



بميشه كالتو

**Interim Financial Statements**  
for the half year ended June 30, 2023  
(Unaudited)

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# COMPANY INFORMATION

## Board of Directors

Mr. Khalid Bashir  
(Chairman)  
Mr. Ahsan Bashir  
Mr. Attaullah A. Rasheed  
Mr. Imran Maqbool  
Mrs. Rukhsana Saleem  
Mr. Sharik Bashir  
Mr. Salman Rafi

## Audit Committee

Mrs. Rukhsana Saleem  
(Chairman)  
Mr. Ahsan Bashir  
(Member)  
Mr. Imran Maqbool  
(Member)  
Mr. Rao Ali Zeeshan  
(Secretary)

## Investment Committee

Mr. Ahsan Bashir  
(Chairman)  
Mr. Nadeem Maqbool  
(Member)  
Mr. Imran Maqbool  
(Member)  
Mr. Attaullah A. Rasheed  
(Member)  
Mr. Amjed Bahadur Ali  
(Secretary)

## Chief Executive Officer

Mr. Nadeem Maqbool

## Chief Financial Officer

Mr. Amjed Bahadur Ali

## Company Secretary

Mr. Fariq Mahmood Khan Rohilla

## Ethics, Human Resource, Remuneration & Nomination Committee

Mr. Salman Rafi  
(Chairman)  
Mr. Sharik Bashir  
(Member)  
Mr. Nadeem Maqbool  
(Member)  
Mrs. Rukhsana Saleem  
(Member)  
Ms. Niina Afridi  
(Secretary)

## Claim Settlement Committee

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

# COMPANY INFORMATION

## Underwriting Committee

Mr. Attaullah A. Rasheed  
(Chairman)

Mr. M. K. Baig  
(Member)

Mr. Afzal Ur Rehman  
(Member)

Ms. Humera Jawaid  
(Secretary)

## Reinsurance & Co-Insurance Committee

Mr. Sharik Bashir  
(Chairman)

Mr. Afzal Ur Rehman  
(Member)

Mr. Ali Muhammad  
(Member / Secretary)

## Risk Management & Compliance Committee

Mr. Nadeem Maqbool  
(Chairman)

Mr. Sharik Bashir  
(Member)

Mr. Amjed Bahadur Ali  
(Member)

Ms. Niina Afridi  
(Secretary)

## Auditors

BDO Ebrahim & Co.  
Chartered Accountants

## Legal Advisors

Arfin & Company Advocate

## Registrar

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## Report of the Directors to Members

The Directors are pleased to present the unaudited condensed interim financial statements of the Company for the half year ended June 30, 2023.

### Performance Review

Following is the overall performance of the Company.

	Conventional		Takaful	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in '000)			
Premium / contribution written	<b>118,769</b>	161,987	<b>81,578</b>	80,660
Net Premium / contribution	<b>156,376</b>	136,849	<b>43,978</b>	44,836
Underwriting Result	<b>(34,364)</b>	(121,226)	<b>(9,182)</b>	(12,202)
Investment income / (Loss)	<b>26,594</b>	(6,413)	<b>176</b>	13
PTF – Surplus / (Deficit)			<b>(5,671)</b>	(10,502)
(Loss) before taxation	<b>(28,145)</b>	(112,212)		
(Loss) after taxation	<b>(30,178)</b>	(114,681)		-
(Loss) / per share	<b>(0.60)</b>	(2.27)		

### Conventional Business

Gross premium written during the half year ended 30 June 2023 was Rs. 118.77 million as compared to Rs. 161.99 million in the corresponding period. Net premium for the period under review increased by Rs. 19.53 million as compared to the previous year. Our net claim dropped by 39%, mostly as a result of a significant one-time loss that occurred corresponding period last year. The stock market has experienced a significant increase in valuations, which has prevented this year's impairment expense. Investment income was Rs. 26.59 million for the reviewed period as opposed to Rs. (6.41) million for the comparable period.

### Window Takaful Operation

Gross contribution written during the half year ended June 30, 2023 was Rs. 81.58 million as against Rs. 80.66 million. Net contribution was Rs. 43.98 million as compared to Rs. 44.84 million of the last year. Net claims were Rs. 51.91 million as compared to Rs. 54.832 for the same period last year.

### Future Outlook

The current economic outlook in the country continues to remain challenging but we are confident that the business outlook will improve and your company is poised to take advantage of the opportunities presented. Our goals continue to remain on growth and profitability through cost reduction and restructuring. Portfolio restructuring is being done to reduce loss making accounts and more efforts are being made to enhance profitable lines such as motor and marine. Our results for the half year show an improvement over the corresponding period and we hope to improve these further in the remaining part of the year.

# Report of the Directors to Members

## Acknowledgement

The directors would like to thank all our valued customers for their continued patronage and support, also would like to thank the Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance. It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by all the Company employees.

## On behalf of the Board

### Chairman

Karachi, Dated: August 29, 2023

### CEO / Director

## ڈائریکٹرز رپورٹ برائے ممبران

کمپنی کی ڈائریکٹرز غیر آڈٹ شدہ مالیاتی گوشوارے برائے 30 جون 2023 کو ختم ہونے والی ششماہی پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

چٹائل		روایتی بیہ		کارکردگی کا جائزہ
30 جون 2022	30 جون 2023	30 جون 2022	30 جون 2023	
(روپے '000)				کمپنی کی مجموعی کارکردگی درج ذیل ہے
80,660	<b>81,578</b>	161,987	<b>118,769</b>	تخریری پرییم / کنٹری بیوشن
44,836	<b>43,978</b>	136,849	<b>156,376</b>	خالص پرییم / کنٹری بیوشن
(12,202)	<b>(9,182)</b>	(121,226)	<b>(34,364)</b>	ذمہ داری کے نتائج
13	<b>176</b>	(6,413)	<b>26,594</b>	سرمایہ کاری آمدنی / خسارہ
(10,502)	<b>(5,671)</b>			PTF سرپلس / خسارہ
		(112,212)	<b>(28,145)</b>	قبل از ٹیکس خسارہ
		(114,681)	<b>(30,178)</b>	بعد از ٹیکس خسارہ
		(2.27)	<b>(0.60)</b>	خسارہ فی حصص

### روایتی بیمہ کاروبار:-

30 جون 2023 کو ختم ہونے والی ششماہی مدت کے دوران مجموعی تخریری پرییم سال 2022 کی ششماہی 161.98 ملین روپے کے مقابلے میں 118.77 ملین روپے رہا۔ خالص پرییم گزشتہ سال کی اسی مدت کے مقابلے میں 19.53 ملین روپے زائد رہی۔ پچھلے سال اسی مدت کے دوران ہونے والے غیر معمولی اہم نقصان کے نتیجے میں ہمارے خالص کلیم میں %39 کی واقع ہوئی۔ اسٹاک مارکیٹ کی مجموعی کارکردگی میں نمایاں اضافہ ہوا جس کی وجہ سے اس سال کی سرمایہ کاری حصص کی قدر میں گراؤٹ کو روکا گیا ہے۔ سرمایہ کاری کی آمدنی اس مدت میں گزشتہ سال کے 6.41 ملین روپے کے مقابلے میں 26.59 ملین روپے رہی۔

### وڈ ڈیکال آپریشن:

اس ششماہی مدت کے دوران مجموعی تخریری کنٹری بیوشن گزشتہ سال کی ششماہی میں 80.66 ملین روپے کے مقابلے میں 81.50 ملین روپے رہا۔ خالص کنٹری بیوشن پچھلے سال 44.84 ملین روپے کے مقابلے میں اس سال 43.98 ملین روپے رہا۔ خالص کلیم پچھلے سال اسی مدت کیلئے 54.832 ملین روپے کے مقابلے میں 51.91 ملین روپے رہا۔

### مستقبل کے امکانات:

ملک میں موجودہ معاشی حالات کٹھن ہیں۔ لیکن ہمیں یقین ہے کہ کاروباری سرگرمیوں میں بہتری آئے گی۔ اور آپ کی کمپنی نئے مواقع سے فائدہ اٹھانے کیلئے تیار ہے۔ ہمارے اہداف کاروبار کی لاگت میں کمی اور تنظیم نو کے ذریعے ترقی اور منافع پر مرکوز ہیں۔ خسارے میں جانے والے کاروباری شعبوں کو کم کرنے کے لیے پورٹ فولیو میں تبدیلی کی جارہی ہے اور منافع بخش کاروباری اصناف جیسے موٹرو اور میرین کو بڑھانے کیلئے مزید کوششیں کی جارہی ہیں۔ ہمارے نصف سال کے نتائج گزشتہ سال کے اسی مدت کے مقابلے میں بہتری کو ظاہر کرتے ہیں۔ اور ہمیں امید ہے کہ سال کے ابقیہ حصہ میں ان میں مزید بہتری آئے گی۔

### اظہار تشکر:

ڈائریکٹرز اپنے قابل قدر صارفین کی مسلسل سہارے اور رہنمائی کے ساتھ ساتھ سیکورٹی اینڈ ایجنسی کمیشن اور اسٹیٹ بینک آف پاکستان کی رہنمائی اور معاونت پر ان کے شکر گزار ہیں۔ کمپنی کی ڈائریکٹرز، کمپنی کے تمام ملازمین کی جانب سے کی جانے والی کوششوں کے مسرت کے ساتھ معترف ہیں۔

از طرف بورڈ

سی ای او / ڈائریکٹر

چیئر مین

کراچی، مورخہ: 29 اگست 2023 ء



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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF PREMIER INSURANCE LIMITED

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **PREMIER INSURANCE LIMITED** ("the Company") as at June 30, 2023 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the period then ended (here-in-after referred as the "interim financial statement"). Management is responsible for the preparation and presentation of this interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statement based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial statement Performed by the Independent Auditor of the Entity." A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statement as at and for the six month period ended June 30, 2023 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matters

The financial statements of the Company for the year ended December 31, 2022 were audited and condensed interim financial statement for the half year ended June 30, 2022 was reviewed by another firm of chartered accountants who through their audit report dated April 05, 2023, and review report dated August 30, 2022 expressed an unmodified opinion and conclusion thereon, respectively.

The figures for the quarter ended June 30, 2023 and June 30, 2022 in the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditors' report is Zulfikar Ali Causer

**KARACHI**  
**DATED: August 29, 2023**  
**UDIN: RR202310067QgKV2456u**

  
**BDO EBRAHIM & Co**  
**CHARTERED ACCOUNTANTS**



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

		<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
(Rupees in '000)			
<b>ASSETS</b>			
Property and equipment	7	199,587	205,205
Intangible assets	8	661	776
Investment properties	9	321,317	321,317
Investments			
- Equity securities	10	466,168	541,795
- Mutual funds	10	75,357	71,233
Investment in associate		248,437	248,436
Loans and other receivables	11	22,929	24,580
Insurance / reinsurance receivables	12	436,145	557,966
Reinsurance recoveries against outstanding claims	20	264,094	489,897
Salvage recoveries accrued		690	596
Deferred commission expense	21	16,691	28,694
Taxation - provision less payment		20,743	19,271
Deferred tax asset	13	50,804	50,333
Prepayments	14	71,149	132,702
Cash and bank	15	8,742	53,729
		<b>2,203,514</b>	<b>2,746,530</b>
Total Assets of Window Takaful Operations - Operator's Fund	16	<b>107,890</b>	<b>97,396</b>
<b>TOTAL ASSETS</b>		<b>2,311,404</b>	<b>2,843,926</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital		505,650	505,650
Reserves		1,288,430	1,367,000
Accumulated losses		<b>(1,047,415)</b>	<b>(1,017,237)</b>
<b>TOTAL EQUITY</b>		<b>746,665</b>	<b>855,413</b>
<b>LIABILITIES</b>			
Underwriting provisions			
Outstanding claims including IBNR	20	635,946	897,213
Unearned premium reserves	19	159,476	332,080
Premium deficiency reserves		3,059	3,059
Unearned reinsurance commission	21	9,540	24,251
Retirement benefit obligations		8,191	7,742
Lease liabilities		4,602	7,972
Insurance / reinsurance payables		423,351	411,414
Other creditors and accruals	17	254,833	238,609
Unclaimed dividends		22,479	22,746
<b>TOTAL LIABILITIES</b>		<b>1,521,477</b>	<b>1,945,086</b>
Total Liabilities of Window Takaful Operations - Operator's Fund		<b>43,262</b>	<b>43,427</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,311,404</b>	<b>2,843,926</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	18		

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

**Chief Executive  
Officer**

**Chairman**

**Director**

**Director**

**Chief Financial  
Officer**

Half Yearly Report June 2023

## CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	Note	Quarter ended		Half year ended	
		June 30 2023	June 30 2022	June 30 2023	June 30 2022
(Rupees in '000)					
Net insurance premium	19	76,277	66,426	156,376	136,849
Net insurance claims	20	(51,510)	(78,042)	(95,274)	(157,738)
Net commission expense and other acquisition costs	21	(4,745)	(2,104)	(10,479)	(7,464)
Insurance claims and acquisition expenses		(56,255)	(80,146)	(105,753)	(165,202)
Management expenses	22	(40,074)	(49,335)	(84,988)	(92,873)
<b>Underwriting results</b>		<b>(20,052)</b>	<b>(63,055)</b>	<b>(34,365)</b>	<b>(121,226)</b>
Investment income / loss	23	19,745	(13,894)	26,594	(6,413)
Rental income		1,271	1,211	2,542	2,385
Revaluation gain on investment property		-	13,500	-	13,500
Other income	24	3,022	17,824	4,418	19,772
Other expenses	25	(1,023)	(1,423)	(2,143)	(2,283)
		23,015	17,218	31,411	26,961
Results of operating activities		2,963	(45,837)	(2,954)	(94,265)
Finance costs - lease liability		(154)	(300)	(346)	(617)
Share of profit from associate		-	(842)	-	(842)
Profit / (loss) before tax from Conventional Insurance Operations		2,809	(46,979)	(3,300)	(95,724)
Loss before tax from Window Takaful Operations - Operator's Fund		(14,495)	(9,165)	(24,845)	(16,488)
Loss before tax		(11,686)	(56,144)	(28,145)	(112,212)
Income tax expense	26	(1,250)	(1,719)	(2,033)	(2,469)
<b>Loss after taxation</b>		<b>(12,936)</b>	<b>(57,863)</b>	<b>(30,178)</b>	<b>(114,681)</b>
Loss per share - basic and diluted	27	(0.26)	(1.14)	(0.60)	(2.27)

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

Chief Executive  
Officer

Chairman

Director

Director

Chief Financial  
Officer

Half Yearly Report June 2023

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

Note	Quarter ended		Half year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
Loss after taxation	(12,936)	(57,864)	(30,178)	(114,681)
Other comprehensive income / (loss) : Items that may be reclassified subsequently to profit or loss account				
Unrealized income / (loss) on available-for-sale investments during the period	10,112	1,448	(78,570)	(19,301)
Share of other comprehensive loss from associated company	-	(8,415)	-	(8,415)
Other comprehensive income / (loss) for the period	10,112	(6,967)	(78,570)	(27,716)
<b>Total comprehensive loss for the period</b>	<b>(2,824)</b>	<b>(64,831)</b>	<b>(108,748)</b>	<b>(142,397)</b>

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

Chief Executive  
Officer

Chairman

Director

Director

Chief Financial  
Officer

Half Yearly Report June 2023

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	Reserves										Total equity
	Capital reserves						Revenue reserves				
	Issued, subscribed and paid-up	Reserve for exceptional losses	Revaluation Reserves - Available for sale investments of the Company and associate	Revaluation Reserves - Property and Equipment	Devaluation reserve	Reserve for issue of bonus shares	General reserve	Accumulated losses	Total reserves		
	(Rupees in '000)										
Balance as at January 01, 2022 (Audited)	505,650	19,490	601,363	35,859	185	-	996,851	(827,015)	826,733	1,332,383	
Total comprehensive loss for the period											
Loss after tax	-	-	-	-	-	-	-	(114,681)	(114,681)	(114,681)	
Other comprehensive loss for the period	-	-	(27,716)	-	-	-	-	-	(27,716)	(27,716)	
Total comprehensive loss for the period			(27,716)	-	-	-	-	(114,681)	(142,397)	(142,397)	
Balance as at June 30, 2022 (Un-audited)	505,650	19,490	573,647	35,859	185	-	996,851	(941,696)	684,336	1,189,986	
<b>Balance as at January 01, 2023 (Audited)</b>	<b>505,650</b>	<b>19,490</b>	<b>314,615</b>	<b>35,859</b>	<b>185</b>	<b>-</b>	<b>996,851</b>	<b>(1,017,237)</b>	<b>349,763</b>	<b>855,413</b>	
Total comprehensive loss for the period											
Loss after tax	-	-	-	-	-	-	-	(30,178)	(30,178)	(30,178)	
Other comprehensive loss for the period	-	-	(78,570)	-	-	-	-	-	(78,570)	(78,570)	
Total comprehensive loss for the period			(78,570)	-	-	-	-	(30,178)	(108,748)	(108,748)	
<b>Balance as at June 30, 2023 (Un-audited)</b>	<b>505,650</b>	<b>19,490</b>	<b>236,045</b>	<b>35,859</b>	<b>185</b>	<b>-</b>	<b>996,851</b>	<b>(1,047,415)</b>	<b>241,015</b>	<b>746,665</b>	

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

Chief Executive  
Officer

Chairman

Director

Director

Chief Financial  
Officer

Half Yearly Report June 2023

# CONDENSED INTERIM STATEMENT OF CASHFLOWS (unaudited)

FOR THE HALF YEAR ENDED JUNE 30, 2023

	Note	Half year ended	
		June 30 2023	June 30 2022
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
a) Underwriting activities			
Insurance premium received		211,153	188,984
Reinsurance premium paid		(44,533)	(132,899)
Claims paid		(496,253)	(241,262)
Reinsurance and other recoveries received		390,108	237,188
Commission paid		(16,133)	(20,642)
Commission received		6,640	9,640
Other acquisition costs paid		(7,823)	(8,103)
Management expenses paid		(85,151)	(128,412)
Net cash used in underwriting activities		(41,992)	(95,505)
b) Other operating activities			
Income tax (paid) / refund		(3,505)	1,736
Other operating (payments) / receipts		(33,055)	12,425
Loans advanced, deposits received / (paid)		1,399	(2,947)
Other liabilities		20,353	12,475
Net cash (used in) / generated from other operating activities		(14,808)	23,689
Total cash (used in) / generated from all operating activities		(56,800)	(71,816)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Profit / return received		18,235	20,320
Rental received		2,542	2,385
Payment for investments made		(8,748)	(5,133)
Proceeds from investments disposed		1,864	-
Fixed capital expenditure incurred		(1,199)	(561)
Proceeds from sale of property and equipment		3,143	4,461
Net cash flows from investing activities		15,837	21,471
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
Finance cost paid		(346)	(617)
Dividend paid		(267)	-
Payment of lease liability		(3,411)	(3,210)
Total cash used in financing activities		(4,024)	(3,827)
Net cash used in all activities		(44,987)	(54,172)
Cash and cash equivalents at beginning of the period		53,729	75,964
<b>Cash and cash equivalents at end of the period</b>	15	<b>8,742</b>	<b>21,792</b>

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

Chief Executive  
Officer

Chairman

Director

Director

Chief Financial  
Officer

Half Yearly Report June 2023

# CONDENSED INTERIM STATEMENT OF CASHFLOWS (unaudited)

FOR THE HALF YEAR ENDED JUNE 30, 2023

	Note	Half year ended	
		June 30 2023	June 30 2022
(Rupees in '000)			
<b>Reconciliation to profit and loss account</b>			
Operating cashflows		(56,800)	(71,816)
Depreciation and amortization expense	22	(3,409)	(4,371)
Finance costs		(346)	(617)
Gain on sale of operating fixed assets	24	1,969	3,297
Net realized gain on investments	23	2,638	69
Impairment in value of available for sale securities		-	(24,257)
Rental income		2,542	2,385
Dividend income	23	24,273	18,098
Other income	24	2,449	16,475
Share of loss of associates		-	(842)
Loss from Window Takaful Operations - Operator's Fund	16	(24,845)	(16,488)
Decrease in assets other than cash		(398,888)	(99,977)
Increase in liabilities other than borrowings		420,239	49,863
Gain on revaluation of investment property		-	13,500
<b>Loss after taxation</b>		<b>(30,178)</b>	<b>(114,681)</b>

## Definition of cash and cash equivalent

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

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

### Cash and cash equivalent

Cash	-	-
Stamps in hand	352	261
	<b>352</b>	261
<b>Current and other accounts</b>		
Current accounts	3,537	10,741
PLS account	4,853	10,790
	<b>8,390</b>	21,531
<b>Total cash and cash equivalent</b>	<b>8,742</b>	21,792

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

Chief Executive  
Officer

Chairman

Director

Director

Chief Financial  
Officer

Half Yearly Report June 2023

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

## 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** 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 October 02, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

## 1.2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

### **Head office - Registered Office**

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

### **Branches**

#### **i) Province of Punjab, Pakistan:**

- Zonal office, 162 Shadman II, Lahore
- CSD North, 162 Shadman II, Lahore
- Mall Branch, 23 Shahrah-e-Quaid-e-Azam, Lahore
- 4th Floor, Mehr Fatima Tower, Opp. High Court, Old Bahawalpur Road, Multan
- 1st Floor, Regency Arcade, 949-Mall Road, Faisalabad

#### **ii) Province of Sindh, Pakistan:**

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

#### **iii) Province of Khyber Pakhtunkhwa, Pakistan:**

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

### iv) Province of Baluchistan, Pakistan:

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

### iv) Islamabad Capital Territory

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

**2.1.1** This condensed interim financial statements is unaudited but subject to the limited scope review by the auditors as required under Code of Corporate Governance for Insurers, 2016. This condensed interim financial statement does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2022 which have been prepared in accordance with accounting and reporting standards as applicable to insurance companies in Pakistan.

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

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

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Regulation, 2019 differ with the requirements of IAS 34, provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019, have been followed.

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(1)/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



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

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, 2022.

In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated July 09, 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.

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.

## 2.2 Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis except for available for sale investments & investment property that have been measured at fair value and staff gratuity which is stated at present value.

## 2.3 Functional and presentation currency

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.

## 3. USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. The significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended December 31, 2022.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual audited financial statements for the year ended December 31, 2022.

The following standards, amendments and interpretations are effective for the year period ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

## Effective date (annual periods beginning on or after)

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

#### 4.1 New accounting standards, amendments and interpretations that are not yet effective.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
IFRS 1 – First time adoption of IFRSs	January 01, 2024
IFRS 17 – Insurance Contracts	January 01, 2023

The Company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

## 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, 2022.

## 6. PREMIUM DEFICIENCY RESERVE

No provision has been made as the premium deficiency reserve for each class of business as at June 30, 2023 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 except health department.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	Notes	(Unaudited) (Audited)	
		June 30 2023	December 31 2022
(Rupees in '000)			
<b>7. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	7.1	169,837	172,925
Capital work-in-progress		26,109	26,109
Right of use assets	7.2	3,641	6,171
		<b>199,587</b>	<b>205,205</b>
<b>7.1 Operating fixed assets</b>			
Opening balance as at January 01		172,925	177,825
Add: Additions during the period / year		176	1,199
Less: Written down value of disposals during the period / year		(657)	(1,174)
Depreciation charged during the period / year		(2,607)	(4,925)
		<b>(3,264)</b>	<b>(6,099)</b>
Closing written down value		<b>169,837</b>	<b>172,925</b>
<b>7.2 Right-of-use assets</b>			
The Company has recognized right-of-use assets in respect of the Head Office and its branches:			
Head Office and branches:			
Opening balance as at January 01		6,171	8,387
Less: Reversal due to termination during the period / year		(1,843)	-
Depreciation charged during the period / year		(687)	(2,216)
Closing written down value		<b>3,641</b>	<b>6,171</b>
<b>8. INTANGIBLE ASSETS</b>			
Opening balance as at January 01		776	1,109
Less: Amortization charged during the period / year		(115)	(333)
Closing written down value		<b>661</b>	<b>776</b>
<b>9. INVESTMENT PROPERTIES</b>			
Carrying value at the beginning of the period / year		321,317	297,740
Revaluation gain on investment property		-	23,577
Carrying value at the end of the period / year		<b>321,317</b>	<b>321,317</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

## 9.1 Investment properties consists of the following:

Particulars	Location	Note	Fair value	Improvement	Fair value	Gain for the half year ended June 30, 2023
			as at June 30, 2023		as at December 31, 2022	
			(Rupees in '000)			
Bungalow, Aga Khan Road	Islamabad	9.2	263,577	-	263,577	-
Office, Clifton	Karachi	9.2	20,240	-	20,240	-
Apartment, Silver Oaks	Islamabad	9.2	37,500	-	37,500	-
			<b>321,317</b>		<b>321,317</b>	<b>-</b>

**9.1** The fair value of the investment properties was determined by Hamid Mukhtar & Co. (Private) Ltd and Pakistan Inspection Co. (Pvt.) Ltd. external, independent property value having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The last revaluation was carried out on July 12, 2023.

**9.2** The covered area of the bungalow, office and apartment are 8,793 Sq. ft., 1,012 Sq. ft. and 1500 Sq. ft. respectively.

## 10. INVESTMENTS

	June 30, 2023 (Unaudited)				December 31, 2022 (Audited)			
	Cost	Impairment/provision for	Revaluation surplus	Carrying value	Cost	Impairment/provision for the period	Revaluation surplus	Carrying value
	(Rupees in '000)							
<b>Available-for-sale</b>								
Equity Securities:								
Related parties								
Listed shares	187,816	-	40,430	228,246	196,282	(8,466)	108,556	296,372
Other than related parties								
Unlisted shares	1,483	-	-	4,483	1,483	-	-	1,483
Listed shares	230,554	-	5,885	236,439	273,316	(41,080)	11,704	243,940
	<b>232,037</b>	<b>-</b>	<b>5,885</b>	<b>237,922</b>	<b>274,799</b>	<b>(41,080)</b>	<b>11,704</b>	<b>245,423</b>
	<b>419,854</b>	<b>-</b>	<b>46,315</b>	<b>466,168</b>	<b>471,081</b>	<b>(49,546)</b>	<b>120,260</b>	<b>541,795</b>
Mutual funds *	61,526	-	13,832	75,357	52,778	-	18,455	71,233
	<b>481,380</b>	<b>-</b>	<b>60,147</b>	<b>541,525</b>	<b>523,859</b>	<b>(49,546)</b>	<b>138,715</b>	<b>613,028</b>

\* Investments in Mutual funds includes units 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 HALF YEAR ENDED JUNE 30, 2023

	Note	(Unaudited)	(Audited)
		June 30 2023	December 31 2022
(Rupees in '000)			
<b>11. LOANS AND OTHER RECEIVABLES</b>			
Mark-up and dividend receivable		96	348
Loans to employees	11.1	1,364	1,711
Deposits		9,828	11,061
Advance to agents		1,918	1,643
Other receivables		9,723	9,817
		<b>22,929</b>	<b>24,580</b>
<b>11.1</b> These are short term, unsecured interest free loans and advances provided to permanent employees of the Company adjustable against salaries.			
<b>12. INSURANCE / REINSURANCE RECEIVABLES</b>			
Premium due but unpaid		388,971	482,542
Less: Provision for doubtful receivables from insurance contract holders		(174,746)	(173,558)
		214,225	308,984
Amounts due from other insurers / reinsurers		335,466	361,340
Less: Provision for doubtful receivables from other insurers / reinsurers		(113,546)	(112,358)
		221,920	248,982
		<b>436,145</b>	<b>557,966</b>
<b>13. DEFERRED TAX ASSET</b>			
Taxable temporary differences arising from: Difference in accounting and tax base of property and equipment		(69,890)	(86,878)
Deductible temporary differences arising from: Unused tax losses and other deductible temporary differences		120,694	137,211
	13.1	<b>50,804</b>	<b>50,333</b>

**13.1** As at the half year end, the aggregate amount of unused carry forward business losses (including depreciation) and other deductible temporary differences (mainly on account of provision against investments, provision against doubtful receivable) amounts to Rs. 820.998 million (2022: Rs. 875.375 million), net deferred tax asset on which amounts to Rs. 238.089 million (2022: Rs. 253.858 million). However, the company has recognized deferred tax asset on such deductible temporary differences to the extent of Rs. 50.804 million (2022: Rs. 50.333 million), after adjusting taxable temporary difference.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	Note	(Unaudited)	(Audited)
		June 30 2023	December 31 2022
(Rupees in '000)			
<b>14. PREPAYMENTS</b>			
Prepaid reinsurance premium ceded	19	51,964	130,491
Other prepaid expense		19,185	2,211
		<u>71,149</u>	<u>132,702</u>

### 15. CASH AND BANK

Cash and cash equivalent		352	251
- Policy and revenue stamps, bond papers			
Cash at bank		3,537	6,489
- Current accounts		4,853	46,989
- Savings account	15.1	<u>8,742</u>	<u>53,729</u>

**15.1** The rate of return on savings account held with various banks range from 10.00% to 19.50% per annum (December 31, 2022: 7.96% to 14.60%).

	(Unaudited)	(Audited)
	31 March 2023	31 December 2022
(Rupees in '000)		

### 16. WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

#### Assets

Loan and other receivables	312	225
Receivable from PTF	14,430	12,792
Deferred commission expense	7,621	8,329
Cash and bank	3,624	4,147
	<u>25,987</u>	<u>25,493</u>
Qard-e-hasna contributed to PTF	81,903	71,903
Total Assets	<u>107,890</u>	<u>97,396</u>
Total Liabilities	<u>184,115</u>	<u>148,776</u>

#### Operator's revenue accounts

Wakala fee	30,486	30,230
Commission expense	(8,313)	(7,178)
General, administrative and management expenses	(46,989)	(38,812)
Modarib's share of PTF Investment income	1,890	849
Profit on bank accounts	206	146
Other expenses	(2,125)	(1,723)
<b>Loss for the period</b>	<u>(24,845)</u>	<u>(16,488)</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	Note	(Unaudited)	(Audited)
		June 30 2023	December 31 2022
(Rupees in '000)			
<b>17. OTHER CREDITORS AND ACCRUALS</b>			
Bonus payable		3,102	3,102
Commissions payable		165,988	170,117
Federal excise duty and sales tax		19,970	17,100
Federal insurance fee		278	-
Deposits and margins		2,127	2,127
Provision for rent	17.1	14,000	14,000
Others		49,368	32,163
		<b>254,833</b>	<b>238,609</b>

- 17.1** This represents provision for rent amounting to Rs. 14 million (December 31, 2022: 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.

## 18. CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

The status of contingencies are same as disclosed in the annual audited financial statements for the year ended December 31, 2022.

	Note	(Unaudited)	(Audited)
		June 30 2023	December 31 2022
(Rupees in '000)			
<b>18.2 Commitments</b>			
Commitment for capital expenditure	18.2.1	15,038	15,038

- 18.2.1** This represents the commitment regarding capital expenditure in Investment Property.



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

(Unaudited) Quarter ended		(Unaudited) Half year ended	
June 30 2023	June 30 2022	June 30 2023	June 30 2022

(Rupees in '000)

## 19. NET INSURANCE PREMIUM

Written gross premium	56,990	104,156	118,769	161,987
<b>Add:</b> Unearned premium reserve opening	244,297	232,637	332,080	319,480
<b>Less:</b> Unearned premium reserve closing	(159,476)	(195,071)	(159,476)	(195,071)
Premium earned	141,811	141,722	291,373	286,396
<b>Less:</b> Reinsurance premium ceded	24,748	44,499	56,470	75,853
<b>Add:</b> Prepaid reinsurance premium opening	92,750	116,215	130,491	159,112
<b>Less:</b> Prepaid reinsurance premium closing	(51,964)	(85,418)	(51,964)	(85,418)
Reinsurance expense	65,534	75,296	134,997	149,547
<b>Net insurance premium</b>	<b>76,277</b>	<b>66,426</b>	<b>156,376</b>	<b>136,849</b>

## 20. NET INSURANCE CLAIMS

Claims paid	406,284	72,715	496,159	237,430
<b>Less:</b> Outstanding claims including IBNR opening	(880,905)		(897,213)	(1,026,820)
<b>Add:</b> Outstanding claims including IBNR closing	635,946	1,173,375	635,946	1,173,375
Claims expense	161,325	98,675	234,892	383,985
<b>Less:</b> Reinsurance and other recoveries received	337,938	28,063	365,421	150,710
<b>Less:</b> Reinsurance and other recoveries in respect of outstanding claims - opening	(492,218)	(797,314)	(489,897)	(714,347)
<b>Add:</b> Reinsurance and other recoveries in respect of outstanding claims - closing	264,094	789,884	264,094	789,884
Reinsurance and other recoveries revenue	109,814	20,633	139,618	226,247
<b>Net insurance claims</b>	<b>51,511</b>	<b>78,042</b>	<b>95,274</b>	<b>157,738</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	(Unaudited) Quarter ended		(Unaudited) Half year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
<b>21. NET COMMISSION EXPENSE AND OTHER ACQUISITION COSTS</b>	(Rupees in '000)			
Commission paid or payable	5,358	10,347	12,004	16,953
Add: Deferred commission opening	22,966	15,864	28,694	19,206
Less: Deferred commission closing	(16,691)	(16,253)	(16,691)	(16,253)
Commission expense	11,633	9,958	24,007	19,906
<b>Less:</b> Commission received or recoverable from reinsurers	2,897	5,499	6,640	9,640
<b>Add:</b> Unearned reinsurance commission opening	17,058	16,272	24,251	22,358
<b>Less:</b> Unearned reinsurance commission closing	(9,540)	(11,453)	(9,540)	(11,453)
Commission from reinsurance	10,415	10,318	21,351	20,545
<b>Net commission income</b>	1,218	(360)	2,656	(639)
<b>Add: Other acquisition costs:</b>				
Tracking device expenses	100	83	116	163
Service charges	2,332	2,384	5,410	6,437
Other costs	1,095	(4)	2,297	1,503
<b>Net Commission expense and other acquisition costs</b>	3,527	2,463	7,823	8,103
	4,745	2,103	10,479	7,464
<b>22. MANAGEMENT EXPENSES</b>				
Employee benefit cost	29,913	35,374	59,334	67,327
Travelling expenses	191	203	452	514
Advertisement and sales promotion	548	287	977	656
Printing and stationary	522	800	1,070	1,311
Depreciation	1,453	2,112	3,294	4,206
Amortization	58	8	115	165
Rent, rates and taxes	339	240	695	523
Legal and professional charges - business related	1,312	2,517	7,048	3,841
Electricity, gas and water	1,326	1,348	1,875	2,087
Entertainment	352	557	709	1,031
Vehicle running expenses	140	121	490	455
Office repairs and maintenance	1,008	1,256	1,417	1,519
IT & software related expense	128	731	1,180	1,882
Bank charges	-	65	5	71
Postages, telegrams and telephone	894	944	1,790	1,836
Insurance expense	260	281	520	733
Annual supervision fee SECP	-	-	941	860
Bad and doubtful debts	1,139	2,083	2,375	3,240
Others	491	333	701	616
	42,097	51,357	84,988	92,873

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# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

Note	(Unaudited) Quarter ended		(Unaudited) Half year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
(Rupees in '000)				
<b>23. INVESTMENT INCOME</b>				
<b>Income from equity securities and mutual fund units</b>				
Available for sale	6,975	4,725	13,981	12,355
- Equity securities	10,292	5,743	10,292	5,743
- Mutual funds				
<b>Net realized gain on investments</b>				
Available for sale	2,636	60	26,38	69
- Equity securities and Mutual Funds	19,903	10,528	26,911	18,167
<b>Total investment income</b>				
Less: Impairment in value of available for sale securities - Equity Securities	-	(24,257)	-	(24,257)
Less: Investment related expenses	(158)	(165)	(317)	(323)
	<b>19,745</b>	<b>(13,894)</b>	<b>26,594</b>	<b>(6,413)</b>
<b>24. OTHER INCOME</b>				
Return on bank balances	794	1,146	1,729	1,919
Exchange gain	-	36	-	(33)
Gain on sale of operating fixed assets	2,225	2,087	1,969	3,297
Liabilities no longer required written back	-	14,540	-	14,540
Miscellaneous	3	15	720	49
	<b>3,022</b>	<b>17,824</b>	<b>4,418</b>	<b>19,772</b>
<b>25. OTHER EXPENSES</b>				
Auditors' remuneration	636	980	1,321	1,658
Fees and subscription	984	719	1,594	1,235
Inadmissible input tax expense	(202)	(152)	(248)	(246)
Others	(395)	(124)	(524)	(364)
	<b>1,023</b>	<b>1,423</b>	<b>2,143</b>	<b>2,283</b>
<b>26. TAXATION</b>				
Current tax	1,249	1,948	2,504	3,033
Deferred tax	1	(229)	(471)	(564)
	<b>1,250</b>	<b>1,719</b>	<b>2,033</b>	<b>2,469</b>

**26.1** 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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	(Unaudited) Quarter ended		(Unaudited) Half year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
<b>27. LOSS PER SHARE – basic and diluted</b>				
Loss after tax for the period	<b>(12,936)</b>	(57,863)	<b>(30,178)</b>	(114,681)
	(Number of shares in '000)			
Weighted average number of ordinary shares	<b>50,565</b>	50,565	<b>50,565</b>	50,565
	(Rupees in '000)			
Loss per share	<b>(0.26)</b>	(1.14)	<b>(0.60)</b>	(2.27)

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.

### 28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common Directors, shareholder and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices except for compensation to key management personnel which is carried out on basis of employment terms and conditions. The transactions with related parties are as follows:

	(Unaudited) Half year ended	
	June 30 2023	June 30 2022
	(Rupees in '000)	
<b>Transactions during the period / year</b>		
Associated Companies		
Premium underwritten	<b>10,078</b>	30,340
Premium received	<b>71,962</b>	38,638
Claims paid	<b>34,396</b>	53,517
Others	<b>3,486</b>	-
Others		
Premium underwritten	<b>11</b>	43
Premium received	<b>12</b>	266
Meeting fees	<b>480</b>	580
Remuneration and retirement benefits to key management personnel	<b>68,463</b>	69,545

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

(Unaudited) (Audited)  
**June 30**      **December 31**  
**2023**          **2022**  
(Rupees in '000)

## Balances outstanding at the reporting date

Associated Companies

Premium receivable

Claims outstanding

Commission outstanding

Others

Premium receivable

<b>20,153</b>	78,887
<b>51,137</b>	68,439
<b>11,192</b>	1,015
<b>117</b>	117

**28.1** Company's contribution toward staff provident fund for the period is Rs. 1,668 thousand (2022: Rs.2,028 thousand).

## 29. SEGMENT REPORTING

Following are the segment assets, liabilities, revenue and expenses of the Company:

Segment Current Period	Unaudited Quarter ended											
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
<b>Premium receivable (inclusive of FED / sales tax, federal insurance fee and Less: FED / sales tax Less: Federal insurance fee)</b>	14,586 1,867 117	41,338 3,900 265	9,857 1,025 88	14,005 1,419 117	14,651 1,753 122	9,247 1,146 77	19,050 - 189	37,077 - 372	4,556 531 39	11,114 1,232 97	62,720 5,176 555	112,781 7,697 928
<b>Gross written premium (inclusive of administrative surcharge)</b>	12,612	37,173	8,744	12,469	12,776	8,024	18,871	36,705	3,986	9,785	56,989	104,156
Gross direct premium	11,568	26,388	8,418	11,201	11,895	7,420	18,812	36,634	3,806	9,410	54,500	91,053
Facultative inward premium	977	10,654	(0)	839	525	330	-	101	207	1,603	12,030	12,030
Administrative surcharge	67	131	326	429	355	274	59	71	79	169	886	1,073
Insurance premium earned	58,849	59,327	6,915	9,101	17,895	16,275	44,380	43,755	13,673	13,265	141,812	141,722
Insurance premium ceded to reinsurers	(46,156)	(56,580)	(6,349)	(5,307)	(956)	(823)	(6,550)	(5,319)	(5,510)	(7,267)	(65,535)	(75,296)
<b>Net insurance premium</b>	12,793	2,747	566	3,794	16,939	15,452	37,822	38,436	8,157	5,998	76,277	66,426
Commission income from reinsurers	7,307	7,269	1,057	929	66	61	1,147	931	837	1,129	10,414	10,318
<b>Net underwriting income</b>	20,100	10,015	1,623	4,723	17,005	15,513	38,969	39,367	8,994	7,127	86,691	76,741
Insurance claims	(51,179)	(49,522)	(4,008)	(222)	(4,701)	(8,785)	(30,808)	(37,751)	(70,629)	(2,415)	(181,325)	(98,675)
Insurance claims recovered from reinsurers and other recoveries revenue	32,849	13,182	3,678	90	(20)	148	3,711	4,362	69,597	2,841	109,615	20,633
<b>Net Claim</b>	(18,330)	(36,330)	(330)	(132)	(4,721)	(8,617)	(27,097)	(33,389)	(1,032)	426	(51,510)	(78,042)
Commission expense	(5,489)	(4,139)	(287)	(841)	(1,162)	(1,124)	(2,915)	(2,575)	(1,804)	(1,280)	(11,633)	(9,958)
Management expense	(16,871)	(20,649)	(1,843)	(3,160)	(5,074)	(5,660)	(12,518)	(15,268)	(3,887)	(4,597)	(40,074)	(48,335)
Other acquisition cost	(1,594)	(133)	(173)	(63)	(1,371)	(287)	336	(1,887)	(724)	(93)	(3,526)	(2,463)
<b>Net insurance claims and expenses</b>	(42,290)	(81,251)	(2,703)	(4,198)	(12,328)	(15,688)	(42,195)	(53,119)	(7,422)	(5,544)	(106,743)	(139,798)
<b>Underwriting result</b>	(21,990)	(51,236)	(1,080)	527	4,677	(175)	(3,227)	(13,753)	1,567	1,583	(20,052)	(63,055)
Net investment income											19,745	(13,994)
Rental income											1,271	1,271
Fair value gain on investment property											-	13,500
Other income											3,022	17,823
Other expenses											(1,023)	(1,423)
Finance cost											(154)	(300)
Share of loss from associate											-	(842)
Share of loss from WTO - Operator's Fund											(14,495)	(9,165)
<b>Loss before tax</b>											(11,689)	(56,145)

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

## 29. SEGMENT REPORTING

													Unaudited	
													Half year ended	
													June 30	June 30
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
<b>Premium receivable (inclusive of FED / Sales Tax, Federal insurance fee and Less: FED / sales tax Less: Federal insurance fee)</b>	(Rupees in '000)													
	38,678	64,697	17,012	23,109	31,011	22,797	33,848	49,601	8,146	15,990	120,696	176,292		
	3,818	6,309	1,742	2,347	3,614	2,740	-	-	916	1,601	9,890	12,997		
	235	412	149	193	252	187	335	496	66	120	1,037	1,408		
<b>Gross written Premium (inclusive of Administrative surcharge)</b>	35,825	58,176	15,122	20,568	27,145	19,870	33,513	49,105	7,164	14,269	118,768	161,987		
Gross direct premium	23,223	41,765	14,258	18,597	24,523	18,176	33,404	48,983	6,498	12,192	101,906	139,713		
Facultative inward premium	12,486	16,181	278	1,257	1,931	1,136	-	-	531	1,848	15,192	20,422		
Administrative surcharge	145	230	588	714	691	558	109	122	135	229	1,570	1,853		
Insurance premium earned	119,668	119,722	15,405	18,036	34,788	32,662	93,776	90,032	27,737	25,944	291,374	286,396		
Insurance premium ceded to reinsurers	(94,463)	(113,240)	(13,977)	(9,137)	(2,053)	(1,580)	(13,105)	(11,255)	(11,399)	(14,336)	(134,997)	(149,547)		
<b>Net Insurance premium</b>	25,205	6,482	1,428	8,899	32,735	31,082	80,671	78,777	16,338	11,608	156,377	136,849		
Commission income from reinsurers	14,822	14,644	2,353	1,599	149	109	2,292	1,970	1,735	2,224	21,351	20,545		
<b>Net underwriting income</b>	40,027	21,126	3,781	10,498	32,884	31,191	82,963	80,747	18,073	13,832	177,728	157,394		
Insurance claims expense	(57,164)	(279,358)	(9,222)	(8,924)	(12,716)	(16,437)	(75,285)	(75,189)	(80,486)	(4,078)	(234,893)	(383,985)		
Insurance claims recovered from reinsurers and other recoveries revenue	43,492	207,696	9,303	5,621	344	283	10,730	9,682	75,949	2,956	139,618	226,247		
Net Insurance claims	(13,672)	(71,662)	(189)	(3,303)	(12,372)	(16,144)	(64,555)	(65,507)	(4,537)	(1,122)	(95,275)	(157,738)		
Commission expense	(1,272)	(8,247)	(698)	(1,728)	(2,197)	(2,238)	(6,954)	(5,497)	(3,789)	(2,207)	(24,007)	(19,608)		
Management expense	(34,905)	(38,824)	(4,493)	(5,849)	(10,147)	(10,592)	(27,353)	(29,196)	(8,090)	(8,413)	(64,988)	(92,873)		
Other acquisition cost	2	(246)	-	(122)	(128)	(549)	(7,698)	(7,024)	1	(161)	(7,823)	(8,103)		
<b>Net Insurance claims and expenses</b>	(59,847)	(118,979)	(5,307)	(11,002)	(24,845)	(29,523)	(105,670)	(107,214)	(16,424)	(11,903)	(212,093)	(278,621)		
<b>Underwriting result</b>	(19,820)	(97,853)	(1,526)	(504)	8,039	1,668	(22,707)	(26,467)	1,649	1,929	(34,365)	(121,226)		
Investment income / loss											26,594	(6,413)		
Rental income											2,542	2,385		
Revaluation gain on investment property											-	13,500		
Other income											4,418	19,772		
Other expenses											(2,143)	(2,283)		
Finance cost											(346)	(617)		
Share of profit from associate											-	(842)		
Share of loss from WTO - Operator's Fund											(24,845)	(16,488)		
<b>Loss before tax</b>											(28,145)	(112,212)		

### 29.1 Segment assets and liabilities

The following presents segments assets and liabilities for the period 30 June 2023 and 31 December 2022:

													Unaudited	
													Half year ended	
													June 30	June 30
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
<b>Segment assets</b>	237,545	473,509	100,269	101,821	178,990	133,027	222,214	387,402	47,502	112,943	787,520	1,208,702		
Unallocated corporate assets											1,523,884	1,635,224		
<b>Total assets</b>											2,311,404	2,843,926		
<b>Segment Liabilities</b>	370,502	652,246	156,392	140,256	280,735	183,242	346,593	533,637	74,090	155,576	787,520	1,208,702		
Unallocated corporate liabilities											1,523,884	1,635,224		
<b>Total liabilities</b>											2,311,404	2,843,926		

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

(Rupees in '000)

### 30. MOVEMENT IN INVESTMENTS – AVAILABLE FOR SALE

<b>January 01, 2022</b>	788,225
Additions	5,837
Disposals (sale and redemptions)	(523)
Fair value net gains (excluding net realized gains)	(130,965)
Impairment losses	<u>(49,546)</u>
<b>December 31, 2022</b>	613,028
Additions	<b>8,748</b>
Disposals (sale and redemptions)	<b>(1,681)</b>
Fair value net gains (excluding net realized gain)	<b><u>(78,570)</u></b>
<b>June 30, 2023</b>	<b>541,525</b>

### 31. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

**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:

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	June 30, 2023 (unaudited)		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
<b>Available for sale investments (measured at fair value)</b>			
Equity securities	464,685	1,483	-
Mutual fund units	-	75,357	-
	<b>464,685</b>	<b>76,840</b>	<b>-</b>

	31 December 2022 (audited)		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
<b>Available for sale investments (measured at fair value)</b>			
Equity securities	540,312	1,483	-
Mutual fund units	-	71,233	-
	<b>540,312</b>	<b>72,716</b>	<b>-</b>

### 32. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **29 August 2023** by the Board of directors of the Company.

### 33. GENERAL

- 33.1** 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.
- 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.

Chief Executive  
Officer

Chairman

Director

Director

Chief Financial  
Officer

Half Yearly Report June 2023





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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF PREMIER INSURANCE LIMITED (WINDOW TAKAFUL OPERATIONS)

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **PREMIER INSURANCE LIMITED (WINDOW TAKAFUL OPERATION)** ("the Operator") as at June 30, 2023 and condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six month period then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and fair presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial statement Performed by the Independent Auditor of the Entity". A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statement is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The financial statements of the Company for the year ended December 31, 2022 were audited and condensed interim financial statement for the half year ended June 30, 2022 was reviewed by another firm of chartered accountants who through their audit report dated April 05, 2023, and review report dated August 30, 2022 expressed an unmodified opinion and conclusion thereon, respectively.

The figures for the quarter ended June 30, 2023 and June 30, 2022 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditors' report is Zulfiqar Ali Causar.

KARACHI

DATED: August 29, 2023

UDIN: RR202310067mUWVMT7LK

  
BDO EBRAHIM & Co  
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION OF OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND

AS AT JUNE 30, 2023

	Note	Operator's Fund		Participant's Takaful Fund	
		June 30 2023 (Unaudited)	December 31 2022 (Audited)	June 30 2023 (Unaudited)	December 31 2022 (Audited)
(Rupees in '000)					
<b>ASSETS</b>					
Investments					
Mutual funds	7	-	-	4,715	4,630
Term deposits	8	-	-	600	600
Loans and other receivables	10	312	225	40,197	21,846
Takaful / retakaful receivables	12	-	-	49,027	43,584
Retakaful recoveries against outstanding claims	19	-	-	7,217	6,930
Qard-e-hasna contributed to PTF	9	81,903	71,903	-	-
Salvage recoveries accrued		-	-	456	397
Receivable from PTF	11	14,430	12,792	-	-
Deferred wakala expense	22	-	-	27,292	29,218
Deferred commission expense	23	7,621	8,329	-	-
Prepayments	13	-	-	10,866	11,548
Cash and bank	14	3,624	4,147	72,830	71,349
<b>TOTAL ASSETS</b>		<b>107,890</b>	<b>97,396</b>	<b>213,200</b>	<b>190,102</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Reserve attributable to:</b>					
<b>Operator's Fund (OPF)</b>					
Statutory fund		50,000	50,000	-	-
Accumulated deficit		(126,225)	(101,380)	-	-
<b>Total Operators Fund</b>		<b>(76,225)</b>	<b>(51,380)</b>	<b>-</b>	<b>-</b>
<b>Participant's Takaful Fund (PTF) / Waqf</b>					
Ceded money		-	-	500	500
Revaluation reserves		-	-	(976)	(939)
Accumulated deficit		-	-	(73,054)	(67,382)
<b>Balance of Participant's Takaful Fund / Waqf</b>		<b>-</b>	<b>-</b>	<b>(73,530)</b>	<b>(67,821)</b>
Qard-e-Hasna		-	-	81,903	71,903
<b>LIABILITIES</b>					
<b>PTF Underwriting provisions</b>					
Unearned contribution reserve	18	-	-	77,960	83,119
Outstanding claims including IBNR	19	-	-	72,872	59,670
Contribution deficiency reserve		-	-	3,029	3,029
Reserve for Unearned retakaful rebate	21	-	-	1,627	2,054
		-	-	155,488	147,872
Unearned wakala fees	22	27,292	29,218	-	-
Takaful / retakaful payables		-	-	31,263	23,659
Payable to OPF	16	-	-	14,430	12,792
Other creditors and accruals	15	156,823	119,558	3,646	1,697
<b>TOTAL LIABILITIES</b>		<b>184,115</b>	<b>148,776</b>	<b>49,339</b>	<b>38,148</b>
<b>TOTAL FUND AND LIABILITIES</b>		<b>107,890</b>	<b>97,396</b>	<b>213,200</b>	<b>190,102</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	17				

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

**Chief Executive  
Officer**

**Chairman**

**Director**

**Director**

**Chief Financial  
Officer**

Half Yearly Report June 2023

## CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

Note	Quarter ended		Half Year ended		
	June 30 2023	June 30 2022	June 30 2023	June 30 2022	
(Rupees in '000)					
<b>Participant's Takaful Fund</b>					
Contribution earned - net of wakala fee	18	28,263	28,902	56,251	55,880
Less: Contribution ceded to retakaful	18	(6,148)	(5,506)	(12,273)	(11,044)
Net contribution revenue	18	22,115	23,396	43,978	44,836
Re-takaful rebate earned	21	1,127	1,049	2,220	2,129
Net underwriting income		23,242	24,445	46,198	46,965
Net claims - reported / settled	19	(23,282)	(24,183)	(50,081)	(53,382)
- IBNR	19	78	(539)	(1,826)	(1,450)
		(23,204)	(24,722)	(51,907)	(54,832)
Other direct expenses	20	(1,940)	(2,292)	(3,473)	(4,335)
Deficit before investment income		(1,902)	(2,569)	(9,182)	(12,202)
Investment income		165	5	176	13
Other income	26	2,941	1,484	5,225	2,536
Less: Modarib's share of investment income	27				
	28	(1,086)	(478)	(1,890)	(849)
<b>Surplus / (Deficit) for the period</b>		<b>118</b>	<b>(1,558)</b>	<b>(5,671)</b>	<b>(10,502)</b>
<b>Operator's Fund</b>					
Wakala fee		15,266	15,687	30,486	30,230
Commission expense	22	(4,058)	(3,914)	(8,313)	(7,178)
General administrative and management expenses	23				
	24	(25,732)	(20,409)	(46,989)	(38,812)
		(14,524)	(8,636)	(24,816)	(15,760)
Modarib's share of PTF investment income	28	1,086	478	1,890	849
Profit on bank accounts		169	58	206	146
Other expenses	25	(1,226)	(1,065)	(2,125)	(1,723)
<b>Loss for the period</b>		<b>(14,495)</b>	<b>(9,165)</b>	<b>(24,845)</b>	<b>(16,488)</b>

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

**Chief Executive  
Officer**

**Chairman**

**Director**

**Director**

**Chief Financial  
Officer**

Half Yearly Report June 2023

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	Quarter ended		Half Year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
<b>Participant's Takaful Fund</b>				
Surplus / (Deficit) for the period	118	(1,558)	(5,671)	(10,502)
Other comprehensive loss for the period: Unrealized (loss) on available for sale securities	(47)	(392)	(38)	(416)
Total comprehensive income / (loss) for the period	<u>71</u>	<u>(1,950)</u>	<u>(5,709)</u>	<u>(10,918)</u>
<b>Operator's Fund</b>				
Loss for the period	(14,495)	(9,165)	(24,845)	(16,488)
Other comprehensive income / (loss) for the period: Unrealized income / (loss) on available for sale securities	-	-	-	-
<b>Total comprehensive Loss for the period</b>	<u>(14,495)</u>	<u>(9,165)</u>	<u>(24,845)</u>	<u>(16,488)</u>

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

Chief Executive  
Officer

Chairman

Director

Director

Chief Financial  
Officer

Half Yearly Report June 2023

## CONDENSED INTERIM STATEMENT OF CHANGES IN OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND (unaudited)

FOR THE HALF YEAR ENDED JUNE 30, 2023

	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 January 01, 2022 (Audited)	50,000	-	(94,013)	(44,013)
Total comprehensive loss for the period				
Net loss for the period	-	-	(16,488)	(16,488)
Other comprehensive income for the period	-	-	-	-
Balance as at June 30, 2022 (Unaudited)	50,000	-	(110,501)	(60,501)
<b>Balance as at January 01, 2023 (Audited)</b>	<b>50,000</b>	<b>-</b>	<b>(101,380)</b>	<b>(51,380)</b>
Total comprehensive loss for the period				
Net loss for the period	-	-	(24,845)	(24,845)
Other comprehensive income for the period	-	-	-	-
<b>Balance as at June 30, 2023 (Unaudited)</b>	<b>50,000</b>	<b>-</b>	<b>(126,225)</b>	<b>(76,225)</b>
	Attributable to participants of the Participant's Fund			
	Ceded Money	Unrealized loss on revaluation of available-for-sale	Accumulated Deficit	Total
Balance as at January 01, 2022 (Audited)	500	(534)	(43,326)	(43,360)
Total comprehensive loss for the period				
Deficit for the period	-	-	(10,502)	(10,502)
Other comprehensive loss for the period	-	(416)	-	(416)
Balance as at June 30, 2022 (Unaudited)	500	(950)	(53,828)	(54,278)
<b>Balance as at January 01, 2023 (Audited)</b>	<b>500</b>	<b>(939)</b>	<b>(67,382)</b>	<b>(67,821)</b>
Total comprehensive income for the period				
Deficit for the period	-	-	(5,671)	(5,671)
Other comprehensive loss for the period	-	(38)	-	(38)
<b>Balance as at June 30, 2023 (Unaudited)</b>	<b>500</b>	<b>(977)</b>	<b>(73,053)</b>	<b>(73,530)</b>

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

**Chief Executive  
Officer**

**Chairman**

**Director**

**Chief Financial  
Officer**

Half Yearly Report June 2023

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited)

FOR THE HALF YEAR ENDED JUNE 30, 2023

Note	Half Year ended			
	Operator's Fund		Participant's Takaful Fund	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
(Rupees in '000)				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
a) Takaful activities				
Contribution received	-	-	51,507	72,534
Re-takaful contributions paid	-	-	(3,096)	(17,499)
Claims / benefit paid	-	-	(40,634)	(64,788)
Re-takaful and other recoveries received	-	-	1,642	13,692
Commissions (paid) / re-takaful rebate received	(5,889)	(8,155)	1,793	1,659
Wakala fees received	26,922	34,184	-	-
Wakala fees paid	-	-	(26,922)	(34,184)
Modarib share received / (paid)	1,890	849	(1,890)	(849)
Total cash generated from / (used) in takaful activities	22,923	26,878	(17,600)	(29,435)
b) Other operating activities				
General and administration expenses paid	(49,263)	(40,661)	(6,907)	(2,503)
Amounts due from other takaful / retakaful operators	-	-	(5,443)	16,654
Deposits and other receivables	62	61	18,071	7,235
Received from / (paid to) Premier Insurance Limited	35,505	26,609	-	(5,139)
Accrued salvage recoveries	-	26	(59)	-
Other liabilities settled	44	39	(1,949)	(573)
Total cash (used in) / generated from other operating activities	(13,652)	(13,926)	3,714	15,674
Total cash used in all operating activities	9,271	12,952	(13,886)	(13,761)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
Accrued investment income	-	-	104	(178)
Bank profit received	206	146	5,225	2,415
Sale of investment - net	-	-	38	416
Total cash generated from investing activities	206	146	5,367	2,653
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>				
Qard-e-hasna contributions	(10,000)	(19,000)	10,000	19,000
Total cash used in financing activities	(10,000)	(19,000)	10,000	19,000
Net cash (used in) / generated from all activities	(523)	(5,902)	1,481	7,892
Cash and cash equivalents at beginning of the period	4,147	15,322	71,349	45,782
<b>Cash and cash equivalents at the end of the period</b>	<b>3,624</b>	<b>9,420</b>	<b>72,830</b>	<b>53,674</b>

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## CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited)

FOR THE HALF YEAR ENDED JUNE 30, 2023

Note	Half Year ended			
	Operator's Fund		Participant's Takaful Fund	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
<b>Reconciliation to profit and loss account</b>				
Operating cash flows	9,271	12,952	(13,886)	(13,761)
Investment income	206	-	176	13
(Decrease) / increase in assets other than cash	1,017	(3,589)	26,846	(25,149)
(Increase) / decrease in liabilities	(35,339)	(25,851)	(18,807)	28,395
<b>Loss for the period</b>	<b>(24,845)</b>	<b>(16,488)</b>	<b>(5,671)</b>	<b>(10,502)</b>
Attributed to:				
Operator's Fund	(24,845)	(16,488)	-	-
Participants' Takaful Fund	-	-	(5,671)	(10,502)
	<b>(24,845)</b>	<b>(16,488)</b>	<b>(5,671)</b>	<b>(10,502)</b>
<b>Definition of cash and cash equivalent</b>				

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:

Current and other accounts				
Current and savings accounts		9,420	72,830	53,674
Total cash and cash equivalent	14	<u>3,624</u>	<u>9,420</u>	<u>53,674</u>
		<b>3,624</b>	<b>9,420</b>	<b>53,674</b>

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

**Chief Executive  
Officer**

**Chairman**

**Director**

**Director**

**Chief Financial  
Officer**

Half Yearly Report June 2023

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** 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 is 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 October 31, 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.

## 1.2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

### Head office - Registered Office

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

### Branches

#### i) Province of Punjab, Pakistan:

- Zonal office, 162 Shadman II, Lahore
- CSD North, 162 Shadman II, Lahore
- Mall Branch, 23 Shahrah-e-Quaid-e-Azam, Lahore
- 4th Floor, Mehr Fatima Tower, Opp. High Court, Old Bahawalpur Road, Multan
- 1st Floor, Regency Arcade, 949-Mall Road, Faisalabad

#### ii) Province of Sindh, Pakistan:

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



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

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

### iii) Province of Khyber Pakhtunkhwa, Pakistan:

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

### iv) Islamabad Capital Territory

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

## 2. BASIS OF PREPARATION

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, 2022.

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)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

## 2.2 Basis of measurement

This condensed interim financial statements has been prepared under the historical cost basis except that certain investments are stated at their fair values. This condensed interim financial statements has been prepared following the accrual basis of accounting except for the cash flow information.

## 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual audited financial statements for the year ended December 31, 2022.

The following standards, amendments and interpretations are effective for the period ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' -	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

### 3.1 New accounting standards, amendments and interpretations that are not yet effective.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 – First time adoption of IFRSs	January 01, 2024
IFRS 17 – Insurance Contracts	January 01, 2023

The Company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

#### 4. USE OF JUDGEMENTS AND ESTIMATES

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

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, 2022.

### 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, 2022.

### 6. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the contribution deficiency reserve for each class of business as at June 30, 2023 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 except health department.

		(Unaudited) June 30, 2023			(Audited) December 31, 2022		
		Impairment / provision			Impairment / provision		
		Cost	for the Period	Carrying value (Rupees in '000)	Cost	for the Period	Carrying value
7.	<b>INVESTMENTS IN MUTUAL FUNDS – PTF</b>						
	Note						
	<b>Participants' Takaful Fund</b>						
	Available for sale						
	Mutual fund units:						
	NBP Islamic Sarmaya Izafa Fund	5,100	-	4,715	5,100	-	4,630
8.	<b>INVESTMENTS IN TERM DEPOSITS – PTF</b>						
	<b>Participants' Takaful Fund</b>						
	Held to						
	Term deposit receipt	600	-	600	600	-	600

8.1 This represents a term deposit with bank having profit at the average rate of 10.72% per annum (December 31, 2022: 7.5%) having maturity till July 04, 2023.

	June 30 2023 (Unaudited)	December 31 2022 (Audited)

(Rupees in '000)

### 9. QARD-E-HASNA

Balance as at the beginning of the period / year	71,903	44,403
Repayment during the period / year	-	(5,000)
Qard-e-Hasna contributed during the period / year	10,000	32,500
Balance as at the end of the period / year	81,903	71,903

Half Yearly Report June 2023

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	Operator's Fund		Participant's Takaful Fund	
	June 30 2023 (Unaudited)	December 31 2022 (Audited)	June 30 2023 (Unaudited)	December 31 2022 (Audited)
<b>10. LOANS AND OTHER RECEIVABLES</b>	(Rupees in '000)			
<b>- Considered good</b>				
Profit receivable	30	5	1,101	821
Federal excise duty	282	220	3,957	3,717
Others	-	-	35,139	17,308
	<b>312</b>	<b>225</b>	<b>40,197</b>	<b>21,846</b>
<b>11. RECEIVABLE FROM PTF</b>				
Wakala fee receivable	<b>14,430</b>	12,792	-	-
<b>12. TAKAFUL / RETAKAFUL RECEIVABLES -</b>	(Rupees in '000)			
<b>Unsecured and considered good</b>				
Contribution due but unpaid			38,478	33,734
Less: Provision for doubtful receivables takaful participants' holders			(5,714)	(5,714)
			<b>32,764</b>	<b>28,020</b>
Amounts due from other takaful / retakaful operators			16,263	15,564
			<b>49,027</b>	<b>43,584</b>
<b>13. PREPAYMENTS</b>				
Prepaid retakaful contribution ceded			9,000	10,573
Other prepaid expense			1,866	975
			<b>10,866</b>	<b>11,548</b>
<b>14. CASH AND BANK</b>	(Rupees in '000)			
<b>Cash and cash equivalent</b>				
Policy, revenue stamps and bond papers	-	-	25	29
<b>Cash at bank</b>				
Current accounts	-	-	232	127
Profit and loss sharing accounts	3,624	4,147	72,573	71,193
	<b>3,624</b>	<b>4,147</b>	<b>72,830</b>	<b>71,349</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

- 14.1** The rate of return on profit and loss sharing accounts held with Islamic banks during the period range from 3.81% to 16.88% per annum (December 31, 2022: 2.84% to 14.03%).

	Operator's Fund		Participant's Takaful Fund	
	June 30 2023 (Unaudited)	December 31 2022 (Audited)	June 30 2023 (Unaudited)	December 31 2022 (Audited)
	(Rupees in '000)			
<b>15. OTHER CREDITORS AND ACCRUALS</b>				
Payable to Premier Insurance Limited	141,442	105,937	-	-
Federal takaful fee	-	-	116	-
Sales tax on services	-	-	1,057	(249)
Commission payable	15,442	13,726	-	-
Auditor's fee	309	478	-	-
Others	(370)	(583)	2,473	1,946
	<u>156,823</u>	<u>119,558</u>	<u>3,646</u>	<u>1,697</u>
<b>16. PAYABLE TO OPF</b>				
Wakala fee payable	-	-	14,430	12,792

### 17. CONTINGENCES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2023 (31 December 2022: Nil)

	(Unaudited) Quarter ended		(Unaudited) Half Year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
<b>18. NET CONTRIBUTION</b>				
Written gross contribution	42,959	51,698	81,578	80,660
Less: Wakala fee	(15,266)	(15,687)	(30,486)	(30,230)
Contribution Net of Wakala Fee	27,693	36,011	51,092	50,430
<b>Add:</b> Unearned contribution reserve opening	78,530	76,408	83,119	88,967
<b>Less:</b> Unearned contribution reserve closing	(77,960)	(83,517)	(77,960)	(83,517)
Contribution earned	<u>28,263</u>	<u>28,902</u>	<u>56,251</u>	<u>55,880</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	(Unaudited) Quarter ended		(Unaudited) Half Year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
<b>Less:</b> Retakaful contribution ceded	7,048	6,440	10,700	9,212
<b>Add:</b> Prepaid retakaful contribution opening	8,100	7,355	10,573	10,121
<b>Less:</b> Prepaid retakaful contribution closing	(9,000)	(8,289)	(9,000)	(8,289)
Retakaful expense	6,148	5,506	12,273	11,044
	<b>22,115</b>	<b>23,396</b>	<b>43,978</b>	<b>44,836</b>
<b>19. NET CLAIMS EXPENSE</b>				
Claims paid or payable	21,708	35,325	40,634	64,788
<b>Less:</b> Outstanding claims including IBNR opening	(70,033)	(70,509)	(59,670)	(70,595)
<b>Add:</b> Outstanding claims including IBNR closing	72,872	61,354	72,872	61,354
Claims expense	24,547	26,170	53,836	55,547
<b>Less:</b> Retakaful and other recoveries received	911	5,131	1,642	14,022
<b>Less:</b> Retakaful recoveries against outstanding claims - opening	(6,786)	(10,647)	(6,930)	(20,271)
<b>Add:</b> Retakaful recoveries against outstanding claims - closing	7,217	6,964	7,217	6,964
Retakaful and other recoveries revenue	1,342	1,448	1,929	715
	<b>23,205</b>	<b>24,722</b>	<b>51,907</b>	<b>54,832</b>
<b>20. DIRECT EXPENSES - PTF</b>				
Tracking services	149	(6)	320	(6)
Service charges	1,374	1,607	2,468	3,334
Others	417	691	685	1,007
	<b>1,940</b>	<b>2,292</b>	<b>3,473</b>	<b>4,335</b>
<b>21. RETAKAFUL REBATE - PTF</b>				
Rebate from re-takaful received	1,107	1,219	1,793	1,659
Add: Deferred rebate opening	1,647	1,494	2,054	2,134
Less: Deferred rebate closing	(1,627)	(1,664)	(1,627)	(1,664)
	<b>1,127</b>	<b>1,049</b>	<b>2,220</b>	<b>2,129</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	(Unaudited) Quarter ended		(Unaudited) Half Year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
<b>22. WAKALA FEE - OPF</b>				
Gross wakala fee	15,044	18,275	28,560	28,664
Add: Deferred wakala opening	27,514	26,986	29,218	31,140
Less: Deferred wakala closing	(27,292)	(29,574)	(27,292)	(29,574)
	15,266	15,687	30,486	30,230

The shareholders of the company manage the general takaful operations for the participants and charges 70% for travel class of business and 35% for all other classes (December 31, 2021: 35%) of the gross contribution written as wakala fee against the services.

	(Unaudited) Quarter ended		(Unaudited) Half Year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
<b>23. COMMISSION EXPENSE - OPF</b>				
Commission paid or payable	4,439	5,831	7,605	8,924
Add: Deferred commission opening	7,240	6,934	8,329	7,105
Less: Deferred commission closing	(7,621)	(8,851)	(7,621)	(8,851)
	4,058	3,914	8,313	7,178

### 24. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF

Employee benefit cost	22,150	17,388	40,143	33,211
Rent, rates and taxes	264	119	477	261
Communications	235	173	425	343
Fuel and power	946	669	1,287	1,039
Travelling expenses	148	100	310	256
Entertainments	265	276	487	513
Advertisements and sales promotions	259	438	617	725
Repair and maintenance	428	413	973	756
Printing and stationery	386	404	727	650
Vehicle running expenses	120	59	337	226
Annual supervision fee SECP	-	-	267	119
Miscellaneous	531	370	939	713
	25,732	20,409	46,989	38,812



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	(Unaudited) Quarter ended		(Unaudited) Half Year ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	(Rupees in '000)			
<b>25. OTHER EXPENSES - OPF</b>				
Auditors' remuneration	149	228	310	388
Fees and subscription	1,077	837	1,815	1,335
	<u>1,226</u>	<u>1,065</u>	<u>2,125</u>	<u>1,723</u>
<b>26. INVESTMENT LOSS - OPF</b>				
Income from term deposits				
Return on term deposits	<u>165</u>	<u>5</u>	<u>176</u>	<u>13</u>
<b>27. OTHER INCOME - PTF</b>				
Profit on bank deposits	2,941	1,363	5,225	2,415
Exchange gain	-	121	-	121
	<u>2,941</u>	<u>1,484</u>	<u>5,225</u>	<u>2,536</u>

### 28. MODARIB FEE

The operator manage the participants' investments as a Modarib and charge 35% (December 31, 2022: 35%) Modarib's share of the investment income earned by PTF.

### 29. RELATED PARTY TRANSACTIONS - PTF

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

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

	(Unaudited)	
	June 30 2023	June 30 2022
	(Rupees in '000)	
<b>Transactions during the period</b>		
<b>Associated companies</b>		
Contribution underwritten	283	3,432
Contribution received	2,336	5,873
Claims paid	(750)	2,022

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

(Unaudited) (Audited)  
**June 30**     **December 31**  
**2023**         **2022**  
(Rupees in '000)

## Period end balances

### Associated companies

Contribution receivable  
Claims outstanding  
Commission outstanding

	<b>1,489</b>	(119)
	<b>253</b>	1,235
	<b>59</b>	59

**29.1** Operator's contribution toward staff provident fund during the period is Rs.1.175 million (2022: 1.034 million).

## 30. SEGMENT INFORMATION

### 30.1 Participants Takaful Fund

#### Segment profit and loss

											Quarter ended		
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
(Rupees in '000)													
<b>Participants Takaful Fund</b>													
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)													
	3,080	6,163	1,695	2,127	27,874	34,340	14,280	13,701	160	664	47,089	56,994	
Less: Federal excise duty	333	607	207	244	3,152	3,877	-	-	22	77	3,714	4,806	
Less: Federal takaful fee	21	38	15	19	237	292	141	136	2	5	416	489	
Gross written contribution ( inclusive of Administrative surcharge)	2,726	5,518	1,473	1,864	24,485	30,171	14,139	13,565	136	582	42,959	51,699	
Gross direct contribution	2,111	3,749	1,406	1,782	22,896	28,283	14,124	13,545	133	569	40,669	47,927	
Facultative inward contribution	590	1,730	-	-	802	982	-	-	-	-	1,392	2,712	
Administrative surcharge	26	40	68	82	788	906	15	20	3	12	900	1,060	
Less: Wakala expense	(1,776)	(1,226)	(424)	(565)	(7,587)	(6,401)	(5,173)	(7,003)	(306)	(492)	(15,266)	(15,687)	
Takaful contribution earned	5,071	3,501	1,211	1,615	21,677	18,289	14,778	20,007	792	1,177	43,529	44,589	
Takaful contribution ceded to retakaful operators	(3,175)	(3,004)	(929)	(1,160)	(1,745)	(1,026)	-	-	(299)	(316)	(6,143)	(5,505)	
Net takaful contribution	120	(729)	(142)	(110)	12,344	10,862	9,605	13,004	187	369	22,114	23,396	
Rebate earned	727	668	210	254	122	56	-	(0)	68	72	1,127	1,049	
Net underwriting income	847	(61)	68	144	12,466	10,918	9,605	13,004	255	441	23,240	24,445	
Takaful claims	(1,345)	(1,416)	(1,039)	(389)	(10,015)	(4,312)	(11,246)	(20,300)	(902)	247	(24,547)	(26,170)	
Takaful claims recovered from retakaful	369	1,225	655	336	206	11	-	-	113	(124)	1,343	1,448	
Net claim	(976)	(191)	(384)	(53)	(9,809)	(4,301)	(11,246)	(20,300)	(789)	123	(23,204)	(24,722)	
Other direct expense	(47)	(65)	(24)	(21)	(404)	(348)	(1,462)	(1,851)	(2)	(6)	(1,940)	(2,292)	
(Deficit) / Surplus before investment income	(176)	(317)	(340)	70	2,253	6,269	(3,103)	(9,147)	(536)	558	(1,902)	(2,569)	
Investment income												165	5
Other income												2,941	1,484
Less: Modarib's share of investment income												(1,086)	(478)
<b>Surplus / (Deficit) transferred to accumulated surplus</b>												<b>118</b>	<b>(1,558)</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

## FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

### Segment profit and loss

	Half Year ended											
	June 30 2023		June 30 2022		June 30 2023		June 30 2022		June 30 2023		June 30 2022	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)	6,109	7,063	2,824	3,578	49,012	49,683	30,571	28,495	170	1,446	88,786	88,263
Less: Federal excise duty	546	689	364	417	5,495	5,552	-	-	23	166	6,429	6,534
Less: Federal takaful fee	35	44	25	31	414	419	303	262	2	13	779	769
Gross written contribution (inclusive of administrative surcharge)	5,528	6,330	2,535	3,128	43,103	43,702	30,268	26,233	145	1,267	81,578	80,660
Gross direct contribution	3,903	4,438	2,427	2,995	39,939	40,495	30,238	26,198	141	1,234	76,248	75,359
Facultative inward contribution	1,986	1,840	-	-	1,662	1,824	-	-	-	-	3,648	3,664
Administrative surcharge	39	52	108	133	1,502	1,383	30	35	4	33	1,683	1,636
Less: Wakala expense	(3,410)	(2,397)	(1,042)	(1,055)	(15,343)	(12,423)	(9,980)	(13,476)	(710)	(879)	(30,486)	(30,230)
Takaful contribution earned	9,739	6,847	2,978	3,015	43,838	35,493	28,514	38,503	1,668	2,252	86,737	86,110
Takaful contribution ceded to retakaful	(5,941)	(5,982)	(2,468)	(2,444)	(3,352)	(1,915)	-	-	(513)	(703)	(12,273)	(11,044)
Net takaful contribution	388	(1,532)	(532)	(484)	25,143	21,155	18,534	25,027	445	670	43,978	44,836
Rebate earned	1,359	1,329	521	547	223	92	-	-	117	161	2,220	2,129
Net underwriting income	1,747	(203)	(11)	63	25,366	21,247	18,534	25,027	562	831	46,198	46,965
Takaful claims	(1,917)	(1,708)	(571)	658	(27,950)	(11,222)	(22,491)	(42,933)	(907)	(341)	(53,836)	(55,547)
Takaful claims recovered from retakaful	971	1,489	454	(593)	386	11	-	-	118	(192)	1,929	715
Net claim	(946)	(220)	(117)	65	(27,564)	(11,211)	(22,491)	(42,933)	(789)	(533)	(51,907)	(54,832)
Other direct expense	(83)	(76)	(38)	(37)	(645)	(524)	(2,705)	(3,683)	(2)	(15)	(3,473)	(4,335)
(Deficit) / Surplus before investment income	716	(499)	(166)	91	(2,843)	9,512	(6,662)	(21,589)	(229)	283	(9,182)	(12,202)
Investment income											176	13
Other Income											5,225	2,536
Less: Modarib's share of investment income											(1,890)	(849)
<b>Deficit transferred to accumulated surplus</b>											<b>(5,671)</b>	<b>(10,502)</b>

### Segment assets and liabilities

The following presents segments assets and liabilities as at 30 June 2023 (unaudited) and 31 December 2022 (audited):

	Half Year ended											
	June 30 2023		June 30 2022		June 30 2023		June 30 2022		June 30 2023		June 30 2022	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Segment assets	6,428	10,522	2,948	4,577	50,120	57,153	35,196	58,495	189	3,030	94,860	133,775
Unallocated corporate assets											118,340	56,327
Total assets											213,200	190,102
Segment liabilities	12,450	14,724	5,710	6,404	97,072	79,978	68,167	81,857	327	4,240	183,722	187,202
Unallocated corporate liabilities											21,105	(1,182)
Total liabilities											204,827	186,020

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

## FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

### Segment profit and loss

											Quarter ended	
											30 June 2023	30 June 2022
											(Unaudited)	(Unaudited)
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Wakala fee earned	1,776	1,226	424	565	7,587	6,401	5,173	7,003	306	492	15,286	15,687
Commission expense	(730)	(407)	(77)	(120)	(2,733)	(2,197)	(410)	(650)	(108)	(540)	(4,058)	(3,914)
Management expense	(153)	637	189	98	(14,421)	(9,479)	(11,122)	(11,345)	(228)	(321)	(25,732)	(20,409)
Modarib's share of PTF investment income	893	1,456	536	543	(9,567)	(5,275)	(6,359)	(4,992)	(28)	(369)	(14,524)	(8,636)
Investment income											1,086	478
Profit on bank deposits											-	-
Other expenses											169	58
Loss before taxation											(1,226)	(1,955)
											(14,435)	(9,165)

### 30.2 Operators Fund

#### Segment profit and loss

											Half Year ended	
											2023	2022
											(Unaudited)	(Unaudited)
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Wakala fee earned	3,410	2,397	1,042	1,055	15,343	12,423	9,980	13,476	710	879	30,486	30,230
Commission expense	(1,414)	(756)	(178)	(209)	(5,631)	(4,066)	(808)	(1,233)	(383)	(912)	(8,313)	(7,178)
Management expense	(415)	1,327	568	419	(28,885)	(18,314)	(19,803)	(21,664)	(476)	(579)	(46,989)	(38,812)
Modarib's share of PTF investment income	1,581	2,966	1,433	1,265	(17,052)	(9,959)	(10,631)	(9,421)	(149)	(612)	(24,816)	(15,760)
Investment income											1,890	849
Profit on bank deposits											-	-
Other expenses											206	146
Loss before taxation											(2,125)	(1,723)
											(24,845)	(16,488)

#### Segment assets and liabilities

The following presents segments assets and liabilities as at 30 June 2023 (unaudited) and 31 December 2022 (audited):

											2023	2022
											(Unaudited)	(Audited)
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Segment assets	516	559	237	243	4,027	3,035	2,828	3,107	14	161	7,622	7,105
Unallocated corporate assets											100,268	90,291
Total assets											107,890	97,396
Segment liabilities	1,849	2,449	848	1,065	14,420	13,304	10,126	13,616	49	705	27,292	31,140
Unallocated corporate liabilities											156,823	117,636
Total liabilities											184,115	148,776

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	OPF	Participant's Takaful Fund		Total
	Available for sale	Available for sale	Held to maturity	
<b>31. MOVEMENT IN INVESTMENTS</b>				
		(Rupees in '000)		
<b>As at January 01, 2022</b>	-	5,035	600	5,635
Addition	-	-	2,400	2,400
Disposal (sale and redemption)	-	-	(2,400)	(2,400)
Designated at available for sale upon initial recognition	-	(405)	-	(405)
<b>As at December 31, 2022</b>	-	4,630	600	5,230
Addition	-	123	1,800	1,923
Disposal (sale and redemption)	-	-	(1,800)	(1,800)
Designated at available for sale upon initial recognition	-	(38)	-	(38)
<b>As at June 30, 2023</b>	-	4,715	600	5,315

### 32. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	(Unaudited) June 30, 2023 Fair Value Measurement		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
<b>PTF</b>			
<b>Available for sale investments (measured at fair value)</b>			
Mutual fund units	-	4,715	-

  

	(Audited) December 31, 2022 Fair Value Measurement		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
<b>PTF</b>			
<b>Available for sale investments (measured at fair value)</b>			
Mutual fund units	-	5,035	-

### 33. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **29 August 2023** by the Board of Directors of the Operator.

### 34. GENERAL

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

Chief Executive  
Officer

Chairman

Director

Director

Chief Financial  
Officer

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