



PICIC
INSURANCE

PICIC INSURANCE LIMITED

Interim Financial Report
(Un-Audited)
Quarter Ended

September 30, 2018

Contents

Company Information	2
Director's Report to the Members on Financial Statements	3
Director's Report to the Members on Financial Statements (Urdu)	4
Financial Statements	5

Company Information

Board of Directors

Mr. Irshad Ali Shaban Ali Kassim (Chairman) *
Mr. Abu Ahmed **
Mr. Munawar Ali Kassim*
Mr. Muzaffar Ali Shah Bukhari*
Mr. Moiz Ali**
Mr. Haji Ashraf Dhedhi**
Ms. Nudrat Fatima**
Mr. Hafiz Muhammad Hassan Saeed**
Mr. Muhammad Abdul Rasheed**
Mr. Muhammad Afzal Shehzad**

Managing Director / CEO

Mr. Moiz Ali

Board Audit Committee

Mr. Muzaffar Ali Shah Bukhari (Chairman)
Mr. Abu Ahmed
Mr. Munawar Ali Kassim

Board Human Resources & Remuneration Committee

Mr. Munawar Ali Kassim (Chairman)
Mr. Irshad Ali Shaban Ali Kassim
Mr. Moiz Ali

Acting CFO & Company Secretary

Syed Zaigham Raza

Auditors

Horwath Hussain Chaudhury & Co.
Chartered Accountants

Legal Advisor

Jameel Khan & Associates

Bankers

Habib Metropolitan Bank Limited
NIB Bank Limited
Silk Bank Limited

Shares Registrar

F.D. Registrar Services (SMC- Pvt) Ltd.
1705, 17th Floor, Saima Trade Tower –A,
I.I. Chundrigar Road,
Karachi

Registered & Head Office

3rd Floor, Nadir House, I.I. Chundrigar Road,
Karachi
Tel: 021-32410781
Fax: 021-32410782
www.picicinsurance.com

(*Continuing till new board takes
charges after approval by SECP under
sound & prudent management)

(** Appointed however not taken
charge pending approval by SECP
under sound & prudent management)



DIRECTORS' REPORT

The Directors would like to present the condensed interim un-audited financial statements of the Company for the nine months period ended September 30, 2018.

Message from the Chairman

For the 3rd quarter ended September 30, 2018, the Board's overall performance and effectiveness has been assessed as satisfactory, it is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; monitor financial resource management. Improvement is an ongoing process leading to action plans.

The process of the merger is at advanced stage and have been approved by the Board and EOGM of the company. The merger is subject to approval of the Honorable High Court of Sindh for which the petition is before the court and will be subject to approval of the Scheme of Amalgamation submitted in the High Court of Sindh with any changes or otherwise as approved by the Court.

Future Plan

We are confident that once the merger phase, is completed your Company can enter into a new phase and a new look. The management is considering all options and working on strategy to turn around the Company and recover losses to regain a financial position.

Financial Highlights

The comparative financial highlights of your Company for the period ended September 30, 2018 are as follows:

	2018	2017
Rupees in '000.....	
Gross Premium Written	-	(466)
Net Premium Revenue	-	41,251
Net Claims including IBNR	-	(49,024)
Loss from underwriting business	-	(10,713)
Investment Income	1,586	2,089
Loss after Taxation	(5,915)	(37,799)
Loss per share (Rupees)	(0.17)	(1.14)

Acknowledgement

The Board of Directors would like to express its sincere appreciation to the Company's valued clients, reinsurers, brokers, business partners and other stakeholders. The Board would also like to thank the Securities and Exchange Commission of Pakistan, the Stock Exchanges and the Central Depository Company for their continued guidance and support. The Company's accomplishments would not have been possible without the dedication and commitment of the Company's motivated & dedicated employees; they deserve special recognition on behalf of the Board.

Irshad Ali Shaban Ali Kassim
Chairman
Karachi: October 27, 2018

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز اختصاری عبوری غیر آڈٹ شدہ مالیاتی گوشوارے برائے نو ماہی مدت ختمہ 30 ستمبر 2018ء پیش کرتے ہوئے اظہار مسرت کرتا ہے۔

چیئر مین کا پیغام

تیسری سہ ماہی مدت ختمہ 30 ستمبر 2018ء میں بورڈ کی مجموعی کارکردگی اور اثر پذیری کی تشخیص تسلی بخش رہی۔ تشخیص کی بنیاد وہ امتیازی اجزاء ہیں جن میں نصب العین، مشن اور اقدار، حکمت عملی سے بھرپور منصوبہ بندی میں مصروفیت، انتظامی مالی وسائل کی نگرانی، شامل ہیں۔ جاری عمل میں بہتری سے منصوبوں پر عملدرآمد میں مدد ملتی ہے۔

الحاق کا عمل آخری مراحل میں ہے جسے بورڈ اور کمپنی کی غیر معمولی اجلاس عام میں منظور بھی کر لیا گیا ہے۔ ادغام کی منظوری کے حصول کے لئے عدالت عالیہ سندھ کے دو برو عرضی دائر کی کر دی گئی ہے اور عدالت عالیہ سندھ پیش کی گئی ادغامی اسکیم کو کسی تبدیلی یا بغیر تبدیلی کے منظور کرے گی۔

مستقبل کے منصوبے

ہم پر اعتماد ہیں کہ جیسے ہی ادغامی مرحلہ مکمل ہو جائے گا تو پھر آپ کی کمپنی ایک نئے دور اور نئے منظر میں داخل ہو جائے گی۔ انتظامیہ تمام آپشنز پر غور کر رہی ہے اور کمپنی کے لئے بہتر حکمت عملی اختیار کرنے اور خسارے کی بازیابی کے ذریعے مالیاتی پوزیشن کو مستحکم کرنے کے لئے کوشاں ہے۔

مالیاتی جھلکیاں

نو ماہی مدت ختمہ 30 ستمبر 2018ء کی مالیاتی جھلکیوں کا موازنہ درج ذیل ہے:

2017	2018	
		روپے ”000“ میں
(466)	-	خاتم تحریری پر بیمہ
41,251	-	خالص پر بیمہ ماحاصلات
(49,024)	-	خالص دعوے بشمول آئی بی این آر
(10,713)	-	ذمہ دہی کے کاروبار میں خسارہ
2,089	1,586	سرمایہ کاری سے حاصل ہونے والی آمدنی
(37,799)	(5,915)	خسارہ بعد از ٹیکس
(1.14)	(0.17)	خسارہ فی حصص (روپے)

اعتراف

بورڈ آف ڈائریکٹرز اپنی مخلصانہ ستائش کمپنی کے قابل قدر کلائنٹس، دہرے بیمہ کاروں، بروکرز، کاروباری شراکت داروں اور دیگر مستفیدان کو پیش کرتا ہے۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹاک ایکسچینجز اور سینٹرل ڈپازٹری کمپنی کے مسلسل رہنمائی اور تعاون پر بورڈ ان کا مشکور ہے۔ کمپنی کے لئے ان کامیابیوں کا حصول ممکن نہ ہوتا اگر کمپنی کے متحرک اور مخلص ملازمین انتھک محنت و جدوجہد نہ کرتے، بوڑھ کی جانب سے وہ خصوصی ستائش کے مستحق ہیں۔

ارشاد علی شعبان علی قاسم

چیئر مین

کراچی: 27 اکتوبر، 2018

PICIC INSURANCE LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2018

		(Un-audited) Sept 30, 2018	(Audited) December 31, 2017
	Note	----- (Rupees) -----	-----
ASSETS			
Property and equipment	6	147	697
Intangible assets		-	-
Investments	7		
Matual funds		39,541	38,208
Deferred taxation		2,619	2,619
Taxation - payments less provision		26,571	26,300
Cash and bank	8	885	780
Total assets		<u>69,763</u>	<u>68,604</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Authorized share capital			
125,000,000 Ordinary share of Rs.10 each		<u>1,250,000</u>	<u>1,250,000</u>
Ordinary share capital		350,000	350,000
Unappropriated loss		(359,935)	(354,020)
Total Equity		<u>(9,935)</u>	<u>(4,020)</u>
Liabilities			
Underwriting provisions			
Other creditors and accruals	9	79,698	72,624
Total Liabilities		79,698	72,624
Total Equity and Liabilities		<u>69,763</u>	<u>68,604</u>
Contingencies and commitments	10		

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

Chairman

Director

Director

Managing Director / CEO Chief Financial Officer

PICIC INSURANCE LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

		(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
	Note		
Net insurance premium	11	-	41,251
Net insurance claims	12	-	(49,024)
Net commission and other acquisition costs	13	-	1,375
Insurance claims and acquisition expenses		-	(47,649)
Management expenses		-	(4,315)
Underwriting results		-	(10,713)
Investment income	14	1,549	2,055
Return on bank balances		37	34
Loss on Disposal of Assets		40	(1,935)
Other expenses		(7,541)	(29,240)
Results of operating activities		(5,915)	(39,799)
Loss before tax		(5,915)	(39,799)
Taxation – current		-	-
Loss after tax		(5,915)	(39,799)
Loss per share - basic and diluted	15	(0.17)	(1.14)

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

Chairman

Director

Director

Managing Director / CEO

Chief Financial Officer

PICIC INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Share capital	Revenue reserves	Total shareholders' equity
	Issued, subscribed and paid-up share capital	Unappropriated loss	
	----- (Rupees) -----		
Balance as at January 01, 2017	350,000	(311,789)	38,211
Total comprehensive income for the period			
Net loss for the period ended September 30, 2017	-	(39,799)	(39,799)
Balance as at September 30, 2017	350,000	(351,588)	(1,588)
Balance as at January 01, 2018	350,000	(354,020)	(4,020)
Total comprehensive income for the period			
Net loss for the period ended September 30, 2018	-	(5,915)	(5,915)
Balance as at September 30, 2018	350,000	(359,935)	(9,935)

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements

Chairman Director Director Managing Director / CEO Chief Financial Officer

PICIC INSURANCE LMTIED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Premiums received	-	(5,413)
Reinsurance premiums paid	-	35,114
Claims paid	-	(1,478)
Reinsurance and other recoveries received	-	-
Commissions paid	-	(25,581)
Commissions received	-	9,043
Management expenses paid	94	(23,727)
Net cash inflow / (outflow) from underwriting activities	94	(12,042)
(b) Other operating activities		
Income tax paid	(271)	(583)
Other operating receipts	-	-
Other operating payments	-	5,119
Other charges	(14)	(12)
Net cash outflow from other operating activities	(285)	4,524
Total cash inflow / (outflow) from operating activities	(191)	(7,518)
Investment activities		
Profit / return received	37	34
Dividends received	-	2,347
Payments for investments	216	(1,815)
Fixed capital expenditure	3	8,968
Proceeds from sale of property, plant and equipment	40	(1,935)
Total cash (outflow) / inflow from investing activities	296	7,599
Financing activities		
Share deposit money received	-	-
Proceeds from issue of right shares	-	-
Borrowing under Musharaka arrangements	-	-
Finance costs paid	-	-
Total cash inflow / (outflow) from financing activities	-	-
Net cash inflow from all activities	105	81
Cash at beginning of the period	780	496
Cash at end of the period	885	577
	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
	----- (Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	(191)	(7,518)
Depreciation / amortisation expense	(547)	(2,218)
Profit on disposal of fixed assets	40	(1,935)
Profit on disposal of investments	-	-
Dividend income	-	-
Other investment and other income	-	-
Finance costs	-	-
Net investment Income	1,549	2,055
Return on bank balances	37	34
Decrease in assets other than cash	-	(43,532)
Increase in assets other than cash	-	-
Decrease in liabilities	(6,803)	15,725
Decrease / Increase in unearned premium	-	(2,410)
Provision for taxation	-	-
Loss after taxation for the period	(5,915)	(39,799)

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

Chairman

Director

Director

Managing Director / CEO

Chief Financial Officer

PICIC INSURANCE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS QUARTER ENDED SEPTEMBER 30, 2018

1. STATUS AND NATURE OF BUSINESS

PICIC Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on April 23, 2014 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The Company is listed on the Pakistan Stock Exchange Limited and is engaged in general insurance business. The registered office of the Company is situated at 3rd Floor, Nadir House, I.I. Chundrigar Road, Karachi.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the nine months period ended September 30, 2018 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan in annexure II of Insurance Rules, 2017 and International Accounting Standard 34 - Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2017.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values. Accrual basis of accounting has been used except for cash flow information.

These are separate condensed interim financial statements of the Company in which investments in subsidiaries are accounted for on the basis of cost of investment rather than on the basis of reported results. Condensed interim financial information has been prepared and presented separately.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information is 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 estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2017 except for note no. 5.2.

5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

- 5.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2017. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2017, except as follows;

5.2 Changes in accounting policies

5.2.1 Adoption of new Insurance Rules, 2017 and Insurance Accounting Regulations, 2017

SECP has issued the Insurance Rules, 2017 including the new Insurance Accounting Regulations, 2017 and format for the preparation of financial statements. The new Insurance Rules are effective for the current period financial statements. Under the new Insurance Rules, 2017, certain changes have been made to the presentation of the financial statements which include the following :

- Changes in the sequence of assets / liabilities in the statement of financial position;
- Discontinuation of separate statements of premium, claims, commission and investment income, which are now presented (on aggregate basis) into the notes of the financial statements (note 11, 12, 13 and 14); and
- Underwriting results in relation to various classes of business which were previously on the face of the profit and loss account are now presented in a separate note (note 16).

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
	Note	----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Operating assets	6.1	<u>147</u>	<u>697</u>
6.1 Operating assets			
Opening written down value		697	13,386
Less: Written down value of deletions		(4)	(10,197)
Depreciation for the period / year		(546)	(2,492)
		<u>(550)</u>	<u>(12,689)</u>
		<u>147</u>	<u>697</u>
7 INVESTMENTS			
Held-to- maturity			
Matual Fund	7.1	<u>39,541</u>	<u>38,208</u>

7.1 The mutual fund investments includes Rs.39.5 million invested in Pakistan Income Fund and deposited with the State Bank of Pakistan in compliance with the requirement of section 29 of the insurance ordinance 2000.

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
		----- (Rupees) -----	
8 CASH AND BANK DEPOSITS			
Cash and other equivalents			
Cash in hand		21	7
Policy stamps and bond papers in hand		68	68
		<u>89</u>	<u>75</u>
Current and other accounts			
Current accounts		7	15
Profit and loss savings accounts		789	690
		<u>796</u>	<u>705</u>
		<u>796</u>	<u>705</u>
		<u>885</u>	<u>780</u>
9 OTHER CREDITORS AND ACCRUALS			
Unclaimed dividend		195	195
Others	9.1	79,503	72,429
		<u>79,698</u>	<u>72,624</u>

9.1 PICIC Insurance Limited (PIL) is transferring its all insurance related assets and liabilities to Crescent Star Insurance Limited (CIL). This balance represents the amount that is required to settle against the such transfer.

10 CONTINGENCIES AND COMMITMENTS

10.1 CONTINGENCIES

The status of contingencies remain unchanged as disclosed in the annual financial statements as of December 31, 2017.

	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
	----- (Rupees) -----	
11 NET INSURANCE PREMIUM		
Written Gross premium	-	(466)
Add : Unearned contribution reserve opening	-	16,625
Less: Unearned contribution reserve closing	-	(142)
Premium earned	-	16,017
Less: Reinsurance premium ceded	-	(44,127)
Add: prepaid reinsurance premium ceded opening	-	19,008
Less: prepaid reinsurance premium ceded closing	-	(115)
Reinsurance expense	-	(25,234)
	-	41,251
12 NET INSURANCE CLAIMS EXPENSE		
Claim paid	-	1,478
Add : Outstanding claims including IBNR closing	-	116,822
Less: Outstanding claims including IBNR opening	-	(112,928)
Claims expense	-	5,372
Less: Reinsurance and others recoveries received	-	-
Add: Reinsurance and others recoveries in respect of outstanding claims closing	-	13,566
Less: Reinsurance and others recoveries in respect of outstanding claims opening	-	(57,218)
Reinsurance and recoveries revenue	-	(43,652)
	-	49,024
13 NET COMMISSION EXPENSE		
Commission paid or payable	-	(2)
Add : Deferred commission expense opening	-	3,494
Less: Deferred commission expense closing	-	(21)
	-	3,471
Less: Commission received or recoverable	-	(4,846)
Add: Unearned Reinsurance commission opening	-	-
Less: Unearned Reinsurance commission closing	-	-
Commission from reinsurers	-	(4,846)
Net commission	-	(1,375)
14 INVESTMENT INCOME		
Income from debt securities		
Held to maturity		
Return on government securities	1,599	2,111
	1,599	2,111
Less: Investment related expenses	(50)	(56)
Investment income	1,549	2,055

	Sept 30, 2018	Sept 30, 2017
	----- (Rupees) -----	
15 EARNINGS PER SHARE - BASIC AND DILUTED		
Loss after tax for the period	<u><u>(5,915)</u></u>	<u><u>(39,799)</u></u>
	----- (Number) -----	
Weighted average number of Ordinary shares	<u><u>35,000</u></u>	<u><u>35,000</u></u>
	----- (Rupees) -----	
Loss per share - basic and diluted	<u><u>(0.17)</u></u>	<u><u>(1.14)</u></u>

15.1 No figure for diluted loss per share has been presented as the Company has not issued any instrument which would have an impact on loss per share when exercised.

16 SEGMENT INFORMATION

Current period	For the nine months period ended September 30, 2018						Aggregate
	property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	
	(Rupees)						
Gross written premium (inclusive of administrative surcharges)	-	-	-	-	-	-	-
Insurance premium earned	-	-	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-	-	-
Net insurance premium	-	-	-	-	-	-	-
Commission income	-	-	-	-	-	-	-
Net underwriting income	-	-	-	-	-	-	-
Insurance claims	-	-	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-	-	-
Net claims	-	-	-	-	-	-	-
Commission expense	-	-	-	-	-	-	-
Management expense	-	-	-	-	-	-	-
Net insurance claims and expenses	-	-	-	-	-	-	-
Underwriting results	-	-	-	-	-	-	-
Net investment income							1,549
Return on bank balances							37
Other income							40
Other expenses							(7,541)
Result of operating activities							(5,915)
Finance costs							-
Loss before tax for the period							(5,915)

Prior period	For the nine months period ended September 30, 2017						Aggregate
	property damage	Marine, aviation and transport	Motor	Accident & health	Credit and suretyship	Miscellaneous	
	(Rupees)						
Gross written premium (inclusive of administrative surcharges)	-	123	(373)	-	-	(216)	(466)
Insurance premium earned	(5,995)	254	1,681	4	-	20,073	16,017
Insurance premium ceded to reinsurers	(16,557)	(10,086)	1,003	-	-	406	(25,234)
Net insurance premium	10,562	10,340	678	4	-	19,667	41,251
Commission income	-	-	-	-	-	-	-
Net underwriting income	10,562	10,340	678	4	-	19,667	41,251
Insurance claims	-	(6,501)	1,129	-	-	-	(5,372)
Insurance claims recovered from reinsurers	(11,440)	(6,942)	617	-	-	(25,887)	(43,652)
Net claims	(11,440)	(13,443)	1,746	-	-	(25,887)	(49,024)
Commission expense	110	2	(131)	-	-	1,394	1,375
Management expense	-	1,141	(3,458)	-	-	(1,998)	(4,315)
Net insurance claims and expenses	(11,330)	(12,300)	(1,843)	-	-	(26,491)	(51,964)
Underwriting results	(768)	(1,960)	(1,165)	4	-	(6,824)	(10,713)
Net investment income							2,055
Return on bank balances							34
Other income							-
Loss on Disposal of Assets							(1,935)
Other expenses							(29,240)
Result of operating activities							(39,799)
Finance costs							-
Loss before tax for the period							(39,799)

17 GENERAL

17 Figures in these interim condensed financial statements have been rounded off to the nearest rupee, unless otherwise stated.

18 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements have been approved by the Board of Directors of the Company and are authorised for issue on October 27, 2018.

Chairman

Director

Director

Managing Director / CEO

Chief Financial Officer



PICIC Insurance Limited

Registered & Head Office

3rd Floor, Nadir House,
I.I Chundrigar Road, Karachi

Tel: 021-32410781

Fax: 021-32410782

www.picicinsurance.com