

# A PILLAR OF STRENGTH

INTERIM FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED  
31 MARCH 2021



Adamjee Insurance has a legacy of providing protection and security to our customers, securing their futures so that they have the confidence to make the most of the present





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# VISION & MISSION

Our will is to **Explore, Innovate** and **Differentiate**.

Our passion is to provide **leadership** to the insurance industry.





# CORE VALUES

- **Integrity** - Transparency and honesty without compromise
- **Humility** - Empathy, self-esteem and respect in all relationships
- **Fun at Workplace** - Work-life balance
- **Corporate Social Responsibility** - Service to humanity

# Company Information

## BOARD OF DIRECTORS

Umer Mansha	Chairman
Ibrahim Shamsi	Director
Imran Maqbool	Director
Muhammad Anees	Director
Muhammad 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, FCA

## CHIEF FINANCIAL OFFICER

Muhammad Asim Nagi, FCA

## **EXECUTIVE MANAGEMENT TEAM**

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

## **AUDITORS**

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 Ltd  
CDC House, 99-B, Block-B, S.M.C.H.S.,  
Main Shakra-e-Faisal, Karachi-74400  
Tel: (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  
FINCA Microfinance Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank  
Khushali Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
Mobilink Microfinance Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Soneri Bank Limited  
The Punjab Provincial Cooperative Bank Limited  
United Bank Limited  
Zarai Taraqati Bank Limited

## **REGISTERED OFFICE**

Adamjee House, 80/A, Block E-1,  
Main Boulevard, Gulberg III,  
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 quarter ended 31 March 2021

On behalf of the Board, we are pleased to present the unaudited unconsolidated condensed interim financial information of the Company for the first quarter ended 31 March 2021.

### Financial Highlights:

The highlights for the period under review are as follows:

	(Unaudited)	
	31 March 2021	31 March 2020
	Rupees in thousand	
Gross Premium	5,113,246	4,580,310
Net Premium	2,898,305	3,743,793
Underwriting results	208,239	167,464
Investment Income	996,624	410,111
Profit before tax	1,274,221	673,951
Profit after tax	909,105	471,702
	(Unaudited)	
	31 March 2021	31 March 2020
	Rupees	
Earnings per share	2.60	1.35

### Performance Review:

The Gross Premium of the Company increased by 12% and the Net Premium decreased by 23%. There was an improvement in profitability as underwriting profit increased by 24% from the last year. The investment income also increased by 143% in the first quarter of 2021 as compared to the corresponding figures in the last year due to higher dividends received from banking portfolio of equities as dividend payment by banking sector was restricted by the State Bank of Pakistan in the year 2020. Consequently, the profit before tax & profit after tax increased by 89% and 93% respectively.

### Window Takaful Operations:

The written contribution and deficit of Participants' Takaful Fund is Rs. 399,113 thousands (2020: Rs. 500,052 thousands) and Rs. 6,740 thousands (2020: Surplus of Rs. 47,715 thousands), respectively. Most of the growth in contribution written came from Motor and Marine, Aviation & Transport line of businesses which contributed 69% and 4% to the total contribution written in first quarter of 2021. Window Takaful Operations profit before tax decreased by 6% amounting to Rs. 33,750 thousands for the quarter ended 31 March 2021 (2020: Rs. 35,776 thousands).

### Future Outlook:

The State Bank of Pakistan (SBP) has raised GDP growth forecast to 3% for FY21 from earlier estimate of 2% expecting growth mainly driven from manufacturing sector. SBP policy rate has also been maintained at 7% to fuel the sustained economic growth. However, recent third wave of COVID-19 virus is posing a serious challenge to these growth forecasts as the authorities are again considering to impose lockdowns as COVID-19 cases surge across the Country. Despite availability of new vaccines, Government faces supply challenges and vaccine hesitance making it difficult for the Government to vaccinate the masses.

### 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: 27 April 2021

# غیر مجتمع مختصر عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پر ممبران کوڈائز ریکٹرز کا جائزہ بابت سہ ماہی ختمہ 31 مارچ 2021ء

بورڈ کی جانب سے 31 مارچ 2021ء کو ختم ہونے والی پہلی سہ 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:

31 مارچ 2020ء	31 مارچ 2021ء	
ہزار روپے میں		
(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)	
4,580,310	5,113,246	مجموعی پربیم
3,743,793	2,898,305	خالص پربیم
167,464	208,239	زیر تخریب نتائج
410,111	996,624	سرمایہ کاری سے آمدنی
673,951	1,274,221	منافع قبل از ٹیکس
471,702	909,105	منافع بعد از ٹیکس
1.35	2.60	آمدنی فی شیئر (روپے)

کارکردگی کا جائزہ

کمپنی کی مجموعی اقساط (گراس پربیم) میں 12% اضافہ ہوا اور خالص اقساط (نیٹ پربیم) میں 23% تک کی کمی واقع ہوئی۔ منافع جات میں بہتری رہی کیونکہ انڈر رائٹنگ منافع پچھلے سال سے 24% تک بڑھ گیا۔ پچھلے سال کے اسی عرصے کے اعداد و شمار کے مقابلے میں سال 2021ء کی پہلی سہ ماہی میں سرمایہ کاری آمدن بھی 143% تک بڑھ گئی جس کی وجہ سے سال 2020ء میں اسٹیٹ بینک آف پاکستان کی جانب سے بینکاری شعبے پر ایکویٹی کے بینکنگ پورٹ فولیو سے ادائیگی منافع کے طور پر لگائی گئی پابندی سے حاصل کردہ منافع جات بہت زیادہ رہے۔ نتیجتاً منافع قبل از ٹیکس اور منافع بعد از ٹیکس علی الترتیب 89% اور 93% کا اضافہ ہوا ہے۔

وڈنگ و کفیل آپریشنز

تخریب شدہ کنٹری بوشن اور پائپٹیشنس تکافل فنڈ کا خسارہ علی الترتیب -/399,113 ہزار روپے (2020ء میں -/500,052 ہزار روپے) اور -/6,740 ہزار روپے (2020ء میں -/47,715 ہزار روپے کا سرپلس) تھا۔ تخریب شدہ کنٹری بوشن میں زیادہ تر اضافہ موٹرو اور میرین، ایوی ایشن اور ٹرانسپورٹ لائن آف برنسز سے ہوا جس نے 2021ء کی پہلی سہ ماہی میں کل تخریب شدہ کنٹری بوشن میں 69% اور 4% کا حصہ ڈالا۔ وڈنگ و کفیل آپریشنز کا منافع قبل از ٹیکس 31 مارچ 2021ء کو ختم شدہ سہ ماہی کیلئے 6% تک کم ہو کر -/33,750 ہزار روپے ہو گیا (2020ء میں -/35,776 ہزار روپے)۔

توقعات مستقبل

اسٹیٹ بینک آف پاکستان (ایس بی پی) نے مینوفیکچرنگ شعبے سے زیادہ تر متحرک پہلے تخمینہ لگائے گئے 2% کے متوقع اضافے سے مالی سال 2021ء کیلئے جی ڈی پی اضافے کی پیش گوئی کو 3% تک بڑھا دیا ہے۔ ایس بی پی پالیسی ریٹ بھی 7% پر برقرار رکھا گیا ہے تاکہ پائیدار معاشی نمو کو بڑھا دیا جائے۔ لیکن کووڈ-19 وائرس کی تیسری حالیہ لہر معاشی نمو کی ان پیش گوئیوں کو تنجیدگی سے چیلنج کر رہی ہے جیسا کہ حکام ایک بار پھر لاک ڈاؤن عائد کرنے کے بارے میں سوچ رہے ہیں کیونکہ ملک بھر میں کووڈ-19 کے کیسز میں اضافہ ہو گیا ہے۔ نئی ویکسینز کی دستیابی کے باوجود حکومت کو سپلائی کے چیلنجز کا سامنا ہے اور ویکسین پکچا ہٹ حکومت کیلئے عوام الناس کو ٹیکے لگانے کیلئے مشکلات پیدا کر رہی ہے۔

اعتراف

ہم اپنے شیئر ہولڈرز، معزز صارفین، ملازمین اور ترقیاتی عملے کا ان کی مستقل معاونت پر تہ دل سے شکر 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۔

منجانب و برائے بورڈ



محمد علی زید

چنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر



ابراہیم شمس

ڈائریکٹر

لاہور: 27 اپریل 2021ء



# UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FIRST QUARTER ENDED 31 MARCH 2021



# Unconsolidated Condensed Interim Statement of Financial Position

## As at 31 March 2021

	Note	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Rupees in thousand			
<b>ASSETS</b>			
Property and equipment	8	4,459,183	4,467,919
Intangible assets	9	86,834	88,187
Investment properties	10	401,896	401,896
Investment in Subsidiary Investments	11	1,097,900	1,097,900
Equity securities	12	19,148,255	19,194,460
Debt securities	13	476,113	374,331
Term deposits	14	5,723,735	5,929,062
Loans and other receivable	15	631,534	582,896
Insurance / reinsurance receivables	16	4,674,272	4,759,151
Reinsurance recoveries against outstanding claims		5,612,345	5,922,296
Salvage recoveries accrued		286,127	270,275
Deferred commission expense / acquisition cost		867,149	731,319
Taxation - payment less provisions		214,009	376,484
Prepayments	17	2,864,878	3,422,781
Cash and bank	18	2,479,328	1,312,044
		49,023,558	48,931,001
Total assets of Window Takaful Operations - Operator's Fund	19	624,229	589,148
<b>Total Assets</b>		<b>49,647,787</b>	<b>49,520,149</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	20	4,266,224	4,486,946
Unappropriated Profit		15,157,018	14,247,913
<b>Total Equity</b>		<b>22,923,242</b>	<b>22,234,859</b>
<b>LIABILITIES</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR		10,242,473	10,768,040
Unearned premium reserves		8,518,774	8,366,434
Unearned reinsurance commission		205,766	245,318
Retirement benefit obligation		204,279	197,232
Deferred taxation		1,325,383	1,375,394
Borrowings		147,356	166,367
Deferred grant income		12,658	14,767
Premium received in advance		457,279	399,494
Insurance / reinsurance payables		2,890,161	3,030,884
Other creditors and accruals	21	1,814,128	1,806,196
Deposits and other liabilities		652,751	672,367
		26,471,008	27,042,493
Total liabilities of Window Takaful Operations - Operator's Fund	19	253,537	242,797
<b>Total Equity and Liabilities</b>		<b>49,647,787</b>	<b>49,520,149</b>
<b>Contingencies and commitments</b>			
	22		

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



Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Unconsolidated Condensed Interim Profit and Loss Account (Un-audited) For the Quarter Ended 31 March 2021

	Note	Quarter Ended	
		31 March 2021	31 March 2020
————— Rupees in thousand —————			
Net Insurance Premium	23	2,898,305	3,743,793
Net Insurance Claims	24	(1,580,017)	(2,343,117)
Net Commission and other acquisition costs	25	(358,264)	(515,379)
Insurance claims and acquisition expenses		(1,938,281)	(2,858,496)
Management expenses		(751,785)	(717,833)
<b>Underwriting results</b>		<b>208,239</b>	<b>167,464</b>
Investment income	26	996,624	410,111
Rental income		29,568	20,112
Other income		22,812	60,011
Other expenses		(11,566)	(17,868)
<b>Results of operating activities</b>		<b>1,245,677</b>	<b>639,830</b>
Finance cost		(5,206)	(1,655)
Profit from window takaful operations		33,750	35,776
<b>Profit before tax</b>		<b>1,274,221</b>	<b>673,951</b>
Income tax expense		(365,116)	(202,249)
<b>Profit after tax</b>		<b>909,105</b>	<b>471,702</b>
————— Rupees —————			
Earnings (after tax) per share	27	2.60	1.35

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



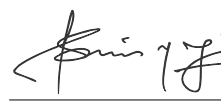
Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	Rupees in thousand	
<b>Profit after tax for the period</b>	<b>909,105</b>	471,702
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit and loss:</b>		
Unrealized ( loss) on 'available-for-sale' investments - net of tax	<b>(136,237)</b>	(3,214,208)
Reclassification adjustment relating to 'available for sale' investments disposed of during the period - net of tax	-	2,644
Other comprehensive income from window takaful operations - net of tax	<b>378</b>	684
Effect of translation of investment in foreign branches - net	<b>(84,863)</b>	111,707
<b>Total comprehensive income for the period</b>	<b>688,383</b>	<b>(2,627,471)</b>

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



Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

## For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	— Rupees in thousand —	
<b>Cash flows from operating activities</b>		
<b>Underwriting activities</b>		
Insurance premiums received	5,062,708	5,161,818
Reinsurance premiums paid	(1,420,774)	(1,052,823)
Claims paid	(2,506,306)	(3,077,562)
Surrenders paid	(13,353)	(14,058)
Reinsurance and other recoveries received	989,036	1,023,973
Commissions paid	(640,614)	(629,277)
Commissions received	93,090	86,377
Other underwriting payments	(650,331)	(516,791)
<b>Net cash inflow from underwriting activities</b>	<b>913,456</b>	<b>981,657</b>
<b>Other operating activities</b>		
Income tax paid	(187,218)	(59,341)
Other operating payments	(89,960)	(19,848)
Loans advanced	(16,216)	(11,312)
Loans repayments received	12,774	17,138
Other operating receipts	6,169	13,869
<b>Net cash outflow from other operating activities</b>	<b>(274,451)</b>	<b>(59,494)</b>
<b>Total cash inflow from all operating activities</b>	<b>639,005</b>	<b>922,163</b>
<b>Cash flows from investing activities</b>		
Profit / return received on bank deposits	38,606	142,330
Income received from Pakistan Investment Bonds	4,500	3,462
Income from Treasury Bills	-	6,450
Dividends received	843,480	317,163
Rentals received	31,093	21,450
Payments for investments	(4,090,646)	(4,970,107)
Proceeds from disposal of investments	3,799,211	3,802,845
Fixed capital expenditure - operating assets	(71,991)	(202,105)
Fixed capital expenditure - intangible assets	(4,481)	(3,157)
Proceeds from disposal of operating fixed assets	2,166	8,269
<b>Total cash inflow / (outflow) from investing activities</b>	<b>551,938</b>	<b>(873,400)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(885)	(2,588)
Loan principal payment made	(22,326)	-
Interest expense against loan paid	(448)	-
<b>Net cash outflow from financing activities</b>	<b>(23,659)</b>	<b>(2,588)</b>
<b>Net cash inflow from all activities</b>	<b>1,167,284</b>	<b>46,175</b>
Cash and cash equivalent at the beginning of the period	1,312,044	1,176,685
<b>Cash and cash equivalent at the end of the period</b>	<b>2,479,328</b>	<b>1,222,860</b>



# Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

## For the Quarter Ended 31 March 2021

Quarter Ended	
31 March 2021	31 March 2020

Rupees in thousand

### Reconciliation to profit and loss account

Operating cash flows	639,005	922,163
Depreciation expense	(57,723)	(67,092)
Provision for retirement benefit obligations	(10,165)	(12,593)
Finance cost	(5,206)	(1,655)
Other income - bank & term deposits	46,210	85,641
Gain on disposal of operating assets	1,693	2,721
Rental income	29,718	26,755
Decrease in assets other than cash	(841,119)	(1,130,392)
Decrease / (increase) in liabilities	440,761	(610,308)
Gain on disposal of investments	-	3,724
Amortization expense	(6,388)	(5,368)
(Increase) / decrease in unearned premium	(152,340)	1,006,897
Increase / (decrease) in loans	3,442	(5,826)
Income taxes paid	187,218	59,341
Increase in tax liabilities	(365,116)	(202,249)
Dividend and other income	955,317	350,981
Income from treasury bills	5,688	10,911
Income from Pakistan Investment Bonds	2,250	2,275
Income against deferred grant	2,110	-
Profit for the period from Window Takaful Operations	33,750	35,776
<b>Profit after tax</b>	<b>909,105</b>	<b>471,702</b>

Quarter Ended	
31 March 2021	31 March 2020

Rupees in thousand

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

Cash and other equivalents	7,345	7,749
Current and other accounts	2,471,983	1,215,111
<b>Total cash and cash equivalents</b>	<b>2,479,328</b>	<b>1,222,860</b>

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



**Umer Mansha**  
Chairman



**Ibrahim Shamsi**  
Director



**Shaikh Muhammad Jawed**  
Director



**Muhammad Asim Nagi**  
Chief Financial Officer



**Muhammad Ali Zeb**  
Managing Director &  
Chief Executive Officer

# Unconsolidated Condensed Interim Statement of Changes in Equity For the Quarter Ended 31 March 2021

	Share capital	Capital reserve			Revenue reserve		Total	
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve		Unappropriated Profit
------(Rupees in thousand)-----								
<b>Balance as at 31 December 2019 - (Audited)</b>	3,500,000	22,859	3,764	674,936	2,917,432	936,500	13,325,001	21,380,492
Profit for the period 01 January 2020 to 31 March 2020	-	-	-	-	-	-	471,702	471,702
Other comprehensive income for the period 01 January 2020 to 31 March 2020	-	-	-	111,707	(3,210,880)	-	-	(3,099,173)
<b>Total comprehensive income for the period</b>	-	-	-	111,707	(3,210,880)	-	471,702	(2,627,471)
<b>Balance as at 31 March 2020 - (Unaudited)</b>	3,500,000	22,859	3,764	786,643	(293,448)	936,500	13,796,703	18,753,021
Profit for the period 01 April 2020 to 31 December 2020	-	-	-	-	-	-	1,403,804	1,403,804
Other comprehensive income for the period 01 April 2020 to 31 December 2020	-	-	-	(108,205)	3,138,833	-	9,906	3,040,534
<b>Total comprehensive income for the period</b>	-	-	-	(108,205)	3,138,833	-	1,413,710	4,444,338
<b>Transactions with owners of the Company</b>								
Final dividend for the year ended 31 December 2019 @ 15% (Rupee 1.50/- 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)
	-	-	-	-	-	-	(962,500)	(962,500)
<b>Balance as at 31 December 2020 - (Audited)</b>	3,500,000	22,859	3,764	678,438	2,845,385	936,500	14,247,913	22,234,859
Profit for the period 01 January 2021 to 31 March 2021	-	-	-	-	-	-	909,105	909,105
Other comprehensive income for the period 01 January 2021 to 31 March 2021	-	-	-	(84,863)	(135,859)	-	-	(220,722)
<b>Total comprehensive income for the period</b>	-	-	-	(84,863)	(135,859)	-	909,105	688,383
<b>Balance as at 31 March 2021 - (Unaudited)</b>	3,500,000	22,859	3,764	593,575	2,709,526	936,500	15,157,018	22,923,242

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



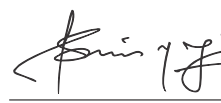
Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited) For the Quarter Ended 31 March 2021

## 1 Legal status and nature of business

Adamjee Insurance Company Limited ("the Company") is a public limited Company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange and is 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 also operates branches in the United Arab Emirates (UAE) and the Export Processing Zone (EPZ).

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 quarter ended 31 March 2021 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, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions of or the directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and Takaful accounting regulations, 2019, shall prevail.

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 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 2020. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2020, 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 Company for the quarter ended 31 March 2020.

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 statements.

## 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 2020.

# Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited) For the Quarter Ended 31 March 2021

## 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

	March 31, 2021				
	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
---- (Rupees in thousand) ----					
<b>Financial assets</b>					
Cash and Bank*	2,479,328	-	-	-	-
Investment in subsidiary*	1,097,900	-	-	-	-
Investments in equity securities - available-for-sale	19,148,255	(191,882)	-	-	-
Investment in debt securities - held-to-maturity	-	-	476,113	-	-
Term deposits*	-	-	5,723,735	-	-
Loans and other receivables*	627,881	-	3,653	-	-
<b>Total</b>	<b>23,353,364</b>	<b>(191,882)</b>	<b>6,203,501</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.

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

## For the Quarter Ended 31 March 2021

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 2020.

### 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 2020.

	Note	(Unaudited)	(Audited)
		31 March 2021	31 December 2020
———— Rupees in thousand ————			
<b>8 Property and equipment</b>			
Opening balance - net book value		4,456,749	4,168,110
Additions during the period / year	8.1	61,924	573,993
Book value of disposals during the period / year	8.2	(473)	(29,190)
Depreciation charged during the period / year		(57,723)	(263,522)
Exchange differences and other adjustments		(20,299)	7,358
		(78,495)	(285,354)
		4,440,178	4,456,749
Capital work in progress	8.3	19,005	11,170
		4,459,183	4,467,919
<b>8.1 Additions during the period / year:</b>			
Land and buildings		20,014	254,005
Furniture and fixtures		42	98,177
Motor vehicles		25,583	26,596
Machinery and equipment		15,278	108,615
Computer and related accessories		1,007	45,645
Right of use asset		-	40,955
		61,924	573,993
<b>8.2 Written down values of property and equipment disposed off during the period / year</b>			
Land and buildings		-	592
Furniture and fixtures		-	172
Motor vehicles		458	26,779
Machinery and equipment		-	277
Computer and related accessories		15	1,370
		473	29,190
<b>8.3 Capital work in progress</b>			

Capital work in progress as of 31 March 2021 includes advances to different contractors, suppliers and vendors amounting to Rs. 19,005 thousands (31 December 2020: Rs. 11,170 thousands).

# Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited) For the Quarter Ended 31 March 2021

	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	————— Rupees in thousand —————	
<b>9 Intangible assets</b>		
Opening balance - net book value	88,187	68,927
Additions during the period / year	6,714	40,886
Book value of disposals during the period / year	-	-
Amortization charged during the period / year	(6,388)	(23,296)
Exchange differences and other adjustments	(1,679)	1,670
	(8,067)	(21,626)
	<b>86,834</b>	<b>88,187</b>
<b>10 Investment Properties</b>		
Opening balance - net book value	401,896	401,896
Additions and capital improvements	-	-
Unrealized fair value gain	-	-
	<b>401,896</b>	<b>401,896</b>
<b>11 Investment in subsidiary</b>		
Adamjee Life Assurance Company Limited - At cost	<b>1,097,900</b>	<b>1,097,900</b>

## 12 Investment in equity securities

### Available-for-sale

31 March 2021 (Unaudited)			31 December 2020 (Audited)		
Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
----- Rupees in thousands -----					

### Related parties

Listed shares	8,463,665	-	8,463,665	8,318,076	-	8,318,076
Unlisted shared	924,333	-	924,333	924,333	-	924,333
	9,387,998	-	9,387,998	9,242,409	-	9,242,409
Unrealized gain			960,402			1,307,313
			<b>10,348,400</b>			<b>10,549,722</b>

### Others

Listed shares	7,135,270	(2,163,210)	4,972,060	7,135,270	(2,163,210)	4,972,060
Unlisted shared	925,360	-	925,360	925,360	-	925,360
Mutual Funds	48,218	-	48,218	48,130	-	48,130
NIT Units	161	-	161	161	-	161
	8,109,009	(2,163,210)	5,945,799	8,108,921	(2,163,210)	5,945,711
Unrealized gain			2,854,056			2,699,027
			<b>8,799,855</b>			<b>8,644,738</b>
<b>Total</b>	<b>17,497,007</b>	<b>(2,163,210)</b>	<b>19,148,255</b>	<b>17,351,330</b>	<b>(2,163,210)</b>	<b>19,194,460</b>

## Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited) For the Quarter Ended 31 March 2021

12.1 3,716,710 (2020: 3,716,710) shares of MCB Bank Limited and 3,582,000 (2020: 3,582,000) 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	Note	(Unaudited)	(Audited)
		31 March 2021	31 December 2020
————— Rupees in thousand —————			
<b>Held-to-maturity</b>			
<b>Others</b>			
Treasury Bills		379,663	275,631
Pakistan Investment Bonds		96,450	98,700
		<b>476,113</b>	<b>374,331</b>
<b>14 Investments in Term Deposits</b>			
<b>Held to maturity</b>			
<b>Deposits maturing within 12 months</b>			
<b>Inside Pakistan</b>			
- related parties		6,811	6,811
- others		175,066	175,066
		<b>181,877</b>	<b>181,877</b>
<b>Outside Pakistan</b>			
- related parties		1,247,637	1,305,429
- others		4,217,033	4,364,568
		<b>5,464,670</b>	<b>5,669,997</b>
		<b>5,646,547</b>	<b>5,851,874</b>
<b>Deposits maturing after 12 months</b>			
<b>Inside Pakistan</b>			
- related parties		2,000	2,000
- others		75,188	75,188
		<b>77,188</b>	<b>77,188</b>
	<b>14.1</b>	<b>5,723,735</b>	<b>5,929,062</b>

14.1 These include fixed deposits amounting to Rs. 4,782,609 thousands (AED 115,000 thousands) [2020: Rs. 4,904,014 thousands (AED 112,699 thousands)] kept in accordance with the requirements of Insurance Regulations applicable to the UAE branches for the purpose of carrying on business in United Arab Emirates. These also include liens against cash deposits of Rs. 259,065 thousands (2020: Rs. 259,065 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.

15 Loans and other receivables	Note	(Unaudited)	(Audited)
		31 March 2021	31 December 2020
————— Rupees in thousand —————			
<b>Considered good</b>			
Rent receivable		6,401	7,776
Receivable from related parties	15.1	55,412	43,135
Accrued income		248,802	129,361
Security deposits		47,439	46,713
Advances to employees and suppliers		159,223	237,051
Advance agent commission		5,436	4,478
Loans to employees		48,396	45,336
Other receivables		60,425	69,046
		<b>631,534</b>	<b>582,896</b>

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

## For the Quarter Ended 31 March 2021

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

(Unaudited)	(Audited)
31 March 2021	31 December 2020
————— Rupees in thousand —————	

### 16 Insurance / reinsurance receivables - unsecured and considered good

Due from insurance contract holders	4,760,435	4,723,214
Provision for impairment of receivables from insurance contract holders	(901,678)	(932,384)
	<b>3,858,757</b>	3,790,830
Due from other insurers / other reinsurers	1,016,817	1,169,623
Provision for impairment of due from other insurers / reinsurers	(201,302)	(201,302)
	<b>815,515</b>	968,321
	<b>4,674,272</b>	4,759,151

16.1 Due from insurance contact holders include an amount of Rs. 186,924 thousands (2020: Rs. 192,060 thousands) held with related parties.

(Unaudited)	(Audited)
31 March 2021	31 December 2020
————— Rupees in thousand —————	

### 17 Prepayments

Prepaid reinsurance premium ceded	2,651,227	3,307,863
Prepaid miscellaneous expenses	213,651	114,918
	<b>2,864,878</b>	3,422,781

### 18 Cash and Bank

#### Cash and cash equivalents

##### Inside Pakistan

Cash in hand	642	438
Policy & revenue stamps, bond papers	6,122	4,703
	<b>6,764</b>	5,141

##### Outside Pakistan

Cash in hand	581	-
Policy & revenue stamps, bond papers	-	-
	<b>581</b>	-

#### Cash at bank

##### Inside Pakistan

Current accounts	825,917	237,821
Saving accounts	1,041,045	931,898
	<b>1,866,962</b>	1,169,719

##### Outside Pakistan

Current accounts	604,188	136,313
Savings accounts	833	871
	<b>605,021</b>	137,184

	<b>2,471,983</b>	1,306,903
	<b>2,479,328</b>	1,312,044

18.1 Cash at bank includes an amount of Rs. 927,865 thousands (31 December 2020: Rs. 368,010 thousands) held with MCB Bank Limited, a related party of the Company.



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

## For the Quarter Ended 31 March 2021

18.2 Lien of Rs. 440,000 thousands (2020: Rs. 440,000 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)	(Audited)
	31 March 2021	31 December 2020
	————— Rupees in thousand —————	
<b>19 Window takaful operations - operator's fund</b>		
<b>Assets</b>		
Cash and bank deposits	233,693	209,446
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	36,406	35,873
Intangible assets	11,272	12,421
Property and equipment	23,386	20,793
Current assets - others	173,012	164,155
<b>Total Assets</b>	<b>624,229</b>	<b>589,148</b>
<b>Total liabilities</b>	<b>253,537</b>	<b>242,797</b>
	(Unaudited)	(Unaudited)
	31 March 2021	31 March 2020
	————— Rupees in thousand —————	
Wakala Fee	100,828	96,323
Commission expense	(32,086)	(28,468)
Management expense	(39,315)	(35,534)
Other Income	3,774	2,557
Mudarib's share of PTF investment income	549	898
Profit before taxation	33,750	35,776
Taxation	(9,787)	(10,422)
<b>Profit after taxation</b>	<b>23,963</b>	<b>25,354</b>

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed condensed interim financial information for the quarter ended 31 March 2021.

	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	————— Rupees in thousand —————	
<b>20 Reserves</b>		
<b>Capital reserves</b>		
Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	593,575	678,438
Fair value reserve	2,709,526	2,845,385
	<b>3,329,724</b>	<b>3,550,446</b>
<b>Revenue reserves</b>		
General reserves	936,500	936,500
	<b>4,266,224</b>	<b>4,486,946</b>
<b>21 Other creditors and accruals</b>		
Agents commission payable	557,630	554,372
Federal Excise Duty / Sales Tax / VAT	23,064	94,242
Federal Insurance Fee	37,541	29,854
Workers' welfare fund	76,485	76,485
Tax deducted at source	80,452	92,945
Accrued expenses	128,514	204,872
Unpaid and Unclaimed Dividend	160,868	161,753
Payable to Employees' Provident Fund	170	143
Sundry creditors	749,404	591,530
	<b>1,814,128</b>	<b>1,806,196</b>

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

## For the Quarter Ended 31 March 2021

### 22 Contingencies and commitments

#### 22.1 Contingencies

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 2020 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 (2020: Rs. 1,209,000 thousands).
- The Company has issued letter of guarantees amounting to AED 450,250 amounting to Rs.18,725 thousands (2020: AED 251,500 amounting to Rs.10,944 thousands) relating to UAE branch.

	Quarter Ended	
	31 March 2021	31 March 2020
	————— Rupees in thousand —————	
<b>23 Net Insurance Premium</b>		
Written Gross Premium	5,113,246	4,580,310
Unearned premium reserve opening	8,366,434	10,242,348
Unearned premium reserve closing	(8,518,774)	(9,235,451)
Currency translation effect	(128,409)	294,959
Premium earned	<u>4,832,497</u>	<u>5,882,166</u>
Reinsurance premium ceded	(1,280,051)	(1,076,659)
Prepaid reinsurance premium opening	(3,307,863)	(3,500,512)
Prepaid reinsurance premium closing	2,651,227	2,445,880
Currency translation effect	2,495	(7,082)
Reinsurance expense	<u>(1,934,192)</u>	<u>(2,138,373)</u>
	<u><u>2,898,305</u></u>	<u><u>3,743,793</u></u>
<b>23.1 Net Insurance Premium - Business underwritten inside Pakistan</b>		
Written Gross Premium	3,256,720	2,833,839
Unearned premium reserve opening	6,021,464	6,197,501
Unearned premium reserve closing	(5,626,861)	(5,111,264)
Premium earned	<u>3,651,323</u>	<u>3,920,076</u>
Reinsurance premium ceded	(1,213,562)	(1,022,427)
Prepaid reinsurance premium opening	(3,260,277)	(3,425,355)
Prepaid reinsurance premium closing	2,595,479	2,344,222
Reinsurance expense	<u>(1,878,360)</u>	<u>(2,103,560)</u>
	<u><u>1,772,963</u></u>	<u><u>1,816,516</u></u>
<b>23.2 Net Insurance Premium - Business underwritten outside Pakistan</b>		
Written Gross Premium	1,856,526	1,746,471
Unearned premium reserve opening	2,344,970	4,044,847
Unearned premium reserve closing	(2,891,913)	(4,124,187)
Currency translation effect	(128,409)	294,959
Premium earned	<u>1,181,174</u>	<u>1,962,090</u>
Reinsurance premium ceded	(66,489)	(54,232)
Prepaid reinsurance premium opening	(47,586)	(75,157)
Prepaid reinsurance premium closing	55,748	101,658
Currency translation effect	2,495	(7,082)
Reinsurance expense	<u>(55,832)</u>	<u>(34,813)</u>
	<u><u>1,125,342</u></u>	<u><u>1,927,277</u></u>

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

## For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	Rupees in thousand	
<b>24 Net Insurance Claims Expense</b>		
Claim paid	2,506,306	3,077,562
Outstanding claims including IBNR - closing	10,242,473	11,191,266
Outstanding claims including IBNR - opening	(10,768,040)	(10,367,347)
Currency translation effect	255,220	(473,500)
Claim expense	<u>2,235,959</u>	<u>3,427,981</u>
Reinsurance and other recoveries received	(836,230)	(1,038,143)
Reinsurance and other recoveries in respect of outstanding claims - closing	(5,898,472)	(6,523,405)
Reinsurance and other recoveries in respect of outstanding claims - opening	6,192,571	6,233,348
Currency translation effect	(113,811)	243,336
Reinsurance and other recoveries revenue	<u>(655,942)</u>	<u>(1,084,864)</u>
	<u>1,580,017</u>	<u>2,343,117</u>
<b>24.1 Net Insurance Claims Expense - Business underwritten inside Pakistan</b>		
Claim paid	1,515,663	1,138,384
Outstanding claims including IBNR - closing	4,750,466	4,507,781
Outstanding claims including IBNR - opening	(4,920,475)	(4,398,967)
Claim expense	<u>1,345,654</u>	<u>1,247,198</u>
Reinsurance and other recoveries received	(503,245)	(144,400)
Reinsurance and other recoveries in respect of outstanding claims - closing	(3,462,096)	(3,114,792)
Reinsurance and other recoveries in respect of outstanding claims - opening	3,526,278	2,948,471
Reinsurance and other recoveries revenue	<u>(439,063)</u>	<u>(310,721)</u>
	<u>906,591</u>	<u>936,477</u>
<b>24.2 Net Insurance Claims Expense - Business underwritten outside Pakistan</b>		
Claim paid	990,643	1,939,178
Outstanding claims including IBNR - closing	5,492,007	6,683,485
Outstanding claims including IBNR - opening	(5,847,565)	(5,968,380)
Currency translation effect	255,220	(473,500)
Claim expense	<u>890,305</u>	<u>2,180,783</u>
Reinsurance and other recoveries received	(332,985)	(893,743)
Reinsurance and other recoveries in respect of outstanding claims - closing	(2,436,376)	(3,408,613)
Reinsurance and other recoveries in respect of outstanding claims - opening	2,666,293	3,284,877
Currency translation effect	(113,811)	243,336
Reinsurance and other recoveries revenue	<u>(216,879)</u>	<u>(774,143)</u>
	<u>673,426</u>	<u>1,406,640</u>

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

## For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	Rupees in thousand	
<b>25 Net commission and other acquisition costs</b>		
Commission Paid or payable	652,599	581,734
Deferred Commission expense opening	731,319	1,190,146
Deferred Commission expense closing	(867,149)	(1,197,363)
Currency translation effect	(26,056)	64,137
Net Commission	490,713	638,654
Commission received or recoverable	(93,090)	(86,377)
Unearned reinsurance commission opening	(245,318)	(237,751)
Unearned reinsurance commission closing	205,766	201,121
Currency translation effect	193	(268)
Commission from reinsurance	(132,449)	(123,275)
	<b>358,264</b>	<b>515,379</b>
<b>25.1 Net commission and other acquisition costs Business underwritten Inside Pakistan</b>		
Commission Paid or payable	238,925	200,764
Deferred Commission expense opening	285,324	352,673
Deferred Commission expense closing	(273,882)	(295,578)
Net Commission	250,367	257,859
Commission received or recoverable	(91,847)	(83,830)
Unearned reinsurance commission opening	(240,971)	(236,381)
Unearned reinsurance commission closing	201,575	197,095
Commission from reinsurance	(131,243)	(123,116)
	<b>119,124</b>	<b>134,743</b>
<b>25.2 Net commission and other acquisition costs Business underwritten Outside Pakistan</b>		
Commission Paid or payable	413,674	380,970
Deferred Commission expense opening	445,995	837,473
Deferred Commission expense closing	(593,267)	(901,785)
Currency translation effect	(26,056)	64,137
Net Commission	240,346	380,795
Commission received or recoverable	(1,243)	(2,547)
Unearned reinsurance commission opening	(4,347)	(1,370)
Unearned reinsurance commission closing	4,191	4,026
Currency translation effect	193	(268)
Commission from reinsurance	(1,206)	(159)
	<b>239,140</b>	<b>380,636</b>

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

## For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
----- Rupees in thousand -----		
<b>26 Investment Income</b>		
<b>Business underwritten Inside Pakistan</b>		
<b>Available-for-sale</b>		
<b>Income from equity securities</b>		
Dividend income		
- associated undertakings	743,040	239,136
- others	212,208	111,791
	955,248	350,927
<b>Income from debt securities - Held to maturity</b>		
Return on Pakistan Investment Bonds	2,250	2,275
Profit on Treasury Bills	5,688	10,911
	7,938	13,186
<b>Net realized gains on investments</b>		
Realized gains on		
- associated undertakings	-	-
- others	-	3,533
	-	3,533
	963,186	367,646
<b>Business underwritten Outside Pakistan</b>		
<b>Available-for-sale</b>		
<b>Income from equity securities</b>		
Dividend income		
- associated undertakings	-	-
- others	69	54
	69	54
<b>Net realized gains on investments</b>		
Realized gains on		
- associated undertakings	-	-
- others	-	191
	-	191
<b>Income from term deposits</b>		
- associated undertakings	5,906	8,737
- others	27,463	33,483
	33,369	42,220
	33,438	42,465
<b>Net investment income</b>	996,624	410,111
<b>27 Earnings (after tax) 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	909,105	471,702
	----- Number of shares -----	
Weighted average number of ordinary shares	350,000,000	350,000,000
	----- (Rupees) -----	
Earnings (after tax) per share - basic and diluted	2.60	1.35

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

## For the Quarter Ended 31 March 2021

### 28 Transactions with related parties

The Company has related party relationships with its associates, subsidiary company, entities with common directors, 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:

		<b>(Unaudited)</b>	
		<b>31 March 2021</b>	31 March 2020
		————— Rupees in thousand —————	
<b>i) Transactions</b>			
	<b>Subsidiary company</b>		
	Premiums underwritten	<b>22,513</b>	17,881
	Premiums received	<b>1,339</b>	18,229
	Claims paid	<b>1,331</b>	1,369
	Claims received	<b>3,000</b>	3,000
	Premium paid	<b>14,806</b>	14,813
	Rent paid / payable	<b>3,825</b>	-
	Rent / service charges / expenses received	<b>17,190</b>	-
	<b>Other related parties</b>		
	Premiums underwritten	<b>320,630</b>	315,174
	Premiums received	<b>347,405</b>	407,632
	Claims paid	<b>155,173</b>	193,391
	Commission Paid	<b>10,431</b>	14,776
	Rent paid	<b>1,173</b>	3,456
	Rent received	<b>9,550</b>	7,776
	Dividends received	<b>609,798</b>	203,266
	Loan repaid	<b>22,326</b>	-
	Income on bank deposits	<b>10,013</b>	36,839
	Investments made	<b>145,589</b>	50,000
	Fee / service charges paid	<b>2,914</b>	4,050
	Fee / service charges / expenses received / receivable	<b>10,108</b>	711
	Charge in respect of gratuity expense	<b>7,874</b>	9,032
	Contribution to Employees' Provident Fund	<b>9,228</b>	8,102
	Compensation paid to Key management personnel	<b>353,649</b>	299,917
		<b>(Unaudited)</b>	(Audited)
		<b>31 March 2021</b>	31 December 2020
		————— Rupees in thousand —————	
<b>ii) Period end balances</b>			
	<b>Subsidiary company</b>		
	Balances receivable	<b>79,039</b>	48,364
	Balances payable	<b>7,148</b>	5,684
	<b>Other related parties</b>		
	Balances receivable	<b>175,060</b>	206,040
	Balances payable	<b>467,097</b>	313,285
	Cash and bank balances including term deposits	<b>2,184,313</b>	1,682,250
	Payable to Staff Gratuity Fund	<b>140,748</b>	132,874

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

## For the Quarter Ended 31 March 2021

Quarter Ended 31 March 2021

	Rupees in thousand												
	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	
Premium receivable (inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	1,337,382	7,443	319,386	8,622	1,886,663	705,483	45,127	349,529	1,301	3,641,923	1,949,156	5,591,079	
Less: Federal excise duty / VAT	(166,544)	(505)	(36,458)	(49)	(110,802)	(89,841)	(6,710)	(2,149)	(62)	(32,257)	(92,606)	(445,377)	
Federal insurance fee	(11,469)	(20)	(2,837)	(4)	(8,203)	(6,919)	(3,004)	-	-	(32,432)	(24)	(32,456)	
	1,159,369	6,918	280,091	8,569	1,796,822	691,854	42,978	314,268	1,239	3,256,720	1,856,526	5,113,246	
Gross written premium (inclusive of administrative surcharge)	1,159,369	6,918	280,091	8,569	1,796,822	691,854	42,978	314,268	1,239	3,256,720	1,856,526	5,113,246	
Gross direct premium	1,138,631	6,901	272,918	8,569	1,796,070	691,299	42,978	312,033	1,236	3,196,225	1,855,754	5,051,979	
Facultative inward premium	16,885	-	-	-	-	-	-	-	-	16,885	-	16,885	
Administrative surcharge	3,853	17	7,173	-	29,794	752	-	2,235	3	43,610	772	44,382	
	1,159,369	6,918	280,091	8,569	1,796,822	691,854	42,978	314,268	1,239	3,256,720	1,856,526	5,113,246	
Insurance premium earned	1,909,602	5,579	259,014	6,337	692,842	1,142,399	462,730	24,490	327,135	3,651,323	1,181,174	4,832,497	
Insurance premium ceded to reinsurers	(1,677,054)	(3,410)	(48,856)	-	(15,890)	(36,104)	-	(15,353)	(965)	(1,878,360)	(55,832)	(1,934,192)	
Net insurance premium	232,548	2,169	210,158	6,337	676,952	1,106,295	462,730	9,137	190,575	1,772,963	1,125,342	2,898,305	
Commission income	109,538	907	184	-	966	-	-	299	131,243	1,206	1,206	132,449	
	342,086	3,076	210,342	6,337	677,918	1,106,295	462,730	9,137	211,130	1,904,206	1,126,548	3,030,754	
Net underwriting income	(568,344)	65,085	(53,134)	-	(364,224)	(930,115)	(347,489)	(25,697)	(212,463)	(1,945,654)	(890,305)	(2,235,959)	
Insurance claims	320,351	(55,330)	(37,741)	-	8,060	254,221	-	17,988	148,393	439,063	216,879	655,942	
Insurance claim recoveries from reinsurer	(47,993)	9,785	(90,875)	-	(356,164)	(675,894)	(347,489)	(7,709)	(64,070)	(906,591)	(673,426)	(1,580,017)	
Net claims	(110,175)	(714)	(39,171)	(1,568)	(56,319)	(236,343)	(13,339)	(1,571)	(31,363)	(250,367)	(240,346)	(490,713)	
Commission expense	(100,572)	(211)	(99,127)	(1,847)	(239,204)	(211,865)	(35,951)	(6,380)	(56,576)	(531,430)	(220,355)	(751,785)	
Management expense	(258,740)	8,840	(229,173)	(3,415)	(651,687)	(1,124,102)	(396,779)	(15,660)	(152,009)	(1,686,388)	(1,134,127)	(2,822,515)	
Net insurance claims and expenses	83,346	11,916	(18,831)	2,922	26,231	(17,807)	65,951	(6,523)	59,121	215,515	(7,579)	208,239	
Underwriting result	Net investment income	963,186	33,438	966,624						963,186	33,438	996,624	
Rental income	29,136	432	29,568							29,136	432	29,568	
Other income	9,840	12,972	22,812							9,840	12,972	22,812	
Other expenses	(8,251)	(3,315)	(11,566)							(8,251)	(3,315)	(11,566)	
Finance cost	(4,442)	(764)	(5,206)							(4,442)	(764)	(5,206)	
Profit from Window Takatful Operations	33,750	-	33,750							33,750	-	33,750	
Profit before tax	1,239,037	35,184	1,274,221							1,239,037	35,184	1,274,221	

31 March 2021

	Rupees in thousand												
	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	
Segment Assets	5,402,538	27,172	507,143	7,764	1,199,472	4,120,949	761,736	100,666	1,946,889	16,793	9,817,778	4,273,344	14,091,122
Unallocated assets											28,688,195	6,888,470	35,556,665
											<b>38,485,973</b>	<b>11,161,814</b>	<b>49,647,787</b>
Segment Liabilities	6,115,279	32,291	751,311	24,043	2,631,402	8,404,521	1,880,082	143,174	2,313,618	18,732	13,691,692	6,622,761	22,314,453
Unallocated Liabilities											3,739,112	870,980	4,410,092
											<b>17,430,804</b>	<b>9,293,741</b>	<b>26,724,545</b>

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

## For the Quarter Ended 31 March 2021

### 29.1 Segment Information

Quarter ended 31 March 2020													
Rupees in thousand													
	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	
Premium receivable (inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	1,208,872	7,614	211,185	4,934	816,255	1,801,325	611,251	13,897	317,801	5,868	3,165,364	1,833,638	4,999,002
Less: Federal excise duty / VAT	(149,873)	(363)	(22,427)	(38)	(97,487)	(85,777)	(7,219)	(662)	(25,840)	(317)	(302,846)	(87,157)	(390,003)
Federal insurance fee	(10,187)	-	(1,869)	(6)	(7,209)	-	(5,956)	-	(3,458)	(6)	(28,679)	(10)	(28,689)
	1,048,812	7,251	186,889	4,891	711,559	1,715,548	598,076	13,235	288,503	5,546	2,833,839	1,746,471	4,580,310
Gross written premium (inclusive of administrative surcharge)	1,048,812	7,251	186,889	4,891	711,559	1,715,548	598,076	13,235	288,503	5,546	2,833,839	1,746,471	4,580,310
Gross direct premium	1,043,462	7,220	181,385	4,891	685,190	1,713,622	597,690	13,235	285,847	5,541	2,793,574	1,744,509	4,538,083
Facultative inward premium	1,463	-	-	-	-	-	-	-	-	-	-	1,463	1,463
Administrative surcharge	3,887	31	5,504	-	26,369	1,926	386	-	2,656	5	38,802	1,962	40,764
	1,048,812	7,251	186,889	4,891	711,559	1,715,548	598,076	13,235	288,503	5,546	2,833,839	1,746,471	4,580,310
Insurance premium earned	1,986,504	8,455	195,260	5,273	695,622	1,942,414	478,634	2,387	564,156	3,561	3,920,076	1,962,090	5,882,166
Insurance premium ceded to reinsurers	(1,776,336)	(6,145)	(27,860)	12	(12,896)	(21,295)	-	(5,477)	(286,468)	(1,908)	(2,103,560)	(34,813)	(2,138,373)
Net insurance premium	210,168	2,310	167,400	5,285	682,626	1,921,119	478,634	(3,090)	277,688	1,653	1,816,516	1,927,277	3,743,793
Commission income	108,503	238	80	-	1,142	-	-	-	13,391	(79)	123,116	159	123,275
<b>Net underwriting income</b>	318,671	2,548	167,480	5,285	683,768	1,921,119	478,634	(3,090)	291,079	1,574	1,939,632	1,927,436	3,867,068
Insurance claims	(64,019)	(84,498)	(225,562)	583	(285,548)	(2,089,207)	(376,123)	(7,856)	(295,946)	195	(1,247,198)	(2,180,783)	(3,427,981)
Insurance claim recoveries from reinsurer	1,826	20,197	91,465	-	(4,222)	747,797	-	6,201	221,652	(52)	310,721	774,143	1,084,864
Net claims	(62,193)	(64,301)	(134,097)	583	(289,770)	(1,341,410)	(376,123)	(1,655)	(74,294)	143	(936,477)	(1,406,640)	(2,343,117)
Commission expense	(123,008)	(366)	(35,026)	(305)	(49,604)	(379,566)	(12,972)	(327)	(37,249)	(231)	(257,859)	(380,795)	(638,654)
Management expense	(73,168)	(315)	(75,230)	(2,057)	(243,820)	(224,883)	(28,945)	(2,967)	(66,225)	(223)	(487,388)	(230,445)	(717,833)
Net insurance claims and expenses	(258,369)	(64,982)	(244,353)	(1,779)	(583,194)	(1,945,859)	(418,040)	(4,949)	(177,768)	(311)	(1,681,724)	(2,017,880)	(3,699,604)
<b>Underwriting result</b>	60,302	(62,434)	(76,873)	3,506	100,574	(24,740)	60,594	(8,039)	113,311	1,263	257,908	(90,444)	167,464
Net investment income													
Rental income													
Other income													
Other expenses													
Finance cost													
Profit from Window Takaful Operations													
<b>Profit before tax</b>													
Net investment income													
Rental income													
Other income													
Other expenses													
Finance cost													
Profit from Window Takaful Operations													
<b>Profit before tax</b>													
Segment Assets	6,767,220	84,504	498,520	7,214	1,111,411	4,087,762	503,065	99,727	1,812,432	19,049	10,692,648	4,298,256	14,990,904
Unallocated assets											27,934,697	6,594,548	34,529,245
											38,627,345	10,892,804	49,520,149
Segment Liabilities	7,633,997	99,635	736,427	22,678	2,397,597	8,116,777	1,433,789	141,733	2,206,070	21,468	14,407,880	8,402,291	22,810,171
Unallocated liabilities											3,833,873	641,246	4,475,119
											18,241,753	9,043,537	27,285,290

31 December 2020													
Rupees in thousand													
	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	
Net investment income													
Rental income													
Other income													
Other expenses													
Finance cost													
Profit from Window Takaful Operations													
<b>Profit before tax</b>													
Segment Assets													
Unallocated assets													
Segment Liabilities													
Unallocated liabilities													



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

## For the Quarter Ended 31 March 2021

### 30 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.

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

Note	31 March 2021 (Unaudited)										
	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	
----- Rupees in thousand -----											
<b>Financial assets - measured at fair value</b>											
Investments											
	Equity securities - Quoted	12	15,664,045	-	-	-	15,664,045	15,664,045	-	-	15,664,045
	Equity securities - Unquoted	12	3,484,210	-	-	-	3,484,210	-	-	3,484,210	3,484,210
	Debt securities	13	-	476,113	-	-	476,113	-	476,113	-	476,113
	Investments of Window Takaful Operations - Operator's Fund	19	36,406	-	-	-	36,406	36,406	-	-	36,406
<b>Financial assets - not measured at fair value</b>											
	Loans and other receivables *	15	-	-	631,534	-	631,534	-	-	-	-
	Investment - Term deposits *	14	-	5,723,735	-	-	5,723,735	-	-	-	-
	Investment in subsidiary*	11	-	-	1,097,900	-	1,097,900	-	-	-	-
	Insurance / reinsurance receivables										
	- unsecured and considered good *	16	-	-	4,674,272	-	4,674,272	-	-	-	-
	Reinsurance recoveries against outstanding claims *				5,612,345	-	5,612,345	-	-	-	-
	Salvage recoveries accrued *				286,127	-	286,127	-	-	-	-
	Prepayments *	17	-	-	2,864,878	-	2,864,878	-	-	-	-
	Cash and bank *	18	-	-	-	2,479,328	2,479,328	-	-	-	-
	Other Assets of Window Takaful Operations - Operator's Fund	19	-	-	319,472	233,693	553,165	-	-	-	-
			19,184,661	6,199,848	15,486,528	2,713,021	43,584,058	15,700,451	476,113	3,484,210	19,660,774
<b>Financial liabilities - not measured at fair value</b>											
Underwriting provisions:											
	Borrowings*		-	-	-	147,356	147,356	-	-	-	-
	Outstanding claims (including IBNR)*	24	-	-	-	10,242,473	10,242,473	-	-	-	-
	Insurance / reinsurance payables *		-	-	-	2,890,161	2,890,161	-	-	-	-
	Other creditors and accruals*		-	-	-	2,242,966	2,242,966	-	-	-	-
	Total liabilities of Window Takaful Operations- Operator's Fund*	19	-	-	-	253,537	253,537	-	-	-	-
			-	-	-	15,776,493	15,776,493	-	-	-	-

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

# Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited) For the Quarter Ended 31 March 2021

## 30.1 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

		31 December 2020 (Audited)									
		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>Financial assets - measured at fair value</b>											
Investment											
	Equity securities- quoted	12	15,710,251	-	-	-	15,710,251	15,710,251	-	-	15,710,251
	Equity securities- unquoted	12	3,484,209	-	-	-	3,484,209	-	-	3,484,209	3,484,209
	Debt securities	13	-	374,331	-	-	374,331	-	374,331	-	374,331
	Investments of Window Takaful Operations - Operator's Fund	19	35,873	-	-	-	35,873	35,873	-	-	35,873
<b>Financial assets - not measured at fair value</b>											
	Loans and other receivables *	15	-	-	582,896	-	582,896	-	-	-	-
	Investment - Term deposits*	14	-	5,929,062	-	-	5,929,062	-	-	-	-
	Investment in subsidiary*	11	-	-	1,097,900	-	1,097,900	-	-	-	-
	Insurance / reinsurance receivables										
	- unsecured and considered good *	16	-	-	4,759,151	-	4,759,151	-	-	-	-
	Reinsurance recoveries against outstanding claims *				5,922,296	-	5,922,296	-	-	-	-
	Salvage recoveries accrued *				270,275	-	270,275	-	-	-	-
	Prepayments *	17	-	-	3,422,781	-	3,422,781	-	-	-	-
	Cash and bank *	18	-	-	-	1,312,044	1,312,044	-	-	-	-
	Other Assets of Window Takaful Operations - Operator's Fund*	19	-	-	310,615	209,446	520,061	-	-	-	-
			19,230,333	6,303,393	16,365,914	1,521,460	43,421,130	15,746,124	374,331	3,484,209	19,604,664
<b>Financial liabilities - not measured at fair value</b>											
Underwriting provisions:											
	Borrowings*		-	-	-	166,367	166,367	-	-	-	-
	Outstanding claims (including IBNR)*	24	-	-	-	10,768,040	10,768,040	-	-	-	-
	Insurance / reinsurance payables *		-	-	-	3,030,884	3,030,884	-	-	-	-
	Other creditors and accruals*		-	-	-	2,176,391	2,176,391	-	-	-	-
	Total liabilities of Window Takaful Operations- Operator's Fund*	19	-	-	-	242,797	242,797	-	-	-	-
			-	-	-	16,384,479	16,384,479	-	-	-	-

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

# Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited) For the Quarter Ended 31 March 2021

## 31 Date of authorization for issue

This unconsolidated condensed interim financial information was authorized for issue on 27 April 2021 by the Board of Directors of the Company.

## 32 Non-adjusting events after balance sheet date

**32.1** The Board of Directors of the Company in their meeting held on February 23, 2021 proposed final cash dividend for the year ended 31 December 2020 @ 12.5% i.e. Rs. 1.25/- per share which has been approved by the members in the Annual General Meeting held on 27 April 2021. This unconsolidated condensed interim financial information for the quarter ended 31 March 2021 does not include the effect of this appropriation which will be accounted for in the unconsolidated condensed interim financial information for the half year ending 30 June 2021.

**32.2** The Company follows the development of the Covid-19 corona virus and evaluates the extent to which this may affect the Company's operations in the short and long term. With the high levels of uncertainty surrounding the situation and potential additional initiatives by authorities and customers, it is very difficult to predict the full financial impact that the situation may have on 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.



**Umer Mansha**  
Chairman



**Ibrahim Shamsi**  
Director



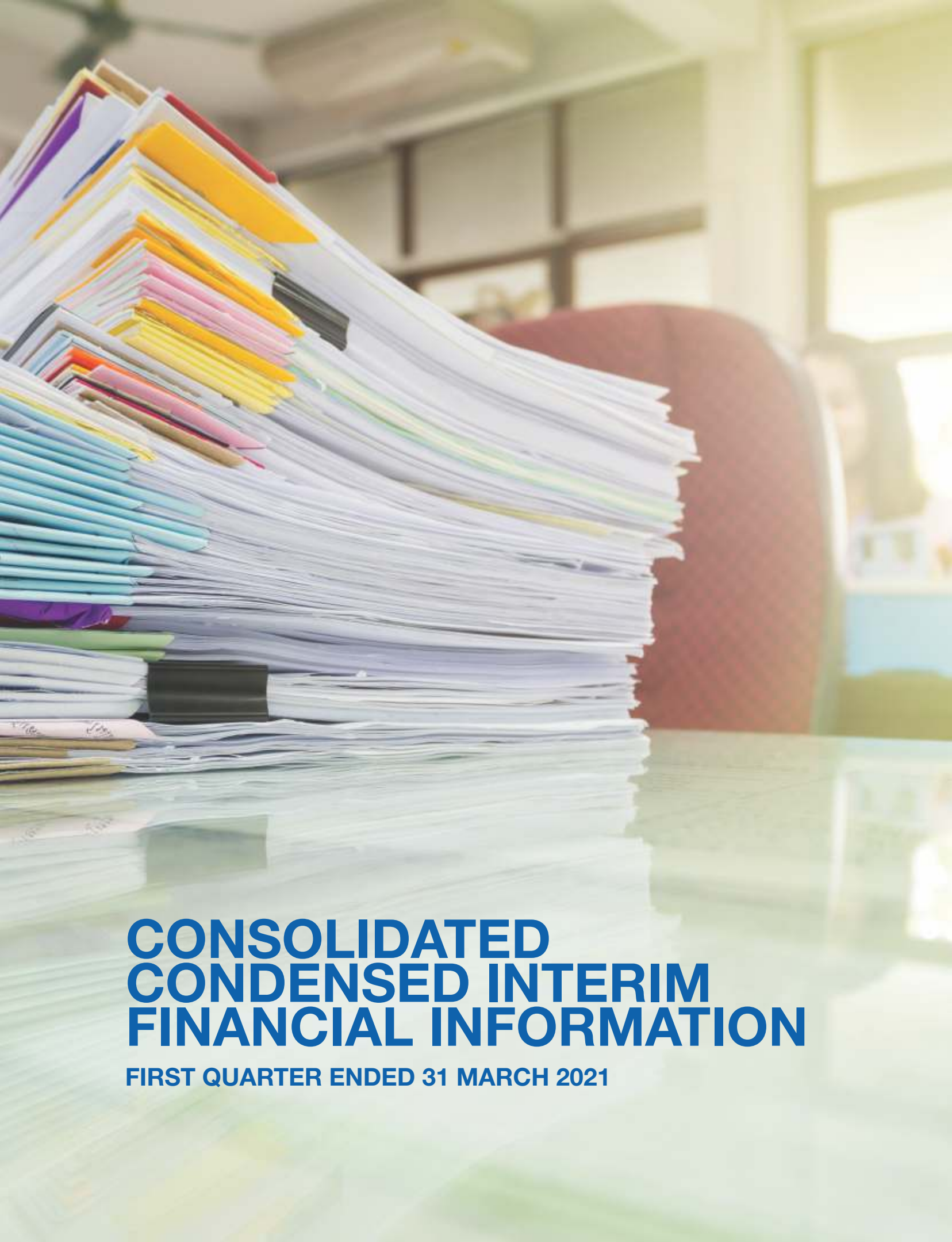
**Shaikh Muhammad Jawed**  
Director



**Muhammad Asim Nagi**  
Chief Financial Officer



**Muhammad Ali Zeb**  
Managing Director &  
Chief Executive Officer

A large stack of colorful folders and papers is piled on a desk in an office setting. The folders are in various colors including yellow, pink, blue, and green. The papers are white and appear to be part of a large document or report. The background shows a blurred office environment with a window and a red chair.

# **CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**

**FIRST QUARTER ENDED 31 MARCH 2021**

# Directors' Review to the Members on Consolidated Condensed Interim Financial Information (Unaudited) For the Quarter Ended 31 March 2021

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 the three months ended 31 March 2021.

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

	<b>31 March 2021</b>	31 March 2020
	————— Rupees in thousand —————	
Profit before tax	<b>1,358,725</b>	703,081
Taxation	<b>(384,494)</b>	(209,710)
Profit after tax	<b>974,231</b>	493,371
Less: Profit attributable to non-controlling interest	<b>-</b>	(2,786)
Profit attributable to ordinary shares	<b>974,231</b>	490,585
Unappropriated profit brought forward	<b>14,650,455</b>	13,610,534
Acquisition of non-controlling interest	<b>-</b>	(57,794)
Share issuance cost	<b>(2,825)</b>	-
Profit available for appropriation	<b>15,621,861</b>	14,043,325
	<b>31 March 2021</b>	31 March 2020
	————— Rupees —————	
<b>Earnings per share - Basic and diluted</b>	<b>2.78</b>	1.40

For and on behalf of the Board

Lahore: 27 April 2021



**Ibrahim Shamsi**  
Director



**Muhammad Ali Zeb**  
Managing Director &  
Chief Executive Officer

# Consolidated Condensed Interim Statement of Financial Position

## As at 31 March 2021

		(Unaudited)	(Audited)
	Note	31 March 2021	31 December 2020
Rupees in thousand			
<b>Assets</b>			
Property and equipment	7	4,737,929	4,758,982
Intangible assets	8	120,103	127,381
Investment properties	9	1,225,026	1,183,026
Investments			
Equity securities	10	34,994,764	34,863,749
Debt securities	11	14,152,277	15,290,166
Term deposits	12	17,868,735	13,891,062
Loan secured against life insurance policies		37,872	29,912
Loans and other receivables	13	956,000	985,744
Insurance / reinsurance receivables	14	4,871,816	4,991,328
Reinsurance recoveries against outstanding claims		5,612,345	5,922,296
Salvage recoveries accrued		286,127	270,275
Deferred commission expense / acquisition cost		867,149	731,319
Taxation - payment less provisions		568,011	691,558
Prepayments	15	2,929,067	3,468,952
Cash and bank	16	11,438,125	11,267,096
		<b>100,665,346</b>	<b>98,472,846</b>
Total assets of Window Takaful Operations - Operator's Fund (Parent Company)	17	<b>624,229</b>	<b>589,148</b>
<b>Total Assets</b>		<b>101,289,575</b>	<b>99,061,994</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	18	4,263,680	4,487,307
Unappropriated Profit		15,621,861	14,650,455
<b>Equity attributable to equity holders of the parent</b>		<b>23,385,541</b>	<b>22,637,762</b>
Non-controlling interest		-	-
<b>Total Equity</b>		<b>23,385,541</b>	<b>22,637,762</b>
<b>Liabilities</b>			
Insurance liabilities		49,295,765	46,990,343
<b>Underwriting provisions:</b>			
Outstanding claims including IBNR		10,242,473	10,768,040
Unearned premium reserve		8,518,774	8,366,434
Unearned reinsurance commission		205,766	245,318
Retirement benefits obligations		220,057	309,581
Deferred taxation		1,550,014	1,581,977
Borrowings		290,307	330,849
Deferred grant income		26,465	28,574
Premium received in advance		863,299	724,448
Insurance / reinsurance payables		3,011,864	3,161,519
Other creditors and accruals	19	2,651,994	2,892,994
Deposits and other liabilities		773,719	781,358
		<b>28,354,732</b>	<b>29,191,092</b>
Total liabilities of Window Takaful Operations - Operator's Fund (Parent Company)	17	<b>253,537</b>	<b>242,797</b>
<b>Total Equity and Liabilities</b>		<b>101,289,575</b>	<b>99,061,994</b>
<b>Contingencies and commitments</b>	20		

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



Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Consolidated Condensed Interim Profit and Loss Account (Unaudited)

## For the Quarter Ended 31 March 2021

	Note	Quarter Ended	
		31 March 2021	31 March 2020
————— Rupees in thousand —————			
Net insurance premium	21	7,690,106	7,216,399
Net insurance claims	22	(3,732,867)	(3,872,600)
Net commission and other acquisition costs	23	(1,124,549)	(1,174,240)
Insurance claims and acquisition expenses		(4,857,416)	(5,046,840)
Management expenses		(952,108)	(951,975)
Net change in insurance liabilities (other than outstanding claims)		(2,389,412)	1,886,273
<b>Underwriting results</b>		<b>(508,830)</b>	<b>3,103,857</b>
Investment income	24	2,002,514	1,202,518
Net fair value loss on financial assets at fair value through profit or loss		(307,090)	(3,780,955)
Net unrealized gain on investment property		42,000	-
Rental income		17,845	10,297
Other income		104,624	159,801
Other expenses		(20,435)	(22,271)
<b>Results of operating activities</b>		<b>1,330,628</b>	<b>673,247</b>
Finance costs		(5,653)	(5,942)
Profit from Window Takaful Operations	17	33,750	35,776
<b>Profit before tax</b>		<b>1,358,725</b>	<b>703,081</b>
Income tax expense		(384,494)	(209,710)
<b>Profit after tax</b>		<b>974,231</b>	<b>493,371</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		974,231	490,585
Non-controlling interest		-	2,786
		<b>974,231</b>	<b>493,371</b>
		<b>Rupees</b>	
Earnings (after tax) per share - Rupees	25	2.78	1.40

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



Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

## Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited) For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	Rupees in thousand	
<b>Profit after tax</b>	<b>974,231</b>	493,371
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit and loss:</b>		
Unrealized loss on 'available-for-sale' investments - net of tax	<b>(139,142)</b>	(3,209,807)
Reclassification adjustment relating to 'available for sale' investments disposed off during the period - net of tax	-	2,644
Other comprehensive income from window takaful operations net of tax	<b>378</b>	684
Effect of translation of investment in foreign branches - net	<b>(84,863)</b>	111,707
<b>Total comprehensive income for the period</b>	<b>750,604</b>	(2,601,401)
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent	<b>750,604</b>	(2,604,884)
Non-controlling interest	-	3,483
	<b>750,604</b>	(2,601,401)

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



**Umer Mansha**  
Chairman



**Ibrahim Shamsi**  
Director



**Shaikh Muhammad Jawed**  
Director



**Muhammad Asim Nagi**  
Chief Financial Officer



**Muhammad Ali Zeb**  
Managing Director &  
Chief Executive Officer



# Consolidated Condensed Interim Cash Flow Statement (Unaudited)

## For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	Rupees in thousand	
<b>Cash flows from operating activities</b>		
<b>Underwriting activities</b>		
Insurance premium received	10,095,778	8,712,094
Reinsurance premiums paid	(1,461,283)	(1,198,403)
Claims paid	(4,834,879)	(4,795,954)
Reinsurance and other recoveries received	989,036	1,023,973
Commissions paid	(1,503,867)	(1,343,973)
Commissions received	93,090	86,377
Other underwriting payments	(1,166,394)	(1,852,218)
<b>Net cashflow from underwriting activities</b>	<b>2,211,481</b>	<b>631,896</b>
<b>Other operating activities</b>		
Income tax paid	(243,930)	(78,174)
Other operating payments	(89,960)	(19,848)
Loans advanced	(16,216)	(11,312)
Loans repayments received	12,774	17,138
Other operating receipts	6,169	13,869
<b>Net cashflow from other operating activities</b>	<b>(331,163)</b>	<b>(78,327)</b>
<b>Total cashflow from operating activities</b>	<b>1,880,318</b>	<b>553,569</b>
<b>Cash flows from investing activities</b>		
Profit / return received on bank deposits	427,691	1,380,692
Income received from Debt Securities	4,500	9,912
Dividends received	962,693	355,788
Rentals received	31,843	22,950
Payment for investments/ investment properties	(42,965,483)	(64,676,208)
Loan to policy holder	3,720	1,874
Proceeds from disposal of investments	44,113,556	56,036,974
Fixed capital expenditure - operating assets	(78,835)	(206,562)
Fixed capital expenditure - intangible assets	(4,481)	(3,157)
Proceeds from disposal of operating fixed assets	2,166	8,269
<b>Total cashflow for investing activities</b>	<b>2,497,370</b>	<b>(7,069,468)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(885)	(2,588)
Loan principal payment made	(22,326)	-
Interest expense against loan paid	(448)	-
<b>Total cashflow for financing activities</b>	<b>(23,659)</b>	<b>(2,588)</b>
<b>Net cash outflow for all activities</b>	<b>4,354,029</b>	<b>(6,518,487)</b>
Cash and cash equivalents at beginning of period	19,229,096	18,022,245
<b>Cash and cash equivalents at end of the period</b>	<b>23,583,125</b>	<b>11,503,758</b>

# Consolidated Condensed Interim Cash Flow Statement (Unaudited)

## For the Quarter Ended 31 March 2021

Quarter Ended	
31 March 2021	31 March 2020

— Rupees in thousand —

### Reconciliation to profit and loss account

Operating cash flows	1,880,318	553,569
Depreciation and amortization expense	(95,784)	(97,368)
Provision for retirement benefit obligations	(10,165)	(12,593)
Finance cost	(7,127)	(15,803)
Other income - bank and term deposits	46,210	85,641
Gain on disposal of property and equipment	1,693	2,836
Rental income	17,995	28,255
Decrease in assets other than cash	(1,193,265)	(852,122)
(Increase)/decrease in liabilities	(1,158,671)	2,427,999
Gain on disposal of investments	328,050	3,724
(Increase)/decrease in unearned premium	(152,340)	1,006,897
Increase/(decrease) in loans	3,442	(5,826)
Income taxes paid	187,218	59,341
Increase in tax liabilities	(365,116)	(202,249)
Dividend and other investment income	1,765,113	(2,529,107)
Revaluation of investment	(307,090)	4,401
Profit for the year from Window Takaful Operations	33,750	35,776

### Profit after taxation

<b>974,231</b>	<b>493,371</b>
----------------	----------------

Cash and bank for the purposes of the cash flow statement consists of:

Cash and other equivalents	18,830	12,624
Current and other accounts	11,419,295	7,256,134
Term deposit maturing within three months	12,145,000	4,235,000
	<b>23,583,125</b>	<b>11,503,758</b>

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



Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Consolidated Condensed Interim Statement of Changes in Equity

## For the Quarter Ended 31 March 2021

	Share capital	Capital reserves			Revenue reserves		Equity		Non-controlling interest	Total Equity
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve	Retained earnings	attributable to equity holders of the parent		
(Rupees in thousand)										
<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	22,004,888
Profit for the period 01 January 2020 to 31 March 2020	-	-	-	-	-	-	490,585	490,585	2,786	493,371
Other comprehensive income for the period 01 January 2020 to 31 March 2020	-	-	-	111,707	(3,207,176)	-	-	(3,095,469)	697	(3,094,772)
<b>Total comprehensive income for the period</b>	-	-	-	111,707	(3,207,176)	-	490,585	(2,604,884)	3,483	(2,601,401)
<b>Transactions with owners of the Company</b>										
Acquisition of Non-controlling interest	-	-	-	-	(220)	-	(57,794)	(58,014)	(344,991)	(403,005)
	-	-	-	-	(220)	-	(57,794)	(58,014)	(344,991)	(403,005)
<b>Balance as at 31 March 2020 - (Unaudited)</b>	3,500,000	22,859	3,764	786,643	(292,609)	936,500	14,043,325	19,000,482	-	19,000,482
Profit for the period 01 April 2020 to 31 December 2020	-	-	-	-	-	-	1,583,337	1,583,337	-	1,583,337
Other comprehensive income for the period 01 April 2020 to 31 December 2020	-	-	-	(108,205)	3,138,355	-	(13,707)	3,016,443	-	3,016,443
<b>Total comprehensive income for the period</b>	-	-	-	(108,205)	3,138,355	-	1,569,630	4,599,780	-	4,599,780
<b>Transactions with owners of the Company</b>										
Final cash dividend at Rs. 1.5 per share - December 31, 2019	-	-	-	-	-	-	(525,000)	(525,000)	-	(525,000)
Interim cash dividend at Rs. 1.25 per share - June 30, 2020	-	-	-	-	-	-	(437,500)	(437,500)	-	(437,500)
	-	-	-	-	-	-	(962,500)	(962,500)	-	(962,500)
<b>Balance as at 31 December 2020 - (Audited)</b>	3,500,000	22,859	3,764	678,438	2,845,746	936,500	14,650,455	22,637,762	-	22,637,762
Profit for the period 01 January 2021 to 31 March 2021	-	-	-	-	-	-	974,231	974,231	-	974,231
Other comprehensive income for the period 01 January 2021 to 31 March 2021	-	-	-	(84,863)	(138,764)	-	-	(223,627)	-	(223,627)
<b>Total comprehensive income for the period</b>	-	-	-	(84,863)	(138,764)	-	974,231	750,604	-	750,604
<b>Transactions with owners of the Company</b>										
Share issuance cost	-	-	-	-	-	-	(2,825)	(2,825)	-	(2,825)
	-	-	-	-	-	-	(2,825)	(2,825)	-	(2,825)
<b>Balance as at 31 March 2021 - (Unaudited)</b>	3,500,000	22,859	3,764	593,575	2,706,982	936,500	15,621,861	23,385,541	-	23,385,541

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



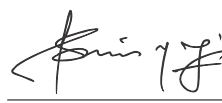
**Umer Mansha**  
Chairman



**Ibrahim Shamsi**  
Director



**Shaikh Muhammad Jawed**  
Director



**Muhammad Asim Nagi**  
Chief Financial Officer



**Muhammad Ali Zeb**  
Managing Director &  
Chief Executive Officer

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

## For the Quarter Ended 31 March 2021

### 1 The group and its operations:

#### 1.1 The group comprises of:

	2021	2020
	(Holding percentage)	
<b>Parent Company</b>		
Adamjee Insurance Company Limited	100%	100%
<b>Subsidiary Company</b>		
Adamjee Life Assurance Company Limited	100%	100%

#### **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 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
- Group 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.

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

## For the Quarter Ended 31 March 2021

### 2 Basis of preparation and statement of compliance

This consolidated condensed interim financial information of the Group for the quarter ended 31 March 2021 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
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), 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 2020. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2020, 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 quarter ended 31 March 2020.

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 2020.

#### 4.1 Standards, amendments or interpretations

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosed 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

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

## For the Quarter Ended 31 March 2021

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

	March 31, 2021				
	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*	11,438,125	-	-	-	-
Investments in equity securities - available-for-sale	19,165,884	(193,666)	-	-	-
Investment in debt securities	-	-	14,152,277	-	-
Term deposits*	-	-	17,868,735	-	-
Loan secured against life insurance policies	-	-	37,872	-	-
Loans and other receivables*	952,347	-	3,653	-	-
<b>Total</b>	<b>31,556,356</b>	<b>(193,666)</b>	<b>32,062,537</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 2020.

### 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 2020.

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

## For the Quarter Ended 31 March 2021

	(Unaudited)	(Audited)
Note	31 March 2021	31 December 2020
	———— Rupees in thousand ————	
<b>7 Property and equipment</b>		
Opening balance - net book value	4,730,866	4,560,942
Additions during the period / year	68,768	640,465
Book value of disposals during the period	(473)	(49,386)
Depreciation charged during the period / year	(76,884)	(319,338)
Adjustments in Agency branches	-	(109,176)
Exchange differences and other adjustments	(20,299)	7,359
	(97,656)	(470,541)
	4,701,978	4,730,866
Capital work in progress	35,951	28,116
	4,737,929	4,758,982
<b>7.1 Additions during the period</b>		
Building - Freehold	20,014	254,005
Furniture and fixtures	2,419	107,479
Motor vehicles	25,583	26,596
Machinery and equipment	16,419	116,307
Computer equipment	2,715	52,313
Leasehold Improvements	1,618	5,651
Right of use asset	-	78,114
	68,768	640,465
<b>7.2 Written down values of property and equipment disposed off during the period / year</b>		
Building - Freehold	-	592
Furniture and fixtures	-	5,364
Motor vehicles	458	27,477
Machinery and equipment	-	2,683
Computer equipment	15	1,370
Leasehold Improvements	-	11,900
	473	49,386
<b>7.3 Capital work in progress</b>		
Capital work in progress as of 31 March 2021 includes advances to different contractors, suppliers and vendors amounting to Rs. 35,951 thousands (31 December 2020: Rs. 28,116 thousands).		
	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	———— Rupees in thousand ————	
<b>8 Intangible assets</b>		
Opening balance - net book value	127,381	131,236
Additions during the period	6,714	42,296
Book value of disposals during the period	-	-
Amortization charged during the period	(12,313)	(47,821)
Exchange differences and other adjustments	(1,679)	1,670
	(13,992)	(46,151)
	120,103	127,381

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

## For the Quarter Ended 31 March 2021

	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	———— Rupees in thousand ————	
<b>9 Investment Properties</b>		
Opening balance - net book value	1,183,026	1,204,026
Additions and capital improvements	-	-
Unrealized fair value (loss) / gain	42,000	(21,000)
	<b>1,225,026</b>	<b>1,183,026</b>

### 10 Investment in equity securities

	31 March 2021 (Unaudited)				31 December 2020 (Audited)			
	Cost	Impairment / provision	Unrealized Gain / (loss)	Carrying value	Cost	Impairment / provision	Unrealized Gain / (loss)	Carrying value
	Rupees in thousands							
<b>Available-for-sale</b>								
<b>Related parties</b>								
Listed shares	9,250,363	(265,237)	829,668	9,814,794	9,104,774	(265,237)	1,187,635	10,027,172
Unlisted shares	924,333	-	258,807	1,183,140	924,333	-	258,807	1,183,140
	<b>10,174,696</b>	<b>(265,237)</b>	<b>1,088,475</b>	<b>10,997,934</b>	<b>10,029,107</b>	<b>(265,237)</b>	<b>1,446,442</b>	<b>11,210,312</b>
<b>Others</b>								
Listed shares	6,369,165	(1,897,973)	1,347,361	5,818,553	6,369,165	(1,897,973)	1,184,151	5,655,343
Unlisted shared	925,360	-	1,375,709	2,301,069	925,360	-	1,375,709	2,301,069
Mutual Funds	48,218	-	(778)	47,440	48,130	-	(1,851)	46,279
NIT Units	161	-	727	888	161	-	709	870
	<b>7,342,904</b>	<b>(1,897,973)</b>	<b>2,723,019</b>	<b>8,167,950</b>	<b>7,342,816</b>	<b>(1,897,973)</b>	<b>2,558,718</b>	<b>8,003,561</b>
<b>Total - available for sale</b>	<b>17,517,600</b>	<b>(2,163,210)</b>	<b>3,811,494</b>	<b>19,165,884</b>	<b>17,371,923</b>	<b>(2,163,210)</b>	<b>4,005,160</b>	<b>19,213,873</b>
<b>Fair value through profit and loss</b>								
<b>Related parties</b>								
Listed shares	1,140,912	-	-	1,140,912	1,289,216	-	-	1,289,216
Mutual Funds	6,058,515	-	-	6,058,515	6,174,140	-	-	6,174,140
	<b>7,199,427</b>	<b>-</b>	<b>-</b>	<b>7,199,427</b>	<b>7,463,356</b>	<b>-</b>	<b>-</b>	<b>7,463,356</b>
<b>Others</b>								
Listed shares	6,236,109	-	-	6,236,109	5,763,671	-	-	5,763,671
Mutual Funds	2,393,344	-	-	2,393,344	2,422,849	-	-	2,422,849
	<b>8,629,453</b>	<b>-</b>	<b>-</b>	<b>8,629,453</b>	<b>8,186,520</b>	<b>-</b>	<b>-</b>	<b>8,186,520</b>
<b>Total - fair value through profit and loss</b>	<b>15,828,880</b>	<b>-</b>	<b>-</b>	<b>15,828,880</b>	<b>15,649,876</b>	<b>-</b>	<b>-</b>	<b>15,649,876</b>
	<b>33,346,480</b>	<b>(2,163,210)</b>	<b>3,811,494</b>	<b>34,994,764</b>	<b>33,021,799</b>	<b>(2,163,210)</b>	<b>4,005,160</b>	<b>34,863,749</b>

**10.1** 3,716,710 (2020: 3,716,710) shares of MCB Bank Limited and 3,582,000 (2020: 3,582,000) shares of Fauji Fertilizer Company Limited have been pledged against Standby Letter of Credit (SBL) issued in favour of Meezan Bank Limited by Parent Company on behalf of Hyundai Nishat Motor (Private) Limited, a related party of the Group.



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

## For the Quarter Ended 31 March 2021

	Note	(Unaudited)	(Audited)
		31 March 2021	31 December 2020
————— Rupees in thousand —————			
<b>11 Investments in debt securities</b>			
<b>Held to maturity</b>			
Treasury Bills		379,663	275,631
Pakistan Investment Bonds		96,450	98,700
		476,113	374,331
<b>Available for sale</b>			
Treasury Bills		615,494	688,532
Pakistan Investment Bonds		100,970	101,736
		716,464	790,268
<b>Fair value through profit and loss</b>			
Term Finance Certificate		1,422,174	1,125,156
Advance against purchase of term finance certificate		-	100,000
Corporate sukuks		1,677,721	2,155,587
Ijarah sukuks		423,610	464,354
Treasury Bills		4,243,399	6,371,663
Pakistan Investment Bonds		5,192,796	3,908,807
		12,959,700	14,125,567
		14,152,277	15,290,166
<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		221,811	448,811
- others		12,105,066	7,695,066
		12,326,877	8,143,877
<b>Outside Pakistan</b>			
- related parties		1,247,637	1,305,429
- others		4,217,033	4,364,568
		5,464,670	5,669,997
<b>Deposits maturing after 12 months</b>		17,791,547	13,813,874
<b>Inside Pakistan</b>			
- related parties		2,000	2,000
- others		75,188	75,188
		77,188	77,188
	12.1	17,868,735	13,891,062

**12.1** These include fixed deposits amounting to Rs. 4,782,609 thousands (AED 115,000 thousands) [2020: Rs. 4,904,014 thousands (AED 112,699 thousands)] kept in accordance with the requirements of Insurance Regulations applicable to the UAE branches of the Parent Company for the purpose of carrying on business in United Arab Emirates. These also include liens against cash deposits of Rs. 259,065 thousands (2020: Rs. 259,065 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.

## Notes to the Consolidated Condensed Interim Financial Information (Unaudited) For the Quarter Ended 31 March 2021

	Note	(Unaudited)	(Audited)
		31 March 2021	31 December 2020
————— Rupees in thousand —————			
<b>13 Loans and other receivables - considered good</b>			
Rent receivable		6,401	7,776
Accrued investment income		484,047	251,749
Security deposits		113,990	102,938
Advances to employees and suppliers		169,249	237,051
Advance agent commission		5,436	4,478
Loans to employees		48,396	52,335
Receivable against the sale of investment		-	233,958
Receivable from related parties		-	16,694
Other receivables		128,481	78,765
		<b>956,000</b>	<b>985,744</b>
<b>14 Insurance / reinsurance receivables - unsecured and considered good</b>			
Due from insurance contract holders	14.1	4,769,531	4,753,304
Provision for impairment of receivables from insurance contract holders		(905,584)	(936,290)
		<b>3,863,947</b>	<b>3,817,014</b>
Due from other insurers / reinsurers		1,209,171	1,375,616
Provision for impairment of due from other insurers / reinsurers		(201,302)	(201,302)
		<b>1,007,869</b>	<b>1,174,314</b>
		<b>4,871,816</b>	<b>4,991,328</b>

14.1 Due from insurance contact holders include an amount Rs. 195,095 thousands (2020: Rs. 201,453 thousands) held with related parties.

	Note	(Unaudited)	(Audited)
		31 March 2021	31 December 2020
————— Rupees in thousand —————			
<b>15 Prepayments</b>			
Prepaid reinsurance premium ceded		2,651,227	3,307,863
Prepaid miscellaneous expenses		277,840	161,089
		<b>2,929,067</b>	<b>3,468,952</b>

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

## For the Quarter Ended 31 March 2021

	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	————— Rupees in thousand —————	
<b>16 Cash and bank</b>		
<b>Cash and cash equivalents</b>		
<b>Inside Pakistan</b>		
Cash in hand	628	580
Policy and revenue stamps, bond papers	17,621	10,499
	18,249	11,079
<b>Outside Pakistan</b>	581	-
	18,830	11,079
<b>Cash at bank</b>		
<b>Inside Pakistan</b>		
Current accounts	878,111	331,680
Savings accounts	9,936,163	10,787,153
	10,814,274	11,118,833
<b>Outside Pakistan</b>		
Current accounts	604,188	136,313
Savings accounts	833	871
	605,021	137,184
	11,419,295	11,256,017
	11,438,125	11,267,096

**16.1** Cash at bank includes an amount of Rs. 2,535,978 thousands (2020: Rs. 3,674,945 thousands) held with MCB Bank Limited and MCB Islamic Bank Limited, related parties of the Group.

**16.2** Lien of Rs. 440,000 thousands (2020: Rs. 440,000 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, a related party of the Group.

	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	————— Rupees in thousand —————	
<b>17 Window Takaful Operations - Parent Company</b>		
<b>Operator's Fund</b>		
<b>Assets</b>		
Cash and bank deposits	233,693	209,446
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	36,406	35,873
Intangible assets	11,272	12,421
Property and equipment	23,386	20,793
Current assets - others	173,012	164,155
<b>Total Assets</b>	624,229	589,148
<b>Total liabilities</b>	253,537	242,797

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

## For the Quarter Ended 31 March 2021

	(Unaudited)	
	31 March 2021	31 March 2020
	————— Rupees in thousand —————	
<b>Profit and loss account</b>		
Wakala Fee	100,828	96,323
Commission expense	(32,086)	(28,468)
Management expense	(39,315)	(35,534)
Other Income	3,774	2,557
Mudarib's share of PTF investment income	549	898
Profit before taxation	<u>33,750</u>	<u>35,776</u>
Taxation	(9,787)	(10,422)
<b>Profit after taxation</b>	<u><u>23,963</u></u>	<u><u>25,354</u></u>

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 quarter ended 31 March 2021.

	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	————— 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	593,575	678,438
Fair value reserve	<u>2,706,982</u>	<u>2,845,746</u>
	<u>3,327,180</u>	<u>3,550,807</u>
<b>Revenue reserves</b>		
General reserves	936,500	936,500
	<u>4,263,680</u>	<u>4,487,307</u>
	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	————— Rupees in thousand —————	
<b>19 Other creditors and accruals</b>		
Agents commission payable	818,645	1,077,695
Payable against the purchase of investment	328,615	237,167
Federal Excise Duty / Sales Tax / VAT	23,064	94,242
Federal Insurance Fee	37,541	29,854
Payable to related parties	5,275	4,801
Workers' welfare fund	76,485	76,485
Tax deducted at source	90,556	107,570
Accrued expenses	387,636	510,725
Unpaid and unclaimed dividend	160,868	161,753
Payable to employees' provident fund	170	143
Sundry creditors	<u>723,139</u>	<u>592,559</u>
	<u><u>2,651,994</u></u>	<u><u>2,892,994</u></u>

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

## For the Quarter Ended 31 March 2021

### 20 Contingencies and commitments

#### General Insurance

There has been no significant change in the status of contingencies as reported in the preceding published consolidated annual financial statements of the Group for the year ended 31 December 2020 except for the following:

- The Group 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 (2020: Rs. 1,209,000 thousands).
- The Group has issued letter of guarantees amounting to AED 450,250 amounting to Rs.18,725 thousands (2020: AED 251,500 amounting to Rs.10,944 thousands) relating to UAE branch.

#### Life Insurance

In year 2019, Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated May 8, 2019 extended the exemption on life insurance till June 30, 2019. Subsequent to it, life insurance was made taxable from July 1, 2019 at the rate of 3% and group life insurance at the rate of 13%. Further, SRB extended exemption on health insurance till June 30, 2020. With effect from November 1, 2018, the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST). The Subsidiary Company collectively through the forum of Insurance Association of Pakistan ("IAP") had filed a constitutive petition in the Lahore High Court (LHC) and in the High Court of Sindh at Karachi on September 28, 2019 and November 28, 2019 against PRA and SRB respectively.

According to the grounds of the petition and legal opinion obtained by the Subsidiary Company the Insurance premium does not fall under the definition of service rather an insurance policy is a financial arrangement, which is in the nature of a contingent contract, and not a service upon which sales tax can be levied (and that an insurance Company is not rendering a service). The opinion also mentions that vast majority of premium received from a policy holder, during the life of the policy, is in fact channeled it to the policy holder's investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules.

In view of the above the Subsidiary Company has not started billing sales tax to its customers. The amount of sales tax involved is around Rs. 367 million computed on the basis of risk based premium, as per the advice of legal advisor, which nonetheless the Subsidiary Company maintains, based on the legal view, cannot be levied as the insurance is not a service.

Further subsequent to filing petition, all the provincial tax authorities i.e. SRB, PRA and BRA have called a meeting of the industry representatives on January 11, 2020 in Karachi to discuss the matters relating to sales tax on premium. The matter was discussed in details and it was agreed to form a joint committee of the industry representatives as well as from all the provincial tax authorities and agreed in the meeting that the sales tax on Life and Health be kept exempt till June 30, 2020 however a formal notification in this regard has not yet been issued. Further, the committee formed met on February 5, 2020 in Lahore at PRA office to work out the way forward.

Based on the legal opinion obtained the Subsidiary Company considers that it has a reasonably strong case on the merits in the constitution petition and the writ petition filed in the High Courts. The petition is still pending for hearing.

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 March 2021</b>	<b>31 December 2020</b>
	————— Rupees in thousand —————	
<b>Ijarah rentals</b>		
Not later than one year	<b>145,859</b>	37,844
Later than one year and not later than five years	<b>185,942</b>	102,066
	<b>331,801</b>	139,910

Commitments represent Ijarah rentals for vehicles payable in future period.

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

## For the Quarter Ended 31 March 2021

	Note	Quarter Ended	
		31 March 2021	31 March 2020
————— Rupees in thousand —————			
<b>21 Net Insurance Premium</b>			
<b>Parent Company</b>			
Written gross premium		5,090,734	4,562,429
Unearned premium reserve opening		8,366,434	10,242,348
Unearned premium reserve closing		(8,518,774)	(9,235,451)
Currency translation effect		(128,409)	294,959
Premium earned		4,809,985	5,864,285
Reinsurance premium ceded		(1,280,051)	(1,076,659)
Prepaid reinsurance premium opening		(3,307,863)	(3,500,512)
Prepaid reinsurance premium closing		2,651,227	2,445,880
Currency translation effect		2,495	(7,082)
Reinsurance expense		(1,934,192)	(2,138,373)
<b>Net insurance premium - Parent Company</b>	21.1 & 21.2	<b>2,875,793</b>	<b>3,725,912</b>
<b>Subsidiary Company</b>			
<b>Regular premium / contributions individual policies</b>			
- first year	21.3	862,637	759,704
- second year renewal		660,697	644,655
- subsequent years renewal		1,479,011	1,191,343
Single premium / contributions individual policies	21.3	1,798,072	869,713
Group policies without cash values		165,652	164,108
Less: Experience refund		(2,429)	(601)
<b>Total gross premiums / contributions</b>		<b>4,963,640</b>	<b>3,628,922</b>
<b>Less: reinsurance premiums / retakaful contributions ceded</b>			
On individual life first year business		(12,351)	(3,292)
On individual life second year business		(8,760)	(3,224)
On individual life subsequent renewal business		(42,197)	(25,702)
On single premium individual policies		(2,208)	(1,791)
On group policies		(91,197)	(104,819)
Profit commission on reinsurance		7,386	393
		(149,327)	(138,435)
<b>Net premiums / contributions - Subsidiary Company</b>		<b>4,814,313</b>	<b>3,490,487</b>
		<b>7,690,106</b>	<b>7,216,399</b>

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

## For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	————— Rupees in thousand —————	
<b>21.1 Net insurance premium - Business underwritten inside Pakistan</b>		
Written gross premium	3,234,208	2,815,958
Unearned premium reserve opening	6,021,464	6,197,501
Unearned premium reserve closing	(5,626,861)	(5,111,264)
Premium earned	3,628,811	3,902,195
Reinsurance premium ceded	(1,213,562)	(1,022,427)
Prepaid reinsurance premium opening	(3,260,277)	(3,425,355)
Prepaid reinsurance premium closing	2,595,479	2,344,222
Reinsurance expense	(1,878,360)	(2,103,560)
	<b>1,750,451</b>	<b>1,798,635</b>
<b>21.2 Net insurance premium - Business underwritten outside Pakistan</b>		
Written gross premium	1,856,526	1,746,471
Unearned premium reserve opening	2,344,970	4,044,847
Unearned premium reserve closing	(2,891,913)	(4,124,187)
Currency translation effect	(128,409)	294,959
Premium earned	1,181,174	1,962,090
Reinsurance premium ceded	(66,489)	(54,232)
Prepaid reinsurance premium opening	(47,586)	(75,157)
Prepaid reinsurance premium closing	55,748	101,658
Currency translation effect	2,495	(7,082)
Reinsurance expense	(55,832)	(34,813)
	<b>1,125,342</b>	<b>1,927,277</b>
<b>21.3 Individual policies are those underwritten on an individual basis.</b>		

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

## For the Quarter Ended 31 March 2021

	Note	Quarter Ended	
		31 March 2021	31 March 2020
————— Rupees in thousand —————			
<b>22 Net insurance claims expense</b>			
<b>Parent Company</b>			
Claims paid		2,506,306	3,077,562
Outstanding claims including IBNR closing		10,242,473	11,191,266
Outstanding claims including IBNR opening		(10,768,040)	(10,367,347)
Currency translation effect		255,220	(473,500)
Claims expense		2,235,959	3,427,981
Reinsurance and other recoveries received		(836,230)	(1,038,143)
Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing		(5,898,472)	(6,523,405)
Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening		6,192,571	6,233,348
Reinsurance and other recoveries revenue		(113,811)	243,336
Reinsurance and other recoveries revenue		(655,942)	(1,084,864)
<b>Net insurance claims expense</b>	22.1 & 22.2	<b>1,580,017</b>	<b>2,343,117</b>
<b>Subsidiary Company</b>			
<b>Gross claims</b>			
Claims under individual policies			
- by death		170,309	122,015
- by insured event other than death		1,625	700
- by maturity		206,461	167,575
- by surrender		1,746,651	1,234,725
Total gross individual policy claims		2,125,046	1,525,015
Claims under group policies			
- by death		128,581	112,387
- by insured event other than death		847	4,969
Total gross group policy claims		129,428	117,356
Claim related expenses		2,487	1,775
<b>Total gross claims</b>		<b>2,256,961</b>	<b>1,644,146</b>
<b>Less: Reinsurance recoveries</b>			
- on individual claims		15,799	34,145
- on group claims		88,312	80,518
		104,111	114,663
<b>Net claims - Subsidiary Company</b>		<b>2,152,850</b>	<b>1,529,483</b>
		<b>3,732,867</b>	<b>3,872,600</b>



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

## For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	————— Rupees in thousand —————	
<b>22.1 Net insurance claims expense - Business underwritten inside Pakistan</b>		
Claim Paid	1,515,663	1,138,384
Outstanding claims including IBNR closing	4,750,466	4,507,781
Outstanding claims including IBNR opening	(4,920,475)	(4,398,967)
Claim expense	<b>1,345,654</b>	1,247,198
Reinsurance and other recoveries received	(503,245)	(144,400)
Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	(3,462,096)	(3,114,792)
Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	3,526,278	2,948,471
Reinsurance and other recoveries revenue	(439,063)	(310,721)
	<b>906,591</b>	936,477
<b>22.2 Net insurance claims expense - Business underwritten outside Pakistan</b>		
Claim Paid	990,643	1,939,178
Outstanding claims including IBNR closing	5,492,007	6,683,485
Outstanding claims including IBNR opening	(5,847,565)	(5,968,380)
Currency translation effect	255,220	(473,500)
Claim expense	<b>890,305</b>	2,180,783
Reinsurance and other recoveries received	(332,985)	(893,743)
Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	(2,436,376)	(3,408,613)
Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	2,666,293	3,284,877
Currency translation effect	(113,811)	243,336
Reinsurance and other recoveries revenue	(216,879)	(774,143)
	<b>673,426</b>	1,406,640

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

## For the Quarter Ended 31 March 2021

	Note	Quarter Ended	
		31 March 2021	31 March 2020
———— Rupees in thousand ————			
<b>23 Net commission expense / acquisition costs</b>			
<b>Parent Company</b>			
Commission paid or payable		652,599	581,734
Deferred commission expense opening		731,319	1,190,146
Deferred commission expense closing		(867,149)	(1,197,363)
Currency translation effect		(26,056)	64,137
Net commission		490,713	638,654
Commission received or recoverable		(93,090)	(86,377)
Unearned reinsurance commission opening		(245,318)	(237,751)
Unearned reinsurance commission closing		205,766	201,121
Currency translation effect		193	(268)
Commission from reinsurance		(132,449)	(123,275)
<b>Net commission expense / acquisition costs - Parent Company</b>	23.1 & 23.2	<b>358,264</b>	<b>515,379</b>
<b>Subsidiary Company</b>			
Remuneration to insurance / takaful intermediaries on individual policies:			
- Commission on first year contribution / premium		368,019	338,496
- Commission on second year contribution / premium		38,089	34,407
- Commission on subsequent years renewal contribution / premium		34,864	27,916
- Commission on single contribution / premium		38,769	18,263
- Other benefits to insurance intermediaries		85,005	96,500
		564,746	515,582
Remuneration to insurance intermediaries on group policies:			
- Commission		10,533	20,674
- Other benefits to insurance intermediaries		807	478
		11,340	21,152
Other acquisition costs		190,199	122,127
		766,285	658,861
		<b>1,124,549</b>	<b>1,174,240</b>

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

## For the Quarter Ended 31 March 2021

Quarter Ended	
31 March 2021	31 March 2020

————— Rupees in thousand —————

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

Commission paid or payable	238,925	200,764
Deferred commission expense opening	285,324	352,673
Deferred commission expense closing	(273,882)	(295,578)
Net commission	250,367	257,859
Commission received or recoverable	(91,847)	(83,830)
Unearned reinsurance commission opening	(240,971)	(236,381)
Unearned reinsurance commission closing	201,575	197,095
Commission from reinsurance	(131,243)	(123,116)
	<b>119,124</b>	<b>134,743</b>

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

Commission paid or payable	413,674	380,970
Deferred commission expense opening	445,995	837,473
Deferred commission expense closing	(593,267)	(901,785)
Currency translation effect	(26,056)	64,137
Net commission	240,346	380,795
Commission received or recoverable	(1,243)	(2,547)
Unearned reinsurance commission opening	(4,347)	(1,370)
Unearned reinsurance commission closing	4,191	4,026
Currency translation effect	193	(268)
Commission from reinsurance	(1,206)	(159)
	<b>239,140</b>	<b>380,636</b>

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

## For the Quarter Ended 31 March 2021

24 Investment income	Note	Quarter Ended	
		31 March 2021	31 March 2020
<b>Business underwritten Inside Pakistan</b>			
<b>Income from equity securities</b>			
<b>Dividend Income</b>			
- Available for sale		955,623	351,092
- Fair value through profit or loss		168,846	78,704
		1,124,469	429,796
<b>Income from debt securities</b>			
<b>Return on debt securities</b>			
- Fair value through profit or loss		69,191	120,909
- Held to maturity		-	-
		69,191	120,909
<b>Return on government securities</b>			
- Available for Sale		9,310	12,995
- Fair value through profit or loss		355,929	432,857
- Held to maturity		7,938	13,186
		373,177	459,038
<b>Income from term deposit receipts</b>			
- Held to maturity		91,828	146,672
		91,828	146,672
Tax on dividend under final tax regime		(17,639)	(10)
		(17,639)	(10)
<b>Net realized fair value gains on investments</b>			
<b>Available for sale</b>			
- Equity securities		-	3,533
- Government securities		-	-
		-	3,533
<b>Held for trading</b>			
- Equity securities		361,701	(82,187)
- Fixed income securities		6,331	-
- Government securities		(39,982)	82,302
		328,050	115
Reversal of impairment in value of 'available-for-sale' investments		-	-
		1,969,076	1,160,053
<b>Business underwritten Outside Pakistan</b>			
<b>Income from equity securities</b>			
<b>Dividend income</b>			
- Available for Sale		69	54
		69	54
<b>Net realized gains on investments</b>			
- Available for Sale		-	191
		-	191
<b>Return on term deposits</b>			
- Held to maturity		33,369	42,220
		33,369	42,220
		33,438	42,465
		2,002,514	1,202,518

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

## For the Quarter Ended 31 March 2021

### 25 Earnings per share - basic and diluted

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

Profit after tax for the period attributable to ordinary shareholders

Weighted average number of ordinary shares outstanding

Earnings per share - basic and diluted

Quarter Ended	
31 March 2021	31 March 2020
— Rupees in thousand —	
974,231	490,585
Number of shares	
350,000,000	350,000,000
Rupees	
2.78	1.40

### 26 Transactions with related parties

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

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

#### Parent Company

##### i) Transactions

	Quarter Ended	
	31 March 2021	31 March 2020
	— Rupees in thousand —	
Premiums underwritten	320,630	315,174
Premiums received	347,405	407,632
Claims paid	155,173	193,391
Security deposit received		
Commission Paid	10,431	14,776
Rent paid	1,173	3,456
Rent received	9,550	7,776
Dividends received	609,798	203,266
Loan repaid	22,326	-
Income on bank deposits	10,013	36,839
Investments made	145,589	50,000
Fee / service charges paid	2,914	4,050
Fee / service charges income		
Fee / service charges / expenses received / receivable	10,108	711
Charge in respect of gratuity expense	7,874	12,593
Contribution to Employees' Provident Fund	9,228	8,102
Compensation paid to Key management personnel	353,649	299,917

(Unaudited) (Audited)

31 March 2021 31 December 2020

— Rupees in thousand —

##### ii) Period end balances

Balances receivable	175,060	206,040
Balances payable	467,097	313,285
Cash and bank balances including term deposits	2,184,313	1,682,250
Payable to Staff Gratuity Fund	140,748	132,874

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

## For the Quarter Ended 31 March 2021

	Quarter Ended	
	31 March 2021	31 March 2020
	————— Rupees in thousand —————	
<b>Subsidiary Company</b>		
<b>i) Transactions</b>		
<b>Associated undertakings</b>		
Premium written	15,662	15,302
Claims expense	185,653	53,072
Commission and other incentives in respect of bancassurance	395,889	235,696
Profit on bank deposits	17,798	51,313
Bank charges	584	582
Investments purchased	1,729,118	2,315,941
Investments sold	1,775,148	617,557
Dividend income	75,543	24,623
<b>Other related parties</b>		
Premium written	5,196	4,657
Claims expense	493	1,031
Investment advisor fee	8,069	2,428
Trustee fee	2,555	2,492
	(Unaudited)	(Audited)
	31 March 2021	31 December 2020
	————— Rupees in thousand —————	
<b>ii) Period end balances</b>		
<b>Associated undertakings</b>		
Premium due but unpaid	8,204	9,511
Bank deposits	1,608,113	898
Investments held	7,594,334	3,202,182
Dividend receivables	-	6,316,715
Commission payable	211,419	-
Claims payable	-	184,576
Reinsurance receivable/ (payable)	-	402
<b>Other related parties</b>		
Premium due but unpaid	(26)	3,113
Remuneration payable for the management of discretionary investment portfolio	213	(3,178)
Remuneration payable to trustee	1,093	462
Other payable/(receivables)	-	(892)
<b>Staff Retirement Benefit Plan (Gratuity Fund)</b>		
Charge for the period	14,882	10,516
(Payable to)/ receivable from Gratuity fund	15,778	47,542







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

## For the Quarter Ended 31 March 2021

### 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 Group 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 Group 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 March 2021										
		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>Financial assets - measured at fair value</b>												
Investment												
	Equity securities- quoted	10	15,681,675	-	15,828,880	-	-	31,510,555	31,510,555	-	-	31,510,555
	Equity securities- unquoted	10	3,484,209	-	-	-	-	3,484,209	-	-	3,484,209	3,484,209
	Debt securities	11	716,464	476,113	12,959,700	-	-	14,152,277	-	14,152,277	-	14,152,277
	Investments of Window Takaful Operations - Operator's Fund	17	36,406	-	-	-	-	36,406	36,406	-	-	36,406
<b>Financial assets - not measured at fair value</b>												
	Loans and other receivables *	13	-	-	-	956,000	-	956,000	-	-	-	-
	Loan secured against life insurance policies*		-	-	-	37,872	-	37,872	-	-	-	-
	Investment - Term deposits*	12	-	17,868,735	-	-	-	17,868,735	-	-	-	-
	Insurance / reinsurance receivables - unsecured and considered good *	14	-	-	-	4,871,816	-	4,871,816	-	-	-	-
	Reinsurance recoveries against outstanding claims *		-	-	-	5,612,345	-	5,612,345	-	-	-	-
	Salvage recoveries accrued *		-	-	-	286,127	-	286,127	-	-	-	-
	Prepayments *	15	-	-	-	2,929,067	-	2,929,067	-	-	-	-
	Cash and bank *	16	-	-	-	-	11,438,125	11,438,125	-	-	-	-
	Other Assets of Window Takaful Operations - Operator's Fund*	17	-	-	-	319,472	233,693	553,165	-	-	-	-
			19,918,754	18,344,848	28,788,580	15,012,699	11,671,818	93,736,699	31,546,961	14,152,277	3,484,209	49,183,447
<b>Financial liabilities - not measured at fair value</b>												
Underwriting provisions:												
	Outstanding claims (including IBNR)*		-	-	-	-	-	10,242,473	10,242,473	-	-	-
	Insurance / reinsurance payables *		-	-	-	-	-	3,011,864	3,011,864	-	-	-
	Borrowing*		-	-	-	-	-	290,307	290,307	-	-	-
	Other creditors and accruals*	19	-	-	-	-	-	2,990,276	2,990,276	-	-	-
	Total liabilities of Window Takaful Operations- Operator's Fund*	17	-	-	-	-	-	253,537	253,537	-	-	-
			-	-	-	-	-	16,788,457	16,788,457	-	-	-

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

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

## For the Quarter Ended 31 March 2021

### 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 Group 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 Group 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 2020 (Audited)										
		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)										
Financial assets - measured at fair value												
Investment												
	Equity securities- quoted	10	15,729,664	-	15,649,876	-	-	31,379,540	31,379,540	-	-	31,379,540
	Equity securities- unquoted	10	3,484,209	-	-	-	-	3,484,209	-	-	3,484,209	3,484,209
	Debt securities	11	790,268	374,331	14,125,567	-	-	15,290,166	-	15,290,166	-	15,290,166
	Investments of Window Takatful Operations - Operator's Fund	17	35,873	-	-	-	-	35,873	35,873	-	-	35,873
Financial assets - not measured at fair value												
	Loans and other receivables *	13	-	-	-	985,744	-	985,744	-	-	-	-
	Loan secured against life insurance policies*		-	-	-	29,912	-	29,912	-	-	-	-
	Investment - Term deposits*	12	-	13,891,062	-	-	-	13,891,062	-	-	-	-
	Insurance / reinsurance receivables											
	- unsecured and considered good *	14	-	-	-	4,991,328	-	4,991,328	-	-	-	-
	Reinsurance recoveries against outstanding claims *		-	-	-	5,922,296	-	5,922,296	-	-	-	-
	Salvage recoveries accrued *		-	-	-	270,275	-	270,275	-	-	-	-
	Prepayments *	15	-	-	-	3,468,952	-	3,468,952	-	-	-	-
	Cash and bank *	16	-	-	-	-	11,267,096	11,267,096	-	-	-	-
	Other Assets of Window Takatful Operations - Operator's Fund*	17	-	-	-	310,615	209,446	520,061	-	-	-	-
			20,040,014	14,265,393	29,775,443	15,979,122	11,476,542	91,536,514	31,415,413	15,290,166	3,484,209	50,189,788
Financial liabilities - not measured at fair value												
Underwriting provisions:												
	Outstanding claims (including IBNR)*		-	-	-	-	-	10,768,040	10,768,040	-	-	-
	Insurance / reinsurance payables *		-	-	-	-	-	3,161,519	3,161,519	-	-	-
	Borrowing*		-	-	-	-	-	330,849	330,849	-	-	-
	Other creditors and accruals*	19	-	-	-	-	-	3,155,619	3,155,619	-	-	-
	Total liabilities of Window Takatful Operations- Operator's Fund*	17	-	-	-	-	-	242,797	242,797	-	-	-
			-	-	-	-	-	17,658,824	17,658,824	-	-	-

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

# Notes to the Consolidated Condensed Interim Financial Information (Unaudited) For the Quarter Ended 31 March 2021

## 29 Date of authorization for issue

This consolidated condensed interim financial information was authorized for issue on 27 April 2021 by the Board of Directors of the Parent Company.

## 30 Non - adjusting events after balance sheet date

The Board of Directors of the Parent Company in their meeting held on February 23, 2021 proposed final cash dividend for the year ended 31 December 2020 @ 12.5% i.e. Rs. 1.25/- per share which has been approved by the members in the Annual General Meeting held on 27 April 2021. This consolidated condensed interim financial information for the quarter ended 31 March 2021 does not include the effect of this appropriation which will be accounted for in the consolidated condensed interim financial information for the half year ending 30 June 2021.

The Group follows the development of the Covid-19 corona virus and evaluates the extent to which this may affect the Group's operations in the short and long term. With the high levels of uncertainty surrounding the situation and potential additional initiatives by authorities and customers, it is very difficult to predict the full financial impact that the situation may have on the Group.

## 31 General

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

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



Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# WINDOW TAKAFUL OPERATIONS

FIRST QUARTER ENDED 31 MARCH 2021



## Statement of Financial Position

As at 31 March 2021

	Note	Operator's Takaful Fund		Participants' Takaful Fund	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		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>	146,460	-	-
Property and equipment	7	23,386	20,793	-	-
Intangible assets	8	11,272	12,421	-	-
Investments					
Equity securities	9	36,406	35,873	51,350	50,614
Debt securities	10	-	-	125,000	125,000
Loans and other receivables	11	5,260	7,411	39,583	27,650
Takaful / re - takaful receivables	12	-	-	494,933	384,445
Re - takaful recoveries against outstanding claims		-	-	157,704	279,132
Salvage recoveries accrued		-	-	34,353	35,986
Wakala and mudarib fee receivable		123,009	116,783	-	-
Deferred commission expense	21	33,585	39,961	-	-
Prepayments	13	11,158	-	106,993	104,047
Cash and bank	14	233,693	209,446	388,444	552,900
		<b>477,769</b>	442,688	<b>1,398,360</b>	1,559,774
<b>TOTAL ASSETS</b>		<b>624,229</b>	589,148	<b>1,398,360</b>	1,559,774
<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		1,261	883	-	-
Unappropriated profit		319,431	295,468	-	-
		<b>370,692</b>	346,351	-	-
<b>Waqf / Participants' Takaful Fund</b>					
Ceded money		-	-	500	500
Reserves		-	-	959	436
Accumulated surplus		-	-	165,840	172,580
		-	-	<b>167,299</b>	173,516
<b>Qard-e-Hasna from Operator's Takaful Fund</b>					
		-	-	146,460	146,460
<b>Liabilities</b>					
<b>Underwriting provisions</b>					
Outstanding claims including IBNR	20	-	-	392,679	558,082
Unearned contribution reserve	18	-	-	452,395	421,449
Unearned retakaful rebate	19	-	-	17,710	17,183
Contribution deficiency reserve		-	-	-	-
Retirement benefit obligations		3,878	3,878	-	-
Deferred taxation		674	527	391	178
Contribution received in advance		-	-	15,863	11,037
Takaful / re - takaful payables	15	-	-	42,830	79,436
Wakala and mudarib fee payable		-	-	123,009	116,783
Unearned wakala fee	22	200,692	178,766	-	-
Other creditors and accruals	16	33,648	54,168	39,724	35,650
Taxation - provision less payments		14,645	5,458	-	-
<b>Total Liabilities</b>		<b>253,537</b>	242,797	<b>1,084,601</b>	1,239,798
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>624,229</b>	589,148	<b>1,398,360</b>	1,559,774
<b>Contingencies and commitments</b>	17				

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.



Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Profit and Loss Account

## For the Quarter Ended 31 March 2021

	Note	For quarter ended	
		March 31, 2021	March 31, 2020
Rupees in thousand			
<b>PARTICIPANTS' TAKAFUL FUND - REVENUE ACCOUNT</b>			
Contributions earned		245,413	255,840
Contributions ceded to retakaful		(82,193)	(70,944)
<b>Net contribution revenue</b>	<b>18</b>	<b>163,220</b>	<b>184,896</b>
Retakaful rebate earned		14,314	12,458
<b>Net underwriting income</b>	<b>19</b>	<b>177,534</b>	<b>197,354</b>
Net takaful claims - reported / settled		(175,468)	(148,617)
Reversal / (charge) of contribution deficiency reserve		-	-
		(175,468)	(148,617)
Other direct expenses		(17,531)	(16,095)
<b>(Deficit) / surplus before investment income</b>		<b>(15,465)</b>	<b>32,642</b>
Investment income	24	2,745	4,489
Other income	25	6,529	11,482
Mudarib's share of investment income		(549)	(898)
<b>(Deficit) / Surplus transferred to accumulated surplus</b>		<b>(6,740)</b>	<b>47,715</b>
<b>OPERATOR'S TAKAFUL FUND - REVENUE ACCOUNT</b>			
Wakala fee	22	100,828	96,323
Commission expense	21	(32,086)	(28,468)
General, administrative and management expenses	23	(38,545)	(34,764)
		30,197	33,091
Other income	25	3,774	2,557
Mudarib's share of PTF investment income		549	898
Direct expenses		(770)	(770)
<b>Profit before taxation</b>		<b>33,750</b>	<b>35,776</b>
Provision for taxation		(9,787)	(10,422)
<b>Profit after taxation</b>		<b>23,963</b>	<b>25,354</b>

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.




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Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Statement of Comprehensive Income

## For the Quarter Ended 31 March 2021

	For quarter ended	
	March 31, 2021	March 31, 2020
	Rupees in thousand	
<b>PARTICIPANTS' TAKAFUL FUND</b>		
(Deficit) / Surplus for the period	(6,740)	47,715
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>(6,740)</b>	<b>47,715</b>
<b>OPERATOR'S TAKAFUL FUND</b>		
Profit after taxation	23,963	25,354
Unrealized gains on available-for-sale investment- Net of tax	378	684
<b>Total comprehensive income for the period</b>	<b>24,341</b>	<b>26,038</b>

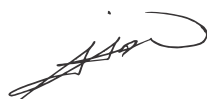
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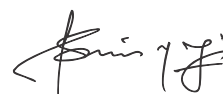
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# Statement of Changes in OPF and PTF

## For the Quarter Ended 31 March 2021

	Operator's Takaful Fund			Total
	Statutory fund	Unappropriated profit	Fair value reserve	
Rupees in thousand				
<b>Balance as at December 31, 2019 - (Audited)</b>	50,000	179,063	1,356	<b>230,419</b>
Profit after tax for the period January 01, 2020 to March 31, 2020	-	25,354	-	<b>25,354</b>
Other comprehensive income for the period January 01, 2020 to March 31, 2020	-	-	684	<b>684</b>
<b>Total comprehensive income for the period</b>	-	25,354	684	<b>26,038</b>
<b>Balance as at March 31, 2020 - (Unaudited)</b>	50,000	204,417	2,040	<b>256,457</b>
Profit after tax for the period April 01, 2020 to December 31, 2020	-	91,051	-	<b>91,051</b>
Other comprehensive income for the period April 01, 2020 to December 31, 2020	-	-	(1,157)	<b>(1,157)</b>
<b>Total comprehensive income for the period</b>	-	91,051	(1,157)	<b>89,894</b>
<b>Balance as at December 31, 2020 - (Audited)</b>	50,000	295,468	883	<b>346,351</b>
Profit after tax for the period January 01, 2021 to March 31, 2021	-	23,963	-	<b>23,963</b>
Other comprehensive income / (loss) for the period January 01, 2021 to March 31, 2021	-	-	378	<b>378</b>
<b>Total comprehensive income for the period</b>	-	23,963	378	<b>24,341</b>
<b>Balance as at March 31, 2021 - (Unaudited)</b>	50,000	319,431	1,261	<b>370,692</b>

	Participants' Takaful Fund			Total
	Ceded money	Accumulated surplus / (deficit)	Fair value reserve	
Rupees in thousand				
<b>Balance as at December 31, 2019 - (Audited)</b>	500	80,786	-	<b>81,286</b>
Surplus after tax for the period January 01, 2020 to March 31, 2020	-	47,715	-	<b>47,715</b>
Other comprehensive income for the period January 01, 2020 to March 31, 2020	-	-	-	<b>-</b>
<b>Total comprehensive income for the period</b>	-	47,715	-	<b>47,715</b>
<b>Balance as at March 31, 2020 - (Unaudited)</b>	500	128,501	-	<b>129,001</b>
Surplus after tax for the period April 01, 2020 to December 31, 2020	-	44,079	-	<b>44,079</b>
Other comprehensive income for the period April 01, 2020 to December 31, 2020	-	-	436	<b>436</b>
<b>Total comprehensive income for the period</b>	-	44,079	436	<b>44,515</b>
<b>Balance as at December 31, 2020 - (Audited)</b>	500	172,580	436	<b>173,516</b>
Deficit after tax for the period January 01, 2021 to March 31, 2021	-	(6,740)	-	<b>(6,740)</b>
Other comprehensive income for the period January 01, 2021 to March 31, 2021	-	-	523	<b>523</b>
<b>Total comprehensive income for the period</b>	-	(6,740)	523	<b>(6,217)</b>
<b>Balance as at March 31, 2021 - (Unaudited)</b>	500	165,840	959	<b>167,299</b>

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.



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**Muhammad Ali Zeb**  
Managing Director &  
Chief Executive Officer



# Cash Flow Statement

## For the Quarter Ended 31 March 2021

### Operating cash flows

#### (a) Takaful activities

Contributions received
Wakala fee received / (paid)
Retakaful / co-takaful 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)
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
Qard-e-Hasna paid to Participants' Takaful Fund
Fixed capital expenditures
Total cash inflows from investing activities

#### (d) Financing activities

Contribution to Operator's fund
Qard-e-Hasna paid from 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 / (deficit) / surplus for the period

#### Definition of cash

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

Operator's Takaful Fund		Participants' Takaful Fund	
March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rupees in thousand		Rupees in thousand	
-	-	396,091	301,207
117,077	70,932	(117,077)	(70,931)
-	-	(91,051)	(101,901)
-	-	(348,972)	(184,554)
-	-	-	13,591
(36,788)	(19,764)	-	-
-	-	14,841	11,987
(55,637)	(36,796)	-	-
-	-	(17,045)	(7,525)
24,652	14,372	(163,213)	(38,126)
(608)	(491)	-	-
-	-	(11,150)	14,249
(608)	(491)	(11,150)	14,249
24,044	13,881	(174,363)	(23,877)
3,700	3,106	9,907	14,630
-	-	-	-
(3,497)	(1,882)	-	-
203	1,224	9,907	14,630
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
24,247	15,105	(164,456)	(9,247)
209,446	91,895	552,900	434,658
233,693	107,000	388,444	425,411
24,044	13,881	(174,363)	(23,877)
(864)	(646)	-	-
(1,189)	(1,301)	-	-
8,784	65,831	(1,886)	221,958
(10,586)	(54,968)	160,235	(166,337)
-	-	2,745	4,489
3,774	2,557	6,529	11,482
23,963	25,354	(6,740)	47,715

#### Attributed to

Operator's Takaful Fund
Participants' Takaful Fund

Operator's Fund		Participants' Takaful Fund	
March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rupees in thousand		Rupees in thousand	
23,963	25,354	-	-
-	-	(6,740)	47,715
23,963	25,354	(6,740)	47,715

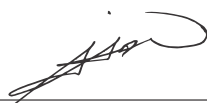
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Chief Financial Officer



**Muhammad Ali Zeb**  
Managing Director &  
Chief Executive Officer

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

### 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 information for the three months period ended March 31, 2021 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 the 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 the 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.

This 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 Operator's for the year ended December 31, 2020. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of December 31, 2020, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in funds and interim cash flow statement and related notes are extracted from condensed interim financial information of the Operator's for the three months period ended March 31, 2020.

The condensed interim financial information 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 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.

This condensed interim financial information 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 Basis of measurement

This condensed interim financial information 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 information are on accrual basis except for those reflected in cash flow statement.

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

### 4 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial information are same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2020.

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, 2021, as mentioned in the financial statement for the year ended December 31, 2020. Furthermore, the Company has adopted the temporary exemption which allows the Company to defer the application of both IFRS 9 and IFRS 17 until December 31, 2021.

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

### 5 Use of estimates and judgments

The preparation of this 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 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 information, 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, 2020.

### 6 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, 2020.

### 7 Property and equipment

Opening balance - net book value  
Additions during the period

Book value of disposals during the period  
Depreciation charged during the period

Closing balance - net book value  
Capital work - in - progress

#### 7.1 Additions during the period

Furniture and fixture  
Motor vehicles  
Office equipment  
Computer and related accessories

Note	Operator's Takaful Fund	
	March 31, 2021	December 31, 2020
Rupees in thousand		
	(Unaudited)	(Audited)
	18,793	16,433
7.1	3,457	5,728
	-	-
	(864)	(3,368)
	(864)	(3,368)
	21,386	18,793
7.2	2,000	2,000
	23,386	20,793
	-	-
	3,457	4,982
	-	298
	-	448
	3,457	5,728

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

	Operator's Takaful Fund	
	March 31, 2021	December 31, 2020
	Rupees in thousand	
	(Unaudited)	(Audited)
<b>7.2 Capital work in progress</b>		
Opening balance	2,000	1,300
Additions during the year	-	700
Transfer to property and equipment	-	-
Transfer to intangibles	-	-
Closing balance	2,000	2,000

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

### 8 Intangible assets

Opening balance - net book value	12,421	17,650
Transfer from Capital work-in-progress	-	-
Addition during the period	40	1,060
Book value of disposal during the period	-	(1,312)
Amortization charged during the period	(1,189)	(4,977)
	(1,189)	(6,289)
Closing balance	11,272	12,421

	March 31, 2021			December 31, 2020		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
	Rupees in thousand					
	(Unaudited)			(Audited)		
<b>9 Investments in equity securities</b>						
<b>Operator's Takaful Fund</b>						
<b>Available for sale</b>						
<b>Mutual fund</b>						
Meezan Islamic Income Fund [604,139 units (2019: 604,139 units)]	34,628	-	34,628	34,628	-	34,628
Unrealized gain on revaluation			1,778			1,245
			36,406			35,873
<b>Participants' Takaful Fund</b>						
<b>Available for sale</b>						
<b>Mutual fund</b>						
Al Hamra Islamic Income Fund [481,118 units (2019: Nil units)]	50,000	-	50,000	50,000	-	50,000
Unrealized gain on revaluation			1,350			614
			51,350			50,614

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

		Participants' Takaful Fund			
		No. of Certificates		Value of Certificates	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		Numbers	Face Value	Rupees in thousand	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>10</b>	<b>Investments in debt securities Held - to - maturity</b>				
	<b>Sukuk certificates</b>				
	Engro Polymer & Chemicals Limited	500	100,000	50,000	50,000
	The Hub Power Company Limited (HUBCO)	750	100,000	75,000	75,000
				<b>125,000</b>	<b>125,000</b>

		Participants' Takaful Fund			
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		Rupees in thousand			
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>11</b>	<b>Loans and other receivables - Considered good</b>				
	Sales tax recoverable	1,289	14	-	-
	Advance taxes	-	-	-	-
	Federal excise duty	-	-	27,053	14,770
	Accrued income	1,413	1,339	2,915	3,548
	Loan to employees	2,078	1,160	-	-
	Security deposits	366	366	-	-
	Bid money for tenders	-	-	9,615	9,332
	Advances	114	4,532	-	-
		<b>5,260</b>	<b>7,411</b>	<b>39,583</b>	<b>27,650</b>

		Participants' Takaful Fund	
		March 31, 2021	December 31, 2020
		Rupees in thousand	
		(Unaudited)	(Audited)
<b>12</b>	<b>Takaful / Re - takaful receivables - Unsecured and considered good</b>		
	Due from takaful participants' holders	312,068	304,220
	Less: provision for impairment of takaful participants' holder	-	-
		<b>312,068</b>	<b>304,220</b>
	Due from other takaful / re - takaful operator's	182,865	80,225
	Less: provision for impairment of due from other takaful / re - takaful operator's	-	-
		<b>182,865</b>	<b>80,225</b>
		<b>494,933</b>	<b>384,445</b>

## Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

	Operator's Takaful Fund		Participants' Takaful Fund	
	March 31,	December 31,	March 31,	December 31,
	2021	2020	2021	2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>13 Prepayments</b>				
Prepaid re - takaful contribution ceded	-	-	84,608	83,834
Prepaid monitoring charges (Tracking device)	-	-	22,385	20,213
Prepaid Expense	11,158	-	-	-
	<b>11,158</b>	-	<b>106,993</b>	104,047

	Operator's Takaful Fund		Participants' Takaful Fund	
	March 31,	December 31,	March 31,	December 31,
	2021	2020	2021	2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Note</b>				
<b>14 Cash and bank</b>				
<b>Cash and cash equivalents:</b>				
Policy stamps in hand	150	-	-	-
Cash in hand	-	150	-	-
<b>Current and other accounts:</b>				
Profit or loss accounts	14.1 233,543	209,296	388,444	552,900
	<b>233,693</b>	209,446	<b>388,444</b>	552,900

14.1 Saving accounts carry expected profit rates ranging from 4% to 7% (2020: 5% to 11).

	Participants' Takaful Fund	
	March 31,	December 31,
	2021	2020
	Rupees in thousand	
	(Unaudited)	(Audited)
<b>15 Takaful / re - takaful payables</b>		
Due to takaful participants' holders	8,364	11,059
Due to other takaful / re - takaful operator's	34,466	68,377
	<b>42,830</b>	79,436

	Operator's Takaful Fund		Participants' Takaful Fund	
	March 31,	December 31,	March 31,	December 31,
	2021	2020	2021	2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>16 Other creditors and accruals</b>				
Agents commission payable	28,220	39,299	-	-
Federal excise duty	-	-	-	-
Federal insurance fee	-	-	4,055	3,522
Sales tax payable	-	-	-	-
Income tax deducted at source	1,834	2,066	22,594	21,711
Accrued expenses	2,426	7,423	-	-
Others	1,168	5,380	13,075	10,417
	<b>33,648</b>	54,168	<b>39,724</b>	35,650

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

### 17 Contingencies and commitments

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

### 18 Net contribution revenue

	For quarter ended	
	March 31, 2021	March 31, 2020
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Gross contribution written	399,113	500,052
Wakala fee	(122,754)	(142,132)
<b>Contribution net of wakala fee</b>	<b>276,359</b>	<b>357,920</b>
Unearned contribution revenue - opening	421,449	377,586
Unearned contribution revenue - closing	(452,395)	(479,666)
<b>Contribution earned</b>	<b>245,413</b>	<b>255,840</b>
<b>Less:</b>		
Re - takaful contribution ceded	82,967	66,179
Prepaid re - takaful contribution ceded - opening	83,834	81,686
Prepaid re - takaful contribution ceded - closing	(84,608)	(76,921)
<b>Re - takaful expense</b>	<b>82,193</b>	<b>70,944</b>
<b>Net contribution</b>	<b>163,220</b>	<b>184,896</b>

### 19 Re - takaful rebate

	For quarter ended	
	March 31, 2021	March 31, 2020
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Re - takaful rebate received	14,841	11,987
Unearned re - takaful rebate - opening	17,183	15,979
Unearned re - takaful rebate - closing	(17,710)	(15,508)
<b>Net re-takaful rebate</b>	<b>14,314</b>	<b>12,458</b>

### 20 Net Takaful Claims

	For quarter ended	
	March 31, 2021	March 31, 2020
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Claims Paid	348,972	184,554
Outstanding claims including IBNR - closing	392,679	253,192
Outstanding claims including IBNR - opening	(558,082)	(257,810)
<b>Claim expense</b>	<b>183,569</b>	<b>179,936</b>
<b>Less:</b>		
Re - takaful and other recoveries received	131,162	45,579
Re - takaful and other recoveries in respect of outstanding claims net of impairment (if any) - closing	192,057	88,076
Re - takaful and other recoveries in respect of outstanding claims net of impairment (if any) - opening	(315,118)	(102,336)
<b>Re-takaful and other recoveries revenue</b>	<b>8,101</b>	<b>31,319</b>
<b>Net claim expense</b>	<b>175,468</b>	<b>148,617</b>

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

		For quarter ended	
		Operator's Fund	
		March 31, 2021	March 31, 2020
		Rupees in thousand	
		(Unaudited)	(Unaudited)
<b>21</b>	<b>Commission Expense</b>		
	Commission paid or payable	25,710	22,006
	Deferred commission - opening	39,961	41,931
	Deferred commission - closing	(33,585)	(35,469)
	<b>Net commission</b>	<b>32,086</b>	<b>28,468</b>
<hr/>			
		For quarter ended	
		Operator's Fund	
		March 31, 2021	March 31, 2020
		Rupees in thousand	
		(Unaudited)	(Unaudited)
<b>22</b>	<b>Wakala Fee</b>		
	Gross Wakala fee	122,754	142,132
	Unearned Wakala fee - Opening	178,766	139,978
	Unearned Wakala fee - Closing	(200,692)	(185,787)
	<b>Net wakala fee</b>	<b>100,828</b>	<b>96,323</b>
<hr/>			
		For quarter ended	
		Operator's Fund	
		March 31, 2021	March 31, 2020
		Rupees in thousand	
		(Unaudited)	(Unaudited)
<b>23</b>	<b>Management Expenses</b>		
	Employee benefit cost	22,717	21,893
	Depreciation	864	646
	Amortization	1,189	1,301
	Advertisement and sales promotion	2,580	-
	Rent, rates and taxes	1,014	634
	Communication	437	344
	Travelling and conveyance expenses	175	823
	Shared expenses	4,885	4,866
	Entertainment	578	495
	Printing, stationery and postage	311	186
	Annual supervision fee SECP	484	550
	Bank charges	13	10
	Repairs and maintenance	360	-
	Others	2,938	3,016
		<b>38,545</b>	<b>34,764</b>
<hr/>			
		For quarter ended	
		Operator's Fund	
		March 31, 2021	March 31, 2020
		Rupees in thousand	
		(Unaudited)	(Unaudited)
<b>24</b>	<b>Investment income</b>		
	<b>Participants' Takaful Fund</b>		
	Profit on Sukuks	2,745	4,489
		<b>2,745</b>	<b>4,489</b>



# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

		For quarter ended	
		March 31, 2021	March 31, 2020
		Rupees in thousand	
		(Unaudited)	(Unaudited)
<b>25</b>	<b>Other income</b>		
	<b>Operator's Takaful Fund</b>		
	Profit on bank deposits	3,774	2,557
		<b>3,774</b>	<b>2,557</b>
	<b>Participants' Takaful Fund</b>		
	Profit on bank deposits	6,529	11,482
		<b>6,529</b>	<b>11,482</b>

### 26 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.

		March 31, 2021	March 31, 2020
		Rupees in thousand	
		(Unaudited)	(Unaudited)
<b>i)</b>	<b>Transactions</b>		
	<b>Subsidiary Company</b>		
	Contribution underwritten	2,653	1,522
	Contribution received	408	1,635
	Claims paid	352	589
	<b>Other related parties</b>		
	Contribution underwritten	68,042	65,219
	Contribution received	73,081	73,508
	Claims paid	28,632	16,047
	Income on bank deposits	3,495	5,101
<b>ii)</b>	<b>Period end balances</b>		
	<b>Subsidiary Company</b>		
	Balances payable	181	93
	Balances receivable	2,417	-
	<b>Other related parties</b>		
	Balances receivable	23,577	11,779
	Balances payable	26,615	21,672
	Cash and bank balances	343,674	227,389
	Contribution received in advance	330	301

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

### 27 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
	March 31, 2021 (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)	40,517	16,286	314,171	42,684	39,491	453,149
Less : Federal Excise Duty	(5,302)	(2,101)	(37,989)	(3)	(4,986)	(50,381)
Federal Insurance Fee	(358)	(141)	(2,742)	(423)	(341)	(4,005)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	34,857	14,044	273,440	42,258	34,164	398,763
Facultative inward contribution	350	-	-	-	-	350
<b>Gross Contribution Written</b>	35,207	14,044	273,440	42,258	34,164	399,113
Wakala fee	(9,890)	(4,924)	(88,868)	(10,531)	(8,541)	(122,754)
<b>Contribution net of wakala fee</b>	25,317	9,120	184,572	31,727	25,623	276,359
Contribution earned	35,074	9,247	132,463	54,187	14,442	245,413
Takaful contribution ceded to retakaful	(39,957)	(11,291)	(13,698)	-	(17,247)	(82,193)
Net takaful contribution	(4,883)	(2,044)	118,765	54,187	(2,805)	163,220
Re-takaful rebate	8,107	2,427	-	-	3,780	14,314
<b>Net underwriting income</b>	3,224	383	118,765	54,187	975	177,534
Takaful claims	(6,183)	(2,442)	(92,312)	(78,655)	(3,977)	(183,569)
Re - takaful and other recoveries	(9,767)	(1,434)	15,723	-	3,579	8,101
Net claims	(15,950)	(3,876)	(76,589)	(78,655)	(398)	(175,468)
Contribution deficiency reserve	-	-	-	-	-	-
Direct expense	(857)	(135)	(15,815)	(394)	(330)	(17,531)
<b>Net takaful claims and expenses</b>	(16,807)	(4,011)	(92,404)	(79,049)	(728)	(192,999)
<b>(Deficit) / surplus before investment income</b>	(13,583)	(3,628)	26,361	(24,862)	247	(15,465)
Other income	-	-	-	-	-	2,745
Investment income	-	-	-	-	-	6,529
Mudarib fee	-	-	-	-	-	(549)
<b>(Deficit) transferred to Balance of PTF</b>	-	-	-	-	-	(6,740)
Corporate segment assets	227,808	26,297	379,534	52,403	85,556	771,598
Corporate unallocated assets	-	-	-	-	-	626,762
<b>Total assets</b>	<b>227,808</b>	<b>26,297</b>	<b>379,534</b>	<b>52,403</b>	<b>85,556</b>	<b>1,398,360</b>
Corporate segment liabilities	232,549	17,000	570,855	165,437	58,644	1,044,485
	-	-	-	-	-	186,575
<b>Total liabilities</b>	<b>232,549</b>	<b>17,000</b>	<b>570,855</b>	<b>165,437</b>	<b>58,644</b>	<b>1,231,060</b>

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

	March 31, 2020 (Unaudited)					Total
	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)	43,322	13,802	226,417	223,647	38,006	545,194
Less : Federal Excise Duty	(5,595)	(1,754)	(27,438)	(884)	(4,901)	(40,572)
Federal Insurance Fee	(373)	(119)	(1,570)	(2,206)	(328)	(4,596)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	37,354	11,929	197,409	220,557	32,777	500,026
Facultative inward contribution	26	-	-	-	-	26
<b>Gross Contribution Written</b>	37,380	11,929	197,409	220,557	32,777	500,052
Wakala fee	(10,466)	(4,175)	(64,158)	(55,139)	(8,194)	(142,132)
<b>Contribution net of wakala fee</b>	26,914	7,754	133,251	165,418	24,583	357,920
Contribution earned	31,882	8,564	124,173	75,098	16,123	255,840
Re - takaful expense	(35,393)	(10,201)	(8,682)	-	(16,668)	(70,944)
Net contribution revenue	(3,511)	(1,637)	115,491	75,098	(545)	184,896
Net rebate on re - takaful	7,011	2,183	-	-	3,264	12,458
<b>Net underwriting income</b>	3,500	546	115,491	75,098	2,719	197,354
Takaful claims	(10,675)	(1,017)	(120,465)	(48,298)	519	(179,936)
Re - takaful and other recoveries	265	814	30,551	-	(311)	31,319
Net claims	(10,410)	(203)	(89,914)	(48,298)	208	(148,617)
Contribution deficiency reserve	-	-	-	-	-	-
Direct expense	(181)	(43)	(14,941)	(787)	(143)	(16,095)
<b>Net takaful claims and expenses</b>	(10,591)	(246)	(104,855)	(53,379)	65	(164,712)
<b>Surplus / (deficit) before investment income</b>	(7,091)	300	10,636	21,719	2,784	32,642
Investment income						11,482
Other income						4,489
Mudarib fee						(898)
<b>Surplus transferred to Balance of PTF</b>						47,715

	December 31, 2020 (Audited)					Total
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	
Rupees in thousand						
Corporate segment assets	363,536	23,880	229,113	115,706	51,162	783,397
Corporate unallocated assets	-	-	-	-	-	776,377
<b>Total assets</b>	363,536	23,880	229,113	115,706	51,162	1,559,774
Corporate segment liabilities	388,928	20,481	501,097	253,059	40,405	1,203,970
Corporate unallocated liabilities	-	-	-	-	-	182,288
<b>Total liabilities</b>	388,928	20,481	501,097	253,059	40,405	1,386,258

## Notes to the Interim Financial Information (Unaudited)

For the Quarter Ended 31 March 2021

Operator's Takaful Fund						
March 31, 2021 (Unaudited)						
Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	Total	
Rupees in thousand						
Wakala fee income	13,686	4,993	59,318	18,017	4,814	100,828
Less : Commission expense	(8,651)	(2,140)	(14,799)	(2,384)	(4,112)	(32,086)
Management expenses	(10,393)	(2,570)	(17,778)	(2,864)	(4,940)	(38,545)
	(5,358)	283	26,741	12,769	(4,238)	30,197
Mudarib's share of PTF investment income						549
Investment income						-
Direct expenses						(770)
Other income						3,774
<b>Profit before tax</b>						<b>33,750</b>
Corporate segment assets	19,245	4,470	105,953	15,614	11,313	156,594
Corporate unallocated assets	-	-	-	-	-	467,635
<b>Total assets</b>	<b>19,245</b>	<b>4,470</b>	<b>105,953</b>	<b>15,614</b>	<b>11,313</b>	<b>624,229</b>
Corporate segment liabilities	19,768	545	152,303	20,749	7,327	200,692
Corporate unallocated liabilities	-	-	-	-	-	52,845
<b>Total liabilities</b>	<b>19,768</b>	<b>545</b>	<b>152,303</b>	<b>20,749</b>	<b>7,327</b>	<b>253,537</b>
March 31, 2020 (Unaudited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total	
Rupees in thousand						
Wakala fee income	12,398	4,612	48,908	25,032	5,373	96,323
Less : Commission expense	(6,676)	(1,895)	(14,520)	(2,859)	(2,518)	(28,468)
Management expenses	(8,153)	(2,314)	(17,731)	(3,491)	(3,075)	(34,764)
	(2,431)	403	16,657	18,682	(220)	33,091
Mudarib's share of PTF investment income						898
Investment income						-
Other expenses						(770)
Other income						2,557
<b>Profit before tax</b>						<b>35,776</b>
December 31, 2020 (Audited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total	
Rupees in thousand						
Corporate segment assets	27,126	4,132	77,960	39,368	8,158	156,744
Corporate unallocated assets	-	-	-	-	-	432,404
<b>Total assets</b>	<b>27,126</b>	<b>4,132</b>	<b>77,960</b>	<b>39,368</b>	<b>8,158</b>	<b>589,148</b>
Corporate segment liabilities	23,564	614	122,753	28,235	3,600	178,766
Corporate unallocated liabilities	-	-	-	-	-	64,031
<b>Total liabilities</b>	<b>23,564</b>	<b>614</b>	<b>122,753</b>	<b>28,235</b>	<b>3,600</b>	<b>242,797</b>

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

### 28 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							
		March 31, 2021 (Unaudited)							
		Carrying amount				Fair value			
Note	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousand									
<b>Financial assets not measured at fair value</b>									
Investments - Debt securities	10	125,000	-	-	125,000	-	-	-	-
Investments - Equity securities		51,350	-	-	51,350	51,350	-	-	51,350
Loan and other receivables	11	-	39,583	-	39,583	-	-	-	-
Takaful / re - takaful receivables	12	-	494,933	-	494,933	-	-	-	-
Re - takaful recoveries against outstanding claims		-	157,704	-	157,704	-	-	-	-
Salvage recoveries accrued		-	34,353	-	34,353	-	-	-	-
Cash and bank deposits	14	-	-	388,444	388,444	-	-	-	-
		<u>176,350</u>	<u>726,573</u>	<u>388,444</u>	<u>1,291,367</u>	<u>51,350</u>	<u>-</u>	<u>-</u>	<u>51,350</u>
<b>Financial liabilities not measured at fair value</b>									
Outstanding claims including IBNR	20	-	-	392,679	392,679	-	-	-	-
Takaful / re - takaful payables		-	-	42,830	42,830	-	-	-	-
Wakala and mudarib fee payable		-	-	123,009	123,009	-	-	-	-
Other creditors and accruals	16	-	-	13,075	13,075	-	-	-	-
		<u>-</u>	<u>-</u>	<u>571,593</u>	<u>571,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		Participants' Takaful Fund							
		December 31, 2020 (Audited)							
		Carrying amount				Fair value			
Note	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousand									
<b>Financial assets not measured at fair value</b>									
Investments - Debt securities	10	125,000	-	-	125,000	-	-	-	-
Investments - Equity securities		50,614	-	-	50,614	50,614	-	-	50,614
Loan and other receivables	11	-	27,650	-	27,650	-	-	-	-
Takaful / re - takaful receivables	12	-	384,445	-	384,445	-	-	-	-
Retakaful recoveries against outstanding claims		-	279,132	-	279,132	-	-	-	-
Salvage recoveries accrued		-	35,986	-	35,986	-	-	-	-
Cash and bank deposits	14	-	-	552,900	552,900	-	-	-	-
		<u>175,614</u>	<u>727,213</u>	<u>552,900</u>	<u>1,455,727</u>	<u>50,614</u>	<u>-</u>	<u>-</u>	<u>50,614</u>
<b>Financial liabilities not measured at fair value</b>									
Outstanding claims including IBNR	20	-	-	558,082	558,082	-	-	-	-
Takaful / retakaful payables		-	-	79,436	79,436	-	-	-	-
Wakala and mudarib fee payable		-	-	116,783	116,783	-	-	-	-
Other creditors and accruals	16	-	-	10,417	10,417	-	-	-	-
		<u>-</u>	<u>-</u>	<u>764,718</u>	<u>764,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

Operator's Takaful Fund						
March 31, 2021 (Unaudited)						
Carrying amount						
	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	
Note	Rupees in thousand					
Financial assets measured at fair value						
Investments - Equity securities	9	36,406	-	-	36,406	
Financial assets not measured at fair value						
Loan and other receivables	11	-	3,857	-	3,857	
Wakala and mudarib fee receivable		-	123,009	-	123,009	
Cash and bank deposits	14	-	233,693	-	233,693	
		36,406	126,866	233,693	-	396,965
Financial liabilities not measured at fair value						
Other creditors and accruals	16	-	-	-	31,814	31,814
		-	-	-	31,814	31,814
Operator's Takaful Fund						
December 31, 2020 (Audited)						
Carrying amount						
	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	
Note	Rupees in thousand					
Financial assets measured at fair value						
Investments - Equity securities	9	35,873	-	-	35,873	
Financial assets not measured at fair value						
Loan and other receivables	11	-	2,865	-	2,865	
Wakala and mudarib fee receivable		-	116,783	-	116,783	
Cash and bank deposits	14	-	209,446	-	209,446	
		35,873	119,648	209,446	-	364,967
Financial liabilities not measured at fair value						
Other creditors and accruals	16	-	-	-	52,102	52,102
		-	-	-	52,102	52,102

# Notes to the Interim Financial Information (Unaudited)

## For the Quarter Ended 31 March 2021

	Operator's Takaful Fund	Participants' Takaful Fund	
	Available for sale	Available for sale	Held to Maturity
	Rupees in thousand		
<b>29 Movement in Investment - Available for sale</b>			
At the beginning of previous year	32,958	-	-
Additions	34,627	50,000	125,000
Disposals	(31,048)	-	-
Fair value on gains (excluding net realized gain)	(665)	614	-
At the beginning of current year	35,873	50,614	125,000
Additions	-	-	-
Disposals	-	-	-
Fair value on gains (excluding net realized gain)	533	736	-
At the end of current year	36,406	51,350	125,000

### 30 Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the three months period ended March 31, 2021.

### 31 Date of authorization for issue

This condensed interim financial information was authorized for issue on April 27, 2021 by the Board of Directors of the Operator.

### 32 General

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

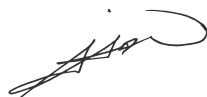
32.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.



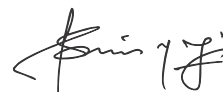
Umer Mansha  
Chairman



Ibrahim Shamsi  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer









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