

Date: September 04, 2020

Form-8

**The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.**

Subject: Transmission of Half-Yearly Report for the Period Ended June 30, 2020

Dear Sir,

We have to inform you that the Half-Yearly Report of the Company for the period ended June 30, 2020 has been transmitted through PUCARS and is also available on Company's Website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,



**Danish Qazi
Company Secretary**



Half Yearly Report

30 June 2020

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Company Information

BOARD OF DIRECTORS

Mr. Jameel Yusuf (S.St.)
Mr. Muhammad Ali Jameel
Ms. Naila Kassim
Mr. Andrew Borda
Mr. Rana Assad Amin
Syed Nadir Shah

Chairman
Director
Director
Director
Director

Mr. Muhammad Aminuddin

Chief Executive Officer

BOARD COMMITTEES

Ethics, Human Resources, Remuneration & Nomination Committee

Syed Nadir Shah
Mr. Muhammad Ali Jameel
Mr. Rana Assad Amin
Mr. Nader Nawaz

Chairman
Member
Member
Secretary

Investment Committee

Mr. Muhammad Ali Jameel
Mr. Andrew Borda
Mr. Muhammad Aminuddin
Syed Kazim Hasan

Chairman
Member
Member
Secretary

Audit Committee

Syed Nadir Shah
Mr. Rana Assad Amin
Mr. Andrew Borda
Mr. Yousuf Zohaib Ali

Chairman
Member
Member
Secretary

MANAGEMENT COMMITTEES:

Risk Management and Compliance Committee

Mr. Andrew Borda
Mr. Muhammad Aminuddin
Syed Kazim Hasan
Ms. Shayan Mufti

Chairman
Member
Member
Secretary

Underwriting Committee

Mr. Andrew Borda
Syed Kazim Hasan
Mr. Altaf Ahmed Siddiqi
Mr. Shumail Iqbal

Chairman
Member
Member
Secretary

Claim Settlement Committee

Mr. Muhammad Aminuddin
Syed Ali Hassan Zaidi
Syed Kazim Hasan
Mr. Ovais Alam

Chairman
Member
Member
Secretary

Reinsurance & Co-insurance Committee

Mr. Andrew Borda
Syed Kazim Hasan
Mr. Altaf Ahmed Siddiqi
Ms. Shadab Khan

Chairman
Member
Member
Secretary

BANKERS

Al-Baraka Bank Pakistan Ltd.
Bank Al Habib Ltd.
Bank Islami Pakistan Ltd.
Dubai Islamic Bank Pakistan Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
Mobilink Micro Finance Bank Ltd.
National Bank of Pakistan
Silk Bank Ltd.
Summit Bank Ltd.
Telenor Micro Finance Bank Ltd.
United Bank Ltd.
Samba Bank Ltd.
MCB Islamic Bank Ltd.

AUDITORS

EY Ford Rhodes
Chartered Accountants

LEGAL ADVISOR

Lari & Co.
Maritime & Insurance Advocates

SHARE REGISTRAR

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.
Karachi-75400, Pakistan.
Tel: 021.34168270
UAN: 021.111.000.322
Fax: 021.34168271

REGISTERED OFFICE

11th & 12th Floor, Centrepont,
Off Shaheed-e-Millat Expressway,
Adjacent KPT Interchange Flyover,
Karachi, Postal Code: 74900
Fax: 021.35316032
UAN: 021.111.000.301
Tel: 021.37130223

WEB PRESENCE

www.tplinsurance.com



Geographical Presence

Karachi Head Office

11th Floor, Centrepont, Off Shaheed-e-Millat
Expressway, Adjacent K.P.T. Interchange,
Karachi - 74900
Tel: 021.37130223 Fax: 021.35316031-2
UAN: 021.111.000.30

Export Processing Zone (EPZ)

Branch Office
EPZ Landhi, Plot # N-4, Sector B-III,
Phase-1, Export Processing Zone,
Landhi, Karachi.

Lahore Branch Office

4th Floor, Tower 75 A, Block L,
Gulberg III, Kalma Chowk,
Main Ferozpur Road Lahore.
Tel: 042-35209000 UAN: 042.111.000.301
Fax: 042.35157233

Islamabad Branch Office

55-B, 10th Floor (South) ISE Tower,
Jinnah Avenue, Blue Area, Islamabad.
UAN: 051.111.000.301 Fax: 051.2895073

Faisalabad Branch Office

Oce No. 4-02, 4th floor Meezan Executive
Tower, Civil Lines, Faisalabad.
UAN: 051.111.000.301 Tel: 041.8501471-3
Fax: 041.8501470

Multan Branch Office

Haider Street, Shalimar Colony
Northern Bypass-Boson Road Multan.
UAN: 061.111.000.301 Fax: 061.44243451

Hyderabad Branch Office

A-8, District Council Complex, Hyderabad.
Tel: 022.2728676 Fax: 022.2783154

Directors' Report

For the Six months period ended 30 June 2020

On behalf of the Board of Directors, I am pleased to present the condensed interim financial statements of the Company for the six months period ended 30 June 2020.

During the period, the Company reported Gross Written Premium of Rs. 1,209 million Vs Rs. 1,189 million at H1 2019 (including Window Takaful Operations), registering a slight decline of Rs. 27 million compared to prior year. During the period, COVID 19 pandemic caused country wide lockdowns, closure of businesses across the country and halted the economic activity. For the first time in Pakistan's history, no motor sales were recorded for the entire month in April 2020. Vehicle sales declined by 64% YoY at 37,361 units (H1 2019: 103,592 units). Despite the challenges, motor portfolio reported the GWP at Rs. 962 million compared to H1 2019 of Rs. 1,081 million. Health business supported the top-line by contributing Rs. 157 million compared to Rs. 52 million in the same period last year. The Company reported robust growth in bottom-line at profit before tax of Rs. 77 million (H1 2019: Rs. 22 million), including results of Window Takaful operations, mainly attributed to improved claims and investment income.

Despite current challenging economic environment due to Covid 19 Pandemic, our operations continued at optimum level and our customer services remained top of the mark. Our investments in digitization initiatives are paying off and we are able to serve our customers through digital channels. Though pandemic has impacted our top-line growth during the period, we are confident to cover the shortfall through further deepening our relationships with our business partners during second half of the year 2020.

We would like to thank all our stakeholders, business partners, Pakistan Stock Exchange, SECP and staff for their continued support.

For and on behalf of the Board of Directors



Muhammad Aminuddin
Chief Executive Officer
1 September 2020

ڈائریکٹرز رپورٹ:

ڈائریکٹرز کی چھ ماہ کی مدت کے لئے 30 جون 2020 کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 جون 2020 کو ختم ہونے والی چھ ماہ کی مدت کے لئے کمپنی کے متعدد عبوری مالی بیانات پیش کرنے پر بد مسرت ہوں۔

اس عرصے کے دوران، کمپنی نے مجموعی تحریری پریمیم 1,209 ملین روپے ریکارڈ کیا جو کہ پچھلے سال اسی مدت کے مقابلے میں 27 ملین روپے کم ہے (پہلی ششماہی 2019: 1,189 ملین روپے) بشمول ونڈ وکافل آپریشن کے۔ اس عرصے کے دوران کوویڈ 19 وبا کی بیماری نے ملک بھر میں لاک ڈاؤن، ملک بھر میں کاروبار بند کرنے سمیت تمام معاشی سرگرمیوں کو روک دیا۔ پاکستان کی تاریخ میں پہلی بار اپریل 2020 میں پورے مہینے میں کسی بھی موٹر گاڑی کی فروخت ریکارڈ نہیں کی گئی۔ اس مدت کے دوران گاڑیوں کی فروخت میں %64 کمی ریکارڈ کی گئی جو 103,592 کم ہو کر 37,361 ہو گئی۔ ان تمام مشکلات کے باوجود اس مدت کے دوران موٹر انشورنس کا پریمیم 962 ملین روپے حاصل کیا (پہلی ششماہی 2019: 1,081 ملین روپے)۔ نیلیٹھ انشورنس کے کاروبار نے کمپنی کی سیل کو سپورٹ کیا جو پچھلے سال کے 52 ملین روپے کے مقابلے میں 157 ملین روپے رہی۔ اس سال کمپنی کے قیل از ٹیکس منافع میں زبردست بڑھوتری ریکارڈ کی گئی جو کہ 77 ملین روپے رہا بشمول ونڈ وکافل آپریشن کے (پہلی ششماہی 2019: 22 ملین روپے)۔

کوویڈ 19 وبا کی امراض کی وجہ سے حالیہ مشکل معاشی ماحول کے باوجود، ہمارے آپریشنز اچھے طریقے سے چلتے رہے اور ہماری کسٹمر سروسز بھی بہترین رہی۔ ڈیجیٹلائزیشن اقدامات میں ہماری سرمایہ کاری کے بہترین نتائج سامنے آ رہے ہیں اور ہم ڈیجیٹل ٹھیلز کے ذریعہ اپنے صارف کی خدمت کرنے کے اہل ہیں۔ اگرچہ وبا کی مرض نے اس مدت کے دوران ہماری ٹاپ لائن نمونو متاثر کیا ہے، لیکن ہم پرامتداد ہیں کہ سال 2020 کے دوسرے نصف حصے میں اپنے کاروباری شراکت داروں کے ساتھ اپنے تعلقات کو مزید گہرا کرنے کے ذریعے اس کی کوپرا کریں گے۔

ہم اپنے تمام اسٹیک ہولڈرز، کاروباری شراکت داروں، پاکستان اسٹاک ایکسچینج، ایس ای سی پی اور عملی مسلسل حمایت پر ان کا شکریہ ادا کرنا چاہتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



محمد امین الدین

چیف ایگزیکٹو آفیسر

1 ستمبر 2020

FINANCIAL

STATEMENTS

Auditors' Report To Member On Review Of Interim Financial Information

TO THE MEMBERS OF TPL INSURANCE LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of TPL Insurance Limited as at 30 June 2020 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the 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 for the quarters ended 30 June 2020 and 30 June 2019 in the condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information 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 the 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 is 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 audit resulting in this independent auditor's review report is Shaikh Ahmed Salman.

Chartered Accountants
Karachi
1 September 2020

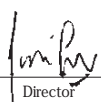
Condensed Interim Statement of Financial Position (Unaudited)

As at 30 June 2020

		Unaudited 30 June 2020	Audited 31 December 2019
ASSETS	Note	----- (Rupees) -----	
Property and equipment	7	405,636,951	419,574,248
Intangible assets		8,077,208	9,565,236
Investments			
Equity securities and mutual fund units	8	78,998,873	88,701,696
Government Securities	9	96,271,046	95,677,804
Debt securities	10	-	125,000,000
Term deposits	11	425,000,000	420,000,000
Loans and other receivables	12	333,089,850	287,866,809
Insurance / reinsurance receivables		429,282,708	308,341,598
Reinsurance recoveries against outstanding claims		89,005,974	34,249,686
Salvage recoveries accrued		108,669,624	55,541,409
Deferred commission expense		121,156,815	156,754,128
Deferred taxation		55,553,019	44,064,267
Prepayments		177,002,428	218,325,462
Cash and bank balances		832,750,317	702,441,602
Total Assets		3,160,494,813	2,966,103,945
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital		938,662,610	938,662,610
Share premium - net of share issuance cost		8,033,837	8,033,837
Accumulated losses		(163,346,405)	(114,008,588)
Other comprehensive income reserve		(35,338,786)	-
Available-for-sale reserve		-	(29,742,761)
Total Shareholders' Fund		748,011,256	802,945,098
Participants' Takaful Fund			
Ceded Money		2,000,000	2,000,000
Accumulated surplus/(deficit)		56,820,409	(50,891,618)
Total Participant's Takaful Fund		58,820,409	(48,891,618)
Total Equity		806,831,665	754,053,480
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		423,774,342	252,522,221
Unearned premium reserves		116,129,766	1,211,232,507
Unearned reinsurance commission		36,006,548	41,427,063
Premium received in advance		12,672,348	15,653,265
Insurance / reinsurance payables		201,270,775	206,886,319
Other creditors and accruals	13	241,422,668	193,713,970
Lease liability against right-of-use asset		261,351,399	276,621,459
Taxation - provision less payment		15,867,402	13,993,661
Total Liabilities		2,353,663,148	2,212,050,465
Total equity and liabilities		3,160,494,813	2,966,103,945
Contingencies and commitment	14		

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman


Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months period ended 30 June 2020

		For the three months period ended		For the six months period ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
Note		(Rupees)			
Net Insurance premium	15	540,632,620	514,570,768	1,090,429,290	1,042,473,818
Net Insurance claims	16	(187,474,194)	(196,155,342)	(439,374,968)	(422,022,958)
Net commission expense	17	(47,672,445)	(70,723,612)	(108,755,476)	(137,919,411)
Insurance claims and commission expense		(235,146,639)	(266,878,954)	(548,130,444)	(559,942,369)
Management expenses		(223,458,959)	(187,574,908)	(432,195,028)	(408,235,506)
Underwriting results		82,027,022	60,116,906	110,103,818	74,295,943
Investment income	18	24,538,203	(2,336,736)	51,691,009	16,526,393
Net unrealized fair value gains on financial assets at fair value through profit or loss		2,184,250	-	2,184,250	-
Net fair value gain on derecognition of financial assets at fair value through profit or loss		994,662	-	994,662	-
Other income		15,713,644	16,075,250	39,763,582	32,473,674
Other expenses		(56,083,128)	(43,625,023)	(108,611,200)	(89,539,174)
Results of operating activities		69,374,653	30,230,397	96,126,121	33,756,836
Financial charges		(9,131,055)	(12,034,010)	(18,903,205)	(12,149,919)
Profit before tax for the period		60,243,598	18,196,387	77,222,916	21,606,917
Income tax expense		(13,156,204)	(3,509,235)	(18,848,706)	(8,822,676)
Profit after tax		47,087,394	14,687,152	58,374,210	12,784,241
Other comprehensive income:					
Items that will be reclassified to income statement:					
Net unrealized diminution on remeasurement of investments classified as 'available for sale'		-	15,713,112	-	18,679,159
Items that will be not reclassified to income statement:					
Changes in fair value of investments classified as financial assets at 'FVOCI'		5,468,243	-	(7,881,735)	-
Related tax impact		(1,715,665)	(4,713,795)	2,285,710	(5,251,290)
Other comprehensive income / (loss) for the period		3,752,578	10,999,317	(5,596,025)	13,427,869
Total comprehensive income for the period		50,839,972	25,686,469	52,778,185	26,212,110
Loss after tax per share - Rupees		(0.33)	(0.30)	(0.53)	(0.44)
Net loss attributable to shareholders' Fund		(31,263,706)	(27,856,903)	(49,337,817)	(40,880,212)
Net surplus attributable to Participants' Takaful Fund		78,351,100	42,544,055	107,712,027	53,664,453
		47,087,394	14,687,152	58,374,210	12,784,241
Other comprehensive income / (loss) attributable to Shareholders' Fund		4,200,445	10,368,067	(5,596,025)	12,160,272
Other comprehensive income attributable to Participants' Takaful Fund		(447,867)	631,250	-	1,267,597
		3,752,578	10,999,317	(5,596,025)	13,427,869

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

For the Six Months Period Ended 30 June 2020

Shareholders' Equity:	
Balance as at 1 January 2019 as reported	3,220
Restatement due to change in accounting policy	(1,000)
Balance as at 1 January 2019 as restated	2,220
Net loss for the period	(1,000)
Change in fair value of available for sale investments	1,000
Total comprehensive income / (loss) for the period	0
Balance as at 30 June 2019	2,220
Balance as at 1 January 2020	2,220
Effect of change in accounting on adoption of IFRS 9 - note 3.2	1,000
Restated balance as at 1 January 2020	3,220
Net loss for the period	(1,000)
Change in fair value of available for sale investments	1,000
Total comprehensive loss for the period	0
Balance as at 30 June 2020	3,220


Condensed Interim Statement of Changes in Equity (Unaudited) - Continued

For the Six Months Period Ended 30 June 2020

	Ceded money	Accumulated deficit	Unrealized gain on revaluation of available-for-sale investments - net of tax	Total
----- (Rupees) -----				
Participants' Takaful Fund:				
Balance as at 1 January 2019 as reported	2,000,000	(173,589,343)	1,311,533	(170,277,810)
Restatement due to change in accounting policy	-	(12,474,594)	-	(12,474,594)
Balance as at 1 January 2019 as restated	2,000,000	(186,063,937)	1,311,533	(182,752,404)
Surplus for the period	-	53,664,453	-	53,664,453
Change in fair value of available for sale investments	-	-	1,267,597	1,267,597
Total comprehensive surplus for the period	-	53,664,453	1,267,597	54,932,050
Balance as at 30 June 2019	2,000,000	(132,399,484)	2,579,130	(127,820,354)
Balance as at 1 January 2020	2,000,000	(50,891,618)	-	(48,891,618)
Surplus for the period	-	107,712,027	-	107,712,027
Balance as at 30 June 2020	2,000,000	56,820,409	-	58,820,409

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Condensed Interim Statement of Cash Flow (Unaudited)

For the Six Months Period Ended 30 June 2020

	30 June 2020	30 June 2019
	----- (Rupees) -----	
Operating cash flow		
(a) Underwriting activities		
Insurance premium received	1,082,694,156	1,218,412,942
Reinsurance premium paid	(138,625,523)	(137,378,912)
Claims paid	(498,841,277)	(560,497,275)
Reinsurance and other recoveries received	122,833,927	166,697,033
Commission paid	(92,015,463)	(185,364,675)
Commission received	37,766,801	32,092,801
Management and other expenses paid	(422,300,138)	(501,924,138)
Net cash flow from underwriting activities	91,512,483	32,037,775
(b) Other operating activities		
Income tax paid	(26,258,495)	(49,999,697)
Other operating receipts / (payments)	(23,272,533)	169,070,977
Loans advanced	(495,090)	(2,717,000)
Loan repayment received	946,668	3,322,812
Net cash used in other operating activities	(49,079,450)	119,677,091
Total cash generated from all operating activities	42,433,033	151,714,867
Investment activities		
Profit / return received	52,673,414	34,704,073
Dividend received	12,256	64,798
Payment for investments	(135,000,000)	(346,864,300)
Proceeds from investments	313,106,252	571,310,722
Proceeds from sale of property, plant and equipment	80,639	-
Fixed capital expenditure	(6,937,090)	(23,181,651)
Total cash generated from investing activities	223,935,471	236,033,642
Financing activities		
Cash dividend paid	-	(1,554,524)
Lease obligation paid	(102,562,830)	(141,301,446)
Financial charges paid	(28,496,959)	(18,696,723)
Total cash used in financing activities	(131,059,789)	(161,552,694)
Net cash generated from / (used in) all activities	135,308,715	226,195,815
Cash and cash equivalents at beginning of period	1,122,441,602	601,924,040
Cash and cash equivalents at end of period	1,257,750,317	828,119,855

Condensed Interim Statement of Cash Flow (Unaudited)

For the Six Months Period Ended 30 June 2020


	30 June 2020	30 June 2019
	----- (Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	42,433,033	151,714,867
Depreciation / amortization / bad debt expense	(124,202,364)	(98,882,966)
Income tax paid	26,258,495	49,999,697
Provision for taxation	(18,848,706)	(8,822,676)
Financial charges	(18,903,205)	(12,149,919)
Investment Income	51,691,009	16,526,393
Net realized fair value gains on financial assets at fair value through profit or loss	2,184,250	-
Net fair value gain on derecognition of financial assets at fair value through profit or loss	994,662	-
Increase / (decrease) in assets other than cash	(90,775,262)	121,905,528
(Increase) / decrease in liabilities other than borrowings	187,542,298	(207,506,680)
Profit after taxation	58,374,210	12,784,241

Cash comprises of cash in hand, policy stamps, bank balances and term deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Director



Chief Executive Officer



Chairman

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

TPL Insurance Limited (the Company) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Company was allowed to work as Window Takaful Operator on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Company is listed at Pakistan Stock Exchange Limited. The principal office of the Company is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan. The Company is owned 73.38% by TPL Corp Limited.

2 BASIS OF PREPARATION

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

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

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

2.3 In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's Fund of the Window Takaful Operations (WTO) of the Company are required to be presented as a single line item in the balance sheet and profit and loss account of the Company. Further, the PTF is not required to be consolidated with the conventional insurance business. The similar requirements have been prescribed by General Takaful Accounting Regulations 2019 issued by SECP. However, as per SECP letter number ID/MDPR/ GTAR/2020/760 dated 19 February 2020, the Company has been granted relaxation from the above requirements and has been allowed line by line consolidation of financial statements of conventional and WTO (including PTF) upto the period ending 31 December 2020. Accordingly, these condensed interim financial statements represent the consolidated condensed interim financial position, results of operations and cashflows of the conventional business and WTO (including PTF) for the period ended 30 June 2020. Comparative figures have also been restated to correspond to current period's presentation.

2.4 A separate set of condensed interim financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated annual audited financial statements for the year ended 31 December 2019 except for the adoption of the following new amendments to International Financial Reporting Standards (IFRSs) by the Company, which became effective for the current period and adoption of IFRS 9 as fully explained in note 3.2.

IFRS 3 - Definition of a Business (Amendments)
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)
IFRS 16 - COVID 19 Related Rent Concessions (Amendments)
IAS 1 / IAS 8 - Definition of Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the above amendments to accounting standards and revised Conceptual Framework did not have any material effect on the Company's unconsolidated condensed interim financial statements.

3.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period:

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 Financials Instruments - Fees in the '10 Percent' test for derecognition of financial liabilities	01 January 2022
IFRS 41 Agriculture - Taxation in fair value measurements	01 January 2022

*Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRSs	01 January 2004
IFRS 17 Insurance Contracts	01 January 2023

3.2 IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The company initially elected to apply temporary exemption from IFRS 9, subsequent to it, the company applied IFRS 9 with application date of 01 January 2020.

Upon adoption of IFRS 9, the Company has not restated comparative information and impact from the adoption of IFRS 9 have been recognised directly in unappropriated profit as of 1 January 2020.

(a) Changes to Classification and measurement of financial assets

The IFRS 9 has replaced current categories of financial assets (Held For Trading (HFT), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of financial assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to statement of profit or loss on derecognition.
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to statement of profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Company's business model was made as at the date of initial application i.e. January 01, 2020, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2020. As a result of the above assessment, the management has concluded as under:

- i) All the investments in units of mutual funds previously classified as 'Available for Sale' will be re-classified as 'at Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Company. The impact has been disclosed in table below. Further, return on Mutual funds is not considered as solely payments of principal and interest.
- ii) The investment in term finance certificates previously classified as "Available for sale" will be reclassified as 'Fair Value through other comprehensive income' as per the business model of the company and characteristics of the financial instrument.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9:

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

	As at 31 December 2019	Impact of adoption of IFRS 9	As at 01 January 2020
Impact on statement of assets and liabilities		(Rupees)	
Investments - 'available for sale'	213,701,696	(213,701,696)	-
Investments - 'at fair value through profit or loss'	-	30,000,000	30,000,000
Investments - 'at fair value through other comprehensive income'	-	183,701,696	183,701,696
Investment- 'at held to maturity'	515,677,804	(515,677,804)	-
Investment- held at amortized cost	-	515,677,804	515,677,804
Impact on statement of changes in equity			
Revaluation loss on available-for- sale investments	(29,742,761)	29,742,761	-
Unrealized appreciation / (diminution) - fair value through other comprehensive income statements	-	(29,742,761)	(29,742,761)

There are no other material impacts on these financial statements upon adoption of IFRS 9 other than as stated above. However, the Company will continue to assess the related impacts and will make appropriate adjustments, if needed.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The financial assets subject to ECL in the case of the Company are:

- i) Insurance receivables/ reinsurance receivables
- ii) Investment in debt securities
- iii) Term deposit receipts
- iv) Bank balance
- v) Loans and advances
- vi) Other receivables

'Considering the nature of the financial assets, the Company has applied the simplified approach allowed under IFRS 9 and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using credit rating of the counterparties/instruments and the related probability of default factors.

Based on the above approach, the impact of ECL is not considered as material to the consolidated interim financial statements.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

Summary of new accounting policies in respect of adoption of IFRS 9

Financial instruments

In the current period, the Company has adopted IFRS 9 "Financial Instruments". See above for an explanation of the impact. Comparative figures for the year ended 31 December 2019 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 "Financial Instruments Recognition and Measurement".

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

- i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity's business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A Financial assets measured 'at fair value through profit or loss' if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

Impairment of financial assets

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5 FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements as at and for the year ended 31 December 2019.

6 PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at 30 June 2020 is considered adequate to meet the expected liability after reinsurance, for claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

		(Unaudited)	(Audited)
		30 June 2020	31 December 2019
		----- (Rupees) -----	
7	PROPERTY AND EQUIPMENT	Note	
	Operating Assets	7.1	98,766,768
	Capital work-in-progress		3,407,392
	Right of use Assets	7.2	303,462,791
			405,636,951
			419,574,248

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

	(Unaudited) 30 June 2020	(Audited) 31 December 2019
	----- (Rupees) -----	
7.1 Operating Assets		
Written down value at the beginning of the period / year	110,855,162	112,939,896
Additions and transfers during the period / year - at cost		
- Leasehold improvements	1,148,325	6,095,685
- Furniture and fixtures	-	1,561,912
- Computer equipments	2,625,538	24,425,514
- Office equipments	620,928	36,300
- Motor vehicles	1,400,000	1,855,000
	5,794,791	33,974,411
Written down value of disposals / write-offs during the period / year	(91,833)	(217,990)
Depreciation for the period / year	(17,791,351)	(35,841,155)
	(17,883,184)	(36,059,145)
Written down value at the end of the period / year	98,766,769	110,855,162
7.2 Right of use Assets		
Written down value at the beginning of the period	306,109,674	195,957,178
Additions and transfers during the period - at cost		
- Building	-	197,964,281
- Tracking devices	96,931,782	129,580,800
	96,931,782	327,545,081
Depreciation for the period	(99,578,665)	(217,392,585)
Written down value at the end of the period	303,462,791	306,109,674

8 INVESTMENT IN EQUITY SECURITIES AND MUTUAL FUNDS

	----- (Unaudited) ----- 30 June 2020			----- (Audited) ----- 31 December 2019		
	Cost	Impairment / Revaluation	Carrying Value	Cost	Impairment / Revaluation	Carrying Value
- Classified as 'available-for-sale'	----- (Rupees) -----					
Related party						
Listed shares						
TPL Properties Limited (3% holding)	-	-	-	100,000,000	(42,544,000)	57,456,000
	-	-	-	100,000,000	(42,544,000)	57,456,000
Others						
Listed shares						
Business Industrial Insurance Company	-	-	-	251,260	(251,260)	-
Bank of Punjab Limited	-	-	-	357,727	(270,135)	87,592
Hub Power Company Limited	-	-	-	357,000	576,500	933,500
Bank of Khyber	-	-	-	162,975	43,069	206,044
Summit Bank Limited	-	-	-	514,765	(496,205)	18,560
	-	-	-	1,643,727	(398,031)	1,245,696
Mutual funds						
Askari Sovereign Yield Enhance	-	-	-	30,000,000	-	30,000,000
	-	-	-	30,000,000	-	30,000,000

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

(Unaudited)			(Audited)		
30 June 2020			31 December 2019		
Cost	Impairment / Revaluation	Carrying Value	Cost	Impairment / Revaluation	Carrying Value

(Rupees)

Classified as 'at fair value through other comprehensive income'

Related party

Listed shares

TPL Properties Limited

(3% holding)

100,000,000	(50,204,800)	49,795,200	-	-	-
100,000,000	(50,204,800)	49,795,200	-	-	-

Others

Listed shares

Business Industrial Insurance Company

Bank of Punjab Limited

Hub Power Company Limited

Bank of Khyber

Summit Bank Limited

251,260	(251,260)	-	-	-	-
357,727	(292,787)	64,940	-	-	-
357,000	368,000	725,000	-	-	-
162,975	52,642	215,617	-	-	-
514,765	(495,565)	19,200	-	-	-
1,643,727	(618,970)	1,024,757	-	-	-

Classified as 'at fair value through profit or loss'

Mutual funds

Askari Sovereign Yield Enhance

AKD Islamic Stock Fund

15,994,666	1,001,126	16,995,792	-	-	-
10,000,000	1,183,124	11,183,124	-	-	-
25,994,666	2,184,250	28,178,916	-	-	-
127,638,393	(48,639,520)	78,998,873	131,643,727	(42,942,031)	88,701,696

			(Unaudited)	(Audited)
			30 June 2020	31 December 2019
			----- (Rupees) -----	
9	INVESTMENT IN GOVERNMENT SECURITIES	Note		
	Classified as 'At amortized cost' (2019: "Held to Maturity")			
	Pakistan Investment Bonds (PIBs)	9.1	96,271,046	95,677,804
			96,271,046	95,677,804

- 9.1 These represent five and ten years Pakistan Investment Bonds having face value of Rs. 100 million (market value of Rs. 103.031 million) [31 December 2019: Rs. 101 million (market value of Rs. 95.763 million)]. These carry mark-up ranging from 7.75% to 12% (31 December 2019: 7.75% to 12%) per annum and will mature between 18 August 2021 to 12 July 2023. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance 2000 and circular No. 15 of 2008 dated 7 July 2008 issued by the Securities and Exchange Commission of Pakistan.

of Pakistan.		(Unaudited)	(Audited)
		30 June 2020	31 December 2019
		----- (Rupees) -----	
10	INVESTMENT IN DEBT SECURITIES		
	Classified as 'At fair value through other comprehensive income' (2019: "Available for sale")		
	Sukuks		
	- Dubai Islamic Bank Pakistan Limited	-	50,000,000
	Term Finance Certificates		
	- JS Bank Limited	-	25,000,000
	- Habib Bank Limited	-	50,000,000
		-	75,000,000
		-	125,000,000

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

		(Unaudited) 30 June 2020	(Audited) 31 December 2019
11	TERM DEPOSITS		
	Note	----- (Rupees) -----	

Classified as 'At amortized cost' (2019: "Held to Maturity")

Deposits maturing within 12 months	11.1	425,000,000	420,000,000
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- 11.1 These carry profit rate ranging from 6% to 12% per annum (2019: 12% to 12.75% per annum).

		(Unaudited) 30 June 2020	(Audited) 31 December 2019
12	LOANS AND OTHER RECEIVABLES		
	Note	----- (Rupees) -----	
	Advance to a related party	12.1 95,000,000	70,000,000
	Receivable from related parties	12.2 26,919,726	36,149,399
	Deposit for hospital enlistment	5,290,000	5,290,000
	Accrued investment income	13,340,651	12,666,006
	Loan and advance to employees	1,877,812	2,158,328
	Placement with a company	12.3 25,000,000	25,000,000
	Advance Ijara Rentals	7,600,000	7,600,000
	Security Deposit	6,051,198	3,048,920
	Receivable from broker	12.4 149,500,000	124,636,758
	Other receivable	2,510,463	1,317,398
		333,089,850	287,866,809

- 12.1 This represents advance to a related party. A special resolution of the shareholders authorising the Company to extend advance upto Rs.300 million was passed in Annual General Meeting of the Company held on 24 April 2019. The balance carries interest at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.

		(Unaudited) 30 June 2020	(Audited) 31 December 2019
12.2	This represents receivable from following related parties.		
	TPL Trakker Limited	3,115,957	287,376
	TPL Properties Limited	-	6,169,128
	TPL Security Services (Private) Limited	192,655	794,655
	TPL Corp Limited	23,521,957	28,809,083
	TPL E-Venture (Private) Limited	89,157	89,157
		26,919,726	36,149,399

- 12.3 This represents placements with Pearl Securities Limited and carries mark up at the rate of 11% per annum (2019: 11%) and will mature by 10 July 2020.

- 12.4 This represents receivable from broker in respect of sale of investments. This has been realised subsequent to the period end.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

	(Unaudited) 30 June 2020	(Audited) 31 December 2019
	----- (Rupees) -----	
13 OTHER CREDITORS AND ACCRUALS		
Commission payable	59,446,533	35,116,516
Creditors	26,733,472	26,537,573
Federal Insurance Fee	2,593,868	2,429,958
Federal Excise Duty (FED) - net	34,541,561	29,530,489
Margin deposit from customers	1,942,411	1,379,911
Security deposit from customers	-	3,000,000
Withholding tax payable	20,787,557	24,100,662
Advance tax on premium	3,910,645	3,734,315
Accrued Expenses	75,531,537	56,636,544
Dividend Payable	1,527,468	1,527,468
Payable to Provident Fund	1,987,109	1,581,599
Payable to a related party	1,573,773	213,612
Others	10,846,734	7,925,323
	241,422,668	193,713,970

14 CONTINGENCIES AND COMMITMENT

There is no change in the status of the contingencies and commitments and is same as disclosed in the financial statements of the Company as at and for the year ended 31 December 2019.

	(Unaudited) For the three months period ended		(Unaudited) For the six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	----- (Rupees) -----			
15 NET INSURANCE PREMIUM				
Written net premium	549,699,555	615,133,217	1,208,940,753	1,236,289,176
Add: Unearned premium reserve opening	1,235,450,832	1,170,501,62	1,211,232,507	1,147,809,592
Less: Unearned premium reserve closing	(1,161,297,666)	(1,190,795,180)	(1,161,297,666)	(1,190,795,180)
Premium earned	623,852,721	594,839,658	1,258,875,594	1,193,303,588
Less: Reinsurance premium ceded	51,081,905	54,258,177	135,334,556	168,355,787
Add: Prepaid reinsurance premium opening	157,222,415	170,841,432	158,195,967	127,304,702
Less: Prepaid reinsurance premium closing	(125,084,219)	(144,830,719)	(125,084,219)	(144,830,719)
Reinsurance expense	83,220,101	80,268,890	168,446,304	150,829,770
Net insurance Premium	540,632,620	514,570,768	1,090,429,290	1,042,473,818

16 NET INSURANCE CLAIMS EXPENSE

Claims paid/ payable	210,018,282	301,117,893	498,841,277	560,497,275
Add: Outstanding claims including IBNR closing	423,774,342	292,775,963	423,774,342	292,775,963
Less: Outstanding claims including IBNR opening	(335,041,580)	(310,032,867)	(252,522,221)	(275,414,335)
Claims expense	298,751,044	283,860,989	670,093,398	577,858,903
Less: Reinsurance and other recoveries received	55,263,031	76,230,386	122,833,927	165,034,635
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	197,675,598	117,575,680	197,675,598	117,575,680
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(141,661,778)	(106,100,419)	(89,791,095)	(126,774,370)
Reinsurance and other recoveries revenue	111,276,851	87,705,647	230,718,430	155,835,945
Net insurance claims expense	187,474,194	196,155,342	439,374,968	422,022,958

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

	(Unaudited)		(Unaudited)	
	For the three months period ended		For the six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
17 NET COMMISSION EXPENSE	(Rupees)			
Commissions paid or payable	33,514,707	95,188,809	116,345,479	169,138,857
Add: Deferred commission - opening	157,026,573	159,597,735	156,754,128	164,770,392
Less: Deferred commission - closing	(121,156,815)	(169,248,562)	(121,156,815)	(169,248,562)
Commission expense	69,384,465	85,537,982	151,942,792	164,660,687
Less: Commission from reinsurers				
Commission received or receivable	14,091,854	13,690,391	37,766,801	32,092,801
Add: Deferred commission - opening	43,626,714	30,709,287	41,427,063	24,233,783
Less: Deferred commission - closing	(36,006,548)	(29,585,308)	(36,006,548)	(29,585,308)
Commission from reinsurance	21,712,020	14,814,370	43,187,316	26,741,276
Net Commission expense	47,672,445	70,723,612	108,755,476	137,919,411

18 INVESTMENT INCOME	(Unaudited)		(Unaudited)	
	30 June 2020		30 June 2019	
Dividend and Mark-Up Income	(Rupees)			
Dividend Income	12,256		1,114,886	
Return on Debt Securities	20,980,250		15,679,324	
Return on Term Deposits	31,539,465		19,668,489	
	52,531,971		36,462,699	
Net realized gains on investments - Available-for-sale				
Gain on disposal/redemption of mutual funds	-		2,157,110	
Total investment income	52,531,971		38,619,809	
Impairment in value of available-for-sale securities				
- Mutual Funds	-		(21,987,740)	
- Equities	-		(2,720)	
less: Investment related Expenses	(840,962)		(102,956)	
	51,691,009		16,526,393	

19 TRANSACTIONS WITH RELATED PARTIES

19.1 The related parties comprise Parent Company, associated undertakings, common directorships, employees provident fund, directors and key management personnel. The balances with / due from and transactions with related parties are as follows:

19.2 Balances and transactions with related parties	(Unaudited)		(Unaudited)	
	30 June 2020		30 June 2019	
	(Rupees)			
TPL Trakker Limited - (associated company)				
Opening balance - receivable	287,376		69,336,860	
Interest charged during the period	26,288,533		19,414,975	
Net expenses charged - group shared costs	(42,727,925)		(9,300,142)	
Rent and other services on tracking units	(112,124,009)		(203,216,076)	
Adjustment against advance	(25,000,000)		-	
Net payment made by the Company	156,391,982		140,628,122	
Closing balance - receivable	3,115,957		16,863,739	
Advance to TPL Trakker Limited - (associated company)				
Balance at the beginning of the period - receivable	70,000,000		200,000,000	
Payment received	-		(60,000,000)	
Adjustment against receivable	25,000,000			
Balance at the end of the period - receivable	95,000,000		140,000,000	

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

19.2 Balances and transactions with related parties (continued)

This represents advance to a related party. A special resolution of the shareholders authorising the Company to extend advance upto Rs.300 million was passed in Annual General Meeting of the Company held on 21 April, 2019. The balance carries interest at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.

	(Unaudited) 30 June 2020	(Unaudited) 30 June 2019
	(Rupees) -----	
TPL Properties Limited- common directorship		
Opening balance - receivable	6169,128	5,215,569
Rent invoices received during the period	(46,351,782)	(61,134,684)
Payment made during the period	46,280,478	33,900,911
Payment Received	(6,097,824)	-
Transferred from Centrepont Management Services (Private) Limited on amalgamation	(1,282,984)	-
Expenses incurred by the company	-	676,920
Closing balance - payable	(1,282,984)	(21,341,284)
Virtual World (Private) Limited - common directorship		
Opening accrued outsourcing expenses	10,198,176	(10,000,000)
Services received during the period	(13,443,501)	(10,705,138)
Expenses incurred by the company	47,963	-
Payments made during the period	13,734,219	9,442,845
Closing accrued outsourcing expenses	(9,859,495)	(11,262,293)
TRG Pakistan Limited		
Balance at the beginning and end of the period - receivable	-	884,936
Provision for doubtful debt	-	(884,936)
Centrepont Management Services (Private) Limited - common directorship		
Opening balance - payable	5,838,687	660,043
Maintenance charges expensed during the period	10,570,541	10,275,751
Maintenance charges paid during the period	(10,570,541)	(10,275,751)
Other movement during the period	(118,724)	-
Transferred to TPL Properties Limited on amalgamation	(1,282,984)	-
Services received during the period	4,971,099	5,984,781
Net payment made during the period	(9,408,078)	(765,962)
Closing balance - payable	-	5,878,862
TPL Security Services (Private) Limited - common directorship		
Opening balance - receivable	794,655	1,934,239
Expenses incurred by the company	520,000	658,846
Services received during the period	(1,122,000)	(1,164,328)
Closing balance - receivable	192,655	1,428,757
TPL Direct Insurance Limited Employees Provident Fund		
Opening balance - payable	1,581,599	4,770,815
Charge for the period	16,833,111	14,793,937
Contribution made during the period	(16,427,601)	(17,566,871)
Closing balance - payable	1,987,109	1,997,881
TPL Life Insurance Limited - common directorship		
Opening balance - receivable / (payable)	(213,612)	(896,108)
Expenses incurred on behalf of the company	1,992,147	2,162,490
Services received from the company	(2,069,324)	(5,195,056)
Net payments made during the period	-	11,677,864
Closing balance - receivable / (payable)	(290,789)	7,749,190
TPL Maps - common directorship (Amalgamated with TPL Trakker Limited w.e.f. 1 July 2019)		
Opening balance - receivable	-	1,186,671
Expenses incurred on behalf of the company	-	81,637
Closing balance - receivable	-	1,268,308

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

	(Unaudited) 30 June 2020	(Unaudited) 30 June 2019
TPL Rupiya - common directorship (Amalgamated with TPL Trakker Limited w.e.f. 1 July 2019)		
	(Rupees)	
Balance at the beginning and end of the period	-	43,662
TPL Corp - parent company		
Opening balance - receivable	28,809,083	129,577
Expenses incurred by / (on behalf of) TPL Corp	(10,187,126)	28,329,735
Payment made by the company	4,900,000	-
Closing balance - receivable	23,521,957	28,459,312
TPL e-Venture Pvt. Limited - common directorship		
Opening balance - receivable	89,157	-
Expenses incurred on behalf of the company	-	51,018
Closing balance - receivable	89,157	51,018

19.3 Remuneration to the key management personnel are in accordance with the terms of their employment. Contribution to the provident fund is in accordance with the Company's staff services rules and other transactions with the related parties are in accordance with the agreed terms.

19.4 The Company has signed up consultancy contract with one of the directors, Mr. Andrew Borda, to assist the Company in underwriting and reinsurance placements. The remuneration agreed during the period amounts to Rs. 7,787,380 (2019: Rs. 8,049,998).

20 SEGMENT REPORTING

	(Unaudited) For the Six months period ended 30 June 2020					
	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Premium (inclusive of Administrative Surcharge)	53,509,676	15,447,218	962,461,799	156,506,591	21,015,469	1,208,940,753
Gross Direct Premium	50,444,198	14,848,130	929,554,954	156,397,648	19,467,540	1,170,712,470
Facultative Inward Premium	2,737,623	176,444	948,448	-	4,621,395	3,862,515
Administrative Surcharge	327,855	422,644	31,958,398	108,944	1,547,927	34,365,768
Insurance premium earned	72,487,354	20,910,683	1,060,778,875	81,832,013	22,866,669	1,258,875,594
Insurance premium ceded to reinsurers	(58,711,665)	(10,267,816)	(88,529,015)	-	(10,937,807)	(68,446,304)
Net insurance premium	13,775,689	10,642,867	972,249,860	81,832,013	11,928,862	1,090,429,290
Commission income	11,966,441	2,497,847	24,101,634	-	4,621,395	43,187,317
Net underwriting income	25,742,130	13,140,714	996,351,494	81,832,013	16,550,257	1,133,616,607
Insurance claims	(44,382,291)	(9,230,318)	(527,227,643)	(72,414,813)	(16,838,333)	(670,093,398)
Insurance claims recovered from reinsurers / salvage	35,156,861	6,559,468	176,374,253	-	12,627,848	230,718,430
Net Claims	(9,225,430)	(2,670,850)	(350,853,390)	(72,414,813)	(4,210,485)	(439,374,968)
Commission expense	(10,875,849)	(3,555,056)	(122,784,510)	(10,354,871)	(4,372,507)	(151,942,793)
Management expenses	(12,849,526)	(3,957,481)	(377,103,738)	(33,396,051)	(4,888,232)	(432,195,028)
Net insurance claims and expenses	(32,950,805)	(10,183,387)	(850,741,638)	(116,165,735)	(13,471,224)	(1,023,512,789)
Underwriting result	(7,208,675)	2,957,327	145,609,856	(34,333,722)	3,079,033	11,013,818
Investment income						51,691,009
Net unrealized fair value gains on financials assets at fair value through profit or loss						2,184,250
Net fair value gain on derecognition of financials assets at fair value through profit or loss						994,662
Other income						39,763,582
Other expenses						(108,611,200)
Results of operating activities						96,126,12
Financial charges						(18,903,205)
Profit before tax for the period						
Corporate segment assets	85,720,107	12,819,076	489,124,725	9,024,583	21,563,264	618,251,755
Corporate unallocated assets						2,542,243,058
Total assets	85,720,107	12,819,076	489,124,725	9,024,583	21,563,264	3,160,494,813
Corporate segment liabilities	105,529,294	19,184,524	1,569,780,349	153,485,367	34,450,422	1,882,429,956
Corporate unallocated liabilities						471,233,192
Total liabilities	105,529,294	19,184,524	1,569,780,349	153,485,367	34,450,422	2,353,663,148

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

(Unaudited)						
For the Six months period ended 30 June 2019						
	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
(Rupees)						
Gross Written Premium (inclusive of Administrative Surcharge)	57,213,714	33,707,291	1,080,959,928	52,284,549	12,123,694	1,236,289,176
Gross Direct Premium	56,810,286	33,242,808	1,043,530,467	50,687,538	11,629,999	1,195,901,098
Facultative Inward Premium	-	-	-	-	-	-
Administrative Surcharge	403,428	464,483	37,429,461	1,597,011	493,695	40,388,078
Insurance premium earned	45,543,397	33,679,615	1,019,013,675	83,090,983	11,975,918	1,193,303,588
Insurance premium ceded to reinsurers	(40,076,952)	(10,316,360)	(94,231,813)	-	(6,204,645)	(150,829,770)
Net insurance premium	5,466,445	23,363,255	924,781,862	83,090,983	5,771,273	1,042,473,818
Commission income	6,684,422	1,802,688	17,798,288	-	455,877	26,741,275
Net underwriting income	12,150,867	25,165,943	942,580,150	83,090,983	6,227,150	1,069,215,093
Insurance claims	(18,240,480)	(19,695,712)	(510,990,158)	(27,431,293)	(1,501,260)	(577,858,903)
Insurance claims recovered from reinsurers / salvage	17,570,547	3,825,206	133,359,831	-	1,080,361	155,835,945
Net Claims	(669,933)	(15,870,506)	(377,630,327)	(27,431,293)	(420,899)	(422,022,958)
Commission expense	(7193,976)	(4,709,284)	(117,556,595)	(32,131,139)	(3,069,692)	(164,660,686)
Management expenses	(18,892,562)	(11,130,497)	(356,944,177)	(17,264,900)	(4,003,370)	(408,235,506)
Net insurance claims and expenses	(26,756,471)	(31,710,287)	(852,131,099)	(76,827,332)	(7,493,961)	(994,919,150)
Underwriting result	(14,605,604)	(6,544,344)	90,449,051	6,263,651	(1,266,811)	74,295,943
Investment income	-	-	-	-	-	16,526,393
Other income	-	-	-	-	-	32,473,674
Other expenses	-	-	-	-	-	(89,539,174)
Results of operating activities	-	-	-	-	-	33,756,836
Financial charges	-	-	-	-	-	(12,149,919)
Profit before tax for the period	-	-	-	-	-	21,606,917
Corporate segment assets	56,687,594	8,022,674	452,296,594	21,639,311	10,480,759	549,126,932
Corporate unallocated assets	-	-	-	-	-	2,333,428,125
Total assets	56,687,594	8,022,674	452,296,594	21,639,311	10,480,759	2,882,555,057
Corporate segment liabilities	68,268,085	12,888,225	1,541,567,325	128,155,428	20,207,193	1,771,086,256
Corporate unallocated liabilities	-	-	-	-	-	366,484,162
Total liabilities	68,268,085	12,888,225	1,541,567,325	128,155,428	20,207,193	2,137,570,418

21 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

As of June 30, 2020 Fair value measurement using			
	Level 1	Level 2	Level 3
	(Rupees)		
Fair value through profit and loss			
Open end mutual funds	-	28,178,916	-
	-	28,178,916	-
Fair value through other comprehensive income			
Quoted Shares	50,819,957	-	-
	50,819,957	-	-

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

	As of December 31, 2019 Fair value measurement using		
	Level 1	Level 2	Level 3
		(Rupees)	
Available for sale			
Quoted Shares	58,701,696	-	-
Open end mutual funds	-	30,000,000	-
	58,701,696	30,000,000	-

22 GENERAL


22.1 Figures have been rounded off to the nearest thousands.

22.2 Corresponding figures have been re-arranged, where necessary, for the purpose of comparison, however there is no material reclassification to report.

23 DATE OF AUTHORISATION FOR ISSUE


These financial statements have been authorised for issue on 01 September 2020 by the Board of Directors of the Company.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

ANNEXURE A

WINDOW TAKAFUL OPERATIONS

Auditors' Report To Member On Review Of Interim Financial Information

TO THE MEMBERS OF TPL INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of TPL Insurance Limited - Window Takaful Operations (the Operator) as at 30 June 2020 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in fund, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the 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 for the quarters ended 30 June 2020 and 30 June 2019 in the condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information 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 the 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 is 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 audit resulting in this independent auditor's review report is Shaikh Ahmed Salman.

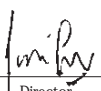
Chartered Accountants
Karachi
September 01, 2020

Window Takaful Operations
Condensed Interim Statement of Financial Position (Unaudited)
As at 30 June 2020

	Note	Operator's Fund		Participants' Takaful Fund	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Rupees)		(Rupees)	
ASSETS					
Equipment	7	-	-	91,322,276	74,314,193
Investments					
Mutual Funds	8	-	-	11,183,124	-
Debt securities		-	-	325,000,000	20,000,000
Term deposits		-	-	336,183,124	400,000,000
					420,000,000
Other receivables including Qard-e-Hasna to PTF of Rs. 103.9 million (2019 : Rs. 203.9 million)	11	121,851,298	213,792,768	-	-
Accrued Investment Income		-	-	5,719,795	6,369,609
Takaful/ retakaful receivable		-	-	160,455,589	152,214,531
Retakaful recoveries against outstanding claims		-	-	7,986,317	3,197,486
Salvage recoveries accrued		-	-	52,819,500	31,602,072
Deferred Wakala expense		-	-	199,221,614	150,405,253
Deferred commission expense		68,063,176	97,920,467	-	-
Prepayments		-	-	26,555,061	29,588,678
Bank balances		3,644,489	1,760,494	184,497,765	149,719,050
Total assets		193,558,963	313,473,729	1,064,761,041	1,017,410,872
EQUITY AND LIABILITIES					
RESERVES ATTRIBUTABLE TO:					
- OPERATOR'S FUND (OF)					
Statutory Fund		50,000,000	50,000,000	-	-
Accumulated losses		(382,205,863)	(264,072,288)	-	-
		(332,205,863)	(214,072,288)	-	-
- WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)					
Ceded money		-	-	2,000,000	2,000,000
Accumulated surplus / (deficit)		-	-	56,820,409	(50,891,618)
Balance of WAQF / PTF		-	-	58,820,409	(48,891,618)
LIABILITIES					
PTF Underwriting provisions					
Outstanding claims (including IBNR)		-	-	187,833,910	128,760,879
Unearned contribution reserve		-	-	533,744,302	588,641,251
Unearned retakaful commission		-	-	1,598,187	2,358,385
Unearned Wakala Fee		199,221,614	150,405,253	-	-
Qard-e-Hasna	5	-	-	103,900,000	203,900,000
Contribution received in advance		-	-	6,100,756	7,552,870
Takaful / retakaful payable		-	-	58,592,842	57,530,032
Other creditors and accruals	12	26,219,339	18,853,352	113,117,161	76,932,995
Payable to TPL Insurance Limited		298,878,521	356,847,364	1,053,474	626,078
Taxation - provision less payments		1,445,352	1,440,048	-	-
Total Liabilities		525,764,826	527,546,017	1,005,940,632	1,066,302,490
Total fund and liabilities		193,558,963	313,473,729	1,064,761,041	1,017,410,872

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Window Takaful Operations
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the Six Months Period Ended 30 June 2020

		For the three months period ended		For the six months period ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Note	----- (Rupees) -----		----- (Rupees) -----	
'Participants' Takaful Fund					
Contribution earned net of wakala fee		199,956,826	193,363,159	417,277,413	385,483,412
Less: Contribution ceded to retakaful		(13,440,622)	(22,341,276)	(26,016,450)	(45,106,208)
Net takaful contribution	13	186,516,204	171,021,883	391,260,963	340,377,204
Net claims - reported / settled - IBNR	14	(93,706,062) 4,026,839	(95,996,071) -	(244,464,525) 1,026,839	(222,965,044) -
		(89,679,223)	(95,996,071)	(243,437,686)	(222,965,044)
Other direct expenses		(24,790,506)	(38,461,149)	(53,237,864)	(75,211,149)
Surplus before investment income		72,046,475	36,564,663	94,585,413	42,201,011
Investment income		11,921,491	9,984,933	25,166,193	17,819,290
Net unrealized fair value gains on financials assets at fair value through profit or loss		735,257	-	1,183,124	-
Net fair value gain on derecognition of financials assets at fair value through profit or loss		-	-	-	-
Less: Modarib's share of investment income		(3,931,384)	(2,995,480)	(7,904,795)	(5,345,787)
Financial charges		(2,420,739)	(1,010,061)	(5,317,908)	(1,010,061)
Surplus for the period		78,351,100	42,544,055	107,712,027	53,664,453
Other comprehensive income :					
Items that will be reclassified to income statement:					
Net unrealized diminution on remeasurement of investments classified as 'available for sale'		-	631,250	-	1,267,597
Items that will be not reclassified to income statement:					
Changes in fair value of investments classified as financial assets at 'FVOCI'		-	-	-	-
Total other comprehensive income		-	631,250	-	1,267,597
Total comprehensive income for the period		78,351,100	43,175,305	107,712,027	54,932,050
'Operator's Fund					
Wakala fee	15	95,163,119	70,665,874	175,561,693	140,064,088
Commission expense		(38,425,484)	(39,355,083)	(85,981,627)	(71,285,220)
Management expenses		(86,830,270)	(70,555,072)	(161,034,407)	(134,763,886)
		(30,092,635)	(39,244,281)	(71,454,341)	(65,985,018)
Modarib's share of PTF investment income		3,931,384	2,995,480	7,904,795	5,345,787
Investment income		46,565	37,047	90,039	42,024
		(26,114,686)	(36,211,754)	(63,459,507)	(60,597,207)
Other expenses		(27,399,710)	(9,722,257)	(51,920,720)	140,064,088
Loss before taxation		(53,514,396)	(45,934,011)	(115,380,227)	(91,084,955)
Taxation - net		(1,487,116)	(1,284,859)	(2,753,348)	(2,181,778)
Loss after tax for the period		(55,001,512)	(47,218,870)	(118,133,575)	(93,266,733)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(55,001,512)	(47,218,870)	(118,133,575)	(93,266,733)


The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Window Takaful Operations
Condensed Interim Statement of Changes In Fund (Unaudited)
For the Six Months Period Ended 30 June 2020

Attributable to Operator of the Company				
	Statutory Fund	Accumulated profit / (loss)	Unrealized gain on revaluation of available for sale investments - net of tax	Total
----- (Rupees) -----				
Balance as at 1 January 2019	50,000,000	(50,801,948)	-	(801,948)
Net loss for the period	-	(93,266,733)	-	(93,266,733)
Balance as at 30 June 2019	50,000,000	(144,068,681)	-	(94,068,681)
Balance as at 1 January 2020	50,000,000	(264,072,288)	-	(214,072,288)
Net loss for the period	-	(118,133,575)	-	(118,133,575)
Balance as at 30 June 2020	50,000,000	(382,205,863)	-	(332,205,863)

Attributable to Participants of the PTF				
	Ceded Money	Accumulated deficit	Unrealized gain on revaluation of available for sale investments - net of tax	Total
----- (Rupees) -----				
Balance as at 1 January 2019	2,000,000	(173,589,343)	1,311,533	(170,277,810)
Restatement due to change in accounting policy	-	(12,474,594)	-	(12,474,594)
Balance as at 1 January 2019 as restated	2,000,000	(186,063,937)	1,311,533	(182,752,404)
Surplus for the period	-	53,664,453	-	53,664,453
Unrealized gain on revaluation of - available-for-sale investments	-	-	1,267,597	1,267,597
Total comprehensive surplus for the period	-	53,664,453	1,267,597	54,932,050
Balance as at 30 June 2019	2,000,000	(132,399,484)	2,579,130	(127,820,354)
Balance as at 1 January 2020	2,000,000	(50,891,618)	-	(48,891,618)
Surplus for the period	-	107,712,027	-	107,712,027
Balance as at 30 June 2020	2,000,000	56,820,409	-	58,820,409


The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Window Takaful Operations
Condensed Interim Statement of Cash Flow (Unaudited)
For the Six Months Period Ended 30 June 2020

	Operator's Fund		Participants' Takaful Fund	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	(Rupees)			
Operating activities				
(a) Takaful activities				
Contributions received	-	-	526,146,089	553,621,779
Retakaful contribution paid	-	-	(20,724,961)	(27,316,579)
Claims paid	-	-	(261,296,971)	(279,948,263)
Retakaful and other recoveries received	-	-	50,926,057	68,331,037
Commission paid	(50,276,542)	(92,550,269)	-	-
Commission received	2,260,133	3,046,406	-	-
Wakala fees paid by PTF	214,100,000	146,619,017	(214,100,000)	(146,619,017)
Mudarib fees paid by PTF	7,100,000	5,345,787	(7,100,000)	(5,345,787)
Net cash inflow from takaful activities	173,183,591	62,460,941	73,850,214	162,723,170
(b) Other operating activities				
Income tax paid	(2,828,526)	(30,422,610)	-	-
Direct expenses paid	-	-	(7,735,189)	(28,379,236)
Management and other expenses paid	(189,766,022)	(179,227,254)	-	-
Other operating receipts / (payments)	(78,795,087)	145,265,277	(6,984,503)	73,222,344
Net cash outflow from other operating activities	(271,389,635)	(64,384,587)	(14,719,692)	44,843,108
Total cash generated from / (used in) all operating activities	(98,206,044)	(1,923,646)	(59,130,522)	207,566,278
Investment activities				
Profit / return received	90,039	42,024	25,166,193	14,021,711
Payment for investment in Mutual Funds	-	-	(10,000,000)	-
Qard e Hasna returned by PTF	100,000,000	-	(100,000,000)	-
Proceeds from Mutual Funds	-	-	-	33,333,943
Proceeds from sale of Term Finance Certificates	-	-	20,000,000	-
Proceeds from Government Securities	-	-	-	100,000,000
Total cash (used in) / generated from all operating activities	100,090,039	42,024	(64,833,807)	147,355,654
Financing activities				
Lease obligation paid	-	-	(33,956,742)	(54,293,939)
Total cash used in financing activities	-	-	(561,258)	(1,010,061)
Net cash generated from all activities	1,883,995	(1,881,622)	(40,221,285)	299,617,932
Cash and cash equivalent at beginning of the period	1,760,494	5,046,670	549,719,050	243,824,559
Cash and cash equivalent at end of the period	3,644,489	3,165,048	509,497,765	543,442,491

Window Takaful Operations
Condensed Interim Statement of Cash Flow (Unaudited)
For the Six Months Period Ended 30 June 2020


	Operator's Fund		Participants' Takaful Fund	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	----- (Rupees) -----			
Reconciliation to profit and loss account				
Operating cash flows	(98,206,044)	(1,923,646)	59,130,522	207,566,278
Depreciation	(22,164,220)	(14,842,067)	(38,870,030)	(53,918,314)
Amortization	(952,483)	(812,787)	-	-
Bad debt expense	-	-	(3,000,000)	(7,000,000)
Income tax paid	2,828,526	30,422,610	-	-
Provision for taxation	(2,753,348)	(2,181,778)	-	-
Investment Income	90,039	42,024	25,166,193	17,819,290
Net realized fair value gains on financial assets at fair value through profit or loss	-	-	1,183,124	-
Financial charges expense	-	-	(5,317,908)	(1,010,061)
Increase / (decrease) in assets other than cash	(21,798,761)	57,714,646	80,030,061	24,270,874
(Increase) / decrease in liabilities	24,822,716	(161,685,735)	(10,609,935)	(134,063,612)
Surplus / (Deficit) after taxation	(118,133,575)	(93,266,733)	107,712,027	53,664,454

Definition of cash

Cash comprises of cash in hand, policy stamps, bank balances and term deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.


The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

1 STATUS AND NATURE OF BUSINESS

TPL Insurance Limited (the Company or the Operator) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Operator was allowed to work as Window Takaful Operator (the Operator) on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Operator is listed at Pakistan Stock Exchange Limited. The principal office of the Operator is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan.

- 1.1 For the purpose of carrying on the takaful business, the Operator formed a Waqf / Participant Takaful Fund (PTF) on 20 August 2014 under the Waqf deed. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

2 BASIS OF PREPARATION

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

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

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

- 2.2 These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.
- 2.3 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated annual audited financial statements for the year ended December 31, 2019 except for the adoption of IFRS-9 and the following new amendments to International Financial Reporting Standards (IFRSs) by the Company, which became effective for the current period:

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

IFRS 3 - Definition of a Business (Amendments)
 IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)
 IFRS 16 - COVID 19 Related Rent Concessions (Amendments)
 IAS 1 / IAS 8 - Definition of Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the above amendments to accounting standards and revised Conceptual Framework did not have any material effect on the Company's unconsolidated condensed interim financial statements.

- 3.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period:

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	01 January 2022
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finished

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IFRS 41 Agriculture - Taxation in fair value measurements	01 January 2022

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRSs	01 January 2024
IFRS 17 Insurance Contracts	01 January 2023

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

3.2 IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The company initially elected to apply temporary exemption from IFRS 9, subsequent to it, the company applied IFRS 9 with application date of 01 January 2020.

Upon adoption of IFRS 9, the Company has not restated comparative information and impact from the adoption of IFRS 9 have been recognised directly in unappropriated profit as of January 01, 2020.

(a) Changes to Classification and measurement of financial assets

The IFRS 9 has replaced current categories of financial assets (Held For Trading (HFT), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of financial assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to statement of profit or loss on derecognition.
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to statement of profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Company's business model was made as at the date of initial application i.e. January 01, 2020, and then applied retrospectively to those financial assets that were not derecognised before January 01, 2020. As a result of the above assessment, the management has concluded as under:

- i) All the investments in units of mutual funds previously classified as 'Available for Sale' will be re-classified as 'at Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Company. The impact has been disclosed in table below. Further, return on Mutual funds is not considered as solely payments of principal and interest.
- ii) The investment in term finance certificates previously classified as "Available for sale" will be reclassified as 'Fair Value through other comprehensive income' as per the business model of the company and characteristics of the financial instrument.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9:

Window Takaful Operations
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2020

	As at 31 December 2019	Impact of adoption of IFRS 9	As at 01 January 2020
Impact on statement of assets and liabilities		(Rupees)	
Investments - 'available for sale'	-	-	-
Investments - 'at fair value'			
through other comprehensive income'	-	-	-
Investment- 'at held to maturity'	400,000,000	(400,000,000)	-
Investment- held at amortized cost		400,000,000	400,000,000
Impact on statement of changes In equity			
Unrealised appreciation on 'available-for-sale' investments	-	-	-
Unappropriated profit	-	-	-

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The financial assets subject to ECL in the case of the Company are:

- Takaful receivables/ retakaful recievables
- Investment in debt securities
- Term deposit receipts
- Bank balance
- Other receivables

Considering the nature of the financial assets, the Company has applied the simplified approach allowed under IFRS 9 and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using credit rating of the counterparties/instruments and the related probability of default factors.

Based on the above approach, the impact of ECL is not considered as material to the unconsolidated interim financial statements.

Summary of new accounting policies in respect of adoption of IFRS 9

Financial instruments

In the current period, the Company has adopted IFRS 9 "Financial Instruments". See above for an explanation of the impact. Comparative figures for the year ended December 31, 2019 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 "Financial Instruments Recognition and Measurement".

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to counter parties are recognised when funds are transferred to the counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

- i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity's business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and profit (SPPI) on the principal amount outstanding; or

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

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

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Three Months Period Ended 31 March 2020

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

		(Unaudited)	(Audited)
		30 June 2020	31 December 2019
5	QARD-E-HASNA	Note ----- (Rupees) -----	
	Balance as at the beginning of the period / year	203,900,000	246,900,000
	Qard-e-Hasna returned by PTF during the period / year	(100,000,000)	(43,000,000)
	Balance as at the end of the period / year	103,900,000	203,900,000

In accordance with the Takaful Rules, 2012, if at any point in time, assets in Participants' Takaful Fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasna) from Operator Fund. In the event of future surplus in the Participants' Takaful Fund to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to participants. The Operator has prepared financial projections of Participants' Takaful Fund and based on such financial projections believes that the Participant Takaful Fund would be able to repay Qard-e-Hasna to Operator's Fund.

6 CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business as at 30 June 2020 is considered adequate to meet the expected liability after reinsurance, for claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

		(Unaudited)	(Audited)
		30 June 2020	31 December 2019
7	EQUIPMENT - PTF	Note ----- (Rupees) -----	
	Right of use Assets	61	
		91,322,276	74,314,193
		91,322,276	74,314,193
7.1	Right of use Assets - Tracking Devices		
	Written down value at the beginning of the period / year	74,314,193	88,463,922
	Additions and transfers during the period / year - at cost	55,878,113	84,706,556
	Depreciation for the period / year	(38,870,030)	(98,856,285)
	Written down value at the end of the period / year	91,322,276	74,314,193

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 31 March 2020

8 INVESTMENT IN MUTUAL FUNDS

PTF	30 June 2020			31 December 2019		
	Cost	Unrealized Gain	Carrying Value	Cost	Unrealized Gain	Carrying Value
-Classified as 'Fair value through profit and loss Mutual funds	(Rupees)					
AKD Islamic Stock Fund	10,000,000	1,183,124	1,183,124	-	-	-
	10,000,000	1,183,124	1,183,124	-	-	-
	(Unaudited)			(Audited)		
	30 June 2020			31 December 2019		

9 INVESTMENT IN DEBT SECURITIES

Classified as 'At fair value through other comprehensive income' (2019: "Available for sale")

Note

(Rupees)

PTF		
Sukuk	-	20,000,000

10 TERM DEPOSITS

Classified as 'At amortized cost' (2019: "Held to Maturity")

Deposits maturing within 12 months	325,000,000	400,000,000
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11 OTHER RECEIVABLE

	Operator's Fund		Participants' Takaful Fund	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Rupees)		(Rupees)	
Wakala fee	10,605,038	326,984	-	-
Mudarib fee	1,938,506	1,133,711	-	-
Taxes and Duties receivable	5,407,754	8,432,073	-	-
Qard e Hasna	103,900,000	203,900,000	-	-
	121,851,298	213,792,768	-	-

Window Takaful Operations
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2020

	Operator's Fund		Participants' Takaful Fund	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	----- (Rupees) -----		----- (Rupees) -----	
12 OTHER CREDITORS AND ACCRUALS				
Creditors	1,865,083	1,954,068	-	-
Wakala fee payable	-	-	10,605,038	326,984
Modarib fee payable	-	-	1,938,506	1,133,711
Federal Insurance Fee	-	-	884,700	998,338
Federal Excise Duty (FED) - net	119,407	1,613,465	13,104,613	11,725,008
Commission payable	20,077,541	11,209,416	-	-
Taxes and duties payable	-	-	5,407,754	8,432,073
Lease obligation against right-of-use assets	-	-	68,134,628	41,456,607
Withholding tax payable	2,828,576	2,909,058	3,722,796	6,265,959
Others	1,328,732	1,167,345	9,319,126	6,594,315
	26,219,339	18,853,352	113,117,161	76,932,995

	(Unaudited)		(Unaudited)	
	For the three months period ended		For the six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	----- (Rupees) -----		----- (Rupees) -----	
13 NET TAKAFUL CONTRIBUTION				
Written Gross contribution	253,166,573	311,089,662	537,942,158	585,411,961
Less: Wakala Fee	(107,735,269)	(80,977,693)	(224,378,055)	(155,797,800)
Contribution Net of Wakala Fee	145,431,304	230,111,969	313,564,103	429,614,161
Add: Unearned contribution reserve opening net of deferred wakala fee	389,048,210	397,964,137	438,235,998	390,582,198
Less: Unearned contribution reserve closing net of deferred wakala fee	(334,522,688)	(434,712,947)	(334,522,688)	(434,712,947)
Contribution Earned	199,956,826	193,363,159	417,277,413	385,483,412
Retakaful contribution ceded	6,837,906	1,112,322	23,890,667	47,652,514
Add: Prepaid retakaful contribution opening	23,535,279	58,286,201	19,058,346	34,510,941
Less: Prepaid retakaful contribution closing	(16,932,563)	(37,057,247)	(16,932,563)	(37,057,247)
Retakaful expense	13,440,622	22,341,276	26,016,450	45,106,208
Net Contribution	186,516,204	171,021,883	391,260,963	340,377,204

14 NET CLAIMS EXPENSE				
Claims paid	114,840,318	157,649,386	261,296,971	279,948,263
Add: Outstanding claims including IBNR closing	187,833,910	142,882,270	187,833,910	142,882,270
Less: Outstanding claims including IBNR opening	(165,056,085)	(176,954,694)	(128,760,879)	(139,070,744)
Claims expense	137,618,143	123,576,962	320,370,002	283,759,789
Retakaful and other recoveries received	31,463,354	29,461,891	50,926,057	68,331,037
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	60,805,817	51,521,072	60,805,817	51,521,072
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	(44,330,250)	(53,402,072)	(34,799,558)	(59,057,364)
Retakaful and other recoveries revenue	47,938,921	27,580,891	76,932,316	60,794,745
Net takaful claims expense	89,679,223	95,996,071	243,437,686	222,965,044

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

	(Unaudited)		(Unaudited)	
	For the three months period ended		For the six months period ended	
	30 June 2020	31 March 2019	30 June 2020	30 June 2019
15 COMMISSION EXPENSE	----- (Rupees) -----		----- (Rupees) -----	
Commissions paid or payable	10,258,886	62,759,602	59,144,667	98,350,138
Add: Deferred commission - opening	97,820,386	75,173,350	97,920,467	73,685,941
Less: Deferred commission - closing	(68,063,176)	(96,273,618)	(68,063,176)	(96,273,618)
Commission expense	40,016,096	41,659,334	89,001,958	75,762,446
Commission received	929,273	213,506	2,260,133	3,046,406
Add: Unearned commission - opening	2,259,526	5,387,415	2,358,385	4,727,505
Less: Unearned commission - closing	(1,598,187)	(3,296,670)	(1,598,187)	(3,296,670)
Commission income	1,590,612	2,304,251	3,020,331	4,477,241
Net Commission expense	38,425,484	39,355,083	85,981,627	71,285,220

16 SEGMENT INFORMATION

(Unaudited)						
For the Six months period ended 30 June 2020						
	Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
16.1 Participants' Takaful Fund	----- (Rupees) -----					
Gross Written Contribution (Inclusive of Administrative Surcharge)	6,977,567	5,547,489	493,004,586	31,926,895	485,620	537,942,158
Gross Direct Contribution	6,507,452	5,305,422	475,693,834	31,827,952	472,765	519,807,425
Facultative Inward Premium	404,656	63,619	871,701	-	-	1,339,976
Administrative Surcharge	65,459	178,448	16,439,051	98,944	12,855	16,794,756
Gross Wakala Fees during the period	(2,923,440)	(2,460,090)	(217,797,995)	(988,434)	(208,096)	(224,378,055)
Takaful contribution earned net of wakala fee expense	12,223,093	3,677,550	362,034,465	39,192,644	149,660	417,277,413
Takaful contribution ceded to retakaful operators	(11,212,661)	(4,252,646)	(10,551,142)	-	-	(26,016,450)
Net takaful contribution	1,010,432	(575,096)	351,483,323	39,192,644	149,660	391,260,963
Net underwriting income	1,010,432	(575,096)	351,483,323	39,192,644	149,660	391,260,963
Takaful claims	(7,984,029)	(2,745,565)	(268,612,930)	(40,630,652)	(396,826)	(320,370,002)
Retakaful claims and other recoveries	5,590,431	2,469,251	68,732,637	-	139,996	76,932,316
Net Claims	(2,393,598)	(276,314)	(199,880,293)	(40,630,652)	(256,830)	(243,437,686)
Direct expenses	-	-	(53,237,864)	-	-	(53,237,864)
Surplus / (deficit) before investment income	(1,383,166)	(851,410)	98,365,166	(1,438,008)	(107,170)	94,585,413
Investment income						25,166,193
Net unrealized fair value gains on financials assets at fair value through profit or loss						1,183,124
Net fair value gain on derecognition of financials assets at fair value through profit or loss						-
Less: Modarib's share of investment income						(7,904,795)
Financial Charges						(5,317,908)
Surplus transferred to balance of PTF						107,712,027
Corporate segment assets	13,421,998	4,269,043	359,147,387	786,424	279,915	377,904,768
Corporate unallocated assets						686,856,273
Total assets	13,421,998	4,269,043	359,147,387	786,424	279,915	1,064,761,041
Corporate segment liabilities	14,563,664	4,445,891	724,626,526	47,071,933	603,014	791,311,028
Corporate unallocated liabilities						214,629,604
Total liabilities	14,563,664	4,445,891	724,626,526	47,071,933	603,014	1,005,940,632

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

		(Unaudited)					
		For the Six months period ended 30 June 2019					
		Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
		(Rupees)					
16.2	Operator's Fund						
	Wakala fee	4,497,798	2,383,012	168,384,892	202,011	93,981	175,561,693
	Net Commission expense	(206,746)	(250,585)	(82,311,479)	(3,099,515)	(24,021)	(85,981,627)
	Management expenses	(2,101,574)	(1,670,849)	(148,488,105)	(8,627,615)	(146,264)	(161,034,407)
		<u>2,100,197</u>	<u>461,578</u>	<u>(62,414,692)</u>	<u>(11,525,119)</u>	<u>(76,304)</u>	<u>(71,454,341)</u>
	Modarib's share of PTF investment income						7,904,795
	Investment income						90,039
	Other expenses						(51,920,720)
	Loss before taxation						<u>(115,380,227)</u>
	Corporate segment assets	873,477	258,574	64,501,480	2,406,374	23,271	68,063,176
	Corporate unallocated assets						125,495,787
	Total assets	<u>873,477</u>	<u>258,574</u>	<u>64,501,480</u>	<u>2,406,374</u>	<u>23,271</u>	<u>193,558,963</u>
	Corporate segment liabilities	2,567,189	693,000	195,035,081	786,424	139,919	199,221,614
	Corporate unallocated liabilities						326,543,212
	Total liabilities	<u>2,567,189</u>	<u>693,000</u>	<u>195,035,081</u>	<u>786,424</u>	<u>139,919</u>	<u>525,764,826</u>
16.3	Participants' Takaful Fund						
	Gross Written Contribution (inclusive of Administrative Surcharge)	13,209,432	6,016,982	547,025,420	18,999,321	160,806	585,411,961
	Gross Direct Contribution	13,066,916	5,841,406	528,428,891	18,987,321	149,241	566,473,775
	Facultative Inward Premium	-	-	-	-	-	-
	Administrative Surcharge	<u>142,516</u>	<u>175,576</u>	<u>18,596,529</u>	<u>12,000</u>	<u>11,565</u>	<u>18,938,186</u>
	Gross Wakala Fees during the period	<u>3,409,245</u>	<u>1,635,928</u>	<u>150,703,752</u>	-	<u>48,875</u>	<u>155,797,800</u>
	Takaful contribution earned net of wakala fee expense	<u>11,620,243</u>	<u>4,875,748</u>	<u>346,862,729</u>	<u>22,069,706</u>	<u>54,986</u>	<u>385,483,412</u>
	Takaful contribution ceded to retakaful operators	<u>(15,969,292)</u>	<u>(3,608,813)</u>	<u>(25,528,103)</u>	-	-	<u>(45,106,208)</u>
	Net takaful contribution	<u>(4,349,049)</u>	<u>1,266,935</u>	<u>321,334,626</u>	<u>22,069,706</u>	<u>54,986</u>	<u>340,377,204</u>
	Takaful claims	<u>(6,375,436)</u>	<u>(1,500,000)</u>	<u>(255,616,018)</u>	<u>(20,078,725)</u>	<u>(189,610)</u>	<u>(283,759,789)</u>
	Retakaful claims and other recoveries	<u>6,438,252</u>	-	<u>54,343,493</u>	-	<u>13,000</u>	<u>60,794,745</u>
	Net Claims	<u>62,816</u>	<u>(1,500,000)</u>	<u>(201,272,525)</u>	<u>(20,078,725)</u>	<u>(176,610)</u>	<u>(222,965,044)</u>
	Direct expenses	-	-	<u>(75,211,149)</u>	-	-	<u>(75,211,149)</u>
	Surplus / (deficit) before investment income	<u>(4,286,233)</u>	<u>(233,065)</u>	<u>44,850,952</u>	<u>1,990,981</u>	<u>(121,624)</u>	<u>42,201,011</u>
	Investment income						17,819,290
	Less: Modarib's share of investment income						(5,345,787)
	Financial Charges						(1,010,061)
	Surplus transferred to balance of PTF						<u>53,664,453</u>
	Corporate segment assets	13,998,031	2,705,077	274,346,360	-	26,137	291,075,604
	Corporate unallocated assets						780,764,717
	Total assets	<u>13,998,031</u>	<u>2,705,077</u>	<u>274,346,360</u>	<u>-</u>	<u>26,137</u>	<u>1,071,840,321</u>
	Corporate segment liabilities	14,145,186	3,090,066	680,302,139	33,013,440	196,646	730,747,477
	Corporate unallocated liabilities						468,913,197
	Total liabilities	<u>14,145,186</u>	<u>3,090,066</u>	<u>680,302,139</u>	<u>33,013,440</u>	<u>196,646</u>	<u>1,199,660,674</u>

Window Takaful Operations
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2020

		(Unaudited)					
		For the Six months period ended 30 June 2019					
		Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
		(Rupees)					
16.4	Operator's Fund						
	Wakala fee	4,015,930	1,800,826	134,217,438	-	29,894	140,064,088
	Net Commission expense	140,238	(1160,119)	(68,640,827)	(1,607,343)	(17,169)	(71,285,220)
	Management expenses	(3,040,858)	(1,385,130)	(125,927,169)	(4,373,710)	(37,019)	(134,763,886)
		1115,310	(744,423)	(60,350,558)	(5,981,053)	(24,294)	(65,985,018)
	Modarib's share of PTF investment income						5,345,787
	Investment income						42,024
	Other expenses						(30,487,748)
	Loss before taxation						(91,084,955)
	Corporate segment assets	1,335,387	221,309	93,032,693	1,650,513	33,716	96,273,618
	Corporate unallocated assets						313,926,944
	Total assets	1,335,387	221,309	93,032,693	1,650,513	33,716	410,200,562
	Corporate segment liabilities	2,916,416	335,017	133,237,846	-	26,137	136,515,415
	Corporate unallocated liabilities						367,753,829
	Total liabilities	2,916,416	335,017	133,237,846	-	26,137	504,269,244

		(Unaudited)	(Unaudited)
		30 June 2020	30 June 2019
		(Rupees)	
17	TRANSACTIONS WITH RELATED PARTIES - PTF		
	TPL Insurance Limited		
	Opening balance - payable	626,078	18,706,959
	Rental and other services charges	52,300,000	69,130,000
	Payments made by PTF - net	(51,872,604)	4,092,344
	Closing balance - payable	1,053,474	91,929,303
	Operator's Fund		
	Opening balance - payable (including Qard-e-Hasna)	213,792,768	292,842,057
	Wakala fee charged during the period	224,378,054	140,064,087
	Qard-e-Hasna repaid during the period	(100,000,000)	-
	Modarib Fee charged during the period	7,904,795	5,345,787
	Taxes and other movement	71,253,947	98,245,619
	Payments made during the period	(295,478,266)	(252,518,807)
	Closing balance - payable (including Qard-e-Hasna)	121,851,298	283,978,743

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Six Months Period Ended 30 June 2020

18 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

As of June 30, 2019 Fair value measurement using

	Level 1	Level 2	Level 3
Fair value through profit and loss	----- (Rupees '000) -----		
Open end mutual funds	-	11,183,124	-
	-	11,183,124	-
Fair value through other comprehensive income			
Sukuk	-	-	-
	-	-	-

As of December 31, 2019 Fair value measurement using

	Level 1	Level 2	Level 3
Available for sale	----- (Rupees '000) -----		
Sukuk	-	20,000,000	-
	-	20,000,000	-

19 GENERAL

19.1 Figures have been rounded off to the nearest thousands.

19.2 Corresponding figures have been re-arranged, where necessary, for the purpose of comparison, however there is no material reclassification to report.

20 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 01 September 2020 by the Board of Directors of the Company.


 Chief Financial Officer
 
 Director
 
 Director
 
 Chief Executive Officer
 
 Chairman

OTHER

INFORMATION

PATTERN OF SHAREHOLDING

AS OF 30 June 2020

No. of Shareholders	From	To	Shares Held	Percentage
222	1	100	1423	0.0015
43	101	500	12839	0.0137
100	501	1000	63755	0.0679
101	1001	5000	193905	0.2066
22	5001	10000	158143	0.1685
11	10001	15000	134750	0.1436
2	15001	20000	32681	0.0348
3	20001	25000	72603	0.0773
1	25001	30000	29905	0.0319
3	30001	35000	95470	0.1017
2	35001	40000	74763	0.0796
1	40001	45000	43307	0.0461
1	55001	60000	59790	0.0637
3	60001	65000	184485	0.1965
2	95001	100000	196500	0.2093
1	120001	125000	124300	0.1324
1	330001	335000	332188	0.3539
1	355001	360000	358641	0.3821
1	370001	375000	373290	0.3977
1	400001	405000	400020	0.4262
1	405001	410000	405919	0.4324
1	515001	520000	519654	0.5536
1	535001	540000	535620	0.5706
1	650001	655000	654000	0.6967
1	675001	680000	676970	0.7212
1	750001	755000	750483	0.7995
1	2495001	2500000	2500000	2.6634
1	3125001	3130000	3128897	3.3334
1	3995001	4000000	4000000	4.2614
1	4795001	4800000	4800000	5.1137
1	8875001	8880000	8876000	9.456
1	12795001	12800000	12800000	13.6364
1	13740001	13745000	13740363	14.6382
1	37535001	37540000	37535597	39.9884
536	Company Total		93,866,261	100.00

CATEGORY OF SHAREHOLDING

AS OF 30 June 2020

Particulars	No of Folio	Balance Shares	Percentage
Directors, CEO & their Spouse and Minor Children	5	16,861	0.018
MR. JAMEEL YOUSUF		620	0.001
MR. ALI JAMEEL		620	0.001
MR. ANDREW BORDA		1	0.000
SYED NADIR SHAH		620	0.001
MR. MUHAMMAD AMINUDDIN		15,000	0.016
Associated Companies	6	69,952,950	74.524
TPL Corp Limited		68,875,960	73.377
TPL Holdings Pvt. Ltd.		1,076,990	1.147
BANKS, DFI & NBFI	2	8,876,500	9.457
NATIONAL BANK OF PAKISTAN		8,876,000	9.456
PEARL SECURITIES LIMITED - MF		500	0.001
Mutual Funds	7	8,042,290	8.567
CDC - TRUSTEE PICIC INVESTMENT FUND		535,620	0.571
CDC - TRUSTEE PICIC GROWTH FUND		750,483	0.800
CDC - TRUSTEE AKD OPPORTUNITY FUND		3,128,397	3.333
CDC - TRUSTEE NBP STOCK FUND		2,500,000	2.663
CDC - TRUSTEE HBL - STOCK FUND		654,000	0.697
CDC - TRUSTEE HBL EQUITY FUND		100,000	0.107
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		373,290	0.398
General Public (Local)	496	6,397,444	6.816
General Public (Foreign)	6	11,374	0.012
Others	14	568,842	0.606
TOYOTA HYDERABAD MOTORS		33,412	0.036
BONUS FRACTION B-2018		189	0.000
CDC STAY ORDER CASES WITH FRACTON		405,919	0.432
BONUS FRACTION B-2019		168	0.000
SARFRAZ MAHMOOD (PVT.) LTD		500	0.001
HABIB SUGAR MILLS LTD		60,062	0.064
MAPLE LEAF CAPITAL LIMITED		1	0.000
FAWAD YUSUF SECURITIES (PVT.) LIMITED		329	0.000
FEDERAL BOARD OF REVENUE		16,734	0.018
SHERMAN SECURITIES (PRIVATE) LIMITED		367	0.000
NCC - PRE SETTLEMENT DELIVERY ACCOUNT		1,000	0.001
FALCON-I (PRIVATE) LIMITED		1	0.000
TOYOTA SAHARA MOTORS (PVT) LTD		38,038	0.041
PARADIGM FACTORS (PRIVATE) LIMITED		12,122	0.013
Company Total	536	93,866,261	100

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