expenses	1	3,085	757	8,439
Service charges	5,564	2,843	11,278	7,013
Other costs	4,874	1,264	5,732	2,426
	10,439	7,192	17,767	17,878
Net Commission expense and other acquisition costs	9,287	8,257	16,514	22,792

21. MANAGEMENT EXPENSES

	Unaudited			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Employee benefit cost	41,702	53,726	112,762	141,258
Travelling expenses	513	593	963	1,693
Advertisement and sales promotion	191	53	979	381
Printing and stationary	524	535	2,224	1,890
Depreciation	2,398	2,871	7,191	8,586
Amortization	150	213	444	635
Rent, rates and taxes	543	1,140	1,197	1,501
Legal and professional charges - business related	742	1,807	4,061	6,556
Electricity, gas and water	2,107	1,662	4,138	3,076
Entertainment	738	727	1,836	1,769
Vehicle running expenses	603	1,593	1,170	2,200
Office repairs and maintenance	1,364	1,988	3,744	4,638
Bank charges	52	93	241	324
Postages, telegrams and telephone	1,103	1,600	3,187	4,514
Insurance expense	756	762	1,772	1,717
Annual supervision fee SECP	581	496	1,587	1,567
Bad and doubtful debts	6,195	5,407	9,624	8,549
Others	311	557	1,053	975
	60,573	75,823	158,173	191,829

Notes to the Condensed Interim Financial Statements (unaudited)

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22. INVESTMENT INCOME

	Unaudited			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
(Rupees in '000)				
Income from equity securities and mutual fund units				
Available for sale				
- Dividend income	5,324	2,478	152,870	15,265
Income from debts securities				
Available for sale				
- Amortization of discount - net	881	-	1,697	-
Net realized (loss) / gain on investments				
Available for sale				
- Equity securities	214	404	(19,788)	19,368
Total investment income	6,419	2,881	134,778	34,633
Less: Impairment in value of available for sale securities				
- Equity Securities	-	-	(1,289)	(22,235)
Less: Investment related expenses	(217)	34	(544)	10
	6,202	2,915	132,945	12,408

23. OTHER INCOME

	Unaudited			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
(Rupees in '000)				
Return on bank balances	467	952	975	3,669
Exchange gain	(1,516)	111	13	357
Gain on sale of operating fixed assets	-	(256)	6,020	1,458
Liabilities no longer required written back	-	-	-	5,215
Miscellaneous	22,296	83	22,551	2,011
	21,247	891	29,559	12,710

24. OTHER EXPENSES

This mainly includes auditors' remuneration, subscription and donations.

25. TAXATION

	Unaudited			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
(Rupees in '000)				
Current tax	4,809	5,725	7,698	7,237
Deferred tax	-	(1,622)	(445)	(1,622)
	4,809	4,102	7,253	5,614

Notes to the Condensed Interim Financial Statements (unaudited)

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

26. LOSS PER SHARE

	Unaudited			
	Quarter Ended 30 September 2021	30 September 2020	Nine Months Period Ended 30 September 2021	30 September 2020
	(Rupees in '000)			
Loss after tax for the period	(44,665)	(49,384)	(41,720)	(121,104)
	(Number of shares in '000)			
Weighted average number of ordinary shares	50,565	50,565	50,565	50,565
	(Rupees)			
Loss per share	(0.88)	(0.98)	(0.83)	(2.40)

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

27. RELATED PARTY TRANSACTIONS

Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit schemes.

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

	Unaudited Nine Months Period Ended	
	30 September 2021	30 September 2020
	(Rupees in '000)	
Transactions during the period		
Associated Companies		
Premium underwritten	106,703	135,876
Premium received	111,092	134,242
Claims paid	21,315	43,054
Shares purchased	3,780	-
Dividend received	131,246	-
Others		
Premium underwritten	8,818	-
Meeting fees	1,380	1,020
Remuneration and retirement benefits to key management personnel	98,885	86,416
	Unaudited	Audited
	30 September 2021	31 December 2020
	(Rupees in '000)	
Period end balances		
Associated Companies		
Premium receivable	81,330	138,176
Claims outstanding	21,213	36,107
Commission outstanding	19,191	25,189
Others		
Premium receivable	29	-
Claims outstanding	10	-

Notes to the Condensed Interim Financial Statements (unaudited)

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28. SEGMENT REPORTING

28.1 Segment profit or loss

											Unaudited	
											Quarter ended	Quarter ended
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	30 September 2021	30 September 2020
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Premium receivable (inclusive of FED / sales tax, federal insurance fee and administrative surcharge)	131,164	149,762	19,421	15,239	37,021	40,997	107,511	63,613	46,055	33,008	341,172	302,619
Less: FED / sales tax	15,370	18,265	2,361	1,802	4,782	5,250	-	-	5,964	4,298	28,477	29,615
Less: Federal insurance fee	1,017	1,255	169	133	319	353	1,064	630	395	284	2,964	2,655
Gross written premium (inclusive of administrative surcharge)	114,777	130,242	16,891	13,304	31,920	35,394	106,447	62,983	39,696	28,426	309,731	270,349
Gross direct premium	101,166	124,450	16,584	13,048	31,384	34,741	106,395	62,943	39,302	28,201	294,831	263,383
Facultative inward premium	13,124	5,239	-	-	63	85	-	-	125	-	13,312	5,324
Administrative surcharge	487	554	307	256	474	567	52	40	268	225	1,587	1,642
Insurance premium earned	54,322	53,572	14,924	11,975	15,708	25,244	40,653	29,020	11,754	10,105	137,362	129,916
Insurance premium ceded to reinsurers	(51,882)	(56,462)	(9,275)	(7,640)	(994)	(756)	(8,634)	(8,538)	(6,846)	(5,448)	(77,631)	(78,844)
Net Insurance premium	2,440	(2,890)	5,649	4,335	14,715	24,488	32,019	20,482	4,908	4,657	59,731	51,072
Commission income	6,462	6,007	1,591	1,337	63	33	1,511	1,497	1,529	859	11,157	9,733
Net underwriting income	8,902	3,117	7,240	5,672	14,778	24,521	33,530	21,979	6,438	5,516	70,888	60,805
Insurance claims expense	(17,735)	(12,804)	(3,916)	103	(7,613)	(8,442)	(54,174)	(27,645)	(8,337)	(9,284)	(91,775)	(58,072)
Insurance claims recovered from reinsurance	10,141	7,926	2,258	251	-	10	16,611	12,228	6,040	8,006	35,051	28,421
Net Claim	(7,594)	(4,878)	(1,658)	354	(7,613)	(8,432)	(37,563)	(15,417)	(2,297)	(1,278)	(56,724)	(29,651)
Commission expense	(4,324)	(5,439)	(1,372)	(1,295)	(1,141)	(1,586)	(2,788)	(1,777)	(380)	(701)	(10,005)	(10,798)
Management expense	(24,135)	(31,591)	(6,139)	(6,674)	(7,000)	(14,980)	(18,189)	(16,618)	(5,110)	(5,960)	(60,573)	(75,823)
Other acquisition cost	(517)	(73)	(411)	(105)	(1,091)	(3,624)	(7,995)	(3,270)	(425)	(120)	(10,439)	(7,192)
Net insurance claims and expenses	(36,570)	(41,981)	(9,580)	(7,720)	(16,845)	(28,622)	(66,535)	(37,082)	(8,212)	(8,059)	(137,742)	(123,464)
Underwriting result	(27,668)	(38,864)	(2,340)	(2,048)	(2,068)	(4,101)	(33,005)	(15,103)	(1,774)	(2,543)	(66,853)	(62,659)
Net investment Income											6,201	2,915
Rental income											1,101	1,023
Fair value gain on investment property											-	-
Other income											21,247	891
Other expenses											(668)	(664)
Finance cost											(300)	(379)
Share of loss from associate											(1,129)	(1)
Share of profit/(loss) from WTO												
- Operator's Fund											545	13,592
Loss before tax											(39,857)	(45,282)

For the Quarter and
Nine Months Period
Ended 30 September
2021

Notes to the Condensed Interim Financial Statements (unaudited)

											Unaudited Nine Months Period Ended	
											30 September 2021	30 September 2020
											Total	
											2021	2020
											2021	2020
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Notes to the Condensed Interim Financial Statements (unaudited)

For the Quarter and
Nine Months Period
Ended 30 September
2021

28.2 Segment assets and liabilities

The following presents segments assets and liabilities for the period September 30, 2021 (unaudited) and December 31, 2020 (audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Segment assets	567,656	529,111	103,088	74,426	169,653	174,249	589,976	360,026	145,826	99,816	1,576,199	1,237,628
Unallocated corporate assets											1,975,319	2,011,652
Total assets											3,551,518	3,249,280
Segment Liabilities	670,636	662,042	121,790	93,124	200,431	218,027	697,006	450,477	172,281	124,893	1,862,144	1,548,562
Unallocated corporate liabilities											281,210	300,479
Total liabilities											2,143,354	1,849,041

29. MOVEMENT IN INVESTMENTS

Available for sale

(Rupees in '000)

01 January, 2020

742,852

Additions	68,064
Disposals (sale and redemptions)	(61,847)
Fair value net gains (excluding net realized gains)	166,860
Designated at fair value through profit of loss upon initial recognition	-
Impairment losses	(26,996)

31 December, 2020

888,933

Additions	257,632
Disposals (sale and redemptions)	(351,267)
Fair value net gains (excluding net realized gains)	795
Impairment losses	(1,289)

30 September, 2021

794,804

30. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

Notes to the Condensed Interim Financial Statements (unaudited)

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

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

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

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

Unaudited 30 September 2021			
Fair Value Measurement			
Level 1	Level 2	Level 3	
(Rupees in '000)			
Available for sale investments (measured at fair value)			
Equity securities	732,248	-	-
Mutual fund units	-	62,556	-
Debt securities - Treasury bills	-	-	-
	732,248	62,556	-

Audited 31 December 2020			
Fair Value Measurement			
Level 1	Level 2	Level 3	
(Rupees in '000)			
Available for sale investments (measured at fair value)			
Equity securities	714,185	-	-
Mutual fund units	-	59,765	-
	714,185	59,765	-

31. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **30th October 2021** by the Board of directors of the Company.

32. GENERAL

- 32.1** There is no individual class of business within the category of 'miscellaneous', where the gross premium of the class of business is 10% or more of the gross premium revenue of the company.
- 32.2** The comparative information has been reclassified, rearranged or additionally restated in these condensed interim financial statements, wherever necessary, to facilitate comparative and to confirm with changes in presentation in the current period. However there were no material reclassification / restatements to report.
- 32.3** All amounts have been rounded to the nearest thousand Rupees.

Financial Statements

(Window Takaful)

As at 30
September 2021

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

		Operator's Fund		Participant's Takaful Fund	
		30	31	30	31
Note		September 2021 (Unaudited)	December 2020 (Audited)	September 2021 (Unaudited)	December 2020 (Audited)
		(Rupees in '000)			
Assets					
Investments					
Mutual funds	7	-	-	4,996	6,820
Term deposits	8	-	-	600	600
Loans and other receivables	9	105	113	40,142	16,011
Takaful / retakaful receivables	11	-	-	72,447	36,023
Retakaful recoveries against outstanding claims	18	-	-	14,815	5,004
Qard-e-hasna contributed to PTF		86,320	83,020	-	-
Salvage recoveries accrued		-	-	360	72
Receivable from OPF / PTF	10	23,053	10,990	41,916	41,684
Deferred wakala expense	21	-	-	33,685	12,273
Deferred commission expense	22	6,883	2,105	-	-
Prepayments	12	-	-	9,470	5,901
Cash and bank	13	6,944	3,701	38,048	36,440
Total Assets		123,305	99,929	256,479	160,828
Funds and Liabilities					
Reserve attributable to:					
Operator's Fund (OPF)					
Statutory fund		50,000	50,000	-	-
Accumulated deficit		(91,224)	(72,512)	-	-
Balance of Operator's Fund		(41,224)	(22,512)	-	-
Participant's Takaful Fund (PTF) / Waqf					
Seed money		-	-	500	500
Revaluation reserves		-	-	(573)	(462)
Accumulated deficit		-	-	(44,044)	(28,901)
Balance of Participant's Takaful Fund / Waqf		-	-	(44,117)	(28,863)
Qard-e-Hasna		-	-	86,320	83,020
Liabilities					
PTF Underwriting provisions					
Unearned contribution reserve	17	-	-	96,241	35,064
Outstanding claims (including IBNR)	18	-	-	61,357	37,789
Contribution deficiency reserve		-	-	4,410	4,410
Reserve for Unearned retakaful rebate	20	-	-	1,870	1,167
		-	-	163,878	78,430
Unearned wakala fees	21	33,685	12,273	-	-
Takaful / retakaful payables		-	-	21,982	14,489
Payable to OPF / PTF	15	41,916	41,684	23,053	10,990
Other creditors and accruals	14	88,928	68,484	5,363	2,762
		164,529	122,441	50,398	28,241
Total Fund and Liabilities		123,305	99,929	256,479	160,828
Contingencies and commitments					
	16				

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

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

Condensed Interim Statement of Profit and Loss (unaudited)

For the Quarter
and Nine Months
Period Ended 30
September 2021

		Quarter Ended		Nine Months Period Ended	
	Note	30 September 2021	30 September 2020	30 September 2021	30 September 2020
		(Rupees in '000)			
Participant's Takaful Fund					
Contribution earned - net of wakala fee	17	20,790	17,537	47,769	57,903
Less: Contribution ceded to retakaful	17	(4,389)	(3,620)	(11,398)	(9,189)
Net contribution revenue	17	16,401	13,917	36,371	48,714
Re-takaful rebate earned	20	841	626	2,149	1,494
Net underwriting income		17,242	14,543	38,520	50,208
Net claims - reported / settled	18	(18,961)	(18,315)	(40,334)	(44,856)
- IBNR	18	(7,206)	-	(8,056)	(2,283)
		(26,167)	(18,315)	(48,390)	(47,139)
Provision for doubtful contribution	11	-	-	(60)	-
Other direct expenses	19	(3,913)	(565)	(6,704)	(1,838)
(Deficit) / Surplus before investment income		(12,838)	(4,337)	(16,634)	1,231
Investment income	25	7	-	396	1,429
Other income	26	649	762	1,878	2,011
Less: Modarib's share of investment income	27	(229)	(266)	(783)	(1,227)
(Deficit) / Surplus for the period		(12,411)	(3,841)	(15,143)	3,444
Operator's Fund					
Wakala fee	21	11,194	9,444	25,722	31,179
Commission expense	22	(2,122)	(2,021)	(4,781)	(6,954)
General, administrative and management expenses	23	(8,322)	6,364	(38,289)	(12,849)
		750	13,787	(17,348)	11,376
Modarib's share of PTF investment income	27	229	266	783	1,227
Profit on bank accounts		14	17	30	78
Other expenses	24	(448)	(478)	(2,177)	(1,472)
Profit / (Loss) for the period		545	13,592	(18,712)	11,209

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

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

September 2021
Premier Insurance Limited

For the Quarter
and Nine Months
Period Ended 30
September 2021

Condensed Interim Statement of Comprehensive Income (unaudited)

	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Participant's Takaful Fund				
(Deficit) / Surplus for the period	(12,411)	(3,841)	(15,143)	3,444
Other comprehensive income / (loss) for the period:				
Unrealized loss on available for sale securities	(104)	599	(111)	(611)
Total comprehensive (loss) / income for the period	(12,515)	(3,242)	(15,254)	2,833
Operator's Fund				
Profit / (Loss) for the period	545	13,592	(18,712)	11,209
Other comprehensive income / (loss) for the period:				
Unrealized income on available for sale securities	-	-	-	-
Total comprehensive income / (loss) for the period	545	13,592	(18,712)	11,209

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

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

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

For the Nine Months
Period Ended 30
September 2021

	Attributable to Operator's Fund			
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale	Accumulated deficit	Total
(Rupees in '000)				
Balance as at 01 January 2020	50,000	-	(73,621)	(23,621)
Net loss for the period	-	-	11,209	11,209
Other comprehensive income for the period	-	-	-	-
Balance as at 30 September 2020	50,000	-	(62,412)	(12,412)
Balance as at 01 January 2021	50,000	-	(72,512)	(22,512)
Net loss for the period	-	-	(18,712)	(18,712)
Other comprehensive income for the period	-	-	-	-
Balance as at 30 September 2021	50,000	-	(91,224)	(41,224)

	Attributable to participants of the Participant's Fund			
	Seed Money	Unrealized gain / (loss) on revaluation of available-for-sale	Accumulated Deficit	Total
(Rupees in '000)				
Balance as at 01 January 2020	500	557	(28,445)	(27,388)
Surplus for the period	-	-	3,444	3,444
Other comprehensive loss for the period	-	(611)	-	(611)
Balance as at 30 September 2020	500	(54)	(25,001)	(24,555)
Balance as at 01 January 2021	500	(462)	(28,901)	(28,863)
Deficit for the period	-	-	(15,143)	(15,143)
Other comprehensive loss for the period	-	(111)	-	(111)
Balance as at 30 September 2021	500	(573)	(44,044)	(44,117)

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

Condensed Interim Statement Of Cash Flows (unaudited)

		Nine Months Period Ended			
		Operator's Fund		Participant's Takaful Fund	
		30	30	30	30
		September	September	September	September
		2021	2020	2021	2020
		(Rupees in '000)			
Operating Activities					
a) Takaful activities					
Contribution received		-	-	37,007	71,623
Re-takaful contributions paid		-	-	(7,319)	(7,728)
Claims / benefit paid	18	-	-	(35,450)	(46,052)
Re-takaful and other recoveries received	18	-	-	817	287
Commissions (paid) / re-takaful rebate received		(7,956)	(5,111)	2,852	1,844
Wakala fees received		35,071	21,207	-	-
Wakala fees paid		-	-	(35,071)	(21,207)
Modarib share received / (paid)		783	-	(783)	-
Total cash generated / (used in) takaful activities		27,898	16,096	(37,947)	(1,233)
b) Other operating activities					
General and administration expenses paid		(40,466)	(14,321)	(6,764)	(1,838)
Other operating payments		-	720	-	-
Amounts due from other takaful / retakaful operators		-	-	36,424	2,255
Deposits and other receivables	11	(49)	(49)	24,137	(2,843)
Paid to Premier Insurance Limited		17,963	(6,304)	(15,247)	(423)
Accrued salvage recoveries		(288)	42	-	-
Other liabilities paid		1,395	379	(2,601)	(562)
Qard-e-hasna contributions		(3,300)	-	3,300	-
Total cash used in other operating activities		(24,685)	(19,533)	39,249	(3,411)
Total cash used in from operating activities		3,213	(3,437)	1,302	(4,644)
Investment Activities					
Investment income / (loss) received		-	-	195	109
Bank profit received		30	78	-	-
Sale of investment - net		-	-	111	33,906
Total cash generated / (used in) from investing activities		30	78	306	34,015
Total cash generated / (used in) from all activities		3,243	(3,359)	1,608	29,371
Cash and cash equivalents at beginning of the period		3,701	3,979	36,440	19,190
Cash and cash equivalents at the end of the period	13	6,944	620	38,048	48,561

Condensed Interim Statement Of Cash Flows (unaudited)

For the Nine Months
Period Ended 30
September 2021

		Nine Months Period Ended			
		Operator's Fund		Participant's Takaful Fund	
		30	30	30	30
	Note	September 2021	September 2020	September 2021	September 2020
(Rupees in '000)					
Reconciliation to profit and loss account					
Operating cash flows		3,213	(3,437)	1,302	(4,646)
Depreciation expense		-	-	-	-
Investment income		-	-	396	1,429
Increase in assets other than cash		23,119	5,778	87,464	55,351
(Increase) / Decrease in liabilities		(41,744)	8,868	(107,605)	(48,692)
Qard-e-hasna contributions		(3,300)	-	3,300	-
(loss) / Income for the period		(18,712)	11,209	(15,143)	3,444
Attributed to					
Operator's Fund		(18,712)	11,209	-	-
Participants' Takaful Fund		-	-	(15,143)	3,444
		(18,712)	11,209	(15,143)	3,444
Definition of cash					
Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits having maturity of less than three months.					
Cash for the purpose of the statement of cash flows consists of:					
Cash and other equivalents					
Policy, revenue stamps and bond papers		-	46	-	-
Current and other accounts					
Current and savings accounts		6,944	574	38,048	48,561
Term deposit receipt		-	-	-	-
Total cash and cash equivalents	13	6,944	620	38,048	48,561

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

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

September 2021
Premier Insurance Limited

Notes to the Condensed Interim Financial Statements (unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

2. BASIS OF PRESENTATION

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(I)/2019 dated 20th November, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business. These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SECP. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements as prescribed by the SECP and should be read in conjunction with the annual audited financial statements of the Operator for the year ended December 31, 2020.

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

2.1 Statement of Compliance

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

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

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

Notes to the Condensed Interim Financial Statements (unaudited)

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2.2 Basis of measurement

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

2.3 Functional and Presentation Currency

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

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2020.

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period.

The Company has adopted the following amendments to IFRSs which became effective for the current period:

Standard or Interpretation

- IFRS 3 - Definition of a Business (Amendments)
- IAS 1/ IAS 8 - Definition of Material (Amendments)
- International Accounting Standard Board (IASB) revised Conceptual Framework
- IFRS 16 - Rent concessions on leased assets on account of Covid-19
- IFRS 14 - Regulatory Deferral Accounts

The adoption of the above Standards / amendments and improvements to accounting standards did not have any effect on the Company's condensed interim financial statements.

3.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

The following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on or after 01 January 2021:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 3 - Revised Conceptual Framework (Amendments)	01 January 2022
- IAS 16 – Property, Plant and Equipments: proceeds before intended use	01 January 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	01 January 2022
- IAS 1 - Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023

Notes to the Condensed Interim Financial Statements (unaudited)

The above amendments are not likely to have an impact on Company's condensed interim financial statements. In addition to above Standards, there are certain new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after 01 January 2021 but are considered not to be relevant to the Company's operations and therefore, are not detailed in these condensed interim financial statements

Further, 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, interpretation or amendment	Effective date (annual periods 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 that applied to the financial statements as at and for the year ended December 31, 2020.

5. FINANCIAL AND TAKAFUL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2020.

6. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business as at September 30, 2021 and considered adequate to meet the expected liability after retakaful for claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

7. INVESTMENTS IN MUTUAL FUNDS - PTF

Note	(Unaudited) 30 September 2021			(Audited) 31 December 2020		
	Cost	Impairment / provision for the period	Carrying value	Cost	Impairment / Provision for the period	Carrying value
(Rupees in '000)						
Classified at available for sale						
Mutual fund units	5,100	-	4,996	6,813	-	6,820
	5,100	-	4,996	6,813	-	6,820

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8. INVESTMENTS IN TERM DEPOSITS - PTF

		(Unaudited) 30 September 2021			(Audited) 31 December 2020		
	Note	Cost	Impairment / provision for the period	Carrying value	Cost	Impairment / Provision for the period	Carrying value
(Rupees in '000)							
Classified at held to maturity							
Term deposit receipt	8.1	600	-	600	600	-	600
		600	-	600	600	-	600

8.1 This represents a term deposit with bank having profit at the average rate of 3.75% per annum (December 31, 2020: 4.57%) having maturity till 19 October 2021.

9. LOANS AND OTHER RECEIVABLES - Considered good

	Operator's Fund		Participant's Takaful Fund	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
(Rupees in '000)				
Profit receivable	4	1	205	211
Federal excise duty	101	112	5,619	5,124
Others	-	-	34,318	10,676
	105	113	40,142	16,011

10. RECEIVABLE FROM OPF / PTF

	Operator's Fund		Participant's Takaful Fund	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
(Rupees in '000)				
Wakala fee receivable	23,053	10,990	-	-
Inter fund receivable	-	-	41,916	41,684
	23,053	10,990	41,916	41,684

11. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good

	Operator's Fund		Participant's Takaful Fund	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
(Rupees in '000)				
Contribution due but unpaid	-	-	64,812	31,584
Less: Provision for doubtful receivables takaful participants' holders	-	-	(5,612)	(5,552)
	-	-	59,200	26,032
Amounts due from other takaful / retakaful operators	-	-	13,247	9,991
	-	-	72,447	36,023

Notes to the Condensed Interim Financial Statements (unaudited)

12. PREPAYMENTS

	Operator's Fund		Participant's Takaful Fund	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
(Rupees in '000)				
Prepaid retakaful contribution ceded	-	-	8,989	5,575
Other prepaid expense	-	-	481	326
	-	-	9,470	5,901

13. CASH AND BANK

		Operator's Fund		Participant's Takaful Fund	
		30	31	30	31
	Note	September 2021 (Unaudited)	December 2020 (Audited)	September 2021 (Unaudited)	December 2020 (Audited)
(Rupees in '000)					
Cash and cash equivalent					
Policy, revenue stamps and bond papers		-	29	55	-
Cash at bank					
Current accounts		15	15	246	397
Savings account	13.1	6,929	3,657	37,747	36,043
		6,944	3,701	38,048	36,440

13.1 The rate of return on profit and loss sharing accounts held with Islamic banks during the period range from 2.75% to 6.25% per annum (December 31, 2020: 2.75% to 6.55%).

14. OTHER CREDITORS AND ACCRUALS

	Operator's Fund		Participant's Takaful Fund	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
(Rupees in '000)				
Payable to Premier Insurance Limited	78,249	59,697	-	-
Federal takaful fee	-	-	8	45
Sales tax on services	-	-	1,185	49
Commission payable	10,796	9,193	-	-
Auditor's fee	304	299	-	-
Others	(421)	(705)	4,170	2,668
	88,928	68,484	5,363	2,762

15. PAYABLE TO OPF / PTF

	Operator's Fund		Participant's Takaful Fund	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
(Rupees in '000)				
Wakala fee payable	-	-	23,053	10,990
Other Payable	41,916	41,684	-	-
	41,916	41,684	23,053	10,990

Notes to the Condensed Interim Financial Statements (unaudited)

For the Quarter and Nine Months Period Ended 30 September 2021

16. CONTINGENCES AND COMMITMENTS

There are no contingencies and commitments as at 30 September 2021 (31 December 2020: Nil)

17. NET CONTRIBUTION

	(Unaudited)			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Written gross contribution	74,974	21,042	134,668	55,020
Less: Wakala fee	(11,194)	(9,444)	(25,722)	(31,179)
Contribution Net of Wakala Fee	63,780	11,598	108,946	23,841
Add: Unearned contribution reserve opening	53,251	43,064	35,064	71,187
Less: Unearned contribution reserve closing	(96,241)	(37,125)	(96,241)	(37,125)
Contribution earned	20,790	17,537	47,769	57,903
Less: Retakaful contribution ceded	9,858	6,058	14,812	10,428
Add: Prepaid retakaful contribution opening	3,520	1,916	5,575	3,115
Less: Prepaid retakaful contribution closing	(8,989)	(4,354)	(8,989)	(4,354)
Retakaful expense	4,389	3,620	11,398	9,189
Net contribution	16,401	13,917	36,371	48,714

18. NET CLAIMS EXPENSE

	(Unaudited)			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Claims paid or payable	23,482	25,609	35,450	46,052
Less: Outstanding claims including IBNR opening	(58,344)	(61,099)	(37,789)	(52,440)
Add: Outstanding claims including IBNR closing	61,357	56,659	61,357	56,659
Claims expense	26,495	21,169	59,018	50,271
Less: Retakaful and other recoveries received	146	106	817	287
Less: Retakaful recoveries against outstanding claims - opening	(14,633)	(5,539)	(5,004)	(5,442)
Add: Retakaful recoveries against outstanding claims - closing	14,815	8,287	14,815	8,287
Retakaful and other recoveries revenue	328	2,854	10,628	3,132
Net claim	26,167	18,315	48,390	47,139

Notes to the Condensed Interim Financial Statements (unaudited)

19. DIRECT EXPENSES - PTF

	(Unaudited)		(Unaudited)	
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Tracking services	-	81	21	175
Service charges	3,569	1,015	5,000	1,577
Others	344	(531)	1,683	86
	3,913	565	6,704	1,838

20. RETAKAFUL REBATE - PTF

	(Unaudited)		(Unaudited)	
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Rebate from re-takaful received	1,976	1,192	2,852	1,844
Add: Deferred rebate opening	735	390	1,167	606
Less: Deferred rebate closing	(1,870)	(956)	(1,870)	(956)
Rebate from retakaful earned	841	626	2,149	1,494

21. WAKALA FEE - OPF

	(Unaudited)		(Unaudited)	
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Gross wakala fee	26,241	7,366	47,134	19,258
Add: Deferred wakala opening	18,638	15,072	12,273	24,916
Less: Deferred wakala closing	(33,685)	(12,994)	(33,685)	(12,994)
Net wakala fee	11,194	9,444	25,722	31,179

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

22. COMMISSION EXPENSE - OPF

	(Unaudited)		(Unaudited)	
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Commission paid or payable	5,293	1,125	9,559	3,798
Add: Deferred commission opening	3,712	3,326	2,105	5,586
Less: Deferred commission closing	(6,883)	(2,430)	(6,883)	(2,430)
Commission expense	2,122	2,021	4,781	6,954

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23. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF

	(Unaudited)			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Employee benefit cost	6,890	(5,320)	31,414	10,603
Rent, rates and taxes	107	(22)	335	40
Communications	64	(107)	354	206
Fuel and power	451	(360)	1,158	644
Travelling expenses	113	(73)	270	130
Entertainments	132	(67)	514	121
Advertisements and sales promotions	430	-	1,617	67
Repair and maintenance	(142)	(183)	687	326
Printing and stationery	29	(93)	627	166
Vehicle running expenses	131	(40)	328	72
Annual supervision fee SECP	-	-	262	298
Miscellaneous	117	(99)	723	176
	8,322	(6,364)	38,289	12,849

24. OTHER EXPENSES - OPF

	(Unaudited)			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Auditors' remuneration	104	120	519	388
Inadmissible input tax expense	-	-	(12)	-
Fees and subscription	344	358	1,670	1,084
	448	478	2,177	1,472

25. INVESTMENT INCOME - PTF

	(Unaudited)			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Income from mutual funds				
Realized gain on sale of mutual fund units	-	-	375	47
Dividend income	-	-	-	1,352
Income from term deposits				
Return on term deposits	7	-	21	30
	7	-	396	1,429

26. OTHER INCOME - PTF

	(Unaudited)			
	Quarter Ended		Nine Months Period Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in '000)			
Profit on bank deposits	649	762	1,842	2,078
Exchange loss	-	-	36	(67)
	649	762	1,878	2,011

Notes to the Condensed Interim Financial Statements (unaudited)

27. MODARIB FEE

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

28. RELATED PARTY TRANSACTIONS - PTF

Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit schemes.

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

	(Unaudited) Nine Months Period Ended	
	30 September 2021	30 September 2020
	(Rupees in '000)	
Transactions during the period		
Associated companies		
Contribution underwritten	8,705	8,899
Contribution received	8,231	5,064
Claims paid	875	1,274
	(Unaudited)	(Audited)
	30 September 2021	31 December 2020
	(Rupees in '000)	
Period end balances		
Associated Companies		
Contribution receivable	6,835	7,097
Claims outstanding	1,639	224
Commission outstanding	706	486

Notes to the Condensed Interim Financial Statements (unaudited)

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29. SEGMENT INFORMATION

29.1 Participants Takaful Fund

Segment profit and loss

											Unaudited Quarter ended	
											30 September 2021	30 September 2020
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
(Rupees in '000)												
Participants Takaful Fund												
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)	7,898	4,574	2,241	1,700	26,453	2,915	42,106	12,266	1,488	1,072	80,186	22,526
Less: Federal excise duty	972	567	276	219	3,032	352	-	-	188	138	4,468	1,276
Less: Federal takaful fee	66	39	20	15	228	23	417	121	13	10	744	208
Gross written contribution (inclusive of administrative surcharge)	6,860	3,968	1,945	1,466	23,193	2,540	41,689	12,145	1,287	924	74,974	21,042
Gross direct contribution	6,591	3,923	1,896	1,418	22,319	2,211	41,657	12,131	1,260	906	73,723	20,588
Facultative inward contribution	221	11	-	-	356	221	-	-	-	-	577	232
Administrative surcharge	49	34	48	48	518	109	32	14	27	17	674	222
Less: Wakala expense	(942)	(475)	(496)	(501)	(5,055)	(4,909)	(4,588)	(3,427)	(113)	(133)	(11,194)	(9,444)
Takaful contribution earned	2,694	1,358	1,418	1,431	14,441	14,027	13,107	9,789	324	378	31,984	26,981
Takaful contribution ceded to retakaful operators	(2,289)	(1,105)	(1,272)	(1,222)	(596)	(972)	-	-	(231)	(321)	(4,389)	(3,620)
Net takaful contribution	(538)	(222)	(350)	(292)	8,790	8,146	8,519	6,362	(20)	(76)	16,401	13,917
Rebate earned	491	249	286	281	9	23	-	-	53	74	841	626
Net underwriting income	(47)	27	(64)	(11)	8,799	8,168	8,519	6,362	33	(2)	17,242	14,543
Takaful claims	(499)	(3,143)	(191)	(48)	(9,662)	(7,606)	(16,456)	(10,363)	312	(8)	(26,495)	(21,169)
Takaful claims recovered from retakaful	443	2,801	153	45	-	-	-	8	(270)	-	328	2,854
Net claim	(56)	(342)	(38)	(3)	(9,662)	(7,606)	(16,456)	(10,356)	42	(8)	(26,168)	(18,315)
Other direct expense	(349)	(128)	(103)	(42)	(1,268)	7	(2,128)	(373)	(64)	(29)	(3,913)	(565)
(Deficit) / Surplus before investment income	(454)	(443)	(205)	(56)	(2,120)	569	(10,073)	(4,367)	10	(40)	(12,839)	(4,337)
Investment income											7	-
Other Income											649	762
Less: Modarib's share of investment income											(229)	(266)
(Deficit) transferred to accumulated surplus											(12,412)	(3,841)

Notes to the Condensed Interim Financial Statements (unaudited)

Segment profit and loss

	Unaudited Nine Months Period Ended											
											30 September 2021	30 September 2020
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)	10,735	5,927	4,630	3,819	69,060	28,533	59,920	20,548	1,610	1,465	145,955	60,291
Less: Federal excise duty	1,307	747	549	476	7,896	3,311	-	-	202	192	9,955	4,726
Less: Federal takaful fee	90	51	40	33	596	245	593	203	14	13	1,333	545
Gross written contribution (inclusive of administrative surcharge)	9,338	5,129	4,041	3,310	60,568	24,977	59,327	20,345	1,394	1,260	134,668	55,020
Gross direct contribution	8,939	5,063	3,823	3,203	57,908	23,567	59,281	20,321	1,361	1,238	131,312	53,391
Facultative inward contribution	323	11	85	-	934	500	-	-	-	-	1,342	511
Administrative surcharge	76	55	133	107	1,726	910	46	24	32	22	2,014	1,118
Less: Wakala expense	(2,285)	(1,196)	(1,343)	(1,066)	(11,380)	(18,452)	(10,373)	(10,130)	(341)	(336)	(25,722)	(31,179)
Takaful contribution earned	6,530	3,417	3,837	3,044	32,513	52,721	29,636	28,942	974	959	73,491	89,082
Takaful contribution ceded to retakaful operators	(5,497)	(2,839)	(3,361)	(2,540)	(1,762)	(2,999)	-	-	(778)	(812)	(11,398)	(9,189)
Net takaful contribution	(1,253)	(618)	(866)	(562)	19,371	31,270	19,264	18,812	(145)	(188)	36,371	48,714
Rebate earned	1,182	636	761	584	26	88	-	-	179	187	2,149	1,494
Net underwriting income	(71)	18	(105)	22	19,397	31,357	19,264	18,812	34	(1)	38,520	50,208
Takaful claims expense	(11,365)	(3,256)	(790)	1	(15,023)	(18,563)	(32,196)	(28,448)	356	(5)	(59,018)	(50,271)
Takaful claims recovered from retakaful	10,211	2,872	704	252	-	-	-	8	(288)	-	10,628	3,132
Net claim	(1,154)	(384)	(86)	253	(15,023)	(18,563)	(32,196)	(28,441)	68	(5)	(48,391)	(47,139)
Provision for doubtful contribution	(4)	-	(2)	-	(27)	-	(26)	-	(1)	-	(60)	-
Other direct expense	(465)	(171)	(201)	(111)	(3,015)	(834)	(2,953)	(680)	(69)	(42)	(6,704)	(1,838)
Surplus before investment income	(1,694)	(536)	(394)	164	1,332	11,961	(15,912)	(10,308)	32	(48)	(16,635)	1,231
Investment income											396	1,429
Other Income											1,878	2,011
Less: Modarib's share of investment income											(783)	(1,227)
(Deficit) / Surplus transferred to accumulated surplus											(15,144)	3,444

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Segment assets and liabilities

The following presents segments assets and liabilities as at 30 September 2021 (Unaudited) and 31 December 2020 (Audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Segment assets	9,068	10,048	3,924	7,168	58,818	28,914	57,613	17,894	1,354	2,358	130,777	66,382
Unallocated corporate assets											125,702	94,446
Total assets											256,479	160,828
Segment liabilities	12,582	9,100	5,445	5,511	81,608	38,074	79,937	33,949	1,878	1,876	181,450	88,509
Unallocated corporate liabilities											32,826	18,162
Total liabilities											214,276	106,671

29.2 Operators Fund

Segment profit and loss

											(Unaudited) Quarter ended	
											30 September 2021	30 September 2020
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Wakala fee earned	942	475	496	501	5,055	4,909	4,588	3,427	113	133	11,194	9,444
Commission expense	(307)	(186)	(102)	(107)	(1,415)	(1,270)	(253)	(434)	(44)	(24)	(2,122)	(2,021)
Management expense	246	(55)	138	(1)	(4,515)	4,520	(4,156)	1,912	(35)	(12)	(8,322)	6,364
	881	234	532	393	(876)	8,159	179	4,905	34	97	750	13,787
Modarib's share of PTF investment income											229	266
Profit on bank deposits											14	17
Other expenses											(448)	(478)
Profit before taxation											545	13,591

Notes to the Condensed Interim Financial Statements (unaudited)

Segment profit and loss

	(Unaudited) Nine Months Period Ended									
	30		30							
	September		September		2021		2020			
	2021		2020		2021		2020		2020	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)									
Wakala fee earned	2,285	1,196	1,343	1,066	11,380	18,452	10,373	10,130	341	336
Commission expense	(810)	(550)	(259)	(283)	(3,045)	(4,713)	(599)	(1,340)	(68)	(67)
Management expense	1,319	163	912	148	(20,393)	(8,248)	(20,279)	(4,962)	152	50
	2,795	809	1,996	931	(12,058)	5,491	(10,506)	3,828	425	319
Modarib's share of PTF investment income									783	1,227
Profit on bank deposits									30	78
Other expenses									(2,177)	(1,472)
(Loss) / Profit before taxation									(18,712)	11,209

Segment assets and liabilities

The following presents segments assets and liabilities as at 30 September 2021 (Unaudited) and 31 December 2020 (Audited):

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)											
Segment assets	477	216	207	131	3,096	906	3,032	807	71	45	6,883	2,105
Unallocated corporate assets											116,422	97,824
Total assets											123,305	99,929
Segment liabilities	2,336	1,262	1,011	764	15,150	5,279	14,840	4,708	349	260	33,685	12,273
Unallocated corporate liabilities											130,844	110,168
Total liabilities											164,529	122,441

Notes to the Condensed Interim Financial Statements (unaudited)

For the Quarter
and Nine Months
Period Ended 30
September 2021

30. MOVEMENT IN INVESTMENTS

	OPF Available for sale	PTF Available for sale	Held to maturity	Total
		(Rupees in '000)		
01 January 2020	-	40,782	600	41,382
Addition	-	17,462	600	18,062
Disposal (sale and redemption)	-	(50,405)	(600)	(51,005)
Designated at available for sale upon initial recognition	-	(1,019)	-	(1,019)
31 December 2020	-	6,820	600	7,420
Addition	-	5,100	1,200	6,300
Disposal (sale and redemption)	-	(6,813)	(1,200)	(8,013)
Designated at available for sale upon initial recognition	-	(111)	-	(111)
30 September 2021	-	4,996	600	5,596

31. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

	(Unaudited) 30 September 2021 Fair Value Measurement		
PTF	Level 1	Level 2	Level 3
Available for sale investments (measured at fair value)			
Mutual fund units	-	4,996	-
	-	4,996	-

Notes to the Condensed Interim Financial Statements (unaudited)

	(Unaudited) 31 December 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	-	6,820	-
	-	6,820	-

32. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **30th October 2021** by the Board of Directors of the Operator.

33. GENERAL

- 33.1** There is no individual class of business within the category of 'miscellaneous', where the gross contribution of the class of business is 10% or more of the gross contribution revenue of the Operator.
- 33.2** The comparative information has been reclassified, rearranged or additionally restated in these condensed interim financial statements, wherever necessary, to facilitate comparative and to confirm with changes in presentation in the current period. However there were no material reclassification / restatements to report.
- 33.3** All amounts have been rounded to the nearest thousand Rupees.

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