



UNLOCKING GREAT OPPORTUNITIES

INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH ENDED 30 JUNE 2020





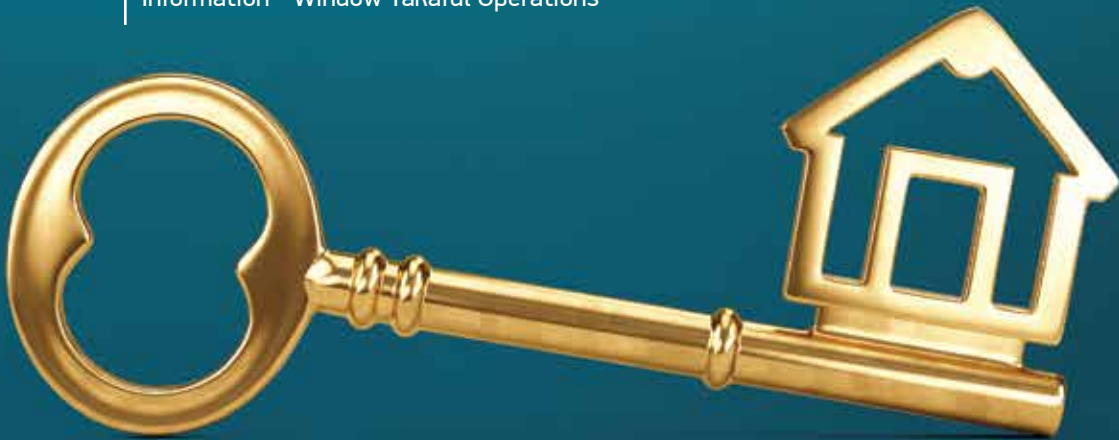
OPENING NEW GATEWAYS

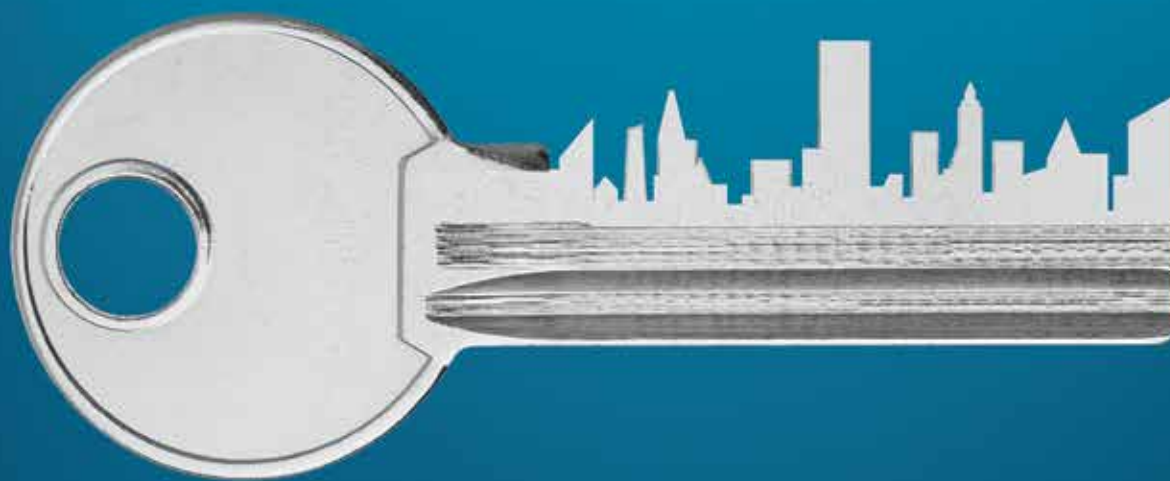
At Adamjee Insurance, we are committed to providing our customers with exceptional service, opening the doors to success and giving them the security and confidence to capitalize on every opportunity that comes their way.



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VISION

Our will is to explore, innovate and differentiate.
Our passion is to provide leadership to insurance industry.



CORE VALUES

- Integrity
- Humility
- Fun at the Workplace
- Corporate Social Responsibility

COMPANY INFORMATION

BOARD OF DIRECTORS

Umer Mansha	Chairman
Ibrahim Shamsi	Director
Imran Maqbool	Director
Muhammad Anees	Director
Mohammad Arif Hameed	Director
Sadia Younas Mansha	Director
Shaikh Muhammad Jawed	Director
Muhammad Ali Zeb	Managing Director & Chief Executive Officer

ADVISOR

Mian Muhammad Mansha

AUDIT COMMITTEE

Muhammad Anees	Chairman
Ibrahim Shamsi	Member
Shaikh Muhammad Jawed	Member
Umer Mansha	Member

ETHICS, HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Anees	Chairman
Ibrahim Shamsi	Member
Muhammad Ali Zeb	Member
Umer Mansha	Member

INVESTMENT COMMITTEE

Umer Mansha	Chairman
Imran Maqbool	Member
Muhammad Ali Zeb	Member
Muhammad Asim Nagi	Member

COMPANY SECRETARY

Tameez ul Haque, F.C.A

CHIEF FINANCIAL OFFICER

Muhammad Asim Nagi, F.C.A

EXECUTIVE MANAGEMENT TEAM

Muhammad Ali Zeb
Muhammad Asim Nagi
Adnan Ahmad Chaudhry
Asif Jabbar
Muhammad Salim Iqbal

AUDITORS

Deloitte Yousuf Adil
Chartered Accountants
134-A, Abu Bakar Block, New Garden Town,
Lahore, Pakistan

SHARIAH ADVISOR

Mufti Muhammad Hassan Kaleem

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi-74400
Ph: (92) 0800-23275
Fax (92-21) - 34326053

BANKERS

Askari Bank Limited
Abu Dhabi Commercial Bank, UAE
Allied Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Emirates Islamic Bank, UAE
FINCA Microfinance Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
Khushali Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
Mobilink Microfinance Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Punjab Provincial Cooperative Bank Limited
United Bank Limited
Zarai Taraqati Bank Limited

REGISTERED OFFICE

Adamjee House, 80/A, Block E-1,
Main Boulevard Gulberg-III,
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Phone: (92-42) 35772960-79
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Email: info@adamjeeinsurance.com
Web: www.adamjeeinsurance.com

Directors' Review to the Members on Unconsolidated Condensed Interim Financial Information (Unaudited)

For the Six Months Ended 30 June 2020

On behalf of the Board, we are pleased to present the unaudited unconsolidated condensed interim financial information of the Company for the half year ended 30 June 2020.

Financial Highlights:

The highlights for the period under review are as follows:

	30 June 2020	30 June 2019
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Gross Premium	9,762,363	12,129,819
Net Premium	7,087,341	7,702,132
Underwriting results	572,713	473,457
Investment Income	581,801	381,522
Profit before tax	1,356,643	887,466
Profit after tax	891,031	465,963

	30 June 2020	30 June 2019
	Rupees	
	(Unaudited)	(Unaudited)
Earnings per share	2.55	1.33

Performance Review:

The Gross and Net Premium of the Company decreased by 20% and 8% respectively. However, overall underwriting profit improved by 21% over the corresponding period of last year with Motor line of business leading the underwriting performance with an underwriting profit of Rs. 532,121 thousands.

The investment income, profit before tax and profit after tax increased by 52%, 53% and 91% respectively.

Window Takaful Operations:

The written contribution and Surplus of Participants' Takaful Fund are Rs. 821,605 thousands (2019: Rs. 636,726 thousands) and Rs. 39,468 thousands (2019: Rs. 71,595 thousands), respectively. Most of the growth in contribution written came from the Accident & Health and Miscellaneous line of businesses which contributed 41% and 9%, respectively to the total contribution written in first half of 2020. Window Takaful Operations profit before tax increased by 50% amounting to Rs. 87,036 thousands for the period ended 30 June 2020 (2019: Rs. 57,859 thousands).

Future Outlook:

Insurance Industry in Pakistan has seen several peaks and dips in the recent past. It keeps pace with the development of economy and growth vis-a-vis other sectors of the industry. Despite volatility and turbulence in the domestic financial markets, the Insurance Sector has performed well in 2019, registering a positive growth of 12.8%.

So far the year 2020 has been a year of distressed growth especially due to the effects of COVID-19 and related global and potential domestic lockdowns. However, with the improvement in situation and lifting of restrictions, we foresee a better growth trajectory during the second half of 2020.

Acknowledgements:

We would wholeheartedly like to thank our shareholders, valued customers, employees and development staff for their consistent support that has helped Adamjee Insurance emerge as one of the Pakistan's leading insurance company. We are also grateful to the Securities & Exchange Commission of Pakistan and the State Bank of Pakistan for their continued guidance and assistance.

For and on behalf of the Board



Ibrahim Shamsi
Director



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Lahore: 24 August 2020

غیرمجمع مختصر عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پر ممبران کوڈ انٹر ایکٹرز کا جائزہ بابت ششماہی مختتمہ 30 جون 2020ء

بورڈ کی جانب سے 30 جون 2020ء کو ختم ہونے والی ششماہی کیلئے کمپنی کے غیر آڈٹ شدہ غیرمجمع عبوری مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کی جھلکیاں درج ذیل ہیں:

30 جون 2020ء	30 جون 2019ء
ہزار روپے میں	ہزار روپے میں
(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)
9,762,363	12,129,819
7,087,341	7,702,132
572,713	473,457
581,801	381,522
1,356,643	887,466
891,031	465,963
30 جون 2020ء	30 جون 2019ء
روپے	روپے
(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)

1.33

2.55

آمدنی فی شیئر (روپے)

کارکردگی کا جائزہ

کمپنی کا مجموعی (Gross) پربیم 20% تک اور خالص (Net) پربیم 8% تک کم ہوا۔ گزشتہ سال کے مقابلے میں انڈر رائٹنگ منافع میں 21% کا منافع ہوا۔ جس میں موٹر لائن کا کاروبار نمایاں رہا اور انڈر رائٹنگ منافع -/532,121 ہزار روپے ہو گیا۔

آمدن سرمایہ کاری، قبل از ٹیکس منافع اور بعد از ٹیکس منافع علی الترتیب 52%، 53% اور 91% تک بڑھ گیا۔

وٹنگ کا نفل آپریشنز (در پیچہ برائے افعال کا نفل)

کافل فنڈ کے شرکاء کا تحریر کردہ حصہ اور فاضل علی الترتیب -/821,605 ہزار روپے (2019ء) -/636,726 ہزار روپے (اور -/39,468 ہزار روپے (2019ء) -/71,595 ہزار روپے) ہیں۔ تحریر کردہ حصے میں اضافہ زیادہ تر حادثات و صحت اور متفرق کاروبار سے ہوا جس نے 2020ء کے پہلے چھ مہینوں میں مجموعی تحریر کردہ حصے میں علی الترتیب 41% اور 9% کا حصہ ملایا۔ 30 جون 2020 کو ختم ہونے والی ششماہی کیلئے وٹنگ کا نفل آپریشنز کے قبل از ٹیکس منافع میں -/87,036 ہزار روپے کے حساب سے 50% تک کا اضافہ ہوا (2019ء) -/57,859 ہزار روپے)۔

توقعات مستقبل

پاکستان میں صنعت بیمہ حالیہ برسوں میں کئی اتار چڑھاؤ دیکھ چکی ہے۔ اس نے معاشی ترقی اور نشوونما میں صنعت کے دیگر شعبہ جات کے مقابلے میں اپنی رفتار کو برقرار رکھا ہے۔ ملکی مالیاتی منڈیوں میں غیر یقینی صورتحال اور خلفشار کے باوجود شعبہ بیمہ نے 2019ء میں زبردست کارکردگی کا مظاہرہ کیا ہے، اور 12.8% کا مثبت اضافہ درج کیا ہے۔

سال 2020ء اب تک خاص طور پر کووڈ 19ء اور اس سے وابستہ عالمی اثرات اور ممکنہ ملکی لاک ڈاؤنز کے اثرات کی وجہ سے پریشان کن سال رہا ہے۔ تاہم صورتحال کی بہتری پابندیوں کے اٹھنے سے 2020ء کی دوسری ششماہی کے دوران ہمیں بہتر اضافے کی توقع ہے۔

اعتراف

ہم اپنے شیئر ہولڈرز، معزز صارفین، ملازمین اور ترقیاتی عملے کا اُن کی مستقل معاونت پر تہہ دل سے شکریہ ادا کرتے ہیں جنہوں نے آدھی انشورنس کو پاکستان کی بڑی اور نمایاں انشورنس کمپنی بننے میں مدد کی۔ ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور انشورنس بینک آف پاکستان کی مستقل کی معاونت اور فراہم کردہ رہنمائی کو بھی سراہتے ہیں۔

منجانب و برائے بورڈ



محمد علی زب
مینجنگ ڈائریکٹر اینڈ
چیف ایگزیکٹو آفیسر



ابراہیم شمس
ڈائریکٹر

لاہور: 24 اگست 2020ء

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ADAMJEE INSURANCE COMPANY LIMITED ("THE COMPANY")

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Adamjee Insurance Company Limited (the Company) as at June 30, 2020, and the related unconsolidated condensed interim statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of these unconsolidated condensed interim statement of profit and loss account and the unconsolidated condensed interim statement of comprehensive income for the three month period ended June 30, 2020 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2020.

Scope of Review

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

Conclusion

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

The engagement partner on the review resulting in this independent auditor's review report is Rana M. Usman Khan.

Deloitte Young & Adil
Chartered Accountants

Lahore

Date: 24 August 2020



UNCONSOLIDATED

Condensed Interim
Financial Statements
for the Six Months Ended
30 June 2020
(Unaudited)

Unconsolidated Condensed Interim Statement of Financial Position

As at 30 June 2020

	Note	30 June 2020	31 December 2019
		Rupees in thousand	
		(Unaudited)	(Audited)
ASSETS			
Property and equipment	8	4,375,855	4,232,130
Intangible assets	9	66,490	68,927
Investment properties	10	401,896	401,896
Investment in subsidiary	11	1,097,900	694,895
Investments			
Equity securities	12	16,562,349	18,843,017
Debt securities	13	362,034	465,868
Term deposits	14	5,246,445	5,883,892
Loans and other receivables	15	564,087	477,264
Insurance / reinsurance receivables	16	6,735,521	5,810,164
Reinsurance recoveries against outstanding claims		6,310,890	5,931,928
Salvage recoveries accrued		272,675	301,420
Deferred commission expense / acquisition cost		1,192,418	1,190,146
Prepayments	17	3,087,278	3,633,739
Cash and bank	18	2,830,285	1,176,685
		<u>49,106,123</u>	<u>49,111,971</u>
Total assets of Window Takaful Operations - Operator's Fund	19	547,641	426,291
TOTAL ASSETS		<u><u>49,653,764</u></u>	<u><u>49,538,262</u></u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		3,500,000	3,500,000
Reserves	20	2,715,175	4,555,491
Unappropriated profit		13,691,032	13,325,001
Total Equity		<u>19,906,207</u>	<u>21,380,492</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		11,641,695	10,367,347
Unearned premium reserves		9,426,420	10,242,348
Unearned reinsurance commission		199,721	237,751
Retirement benefit obligations		226,614	225,177
Deferred taxation		546,834	1,329,898
Premium received in advance		373,125	363,002
Insurance / reinsurance payables		3,893,760	2,701,164
Other creditors and accruals	21	2,179,722	1,719,334
Deposits and other liabilities	22	692,935	723,618
Taxation - provision less payments		309,961	52,259
		<u>29,490,787</u>	<u>27,961,898</u>
Total liabilities of Window Takaful Operations - Operator's Fund	19	256,770	195,872
TOTAL EQUITY AND LIABILITIES		<u><u>49,653,764</u></u>	<u><u>49,538,262</u></u>

Contingencies and commitments

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The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For six month period ended 30 June 2020

	Note	For three month period ended		For six month period ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
		Rupees in thousand			
Net insurance premium	24	3,343,548	3,946,935	7,087,341	7,702,132
Net insurance claims	25	(1,724,210)	(2,457,094)	(4,067,327)	(4,734,885)
Net commission and other acquisition costs	26	(449,810)	(412,278)	(965,189)	(781,831)
Insurance claims and acquisition expenses		(2,174,020)	(2,869,372)	(5,032,516)	(5,516,716)
Management expenses	27	(764,279)	(902,275)	(1,482,112)	(1,711,959)
Underwriting results		405,249	175,288	572,713	473,457
Investment income	28	171,690	(107,374)	581,801	381,522
Rental income		33,419	844	53,531	1,689
Other income / (expense)	29	39,961	(6,937)	99,972	30,444
Other expenses	30	(17,336)	(22,105)	(35,204)	(52,847)
Results of operating activities		632,983	39,716	1,272,813	834,265
Finance cost		(1,551)	(2,163)	(3,206)	(4,658)
Profit from Window Takaful Operations					
- Operator's Fund	19	51,260	31,425	87,036	57,859
Profit before tax		682,692	68,978	1,356,643	887,466
Income tax expense		(263,363)	(191,361)	(465,612)	(421,503)
Profit / (loss) after tax for the period		419,329	(122,383)	891,031	465,963
Rupees					
Earnings / (loss) after tax per share	31	1.20	(0.35)	2.55	1.33

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For six month period ended 30 June 2020

	For three month period ended		For six month period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Rupees in thousand			
Profit / (loss) after tax for the period	419,329	(122,383)	891,031	465,963
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss:				
- Unrealized gain / (loss) on 'available-for-sale' investments - net of tax	1,231,734	(1,032,622)	(1,982,474)	(905,767)
- Reclassification adjustment relating to 'available for sale' investments disposed of during the period - net of tax	-	1,497	2,644	12,260
- Unrealized loss on 'available for sale' investment from Window Takaful Operations - net of tax	(2,027)	(441)	(1,343)	(18)
- Net effect of translation of foreign branch	29,150	164,279	140,857	172,616
Other comprehensive income / (loss) for the period	1,258,857	(867,287)	(1,840,316)	(720,909)
Total comprehensive income / (loss) for the period	1,678,186	(989,670)	(949,285)	(254,946)


The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For six month period ended 30 June 2020

Cash flows from operating activities

Underwriting activities

Insurance premium received
Reinsurance premium paid
Claims paid
Surrenders paid
Reinsurance and other recoveries received
Commissions paid
Commissions received
Other underwriting payments
Net cash inflow from underwriting activities

Other operating activities

Income tax paid
Other operating payments
Loans advanced
Loans installments received
Other operating receipts
Net cash outflow from other operating activities

Total cash inflow from all operating activities

Cash flows from investing activities

Profit / return received on bank deposits
Income received from Pakistan Investment Bonds
Income from Treasury Bills
Dividends received
Rentals received
Payments for investments
Proceeds from disposal of investments
Fixed capital expenditure - operating assets
Fixed capital expenditure - intangible assets
Proceeds from disposal of operating fixed assets
Total cash inflow / (outflow) from investing activities

Cash flows from financing activities

Payments against lease liabilities
Dividends paid
Loan obtained
Net cash outflow from financing activities

Net cash inflow / (outflow) from all activities

Cash and cash equivalents at beginning of the period

Cash and cash equivalents at end of the period

For six month period ended	
30 June 2020	30 June 2019
Rupees in thousand	

8,827,005	11,274,508
(2,031,688)	(3,353,024)
(5,416,708)	(7,207,715)
(16,299)	(37,034)
2,163,773	2,492,697
(1,149,732)	(1,213,350)
240,617	262,247
(1,173,071)	(1,439,065)
1,443,897	779,264

(157,070)	(142,392)
(99,071)	(26,069)
(13,407)	(35,185)
26,659	27,751
29,621	22,895
(213,268)	(153,000)
1,230,629	626,264

213,679	88,797
4,585	-
24,641	16,428
665,809	773,231
27,359	931
(6,627,768)	(4,600,659)
6,679,153	3,428,464
(233,923)	(489,669)
(12,913)	-
11,877	15,883
752,499	(766,594)

(17,792)	(46,506)
(490,345)	(518,283)
178,609	-
(329,528)	(564,789)

1,653,600	(705,119)
1,176,685	2,211,444
2,830,285	1,506,325

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For six month period ended 30 June 2020

For six month period ended	
30 June 2020	30 June 2019
Rupees in thousand	

Reconciliation to profit and loss account

Operating cash flows	1,230,629	626,264
Depreciation expense	(134,168)	(115,624)
Provision for retirement benefit obligations	(25,358)	(23,314)
Finance cost	(3,206)	(4,658)
Other income - bank and term deposits	155,116	90,575
Gain / (loss) on disposal of operating fixed assets	4,597	(3,909)
Provision for doubtful balances	-	(97,352)
Rental income	54,042	1,689
Increase in assets other than cash	979,714	2,108,934
Increase in liabilities other than running finance	(2,432,824)	(733,300)
Gain on disposal of investments	3,724	2,568
Amortization expense	(11,120)	(11,436)
Decrease / (increase) in unearned premium	815,928	(1,465,113)
(Decrease) / Increase in loans	(13,252)	7,435
Income taxes paid	157,070	142,392
Increase in tax liabilities	(465,612)	(421,503)
Provision for impairment in value of 'available-for-sale' investments	(203,239)	(490,685)
Dividend and other income	670,249	773,231
Income from Treasury Bills	16,057	21,910
Income from Pakistan Investment Bonds	5,648	-
Profit from Window Takaful Operations - Operator's fund	87,036	57,859
Profit after tax	891,031	465,963

For six month period ended	
30 June 2020	30 June 2019
Rupees in thousand	

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

Cash and cash equivalents	2,120	4,923
Current and saving accounts	2,828,165	1,501,402
Total cash and cash equivalents	2,830,285	1,506,325

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Statement of Changes in Equity

For six month period ended 30 June 2020

Share capital	Capital reserves				Revenue reserves		Total
Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve	Unappropriated Profit	
Rupees in thousand							

Balance as at December 31, 2018 - (Audited) 3,500,000 22,859 3,764 614,062 2,207,015 936,500 12,379,158 19,663,358

Profit for the period January 01, 2019 to June 30, 2019

Other comprehensive income for the

period January 01, 2019 to June 30, 2019

Total comprehensive income for the period

-	-	-	-	-	-	465,963	465,963
-	-	-	172,616	(893,525)	-	-	(720,909)
-	-	-	172,616	(893,525)	-	465,963	(254,946)

Transactions with owners of the Company

Final dividend for the year ended December 31, 2018

@ 15% (Rupee 1.5/- per share)

Balance as at June 30, 2019 - (Unaudited)

-	-	-	-	-	-	(525,000)	(525,000)
3,500,000	22,859	3,764	786,678	1,313,490	936,500	12,320,121	18,883,412

Profit for the period July 01, 2019 to December 31, 2019

Other comprehensive income for the

period July 01, 2019 to December 31, 2019

Total comprehensive income for the period

-	-	-	-	-	-	1,347,012	1,347,012
-	-	-	(111,742)	1,603,942	-	7,868	1,500,068
-	-	-	(111,742)	1,603,942	-	1,354,880	2,847,080

3,500,000 22,859 3,764 674,936 2,917,432 936,500 13,675,001 21,730,492

Transactions with owners of the Company

Interim dividend for the half year ended June 30, 2019

@ 10% (Rupee 1/- per share)

Balance as at December 31, 2019 - (Audited)

-	-	-	-	-	-	(350,000)	(350,000)
3,500,000	22,859	3,764	674,936	2,917,432	936,500	13,325,001	21,380,492

Profit for the period January 01, 2020 to June 30, 2020

Other comprehensive income for the

period January 01, 2020 to June 30, 2020

Total comprehensive income for the period

-	-	-	-	-	-	891,031	891,031
-	-	-	140,857	(1,981,173)	-	-	(1,840,316)
-	-	-	140,857	(1,981,173)	-	891,031	(949,285)

Transactions with owners of the Company

Final dividend for the year ended December 31, 2019

@ 15% (Rupees 1.5/- per share)

Balance as at June 30, 2020 - (Unaudited)

-	-	-	-	-	-	(525,000)	(525,000)
3,500,000	22,859	3,764	815,793	936,259	936,500	13,691,032	19,906,207

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

1 Legal status and nature of business

Adamjee Insurance Company Limited ('the Company') is a public limited Company incorporated in Pakistan on September 28, 1960 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange limited and is principally engaged in the general insurance business. The registered office of the Company is situated at Adamjee House Building, 80/A Block E-1, Main Boulevard Gulberg-III, Lahore.

The Company was granted authorization on December 23, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and commenced Window Takaful Operations on January 01, 2016.

2 Basis of preparation and statement of compliance

These unconsolidated condensed interim financial statements of the Company for the six month period ended June 30, 2020 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 have been followed.

In terms of the requirements of the Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated July 09, 2015, the assets, liabilities and profit and loss of the Operator Fund of the Window Takaful operations of the Company have been presented as a single line item in the statement of financial position and profit and loss account of the Company respectively. A separate set of condensed interim financial statements of the Window Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Company for the year ended December 31, 2019. Comparative figures for unconsolidated condensed interim statement of financial position are stated from annual audited financial statements of the Company for the year ended December 31, 2019, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in equity and interim cash flow statement and related notes are extracted from unconsolidated condensed interim financial statements of the Company for the six month ended June 30, 2019.

These unconsolidated condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

3 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value and defined benefit obligations under employee benefits carried at present value. All transactions reflected in these financial statements are on accrual basis except for those reflected in cash flow statement.

4 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2019.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

4.1 Standards, amendments or interpretations

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these condensed interim financial statements.

IFRS 9

IFRS 9 "Financial Instruments" has become applicable, however as insurance company, 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 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, and
- (b) all other financial assets

30 June 2020					
Fail the SPPI test			Pass the SPPI test		
Fair value	Change in unrealized gain / (loss) during the period		Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period
Financial assets					
Cash and Bank*	-	-	2,830,285	-	-
Investment in subsidiary*	1,097,900	-	-	-	-
Investments in equity securities - available-for-sale	16,562,349	(2,788,491)	-	-	-
Investment in debt securities - held-to-maturity	-	-	362,034	-	-
Term deposits*	-	-	5,246,445	-	-
Loans and other receivables*	527,318	-	36,769	-	-
Total	18,187,567	(2,788,491)	8,475,533	-	-

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

5 Use of estimates and judgments

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended December 31, 2019.

6 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is also the Company's functional currency.

7 Insurance and Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual financial statements for the year ended December 31, 2019.

	Note	30 June 2020	31 December 2019
		Rupees in thousand	
		(Unaudited)	(Audited)
8 Property and equipment			
Opening balance - net book value		4,168,110	2,332,540
Additions during the period / year	8.1	22,667	1,929,636
Right of use asset - initial application of IFRS - 16		-	171,918
Less:			
Book value of disposals during the period / year	8.2	(7,280)	(49,712)
Depreciation charged during the period / year		(134,168)	(226,400)
Net book value of transfers to Investment property		-	(37,566)
Exchange differences and other adjustments		42,329	47,694
		(99,119)	(265,984)
		4,091,658	4,168,110
Capital work in progress		284,197	64,020
		4,375,855	4,232,130
8.1 Additions during the period / year:			
Buildings		-	1,306,069
Furniture and fixtures		4,355	57,971
Motor vehicles		8,768	106,078
Machinery and equipment		8,420	430,366
Computer and related accessories		1,124	23,963
Right of use asset - Buildings		-	5,189
		22,667	1,929,636
8.2 Written down values of property and equipment disposed off during the period / year:			
Furniture and fixtures		-	22,084
Motor vehicles		7,280	20,463
Machinery and equipment		-	7,165
		7,280	49,712
9 Intangible assets			
Opening balance - net book value		68,927	79,185
Additions during the period / year		3,993	8,933
Less:			
Amortization charged during the period / year		(11,120)	(24,913)
Exchange difference		4,690	5,722
		(6,430)	(19,191)
		66,490	68,927

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

	Note	30 June 2020	31 December 2019
		Rupees in thousand	
		(Unaudited)	(Audited)
10 Investment Properties			
Opening net book value		401,896	-
Additions and capital improvements		-	389,598
Unrealized fair value gain		-	12,298
Closing book value		401,896	401,896
11 Investment in a subsidiary			
Adamjee Life Assurance Company Limited - at cost	11.1	1,097,900	694,895
		1,097,900	694,895

- 11.1** The shareholders of the Company in their Extra Ordinary General Meeting (EOGM) held on February 25, 2019 had approved acquisition of 24,059,855 ordinary shares at par value of Rs. 10 each of Adamjee Life Assurance company Limited (ALACL) from IVM intersurer B.V. at share price of Rs. 16.68 per share, for an aggregate price of Rs. 401,200 thousands.

The transaction was completed on February 25, 2020 after obtaining approval from State Bank of Pakistan. After the acquisition of aforementioned shares (representing 25.72%) ALACL has become a wholly owned subsidiary of the Company.

	30 June 2020			31 December 2019		
	Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
	Rupees in thousand					
	(Unaudited)			(Audited)		
12 Investment - Equity securities						
Available-for-sale						
Related parties						
Listed shares	7,962,628	-	7,962,628	7,962,628	-	7,962,628
Unlisted shared	748,226	-	748,226	698,226	-	698,226
	8,710,854	-	8,710,854	8,660,854	-	8,660,854
Unrealized (loss) / gain			(196,128)			1,853,236
			8,514,726			10,514,090
Others						
Listed shares	7,769,530	(2,207,808)	5,561,722	6,789,795	(2,004,569)	4,785,226
Unlisted shared	925,360	-	925,360	925,360	-	925,360
NIT Units	161	-	161	161	-	161
Mutual Funds	45,592	-	45,592	364,265	-	364,265
	8,740,643	(2,207,808)	6,532,835	8,079,581	(2,004,569)	6,075,012
Unrealized gain			1,514,788			2,253,915
			8,047,623			8,328,927
Total	17,451,497	(2,207,808)	16,562,349	16,740,435	(2,004,569)	18,843,017

- 12.1** 3,716,710 (2019: 3,716,710) shares of MCB Bank Limited and 3,582,000 (2019: Nil) shares of Fauji Fertilizer Company Limited have been pledged against Standby Letter of Credit (SBLC) issued in favour of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited, a related party of the Company.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

	30 June 2020	31 December 2019
	Rupees in thousand	
	(Unaudited)	(Audited)
13 Investment - Debt securities		
Held to maturity		
Treasury Bills	264,470	370,491
Pakistan Investment Bonds	97,564	95,377
	362,034	465,868
14 Investments - Term Deposits		
Held to maturity		
Deposits maturing within 12 months		
Inside Pakistan		
- related parties	6,811	6,811
- others	175,066	175,066
	181,877	181,877
Outside Pakistan		
- related parties	1,372,533	1,264,698
- others	3,641,925	4,387,207
	5,014,458	5,651,905
	5,196,335	5,833,782
Deposits maturing after 12 months		
Inside Pakistan		
- related parties	2,000	2,000
- others	48,110	48,110
	50,110	50,110
	5,246,445	5,883,892

- 14.1** These include fixed deposits amounting to Rs. 4,117,599 thousands (AED 90,000 thousands) [2019: Rs. 4,848,009 thousands (AED 115,000 thousands)] kept in accordance with the requirements of Insurance Regulations applicable to the United Arab Emirates (UAE) branches for the purpose of carrying on business in (UAE). These also include liens against cash deposits of Rs. 231,987 thousands (2019: Rs. 231,987 thousands) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Company for claims under litigation filed against the Company, bid bond guarantees and guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party.

	Note	30 June 2020	31 December 2019
		Rupees in thousand	
		(Unaudited)	(Audited)
15 Loans and other receivables - considered good			
Rent receivable		40,996	14,313
Receivable from related parties	15.1	39,801	27,523
Accrued income		71,421	125,544
Security deposits		51,144	58,399
Advances to employees and suppliers		256,300	152,012
Advance agent commission		1,003	3,003
Loans to employees		36,769	49,484
Other receivables		66,653	46,986
		564,087	477,264

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

- 15.1** This represents receivable from Adamjee Life Assurance Company Limited, subsidiary of the Company, in respect of cash value of life policies obtained for key management personnel of the Company. Company is the beneficiary in respect of policies obtained for the employees.

16 Insurance / reinsurance receivables - unsecured and considered good

Due from insurance contract holders
Provision for impairment of receivables from insurance contract holders

30 June 2020	31 December 2019
Rupees in thousand	
(Unaudited)	(Audited)

6,853,480	5,730,843
(922,286)	(868,586)
5,931,194	4,862,257

Due from other insurers / reinsurers
Provision for impairment of due from other insurers / reinsurers

1,005,629	1,149,209
(201,302)	(201,302)
804,327	947,907
6,735,521	5,810,164

- 16.1** Due from insurance contact holders include an amount of Rs. 294,118 thousands (2019: Rs. 212,014 thousands) held with related parties.

17 Prepayments

Prepaid reinsurance premium ceded
Prepaid miscellaneous expenses

30 June 2020	31 December 2019
Rupees in thousand	
(Unaudited)	(Audited)

2,937,772	3,500,512
149,506	133,227
3,087,278	3,633,739

18 Cash and bank

Cash and cash equivalents

Inside Pakistan

Cash in hand
Policy & Revenue stamps, Bond papers

835	476
551	9,937
1,386	10,413

Outside Pakistan

Cash in hand

734	-
2,120	10,413

Cash at bank

Inside Pakistan

Current accounts
Saving accounts

425,040	133,822
713,717	967,605
1,138,757	1,101,427

Outside Pakistan

Current accounts
Saving accounts

1,683,424	59,333
5,984	5,512
1,689,408	64,845
2,828,165	1,166,272
2,830,285	1,176,685

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

- 18.1** Cash at bank includes an amount of Rs. 338,722 thousands (December 31, 2019: Rs. 433,504 thousands) held with MCB Bank Limited, a related party of the Company.
- 18.2** Lien of Rs. 440,000 thousands (2019: Rs. 291,000 thousands) is marked on cash deposits in saving accounts against SBLC (Standby Letter of Credit) issued in favor of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited.

	30 June 2020	31 December 2019
	Rupees in thousand	
	(Unaudited)	(Audited)
19 Window Takaful Operations - Operator's Fund		
Assets		
Cash and bank deposits	296,858	91,895
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	34,647	32,958
Intangible assets	16,107	17,650
Property and equipment	17,589	17,733
Current assets - others	35,980	119,595
Total Assets	547,641	426,291
Total liabilities	256,770	195,872
Wakala income	199,242	155,995
Commission expense	(52,440)	(46,721)
Management expenses	(68,549)	(59,394)
Investment income	3,584	1,345
Other income	5,190	8,363
Mudarib's share of PTF investment income	1,989	-
Other Expenses	(1,980)	(1,729)
Profit before taxation	87,036	57,859
Taxation	(25,241)	(16,785)
Profit after taxation	61,795	41,074

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed condensed interim financial statements for the six months period ended 30 June 2020.

	30 June 2020	31 December 2019
	Rupees in thousand	
	(Unaudited)	(Audited)
20 Reserves		
Capital reserves		
Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	815,793	674,936
Fair value reserves	936,259	2,917,432
	1,778,675	3,618,991
Revenue reserves		
General reserves	936,500	936,500
	936,500	936,500
	2,715,175	4,555,491

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

	30 June 2020	31 December 2019
	Rupees in thousand	
	(Unaudited)	(Audited)
21 Other creditors and accruals		
Agents commission payable	673,814	630,736
Federal Excise Duty / Sales tax / VAT	286,760	50,149
Federal Insurance Fee payable	43,655	33,785
Workers' welfare fund payable	76,485	76,485
Tax deducted at source	132,120	92,873
Accrued expenses	107,516	170,872
Unpaid and unclaimed dividend	160,484	125,829
Payable to employees' provident fund	2,654	2,676
Loans and borrowings	178,609	-
Sundry creditors	517,625	535,929
	2,179,722	1,719,334
22 Deposits and other liabilities		
Cash margin against performance bonds	596,882	618,540
Lease liability	96,053	105,078
	692,935	723,618

23 Contingencies and commitments

There has been no significant change in the status of contingencies as reported in the preceding published unconsolidated annual financial statements of the Company for the year ended December 31, 2019 except for the following.

- The Company has provided a guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party, amounting to Rs. 1,209,000 thousands (2019: Rs. 841,000 thousands).
- The Company has issued letter of guarantees amounting to AED 246,500 amounting to Rs.11,278 thousands (2019: AED 449,000 amounting to Rs. 18,928 thousands) relating to UAE branch.

	For three month period ended		For six month period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Rupees in thousand		Rupees in thousand	
24 Net insurance premium revenue				
Written gross premium	5,182,053	5,873,553	9,762,363	12,129,819
Unearned premium reserve - opening	9,235,451	10,802,642	10,242,348	10,100,901
Unearned premium reserve - closing	(9,426,420)	(11,566,014)	(9,426,420)	(11,566,014)
Currency translation effect	9,368	606,309	304,327	671,251
Premium earned	5,000,452	5,716,490	10,882,618	11,335,957
Reinsurance premium ceded	(2,147,625)	(2,051,234)	(3,224,284)	(4,302,427)
Prepaid reinsurance premium - opening	(2,445,880)	(3,254,355)	(3,500,512)	(2,866,980)
Prepaid reinsurance premium - closing	2,937,772	3,543,053	2,937,772	3,543,053
Currency translation effect	(1,171)	(7,019)	(8,253)	(7,471)
Reinsurance expense	(1,656,904)	(1,769,555)	(3,795,277)	(3,633,825)
	3,343,548	3,946,935	7,087,341	7,702,132

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

For three month period ended		For six month period ended	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand		Rupees in thousand	

24.1 Net insurance premium - Business underwritten inside Pakistan

Written gross premium	3,973,168	4,009,414	6,807,007	8,129,229
Unearned premium reserve - opening	5,111,264	6,030,336	6,197,501	5,508,453
Unearned premium reserve - closing	(5,861,254)	(6,550,695)	(5,861,254)	(6,550,695)
Premium earned	3,223,178	3,489,055	7,143,254	7,086,987
Reinsurance premium ceded	(2,090,864)	(2,000,953)	(3,113,291)	(4,187,650)
Prepaid reinsurance premium - opening	(2,344,222)	(3,220,928)	(3,425,355)	(2,838,973)
Prepaid reinsurance premium - closing	2,818,671	3,480,705	2,818,671	3,480,705
Reinsurance expense	(1,616,415)	(1,741,176)	(3,719,975)	(3,545,918)
	1,606,763	1,747,879	3,423,279	3,541,069

24.2 Net insurance premium - Business underwritten outside Pakistan

Written gross premium	1,208,885	1,864,139	2,955,356	4,000,590
Unearned premium reserve - opening	4,124,187	4,772,306	4,044,847	4,592,448
Unearned premium reserve - closing	(3,565,166)	(5,015,319)	(3,565,166)	(5,015,319)
Currency translation effect	9,368	606,309	304,327	671,251
Premium earned	1,777,274	2,227,435	3,739,364	4,248,970
Reinsurance premium ceded	(56,761)	(50,281)	(110,993)	(114,777)
Prepaid reinsurance premium - opening	(101,658)	(33,427)	(75,157)	(28,007)
Prepaid reinsurance premium - closing	119,101	62,348	119,101	62,348
Currency translation effect	(1,171)	(7,019)	(8,253)	(7,471)
Reinsurance expense	(40,489)	(28,379)	(75,302)	(87,907)
	1,736,785	2,199,056	3,664,062	4,161,063

25 Net insurance claims expenses

Claims paid	2,339,146	3,489,494	5,416,708	7,207,715
Outstanding claims including IBNR - closing	11,641,695	10,669,875	11,641,695	10,669,875
Outstanding claims including IBNR - opening	(11,191,266)	(10,193,465)	(10,367,347)	(10,461,975)
Currency translation effect	(40,650)	(727,786)	(514,150)	(800,778)
Claim expense	2,748,925	3,238,118	6,176,906	6,614,837
Reinsurance and other recoveries received	(982,050)	(1,110,205)	(2,020,193)	(2,467,176)
Reinsurance and other recoveries in respect of outstanding claims - closing	(6,583,565)	(6,227,154)	(6,583,565)	(6,227,154)
Reinsurance and other recoveries in respect of outstanding claims - opening	6,523,405	6,178,315	6,233,348	6,397,245
Currency translation effect	17,495	378,020	260,831	417,133
Reinsurance and other recoveries revenue	(1,024,715)	(781,024)	(2,109,579)	(1,879,952)
	1,724,210	2,457,094	4,067,327	4,734,885

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

	For three month period ended		For six month period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Rupees in thousand		Rupees in thousand	
25.1 Net insurance claims expense - Business underwritten inside Pakistan				
Claim paid	1,050,321	1,441,677	2,188,705	3,472,180
Outstanding claims including IBNR - closing	5,057,585	4,572,871	5,057,585	4,572,871
Outstanding claims including IBNR - opening	(4,507,781)	(4,823,914)	(4,398,967)	(5,386,215)
Claim expense	1,600,125	1,190,634	2,847,323	2,658,836
Reinsurance and other recoveries received	(428,128)	(468,627)	(572,528)	(1,477,221)
Reinsurance and other recoveries in respect of outstanding claims - closing	(3,410,063)	(3,046,533)	(3,410,063)	(3,046,533)
Reinsurance and other recoveries in respect of outstanding claims - opening	3,114,792	3,295,122	2,948,471	3,769,658
Reinsurance and other recoveries revenue	(723,399)	(220,038)	(1,034,120)	(754,096)
	876,726	970,596	1,813,203	1,904,740
25.2 Net insurance claims expense - Business underwritten outside Pakistan				
Claim paid	1,288,825	2,047,817	3,228,003	3,735,535
Outstanding claims including IBNR - closing	6,584,110	6,097,004	6,584,110	6,097,004
Outstanding claims including IBNR - opening	(6,683,485)	(5,369,551)	(5,968,380)	(5,075,760)
Currency translation effect	(40,650)	(727,786)	(514,150)	(800,778)
Claim expense	1,148,800	2,047,484	3,329,583	3,956,001
Reinsurance and other recoveries received	(553,922)	(641,578)	(1,447,665)	(989,955)
Reinsurance and other recoveries in respect of outstanding claims - closing	(3,173,502)	(3,180,621)	(3,173,502)	(3,180,621)
Reinsurance and other recoveries in respect of outstanding claims - opening	3,408,613	2,883,193	3,284,877	2,627,587
Currency translation effect	17,495	378,020	260,831	417,133
Reinsurance and other recoveries revenue	(301,316)	(560,986)	(1,075,459)	(1,125,856)
	847,484	1,486,498	2,254,124	2,830,145
26 Net commission and other acquisition costs				
Commission paid or payable	598,965	742,775	1,180,699	1,231,140
Deferred commission expense - opening	1,197,363	799,779	1,190,146	788,431
Deferred commission expense - closing	(1,192,418)	(1,075,282)	(1,192,418)	(1,075,282)
Currency translation effect	1,532	77,457	65,669	84,718
Net commission	605,442	544,729	1,244,096	1,029,007
Commission received or recoverable	(154,240)	(173,192)	(240,617)	(262,247)
Unearned reinsurance commission - opening	(201,121)	(195,759)	(237,751)	(221,371)
Unearned reinsurance commission - closing	199,721	237,103	199,721	237,103
Currency translation effect	8	(603)	(260)	(661)
Commission from reinsurance	(155,632)	(132,451)	(278,907)	(247,176)
	449,810	412,278	965,189	781,831

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

For three month period ended		For six month period ended	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand		Rupees in thousand	

26.1 Net commission and other acquisition costs - Business underwritten inside Pakistan

Commission Paid or payable	307,625	384,847	508,389	578,880
Deferred commission expense - opening	295,578	264,800	352,673	297,403
Deferred commission expense - closing	(400,172)	(417,247)	(400,172)	(417,247)
Net Commission	203,031	232,400	460,890	459,036
Commission received or recoverable	(152,749)	(171,507)	(236,579)	(257,151)
Unearned reinsurance commission - opening	(197,095)	(191,511)	(236,381)	(218,690)
Unearned reinsurance commission - closing	195,331	231,646	195,331	231,646
Commission from reinsurance	(154,513)	(131,372)	(277,629)	(244,195)
	48,518	101,028	183,261	214,841

26.2 Net commission and other acquisition costs - Business underwritten outside Pakistan

Commission Paid or payable	291,340	357,928	672,310	652,260
Deferred commission expense - opening	901,785	534,979	837,473	491,028
Deferred commission expense - closing	(792,246)	(658,035)	(792,246)	(658,035)
Currency translation effect	1,532	77,457	65,669	84,718
Net Commission	402,411	312,329	783,206	569,971
Commission received or recoverable	(1,491)	(1,685)	(4,038)	(5,096)
Unearned reinsurance commission - opening	(4,026)	(4,248)	(1,370)	(2,681)
Unearned reinsurance commission - closing	4,390	5,457	4,390	5,457
Currency translation effect	8	(603)	(260)	(661)
Commission from reinsurance	(1,119)	(1,079)	(1,278)	(2,981)
	401,292	311,250	781,928	566,990

27 Management expenses

Employee benefit cost	454,884	436,520	848,348	887,789
Travelling expenses	15,164	17,720	26,765	33,506
Advertisement & sales promotion	8,694	12,503	20,141	34,161
Printing & stationery	4,510	7,118	12,113	14,723
Depreciation	68,865	59,044	134,168	115,624
Amortization	3,964	5,941	11,120	11,436
Rent, rates & taxes	8	1,274	1,581	14,488
Legal & professional charges	25,660	37,129	54,131	62,343
Electricity, gas & water	9,052	11,418	22,919	21,586
Entertainment	846	7,160	6,349	13,811
Vehicle running expenses	15,917	25,571	41,136	49,614
Office repairs & maintenance	9,626	9,870	21,426	22,107
Bank charges	8,198	20,090	17,560	28,399
Postages, telegrams & telephone	5,257	9,554	12,570	19,558
Supervision fee	13,140	15,260	29,076	32,002
IT related costs	21,971	24,017	43,377	45,361
Tracking and monitoring charges	53,005	51,795	95,996	113,244
Provision for doubtful balances	-	97,352	-	97,352
Regulatory fee	36,413	38,868	61,771	72,787
Miscellaneous	9,105	14,071	21,565	22,068
	764,279	902,275	1,482,112	1,711,959

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

28 Investment Income

Business underwritten Inside Pakistan

Available-for-sale

Income from equity securities

Dividend income

- associated undertakings
- others

Income from debt securities - Held to maturity

Return on Pakistan Investment Bonds

Profit on Treasury Bills

Income from Term Deposits

Return on Term Deposits

Net realized gains on investments

Realized gains on investments

Provision of impairment in value of
'available-for-sale' investments

Business underwritten Outside Pakistan

Available-for-sale

Income from equity securities

Dividend income

Net realized gains on investments

Realized gains on

- others

Return on Term Deposits

Net investment income

29 Other income

Return on bank balances

Gain / (loss) on sale of fixed assets

Return on loans to employee

Exchange gain / (loss)

Shared expenses received

Miscellaneous

For three month period ended		For six month period ended	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand		Rupees in thousand	

239,137	191,309	478,273	382,618
80,091	134,428	191,882	361,443
319,228	325,737	670,155	744,061

3,373	-	5,648	-
5,146	11,620	16,057	21,910
8,519	11,620	21,705	21,910

6,651	1,082	6,651	1,082
6,651	1,082	6,651	1,082

-	2,108	3,533	2,568
334,398	340,547	702,044	769,621

(203,239)	(505,385)	(203,239)	(490,685)
131,159	(164,838)	498,805	278,936

40	15,427	94	29,170
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-	-	191	-
40,491	42,037	82,711	73,416
40,531	57,464	82,996	102,586
171,690	(107,374)	581,801	381,522

22,332	1,632	65,754	16,077
1,876	(8,101)	4,597	(3,909)
54	67	112	140
5,843	(3,937)	10,947	4,619
3,430	2,870	7,000	5,660
6,426	532	11,562	7,857
39,961	(6,937)	99,972	30,444

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

30 Other expenses

	For three month period ended		For six month period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Rupees in thousand		Rupees in thousand	
Legal & professional charges - Other	5,672	6,697	12,467	14,021
Auditors' remuneration	3,594	2,654	6,675	5,531
Subscription fee	1,473	1,184	3,517	2,519
Donations	5,684	-	10,000	-
Directors' fee	116	-	116	-
Central Depository expense	228	-	670	-
Workers Welfare Fund	-	10,073	-	26,778
Others	569	1,497	1,759	3,998
	17,336	22,105	35,204	52,847

31 Earnings per share - basic and diluted

There is no dilutive effect on the basic earnings per share which is based on:

Net profit / (loss) after tax for the period	419,329	(122,383)	891,031	465,963
	Number of shares			
Weighted average number of shares	350,000,000	350,000,000	350,000,000	350,000,000
	Rupees			
Earnings / (loss) after tax per share	1.20	(0.35)	2.55	1.33

32 Transactions with related parties

The Company has related party relationships with its associates, subsidiary company, entities with common directors, employee retirement benefit plans, key management personnel and other parties. 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. There are no transactions with key management personnel other than those specified in their terms of employment.

The transactions and balances with related parties during the period other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

		30 June 2020	30 June 2019
		Rupees in thousand	
i) Transactions			
Subsidiary company			
	Premiums underwritten	18,840	13,753
	Premiums received	18,229	11,707
	Claims paid	3,225	5,490
	Claims received	3,000	2,500
	Premium paid	14,813	2,543
	Rent paid / payable	-	750
	Rent / service charges received	-	517
Other related parties			
	Premiums underwritten	708,012	787,145
	Premiums received	587,676	725,376
	Claims paid	322,950	314,925
	Commission Paid	18,859	52,015
	Rent paid	6,085	4,930
	Rent received	7,776	-
	Dividends received	406,532	391,050
	Dividends paid	106,292	106,292
	Income on bank deposits	52,910	20,803
	Investments made	50,000	250,000
	Fee / service charges paid	4,739	1,604
	Charge in respect of gratuity expense	18,064	16,821
	Contribution to Employees' Provident Fund	17,597	16,805
	Compensation paid to Key management personnel	686,558	656,890
		30 June 2020	31 December 2019
		Rupees in thousand	
		(Unaudited)	(Audited)
ii) Period end balances			
Subsidiary company			
	Balances receivable	77,650	35,962
	Balances payable	1,787	2,048
Other related parties			
	Balances receivable	312,486	215,212
	Balances payable	298,971	359,782
	Cash and bank balances including term deposits	1,720,067	1,707,013
	Payable to Staff Gratuity Fund	145,533	142,469

For six month period ended 30 June 2020

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[illegible]

For six month period ended 30 June 2020

For six month period ended 30 June 2020

33.1 Segment Information

Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge) Federal excise duty / VAT Federal insurance fee	4,773,039 (590,141) (41,030)	28,338 (1,850) (73)	485,939 (53,315) (4,298)	13,103 (260) (27)	1,726,037 (206,060) -	4,130,514 (198,723) -	1,123,021 (21,338) (10,976)	19,798 (943) -	1,057,558 (84,404) (9,593)	11,283 (565) (5)	9,165,594 (955,258) (81,107)	4,203,036 (202,341) (105)	13,368,630 (1,157,599) (81,212)
	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819
Gross written premium (Inclusive of administrative surcharge)	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819
Gross direct premium	4,130,334	26,282	417,387	12,775	1,455,921	3,926,283	1,091,405	18,855	957,637	10,671	8,052,684	3,994,866	12,047,550
Facultative inward premium	2,730	-	328	-	-	-	-	-	-	-	3,068	-	3,068
Administrative surcharge	8,804	133	10,611	41	48,846	5,508	(698)	-	5,924	42	73,487	5,724	79,211
	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819
Insurance premium earned	3,473,207	22,848	408,997	18,443	1,433,739	4,174,081	873,920	25,551	897,124	8,047	7,086,987	4,248,970	11,335,957
Insurance premium ceded to reinsurers	(3,027,656)	(15,735)	(52,487)	-	(25,917)	(49,848)	-	(18,102)	(439,858)	(4,222)	(3,545,918)	(87,907)	(3,633,825)
Net insurance premium	445,551	7,113	356,510	18,443	1,407,822	4,124,233	873,920	7,449	457,266	3,825	3,541,069	4,161,063	7,702,132
Commission income	176,778	2,897	383	-	1,744	(964)	-	-	65,290	1,048	244,195	2,981	247,176
Net underwriting income	622,329	10,010	356,893	18,443	1,409,566	4,123,269	873,920	7,449	522,556	4,873	3,785,264	4,164,044	7,949,308
Insurance claims	(571,549)	(14,066)	(256,627)	(7,017)	(735,508)	(3,911,649)	(740,059)	(20,388)	(355,093)	(2,881)	(2,658,836)	(3,956,001)	(6,614,837)
Insurance claim recoveries from reinsurers	521,372	18,463	53,423	-	(7,007)	1,088,723	-	16,687	186,308	1,993	754,096	1,125,856	1,879,952
Net claims	(50,177)	4,397	(203,204)	(7,017)	(742,515)	(2,822,926)	(740,059)	(3,701)	(168,785)	(898)	(1,904,740)	(2,830,145)	(4,734,885)
Commission expense	(213,180)	(2,969)	(55,194)	(3,287)	(96,888)	(563,436)	(28,982)	(34)	(64,792)	(245)	(459,036)	(569,971)	(1,029,007)
Management expenses	(190,459)	(826)	(129,377)	(6,071)	(621,057)	(653,778)	(69,001)	(7,804)	(133,142)	(444)	(1,043,036)	(668,923)	(1,711,959)
Net insurance claims and expenses	(453,816)	602	(387,775)	(16,375)	(1,360,460)	(4,040,140)	(838,042)	(11,539)	(366,719)	(1,587)	(3,406,812)	(4,069,039)	(7,475,851)
Underwriting result	168,513	10,612	(30,882)	2,068	49,106	83,129	35,878	(4,090)	155,837	3,286	378,452	95,005	473,457
Net investment income											278,936	102,586	381,522
Rental income											1,689	-	1,689
Other income											25,092	5,352	30,444
Other expenses											(47,338)	(5,509)	(52,847)
Finance cost											(2,327)	(4,658)	(4,658)
Profit from Window Takatul Operations - Operator's Fund											57,859	-	57,859
Profit before tax											692,363	195,103	887,466

31 December 2019													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total			
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
6,992,773	95,788	489,767	5,187	1,062,812	5,552,814	558,513	33,510	1,923,756	19,249	11,027,621	5,706,548	16,734,169	
										26,257,955	6,546,138	32,804,093	
										37,285,576	12,252,686	49,538,262	
Segment assets										13,718,319	10,193,292	23,911,611	
Unallocated assets										3,567,097	679,062	4,246,159	
Segment liabilities													
Unallocated liabilities													

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

34 Fair value measurement of financial instruments

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

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

Note	30 June 2020					
	Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total
Rupees in thousand						
Financial assets - measured at fair value						
Investment						
Equity securities- quoted	12	13,636,817	-	-	-	13,636,817
Equity securities- unquoted	12	2,925,532	-	-	-	2,925,532
Debt securities	13	-	362,034	-	-	362,034
Investments of Window Takatful Operations - Operator's Fund	19	34,647	-	-	-	34,647
Financial assets - not measured at fair value						
Loans and other receivables *	15	-	564,087	-	-	564,087
Investment - Term Deposits*	14	-	5,246,445	-	-	5,246,445
Investment in subsidiary	11	-	-	1,097,900	-	1,097,900
Insurance / reinsurance receivables						
- unsecured and considered good*	16	-	6,735,521	-	-	6,735,521
Reinsurance recoveries against outstanding claims*		-	6,310,890	-	-	6,310,890
Salvage recoveries accrued*		-	272,675	-	-	272,675
Prepayments*	17	-	3,087,278	-	-	3,087,278
Cash and bank*	18	-	-	2,830,285	-	2,830,285
Other Assets of Window Takatful Operations - Operator's Fund*	19	-	216,136	296,858	-	512,994
		16,596,996	5,608,479	18,284,487	3,127,143	43,617,105
					13,671,464	362,034
						2,925,532
						16,959,030
Financial liabilities - not measured at fair value						
Underwriting provisions:						
Outstanding claims (including IBNR)*		-	-	-	11,641,695	11,641,695
Insurance / reinsurance payables *		-	-	-	3,893,760	3,893,760
Other creditors and accruals*	21	-	-	-	2,179,722	2,179,722
Deposits and other liabilities*	22	-	-	-	692,935	692,935
Total liabilities of Window Takatful Operations- Operator's Fund*	19	-	-	-	256,770	256,770
		-	-	-	18,664,882	18,664,882

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

34.1 Fair value measurement of financial instruments

Note	31 December 2019						
	Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Total
Rupees in thousand							
Financial assets - measured at fair value							
Investment							
Equity securities: quoted	15,968,534	-	-	-	-	15,968,534	15,968,534
Equity securities: unquoted	2,874,483	-	-	-	-	2,874,483	2,874,483
Debt securities	-	465,868	-	-	-	465,868	465,868
Investments of Window Takatuf Operations - Operator's Fund	32,958	-	-	-	-	32,958	32,958
Financial assets - not measured at fair value							
Loans and other receivables*	-	-	477,264	-	-	477,264	-
Investment - Term Deposits*	-	5,883,892	-	-	-	5,883,892	-
Investment in subsidiary	-	-	694,895	-	-	694,895	-
Insurance / reinsurance receivables	-	-	-	-	-	-	-
- unsecured and considered good*	-	-	5,810,164	-	-	5,810,164	-
Reinsurance recoveries against outstanding claims*	-	-	5,331,928	-	-	5,331,928	-
Salvage recoveries accrued*	-	-	301,420	-	-	301,420	-
Prepayments*	-	-	3,633,739	-	-	3,633,739	-
Cash and bank*	-	-	-	1,176,685	-	1,176,685	-
Other Assets of Window Takatuf Operations - Operator's Fund*	-	-	301,438	91,895	-	393,333	-
	18,875,975	6,349,760	17,150,848	1,268,580	-	43,645,163	16,001,492
							2,874,483
							15,341,843
Financial liabilities - not measured at fair value							
Underwriting provisions:							
Outstanding claims (including IBNR)*	-	-	-	-	10,367,347	10,367,347	-
Insurance / reinsurance payables *	-	-	-	-	2,701,164	2,701,164	-
Other creditors and accruals*	-	-	-	-	1,719,334	1,719,334	-
Deposits and other liabilities*	-	-	-	-	723,618	723,618	-
Total liabilities of Window Takatuf Operations- Operator's Fund	-	-	-	-	195,872	195,872	-
	-	-	-	-	15,707,335	15,707,335	-

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

35 Date of authorization for issue

These unconsolidated condensed interim financial statements were approved for issue on August 24, 2020 by the Board of Directors of the Company.

36 Impact of Covid - 19 on Operations

The Company followed the development of the Covid-19 corona virus and evaluated the extent to which this affected the operations in the short and long term. The Company has concluded that there are no significant implications of the pandemic over the operations of the entity.

37 Non-adjusting events after statement of financial position date

- 37.1** The Board of Directors of the Company in their meeting held on August 24, 2020 proposed an interim cash dividend for the six month period ended June 30, 2020 @ 12.5% i.e. Rupees 1.25/- per share (June 30, 2019 @ 10 % i.e. Rupee 1/- per share). These unconsolidated condensed interim financial statements for the six month period ended June 30, 2020 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2020.

38 General

- 38.1** Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.
- 38.2** Figures have been rounded off to the nearest thousand rupees unless other wise stated.



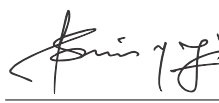
Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Directors' Review to the Members on Consolidated Condensed Interim Financial Information

For six months period ended 30 June 2020

On behalf of the Board, We are pleased to present the consolidated condensed interim financial information of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited, for six months period ended 30 June 2020.

The following appropriation of profit has been recommended by the Board of Directors:

	30 June 2020	30 June 2019
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Profit before tax	1,382,599	1,015,171
Taxation	(479,096)	(465,194)
Profit after tax	903,503	549,977
Less: Profit attributable to non-controlling interest	(2,786)	(21,608)
Profit attributable to ordinary shares	900,717	528,369
Unappropriated profit brought forward	13,610,534	12,521,272
Profit available for appropriation	14,511,251	13,049,641
Final cash dividend at Rs. 1.5 per share - 31 December 2019 [31 December 2018 (Rupee 1.5 per share)]	(525,000)	(525,000)
Acquisition of non-controlling interest	(58,014)	-
Profit after appropriation	13,928,237	12,524,641
	30 June 2020	30 June 2019
	Rupees	
Earnings per share - Basic and diluted	2.57	1.51

For and on behalf of the Board



Ibrahim Shamsi
Director



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Lahore: 24 August 2020



CONSOLIDATED

Condensed Interim
Financial Statements
for the Six Months Ended
30 June 2020
(Unaudited)



Consolidated Condensed Interim Statement of Financial Position

As at 30 June 2020

	Note	30 June 2020	31 December 2019
		Rupees in thousand	
		(Unaudited)	(Audited)
ASSETS			
Property and equipment	7	4,734,560	4,626,364
Intangible assets	8	117,553	131,236
Investment properties	9	1,183,026	1,204,026
Investments			
Equity securities	10	29,676,088	32,184,555
Debt securities	11	14,853,013	8,617,474
Term deposits	12	9,546,445	15,468,892
Loan secured against life insurance policies		30,977	32,785
Loans and other receivables	13	768,482	716,839
Insurance / reinsurance receivables	14	6,852,442	5,865,967
Reinsurance recoveries against outstanding claims		6,310,890	5,931,928
Salvage recoveries accrued		272,675	301,420
Deferred commission expense / acquisition cost		1,192,418	1,190,146
Taxation - payment less provisions		-	198,833
Prepayments	15	3,135,786	3,671,070
Cash and bank	16	10,170,051	8,437,244
		88,844,406	88,578,779
Total assets of Window Takaful Operations			
- Operator's Fund (Parent Company)	17	547,641	426,291
TOTAL ASSETS		89,392,047	89,005,070
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		3,500,000	3,500,000
Reserves	18	2,715,139	4,552,846
Unappropriated Profit		13,928,237	13,610,534
Equity attributable to equity holders of the parent		20,143,376	21,663,380
Non-controlling interest		-	341,508
Total Equity		20,143,376	22,004,888
Liabilities			
Insurance liabilities		38,550,063	36,708,430
Underwriting provisions:			
Outstanding claims including IBNR		11,641,695	10,367,347
Unearned premium reserve		9,426,420	10,242,348
Unearned reinsurance commission		199,721	237,751
Retirement benefits obligations		284,672	262,203
Deferred taxation		657,303	1,425,938
Premium received in advance		539,281	623,336
Insurance / reinsurance payables		3,971,012	2,826,429
Other creditors and accruals	19	2,852,981	3,212,270
Deposits and other liabilities		829,565	898,258
Taxation - payment less provisions		39,188	-
		30,441,838	30,095,880
Total assets of Window Takaful Operations			
- Operator's Fund (Parent Company)	17	256,770	195,872
TOTAL EQUITY AND LIABILITIES		89,392,047	89,005,070
Contingencies and commitments	20		

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



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Consolidated Condensed Interim Profit and Loss Account (Un-audited)

For six months period ended 30 June 2020

Note	For three months period ended		For six months period ended		
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	
Rupees in thousand					
Net insurance premium	21	5,685,125	6,569,460	12,901,524	12,822,478
Net insurance claims	22	(3,054,698)	(3,644,274)	(6,927,298)	(7,679,840)
Net commission and other acquisition costs	23	(861,468)	(1,008,438)	(2,035,708)	(1,955,646)
Insurance claims and acquisition expenses		(3,916,166)	(4,652,712)	(8,963,006)	(9,635,486)
Management expenses		(937,786)	(1,138,995)	(1,889,761)	(2,208,494)
Net change in insurance liabilities (other than outstanding claims)		(3,403,216)	729,640	(1,516,943)	(267,489)
Underwriting results		(2,572,043)	1,507,393	531,814	711,009
Investment income	24	769,559	363,005	1,972,077	1,765,985
Net fair value gain / (loss) on financial assets at fair value through profit or loss		2,336,409	(1,823,246)	(1,444,546)	(1,631,530)
Net unrealized (loss) / gain on investment property		(21,000)	-	(21,000)	21,000
Rental income		22,180	1,611	32,477	3,189
Other income		111,720	86,144	271,521	174,041
Other expenses		(18,554)	(32,517)	(40,825)	(73,495)
Results of operating activities		628,271	102,390	1,301,518	970,199
Finance cost		(13)	(10,392)	(5,955)	(12,887)
Profit from Window Takaful Operations - Operator's Fund (Parent Company)	17	51,260	31,425	87,036	57,859
Profit before tax		679,518	123,423	1,382,599	1,015,171
Income tax expense		(269,386)	(234,963)	(479,096)	(465,194)
Profit / (loss) after tax for the period		410,132	(111,540)	903,503	549,977
Profit / (loss) attributable to:					
Equity holders of the parent		410,132	(114,328)	900,717	528,369
Non-controlling interest		-	2,788	2,786	21,608
		410,132	(111,540)	903,503	549,977
Rupees					
Earnings / (loss) after tax per share	25	1.17	(0.33)	2.57	1.51

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



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For six months period ended 30 June 2020

	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Rupees in thousand			
Profit / (loss) after tax	410,132	(111,540)	903,503	549,977
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss:				
Unrealized gain / (loss) on 'available-for-sale' investments - net of tax	1,230,639	(1,032,791)	(1,979,168)	(904,192)
Reclassification adjustment relating to 'available for sale' investments disposed off during the period - net of tax	-	1,345	2,644	12,260
Other comprehensive income from window takaful operations net of tax	(2,027)	(441)	(1,343)	(18)
Effect of translation of investment in foreign branches - net	29,150	164,279	140,857	172,616
Total comprehensive income / (loss) for the period	1,667,894	(979,148)	(933,507)	(169,357)
Total comprehensive income / (loss) attributable to:				
Equity holders of the parent	1,667,894	(981,853)	(936,990)	(191,370)
Non-controlling interest	-	2,705	3,483	22,013
	1,667,894	(979,148)	(933,507)	(169,357)

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



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Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For six months period ended 30 June 2020

Cash flows from operating activities

Underwriting activities

Insurance premium received
Reinsurance premiums paid
Claims paid
Surrenders paid
Reinsurance and other recoveries received
Commissions paid
Commissions received
Other underwriting payments
Net cash flow from underwriting activities

Other operating activities

Income tax paid
Other operating payments
Loans advanced
Loans installments received
Other operating receipts
Net cash outflow for other operating activities

Total cash flow from all operating activities

Cash flows from investing activities

Profit / return received on bank deposits
Income from treasury bills and Pakistan Investment Bonds
Dividends received
Rentals received
Payment for investments/ investment properties
Loan to / from policy holder
Proceeds from disposal investments/ investment properties
Fixed capital expenditure - operating fixed assets
Fixed capital expenditure - intangible assets
Proceeds from disposal of operating fixed assets
Total cash outflow for / cash flow from investing activities

Cash flows from financing activities

Payments against lease liabilities
Dividends paid
Loan obtained
Total cash outflow for financing activities

Net cash outflow for / flow from all activities

Cash and cash equivalents at beginning of period
Cash and cash equivalents at end of period

For six months period ended	
30 June 2020	30 June 2019
Rupees in thousand	

14,796,436	16,590,784
(2,177,991)	(3,367,443)
(8,131,903)	(10,683,986)
(16,299)	(37,034)
2,163,773	2,492,697
(2,120,839)	(2,334,625)
240,617	262,247
(2,778,508)	(2,163,683)
1,975,286	758,957

(178,099)	(186,781)
(99,071)	(26,069)
(13,407)	(35,185)
26,659	27,751
29,621	22,895
(234,297)	(197,389)

1,740,989	561,568
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1,687,866	1,047,087
29,226	16,428
886,567	1,040,693
29,609	2,431
(107,478,780)	(107,834,741)
1,530	(3,665)
99,946,192	106,287,799
(243,124)	(522,431)
(12,913)	-
11,877	16,704
(5,141,950)	50,305

(17,792)	(46,506)
(490,345)	(518,283)
356,905	-
(151,232)	(564,789)

(3,552,193)	47,084
18,022,244	16,543,097
14,470,051	16,590,181

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For six months period ended 30 June 2020

For six months period ended	
30 June 2020	30 June 2019
Rupees in thousand	

Reconciliation to profit and loss account

Operating cash flows	1,740,989	561,568
Depreciation and amortization expense	(201,263)	(180,114)
Provision for retirement benefit obligations	(25,358)	(23,314)
Finance cost	(13,558)	(12,887)
Other income - bank and term deposits	155,116	90,575
Gain / (loss) on disposal of operating fixed assets	4,597	(3,955)
Provision for doubtful balances	-	(97,352)
Rental income	35,238	3,189
Increase in assets other than cash	1,128,178	2,337,598
Increase in liabilities other than running finance	(3,088,074)	(670,955)
Gain on disposal of investments	(114,119)	284,626
Decrease / (increase) in unearned premium	815,928	(1,465,113)
(Decrease) / Increase in loans	(13,252)	7,435
Income taxes paid	157,070	142,392
Increase in tax liabilities	(465,612)	(421,503)
Provision for impairment in value of 'available-for-sale' investments	(203,239)	(490,685)
Dividend and other investment income	902,770	429,038
Surplus on revaluation of investment	3,306	1,575
Profit from Window Takaful Operations	87,036	57,859
Profit after tax	905,753	549,977

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

Cash and cash equivalents	14,590	10,856
Current and saving accounts	10,155,461	8,611,325
Term deposits	4,300,000	7,968,000
Total cash and cash equivalents	14,470,051	16,590,181

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



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Consolidated Condensed Interim Statement of Changes in Equity

For six months period ended 30 June 2020

	Share capital	Capital reserves				Revenue reserves		Equity attributable to equity holders of the parent	Non-controlling interest	Total Equity
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve	Retained earnings			
Rupees in thousand										
Balance as at 31 December 2018 - (Audited)	3,500,000	22,859	3,764	614,062	2,204,097	936,500	12,521,272	19,802,554	288,797	20,091,351
Profit for the period 01 January 2019 to 30 June 2019	-	-	-	-	-	-	528,369	528,369	21,608	549,977
Other comprehensive income for the period 01 January 2019 to 30 June 2019	-	-	-	172,616	(892,355)	-	-	(719,739)	405	(719,334)
Total comprehensive income for the period	-	-	-	172,616	(892,355)	-	528,369	(191,370)	22,013	(169,357)
Transactions with owners of the Company										
Final cash dividend at Rs. 1.5 per share - 31 December 2018	-	-	-	-	-	-	(525,000)	(525,000)	-	(525,000)
Balance as at 30 June 2019 - (Unaudited)	3,500,000	22,859	3,764	786,678	1,311,742	936,500	12,524,641	19,086,184	310,810	19,396,994
Profit for the period 01 July 2019 to 31 December 2019	-	-	-	-	-	-	1,443,676	1,443,676	36,428	1,480,104
Other comprehensive income for the period 01 July 2019 to 31 December 2019	-	-	-	(111,742)	1,603,045	-	(7,783)	1,483,520	(5,730)	1,477,790
Total comprehensive income for the period	-	-	-	(111,742)	1,603,045	-	1,435,893	2,927,196	30,698	2,957,894
Transactions with owners of the Company										
Interim cash dividend at Rs. 1.0 per share - 30 June 2019	-	-	-	-	-	-	(350,000)	(350,000)	-	(350,000)
Balance as at 31 December 2019 - (Audited)	3,500,000	22,859	3,764	674,936	2,914,787	936,500	13,610,534	21,663,380	341,508	22,004,888
Profit for the period 01 January 2020 to 30 June 2020	-	-	-	-	-	-	900,717	900,717	2,786	903,503
Other comprehensive income for the period 01 January 2020 to 30 June 2020	-	-	-	140,857	(1,978,564)	-	-	(1,837,707)	697	(1,837,010)
Total comprehensive income for the period	-	-	-	140,857	(1,978,564)	-	900,717	(936,990)	3,483	(933,507)
	3,500,000	22,859	3,764	815,793	936,223	936,500	14,511,251	20,726,390	344,991	21,071,381
Transactions with owners of the Company										
Acquisition of Non-controlling interest	-	-	-	-	-	-	(58,014)	(58,014)	(344,991)	(403,005)
Final cash dividend at Rs. 1.5 per share - 31 December 2019	-	-	-	-	-	-	(525,000)	(525,000)	-	(525,000)
Balance as at 30 June 2020 - (Unaudited)	3,500,000	22,859	3,764	815,793	936,223	936,500	13,928,237	20,143,376	-	20,143,376

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



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

1 The group and its operations:

1.1 The group comprises of:

	2020	2019
	(Holding percentage)	
Parent Company		
Adamjee Insurance Company Limited	100%	100%
Subsidiary Company		
Adamjee Life Assurance Company Limited	100%	74.28%

Adamjee Insurance Company Limited (Parent Company)

The Parent Company is a public limited company incorporated in Pakistan on September 28, 1960 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Parent Company is listed on Pakistan Stock Exchange limited and is principally engaged in the general insurance business. The registered office of the Parent Company is situated at Adamjee House Building, 80/A Block E-1, Main Boulevard Gulberg-III, Lahore.

The Parent Company also operates branches in the United Arab Emirates (UAE) and the Export Processing Zone (EPZ).

The Parent Company was granted authorization on 23 December 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and commenced Window Takaful Operations on 01 January 2016.

Adamjee Life Assurance Company Limited (Subsidiary Company)

The Subsidiary Company was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017. The Subsidiary Company started its operations from April 24, 2009. Registered office of the Subsidiary Company is at 1st floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi. The Subsidiary Company was an associate of IVM Intersurer B.V having a holding of 25.72% since February 25, 2020 in the share capital of the Subsidiary Company. IVM Intersurer B.V. nominated Hollard Life Assurance Company Limited ('HLA'), an associate company of IVM Intersurer B.V. to act on its behalf in respect of matters relating to the Subsidiary Company.

The shareholders of the Parent Company in their Extra Ordinary General Meeting (EOGM) held on February 25, 2019 had approved acquisition of 24,059,855 ordinary shares at par value of Rs. 10 each of Non controlling interest of the Subsidiary Company from IVM intersurer B.V. at share price of Rs.16.68 per share (approx.), for an aggregate price of Rs. 401,200 thousands. The Parent Company after obtaining the approval for payment of State Bank of Pakistan credited the sum to IVM's bank account on February 25, 2020. After the acquisition of aforementioned shares (representing 25.72%) Adamjee Life Assurance Company Limited has become a wholly owned subsidiary of the Parent Company.

The Subsidiary Company is engaged in life assurance business carrying on non-participating business only. In accordance with the requirements of the Insurance Ordinance, 2000, the Subsidiary Company has established a shareholders' fund and the following statutory funds in respect of each class of its life assurance business:

- Conventional Business
- Accident and Health Business
- Individual Life Non-unitized Investment Linked Business
- Individual Life Unit Linked Business
- Individual Family Takaful Business

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

The Subsidiary Company was granted authorization on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by the SECP and subsequently the Subsidiary Company commenced Window Takaful Operations from July 14, 2016. The Subsidiary Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf deed executed by the Subsidiary Company with the ceded amount of Rs. 500,000. The ceded money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Subsidiary Company and policy holders for the management of Takaful operations, investment of policy holders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Subsidiary Company.

2 Basis of preparation and statement of compliance

This consolidated condensed interim financial information of the Group for the six months period ended 30 June 2020 has been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') as are notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017 and the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012.

In case requirements differ, the provision of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 shall prevail.

As per the requirements of the SECP Takaful Rules, 2012 and SECP Circular No. 25 of 2015 dated July 09, 2015, the assets, liabilities and profit and loss account of the Operator's Fund of the General Takaful Operations of the Parent Company have been presented as a single line item in the consolidated statement of financial position and profit and loss account respectively.

This consolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Group for the year ended 31 December 2019. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2019, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in equity and interim cash flow statement and related notes are extracted from condensed interim financial information of the Group for the six months period ended 30 June 2019.

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. All the financial information presented in Pak Rupees has been rounded off to the nearest thousand in rupee, unless otherwise stated.

3 Basis of measurement

These consolidated financial statements have been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and retirement benefit obligations under employee benefits carried at present value.

4 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of the consolidated condensed interim financial information are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2019.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

The Group has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2020, as mentioned in the financial statement for the year ended 31 December 2019.

There is no significant impact of such changes on this condensed interim financial information of the Group.

5 Use of estimates and judgments

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 31 December 2019.

6 Insurance and Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial statements for the year ended 31 December 2019.

7 Property and equipment

Opening balance - net book value		4,560,942	2,481,588
Additions during the period / year	7.1	30,714	2,056,756
Right of use asset - initial application of IFRS - 16		-	373,801

Less:

Book value of disposals during the period / year	7.2	(7,280)	(67,645)
Depreciation charged during the period / year		(177,488)	(308,034)
Net book value of transfers to Investment property		-	(23,218)
Exchange differences and other adjustments		42,329	47,694
		(142,439)	(351,203)
		4,449,217	4,560,942
		285,343	65,422
		4,734,560	4,626,364

Capital work in progress

7.1 Additions during the period / year - cost

Building - Freehold	-	1,364,391
Furniture and fixtures	5,764	78,175
Motor vehicles	8,768	113,408
Machinery and equipment	11,487	437,606
Computer equipment	4,184	30,814
Leasehold Improvements	511	27,173
Right of use asset - Buildings	-	5,189
	30,714	2,056,756

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

Note	30 June 2020	31 December 2019
	Rupees in thousand	
	(Unaudited)	(Audited)
7.2 Written down values of property and equipment disposed off during the period / year		
Furniture and fixtures	-	29,637
Motor vehicles	7,280	22,948
Machinery and equipment	-	8,754
Computer equipment	-	-
Leasehold Improvements	-	6,306
	7,280	67,645
8 Intangible assets		
Opening balance - net book value	131,236	160,602
Additions during the period	5,403	14,998
Book value of disposals during the period	-	-
Amortization charged during the period	(23,776)	(50,086)
Exchange differences and other adjustments	4,690	5,722
	(19,086)	(44,364)
	117,553	131,236
9 Investment Properties		
Opening balance - net book value	1,204,026	855,394
Additions and capital improvements	-	315,334
Unrealized fair value (loss)/gain	(21,000)	33,298
	1,183,026	1,204,026

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

10 Investment in equity securities

30 June 2020 (Unaudited)				31 December 2019 (Audited)			
Cost	Impairment/ provision	Unrealized Gain / (loss)	Carrying value	Cost	Impairment/ provision	Unrealized Gain / (loss)	Carrying value
Rupees in thousand							

Available-for-sale

Related parties

Listed shares	8,936,566	(265,237)	(112,088)	8,559,241	9,086,355	(290,808)	2,098,765	10,894,312
Unlisted shares	748,226	-	14,971	763,197	698,226	-	13,922	712,148
	9,684,792	(265,237)	(97,117)	9,322,438	9,784,581	(290,808)	2,112,687	11,606,460

Others

Listed shares	6,819,051	(1,942,571)	179,458	5,055,938	5,686,610	(1,713,761)	759,400	4,732,249
Unlisted shares	925,360	-	1,236,975	2,162,335	925,360	-	1,236,975	2,162,335
Mutual Funds	45,592	-	(8,413)	37,179	364,265	-	68	364,333
NIT Units	161	-	544	705	161	-	635	796
	7,790,164	(1,942,571)	1,408,564	7,256,157	6,976,396	(1,713,761)	1,997,078	7,259,713

Total - available for sale

	17,474,956	(2,207,808)	1,311,447	16,578,595	16,760,977	(2,004,569)	4,109,765	18,866,173
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Fair value through profit and loss

Related parties

Listed shares	1,240,483	-	-	1,240,483	1,633,771	-	-	1,633,771
Mutual Funds	4,860,858	-	-	4,860,858	5,014,226	-	-	5,014,226
	6,101,341	-	-	6,101,341	6,647,997	-	-	6,647,997

Others

Listed shares	5,922,388	-	-	5,922,388	5,828,985	-	-	5,828,985
Mutual Funds	1,073,764	-	-	1,073,764	841,400	-	-	841,400
	6,996,152	-	-	6,996,152	6,670,385	-	-	6,670,385

Total - fair value through profit and loss

	13,097,493	-	-	13,097,493	13,318,382	-	-	13,318,382
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Grand Total

	30,572,449	(2,207,808)	1,311,447	29,676,088	30,079,359	(2,004,569)	4,109,765	32,184,555
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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

Note	30 June 2020	31 December 2019
	Rupees in thousand	
	(Unaudited)	(Audited)
11 Investments in debt securities		
Held to maturity		
Treasury Bills	264,470	370,491
Pakistan Investment Bonds	97,564	95,377
	362,034	465,868
Available for sale		
Treasury Bills	622,566	558,153
Pakistan Investment Bonds	103,285	93,684
	725,851	651,837
Fair value through profit and loss		
Term Finance Certificate	1,338,148	1,588,848
Advance against purchase of term finance certificate	100,000	50,000
Corporate sukuks	2,101,011	1,135,121
Treasury Bills	9,626,743	3,828,677
Pakistan Investment Bonds	599,226	897,123
	13,765,128	7,499,769
	14,853,013	8,617,474
12 Investments in Term Deposits		
Held to maturity		
Deposits maturing within 12 months		
Inside Pakistan		
- related parties	346,811	156,811
- others	4,135,066	9,610,066
	4,481,877	9,766,877
Outside Pakistan		
- related parties	1,372,533	1,264,698
- others	3,641,925	4,387,207
	5,014,458	5,651,905
Deposits maturing after 12 months	9,496,335	15,418,782
Inside Pakistan		
- related parties	2,000	2,000
- others	48,110	48,110
	50,110	50,110
12.1	9,546,445	15,468,892

12.1 These include fixed deposits amounting to Rs. 4,117,599 thousands (AED 90,000 thousands) [2019: Rs. 4,848,009 thousands (AED 115,000 thousands)] kept in accordance with the requirements of Insurance Regulations applicable to the United Arab Emirates (UAE) branches of the Parent Company for the purpose of carrying on business in (UAE). These also include liens against cash deposits of Rs. 231,987 thousands (2019: Rs. 231,987 thousands) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Parent Company for claims under litigation filed against the Parent Company, bid bond guarantees and guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party of the Group.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

	30 June 2020	31 December 2019
	Rupees in thousand	
13 Loans and other receivables - considered good	(Unaudited)	(Audited)
Rent receivable	12,924	7,295
Accrued income	211,822	351,017
Security deposits	90,235	92,526
Advances to employees and suppliers	256,300	152,012
Advance agent commission	1,003	3,003
Loans to employees	44,290	56,318
Receivable against the sale of investment	58,064	-
Receivable from related parties	-	5
Other receivables	93,844	54,663
	768,482	716,839
14 Insurance / reinsurance receivables - unsecured and considered good		
Due from insurance contract holders	6,902,619	5,786,646
Provision for impairment of receivables from insurance contract holders	(922,286)	(868,586)
	5,980,333	4,918,060
Due from other insurers / other reinsurers	1,073,411	1,149,209
Provision for impairment of due from other insurers / reinsurers	(201,302)	(201,302)
	872,109	947,907
	6,852,442	5,865,967
14.1 Due from insurance contact holders include an amount Rs. 299,484 thousands (2019: Rs. 221,567 thousands) held with related parties.		
15 Prepayments		
Prepaid reinsurance premium ceded	2,937,772	3,500,512
Prepaid rent	15,311	12,488
Prepaid miscellaneous expenses	182,703	158,070
	3,135,786	3,671,070
16 Cash and bank		
Cash and cash equivalents		
Inside Pakistan		
Cash in hand	917	819
Policy & Revenue stamps, Bond papers	12,939	24,993
	13,856	25,812
Outside Pakistan		
Cash in hand	734	-
	14,590	25,812
Cash at bank		
Inside Pakistan		
Current accounts	500,734	289,356
Savings accounts	7,965,319	8,057,231
	8,466,053	8,346,587
Outside Pakistan		
Current accounts	1,683,424	59,333
Savings accounts	5,984	5,512
	1,689,408	64,845
	10,155,461	8,411,432
	10,170,051	8,437,244

16.1

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

- 16.1** Cash at bank includes an amount of Rs. 1,941,654 thousands (2019: Rs. 1,835,434 thousands) held with MCB Bank Limited, a related party of the Group.
- 16.2** Lien of Rs. 440,000 thousands (2019: Rs. 291,000 thousands) is marked on cash deposits in saving accounts against SBLC (Standby Letter of Credit) issued in favor of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited.

17 Window Takaful Operations - Parent Company

Operator's Fund

Assets

Cash and bank deposits
Qard-e-Hasna to Participant Takaful Fund
Investments
Intangible assets
Property and equipment
Current assets - others

Total Assets

Total Liabilities

30 June 2020	31 December 2019
Rupees in thousand	
(Unaudited)	(Audited)
296,858	91,895
146,460	146,460
34,647	32,958
16,107	17,650
17,589	17,733
35,980	119,595
547,641	426,291
256,770	195,872

Wakala income
Commission expense
Management expenses
Investment income
Other income
Mudarib's share of PTF investment income
Other Expenses
Profit before tax
Provision for tax

Profit from Window Takaful Operations

For six months period ended	
30 June 2020	30 June 2019
Rupees in thousand	
199,242	155,995
(52,440)	(46,721)
(68,549)	(59,394)
3,584	1,345
5,190	8,363
1,989	-
(1,980)	(1,729)
87,036	57,859
(25,241)	(16,785)
61,795	41,074

Details of total assets, total liabilities and segment disclosure of window takaful operations of the Parent Company are stated in the annexed condensed interim financial information.

18 Reserves

Capital reserves

Reserves for exceptional losses
Investment fluctuation reserves
Exchange translation reserves
Fair value reserve

Revenue reserves

General reserves

30 June 2020	31 December 2019
Rupees in thousand	
(Unaudited)	(Audited)
22,859	22,859
3,764	3,764
815,793	674,936
936,223	2,914,787
1,778,639	3,616,346
936,500	936,500
2,715,139	4,552,846

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

	30 June 2020	31 December 2019
	Rupees in thousand	
19 Other creditors and accruals	(Unaudited)	(Audited)
Agents commission payable	933,252	1,039,000
Payable against the purchase of investment	55,386	847,474
Federal Excise Duty / Sales Tax / VAT	286,760	50,149
Federal Insurance Fee payable	43,655	33,785
Payable to related parties	4,340	7,131
Workers' welfare fund	76,485	76,485
Tax deducted at source	149,418	104,056
Accrued expenses	266,402	386,051
Unpaid and unclaimed dividend	160,484	125,829
Payable to employees' provident fund	2,654	2,676
Loans and borrowings	332,219	-
Deferred Grant Income	24,687	-
Sundry creditors	517,239	539,634
	2,852,981	3,212,270

20 Contingencies and commitments

Parent Company

Contingencies and commitments

There has been no significant change in the status of contingencies as reported in the preceding published consolidated annual financial statements of the Parent Company for the year ended December 31, 2019 except for the following.

- The Parent Company has provided a guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party, amounting to Rs. 1,209,000 thousands (2019: Rs. 841,000 thousands).
- The Parent Company has issued letter of guarantees amounting to AED 246,500 amounting to Rs.11,278 thousands (2019: AED 449,000 amounting to Rs. 18,928 thousands) relating to UAE branch of the Parent Company.

Subsidiary Company

Contingencies

There were no contingencies as at June 30, 2020.

Commitments

Commitments represent Ijarah rentals for vehicles payable in future period.

	30 June 2020	31 December 2019
	Rupees in thousand	
	(Unaudited)	(Audited)
Not later than one year	30,373	22,543
Later than one year and not later than five years	83,328	58,045
	113,701	80,588

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

Note	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand				
21 Net insurance premium				
Parent Company				
Written gross premium	5,181,094	5,873,553	9,743,523	12,129,819
Unearned premium reserve opening	9,235,451	10,802,642	10,242,348	10,100,901
Unearned premium reserve closing	(9,426,420)	(11,566,014)	(9,426,420)	(11,566,014)
Currency translation effect	9,368	606,309	304,327	671,251
Premium earned	4,999,493	5,716,490	10,863,778	11,335,957
Reinsurance premium ceded	(2,147,625)	(2,051,234)	(3,224,284)	(4,302,427)
Prepaid reinsurance premium opening	(2,445,880)	(3,254,355)	(3,500,512)	(2,866,980)
Prepaid reinsurance premium closing	2,937,772	3,543,053	2,937,772	3,543,053
Currency translation effect	(1,171)	(7,019)	(8,253)	(7,471)
Reinsurance expense	(1,656,904)	(1,769,555)	(3,795,277)	(3,633,825)
21.1 & 21.2	3,342,589	3,946,935	7,068,501	7,702,132
Subsidiary Company				
Regular premium / contributions				
individual policies	21.3			
- first year	319,018	814,841	1,078,722	1,546,577
- second year renewal	577,510	472,941	1,222,165	951,288
- subsequent years renewal	1,094,014	1,132,601	2,285,357	2,119,718
Single premium / contributions				
individual policies	21.3			
Group policies without cash values	84,398	106,102	248,506	247,468
Less: Experience refund	(9,536)	(827)	(10,137)	(10,492)
	2,426,803	2,722,454	6,055,725	5,360,745
Less: reinsurance premiums /				
retakaful contributions ceded				
On individual life first year business	(7,427)	(14,909)	(10,719)	(23,382)
On individual life second year business	(7,777)	(12,112)	(11,001)	(28,387)
On individual life subsequent				
renewal business	(29,529)	(40,599)	(55,231)	(70,267)
On single premium individual policies	(464)	-	(2,255)	-
On group policies	(39,070)	86,054	(143,889)	-
Profit commission on reinsurance	-	(118,363)	393	(118,363)
	(84,267)	(99,929)	(222,702)	(240,399)
	2,342,536	2,622,525	5,833,023	5,120,346
	5,685,125	6,569,460	12,901,524	12,822,478
21.1 Net insurance premium - Business underwritten inside Pakistan				
Written gross premium	3,972,209	4,009,414	6,788,167	8,129,229
Unearned premium reserve opening	5,111,264	6,030,336	6,197,501	5,508,453
Unearned premium reserve closing	(5,861,254)	(6,550,695)	(5,861,254)	(6,550,695)
Premium earned	3,222,219	3,489,055	7,124,414	7,086,987
Reinsurance premium ceded	(2,090,864)	(2,000,953)	(3,113,291)	(4,187,650)
Prepaid reinsurance premium opening	(2,344,222)	(3,220,928)	(3,425,355)	(2,838,973)
Prepaid reinsurance premium closing	2,818,671	3,480,705	2,818,671	3,480,705
Reinsurance expense	(1,616,415)	(1,741,176)	(3,719,975)	(3,545,918)
	1,605,804	1,747,879	3,404,439	3,541,069

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

Note	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand				

21.2 Net insurance premium - Business underwritten outside Pakistan

Written gross premium	1,208,885	1,864,139	2,955,356	4,000,590
Unearned premium reserve opening	4,124,187	4,772,306	4,044,847	4,592,448
Unearned premium reserve closing	(3,565,166)	(5,015,319)	(3,565,166)	(5,015,319)
Currency translation effect	9,368	606,309	304,327	671,251
Premium earned	1,777,274	2,227,435	3,739,364	4,248,970
Reinsurance premium ceded	(56,761)	(50,281)	(110,993)	(114,777)
Prepaid reinsurance premium opening	(101,658)	(33,427)	(75,157)	(28,007)
Prepaid reinsurance premium closing	119,101	62,348	119,101	62,348
Currency translation effect	(1,171)	(7,019)	(8,253)	(7,471)
Reinsurance expense	(40,489)	(28,379)	(75,302)	(87,907)
	1,736,785	2,199,056	3,664,062	4,161,063

21.3 Individual policies are those underwritten on an individual basis.

22 Net insurance claims expense

Parent Company

Claims paid	2,339,146	3,489,494	5,416,708	7,207,715
Outstanding claims including IBNR closing	11,641,695	10,669,875	11,641,695	10,669,875
Outstanding claims including IBNR opening	(11,191,266)	(10,193,465)	(10,367,347)	(10,461,975)
Currency translation effect	(40,650)	(727,786)	(514,150)	(800,778)
Claims expense	2,748,925	3,238,118	6,176,906	6,614,837
Reinsurance and other recoveries received	(982,050)	(1,110,205)	(2,020,193)	(2,467,176)
Reinsurance and other recoveries in respect of outstanding claims closing	(6,583,565)	(6,227,154)	(6,583,565)	(6,227,154)
Reinsurance and other recoveries in respect of outstanding claims opening	6,523,405	6,178,315	6,233,348	6,397,245
Currency translation effect	17,495	378,020	260,831	417,133
Reinsurance and other recoveries revenue	(1,024,715)	(781,024)	(2,109,579)	(1,879,952)

22.1 & 22.2 1,724,210 2,457,094 4,067,327 4,734,885

Subsidiary Company

Gross claims

Claims under individual policies

- by death
- by insured event other than death
- by maturity
- by surrender

32,496	60,051	154,511	133,475
400	(800)	1,100	6,275
618,366	90,962	785,941	423,523
646,867	1,054,951	1,881,592	2,338,202
1,298,129	1,205,164	2,823,144	2,901,475

Total gross individual policy claims

Claims under group policies

- by death
- by insured event other than death

111,183	76,230	223,570	232,824
(1,497)	(6,500)	3,472	(22,671)

Total gross group policy claims

Claim related expenses

109,686	69,730	227,042	210,153
204	1,919	1,979	3,885

Total gross claims

1,408,019	1,276,813	3,052,165	3,115,513
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Less: Reinsurance recoveries

- on individual claims
- on group claims

(2,376)	36,086	31,769	20,122
79,907	53,547	160,425	150,436
77,531	89,633	192,194	170,558
1,330,488	1,187,180	2,859,971	2,944,955
3,054,698	3,644,274	6,927,298	7,679,840

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

22.1 Net insurance claims expense - Business underwritten inside Pakistan

Note	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand				
Claim paid	1,050,321	1,441,677	2,188,705	3,472,180
Outstanding claims including IBNR closing	5,057,585	4,572,871	5,057,585	4,572,871
Outstanding claims including IBNR opening	(4,507,781)	(4,823,914)	(4,398,967)	(5,386,215)
Claim expense	1,600,125	1,190,634	2,847,323	2,658,836
Reinsurance and other recoveries received	(428,128)	(468,627)	(572,528)	(1,477,221)
Reinsurance and other recoveries in respect of outstanding claims closing	(3,410,063)	(3,046,533)	(3,410,063)	(3,046,533)
Reinsurance and other recoveries in respect of outstanding claims opening	3,114,792	3,295,122	2,948,471	3,769,658
Reinsurance and other recoveries revenue	(723,399)	(220,038)	(1,034,120)	(754,096)
	876,726	970,596	1,813,203	1,904,740

22.2 Net insurance claims expense - Business underwritten outside Pakistan

Note	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand				
Claim Paid	1,288,825	2,047,817	3,228,003	3,735,535
Outstanding claims including IBNR closing	6,584,110	6,097,004	6,584,110	6,097,004
Outstanding claims including IBNR opening	(6,683,485)	(5,369,551)	(5,968,380)	(5,075,760)
Currency translation effect	(40,650)	(727,786)	(514,150)	(800,778)
Claim expense	1,148,800	2,047,484	3,329,583	3,956,001
Reinsurance and other recoveries received	(553,922)	(641,578)	(1,447,665)	(989,955)
Reinsurance and other recoveries in respect of outstanding claims closing	(3,173,502)	(3,180,621)	(3,173,502)	(3,180,621)
Reinsurance and other recoveries in respect of outstanding claims opening	3,408,613	2,883,193	3,284,877	2,627,587
Currency translation effect	17,495	378,020	260,831	417,133
Reinsurance and other recoveries revenue	(301,316)	(560,986)	(1,075,459)	(1,125,856)
	847,484	1,486,498	2,254,124	2,830,145

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

Note	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand				
23 Net commission and other acquisition costs				
Parent Company				
Commission paid or payable	598,965	742,775	1,180,699	1,231,140
Deferred commission expense opening	1,197,363	799,779	1,190,146	788,431
Deferred commission expense closing	(1,192,418)	(1,075,282)	(1,192,418)	(1,075,282)
Currency translation effect	1,532	77,457	65,669	84,718
Net commission	605,442	544,729	1,244,096	1,029,007
Commission received or recoverable	(154,240)	(173,192)	(240,617)	(262,247)
Unearned reinsurance commission opening	(201,121)	(195,759)	(237,751)	(221,371)
Unearned reinsurance commission closing	199,721	237,103	199,721	237,103
Currency translation effect	8	(603)	(260)	(661)
Commission from reinsurance	(155,632)	(132,451)	(278,907)	(247,176)
23.1 & 23.2	449,810	412,278	965,189	781,831
Subsidiary Company				
Remuneration to insurance / takaful intermediaries on individual policies:				
- Commission on first year contribution / premium	138,335	355,476	476,831	695,630
- Commission on second year contribution / premium	30,933	29,615	65,340	56,353
- Commission on subsequent years renewal contribution / premium	25,202	30,725	53,118	55,175
- Commission on single contribution / premium	7,603	4,691	25,866	11,168
- Other benefits to insurance intermediaries	61,029	79,491	157,529	158,182
	263,102	499,998	778,684	976,508
Remuneration to insurance intermediaries on group policies:				
- Commission	3,444	7,454	24,118	17,652
- Other benefits to insurance intermediaries	1,409	1,215	1,887	2,673
	4,853	8,669	26,005	20,325
Other acquisition costs	143,703	87,493	265,830	176,982
	411,658	596,160	1,070,519	1,173,815
	861,468	1,008,438	2,035,708	1,955,646

23.1 Net commission and other acquisition costs - Business underwritten inside Pakistan

Commission paid or payable	307,625	384,847	508,389	578,880
Deferred commission expense opening	295,578	264,800	352,673	297,403
Deferred commission expense closing	(400,172)	(417,247)	(400,172)	(417,247)
Net commission	203,031	232,400	460,890	459,036
Commission received or recoverable	(152,749)	(171,507)	(236,579)	(257,151)
Unearned reinsurance commission opening	(197,095)	(191,511)	(236,381)	(218,690)
Unearned reinsurance commission closing	195,331	231,646	195,331	231,646
Commission from reinsurance	(154,513)	(131,372)	(277,629)	(244,195)
	48,518	101,028	183,261	214,841

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

For three months period ended		For six months period ended	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand			

23.2 Net commission and other acquisition costs - Business underwritten outside Pakistan

Commission paid or payable	291,340	357,928	672,310	652,260
Deferred commission expense opening	901,785	534,979	837,473	491,028
Deferred commission expense closing	(792,246)	(658,035)	(792,246)	(658,035)
Currency translation effect	1,532	77,457	65,669	84,718
Net commission	402,411	312,329	783,206	569,971
Commission received or recoverable	(1,491)	(1,685)	(4,038)	(5,096)
Unearned reinsurance commission opening	(4,026)	(4,248)	(1,370)	(2,681)
Unearned reinsurance commission closing	4,390	5,457	4,390	5,457
Currency translation effect	8	(603)	(260)	(661)
Commission from reinsurance	(1,119)	(1,079)	(1,278)	(2,981)
	401,292	311,250	781,928	566,990

24 Investment income

Business underwritten Inside Pakistan

Income from equity securities

Dividend Income

- Available for sale
- Fair value through profit or loss

319,351	325,969	670,443	744,427
163,452	164,555	242,156	284,407
482,803	490,524	912,599	1,028,834

Income from debt securities

Return on debt securities

- Fair value through profit or loss
- Held to maturity

109,210	89,073	230,119	171,169
-	-	-	-
109,210	89,073	230,119	171,169

Return on government securities

- Available for Sale
- Fair value through profit or loss
- Held to maturity

12,351	1,853	25,346	10,903
361,303	182,492	794,160	322,957
8,519	11,620	21,705	21,910
382,173	195,965	841,211	355,770

Income from term deposit receipts

- Held to maturity

77,376	147,930	224,048	349,465
77,376	147,930	224,048	349,465

Tax on dividend under final tax regime

(1,337)	(35,638)	(1,347)	(35,780)
(1,337)	(35,638)	(1,347)	(35,780)

Net realized fair value gains on investments

Available for sale

- Equity securities
- Government securities

-	2,108	3,533	2,568
-	2,669	-	2,645
-	4,777	3,533	5,213

Fair value through profit or loss

- Equity securities
- Debt securities
- Government securities

(318,295)	(56,684)	(400,482)	305,398
(222)	-	(222)	-
200,559	(25,021)	282,861	(25,985)
(117,958)	(81,705)	(117,843)	279,413

Provision for impairment in value of 'available-for-sale' investments

(203,239)	(505,385)	(203,239)	(490,685)
729,028	305,541	1,889,081	1,663,399

Business underwritten Outside Pakistan

Income from equity securities

Dividend income

- Available for Sale

40	15,427	94	29,170
40	15,427	94	29,170

Net realized gains on investments

- Available for Sale

-	-	191	-
-	-	191	-

Return on term deposits

- Held to maturity

40,491	42,037	82,711	73,416
40,491	42,037	82,711	73,416
40,531	57,464	82,996	102,586
769,559	363,005	1,972,077	1,765,985

Total investment income

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

For three months period ended		For six months period ended	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand			

25 Earnings per share - basic and diluted

There is no dilutive effect on the basic earnings per share which is based on:

Profit after tax for the period attributable to ordinary shareholders	410,132	(114,328)	900,717	528,369
	Number of shares			
Weighted average number of ordinary shares outstanding	350,000,000	350,000,000	350,000,000	350,000,000
	Rupees			
Earnings per share - basic and diluted	1.17	(0.33)	2.57	1.51

26 Transactions with related parties

The Group has related party relationships with its associates, subsidiary company, employee retirement benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than those specified in their terms of employment.

Investment in related parties have been disclosed in note 10 & 12 to the consolidated condensed interim financial information. Other transactions with related parties are summarized as follows:

Parent Company

i) Transactions

	For six months period ended	
	30 June 2020	30 June 2019
	Rupees in thousand	
Premiums underwritten	708,012	787,145
Premiums received	587,676	725,376
Claims paid	322,950	314,925
Commission Paid	18,859	52,015
Rent paid	6,085	4,930
Rent received	7,776	-
Dividends received	406,532	391,050
Dividends paid	106,292	106,292
Income on bank deposits	52,910	20,803
Investments made	50,000	250,000
Fee / service charges paid	4,739	1,604
Fee / service charges received	-	-
Charge in respect of gratuity expense	18,064	16,821
Contribution to Employees' Provident Fund	17,597	16,805
Compensation paid to Key management personnel	686,558	656,890

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

ii) Period end balances

Balances receivable
Balances payable
Cash and bank balances including term deposits
Payable to Staff Gratuity Fund

30 June 2020	31 December 2019
Rupees in thousand	
(Unaudited)	(Audited)
312,486	215,212
298,971	359,782
1,720,067	1,707,013
145,533	142,469

Subsidiary Company

i) Transactions

Associated undertakings

Premium written
Claims expense
Commission and other incentives in respect of bancassurance
Profit on bank deposits
Bank charges
Investments purchased
Investments sold
Dividend income
Reinsurance claim recoveries
Reinsurance premium ceded

18,328	25,597
71,946	21,044
529,845	751,041
59,226	119,084
940	815
2,011,890	3,476,981
2,081,036	2,618,588
145,077	126,109
-	7,594
-	1,889

Other related parties

Premium written
Claims expense
Investment advisor fee
Trustee fee

4,699	30,952
1,379	8,559
12,173	9,665
5,038	4,920

Transactions with key management personnel

Premium written

50	50
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ii) Period end balances

Associated undertakings

Premium due but unpaid
Premium received in advance
Bank deposits
Investments held
Accrued Income
Commission payable
Claims payable
Reinsurance receivable

9,028	6,526
219	-
1,644,806	1,475,870
6,377,247	6,799,087
102	101
187,772	337,441
3,020	2,370
3,031	1,874

Other related parties

Premium due but unpaid
Remuneration payable for the management of discretionary Provident Fund
Remuneration payable to trustee
Other payable

3,154	3,027
1,830	3,792
463	486
114	892

Staff Retirement Benefit Plan (Gratuity Fund)

Charge for the period
Payable to Gratuity fund

21,033	51,447
(58,058)	(37,026)

30 June 2020	31 December 2019
Rupees in thousand	
(Unaudited)	(Audited)

For six month period ended 30 June 2020

For general insurance, each class of business has been identified as reportable segments. The Group conducts general insurance business both inside and outside Pakistan while life assurance is conducted only in Pakistan.

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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

27.1 Segment Information

For general insurance, each class of business has been identified as reportable segment whereas, for life insurance the statutory funds are treated as reportable segments. The Group conducts general insurance business both inside and outside Pakistan while life insurance is conducted only in Pakistan.

	Six month period ended 30 June 2019															
	General Insurance													Life Insurance	Aggregate	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance			
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
	Rupees in thousands															
Premium receivable (inclusive of federal excise duty)	4,773,039	28,338	485,939	13,103	1,726,037	4,130,514	1,123,021	19,798	1,057,558	11,283	9,165,594	4,203,036	13,369,630	5,360,745	18,729,375	
Less: Federal insurance fee and Administrative surcharge)	(500,141)	(1,850)	(53,315)	(260)	(206,060)	(198,723)	(21,338)	(943)	(84,404)	(565)	(855,258)	(202,341)	(1,157,599)	-	(1,157,599)	
Federal excise duty / VAT	(41,030)	(73)	(4,298)	(27)	(15,210)	-	(10,978)	-	(6,953)	(6)	(81,107)	(105)	(81,212)	-	(81,212)	
Federal insurance fee	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819	5,360,745	17,490,564	
Gross written premium (inclusive of administrative surcharge)	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819	5,360,745	17,490,564	
Gross direct premium	4,130,334	26,282	417,387	12,775	1,455,921	3,926,283	1,091,405	18,855	957,637	10,671	8,052,684	3,994,866	12,047,550	5,360,745	17,408,265	
Facultative inward premium	8,804	133	10,611	41	48,846	5,508	(698)	-	5,924	42	73,487	5,724	79,211	-	3,058	
Administrative surcharge	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819	5,360,745	17,490,564	
Insurance premium earned	3,473,207	22,848	408,997	18,443	1,433,739	4,174,081	873,920	25,551	887,124	8,047	7,086,987	4,248,970	11,335,957	5,360,745	16,686,702	
Insurance premium ceded to reinsurers	(3,027,656)	(15,735)	(52,487)	-	(25,917)	(49,848)	-	(18,102)	(439,858)	(4,222)	(3,545,918)	(87,907)	(3,633,825)	(240,399)	(3,874,224)	
Net insurance premium	445,551	7,113	356,510	18,443	1,407,822	4,124,233	873,920	7,449	457,266	3,825	3,541,069	4,161,083	7,702,132	5,120,346	12,822,478	
Commission income	176,778	2,897	383	-	1,744	(964)	-	-	65,290	1,048	244,195	2,981	247,176	-	247,176	
Net underwriting income	622,329	10,010	356,893	18,443	1,409,566	4,123,269	873,920	7,449	522,556	4,873	3,785,264	4,164,044	7,948,308	5,120,346	13,069,654	
Insurance claims	(571,549)	(14,066)	(256,627)	(7,017)	(735,508)	(3,911,649)	(740,059)	(20,388)	(555,033)	(2,881)	(2,658,836)	(3,556,001)	(6,814,837)	(3,115,513)	(9,730,350)	
Insurance claim recoveries from reinsurer	521,372	18,463	53,423	-	(7,007)	1,088,723	-	16,687	186,308	1,983	754,096	1,125,856	1,879,952	170,558	2,050,510	
Net claims	(501,777)	4,397	(203,204)	(7,017)	(742,515)	(2,822,926)	(740,059)	(3,701)	(168,785)	(898)	(1,904,740)	(2,830,145)	(4,734,885)	(2,944,956)	(7,679,840)	
Commission expense	(213,180)	(2,969)	(55,194)	(3,287)	(96,889)	(563,436)	(28,982)	(304)	(64,792)	(245)	(459,036)	(569,971)	(1,173,816)	(1,173,816)	(2,202,822)	
Management expense	(190,459)	(826)	(129,377)	(6,071)	(521,057)	(653,778)	(69,001)	(7,804)	(133,142)	(444)	(1,043,036)	(688,923)	(1,711,959)	(498,535)	(2,208,494)	
Net insurance claims and expenses	(453,816)	602	(387,775)	(16,375)	(1,360,460)	(4,040,140)	(838,042)	(11,539)	(366,719)	(1,587)	(3,408,812)	(4,069,039)	(7,475,851)	(4,615,305)	(12,091,156)	
Net change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	-	-	-	-	-	-	267,489	(627,489)	
Underwriting result	168,513	10,612	(30,882)	2,068	49,106	83,129	35,878	(4,090)	155,837	3,286	378,452	95,005	473,457	711,009	1,711,009	
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	1,384,463	1,765,985	
Net fair value loss on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,631,530)	(1,631,530)	
Net unrealized gains on investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	21,000	3,189	
Rental income	-	-	-	-	-	-	-	-	-	-	1,689	-	1,689	1,500	3,189	
Other income	-	-	-	-	-	-	-	-	-	-	25,092	30,444	143,597	174,041	174,041	
Other expenses	-	-	-	-	-	-	-	-	-	-	(47,338)	(5,509)	(52,847)	(73,495)	(73,495)	
Finance Cost	-	-	-	-	-	-	-	-	-	-	(2,327)	(2,331)	(4,658)	(8,229)	(12,887)	
Profit from Window Takedowns	-	-	-	-	-	-	-	-	-	-	57,859	-	57,859	-	57,859	
Profit/ (loss) before tax	-	-	-	-	-	-	-	-	-	-	692,363	135,103	887,466	127,705	1,015,171	

	31 December 2019															
	General Insurance													Life Insurance	Aggregate	
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance			
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
	Rupees in thousands															
Segment Assets	6,992,773	95,788	489,767	5,187	1,062,812	5,552,814	558,513	33,510	1,923,756	19,249	11,027,621	5,705,548	16,734,169	39,189,702	55,923,871	
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	-	1,071,643	33,081,199	
	36,491,039	12,252,686	48,743,725	40,261,345	89,005,070											
Segment Liabilities	7,060,540	111,211	624,861	25,552	2,359,101	9,993,415	1,866,492	40,351	2,307,325	22,763	13,718,319	10,193,292	23,911,611	37,970,494	61,882,105	
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	929,757	5,118,077	
	17,227,577	10,872,354	28,099,931	38,900,251	67,000,182											

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

28 Fair value measurement of financial instruments

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

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

30 June 2020												
Note	Available for sale	Held to maturity	Fair value through P&L	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Rupees in thousand												
Financial assets - measured at fair value												
Investment												
Equity securities- quoted	10	13,653,063	-	13,097,493	-	-	26,750,556	26,750,556	-	-	26,750,556	
Equity securities- unquoted	10	2,925,532	-	-	-	-	2,925,532	-	-	2,925,532	2,925,532	
Debt securities	11	725,851	362,034	13,765,128	-	-	14,853,013	-	14,853,013	-	14,853,013	
Investments of Window Takaful Operations - Operator's Fund	17	34,647	-	-	-	-	34,647	34,647	-	-	34,647	
Financial assets - not measured at fair value												
Loans and other receivables *	13	-	-	768,482	-	-	768,482	-	-	-	-	
Loan secured against life insurance policies*		-	-	30,977	-	-	30,977	-	-	-	-	
Investment - Term deposits*	12	-	9,546,445	-	-	-	9,546,445	-	-	-	-	
Insurance / reinsurance receivables												
- unsecured and considered good *	14	-	-	6,852,442	-	-	6,852,442	-	-	-	-	
Reinsurance recoveries against outstanding claims *		-	-	6,310,890	-	-	6,310,890	-	-	-	-	
Salvage recoveries accrued *		-	-	272,675	-	-	272,675	-	-	-	-	
Prepayments *	15	-	-	3,135,786	-	-	3,135,786	-	-	-	-	
Cash and bank *	16	-	-	-	10,170,051	-	10,170,051	-	-	-	-	
Other Assets of Window Takaful Operations - Operator's Fund*	17	-	-	216,136	296,858	-	512,994	-	-	-	-	
		17,339,093	9,908,479	26,862,621	17,587,388	10,466,909	-	82,164,490	26,785,203	14,853,013	2,925,532	44,563,748
Financial liabilities - not measured at fair value												
Underwriting provisions:												
Outstanding claims (including BNR)*	22	-	-	-	-	11,641,695	11,641,695	-	-	-	-	
Insurance / reinsurance payables *		-	-	-	-	3,971,012	3,971,012	-	-	-	-	
Other creditors and accruals*	19	-	-	-	-	2,493,539	2,493,539	-	-	-	-	
Deposits and other liabilities*		-	-	-	-	829,565	829,565	-	-	-	-	
Total liabilities of Window Takaful Operations- Operator's Fund*	17	-	-	-	-	256,770	256,770	-	-	-	-	
		-	-	-	-	19,192,581	19,192,581	-	-	-	-	

* The Group has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

28.1 Fair value measurement of financial instruments

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

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

31 December 2019												
Note	Available for sale	Held to maturity	Fair value through P&L	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Rupees in thousand												
Financial assets - measured at fair value												
Investment												
Equity securities- quoted	10	15,991,690	-	13,318,382	-	-	29,310,072	29,310,072	-	-	29,310,072	
Equity securities- unquoted	10	2,874,483	-	-	-	-	2,874,483	-	-	2,874,483	2,874,483	
Debt securities	11	651,837	465,868	7,499,769	-	-	8,617,474	-	8,617,474	-	8,617,474	
Investments of Window Takaful Operations - Operator's Fund	17	32,958	-	-	-	-	32,958	32,958	-	-	32,958	
Financial assets - not measured at fair value												
Loans and other receivables *	13	-	-	-	716,839	-	716,839	-	-	-	-	
Loan secured against life insurance policies*	-	-	-	-	32,785	-	32,785	-	-	-	-	
Investment - Term deposits*	12	-	15,468,892	-	-	-	15,468,892	-	-	-	-	
Insurance / reinsurance receivables	-	-	-	-	-	-	-	-	-	-	-	
- unsecured and considered good *	14	-	-	-	5,865,967	-	5,865,967	-	-	-	-	
Reinsurance recoveries against outstanding claims *	-	-	-	-	5,931,928	-	5,931,928	-	-	-	-	
Salvage recoveries accrued *	-	-	-	-	301,420	-	301,420	-	-	-	-	
Prepayments *	15	-	-	-	3,671,070	-	3,671,070	-	-	-	-	
Cash and bank *	16	-	-	-	-	8,437,244	8,437,244	-	-	-	-	
Other Assets of Window Takaful Operations - Operator's Fund*	17	-	-	-	301,438	91,895	393,333	-	-	-	-	
		19,550,968	15,934,760	20,818,151	16,821,447	8,529,139	-	81,654,465	29,343,030	8,617,474	2,874,483	40,834,987
Financial liabilities - not measured at fair value												
Underwriting provisions:												
Outstanding claims (including BNR)*	22	-	-	-	-	10,367,347	10,367,347	-	-	-	-	
Insurance / reinsurance payables *	-	-	-	-	-	2,826,429	2,826,429	-	-	-	-	
Other creditors and accruals*	19	-	-	-	-	3,121,205	3,121,205	-	-	-	-	
Deposits and other liabilities*	-	-	-	-	-	898,258	898,258	-	-	-	-	
Total liabilities of Window Takaful Operations- Operator's Fund*	17	-	-	-	-	195,872	195,872	-	-	-	-	
		-	-	-	-	17,409,111	17,409,111	-	-	-	-	

* The Group has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For six month period ended 30 June 2020

29 Date of authorization for issue

This consolidated condensed interim financial information was authorized for issue on August 24, 2020 by the Board of Directors of the Parent Company.

30 Impact of Covid - 19 on Operations

The Group followed the development of the Covid-19 corona virus and evaluated the extent to which this affected the operations in the short and long term. The Group has concluded that there are no significant implications of the pandemic over the operations of the group.

31 Non - adjusting events after balance sheet date

The Board of Directors of the Parent Company in their meeting held on August 24, 2020 proposed an interim cash dividend for the six month period ended June 30, 2020 @ 12.5% i.e. Rupees 1.25/- per share (June 30, 2019 @ 10 % i.e. Rupee 1/- per share). These consolidated condensed interim financial statements for the six month period ended June 30, 2020 do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2020.

32 General

32.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.


32.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.



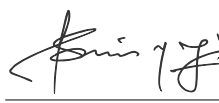
Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer



WINDOW TAKAFUL OPERATIONS

Condensed Interim
Financial Statements
for the Six Months Ended
30 June 2020
(Unaudited)



DRAFT INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ADAMJEE INSURANCE COMPANY LIMITED – WINDOW TAKAFUL OPERATIONS REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Adamjee Insurance Company Limited – Window Takaful Operations (the Operator) as at June 30, 2020, and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in shareholders equity and participants' takaful fund, condensed interim cash flow statement, and notes to the financial statements for the six month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit and loss account and the condensed interim statement of comprehensive income for the three month period ended June 30, 2020 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six month period ended June 30, 2020.

Scope of Review

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

Conclusion

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

The engagement partner on the review resulting in this independent auditor's review report is Rana M. Usman Khan.



Chartered Accountants

Lahore

Date: 24 August 2020

Condensed Interim Statement of Financial position (Unaudited)

As at 30 June 2020

Note	Operator's Takaful Fund		Participants' Takaful Fund	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Rupees in thousand				
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Qard-e-Hasna to Participants' Takaful Fund	146,460	146,460	-	-
Property and equipment	8 17,589	17,733	-	-
Intangible assets	9 16,107	17,650	-	-
Investments				
Equity securities	10 34,647	32,958	-	-
Debt securities	11 -	-	125,000	125,000
Loans and other receivables	12 6,951	6,731	28,809	21,655
Takaful / re - takaful receivables	13 -	-	504,270	261,580
Re - takaful recoveries against outstanding claims	-	-	376,323	88,706
Salvage recoveries accrued	-	-	32,547	13,631
Wakala and mudarib fee receivable	-	70,933	-	-
Deferred commission expense	22 29,029	41,931	-	-
Prepayments	14 -	-	99,630	105,379
Cash and bank	15 296,858	91,895	419,802	434,658
	401,181	279,831	1,586,381	1,050,609
TOTAL ASSETS	547,641	426,291	1,586,381	1,050,609
FUNDS AND LIABILITIES				
Funds attributable to Operator's and Participants'				
Operator's Takaful Fund				
Statutory fund	50,000	50,000	-	-
Reserves	13	1,356	-	-
Unappropriated profit	240,858	179,063	-	-
	290,871	230,419	-	-
Waqf / Participants' Takaful Fund				
Ceded money	-	-	500	500
Accumulated Surplus	-	-	120,254	80,786
	-	-	120,754	81,286
Qard-e-Hasna from Operator's Takaful Fund	-	-	146,460	146,460
Liabilities				
Underwriting provisions				
Outstanding claims including IBNR	21 -	-	650,915	257,810
Unearned contribution reserve	19 -	-	447,712	377,586
Unearned re - takaful rebate	20 -	-	16,969	15,979
Contribution deficiency reserve	-	-	55,787	30,071
Retirement benefit obligations	3,878	3,878	-	-
Deferred taxation	411	987	-	-
Contribution received in advance	-	-	11,389	13,109
Takaful / re - takaful payables	16 -	-	68,063	38,513
Wakala and mudarib fee payable	-	-	-	70,933
Unearned wakala fee	23 175,386	139,979	-	-
Other creditors and accruals	17 55,065	51,028	68,332	18,862
Taxation - provision less payments	22,030	-	-	-
Total Liabilities	256,770	195,872	1,319,167	822,863
TOTAL FUNDS AND LIABILITIES	547,641	426,291	1,586,381	1,050,609

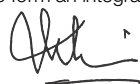
Contingencies and commitments

18

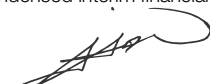
The annexed notes from 1 to 33 form an integral part of this condensed interim financial statements.



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Condensed Interim Profit and Loss Account (Unaudited)

For The Six Month Period Ended June 30, 2020

Note	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand				
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
PARTICIPANTS' TAKAFUL FUND - REVENUE ACCOUNT				
Contributions earned	260,989	220,481	516,829	428,085
Contributions ceded to re - takaful	(70,971)	(57,169)	(141,915)	(114,748)
Net contribution revenue	190,018	163,312	374,914	313,337
Re - takaful rebate earned	13,219	10,140	25,677	20,441
Net underwriting income	203,237	173,452	400,591	333,778
Net takaful claims - reported / settled	(184,760)	(135,857)	(333,377)	(250,082)
Charge of contribution deficiency reserve	(25,716)	(4,294)	(25,716)	(4,294)
	(210,476)	(140,151)	(359,093)	(254,376)
Other direct expenses	(14,384)	(13,312)	(30,479)	(25,320)
(Deficit) / surplus before investment income	(21,623)	19,989	11,019	54,082
Investment income	5,458	1,279	9,947	2,475
Other income	9,009	8,655	20,491	15,038
Mudarib's share of investment income	(1,091)	-	(1,989)	-
Surplus transferred to accumulated deficit / surplus	(8,247)	29,923	39,468	71,595
OPERATOR'S TAKAFUL FUND - REVENUE ACCOUNT				
Wakala fee	102,919	82,078	199,242	155,995
Commission expense	(23,972)	(24,226)	(52,440)	(46,721)
General, administrative and management expenses	(33,785)	(30,112)	(68,549)	(59,394)
	45,162	27,740	78,253	49,880
Other income	4,292	8,363	5,190	8,363
Mudarib's share of PTF investment income	1,989	-	1,989	-
Investment income	4,354	2,298	3,584	1,345
Direct expenses	(4,537)	(6,976)	(1,980)	(1,729)
Profit before taxation	51,260	31,425	87,036	57,859
Provision for taxation	(14,819)	(9,383)	(25,241)	(16,785)
Profit after taxation	36,441	22,042	61,795	41,074

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



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For The Six Month Period Ended June 30, 2020

Note	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand				
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

PARTICIPANTS' TAKAFUL FUND

(Deficit) / Surplus for the period	(8,247)	29,923	39,468	71,595
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(8,247)	29,923	39,468	71,595

OPERATOR'S TAKAFUL FUND

Profit after taxation	36,441	22,042	61,795	41,074
Other comprehensive income:				
Unrealized losses on available-for-sale investment- Net of tax	(2,027)	(441)	(1,343)	(18)
Total comprehensive income for the period	34,414	21,601	60,452	41,056

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



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Condensed Interim Statement of Changes in Shareholders Equity and Participants' Takaful Fund (Unaudited)

As at June 30, 2020

Balance as at December 31, 2018 - (Audited)

Profit after tax for the period January 01, 2019 to June 30, 2019

Other comprehensive loss for the
period January 01, 2019 to June 30, 2019**Total comprehensive income for the period****Balance as at June 30, 2019 - (Unaudited)**

Profit after tax for the period July 01, 2019 to December 31, 2019

Other comprehensive income for the
period July 01, 2019 to December 31, 2019**Total comprehensive income for the period****Balance as at December 31, 2019 - (Audited)**

Profit after tax for the period January 01, 2020 to June 30, 2020

Other comprehensive loss for the
period January 01, 2020 to June 30, 2020**Total comprehensive income for the period****Balance as at June 30, 2020 - (Unaudited)**

Attributable to Shareholders of the Company			
Statutory Fund	Unappropriated Profit	Fair Value Reserve	Total
Rupees in thousand			
50,000	102,357	18	152,375
-	41,074	-	41,074
-	-	(18)	(18)
-	41,074	(18)	41,056
50,000	143,431	-	193,431
-	35,632	-	35,632
-	-	1,356	1,356
-	35,632	1,356	36,988
50,000	179,063	1,356	230,419
-	61,795	-	61,795
-	-	(1,343)	(1,343)
-	61,795	(1,343)	60,452
50,000	240,858	13	290,871

Balance as at January 01, 2019

Surplus for the period January 01, 2019 to June 30, 2019

Other comprehensive surplus/ (deficit) for the
period January 01, 2019 to June 30, 2019**Total comprehensive surplus for the period****Balance as at June 30, 2019 - (Unaudited)**

Surplus for the period July 01, 2019 to December 31, 2019

Other comprehensive surplus/ (deficit) for the
period July 01, 2019 to December 31, 2019**Total comprehensive surplus for the period****Balance as at December 31, 2019 - (Audited)**

Surplus for the period January 01, 2020 to June 30, 2020

Other comprehensive surplus/ (deficit) for the
period January 01, 2020 to June 30, 2020**Total comprehensive surplus for the period****Balance as at June 30, 2020 - (Unaudited)**

Attributable to Participants' Takaful Fund			
Ceded Money	Accumulated Surplus / (deficit)	Fair Value Reserve	Total
Rupees in thousand			
500	(28,849)	-	(28,349)
-	71,595	-	71,595
-	-	-	-
-	71,595	-	71,595
500	42,746	-	43,246
-	38,040	-	38,040
-	-	-	-
-	38,040	-	38,040
500	80,786	-	81,286
-	39,468	-	39,468
-	-	-	-
-	39,468	-	39,468
500	120,254	-	120,754

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


Umer Mansha
Chairman

Ibrahim Shamsi
Director

Shaikh Muhammad Jawed
Director

Muhammad Asim Nagi
Chief Financial Officer

Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Condensed Interim Cash Flow Statement (Unaudited)

For The Six Month Period Ended June 30, 2020

Operating cash flows

(a) Takaful activities

Contributions received
Wakala fee received / (paid)
Re - takaful / co-takaful paid
Claims paid
Re - takaful and other recoveries received
Commissions paid
Commissions received
Management expenses paid
Other underwriting payments
Net cash inflows / (outflows) from takaful activities

(b) Other operating activities

Income tax paid
Other payments / (receipts)
Expenses paid
Net cash (outflows) / inflows from other operating activities

Total cash inflows / (outflows) from operating activities

(c) Investment activities

Profit received on bank deposits and investments
Payment for investments
Proceeds from disposal of investments
Fixed capital expenditures

Total cash inflows from investing activities

(d) Financing activities

Contribution to Operator's fund
Ceded money

Total cash inflows from financing activities

Net Cash inflows / (outflows) from all activities

Cash and cash equivalent at the beginning of the period

Cash and cash equivalent at the end of the period

Reconciliation to profit and loss account

Operating cash flows
Depreciation expense
Amortization expense
(Decrease) / Increase in assets other than cash
(Increase) / Decrease in liabilities other than cash
Investment income
Return on bank deposits

Net profit / surplus for the period

Attributed to

Operator's Takaful Fund
Participants' Takaful Fund

Operator's Takaful Fund		Participants' Takaful Fund	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand			

-	-	633,916	566,846
307,572	195,712	(307,572)	(195,712)
-	-	(65,581)	(72,581)
-	-	(303,823)	(314,066)
-	-	(45,723)	11,306
(28,731)	(53,216)	-	-
-	-	26,667	21,906
(76,238)	(108,967)	-	-
-	-	(14,766)	(28,065)
202,603	33,529	(76,882)	(10,366)

(808)	(1,092)	-	-
-	-	35,484	(9,693)
-	-	-	-
(808)	(1,092)	35,484	(9,693)
201,795	32,437	(41,398)	(20,059)

5,385	10,211	26,542	15,883
(34,628)	(1,144)	-	(50,000)
34,632	-	-	-
(2,221)	(1,661)	-	-
3,168	7,406	26,542	(34,117)

-	-	-	-
-	-	-	-
-	-	-	-

204,963	39,843	(14,856)	(54,176)
91,895	102,039	434,658	432,489
296,858	141,882	419,802	378,313

201,795	32,437	(41,398)	(20,059)
(1,304)	(3,431)	-	-
(2,603)	-	-	-
(83,421)	(21,044)	548,453	151,015
(61,446)	23,406	(498,025)	(76,874)
3,584	1,345	9,947	-
5,190	8,361	20,491	17,513
61,795	41,074	39,468	71,595

Operator's Takaful Fund		Participants' Takaful Fund	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand			

61,795	41,074	-	-
-	-	39,468	71,595
61,795	41,074	39,468	71,595

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



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

1 Legal status and nature of business

Adamjee Insurance Company Limited ('the Operator') is a public limited company incorporated in Pakistan on September 28, 1960 under the Companies Act, 1913 (now the Companies Act, 2017). The Operator is listed on Pakistan Stock Exchange and is engaged in general takaful business comprising fire & property, marine aviation & transport, motor, accident & health and miscellaneous. The registered office of the Operator is situated at Adamjee House, 80/A, Block E-1, Main Boulevard, Gulberg-III, Lahore.

The Operator was granted authorization on December, 23 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations ("WTO") in respect of general takaful products by the Securities and Exchange Commission of Pakistan ("SECP").

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on January 01, 2016 under the Waqf deed with a ceded money of Rs.500,000. The Waqf deed govern the relationship of Operator and Participants' for management of Takaful operations.

2 Basis of preparation and statement of compliance

These condensed interim financial statements for the six month period ended June 30, 2020 has been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting and the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and General Takaful Accounting Regulations 2019. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard - 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

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

Where the provisions of and directives issued under the Companies Act, 2017 differ, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, General Takaful Accounting Regulations 2019 and the Takaful Rules, 2012 shall prevail.

"During the period, the Operator has adopted and presented this condensed interim financial statements to comply with the requirements of the 'General Takaful Accounting Regulations, 2019 issued by SECP vide its S.R.O. 1416 (I)/2019 dated November 20, 2019. In line with the requirements provided in the Rules, these are the first set of condensed interim financial information of the Operator for the six month period ended June 30, 2020.

Certain changes have been made to the presentation of the financial information. Following prior year figures have been reclassified / rearranged for the purpose of comparison:"

Reclassified from	Reclassified to	Rs. (In 000)
Deferred Wakala Expense	Unearned Contribution Reserve	139,979

These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Operator's for the year ended December 31, 2019. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of December 31, 2019, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in funds and interim cash flow statement and related notes are extracted from condensed interim financial information of the Operator's for the six month period ended June 30, 2019.

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

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

The Operator followed the development of the Covid-19 corona virus and evaluated the extent to which this affected the Operator's operations in the short and long term. The Operator has concluded that they had no significant implications of the pandemic over the operations of the entity.

These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

These condensed interim financial statements are presented in Pakistan Rupees which is the Operator's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

3 Changes in accounting policies

The operator has changed its rate for wakala fee for motor takaful policies from 27.5% to 32.5% of gross contribution underwritten including administrative surcharge during the period.

4 Basis of measurement

These condensed interim financial statements have been prepared under historical cost convention except certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value. All transactions reflected in these financial statements are on accrual basis except for those reflected in cash flow statement.

5 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements are same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2019.

The adoption of General Takaful Accounting Regulations, 2019 does not affect the accounting policies of the Operator and are consistent. The Operator has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 01, 2020, as mentioned in the financial statement for the year ended December 31, 2019. Furthermore, the Operator has adopted the temporary exemption which allows the Operator to defer the application of both IFRS 9 and IFRS 17 until December 31, 2021.

There is no significant impact of such changes on this condensed interim financial statements of the Operator.

6 Use of estimates and judgments

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Operator's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Operator's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Operator for the year ended December 31, 2019.

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

7 Takaful and Financial risk management

The Operator's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2019.

8 Property and equipment

Opening balance - net book value

Additions during the period

Book value of disposals during the period

Depreciation charged during the period

Closing balance - net book value

Capital work - in - progress

8.1 Additions during the period

Furniture and fixture

Motor vehicles

Office equipment

Computer and related accessories

8.2 Capital work in progress

Opening balance

Additions during the year

Transfer to property and equipment

Transfer to intangibles

Closing balance

This represent amount advanced to Analytics (Private) Limited. for development of Web portal for Takaful Operations.

9 Intangible assets

Opening balance - net book value

Transfer from Capital work-in-progress

Addition during the period

Amortization charged during the period

Closing balance

10 Investments in equity securities

Available for sale

Mutual fund

Meezan Islamic Income Fund
[604,139 units (2019: 604,139 units)]

Unrealized gain on revaluation

Operator's Takaful Fund		
Note	30 June 2020	31 December 2019
Rupees in thousand		
	(Unaudited)	(Audited)
	16,433	12,506
8.1	461	7,219
	-	(841)
	(1,305)	(2,451)
	(1,305)	(3,292)
	15,589	16,433
8.2	2,000	1,300
	17,589	17,733
	-	534
	-	6,292
	299	260
	162	133
	461	7,219

	1,300	3,679
	700	750
	-	(2,379)
	-	(750)
	2,000	1,300

Operator's Takaful Fund					
30 June 2020			31 December 2019		
Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
Rupees in thousand					

(Unaudited)

(Audited)

34,628	-	34,628	31,048	-	31,048
	-	19		-	1,910
		34,647			32,958

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

11 Investments in debt securities

Held - to - maturity

Sukuk certificates

	Participants' Takaful Fund			
	No. of Certificates		Value of Certificates	
	30 June 2020	31 December 2019	Face Value	
				30 June 2020 31 December 2019
	Rupees in thousand			
				(Unaudited) (Audited)
Engro Polymer & Chemicals Limited	500	500	100,000	50,000 50,000
The Hub Power Company Limited (HUBCO)	750	750	100,000	75,000 75,000
				<u>125,000</u> <u>125,000</u>

12 Loans and other receivables - Considered good

	Operator's Takaful Fund		Participants' Takaful Fund	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	Rupees in thousand			
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Advance taxes	-	2,432	-	-
Federal excise duty	-	-	-	1,750
Accrued income	936	1,131	6,744	2,848
Loan to employees	596	1,555	-	-
Security deposits	366	525	-	-
Bid money for tenders	-	-	22,065	17,057
Advances	5,053	1,088	-	-
	<u>6,951</u>	<u>6,731</u>	<u>28,809</u>	<u>21,655</u>

13 Takaful / Re - takaful receivables - Unsecured and considered good

Due from takaful participants' holders

Less: provision for impairment of
takaful participants' holder

Due from other takaful / re - takaful operator's

Less: provision for impairment of due from other
takaful / re - takaful operator's

Participants' Takaful Fund	
30 June 2020	31 December 2019
Rupees in thousand	
(Unaudited)	(Audited)
416,208	230,238
-	-
416,208	230,238
88,062	31,342
-	-
88,062	31,342
504,270	261,580

14 Prepayments

Prepaid re - takaful contribution ceded

Prepaid monitoring charges (Tracking device)

Participants' Takaful Fund	
30 June 2020	31 December 2019
Rupees in thousand	
(Unaudited)	(Audited)
80,922	81,686
18,708	23,693
99,630	105,379

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

Note	Operator's Takaful Fund		Participants' Takaful Fund	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Rupees in thousand				
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
15 Cash and bank				
Cash and cash equivalents:				
Policy stamps in hand	150	-	-	68
Current and other accounts:				
Profit or loss accounts	15.1 296,708	91,895	419,802	434,590
	<u>296,858</u>	<u>91,895</u>	<u>419,802</u>	<u>434,658</u>

15.1 Saving accounts carry expected profit rates ranging from 5% to 11% (2019: 5% to 11%)

	Participants' Takaful Fund	
	30 June 2020	31 December 2019
Rupees in thousand		
	(Unaudited)	(Audited)
16 Takaful / re - takaful payables		
Due to takaful participants' holders	3,252	3,311
Due to other takaful / re - takaful operator's	64,811	35,202
	<u>68,063</u>	<u>38,513</u>

	Operator's Takaful Fund		Participants' Takaful Fund	
	30 June 2020	December 31, 2019	30 June 2020	December 31, 2019
Rupees in thousand				
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
17 Other creditors and accruals				
Agents commission payable	37,618	26,812	-	-
Federal excise duty	-	-	34,500	-
Federal insurance fee	-	-	3,195	2,570
Sales tax payable	558	937	-	-
Income tax deducted at source	6,842	5,427	14,972	11,355
Accrued expenses	2,811	7,186	-	-
Others	7,236	10,666	15,665	4,937
	<u>55,065</u>	<u>51,028</u>	<u>68,332</u>	<u>18,862</u>

18 Contingencies and commitments

There has been no significant change in the contingencies and commitments since the date of preceding published annual financial statements.

	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand				
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
19 Net contribution revenue				
Gross contribution written	321,553	307,198	821,605	636,726
Wakala fee	(92,518)	(82,436)	(234,650)	(172,369)
Contribution net of wakala fee	<u>229,035</u>	<u>224,762</u>	<u>586,955</u>	<u>464,358</u>
Unearned contribution revenue - opening	479,666	397,381	377,586	365,389
Unearned contribution revenue - closing	(447,712)	(401,662)	(447,712)	(401,662)
Contribution earned	<u>260,989</u>	<u>220,481</u>	<u>516,829</u>	<u>428,085</u>
Less:				
Re - takaful contribution ceded	74,972	56,155	141,151	124,504
Prepaid re - takaful contribution ceded - opening	76,921	75,264	81,686	64,494
Prepaid re - takaful contribution ceded - closing	(80,922)	(74,250)	(80,922)	(74,250)
Re - takaful expense	<u>70,971</u>	<u>57,169</u>	<u>141,915</u>	<u>114,748</u>
Net contribution	<u>190,018</u>	<u>163,312</u>	<u>374,914</u>	<u>313,337</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

20 Re - takaful rebate

Re - takaful rebate received
 Unearned re - takaful rebate - opening
 Unearned re - takaful rebate - closing
Net re-takaful rebate

For three months period ended		For six months period ended	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand			
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
14,680	10,313	26,667	21,906
15,508	14,027	15,979	12,735
(16,969)	(14,200)	(16,969)	(14,200)
13,219	10,140	25,677	20,441

21 Net Takaful Claims

Claims Paid
 Outstanding claims including IBNR - closing
 Outstanding claims including IBNR - opening
Claim expense

Less:

Re - takaful and other recoveries received
 Re - takaful and other recoveries in respect of
 outstanding claims net of impairment (if any) closing
 Re - takaful and other recoveries in respect of
 outstanding claims net of impairment (if any) opening
Re-takaful and other recoveries revenue
Net claim expense

For three months period ended		For six months period ended	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand			
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
119,269	179,511	303,823	314,066
650,915	217,448	650,915	217,448
(253,192)	(229,570)	(257,810)	(220,606)
516,992	167,389	696,928	310,908
11,438	32,592	57,017	48,024
408,870	75,336	408,870	75,336
(88,076)	(76,396)	(102,336)	(62,534)
332,232	31,532	363,551	60,826
184,760	135,857	333,377	250,082

22 Commission Expense

Commission paid or payable
 Deferred commission - opening
 Deferred commission - closing
Net commission

For three months period ended		For six months period ended	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
Rupees in thousand			
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
17,532	25,011	39,538	48,382
35,469	40,024	41,931	39,148
(29,029)	(40,809)	(29,029)	(40,809)
23,972	24,226	52,440	46,721

23 Wakala Fee

Gross Wakala fee
 Unearned Wakala fee - Opening
 Unearned Wakala fee - Closing
Net wakala fee

92,518	82,436	234,650	172,369
185,787	150,737	139,978	134,721
(175,386)	(151,095)	(175,386)	(151,095)
102,919	82,078	199,242	155,995

The Operator manages the general takaful operations for the participants' and charges 28 % (2019: 28 %) for Fire & Property, 35 % (2019: 35 %) for Marine, Aviation & Transport, 32.5 % (2019: 27.5 %) for Motor, 25 % (2019: 25%) for Health and 25 % (2019: 25 %) for Miscellaneous classes, of gross contribution written including administrative surcharge as wakala fee against the services.

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

24 Management Expenses

	For three months period ended		For six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Rupees in thousand			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employee benefit cost	22,878	17,494	44,771	35,564
Depreciation	658	621	1,304	1,231
Amortization	1,302	1,168	2,603	2,200
Advertisement and sales promotion	-	1,870	-	3,034
Rent, rates and taxes	1,398	722	2,032	1,490
Communication	338	323	682	690
Legal and professional charges - business related	-	-	-	123
Travelling and conveyance expenses	256	698	1,079	1,270
Shared expenses	4,680	2,870	9,546	6,391
Entertainment	57	848	552	1,225
Printing, stationery and postage	29	161	215	345
Annual supervision fee SECP	551	370	1,101	741
Bank charges	8	15	18	24
Repairs and maintenance	143	89	1,254	265
Others	1,487	2,863	3,392	4,801
	33,785	30,112	68,549	59,394

25 Investment income

Operator's Takaful Fund

Profit on

Mutual funds - dividend income	24	1,345	24	1,345
Mutual funds - Capital Gain	3,560	-	3,560	-
	3,584	1,345	3,584	1,345

Participants' Takaful Fund

Profit on

Sukuks	5,458	1,279	9,947	2,475
	5,458	1,279	9,947	2,475

26 Other income

Operator's Takaful Fund

Profit on bank deposits	5,190	8,358	5,190	8,358
Other Income	-	5	-	5
	5,190	8,363	5,190	8,363

Participants' Takaful Fund

Profit on bank deposits	9,009	8,655	20,491	15,038
	9,009	8,655	20,491	15,038

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

27 Transactions with related parties

The Operator has related party relationship with its associates, subsidiary company, employee retirement benefit plans, key management personnel and other parties. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Balances and transactions with related party are disclosed in relevant notes to this financial statements.

	30 June 2020	30 June 2019
	Rupees in thousand	
	(Unaudited)	(Unaudited)
i) Transactions		
Subsidiary Company		
Contribution underwritten	1,551	1,113
Contribution received	1,552	943
Claims paid	639	181
Other related parties		
Contribution underwritten	83,155	77,283
Contribution received	89,272	84,164
Claims paid	24,043	26,216
Income on bank deposits	9,245	1,504
ii) Period end balances		
Subsidiary Company		
Balances payable	339	25
Balances receivable	-	170
Contribution received in advance	-	178
Other related parties		
Balances receivable	9,624	9,731
Balances payable	25,112	10,690
Cash and bank balances	249,146	16,561
Contribution received in advance	325	-

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

28 Segment Information

Each class of business has been identified as reportable segment. Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000. The following is a schedule of class of business wise assets and liabilities.

Participants' Takaful Fund						
June 30, 2020 (Unaudited)						
Fire & property	Marine aviation & transport	Motor	Accident & health	Miscellaneous	Total	
Rupees in thousand						
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	83,882	23,262	383,166	329,100	74,652	894,062
Less : Federal Excise Duty	(10,866)	(3,000)	(46,123)	(1,783)	(9,388)	(71,160)
Federal Insurance Fee	(722)	(201)	(2,937)	(3,241)	(646)	(7,747)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	72,294	20,061	334,106	324,076	64,618	815,155
Facultative inward contribution	528	-	-	-	5,922	6,450
Gross Contribution Written	72,822	20,061	334,106	324,076	70,540	821,605
Wakala fee	(20,390)	(7,021)	(108,585)	(81,019)	(17,635)	(234,650)
Contribution net of wakala fee	52,432	13,040	225,521	243,057	52,905	586,955
Contribution earned	63,781	13,589	241,183	160,447	37,829	516,829
Takaful contribution ceded to re - takaful	(71,704)	(16,190)	(13,994)	-	(40,027)	(141,915)
Net takaful contribution	(7,923)	(2,601)	227,189	160,447	(2,198)	374,914
Re-takaful rebate	14,214	3,467	-	-	7,996	25,677
Net underwriting income	6,291	866	227,189	160,447	5,798	400,591
Takaful claims	(364,823)	(552)	(160,649)	(170,960)	56	(696,928)
Re - takaful and other recoveries	334,756	569	28,153	-	73	363,551
Net claims	(30,067)	17	(132,496)	(170,960)	129	(333,377)
Contribution deficiency reserve				(25,716)		(25,716)
Direct expense	(400)	(87)	(28,296)	(1,371)	(325)	(30,479)
Net takaful claims and expenses	(30,467)	(70)	(160,792)	(198,047)	(196)	(389,572)
(Deficit) / surplus before investment income	(24,176)	796	66,397	(37,600)	5,602	11,019
Other income						9,947
Investment income						20,491
Mudarib fee						(1,989)
Surplus transferred to Balance of PTF						39,468
Corporate segment assets	439,882	17,239	243,205	198,906	94,830	994,062
Corporate unallocated assets	-	-	-	-	-	592,319
Total assets	439,882	17,239	243,205	198,906	94,830	1,586,381
Corporate segment liabilities	442,512	7,925	410,455	326,838	63,105	1,250,835
Corporate unallocated liabilities	-	-	-	-	-	214,792
Total liabilities	442,512	7,925	410,455	326,838	63,105	1,465,627

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)

Less : Federal Excise Duty

Federal Insurance Fee

Gross Direct Written Contribution

(inclusive of Administrative Surcharge)

Facultative inward contribution

Gross Contribution Written

Wakala fee

Contribution net of wakala fee

Contribution earned

Re - takaful expense

Net contribution revenue

Net rebate on re - takaful

Net underwriting income

Takaful claims

Re - takaful and other recoveries

Net claims

Contribution deficiency reserve

Direct expense

Net takaful claims and expenses

Surplus / (deficit) before investment income

Other income

Investment income

Mudarib fee

Surplus transferred to Balance of PTF

Participants' Takaful Fund					
June 30, 2019 (Unaudited)					
Fire & property	Marine aviation & transport	Motor	Accident & health	Miscellaneous	Total
Rupees in thousand					
75,903	15,974	461,054	121,846	68,960	743,737
(10,380)	(2,184)	(63,050)	(16,663)	(9,430)	(101,707)
(649)	(137)	(3,941)	(1,041)	(589)	(6,357)
64,874	13,653	394,063	104,142	58,941	635,673
525	108	-	-	420	1,053
65,399	13,761	394,063	104,142	59,361	636,726
(18,312)	(4,816)	(108,367)	(26,034)	(14,840)	(172,369)
47,087	8,945	285,696	78,108	44,521	464,358
53,537	9,272	251,824	84,229	29,223	428,085
(61,214)	(11,076)	(8,677)	-	(33,781)	(114,748)
(7,677)	(1,804)	243,147	84,229	(4,558)	313,337
12,163	2,356	-	-	5,922	20,441
4,486	552	243,147	84,229	1,364	333,778
(19,039)	(5,699)	(173,594)	(103,359)	(9,217)	(310,908)
15,994	4,565	31,972	-	8,295	60,826
(3,045)	(1,134)	(141,622)	(103,359)	(922)	(250,082)
-	-	-	(4,294)	-	(4,294)
(308)	(40)	(24,537)	(276)	(159)	(25,320)
(3,353)	(1,174)	(166,159)	(107,929)	(1,081)	(279,696)
1,133	(622)	76,988	(23,700)	283	54,082
					15,038
					2,475
					-
					71,595

Participants' Takaful Fund					
December 31, 2019 (Audited)					
Fire & property	Marine aviation & transport	Motor	Accident & health	Miscellaneous	Total
Rupees in thousand					
168,093	14,798	259,075	65,903	77,713	585,582
-	-	-	-	-	605,006
168,093	14,798	259,075	65,903	77,713	1,190,588
160,639	12,411	526,003	172,859	72,068	943,980
-	-	-	-	-	165,324
160,639	12,411	526,003	172,859	72,068	1,109,304

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

Operator's Takaful Fund						
June 30, 2020 (Unaudited)						
Fire & property	Marine aviation & transport	Motor	Accident & health	Miscellaneous	Total	
Rupees in thousand						
Wakala fee income	24,804	7,317	101,030	53,482	12,609	199,242
Less : Commission expense	(13,343)	(3,003)	(24,456)	(5,612)	(6,026)	(52,440)
Management expenses	(17,442)	(3,926)	(31,968)	(7,336)	(7,877)	(68,549)
	(5,981)	388	44,606	40,534	(1,294)	78,253
Mudarib's share of PTF investment income						1,989
Investment income						3,584
Direct expenses						(1,980)
Other income						5,190
Profit before tax						87,036
Corporate segment assets	7,971	123	13,668	3,596	3,671	29,029
Corporate unallocated assets	-	-	-	-	-	518,612
Total assets	7,971	123	13,668	3,596	3,671	547,641
Corporate segment liabilities	15,470	324	98,634	49,722	11,236	175,386
Corporate unallocated liabilities	-	-	-	-	-	81,384
Total liabilities	15,470	324	98,634	49,722	11,236	256,770

	Operator's Takaful Fund					
	June 30, 2019 (Unaudited)					
	Fire & property	Marine aviation & transport	Motor	Accident & health	Miscellaneous	Total
	Rupees in thousand					
Wakala fee income	20,820	4,993	92,395	28,074	9,713	155,995
Less : Commission expense	(10,037)	(2,295)	(25,018)	(5,963)	(3,408)	(46,721)
Management expenses	(12,759)	(2,918)	(31,804)	(7,580)	(4,333)	(59,394)
	(1,976)	(220)	35,573	14,531	1,972	49,880
Mudarib's share of PTF investment income						-
Investment income						1,345
Other expenses						(1,729)
Other income						8,363
Profit before tax						57,859

Operator's Takaful Fund						
December 31, 2019 (Audited)						
Fire & property	Marine aviation & transport	Motor	Accident & health	Miscellaneous	Total	
Rupees in thousand						
Corporate segment assets	21,854	2,216	63,741	16,738	8,315	112,864
Corporate unallocated assets	-	-	-	-	-	313,427
Total assets	21,854	2,216	63,741	16,738	8,315	426,291
Corporate segment liabilities	19,884	620	91,079	22,185	6,211	139,979
Corporate unallocated liabilities	-	-	-	-	-	55,893
Total liabilities	19,884	620	91,079	22,185	6,211	195,872

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

29 Fair values of financial instruments

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

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

Note	Participants' Takaful Fund								
	June 30, 2020 (Unaudited)								
	Carrying amount					Fair value			
	Held to maturity	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees in thousand								

Financial assets not measured at fair value

Investments - Debt securities	11	125,000	-	-	-	125,000	-	-	-
Loan and other receivables	12	-	28,809	-	-	28,809	-	-	-
Takaful / re - takaful receivables	13	-	504,270	-	-	504,270	-	-	-
Re - takaful recoveries against outstanding claims		-	376,323	-	-	376,323	-	-	-
Salvage recoveries accrued		-	32,547	-	-	32,547	-	-	-
Cash and bank deposits	15	-	-	419,802	-	419,802	-	-	-
		<u>125,000</u>	<u>941,949</u>	<u>419,802</u>	<u>-</u>	<u>1,486,751</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities not measured at fair value

Outstanding claims including IBNR	21	-	-	-	650,915	650,915	-	-	-
Takaful / re - takaful payables		-	-	-	68,063	68,063	-	-	-
Other creditors and accruals	17	-	-	-	15,665	15,665	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>734,643</u>	<u>734,643</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

Note	Participants' Takaful Fund							
	December 31, 2019 (Audited)							
	Carrying amount					Fair value		
	Held to maturity	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Rupees in thousand							

Financial assets not measured at fair value

Investments - Debt securities	11	125,000	-	-	-	125,000	-	-	-	-
Loan and other receivables	12	-	21,655	-	-	21,655	-	-	-	-
Takaful / re - takaful receivables	13	-	261,580	-	-	261,580	-	-	-	-
Re - takaful recoveries against outstanding claims		-	88,706	-	-	88,706	-	-	-	-
Salvage recoveries accrued		-	13,631	-	-	13,631	-	-	-	-
Cash and bank deposits	15	-	-	434,658	-	434,658	-	-	-	-
		-	-	-	-	-	-	-	-	-
		<u>125,000</u>	<u>385,572</u>	<u>434,658</u>	<u>-</u>	<u>945,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities not measured at fair value

Outstanding claims including IBNR	21	-	-	-	257,810	257,810	-	-	-	-
Takaful / re - takaful payables		-	-	-	38,513	38,513	-	-	-	-
Wakala and mudarib fee payable		-	-	-	70,933	70,933	-	-	-	-
Other creditors and accruals	17	-	-	-	4,937	4,937	-	-	-	-
		-	-	-	372,193	372,193	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>372,193</u>	<u>372,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

Note	Operator's Takaful Fund								
	June 30, 2020 (Unaudited)								
	Carrying amount					Fair value			
	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees in thousand								

Financial assets measured at fair value

Investments - Equity securities	10	34,647	-	-	-	34,647	-	34,647	-	34,647
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Financial assets not measured at fair value

Loan and other receivables	12	-	1,898	-	-	1,898	-	-	-	-
Cash and bank deposits	15	-	-	296,858	-	296,858	-	-	-	-
		34,647	1,898	296,858	-	333,403	-	34,647	-	34,647

Financial liabilities not measured at fair value

Other creditors and accruals	17	-	-	-	47,665	47,665	-	-	-	-
		-	-	-	47,665	47,665	-	-	-	-

Note	Operator's Takaful Fund								
	December 31, 2019 (Audited)								
	Carrying amount					Fair value			
	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees in thousand								

Financial assets measured at fair value

Investments - Equity securities	10	32,958	-	-	-	32,958	-	32,958	-	32,958
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Financial assets not measured at fair value

Loan and other receivables	12	-	3,211	-	-	3,211	-	-	-	-
Wakala and mudarib fee receivable		-	70,933	-	-	70,933	-	-	-	-
Cash and bank deposits	15	-	-	91,895	-	91,895	-	-	-	-
		32,958	74,144	91,895	-	198,997	-	32,958	-	32,958

Financial liabilities not measured at fair value

Other creditors and accruals	17	-	-	-	44,664	44,664	-	-	-	-
		-	-	-	44,664	44,664	-	-	-	-

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Six Month Period Ended June 30, 2020

	Operator's Takaful Fund	Participants' Takaful Fund
	Available for sale	Held to Maturity
	Rupees in thousand	
30 Movement in Investment - Available for sale		
At the beginning of previous year	29,930	-
Additions	1,144	125,000
Disposals	-	-
Fair value on gains (excluding net realized gain)	1,884	-
At the beginning of current period	32,958	125,000
Additions	34,627	-
Disposals	(31,048)	-
Fair value on gains (excluding net realized gain)	(1,891)	-
At the end of current period	34,647	125,000

31 Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the period ended June 30, 2020.

32 Date of authorization for issue

These condensed financial statements were authorized for issue on 24 August 2020 by the Board of Directors of the Operator.

33 General

33.1 Corresponding figures have been rearranged and reclassified for better presentation, where considered necessary.

33.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.



Umer Mansha
Chairman



Ibrahim Shamsi
Director



Shaikh Muhammad Jawed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer



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