



# OPENING NEW GATEWAYS

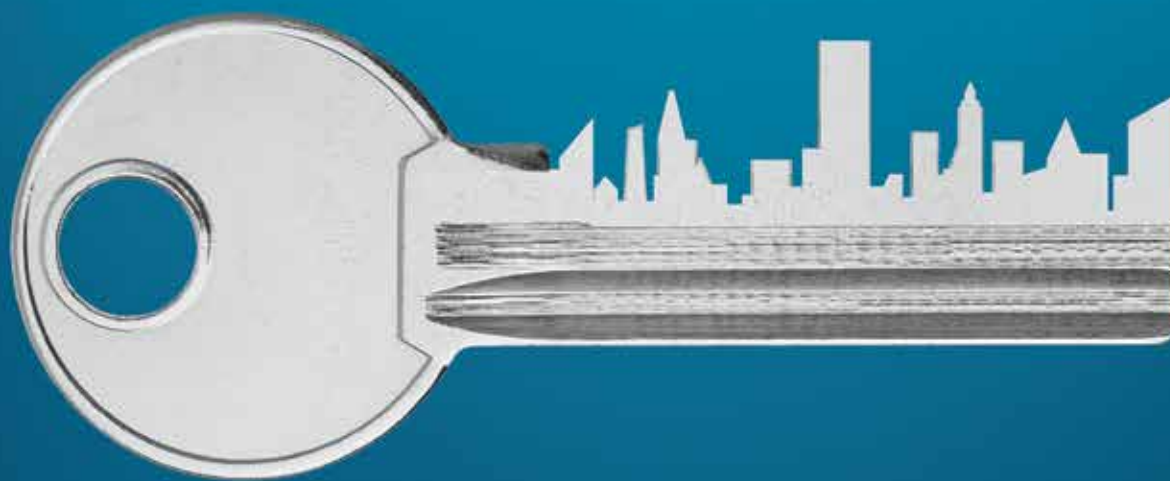
At Adamjee Insurance, we are committed to providing our customers with exceptional service, opening the doors to success and giving them the security and confidence to capitalize on every opportunity that comes their way.



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# VISION

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



## CORE VALUES

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

# COMPANY INFORMATION

## BOARD OF DIRECTORS

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

## ADVISOR

Mian Muhammad Mansha

## AUDIT COMMITTEE

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

## ETHICS, HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

## INVESTMENT COMMITTEE

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

## COMPANY SECRETARY

Tameez ul Haque, F.C.A

## CHIEF FINANCIAL OFFICER

Muhammad Asim Nagi, F.C.A



## **EXECUTIVE MANAGEMENT TEAM**

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

## **AUDITORS**

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

## **SHARIAH ADVISOR**

Mufti Muhammad Hassan Kaleem

## **SHARE REGISTRAR**

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

## **BANKERS**

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

## **REGISTERED OFFICE**

Adamjee House, 80/A, Block E-1,  
Main Boulevard Gulberg-III,  
Lahore- 54000, Pakistan.  
Phone: (92-42) 35772960-79  
Fax (92-42) – 35772868  
Email: [info@adamjeeinsurance.com](mailto:info@adamjeeinsurance.com)  
Web: [www.adamjeeinsurance.com](http://www.adamjeeinsurance.com)

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

For the Nine Months Ended 30 September 2020

On behalf of the Board, we are pleased to present the unaudited unconsolidated condensed interim financial information of the Company for the nine months ended 30 September 2020.

## Financial Highlights:

The highlights for the period under review are as follows:

	30 September 2020	30 September 2019
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Gross Premium	14,441,110	17,841,570
Net Premium	10,357,853	11,698,040
Underwriting results	553,939	760,907
Investment Income	914,799	808,571
Profit before tax	1,754,626	1,637,206
Profit after tax	1,188,486	1,014,174

	30 September 2020	30 September 2019
	Rupees	
	(Unaudited)	(Unaudited)
Earnings per share	3.40	2.90

## Performance Review:

The Gross and Net Premium of the Company decreased by 19% and 11% respectively. Overall underwriting profit decreased by 27% over the corresponding period of last year. However, investment income, profit before tax and profit after tax increased by 13%, 7% and 17% respectively.

## Window Takaful Operations:

The written contribution and Surplus of Participants' Takaful Fund are Rs. 1,178,270 thousands (2019: Rs. 958,841 thousands) and Rs. 26,146 thousands (2019: Rs. 94,965 thousands), respectively. Most of the growth in contribution written came from the Accident & Health line of business which contributed 34% to the total contribution written in current period. Window Takaful Operations' profit before tax increased by 40% amounting to Rs. 124,967 thousands for the period ended 30 September 2020 (2019: Rs. 89,279 thousands).

## Future Outlook:

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

However, year 2020 has been a year of distressed growth especially due to the effects of COVID-19 and related global and potential domestic lockdowns. Pakistan has performed much better in containing the effects of COVID-19 than many other nations, the restrictions on movement did not last very long and economic activities resumed with precautions fairly quickly compared to other nations. Economic indicators have started to show signs of recovery. However, overall economic growth will still be subdued due to the overall impact of the pandemic.

## Acknowledgements:

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

For and on behalf of the Board



Ibrahim Shamsi  
Director



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

Lahore: 28 October 2020



# غیر مجتمع مختصر عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پر ممبران کوڈائز ایکٹرز کا جائزہ

بابت نو ماہی اختتمہ 30 ستمبر 2020ء

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

مالیاتی جھلکیاں

زیر جائزہ مدت کی جھلکیاں درج ذیل ہیں:

30 ستمبر 2020ء	30 ستمبر 2019ء
ہزار روپے میں	
(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)
14,441,110	17,841,570
10,357,853	11,698,040
553,939	760,907
914,799	808,571
1,754,626	1,637,206
1,188,486	1,014,174
30 ستمبر 2020ء	30 ستمبر 2019ء
روپے	
(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)
3.40	2.90

مجموعی پربیم  
خالص پربیم  
زیر تحریک  
سرمایہ کاری سے آمدنی  
منافع قبل از ٹیکس  
منافع بعد از ٹیکس

آمدنی فی شیئر (روپے)

کارکردگی کا جائزہ

کمپنی کے مجموعی اور خالص پربیم میں علی الترتیب 19% اور 11% کمی واقع ہوئی ہے۔ مجموعی منافع ضمانت پچھلے سال کے مطابقتی عرصے میں 27% کم ہوا ہے۔ تاہم آمدن سرمایہ کاری، منافع قبل از ٹیکس اور منافع بعد از ٹیکس میں علی الترتیب 13%، 7% اور 17% اضافہ ہوا ہے۔

وڈ وکافل آپریشنز

شرکاء کے وکافل فنڈ کا تحریر شدہ اعانت اور فاضل رقم علی الترتیب -/1,178,270 ہزار روپے (2019ء میں -/958,841 ہزار روپے) اور -/26,146 ہزار روپے (2019ء میں -/94,965 ہزار روپے) ہیں۔ تحریر شدہ اعانت میں زیادہ تر اضافہ حادثات اور صحت سے متعلق کاروبار سے ہوا جس نے جاری عرصے میں تحریر شدہ کل اعانت میں 34% کا حصہ ڈالا۔ وڈ وکافل آپریشنز کے قبل از ٹیکس منافع میں 40% کا اضافہ ہوا جس کی مالیت 30 ستمبر 2020ء کو ختم ہونے والے عرصے کیلئے -/124,967 ہزار روپے رہی (2019ء میں 89,279 ہزار روپے)۔

توقعات مستقبل

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

تاہم سال 2020ء اب تک خاص طور پر کووڈ-19ء اور اس سے وابستہ عالمی اثرات اور ممکنہ ملکی لاک ڈاؤنز کے اثرات کی وجہ سے پریشان کن سال رہا ہے۔ پاکستان نے دوسرے ممالک کے مقابلے میں کووڈ-19 کے اثرات کو محدود کرنے میں کافی بہتر کارکردگی کا مظاہرہ کیا ہے، نقل و حرکت پر پابندیاں زیادہ طویل عرصے تو نہیں رہیں اور دیگر ممالک کی نسبت احتیاطی تدابیر کے ساتھ معاشی سرگرمیاں بھی دوبارہ شروع کر دی گئیں۔ خاص طور پر معاشی اشاریوں نے بحالی کی علامات ظاہر کرنے کا آغاز کر دیا ہے۔ لیکن مجموعی معاشی ترقی اب بھی اس عالمی وباء کے مجموعی اثرات کی وجہ سے سست روی کا شکار رہے گی۔

اعتراف

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

مخانب و برائے بورڈ



محمد علی

مینیجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر



ابراہیم شی

ڈائریکٹر

لاہور: 28 اکتوبر 2020ء



# UNCONSOLIDATED






Condensed Interim  
Financial Information  
for the Nine Months Ended  
30 September 2020  
(Unaudited)



Adamjee Insurance Company Limited  
Unconsolidated Condensed Interim Statement of Financial Position  
As at 30 September 2020

		30 September 2020	31 December 2019
	Note	(Unaudited)	(Audited)
<b>Assets</b>			
Property and equipment	8	4,463,632	4,232,130
Intangible assets	9	59,938	68,927
Investment Property	10	401,896	401,896
Investment in Subsidiary	11	1,097,900	694,895
<b>Investments</b>			
Equity securities	12	17,935,688	18,843,017
Debt securities	13	365,364	465,868
Term deposits	14	6,286,129	5,883,892
Loans and other receivable	15	577,506	477,264
Insurance / reinsurance receivables	16	6,425,867	5,810,164
Reinsurance recoveries against outstanding claims		6,825,059	5,931,928
Salvage recoveries accrued		255,037	301,420
Deferred commission expense / Acquisition cost		944,467	1,190,146
Prepayments	17	3,452,060	3,633,739
Cash and bank	18	2,105,598	1,176,685
		51,196,141	49,111,971
Total assets of Window Takaful Operations - Operator's Fund	19	599,071	426,291
<b>Total Assets</b>		<b>51,795,212</b>	<b>49,538,262</b>
<b>Equity And Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital		3,500,000	3,500,000
Reserves	20	3,671,672	4,555,491
Unappropriated Profit		13,550,987	13,325,001
<b>Total Equity</b>		<b>20,722,659</b>	<b>21,380,492</b>
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR		12,462,175	10,367,347
Unearned premium reserves		8,961,520	10,242,348
Unearned reinsurance commission		259,741	237,751
Retirement benefit obligation		224,840	225,177
Deferred taxation		955,826	1,329,898
Borrowings		163,426	-
Deferred grant income		16,877	-
Premium received in advance		441,419	363,002
Insurance / reinsurance payables		4,018,288	2,701,164
Other creditors and accruals	21	2,253,513	1,719,334
Deposits and other liabilities		677,278	723,618
Taxation - provision less payments		356,851	52,259
		30,791,754	27,961,898
Total liabilities of Window Takaful Operations - Operator's Fund	19	280,799	195,872
<b>Total Equity and Liabilities</b>		<b>51,795,212</b>	<b>49,538,262</b>
<b>Contingencies and commitments</b>	22		

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

				
Chairman	Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer

**Adamjee Insurance Company Limited**  
**Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)**  
For the Nine Months Ended 30 September 2020

		Quarter ended		Nine Months ended	
		30 September	30 September	30 September	30 September
	Note	2020	2019	2020	2019
		----- (Rupees in thousand) -----			
Net Insurance Premium	23	3,270,512	3,995,908	10,357,853	11,698,040
Net Insurance Claims	24	(2,081,540)	(2,526,133)	(6,148,867)	(7,261,018)
Premium deficiency		-	-	-	-
Net Commission and other acquisition costs	25	(480,802)	(410,309)	(1,445,991)	(1,192,140)
Insurance claims and acquisition expenses		(2,562,342)	(2,936,442)	(7,594,858)	(8,453,158)
Management expenses		(726,944)	(772,016)	(2,209,056)	(2,483,975)
<b>Underwriting results</b>		<b>(18,774)</b>	<b>287,450</b>	<b>553,939</b>	<b>760,907</b>
Investment income	26	332,998	427,049	914,799	808,571
Rental income		27,151	13,127	80,682	14,816
Other income	27	34,932	23,871	134,904	54,315
Other expenses		(10,514)	(31,306)	(45,718)	(84,153)
<b>Results of operating activities</b>		<b>365,793</b>	<b>720,191</b>	<b>1,638,606</b>	<b>1,554,456</b>
Finance cost		(5,741)	(1,871)	(8,947)	(6,529)
Profit from window takaful operations		37,931	31,420	124,967	89,279
<b>Profit before tax</b>		<b>397,983</b>	<b>749,740</b>	<b>1,754,626</b>	<b>1,637,206</b>
Income tax expense		(100,528)	(201,529)	(566,140)	(623,032)
<b>Profit after tax</b>		<b>297,455</b>	<b>548,211</b>	<b>1,188,486</b>	<b>1,014,174</b>
		----- (Rupees) -----		----- (Rupees) -----	
Earnings (after tax) per share	28	0.85	1.57	3.40	2.90

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



Chairman



Director



Director



Chief Financial Officer



Managing Director &  
Chief Executive Officer

# Adamjee Insurance Company Limited

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

For the Nine Months Ended 30 September 2020

	Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	----- (Rupees in thousand) -----			
<b>Profit after tax for the period</b>	<b>297,455</b>	<b>548,211</b>	<b>1,188,486</b>	<b>1,014,174</b>
<b><u>Other comprehensive income</u></b>				
<b><i>Items that may be reclassified subsequently to profit and loss:</i></b>				
- Unrealized gain / ( loss) on 'available-for-sale' investments - net of tax	<b>913,717</b>	(505,392)	<b>(1,068,757)</b>	(1,411,159)
- Reclassification adjustment relating to 'available for sale' investments disposed of during the period - net of tax	<b>70,798</b>	3,552	<b>73,442</b>	15,812
- Unrealized gain / (loss) on 'available for sale' investment from Window Takaful Operations - net of tax	<b>470</b>	664	<b>(873)</b>	646
- Net effect of translation of foreign branch	<b>(28,488)</b>	(35,978)	<b>112,369</b>	136,638
Other comprehensive income / (loss) for the period	<b>956,497</b>	(537,154)	<b>(883,819)</b>	(1,258,063)
<b>Total comprehensive income / (loss) for the period</b>	<b>1,253,952</b>	<b>11,057</b>	<b>304,667</b>	<b>(243,889)</b>

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



Chairman



Director



Director



Chief Financial Officer



Managing Director &  
Chief Executive Officer

Adamjee Insurance Company Limited  
Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)  
For the Nine Months Ended 30 September 2020

	Nine Months Ended 30 September 2020	Nine Months Ended 30 September 2019
	------(Rupees in thousand)-----	
<b><u>Cash flows from operating activities</u></b>		
<b>Underwriting activities</b>		
Insurance premiums received	14,377,829	17,727,794
Reinsurance premiums paid	(4,119,733)	(5,283,996)
Claims paid	(7,953,138)	(10,574,228)
Surrenders paid	(24,718)	(52,719)
Reinsurance and other recoveries received	2,498,083	3,017,455
Commissions paid	(1,515,825)	(1,842,612)
Commissions received	422,134	453,065
Other underwriting payments	(2,062,265)	(2,434,197)
<b>Net cash inflow from underwriting activities</b>	<b>1,622,367</b>	<b>1,010,562</b>
<b>Other operating activities</b>		
Income tax paid	(192,841)	(189,581)
Other operating payments	(100,311)	(42,847)
Loans advanced	(27,329)	(55,175)
Loans repayments received	37,986	46,214
Other operating receipts	39,137	19,201
<b>Net cash outflow from other operating activities</b>	<b>(243,358)</b>	<b>(222,188)</b>
<b>Total cash inflow from all operating activities</b>	<b>1,379,009</b>	<b>788,374</b>
<b><u>Cash flows from investing activities</u></b>		
Profit / return received on bank deposits	249,783	124,156
Income received from Pakistan Investment Bonds	9,085	-
Income from Treasury Bills	24,642	25,856
Dividends received	808,498	1,037,449
Rentals received	89,412	11,140
Payments for investments	(9,251,259)	(7,370,710)
Proceeds from disposal of investments	8,344,873	5,622,111
Fixed capital expenditure - operating assets	(389,298)	(851,888)
Fixed capital expenditure - intangible assets	(19,631)	(2,539)
Proceeds from disposal of operating fixed assets	26,668	18,695
<b>Total cash outflow from investing activities</b>	<b>(107,227)</b>	<b>(1,385,730)</b>
<b><u>Cash flows from financing activities</u></b>		
Payments against assets lease liability	(31,123)	(71,504)
Dividends paid	(490,345)	(518,282)
Loan obtained	178,609	-
Interest expense paid against loan	(10)	-
<b>Total cash outflow from financing activities</b>	<b>(342,869)</b>	<b>(589,786)</b>
<b>Net cash inflow / (outflow) from all activities</b>	<b>928,913</b>	<b>(1,187,142)</b>
Cash and cash equivalent at the beginning of the period	1,176,685	2,211,444
<b>Cash and cash equivalent at the end of the period</b>	<b>2,105,598</b>	<b>1,024,302</b>

<b>Nine Months Ended 30 September 2020</b>	<b>Nine Months Ended 30 September 2019</b>
<b>------(Rupees in thousand)-----</b>	

**Reconciliation to profit and loss account**

Operating cash flows	<b>1,379,009</b>	788,374
Depreciation expense	<b>(203,350)</b>	(176,648)
Provision for retirement benefit obligations	<b>(38,202)</b>	(35,312)
Finance cost	<b>(8,947)</b>	(6,529)
Provision for doubtful balances against insurance / reinsurance receivables	<b>-</b>	(100,767)
Other income - bank and term deposits	<b>211,941</b>	157,609
Gain / (loss) on disposal of operating fixed assets	<b>9,098</b>	(3,195)
Rental income	<b>82,042</b>	14,816
Increase in assets other than cash	<b>1,309,096</b>	1,800,861
(Increase) / decrease in liabilities	<b>(3,344,402)</b>	(659,152)
Gain on disposal of investments	<b>40,743</b>	7,570
Amortization expense	<b>(17,032)</b>	(17,624)
Decrease / (Increase) in unearned premium	<b>1,280,828</b>	(1,102,318)
(Decrease) / increase in loans	<b>(10,657)</b>	8,961
Income taxes paid	<b>192,841</b>	189,581
Increase in tax liabilities	<b>(566,140)</b>	(623,032)
Provision for impairment in value of 'available-for-sale' investments	<b>(140,543)</b>	(490,685)
Dividend and other income	<b>857,658</b>	1,138,579
Income from treasury bills	<b>21,638</b>	33,806
Return on Pakistan investment bonds	<b>7,898</b>	-
Profit from Window Takaful Operations	<b>124,967</b>	89,279

**Profit after tax**

<b>1,188,486</b>	<b>1,014,174</b>
------------------	------------------

<b>Nine Months Ended 30 September 2020</b>	<b>Nine Months Ended 30 September 2019</b>
<b>------(Rupees in thousand)-----</b>	

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

Cash and cash equivalents	<b>2,641</b>	7,950
Current and other accounts	<b>2,102,957</b>	1,016,352

**Total cash and cash equivalents**

<b>2,105,598</b>	<b>1,024,302</b>
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The annexed notes 1 to 33 form an integral part of this unconsolidated condensed interim financial information.



**Chairman**



**Director**



**Director**



**Chief Financial Officer**



**Managing Director &  
Chief Executive Officer**




Adamjee Insurance Company Limited  
Unconsolidated Condensed Interim Statement of Changes in Equity  
For the Nine Months Ended 30 September 2020

	Share capital	Capital reserve				Revenue reserve		
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve	Unappropriated Profit	Total
Rupees in thousand								
<b>Balance as at December 31, 2018 - (Audited)</b>	3,500,000	22,859	3,764	614,062	2,207,015	936,500	12,379,158	<b>19,663,358</b>
Comprehensive income for the period ended 30 September 2019								
Profit for the period 01 January 2019 to 30 September 2019	-	-	-	-	-	-	1,014,174	1,014,174
Other comprehensive income for the period 01 January 2019 to 30 September 2019	-	-	-	136,638	(1,394,701)	-	-	(1,258,063)
<b>Total comprehensive income for the period</b>	-	-	-	136,638	(1,394,701)	-	1,014,174	(243,889)
<b>Transactions with owners of the Company</b>								
Final dividend for the year ended 31 December 2018 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	(525,000)	(525,000)
Interim dividend for the half year ended 30 June 2019 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	(350,000)	(350,000)
<b>Balance as at 30 September 2019 - (Unaudited)</b>	<b>3,500,000</b>	<b>22,859</b>	<b>3,764</b>	<b>750,700</b>	<b>812,314</b>	<b>936,500</b>	<b>12,518,332</b>	<b>18,544,469</b>
Profit for the period 01 October 2019 to 31 December 2019	-	-	-	-	-	-	798,801	798,801
Other comprehensive income for the period 01 October 2019 to 31 December 2019	-	-	-	(75,764)	2,105,118	-	7,868	2,037,222
<b>Total comprehensive income for the period</b>	-	-	-	(75,764)	2,105,118	-	806,669	2,836,023
<b>Balance as at 31 December 2019 - (Audited)</b>	<b>3,500,000</b>	<b>22,859</b>	<b>3,764</b>	<b>674,936</b>	<b>2,917,432</b>	<b>936,500</b>	<b>13,325,001</b>	<b>21,380,492</b>
Profit for the period 01 January 2020 to 30 September 2020	-	-	-	-	-	-	1,188,486	1,188,486
Other comprehensive income for the period 01 January 2020 to 30 September 2020	-	-	-	112,369	(996,188)	-	-	(883,819)
<b>Total comprehensive income for the period</b>	-	-	-	112,369	(996,188)	-	1,188,486	304,667
<b>Transactions with owners of the Company</b>								
Final dividend for the year ended December 31, 2019 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	(525,000)	(525,000)
Interim dividend for the half year ended 30 June 2020 @ 12.5% (Rupee 1.25/- per share)	-	-	-	-	-	-	(437,500)	(437,500)
<b>Balance as at 30 September 2020 - (Unaudited)</b>	<b>3,500,000</b>	<b>22,859</b>	<b>3,764</b>	<b>787,305</b>	<b>1,921,244</b>	<b>936,500</b>	<b>13,550,987</b>	<b>20,722,659</b>

  
Chairman

  
Director

  
Director

  
Chief Financial Officer

  
Managing Director &  
Chief Executive Officer

# Adamjee Insurance Company Limited

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

For the Nine Months Ended 30 September 2020

### 1 Legal status and nature of business

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

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

### 2 Basis of preparation and statement of compliance

This unconsolidated condensed interim financial information of the Company for the nine months ended 30 September 2020 has been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

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

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

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

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

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

### 3 Basis of measurement

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

### 4 Accounting policies

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

#### 4.1 Standards, amendments or interpretations

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

## IFRS 9

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

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

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

	September 30, 2020				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period
<b>Financial assets</b>	---- (Rupees in thousand) ----				
Cash and Bank*	2,105,598	-	-	-	-
Investment in subsidiary*	1,097,900	-	-	-	-
Investments in equity securities - available-for-sale	17,935,688	(1,401,852)	-	-	-
Investment in debt securities - held-to-maturity	-	-	365,364	-	-
Term deposits*	-	-	6,286,129	-	-
Loans and other receivables*	573,683	-	3,823	-	-
<b>Total</b>	<b>21,712,869</b>	<b>(1,401,852)</b>	<b>6,655,316</b>	<b>-</b>	<b>-</b>

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

## 5 Use of estimates and judgments

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

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

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

## 6 Functional and presentation currency

This unconsolidated condensed interim financial information is presented in Pakistani Rupees, which is also the Company's functional currency.

## 7 Insurance and Financial risk management

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

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	---- (Rupees in thousand) ----	
<b>8 Property and equipment</b>			
Opening balance - net book value		4,168,110	2,332,540
Additions during the period / year	8.1	50,044	1,929,636
Right of use asset - initial application of IFRS - 16		-	171,918
Book value of disposals during the period / year	8.2	(17,570)	(49,712)
Depreciation charged during the period / year		(203,350)	(226,400)
Net book value of transfers to Investment property		-	(37,566)
Exchange differences and other adjustments		33,419	47,694
		(187,501)	(265,984)
		4,030,653	4,168,110
Capital work in progress		432,979	64,020
		4,463,632	4,232,130
<b>8.1 Additions during the period / year</b>			
Land and buildings		-	1,306,069
Furniture and fixtures		4,387	57,971
Motor vehicles		19,297	106,078
Machinery and equipment		8,373	430,366
Computer and related accessories		3,025	23,963
Right of use asset		14,962	5,189
		50,044	1,929,636
<b>8.2 Written down values of property and equipment disposed off during the period / year</b>			
Furniture and fixtures		-	22,084
Motor vehicles		17,570	20,463
Machinery and equipment		-	7,165
Computer and related accessories		-	-
		17,570	49,712
<b>9 Intangible assets</b>			
Opening balance - net book value		68,927	79,185
Additions during the period / year		4,887	8,933
<b>Less:</b>			
Amortization charged during the period / year		(17,032)	(24,913)
Exchange difference		3,156	5,722
		(13,876)	(19,191)
		59,938	68,927
<b>10 Investment Property</b>			
Opening net book value		401,896	-
Additions and capital improvements		-	389,598
Unrealized fair value gain		-	12,298
		401,896	401,896
<b>11 Investment in subsidiary</b>			
Adamjee Life Assurance Company Limited - At cost		1,097,900	694,895

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

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

## 12 Investment in equity securities

### Available-for-sale

	30 September 2020 (Unaudited)			31 December 2019 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
	----- Rupees in thousands -----					
<b>Related parties</b>						
Listed shares	8,318,076	-	8,318,076	7,962,628	-	7,962,628
Unlisted shares	848,964	-	848,964	698,226	-	698,226
	9,167,040	-	9,167,040	8,660,854	-	8,660,854
Unrealized gain			473,918			1,853,236
			9,640,958			10,514,090
<b>Others</b>						
Listed shares	7,135,269	(2,145,112)	4,990,157	6,789,795	(2,004,569)	4,785,226
Unlisted shares	925,360	-	925,360	925,360	-	925,360
Mutual Funds	147,671	-	147,671	364,265	-	364,265
NIT Units	161	-	161	161	-	161
	8,208,461	(2,145,112)	6,063,349	8,079,581	(2,004,569)	6,075,012
Unrealized gain			2,231,381			2,253,915
			8,294,730			8,328,927
<b>Total</b>	<b>17,375,501</b>	<b>(2,145,112)</b>	<b>17,935,688</b>	<b>16,740,435</b>	<b>(2,004,569)</b>	<b>18,843,017</b>

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

## 13 Investment in debt securities

### Held-to-maturity

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	----- (Rupees in thousand) -----	
<i>Note</i>		
Treasury Bills	270,050	370,491
Pakistan Investment Bonds	95,314	95,377
	<b>365,364</b>	<b>465,868</b>

## 14 Investments in Term Deposits

### Held to maturity

#### Deposits maturing within 12 months

##### Inside Pakistan

- related parties
- others

6,811	6,811
175,066	175,066
181,877	181,877

##### Outside Pakistan

- related parties
- others

1,353,351	1,264,698
4,673,713	4,387,207
6,027,064	5,651,905

#### Deposits maturing after 12 months

##### Inside Pakistan

- related parties
- others

2,000	2,000
75,188	48,110
77,188	50,110

#### 14.1

6,286,129	5,883,892
-----------	-----------

- 14.1 These include fixed deposits amounting to Rs. 5,187,846 thousands (AED 115,000 thousands) [2019: Rs. 4,848,009 thousands (AED 115,000 thousands)] kept in accordance with the requirements of Insurance Regulations applicable to the United Arab Emirates (UAE) branches for the purpose of carrying on business in (UAE). These also include liens against cash deposits of Rs. 259,065 thousands (2019: Rs. 231,987 thousands) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Company for claims under litigation filed against the Company, bid bond guarantees and guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party.

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	----- (Rupees in thousand) -----	
<b>15 Loans and other receivables</b>			
<b>Considered good</b>			
Rent receivable		6,943	14,313
Receivable from related parties	15.1	39,801	27,523
Accrued investment income		136,862	125,544
Security deposits		50,497	58,399
Advances to employees and suppliers		245,242	152,012
Advance agent commission		2,421	3,003
Loans to employees		39,464	49,484
Other receivables		56,276	46,986
		<u>577,506</u>	<u>477,264</u>

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

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	----- (Rupees in thousand) -----	
<b>16 Insurance / reinsurance receivables - unsecured and considered good</b>			
Due from insurance contract holders		6,038,827	5,730,843
Provision for impairment of receivables from insurance contract holders		(912,734)	(868,586)
		<u>5,126,093</u>	<u>4,862,257</u>
Due from other insurers / other reinsurers		1,501,076	1,149,209
Provision for impairment of due from other insurers / reinsurers		(201,302)	(201,302)
		<u>1,299,774</u>	<u>947,907</u>
		<u>6,425,867</u>	<u>5,810,164</u>

- 16.1 Due from insurance contract holders include an amount of Rs. 232,753 thousands (2019: Rs. 212,014 thousands) held with related parties.

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
		----- (Rupees in thousand) -----	
<b>17 Prepayments</b>			
Prepaid reinsurance premium ceded		3,331,062	3,500,512
Prepaid miscellaneous expenses		120,998	133,227
		<u>3,452,060</u>	<u>3,633,739</u>
<b>18 Cash and Bank</b>			
<b><u>Cash and cash equivalents</u></b>			
<b><u>Inside Pakistan</u></b>			
Cash in hand		1,144	476
Policy & revenue stamps, bond papers		878	9,937
		<u>2,022</u>	<u>10,413</u>
<b><u>Outside Pakistan</u></b>			
Cash in hand		619	-
		<u>2,641</u>	<u>10,413</u>
<b><u>Cash at bank</u></b>			
<b><u>Inside Pakistan</u></b>			
Current accounts		446,725	133,822
Saving accounts		1,499,744	967,605
		<u>1,946,469</u>	<u>1,101,427</u>
<b><u>Outside Pakistan</u></b>			
Current accounts		155,099	59,333
Savings accounts		1,389	5,512
		<u>156,488</u>	<u>64,845</u>
		<u>2,105,598</u>	<u>1,176,685</u>

- 18.1 Cash at bank includes an amount of Rs. 900,743 thousands (December 31, 2019: Rs. 433,504 thousands) held with MCB Bank Limited, a related party of the Company.

- 18.2 Lien of Rs. 440,000 thousands (2019: Rs. 291,000 thousands) is marked on cash deposits in saving accounts against SBLC (Standby Letter of Credit) issued in favor of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited, a related party of the Company.

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

## 19 Window takaful operations - operator's fund

### Assets

Cash and bank deposits	319,925	91,895
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	35,309	32,958
Intangible assets	14,804	17,650
Property and equipment	20,808	17,733
Current assets - others	61,765	119,595
<b>Total Assets</b>	<b>599,071</b>	<b>426,291</b>

### Total liabilities

(Unaudited) 30 September 2020	(Unaudited) 30 September 2019
----- (Rupees in thousand) -----	
300,965	240,280
(87,604)	(72,312)
(101,807)	(88,471)
3,584	1,345
9,579	10,956
2,744	-
(2,494)	(2,519)
124,967	89,279
(36,241)	(26,071)
88,726	63,208

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed condensed interim financial information for the nine months ended 30 September 2020.

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

## 20 Reserves

### Capital reserves

Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	787,305	674,936
Fair value reserve	1,921,244	2,917,432
	<b>2,735,172</b>	<b>3,618,991</b>

### Revenue reserves

General reserves	936,500	936,500
	<b>3,671,672</b>	<b>4,555,491</b>

## 21 Other creditors and accruals

Agents commission payable	676,731	630,736
Federal Excise Duty / Sales tax / VAT	148,451	50,149
Federal Insurance Fee payable	39,676	33,785
Workers' welfare fund payable	76,485	76,485
Tax deducted at source	95,193	92,873
Accrued expenses	117,638	170,872
Unpaid and unclaimed dividend	597,984	125,829
Payable to employees' provident fund	80	2,676
Sundry creditors	501,275	535,929
	<b>2,253,513</b>	<b>1,719,334</b>

## 22 Contingencies and commitments

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

- The Company has provided a guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party, amounting to Rs. 1,209,000 thousands (2019: Rs. 841,000 thousands).
- The Company has issued letter of guarantees of AED 287,750 amounting to Rs.12,981 thousands (2019: AED 449,000 amounting to Rs. 18,928 thousands) relating to UAE branch.



## 23 Net Insurance Premium

	Quarter Ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
----- (Rupees in thousand) -----				
Written Gross Premium	4,678,747	5,711,751	14,441,110	17,841,570
Unearned premium reserve opening	9,426,420	11,566,014	10,242,348	10,100,901
Unearned premium reserve closing	(8,961,520)	(11,203,219)	(8,961,520)	(11,203,219)
Currency translation effect	(56,045)	(125,899)	248,282	545,352
Premium earned	5,087,602	5,948,647	15,970,220	17,284,604
Reinsurance premium ceded	(2,212,573)	(2,044,051)	(5,436,857)	(6,346,478)
Prepaid reinsurance premium opening	(2,937,772)	(3,543,053)	(3,500,512)	(2,866,980)
Prepaid reinsurance premium closing	3,331,062	3,630,334	3,331,062	3,630,334
Currency translation effect	2,193	4,031	(6,060)	(3,440)
Reinsurance expense	(1,817,090)	(1,952,739)	(5,612,367)	(5,586,564)
	3,270,512	3,995,908	10,357,853	11,698,040

### 23.1 Net Insurance Premium - Business underwritten inside Pakistan

Written Gross Premium	3,907,708	3,793,300	10,714,715	11,922,529
Unearned premium reserve opening	5,861,254	6,550,695	6,197,501	5,508,453
Unearned premium reserve closing	(6,298,218)	(6,666,950)	(6,298,218)	(6,666,950)
Premium earned	3,470,744	3,677,045	10,613,998	10,764,032
Reinsurance premium ceded	(2,150,570)	(2,000,698)	(5,263,861)	(6,188,348)
Prepaid reinsurance premium opening	(2,818,671)	(3,480,705)	(3,425,355)	(2,838,973)
Prepaid reinsurance premium closing	3,213,297	3,600,578	3,213,297	3,600,578
Reinsurance expense	(1,755,944)	(1,880,825)	(5,475,919)	(5,426,743)
	1,714,800	1,796,220	5,138,079	5,337,289

### 23.2 Net Insurance Premium - Business underwritten outside Pakistan

Written Gross Premium	771,039	1,918,451	3,726,395	5,919,041
Unearned premium reserve opening	3,565,166	5,015,319	4,044,847	4,592,448
Unearned premium reserve closing	(2,663,302)	(4,536,269)	(2,663,302)	(4,536,269)
Currency translation effect	(56,045)	(125,899)	248,282	545,352
Premium earned	1,616,858	2,271,602	5,356,222	6,520,572
Reinsurance premium ceded	(62,003)	(43,353)	(172,996)	(158,130)
Prepaid reinsurance premium opening	(119,101)	(62,348)	(75,157)	(28,007)
Prepaid reinsurance premium closing	117,765	29,756	117,765	29,756
Currency translation effect	2,193	4,031	(6,060)	(3,440)
Reinsurance expense	(61,146)	(71,914)	(136,448)	(159,821)
	1,555,712	2,199,688	5,219,774	6,360,751

Quarter Ended		Nine Months Ended	
30 September 2020	30 September 2019	30 September 2020	30 September 2019
----- (Rupees in thousand) -----			

## 24 Net Insurance Claims Expense

Claim Paid	2,536,430	3,366,513	7,953,138	10,574,228
Outstanding claims including IBNR closing	12,462,175	10,406,228	12,462,175	10,406,228
Outstanding claims including IBNR opening	(11,641,695)	(10,669,875)	(10,367,347)	(10,461,975)
Currency translation effect	91,911	145,068	(422,239)	(655,710)
Claim expense	3,448,821	3,247,934	9,625,727	9,862,771
Reinsurance and other recoveries received	(829,757)	(950,104)	(2,849,950)	(3,417,280)
Reinsurance and other recoveries in respect of outstanding claims closing	(7,080,096)	(5,921,611)	(7,080,096)	(5,921,611)
Reinsurance and other recoveries in respect of outstanding claims opening	6,583,565	6,227,154	6,233,348	6,397,245
Currency translation effect	(40,993)	(77,240)	219,838	339,893
Reinsurance and other recoveries revenue	(1,367,281)	(721,801)	(3,476,860)	(2,601,753)
	2,081,540	2,526,133	6,148,867	7,261,018

### 24.1 Net Insurance Claims Expense - Business underwritten inside Pakistan

Claim Paid	1,213,892	1,136,227	3,402,597	4,608,407
Outstanding claims including IBNR closing	5,892,742	4,397,259	5,892,742	4,397,259
Outstanding claims including IBNR opening	(5,057,585)	(4,572,871)	(4,398,967)	(5,386,215)
Claim expense	2,049,049	960,615	4,896,372	3,619,451
Reinsurance and other recoveries received	(252,863)	(275,086)	(825,391)	(1,752,307)
Reinsurance and other recoveries in respect of outstanding claims closing	(4,057,402)	(2,802,450)	(4,057,402)	(2,802,450)
Reinsurance and other recoveries in respect of outstanding claims opening	3,410,063	3,046,533	2,948,471	3,769,658
Reinsurance and other recoveries revenue	(900,202)	(31,003)	(1,934,322)	(785,099)
	1,148,847	929,612	2,962,050	2,834,352

### 24.2 Net Insurance Claims Expense - Business underwritten outside Pakistan

Claim Paid	1,322,538	2,230,286	4,550,541	5,965,821
Outstanding claims including IBNR closing	6,569,433	6,008,969	6,569,433	6,008,969
Outstanding claims including IBNR opening	(6,584,110)	(6,097,004)	(5,968,380)	(5,075,760)
Currency translation effect	91,911	145,068	(422,239)	(655,710)
Claim expense	1,399,772	2,287,319	4,729,355	6,243,320
Reinsurance and other recoveries received	(576,894)	(675,018)	(2,024,559)	(1,664,973)
Reinsurance and other recoveries in respect of outstanding claims closing	(3,022,694)	(3,119,161)	(3,022,694)	(3,119,161)
Reinsurance and other recoveries in respect of outstanding claims opening	3,173,502	3,180,621	3,284,877	2,627,587
Currency translation effect	(40,993)	(77,240)	219,838	339,893
Reinsurance and other recoveries revenue	(467,079)	(690,798)	(1,542,538)	(1,816,654)
	932,693	1,596,521	3,186,817	4,426,666

Quarter Ended		Nine Months Ended	
30 September 2020	30 September 2019	30 September 2020	30 September 2019
----- (Rupees in thousand) -----			

**25 Net commission and other acquisition costs**

Commission Paid or payable	368,302	659,351	1,549,001	1,890,491
Deferred Commission expense opening	1,192,418	1,075,282	1,190,146	788,431
Deferred Commission expense closing	(944,467)	(1,174,422)	(944,467)	(1,174,422)
Currency translation effect	(14,022)	(12,233)	51,647	72,485
Net Commission	602,231	547,978	1,846,327	1,576,985
Commission received or recoverable	(181,517)	(190,818)	(422,134)	(453,065)
Unearned reinsurance commission opening	(199,721)	(237,103)	(237,751)	(221,371)
Unearned reinsurance commission closing	259,741	289,958	259,741	289,958
Currency translation effect	68	294	(192)	(367)
Commission from reinsurance	(121,429)	(137,669)	(400,336)	(384,845)
	480,802	410,309	1,445,991	1,192,140

**25.1 Net commission and other acquisition costs  
Business underwritten Inside Pakistan**

Commission Paid or payable	224,964	246,017	733,353	824,897
Deferred Commission expense opening	400,172	417,247	352,673	297,403
Deferred Commission expense closing	(381,604)	(423,064)	(381,604)	(423,064)
Net Commission	243,532	240,200	704,422	699,236
Commission received or recoverable	(177,882)	(189,828)	(414,461)	(446,979)
Unearned reinsurance commission opening	(195,331)	(231,646)	(236,381)	(218,690)
Unearned reinsurance commission closing	253,765	286,392	253,765	286,392
Commission from reinsurance	(119,448)	(135,082)	(397,077)	(379,277)
	124,084	105,118	307,345	319,959

**25.2 Net commission and other acquisition costs  
Business underwritten Outside Pakistan**

Commission Paid or payable	143,338	413,334	815,648	1,065,594
Deferred Commission expense opening	792,246	658,035	837,473	491,028
Deferred Commission expense closing	(562,863)	(751,358)	(562,863)	(751,358)
Currency translation effect	(14,022)	(12,233)	51,647	72,485
Net Commission	358,699	307,778	1,141,905	877,749
Commission received or recoverable	(3,635)	(990)	(7,673)	(6,086)
Unearned reinsurance commission opening	(4,390)	(5,457)	(1,370)	(2,681)
Unearned reinsurance commission closing	5,976	3,566	5,976	3,566
Currency translation effect	68	294	(192)	(367)
Commission from reinsurance	(1,981)	(2,587)	(3,259)	(5,568)
	356,718	305,191	1,138,646	872,181

## 26 Investment Income

### Business underwritten Inside Pakistan

#### Available-for-sale

#### Income from equity securities

Dividend income

- associated undertakings
- others

#### Income from debt securities - Held to maturity

Return on Pakistan Investment Bonds

Profit on Treasury Bills

#### Income from term deposits

Return on term deposits

#### Net realized gains on investments

Realized gains on

- associated undertakings
- others

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

### Business underwritten Outside Pakistan

#### Available-for-sale

#### Income from equity securities

Dividend income

- associated undertakings
- others

Net realized gains on investments

- associated undertakings
- others

#### Income from term deposits

Return on term deposits

#### Net investment income

## 27 Other income

Return on bank balance

Gain / (loss) on sale of fixed assets

Return on loans to employee

Miscellaneous

## 28 Earnings per share - basic and diluted

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

Net profit after tax for the period

Weighted average number of shares

Earnings (after tax) per share

Quarter Ended		Nine Months Ended	
30 September 2020	30 September 2019	30 September 2020	30 September 2019
----- (Rupees in thousand) -----			

32,047	194,676	510,320	577,294
153,212	155,559	345,094	517,002
185,259	350,235	855,414	1,094,296

2,250	-	7,898	-
5,581	11,896	21,638	33,806
7,831	11,896	29,536	33,806

336	-	6,987	1,082
336	-	6,987	1,082

-	-	-	-
37,019	-	40,552	2,568
37,019	-	40,552	2,568
230,445	362,131	932,489	1,131,752

62,696	-	(140,543)	(490,685)
293,141	362,131	791,946	641,067

-	-	-	-
2,150	15,113	2,244	44,283
2,150	15,113	2,244	44,283

-	-	-	-
-	5,002	191	5,002
-	5,002	191	5,002

37,707	44,803	120,418	118,219
37,707	44,803	120,418	118,219

39,857	64,918	122,853	167,504
332,998	427,049	914,799	808,571

18,782	22,231	84,536	38,308
4,501	714	9,098	(3,195)
51	63	163	203
11,598	863	41,107	18,999
34,932	23,871	134,904	54,315

297,455	548,211	1,188,486	1,014,174
----- Number of shares -----	----- Number of shares -----		
350,000,000	350,000,000	350,000,000	350,000,000
----- (Rupees) -----	----- (Rupees) -----		
0.85	1.57	3.40	2.90

## 29 Transactions with related parties

The Company has related party relationships with its associates, subsidiary company, entities with common directors, employee retirement benefit plans, key management personnel and other parties. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. There are no transactions with key management personnel other than those specified in their terms of employment.

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

	(Unaudited) 30 September 2020	(Unaudited) 30 September 2019
	---- (Rupees in thousand) ----	
<b>i) Transactions</b>		
<b>Subsidiary company</b>		
Premiums underwritten	17,513	14,297
Premiums received	18,900	14,059
Claims paid	6,910	7,418
Claims received	3,000	3,000
Security deposit received	3,190	-
Premium paid	17,506	5,153
Rent paid	-	1,913
Rent, service charges and other receipts	43,779	1,298
<b>Other related parties</b>		
Premiums underwritten	1,340,624	982,596
Premiums received	1,061,914	1,065,291
Claims paid	463,910	415,595
Commission Paid	23,903	59,656
Guarantee commission received	8,460	-
Rent paid	8,067	6,646
Rent received	29,584	-
Dividends received	406,532	586,022
Dividends paid	107,745	148,528
Income on bank deposits	67,093	21,176
Investments made	150,738	250,000
Fee / service charges paid	6,410	8,662
Security deposit paid	115	-
Security deposit received	-	3,050
Charge in respect of gratuity expense	27,096	25,231
Contribution to Employees' Provident Fund	26,375	24,925
Compensation paid to Key management personnel	1,010,106	995,859
	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	---- (Rupees in thousand) ----	
<b>ii) Period end balances</b>		
<b>Subsidiary company</b>		
Balances receivable	40,260	35,962
Balances payable	1,951	2,048
<b>Other related parties</b>		
Balances receivable	235,980	215,212
Balances payable	266,693	359,782
Cash and bank balances including term deposits	2,262,905	1,707,013
Payable to Staff Gratuity Fund	154,565	142,469

Nine Months Ended 30 September 2020													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	6,433,303	20,761	853,945	16,009	2,363,683	3,787,148	1,577,639	81,749	884,073	6,839	12,112,643	3,912,506	16,025,149
Less: Federal excise duty	(817,322)	(1,330)	(95,513)	(285)	(282,114)	(180,099)	(15,536)	(3,893)	(79,629)	(436)	(1,290,114)	(186,043)	(1,476,157)
Federal insurance fee	(55,478)	(45)	(7,534)	(17)	(20,801)	-	(15,432)	-	(8,569)	(6)	(107,814)	(68)	(107,882)
	5,560,503	19,386	750,898	15,707	2,060,768	3,607,049	1,546,671	77,856	795,875	6,397	10,714,715	3,726,395	14,441,110
Gross written premium (inclusive of administrative surcharge)	5,560,503	19,386	750,898	15,707	2,060,768	3,607,049	1,546,671	77,856	795,875	6,397	10,714,715	3,726,395	14,441,110
Gross direct premium	5,529,193	19,336	734,692	15,707	1,985,229	3,601,975	1,544,257	77,856	789,170	6,386	10,582,541	3,721,260	14,303,801
Facultative inward premium	17,269	-	295	-	-	-	-	-	-	-	17,564	-	17,564
Administrative surcharge	14,041	50	15,911	-	75,539	5,074	2,414	-	6,705	11	114,610	5,135	119,745
	5,560,503	19,386	750,898	15,707	2,060,768	3,607,049	1,546,671	77,856	795,875	6,397	10,714,715	3,726,395	14,441,110
Insurance premium earned	5,191,413	24,003	698,830	16,165	2,055,501	5,269,497	1,426,221	37,013	1,242,033	9,544	10,613,998	5,356,222	15,970,220
Insurance premium ceded to reinsurers	(4,600,759)	(15,424)	(207,532)	-	(38,099)	(82,707)	-	(33,611)	(629,529)	(4,706)	(5,475,919)	(136,448)	(5,612,367)
Net insurance premium	590,654	8,579	491,298	16,165	2,017,402	5,186,790	1,426,221	3,402	612,504	4,838	5,138,079	5,219,774	10,357,853
Commission income	318,970	1,565	617	-	3,357	-	-	1,051	74,133	643	397,077	3,259	400,336
Net underwriting income	909,624	10,144	491,915	16,165	2,020,759	5,186,790	1,426,221	4,453	686,637	5,481	5,535,156	5,223,033	10,758,189
Insurance claims	(2,049,898)	(98,448)	(347,395)	1,194	(892,701)	(4,598,744)	(1,108,822)	(34,036)	(497,556)	679	(4,896,372)	(4,729,355)	(9,625,727)
Insurance claim recoveries from reinsurer	1,560,623	27,922	44,824	-	90,879	1,489,418	-	25,044	237,996	154	1,934,322	1,542,538	3,476,860
Net claims	(489,275)	(70,526)	(302,571)	1,194	(801,822)	(3,109,326)	(1,108,822)	(8,992)	(259,560)	833	(2,962,050)	(3,186,817)	(6,148,867)
Commission expense	(330,519)	(2,042)	(99,223)	(1,588)	(134,811)	(1,135,110)	(38,181)	(2,632)	(101,688)	(533)	(704,422)	(1,141,905)	(1,846,327)
Management expense	(264,080)	(895)	(246,511)	(6,204)	(727,490)	(676,990)	(92,240)	(13,558)	(180,739)	(349)	(1,511,060)	(697,996)	(2,209,056)
Premium deficiency expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Net insurance claims and expenses	(1,083,874)	(73,463)	(648,305)	(6,598)	(1,664,123)	(4,921,426)	(1,239,243)	(25,182)	(541,987)	(49)	(5,177,532)	(5,026,718)	(10,204,250)
Underwriting result	(174,250)	(63,319)	(156,390)	9,567	356,636	265,364	186,978	(20,729)	144,650	5,432	357,624	196,315	553,939
Net investment income											791,946	122,853	914,799
Rental income											79,192	1,490	80,682
Other income											89,790	45,114	134,904
Other expenses											(36,333)	(9,385)	(45,718)
Finance cost											(5,917)	(3,030)	(8,947)
Profit from Window Takaful Operations											124,967	-	124,967
Profit before tax											1,401,269	353,357	1,754,626

30 September 2020													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
Segment Assets	8,601,656	89,726	644,836	6,624	1,312,949	4,738,331	768,391	75,805	1,523,656	19,519	12,851,488	4,930,005	17,781,493
Unallocated assets											26,987,742	7,025,977	34,013,719
											39,839,230	11,955,982	51,795,212
Segment Liabilities	9,277,796	103,283	927,999	23,515	2,565,845	9,215,155	1,840,051	91,987	2,076,200	21,313	16,687,891	9,455,253	26,143,144
Unallocated Liabilities											4,454,946	474,463	4,929,409
											21,142,837	9,929,716	31,072,553

**30.1 Segment Information**

Nine Month Ended 30 September 2019													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	7,201,842	34,734	762,194	18,822	2,497,631	6,140,429	1,615,459	21,758	1,376,883	13,941	13,454,009	6,229,683	19,683,692
Less: Federal excise duty	(899,361)	(2,440)	(83,590)	(309)	(297,947)	(306,081)	(24,567)	(976)	(106,913)	(697)	(1,412,378)	(310,502)	(1,722,880)
Federal insurance fee	(62,023)	(97)	(6,752)	(38)	(21,947)	-	(15,820)	-	(12,560)	(5)	(119,102)	(140)	(119,242)
	6,240,458	32,197	671,852	18,475	2,177,737	5,834,348	1,575,072	20,782	1,257,410	13,239	11,922,529	5,919,041	17,841,570
Gross written premium (inclusive of administrative surcharge)	6,240,458	32,197	671,852	18,475	2,177,737	5,834,348	1,575,072	20,782	1,257,410	13,239	11,922,529	5,919,041	17,841,570
Gross direct premium	6,222,122	32,028	655,035	18,415	2,102,992	5,827,971	1,575,331	20,782	1,249,000	13,170	11,804,480	5,912,366	17,716,846
Facultative inward premium	3,234	-	1,091	-	-	-	-	-	-	-	4,325	-	4,325
Administrative surcharge	15,102	169	15,726	60	74,745	6,377	(259)	-	8,410	69	113,724	6,675	120,399
	6,240,458	32,197	671,852	18,475	2,177,737	5,834,348	1,575,072	20,782	1,257,410	13,239	11,922,529	5,919,041	17,841,570
Insurance premium earned	5,252,621	31,823	675,779	25,250	2,150,191	6,423,722	1,310,883	27,712	1,374,558	12,065	10,764,032	6,520,572	17,284,604
Insurance premium ceded to reinsurers	(4,628,113)	(21,896)	(126,678)	-	(39,081)	(112,915)	-	(19,750)	(632,871)	(5,260)	(5,426,743)	(159,821)	(5,586,564)
Net insurance premium	624,508	9,927	549,101	25,250	2,111,110	6,310,807	1,310,883	7,962	741,687	6,805	5,337,289	6,360,751	11,698,040
Commission income	283,098	4,091	481	-	2,930	-	-	-	92,768	1,477	379,277	5,568	384,845
Net underwriting income	907,606	14,018	549,582	25,250	2,114,040	6,310,807	1,310,883	7,962	834,455	8,282	5,716,566	6,366,319	12,082,885
Insurance claims	(727,935)	(18,947)	(334,579)	(8,410)	(1,039,626)	(6,178,791)	(1,095,650)	(32,194)	(421,661)	(4,978)	(3,619,451)	(6,243,320)	(9,862,771)
Insurance claim recoveries from reinsurer	586,005	22,840	44,006	-	14,182	1,763,545	-	26,437	140,906	3,832	785,099	1,816,654	2,601,753
Net claims	(141,930)	3,893	(290,573)	(8,410)	(1,025,444)	(4,415,246)	(1,095,650)	(5,757)	(280,755)	(1,146)	(2,834,352)	(4,426,666)	(7,261,018)
Commission expense	(328,157)	(4,374)	(91,611)	(4,262)	(140,286)	(867,218)	(42,453)	(1,142)	(96,729)	(753)	(699,236)	(877,749)	(1,576,985)
Management expense	(275,678)	(1,047)	(193,877)	(8,146)	(769,700)	(913,429)	(101,695)	(9,877)	(209,935)	(591)	(1,550,885)	(933,090)	(2,483,975)
Premium deficiency expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Net insurance claims and expenses	(745,765)	(1,528)	(576,061)	(20,818)	(1,935,430)	(6,195,893)	(1,239,798)	(16,776)	(587,419)	(2,490)	(5,084,473)	(6,237,505)	(11,321,978)
Underwriting result	161,841	12,490	(26,479)	4,432	178,610	114,914	71,085	(8,814)	247,036	5,792	632,093	128,814	760,907
Net investment income											641,067	167,504	808,571
Rental income											14,816	-	14,816
Other income											38,911	15,404	54,315
Other expenses											(75,606)	(8,547)	(84,153)
Finance cost											(2,965)	(3,564)	(6,529)
Profit from Window Takaful Operations											89,279	-	89,279
Profit before tax											1,337,595	299,611	1,637,206
31 December 2019													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
Segment Assets	6,992,773	95,788	489,767	5,187	1,062,812	5,552,814	558,513	33,510	1,923,756	19,249	11,027,621	5,706,548	16,734,169
Unallocated assets											26,257,955	6,546,138	32,804,093
											37,285,576	12,252,686	49,538,262
Segment Liabilities	7,060,540	111,211	624,861	25,552	2,359,101	9,993,415	1,366,492	40,351	2,307,325	22,763	13,718,319	10,193,292	23,911,611
Unallocated Liabilities											3,567,097	679,062	4,246,159
											17,285,416	10,872,354	28,157,770



### 31 Fair value measurement of financial instruments

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

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

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

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

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

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

		30 September 2020									
		Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in thousand)									
<b><u>Financial assets - measured at fair value</u></b>											
<i>Investment</i>											
	12	14,907,302	-	-	-	-	14,907,302	14,907,302	-	-	14,907,302
	12	3,028,386	-	-	-	-	3,028,386	-	-	3,028,386	3,028,386
	13	-	365,364	-	-	-	365,364	-	365,364	-	365,364
Investments of Window Takaful Operations - Operator's Fund	19	35,309	-	-	-	-	35,309	35,309	-	-	35,309
<b><u>Financial assets - not measured at fair value</u></b>											
Loans and other receivables *	15	-	-	577,506	-	-	577,506	-	-	-	-
Investment - Term deposits*	14	-	6,286,129	-	-	-	6,286,129	-	-	-	-
Investment in subsidiary*	11	-	-	1,097,900	-	-	1,097,900	-	-	-	-
Insurance / reinsurance receivables											
- unsecured and considered good *	16	-	-	6,425,867	-	-	6,425,867	-	-	-	-
Reinsurance recoveries against outstanding claims *		-	-	6,825,059	-	-	6,825,059	-	-	-	-
Salvage recoveries accrued *		-	-	255,037	-	-	255,037	-	-	-	-
Prepayments *	17	-	-	3,452,060	-	-	3,452,060	-	-	-	-
Cash and bank *	18	-	-	-	2,105,598	-	2,105,598	-	-	-	-
Other Assets of Window Takaful Operations - Operator's Fund*	19	-	-	243,837	319,925	-	563,762	-	-	-	-
		17,970,997	6,651,493	18,877,266	2,425,523	-	45,925,279	14,942,611	365,364	3,028,386	18,336,361
<b><u>Financial liabilities - not measured at fair value</u></b>											
<i>Underwriting provisions:</i>											
		-	-	-	-	12,462,175	12,462,175	-	-	-	-
Outstanding claims (including IBNR)*		-	-	-	-	163,426	163,426	-	-	-	-
Borrowings		-	-	-	-	4,018,288	4,018,288	-	-	-	-
Insurance / reinsurance payables *		-	-	-	-	2,253,513	2,253,513	-	-	-	-
Other creditors and accruals*	21	-	-	-	-	677,278	677,278	-	-	-	-
Deposits and other liabilities*		-	-	-	-			-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*	19	-	-	-	-	280,799	280,799	-	-	-	-
		-	-	-	-	19,855,479	19,855,479	-	-	-	-

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

### 31.1 Fair value measurement of financial instruments

		31 December 2019									
		Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in thousand)									
<b><u>Financial assets - measured at fair value</u></b>											
<i>Investment</i>											
	Equity securities- quoted	12	15,968,534	-	-	-	15,968,534	15,968,534	-	-	15,968,534
	Equity securities- unquoted	12	2,874,483	-	-	-	2,874,483	-	-	2,874,483	2,874,483
	Debt securities	13	-	465,868	-	-	465,868	-	465,868	-	465,868
	Investments of Window Takaful Operations - Operator's Fund	19	32,958	-	-	-	32,958	32,958	-	-	32,958
<b><u>Financial assets - not measured at fair value</u></b>											
	Loans and other receivables *	15	-	-	477,264	-	477,264	-	-	-	-
	Investment - Term deposits*	14	-	5,883,892	-	-	5,883,892	-	-	-	-
	Investment in subsidiary*		-	-	694,895	-	694,895	-	-	-	-
	Insurance / reinsurance receivables		-	-	-	-	-	-	-	-	-
	- unsecured and considered good *	16	-	-	5,810,164	-	5,810,164	-	-	-	-
	Reinsurance recoveries against outstanding claims *		-	-	5,931,928	-	5,931,928	-	-	-	-
	Salvage recoveries accrued *		-	-	301,420	-	301,420	-	-	-	-
	Prepayments *	17	-	-	3,633,739	-	3,633,739	-	-	-	-
	Cash and bank *	18	-	-	-	1,176,685	1,176,685	-	-	-	-
	Other Assets of Window Takaful Operations - Operator's Fund*	19	-	-	301,438	91,895	393,333	-	-	-	-
			18,875,975	6,349,760	17,150,848	1,268,580	43,645,163	16,001,492	465,868	2,874,483	19,341,843
<b><u>Financial liabilities - not measured at fair value</u></b>											
<i>Underwriting provisions:</i>											
	Outstanding claims (including IBNR)*		-	-	-	10,367,347	10,367,347	-	-	-	-
	Insurance / reinsurance payables *		-	-	-	2,701,164	2,701,164	-	-	-	-
	Other creditors and accruals*	21	-	-	-	1,719,334	1,719,334	-	-	-	-
	Deposits and other liabilities*		-	-	-	723,618	723,618	-	-	-	-
	Total liabilities of Window Takaful Operations- Operator's Fund*	19	-	-	-	195,872	195,872	-	-	-	-
			-	-	-	15,707,335	15,707,335	-	-	-	-

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

**32 Date of authorization for issue**

This unconsolidated condensed interim financial information was authorized for issue on 28 October, 2020 by the Board of Directors of the Company.

**33 General**

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

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

  
Chairman

  
Director

  
Director

  
Chief Financial  
Officer

  
Managing Director & Chief  
Executive Officer

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

For Nine Months Ended 30 September 2020

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

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

	30 September 2020	30 September 2019
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Profit before tax	1,943,337	1,772,294
Taxation	(623,386)	(663,310)
Profit after tax	1,319,951	1,108,984
Less: Profit attributable to non-controlling interest	(2,786)	(24,385)
Profit attributable to ordinary shares	1,317,165	1,084,599
Unappropriated profit brought forward	13,610,534	12,521,272
Profit available for appropriation	14,927,699	13,605,871
Final cash dividend at Rs. 1.5 per share - 31 December 2019 [31 December 2018 (Rupee 1.5 per share)]	(525,000)	(525,000)
Interim cash dividend at Rs. 1.25 per share - 30 June 2020 [30 June 2019 (Rupee 1.0 per share)]	(437,500)	(350,000)
Acquisition of non-controlling interest	(58,014)	-
Profit after appropriation	13,907,185	12,730,871
	30 September 2020	30 September 2019
	Rupees	
	(Unaudited)	(Unaudited)
Earnings per share - Basic and diluted	3.76	3.10

For and on behalf of the Board



Ibrahim Shamsi  
Director



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

Lahore: 28 October 2020





# CONSOLIDATED

Condensed Interim  
Financial Information  
for the Nine Months Ended  
30 September 2020  
(Unaudited)



Adamjee Insurance Company Limited  
Consolidated Condensed Interim Statement of Financial Position  
As at 30 September 2020

	Note	30 September 2020	31 December 2019
		------(Rupees in thousand)-----	
		(Unaudited)	(Audited)
<b>Assets</b>			
Property and equipment	7	4,768,793	4,626,364
Intangible assets	8	105,057	131,236
Investment properties	9	1,183,026	1,204,026
Investments			
Equity securities	10	32,564,344	32,184,555
Debt securities	11	17,295,983	8,617,474
Term deposits	12	10,093,129	15,468,892
Loan secured against life insurance policies		29,048	32,785
Loans and other receivables	13	810,005	716,839
Insurance / reinsurance receivables	14	6,462,709	5,865,967
Reinsurance recoveries against outstanding claims		6,825,059	5,931,928
Salvage recoveries accrued		255,037	301,420
Deferred commission expense / acquisition cost		944,467	1,190,146
Taxation - payment less provisions		-	198,833
Prepayments	15	3,480,545	3,671,070
Cash and bank	16	10,581,199	8,437,244
		95,398,401	88,578,779
Total assets of Window Takaful Operations			
- Operator's Fund (Parent Company)	17	599,071	426,291
<b>Total Assets</b>		<b>95,997,472</b>	<b>89,005,070</b>
<b>Equity And Liabilities</b>			
<b>Capital And Reserves Attributable To The Company'S Equity Holders</b>			
Ordinary share capital		3,500,000	3,500,000
Reserves	18	3,672,078	4,552,846
Unappropriated Profit		13,907,185	13,610,534
<b>Equity attributable to equity holders of the parent</b>		<b>21,079,263</b>	<b>21,663,380</b>
Non-controlling interest		-	341,508
<b>Total Equity</b>		<b>21,079,263</b>	<b>22,004,888</b>
<b>Liabilities</b>			
Insurance liabilities		42,833,203	36,708,430
<b>Underwriting provisions:</b>			
Outstanding claims including IBNR		12,462,175	10,367,347
Unearned premium reserve		8,961,520	10,242,348
Unearned reinsurance commission		259,741	237,751
Retirement benefits obligations		293,415	262,203
Deferred taxation		1,110,208	1,425,938
Borrowings		320,603	-
Deferred grant income		38,818	-
Premium received in advance		676,970	623,336
Insurance / reinsurance payables		4,018,288	2,826,429
Other creditors and accruals	19	2,825,676	3,212,270
Deposits and other liabilities		773,924	898,258
Taxation - payment less provisions		62,869	-
		31,804,207	30,095,880
Total assets of Window Takaful Operations			
- Operator's Fund (Parent Company)	17	280,799	195,872
<b>Total Equity And Liabilities</b>		<b>95,997,472</b>	<b>89,005,070</b>

**Contingencies and commitments**

20

The annexed notes from 1 to 30 form an integral part of this consolidated condensed interim financial statements.

  
Chairman

  
Director

  
Director

  
Chief Financial  
Officer

  
Managing Director &  
Chief Executive Officer



Adamjee Insurance Company Limited  
Consolidated Condensed Interim Profit and Loss Account (Un-audited)  
For the Nine Months Ended 30 September 2020

		Quarter ended		Nine months ended	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
Note		----- (Rupees in thousand) -----			
Net insurance premium	21	7,694,679	6,701,533	20,596,203	19,524,011
Net insurance claims	22	(3,878,065)	(4,043,177)	(10,805,363)	(11,723,017)
Net commission and other acquisition costs	23	(1,143,828)	(1,077,631)	(3,179,536)	(3,033,277)
Insurance claims and acquisition expenses		(5,021,893)	(5,120,808)	(13,984,899)	(14,756,294)
Management expenses		(971,475)	(976,186)	(2,861,236)	(3,184,680)
Net change in insurance liabilities (other than outstanding claims)		(4,160,557)	(647,648)	(5,677,500)	(915,137)
Underwriting results		(2,459,246)	(43,109)	(1,927,432)	667,900
Investment income	24	1,213,170	1,021,277	3,185,247	2,787,262
Net fair value gain / (loss) on financial assets at fair value through profit or loss		1,675,888	(367,372)	231,342	(1,998,902)
Net unrealized (loss) / gain on investment property		-	-	(21,000)	21,000
Rental income		16,624	13,877	49,101	17,066
Other income		92,542	145,092	364,063	319,133
Other expenses		(8,433)	(40,583)	(49,258)	(114,078)
Results of operating activities		530,545	729,182	1,832,063	1,699,381
Finance cost		(7,738)	(3,479)	(13,693)	(16,366)
Profit from Window Takaful Operations - Operator's Fund (Parent Company)	17	37,931	31,420	124,967	89,279
Profit before tax		560,738	757,123	1,943,337	1,772,294
Income tax expense		(144,290)	(198,116)	(623,386)	(663,310)
Profit after tax for the period		416,448	559,007	1,319,951	1,108,984
Profit attributable to:					
Equity holders of the parent		416,448	556,230	1,317,165	1,084,599
Non-controlling interest		-	2,777	2,786	24,385
		416,448	559,007	1,319,951	1,108,984

The annexed notes from 1 to 30 form an integral part of this consolidated condensed interim financial statements.

Chairman

Director

Director

Chief Financial Officer

Managing Director &  
Chief Executive Officer



Adamjee Insurance Company Limited  
Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the Nine Months Ended 30 September 2020

	Quarter ended		Nine months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	------(Rupees in thousand)-----			
<b>Profit after tax</b>	<b>416,448</b>	<b>559,007</b>	<b>1,319,951</b>	<b>1,108,984</b>
<b><u>Other comprehensive income</u></b>				
Items that may be reclassified subsequently to profit and loss:				
Unrealized gain / (loss) on 'available-for-sale' investments - net of tax	<b>914,159</b>	<b>(499,576)</b>	<b>(1,065,009)</b>	<b>(1,403,768)</b>
Reclassification adjustment relating to 'available for sale' investments disposed off during the period - net of tax	<b>70,798</b>	<b>3,552</b>	<b>73,442</b>	<b>15,812</b>
Other comprehensive income from window takaful operations - net of tax	<b>470</b>	<b>664</b>	<b>(873)</b>	<b>646</b>
Effect of translation of investment in foreign branches - net	<b>(28,488)</b>	<b>(35,978)</b>	<b>112,369</b>	<b>136,638</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>1,373,387</b>	<b>27,669</b>	<b>439,880</b>	<b>(141,688)</b>
<b>Total comprehensive income / (loss) attributable to:</b>				
Equity holders of the parent	<b>1,373,387</b>	<b>23,396</b>	<b>436,397</b>	<b>(167,974)</b>
Non-controlling interest	<b>-</b>	<b>4,273</b>	<b>3,483</b>	<b>26,286</b>
	<b>1,373,387</b>	<b>27,669</b>	<b>439,880</b>	<b>(141,688)</b>

The annexed notes from 1 to 30 form an integral part of this consolidated condensed interim financial statements.

  
Chairman

  
Director

  
Director

  
Chief Financial Officer

  
Managing Director &  
Chief Executive Officer

Adamjee Insurance Company Limited  
Consolidated Condensed Interim Cash Flow Statement (Un-audited)  
For the Nine Months Ended 30 September 2020

	Nine months ended 30 September 2020	Nine months ended 30 September 2019
	----- (Rupees in thousand) -----	
<b><u>Cash flows from operating activities</u></b>		
<b>Underwriting activities</b>		
Insurance premium received	25,114,416	25,974,110
Reinsurance premiums paid	(4,266,034)	(5,298,415)
Claims paid	(12,610,037)	(15,594,179)
Surrenders paid	(24,718)	(52,719)
Reinsurance and other recoveries received	2,498,083	3,017,455
Commissions paid	(2,928,442)	(3,527,974)
Commissions received	422,134	453,065
Other underwriting payments	(4,086,689)	(3,309,567)
<b>Net cash inflow from underwriting activities</b>	<b>4,118,713</b>	<b>1,661,776</b>
<b>Other operating activities</b>		
Income tax paid	(237,159)	(254,068)
Other operating payments	(100,311)	(42,847)
Loans advanced	(27,329)	(55,175)
Loans repayments received	37,986	46,214
Other operating receipts	39,137	19,201
<b>Net cash outflow from other operating activities</b>	<b>(287,676)</b>	<b>(286,675)</b>
<b>Total cash inflow from all operating activities</b>	<b>3,831,037</b>	<b>1,375,101</b>
<b><u>Cash flows from investing activities</u></b>		
Profit / return received on bank deposits and debt securities	2,231,686	1,764,526
Dividends received	1,063,194	1,352,555
Rentals received	92,412	13,390
Payment for investments/ investment properties	(110,099,748)	(176,153,631)
Proceeds from disposal investments/ investment properties	99,822,877	173,210,622
Loan to / from policy holder	2,322	(4,848)
Fixed capital expenditure - operating fixed assets	(420,289)	(902,665)
Fixed capital expenditure - intangible assets	(19,631)	(2,539)
Proceeds from disposal of operating fixed assets	26,668	19,780
<b>Total cash outflow from investing activities</b>	<b>(7,300,509)</b>	<b>(702,810)</b>
<b><u>Cash flows from financing activities</u></b>		
Payments against lease liability	(31,123)	(71,504)
Dividends paid	(490,345)	(518,282)
Loan obtained	356,905	-
Interest expense paid against loan	(10)	-
<b>Total cash outflow from financing activities</b>	<b>(164,573)</b>	<b>(589,786)</b>
<b>Net cash outflow / inflow from all activities</b>	<b>(3,634,045)</b>	<b>82,505</b>
Cash and cash equivalents at beginning of period	18,022,244	16,543,097
<b>Cash and cash equivalents at end of period</b>	<b>14,388,199</b>	<b>16,625,602</b>

<b>Nine months ended 30 September 2020</b>	<b>Nine months ended 30 September 2019</b>
<b>----- (Rupees in thousand) -----</b>	

**Reconciliation to profit and loss account**

Operating cash flows	<b>3,831,037</b>	1,375,101
Depreciation and amortization expense	<b>(277,001)</b>	(274,836)
Provision for retirement benefit obligations	<b>(38,202)</b>	(35,312)
Finance cost	<b>(12,616)</b>	(19,018)
Provision for doubtful balances against insurance / reinsurance receivables	-	(100,767)
Other income - bank balances, term deposits and debt securities	<b>2,419,305</b>	(175,086)
Gain / (loss) on disposal of operating fixed assets	<b>9,098</b>	(4,983)
Rental income	<b>50,461</b>	17,066
Increase in assets other than cash	<b>1,274,685</b>	1,786,169
Increase in liabilities	<b>(8,623,606)</b>	(1,747,644)
Gain on disposal of investments	<b>301,045</b>	231,751
Decrease / (Increase) in unearned premium	<b>1,280,828</b>	(1,102,318)
(Decrease) / Increase in loans	<b>(10,657)</b>	8,961
Provision for impairment in value of 'available-for-sale' investments	<b>(140,543)</b>	(490,685)
Dividend and other investment income	<b>1,127,402</b>	1,539,116
Capital contribution to SHF	-	4,800
Surplus on revaluation of investment	<b>3,748</b>	7,390
Profit from Window Takaful Operations	<b>124,967</b>	89,279
<b>Profit after tax</b>	<b>1,319,951</b>	1,108,984

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

Cash and cash equivalents	<b>15,655</b>	17,170
Current and saving accounts	<b>10,565,544</b>	6,813,432
Term deposits	<b>3,807,000</b>	9,795,000
<b>Total cash and cash equivalents</b>	<b>14,388,199</b>	16,625,602

The annexed notes from 1 to 30 form an integral part of this consolidated condensed interim financial statements.



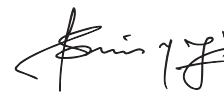
**Chairman**



**Director**



**Director**



**Chief Financial Officer**



**Managing Director &  
Chief Executive  
Officer**

Adamjee Insurance Company Limited  
Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)  
For the Nine Months Ended 30 September 2020

	Share capital Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	Revenue reserve General reserve	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interest	Total
	Rupees in thousand									
<b>Balance as at 31 December 2018 - (Audited)</b>	3,500,000	22,859	3,764	614,062	2,204,097	936,500	12,521,272	19,802,554	288,797	<b>20,091,351</b>
Profit for the period 01 January 2019 to 30 September 2019	-	-	-	-	-	-	1,084,599	1,084,599	24,385	<b>1,108,984</b>
Other comprehensive income for the period 01 January 2019 to 30 September 2019	-	-	-	136,638	(1,389,211)	-	-	(1,252,573)	1,901	<b>(1,250,672)</b>
<b>Total comprehensive income for the period</b>	-	-	-	136,638	(1,389,211)	-	1,084,599	(167,974)	26,286	<b>(141,688)</b>
	3,500,000	22,859	3,764	750,700	814,886	936,500	13,605,871	19,634,580	315,083	<b>19,949,663</b>
<b>Transactions with owners of the Company</b>										
Final cash dividend at Rs. 1.5 per share - 31 December 2018	-	-	-	-	-	-	(525,000)	(525,000)	-	<b>(525,000)</b>
Interim cash dividend at Rs. 1.0 per share - 30 June 2019	-	-	-	-	-	-	(350,000)	(350,000)	-	<b>(350,000)</b>
<b>Balance as at 30 September 2019 - (Unaudited)</b>	3,500,000	22,859	3,764	750,700	814,886	936,500	12,730,871	18,759,580	315,083	<b>19,074,663</b>
Profit for the period 01 October 2019 to 31 December 2019	-	-	-	-	-	-	887,446	887,446	33,651	<b>921,097</b>
Other comprehensive income for the period 01 October 2019 to 31 December 2019	-	-	-	(75,764)	2,099,901	-	(7,783)	2,016,354	(7,226)	<b>2,009,128</b>
<b>Total comprehensive income for the period</b>	-	-	-	(75,764)	2,099,901	-	879,663	2,903,800	26,425	<b>2,930,225</b>
<b>Balance as at 31 December 2019 - (Audited)</b>	3,500,000	22,859	3,764	674,936	2,914,787	936,500	13,610,534	21,663,380	341,508	<b>22,004,888</b>
Profit for the period 01 January 2020 to 30 September 2020	-	-	-	-	-	-	1,317,165	1,317,165	2,786	<b>1,319,951</b>
Other comprehensive income for the period 01 January 2020 to 30 September 2020	-	-	-	112,369	(993,137)	-	-	(880,768)	697	<b>(880,071)</b>
<b>Total comprehensive income for the period</b>	-	-	-	112,369	(993,137)	-	1,317,165	436,397	3,483	<b>439,880</b>
	3,500,000	22,859	3,764	787,305	1,921,650	936,500	14,927,699	22,099,777	344,991	<b>22,444,768</b>
<b>Transactions with owners of the Company</b>										
Acquisition of Non-controlling interest	-	-	-	-	-	-	(58,014)	(58,014)	(344,991)	<b>(403,005)</b>
Final cash dividend at Rs. 1.5 per share - 31 December 2019	-	-	-	-	-	-	(525,000)	(525,000)	-	<b>(525,000)</b>
Interim cash dividend at Rs. 1.25 per share - 30 June 2020	-	-	-	-	-	-	(437,500)	(437,500)	-	<b>(437,500)</b>
<b>Balance as at 30 September 2020 - (Unaudited)</b>	<b>3,500,000</b>	<b>22,859</b>	<b>3,764</b>	<b>787,305</b>	<b>1,921,650</b>	<b>936,500</b>	<b>13,907,185</b>	<b>21,079,263</b>	<b>-</b>	<b>21,079,263</b>

The annexed notes from 1 to 30 form an integral part of this consolidated condensed interim financial statements.

Chairman

Director

Director

Chief Financial Officer

Managing Director &  
Chief Executive Officer

**Adamjee Insurance Company Limited**  
**Notes to the Consolidated Condensed Interim Financial Information (Un-audited)**  
For the Nine Months Ended 30 September 2020

**1 The group and its operations:**

**1.1 The group comprises of:**

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

**Adamjee Insurance Company Limited (Parent Company)**

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

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

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

**Adamjee Life Assurance Company Limited (Subsidiary Company)**

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

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

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

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

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

**2 Basis of preparation and statement of compliance**

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

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

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

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

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

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

### 3 Basis of measurement

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

### 4 Accounting policies

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

#### 4.1 Standards, amendments or interpretations

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

#### IFRS 9

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

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

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

	September 30, 2020				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period
<b>Financial assets</b>	<b>Rupees in thousands</b>				
Cash and Bank*	10,581,199	-	-	-	-
Investments in equity securities	32,564,344	(1,175,556)	-	-	-
Investment in debt securities	16,930,619	30,415	365,364	-	-
Term deposits*	-	-	10,093,129	-	-
Loans and other receivables*	806,182	-	3,823	-	-
<b>Total</b>	<b>60,882,344</b>	<b>(1,145,141)</b>	<b>10,462,316</b>	<b>-</b>	<b>-</b>

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

### 5 Use of estimates and judgments

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

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

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

### 6 Insurance and Financial risk management

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

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	Rupees in thousand	
<b>7 Property and equipment</b>			
Opening balance - net book value		4,560,942	2,481,588
Additions during the period / year	7.1	108,380	2,056,756
Right of use asset - initial application of IFRS - 16		-	373,801
Less:			
Book value of disposals / derecognized during the period / year	7.2	(126,750)	(67,645)
Depreciation charged during the period / year		(241,369)	(308,034)
Net book value of transfers to Investment property		-	(23,218)
Exchange differences and other adjustments		33,419	47,694
		(334,700)	(351,203)
		4,334,622	4,560,942
Capital work in progress		434,171	65,422
		4,768,793	4,626,364
<b>7.1 Additions during the period / year - cost</b>			
Building - Freehold		-	1,364,391
Furniture and fixtures		9,723	78,175
Motor vehicles		19,297	113,408
Machinery and equipment		14,814	437,606
Computer equipment		7,847	30,814
Leasehold Improvements		4,578	27,173
Right of use asset - Buildings		52,121	5,189
		108,380	2,056,756
<b>7.2 Written down values of property and equipment disposed off / derecognized during the period / year</b>			
Furniture and fixtures		-	29,637
Motor vehicles		17,570	22,948
Machinery and equipment		-	8,754
Computer equipment		-	-
Right of use asset - Buildings		109,180	-
Leasehold Improvements		-	6,306
		126,750	67,645
<b>8 Intangible assets</b>			
Opening balance - net book value		131,236	160,602
Additions during the period		6,297	14,998
Book value of disposals during the period		-	-
Amortization charged during the period		(35,632)	(50,086)
Exchange differences and other adjustments		3,156	5,722
		(32,476)	(44,364)
		105,057	131,236
<b>9 Investment Properties</b>			
Opening balance - net book value		1,204,026	855,394
Additions and capital improvements		-	315,334
Unrealized fair value (loss) / gain		(21,000)	33,298
		1,183,026	1,204,026

# 10 Investment in equity securities

## Available-for-sale

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

## Available-for-sale

### Related parties

Listed shares	9,104,774	(265,237)	656,215	9,495,752	9,086,355	(290,808)	2,098,765	10,894,312
Unlisted shares	848,964	-	17,087	866,051	698,226	-	13,922	712,148
	9,953,738	(265,237)	673,302	10,361,803	9,784,581	(290,808)	2,112,687	11,606,460

### Others

Listed shares	6,372,031	(1,879,875)	796,991	5,289,147	5,686,610	(1,713,761)	759,400	4,732,249
Unlisted shared	925,360	-	1,236,975	2,162,335	925,360	-	1,236,975	2,162,335
Mutual Funds	147,833	-	(4,401)	143,432	364,265	-	68	364,333
NIT Units	-	-	-	-	161	-	635	796
	7,445,224	(1,879,875)	2,029,565	7,594,914	6,976,396	(1,713,761)	1,997,078	7,259,713

<b>Total - available for sale</b>	<b>17,398,962</b>	<b>(2,145,112)</b>	<b>2,702,867</b>	<b>17,956,717</b>	<b>16,760,977</b>	<b>(2,004,569)</b>	<b>4,109,765</b>	<b>18,866,173</b>
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### Fair value through profit and loss

### Related parties

Listed shares	1,339,390	-	-	1,339,390	1,633,771	-	-	1,633,771
Mutual Funds	5,753,575	-	-	5,753,575	5,014,226	-	-	5,014,226
	7,092,965	-	-	7,092,965	6,647,997	-	-	6,647,997

### Others

Listed shares	5,931,573	-	-	5,931,573	5,828,985	-	-	5,828,985
Mutual Funds	1,583,089	-	-	1,583,089	841,400	-	-	841,400
	7,514,662	-	-	7,514,662	6,670,385	-	-	6,670,385

<b>Total - fair value through profit and loss</b>	<b>14,607,627</b>	<b>-</b>	<b>-</b>	<b>14,607,627</b>	<b>13,318,382</b>	<b>-</b>	<b>-</b>	<b>13,318,382</b>
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<b>Grand Total</b>	<b>32,006,589</b>	<b>(2,145,112)</b>	<b>2,702,867</b>	<b>32,564,344</b>	<b>30,079,359</b>	<b>(2,004,569)</b>	<b>4,109,765</b>	<b>32,184,555</b>
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**10.1** 3,716,710 (2019: 3,716,710) shares of MCB Bank Limited and 3,582,000 (2019: Nil) shares of Fauji Fertilizer Company Limited have been pledged against Standby Letter of Credit (SBLC) issued in favour of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited, a related party of the Group.



	Note	(Unaudited) 30 September 2020	(Audited) 31 December 2019
		Rupees in thousand	
<b>11 Investments in debt securities</b>			
<b>Held to maturity</b>			
Treasury Bills		270,050	370,491
Pakistan Investment Bonds		95,314	95,377
		365,364	465,868
<b>Available for sale</b>			
Treasury Bills		634,576	558,153
Pakistan Investment Bonds		101,665	93,684
		736,241	651,837
<b>Fair value through profit and loss</b>			
Term Finance Certificates		1,221,636	1,588,848
Advance against purchase of term finance certificate		-	50,000
Corporate Sukuks		2,060,486	1,135,121
Ijarah Sukuks		466,206	-
Treasury Bills		9,267,201	3,828,677
Pakistan Investment Bonds		3,178,849	897,123
		16,194,378	7,499,769
		17,295,983	8,617,474
<b>12 Investments in Term Deposits</b>			
<b>Held to maturity</b>			
<b>Deposits maturing within 12 months</b>			
<b>Inside Pakistan</b>			
- related parties		378,811	156,811
- others		3,610,066	9,610,066
		3,988,877	9,766,877
<b>Outside Pakistan</b>			
- related parties		1,353,351	1,264,698
- others		4,673,713	4,387,207
		6,027,064	5,651,905
<b>Deposits maturing after 12 months</b>		10,015,941	15,418,782
<b>Inside Pakistan</b>			
- related parties		2,000	2,000
- others		75,188	48,110
		77,188	50,110
	12.1	10,093,129	15,468,892

- 12.1** These include fixed deposits amounting to Rs. 5,187,846 thousands (AED 115,000 thousands) [2019: Rs. 4,848,009 thousands (AED 115,000 thousands)] kept in accordance with the requirements of Insurance Regulations applicable to the United Arab Emirates (UAE) branches of the Parent Company for the purpose of carrying on business in (UAE). These also include liens against cash deposits of Rs. 259,065 thousands (2019: Rs. 231,987 thousands) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Parent Company for claims under litigation filed against the Parent Company, bid bond guarantees and guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party of the Group.

Note	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Rupees in thousand	
<b>13 Loans and other receivables - considered good</b>		
Rent receivable	11,754	7,295
Accrued income	303,840	351,017
Security deposits	106,640	92,526
Advances to employees and suppliers	245,242	152,012
Advance agent commission	2,421	3,003
Loans to employees	46,937	56,318
Receivable against the sale of investment	16,474	-
Receivable from related parties	-	5
Other receivables	76,697	54,663
	<b>810,005</b>	<b>716,839</b>

**14 Insurance / reinsurance receivables - unsecured and considered good**

Due from insurance contract holders	6,075,579	5,786,646
Provision for impairment of receivables from insurance contract holders	(912,734)	(868,586)
	<b>5,162,845</b>	<b>4,918,060</b>
Due from other insurers / other reinsurers	1,501,166	1,149,209
Provision for impairment of due from other insurers / reinsurers	(201,302)	(201,302)
	<b>1,299,864</b>	<b>947,907</b>
	<b>6,462,709</b>	<b>5,865,967</b>

14.1 Due from insurance contact holders include an amount Rs. 242,752 thousands (2019: Rs. 221,567 thousands) held with related parties.

Note	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Rupees in thousand	
<b>15 Prepayments</b>		
Prepaid reinsurance premium ceded	3,331,062	3,500,512
Prepaid rent	10,567	12,488
Prepaid miscellaneous expenses	138,916	158,070
	<b>3,480,545</b>	<b>3,671,070</b>

**16 Cash and bank**

**Cash and cash equivalents**

**Inside Pakistan**

Cash in hand	2,388	819
Policy & Revenue stamps, Bond papers	12,648	24,993
	<b>15,036</b>	<b>25,812</b>

**Outside Pakistan**

Cash in hand	619	-
	<b>15,655</b>	<b>25,812</b>

**Cash at bank**

**Inside Pakistan**

Current accounts	544,020	289,356
Savings accounts	9,865,036	8,057,231
	<b>10,409,056</b>	<b>8,346,587</b>

**Outside Pakistan**

Current accounts	155,099	59,333
Savings accounts	1,389	5,512
	<b>156,488</b>	<b>64,845</b>
	<b>10,565,544</b>	<b>8,411,432</b>
	<b>10,581,199</b>	<b>8,437,244</b>

16.1 Cash at bank includes an amount of Rs. 2,950,084 thousands (2019: Rs. 1,835,434 thousands) held with MCB Bank Limited, a related party of the Group.

16.2 Lien of Rs. 440,000 thousands (2019: Rs. 291,000 thousands) is marked on cash deposits in saving accounts against SBLC (Standby Letter of Credit) issued in favor of Meezan Bank Limited by Parent Company on behalf of Hyundai Nishat Motor (Private) Limited.

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Rupees in thousand	
<b>17 Window Takaful Operations - Parent Company</b>		
<b>Operator's Fund</b>		
<b>Assets</b>		
Cash and bank deposits	319,925	91,895
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	35,309	32,958
Intangible assets	14,804	17,650
Property and equipment	20,808	17,733
Current assets - others	61,765	119,595
<b>Total Assets</b>	<b>599,071</b>	<b>426,291</b>
<b>Total Liabilities</b>	<b>280,799</b>	<b>195,872</b>
	<b>Nine Months Ended</b>	
	30 September 2020	30 September 2019
	Rupees in thousand	
Wakala income	300,965	240,280
Commission expense	(87,604)	(72,312)
Management expenses	(101,807)	(88,471)
Investment income	3,584	1,345
Other income	9,579	10,956
Mudarib's share of PTF investment income	2,744	-
Other Expenses	(2,494)	(2,519)
Profit before taxation	124,967	89,279
Taxation	(36,241)	(26,071)
<b>Profit after taxation</b>	<b>88,726</b>	<b>63,208</b>

Details of total assets, total liabilities and segment disclosure of window takaful operations of the Parent Company are stated in the annexed condensed interim financial information for the nine months ended 30 September 2020.

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Rupees in thousand	
<b>18 Reserves</b>		
<b>Capital reserves</b>		
Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	787,305	674,936
Fair value reserve	1,921,650	2,914,787
	2,735,578	3,616,346
<b>Revenue reserves</b>		
General reserves	936,500	936,500
	3,672,078	4,552,846
<b>19 Other creditors and accruals</b>		
Agents commission payable	1,073,384	1,039,000
Payable against the purchase of investment	-	847,474
Federal Excise Duty / Sales Tax / VAT	148,451	50,149
Federal Insurance Fee payable	39,676	33,785
Payable to related parties	12,849	7,131
Workers' welfare fund	76,485	76,485
Tax deducted at source	106,930	104,056
Accrued expenses	264,012	386,051
Unpaid and unclaimed dividend	597,984	125,829
Payable to employees' provident fund	80	2,676
Sundry creditors	505,825	539,634
	2,825,676	3,212,270

## 20 Contingencies and commitments

### Parent Company

#### Contingencies and commitments

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

- The Parent Company has provided a guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party, amounting to Rs. 1,209,000 thousands (2019: Rs. 841,000 thousands).
- The Parent Company has issued letter of guarantees amounting to AED 287,750 amounting to Rs.12,981 thousands (2019: AED 449,000 amounting to Rs. 18,928 thousands) relating to UAE branch of the Parent Company.

### Subsidiary Company

#### Contingencies

There were no contingencies as at 30 September 2020.

#### Commitments

Commitments represent ljarah rentals for vehicles payable in future period.

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

Note	Quarter ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	Rupees in thousand			
<b>21 Net insurance premium</b>				
<b>Parent Company</b>				
Written gross premium	4,680,074	5,711,751	14,423,597	17,841,570
Unearned premium reserve opening	9,426,420	11,566,014	10,242,348	10,100,901
Unearned premium reserve closing	(8,961,520)	(11,203,219)	(8,961,520)	(11,203,219)
Currency translation effect	(56,045)	(125,899)	248,282	545,352
Premium earned	5,088,929	5,948,647	15,952,707	17,284,604
Reinsurance premium ceded	(2,212,573)	(2,044,051)	(5,436,857)	(6,346,478)
Prepaid reinsurance premium opening	(2,937,772)	(3,543,053)	(3,500,512)	(2,866,980)
Prepaid reinsurance premium closing	3,331,062	3,630,334	3,331,062	3,630,334
Currency translation effect	2,193	4,031	(6,060)	(3,440)
Reinsurance expense	(1,817,090)	(1,952,739)	(5,612,367)	(5,586,564)
<b>21.1 &amp; 21.2</b>	<b>3,271,839</b>	<b>3,995,908</b>	<b>10,340,340</b>	<b>11,698,040</b>
<b>Subsidiary Company</b>				
<b>Regular premium / contributions individual policies</b>	<b>21.3</b>			
- first year	884,621	890,243	1,963,343	2,436,820
- second year renewal	679,557	465,825	1,901,722	1,417,113
- subsequent years renewal	1,246,715	1,101,625	3,532,072	3,221,343
Single premium / contributions individual policies	21.3			
Group policies without cash values	1,552,873	226,742	2,783,985	732,928
Less: Experience refund	329,454	278,065	577,960	525,533
	(12,182)	(17,358)	(22,319)	(27,850)
	4,681,038	2,945,142	10,736,763	8,305,887
<b>Less: reinsurance premiums / retakaful contributions ceded</b>				
On individual life first year business	(10,800)	(8,518)	(21,519)	(31,900)
On individual life second year business	(5,474)	(7,267)	(16,475)	(35,654)
On individual life subsequent renewal business	(32,503)	(18,000)	(87,734)	(88,267)
On single premium individual policies	(1,029)	-	(3,284)	-
On group policies	(208,392)	(205,732)	(352,281)	(324,095)
Profit commission on reinsurance	-	-	393	-
	(258,198)	(239,517)	(480,900)	(479,916)
	4,422,840	2,705,625	10,255,863	7,825,971
	7,694,679	6,701,533	20,596,203	19,524,011
<b>21.1 Net insurance premium - Business underwritten inside Pakistan</b>				
Written gross premium	3,909,035	3,793,300	10,697,202	11,922,529
Unearned premium reserve opening	5,861,254	6,550,695	6,197,501	5,508,453
Unearned premium reserve closing	(6,298,218)	(6,666,950)	(6,298,218)	(6,666,950)
Premium earned	3,472,071	3,677,045	10,596,485	10,764,032
Reinsurance premium ceded	(2,150,570)	(2,000,698)	(5,263,861)	(6,188,348)
Prepaid reinsurance premium opening	(2,818,671)	(3,480,705)	(3,425,355)	(2,838,973)
Prepaid reinsurance premium closing	3,213,297	3,600,578	3,213,297	3,600,578
Reinsurance expense	(1,755,944)	(1,880,825)	(5,475,919)	(5,426,743)
	1,716,127	1,796,220	5,120,566	5,337,289
<b>21.2 Net insurance premium - Business underwritten outside Pakistan</b>				
Written gross premium	771,039	1,918,451	3,726,395	5,919,041
Unearned premium reserve opening	3,565,166	5,015,319	4,044,847	4,592,448
Unearned premium reserve closing	(2,663,302)	(4,536,269)	(2,663,302)	(4,536,269)
Currency translation effect	(56,045)	(125,899)	248,282	545,352
Premium earned	1,616,858	2,271,602	5,356,222	6,520,572
Reinsurance premium ceded	(62,003)	(43,353)	(172,996)	(158,130)
Prepaid reinsurance premium opening	(119,101)	(62,348)	(75,157)	(28,007)
Prepaid reinsurance premium closing	117,765	29,756	117,765	29,756
Currency translation effect	2,193	4,031	(6,060)	(3,440)
Reinsurance expense	(61,146)	(71,914)	(136,448)	(159,821)
	1,555,712	2,199,688	5,219,774	6,360,751
<b>21.3 Individual policies are those underwritten on an individual basis.</b>				

Note	Quarter ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
Rupees in thousand				
<b>22 Net insurance claims expense</b>				
<b>Parent Company</b>				
Claims paid	2,536,430	3,366,513	7,953,138	10,574,228
Outstanding claims including IBNR closing	12,462,175	10,406,228	12,462,175	10,406,228
Outstanding claims including IBNR opening	(11,641,695)	(10,669,875)	(10,367,347)	(10,461,975)
Currency translation effect	91,911	145,068	(422,239)	(655,710)
Claims expense	3,448,821	3,247,934	9,625,727	9,862,771
Reinsurance and other recoveries received	(829,757)	(950,104)	(2,849,950)	(3,417,280)
Reinsurance and other recoveries in respect of outstanding claims closing	(7,080,096)	(5,921,611)	(7,080,096)	(5,921,611)
Reinsurance and other recoveries in respect of outstanding claims opening	6,583,565	6,227,154	6,233,348	6,397,245
Currency translation effect	(40,993)	(77,240)	219,838	339,893
Reinsurance and other recoveries revenue	(1,367,281)	(721,801)	(3,476,860)	(2,601,753)
<b>22.1 &amp; 22.2</b>	<b>2,081,540</b>	<b>2,526,133</b>	<b>6,148,867</b>	<b>7,261,018</b>
<b>Subsidiary Company</b>				
<b>Gross claims</b>				
Claims under individual policies				
- by death	174,295	93,644	328,806	227,119
- by insured event other than death	(6)	(4,725)	1,094	1,550
- by maturity	479,921	130,222	1,265,862	553,745
- by surrender	1,146,994	1,242,454	3,028,586	3,580,656
Total gross individual policy claims	1,801,204	1,461,595	4,624,348	4,363,070
Claims under group policies				
- by death	259,108	132,678	482,678	365,502
- by insured event other than death	1,776	1,534	5,248	(21,137)
Total gross group policy claims	260,884	134,212	487,926	344,365
Claim investigation fees	2,197	1,448	4,176	5,333
<b>Total gross claims</b>	<b>2,064,285</b>	<b>1,597,255</b>	<b>5,116,450</b>	<b>4,712,768</b>
<b>Less: Reinsurance recoveries</b>				
- on individual claims	68,020	18,620	99,789	38,742
- on group claims	199,740	61,591	360,165	212,027
	267,760	80,211	459,954	250,769
	1,796,525	1,517,044	4,656,496	4,461,999
	3,878,065	4,043,177	10,805,363	11,723,017
<b>22.1 Net insurance claims expense - Business underwritten inside Pakistan</b>				
Claim paid	1,213,892	1,136,227	3,402,597	4,608,407
Outstanding claims including IBNR closing	5,892,742	4,397,259	5,892,742	4,397,259
Outstanding claims including IBNR opening	(5,057,585)	(4,572,871)	(4,398,967)	(5,386,215)
Claim expense	2,049,049	960,615	4,896,372	3,619,451
Reinsurance and other recoveries received	(252,863)	(275,086)	(825,391)	(1,752,307)
Reinsurance and other recoveries in respect of outstanding claims closing	(4,057,402)	(2,802,450)	(4,057,402)	(2,802,450)
Reinsurance and other recoveries in respect of outstanding claims opening	3,410,063	3,046,533	2,948,471	3,769,658
Reinsurance and other recoveries revenue	(900,202)	(31,003)	(1,934,322)	(785,099)
	1,148,847	929,612	2,962,050	2,834,352
<b>22.2 Net insurance claims expense - Business underwritten outside Pakistan</b>				
Claim Paid	1,322,538	2,230,286	4,550,541	5,965,821
Outstanding claims including IBNR closing	6,569,433	6,008,969	6,569,433	6,008,969
Outstanding claims including IBNR opening	(6,584,110)	(6,097,004)	(5,968,380)	(5,075,760)
Currency translation effect	91,911	145,068	(422,239)	(655,710)
Claim expense	1,399,772	2,287,319	4,729,355	6,243,320
Reinsurance and other recoveries received	(576,894)	(675,018)	(2,024,559)	(1,664,973)
Reinsurance and other recoveries in respect of outstanding claims closing	(3,022,694)	(3,119,161)	(3,022,694)	(3,119,161)
Reinsurance and other recoveries in respect of outstanding claims opening	3,173,502	3,180,621	3,284,877	2,627,587
Currency translation effect	(40,993)	(77,240)	219,838	339,893
Reinsurance and other recoveries revenue	(467,079)	(690,798)	(1,542,538)	(1,816,654)
	932,693	1,596,521	3,186,817	4,426,666

Note	Quarter ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Rupees in thousand				
<b>23 Net commission and other acquisition costs</b>				
<b>Parent Company</b>				
Commission paid or payable	368,302	659,351	1,549,001	1,890,491
Deferred commission expense opening	1,192,418	1,075,282	1,190,146	788,431
Deferred commission expense closing	(944,467)	(1,174,422)	(944,467)	(1,174,422)
Currency translation effect	(14,022)	(12,233)	51,647	72,485
Net commission	602,231	547,978	1,846,327	1,576,985
Commission received or recoverable	(181,517)	(190,818)	(422,134)	(453,065)
Unearned reinsurance commission opening	(199,721)	(237,103)	(237,751)	(221,371)
Unearned reinsurance commission closing	259,741	289,958	259,741	289,958
Currency translation effect	68	294	(192)	(367)
Commission from reinsurance	(121,429)	(137,669)	(400,336)	(384,845)
<b>23.1 &amp; 23.2</b>	<b>480,802</b>	<b>410,309</b>	<b>1,445,991</b>	<b>1,192,140</b>
<b>Subsidiary Company</b>				
Remuneration to insurance / takaful intermediaries on individual policies:				
- Commission on first year contribution / premium	382,675	408,573	859,506	1,104,203
- Commission on second year contribution / premium	36,045	24,500	101,385	80,853
- Commission on subsequent years renewal contribution / premium	29,206	23,032	82,324	78,207
- Commission on single contribution / premium	33,817	4,268	59,683	15,436
- Other benefits to insurance intermediaries	82,894	99,624	240,423	257,806
	564,637	559,997	1,343,321	1,536,505
Remuneration to insurance intermediaries on group policies:				
- Commission	4,588	5,758	28,706	23,410
- Other benefits to insurance intermediaries	760	708	2,647	3,381
	5,348	6,466	31,353	26,791
Other acquisition costs	93,041	100,859	358,871	277,841
	663,026	667,322	1,733,545	1,841,137
	1,143,828	1,077,631	3,179,536	3,033,277
<b>23.1 Net commission and other acquisition costs - Business underwritten inside Pakistan</b>				
Commission paid or payable	224,964	246,017	733,353	824,897
Deferred commission expense opening	400,172	417,247	352,673	297,403
Deferred commission expense closing	(381,604)	(423,064)	(381,604)	(423,064)
Net commission	243,532	240,200	704,422	699,236
Commission received or recoverable	(177,882)	(189,828)	(414,461)	(446,979)
Unearned reinsurance commission opening	(195,331)	(231,646)	(236,381)	(218,690)
Unearned reinsurance commission closing	253,765	286,392	253,765	286,392
Commission from reinsurance	(119,448)	(135,082)	(397,077)	(379,277)
	124,084	105,118	307,345	319,959
<b>23.2 Net commission and other acquisition costs - Business underwritten outside Pakistan</b>				
Commission paid or payable	143,338	413,334	815,648	1,065,594
Deferred commission expense opening	792,246	658,035	837,473	491,028
Deferred commission expense closing	(562,863)	(751,358)	(562,863)	(751,358)
Currency translation effect	(14,022)	(12,233)	51,647	72,485
Net commission	358,699	307,778	1,141,905	877,749
Commission received or recoverable	(3,635)	(990)	(7,673)	(6,086)
Unearned reinsurance commission opening	(4,390)	(5,457)	(1,370)	(2,681)
Unearned reinsurance commission closing	5,976	3,566	5,976	3,566
Currency translation effect	68	294	(192)	(367)
Commission from reinsurance	(1,981)	(2,587)	(3,259)	(5,568)
	356,718	305,191	1,138,646	872,181

24 Investment income

**Business underwritten Inside Pakistan**

**Income from equity securities**

**Dividend Income**

- Available for sale

- Fair value through profit or loss

**Income from debt securities**

**Return on debt securities**

- Fair value through profit or loss

- Held to maturity

**Return on government securities**

- Available for Sale

- Fair value through profit or loss

- Held to maturity

**Income from term deposit receipts**

- Held to maturity

Tax on dividend under final tax regime

**Net realized fair value gains on investments**

**Available for sale**

- Equity securities

- Government securities

**Fair value through profit or loss**

- Equity securities

- Debt securities

- Government securities

Provision for impairment in value of

'available-for-sale' investments

**Business underwritten Outside Pakistan**

**Income from equity securities**

**Dividend income**

- Available for Sale

**Net realized gains on investments**

- Available for Sale

**Return on term deposits**

- Held to maturity

**Total investment income**

Quarter ended		Nine Months Ended	
30 September 2020	30 September 2019	30 September 2020	30 September 2019
Rupees in thousand			
185,399	350,455	855,842	1,094,882
27,160	115,544	269,316	399,951
212,559	465,999	1,125,158	1,494,833
79,987	104,553	310,106	275,722
-	-	-	-
79,987	104,553	310,106	275,722
9,437	46,969	34,783	57,872
322,645	245,158	1,116,805	568,115
7,831	(21,910)	29,536	-
339,913	270,217	1,181,124	625,987
63,429	175,341	287,477	524,806
63,429	175,341	287,477	524,806
(435)	(1,874)	(1,782)	(37,654)
(435)	(1,874)	(1,782)	(37,654)
37,019	-	40,552	2,568
-	(2,564)	-	81
37,019	(2,564)	40,552	2,649
375,508	(193,804)	(24,974)	111,594
(1,018)	-	(1,240)	-
3,655	138,491	286,516	112,506
378,145	(55,313)	260,302	224,100
62,696	-	(140,543)	(490,685)
1,173,313	956,359	3,062,394	2,619,758
2,150	15,113	2,244	44,283
2,150	15,113	2,244	44,283
-	5,002	191	5,002
-	5,002	191	5,002
37,707	44,803	120,418	118,219
37,707	44,803	120,418	118,219
39,857	64,918	122,853	167,504
1,213,170	1,021,277	3,185,247	2,787,262



	Quarter ended		Nine Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	Rupees in thousand			
<b>25 Earnings per share - basic and diluted</b>				
There is no dilutive effect on the basic earnings per share which is based on:				
Profit after tax for the period attributable to ordinary shareholders	<b>416,448</b>	556,230	<b>1,317,165</b>	1,084,599
	<b>Number of shares</b>	<b>Number of shares</b>	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares outstanding	<b>350,000,000</b>	350,000,000	<b>350,000,000</b>	350,000,000
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Earnings per share - basic and diluted	<b>1.19</b>	1.59	<b>3.76</b>	3.10

## 26 Transactions with related parties

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

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

	Nine Months Ended	
	30 September 2020	30 September 2019
	Rupees in thousand	
<b>Parent Company</b>		
<b>i) Transactions</b>		
Premiums underwritten	1,340,624	982,596
Premiums received	1,061,914	1,065,291
Claims paid	463,910	415,595
Commission Paid	23,903	59,656
Guarantee commission received	8,460	-
Rent paid	8,067	6,646
Rent received	29,584	-
Dividends received	406,532	586,022
Dividends paid	107,745	148,528
Income on bank deposits	67,093	21,176
Investments made	150,738	250,000
Fee / service charges paid	6,410	8,662
Security deposit paid	115	-
Security deposit received	-	3,050
Charge in respect of gratuity expense	27,096	25,231
Contribution to Employees' Provident Fund	26,375	24,925
Compensation paid to Key management personnel	1,010,106	995,859
	(Unaudited)	(Audited)
	30 September 2020	31 December 2019
	Rupees in thousand	
<b>ii) Period end balances</b>		
Balances receivable	235,980	215,212
Balances payable	266,693	359,782
Cash and bank balances including term deposits	2,262,905	1,707,013
Payable to Staff Gratuity Fund	154,565	142,469

**Subsidiary Company**

**i) Transactions**

**Associated undertakings**

	<b>Nine Months Ended</b>	
	<b>30 September 2020</b>	<b>30 September 2019</b>
	<b>Rupees in thousand</b>	
Premium written	<b>206,305</b>	212,041
Claims expense	<b>130,057</b>	50,936
Commission and other incentives in respect of bancassurance	<b>849,627</b>	1,200,732
Profit on bank deposits	<b>64,710</b>	96,495
Bank charges	<b>1,390</b>	1,077
Investments purchased	<b>2,375,436</b>	3,614,507
Investments sold	<b>2,334,448</b>	2,848,376
Dividend income	<b>151,825</b>	149,994
Reinsurance claim recoveries	-	9,933
Reinsurance premium ceded	-	1,872
<b>Other related parties</b>		
Premium written	<b>5,798</b>	5,135
Claims expense	<b>1,234</b>	159
Investment advisor fee	<b>18,685</b>	14,351
Trustee fee	<b>7,648</b>	7,263

<b>(Unaudited)</b>	<b>(Audited)</b>
<b>30 September 2020</b>	<b>31 December 2019</b>
<b>Rupees in thousand</b>	

**ii) Period end balances**

**Associated undertakings**

Premium due but unpaid	<b>9,028</b>	6,526
Premium received in advance	<b>219</b>	-
Bank deposits	<b>2,127,824</b>	1,475,870
Investments held	<b>7,457,539</b>	6,799,087
Accrued Income	-	101
Commission payable	<b>356,746</b>	337,441
Claims payable	<b>18,857</b>	2,370
Reinsurance receivable/ (payable)	-	1,874

**Other related parties**

Premium due but unpaid	<b>971</b>	3,027
Remuneration payable for the management of discretionary investment portfolio	<b>6,329</b>	3,792
Remuneration payable to trustee	<b>589</b>	486
Other payable	<b>(114)</b>	(892)

**Staff Retirement Benefit Plan (Gratuity Fund)**

Charge for the period	<b>31,549</b>	51,447
(Payable to)/ receivable from Gratuity fund	<b>(68,575)</b>	(37,026)

## 27 Segment Information

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

Nine Months Ended 30 September 2020															
General Insurance													Life Insurance	Aggregate	
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance			
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan				
Rupees in thousands															
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	6,433,303	20,761	853,945	16,009	2,363,683	3,787,148	1,560,126	81,749	884,073	6,839	12,095,130	3,912,506	16,007,636	10,736,763	26,744,399
Less: Federal excise duty / VAT	(817,322)	(1,330)	(95,513)	(285)	(282,114)	(180,099)	(15,536)	(3,893)	(79,629)	(436)	(1,290,114)	(186,043)	(1,476,157)	-	(1,476,157)
Federal insurance fee	(55,478)	(45)	(7,534)	(17)	(20,801)	-	(15,432)	-	(8,569)	(6)	(107,814)	(68)	(107,882)	-	(107,882)
	5,560,503	19,386	750,898	15,707	2,060,768	3,607,049	1,529,158	77,856	795,875	6,397	10,697,202	3,726,395	14,423,597	10,736,763	25,160,360
Gross written premium (inclusive of administrative surcharge)	5,560,503	19,386	750,898	15,707	2,060,768	3,607,049	1,529,158	77,856	795,875	6,397	10,697,202	3,726,395	14,423,597	10,736,763	25,160,360
Gross direct premium	5,529,193	19,336	734,692	15,707	1,985,229	3,601,975	1,526,744	77,856	789,170	6,386	10,565,028	3,721,260	14,286,288	10,736,763	25,023,051
Facultative inward premium	17,269	-	295	-	-	-	-	-	-	-	17,564	-	17,564	-	17,564
Administrative surcharge	14,041	50	15,911	-	75,539	5,074	2,414	-	6,705	11	114,610	5,135	119,745	-	119,745
	5,560,503	19,386	750,898	15,707	2,060,768	3,607,049	1,529,158	77,856	795,875	6,397	10,697,202	3,726,395	14,423,597	10,736,763	25,160,360
Insurance premium earned	5,191,413	24,003	698,830	16,165	2,055,501	5,269,497	1,408,708	37,013	1,242,033	9,544	10,596,485	5,356,222	15,952,707	10,736,763	26,689,470
Insurance premium ceded to reinsurers	(4,600,759)	(15,424)	(207,532)	-	(38,099)	(82,707)	-	(33,611)	(629,529)	(4,706)	(5,475,919)	(136,448)	(5,612,367)	(480,900)	(6,093,267)
Net insurance premium	590,654	8,579	491,298	16,165	2,017,402	5,186,790	1,408,708	3,402	612,504	4,838	5,120,566	5,219,774	10,340,340	10,255,863	20,596,203
Commission income	318,970	1,565	617	-	3,357	-	-	1,051	74,133	643	397,077	3,259	400,336	-	400,336
Net underwriting income	909,624	10,144	491,915	16,165	2,020,759	5,186,790	1,408,708	4,453	686,637	5,481	5,517,643	5,223,033	10,740,676	10,255,863	20,996,539
Insurance claims	(2,049,898)	(98,448)	(347,395)	1,194	(892,701)	(4,598,744)	(1,108,822)	(34,036)	(497,556)	679	(4,896,372)	(4,729,355)	(9,625,727)	(5,116,450)	(14,742,177)
Insurance claim recoveries from reinsurer	1,560,623	27,922	44,824	-	90,879	1,489,418	-	25,044	237,996	154	1,934,322	1,542,538	3,476,860	459,954	3,936,814
Net claims	(489,275)	(70,526)	(302,571)	1,194	(801,822)	(3,109,326)	(1,108,822)	(8,992)	(259,560)	833	(2,962,050)	(3,186,817)	(6,148,867)	(4,656,496)	(10,805,363)
Commission expense	(330,519)	(2,042)	(99,223)	(1,588)	(134,811)	(1,135,110)	(38,181)	(2,632)	(101,688)	(533)	(704,422)	(1,141,905)	(1,846,327)	(1,733,545)	(3,579,872)
Management expense	(264,080)	(895)	(246,511)	(6,204)	(727,490)	(676,990)	(92,240)	(13,558)	(174,998)	(349)	(1,505,319)	(697,996)	(2,203,315)	(657,921)	(2,861,236)
Net insurance claims and expenses	(1,083,874)	(73,463)	(648,305)	(6,598)	(1,664,123)	(4,921,426)	(1,239,243)	(25,182)	(536,246)	(49)	(5,171,791)	(5,026,718)	(10,198,509)	(7,047,962)	(17,246,471)
Net change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,677,500)	(5,677,500)
Underwriting result	(174,250)	(63,319)	(156,390)	9,567	356,636	265,364	169,465	(20,729)	150,391	5,432	345,852	196,315	542,167	(2,469,599)	(1,927,432)
Net investment income											791,946	122,853	914,799	2,270,448	3,185,247
Net fair value loss on financial assets at fair value through profit or loss											-	-	-	231,342	231,342
Net unrealized loss on investment property											-	-	-	(21,000)	(21,000)
Rental income											47,611	1,490	49,101	-	49,101
Other income											88,117	45,114	133,231	230,832	364,063
Other expenses											(36,333)	(9,385)	(45,718)	(3,540)	(49,258)
Finance Cost											(5,399)	(3,030)	(8,429)	(5,264)	(13,693)
Profit from Window Takaful Operations											124,967	-	124,967	-	124,967
Profit before tax											1,356,761	353,357	1,710,118	233,219	1,943,337

30 September 2020															
General Insurance													Aggregate Life Insurance	Aggregate	
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance			
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan				
Rupees in thousands															
Segment Assets	8,601,656	89,726	644,836	6,624	1,312,949	4,738,331	768,391	75,805	1,523,656	19,519	12,851,488	4,930,005	17,781,493	44,280,850	62,062,343
Unallocated assets											25,843,486	7,025,977	32,869,463	1,065,666	33,935,129
											38,694,974	11,955,982	50,650,956	45,346,516	95,997,472
Segment Liabilities	9,277,796	103,283	927,999	23,515	2,565,845	9,215,155	1,840,051	91,987	2,076,200	21,313	16,687,891	9,455,253	26,143,144	42,684,984	68,828,128
Unallocated Liabilities											4,447,628	474,463	4,922,091	1,167,990	6,090,081
											21,135,519	9,929,716	31,065,235	43,852,974	74,918,209

## 27.1 Segment Information

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

Nine Months Ended 30 September 2019															Life Insurance	Aggregate
General Insurance																
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance				
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan					
Rupees in thousands																
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	7,201,842	34,734	762,194	18,822	2,497,631	6,140,429	1,615,459	21,758	1,376,883	13,941	13,454,009	6,229,683	19,683,692	8,333,737	28,017,429	
Less: Federal excise duty / VAT	(899,361)	(2,440)	(83,590)	(309)	(297,947)	(306,081)	(24,567)	(976)	(106,913)	(697)	(1,412,378)	(310,502)	(1,722,880)	-	(1,722,880)	
Federal insurance fee	(62,023)	(97)	(6,752)	(38)	(21,947)	-	(15,820)	-	(12,560)	(5)	(119,102)	(140)	(119,242)	-	(119,242)	
	6,240,458	32,197	671,852	18,475	2,177,737	5,834,348	1,575,072	20,782	1,257,410	13,239	11,922,529	5,919,041	17,841,570	8,333,737	26,175,307	
Gross written premium (inclusive of administrative surcharge)	6,240,458	32,197	671,852	18,475	2,177,737	5,834,348	1,575,072	20,782	1,257,410	13,239	11,922,529	5,919,040	17,841,569	8,333,737	26,175,306	
Gross direct premium	6,222,122	32,028	655,035	18,415	2,102,992	5,827,971	1,575,331	20,782	1,249,000	13,170	11,804,480	5,912,365	17,716,845	8,333,737	26,050,582	
Facultative inward premium	3,234	-	1,091	-	-	-	-	-	-	-	4,325	-	4,325	-	4,325	
Administrative surcharge	15,102	169	15,726	60	74,745	6,377	(259)	-	8,410	69	113,724	6,675	120,399	-	120,399	
	6,240,458	32,197	671,852	18,475	2,177,737	5,834,348	1,575,072	20,782	1,257,410	13,239	11,922,529	5,919,040	17,841,569	8,333,737	26,175,306	
Insurance premium earned	5,252,621	31,823	675,779	25,250	2,150,191	6,423,722	1,310,883	27,712	1,374,558	12,065	10,764,032	6,520,572	17,284,604	8,305,887	25,590,491	
Insurance premium ceded to reinsurers	(4,628,113)	(21,896)	(126,678)	-	(39,081)	(112,915)	-	(19,750)	(632,871)	(5,260)	(5,426,743)	(159,821)	(5,586,564)	(479,916)	(6,066,480)	
Net insurance premium	624,508	9,927	549,101	25,250	2,111,110	6,310,807	1,310,883	7,962	741,687	6,805	5,337,289	6,360,751	11,698,040	7,825,971	19,524,011	
Commission income	283,098	4,091	481	-	2,930	-	-	-	92,768	1,477	379,277	5,568	384,845	-	384,845	
Net underwriting income	907,606	14,018	549,582	25,250	2,114,040	6,310,807	1,310,883	7,962	834,455	8,282	5,716,566	6,366,319	12,082,885	7,825,971	19,908,856	
Insurance claims	(727,935)	(18,947)	(334,579)	(8,410)	(1,039,626)	(6,178,791)	(1,095,650)	(32,194)	(421,661)	(4,978)	(3,619,451)	(6,243,320)	(9,862,771)	(4,712,768)	(14,575,539)	
Insurance claim recoveries from reinsurer	586,005	22,840	44,006	-	14,182	1,763,545	-	26,437	140,906	3,832	785,099	1,816,654	2,601,753	250,769	2,852,522	
Net claims	(141,930)	3,893	(290,573)	(8,410)	(1,025,444)	(4,415,246)	(1,095,650)	(5,757)	(280,755)	(1,146)	(2,834,352)	(4,426,666)	(7,261,018)	(4,461,999)	(11,723,017)	
Commission expense	(328,157)	(4,374)	(91,611)	(4,262)	(140,286)	(867,218)	(42,453)	(1,142)	(96,729)	(753)	(699,236)	(877,749)	(1,576,985)	(1,841,137)	(3,418,122)	
Management expense	(275,678)	(1,047)	(193,877)	(8,146)	(769,700)	(913,429)	(101,695)	(9,877)	(209,935)	(591)	(1,550,885)	(933,090)	(2,483,975)	(700,705)	(3,184,680)	
Net insurance claims and expenses	(745,765)	(1,528)	(576,061)	(20,818)	(1,935,430)	(6,195,893)	(1,239,798)	(16,776)	(587,419)	(2,490)	(5,084,473)	(6,237,505)	(11,321,978)	(7,003,841)	(18,325,819)	
Net change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	-	-	-	-	-	-	(915,137)	(915,137)	
Underwriting result	161,841	12,490	(26,479)	4,432	178,610	114,914	71,085	(8,814)	247,036	5,792	632,093	128,814	760,907	(93,007)	667,900	
Net investment income											641,067	167,504	808,571	1,978,691	2,787,262	
Net fair value loss on financial assets at fair value through profit or loss											-	-	-	(1,998,902)	(1,998,902)	
Net unrealized gains on investment property											-	-	-	21,000	21,000	
Rental income											14,816	-	14,816	2,250	17,066	
Other income											38,911	15,404	54,315	264,818	319,133	
Other expenses											(75,606)	(8,547)	(84,153)	(29,925)	(114,078)	
Finance Cost											(2,965)	(3,564)	(6,529)	(9,837)	(16,366)	
Profit from Window Takaful Operations											89,279	-	89,279	-	89,279	
Profit before tax											1,337,595	299,611	1,637,206	135,088	1,772,294	

31 December 2019															
General Insurance													Life Insurance	Aggregate	
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance			
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan				
Rupees in thousands															
Segment Assets	6,992,773	95,788	489,767	5,187	1,062,812	5,552,814	558,513	33,510	1,923,756	19,249	11,027,621	5,706,548	16,734,169	39,189,702	55,923,871
Unallocated assets											25,463,418	6,546,138	32,009,556	1,071,643	33,081,199
											<b>36,491,039</b>	<b>12,252,686</b>	<b>48,743,725</b>	<b>40,261,345</b>	<b>89,005,070</b>
Segment Liabilities	7,060,540	111,211	624,861	25,552	2,359,101	9,993,415	1,366,492	40,351	2,307,325	22,763	13,718,319	10,193,292	23,911,611	37,970,494	61,882,105
Unallocated Liabilities											3,509,258	679,062	4,188,320	929,757	5,118,077
											<b>17,227,577</b>	<b>10,872,354</b>	<b>28,099,931</b>	<b>38,900,251</b>	<b>67,000,182</b>

## 28 Fair value measurement of financial instruments

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

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

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

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

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

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

		30 September 2020										
		Available for sale	Held to maturity	Fair value through P&L	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand										
<b><u>Financial assets - measured at fair value</u></b>												
Investment												
	10	14,928,331	-	14,607,627	-	-	-	29,535,958	29,535,958	-	-	29,535,958
	10	3,028,386	-	-	-	-	-	3,028,386	-	-	3,028,386	3,028,386
	11	736,241	365,364	16,194,378	-	-	-	17,295,983	-	17,295,983	-	17,295,983
Investments of Window Takaful Operations - Operator's Fund												
	17	35,309	-	-	-	-	-	35,309	35,309	-	-	35,309
<b><u>Financial assets - not measured at fair value</u></b>												
Loans and other receivables *												
	13	-	-	-	810,005	-	-	810,005	-	-	-	-
Loan secured against life insurance policies*												
		-	-	-	29,048	-	-	29,048	-	-	-	-
Investment - Term deposits*												
	12	-	10,093,129	-	-	-	-	10,093,129	-	-	-	-
Insurance / reinsurance receivables												
		-	-	-	6,462,709	-	-	6,462,709	-	-	-	-
- unsecured and considered good *												
	14	-	-	-	6,825,059	-	-	6,825,059	-	-	-	-
Reinsurance recoveries against outstanding claims *												
		-	-	-	255,037	-	-	255,037	-	-	-	-
Salvage recoveries accrued *												
		-	-	-	3,480,545	-	-	3,480,545	-	-	-	-
Prepayments *												
	15	-	-	-	10,581,199	-	-	10,581,199	-	-	-	-
Cash and bank *												
	16	-	-	-	-	10,581,199	-	10,581,199	-	-	-	-
Other Assets of Window Takaful Operations - Operator's Fund*												
	17	-	-	-	243,837	319,925	-	563,762	-	-	-	-
		18,728,267	10,458,493	30,802,005	18,106,240	10,901,124	-	88,996,129	29,571,267	17,295,983	3,028,386	49,895,636
<b><u>Financial liabilities - not measured at fair value</u></b>												
Underwriting provisions:												
		-	-	-	-	-	12,462,175	12,462,175	-	-	-	-
Outstanding claims (including IBNR)*												
	22	-	-	-	-	-	4,018,288	4,018,288	-	-	-	-
Insurance / reinsurance payables *												
		-	-	-	-	-	320,603	320,603	-	-	-	-
Borrowings*												
		-	-	-	-	-	2,624,700	2,624,700	-	-	-	-
Other creditors and accruals*												
	19	-	-	-	-	-	773,924	773,924	-	-	-	-
Deposits and other liabilities*												
Total liabilities of Window Takaful Operations- Operator's Fund*												
	17	-	-	-	-	-	280,799	280,799	-	-	-	-
		-	-	-	-	-	20,480,489	20,480,489	-	-	-	-

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

## 28.1 Fair value measurement of financial instruments

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

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

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

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

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

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

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

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

**29 Date of authorization for issue**

This consolidated condensed interim financial information was authorized for issue on October 28, 2020 by the Board of Directors of the Parent Company.

**30 General**

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

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



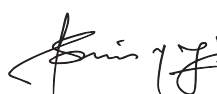
**Chairman**



**Director**



**Director**



**Chief Financial  
Officer**



**Managing Director & Chief  
Executive Officer**





# WINDOW TAKAFUL OPERATIONS

Condensed Interim  
Financial Information  
for the Nine Months Ended  
30 September 2020  
(Unaudited)





Adamjee Insurance Company Limited  
Window Takaful Operations  
Condensed Interim Statement of Financial Position (Unaudited)  
As at September 30, 2020

	Note	Operator's Takaful Fund		Participants' Takaful Fund	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
		Rupees in thousand		Rupees in thousand	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>ASSETS</b>					
<b>Qard-e-Hasna to Participants' Takaful Fund</b>		<b>146,460</b>	<b>146,460</b>	<b>-</b>	<b>-</b>
Property and equipment	8	20,808	17,733	-	-
Intangible assets	9	14,804	17,650	-	-
Investments					
Equity securities	10	35,309	32,958	-	-
Debt securities	11	-	-	125,000	125,000
Loans and other receivables	12	7,015	6,731	26,618	21,655
Takaful / re - takaful receivables	13	-	-	449,909	261,580
Re - takaful recoveries against outstanding claims		-	-	148,221	88,706
Salvage recoveries accrued		-	-	28,431	13,631
Wakala and mudarib fee receivable		8,690	70,933	-	-
Deferred commission expense	22	46,060	41,931	-	-
Prepayments	14	-	-	131,640	105,379
Cash and bank	15	319,925	91,895	438,011	434,658
		<b>452,611</b>	<b>279,831</b>	<b>1,347,830</b>	<b>1,050,609</b>
<b>TOTAL ASSETS</b>		<b>599,071</b>	<b>426,291</b>	<b>1,347,830</b>	<b>1,050,609</b>
<b>FUNDS AND LIABILITIES</b>					
<b>Funds attributable to Operator's and Participants'</b>					
<b>Operator's Takaful Fund</b>					
Statutory fund		50,000	50,000	-	-
Reserves		483	1,356	-	-
Unappropriated profit		267,789	179,063	-	-
		<b>318,272</b>	<b>230,419</b>	<b>-</b>	<b>-</b>
<b>Waqf / Participants' Takaful Fund</b>					
Ceded money		-	-	500	500
Accumulated deficit / (surplus)		-	-	106,932	80,786
		<b>-</b>	<b>-</b>	<b>107,432</b>	<b>81,286</b>
<b>Qard-e-Hasna from Operator's Takaful Fund</b>		<b>-</b>	<b>-</b>	<b>146,460</b>	<b>146,460</b>
<b>Liabilities</b>					
<b>Underwriting provisions</b>					
Outstanding claims including IBNR	21	-	-	434,513	257,810
Unearned contribution reserve	19	-	-	449,518	377,586
Unearned retakaful rebate	20	-	-	23,025	15,979
Contribution deficiency reserve		-	-	55,787	30,071
Retirement benefit obligations		3,878	3,878	-	-
Deferred taxation		697	987	-	-
Contribution received in advance		-	-	11,610	13,109
Takaful / re - takaful payables	16	-	-	70,396	38,513
Wakala and mudarib fee payable		-	-	8,690	70,933
Unearned wakala fee	23	179,094	139,979	-	-
Other creditors and accruals	17	64,588	51,028	40,399	18,862
Taxation - provision less payments		32,542	-	-	-
<b>Total Liabilities</b>		<b>280,799</b>	<b>195,872</b>	<b>1,093,938</b>	<b>822,863</b>
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>599,071</b>	<b>426,291</b>	<b>1,347,830</b>	<b>1,050,609</b>
<b>Contingencies and commitments</b>	18				

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

  
Chairman

  
Director

  
Director

  
Chief Financial Officer

  
Managing Director &  
Chief Executive Officer

Adamjee Insurance Company Limited  
Window Takaful Operations  
Condensed Interim Profit and Loss Account (Unaudited)  
For the Nine Month Period Ended September 30, 2020

Note	For three months period ended		For nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Rupees in thousand		Rupees in thousand	
<b>PARTICIPANTS' TAKAFUL FUND - REVENUE ACCOUNT</b>				
Contributions earned	249,428	218,134	766,257	646,219
Contributions ceded to retakaful	(66,648)	(66,378)	(208,563)	(181,126)
<b>Net contribution revenue</b>	<b>182,780</b>	<b>151,756</b>	<b>557,694</b>	<b>465,093</b>
Retakaful rebate earned	12,619	10,689	38,296	31,130
<b>Net underwriting income</b>	<b>195,399</b>	<b>162,445</b>	<b>595,990</b>	<b>496,223</b>
Net takaful claims - reported / settled	(202,514)	(134,146)	(535,891)	(384,228)
Reversal / (charge) of contribution deficiency reserve	-	-	(25,716)	(4,294)
	(202,514)	(134,146)	(561,607)	(388,522)
Other direct expenses	(14,857)	(15,042)	(45,336)	(40,362)
<b>(Deficit) / surplus before investment income</b>	<b>(21,972)</b>	<b>13,257</b>	<b>(10,953)</b>	<b>67,339</b>
Investment income	3,772	1,601	13,719	4,076
Other income	5,633	8,512	26,124	23,550
Mudarib's share of investment income	(755)	-	(2,744)	-
<b>Surplus transferred to accumulated deficit / surplus</b>	<b>(13,322)</b>	<b>23,370</b>	<b>26,146</b>	<b>94,965</b>
<b>OPERATOR'S TAKAFUL FUND - REVENUE ACCOUNT</b>				
Wakala fee	101,723	84,285	300,965	240,280
Commission expense	(35,164)	(25,591)	(87,604)	(72,312)
General, administrative and management expenses	(33,258)	(29,077)	(101,807)	(88,471)
	33,301	29,617	111,554	79,497
Other income	4,389	2,593	9,579	10,956
Mudarib's share of PTF investment income	755	-	2,744	-
Investment income	-	-	3,584	1,345
Direct expenses	(514)	(790)	(2,494)	(2,519)
<b>Profit before taxation</b>	<b>37,931</b>	<b>31,420</b>	<b>124,967</b>	<b>89,279</b>
Provision for taxation	(11,000)	(9,286)	(36,241)	(26,071)
<b>Profit after taxation</b>	<b>26,931</b>	<b>22,134</b>	<b>88,726</b>	<b>63,208</b>

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

  
Chairman

  
Director

  
Director

  
Chief Financial Officer

  
Managing Director &  
Chief Executive Officer

Adamjee Insurance Company Limited  
Window Takaful Operations  
Condensed Interim Statement of Comprehensive Income (Unaudited)  
For the Nine Month Period Ended September 30, 2020

**PARTICIPANTS' TAKAFUL FUND**

	Three months period ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Rupees in thousand		Rupees in thousand	
Surplus for the period	(13,322)	23,370	26,146	94,965
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(13,322)</b>	<b>23,370</b>	<b>26,146</b>	<b>94,965</b>

**OPERATOR 'S TAKAFUL FUND**

Profit after taxation	26,931	22,134	88,726	63,208
<b>Other comprehensive income:</b>				
Unrealized gain / (losses) on available-for-sale investment- Net of tax	470	665	(873)	646
<b>Total comprehensive income for the period</b>	<b>27,401</b>	<b>22,799</b>	<b>87,853</b>	<b>63,854</b>

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

  
Chairman

  
Director

  
Director

  
Chief Financial Officer

  
Managing Director &  
Chief Executive Officer

Adamjee Insurance Company Limited  
Window Takaful Operations  
Condensed Interim Statement of Changes in Funds (Unaudited)  
As at September 30, 2020

**Balance as at December 31, 2018 - (Audited)**

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

Other comprehensive loss for the  
period January 01, 2019 to September 30, 2019

**Total comprehensive income for the period**

**Balance as at September 30, 2019 - (Unaudited)**

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

Other comprehensive income for the  
period October 01, 2019 to December 31, 2019

**Total comprehensive income for the period**

**Balance as at December 31, 2019 - (Audited)**

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

Other comprehensive loss for the  
period January 01, 2020 to September 30, 2020

**Total comprehensive income for the period**

**Balance as at September 30, 2020 - (Unaudited)**

	Operator's Takaful Fund		
Statutory fund	Unappropriated profit	Fair value reserve	Total
Rupees in thousand			
50,000	102,357	18	152,375
-	63,208	-	63,208
-	-	646	646
-	63,208	646	63,854
50,000	165,565	664	216,229
-	13,498	-	13,498
-	-	692	692
-	13,498	692	14,190
50,000	179,063	1,356	230,419
-	88,726	-	88,726
-	-	(873)	(873)
-	88,726	(873)	87,853
50,000	267,789	483	318,272

**Balance as at January 01, 2019**

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

Other comprehensive surplus/ (deficit) for the  
period January 01, 2019 to September 30, 2019

**Total comprehensive surplus for the period**

**Balance as at June 30, 2019 - (Unaudited)**

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

Other comprehensive surplus/ (deficit) for the  
period October 01, 2019 to December 31, 2019

**Total comprehensive surplus for the period**

**Balance as at December 31, 2019 - (Audited)**

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

Other comprehensive surplus/ (deficit) for the  
period January 01, 2020 to September 30, 2020

**Total comprehensive surplus for the period**

**Balance as at September 30, 2020 - (Unaudited)**

	Participants' Takaful Fund		
Ceded money	Accumulated surplus / (deficit)	Fair value reserve	Total
Rupees in thousand			
500	(28,849)	-	(28,349)
-	94,965	-	94,965
-	-	-	-
-	94,965	-	94,965
500	66,116	-	66,616
-	14,670	-	14,670
-	-	-	-
-	14,670	-	14,670
500	80,786	-	81,286
-	26,146	-	26,146
-	-	-	-
-	26,146	-	26,146
500	106,932	-	107,432

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




Chairman



Director



Director



Chief Financial Officer



Managing Director &  
Chief Executive Officer

Adamjee Insurance Company Limited  
Window Takaful Operations  
Condensed Interim Cash Flow Statement (Unaudited)  
For the Nine Month Period Ended September 30, 2020

**Operating cash flows**

**(a) Takaful activities**

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

**(b) Other operating activities**

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

**Total cash inflows / (outflows) from operating activities**

**(c) Investment activities**

Profit received on bank deposits and investments
Payment for investments
Proceeds from disposal of investments
Fixed capital expenditures
Total cash inflows from investing activities

**(d) Financing activities**

Contribution to Operator's fund
Ceded money
Total cash inflows from financing activities

**Net Cash inflows / (outflows) from all activities**

Cash and cash equivalent at the beginning of the period

**Cash and cash equivalent at the end of the period**

**Reconciliation to profit and loss account**

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

**Net profit / surplus for the period**

**Attributed to**


Operator's Takaful Fund
Participants' Takaful Fund

Operator's Takaful Fund		Participants' Takaful Fund	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Rupees in thousand		Rupees in thousand	
-	-	1,069,529	566,846
405,068	195,712	(405,068)	(195,712)
-	-	88,956	(72,581)
-	-	(767,043)	(314,066)
-	-	(45,723)	11,306
(66,726)	(53,216)	-	-
-	-	45,342	21,906
(112,003)	(108,967)	-	-
-	-	(24,392)	(28,065)
226,339	33,529	(38,399)	(10,366)
(1,202)	(1,092)	-	-
-	-	1,489	(9,693)
-	-	-	-
(1,202)	(1,092)	1,489	(9,693)
225,137	32,437	(36,910)	(20,059)
9,100	10,211	40,263	15,883
(34,628)	(1,144)	-	(50,000)
34,632	-	-	-
(6,211)	(1,661)	-	-
2,893	7,406	40,263	(34,117)
-	-	-	-
-	-	-	-
-	-	-	-
228,030	39,843	3,353	(54,176)
91,895	102,039	434,658	432,489
319,925	141,882	438,011	378,313
225,137	32,437	(36,910)	(20,059)
(2,076)	(3,431)	-	-
(3,906)	-	-	-
(58,309)	(21,044)	295,788	151,015
(85,283)	23,406	(272,575)	(76,874)
3,584	1,345	13,719	-
9,579	8,361	26,124	17,513
88,726	41,074	26,146	71,595
Operator's Fund	Participants' Takaful Fund	Operator's Fund	Participants' Takaful Fund
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Rupees in thousand		Rupees in thousand	
88,726	41,074	-	-
-	-	26,146	71,595
88,726	41,074	26,146	71,595

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



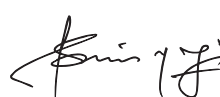
Chairman



Director



Director



Chief Financial Officer



Managing Director &  
Chief Executive Officer

# Adamjee Insurance Company Limited

## Window Takaful Operations

### Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine Month Period Ended September 30, 2020

#### 1 Legal status and nature of business

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

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

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

#### 2 Basis of preparation and statement of compliance

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

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

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

During the period, the Operator has adopted and presented this condensed interim financial statements to comply with the requirements of the 'General Takaful Accounting Regulations, 2019 issued by SECP vide its S.R.O. 1416 (I)/2019 dated November 20, 2019. Certain changes have been made to the presentation of the financial statements. Following prior year figures have been reclassified / rearranged for the purpose of comparison:

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

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

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

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

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

### **3 Changes in accounting policies**

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

### **4 Basis of measurement**

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

### **5 Accounting policies**

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

The Operator has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 01, 2020, as mentioned in the financial statement for the year ended December 31, 2019. Furthermore, the Company has adopted the temporary exemption which allows the Operator to defer the application of both IFRS 9 and IFRS 17 until 31 December, 2021.

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

### **6 Use of estimates and judgments**

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

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

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

### **7 Takaful and Financial risk management**

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

		Note	Operator's Takaful Fund			
			September 30, 2020	December 31, 2019		
			Rupees in thousand			
			(Unaudited)	(Audited)		
<b>8</b>	<b>Property and equipment</b>					
	Opening balance - net book value		16,433	12,506		
	Additions during the period	8.1	4,451	7,219		
	Book value of disposals during the period		-	(841)		
	Depreciation charged during the period		(2,076)	(2,451)		
			(2,076)	(3,292)		
	Closing balance - net book value		18,808	16,433		
	Capital work - in - progress	8.2	2,000	1,300		
			20,808	17,733		
<b>8.1</b>	<b>Additions during the period</b>					
	Furniture and fixture		-	534		
	Motor vehicles		3,705	6,292		
	Office equipment		298	260		
	Computer and related accessories		448	133		
			4,451	7,219		
<b>8.2</b>	<b>Capital work in progress</b>					
	Opening balance		1,300	3,679		
	Additions during the year		700	750		
	Transfer to property and equipment		-	(2,379)		
	Transfer to intangibles		-	(750)		
	Closing balance		2,000	1,300		
This represent amount advanced to Analytics (Private) Limited. for development of Web portal for Takaful Operations.						
<b>9</b>	<b>Intangible assets</b>					
	Opening balance - net book value		17,650	20,633		
	Transfer from Capital work-in-progress		-	750		
	Addition during the period		1,060	2,250		
	Book value of disposal during the period		-	-		
	Amortization charged during the period		(3,906)	(5,983)		
			(3,906)	(5,983)		
	Closing balance		14,804	17,650		
Operator's Takaful Fund						
			September 30, 2020	December 31, 2019		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
			Rupees in thousand	Rupees in thousand		
			(Unaudited)	(Audited)		
<b>10</b>	<b>Investments in equity securities</b>					
	Available for sale					
	<b>Mutual fund</b>					
	Meezan Islamic Income Fund		34,628	-	34,628	31,048
	[604,139 units (2019: 604,139 units)]					
	Unrealized gain on revaluation			681		1,910
				35,309		32,958
Participants' Takaful Fund						
		No. of Certificates	Face Value		Value of Certificates	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	
		Rupees in thousand		Rupees in thousand		
		(Unaudited)		(Audited)		
<b>11</b>	<b>Investments in debt securities</b>					
	Held - to - maturity					
	<b>Sukuk certificates</b>					
	Engro Polymer & Chemicals Limited	500	500	100,000	50,000	50,000
	The Hub Power Company Limited (HUBCO)	750	750	100,000	75,000	75,000
					125,000	125,000
			Operator's Takaful Fund		Participants' Takaful Fund	
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
			Rupees in thousand		Rupees in thousand	
			(Unaudited)		(Unaudited)	
			(Audited)		(Audited)	
<b>12</b>	<b>Loans and other receivables - Considered good</b>					
	Sales tax recoverable		-	-	-	-
	Advance taxes		-	2,432	-	-
	Federal excise duty		-	-	14,147	1,750
	Accrued income		1,610	1,131	2,428	2,848
	Loan to employees		511	1,555	-	-
	Security deposits		366	525	-	-
	Bid money for tenders		-	-	10,043	17,057
	Advances		4,528	1,088	-	-
			7,015	6,731	26,618	21,655
			Operator's Takaful Fund		Participants' Takaful Fund	
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
			Rupees in thousand		Rupees in thousand	
			(Unaudited)		(Unaudited)	
			(Audited)		(Audited)	
<b>13</b>	<b>Takaful / Re - takaful receivables - Unsecured and considered good</b>					
	Due from takaful participants' holders				337,481	230,238



Adamjee Insurance Company Limited  
Window Takaful Operations  
Notes to the Condensed Interim Financial Information (Unaudited)  
For the Nine Month Period Ended September 30, 2020

**14 Prepayments**

Prepaid re - takaful contribution ceded  
Prepaid monitoring charges (Tracking device)

Participants' Takaful Fund	
September 30, 2020	December 31, 2019
Rupees in thousand	
(Unaudited)	(Audited)
114,226	81,686
17,414	23,693
<b>131,640</b>	<b>105,379</b>

**15 Cash and bank**

**Cash and cash equivalents:**

Policy stamps in hand 150 - 1 68

**Current and other accounts:**

Profit or loss accounts 15.1 319,775 91,895 438,010 434,590  
**319,925 91,895 438,011 434,658**

15.1 Saving accounts carry expected profit rates ranging from 5% to 7% (2019: 5% to 11%)

**16 Takaful / re - takaful payables**

Due to takaful participants' holders  
Due to other takaful / re - takaful operator's

Participants' Takaful Fund	
September 30, 2020	December 31, 2019
Rupees in thousand	
(Unaudited)	(Audited)
3,158	3,311
67,239	35,202
<b>70,397</b>	<b>38,513</b>

**17 Other creditors and accruals**

Agents commission payable  
Federal excise duty  
Federal insurance fee  
Sales tax payable  
Income tax deducted at source  
Accrued expenses  
Others

Operator's Takaful Fund		Participants' Takaful Fund	
September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Rupees in thousand		Rupees in thousand	
(Unaudited)	(Audited)	(Unaudited)	(Audited)
51,818	26,812	-	-
-	-	-	-
-	-	3,604	2,570
1,535	937	-	-
3,240	5,427	17,193	11,355
2,645	7,186	-	-
5,350	10,666	19,602	4,937
<b>64,588</b>	<b>51,028</b>	<b>40,399</b>	<b>18,862</b>

**18 Contingencies and commitments**

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

**19 Net contribution revenue**

Gross contribution written  
Wakala fee  
**Contribution net of wakala fee**  
Unearned contribution revenue - opening  
Unearned contribution revenue - closing  
**Contribution earned**

For three months period ended		For nine months period ended	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Rupees in thousand		Rupees in thousand	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
356,665	322,115	1,178,270	958,841
(105,431)	(87,594)	(340,081)	(259,963)
251,234	234,521	838,189	698,878
447,712	401,662	377,586	365,389
(449,518)	(418,049)	(449,518)	(418,049)
<b>249,428</b>	<b>218,134</b>	<b>766,257</b>	<b>646,219</b>
<b>Less:</b>			
Re - takaful contribution ceded	99,996	241,103	224,500
Prepaid re - takaful contribution ceded - opening	80,922	81,686	64,494
Prepaid re - takaful contribution ceded - closing	(114,226)	(114,226)	(107,868)
<b>Re - takaful expense</b>	<b>66,648</b>	<b>208,563</b>	<b>181,126</b>
<b>Net contribution</b>	<b>182,780</b>	<b>557,694</b>	<b>465,093</b>

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**20 Re - takaful rebate**

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

For three months period ended		For nine months period ended	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Rupees in thousand		Rupees in thousand	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
18,675	17,340	45,342	39,246
16,969	14,200	15,979	12,735
(23,025)	(20,851)	(23,025)	(20,851)
<b>12,619</b>	<b>10,689</b>	<b>38,296</b>	<b>31,130</b>

**21 Net Takaful Claims**

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

**Less:**

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

For three months period ended		For nine months period ended	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Rupees in thousand		Rupees in thousand	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
463,220	164,249	767,043	478,315
434,513	244,678	434,513	244,678
(650,915)	(217,448)	(257,810)	(220,606)
<b>246,818</b>	<b>191,479</b>	<b>943,746</b>	<b>502,387</b>
276,522	41,587	333,539	89,611
176,652	91,082	176,652	91,082
(408,870)	(75,336)	(102,336)	(62,534)
<b>44,304</b>	<b>57,333</b>	<b>407,855</b>	<b>118,159</b>
<b>202,514</b>	<b>134,146</b>	<b>535,891</b>	<b>384,228</b>

**22 Commission Expense**

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

For three months period ended		For nine months period ended	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Rupees in thousand		Rupees in thousand	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
52,195	32,901	91,733	81,283
29,029	40,809	41,931	39,148
(46,060)	(48,119)	(46,060)	(48,119)
<b>35,164</b>	<b>25,591</b>	<b>87,604</b>	<b>72,312</b>

**23 Wakala Fee**

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

For three months period ended		For nine months period ended	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Rupees in thousand		Rupees in thousand	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
105,431	87,594	340,081	259,963
175,386	151,095	139,978	134,721
(179,094)	(154,404)	(179,094)	(154,404)
<b>101,723</b>	<b>84,285</b>	<b>300,965</b>	<b>240,280</b>

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

**24 Management Expenses**

Employee benefit cost  
Depreciation  
Amortization  
Advertisement and sales promotion  
Rent, rates and taxes  
Communication  
Legal and professional charges - business related  
Travelling and conveyance expenses  
Shared expenses  
Entertainment  
Printing, stationery and postage  
Annual supervision fee SECP  
Bank charges  
Repairs and maintenance  
Others

For three months period ended		For nine months period ended	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Rupees in thousand		Rupees in thousand	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
21,850	16,228	66,621	51,792
772	629	2,076	1,860
1,303	2,533	3,906	4,733
273	1,019	273	4,053
1,014	525	3,046	2,015
428	381	1,110	1,071
350	227	350	350
450	354	1,529	1,624
4,129	3,643	13,675	10,034
168	293	720	1,518
41	195	256	540
371	371	1,472	1,112
5	6	23	30
581	247	1,835	512
1,523	2,426	4,915	7,227
<b>33,258</b>	<b>29,077</b>	<b>101,807</b>	<b>88,471</b>

	For three months period ended		For nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>25 Investment income</b>				
<b>Operator's Takaful Fund</b>				
<b>Profit on</b>				
Mutual funds - dividend income	-	-	24	1,345
Mutual funds - Capital Gain	-	-	3,560	-
	-	-	3,584	1,345
<b>Participants' Takaful Fund</b>				
<b>Profit on</b>				
Sukuks	3,772	1,601	13,719	4,076
	3,772	1,601	13,719	4,076
	For three months period ended		For nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>26 Other income</b>				
<b>Operator's Takaful Fund</b>				
Profit on bank deposits	4,389	2,593	9,579	10,951
Other Income	-	-	-	5
	4,389	2,593	9,579	10,956
<b>Participants' Takaful Fund</b>				
Profit on bank deposits	5,633	8,512	26,124	23,550
	5,633	8,512	26,124	23,550

**27 Transactions with related parties**

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

	September 30, 2020	September 30, 2019
	Rupees in thousand	
	(Unaudited)	(Unaudited)
<b>i) Transactions</b>		
<b>Subsidiary Company</b>		
Contribution underwritten	1,526	1,181
Contribution received	1,528	1,260
Claims paid	1,036	198
<b>Other related parties</b>		
Contribution underwritten	136,132	123,434
Contribution received	130,254	106,059
Claims paid	41,020	37,480
Income on bank deposits	10,927	1,983
<b>ii) Period end balances</b>		
<b>Subsidiary Company</b>		
Balances payable	231	29
Balances receivable		9
Contribution received in advance		-
<b>Other related parties</b>		
Balances receivable	38,045	41,120
Balances payable	24,939	19,542
Cash and bank balances	115,494	43,785
Contribution received in advance	172	301

# Adamjee Insurance Company Limited

## Window Takaful Operations

### Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine Month Period Ended September 30, 2020

#### 28 Segment Information

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

	Participants' Takaful Fund					Total
	September 30, 2020 (Unaudited)					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	
	Rupees in thousand					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	194,787	37,740	568,592	412,166	78,819	1,292,104
Less : Federal Excise Duty	(24,703)	(4,814)	(68,606)	(1,791)	(9,871)	(109,785)
Federal Insurance Fee	(1,685)	(327)	(4,551)	(4,063)	(682)	(11,308)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	168,399	32,599	495,435	406,312	68,266	1,171,011
Facultative inward contribution	1,295	42	-	-	5,922	7,259
Gross Contribution Written	169,694	32,641	495,435	406,312	74,188	1,178,270
Wakala fee	(47,514)	(11,425)	(161,017)	(101,578)	(18,547)	(340,081)
Contribution net of wakala fee	122,180	21,216	334,418	304,734	55,641	838,189
Contribution earned	95,935	21,937	353,013	243,125	52,247	766,257
Takaful contribution ceded to retakaful	(108,462)	(26,268)	(19,304)	-	(54,529)	(208,563)
Net takaful contribution	(12,527)	(4,331)	333,709	243,125	(2,282)	557,694
Re-takaful rebate	21,610	5,593	-	-	11,093	38,296
Net underwriting income	9,083	1,262	333,709	243,125	8,811	595,990
Takaful claims	(390,717)	(864)	(251,170)	(297,763)	(3,232)	(943,746)
Re - takaful and other recoveries	365,972	997	37,854	-	3,032	407,855
Net claims	(24,745)	133	(213,316)	(297,763)	(200)	(535,891)
Contribution deficiency reserve				(25,716)		(25,716)
Direct expense	(1,211)	(194)	(41,089)	(2,229)	(613)	(45,336)
Net takaful claims and expenses	(25,956)	(61)	(254,405)	(325,708)	(813)	(606,943)
(Deficit) / surplus before investment income	(16,873)	1,201	79,304	(82,583)	7,998	(10,953)
Other income						13,719
Investment income						26,124
Mudarib fee						(2,744)
Surplus transferred to Balance of PTF						26,146
Corporate segment assets	279,785	16,391	218,796	155,146	70,669	740,787
Corporate unallocated assets	-	-	-	-	-	607,043
Total assets	279,785	16,391	218,796	155,146	70,669	1,347,830
Corporate segment liabilities	258,725	7,302	425,888	311,407	50,217	1,053,539
Corporate unallocated liabilities	-	-	-	-	-	186,859
Total liabilities	258,725	7,302	425,888	311,407	50,217	1,240,398

	September 30, 2019 (Unaudited)					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	Total
	Rupees in thousand					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	173,133	25,198	636,449	196,451	88,087	1,119,318
Less : Federal Excise Duty	(23,677)	(3,446)	(87,036)	(26,865)	(12,046)	(153,070)
Federal Insurance Fee	(1,480)	(215)	(5,440)	(1,679)	(753)	(9,567)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	147,976	21,537	543,973	167,907	75,288	956,681
Facultative inward contribution	1,624	116	-	-	420	2,160
<b>Gross Contribution Written</b>	149,600	21,653	543,973	167,907	75,708	958,841
Wakala fee	(41,888)	(7,578)	(149,593)	(41,977)	(18,927)	(259,963)
<b>Contribution net of wakala fee</b>	107,712	14,075	394,380	125,930	56,781	698,878
Contribution earned	82,968	14,142	377,690	127,314	44,105	646,219
Retakaful expense	(94,525)	(16,921)	(17,831)	-	(51,849)	(181,126)
Net contribution revenue	(11,557)	(2,779)	359,859	127,314	(7,744)	465,093
Net rebate on re - takaful	18,824	3,605	-	-	8,701	31,130
<b>Net underwriting income</b>	7,267	826	359,859	127,314	957	496,223
Takaful claims	(62,310)	(7,923)	(267,164)	(147,863)	(17,127)	(502,387)
Re - takaful and other recoveries	55,340	6,344	40,969	-	15,506	118,159
Net claims	(6,970)	(1,579)	(226,195)	(147,863)	(1,621)	(384,228)
Contribution deficiency reserve	-	-	-	(4,294)	-	(4,294)
Direct expense	(465)	(76)	(38,993)	(506)	(322)	(40,362)
<b>Net takaful claims and expenses</b>	(7,435)	(1,655)	(265,188)	(152,663)	(1,943)	(428,884)
<b>Surplus / (deficit) before investment income</b>	(168)	(829)	94,671	(25,349)	(986)	67,339
Other income						23,550
Investment income						4,076
Mudarib fee						-
<b>Surplus transferred to Balance of PTF</b>						94,965

	December 31, 2019 (Audited)					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	Total
	Rupees in thousand					
Corporate segment assets	168,093	14,798	259,075	65,903	77,713	585,582
Corporate unallocated assets	-	-	-	-	-	605,006
<b>Total assets</b>	<b>168,093</b>	<b>14,798</b>	<b>259,075</b>	<b>65,903</b>	<b>77,713</b>	<b>1,190,588</b>
Corporate segment liabilities	160,639	12,411	526,003	172,859	72,068	943,980
Corporate unallocated liabilities	-	-	-	-	-	165,324
<b>Total liabilities</b>	<b>160,639</b>	<b>12,411</b>	<b>526,003</b>	<b>172,859</b>	<b>72,068</b>	<b>1,109,304</b>

	Operator's Takaful Fund					
	September 30, 2020 (Unaudited)					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	Total
	Rupees in thousand					
Wakala fee income	37,308	11,813	153,387	81,042	17,415	300,965
Less : Commission expense	(19,979)	(4,906)	(37,848)	(16,930)	(7,941)	(87,604)
Management expenses	(23,218)	(5,702)	(43,984)	(19,675)	(9,228)	(101,807)
	(5,889)	1,205	71,555	44,437	246	111,554
Mudarib's share of PTF investment income						2,744
Investment income						3,584
Direct expenses						(2,494)
Other income						9,579
Profit before tax						124,967
Corporate segment assets	16,324	341	23,323	11,180	3,583	54,750
Corporate unallocated assets	-	-	-	-	-	544,321
Total assets	16,324	341	23,323	11,180	3,583	599,071
Corporate segment liabilities	30,090	232	98,709	42,721	7,342	179,094
Corporate unallocated liabilities	-	-	-	-	-	101,705
Total liabilities	30,090	232	98,709	42,721	7,342	280,799
	September 30, 2019 (Unaudited)					
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total
	Rupees in thousand					
Wakala fee income	32,265	7,614	143,262	42,438	14,701	240,280
Less : Commission expense	(16,418)	(3,471)	(37,553)	(9,704)	(5,166)	(72,312)
Management expenses	(20,086)	(4,247)	(45,945)	(11,872)	(6,320)	(88,471)
	(4,239)	(104)	59,764	20,862	3,215	79,497
Mudarib's share of PTF investment income						-
Investment income						1,345
Other expenses						(2,519)
Other income						10,956
Profit before tax						89,279
	December 31, 2019 (Audited)					
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total
	Rupees in thousand					
Corporate segment assets	21,854	2,216	63,741	16,738	8,315	112,864
Corporate unallocated assets	-	-	-	-	-	313,427
Total assets	21,854	2,216	63,741	16,738	8,315	426,291
Corporate segment liabilities	19,884	620	91,079	22,185	6,211	139,979
Corporate unallocated liabilities	-	-	-	-	-	55,893
Total liabilities	19,884	620	91,079	22,185	6,211	195,872

# Adamjee Insurance Company Limited

## Window Takaful Operations

### Notes to the Condensed Interim Financial Information (Unaudited)

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#### 29 Fair values of financial instruments

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

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

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

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

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

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

		Participants' Takaful Fund								
		September 30, 2020 (Unaudited)								
		Carrying amount				Fair value				
		Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand								
Financial assets not measured at fair value										
Investments - Debt securities	11	125,000	-	-	-	125,000	-	-	-	-
Loan and other receivables	12	-	26,618	-	-	26,618	-	-	-	-
Takaful / re - takaful receivables	13	-	449,909	-	-	449,909	-	-	-	-
Re - takaful recoveries against outstanding claims		-	148,221	-	-	148,221	-	-	-	-
Salvage recoveries accrued		-	28,431	-	-	28,431	-	-	-	-
Cash and bank deposits	15	-	-	438,011	-	438,011	-	-	-	-
		125,000	653,179	438,011	-	1,216,190	-	-	-	-
Financial liabilities not measured at fair value										
Outstanding claims including IBNR	21	-	-	-	434,513	434,513	-	-	-	-
Takaful / re - takaful payables		-	-	-	70,396	70,396	-	-	-	-
Wakala and mudarib fee payable		-	-	-	8,690	8,690	-	-	-	-
Other creditors and accruals	17	-	-	-	19,602	19,602	-	-	-	-
		-	-	-	533,201	533,201	-	-	-	-
Participants' Takaful Fund										
December 31, 2019 (Audited)										
		Carrying amount				Fair value				
		Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand								
Financial assets not measured at fair value										
Investments - Debt securities	11	125,000	-	-	-	125,000	-	-	-	-
Loan and other receivables	12	-	21,655	-	-	21,655	-	-	-	-
Takaful / re - takaful receivables	13	-	261,580	-	-	261,580	-	-	-	-
Retakaful recoveries against outstanding claims		-	88,706	-	-	88,706	-	-	-	-
Salvage recoveries accrued		-	13,631	-	-	13,631	-	-	-	-
Cash and bank deposits	15	-	-	434,658	-	434,658	-	-	-	-
		125,000	385,572	434,658	-	945,230	-	-	-	-
Financial liabilities not measured at fair value										
Outstanding claims including IBNR	21	-	-	-	257,810	257,810	-	-	-	-
Takaful / retakaful payables		-	-	-	38,513	38,513	-	-	-	-
Wakala and mudarib fee payable		-	-	-	70,933	70,933	-	-	-	-
Other creditors and accruals	17	-	-	-	4,937	4,937	-	-	-	-
		-	-	-	372,193	372,193	-	-	-	-

		Operator's Takaful Fund								
		September 30, 2020 (Unaudited)								
		Carrying amount				Fair value				
		Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand								
Financial assets measured at fair value										
Investments - Equity securities	10	35,309	-	-	-	35,309	35,309	-	-	35,309
Financial assets not measured at fair value										
Loan and other receivables	12	-	2,487	-	-	2,487	-	-	-	-
Wakala and mudarib fee receivable		-	8,690	-	-	8,690	-	-	-	-
Cash and bank deposits	15	-	-	319,925	-	319,925	-	-	-	-
		<u>35,309</u>	<u>11,177</u>	<u>319,925</u>	<u>-</u>	<u>366,411</u>	<u>35,309</u>	<u>-</u>	<u>-</u>	<u>35,309</u>
Financial liabilities not measured at fair value										
Other creditors and accruals	17	-	-	-	59,813	59,813	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>59,813</u>	<u>59,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operator's Takaful Fund										
December 31, 2019 (Audited)										
		Carrying amount				Fair value				
		Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand								
Financial assets measured at fair value										
Investments - Equity securities	10	32,958	-	-	-	32,958	32,958	-	-	32,958
Financial assets not measured at fair value										
Loan and other receivables	12	-	3,211	-	-	3,211	-	-	-	-
Wakala and mudarib fee receivable		-	70,933	-	-	70,933	-	-	-	-
Cash and bank deposits	15	-	-	91,895	-	91,895	-	-	-	-
		<u>32,958</u>	<u>74,144</u>	<u>91,895</u>	<u>-</u>	<u>198,997</u>	<u>32,958</u>	<u>-</u>	<u>-</u>	<u>32,958</u>
Financial liabilities not measured at fair value										
Other creditors and accruals	17	-	-	-	44,664	44,664	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>44,664</u>	<u>44,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



Adamjee Insurance Company Limited  
Window Takaful Operations  
Notes to the Condensed Interim Financial Information (Unaudited)  
For the Nine Month Period Ended September 30, 2020

	Operator's Takaful Fund	Participants' Takaful Fund
	Available for sale	Held to Maturity
	Rupees in thousand	
<b>30 Movement in Investment - Available for sale</b>		
<b>At the beginning of previous year</b>	29,930	-
Additions	1,144	125,000
Disposals	-	-
Fair value on gains (excluding net realized gain)	1,884	-
<b>At the beginning of current year</b>	<b>32,958</b>	<b>125,000</b>
Additions	34,627	-
Disposals	(31,048)	-
Fair value on gains (excluding net realized gain)	(1,229)	-
<b>At the end of current year</b>	<b>35,309</b>	<b>125,000</b>

**31 Subsequent events - non adjusting event**

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

**32 Date of authorization for issue**

This condensed financial information was authorized for issue on 28 October 2020 by the Board of Directors of the Operator.

**33 General**

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

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

  
Chairman

  
Director

  
Director

  
Chief Financial Officer

  
Managing Director &  
Chief Executive Officer