



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

ANNUAL REPORT



2023

**THE COOPERATIVE INSURANCE
SOCIETY OF PAKISTAN LTD**



BOARD OF DIRECTORS

Chairman	Asad-ul -Haq Piracha	
Senior Vice Chairman	Col. Saleem Masood (Rtd)	
Directors	Mr. Ghulam Shabbir Malik	
	Mr. Ahmed Iqbal Zaheer	
	Mr. Imtiaz-ul-Hassan	
	Mr. Ghulam Sajjad Hussain	
Auditors	Muniff Zia Uddin & Company	
	Chartered Accountant	
Legal Advisor	Mr. Mohammad Shakeel Ghouri, Advocate	
Bankers	Punjab Provincial Cooperative Bank Ltd	
	Allied Bank of Pakistan Ltd.	
	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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HORIZONTAL ANALYSIS

Statement of Financial Statement

Assets

	2023		2022		2021		2020
	Rupees	%	Rupees	%	Rupees	%	Rupees
Property and equipments	2,353,034,703	0.06	2,228,032,640	(0.00)	2,232,483,850	0.007	2,216,184,198
Intangible Assets		(1.00)	89,600	(0.50)	179,200	(0.33)	268,800
Investment property	87,907,988	0.17	75,252,292		70,903,000		68,818,000
Equity securities	85,948,956	0.34	63,941,417	(0.31)	92,037,809	(0.05)	96,895,006
Term deposits	2,511,450	(0.28)	3,511,450	0.17	3,011,450	-	3,011,450
Sundry receivables	4,253,064	0.33	3,208,037	0.36	2,350,743	0.28	1,840,911
Insurance / reinsurance receivables	1,290,667	2.14	410,739	(0.19)	507,252	0.26	402,859
Reinsurance recoveries against outstanding claims	166,347	0.58	105,352	(0.04)	110,044	(0.16)	130,994
Deferred commission expense	2,390,702	0.06	2,262,046	0.62	1,400,028	(0.26)	1,896,672
Security deposits	59,400	-	59,400	-	59,400	-	59,400
Taxation - payments less provision	2,357,997	0.02	2,306,304	0.11	2,071,234	(0.01)	2,086,347
Prepayments	4,452,173	0.16	3,849,443	0.92	2,002,971	0.22	1,643,884
Cash and bank	12,059,298	(0.24)	15,803,521	0.29	12,286,480	(0.17)	14,731,473
Total assets	2,556,432,745	0.066	2,398,832,241	(0.01)	2,419,403,461	0.00	2,407,969,994
Total assets of window takaful operations - Operator's fund							
Total assets	2,556,432,745	0.066	2,398,832,241	(0.01)	2,419,403,461	0.00	2,407,969,994

Equity and Liabilities

Capital and reserves attributable to Company's equity holders

Ordinary share capital	500,032,400	-	500,032,400	-	500,032,400	-	500,032,400
Reserves	1,889,628,924	0.08	1,752,768,026	(0.01)	1,774,321,289	0.01	1,765,411,502
Revaluation reserve					-		-
Unappropriated profit / (loss)	91,398,311	0.08	84,587,172	0.04	81,369,577	0.02	79,804,693
Total equity	2,481,059,635	0.061	2,337,387,598	(0.01)	2,355,723,266	0.00	2,345,248,595
Surplus on revaluation of property and equipment	-		-		-		-

Liabilities

Underwriting provisions

Outstanding claims including IBNR	1,694,965	0.39	1,219,224	0.21	1,011,646	(0.35)	1,564,877
Unearned premium reserves	16,123,883	0.07	15,065,937	0.61	9,370,003	(0.14)	10,926,437
Premium deficiency reserve				-		-	-
Unearned reinsurance commission	896,197	0.23	725,845	0.75	415,470	0.36	306,162
Deferred taxation	48,989,595	0.33	36,819,401	(0.25)	49,156,001	0.07	46,075,041
Insurance / reinsurance payables	1,305,440	(0.17)	1,572,713	25.53	59,276	(0.85)	401,224
Lease Liability		-		-		(1.00)	978,919
	6,124,841	0.06	5,803,334	0.69	3,425,469	0.54	2,226,409
Other creditors and accruals	75,134,921	0.23	61,206,454	(0.04)	63,437,865	0.02	62,479,069
Total liabilities	2,556,194,556	0.066	2,398,594,052	(0.01)	2,419,161,131	0.00	2,407,727,664
Total equity and liabilities	2,556,194,556	0.066	2,398,594,052	(0.01)	2,419,161,131	0.00	2,407,727,664
Unclaimed dividend	238,189	-	238,189	(0.02)	242,330	-	242,330
Total equity and liabilities	2,556,432,745	0.066	2,398,832,241	(0.01)	2,419,403,461	0.00	2,407,969,994

Statement of profit or loss

	2023		2022		2020		2019
	Rupees	%	Rupees	%	Rupees	%	Rupees
Net insurance premium	25,263,214	0.51	16,745,367	(0.03)	17,242,702	(0.35)	26,472,863
Net insurance claims	(1,040,505)	0.49	(697,858)	9.96	(63,663)	(0.98)	(4,062,466)
Net commission	(3,551,087)	0.53	(2,316,890)	(0.15)	(2,722,228)	(0.29)	(3,833,547)
Insurance claims and acquisition expenses	(4,591,592)	0.52	(3,014,748)	0.08	(2,785,891)	(0.65)	(7,896,013)
Premium deficiency reserve		-		-		(1.00)	125,473
Management expenses	(23,766,542)	0.34	(17,701,944)	0.33	(13,275,794)	(0.10)	(14,700,997)
Underwriting results	(3,094,920)	(0.22)	(3,971,325)	(4.36)	1,181,017	(0.70)	4,001,326
Investment income	1,826,149	(0.30)	2,607,032	(0.34)	3,956,627	0.74	2,271,514
Rental income	10,418,416	0.02	10,189,941	0.14	8,932,262	0.09	8,213,337
Other income	12,655,696	1.84	4,452,798	0.57	2,833,805	3.58	618,851
Other expenses	(16,024,306)	0.01	(15,866,159)	0.04	(15,257,433)	0.14	(13,433,607)
	8,875,955	5.42	1,383,612	1.97	465,261	(1.20)	(2,329,905)
Finance Cost - Lease Finance Charges		#DIV/0!		(1.00)	(35,083)	100.00	(215,333)
Profit / (loss) before tax	5,781,035	(3.23)	(2,587,713)	(2.61)	1,611,195	0.11	1,456,088
Income tax	121,824	(0.96)	3,405,240	(2.29)	(2,630,877)	(0.09)	(2,877,416)
(Loss) / profit after tax	5,902,859	6.22	817,527	(1.80)	(1,019,682)	(0.28)	(1,421,328)

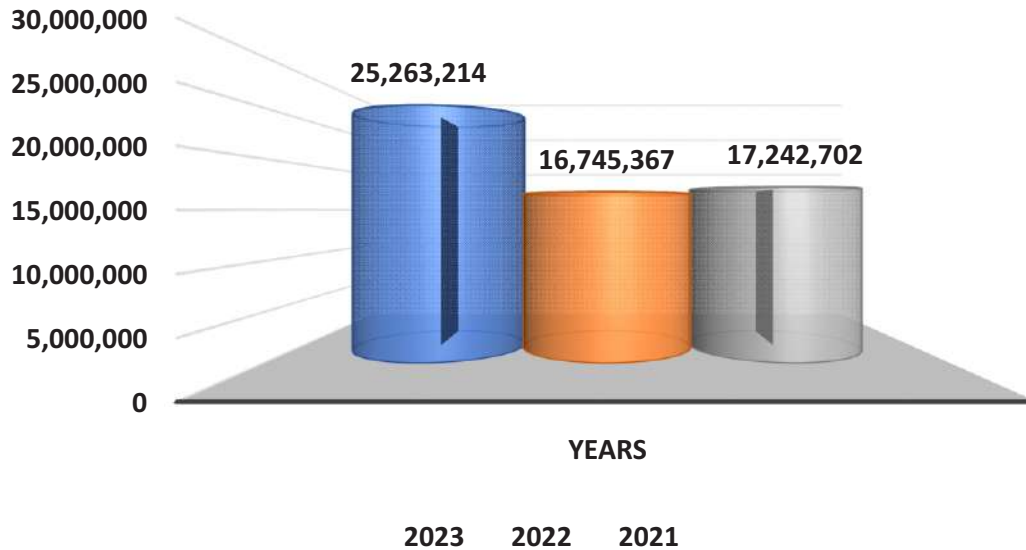


VERTICAL ANALYSIS

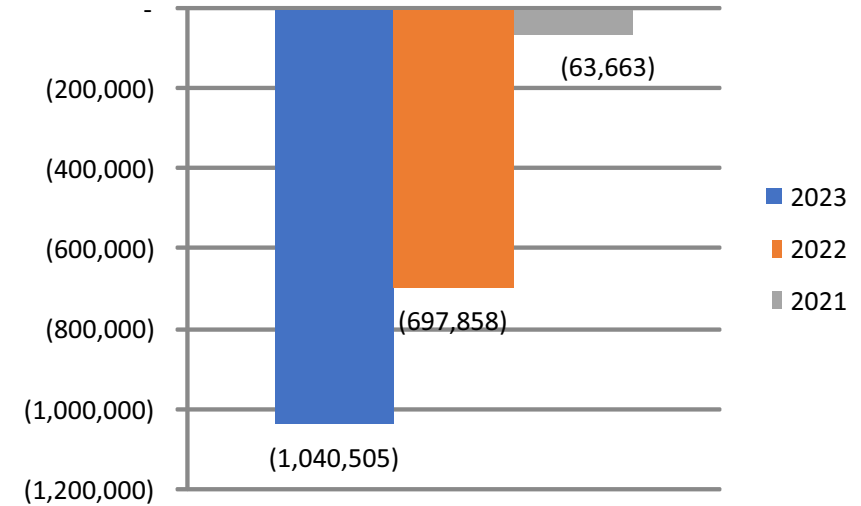
Statement of Financial Statement	2023		2022		2021		2020	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Assets								
Property and equipments	2,353,034,703	92.04%	2,228,032,640	92.88%	2,232,483,850	92.27%	2,216,184,198	92.04%
Intangible Assets		0.00%	89,600	0.00%	179,200	0.01%	268,800	0.01%
Investment property	87,907,988	3.44%	75,252,292	3.14%	70,903,000	2.93%	68,818,000	2.86%
Equity securities	85,948,956	3.36%	63,941,417	2.67%	92,037,809	3.80%	96,895,006	4.02%
Term deposits	2,511,450	0.10%	3,511,450	0.15%	3,011,450	0.12%	3,011,450	0.13%
Sundry receivables	4,253,064	0.17%	3,208,037	0.13%	2,350,743	0.10%	1,840,911	0.08%
Insurance / reinsurance receivables	1,290,667	0.05%	410,739	0.02%	507,252	0.02%	402,859	0.02%
Reinsurance recoveries against outstanding claims	166,347	0.01%	105,352	0.00%	110,044	0.00%	130,994	0.01%
Deferred commission expense	2,390,702	0.09%	2,262,046	0.09%	1,400,028	0.06%	1,896,672	0.08%
Security deposits	59,400	0.00%	59,400	0.00%	59,400	0.00%	59,400	0.00%
Taxation - payments less provision	2,357,997	0.09%	2,306,304	0.10%	2,071,234	0.09%	2,086,347	0.09%
Prepayments	4,452,173	0.17%	3,849,443	0.16%	2,002,971	0.08%	1,643,884	0.07%
Cash and bank	12,059,298	0.47%	15,803,521	0.66%	12,286,480	0.51%	14,731,473	0.61%
Total assets	2,556,432,745	100.00%	2,398,832,241	100.00%	2,419,403,461	100.00%	2,407,969,994	100.00%
Total assets of window takaful operations - Operator's fund								
Total assets	2,556,432,745	100.00%	2,398,832,241	100.00%	2,419,403,461	100.00%	2,407,969,994	100.00%
Equity and Liabilities								
Capital and reserves attributable to Company's equity holders								
Ordinary share capital	500,032,400	19.56%	500,032,400	20.84%	500,032,400	20.67%	500,032,400	20.77%
Reserves	1,889,628,924	73.92%	1,752,768,026	73.07%	1,774,321,289	73.34%	1,765,411,502	73.32%
Revaluation reserve		0.00%		0.00%	-	0.00%	-	0.00%
Unappropriated profit / (loss)	91,398,311	3.58%	84,587,172	3.53%	81,369,577	3.36%	79,804,693	3.31%
Total equity	2,481,059,635	97.05%	2,337,387,598	97.44%	2,355,723,266	97.37%	2,345,248,595	97.40%
Surplus on revaluation of property and equipment	-		-		-		-	
Liabilities								
Underwriting provisions								
Outstanding claims including IBNR	1,694,965	0.07%	1,219,224	0.05%	1,011,646	0.04%	1,564,877	0.06%
Unearned premium reserves	16,123,883	0.63%	15,065,937	0.63%	9,370,003	0.39%	10,926,437	0.45%
Premium deficiency reserve		0.00%		0.00%		0.00%	-	0.00%
Unearned reinsurance commission	896,197	0.04%	725,845	0.03%	415,470	0.02%	306,162	0.01%
Deferred taxation	48,989,595	1.92%	36,819,401	1.53%	49,156,001	2.03%	46,075,041	1.91%
Insurance / reinsurance payables	1,305,440	0.05%	1,572,713	0.07%	59,276	0.00%	401,224	0.02%
Lease Liability		0.00%		0.00%	-	0.00%	978,919	0.04%
Other creditors and accruals	6,124,841	0.24%	5,803,334	0.24%	3,425,469	0.14%	2,226,409	0.09%
Total liabilities	75,134,921	2.94%	61,206,454	2.55%	63,437,865	2.62%	62,479,069	2.59%
Total equity and liabilities	2,556,194,556	99.99%	2,398,594,052	99.99%	2,419,161,131	99.99%	2,407,727,664	99.99%
Unclaimed dividend	238,189	0.01%	238,189	0.01%	242,330	0.01%	242,330	0.01%
Total equity and liabilities	2,556,432,745	100.00%	2,398,832,241	100.00%	2,419,403,461	100.00%	2,407,969,994	100.00%
Statement of profit or loss								
Net insurance premium	25,263,214	100.00%	16,745,367	100.00%	17,242,702	100.00%	26,472,863	100.00%
Net insurance claims	(1,040,505)	-4.12%	(697,858)	-15.35%	(63,663)	-0.37%	(4,062,466)	-15.35%
Net commission	(3,551,087)	-14.06%	(2,316,890)	-14.48%	(2,722,228)	-15.79%	(3,833,547)	-14.48%
Insurance claims and acquisition expenses	(4,591,592)	-18.18%	(3,014,748)	-29.83%	(2,785,891)	-16.16%	(7,896,013)	-29.83%
Premium deficiency reserve		0.00%		0.47%		0.00%	125,473	0.47%
Management expenses	(23,766,542)	-94.08%	(17,701,944)	-55.53%	(13,275,794)	-76.99%	(14,700,997)	-55.53%
Underwriting results	(3,094,920)	-12.25%	(3,971,325)	15.11%	1,181,017	6.85%	4,001,326	15.11%
Investment income	1,826,149	7.23%	2,607,032	8.58%	3,956,627	22.95%	2,271,514	8.58%
Rental income	10,418,416	41.24%	10,189,941	31.03%	8,932,262	51.80%	8,213,337	31.03%
Other income	12,655,696	50.10%	4,452,798	2.34%	2,833,805	16.43%	618,851	2.34%
Other expenses	(16,024,306)	-63.43%	(15,866,159)	-50.74%	(15,257,433)	-88.49%	(13,433,607)	-50.74%
	8,875,955	35.13%	1,383,612	-8.80%	465,261	2.70%	(2,329,905)	-8.80%
Finance Cost - Lease Finance Charges		0.00%		-0.81%	(35,083)	-0.20%	(215,333)	-0.81%
Profit / (loss) before tax	5,781,035	22.88%	(2,587,713)	5.50%	1,611,195	9.34%	1,456,088	5.50%
Income tax	121,824	0.48%	3,405,240	-10.87%	(2,630,877)	-15.26%	(2,877,416)	-10.87%
(Loss) / profit after tax	5,902,859	23.37%	817,527	-5.37%	(1,019,682)	-5.91%	(1,421,328)	-5.37%



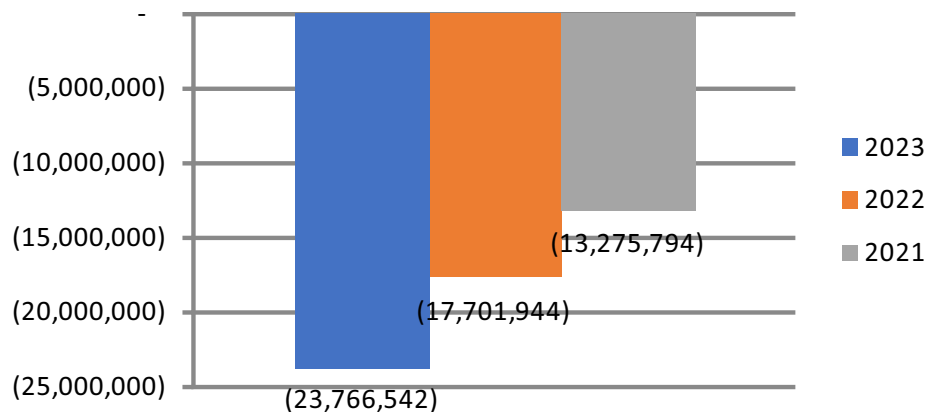
NET INSURANCE PREMIUMS (RS.)



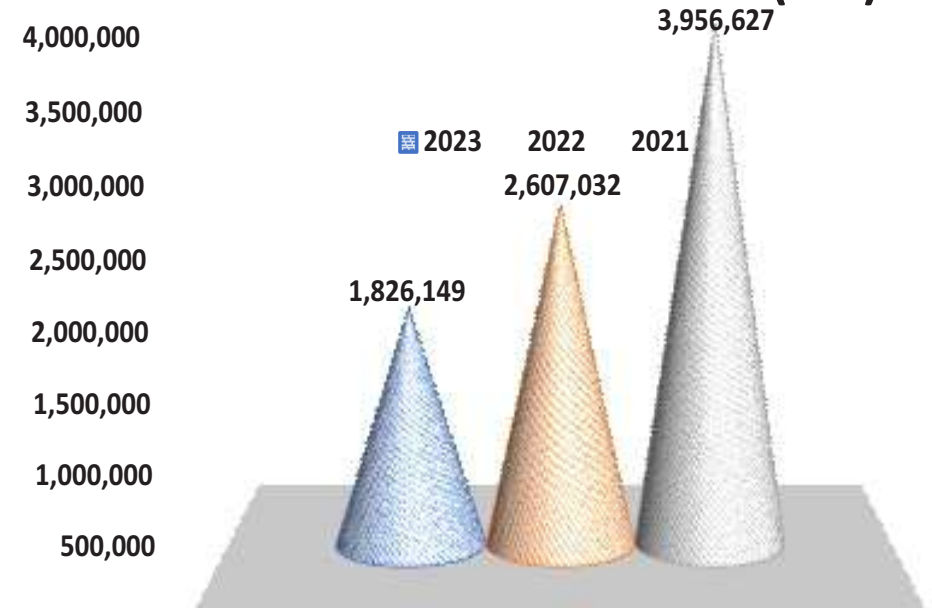
NET INSURANCE CLAIMS (RS.)



MANAGEMENT EXPENSES (RS.)



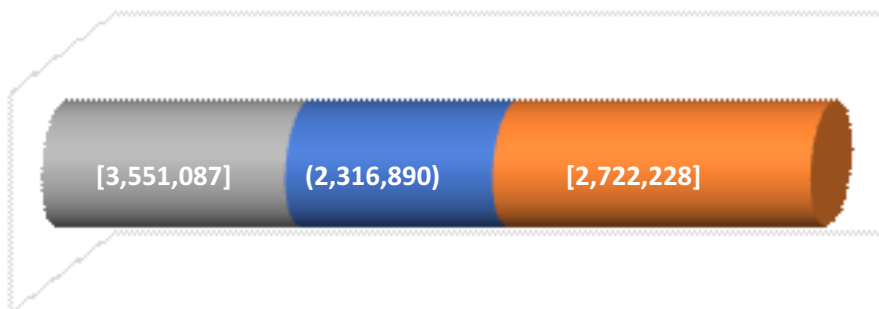
INVESTMENT INCOME (RS.)



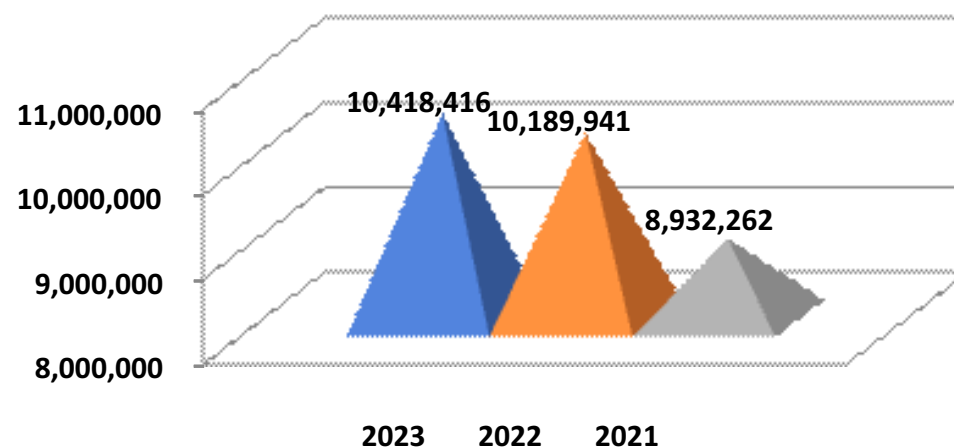


NET COMMISSION (RS.)

2023 2022 2021

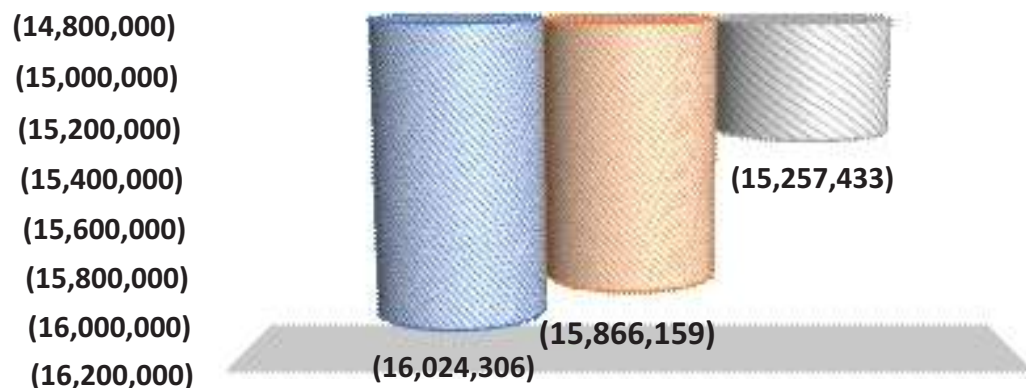


RENTAL INCOME (RS.)



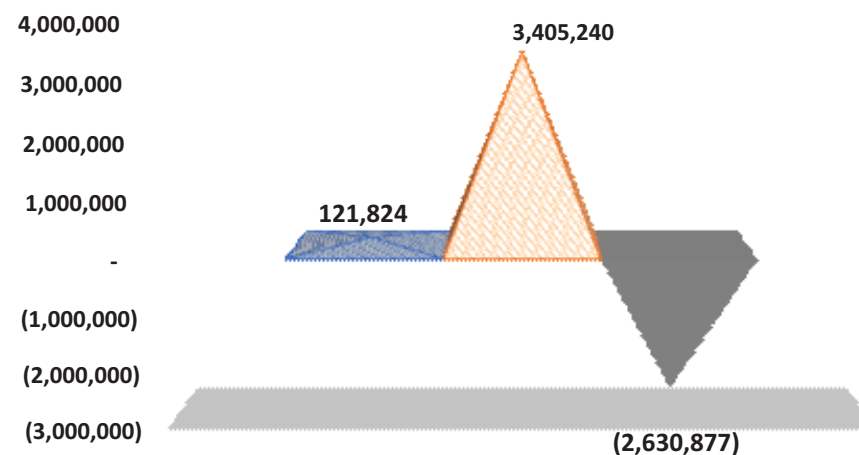
GENERAL AND ADMINISTRATIVE EXPENSES (RS.)

2023 2022 2021



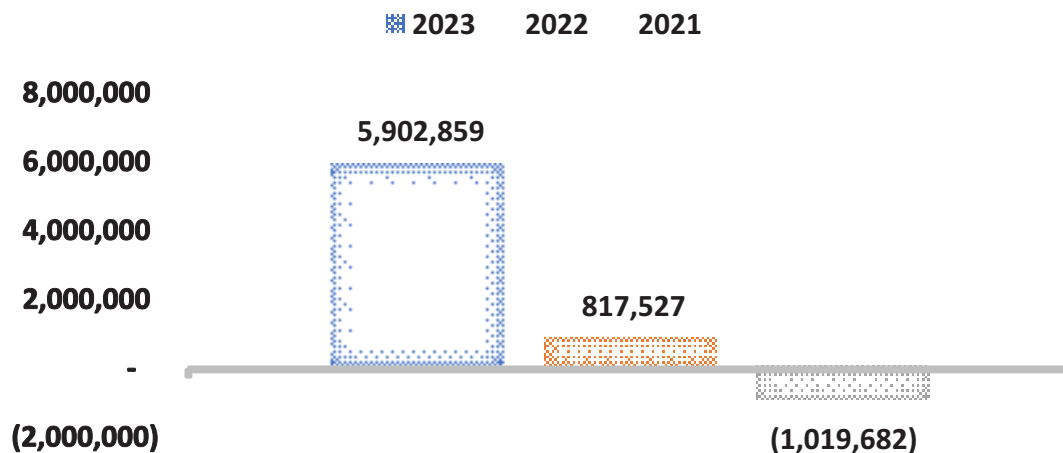
INCOME TAX EXPENSE (RS.)

2023 2022 2021

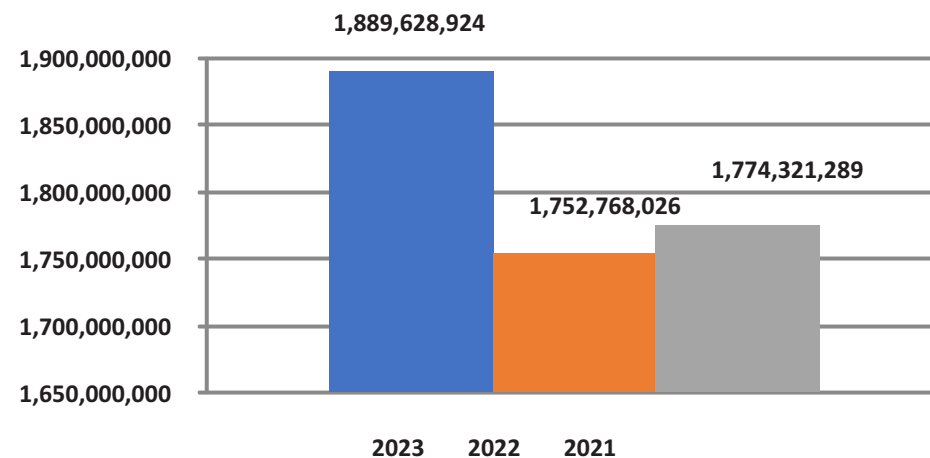




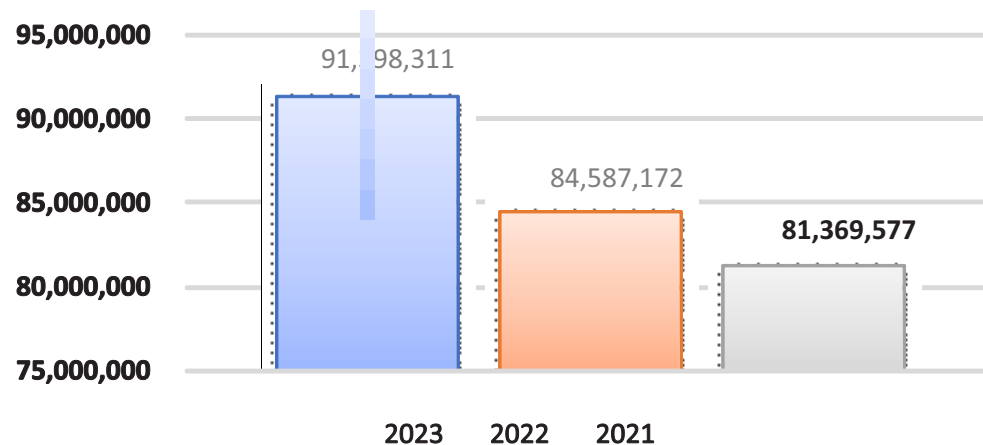
PROFIT AFTER TAX (RS.)



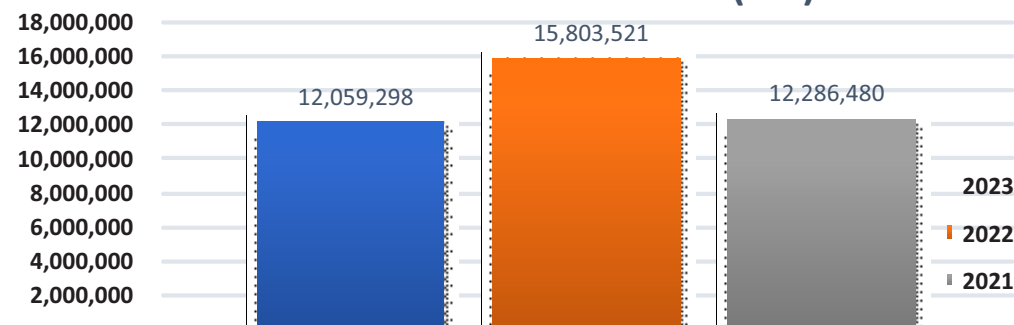
RESERVES (RS.)



ACCUMULATED PROFITS (RS.)



CASH AND BANK BALANCES (RS.)





VISION / MISSION & VALUES

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 LTD

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 of the society are to provide general insurance services, particularly to the cooperative sector in Pakistan helping them to meet their insurance needs. The Cooperative Insurance Society has an enhanced commitment and professionalism to provide expertise at 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.
- Always protect the confidentiality of client information except where required by law to disclose it.
- Protect the confidentiality of information relating to the Society both during 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.

Chairman

Vice Chairman

CEO

Director



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 December 31, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, 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 and 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, 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 the Society's affairs as at December 31, 2023 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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 Auditors' 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 Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the director's 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 concluded that there is a material misstatement of this other information, we are required to report the 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.

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.



Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Society as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Society's business and;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statement of the Society for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 28, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Arqum Naveed.

Muniff Ziauddin & Co
Chartered Accountants
Place: Lahore
Date: 31 OCT 2024

UDIN: AR202310123Hez4mrgaE

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

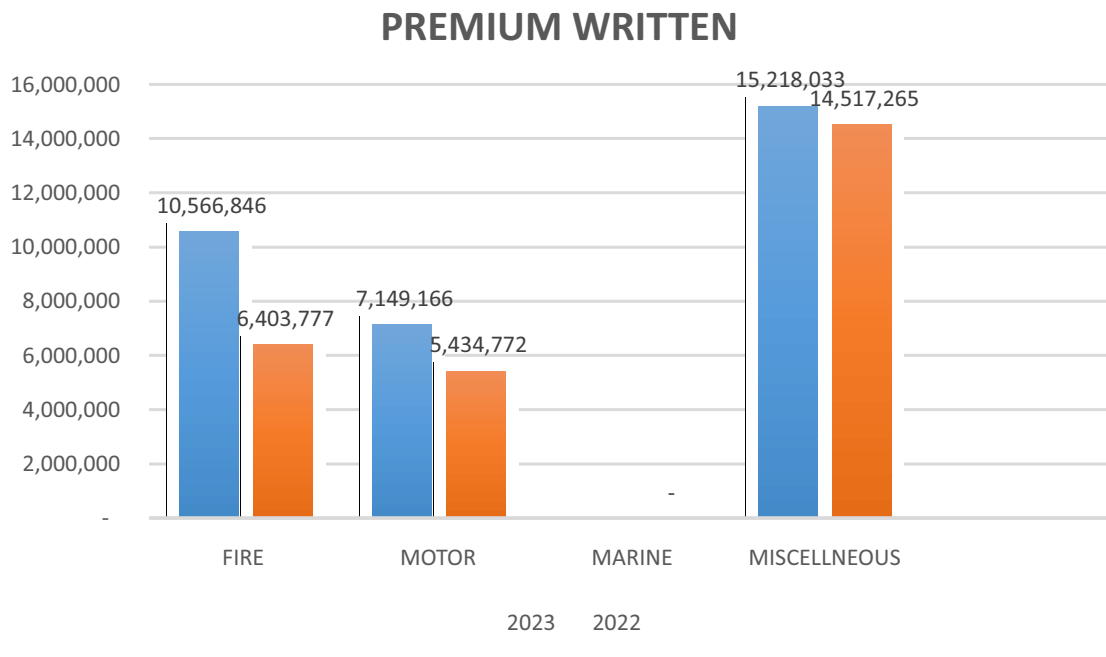
The Cooperative Insurance Society of Pakistan Limited (the Society) was incorporated on August 06, 1949, as a cooperative society under the Cooperative Societies Act, 1925. The Society is engaged in non-life insurance business.

The Directors of your Society are pleased to present the 75th Annual Report of the Society for the year ended December 31, 2023.

Your Society's profit after tax for the year 2023 was Rs. 5,902,859/- as compared to profit of Rs. 817,527/- in 2022 accounts.

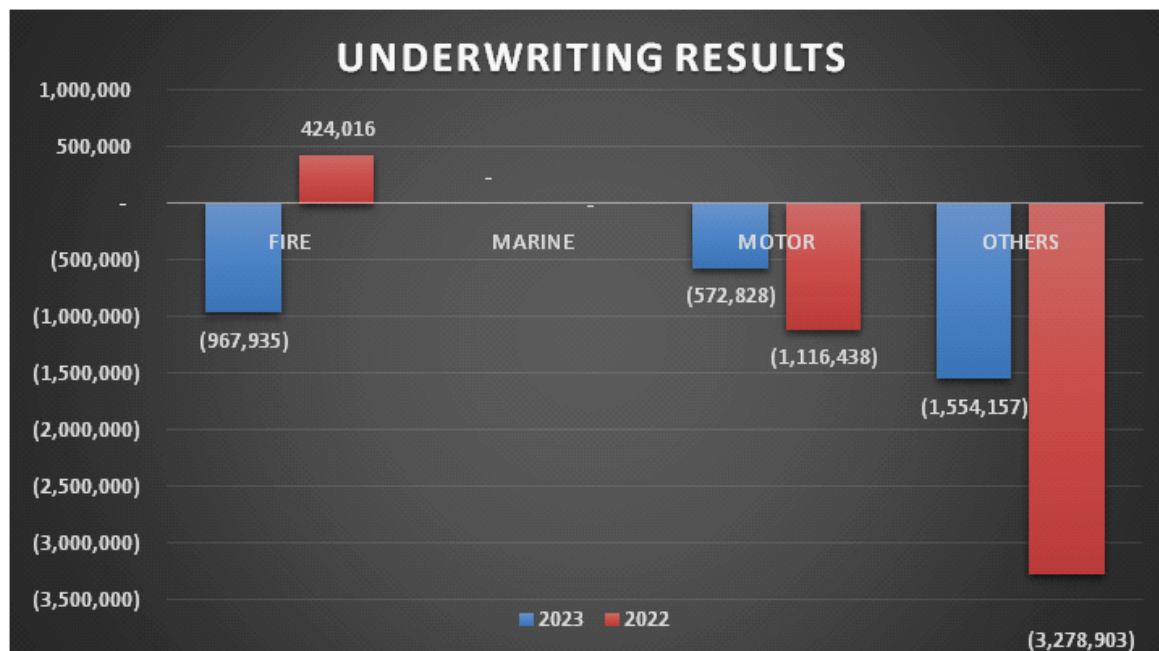
Your Society has underwritten Rs. 32,934,045/- Direct Premium inside Pakistan as compared to Rs. 26,355,814/- in 2022 showing increase of 24.96%, while the Net Premium Revenue was Rs. 25,263,214/- as compared to Rs. 16,745,367/- in 2022. Underwriting loss was Rs. 3,094,920/- compared to Rs. 3,971,325/- in 2022.

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 65.01% to Rs. 10,566,846/- compared to Rs. 6,403,777/- in 2022.

Claim expense as percentage of net premium revenue is 3.25% against 1.23% in 2022. The underwriting result for the year 2023 was in loss by Rs. (967,935)/- as compared to loss in Previous year 2022 of Rs. (424,016)/-.

MARINE, AVIATION AND TRANSPORT

The Society has not underwritten any business in this sector.

MOTOR

The written premium increased by 31.54% to Rs. 7,149,166/- compared to Rs. 5,434,772/- in 2022. Claim expense as percentage of net premium revenue is 11.25% against 19.31% in 2022. The underwriting Loss for the year was Rs. (572,828)/- as compared to Loss of Rs. (1,116,438)/- in 2022.

MISCELLANEOUS (LIVESTOCK & OTHERS)

The written premium increased by 4.83% to Rs. 15,218,033/- compared to Rs. 14,517,265/- in 2022. The claim expense as percentage of net premium revenue was 2.71% in the year under report as compared to -1.63 in corresponding year. The underwriting loss for the year was Rs. (1,554,157)/- as compared to loss of Rs. (3,278,903)/- in 2022.

Investment Income

The dividend income for the year was Rs. 1,754,995/- as against Rs. 2,542,146/- last year. The total investment income for the year was Rs. 1,826,149/- as against Rs. 2,607,032/- last year.



Information Technology

The Society continues to invest in technology to offer state of the art service to the customers. In year 2018a 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. The Society is continuously improving the accounting software to meet the informational and reporting needs of the Society and all Society's data is cloud base now as per SECP guideline and purchase paid Software (MS office, Power Bi and Microsoft Automate). The System of the Society is secured from cyber attacks risk in this year.

Appropriation

The profit after tax is Rs. 5,902,859/- as compared to profit of Rs.817,527/- in 2022 accounts.

Credit Rating

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

Prospects for 2024

Your board of directors are optimistic as to the prospects for the year 2024. Our strategy for 2024 is designed to deliver sustainable, profitable growth in a changing and competitive business environment to fetch a 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 Head of Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks to provide reasonable assurance that such



system continues to operate satisfactorily and effectively in the Society. The principal responsibility of the Head of Internal Auditor 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. Ayyaz Mehmood Khilji | Chairman (Independent director) |
| 2. Mr. Ahsun Mahmood | (Non-executive director) |
| 3. Mr. Muhammad Shafie | Member (Non-executive director) |
| 4. Mr. Shahbaz Hussain | (Member/secretary) |

Investment Committee

The Society has a Board level investment committee 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. Ayyaz Mehmood Khilji | (Independent director) |
| 3. Mr. Ghulam Sajjad Hussain | 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. Asad-ul-Haq Piracha | Chairman (Non-executive director) |
| 2. Mr. Ahsun Mahmood | (Independent director) |
| 3. Mr. Ghulam Sajjad | Member (Non-executive director) |
| 4. Mr. Fateh Khan Niazi | (Member Secretary) |

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. Asad-ul-Haq Piracha | Chairman (Non-executive director) |
| 2. Mr. Imtiaz-ul-Hassan | Member (Non-executive director) |
| 3. Ch. Nisar Ahmed | Member (Non-executive director) |
| 4. Malik Muhammad Ashraf | (Member/ Secretary) |

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. Siddique Akbar Piracha | Chairman (Non-executive director) |
| 2. Mr. Ghulam Sajjad Hussain | Member (Non-executive director) |
| 3. Mr. Fateh Khan Niazi | (Chief Executive Officer) |
| 4. Mr. Fahad Amjad | (Member/ Secretary) |

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 consists of following members:

- | | |
|------------------------|-----------------------------------|
| 1. Mr. Ahsun Mahmood | Chairman (Non-executive director) |
| 2. Mr. Muhammad Shafi | Member (Non-executive director) |
| 3. Mr. Muhammad Jameel | Member/Secretary |

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 consists of following members:

- | | |
|-------------------------------|-----------------------------------|
| 1. Mr. Ahsun Mahmood | Chairman (Non-executive director) |
| 2. Mr. Saddique Akbar Piracha | Member(Non-executive director) |
| 3. Mr. Muhammad Shafi | Member (Non-executive director) |
| 4. Mr. Fahad Amjad | (Member / Secretary) |



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 the 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 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 August 25, 2022, for a term of three years. The attendance at the meeting was as under:

Sr. No	Name	No. of Meetings held	No. of Meetings Attend
1	Asad-ul-Haq Piracha	4	4
2	Ahsan Mehmood	4	4
3	Ayyaz Mehmood Khilji	4	1
4	Malik Muhammad Shafi	4	3
5	Siddiq Akbar	4	4
6	Ch. Nisar Ahmed	4	4
7	Ghulam Sajjad Hussain	4	4
8	Imtiaz-ul-Hassan	4	4

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 situation, 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 statements 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 not listed on any stock exchange.
- j) All the shareholders of the society are cooperative societies and 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: 31-10-2024



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
Assets			
Property and equipment	4	2,353,034,703	2,228,032,640
Intangible assets	5	-	89,600
Investment property	6	87,907,988	75,252,292
Investments:			
- Equity securities	7	85,948,956	63,941,417
- Term deposits		2,511,450	3,511,450
Sundry receivables	8	4,253,064	3,208,037
Insurance / reinsurance receivables		1,290,667	410,739
Security deposits	9	59,400	59,400
Reinsurance recoveries against outstanding claims		166,347	105,352
Deferred commission expense		2,390,702	2,262,046
Taxation - payment less provisions		2,357,997	2,306,304
Prepaid reinsurance premium		4,452,173	3,849,443
Cash and bank balances	10	12,059,298	15,803,521
Total Assets		2,556,432,745	2,398,832,241
Equity and Liabilities			
Capital and reserves attributable to Society's equity holders			
Ordinary share capital	11	500,032,400	500,032,400
Reserves	12	68,007,507	50,906,439
Un - appropriated profit		91,398,311	84,587,172
Total equity		659,438,218	635,526,011
Revaluation surplus		1,821,621,417	1,701,861,587
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		1,694,965	1,219,224
Unearned premium reserves		16,123,883	15,065,937
Unearned reinsurance commission	13	896,197	725,845
Deferred taxation	14	48,989,595	36,819,401
Insurance / reinsurance payables		1,305,440	1,572,713
Unclaimed dividend		238,189	238,189
Other creditors and accruals	15	6,124,841	5,803,334
Total liabilities		75,373,110	61,444,643
Total Equity and Liabilities		2,556,432,745	2,398,832,241
Contingencies and Commitments	16		

The annexed notes, from 1 to 37, form an integral part of these financial statements.

CHIEF
EXECUTIVE

CHIEF FINANCIAL
OFFICER

DIRECTOR

DIRECTOR

CHAIRMAN



	Note	2023 Rupees	2022 Rupees
Net insurance premium	17	25,263,214	16,745,367
Net insurance claims	18	(1,040,505)	(697,858)
Net commission and other acquisition costs	19	(3,551,087)	(2,316,890)
Insurance claims and acquisition expenses		(4,591,592)	(3,014,748)
Premium deficiency reserve		-	-
Management expenses	20	(23,766,542)	(17,701,944)
		(23,766,542)	(17,701,944)
Underwriting results		(3,094,920)	(3,971,325)
Investment income	21	1,826,149	2,607,032
Rental income		10,418,416	10,189,941
Other income	22	12,655,696	4,452,798
Other expenses	23	(16,024,306)	(15,866,159)
Results of operating activities		8,875,955	1,383,612
Profit / (Loss) before taxation		5,781,035	(2,587,713)
Taxation	24	121,824	3,405,240
Profit after taxation		5,902,859	817,527
Earnings per share - Basic	30	0.118	0.016

The annexed notes, from 1 to 37, form an integral part of these financial statements.

CHIEF
EXECUTIVE

CHIEF FINANCIAL
OFFICER

DIRECTOR

DIRECTOR

CHAIRMAN



	Note	2023 Rupees	2022 Rupees
Profit after taxation		5,902,859	817,527
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gain / (loss) on fair value of equity investment			
Unrealized Gain / (loss) on available for sale investments during the year	7.1.2	22,007,539	(28,096,392)
Deferred tax attributable to unrealized gain / (loss)		(6,382,186)	8,147,954
		15,625,353	(19,948,438)
Revaluation surplus on land and buildings			
Surplus on revaluation of property and equipment		128,931,796	-
Deferred tax attributable to revaluation surplus		(6,787,971)	-
		122,143,825	-
Other comprehensive income / (loss) for the year		137,769,178	(19,948,438)
Total comprehensive income / (loss) for the year		143,672,037	(19,130,911)

The annexed notes, from 1 to 37, form an integral part of these financial statements.

CHIEF
EXECUTIVE

CHIEF FINANCIAL
OFFICER

DIRECTOR

DIRECTOR

CHAIRMAN



Description	Share Capital	Reserves					Unappropriated Profit	Total
	Paid up Share Capital	Capital Reserves	General Reserves	Fair value Reserves	Revaluation reserve	Subtotal		
.....R u p e e s.....								
Balance as at January 01, 2022	500,032,400	3,295,965	5,338,148	62,016,383	1,704,371,055	1,775,021,551	81,464,559	2,356,518,510
Transactions with the entity's owners:								
Surplus transferred to unappropriated profit on account of - Incremental depreciation on revaluation surplus - net of tax	-	-	-	-	(2,509,468)	(2,509,468)	2,509,468	-
Transfer to capital reserves	-	204,382	-	-	-	204,382	(204,382)	-
Profit after taxation	-	-	-	-	-	-	817,527	817,527
Other comprehensive loss	-	-	-	(19,948,439)	-	(19,948,439)	-	(19,948,439)
Total comprehensive loss for the year	-	-	-	(19,948,439)	-	(19,948,439)	817,527	(19,130,912)
Balance as at December 31, 2022	500,032,400	3,500,347	5,338,148	42,067,944	1,701,861,587	1,752,768,026	84,587,172	2,337,387,598
Balance as at January 01, 2023	500,032,400	3,500,347	5,338,148	42,067,944	1,701,861,587	1,752,768,026	84,587,172	2,337,387,598
Transactions with the entity's owners								
Surplus transferred to unappropriated profit on account of - Incremental depreciation on revaluation surplus - net of tax	-	-	-	-	(2,383,995)	(2,383,995)	2,383,995	-
Transfer to capital reserves	-	1,475,715	-	-	-	1,475,715	(1,475,715)	-
Profit after taxation	-	-	-	-	-	-	5,902,859	5,902,859
Other comprehensive income	-	-	-	15,625,353	122,143,825	137,769,178	-	137,769,178
Total comprehensive income for the year	-	-	-	15,625,353	122,143,825	137,769,178	5,902,859	143,672,037
Balance as at December 31, 2023	500,032,400	4,976,062	5,338,148	57,693,297	1,821,621,417	1,889,628,924	91,398,311	2,481,059,635

The annexed notes, from 1 to 37, form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR

CHAIRMAN



	Note	2023 Rupees	2022 Rupees
Cash flow from operating activities			
Underwriting Activities			
Insurance premium received	17	32,934,045	26,355,814
Reinsurance premium paid		(7,215,615)	(5,676,286)
Claims paid	18	(780,166)	(591,760)
Reinsurance and other recoveries received		154,407	106,172
Commission paid	19	(4,658,021)	(3,759,277)
Commission received		1,148,630	890,744
Underwriting payments		(1,147,201)	(470,015)
Other underwriting (payments) / receipts		(1,120,045)	2,079,965
Net cash inflow from underwriting activities		19,316,034	18,935,357
Other operating activities			
Tax paid		(929,832)	(1,043,039)
General management expenses paid		(23,280,832)	(17,701,944)
Other operating payments		(11,598,261)	(8,697,992)
Net cash outflows from other operating activities		(35,808,925)	(27,442,975)
Total cash outflows from all operating activities		(16,492,891)	(8,507,618)
Cash flows from investing activities			
Profit / return received		146,172	64,886
Dividends received		1,754,995	2,542,146
Rent received		10,255,919	9,498,127
Proceeds from disposal of property and equipment		-	175,000
Proceeds from term deposit receipt matured		1,000,000	-
Fixed capital expenditure		(408,418)	(255,500)
Net cash inflows from investing activities		12,748,668	12,024,659
Cash flows from financing activities		-	-
Net cash flows from financing activities		-	-
Net cash (outflows)/ inflows from all activities		(3,744,223)	3,517,041
Cash and cash equivalents at beginning of the year		15,803,521	12,286,480
Cash and cash equivalents at end of the year		12,059,298	15,803,521
Reconciliation of operating cash flows to statement of profit or loss			
Operating cash flow		(16,492,891)	(8,507,618)
Depreciation expense	4	(4,336,445)	(4,704,843)
Amortization of computer software	5	(89,600)	(89,600)
Gain on disposal of property and equipment		-	173,133
Balances written off		(59,340)	-



		2023	2022
	Note	Rupees	Rupees
Increase in assets other than cash		3,617,323	3,639,513
Decrease in liabilities other than running finance		(758,310)	(10,101,048)
Interest, dividend, rental income and deferred income for the year		11,366,426	16,793,805
Increase in fair value of Investment property	6	12,655,696	3,614,185
Profit after taxation		5,902,859	817,527

The annexed notes, from 1 to 37, form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL
OFFICER

DIRECTOR

DIRECTOR

CHAIRMAN



1 Legal Status and Operations

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 also registered under Insurance Ordinance, 2000 on January 01, 2001. Society 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.

Geographical location and addresses of branch offices are as follows:

Branch	Address
Faisalabad	Quaid-e-Azam Road ,Tandlianwala, Faisalabad.
Gujranwala	58-B Trust Plaza G.T. Road, Gujranwala.
Sheikhupura	Opp: Habib Bank Ltd, Lahore Road, Shaikupura.
Sargodha	Opp: City Post Office, Main Road, Block No.5, Sargodha.
Rawalpindi	53/8, Haider Road, Rawalpindi.
Okara	C/o. Haji Motors, G.T.Road, Renala Khurd, Okara.
Rahim Yar Khan	B-80, Umer Block, Abbasia Town, Rahim Yar Khan.
Sahiwal	House No. 775, M-Block , Fareed Town, Sahiwal.
D.G Khan	Block No. 2, Quaid-e-Azam Road, Dera Ghazi Khan.

2 Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the 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 (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017 and 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.

These financial statements have been prepared in accordance with the format prescribed under Insurance Rules, 2017 and Insurance accounting regulations 2017.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention without taking into account any adjustments for the effects of inflation or current values except for certain assets (freehold land & building, investment property and investments in securities) which are measured at revalued amounts / fair values.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Society operates. Accordingly, these financial statements are presented in Pak Rupees which is the Society's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments 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. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.



Significant areas requiring the use of management estimates in these financial statements are detailed below. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities. The areas where assumptions and estimates are significant to the Society's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
Fair values and useful lives of property and equipment	3.2 & 4
Useful lives of intangible assets	3.5 & 5
Fair values of investment property	3.6 & 6
Impairment of receivables and payables related to insurance contracts	3.8
Provision for doubtful receivables	3.9
Insurance Contracts	3.10
Operating segments	3.25
Premium deficiency reserve	3.11
Provision for outstanding claims (including IBNR)	3.11 & 18
Provision of current and deferred taxation	3.16
Impairment of financial and non-financial assets	3.28
Contingencies and commitments	3.31

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in current year

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. These amendments are either not relevant to the Society's operations or are not expected to have significant impact on the Society's financial statements other than certain additional disclosures.

Standards or Interpretations

Effective Date

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

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

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

Standards, Interpretations or Amendments

Effective Date

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 1, 2024
Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
Amendments to IAS 7 'Statements of Cash Flows' and IFRS 7 'Financial instruments disclosures' - Supplier Finance	January 1, 2024
Amendments to IAS 21 ' - Lack of Exchangeability	January 1, 2025
IFRS 17 - Insurance Contracts (Including June 2020 and December 2021 Amendments to IFRS 17)	January 1, 2026
IFRS 18 Presentation and Disclosure in Financial Statements effective for annual periods.	January 1, 2027
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet finalized

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan.

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 17 - Insurance Contracts

There are certain other new and amended standards and interpretations that are mandatory for the insurance accounting periods beginning on or after January 01, 2023 but are considered either not to be relevant or do not have any significant impact on these financial statements.

IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' has become applicable, however as an insurance Society, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:



IFRS 9 'Financial Instruments' has become applicable, however as an insurance Society, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis.
- b) All other financial assets

As at December 31, 2023					
Fail the SPPI Test			Pass the SPPI Test		
Fair Value	Change in unrealized loss during the year		Carrying value	Cost less impairment	Change in unrealized loss during the year
Cash and bank balances*	12,059,298	-	-	-	-
Investment in equity securities	85,948,956	22,007,539	-	-	-
Investment in debt securities					
Held to maturity*	-	-	10,850	-	-
Sundry receivables*	3,950,260	-	-	-	-
Total	101,958,514	22,007,539	10,850	-	-

* The carrying amount of these financial assets measured by applying IAS 39 are a reasonable approximation of their fair values.

3 Material accounting policies information

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 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 period, 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 insurance 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.

3.2 Property and equipment

Owned

Property and equipment except freehold land and building are stated at cost less accumulated depreciation and accumulated impairment losses if any. Building is stated at the revalued amount less accumulated depreciation and accumulated impairment losses, if any. Land is stated at revalued amount less accumulated impairment losses, if any.



Cost in relation to property and equipment comprises acquisition and other directly attributable costs. The cost of self constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to a working condition for their use as intended by the management. The cost of replacing a part of an item of property 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 and equipment are recognized in profit or loss.

Depreciation on operating fixed assets is charged to statement of income and expenditure applying reducing balance method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates given in Note 4. Depreciation is charged from the day when the asset is available for use and ends on the day when the asset is disposed off.

Residual value and the useful life of assets are reviewed at each financial year end, and adjusted if expectations differ significantly from previous estimates and impact on depreciation is significant. Residual values are determined by the management as the amount it expects it would receive currently for an item of property and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is charged to the statement of profit or loss in the year the asset is derecognized.

3.3 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful life of the asset, whichever is shorter. Where the society expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The society has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to statement of income and expenditure as incurred.

3.4 lease liability

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the society's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable / received, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties, when there are reasonable grounds to believe that such an option will be exercised. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured, if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option or termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of income and expenditure, if the carrying amount of the right-of-use asset is fully written down.

3.5 Intangible assets

Intangible assets are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the day, when these are available for use, using the straight-line method, whereby the cost of the intangible asset is amortized over its useful life over which the economic benefits are expected to flow to the society. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.



3.6 Investment property

Investment property is land or building or both held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose.

The Society's investment property comprises of land and building which is carried at fair value less identified accumulated impairment loss, if any.

An investment property is initially recognized at cost which is the fair value of the consideration paid. Subsequent to initial recognition, investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is measured at fair value, at each reporting date. The changes in fair value are recognized in the statement of profit or loss. Any other investment property (whose fair value cannot be measured reliably without undue cost or effort) is measured at cost less accumulated depreciation and any impairment loss.

The fair value of investment property after initial recognition / transfer is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The fair value of investment property is determined by an independent and professional valuer on the basis of professional assessment of the market values as disclosed in Note 6.1 of these financial statements.

In case an owner occupied property is transferred from operating fixed assets after revaluation to investment property, the revalued amount will be the fair value of such investment property on the date of transfer. However, the revaluation surplus arising on revaluation of such investment property will be credited to "Revaluation reserve" and treated as mentioned in note - 3.28.

An investment property is derecognized on disposal or when its nature of substance is changed i.e. it becomes owner occupied property and transferred to operating fixed assets or when no future economic benefits are expected from its sale. The gain or loss on disposal or retirement of investment property represented by the difference between the sale proceeds and its carrying amount is recognized as an income or expense in the statement of profit or loss.

3.7 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 reporting date.

3.7.1 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.

These investments are reviewed for impairment at each reporting date and any losses arising from impairment in values are charged to the profit or loss.

3.7.2 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 and are classified as available-for-sale.

Quoted available-for-sale investments are remeasured at fair value subsequent to initial recognition. Gains or losses 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 breakup value as per the latest available financial statements of the investee companies. These are reviewed for impairment at each reporting date and any losses arising from impairment in values are charged to profit or loss.

On the disposal of these investments, the accumulated balance of fair value reserve is recycled to retained earnings in the statement of changes in equity. The fair value reserves will never be reclassified to the statement of profit or loss.

3.8 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 receivables accordingly and recognizes that impairment loss in the statement of profit or loss.



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

3.9 Advances and other receivables

These are stated at cost less an allowance for doubtful receivables. If there is an objective evidence that the amount of overdue receivables will not be recovered in the near future based on management assessment of the amounts receivable after taking into account the ageing analysis, past trend of the parties, credit history and limits, economic conditions that may affect the financial ability of the party to honor its financial obligations towards the society, volume of transactions carried out with the party concerned etc., the management accounts for an appropriate allowance for doubtful receivables. Receivables that are considered bad are immediately written off in the statement of profit or loss.

3.10 Insurance Contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policy holders if a specified uncertain future event (the insured event) adversely affects the policy holders. Insurance contracts are classified into following main categories:

- Fire and property damage
- Marine, aviation and transport
- Motor
- Miscellaneous

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

3.11 Premium deficiency reserve

The Society is required, as per Insurance Rules, 2017 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the reporting date. The charge for premium deficiency reserve is recorded as an expense in the statement of profit or loss.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined.

3.12 Claims

Insurance claims include all claims incurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, and any adjustments to claims outstanding from previous years.

The Society recognizes liability in respect of all claims incurred up to the reporting date which is measured at undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except otherwise expressly indicated in an insurance contract.

The liability for claims include amounts, relating to unpaid reported claims, claims incurred but not reported (IBNR), expected claims and settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates.

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, effective 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.

3.13 Deferred commission expense

Commission expenses incurred in obtaining and recording policies is deferred and recognized in the statement of profit or loss as an expense in accordance with the pattern of recognition of premium.



Commission expenses incurred in obtaining and recording policies is deferred and recognized in the statement of profit or loss as an expense in accordance with the pattern of recognition of premium.

3.14 Reinsurance Contracts

Insurance contracts entered into by the Society with reinsurers for compensation of losses suffered on insurance contracts issued are reinsurance contracts. These reinsurance contracts include both facultative and treaty arrangement contracts and are classified in same categories of insurance contracts for the purpose of these financial statements. The Society recognizes the entitled benefits under the contract as various reinsurance assets. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amount recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets.

The deferred portion of reinsurance premium ceded is recognized as a prepayment which is calculated by using 1/24th method as prescribed by the Insurance Rules, 2017.

The Society assesses its reinsurance assets for impairment on reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Society reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the statement of profit or loss.

3.15 Reinsurance recoveries against outstanding claims

Claims recoveries recoverable from the reinsurer are recognized as receivable at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

3.16 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income and is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years.

Deferred

Deferred tax is recognized using the balance sheet liability method, in respect of temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all the taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to other comprehensive income except in the case of items credited or charged to equity in which case it is included in equity.

3.17 Prepayments

Prepayments are recorded as an asset. These are amortized as and when due over the period.

3.18 Cash and cash equivalents

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



3.19 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 future for goods and services received, whether or not billed to the Society.

Provisions are recognized when the Society has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current estimate. If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

3.20 Staff retirement benefits

The staff retirement benefits comprise 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 10% of basic salary.

3.21 Dividend and 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.

3.22 Revenue recognition

The revenue recognition policy for premiums is given under note 3.9.

The revenue recognition policy for commission income is given under note 3.12.

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

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

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

Rental income is recognized on accrual basis.

3.23 Management expenses

Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the management. Expenses not attributable to the underwriting business are charged as administrative expenses.

3.24 Zakat

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

3.25 Operating segments

The Society has three primary business segments for reporting purposes, namely; fire, motor vehicles and miscellaneous.

An operating segment is a component of the Society that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Society's other components. All operating segments' results are reviewed regularly by the Society to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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 of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017.

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.

3.26 Financial instruments

Financial assets and financial liabilities within the scope of IAS-39 are recognized at the same time when the Society enters into contractual relationship with others and de-recognized when the Society loses control over contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and financial liabilities is included in other comprehensive income for the year.



Financial assets and financial liabilities within the scope of IAS-39 are recognized at the same time when the Society enters into contractual relationship with others and de-recognized when the Society loses control over contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and financial liabilities is included in other comprehensive income for the year.

3.27 Offsetting of financial assets and liabilities

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

3.28 Impairment of financial Assets

3.28.1 Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

3.28.2 Non Financial Assets

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognized in the statement of profit or loss. Provisions for impairment are reviewed at each reporting date and are adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense.

3.29 Revaluation reserve

Surplus arising on revaluation of property and equipment, computed by eliminating the accumulated depreciation as at the date of revaluation, is credited to the "Revaluation Reserve" account being presented and recognized in the Statement of Comprehensive Income and accumulated in the Statement of Changes in Equity as a capital reserve. On every revaluation, the increase in fair value of underlying asset is credited to other comprehensive income to the extent that it first reverses the previously recognized revaluation decrease in the statement of profit or loss. A decrease in fair value of underlying asset is charged to the statement of profit or loss to the extent that it first reverses the previously recognized revaluation increase in the statement of comprehensive income. Following amounts are transferred from "Revaluation Reserve" to "Unappropriated profit through Statement of Changes in Equity to record realization of surplus:

- o an amount equal to incremental depreciation on revaluation surplus of property and equipment for the year, if any; or
- o an amount equal to carrying amount of revaluation surplus of property and equipment, if any, on its disposal;

3.30 Share Capital and Reserves

Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits. Retained earnings include all current and prior period profits.

3.31 Contingencies and commitments

These are not accounted for in the financial statements unless these are actual liabilities and are only disclosed when:

- a) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Society; or
- b) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Society, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Society.



The Society has disclosed significant contingent liabilities for the pending litigations and claims against the Society based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date. However, based on the best judgment of the Society and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the reporting date.

3.32 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.

3.33 Related party transactions

Transactions with related parties are carried out at arm's length prices, determined in accordance with pricing methods as approved by the Board of Directors, except in rarely extreme circumstances, subject to the approval of the Board, where it is in the interest of the Society to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the Society.



4 Property and equipment

23,406,796

PARTICULARS	Cost / Revalued Amount							Rate	Accumulated Depreciation						Book value as at December 31, 2023
	Opening balance as at January 01, 2023	Elimination of depreciation	Transfer adjustments	Additions	Revaluation surplus	(Disposals)	Closing balance as at December 31, 2023		Opening balance as at January 01, 2023	Elimination of depreciation	Transfer adjustments	Charge for the year	(Disposals)	Closing balance as at December 31, 2023	
Owned	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold land	2,155,725,000	-	-	-	105,525,000	-	2,261,250,000	-	-	-	-	-	-	-	2,261,250,000
Buildings	74,498,650	(10,625,371)	-	-	23,406,796	-	87,280,075	5%	7,263,619	(10,625,371)	-	3,361,752	-	-	87,280,075
Motor vehicles	10,650,780	-	-	205,668	-	-	10,856,448	20%	6,218,893	-	-	901,366	-	7,120,259	3,736,189
Furniture and fixtures	390,916	-	-	67,800	-	-	458,716	10%	297,283	-	-	13,208	-	310,491	148,225
Office equipment	729,532	-	-	134,950	-	-	864,482	10%	184,339	-	-	59,929	-	244,268	620,214
Cycle	6,085	-	(6,085)	-	-	-	-	10%	4,306	-	(4,484)	178	-	-	-
Sui Gas installation	565	-	(565)	-	-	-	-	10%	448	-	(460)	12	-	-	-
December 31, 2022	2,242,001,528	(10,625,371)	(6,650)	408,418	128,931,796	-	2,360,709,721		13,968,888	(10,625,371)	(4,944)	4,336,445	-	7,675,018	2,353,034,703

PARTICULARS	Cost / Revalued Amount							Rate	Accumulated Depreciation						Book Value as at December 31, 2022
	Opening balance as at January 01, 2022	Elimination of depreciation	Transfer adjustments	Additions	Revaluation surplus	(Disposals)	Closing balance as at December 31, 2022		Opening balance as at January 01, 2022	Elimination of depreciation	Transfer adjustments	Charge for the year	(Disposals)	Closing Balance As at December 31, 2022	
Owned	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold land	2,155,725,000	-	-	-	-	-	2,155,725,000	-	-	-	-	-	-	-	2,155,725,000
Buildings	74,498,650	-	-	-	-	-	74,498,650	5%	3,724,933	-	-	3,538,686	-	7,263,619	67,235,031
Motor vehicles	11,033,580	-	-	-	-	(382,800)	10,650,780	20%	5,492,622	-	-	1,107,972	(381,701)	6,218,893	4,431,887
Furniture and fixtures	385,116	-	-	5,800	-	-	390,916	10%	287,040	-	-	10,243	-	297,283	93,633
Office equipment	492,448	-	-	249,700	-	(12,616)	729,532	10%	148,456	-	-	47,731	(11,848)	184,339	545,193
Cycle	6,085	-	-	-	-	-	6,085	10%	4,108	-	-	198	-	4,306	1,779
Sui Gas Installation	565	-	-	-	-	-	565	10%	435	-	-	13	-	448	117
December 31, 2021	2,242,141,444	-	-	255,500	-	(395,416)	2,242,001,528		9,657,594	-	-	4,704,843	(393,549)	13,968,888	2,228,032,640

4.1 The Society had revalued its land and building as at December 31, 2023. The revaluation exercise carried has been out by an independent valuer namely; Messrs. Muhammad Siddique Associates (Private) Limited (PBA approved independent valuers) which resulted in a revaluation surplus in the sum of Rs. 128.931 million.

The basis used for the valuation of land and building were as follows;

Land:

Property brokers / dealers and real estate agents had been consulted to ascertain the asking and selling prices for properties of the same nature in the immediate neighborhood and adjoining areas. Neighboring properties which have been recently sold or purchased are investigated to ascertain a reasonable selling and buying prices. Properties that are up for sale are examined for asking price. An average of the values is then assigned to the property. In calculating these values, it is of utmost importance to ascertain the nature of property whether commercial, residential or industrial, since this status of the property has significance in pricing.

Building:

All the sections of the building and civil works with regard to their existence, condition and level of maintenance and a market survey was conducted to obtain the present market rates of construction in the surrounding area. Depending on the age of the building, the depreciation was applied at usual rates of 2.5% per annum on straight line basis to arrive at present market value. Similarly appreciation in value and rates of construction materials and present labor rates are given due consideration while calculating construction rates.

4.2 The depreciation charge for the year has been allocated to other expenses (Note 23).



4.4 Had the revaluation of these assets not been made, the carrying value of these assets as at reporting date would have been as under:

	2023 Rupees	2022 Rupees
Freehold land	2,345,300	2,345,300
Building on freehold land	76,242	80,255
	2,421,542	2,425,555

4.5 Forced sale and assessed values of these items of property and equipment as at the date of revaluation i.e. December 31, 2023 was as under:

	Forced sale value Rupees	Assessed sale value Rupees
Freehold land	1,922,062,500	2,261,250,000
Building on freehold land	74,188,064	87,280,075
	1,996,250,564	2,348,530,075

Considerations for the determination of forced sale value

The following factors may cause an impact individually on the anatomy of the property, determination of its forced sales value and would influence on the value of asset are as follows:

1. Economic conditions of the area and the country.
2. Status of the property within its own section.
3. Marketability of its location.
4. Condition of its assets and their current status.
5. The age of building and its proximity.

5 Intangible assets

Particulars	Cost			Rate	Amortization			Written Down Value as at December 31,2023
	As at January 01, 2023	Addition	As at December 31, 2023		As at January 01, 2023	For the year	As at December 31, 2023	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Computer software								
31-Dec-23	448,000	-	448,000	20%	358,400	89,600	448,000	-
31-Dec-22	448,000	-	448,000	20%	268,800	89,600	358,400	89,600

6 Investment property

		2023			2022		
	Note	Land	Building	Total	Land	Building	Total
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at January 01	6.1	70,890,000	4,362,292	75,252,292	68,110,000	3,528,107	71,638,107
Change in fair value		12,510,000	145,696	12,655,696	2,780,000	834,185	3,614,185
Balance as at December 31		83,400,000	4,507,988	87,907,988	70,890,000	4,362,292	75,252,292

6.1 This represents land & building in Rawalpindi and building in Sargodha representing 1390 and 705 sq. ft respectively. Latest fair value of the investment property was determined by independent valuer Messrs. Muhammad Siddique Associates (Private) Limited as on December 31, 2023, having recognition on the panel of PBA. The valuer used market comparable approach to arrive at the fair value. The key observable input under this approach are the price per square feet from current year sales of comparable properties in the area (location and size). The basis used for revaluation of investment property were the same as disclosed in Note 4.1 of these financial statements. As at the reporting date, there was a fair value gain of Rs. 12.655 million (2022: Rs. 3.614 million).

6.2 The forced sale value of the investment property is assessed at Rs. 74.72 million (2022: Rs. 64 million) as at the reporting date. The factors having impact on the forced sales value and affect the value of the property are same as disclosed in Note 4.5 above.



7 Investments

	Note	2023 Rupees	2022 Rupees
Equity securities	7.1	85,948,956	63,941,417
Term deposits	7.2	2,511,450	3,511,450
		88,460,406	67,452,867

7.1 Equity securities

7.1.1 Available for sale

Number of Shares	Face Value Per Share	Company Name	Cost	Surplus / (Deficit)	Fair Value
Listed equities					
2,339,994	10	Pakistan Reinsurance Company Limited	131,620	17,862,934	17,994,554
235,716	10	Ferozesons Laboratories Limited	181,030	51,827,349	52,008,379
			312,650	69,690,283	70,002,933
Unlisted equities					
44,426	100	Punjab Provincial Cooperative Bank Limited	4,442,600	9,210,603	13,653,203
100	100	National Cooperative Supply Corporation	10,000	2,282,820	2,292,820
			4,452,600	11,493,423	15,946,023
Total as at December 31, 2023			4,765,250	81,183,706	85,948,956

Number of Shares	Face Value Per Share	Company Name	Cost	Surplus / (Deficit)	Fair Value
Listed Equities					
2,339,994	10	Pakistan Reinsurance Company Limited	131,620	15,920,739	16,052,359
235,716	10	Ferozesons Laboratories Limited	181,030	32,241,706	32,422,736
			312,650	48,162,445	48,475,095
Unlisted Equities					
44,426	100	Punjab Provincial Cooperative Bank Limited	4,442,600	8,751,922	13,194,522
100	100	National Cooperative Supply Corporation	10,000	2,261,800	2,271,800
			4,452,600	11,013,722	15,466,322
Total as at December 31, 2022			4,765,250	59,176,167	63,941,417

7.1.2 Movement in this head of accounts is as follows:

	Note	2023 Rupees	2022 Rupees
Opening balance		63,941,417	92,037,809
Change in fair value			
Listed equities		21,527,838	(33,002,042)
Unlisted equities		479,701	4,905,650
		22,007,539	(28,096,392)
Closing balance		85,948,956	63,941,417



7.1.3 The breakup value of investment in unlisted equity instruments of National Cooperative Supply Corporation is based on the audited financial statements of the investees for the year ended June 30, 2023.

	Note	2023 Rupees	2022 Rupees
7.2 Term deposits	7.2.1	2,511,450	3,511,450
7.2.1 Held to maturity			
State Bank of Pakistan	7.2.1.1		
- Cash deposit		2,500,600	2,500,600
- Defense saving certificates		10,850	10,850
Term deposit receipts (TDR)	7.2.1.2	-	1,000,000
		2,511,450	3,511,450

7.2.1.1 These deposits are held as statutory deposits u/s 29 of the Insurance Ordinance, 2000 for an indefinite period. These deposits do not bear any profit.

7.2.1.2 The deposit was placed with the Punjab Provincial Cooperative Bank Limited (PPCBL) for a term of three years, maturing on March 29, 2022, with an option for renewal upon maturity. It was withdrawn on December 14, 2023, and carried an interest rate of 8.55% per annum (2022: 8.55% per annum).

8 Sundry receivables

Rent receivable	8.1	2,865,984	2,703,487
Receivable from branches	8.2	855,276	123,728
Income taxes		302,804	302,804
Staff advances		229,000	3,000
Accrued profit on Term deposit		-	75,018
		4,253,064	3,208,037

8.1 Rent receivable

Considered good	8.1.1	2,865,984	2,703,487
Considered doubtful		608,583	608,583
		3,474,567	3,312,070
Less: Provision for doubtful receivables	8.1.2	(608,583)	(608,583)
		2,865,984	2,703,487

8.1.1 This includes Rs. 3.062 million, gross balance receivable from one of the major tenants of the Society namely; Mr. Shahid Rasheed, owner of Cookers Restaurant against which the Society has initiated legal proceedings in the court of law for the recovery of its outstanding rentals due from the said tenant. However, the tenant has paid two installments of Rs. 200,000 and Rs. 300,000 to the Society which fell due on August 23, 2023 and September 15, 2023 respectively until the terminal date. The management of the society is of the view that the outstanding rent receivable from the said tenant will be recovered in due course of time. Accordingly, no further provision for balance doubtful of recovery has been made in these financial statements in this regard.

	2023 Rupees	2022 Rupees
8.1.2 Movement of the provision is as under:		
Balance as at January 01,	608,583	638,583
Amounts written off during the year	-	(60,000)
Provision charged during the year	-	30,000
Balance as at December 31,	608,583	608,583



	2023 Rupees	2022 Rupees
8.2 Receivable from branches	855,276	637,728
Less: Provision for balances doubtful of recovery	-	(514,000)
	855,276	123,728
9 Security Deposits		
Rented premises	50,000	50,000
Utilities	9,400	9,400
	59,400	59,400
10 Cash and Bank Balances		
Cash with banks in current accounts	11,674,452	15,246,945
Cash in Hand - Policy stamp and Petty Cash	384,846	556,576
	12,059,298	15,803,521
11 Ordinary Share Capital		
	2023 No. of shares	2022 Rupees
	49,730,983	49,730,983
	272,257	272,257
	50,003,240	500,032,400

11.1 The share capital of the Society is held by the following cooperative banks and others:

Pattern of shareholding

Name of Shareholder	2023		2022	
	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%
	50,003,240	100%	50,003,240	100%

11.2 As per the bye-laws of the Society, no member of any Society shall have more than one vote in its affairs, provided that in the case of an equity of votes the chairman shall have a casting vote.

	Note	2023 Rupees	2022 Rupees
12 Reserves			
Capital reserves	12.1	4,976,062	3,500,347
General reserves	12.2	5,338,148	5,338,148
Fair value reserves	12.3	57,693,297	42,067,944
Revaluation Surplus	12.4	1,821,621,417	1,701,861,587
		1,889,628,924	1,752,768,026

12.1 This represents the reserve created in accordance with the provisions of the bye-laws of the Society and will be utilized in a manner specified therein. This reserve is not available for distribution as a dividend to the members. During the year, the Board of Directors has approved transfer of profit to general reserves @ 25% in accordance with the bye-laws.

12.2 This reserve is not available for distribution as dividend to the shareholders of the Society and will be utilized in a manner as specified in the bye-laws of the Society.

	2023 Rupees	2022 Rupees
12.3 Fair value reserve		
Balance as at January 01,	42,067,944	62,016,383
Add: Unrealized gain / (loss) on re-measurement of investments	22,007,539	(28,096,393)
Less: Deferred tax liability / (asset) attributable to fair value gain / loss	(6,382,186)	8,147,954
	15,625,353	(19,948,439)
Balance as at December 31	57,693,297	42,067,944



12.3.1 This reserve is not available for distribution as dividend to the shareholders of the Society and will be reclassified to unappropriated profit on the sale of available for sale investment.

12.4 Revaluation reserve

	2023 Rupees	2022 Rupees
Balance as at January 01	1,701,861,587	1,704,371,055
Add: Surplus on revaluation during the year	128,931,796	-
Less: Deferred tax liability on surplus on revaluation	(6,787,971)	-
Less: Incremental depreciation attributed to revaluation surplus	(3,357,739)	(3,534,462)
Add: Deferred tax liability on incremental depreciation	973,744	1,024,994
Balance as at December 31	1,821,621,417	1,701,861,587

The land and buildings of the Society were revalued by an independent valuer Messrs. Muhammad Siddique Associates (Private) Limited, an approved valuator of Pakistan Bank's Association on December 31, 2023.

12.5.1 The surplus on revaluation of property and equipment is not available for distribution to shareholders of the Society in accordance with section 241 of the Companies Act, 2017.

13 Unearned Reinsurance Commission

	2023 Rupees	2022 Rupees
Commission paid or payable	4,658,021	3,759,277
Deferred commission expense - opening	2,262,046	1,400,028
Deferred commission expense - closing	2,390,702	2,262,046
Net commission	4,529,365	2,897,259
Commission received or receivable	1,148,630	890,744
Unearned commission - opening	725,845	415,470
Unearned commission - closing	896,197	725,845
Commission from reinsurers	978,278	580,369
	3,551,087	2,316,890

14 Net deferred tax liability

	2023 Rupees	2022 Rupees
Deferred taxation	48,989,595	36,819,401

Note

14.1

14.1 Breakup and movement of deferred tax balances is as follows:

2023	Net balance at January 01, 2023	Recognized in profit or loss	Recognized in OCI	Recognized in SOCE	Balance as at December 31,2023
Property and equipment	19,713,574	(1,055,225)	6,787,971	-	25,446,320
Investment - Available for sale	17,105,827	55,262	6,382,186	-	23,543,275
Deferred Tax liabilities	36,819,401	(999,963)	13,170,157	-	48,989,595
2022	Net balance at January 01, 2022	Recognized in profit or loss	Recognized in OCI	Recognized in SOCE	Balance as at December 31,2022
Property and equipment	23,902,220	(4,188,646)	-	-	19,713,574
Investment - Available for sale	25,253,781	-	(8,147,954)	-	17,105,827
Deferred Tax liabilities	49,156,001	(4,188,646)	(8,147,954)	-	36,819,401

14.2 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.

14.3 The deferred tax assets on unused business tax losses and minimum tax paid have not been recognized in these financial statements as the certainty of the taxable profits / taxable differences in the foreseeable future is not assured.



15 Other Creditors and Accruals

	2023 Rupees	2022 Rupees
Duties and taxes payable	1,118,223	1,175,585
Securities against rented premises	1,380,000	1,380,000
Accrued expenses	1,085,705	1,089,916
Leave encashment payable	1,526,034	-
Other payables	15.1 1,014,879	2,157,833
	6,124,841	5,803,334

15.1 These include Rs. 55,402 (2022: Rs. 53,122) on account of employees' provident fund trust payable.

16 Contingencies and Commitments

16.1 There are a number of legal cases instituted by the Society and it has filed suits against various tenants for ejectment, which are pending adjudication at the terminal date. In addition to this, a case for ejectment against the illegal occupation by State Life Insurance Corporation of Pakistan over the substantial part of the Society's property is also pending adjudication. The case was decided in favor of the Society on November 03, 1992.

However, an appeal was filed on September 10, 2018 before the Honorable High Court, Lahore against the Society wherein the tenant (State life Insurance Company) challenged the decision of Civil Judge for evacuation of the rented building which is owned by the Society. The most recent hearing was held on September 20, 2024, during which the tenant requested additional time to complete its preparation. As a result, the judge scheduled the next hearing for December 2, 2024. The Society is contesting the case before the concerned Honorable Court and is hopeful for a favorable outcome.

16.2 A case was filed on February 7, 2020 before the Honorable Civil Judge against the Society and Punjab Provincial Cooperative Bank Limited wherein the policyholder, Cooperative Thrift and Credit Society, wanted to recover its research record lost in Punjab Provincial Cooperative Bank Limited. As of the latest hearing on September 25, 2024, the record was presented, and the opposing party completed its arguments. The Society is now preparing to present its arguments, with the next hearing scheduled for October 22, 2024. The Cooperative Insurance Society of Pakistan Limited is contesting the case before the concerned Honorable Court and is hopeful for a favorable outcome.

16.3 For the tax year 2012 the tax department has created a tax demand in the sum of Rs. 1.134 million by passing an order dated 30-06-2014 after conducting the tax audit of the Society mainly on the issue of inadmissibility and disallowance of certain expenses. Being aggrieved from the order, the Society filed an appeal before the Appellate Tribunal (ATR) which is pending adjudication at the terminal date. The Society and its tax advisor are of the firm view that the outcome of the appeal will be decided in their favor.

16.4 For the tax year 2016, the tax department has created a tax demand in the sum of Rs. 0.204 million by passing an order dated 20-04-2018 after conducting the tax audit of the Society mainly on the issue of inadmissibility and disallowance of certain expenses. Being aggrieved from the order, the Society filed an appeal before the Appellate Tribunal (ATR) which is pending adjudication at the terminal date. The Society and its tax advisor are of the firm view that the outcome of the appeal will be decided in their favor.

16.5 There are no known commitments as at December 31, 2023 (2022: Nil)



		2023 Rupees	2022 Rupees
17 Net Insurance Premium			
Written gross premium		32,934,045	26,355,814
Unearned premium reserve - opening		15,065,937	9,370,003
Unearned premium reserve - closing		16,123,883	15,065,937
Premium earned		31,876,099	20,659,880
Less:			
Reinsurance premium ceded		7,215,615	5,676,286
Prepaid reinsurance premium - opening		3,849,443	2,087,670
Prepaid reinsurance premium - closing		4,452,173	3,849,443
Reinsurance expense		6,612,885	3,914,513
		25,263,214	16,745,367
17.1	All the insurance business is provided by Messrs. Punjab Provincial Cooperative Bank Limited (PPCBL). PPCBL holds 73% of Society's shareholding.		
	Note	2023	2022
18 Net Insurance Claims		Rupees	Rupees
Claims paid		780,166	591,760
Outstanding claims including IBNR - opening		1,219,224	1,011,646
Outstanding claims including IBNR - closing		1,694,965	1,219,224
Claims expense		1,255,907	799,338
Less:			
Reinsurance and other recoveries received		154,407	106,172
Reinsurance and other recoveries in respect of outstanding claims - opening		105,352	110,044
Reinsurance and other recoveries in respect of outstanding claims - closing		166,347	105,352
Reinsurance and other recoveries revenue		215,402	101,480
		1,040,505	697,858
19 Net Commission			
Commission paid or payable		4,658,021	3,759,277
Deferred commission expense - opening		2,262,046	1,400,028
Deferred commission expense - closing		2,390,702	2,262,046
Net commission		4,529,365	2,897,259
Less			
Commission received or recoverable		1,148,630	890,744
Unearned reinsurance commission - opening		725,845	415,470
Unearned reinsurance commission - closing		896,197	725,845
Commission from reinsurance		978,278	580,369
		3,551,087	2,316,890
20 Management Expenses			
Branch business expenses	20.1	13,701,507	10,866,272
Salaries, wages and benefits		5,596,076	3,292,225
Printing and stationery		1,462,607	696,427
Rent, taxes and electricity		899,081	781,381
Traveling and entertainment		791,137	446,180
Other expenses		676,835	580,134
Communication		639,299	569,575
Staff training expense		-	469,750
		23,766,542	17,701,944

20.1 The branch business expenses includes travelling, incentives to field staff, repair and maintainance and other office expenses.



			2023 Rupees	2022 Rupees
21 Investment Income	Note			
Dividend income			1,754,995	2,542,146
Income from term deposits			71,154	64,886
			1,826,149	2,607,032
22 Other Income				
Fair value gain on revaluation of investment property	6		12,655,696	3,614,185
Miscellaneous receipts			-	647,493
Gain on disposal of property and equipment			-	173,133
Payable to Pakistan Reinsurance Company Limited written back			-	17,987
			12,655,696	4,452,798
23 Other Expenses				
Depreciation	4		4,336,445	4,704,843
Rent, rates and taxes			2,359,147	1,897,453
Legal and professional charges			2,153,363	2,137,119
Salaries, wages, and benefits	23.2		3,334,741	2,605,225
Travelling and vehicle running expenses			1,024,050	841,875
Chief executive's remuneration	23.1		811,914	615,785
Repair and maintenance			414,150	1,539,134
Auditor's remuneration	23.3		375,000	300,000
Website and software maintenance expenses			268,684	290,868
Fees and subscription expenses			231,025	283,875
General charges			203,102	255,191
Advertisement and publicity expenses			116,500	39,000
Insurance expenses			157,890	235,050
Other Miscellaneous expenses			104,396	-
Amortization of computer software	5		89,600	89,600
Bank charges			44,299	31,141
			16,024,306	15,866,159

23.1 Directors and Chief Executive remuneration

The aggregate amounts of the remuneration including all benefits to the chief executive and directors of the Society charged in these financial statements are as follows:

	2023		2022	
	Chief Executive	Directors	Chief Executive	Directors
	Rupees			
Managerial remuneration	396,500	-	324,625	-
House rent allowance	123,000	-	122,625	-
Medical allowance	96,780	-	87,591	-
Overtime	15,684	-	5,944	-
Bonus	59,950	-	-	-
Travelling allowance	120,000	507,400	75,000	484,950
	811,914	507,400	615,785	484,950
Number	1	8	1	9

No remuneration has been paid to the directors of the society, consistent with the bye laws of the Society. In addition to the above benefits, the chief executive has been provided with a Society maintained car. Travelling and conveyance allowance has been paid to directors of the company in the sum of Rs. 507,400 (2022: Rs. 484,950) for meeting purposes as decided and approved by the Board.

23.2 These include Rs. 192,139 (2022: Rs. 189,873) on account of contribution to the employees provident fund.



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED

Segment Information

December 31, 2023

25 Segment Information

	Fire and property damage	Motor	Livestock & others	Total
	Rupees	Rupees	Rupees	Rupees
Premium receivable (inclusive of FED, Federal insurance fee and administrative surcharge)	12,287,642	8,313,397	17,696,269	38,297,308
Less: Sales tax	(1,615,366)	(1,092,901)	(2,326,399)	(5,034,666)
Federal insurance fee	(105,430)	(71,330)	(151,837)	(328,597)
Gross written premium (inclusive of administrative surcharge)	10,566,846	7,149,166	15,218,033	32,934,045
Gross direct premium	10,040,187	6,792,846	14,459,555	31,292,588
Administrative surcharge	526,659	356,320	758,478	1,641,457
	10,566,846	7,149,166	15,218,033	32,934,045
Insurance premium earned	8,796,518	6,762,957	16,316,624	31,876,099
Insurance premium ceded to reinsurers	(933,168)	(500,000)	(5,179,717)	(6,612,885)
Net insurance premium	7,863,350	6,262,957	11,136,907	25,263,214
Commission income	127,083	-	851,195	978,278
Net underwriting income (A)	7,990,433	6,262,957	11,988,102	26,241,492
Insurance claims	255,188	698,545	302,174	1,255,907
Insurance claims recovered from reinsurers	165,704	4,372	45,326	215,402
Net claims	89,484	694,173	256,848	1,040,505
Commission expense	1,243,420	982,484	2,303,461	4,529,365
Management expenses	7,625,464	5,159,128	10,981,950	23,766,542
Premium deficiency reserve	-	-	-	-
Net insurance claims and expenses (B)	8,958,368	6,835,785	13,542,259	29,336,412
Underwriting result (A-B)	(967,935)	(572,828)	(1,554,157)	(3,094,920)
Net investment income				1,826,149
Rental income				10,418,416
Other income				12,655,696
Other expenses				(16,024,306)
Finance costs				-
Profit before tax				5,781,035

December 31, 2022

	Fire and property damage	Motor	Livestock & Others	Total
	Rupees	Rupees	Rupees	Rupees
Premium receivable (inclusive of FED, Federal insurance fee and administrative surcharge)	7,489,906	6,304,809	16,632,095	30,426,810
Sales tax	(1,021,903)	(815,885)	(1,970,761)	(3,808,549)
Federal insurance fee	(64,226)	(54,152)	(144,069)	(262,447)
Gross Written Premium (inclusive of administrative surcharge)	6,403,777	5,434,772	14,517,265	26,355,814
Gross direct premium	6,083,405	5,162,878	13,790,987	25,037,270
Administrative surcharge	320,372	271,894	726,278	1,318,544
	6,403,777	5,434,772	14,517,265	26,355,814
Insurance premium earned	5,972,363	4,414,379	10,273,138	20,659,880
Insurance premium ceded to reinsurers	(399,331)	(540,334)	(2,974,848)	(3,914,513)
Net insurance premium	5,573,032	3,874,045	7,298,290	16,745,367
Commission income	66,969	-	513,400	580,369
Net underwriting income (A)	5,640,001	3,874,045	7,811,690	17,325,736
Insurance claims	64,298	749,907	(14,867)	799,338
Insurance claims recovered from reinsurers	(4,248)	1,786	103,942	101,480
Net claims	68,546	748,121	(118,809)	697,858
Commission expense	846,327	592,085	1,458,847	2,897,259
Management expenses	4,301,112	3,650,277	9,750,555	17,701,944
Premium deficiency reserve	-	-	-	-
Net insurance claims and expenses (B)	5,215,985	4,990,483	11,090,593	21,297,061
Underwriting result (A-B)	424,016	(1,116,438)	(3,278,903)	(3,971,325)
Net investment income				2,607,032
Rental income				10,189,941
Other income				4,452,798
Other expenses				(15,866,159)
Finance cost				-
Profit before tax				(2,587,713)


THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
Segment Information
December 31, 2023
25.1 Segment assets and liabilities
As at December 31, 2023

Description	Fire and property damage	Motor	Live stock and others	Unallocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	2,892,406	687,030	4,720,453	2,548,132,856	2,556,432,745
Segment liabilities	7,301,783	3,827,531	8,891,171	55,352,625	75,373,110

As at December 31, 2022

Description	Fire and property damage	Motor	Live stock and others	Unallocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	1,471,451	622,490	4,533,639	2,392,204,661	2,398,832,241
Segment liabilities	5,566,103	3,408,963	9,608,653	42,860,924	61,444,643

25.2 Other information

All the assets of the Society are located in Pakistan and the Society is generating its revenues through its operations in Pakistan. There is no customer to whom the insurance policies have been written more than 10% of the total revenue of the Society.

Fire and property damage, motor and livestock and others represent 31.13% (2022: 33.28%), 24.79% (2022: 23.14%) and 44.08% (2022: 43.58%) respectively of the total revenue of the Society.



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED

Solvency Statement

December 31, 2023

26 Solvency Statement

	2023 Rupees
Assets	
Property and equipment	2,353,034,703
Intangible assets	-
Investment property	87,907,988
	2,440,942,691
Investments	
Listed equity securities	70,002,933
Unlisted equity securities	15,946,023
Term deposits	2,511,450
	88,460,406
Deferred commission expenses	2,390,702
Prepayments	4,452,173
Other receivables	8,127,475
	14,970,350
Cash and bank	12,059,298
Total assets	2,556,432,745
Inadmissible assets as per clause 32(2) of the Insurance Ordinance, 2000	
Listed equities	35,001,467
Unlisted equities	15,148,722
Land and buildings	1,643,971,053
Furniture, fixture and office equipment	768,439
Intangibles	-
Motor vehicles	3,736,189
	1,698,625,870
Admissible assets	857,806,875
Total liabilities	
<u>Underwriting provisions</u>	
Outstanding claims including IBNR	1,694,965
Unearned premium reserves	16,123,883
Unearned reinsurance commission	896,197
Deferred taxation	48,989,595
Insurance / reinsurance payables	1,305,440
Unclaimed dividend	238,189
Other creditors and accruals	6,124,841
Total liabilities	75,373,110
Total net admissible assets	782,433,765
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	5,052,643
Under section 36 (3) (c) of Insurance Ordinance, 2000	2,640,066
Net admissible assets in excess of solvency requirement	150,000,000
	632,433,765



27 Management of Insurance Risk and Financial Risk

27.1 Insurance risk

The principal risk faced by the Society 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 minimize insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Society underwrites mainly property, fire, motor, live stock 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 Reinsurance Company Limited which is a Government owned entity with sound and stable financial outlook and credit rating of AA+.

a) 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 risks 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 the reporting date:

Class	2023				2022			
	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	20.3	8.6	27.6	31.1	8	10	29	33
Motor	55.6	66.7	21.2	24.8	94	107	21	23
Miscellaneous	24.1	24.7	51.2	44.1	-2	-17	50	44
	100	100	100	100	100	100	100	100

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

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

	2023	2022
	Rupees	Rupees
Fire and property damage	704,456,400	426,918,467
Motor	357,458,300	271,738,600
Miscellaneous	1,462,202,939	1,401,181,122

Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the reporting 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 reporting date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the reporting date.



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 the reporting 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.

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 / (loss) before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analyzed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

	Profit before tax		Shareholders' equity	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Impact of change in claim liabilities by +10%				
Fire and property damage	(43,983)	(29,862)	(31,228)	(21,202)
Motor	(43,931)	(40,695)	(31,191)	(28,893)
Miscellaneous	(81,583)	(51,366)	(57,924)	(36,470)
	(169,497)	(121,923)	(120,343)	(86,565)
Impact of change in claim liabilities by -10%				
Fire and property damage	43,983	29,862	31,228	21,202
Motor	43,931	40,695	31,191	28,893
Miscellaneous	81,583	51,366	57,924	36,470
	169,497	121,923	120,343	86,565

27.2 Financial Risk

27.2.1 Financial risk factors

The Society's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Society's overall risk management policies focuses on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management.

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.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. As at the reporting date, the Society is not exposed to currency risk as it has no receivable or payables in foreign currency.

(ii) Interest rate risk

Interest risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of change 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.

			2023			
	Interest bearing		Non-Interest bearing			
	Maturity up to 1 year	Maturity after 1 year	Sub-total	Maturity up to 1 year	Maturity after 1 year	Sub-total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Floating rate instruments						
Financial assets						
Cash and other equivalents	-	-	-	12,059,298	-	12,059,298
Investments	-	-	-	88,460,406	-	88,460,406
Insurance/reinsurance receivable	-	-	-	1,290,667	-	1,290,667
Reinsurance recoveries	-	-	-	166,347	-	166,347
Security deposits	-	-	-	59,400	-	59,400
Sundry receivable	-	-	-	2,865,984	-	2,865,984
	-	-	-	104,902,102	-	104,902,102
Financial Liabilities						
Outstanding claims - including IBNR	-	-	-	1,694,965	-	1,694,965
Insurance/reinsurance payable	-	-	-	1,305,440	-	1,305,440
Other creditors and accruals	-	-	-	5,006,618	-	5,006,618
Unclaimed dividend	-	-	-	238,189	-	238,189
	-	-	-	8,245,212	-	8,245,212
			2022			
	Interest bearing		Non-Interest bearing			
	Maturity up to 1 year	Maturity after 1 year	Sub-total	Maturity up to 1 year	Maturity after 1 year	Sub-total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Floating rate instruments						
Financial assets						
Cash and other equivalents	-	-	-	15,803,521	-	15,803,521
Investments	1,000,000	-	1,000,000	66,452,867	-	66,452,867
Insurance/reinsurance receivable	-	-	-	410,739	-	410,739
Reinsurance recoveries	-	-	-	105,352	-	105,352
Security deposits	-	-	-	59,400	-	59,400
Sundry receivables	-	-	-	3,208,037	-	3,208,037
	1,000,000	-	1,000,000	86,039,916	-	86,039,916
Financial Liabilities						
Outstanding claims - including IBNR	-	-	-	1,219,224	-	1,219,224
Insurance/reinsurance payable	-	-	-	1,572,713	-	1,572,713
Other creditors and accruals	-	-	-	4,627,749	-	4,627,749
Unclaimed dividend	-	-	-	238,189	-	238,189
	-	-	-	7,657,875	-	7,657,875



Cash flow sensitivity analysis for variable rate instruments

For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates at the reporting date would have impacted the profit or loss for the year. The society has investment in term deposits at the reporting date. The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in the relevant notes to these financial statements.

Sensitivity analysis

As at the reporting date, the Society had no financial instruments valued at fair value through profit and loss. 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:

	Change in basis points	Effect on profit and loss before tax	Effect on shareholder equity
	Rupees in "000"		
December 31, 2023	100	712	506
	(100)	(712)	(506)
December 31, 2022	100	649	461
	(100)	(649)	(461)

27.3 Credit Risk

Credit risk is the risk that 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 Society attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

Credit risk and concentration of credit risk

Concentration of credit risk occurs 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 similar manner. The Society's credit risk exposure is not significantly different from the reflected in these financial statements. The management monitors and limits the Society's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	2023	2022
	Rupees	Rupees
Investment in equity securities	85,948,956	63,941,417
Term deposits	2,511,450	3,511,450
Sundry receivables	4,253,064	3,208,037
Insurance / reinsurance receivables	1,290,667	410,739
Reinsurance recoveries against outstanding claims	166,347	105,352
Security deposits	59,400	59,400
Cash at bank	11,674,452	15,246,945
	105,904,336	86,483,340



The credit quality of bank balances and deposits can be assessed with reference to external credit ratings where available, or to historical information about counterparty default rates. Banks and financial institutions have external credit ratings determined by various credit rating agencies. Credit quality of customers and other receivables are assessed by reference to historical defaults rates and present ages. Banks and financial institutions have external credit ratings determined by various credit rating agencies as listed below :

	Rating		Rating agency	2023	2022
	Short term	Long term		Rupees	Rupees
Bank Al Falah Limited	A1+	AA+	PACRA	146,524	306,524
First Women Bank	A2	A-	PACRA	737	105,737
MCB Bank Limited	A1+	AAA	PACRA	336,867	755,328
Punjab Provincial Cooperative Bank Limited	BBB+	A2	-	10,351,680	11,666,470
Allied Bank Limited	A1+	AAA	PACRA	1,550,321	2,093,876
National Bank of Pakistan	A1+	AAA	PACRA	116,444	291,058
CDC (Investor Account Services)	Not Rated	Not Rated	-	48,918	53,414
				12,551,491	15,272,407

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Society. Accordingly the credit risk is minimal.

The credit quality of Society's exposure on equity instruments can be assessed with reference to external rating as follows:

	Ratings	Rating agency	2023	2022
			Rupees	Rupees
Pakistan Reinsurance Company Limited	AA	VIS	17,994,554	16,052,359
Ferozesons Laboratories Limited	Not Rated	-	52,008,379	32,422,736
Punjab Provincial Cooperative Bank Limited	BBB+	PACRA	13,653,203	13,194,522
National Cooperative Supply Corporation	Not Rated	-	2,292,820	2,271,800
			85,948,956	63,941,417

The credit quality of amounts due from reinsurer and claim recoveries therefore can be assessed with reference to external credit ratings as follows:

Reinsurance Recoveries against outstanding claims				
	Ratings	Rating agency	2023	2022
			Rupees	Rupees
Pakistan Reinsurance Company Limited	AA	VIS	166,347	110,044



As at reporting date, amounts in respect of reinsurance recoveries against outstanding claims are considered good, recovered subsequent to the reporting date and are classified as due within one year.

28 Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Society finances its operations through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Following are the contractual maturities of financial liabilities:

	2023					
	Carrying amount	On demand	Contractual cash flows	1 year or less	1-2 years	2-5 years
December 31, 2023	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Outstanding claims including IBNR	1,694,965	1,694,965	-	-	-	-
Insurance / reinsurance payables	1,305,440	1,305,440	-	-	-	-
Unclaimed dividend	238,189	238,189	-	-	-	-
Other creditors and accruals	5,006,618	5,006,618	-	-	-	-
	8,245,212	8,245,212	-	-	-	-
	2022					
	Carrying amount	On demand	Contractual cash flows	1 year or less	1-2 years	2-5 years
December 31, 2022	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Outstanding claims including IBNR	1,219,224	1,219,224	-	-	-	-
Insurance / reinsurance payables	1,572,713	1,572,713	-	-	-	-
Unclaimed dividend	238,189	238,189	-	-	-	-
Other creditors and accruals	4,627,749	4,627,749	-	-	-	-
	7,657,875	7,657,875	-	-	-	-

29 Equity / Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Society's equity investments amounting to Rs. 70 million (2022: Rs. 81.477 million) are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Society limits the market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The table below summarizes the Society's market price risk as of December 31, 2023 and 2022. It shows the effect of a 10% increase and 10% decrease in the market prices of equity investments as on those dates on the Society's profit and equity. Had all listed equity investments been measured at fair values as required by IAS 39, 'Financial Instruments: Recognition and Measurement', the impact of hypothetical change would be as follows:

	2023 Rupees	2022 Rupees
Fair Value	70,002,933	48,475,095
Estimated fair value due to changes:		
10% increase	77,003,226	53,322,605
10% decrease	63,002,640	43,627,586



There were no transfers between the levels of the fair value hierarchy during the year.

The carrying values of all other financial assets and liabilities reflected in these financial statements approximates their fair value.

The following table shows the carrying amounts and fair values of assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

December 31, 2023	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial assets - at Amortized Cost	Other Financial liabilities - at Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in listed securities	70,002,933	-	-	-	70,002,933	70,002,933	-	-	70,002,933
Investment in unlisted securities	15,946,023	-	-	-	15,946,023	-	-	15,946,023	15,946,023
Financial assets not measured at fair value									
Investment in debt securities	-	-	2,511,450	-	2,511,450	-	-	-	-
Advances, deposits and other receivables	-	-	10,518,177	-	10,518,177	-	-	-	-
Cash and bank balances	-	-	12,059,298	-	12,059,298	-	-	-	-
	85,948,956	-	25,088,925	-	111,037,881	70,002,933	-	15,946,023	85,948,956
Financial liabilities not measured at fair value									
Outstanding claims and unearned premium	-	-	-	17,818,848	17,818,848	-	-	-	-
Unearned reinsurance commission	-	-	-	896,197	896,197	-	-	-	-
Deferred taxation	-	-	-	48,989,595	48,989,595	-	-	-	-
Other creditors and payables	-	-	-	7,430,281	7,430,281	-	-	-	-
Unclaimed dividend	-	-	-	238,189	238,189	-	-	-	-
	-	-	-	75,373,110	75,373,110	-	-	-	-
December 31, 2022	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial assets at Amortized Cost	Other Financial liabilities - at Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in listed securities	48,475,095	-	-	-	48,475,095	48,475,095	-	-	48,475,095
Investment in unlisted securities	15,466,322	-	-	-	15,466,322	-	-	15,466,322	15,466,322
Financial assets not measured at fair value									
Investment in debt securities	-	-	3,511,450	-	3,511,450.00	-	-	-	-
Advances, deposits and other receivables	-	-	12,201,321	-	12,201,321	-	-	-	-
Cash and bank balances	-	-	15,803,521	-	15,803,521	-	-	-	-
	15,466,322	-	31,516,292	-	95,457,709	48,475,095	-	15,466,322	63,941,417



Carrying amount					Fair value				
FVOCI	FVTPL	Financial assets - at Amortized Cost	Other Financial liabilities - at Amortized Cost	Total	Level 1	Level 2	Level 3	Total	
-		-	16,285,161	16,285,161	-	-	-	-	
-		-	725,845	725,845	-	-	-	-	
-		-	36,819,401	36,819,401	-	-	-	-	
-		-	7,376,047	7,376,047	-	-	-	-	
-		-	238,189	238,189	-	-	-	-	
-	-	-	61,444,643	61,444,643	-	-	-	-	

33 Related Party Disclosure

Related parties comprise of directors, chief executive, other key management personnel and staff retirement benefit plans. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. Outstanding balances with related parties, contribution to provident fund and remuneration to chief executive and directors of the Society have already been disclosed in Note 23 of these financial statements.

34 Disclosure of Employees Provident Fund Trust -Related Party

The following information is based on the unaudited financial statements of the Staff Provident Fund Coop. Insurance Society.

	2023 Rupees	2022 Rupees
Size of fund	1,460,132	1,381,595
Number of members	20	17
Cost of investment - Bank Balance	1,460,132	1,381,595
Percentage of investment	100%	100%

35 Number of Employees

Employees as at December 31, 2023

2023 Number	2022 Number
22	21

36 Date of Authorization for Issue

These financial statements were authorized for issue on 31-10-2024 by the Board of Directors of the Society.

37 General

The figures in the financial statements have been rounded off to the nearest rupees. Corresponding figures have been re-arranged, wherever necessary, to facilitate comparison. No material re-arrangements / reclassifications have been incorporated in these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR

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, 2023

Class of Assets	2023		2022		Valuation Basis
	Cost or Book Value	Market Value	Cost or Book Value	Market Value	
	Rupees	Rupees	Rupees	Rupees	Rupees
Cash and other equivalents	12,059,298	12,059,298	15,803,521	15,803,521	Book Value
Fixed & terms deposit with scheduled banks	-	-	1,000,000	1,000,000	Book Value
Government securities with State Bank of Pakistan	2,511,450	2,511,450	2,511,450	2,511,450	Book Value
Shares	4,765,250	85,948,956	4,955,805	63,941,417	Market Value
Insurance / reinsurance receivable	1,290,667	1,290,667	410,739	410,739	Book Value
Reinsurance recoveries against outstanding claims	166,347	166,347	105,352	105,352	Book Value
Prepayment-prepaid reinsurance premium	4,452,173	4,452,173	3,849,443	3,849,443	Book Value
Deferred commission expense	2,390,702	2,390,702	2,262,046	2,262,046	Book Value
Taxation - payments less provision	2,357,997	2,357,997	2,306,304	2,306,304	Book Value
Security deposits	59,400	59,400	59,400	59,400	Book Value
Sundry receivable	4,253,064	4,253,064	3,208,037	3,208,037	Book Value
Land and buildings	2,425,555	2,348,530,075	2,425,555	2,222,960,031	Market Value
Furniture, fixture and office equipment	768,439	768,439	638,943	638,943	Book Value
Motor vehicles	3,736,189	3,736,189	4,433,666	4,433,666	Book Value
Investment property	85,546	87,907,988	85,546	75,252,292	Market Value
Intangibles	-	-	89,600	89,600	Book Value
Total Assets	41,322,077	2,556,432,745	44,145,407	2,398,832,241	

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR

CHAIRMAN

<u>HEAD OFFICE</u>		Phones: 37356537, 042-37352306,37242798 Fax: 042-37352794 Email: info@ coinsopl.com
Cooperative Insurance Building, 23-Shahrah-e-Quaid-e-Azam Lahore.		
<u>Fateh Khan Niazi</u>	Chief Executive Officer	0322-9490777
Shoaib Ahmed Waseem	Financial Advisor	0300-0803060
Fahad Amjad	Acting Chief Financial Officer	0300-0400576
Shahbaz Hussain Khadim	Head of Internal Auditor	0333-4555001
Malik Muhammad Ashraf	Manager Underwriting	0322-4545283
Muhammad Zohaib	Asstt: Compliance Officer	0328-4481221
Muhammad Jamil Bhatti	Asstt: Manager Re-insurance	0322-4318241
	<u>ZONAL OFFICES</u>	
<u>Bahawalnagar</u> Rai Anwaar Alam Branch Manager	Chowk Tasneem Fowara	0333-1630650 0300-7585601
M. Rashid Kitchlew Zonal Manager	23-Shahrah-e-Quaide-e-Azam, Lahore	0300-4292277
Sattar Ahmed Zonal Manager	Shoaib Manzil, Chowk Chohan Park, Lahore.	Res: 37923661 0300-4870280 0323-4870280
Karachi -1	<u>REGIONAL OFFICES</u>	
Mirza Anwar Baig Chief Manager	Nadir House, 3 rd Floor, P.O. Box No. 4814, I.I. Chundrigarh Road, Karachi	Off: 32411840 0300-2313632
Liaquat Ali Branch Manager		0333-2136754
Karachi-2		
Tahir Mehmood Qureshi (Manager Development)	Office No. 18, Kareem Plaza, Near Civic Centre, Gulshan-e-Iqbal Karachi.	0322-2032013 0300-9237978
<u>Multan</u>		
Hassan Faryal Bhutta Regional Manager	Chowk Katchery P.O. Box No. 119	0332-1743042 0300-6338415
<u>Multan-2</u> <u>Syed Waqar Ali Rizvi</u> <u>Branch Manager</u>	Upper Store Shopping Centre No. 3, Opp: Mall Plaza, Multan Cantt.	0305-2007809 0333- 6388157

BRANCH OFFICES

<u>Faisalabad</u>		
Rai Nawazish Ali Branch Manager	Quaid-e-Azam Road, Tandlianwala	0333-6581781 0342-5825565
<u>Gujranwala</u>		
Asad Javaid Malik Branch Manager	58-B, Trust Plaza, G.T. Road,	0321-7441724 0300-7593106
<u>Sheikhupura</u>		
Asad Javaid Malik Branch Manager	Sheikhupura	0300-7593106 0321-7441724
<u>Sargodha</u>		
M. Taufiq Paracha Branch Manager	Opp: City Post Office, Main Road, Block No. 5	Off: 7323459 Res: 3213459 0300-9609161
<u>Rawalpindi</u>		
Muzaffar Hussain Shah Branch Manager	53/8, Haider Road,	Off: 5566232 0333-5341722
<u>Okara</u>		
Abdul Rahim Gohar Branch Manager	C/o. Haji Motors, G.T.Road, Renala Khurd	0333-4565378
<u>Rahim Yar Khan</u>		
Khadim Hussain Bhatti Branch Manager	B-80, Umer Block, Abbasia Town	0333-7453191 0300-4278782
<u>Sahiwal</u>		
Kashif Rafiq Branch Manager	House No. 775, M-Block , Fareed Town, Sahiwal.	0300-6937275 0312-6937275
<u>D.G. Khan</u>		
Mian Javed Branch Manager	Block No. 2, Quaid-e-Azam Road, Dera Ghazi Khan.	0300-6781253 0334-6781253