



شروع اللہ تعالیٰ کے پاک نام سے جو نہایت مہربان اور رحم کرنے والا ہے

ANNUAL REPORT



2019

**THE COOPERATIVE INSURANCE
SOCIETY OF PAKISTAN LTD**



BOARD OF DIRECTORS

Chairman	Sh. Aziz-ul-Haq Paracha
Senior Vice Chairman	Ch. Ahsun Mehmood
Independent Director	Ayyaz Mehmood Khilji
Directors	EX-Officio Ch. Nisar Ahmad Zafar Iqbal Ranjha Mr. Farooq Azam Muhammad Shafi Ghulam Sajjad Hussain
Auditors	Naveed Zafar Jaffery & Company Chartered Accountant
Legal Advisor	Muhammad Hanif Khan Niazi, Advocate
Bankers	Punjab Provincial Cooperative Bank Ltd Allied Bank of Pakistan Ltd. Bank of Punjab Bank Alfalah First Women Bank Muslim Commercial Bank Ltd National Bank of Pakistan
Registered Office	23-Shahrah-e-Quaid-e-Azam, Lahore.

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THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD



HORIZONTAL ANALYSIS

Statement of Financial Statement

Assets

	2019	2018	2017	2016
	Rupees	Rupees	Rupees	Rupees
Property and equipments	2,288,277,552	2,291,000,652	2,195,981,081	2,198,318,034
Intangible Assets	358,400	448,000	71,137,377	159,416,937
Equity securities	67,631,850	55,358,882	3,011,450	2,511,450
Term deposits	3,011,450	3,011,450	1,378,266	1,063,118
Sundry receivables	5,091,517	4,027,540	42,448	120,801
Insurance /reinsurance receivables	555,721	10,226	(2.43)	-
Reinsurance recoveries against outstanding claims	108,442	41,415	283.97	493,843
Deferred commission expense	2,571,660	1,418,540	12.53	63,400
Security deposits	59,400	71,344	18.38	1,325,227
Taxation - payments less provision	2,030,129	1,852,556	219.22	511,000
Prepayments	2,300,606	1,185,965	(29.11)	11,813,163
Cash and bank	13,218,221	7,340,711	3.57	2,375,638,973
Total assets	2,385,212,948	2,365,765,280	3.57	2,375,638,973
Total assets of window takaful operations - Operator's fund	2,385,212,948	2,365,765,280	3.57	149,934,688

Equity and Liabilities

	2019	2018	2017	2016
	Rupees	Rupees	Rupees	Rupees
Capital and reserves attributable to Company's equity holders	500,032,400	500,032,400	500,022,400	500,000,000
Ordinary share capital	1,815,245,878	1,808,500,359	8,634,113	8,634,113
Reserves	-	-	47,017,326	109,642,241
Revaluation reserve	10,023,884	8,592,840	2.97	9,380,532
Unappropriated profit	2,325,302,163	2,317,125,599	310.82	627,856,866
Total equity	-	-	(100.00)	1,677,666,801
Surplus on revaluation of property and equipment	-	-	1,675,502,421	-
Liabilities				
Underwriting provisions	1,378,180	733,920	250,000	50,000
Outstanding claims including IBNR	17,076,866	9,549,846	4,128,503	2,932,083
Unearned premium reserves	125,473	4,198,848	17,49,641	1,048,022
Premium deficiency reserve	153,012	194,499	97,590	188,800
Unearned reinsurance commission	35,643,971	30,010,436	35,243,330	62,932,858
Deferred taxation	1,425,495	493,306	1,084,583	1,036,406
Insurance /reinsurance payables	1,197,538	1,398,600	1,956,865	1,886,987
Lease Liability	2,667,922	1,818,097	(7.09)	70,073,156
Other creditors and accruals	59,668,456	48,397,351	8.73	2,375,396,843
Total liabilities	2,384,970,619	2,365,522,950	3.57	2,423,330
Total equity and liabilities	242,330	242,330	-	242,330
Unclaimed dividend	2,385,212,948	2,365,765,280	3.57	2,375,638,973
Total equity and liabilities	-	-	-	-

Statement of profit or loss

	2019	2018	2017	2016
	Rupees	Rupees	Rupees	Rupees
Net insurance premium	23,463,541	10,530,107	6,309,348	5,328,320
Net insurance claims	(788,302)	(787,375)	(618,321)	(130,543)
Net commission	(3,323,183)	(1,133,208)	(987,451)	(657,712)
Insurance claims and acquisition expenses	(4,091,486)	(1,920,583)	(1,605,772)	(788,255)
Premium deficiency reserve	4,073,175	(2,449,007)	(701,818)	(309,895)
Management expenses	(17,509,806)	(11,417,391)	(8,201,040)	(6,383,256)
Underwriting results	5,935,624	(5,256,874)	(4,199,082)	(2,153,086)
Investment income	2,603,719	3,070,538	25.19	5,584,657
Rental income	7,829,687	6,931,539	(12.17)	3,495,978
Other income	432,024	1,173,759	10.08	6,298,889
Other expenses	(10,800,453)	(9,958,556)	171.80	431,850
Profit (loss) before tax	64,358	1,217,280	(54.17)	(8,955,259)
Income tax	5,999,982	(4,039,594)	161.64	2,856,291
Profit after tax	(4,091,923)	4,287,546	745.42	(11,681)
Profit after tax	1,998,999	247,953	(123.94)	(2,138)

THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

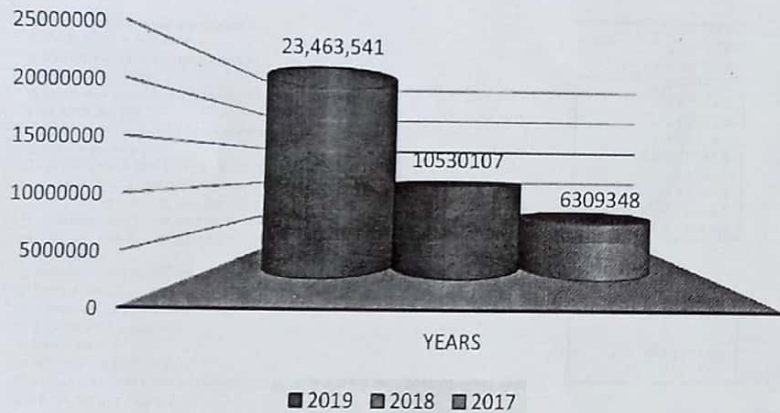


VERTICAL ANALYSIS

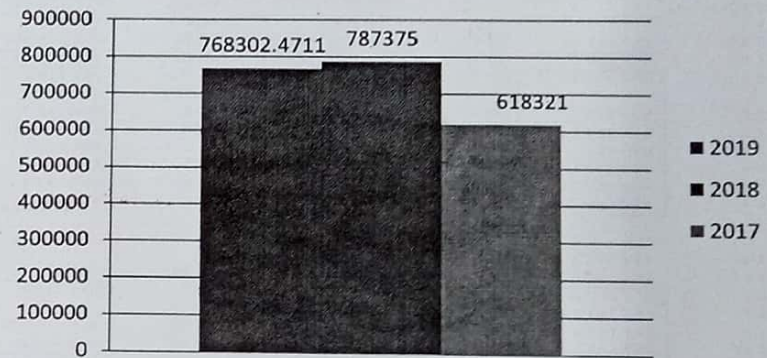
	2019		2018		2017		2016	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Statement of Financial Statement								
Assets								
Property and equipments	2,288,277,552	95.94	2,291,000,652	96.84	2,195,981,081	96.13	2,198,318,034	92.54
Intangible Assets	358,400	0.02	448,000	0.02	-	-	-	-
Equity securitias	87,631,850	2.84	55,358,882	2.34	71,137,377	3.11	159,418,937	6.71
Term deposits	3,011,450	0.13	3,011,450	0.13	3,011,450	0.13	2,511,450	0.11
Sundry receivables	5,091,517	0.21	4,027,540	0.17	1,378,266	0.06	1,063,118	0.04
Insurance / reinsurance receivables	555,721	0.02	41,415	0.00	42,448	0.00	120,801	0.01
Reinsurance recoveries against outstanding claims	106,442	0.00	41,415	0.00	-	-	-	-
Deferred commission expense	2,571,660	0.11	1,416,540	0.06	368,918	0.02	493,843	0.02
Security deposits	59,400	0.00	71,344	0.00	63,400	0.00	63,400	0.00
Taxation - payments less provision	2,030,129	0.09	1,852,556	0.08	1,564,890	0.07	1,325,227	0.06
Prepayments	2,300,606	0.10	1,185,965	0.05	371,525	0.02	511,000	0.02
Cash and bank	13,218,221	0.55	7,340,711	0.31	10,354,635	0.45	11,813,163	0.50
Total assets	2,385,212,948	100.00	2,365,796,469	100.00	2,284,273,990	100.00	2,375,638,973	100.00
Total assets of window takaful operations - Operator's fund								
Total assets	2,385,212,948	100.00	2,365,796,469	100.00	2,284,273,990	100.00	2,375,638,973	100.00
Equity and Liabilities								
Capital and reserves attributable to Company's equity holders								
Ordinary share capital	500,032,400	20.96	500,032,400	21.14	500,022,400	21.89	500,000,000	21.05
Reserves	1,815,245,878	76.10	1,808,500,359	76.44	8,634,113	0.38	8,634,113	0.36
Revaluation reserve	-	-	-	-	47,017,326	2.06	109,642,241	4.62
Unappropriated profit / (loss)	10,023,884	0.42	8,592,840	0.36	8,344,888	0.37	9,380,532	0.39
Total equity	2,325,302,163	97.49	2,317,125,599	97.94	564,018,727	24.69	627,656,886	26.42
Surplus on revaluation of property and equipment	-	-	-	-	1,675,502,421	73.35	1,677,666,601	70.62
Liabilities								
Underwriting provisions								
Outstanding claims including IBNR	1,378,180	0.06	733,920	0.03	250,000	0.01	50,000	0.00
Unearned premium reserves	17,076,866	0.72	9,549,846	0.40	4,128,503	0.18	2,932,083	0.12
Premium deficiency reserve	125,473	0.01	4,198,648	0.18	1,749,641	0.08	1,048,022	0.04
Unearned reinsurance commission	153,012	0.01	194,499	0.01	97,590	0.00	186,800	0.01
Deferred taxation	35,643,971	1.49	30,010,436	1.27	35,243,330	1.54	62,932,858	2.65
Insurance / reinsurance payables	1,425,495	0.06	493,306	0.02	1,084,583	0.05	1,036,406	0.04
Lease Liability	1,197,538	0.05	1,398,600	0.06	-	-	-	-
Other creditors and accruals	2,687,922	0.11	1,818,097	0.08	1,958,865	0.09	1,886,987	0.08
Total liabilities	59,668,456	2.50	48,397,351	2.05	44,510,512	1.95	70,073,156	2.95
Total equity and liabilities	2,384,970,619	99.99	2,365,522,950	99.99	2,284,031,660	99.99	2,375,396,643	99.99
Unclaimed dividend	242,330	0.01	242,330	0.01	242,330	0.01	242,330	0.01
Total equity and liabilities	2,385,212,948	100.00	2,365,765,280	100.00	2,284,273,990	100.00	2,375,638,973	100.00
Statement of profit or loss								
Net insurance premium	23,463,541	100.00	10,530,107	100.00	6,309,348	100.00	5,328,320	100.00
Net insurance claims	(768,302)	(3.27)	(787,375)	(7.48)	(618,321)	(9.80)	(130,543)	(2.45)
Net commission	(3,323,183)	(14.16)	(1,133,208)	(10.76)	(987,451)	(15.65)	(657,712)	(12.34)
Insurance claims and acquisition expenses	(4,091,486)	(17.44)	(1,920,583)	(18.24)	(1,605,772)	(25.45)	(788,255)	(14.79)
Premium deficiency reserve	4,073,175	17.36	(2,449,007)	(23.26)	(701,618)	(11.12)	(309,895)	(5.82)
Management expenses	(17,509,606)	(74.62)	(11,417,391)	(108.43)	(8,201,040)	(129.98)	(6,383,256)	(119.80)
Underwriting results	5,935,624	25.30	(5,256,874)	(49.92)	(4,199,082)	(66.55)	(2,153,086)	(40.41)
Investment income	2,603,719	11.10	3,070,538	29.16	3,495,978	55.41	5,584,857	104.81
Rental income	7,829,067	33.37	6,931,539	65.83	6,296,669	99.80	5,907,911	110.88
Other income	432,024	1.84	1,173,759	11.15	431,850	6.84	48,846	0.92
Other expenses	(10,800,453)	(46.03)	(9,958,558)	(94.57)	(7,568,206)	(119.95)	(8,955,259)	(168.07)
Profit / (loss) before tax	64,358	0.27	1,217,280	11.56	2,656,291	42.10	2,588,355	48.54
Income tax	5,999,982	25.57	(4,039,594)	(38.36)	(1,542,791)	(24.45)	433,269	8.13
(Loss) / profit after tax	(4,091,923)	(17.44)	4,287,546	40.72	507,147	8.04	(11,881)	(0.22)
	1,908,959	8.13	247,953	2.35	(1,035,644)	(16.41)	421,388	7.91



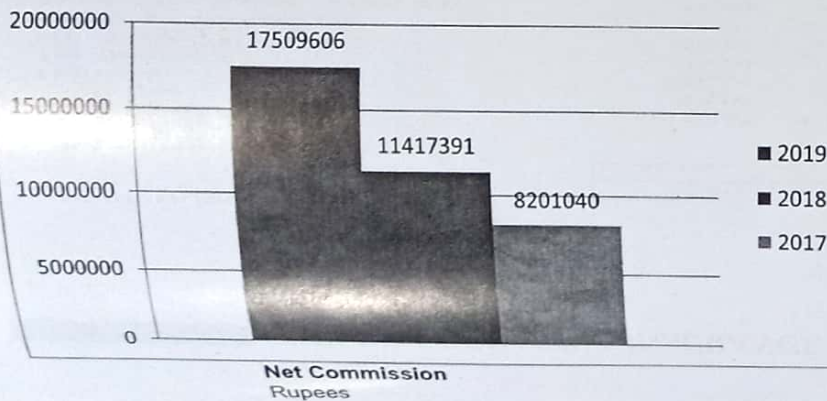
NET INSURANCE PREMIUMS (RS.)



NET INSURANCE CLAIMS (RS.)



MANAGEMENT EXPENSES (RS.)



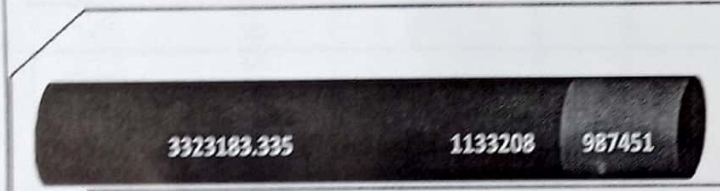
INVESTMENT INCOME (RS.)



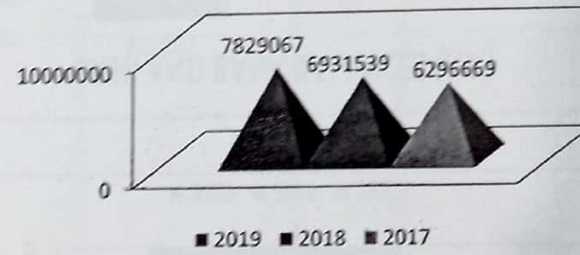


NET COMMISSION (RS.)

■ 2019 ■ 2018 ■ 2017

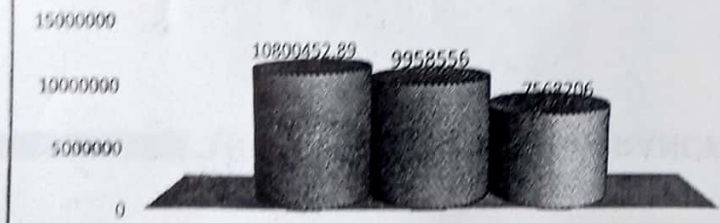


RENTAL INCOME (RS.)



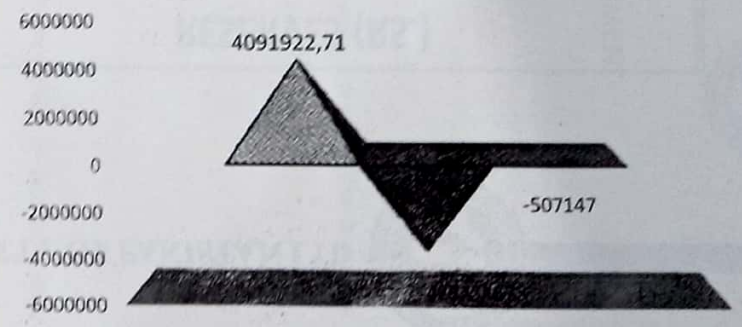
GENERAL AND ADMINISTRATIVE EXPENSES (RS.)

■ 2019 ■ 2018 ■ 2017



INCOME TAX EXPENSE (RS.)

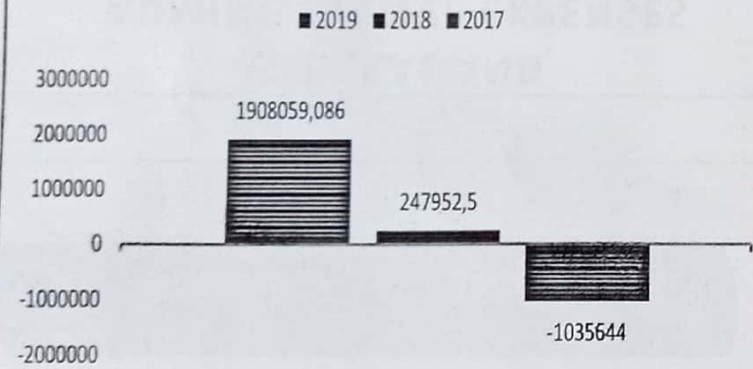
■ 2019 ■ 2018 ■ 2017



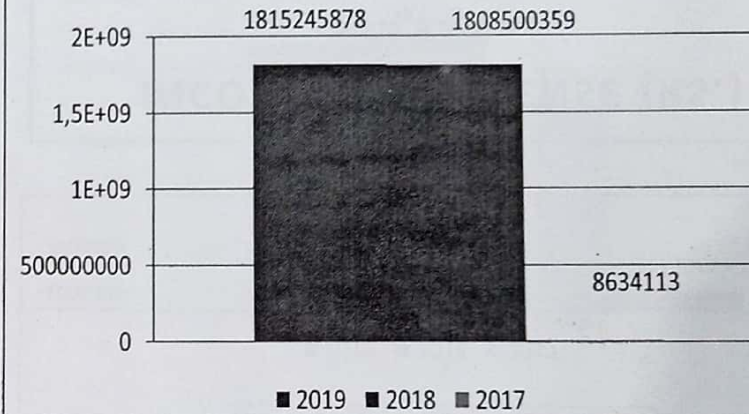
THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD



PROFIT AFTER TAX (RS.)



RESERVES (RS.)



CASH AND BANK BALANCES (RS.)



■ 2019 ■ 2018 ■ 2017



VISION / MISSION & VALUES STATEMENT

Vision Statement

Our vision is to be the best insurance society.

Mission Statement

Our mission is to provide top quality insurance services to our valued clients, improve the business processes and quality of our human resource.

Values

Our values are:

Integrity

We believe in honesty, integrity and transparency.

Ethics

Ethics is one of our core values and we strictly follow ethical principals in our business conduct.

Professionalism

We believe that professionalism can help us in achieving success and goals of our organization.

Excellence

We strive to achieve excellence in what we do.

Commitment

We have strong commitment towards serving our clients as per their expectations.

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED



STATEMENT OF ETHICS & BUSINESS PRACTICE

Introduction and objective

The Cooperative Insurance Society Of Pakistan Limited., is the apex cooperative society Registered under the Cooperative Societies Act, 1925 on August 06, 1949 and is engaged in provision of general insurance services. The objectives sector in Pakistan helping them to meet their insurance needs. The Cooperative Insurance EFU has an enhanced Commitment and professionalism to provide expertise of a distinct level.

The Statement Of Ethics and Statement Of Business Practices that all members Of staff and Directors Are required to follow as "Code Of Conduct" is given below.

Statement Of Ethics

All Directors and Staff are required to:

- Act with integrity, dignity and in an ethical manner when dealing with the public, clients and peers.
- Protect the confidentiality of client information at all times except where required by law to disclose it.
- Protect the confidentiality of information relating to the Society both during the course of Directorship or employment and after retirement/ termination as well.
- Obtain written permission, other than directors, from the Society's Compliance Officer/ the Chief Executive Officer to hold any position, paid or unpaid, with any outside party, firm or organization.
- Maintain accurate records of business transactions related to the Society or its clients.
- Report any business or professional activities or any beneficial interests that may result in a conflict with or be competitive with the interests of the Society.
- Report any person or activity to the Compliance Officer/ CEO that in their opinion is in violation of this statement.

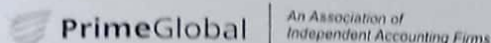
Statement Of Business Practices:

- Our business is founded on trust and we manage it ethically, lawfully and fairly.
- We hold responsibilities towards our clients in the highest regard.
- We recruit the most suitable workforce, motivate them, reward them and encourage them to innovate.
- We contribute towards our Society's financial goals and concentrate on achieving superior results.
- We believe in quality in every task assigned to us and work to the best of our efforts.
- We work hard in provision of quality services to our clients.



Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

A member firm of



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INDEPENDENT AUDITOR'S REPORT

To the members of The Cooperative Insurance Society of Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of the Cooperative Insurance Society of Pakistan Limited (the "Society"), which comprise the Statement of Financial Position as at 31 December 2019, the Statement of Profit or Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* of our report, to the best of our information and according to the explanations given to us, the Statement of Financial Position, the Statement of Profit or Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Society's affairs as at 31 December 2019 and of the total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

The Society has included in the financial statements a vehicle on lease as shown in note 5 and 16. The vehicle has been obtained from an individual on payment of advance of Rs 1.08 million and monthly rental of Rs 40,685. As there is no lease agreement of the Society with any Bank or Non-Banking Financial Institution, the vehicle should not be included in Property and Equipment as Leased vehicle instead it should be taken as vehicle on rental and the rental amount be included as expense incurred during the year. Had the appropriate treatment been adopted, Property and Equipment would be reduced by Rs 1,898,698 (2018: 2,405,000) and lease liabilities would be reduced by Rs 1,197,538 (2018: 1,398,000). Profit for the year would be increased/(reduced) by Rs 273,612 (2018:(974,773)).

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical



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responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key audit matters	How the matter was addressed in our audit
1.	Minimum solvency requirements The Society is required to maintain minimum solvency margins under the requirement of Insurance Ordinance, 2000. Reviewing compliance with the minimum solvency requirements and Society's plans to maintain minimum solvency margins are significant aspects for our audit since it may have an impact on the going-concern assumption used for the preparation of the financial statements. Therefore, we have considered this area as a key audit matter. Refer note 31 to the financial statement for details.	<ul style="list-style-type: none">- We reviewed management's calculation of solvency margin as of 31 December 2019 in accordance with the requirements of Insurance Ordinance, 2000;- We evaluated Society's future financial projections and underlying assumptions as approved by the Board, as well as the sensitivity analysis prepared in this context. We assessed the possible mitigating actions identified by management in the event that actual results are below projected results; and- We also assessed the adequacy of the Society's disclosure regarding the status of compliance with minimum solvency requirements and its plans to maintain the future required solvency margins, which are included in note 31 to the financial statements.
2.	Rent Receivable Overdue Rent receivable included in note 9.1: <ul style="list-style-type: none">- Cooker Restaurant outstanding for 20 months: Rs 1,262,500- Paradise Restaurant outstanding for 9 months: Rs 377,658	Outstanding balance has been confirmed by the parties and management is confident the amounts will be recovered. No provision was considered necessary.
3.	Receivable from Punjab Provincial Cooperative Bank Receivable from Punjab Provincial Cooperative Bank Limited amount of Rs. 3.2 Million paid to Punjab Provincial Cooperative Bank Limited in respect of claim. Subsequently claim has been rejected by the surveyor, hence society has booked receivable against the amount paid. Bank has not replied to our request for confirmation of outstanding amount. (Refer to notes 9.2 to the financial statements)	Discussion with management indicate amount will be received or adjusted against any future claim of Punjab Provincial Cooperative Bank Limited. The amount has been included in the financial statements as contingent loss.



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4. Valuation of Unquoted Equity Investments			
As disclosed in note 7 to the accompanying financial statements of the Society for the year ended 31 December 2019, the Society has investments in unquoted equities as follows:		Fair Value estimate has been based on net assets value per share of the unquoted equity investments as shown in the latest available financial statement of the entity.	
Shares:	Cost		Fair Value/ (Impairment)
Punjab Provincial Cooperative Bank Limited	4,442,600		8,080,933
Akbar Textile Mills Limited	200,000		(200,000)
Cooperative Investment and Management Agency	25,000		(25,000)
National Cooperative Supply Corporation	10,000		2,295,663
Fair Value has been estimated. (Refer to notes 4.1 and 7 to the financial statements for relevant disclosures).			

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Naveed Zafar Ashfaq Jaffery & Co.
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In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

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scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) the accompanying regulatory returns accurately reflect the books and records of the Society;
- (b) the Society has maintained proper books and records; and
- (c) the regulatory returns have been prepared in accordance with the Insurance Ordinance 2000 (XXXIX of 2000), the Insurance Rules 2017 and Insurance Accounting Regulations 2017.

Other Matter

The Society has prepared a separate set of financial statements for the year ended December 31, 2019 in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Insurance Ordinance 2000 and Companies Act 2017 on which we issued a separate auditor's report to the members of the Society.

The engagement partner on the audit resulting in this independent auditor's report is *Shahid Mohsin Shaikh*

Signature: *Naveed Zafar Ashfaq Jaffery & Co.*
Place: Lahore
Date: *8 September 2020*



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2019

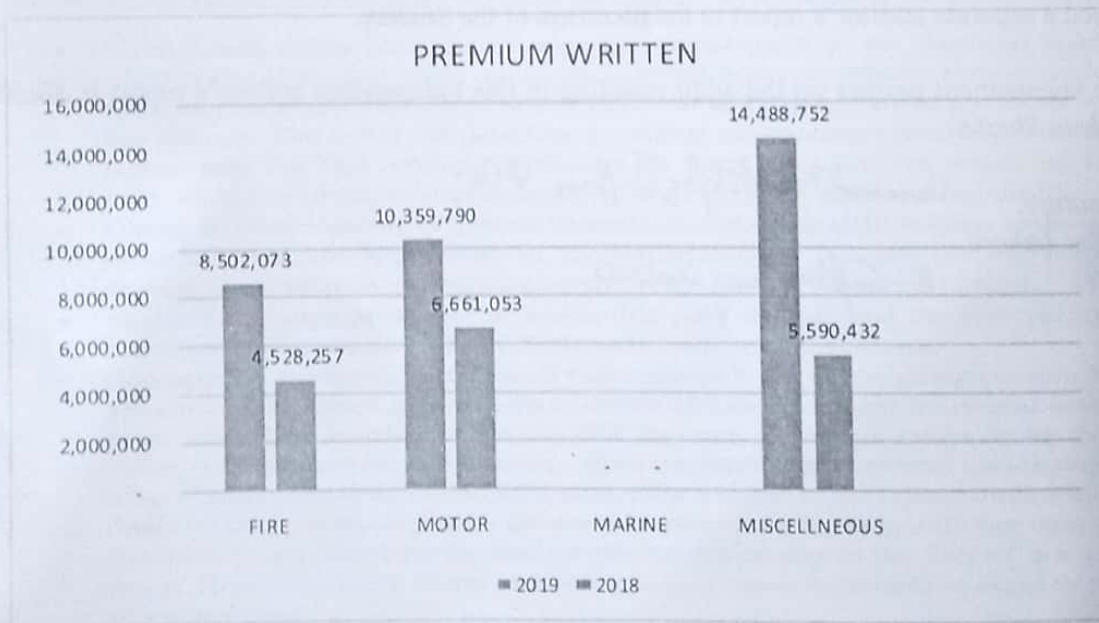
The Cooperative Insurance Society of Pakistan Limited (the Society) was incorporated on August 06, 1949 as a cooperative society under the Cooperative Societies Act, 1925. The Society is engaged in non-life insurance business.

The Directors of your Society are pleased to present the 71th Annual Report of the Society for the year ended December 31, 2019.

Your Society's profit after tax for the year 2019 was Rs. 1,908,059/- as compared to profit of Rs. 247,953/- in 2018.

Your Society has underwritten Rs. 33,350,615/- Direct Premium inside Pakistan as compared to Rs.16,779,742/- in 2018 showing overall growth of 98.7%, while the Net Premium Revenue was Rs. 23,463,541/- as compared to Rs. 10,530,108/- in 2018. Underwriting profit was Rs. 5,935,624/- compared to loss of Rs. 5,256,874/- in 2018. The underwriting loss changed to underwriting profit due to constant efforts of the society which resulted in increase in gross premium during the current year. Furthermore, the premium deficiency reserve decreased from Rs. 4,198,648/- to Rs. 125,473/- which added a premium deficiency reserve income of Rs. 4,073,175/- to net underwriting results.

Amounts in Rupees



Given the insurance sector's potential for expansion and growth, your Society is expected to have further growth in underwriting profits in the ensuing years.



The segment wise performance was as follows:

FIRE AND PROPERTY

The written premium increased by 88% to Rs. 8,502,073/- compared to Rs. 4,528,257/- in 2018. Claims paid as percentage of net premium revenue were nil as against 0.36% in 2018. The underwriting profit for the year was Rs. 1,232,281/- as compared to Rs. 2,213,142/- in 2018.

MARINE, AVIATION AND TRANSPORT

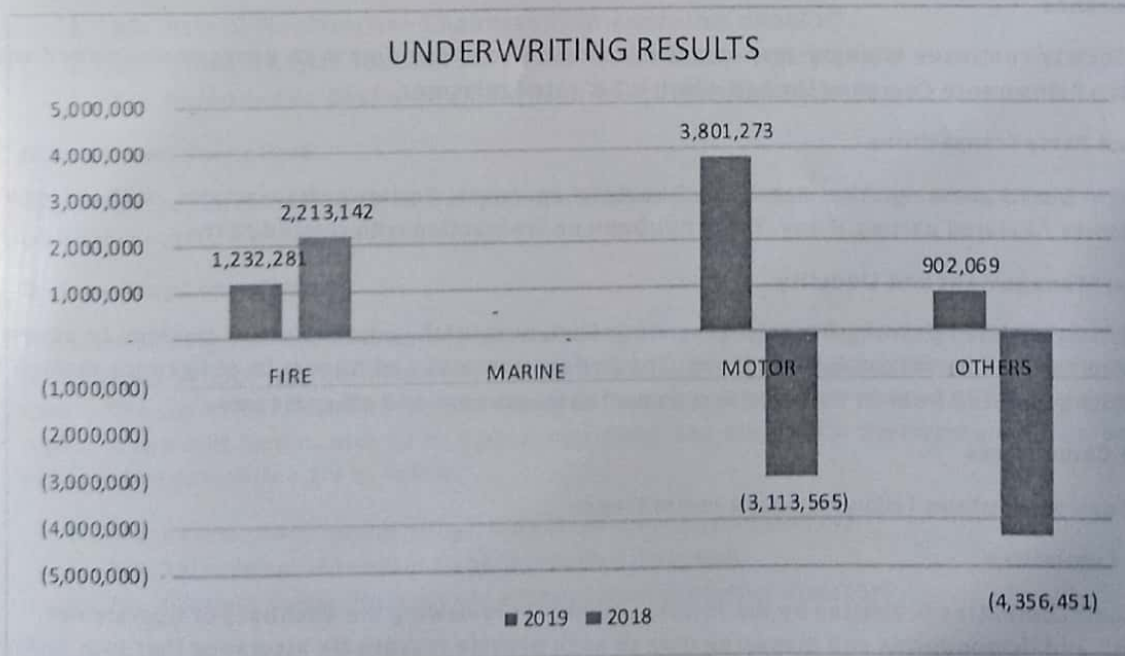
The society has not underwritten any business in this sector.

MOTOR

The written premium increased by 56% to Rs. 10,359,790/- compared to Rs. 6,661,053/- in 2018. Claims paid as percentage of net premium revenue were 2% as against 8% in 2018. The underwriting profit for the year was Rs. 3,801,273/- as compared to loss of Rs. 3,113,565/- in 2018.

MISCELLANEOUS (LIVE STOCK & OTHERS)

The written premium increased by 159% to Rs. 14,488,752/- compared to Rs. 5,590,432/- in 2018. There was no claim in the year under report and corresponding year. The underwriting profit for the year was Rs. 902,069/- as compared to loss of Rs. 4,356,450/- in 2018.



Investment Income



Investment Income

The dividend income for the year was Rs. 2,543,148/- as against Rs. 3,057,377/- last year. The total investment income for the year was Rs. 2,603,719/- as against Rs. 3,070,538/- last year.

Information Technology

The Society continues to invest in technology to offer state of the art service to the customers. In year 2018 a customized accounting software was developed and tested on trial basis. The performance of the accounting software was satisfactory. It was fully functional in the year ended December 31, 2019.

Appropriation

The profit after tax was Rs. 1,908,059/- as compared to loss of Rs. 247,952/- in 2018.

Credit Rating

Your Society is rated by JCR-VIS who has assigned rating of BB with stable outlook.

Prospects for 2020

Your board of directors are optimistic as to the prospects for the year 2020. Our strategy for 2020 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to fetch due share in the industry.

The Society intends to continue investing in people and making the Cooperative Insurance the best place to build career, invest in systems and processes to further improve service to customers.

Reinsurance

Your Society continues to enjoy very sound reinsurance arrangements with government owned entity Pakistan Reinsurance Company Limited which is 'AA' rated reinsurer.

Related Party Transactions

At each board meeting, the Board of Directors approves Society's transactions with Associated Companies / Related parties, if any. There has been no transaction with related party.

Capital Management and Liquidity

The Society maintains strong financial base. Your Society carefully administers its liquidity to ensure its ability to meet all its obligations efficiently. The Society operates and honors its obligations through the cash flow generated from its core business as well as investment and other income.

Board Committees

Your Society maintains following board committees:

Audit Committee

The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Society. The principle responsibility of the Internal Auditors is to conduct periodic audits to ensure adequacy in operational controls, consistency in



application of policies and procedures and compliance with applicable laws. The Board's Audit Committee comprises of the following members:

1. Mr. Ahsan Mahmood –Chairman (Non-executive director)
2. Mr. Farooq Azam –Member (Non-executive director)
3. Mr. Muhammad Shafie –Member (Non-executive director)

Investment Committee

The Society has a Board level investment committee that meets on quarterly basis to review the investment portfolio. The committee is also responsible for developing the investment policy for the Society. The Board's Investment Committee comprises of the following members:

1. Mr. Muhammad Shafie –Chairman(Non-executive director)
2. Mr. Zafar Iqbal –Member(Non-executive director)
3. Ch. Nisar – Member(Non-executive director)
4. Chief Executive Officer
5. Chief Financial Officer

Remuneration Committee & Nomination Committee

The committee is responsible for recommending to the Board human resource management policies of the Society as well as the selection, evaluation and compensation of key officers of the Society. The Board's Human Resource and Remuneration Committee comprises of the following members:

1. Mr. Aziz-ul-Haq Piracha –Chairman (Non-executive director)
2. Mr. Ghulam Sajjad Hussain –Member (Non-executive director)
3. Mr. Muhammad Shafie –Member (Non-executive director)

Management Committee

As part of the Corporate Governance, your Society maintains following four management committees which meet at least once every quarter:

Underwriting Committee

The underwriting committee formulates the underwriting policy of your Society. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. The committee regularly reviews the underwriting and premium policies of the Society with due regard to relevant factors such as its business portfolio and the market development. The members of underwriting committee are as follow:

1. Mr. Aziz-ul-Haq Piracha –Chairman (Non-executive director)
2. Mr. Zafar Iqbal –Member (Non-executive director)
3. Mr. Ghulam Sajjad Hussain –Member (Non-executive director)

Claims Settlement Committee



Claims Settlement Committee

This committee devises the claims settling policy of the Society. It oversees the claims position of the Society and ensures that adequate claims reserves are maintained. Particular attention is paid to significant claims cases or events, which give rise to a series of claims. The Claims Settlement Committee determines the circumstances under which the claims dispute to be brought to its attention and decides how to deal with such claim's disputes. It also oversees the implementation of the measures for combating fraudulent claims cases. The Committee also oversees the newly established Grievance Function of the Society. The members of Claims Settlement committee are as follow:

1. Mr. Aziz-ul-Haq Piracha –Chairman (Non-executive director)
2. Mr. Ahsan Mahmood –Member (Non-executive director)
3. Mr. Farooq Azam –Member (Non-executive director)

Reinsurance and Coinsurance Committee

This committee ensures that adequate reinsurance arrangements are made for the insurance Society's businesses. It peruses the proposed reinsurance arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurers, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance program for future reference. The committee consist of following members:

1. Mr. Ahsan Mahmood –Chairman (Non-executive director)
2. Mr. Muhammad Jameel –Member (Assistant Manager)
3. Mr. Muhammad Shafie –Member (Non-executive director)

Ethics / Compliance and Risk Management Committee

The ethics / compliance and risk management committee oversee the activities of the risk management function of the Society and makes appropriate recommendations to the Board to mitigate probable risks falling within the purview of the risk management function.

The committee is also responsible for monitoring the compliance function and the insurer's risk profile in respect of compliance with the laws applicable to it as well as the internal policies and procedures. The committee consist of following members:

1. Mr. Mr. Ahsan Mahmood –Chairman (Non-executive director)
2. Mr. Zafar Iqbal –Member (Non-executive director)
3. Mr. Muhammad Shafie –Member (Non-executive director)

Risks to Business

Business risks and mitigation factors are described in detail at Note # 29 of the audited financial statements.

Corporate Social Responsibility

The impact of our presence in society is both direct and indirect. The impact flows from the resources we consistently mobilize and the investments we make.



Energy conservation

We keep a close watch over our energy conservation. All electrical items used in our offices are energy-friendly. Lights are switched off during Lunch Break.

Environmental protection measures

The Society is well aware of its social responsibility in regard to environmental protection. Therefore, we encourage healthy environment and take steps which could add value to our belief.

Directors Election and Meetings

The Directors of your Society were elected at the Annual General Meeting held on July 20, 2017 w.e.f. July 20, 2017 for a term of three years expiring on July 19, 2020. During the year, four meetings of the Board were held. The attendance at the meetings were as under:

Sr. #	Name of Director	No. of meetings /held
1.	Mr. Aziz-ul-Haq Piracha -Non Executive	4
2.	Ch. Ahsun Mahmood-Non Executive	4
3.	Ch. Nisar Ahmad-Non Executive	4
4.	Mr. Farooq Azam-Non Executive	4
5.	Mr. Malik Muhammad Shafie-Non Executive	4
6.	Mr. Zafar Iqbal -Non Executive	4
7.	Mr. Ghulam Sajjad Hussain -Non Executive (co-opted on 15-01-2018)	4
8.	Mr. Ayyaz Mehmood Khilji- Assistant Registrar (I & M) Cooperatives (ex-officio appointed by the Registrar Cooperatives)	

QUALIFICATION IN AUDITORS REPORT

The auditors of the society qualified their opinion as follows:

- The Society has included in the financial statements a vehicle on lease as shown in Note 5.16. The vehicle has been obtained from an individual on payment of advance of Rs 1.08 million and monthly rental of Rs 40,685/-. As there is no lease agreement of the Society with any Bank or Non-Banking Financial Institution, the vehicle should not be included in Property and Equipment as Leased vehicle instead it should be taken as vehicle on rental and the rental amount be included as expense incurred during the year. Had the appropriate treatment been adopted, Property and Equipment would be reduced by Rs 1,898,698 (2018: 2,405,000) and lease liabilities would be reduced by Rs 1,197,538 (2018: 1,398,000). Profit for the year would be increased/(reduced) by Rs 273,612 (2018:(974,773)).

The vehicle has been shown as "Right of Use" in the financial statements of the Society as per the requirements of IFRS 16 as the Society has control of the said vehicle and is deriving the economic benefits by use of the said vehicle. The vehicle has been obtained from a third party having lease agreement with the bank. Once all payments are made,



the vehicle would be transferred in the name of Society. As the control of the asset is retained by the Society and the risk and rewards also rest with the Society therefore it has rightly been classified as 'Right of Use Asset' under fixed assets in the financial statement and the related depreciation is being charged to the profit or loss account.

The auditors have also qualified their report on Regulatory Returns as follows:

- The Society has included in the regulatory returns, the classified summary of assets in Pakistan at book value and market value shown also reflects the book value. As valuation of assets has not been carried out, we are unable to assess the impact, this would have on the value of assets.

The major assets of the Society comprise of land and buildings which are carried at revalued amount less accumulated depreciation. Revaluation is carried out regularly after every three years. The Directors believe that the carrying amount of land and buildings approximates to their market value. The investments of the Society have also been carried at fair value less impairment, if any. Other assets include receivables and cash and bank balances which have market value equal to their carrying amounts as reflected in the balance sheet. In the backdrop of above, there was no need to carry out further valuation resulting in unnecessary financial burden on the limited resources of the Society.

Statement of Ethics and Business Practices

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and Business Practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

Corporate and Financial Reporting Framework

- a) The financial statements prepared by the management of the Society present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts have been maintained by the Society.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- d) The International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statement and any departure from there has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Society's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance.
- h) The key operating and financial data for the last six years is annexed.
- i) There has been no trading of shares by Chief Executive, Directors, Chief Financial Officer, Society Secretary, their spouses and minor children as the shares of the society are listed on any stock exchange.



j) All the shareholders of the society are cooperative societies and is no individual shareholders as the same are barred under the law.

We would like to thank our valued customers for their continued patronage and support and to Pakistan Reinsurance Company Limited, Securities and Exchange Commission of Pakistan for their guidance and assistance. The Directors of your Society also place on record their appreciation of the efforts made by officers, field force and staff for their dedicated efforts for the Society.

Chairman

On Behalf of Board of Directors

Dated: September 08, 2020

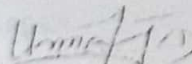



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD


THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

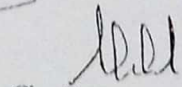
		2019 Rupees	2018 Rupees
	Note		
Assets			
Property and equipments	5	2,288,277,552	2,291,000,652
Intangible Assets	6	358,400	448,000
Investments			
Equity securities	7	67,631,850	55,358,882
Term deposits	8	3,011,450	3,011,450
Sundry receivables	9	5,091,517	4,027,540
Insurance / reinsurance receivables	10	555,721	10,226
Reinsurance recoveries against outstanding claims		106,442	41,415
Deferred commission		2,571,660	1,416,540
Security deposits		59,400	71,344
Advance Taxation		2,030,129	1,852,556
Prepayments		2,300,606	1,185,965
Cash and bank	11	13,218,221	7,340,711
Total Assets		2,385,212,948	2,365,765,280
Equity and Liabilities			
Capital and reserves attributable to Society's equity holders			
Ordinary share capital	12	500,032,400	500,032,400
Reserves	13	1,815,245,878	1,808,500,359
Unappropriated profit		10,023,884	8,592,840
Total equity		2,325,302,163	2,317,125,599
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		1,378,180	733,920
Unearned premium reserves		17,076,866	9,549,846
Premium deficiency reserve		125,473	4,198,648
Unearned reinsurance commission	14	153,012	194,499
Deferred taxation	15	35,643,971	30,010,436
Insurance / reinsurance payables		1,425,495	493,306
Lease Liability	16	1,197,538	1,398,600
Unclaimed dividend		242,330	242,330
Other creditors and accruals	17	2,667,922	1,818,097
Total liabilities		59,910,786	48,639,682
Total equity and liabilities		2,385,212,948	2,365,765,280
Contingencies and commitments	18		

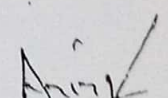
The annexed notes 1-37 form an integral part of these financial statements.


Usman Anjad
Chief Financial Officer


Fatch Khan Niazi
Chief Executive Officer


Gulam Sajjad
Hussain
Director


Ch. Ahsan Mahmood
Director


Sh. Aziz-ul-Haq
Piracha
Chairman

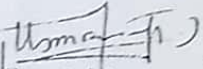


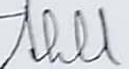
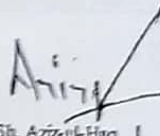


THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 Rupees	2018 Rupees
Net insurance premium	19	23,463,541	10,530,107
Net insurance claims	20	(768,302)	(787,375)
Net commission	21	(3,323,183)	(1,133,208)
Insurance claims and acquisition expenses		(4,091,486)	(1,920,583)
Premium deficiency reserve		4,073,175	(2,449,007)
Management expenses	22	(17,509,606)	(11,617,391)
Underwriting results		5,935,624	(5,256,874)
Investment income	23	2,603,719	3,070,538
Rental income		7,829,067	6,931,539
Other income	24	432,024	1,173,759
Other expenses	25	(10,800,453)	(9,958,556)
Profit before tax		64,358	1,217,280
Income tax	26	(5,999,982)	(4,039,594)
Profit after tax		(4,091,923)	4,287,546
		1,908,059	247,953

2019+60

The annexed notes 1-37 form an integral part of these financial statements.

				
Usman Arzjad Chief Financial Officer	Fatch Khan Nizvi Chief Executive Officer	Gulam Sajjad Hussain Director	Ch. Ahsan Mahmood Director	Sh. Azziz-ul-Haq Pracha Chairman



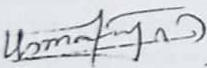

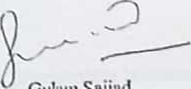
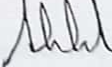

THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

Note	2019 Rupees	2018 Rupees
Profit / (Loss) after tax	1,908,059	247,952
Other Comprehensive Income		
Unrealized gain / (loss) on available for sale investments during the period	12,497,968	(15,778,494)
Deferred tax on unrealized gain / (loss) on available for sale investment	(3,624,411)	4,575,763
Net other comprehensive income	8,873,557	(11,202,731)
Total comprehensive income/(loss) for the year	10,781,616	(10,954,779)

The annexed notes 1-37 form an integral part of these financial statements.

0248+6

 Usman Anjad Chief Financial Officer	 Fatch Khan Niazi Chief Executive Officer	 Gulam Sajjad Hussain Director	 Ch. Ahsan Mahmood Director	 Sh. Aziz-ul-Haq Piracha Chairman
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THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

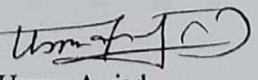
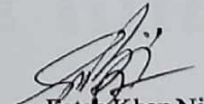
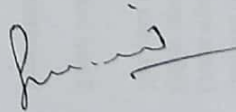
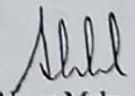
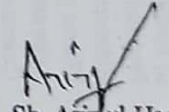


THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Paid up Share Capital	Revaluation surplus	Other reserves	Fair value reserves	Total Reserves	Unappropri- ated profit	Total
.....R u p e e s.....							
Balance as at 01-01-2018	500,022,400	1,675,502,421	8,634,113	47,017,326	1,731,153,860	8,344,888	2,239,521,148
Share capital issued	10,000	-	-	-	-	-	10,000
Revaluation of non-current assets - net of tax	-	90,811,453	-	-	90,811,453	-	90,811,453
Incremental depreciation on revaluation surplus - net of tax	-	(2,262,223)	-	-	(2,262,223)	-	(2,262,223)
Total comprehensive income for the year - net of tax							
Profit for the year after tax	-	-	-	-	-	247,952	247,952
Other comprehensive income for the year	-	-	-	(11,202,731)	(11,202,731)	-	(11,202,731)
Balance as at 31-12-2018	500,032,400	1,764,051,651	8,634,113	35,814,595	1,808,500,359	8,592,840	2,317,125,599
Balance as at 01-01-2019	500,032,400	1,764,051,651	8,634,113	35,814,595	1,808,500,359	8,592,840	2,317,125,599
Incremental depreciation on revaluation surplus - net of tax	-	(2,605,053)	-	-	(2,605,053)	-	(2,605,053)
Total comprehensive income for the year - net of tax							
Profit for the year after tax	-	-	-	-	-	1,908,059	1,908,059
Other comprehensive income for the year	-	-	-	8,873,557	8,873,557	-	8,873,557
Transfer to reserves	-	-	477,015	-	477,015	(477,015)	-
Balance as at 31-12-2019	500,032,400	1,761,446,598	9,111,128	44,688,152	1,815,245,878	10,023,884	2,325,302,162

27

The annexed notes 1-37 form an integral part of these financial statements

				
Usman Amjad Chief Financial Officer	Fatch Khan Niazi Chief Executive Officer	Gulam Sajjad Hussain Director	Ch. Ahsan Mahmood Director	Sh. Aziz-ul-Haq Piracha Chairman



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 Rupees	2018 Rupees
Operating Cash Flows		
a) Underwriting Activities		
Premium received	32,729,866	16,780,775
Reinsurance premium paid	(2,542,507)	(1,296,259)
Claims paid	(201,070)	(349,120)
Reinsurance and other recoveries received	- 12,000	4,250
Commission paid	(4,774,688)	(2,365,972)
Commission received	254,897	282,050
Other underwriting payments	(5,396,859)	(2,984,141)
Other underwriting receipts	5,770,507	3,185,381
Net cash inflows from underwriting activities	25,852,147	13,256,964
b) Other operating activities		
Income tax paid	(971,336)	(902,781)
General management expenses paid	(17,509,606)	(11,417,391)
Other operating payments	(9,168,442)	(12,629,634)
Other operating receipts	131,256	143,447
Net cash outflows from operating activities	(27,518,129)	(24,806,360)
Total cash outflows from all operating activities	(1,665,982)	(11,549,396)
Investment activities		
Profit / return received	60,571	13,161
Dividends received	2,543,148	3,057,377
Rent received	6,691,722	6,931,539
Sale proceed of asset	370,914	50,795
Intangible acquired	-	-
Lease payments	(201,062)	(1,006,399)
Purchase of software	-	(448,000)
Fixed capital expenditure	(1,921,800)	(73,000)
Total cash inflows from investing activities.	7,543,492	8,525,472
Financing Activities		
Share capital issued	-	10,000
Total cash inflow from financing activities.	-	10,000
Net cash inflows/(outflows) from all activities	5,877,510	(3,013,924)
Cash and cash equivalent at the beginning of the year	7,340,711	10,354,635
Cash and cash equivalent at the end of the year	13,218,221	7,340,711

NZAJ+6



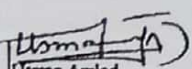
	2019 Rupees	2018 Rupees
Reconciliation to profit and loss account.		
Operating cash flow	(1,666,366)	(11,549,396)
Depreciation expense	(957,729)	(246,374)
Ammortization	(89,600)	-
Increase / decrease in assets other than cash	4,109,890	4,816,139
Increase / decrease in liabilities other than running finance	(5,838,631)	(7,721,134)
Interest, dividend, rental income and deferred income / (loss)	6,350,495	14,948,717
Profit / (Loss) after taxation	<u>1,908,059</u>	<u>247,952</u>

Cash for the purposes of the Statement of Cash Flows consists of:

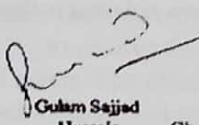
i) Cash and cash equivalents	460,162	935,965
ii) Cash at current accounts	12,758,059	6,404,746
iii) Cash at deposit accounts	-	-
	<u>13,218,221</u>	<u>7,340,711</u>

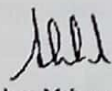
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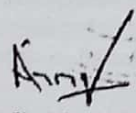
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Usman Arjad
Chief Financial Officer


Fateh Khan Niazi
Chief Executive Officer


Gulam Sajjad
Hussain
Director


Ch. Ahsan Mahmood
Director


Sh. Aziz-ul-Haq
Piracha
Chairman



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS

1 Legal Status and Nature of Business.

The Cooperative Insurance Society of Pakistan Limited (the "Society" or "Society") was incorporated as a Cooperative Society under the Cooperative Societies Act, 1925 on August 6, 1949 and is engaged in General Insurance Business.

The registered office of the society is situated at Cooperative Insurance Building, 23 Shahrah-e-Quaid-e-Azam, Lahore.

2 Basis of Preparation and Statement of Compliance

2.1 Statement of Compliance.

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017.

In case requirements differ, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 shall prevail.

2.2 Basis of Measurement.

These accounts have been prepared under the historical cost convention except for certain financial instruments and the land & buildings carried at fair value. All transactions reflected in these financial statements are on an accrual basis, except for those reflected in cash flow statements.

2.3 Use of Judgments and Estimates

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the year of the revision and future periods if the revision affects both current and future periods.

Areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to these financial statements or judgment was exercised in the application of accounting policies, are as follows

	Note
Provision for unearned premiums	4.2
Premium deficiency reserve	4.3



Premium due but unpaid	4.4
Provision for outstanding claims (including IBNR)	4.8
Provision for taxation	4.14
Fair values and depreciation of property / equipment	4.11

2.4 Standards, interpretations and amendments with respect to the approved accounting standards that are effective during the current year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Society's accounting periods beginning on or after 01 January 2019 but are considered not to be relevant or do not have any significant effect on the Society's operations and therefore not stated in these financial statements.

IFRS 16 'Leases' replaces existing lease guidance including IAS 17 Leases IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Lease - Incentives and SIC -27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for accounting periods beginning on or after 1st January, 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS-16. These amendments do not have any material impact on the Society's financial statements.

2.5 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective

The following standards, amendments and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after 01 January 2020:

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.



Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 01 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. The Society shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Society.

IFRS 14 'Regulatory Deferral Accounts' - (effective for annual periods beginning on or after 01 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated - i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and / or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on Society's financial statements.

i) assets arising from contracts

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Society has determined that it is eligible for the temporary exemption option since the Society has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Society doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Society can defer the application of IFRS 9 until the application IFRS 17.

3 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the Society's functional and presentation currency.



4 Summary of Significant Accounting Policies.

The significant accounting policies applied in the preparation of these financial statements are given below. These policies are consistently applied to all the years/periods presented.

4.1. Investments.

All investments are initially recognized at cost, being the fair value of the consideration given (including transaction costs). The classification of investments depends on the purpose for which the financial assets were acquired. The Society has not classified any investments at "fair value through profit or loss" as at the date of the statement of financial position.

4.1.1. - Held-to-maturity.

These are investments with fixed or determinable payments and fixed maturity that the Society has both intent and ability to hold to maturity. Subsequent to initial recognition, these investments are measured at amortized cost less any accumulated impairment losses.

4.1.2. - Available-for-sale.

Investments which are not eligible to be classified as "fair value through profit or loss" or "held to maturity" are classified as 'available-for-sale'. These investments are intended to be held for an indefinite period of time which may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available-for-sale.

Quoted available-for-sale investments are remeasured at fair value subsequent to initial recognition. Gains or losses on investments on remeasurement of these investments are recognized in the statement of comprehensive income.

The value of unquoted available-for-sale investments has been included on the basis of director's valuation.

4.2. Unearned Premium Reserve.

The unearned premium reserve is the unexpired portion of the premium including administrative surcharge, which relates to business in force at the financial statement date. Unearned premiums have been calculated by applying 1/24th method as specified in the Insurance Rules, 2017.

4.3. Premium.

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognized as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

4.4. Premium Deficiency Reserve.

The Society determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium.



4.5. Premium due but Unpaid.

These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

4.6. Claims

Claims are charged to income as incurred based on estimated liability for compensation owed under the insurance contracts. It includes related external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

4.7. Provision for Outstanding Claims (including IBNR)

The Society recognizes liability in respect of all claims incurred up to the reporting date, and the liability is measured at the undiscounted value of expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in the insurance contract. The liability for claims includes amounts relating to unpaid reported claims, claims incurred but not reported ("IBNR"), expected claims settlement costs.

The SECP, through its circular 9 of 2016 dated March 9, 2016, issued "Guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016" for non-life insurance companies, with the requirement that all provisions of these guidelines be complied with, with effect from July 1, 2016. The Guidelines require that this provision be estimated for each class of business, using the prescribed "Chain Ladder Method" or an alternate method as allowed under the provisions of the Guidelines.

An actuarial valuation / estimation as at December 31, 2018 has been carried out by an independent firm of actuaries for determination of IBNR for each class of business. The Society's appointed actuaries represent that the Society has a low count of claims in all lines of business, as a result of which there is insufficient data to develop triangles necessary for reserve estimation pursuant to the "Chain Ladder Method". Accordingly, an alternative method has been adopted by the actuaries whereby IBNR reserves are estimated at 5% of earned premiums.

4.8. Deferred commission expense

Commission expenses incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue by applying the 1/24th method.

4.9. Commission income

Commission from reinsurers is deferred and recognized as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit / commission, if any, under the terms of reinsurance arrangements is recognized when the Society's right to receive the same are established.

4.10. Cash & Cash Equivalents.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, policy stamps and bank balances.



4.11. Fixed Assets.

Owned.

Items of property, plant and equipment except freehold land and building are stated at cost less accumulated depreciation and impairment in value, if any. Building is stated at the revalued amount less accumulated depreciation and impairment in value, if any. Land is stated at revalued amount less accumulated impairment in value, if any.

The Society reviews the useful lives of property, plant and equipment on a regular basis. Any change in the estimates in the future years might affect the carrying amount of the respective items of property, plant and equipment with a corresponding effect on depreciation and impairment.

Depreciation is charged to the income statement after applying the reducing balance method at the rates specified in **Note 5**. Assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

In respect of additions and disposals during the year, depreciation is charged from the month in which assets is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed of.

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Society and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

Gains and losses on disposals of an asset are determined by comparing sale proceeds with the carrying amount of the assets disposed of.

Increase in the carrying amounts arising on revaluation of land and buildings are recognized, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in statement of profit or loss, the increase in first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, and all other decreases are charged to profit or loss.

4.11.1. Right-of-use assets and their related lease liability

Right of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.



4.11.2. Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the company's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.12. Capital Work in Progress

Capital work in progress is stated at cost less any impairment in value. It consists of advances made to suppliers in respect of tangible and intangible fixed assets.

4.13. Intangible Assets.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the Society. Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expense incidental to bring the asset for its intended use.

Expenditure which enhances the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Amortization is provided on a reducing balance basis at the rate specified in note 6 to the financial statements. Amortization on addition to intangible assets is charged from the month of addition while no amortization is charged for the month of disposal or deletion of assets. Costs associated with maintaining computer software are recognized as an expense as and when incurred.

4.14. Revenue Recognition.

The revenue recognition policy for premiums is given under note 4.3.

The revenue recognition policy for commission income is given under note 4.9.

Income from held-to-maturity investments is recognized on a time proportion basis, taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held-to-maturity investments is amortized and taken to profit and loss over the term of the investment.

Dividend income is recognized when the Society's right to receive the dividend is established.

Gains / losses on sale of available-for-sale investments are recognized in profit and loss in the year of sale.

Rental income is recognized on accrual basis.



4.15. Taxation.

Current

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year or required by any other reason.

Deferred

Deferred tax is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the financial statement date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.16. Expenses of Management.

Expenses of management, both direct and indirect, are allocated on the basis of activity in each class of business. Expenses not allocable to the underwriting business are charged as other expenses.

4.17. Zakat.

Zakat under the Zakat and Usher Ordinance, 1980 is accounted for in the year of deduction.

4.18. Staff Retirement Benefits

The staff retirement benefits comprise of funded provident fund scheme which covers all permanent employees. Equal contributions are made by both the Society and the employees to the fund at the rate of 8.44% of basic salary.

4.19. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

The Society accounts for segment reporting using the classes of business as specified under the Insurance Ordinance, 2000 and Insurance Rules, 2017 as primary reporting format based on the Society's practice of reporting to the management on the same basis.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.



4.20. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Society has a legally enforceable right to set off and the Society intends either to settle the assets and liabilities on a net basis or to realize the asset and settle the liability simultaneously.

4.21. Impairment

4.21.1. Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

4.21.2. Non-financial assets

The carrying amounts of Society's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss.

4.22. Financial Instruments

Financial instruments include cash and bank balances, loans to employees, investments, premiums due but unpaid, amount due from other insurers / reinsurers, accrued investment income, reinsurance recoveries against outstanding claims, security deposits, other receivables, outstanding claim liabilities, amount due to other insurers / reinsurers, accrued expenses, agents' balances, other creditors, deposits and unclaimed dividends.

Financial assets and financial liabilities are recognized at the time when the Society becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual right to future cash flows from the asset expire or is transferred along with the risk and reward of the ownership of the asset.

Financial liabilities are derecognized when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial asset and liabilities is recognized in the profit and loss account of the current year.



4.23. Reinsurance Contracts

Contracts entered into by the Society with reinsurers under which the Society cedes insurance risks assumed during normal course of its business and according to which the Society is compensated for losses on insurance contracts issued by the Society are classified as reinsurance contracts held.

Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired. An impairment review of reinsurance assets is performed at each financial statement date. If there is objective evidence that the asset is impaired, the Society reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

4.24. Creditors, Accruals and Provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Society.

Provisions are recognized when the Society has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each financial statement date and adjusted to reflect current best estimates.

4.25. Insurance contracts

Insurance contracts are those contracts where the Society (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Society underwrites non-life insurance contracts that can be categorized into fire damage, marine, motor and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration.



Fire insurance contracts mainly compensate the customers for damage suffered to their property. Marine provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to ships and liabilities to third parties, passengers and cargo.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other insurances are included under miscellaneous insurance cover.

4.26. Dividend & Bonus Shares

Dividend to shareholders is recognized as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognized in the year in which such issue is approved.

4.27. Foreign currencies

Revenue transactions in foreign currencies are recorded at the rates prevailing on the date of the transactions. Income and expense amounts relating to foreign branches have been translated at the applicable exchange rates. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the financial statement date. Exchange gains or losses, if any, are taken into profit and loss account.

4.28. Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the insurance receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Society reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the profit and loss account.

Provision for impairment in premium receivables is estimated on a systematic basis after analyzing the receivables as per their aging.

4.29. Earning Per Share

The Society presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Society by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

5 PROPERTY AND EQUIPMENTS

Particulars	Cost / Revaluation		Deletion	As at 31-12-2019		Rate	Depreciation			Book Value As at 31-12-2019	Revaluation Surplus	Written Down Value As at 31-12-2019
	As at 01-01-2019	Addition		As at 01-01-2019	Adjustment		For the year	As at 31-12-2019				
<i>Owned Assets</i>												
Land	2,416,625	-	-	2,416,625	-	-	-	-	-	2,416,625	-	2,416,625
Land - Revaluation surplus	2,211,100,873	-	-	2,211,100,873	-	-	-	-	-	-	2,211,100,873	2,211,100,873
Buildings	528,045	-	-	528,045	-	5%	420,219	5,391	425,610	102,435	-	102,435
Building - Revaluation surplus	95,769,981	-	-	95,769,981	-	5%	22,388,215	3,669,088	26,057,303	-	69,712,678	69,712,678
Motor Vehicles	5,679,770	1,870,000	(979,090)	6,570,680	20%	20%	4,434,007	438,197	3,897,660	2,673,020	-	2,673,020
Furniture & Fixtures	390,225	-	(5,109)	385,116	10%	10%	253,722	13,641	264,035	121,081	-	121,081
Office Equipment	302,498	51,800	(15,800)	338,498	10%	10%	67,465	25,536	88,056	249,542	-	249,542
Cycle	6,085	-	-	6,085	10%	10%	3,373	271	3,644	2,441	-	2,441
Sui Gas Installation	565	-	-	565	10%	10%	387	18	405	160	-	160
	2,316,194,667	1,921,800	(999,999)	2,317,116,468			27,567,389	(981,917)	30,737,614	5,565,303	2,280,813,551	2,286,378,854
<i>Right of use Assets</i>												
Vehicles	2,405,000	-	-	2,405,000	20%	20%	31,627	474,675	506,302	1,898,698	-	1,898,698
	2,318,599,667	1,921,800,000	(999,999)	2,319,521,468			27,599,016	(981,917)	31,243,916	7,464,001	2,280,813,551	2,288,277,552

5.1 PROPERTY AND EQUIPMENTS

Particulars	Cost / Revaluation		Deletion	As at 31-12-2018		Rate	Depreciation			Book Value As at 31-12-2018	Revaluation Surplus	Written Down Value As At 31-12-2018
	As at 01-01-2018	Addition		As at 01-01-2018	Adjustment		For the year	As at 31-12-2018				
<i>Owned Assets</i>												
Land	2,416,625	-	-	2,416,625	-	-	-	-	-	2,416,625	-	2,416,625
Land - Revaluation surplus	2,132,945,873	78,155,000	-	2,211,100,873	-	-	-	-	-	-	2,211,100,873	2,211,100,873
Buildings	528,045	-	-	528,045	-	5%	414,607	5,612	420,219	107,826	-	107,826
Building - Revaluation surplus	77,943,991	17,825,990	(473,000)	95,769,981	5%	5%	19,201,986	3,186,229	22,388,215	-	73,381,766	73,381,766
Motor Vehicles	6,152,770	9,001	-	6,152,770	20%	20%	4,728,984	171,206	4,434,007	1,245,763	-	1,245,763
Furniture & Fixtures	381,224	64,000	-	445,224	10%	10%	238,755	14,967	253,722	136,503	-	136,503
Office Equipment	238,498	-	-	238,498	10%	10%	44,824	22,641	67,465	235,033	-	235,033
Cycle	6,085	-	-	6,085	10%	10%	3,072	301	3,373	2,712	-	2,712
Sui Gas Installation	565	-	-	565	10%	10%	367	20	387	178	-	178
	2,227,184,356	96,053,991	(473,000)	2,316,194,667			24,632,595	466,183	27,567,389	4,144,639	2,284,482,639	2,288,627,278
<i>Right of use Assets</i>												
Motor Vehicle	-	2,405,000	-	2,405,000			-	31,627,000	31,627,000	2,373,373	-	2,373,373
	2,227,184,356	98,458,991	(473,000)	2,318,599,667			24,632,595	466,183	34,322,004	6,518,012	2,284,482,639	2,291,000,651



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

Note	2019 Rupees	2018 Rupees
	358,400	448,000

6 INTANGIBLE ASSETS

INTANGIBLE ASSETS

Particulars	WDV			Balance 31-12-2019	Rate	Amortization			Written Down Value As At 31-12-2019
	Balance 01-01-2019	Addition	Disposal			As at 01-01-2019	For the year	As at 31-12-2019	
Computer Software	448,000	-	-	448,000	20%	-	89,600	89,600	358,400
WDV 31-Dec-2019	448,000	-	-	448,000		-	89,600	89,600	358,400
WDV 31-Dec-2018		448,000	-	448,000		-	-	-	448,000

7 EQUITY SECURITIES

These represent investments in listed and unlisted securities and have been classified as available for sale financial assets.

Listed Equities	7.1	57,255,253	50,681,282
UnListed Equities	7.2	10,376,597	4,677,600
		67,631,850	55,358,882

7.1 Particulars of Investments in Listed Equities

	No. of shares / certificates		Cost		Fair Value	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Insurance						
Pakistan Reinsurance Company Limited	779,998	779,998	131,620	131,620	22,939,741	27,058,131
Cements						
Zeal Pakistan Cement Factory Limited	5,444	5,444	190,555	190,555	2,395	2,395
Pharmaceuticals						
Ferozsons Laboratories Limited	163,692	163,692	181,030	181,030	34,313,117	23,620,756
	949,134	949,134	503,205	503,205	57,255,253	50,681,282

7.2 Particulars of Investments in Un-Listed Equities

	No. of shares / certificates		Cost		Fair Value	
	2019	2018	2019	2018	2019	2018
Commercial Banks						
Punjab Provincial Cooperative Bank Limited	44,426	44,426	4,442,600	4,442,600	8,080,933	4,442,600
Textile						
Akbar Textile Mills Limited	40,000	40,000	200,000	200,000	Nil	200,000
Agriculture Cooperative						
Cooperative Investment and Management Agency	250	250	25,000	25,000	Nil	25,000
Punjab Provincial Cooperative Cotton Corporation Li	6	6	-	-	-	-
National Cooperative Supply Corporation	100	100	10,000	10,000	2,295,663	10,000
TOTAL	84,782	84,782	4,677,600	4,677,600	10,376,597	4,677,600



8 TERM DEPOSITS	Note	2019	2018
		Rupees	Rupees
Held to Maturity	8.1	3,011,450	3,011,450
8.1 Held to Maturity			
Cash Deposit with State Bank of Pakistan		2,500,600	2,500,600
Defence Saving Certificates with State Bank of Pakistan		10,850	10,850
Term Deposit		500,000	500,000
		3,011,450	3,011,450

9 SUNDRY RECEIVABLE

Rent Receivable	9.1	1,288,090	150,745
Income Taxes		302,804	302,804
Staff advance		27,000	67,500
Others	9.2	3,473,623	3,506,491
		5,091,517	4,027,540

9.1 Rent receivable

Considered good		1,288,090	150,145
Considered doubtful		638,583	706,583
		1,926,673	856,728
Less: provision for doubtful receivables		638,583	706,583
		1,288,090	150,145

The Society recognized a provision against rentals receivable after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

Movement of the provision is as under:

Opening balance (as at January 1)		706,583	-
Charged to profit and loss during the year		-	706,583
		706,583	706,583
Amounts written off during the year		(68,000)	-
Closing balance (as at December 31)		638,583	706,583

9.2 Others

Considered good		3,473,623	3,506,491
Considered doubtful		514,000	514,000
		3,987,623	4,020,491
Less: provision for doubtful receivables		514,000	514,000
		3,473,623	3,506,491



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

The Society recognized a provision against other receivable after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

Movement of the provision is as under:
 Opening balance (as at January 1)
 Charged to profit and loss during the year
 Amounts written off during the year
 Closing balance (as at December 31)

Note	2019	2018
	Rupees	Rupees
	514,000	-
	-	514,000
	514,000	514,000
	-	-
	<u>514,000</u>	<u>514,000</u>

Included within "Other" receivables is a receivable in the amount of PKR 3.2 million from a branch of the Punjab Provincial Cooperative Bank Limited ("PPCBL"). This amount was advanced to the branch, as a goodwill gesture and prior to the completion of claim assessment procedures, pursuant to the robbery of insured gold at the branch. The Company is of the view that events subsequent to the robbery, including recovery of the stolen amounts, render this amount recoverable from PPCBL.

10 INSURANCE / REINSURANCE RECEIVABLES

555,721	10,226
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11 CASH AND BANK BALANCES

Cash with Banks:
 in Current Accounts

12,758,059	6,404,746
12,758,059	6,404,746

Cash in Hand

460,162	935,965
<u>13,218,221</u>	<u>7,340,711</u>

12 SHARE CAPITAL

272,257 share of Rs 10/- each fully paid in cash
 49,730,983 shares of Rs 10/- each issued as bonus shares

2,722,570	2,722,570
497,309,830	497,309,830

<u>500,032,400</u>	<u>500,032,400</u>
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12.1 PATTERN OF SHAREHOLDERS

Name of the Shareholders	2019		2018	
	Total Number of Shares	Percentage of Shares	Total Number of Shares	Percentage of Shares
The Punjab Provincial Cooperative Bank Limited	36,318,949	73%	36,318,949	73%
The Lahore Central Cooperative Store	3,020,198	6%	3,020,198	6%
The Frontier Cooperative Bank Limited	2,984,458	6%	2,984,458	6%
Others	7,679,635	15%	7,679,635	15%
	<u>50,003,240</u>		<u>50,003,240</u>	

13 RESERVES

Capital reserve.
 General reserve.
 Fair Value Reserve
 Revaluation Reserve

	3,295,965	3,295,965
13.1	5,815,163	5,338,148
	44,688,153	35,814,595
13.2	<u>1,761,446,598</u>	<u>1,764,051,651</u>
	<u>1,815,245,878</u>	<u>1,808,500,359</u>



13.1 General Reserve

	Note	2019 Rupees	2018 Rupees
Opening balance		5,338,148	5,338,148
Add: Transfer during the period @ 25% of profit		477,015	-
		<u>5,815,163</u>	<u>5,338,148</u>

13.2 SURPLUS ON REVALUATION OF NON-CURRENT ASSETS

Opening balance	1,764,051,651	1,675,502,421
Add: Surplus on revaluation during the year	-	95,980,990
Less: Deferred tax liability on surplus on revaluation	-	(5,169,537)
Less: Incremental depreciation	(3,669,088)	(3,186,229)
Add: Deferred tax liability on incremental depreciation	1,064,036	924,007
	<u>1,761,446,598</u>	<u>1,764,051,651</u>

The Land and Buildings of the Society were revalued by an independent valuer M/s Muhammad Siddique Associate (Pvt) Ltd, an approved valuer of Pakistan Bank's Association on September 06, 2018.

The incremental depreciation is charged to the surplus on revaluation of fixed assets.



14 UNEARNED REINSURANCE COMMISSION

	Note	2019 Rupees	2018 Rupees
Fire and property damage		16,538	28,277
Live stock & others		136,474	166,221
		<u>153,012</u>	<u>194,499</u>

15 DEFERRED LIABILITIES

Deferred tax liability	14.1	<u>35,643,971</u>	<u>30,010,436</u>
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15.1 Deferred Taxation

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax debits / (credits) arising in respect of:

Non-Current Assets	20,432,457	16,134,737
Surplus on Revaluation of Non-Current Assets	-	5,169,537
Assets Subject to Finance Lease	203,337	5,638
Investment - Available for sale	19,453,486	14,551,642
Tax Losses	(3,381,274)	(4,927,112)
Incremental Depreciation	(1,064,036)	(924,006)
	<u>35,643,971</u>	<u>30,010,436</u>

16 LEASE LIABILITY

Car lease - Current Portion	218,619	201,062
Car lease - Non Current Portion	978,919	1,197,538
	<u>1,197,538</u>	<u>1,398,600</u>

16.1 MATURITY OF LEASE TERM

	2019	
Minimum Lease	Finance cost for future Period	Present Value
	Rupees	
Not later than one year	433,952	218,619
Later than one year and not later than five years	1,301,853	978,919
	<u>1,735,804</u>	<u>1,197,538</u>



	2018		
	<i>Minimum Lease</i>	Finance cost for future Period	Present Value
Rupees.....		
Not later than one year	412,149	211,086	201,062
Later than one year and not later than five years	1,735,804	538,266	1,197,538
	2,147,953	749,353	1,398,600

The terms of the leases are as follows:

Lease agreements with United Bank Limited, through third party, is related to lease of a motor vehicle. The liabilities under these arrangements are payable in monthly instalments. Interest rates implicit in the lease is used as discounting factor to determine the present value of minimum lease payments. The lease is for a five years period.

Lease agreement carries purchase option at the end of lease period and the Society intends to exercise its option to purchase the leased assets upon completion of the lease term. Residual value of the leased assets has already been paid at the inception of the lease in the form of security deposit.

17 OTHER CREDITORS & ACCRUALS	Note	2019 Rupees	2018 Rupees
Duties and Taxes Payable.		761,659	463,517
Rent Securities.		1,255,000	1,255,000
Bonus Payable		9,581	9,581
Other Payables		641,682	89,999
		2,667,922	1,818,097

18 CONTINGENCIES & COMMITMENTS

During the month of November 2017 a claim was intimated regarding burglary at the Punjab Provincial Cooperative Bank Limited, Shuja Abad (PPCBL) whereby gold insured by the Society was theft. There is claim of Rs 9.15 million by PPCBL regarding the above case. As per preliminary investigation it has transpired that bank staff was involved in the above robbery. The insurance policy does not provide risk coverage if the staff of the bank involved in the theft. Moreover, some of the culprits involved in the robbery have been caught by the Police and investigations are under way. Keeping the aforementioned facts, no provision has been provided in these financial statements as the management is confident that no liability would arise on the part of the Society.

There are no known commitments as at 31-12-2019 (2018: NIL)



	2019	2018
Note	Rupees	Rupees
19. NET INSURANCE PREMIUM		
Written gross premium	33,350,615	16,779,742
Unearned premium reserve - opening	9,549,847	4,128,503
Unearned premium reserve - closing	17,076,866	9,549,847
Premium earned	<u>25,823,595</u>	<u>11,358,398</u>
Less:		
Reinsurance premium ceded	3,474,696	1,642,731
Prepaid reinsurance premium - opening	1,185,965	371,525
Prepaid reinsurance premium - closing	2,300,606	1,185,965
Reinsurance expense	<u>2,360,055</u>	<u>828,291</u>
	<u>23,463,541</u>	<u>10,530,107</u>
20. NET INSURANCE CLAIMS		
Claims paid	201,070	349,120
Outstanding claims including IBNR - closing	1,378,180	733,920
Outstanding claims including IBNR - opening	733,920	250,000
Claims expense	<u>845,330</u>	<u>833,040</u>
Less:		
Reinsurance and other recoveries received	12,000	4,250
Reinsurance and other recoveries in respect of outstanding claims - opening	41,415	-
Reinsurance and other recoveries in respect of outstanding claims - closing	106,442	41,415
Reinsurance and other recoveries revenue	<u>77,027</u>	<u>45,665</u>
	<u>768,302</u>	<u>787,375</u>
21. NET COMMISSION		
Commission paid or payable		
Deferred commission expense - opening	4,774,688	2,365,972
Deferred commission expense - closing	1,416,540	368,918
Net commission	<u>2,571,660</u>	<u>1,416,540</u>
Less	3,619,568	1,318,350
Commission received or recoverable		
Unearned reinsurance commission - opening	254,897	282,050
Unearned reinsurance commission - closing	194,499	97,590
Commission from reinsurance	<u>153,012</u>	<u>194,498</u>
	<u>296,384</u>	<u>185,142</u>
	<u>3,323,183</u>	<u>1,133,208</u>



	2019	2018
Note	Rupees	Rupees
22. MANAGEMENT EXPENSES		
Salaries, Wages & Benefits.	14,172,999	9,346,625
Rent, Taxes, Electricity etc.	603,761	491,772
Communication.	455,382	274,626
Printing & Stationery.	833,695	424,818
Travelling & Entertainment.	980,990	563,445
Other Expenses.	462,779	316,105
	<u>17,509,606</u>	<u>11,417,391</u>
23. INVESTMENT INCOME		
Income from equity securities available-for-sale		
Dividend income	2,543,148	3,057,377
Income from debt securities available-for-sale		
Income from term deposits	60,571	13,161
	<u>2,603,719</u>	<u>3,070,538</u>
24. OTHER INCOME		
Miscellaneous receipts	78,811	233,447
Profit on sale of asset	353,213	43,978
Balances written off	-	896,334
	<u>432,024</u>	<u>1,173,759</u>



	Note	2019 Rupees	2018 Rupees
25 OTHER EXPENSES			
Salaries, wages, & benefits	25.1	2,830,774	2,142,523
Travelling and vehicle running expenses		994,803	707,203
Rent & taxation		2,133,272	1,741,890
Repair & maintenance		790,330	1,755,964
Advertisement & publicity		333,350	30,000
Fee & subscription		266,000	231,250
Bank charges		59,953	50,271
General charges		110,235	36,468
Other expenses		128,354	98,270
Legal & professional charges	25.2	1,821,535	1,697,760
Lease finance charges		211,091	-
Insurance Expense		73,427	-
Amortization		89,600	-
Depreciation		957,729	246,374
Provision		225,000	1,220,583
		<u>10,800,453</u>	<u>9,958,556</u>

25.1 Directors and chief executive remuneration

	2019		2018	
	Chief Executive	Directors	Chief Executive	Directors
Managerial remuneration	297,958	-	237,400	-
House rent allowance	75,600	-	62,400	-
Medical allowance	35,000	-	16,800	-
	-	-	-	-
	<u>408,558</u>	<u>-</u>	<u>316,600</u>	<u>-</u>
Number	1	8	1	8

The Directors of the Society are not paid any remuneration, consistent with the bye-laws of the Company.

25.2 Auditors' Remuneration

Audit fee - financial statements	90,000	90,000
Audit fee - Provident fund accounts	25,000	15,000
Certification fee	30,000	10,000
	<u>145,000</u>	<u>115,000</u>

26 Taxation

- Current	(793,763)	(615,115)
- Prior year	-	-
	(793,763)	(615,115)
Deferred tax	(3,298,160)	4,902,661
	<u>(4,091,923)</u>	<u>4,287,546</u>



26.1 Relationship between tax expenses and accounting profit

	2019	2018
	Effective Tax Rate	
Tax at applicable rate 29% (2018: 29%)	29.00	29.00
Tax effect of income subject to lower tax rates	-	-
Prior year adjustment	-	-
others	-	-
Tax charge for the year	<u>(97.20)</u>	<u>(135.14)</u>
	<u>(68.20)</u>	<u>(106.14)</u>

27 Segments Information

27.1 For the year ended 31-12-2019

	Fire & property damage	Marine, aviation & transport	Motor	Live stock & others	Treaty	Rupees 31-12-2019
Premium receivable (inclusive of FED, Federal insurance fee and administrative surcharge)	9,374,659	-	11,423,039	15,975,765	-	36,773,463
Less: Sales tax	811,513	-	988,830	1,382,935	-	3,183,278
Stamp duty	-	-	-	-	-	-
Federal insurance fee	61,074	-	74,418	104,078	-	239,570
Gross Written Premium (inclusive of administrative surcharge)	8,502,073	-	10,359,790	14,488,752	-	33,350,615
Gross direct premium	8,093,399	-	2,871,755	20,805,254	-	31,770,408
Facultative inward premium	-	-	-	-	-	-
Administrative surcharge	405,005	-	143,707	1,041,124	-	1,589,835
Insurance premium earned	6,731,736	-	9,096,233	9,995,625	-	25,823,594
Insurance premium ceded to reinsurers	281,379	-	368,589	1,710,086	-	2,360,055
Net insurance premium	6,450,357	-	8,727,644	8,285,539	-	23,463,541
Commission income	43,848	-	-	252,536	-	296,384
Net underwriting income	6,494,205	-	8,727,644	8,538,075	-	23,759,925
Insurance claims	(30,148)	-	495,892	379,586	-	845,330
Insurance claims recovered from reinsurers	6,857	-	13,684	56,486	-	77,027
Net claims	(37,005)	-	482,208	323,100	-	768,302
Commission expenses	954,619	-	1,327,648	1,337,300	-	3,619,568
Premium deficiency reserve	(119,413)	-	(2,322,541)	(1,631,221)	-	(4,073,175)
Management expenses	4,463,724	-	5,439,056	7,606,826	-	17,509,606
Net insurance claims and expenses	5,261,925	-	4,926,370	7,636,006	-	17,824,301
Underwriting result	1,232,281	-	3,801,273	902,069	-	5,935,624
Net investment income						2,603,719
Rental income						7,829,067
Other income						432,024
Other expenses						(10,800,453)
Profit before tax						<u>5,999,981</u>

27.2 For the year ended 31-12-2018

	Fire & property damage	Marine, aviation & transport	Motor	Live stock & others	Treaty	Rupees 31-12-2018
Premium receivable (inclusive of FED, Federal insurance fee and administrative surcharge)	5,320,278	-	7,826,112	6,568,233	-	19,714,623
Less: Sales tax	743,064	-	1,093,044	917,361	-	2,753,469
Stamp duty	-	-	-	-	-	-
Federal insurance fee	48,957	-	72,015	60,440	-	181,412
Gross Written Premium (inclusive of administrative surcharge)	4,528,257	-	6,661,053	5,590,432	-	16,779,742
Gross direct premium	4,372,130	-	6,431,391	5,397,683	-	16,201,204
Facultative inward premium	-	-	-	-	-	-
Administrative surcharge	156,127	-	229,662	192,749	-	578,538
Insurance premium earned	5,094,703	-	3,859,804	2,403,891	-	11,358,398
Insurance premium ceded to reinsurers	401,409	-	57,279	369,603	-	828,291



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

Net insurance premium	4,693,294	-	3,802,525	2,034,288	-	10,530,107
Commission income	114,298	-	-	70,844	-	185,142
Net underwriting income	4,807,592	-	3,802,525	2,105,132	-	10,715,250
Insurance claims	401,735	-	311,110	120,195	-	833,040
Insurance claims recovered from reinsurers	24,320	-	2,864	18,481	-	45,665
Net claims	377,415	-	308,246	101,714	-	787,375
Commission expense	654,787	-	388,836	274,727	-	1,318,350
Premium deficiency reserve	(1,518,901)	-	1,686,647	2,281,261	-	2,449,007
Management expenses	3,081,149	-	4,532,361	3,803,881	-	11,417,391
Net insurance claims and expenses	2,594,451	-	6,916,090	6,461,581	-	15,972,123
Underwriting result	2,213,141	-	(3,113,565)	(4,356,450)	-	(5,256,874)
Net investment income						
Rental income						3,070,538
Other income						6,931,539
Other expenses						1,173,759
Finance costs						(9,958,556)
Loss before tax						(4,039,594)

28 Movement in Investment For the year ended 31-12-2019

Name of investment	Rupees		
	Held to maturity	Available-for-sale	Total
At beginning of pervious year			
Additions	3,011,450	71,137,377	74,148,827
Disposals (sale and redemptions)	-	-	-
Fair vauue net gain / Loss (excluding net realized gains)	-	(15,778,495)	(15,778,495)
Impairment losses	-	-	-
At beginning of current			
Additions	3,011,450	55,358,882	58,370,332
Disposals (sale and redemptions)	-	-	-
Fair value net gains (excluding net realized gains)	-	12,497,968	12,497,968
Impairment losses	-	-	-
At end of year 2019			
	3,011,450	67,856,849	70,868,299



29 MANGAGEMENT OF INSURANCE AND FINANCIAL RISK

29.1 Insurance Risk

The principal risk the Society faces under insurance contracts is the possibility that the insured event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The objective of the Society is to ensure that sufficient reserves are available to cover these liabilities.

The Society manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimise insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Society underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of insurance are generally regarded as short term insurance contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Society has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Reinsurance arrangements in place include treaty and facultative arrangements, on proportional and non proportional basis and also include catastrophe cover. The effect of such reinsurance arrangements is that the Society may not suffer ultimate net insurance losses beyond the Society's risk appetite in any one year.

For reinsurance cover the Society's 100% arrangement of reinsurance is dependent on Pakistan Resinsurance Company Limited which is a government owned company with sound and stable financial outlook and credit rating.

29.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Society manages these risk through the measures described above. The Society has limited its exposure to catastrophic and riot events by use of reinsurance arrangements.

The Society monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business at balance sheet date:

Class	2019				2018			
	Gross Claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities	Gross Claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	38	41	25	28	52	53	26	28
Marine, aviation and transport	-	-	-	-	-	-	-	-
Motor	26	26	29	29	31	33	39	43
Miscellaneous	36	33	46	44	16	15	35	30
	100	100	100	100	99	101	100	101



Since the Society operates in Pakistan only, hence, all the insurance risks relate to policies written in Pakistan.

The Society's class wise major gross risk exposure is as follows:

Class	Amounts in Rupees	
	2019	2018
Fire and property damage	553,308,000	36,456,250
Motor	19,215,006	66,961,000
Live stock & others	2,049,663,220	82,958,000

29.1.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date. The details of estimation of outstanding claims (including IBNR) are given under note 5.8.

29.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Society, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of balance sheet date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

29.1.4 Sensitivity analysis

The Society believes that the claim liabilities under insurance contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the profit before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analysed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other



	Profit before tax		Shareholder's equity	
	2019	2018	2019	2018
Impact of changes in claim liabilities by + 10				
Fire and property damage	(32,766)	-	(23,264)	-
Marine, aviation and transport	-	-	-	-
Motor	(51,926)	(25,000)	(36,868)	(17,750)
Live stock & others	(42,481)	-	(30,162)	-
	<u>(127,174)</u>	<u>(25,000)</u>	<u>(90,293)</u>	<u>(17,750)</u>
Impact of changes in claim liabilities by - 10				
Fire and property damage	32,766	-	23,264	-
Marine, aviation and transport	-	-	-	-
Motor	51,926	25,000	36,868	17,500
Live stock & others	42,481	-	30,162	-
	<u>127,174</u>	<u>25,000</u>	<u>90,293</u>	<u>17,500</u>



29.2 Financial risk

The Society's activities expose it to a variety of financial risks: expense risk, lapse risk, credit risk, liquidity risk and market risk (comprising of currency risk, interest rate risk and other price risk). The Society's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Society's financial performance.

The Board of Directors has overall responsibility for establishment and oversight of the Society's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

29.3 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner. Due to the nature of financial assets, the Society believes it is not exposed to any major concentration of credit risk.

The carrying amounts of the following financial assets represent the Society's maximum exposure to credit risk:

<u>Financial assets</u>	<u>2019</u>	<u>2018</u>
	Rupees	Rupees
Term deposits	3,011,450	3,011,450
Sundry receivables	5,091,517	4,027,540
Insurance / reinsurance receivable	555,721	10,226
Reinsurance recoveries against outstanding claims	106,442	41,415
	<u>8,765,130</u>	<u>7,090,631</u>

The credit quality of Society's bank balances and deposits can be assessed with reference to external credit ratings as follows:

<u>Rating</u>	<u>2019</u>	<u>2018</u>
AAA	3,202,315	2,777,612
AA+	1,435,747	547,858
AA	358,000	196,516
AA-		
A+	7,278,309	2,533,913
A-	483,688	348,847
	<u>12,758,059</u>	<u>6,404,746</u>



29.4 Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected re-insurance recoveries.

The objective of the Society's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Society's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

The table below provides the maturity analysis of the Society's liabilities as at balance sheet date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

	(Rupees)		
	2019		
	Carrying amount	Up to one year	Greater than one
Financial Liabilities			
Provision for outstanding claims (including IBNR)	1,378,180	1,378,180	-
Amount due to other insurers / reinsurers	1,425,495	(2,000)	1,427,495
Accrued expenses	90,000	90,000	-
Other creditors and accruals	9,581	-	9,581
Unclaimed dividends	242,330	-	242,330
	3,145,586	1,466,180	1,679,406
	2018		
	Carrying amount	Up to one year	Greater than one year
Financial Liabilities			
Provision for outstanding claims (including IBNR)	250,000	250,000	-
Amount due to other insurers / reinsurers	1,084,583	188,249	896,334
Accrued expenses	90,000	90,000	-
Other creditors and accruals	9,581	-	9,581
Unclaimed dividends	242,330	-	242,330
	1,676,494	528,249	1,148,245

29.5 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as interest rates, foreign exchange rates and equity prices.

The Society limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities and equity markets. In addition, the Society actively monitors the key factors that affect the underlying value of these securities.

29.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Society has securities and deposits that are subject to interest rate risk. The Society limits interest rate risk by monitoring changes in interest rates in the currencies in which its financial assets are denominated.

The information about Society's exposure to interest rate risk based on contractual repricing or maturity dates whichever is earlier is as follows:



	2018					
Financial Liabilities						
Provision for outstanding claims (including IBNR)	-	-	-	-	250,000	250,000
Amount due to other	-	-	-	-	1,084,583	1,084,583
Other creditors and Lease Liability	-	-	-	-	1,956,865	1,956,865
Unclaimed dividends	-	-	-	-	1,398,600	1,398,600
	-	-	-	-	242,330	242,330
	-	-	-	-	4,932,378	4,932,378
On-balance sheet sensitivity gap	500,000	-	-	500,000		
Total yield / mark-up rate risk sensitivity gap	500,000	-	-	500,000		

29.7 Sensitivity analysis

For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

.....(Rupees).....

	Change in basis points	Effect on profit and loss before tax	Effect on shareholders equity
31 December 2019	100	606	418
	(100)	(606)	(418)
31 December 2018	100	132	91
	(100)	(132)	(91)



30 Fair Value

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. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

30.1 Financial Instruments - Fair values

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

	2019								
	Carrying amount				Fair value				
	Available for sales	Loans & receivables	Other financial assets	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-Balance sheet financial instrument ----- Rupees -----									
As at 31 December 2019									
<u>Financial assets not measured at fair value</u>									
Term Deposits	-		3,011,450	-	3,011,450	-	-	-	-
Cash and bank balances	-		13,218,221	-	13,218,221	-	-	-	-
Sundry receivables		5,091,517	-	-	5,091,517	-	-	-	-
Security deposits		59,400	-	-	59,400	-	-	-	-
Reinsurance recoveries against outstanding claims		106,442	-	-	106,442	-	-	-	-
Insurance / reinsurance receivables		555,721	-	-	555,721	-	-	-	-
30.2	5,813,080	22,042,751	16,229,671	-	22,042,751	-	-	-	-

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Financial assets measured at fair value

Listed Equities	-	57,255,253	-	-	57,255,25
Un-Listed Equities	-	-	10,376,597	-	10,376,59
	-	57,255,253	10,376,597	-	67,631,84

Financial liabilities not measured at fair value

Outstanding claims including IBNR	-	1,378,180	-	-	-
Premium deficiency reserve	-	125,473	-	-	-
Insurance / reinsurance payables	-	1,425,495	-	-	-
Lease Liability	-	1,197,538	-	-	-
Other Payables	-	2,667,922	-	-	-
Unclaimed Dividend	-	242,330	-	-	-
	-	4,126,685	-	-	-
	30.2	4,126,685	-	-	-

2018

	Carrying amount			Fair value				
	Available for sales	Loans & receivables	Other financial assets	Financial liabilities	Total	Total		
					Level 1	Level 2	Level 3	Total
					Rupees -----			
Note								
As at 31 December 2018								
<u>Financial assets not measured at fair value</u>								
Unlisted Equities	4,677,600	-	-	-	-	-	-	4,677,600
Term Deposits	-	-	3,011,450	-	-	-	-	3,011,450
Cash and bank balances	-	-	7,340,711	-	-	-	-	7,340,711
Sundry receivables	4,027,540	-	-	-	-	-	-	4,027,540
Security deposits	71,344	-	-	-	-	-	-	71,344
Reinsurance recoveries against outstanding claims	41,415	-	-	-	-	-	-	41,415
Insurance / reinsurance receivables	10,226	-	-	-	-	-	-	10,226
	30.2	4,677,600	4,150,525	10,352,161	-	-	-	19,180,286

Financial assets measured at fair value

Listed Equities	-	-	-	-	50,681,282	-	-	50,681,28
	-	-	-	-	50,681,282	-	-	50,681,28



Financial liabilities not measured at fair value

Outstanding claims including IBNR	733,920	-	-
Premium deficiency reserve	4,198,648	-	-
Insurance / reinsurance payables	493,306	-	-
Lease Liability	1,398,600	-	-
Other Payables	1,818,097	-	-
Unclaimed Dividend	242,330	-	-
	8,884,901	-	-
	8,884,901	-	-

30.2

Fair value versus carrying amounts

The Society has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of their fair value.



31 Statement of Solvency	2019 Rupees
Assets	
Property and equipment	2,288,635,952
Investments	
Listed equity securities	57,255,253
Unlisted equity securities	10,376,597
Term deposits	3,011,450
	70,643,300
Loans and other receivables	
Current Assets - Others	
Deferred commission expenses	2,571,660
Prepayments	2,300,606
Other receivables	7,287,488
	12,159,755
Cash and bank	13,218,221
Total assets	2,384,657,227
Inadmissible assets	
Listed equity securities	28,627,627
Unlisted equity securities	9,857,767
Land & Buildings	1,598,332,827
Furniture, fixture and office equipment	373,224
Intangibles	358,400
Motor vehicles	4,571,718
	1,642,121,562
Admissible assets	
Total liabilities	
Underwriting provisions	
Outstanding claims including IBNR	1,378,180
Unearned premium reserve	17,076,866
Premium deficiency reserve	125,473
Unearned reinsurance commission	153,012
Deferred taxation	35,643,971
Insurance / reinsurance payables	1,425,495
Lease liability	1,197,538
Unclaimed dividend	242,330
Other creditors and accruals	2,667,922
Total liabilities	59,910,786
Total net admissible assets	682,624,879
Minimum solvency requirement (higher of followings)	
Under section 36 (3) (a) of Insurance Ordinance, 2000	150,000,000
Under section 36 (3) (b) of Insurance Ordinance, 2000	150,000,000
Under section 36 (3) (c) of Insurance Ordinance, 2000	4,692,708
	3,209,599
Net admissible assets in excess of solvency requirement	532,624,879



	Note	2019 Rupees	2018 Rupees
32 EARNING PER SHARE			
32.1 Basic earnings per share			
(Loss) / profit for the year		1,908,059	247,953
Number of ordinary shares		50,003,240	50,003,240
(Loss) / earnings per share		0.04	0.00
32.2 Diluted earnings per share			

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

33 IMPACT ON FINANCIAL STATEMENT UNDER COVID-19

There is no material impact on the assets of the Society

34 PROVIDENT FUND RELATED DISCLOSURE

The following information is based on unaudited financial statements for the year ended 31 December 2019 and audited financial statements for the year ended 31 December 2018.

		2019	2018
Size of the Fund - Total asset:	Rs	810,348	517,060
Cost of investments	Rs		500,000
Percentage of investments made		0%	97%
Fair value of investments	Rs		500,000

35 NUMBER OF EMPLOYEES

Number of employees as at December 31, 2019 was 103 (2018: 83)

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized by the board of directors of the society in the meeting held on 08-09-2020

37 FIGURES

Figures in these financial statements have been rounded off to the nearest rupee and have been re-arranged/ re-classified wherever necessary for the purpose of comparison. However there has been no material re-arrangement / re-classification.

Usman Amjad
Chief Financial Officer

Fatch Khan Niazi
Chief Executive Officer

Gulam Sajjad
Hussain
Director

Ch. Ahsan Mahmood
Director

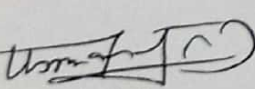
Sh. Aziz-ul-Haq
Piracha
Chairman

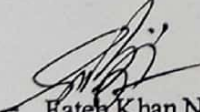


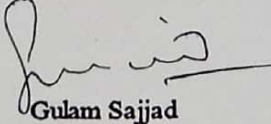
THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

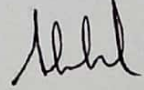
THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
CLASSIFIED SUMMARY OF ASSETS IN PAKISTAN
AS AT DECEMBER 31, 2019

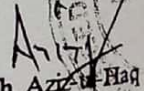
CLASS OF ASSETS	2019		2018		Valuation Basis. (Rs)
	Cost or Book Value. (Rs)	Market Value. (Rs)	Cost or Book Value. (Rs)	Market Value. (Rs)	
Cash and other equivalents	13,218,221	13,218,221	7,340,711	7,340,711	Book Value
Fixed & terms deposit with scheduled banks	500,000	500,000	500,000	500,000	Book Value
Government securities with State Bank of Pakistan	2,511,450	2,511,450	2,511,450	2,511,450	Book Value
Shares	67,631,850	67,631,850	5,180,805	55,358,882	Market Value
Insurance / reinsurance receivable	555,721	555,721	10,226	10,226	Book Value
Reinsurance recoveries against outstanding claims	106,442	106,442	41,415	41,415	Book Value
Prepayment-prepaid reinsurance premium	2,300,606	2,300,606	1,185,965	1,185,965	Book Value
Deferred commission	2,571,660	2,571,660	1,416,540	1,416,540	Book Value
Taxation - payments less provision	2,030,129	2,030,129	1,852,556	1,852,556	Book Value
Security deposits	59,400	59,400	71,344	71,344	Book Value
Sundry receivable.	5,091,517	5,091,517	4,027,540	4,027,540	Book Value
Land and buildings	2,283,332,610	2,283,332,610	2,287,007,090	2,287,007,090	Market Value
Furniture, fixture and office equipment	373,224	373,224	374,426	374,426	Book Value
Motor vehicles	4,571,718	4,571,718	3,619,136	3,619,136	Book Value
Intangibles	358,400	358,400	448,000	448,000	Book Value
Total Assets:	2,385,212,948	2,385,212,948	2,315,587,204	2,365,765,280	


Usman Amjad
Chief Financial Officer


Fatah Khan Niazi
Chief Executive Officer


Gulam Sajjad
Hussain
Director


Ch. Ahsan Mahmood
Director


Sh. Aziz Haq
Pracha
Chairman



HEAD OFFICE

Cooperative Insurance Building,
23-Shahrah-e-Quaid-e-Azam
Lahore.

Fateh Khan Niazi

Shoaib Ahmed Waseem

Usman Amjad

Iftikhar-ul-Haq

Muhammad Ashraf

Ghulam Rabbani

Muhammad Jamil Bhatti

Bahawalnagar

Rai Anwaar Alam
Zonal Manager

M. Rashid Kitchlew
Zonal Manager

Sattar Ahmed
Zonal Manager

Mansoor Hussain Bhatti
Branch Manager

Karachi -1

Mirza Anwar Baig
Chief Manager

Liaquat Ali
Branch Manager
Karachi-2

Tahir Mehmood Qureshi
(Manager Development)

Multan

Hassan Faryal Bhutta
Regional Manager

Syed Farid-ul-Hassan
Development Officer

Chief Executive Officer

Financial Advisor

Chief Financial Officer

Manager Finance

Manager Underwriting

Asstt: Manager Accounts

Asstt: Manager Re-insurance

ZONAL OFFICES

Chowk Tasneem Fowara

23-Shahrah-e-Quaide-e-Azam, Lahore

Shoaib Manzil, Chowk Chohan Park, Lahore.

23-Shahrah-e-Quaide-e-Azam, Lahore

REGIONAL OFFICES

Nadir House, 3rd Floor, P.O. Box No. 4814,
I.I. Chundrigarh Road, Karachi

Office No. 18, Kareem Plaza, Near Civic
Centre, Gulshan-e-Iqbal Karachi.

Office No. 1, 1st Floor, Clock Plaza,
Ghanta Ghar, Multan.

Phones:

37356537,
37352306,37242798

Fax: 37352794

Email:

coinsopl@live.com

0322-9490777

0300-0803060

0304-3349717

0300-8811473

0322-4545283

0333-4485086

0322-4318241

0300-7920337
0300-7585601

Res: 37113901
0300-4292277

Res: 37923661
0300-4870280
0323-4870280

0300-4278782

Off: 32411840
0300-2313632

0322-2032013

0300-9237978

0300-6338415



Multan-2

Syed Waqar Ali Rizvi
Branch Manager

Upper Store Shopping Centre No. 3, Opp:
Mall Plaza, Multan Cantt.

0305-2007809
0333-6388157

BRANCH OFFICES

Faisalabad Zone

Rai Nawazish Ali
Branch Manager

Quaid-e-Azam Road, Tandlianwala

0300-6581781

Guiranjwala

Asad Javaid
Branch Manager

58-B, Trust Plaza, G.T. Road,

0321-7441724

0300-7593106

Sheikhupura

Asad Javaid
Branch Manager

Sheikhupura

0300-7593106

0321-7441724

Sargodha

M. Taufiq Paracha
Branch Manager

Opp: City Post Office, Main Road,
Block No. 5

Off: 7323459

Res: 3213459

0300-9609161

Rawalpindi

Muza'far Hussain Shah
Branch Manager

53/8, Haider Road,

Off: 5566232

0333-5341722

Okara

Abdul Rahim Gohar
Branch Manager

C/o. Haji Motors, G.T.Road,
Renala Khurd

0333-4565378

Rahim Yar Khan

Khadim Hussain Bhatti
Branch Manager

B-80, Umer Block, Abbasia Town

068-5877883

0333-7453191

Sahiwal

Kashif Rafiq
Development Officer

House No. 775, M-Block, Fareed Town,
Sahiwal.

0300-6937275

0312-6937275

D.G. Khan

Mian Javed
Branch Manager

Block No. 16, Dera Ghazi Khan.

0300-6781253

0334-6781253

Head Office

23-Shahrah-e-Quaid-e-Azam, Lahore.

Ph: 042-37352306 37356537 & 37242798

Fax: 042-37352794



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