

# A PILLAR OF STRENGTH

CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
30 JUNE 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 Taraqiati Bank Limited

## **REGISTERED OFFICE**

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



# Directors' Review

## to the Members on Unconsolidated Condensed Interim Financial Statements (Unaudited) For the six months ended 30 June 2021

On behalf of the Board, we are pleased to present the unaudited unconsolidated condensed interim financial statements of the Company for the half year ended 30 June 2021.

### Financial Highlights:

The highlights for the period under review are as follows:

	(Unaudited)	
	30 June 2021	30 June 2020
	Rupees in thousand	
Gross Premium	10,529,637	9,762,363
Net Premium	5,869,082	7,087,341
Underwriting results	382,192	572,713
Investment Income	1,635,566	581,801
Profit before tax	2,176,170	1,356,643
Profit after tax	1,615,003	891,031
	(Unaudited)	
	30 June 2021	30 June 2020
	Rupees	
Earnings per share	4.61	2.55

### Performance Review:

The Gross Premium of the Company increased by 8% while Net Premium decreased by 17% which resulted in the decline in overall underwriting profit of 33% over the corresponding period of last year.

Profit before Tax and Profit after Tax for the first six months of the year increased by 60% and 81% respectively from the corresponding period mainly due to 181% increase in Investment Income during the current period.

### Window Takaful Operations:

The written contribution and Surplus of Participants' Takaful Fund are Rs. 708,359 thousands (2020: Rs. 821,605 thousands) and Rs. 25,274 thousands (2020: Rs. 39,468 thousands) respectively. The Profit before Tax of Window Takaful Operations amounts to Rs. 72,655 thousands for the period ended 30 June 2021 (2020: Rs. 87,036 thousands).



### Future Outlook:

The economy of Pakistan has shown great improvement during FY2021 the testament of which is the strong positive GDP growth of 3.94% during the fiscal year 2021 as per the provisional growth estimate released by the government. The growth rate exceeds the global expectation and surpasses the growth targets set by the government amidst the repeated waves of the COVID-19 pandemic, supported by the current government's swift actions to contain the spread of the pandemic. The policy measures taken by the government are aimed at sustained growth which includes maintaining the SBP policy rate at 7%.

### Acknowledgements:

We would wholeheartedly like to thank our shareholders, valued customers, employees and development staff for their consistent support that has helped Adamjee Insurance to emerge as one of the Pakistan's leading insurance companies. 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

 Shaikh Muhammad Jawed Director	 Muhammad Ali Zeb Managing Director & Chief Executive Officer
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Lahore: 26 August 2021

# غیر مجتمع مختصر عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پر ممبران کوڈ اٹریکٹرز کا جائزہ بابت ششماہی اختتامہ 30 جون 2021ء

بورڈ کی جانب سے 30 جون 2021ء کو ختم ہونے والی ششماہی 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:

(غیر آڈٹ شدہ)	
30 جون 2020ء	30 جون 2021ء
ہزار روپے میں	
9,762,363	10,529,637
7,087,341	5,869,082
572,713	382,192
581,801	1,635,566
1,356,643	2,176,170
891,031	1,615,003

مجموعی پر بیم

خالص پر بیم

زیر تحریر نتائج

سرمایہ کاری سے آمدنی

منافع قبل از ٹیکس

منافع بعد از ٹیکس

(غیر آڈٹ شدہ)	
30 جون 2020ء	30 جون 2021ء
روپے	
2.55	4.61

آمدنی فی شیئر (روپے)

کارکردگی کا جائزہ

کمپنی کے مجموعی پر بیم (گراس پر بیم) میں 8% اضافہ ہوا اور خالص پر بیم (نیٹ پر بیم) میں 17% تک کمی واقع ہوئی جس کے نتیجے میں پچھلے سال کے اسی عرصے کے مقابلے 33% کے مجموعی زیر تحریر منافع میں کمی ہوئی۔ سال کی پہلی ششماہی کیلئے پچھلے اسی عرصے کے مطابق منافع قبل از ٹیکس اور منافع بعد از ٹیکس میں علی الترتیب 60% اور 81% کا اضافہ ہوا ہے جس کی بنیادی وجہ موجودہ مدت کے دوران سرمایہ کاری کی آمدن میں 181% اضافہ ہے۔

وٹڈ وٹکافل آپریشنز

تحریر شدہ کنٹری بیوٹن اور پارٹنیشنس وٹکافل فنڈ کا سرپلس علی الترتیب 708,359/- ہزار روپے (2020ء میں 821,605/- ہزار روپے) اور 25,274/- ہزار روپے (2020ء میں 39,468/- ہزار روپے) ہے۔ وٹڈ وٹکافل آپریشنز کا منافع قبل از ٹیکس 30 جون 2021ء کو ختم شدہ ششماہی کیلئے 72,655/- ہزار روپے (2020ء میں 87,036/- ہزار روپے) ہو گیا ہے۔

توقعات مستقبل

مالی سال 2021ء کے دوران پاکستان کی معیشت میں شاندار بہتری آئی ہے اور مالی سال 2021ء کے دوران 3.94% کی مضبوط مثبت GDP نمو دیکھی گئی جو کہ حکومت کی جانب سے جاری کردہ عارضی نمو کے تخمینوں کے مطابق ہے۔ شرح نمو عالمی توقعات سے تجاوز کر گئی ہے اور حکومت کی طرف سے مقرر کردہ ترقی کے اہداف کو کوڈ-19 وبائی امراض کی بار بار لہروں کے باوجود عبور کر چکی ہے، موجودہ حکومت کی طرف سے وبائی امراض کے پھیلاؤ کو روکنے کیلئے تیز اقدامات کی حمایت کی گئی ہے۔ حکومت کی طرف سے اٹھائے گئے پالیسی اقدامات کا مقصد پائیدار ترقی ہے جس میں اسٹیٹ بینک کی پالیسی کی شرح کو 7% پر برقرار رکھنا بھی شامل ہے۔

اعتراف

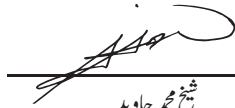
ہم اپنے شیئر ہولڈرز، معزز صارفین، ملازمین اور ترقیاتی عملے کا ان کی مستقل معاونت پر تودل سے شکر یہ ادا کرتے ہیں جنہوں نے آدھی انشورنس کو پاکستان کی بڑی اور نمایاں انشورنس کمپنی بننے میں مدد کی۔ ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی مستقل کی معاونت اور فراہم کردہ رہنمائی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

منجانب ویرائے بورڈ



محمد علی زید

ٹیچنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر



شیخ محمد جاوید  
ڈائریکٹر

لاہور: 26 اگست 2021ء

# Independent Auditor's Review Report

## TO THE MEMBERS OF ADAMJEE INSURANCE COMPANY LIMITED REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Adamjee Insurance Company Limited (the company)** as at June 30, 2021 and the related unconsolidated condensed interim statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the unconsolidated condensed interim profit and loss account and the unconsolidated condensed interim statement of comprehensive income for the three months period ended June 30, 2021 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six month period ended June 30, 2021.

### Scope of Review

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

### Conclusion

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

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



Chartered Accountants

Lahore

Date: 26 August 2021



# **UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

**SIX MONTHS ENDED 30 JUNE 2021**



The background of the lower half of the page shows a desk with several documents. One document in the foreground features a colorful bar chart with bars in shades of red, green, blue, and purple. Another document to its right has a blue bar chart. Two pens, one silver and one black, are resting on the documents. A book is visible in the background on the right side.

# Unconsolidated Condensed Interim Statement of Financial Position

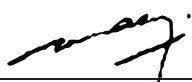
## As at 30 June 2021

	Note	(Un-Audited)	(Audited)
		30 June 2021	31 December 2020
Rupees in thousand			
<b>ASSETS</b>			
Property and equipment	8	4,507,282	4,467,919
Intangible assets	9	97,826	88,187
Investment properties	10	401,896	401,896
Investment in subsidiary	11	1,097,900	1,097,900
Investments			
Equity securities	12	19,237,133	19,194,460
Debt securities	13	374,263	374,331
Term deposits	14	5,990,261	5,929,062
Loans and other receivables	15	549,746	582,896
Insurance / reinsurance receivables	16	6,241,020	4,759,151
Reinsurance recoveries against outstanding claims		7,765,469	5,922,296
Salvage recoveries accrued		294,464	270,275
Deferred commission expense / acquisition cost		911,257	731,319
Taxation - payment less provisions		153,418	376,484
Prepayments	17	3,426,357	3,422,781
Cash and bank	18	1,977,096	1,312,044
		<b>53,025,388</b>	<b>48,931,001</b>
Total assets of Window Takaful Operations - Operator's Fund	19	<b>641,017</b>	<b>589,148</b>
<b>TOTAL ASSETS</b>		<b>53,666,405</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	3,779,777	4,486,946
Unappropriated profit		15,425,416	14,247,913
<b>Total Equity</b>		<b>22,705,193</b>	<b>22,234,859</b>
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR		12,627,240	10,768,040
Unearned premium reserves		9,320,461	8,366,434
Unearned reinsurance commission		242,641	245,318
Retirement benefit obligations		215,689	197,232
Deferred taxation		1,118,137	1,375,394
Borrowings		127,551	166,367
Deferred grant income		10,548	14,767
Premium received in advance		433,124	399,494
Insurance / reinsurance payables		4,085,282	3,030,884
Other creditors and accruals	21	1,884,438	1,806,196
Deposits and other liabilities	22	652,137	672,367
		<b>30,717,248</b>	<b>27,042,493</b>
Total liabilities of Window Takaful Operations - Operator's Fund	19	<b>243,964</b>	<b>242,797</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53,666,405</b>	<b>49,520,149</b>
<b>Contingencies and commitments</b>			
	23		

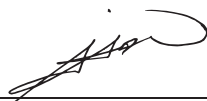
The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.



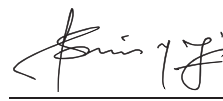
**Umer Mansha**  
Chairman



**Muhammad Arif Hameed**  
Director



**Shaikh Muhammad Jawed**  
Director



**Muhammad Asim Nagi**  
Chief Financial Officer



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


# Unconsolidated Condensed Interim Profit and Loss Account (Un-audited) For Six Months Period Ended 30 June 2021

	Note	For three month period ended		For six month period ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>Rupees in thousand</b>					
Net insurance premium	24	2,970,777	3,343,548	5,869,082	7,087,341
Net insurance claims	25	(1,710,721)	(1,724,210)	(3,290,738)	(4,067,327)
Net commission and other acquisition costs	26	(359,890)	(449,810)	(718,154)	(965,189)
Insurance claims and acquisition expenses		(2,070,611)	(2,174,020)	(4,008,892)	(5,032,516)
Management expenses	27	(726,213)	(764,279)	(1,477,998)	(1,482,112)
<b>Underwriting results</b>		<b>173,953</b>	<b>405,249</b>	<b>382,192</b>	<b>572,713</b>
Investment income	28	638,942	171,690	1,635,566	581,801
Rental income		29,891	33,419	59,459	53,531
Other income	29	37,803	39,961	60,615	99,972
Other expenses	30	(12,632)	(17,336)	(24,198)	(35,204)
<b>Results of operating activities</b>		<b>867,957</b>	<b>632,983</b>	<b>2,113,634</b>	<b>1,272,813</b>
Finance cost		(4,913)	(1,551)	(10,119)	(3,206)
Profit from Window Takaful Operations - Operator's Fund	19	38,905	51,260	72,655	87,036
<b>Profit before tax</b>		<b>901,949</b>	<b>682,692</b>	<b>2,176,170</b>	<b>1,356,643</b>
Income tax expense		(196,051)	(263,363)	(561,167)	(465,612)
<b>Profit after tax for the period</b>		<b>705,898</b>	<b>419,329</b>	<b>1,615,003</b>	<b>891,031</b>
<b>Rupees</b>					
Earnings after tax per share	31	2.01	1.20	4.61	2.55

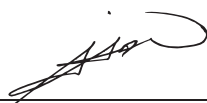
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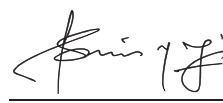
Umer Mansha  
Chairman



Muhammad Arif Hameed  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

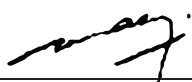
## Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For Six Months Period Ended 30 June 2021

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Rupees in thousand			
<b>Profit after tax for the period</b>	<b>705,898</b>	419,329	<b>1,615,003</b>	891,031
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit and loss:</b>				
- Unrealized ( loss) / gain on 'available-for-sale' investments - net of tax	<b>(722,390)</b>	1,231,734	<b>(858,627)</b>	(1,982,474)
- Reclassification adjustment relating to 'available for sale' investments disposed of during the period - net of tax	<b>177,198</b>	-	<b>177,198</b>	2,644
- Unrealized loss on 'available for sale' investment from Window Takaful Operations - net of tax	<b>(1,261)</b>	(2,027)	<b>(883)</b>	(1,343)
- Net effect of translation of foreign branch	<b>60,006</b>	29,150	<b>(24,857)</b>	140,857
Other comprehensive (loss) / income for the period	<b>(486,447)</b>	1,258,857	<b>(707,169)</b>	(1,840,316)
<b>Total comprehensive income / (loss) for the period</b>	<b>219,451</b>	1,678,186	<b>907,834</b>	(949,285)

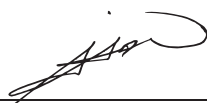
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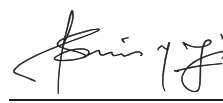
**Umer Mansha**  
Chairman



**Muhammad Arif Hameed**  
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 (Un-audited)

## For Six Months Period Ended 30 June 2021

	For six month period ended	
	30 June 2021	30 June 2020
	Rupees in thousand	
<b>Cash flows from operating activities</b>		
<b>Underwriting activities</b>		
Insurance premium received	9,117,208	8,827,005
Reinsurance premium paid	(2,569,547)	(2,031,688)
Claims paid	(4,762,831)	(5,416,708)
Surrenders paid	(35,116)	(16,299)
Reinsurance and other recoveries received	1,492,583	2,163,773
Commissions paid	(1,130,143)	(1,149,732)
Commissions received	260,287	240,617
Other underwriting payments	(1,201,789)	(1,173,071)
<b>Net cash inflow from underwriting activities</b>	<b>1,170,652</b>	<b>1,443,897</b>
<b>Other operating activities</b>		
Income tax paid	(295,958)	(157,070)
Other operating payments	(93,573)	(99,071)
Loans advanced	(27,518)	(13,407)
Loans installments received	26,144	26,659
Other operating receipts	16,703	29,621
<b>Net cash outflow from other operating activities</b>	<b>(374,202)</b>	<b>(213,268)</b>
<b>Total cash inflow from all operating activities</b>	<b>796,450</b>	<b>1,230,629</b>
<b>Cash flows from investing activities</b>		
Profit / return received on bank deposits	88,709	213,679
Income received from Pakistan Investment Bonds	4,500	4,585
Income from Treasury Bills	27,697	24,641
Dividends received	1,292,646	665,809
Rentals received	56,312	27,359
Payments for investments	(8,254,818)	(6,627,768)
Proceeds from disposal of investments	7,327,662	6,679,153
Fixed capital expenditure - operating assets	(148,979)	(233,923)
Fixed capital expenditure - intangible assets	(23,865)	(12,913)
Proceeds from disposal of operating fixed assets	17,540	11,877
<b>Total cash inflow from investing activities</b>	<b>387,404</b>	<b>752,499</b>
<b>Cash flows from financing activities</b>		
Payments against lease liabilities	(25,741)	(17,792)
Dividends paid	(447,574)	(490,345)
Loan obtained	-	178,609
Loan principal payment made	(44,652)	-
Interest expense against loan paid	(835)	-
<b>Net cash outflow from financing activities</b>	<b>(518,802)</b>	<b>(329,528)</b>
<b>Net cash inflow from all activities</b>	<b>665,052</b>	<b>1,653,600</b>
Cash and cash equivalents at beginning of the period	1,312,044	1,176,685
<b>Cash and cash equivalents at end of the period</b>	<b>1,977,096</b>	<b>2,830,285</b>



# Unconsolidated Condensed Interim Cash Flow Statement (Un-audited) For Six Months Period Ended 30 June 2021

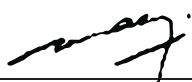
	For six month period ended	
	30 June 2021	30 June 2020
Rupees in thousand		
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	796,450	1,230,629
Depreciation expense	(109,131)	(134,168)
Provision for retirement benefit obligations	(20,268)	(25,358)
Finance cost	(10,119)	(3,206)
Other income - bank and term deposits	93,635	155,116
Gain on disposal of operating fixed assets	12,085	4,597
Rental income	59,759	54,042
Increase in assets other than cash	3,513,818	979,714
Increase in liabilities other than running finance	(3,136,289)	(2,432,824)
Gain on disposal of investments	5,421	3,724
Amortization expense	(13,488)	(11,120)
(Increase) / decrease in unearned premium	(954,027)	815,928
Increase / (decrease) in loans	1,374	(13,252)
Income taxes paid	295,958	157,070
Increase in tax liabilities	(561,167)	(465,612)
Reversal / (provision) for impairment in value of 'available-for-sale' investments	223,096	(203,239)
Dividend and other income	1,320,691	670,249
Income from Treasury Bills	14,714	16,057
Income from Pakistan Investment Bonds	5,617	5,648
Income against deferred grant	4,219	-
Profit from Window Takaful Operations - Operator's fund	72,655	87,036
<b>Profit after tax</b>	<b>1,615,003</b>	<b>891,031</b>

	For six month period ended	
	30 June 2021	30 June 2020
Rupees in thousand		
<b>Cash and cash equivalents for the purposes of the statement of cash flows consists of:</b>		
Cash and cash equivalents	10,199	2,120
Current and saving accounts	1,966,897	2,828,165
<b>Total cash and cash equivalents</b>	<b>1,977,096</b>	<b>2,830,285</b>

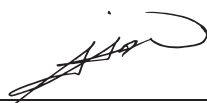
The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.



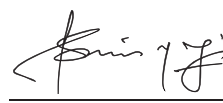
Umer Mansha  
Chairman



Muhammad Arif Hameed  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

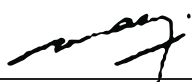
# Unconsolidated Condensed Interim Statement of Changes in Equity For Six Months Period Ended 30 June 2021

	Share capital	Capital reserve			Revenue reserve		Unappropriated profit	Total
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair value reserve	General reserve		
	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	<b>21,380,492</b>
Profit for the period January 01, 2020 to 30 June 2020	-	-	-	-	-	-	891,031	<b>891,031</b>
Other comprehensive income for the period January 01, 2020 to 30 June 2020	-	-	-	140,857	(1,981,173)	-	-	<b>(1,840,316)</b>
<b>Total comprehensive (loss) for the period</b>	-	-	-	140,857	(1,981,173)	-	891,031	<b>(949,285)</b>
<b>Transactions with owners of the Company</b>								
Final dividend for the year ended 31 December 2019 @ 15% (Rupee 1.5/- per share)	-	-	-	-	-	-	(525,000)	<b>(525,000)</b>
<b>Balance as at 30 June 2020 - (Unaudited)</b>	3,500,000	22,859	3,764	815,793	936,259	936,500	13,691,032	<b>19,906,207</b>
Profit for the period July 01, 2020 to 31 December 2020	-	-	-	-	-	-	984,475	<b>984,475</b>
Other comprehensive income for the period July 01, 2020 to 31 December 2020	-	-	-	(137,355)	1,909,126	-	9,906	<b>1,781,677</b>
<b>Total comprehensive income for the period</b>	-	-	-	(137,355)	1,909,126	-	994,381	<b>2,766,152</b>
	3,500,000	22,859	3,764	678,438	2,845,385	936,500	14,685,413	<b>22,672,359</b>
<b>Transactions with owners of the Company</b>								
Interim dividend for the half year ended 30 June 2020 @ 12.5% (Rupee 1.25/- per share)	-	-	-	-	-	-	(437,500)	<b>(437,500)</b>
<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	<b>22,234,859</b>
Profit for the period January 01, 2021 to 30 June 2021	-	-	-	-	-	-	1,615,003	<b>1,615,003</b>
Other comprehensive income for the period January 01, 2021 to 30 June 2021	-	-	-	(24,857)	(682,312)	-	-	<b>(707,169)</b>
<b>Total comprehensive income for the period</b>	-	-	-	(24,857)	(682,312)	-	1,615,003	<b>907,834</b>
<b>Transactions with owners of the Company</b>								
Final dividend for the year ended 31 December 2020 @ 12.5% (Rupees 1.25/- per share)	-	-	-	-	-	-	(437,500)	<b>(437,500)</b>
<b>Balance as at 30 June 2021 - (Unaudited)</b>	3,500,000	22,859	3,764	653,581	2,163,073	936,500	15,425,416	<b>22,705,193</b>

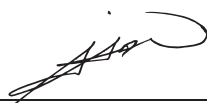
The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.



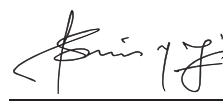
**Umer Mansha**  
Chairman



**Muhammad Arif Hameed**  
Director



**Shaikh Muhammad Jawed**  
Director



**Muhammad Asim Nagi**  
Chief Financial Officer



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

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

## 1 Legal status and nature of business

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

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

## 2 Basis of preparation and statement of compliance

These unconsolidated condensed interim financial statements of the Company for the six month period ended 30 June 2021 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

- International Accounting Standard 34 - "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017, 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 July 09, 2015, the assets, liabilities and profit and loss of the Operator Fund of the Window Takaful operations of the Company have been presented as a single line item in the unconsolidated condensed interim statement of financial position and statement of profit and loss account of the Company respectively. A separate set of condensed interim financial statements of the Window Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Company for the year ended 31 December 2020. Comparative figures for unconsolidated condensed interim statement of financial position are stated from annual audited financial statements of the Company for the year ended 31 December 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 unconsolidated condensed interim financial statements of the Company for the six month ended 30 June 2020.

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

## 3 Basis of measurement

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

## 4 Accounting policies

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

### 4.1 Standards, amendments or interpretations

There are certain amendments and interpretations to the accounting and financial reporting standards beginning on or after January 01, 2021. However, these do not have any significant impact on the amounts reported and disclosures in these unconsolidated condensed interim financial statements.

#### IFRS 9

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

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

## For the Six Months Period Ended 30 June 2021

The tables below set out the fair values as at the end of reporting period and the amount of changes 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

	June 30, 2021				
	Fail the SPPI test		Pass the SPPI test		
Financial assets	Fair value	Change in unrealized gain / (loss) during the period	Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period
Cash and Bank*	-	-	1,977,096	-	-
Investment in subsidiary*	1,097,900	-	-	-	-
Investments in equity securities - available-for-sale	19,237,133	(959,759)	-	-	-
Investment in debt securities - held-to-maturity	-	-	374,263	-	-
Term deposits*	-	-	5,990,261	-	-
Loans and other receivables*	328,094	-	3,810	-	-
<b>Total</b>	<b>20,663,127</b>	<b>(959,759)</b>	<b>8,345,430</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 these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by 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 except for the change in accounting estimate described below:

#### 5.1 Change in accounting estimate

The management reviews the useful lives of property and equipment on regular basis. During the current period, the management has revised its estimate of the residual values of its operating fixed assets ranging from 10% to 25% of the cost of respective assets based on the consultation with the valuer. The management has also reviewed the useful lives of the respective assets and concluded that the current estimates of useful lives are appropriate. Management believes that the said change in estimate is more accurate and better reflects the pattern of consumption of economic benefits of the respective classes of assets.

The aforementioned revision has been accounted for as change in accounting estimate in accordance with the requirement of IAS - 8 (Accounting Policies, Changes in Accounting Estimates and Errors). The effects of this change in accounting estimate has been recognised prospectively in the current period. The change in estimates of residual values has resulted in decrease in depreciation charge as follows:

Class of assets	Rs in thousands
Buildings	(10,945)
Furniture and fixtures	(3,390)
Motor vehicles	(8,739)
Machinery and equipment	(9,822)
Computer Equipment	(3,035)
	<b>(35,931)</b>

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

## 6 Functional and presentation currency

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

## 7 Insurance and Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual financial statements for the year ended 31 December 2020.

		(Unaudited) 30 June 2021	(Audited) 31 December 2020
	Note	Rupees in thousand	
<b>8 Property and equipment</b>			
Operating assets	8.1	4,408,171	4,356,133
Capital work in progress		7,812	11,170
Right of use asset		91,299	100,616
		<u>4,507,282</u>	<u>4,467,919</u>
<b>8.1 Operating assets</b>			
Opening balance - net book value		4,356,133	4,067,536
Additions during the period / year	8.1.1	152,838	533,038
Less:			
Book value of disposals during the period / year	8.1.2	(5,455)	(29,190)
Depreciation charged during the period / year	5.1	(89,821)	(225,071)
Exchange differences and other adjustments		(5,524)	9,820
		<u>(100,800)</u>	<u>(244,441)</u>
		<u>4,408,171</u>	<u>4,356,133</u>
<b>8.1.1 Additions during the period / year:</b>			
Land and buildings		74,813	254,005
Furniture and fixtures		15,604	98,177
Motor vehicles		33,292	26,596
Machinery and equipment		26,486	108,615
Computer and related accessories		2,643	45,645
		<u>152,838</u>	<u>533,038</u>
<b>8.1.2 Written down values of operating assets disposed off during the period / year:</b>			
Land and buildings		-	592
Furniture and fixtures		-	172
Motor vehicles		3,089	26,779
Machinery and equipment		2,351	277
Computer and related accessories		15	1,370
		<u>5,455</u>	<u>29,190</u>
<b>9 Intangible assets</b>			
Opening balance - net book value		88,187	68,927
Additions during the period / year		23,363	40,886
Less:			
Amortization charged during the period / year		(13,488)	(23,296)
Exchange difference		(236)	1,670
		<u>(13,724)</u>	<u>(21,626)</u>
		<u>97,826</u>	<u>88,187</u>

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

		<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	Note	Rupees in thousand	
<b>10 Investment Properties</b>			
Opening net book value		401,896	401,896
Additions and capital improvements		-	-
Unrealized fair value gain		-	-
<b>Closing book value</b>		<b>401,896</b>	<b>401,896</b>
<b>11 Investment in a subsidiary</b>			
Adamjee Life Assurance Company Limited - at cost	11.1	<b>1,097,900</b>	<b>1,097,900</b>

**11.1** Adamjee Life Assurance Company Limited is a wholly owned subsidiary of the Company. Adamjee Life Assurance Company Limited was incorporated in Pakistan on August 04, 2008 as a public unlisted company under repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is located at 1st floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is located at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi.

## 12 Investment - Equity securities

### Available-for-sale

	<u>30 June 2021 (Unaudited)</u>			<u>31 December, 2020 (Audited)</u>		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
	Rupees in thousands					
<b>Related parties</b>						
Listed shares	9,506,133	-	9,506,133	8,318,076	-	8,318,076
Unlisted shared	949,456	-	949,456	924,333	-	924,333
	<b>10,455,589</b>	-	<b>10,455,589</b>	9,242,409	-	9,242,409
Unrealized gain			174,079			1,307,313
			<b>10,629,668</b>			<b>10,549,722</b>
<b>Others</b>						
Listed shares	6,701,235	(1,940,114)	4,761,121	7,135,270	(2,163,210)	4,972,060
Unlisted shared	925,360	-	925,360	925,360	-	925,360
NIT Units	161	-	161	161	-	161
Mutual Funds	48,321	-	48,321	48,130	-	48,130
	<b>7,675,077</b>	<b>(1,940,114)</b>	<b>5,734,963</b>	8,108,921	(2,163,210)	5,945,711
Unrealized gain			2,872,502			2,699,027
			<b>8,607,465</b>			<b>8,644,738</b>
<b>Total</b>	<b>18,130,666</b>	<b>(1,940,114)</b>	<b>19,237,133</b>	17,351,330	(2,163,210)	19,194,460

**12.1** 3,716,710 (2020: 3,716,710) shares of MCB Bank Limited and 4,650,000 (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.

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
Rupees in thousand		
<b>13 Investment - Debt securities</b>		
<b>Held to maturity</b>		
Treasury Bills	274,446	275,631
Pakistan Investment Bonds	99,817	98,700
	<u>374,263</u>	<u>374,331</u>
<b>14 Investments - Term Deposits</b>		
<b>Held to maturity</b>		
<b>Deposits maturing within 12 months</b>		
<b>Inside Pakistan</b>		
- related parties	-	6,811
- others	175,066	175,066
	175,066	181,877
<b>Outside Pakistan</b>		
- related parties	1,286,718	1,305,429
- others	4,444,478	4,364,568
	5,731,196	5,669,997
	5,906,262	5,851,874
<b>Deposits maturing after 12 months</b>		
<b>Inside Pakistan</b>		
- related parties	8,811	2,000
- others	75,188	75,188
	83,999	77,188
	<u>5,990,261</u>	<u>5,929,062</u>

**14.1** These include fixed deposits amounting to Rs. 4,932,419 thousands (AED 115,000 thousands) [December 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 (December 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.

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
Rupees in thousand		
<b>15 Loans and other receivables - considered good</b>		
Rent receivable	11,223	7,776
Receivable from related parties	55,412	43,135
Accrued income	162,332	129,361
Security deposits	47,695	46,713
Advances to employees and suppliers	164,120	237,051
Advance agent commission	6,027	4,478
Loans to employees	46,564	45,336
Other receivables	56,373	69,046
	<u>549,746</u>	<u>582,896</u>

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

## For the Six Months Period Ended 30 June 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) 30 June 2021	(Audited) 31 December 2020
<b>Rupees in thousand</b>		
<b>16 Insurance / reinsurance receivables - unsecured and considered good</b>		
Due from insurance contract holders	6,178,491	4,723,214
Provision for impairment of receivables from insurance contract holders	(922,442)	(932,384)
	<b>5,256,049</b>	3,790,830
Due from other insurers / reinsurers	1,186,273	1,169,623
Provision for impairment of due from other insurers / reinsurers	(201,302)	(201,302)
	<b>984,971</b>	968,321
	<b>6,241,020</b>	4,759,151

**16.1** Due from insurance contact holders include an amount of Rs. 298,919 thousands (December 2020: Rs. 192,060 thousands) held with related parties.

	(Unaudited) 30 June 2021	(Audited) 31 December 2020
<b>Rupees in thousand</b>		
<b>17 Prepayments</b>		
Prepaid reinsurance premium ceded	3,253,601	3,307,863
Prepaid miscellaneous expenses	172,756	114,918
	<b>3,426,357</b>	3,422,781
<b>18 Cash and bank</b>		
<b>Cash and cash equivalents</b>		
<b>Inside Pakistan</b>		
Cash in hand	590	438
Policy & Revenue stamps, Bond papers	9,036	4,703
	<b>9,626</b>	5,141
<b>Outside Pakistan</b>		
Cash in hand	573	-
	<b>10,199</b>	5,141
<b>Cash at bank</b>		
<b>Inside Pakistan</b>		
Current accounts	252,661	237,821
Saving accounts	976,210	931,898
	<b>1,228,871</b>	1,169,719
<b>Outside Pakistan</b>		
Current accounts	736,704	136,313
Saving accounts	1,322	871
	<b>738,026</b>	137,184
	<b>1,966,897</b>	1,306,903
	<b>1,977,096</b>	1,312,044



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

## For the Six Months Period Ended 30 June 2021

- 18.1** Cash at bank includes an amount of Rs. 511,979 thousands (December 2020: Rs. 368,010 thousands) held with MCB Bank Limited, a related party of the Company.
- 18.2** Lien of Rs. 440,000 thousands (December 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.

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	Rupees in thousand	
<b>19 Window Takaful Operations - Operator's Fund</b>		
<b>Assets</b>		
Cash and bank deposits	272,518	209,446
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	36,943	35,873
Intangible assets	10,153	12,421
Property and equipment	22,520	20,793
Current assets - others	152,423	164,155
<b>Total Assets</b>	<b>641,017</b>	<b>589,148</b>
<b>Total liabilities</b>	<b>243,964</b>	<b>242,797</b>
	<u>(Unaudited)</u> 30 June 2021	<u>(Unaudited)</u> 30 June 2020
	Rupees in thousand	
Wakala income	206,364	199,242
Commission expense	(63,823)	(52,440)
Management expenses	(80,354)	(68,549)
Investment income	2,317	3,584
Other income	8,168	5,190
Mudarib's share of PTF investment income	1,523	1,989
Other Expenses	(1,540)	(1,980)
Profit before taxation	72,655	87,036
Taxation	(21,070)	(25,241)
<b>Profit after taxation</b>	<b>51,585</b>	<b>61,795</b>

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed condensed interim financial statements for the six month period ended 30 June 2021.

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 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	653,581	678,438
Fair value reserves	2,163,073	2,845,385
	<b>2,843,277</b>	<b>3,550,446</b>
<b>Revenue reserves</b>		
General reserves	936,500	936,500
	<b>936,500</b>	<b>936,500</b>
	<b>3,779,777</b>	<b>4,486,946</b>

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

## For the Six Months Period Ended 30 June 2021

	(Unaudited)	(Audited)
	30 June 2021	31 December 2020
	Rupees in thousand	
<b>21 Other creditors and accruals</b>		
Agents commission payable	589,360	554,372
Federal Excise Duty / Sales tax / VAT	177,508	94,242
Federal Insurance Fee payable	45,458	29,854
Workers' welfare fund payable	76,485	76,485
Tax deducted at source	86,308	92,945
Accrued expenses	135,797	204,872
Unpaid and unclaimed dividend	151,679	161,753
Payable to employees' provident fund	49	143
Sundry creditors	621,794	591,530
	<b>1,884,438</b>	<b>1,806,196</b>
<b>22 Deposits and other liabilities</b>		
Cash margin against performance bonds	562,399	570,776
Lease liability	89,738	101,591
	<b>652,137</b>	<b>672,367</b>

### 23 Contingencies and commitments

There has been no significant change in the status of contingencies as reported in the preceding published unconsolidated annual financial statements of the Company for the year ended 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. 1,277,100 thousands (December 2020: Rs. 1,209,000 thousands).
- The Company has issued letter of guarantees amounting to AED 448,683 amounting to Rs. 19,244 thousands (December 2020: AED 251,500 amounting to Rs. 10,944 thousands) relating to UAE branch.

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Rupees in thousand			
<b>24 Net insurance premium revenue</b>				
Written gross premium	5,416,391	5,182,053	10,529,637	9,762,363
Unearned premium reserve - opening	8,518,774	9,235,451	8,366,434	10,242,348
Unearned premium reserve - closing	(9,320,461)	(9,426,420)	(9,320,461)	(9,426,420)
Currency translation effect	100,040	9,368	(28,369)	304,327
Premium earned	4,714,744	5,000,452	9,547,241	10,882,618
Reinsurance premium ceded	(2,343,894)	(2,147,625)	(3,623,945)	(3,224,284)
Prepaid reinsurance premium - opening	(2,651,227)	(2,445,880)	(3,307,863)	(3,500,512)
Prepaid reinsurance premium - closing	3,253,601	2,937,772	3,253,601	2,937,772
Currency translation effect	(2,447)	(1,171)	48	(8,253)
Reinsurance expense	(1,743,967)	(1,656,904)	(3,678,159)	(3,795,277)
	<b>2,970,777</b>	<b>3,343,548</b>	<b>5,869,082</b>	<b>7,087,341</b>

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>24.1 Net insurance premium</b>				
<b>- Business underwritten inside Pakistan</b>				
	Rupees in thousand			
Written gross premium	4,129,941	3,973,168	7,386,661	6,807,007
Unearned premium reserve - opening	5,626,861	5,111,264	6,021,464	6,197,501
Unearned premium reserve - closing	(6,279,981)	(5,861,254)	(6,279,981)	(5,861,254)
Premium earned	3,476,821	3,223,178	7,128,144	7,143,254
Reinsurance premium ceded	(2,192,293)	(2,090,864)	(3,405,855)	(3,113,291)
Prepaid reinsurance premium - opening	(2,595,479)	(2,344,222)	(3,260,277)	(3,425,355)
Prepaid reinsurance premium - closing	3,118,551	2,818,671	3,118,551	2,818,671
Reinsurance expense	(1,669,221)	(1,616,415)	(3,547,581)	(3,719,975)
	<b>1,807,600</b>	<b>1,606,763</b>	<b>3,580,563</b>	<b>3,423,279</b>
<b>24.2 Net insurance premium</b>				
<b>- Business underwritten outside Pakistan</b>				
Written gross premium	1,286,450	1,208,885	3,142,976	2,955,356
Unearned premium reserve - opening	2,891,913	4,124,187	2,344,970	4,044,847
Unearned premium reserve - closing	(3,040,480)	(3,565,166)	(3,040,480)	(3,565,166)
Currency translation effect	100,040	9,368	(28,369)	304,327
Premium earned	1,237,923	1,777,274	2,419,097	3,739,364
Reinsurance premium ceded	(151,601)	(56,761)	(218,090)	(110,993)
Prepaid reinsurance premium - opening	(55,748)	(101,658)	(47,586)	(75,157)
Prepaid reinsurance premium - closing	135,050	119,101	135,050	119,101
Currency translation effect	(2,447)	(1,171)	48	(8,253)
Reinsurance expense	(74,746)	(40,489)	(130,578)	(75,302)
	<b>1,163,177</b>	<b>1,736,785</b>	<b>2,288,519</b>	<b>3,664,062</b>
<b>25 Net insurance claims expenses</b>				
Claim paid	2,256,525	2,339,146	4,762,831	5,416,708
Outstanding claims including IBNR - closing	12,627,240	11,641,695	12,627,240	11,641,695
Outstanding claims including IBNR - opening	(10,242,473)	(11,191,266)	(10,768,040)	(10,367,347)
Currency translation effect	(170,953)	(40,650)	84,267	(514,150)
Claim expense	4,470,339	2,748,925	6,706,298	6,176,906
Reinsurance and other recoveries received	(673,003)	(982,050)	(1,509,233)	(2,020,193)
Reinsurance and other recoveries in respect of outstanding claims - closing	(8,059,933)	(6,583,565)	(8,059,933)	(6,583,565)
Reinsurance and other recoveries in respect of outstanding claims - opening	5,898,472	6,523,405	6,192,571	6,233,348
Currency translation effect	74,846	17,495	(38,965)	260,831
Reinsurance and other recoveries revenue	(2,759,618)	(1,024,715)	(3,415,560)	(2,109,579)
	<b>1,710,721</b>	<b>1,724,210</b>	<b>3,290,738</b>	<b>4,067,327</b>

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>25.1 Net insurance claims expense</b>				
<b>- Business underwritten inside Pakistan</b>				
	Rupees in thousand			
Claim paid	1,242,361	1,050,321	2,758,024	2,188,705
Outstanding claims including IBNR - closing	6,926,367	5,057,585	6,926,367	5,057,585
Outstanding claims including IBNR - opening	(4,750,466)	(4,507,781)	(4,920,475)	(4,398,967)
Claim expense	3,418,262	1,600,125	4,763,916	2,847,323
Reinsurance and other recoveries received	(274,838)	(428,128)	(778,083)	(572,528)
Reinsurance and other recoveries in respect of outstanding claims - closing	(5,535,861)	(3,410,063)	(5,535,861)	(3,410,063)
Reinsurance and other recoveries in respect of outstanding claims - opening	3,462,096	3,114,792	3,526,278	2,948,471
Reinsurance and other recoveries revenue	(2,348,603)	(723,399)	(2,787,666)	(1,034,120)
	<b>1,069,659</b>	<b>876,726</b>	<b>1,976,250</b>	<b>1,813,203</b>
<b>25.2 Net insurance claims expense</b>				
<b>- Business underwritten outside Pakistan</b>				
Claim paid	1,014,164	1,288,825	2,004,807	3,228,003
Outstanding claims including IBNR - closing	5,700,873	6,584,110	5,700,873	6,584,110
Outstanding claims including IBNR - opening	(5,492,007)	(6,683,485)	(5,847,565)	(5,968,380)
Currency translation effect	(170,953)	(40,650)	84,267	(514,150)
Claim expense	1,052,077	1,148,800	1,942,382	3,329,583
Reinsurance and other recoveries received	(398,165)	(553,922)	(731,150)	(1,447,665)
Reinsurance and other recoveries in respect of outstanding claims - closing	(2,524,072)	(3,173,502)	(2,524,072)	(3,173,502)
Reinsurance and other recoveries in respect of outstanding claims - opening	2,436,376	3,408,613	2,666,293	3,284,877
Currency translation effect	74,846	17,495	(38,965)	260,831
Reinsurance and other recoveries revenue	(411,015)	(301,316)	(627,894)	(1,075,459)
	<b>641,062</b>	<b>847,484</b>	<b>1,314,488</b>	<b>2,254,124</b>

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Rupees in thousand			
<b>26 Net commission and other acquisition costs</b>				
Commission paid or payable	513,599	598,965	1,166,198	1,180,699
Deferred commission expense - opening	867,149	1,197,363	731,319	1,190,146
Deferred commission expense - closing	(911,257)	(1,192,418)	(911,257)	(1,192,418)
Currency translation effect	20,844	1,532	(5,212)	65,669
Net commission	490,335	605,442	981,048	1,244,096
Commission received or recoverable	(167,197)	(154,240)	(260,287)	(240,617)
Unearned reinsurance commission - opening	(205,766)	(201,121)	(245,318)	(237,751)
Unearned reinsurance commission - closing	242,641	199,721	242,641	199,721
Currency translation effect	(123)	8	70	(260)
Commission from reinsurance	(130,445)	(155,632)	(262,894)	(278,907)
	359,890	449,810	718,154	965,189
<b>26.1 Net commission and other acquisition costs - Business underwritten inside Pakistan</b>				
Commission Paid or payable	274,433	307,625	513,358	508,389
Deferred commission expense - opening	273,882	295,578	285,324	352,673
Deferred commission expense - closing	(307,507)	(400,172)	(307,507)	(400,172)
Net Commission	240,808	203,031	491,175	460,890
Commission received or recoverable	(165,743)	(152,749)	(257,590)	(236,579)
Unearned reinsurance commission - opening	(201,575)	(197,095)	(240,971)	(236,381)
Unearned reinsurance commission - closing	239,650	195,331	239,650	195,331
Commission from reinsurance	(127,668)	(154,513)	(258,911)	(277,629)
	113,140	48,518	232,264	183,261
<b>26.2 Net commission and other acquisition costs - Business underwritten outside Pakistan</b>				
Commission Paid or payable	239,166	291,340	652,840	672,310
Deferred commission expense - opening	593,267	901,785	445,995	837,473
Deferred commission expense - closing	(603,750)	(792,246)	(603,750)	(792,246)
Currency translation effect	20,844	1,532	(5,212)	65,669
Net Commission	249,527	402,411	489,873	783,206
Commission received or recoverable	(1,454)	(1,491)	(2,697)	(4,038)
Unearned reinsurance commission - opening	(4,191)	(4,026)	(4,347)	(1,370)
Unearned reinsurance commission - closing	2,991	4,390	2,991	4,390
Currency translation effect	(123)	8	70	(260)
Commission from reinsurance	(2,777)	(1,119)	(3,983)	(1,278)
	246,750	401,292	485,890	781,928

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

## For the Six Months Period Ended 30 June 2021

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Rupees in thousand			
<b>27 Management expenses</b>				
Employee benefit cost	411,402	454,884	837,673	848,348
Travelling expenses	7,556	15,164	15,046	26,765
Advertisement & sales promotion	7,480	8,694	19,077	20,141
Printing & stationary	11,301	4,510	17,838	12,113
Depreciation	51,381	68,865	109,131	134,168
Amortization	7,100	3,964	13,488	11,120
Rent, rates & taxes	1,191	8	1,439	1,581
Legal & professional charges	20,143	25,660	52,150	54,131
Electricity, gas & water	20,430	9,052	36,457	22,919
Entertainment	2,991	846	7,436	6,349
Vehicle running expenses	22,792	15,917	44,487	41,136
Office repairs & maintenance	14,985	9,626	29,199	21,426
Bank charges	14,268	8,198	27,500	17,560
Postages, telegrams & telephone	5,158	5,257	10,368	12,570
Supervision fee	10,870	13,140	26,355	29,076
IT related costs	24,187	21,971	49,627	43,377
Tracking and monitoring charges	37,344	53,005	74,695	95,996
Regulatory fee	39,371	36,413	75,398	61,771
Miscellaneous	16,263	9,105	30,634	21,565
	<b>726,213</b>	<b>764,279</b>	<b>1,477,998</b>	<b>1,482,112</b>
<b>28 Investment Income</b>				
<b>Business underwritten Inside Pakistan</b>				
<b>Available-for-sale</b>				
<b>Income from equity securities</b>				
Dividend income				
- associated undertakings	229,075	239,137	972,115	478,273
- others	136,225	80,091	348,433	191,882
	<b>365,300</b>	<b>319,228</b>	<b>1,320,548</b>	<b>670,155</b>
<b>Income from debt securities - Held to maturity</b>				
Return on Pakistan Investment Bonds	3,367	3,373	5,617	5,648
Profit on Treasury Bills	9,026	5,146	14,714	16,057
	<b>12,393</b>	<b>8,519</b>	<b>20,331</b>	<b>21,705</b>
<b>Income from Term Deposits</b>				
Return on Term Deposits	6,348	6,651	6,348	6,651
<b>Net realized gains on investments</b>				
Realized gains on investments	5,421	-	5,421	3,533
	<b>389,462</b>	<b>334,398</b>	<b>1,352,648</b>	<b>702,044</b>
Reversal / (Provision) for impairment in value of 'available-for-sale' investments	223,096	(203,239)	223,096	(203,239)
	<b>612,558</b>	<b>131,159</b>	<b>1,575,744</b>	<b>498,805</b>
<b>Business underwritten Outside Pakistan</b>				
<b>Available-for-sale</b>				
<b>Income from equity securities</b>				
Dividend income	74	40	143	94
<b>Net realized gains on investments</b>				
Realized gains on				
- others	-	-	-	191
Return on Term Deposits	26,310	40,491	59,679	82,711
	<b>26,384</b>	<b>40,531</b>	<b>59,822</b>	<b>82,996</b>
<b>Net investment income</b>	<b>638,942</b>	<b>171,690</b>	<b>1,635,566</b>	<b>581,801</b>

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Rupees in thousand				
<b>29 Other income</b>				
Return on bank balances	14,767	22,332	27,608	65,754
Gain on sale of fixed assets	10,392	1,876	12,085	4,597
Return on loans to employee	49	54	94	112
Income against deferred grant	2,109	-	4,219	-
Exchange gain	1,120	5,843	585	10,947
Shared expenses received	3,290	3,430	6,440	7,000
Miscellaneous	6,076	6,426	9,584	11,562
	<b>37,803</b>	<b>39,961</b>	<b>60,615</b>	<b>99,972</b>
<b>30 Other expenses</b>				
Legal & professional charges - Other	6,277	5,672	11,727	12,467
Auditors' remuneration	3,511	3,594	7,087	6,675
Subscription fee	1,675	1,473	3,483	3,517
Donations	-	5,684	-	10,000
Directors' fee	130	116	130	116
Central Depository expense	300	228	620	670
Others	739	569	1,151	1,759
	<b>12,632</b>	<b>17,336</b>	<b>24,198</b>	<b>35,204</b>

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Rupees in thousand				
<b>31 Earnings per share - basic and diluted</b>				
There is no dilutive effect on the basic earnings per share which is based on:				
Net profit after tax for the period	705,898	419,329	1,615,003	891,031
	----- Number of shares -----			
Weighted average number of shares	350,000,000	350,000,000	350,000,000	350,000,000
	----- (Rupees) -----			
Earnings after tax per share	2.01	1.20	4.61	2.55

### 32 Transactions with related parties

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

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

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

		30 June 2021	30 June 2020
		Rupees in thousand	
i)	<b>Transactions</b>		
	<b>Subsidiary company</b>		
	Premiums underwritten	24,846	18,840
	Premiums received	22,370	18,229
	Claims paid	5,958	3,225
	Claims received	3,000	3,000
	Premium paid	14,806	14,813
	Rent paid / payable	4,463	-
	Rent / service charges received	33,133	-
	<b>Other related parties</b>		
	Premiums underwritten	732,834	708,012
	Premiums received	613,908	587,676
	Claims paid	294,114	322,950
	Security deposit received	5,096	-
	Commission Paid	9,495	18,859
	Rent paid	4,590	6,085
	Rent received	20,048	7,776
	Loan obtained	-	178,609
	Loan repaid	44,652	-
	Interest on loan paid	835	-
	Dividends received	828,220	406,532
	Dividends paid	88,577	106,292
	Income on bank deposits	21,482	52,910
	Investments made	1,213,180	50,000
	Fee / service charges paid	4,458	4,739
	Fee / service charges / expenses received / receivable	14,256	-
	Charge in respect of gratuity expense	15,749	18,064
	Contribution to Employees' Provident Fund	18,490	17,597
	Compensation paid to Key management personnel	653,773	686,558
		(Unaudited)	(Audited)
		30 June	31 December
		2021	2020
		Rupees in thousand	
ii)	<b>Period end balances</b>		
	<b>Subsidiary company</b>		
	Balances receivable	60,566	48,364
	Balances payable	5,129	5,684
	<b>Other related parties</b>		
	Balances receivable	306,537	206,040
	Balances payable	270,861	313,285
	Loan Payable	127,551	166,367
	Cash and bank balances including term deposits	1,807,508	1,682,250
	Payable to Staff Gratuity Fund	148,622	132,874



# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

## 33 Segment Information

Six month period ended 30 June 2021													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,973,049	12,917	661,808	16,567	1,771,163	3,017,578	1,226,467	249,604	682,084	3,681	8,314,571	3,300,347	<b>11,614,918</b>
Federal excise duty / VAT	(501,326)	(764)	(75,403)	(823)	(212,140)	(143,694)	(8,394)	(11,886)	(58,192)	(175)	(655,455)	(157,342)	<b>(1,012,797)</b>
Federal insurance fee	(32,631)	(20)	(5,859)	(9)	(15,581)	-	(12,060)	-	(6,324)	-	(72,455)	(29)	<b>(72,484)</b>
	<b>3,439,092</b>	<b>12,133</b>	<b>580,546</b>	<b>15,735</b>	<b>1,543,442</b>	<b>2,873,884</b>	<b>1,206,013</b>	<b>237,718</b>	<b>617,568</b>	<b>3,506</b>	<b>7,386,661</b>	<b>3,142,976</b>	<b>10,529,637</b>
Gross written premium (inclusive of administrative surcharge)	3,439,092	12,133	580,546	15,735	1,543,442	2,873,884	1,206,013	237,718	617,568	3,506	7,386,661	3,142,976	<b>10,529,637</b>
Gross direct premium	3,413,387	12,101	565,737	15,735	1,486,847	2,867,531	1,204,972	237,718	612,569	3,493	7,283,512	3,136,578	<b>10,420,090</b>
Facultative inward premium	17,946	-	94	-	-	-	-	-	-	-	18,040	-	<b>18,040</b>
Administrative surcharge	7,759	32	14,715	-	56,595	6,353	1,041	-	4,999	13	85,109	6,398	<b>91,507</b>
	<b>3,439,092</b>	<b>12,133</b>	<b>580,546</b>	<b>15,735</b>	<b>1,543,442</b>	<b>2,873,884</b>	<b>1,206,013</b>	<b>237,718</b>	<b>617,568</b>	<b>3,506</b>	<b>7,386,661</b>	<b>3,142,976</b>	<b>10,529,637</b>
Insurance premium earned	3,595,883	10,181	517,490	11,376	1,421,717	2,289,660	972,978	103,407	620,076	4,473	7,128,144	2,419,097	<b>9,547,241</b>
Insurance premium ceded to reinsurers	(3,154,549)	(6,991)	(89,335)	-	(30,571)	(71,243)	-	(48,674)	(273,126)	(3,670)	(3,547,581)	(130,578)	<b>(3,678,159)</b>
Net insurance premium	441,334	3,190	428,155	11,376	1,391,146	2,218,417	972,978	54,733	346,950	803	3,580,563	2,288,519	<b>5,869,082</b>
Commission income	216,754	1,623	452	-	1,948	-	-	1,212	39,757	1,148	258,911	3,983	<b>262,894</b>
<b>Net underwriting income</b>	<b>658,088</b>	<b>4,813</b>	<b>428,607</b>	<b>11,376</b>	<b>1,393,094</b>	<b>2,218,417</b>	<b>972,978</b>	<b>55,945</b>	<b>386,707</b>	<b>1,951</b>	<b>3,839,474</b>	<b>2,292,502</b>	<b>6,131,976</b>
Insurance claims	(2,739,516)	65,447	(167,947)	(1,201)	(700,209)	(1,943,647)	(805,966)	(63,964)	(350,278)	983	(4,763,916)	(1,942,382)	<b>(6,706,298)</b>
Insurance claim recoveries from reinsurers	2,572,710	(54,077)	(27,883)	-	19,271	636,831	-	45,189	223,568	(49)	2,787,666	627,894	<b>3,415,560</b>
Net claims	(166,806)	11,370	(195,830)	(1,201)	(680,938)	(1,306,816)	(805,966)	(18,775)	(126,710)	934	(1,976,250)	(1,314,488)	<b>(3,290,738)</b>
Commission expense	(215,041)	(1,253)	(74,432)	(2,449)	(111,137)	(478,824)	(30,312)	(7,137)	(60,253)	(210)	(491,175)	(489,873)	<b>(981,048)</b>
Management expenses	(197,751)	(470)	(200,900)	(3,564)	(476,836)	(407,569)	(66,761)	(16,148)	(107,838)	(161)	(1,050,086)	(427,912)	<b>(1,477,998)</b>
Net insurance claims and expenses	(579,598)	9,647	(471,162)	(7,214)	(1,268,911)	(2,193,209)	(903,039)	(42,060)	(294,801)	563	(3,517,511)	(2,232,273)	<b>(5,749,784)</b>
<b>Underwriting result</b>	<b>78,490</b>	<b>14,460</b>	<b>(42,555)</b>	<b>4,162</b>	<b>124,183</b>	<b>25,208</b>	<b>69,939</b>	<b>13,885</b>	<b>91,906</b>	<b>2,514</b>	<b>321,963</b>	<b>60,229</b>	<b>382,192</b>
Net investment income											1,575,744	59,822	<b>1,635,566</b>
Rental income											58,607	852	<b>59,459</b>
Other income											34,933	25,682	<b>60,615</b>
Other expenses											(17,704)	(6,494)	<b>(24,198)</b>
Finance cost											(8,689)	(1,430)	<b>(10,119)</b>
Profit from Window Takaful Operations - Operator's Fund											72,655	-	<b>72,655</b>
<b>Profit before tax</b>											<b>2,037,509</b>	<b>138,661</b>	<b>2,176,170</b>

As at 30 June 2021													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
Segment assets	9,160,912	29,457	600,545	8,347	1,398,600	4,090,157	849,208	261,008	2,050,828	16,750	14,060,093	4,405,719	<b>18,465,812</b>
Unallocated assets											27,929,205	7,271,388	<b>35,200,593</b>
											<b>41,989,298</b>	<b>11,677,107</b>	<b>53,666,405</b>
Segment liabilities	9,688,995	33,147	825,214	28,575	2,760,611	8,678,123	1,947,605	288,429	2,439,270	18,780	17,661,695	9,047,054	<b>26,708,749</b>
Unallocated liabilities											3,666,010	586,453	<b>4,252,463</b>
											<b>21,327,705</b>	<b>9,633,507</b>	<b>30,961,212</b>

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

## 33.1 Segment Information

Six month period ended 30 June 2020													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,891,102	13,441	573,438	10,839	1,492,284	3,031,053	1,097,727	41,763	616,273	5,766	7,670,824	3,102,862	10,773,686
Federal excise duty / VAT	(488,410)	(779)	(64,185)	(55)	(178,339)	(144,336)	(10,399)	(1,989)	(54,455)	(313)	(795,788)	(147,472)	(943,260)
Federal insurance fee	(33,033)	(18)	(5,043)	(11)	(13,123)	-	(10,740)	-	(6,090)	(5)	(68,029)	(34)	(68,063)
	3,369,659	12,644	504,210	10,773	1,300,822	2,886,717	1,076,588	39,774	555,728	5,448	6,807,007	2,955,356	9,762,363
Gross written premium (inclusive of administrative surcharge)	3,369,659	12,644	504,210	10,773	1,300,822	2,886,717	1,076,588	39,774	555,728	5,448	6,807,007	2,955,356	9,762,363
Gross direct premium	3,358,570	12,606	493,683	10,773	1,252,021	2,882,985	1,075,829	39,774	551,375	5,443	6,731,478	2,951,581	9,683,059
Facultative inward premium	2,630	-	230	-	-	-	-	-	-	-	2,860	-	2,860
Administrative surcharge	8,459	38	10,297	-	48,801	3,732	759	-	4,353	5	72,669	3,775	76,444
	3,369,659	12,644	504,210	10,773	1,300,822	2,886,717	1,076,588	39,774	555,728	5,448	6,807,007	2,955,356	9,762,363
Insurance premium earned	3,535,624	16,309	387,836	10,780	1,378,234	3,697,941	938,773	7,824	902,787	6,510	7,143,254	3,739,364	10,882,618
Insurance premium ceded to reinsurers	(3,134,753)	(11,837)	(103,990)	-	(24,727)	(47,359)	-	(12,134)	(456,505)	(3,972)	(3,719,975)	(75,302)	(3,795,277)
Net insurance premium	400,871	4,472	283,846	10,780	1,353,507	3,650,582	938,773	(4,310)	446,282	2,538	3,423,279	3,664,062	7,087,341
Commission income	223,468	791	321	-	2,262	-	-	264	51,578	223	277,629	1,278	278,907
<b>Net underwriting income</b>	624,339	5,263	284,167	10,780	1,355,769	3,650,582	938,773	(4,046)	497,860	2,761	3,700,908	3,665,340	7,366,248
Insurance claims	(990,079)	(95,756)	(229,362)	2,272	(522,729)	(3,217,762)	(666,082)	(19,006)	(439,071)	669	(2,847,323)	(3,329,583)	(6,176,906)
Insurance claim recoveries from reinsurers	702,912	26,462	37,561	-	48,471	1,034,340	-	14,505	245,176	152	1,034,120	1,075,459	2,109,579
Net claims	(287,167)	(69,294)	(191,801)	2,272	(474,258)	(2,183,422)	(666,082)	(4,501)	(193,895)	821	(1,813,203)	(2,254,124)	(4,067,327)
Commission expense	(218,837)	(1,194)	(56,570)	(845)	(90,769)	(779,874)	(25,216)	(891)	(69,498)	(402)	(460,890)	(783,206)	(1,244,096)
Management expenses	(173,672)	(556)	(154,728)	(4,065)	(487,708)	(458,199)	(62,306)	(7,747)	(132,878)	(253)	(1,011,292)	(470,820)	(1,482,112)
Net insurance claims and expenses	(679,676)	(71,044)	(403,099)	(2,638)	(1,052,735)	(3,421,495)	(753,604)	(13,139)	(396,271)	166	(3,285,385)	(3,508,150)	(6,793,535)
<b>Underwriting result</b>	(55,337)	(65,781)	(118,932)	8,142	303,034	229,087	185,169	(17,185)	101,589	2,927	415,523	157,190	572,713
Net investment income											498,805	82,996	581,801
Rental income											52,552	979	53,531
Other income											65,099	34,873	99,972
Other expenses											(28,899)	(6,305)	(35,204)
Finance cost											(1,149)	(2,057)	(3,206)
Profit from Window Takatful Operations - Operator's Fund											87,036	-	87,036
<b>Profit before tax</b>											1,088,967	267,676	1,356,643

As at 31 December 2020													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Rupees in thousands													
Segment assets	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

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

## For the Six Months Period Ended 30 June 2021

### 34 Fair value measurement of financial instruments

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

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

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

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

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

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

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.

		30 June 2021									
		Available for sale	Held to maturity	Loans and other receivable	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	15,720,741	-	-	-	15,720,741	15,720,741	-	-	15,720,741
	Equity securities- unquoted	12	3,516,392	-	-	-	3,516,392	-	-	3,516,392	3,516,392
	Debt securities	13	-	374,263	-	-	374,263	-	374,263	-	374,263
	Investments of Window Takatful Operations - Operator's Fund	19	36,943	-	-	-	36,943	36,943	-	-	36,943
<b>Financial assets - not measured at fair value</b>											
	Loans and other receivables *	15	-	331,904	-	-	331,904	-	-	-	-
	Investment - Term Deposits*	14	-	5,990,261	-	-	5,990,261	-	-	-	-
	Insurance / reinsurance receivables - unsecured and considered good*	16	-	6,241,020	-	-	6,241,020	-	-	-	-
	Reinsurance recoveries against outstanding claims*		-	7,765,469	-	-	7,765,469	-	-	-	-
	Cash and bank*	18	-	-	1,977,096	-	1,977,096	-	-	-	-
	Other Assets of Window Takatful Operations - Operator's Fund*	19	-	298,883	272,518	-	571,401	-	-	-	-
			19,274,076	6,364,524	14,637,276	2,249,614	42,525,490	15,757,684	374,263	3,516,392	19,648,339
<b>Financial liabilities - not measured at fair value</b>											
Underwriting provisions:											
	Borrowings*		-	-	-	127,551	127,551	-	-	-	-
	Outstanding claims (including IBNR)*		-	-	-	12,627,240	12,627,240	-	-	-	-
	Insurance / reinsurance payables *		-	-	-	4,085,282	4,085,282	-	-	-	-
	Other creditors and accruals & Other Liabilities*		-	-	-	2,150,816	2,150,816	-	-	-	-
	Total liabilities of Window Takatful Operations- Operator's Fund*	19	-	-	-	243,964	243,964	-	-	-	-
			-	-	-	19,234,853	19,234,853	-	-	-	-

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

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the Six Months Period Ended 30 June 2021

## 34.1 Fair value measurement of financial instruments

		31 December, 2020									
		Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand									
<b>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	-	-	294,654	-	294,654	-	-	-	-
	Investment - Term Deposits*	14	-	5,929,062	-	-	5,929,062	-	-	-	-
	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	-	-	-	-
	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	11,286,716	1,521,490	38,341,932	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)*		-	-	-	10,768,040	10,768,040	-	-	-	-
	Insurance / reinsurance payables *		-	-	-	3,030,884	3,030,884	-	-	-	-
	Other creditors and accruals & Other Liabilities*		-	-	-	2,185,037	2,185,037	-	-	-	-
	Total liabilities of Window Takaful Operations- Operator's Fund*	19	-	-	-	242,797	242,797	-	-	-	-
			-	-	-	16,393,125	16,393,125	-	-	-	-

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

## 35 Date of authorization for issue

These unconsolidated condensed interim financial statements were approved for issue on August 26, 2021 by the Board of Directors of the Company.

## 36 Impact of Covid - 19 on Operations

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

## 37 Non-adjusting events after statement of financial position date

**37.1** The Board of Directors of the Company in their meeting held on August 26, 2021 proposed an interim cash dividend for the six month period ended 30 June 2021 @ 15% i.e. Rupees 1.50/- per share (30 June 2020 @ 12.5 % i.e. Rupee 1.25/- per share). These unconsolidated condensed interim financial statements for the six month period ended 30 June 2021 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending 31 December 2021.

**37.2** The Board of Directors of the Company in their meeting held on August 13, 2021 has decided to make investment of Rs. 1,564.47 million in Adamjee Life Assurance Company Limited, a wholly owned subsidiary, by subscribing 156,447,673 right shares offered by the Subsidiary Company at par value of Rs. 10/- each.

## 38 General


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

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

  
Umer Mansha  
Chairman

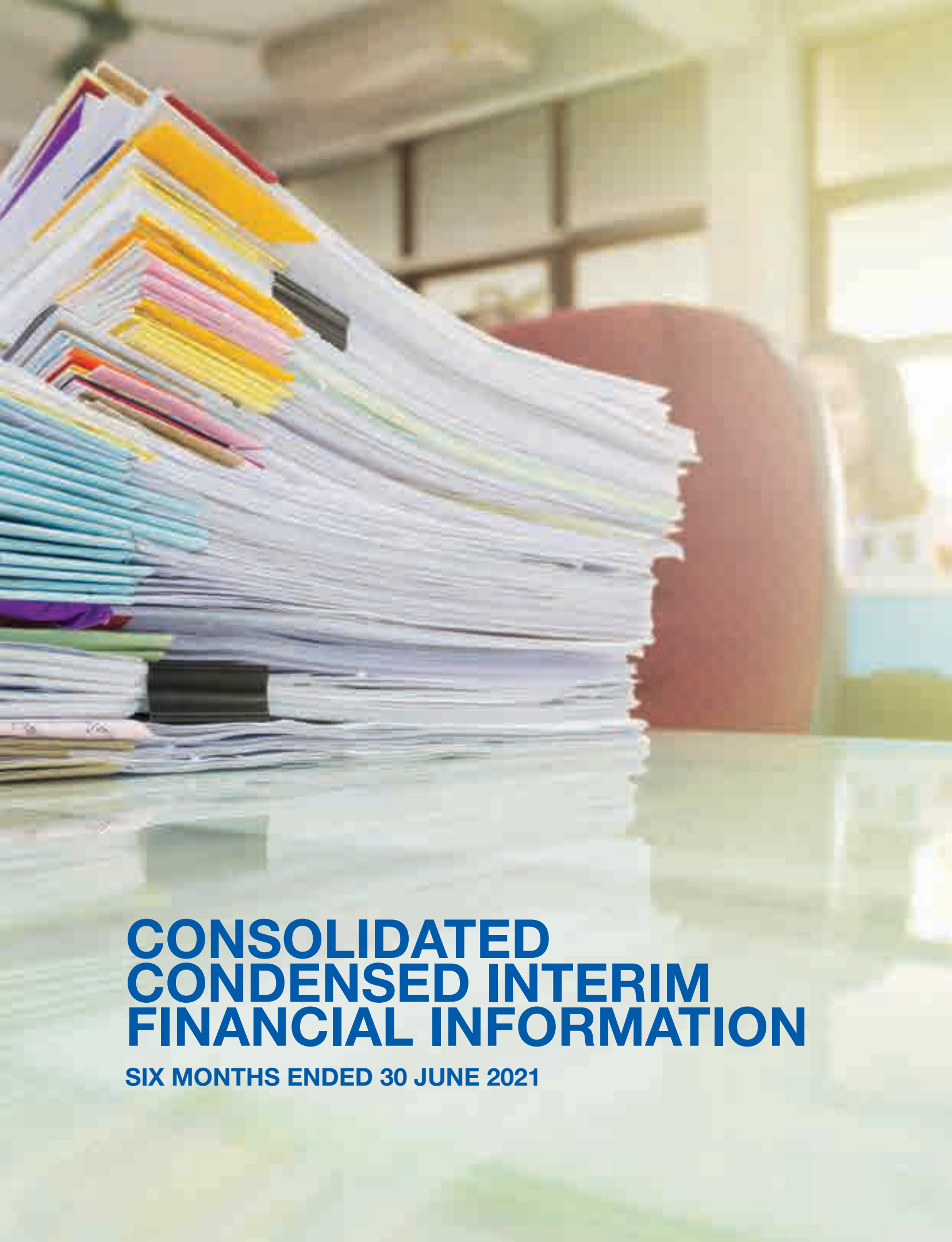
  
Muhammad Arif Hameed  
Director

  
Shaikh Muhammad Jawed  
Director

  
Muhammad Asim Nagi  
Chief Financial Officer

  
Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer





# **CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**

**SIX MONTHS ENDED 30 JUNE 2021**

# Directors' Review

## to the Members on Consolidated Condensed Interim Financial Statements (Unaudited) For the six months ended 30 June 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 six months period ended 30 June 2021.

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

	(Unaudited)	
	30 June 2021	30 June 2020
	— Rupees in thousand —	
Profit before tax	2,267,781	1,382,599
Taxation	(587,484)	(479,096)
Profit after tax	1,680,297	903,503
Less: Profit attributable to non-controlling interest	-	(2,786)
Profit attributable to ordinary shares	1,680,297	900,717
Unappropriated profit brought forward	14,650,455	13,610,534
Profit available for appropriation	16,330,752	14,511,251
Final cash dividend at Rs. 1.25 per share - 31 December 2020 [31 December 2019 (Rupee 1.5 per share)]	(437,500)	(525,000)
Acquisition of non-controlling interest	-	(57,794)
Other comprehensive loss - Remeasurement of defined benefit obligation	6,763	-
Profit after appropriation	<b>15,900,015</b>	<b>13,928,457</b>

	(Unaudited)	
	30 June 2021	30 June 2020
	— Rupees —	
<b>Earnings per share - Basic and diluted</b>	<b>4.80</b>	<b>2.57</b>

For and on behalf of the Board



**Shaikh Muhammad Jawed**  
Director



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

Lahore: 26 August 2021

# Consolidated Condensed Interim Statement of Financial Position

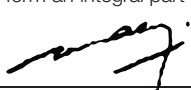
## As at 30 June 2021

		(Un-Audited)	(Audited)
	Note	30 June 2021	31 December 2020
Rupees in thousand			
<b>ASSETS</b>			
Property and equipment	7	4,786,694	4,758,982
Intangible assets	8	128,535	127,381
Investment properties	9	1,225,026	1,183,026
Investments			
Equity securities	10	35,271,330	34,863,749
Debt securities	11	13,498,323	15,290,166
Term deposits	12	19,685,261	13,891,062
Loan secured against life insurance policies		37,465	29,912
Loans and other receivables	13	1,303,464	985,744
Insurance / reinsurance receivables	14	6,530,105	4,991,328
Reinsurance recoveries against outstanding claims		7,765,469	5,922,296
Salvage recoveries accrued		294,464	270,275
Deferred commission expense / acquisition cost		911,257	731,319
Taxation - payment less provisions		559,175	691,558
Prepayments	15	3,473,582	3,468,952
Cash and bank	16	11,745,815	11,267,096
		<u>107,215,965</u>	<u>98,472,846</u>
Total assets of Window Takaful Operations - Operator's Fund (Parent Company)	17	641,017	589,148
<b>TOTAL ASSETS</b>		<u><u>107,856,982</u></u>	<u><u>99,061,994</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Ordinary share capital		3,500,000	3,500,000
Reserves	18	3,778,758	4,487,307
Unappropriated Profit		15,900,015	14,650,455
<b>Equity attributable to equity holders of the parent</b>		<u>23,178,773</u>	<u>22,637,762</u>
Non-controlling interest		-	-
<b>Total Equity</b>		<u>23,178,773</u>	<u>22,637,762</u>
<b>Liabilities</b>			
Insurance liabilities		52,268,053	46,990,343
<b>Underwriting provisions:</b>			
Outstanding claims including IBNR		12,627,240	10,768,040
Unearned premium reserve		9,320,461	8,366,434
Unearned reinsurance commission		242,641	245,318
Retirement benefits obligations		237,664	309,581
Deferred taxation		1,352,940	1,581,977
Borrowings		255,260	330,849
Deferred grant income		18,862	28,574
Premium received in advance		712,414	724,448
Insurance / reinsurance payables		4,085,282	3,161,519
Other creditors and accruals	19	2,564,746	2,892,994
Deposits and other liabilities		748,682	781,358
		<u>32,166,192</u>	<u>29,191,092</u>
Total assets of Window Takaful Operations - Operator's Fund (Parent Company)	17	243,964	242,797
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>107,856,982</u></u>	<u><u>99,061,994</u></u>
<b>Contingencies and commitments</b>	20		

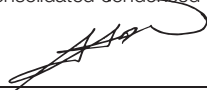
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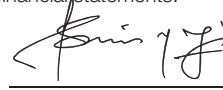
**Umer Mansha**  
Chairman



**Muhammad Arif Hameed**  
Director



**Shaikh Muhammad Jawed**  
Director



**Muhammad Asim Nagi**  
Chief Financial Officer



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



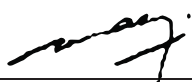
# Consolidated Condensed Interim Profit and Loss Account (Un-audited) For Six Months Period Ended 30 June 2021

	Note	For three months period ended		For six months period ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
Rupees in thousand					
Net insurance premium	21	7,478,760	5,685,125	15,168,866	12,901,524
Net insurance claims	22	(3,606,290)	(3,054,698)	(7,339,157)	(6,927,298)
Net commission and other acquisition costs	23	(1,123,715)	(861,468)	(2,248,264)	(2,035,708)
Insurance claims and acquisition expenses		(4,730,005)	(3,916,166)	(9,587,421)	(8,963,006)
Management expenses		(1,041,542)	(937,786)	(1,993,650)	(1,889,761)
Net change in insurance liabilities (other than outstanding claims)		(2,789,528)	(3,403,216)	(5,178,940)	(1,516,943)
<b>Underwriting results</b>		<b>(1,082,315)</b>	<b>(2,572,043)</b>	<b>(1,591,145)</b>	<b>531,814</b>
Investment income	24	1,486,777	769,559	3,489,291	1,972,077
Net fair value gain / (loss) on financial assets at fair value through profit and loss		338,965	2,336,409	31,875	(1,444,546)
Net unrealized gain / (loss) on investment property		-	(21,000)	42,000	(21,000)
Rental income		18,168	22,180	36,013	32,477
Other income		125,573	111,720	230,197	271,521
Other expenses		(9,550)	(18,554)	(29,985)	(40,825)
<b>Results of operating activities</b>		<b>877,618</b>	<b>628,271</b>	<b>2,208,246</b>	<b>1,301,518</b>
Finance cost		(7,467)	(13)	(13,120)	(5,955)
Profit from Window Takaful Operations - Operator's Fund (Parent Company)	17	38,905	51,260	72,655	87,036
<b>Profit before tax</b>		<b>909,056</b>	<b>679,518</b>	<b>2,267,781</b>	<b>1,382,599</b>
Income tax expense		(202,990)	(269,386)	(587,484)	(479,096)
<b>Profit after tax for the period</b>		<b>706,066</b>	<b>410,132</b>	<b>1,680,297</b>	<b>903,503</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		706,066	410,132	1,680,297	900,717
Non-controlling interest		-	-	-	2,786
		<b>706,066</b>	<b>410,132</b>	<b>1,680,297</b>	<b>903,503</b>
Rupees					
Earnings after tax per share	25	2.02	1.17	4.80	2.57

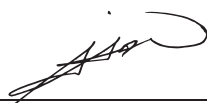
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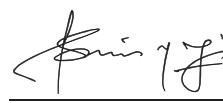
Umer Mansha  
Chairman



Muhammad Arif Hameed  
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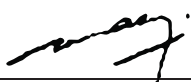
## Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For Six Months Period Ended 30 June 2021

	For three months period ended		For six months period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Rupees in thousand			
<b>Profit after tax</b>	<b>706,066</b>	410,132	<b>1,680,297</b>	903,503
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit and loss:</b>				
Re-measurement of retirement benefit obligations	<b>6,763</b>	-	<b>6,763</b>	-
<b>Items that may be reclassified subsequently to profit and loss:</b>				
Unrealized (loss) / gain on 'available-for-sale' investments - net of tax	<b>(720,865)</b>	1,230,639	<b>(860,007)</b>	(1,979,168)
Reclassification adjustment relating to 'available for sale' investments disposed off during the period - net of tax	<b>177,198</b>	-	<b>177,198</b>	2,644
Unrealized loss on 'available for sale' investment from Window Takaful Operations - net of tax	<b>(1,261)</b>	(2,027)	<b>(883)</b>	(1,343)
Net effect of translation of foreign branches	<b>60,006</b>	29,150	<b>(24,857)</b>	140,857
<b>Total comprehensive income / (loss) for the period</b>	<b>227,907</b>	1,667,894	<b>978,511</b>	(933,507)
<b>Total comprehensive income / (loss) attributable to:</b>				
Equity holders of the parent	<b>227,907</b>	1,667,894	<b>978,511</b>	(936,990)
Non-controlling interest	-	-	-	3,483
	<b>227,907</b>	1,667,894	<b>978,511</b>	(933,507)

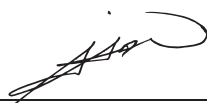
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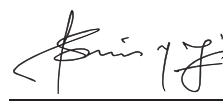
**Umer Mansha**  
Chairman



**Muhammad Arif Hameed**  
Director



**Shaikh Muhammad Jawed**  
Director



**Muhammad Asim Nagi**  
Chief Financial Officer



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

# Consolidated Condensed Interim Cash Flow Statement (Un-audited)

## For Six Months Period Ended 30 June 2021

	For six months period ended	
	30 June 2021	30 June 2020
Rupees in thousand		
<b>Cash flows from operating activities</b>		
<b>Underwriting activities</b>		
Insurance premium received	18,601,675	14,780,137
Reinsurance premium paid	(2,750,742)	(2,177,991)
Claims paid	(8,947,896)	(8,131,903)
Reinsurance and other recoveries received	1,492,583	2,163,773
Commissions paid	(2,534,651)	(2,120,839)
Commissions received	260,287	240,617
Other underwriting payments	(2,227,298)	(2,778,508)
<b>Net cash inflow from underwriting activities</b>	<b>3,893,958</b>	<b>1,975,286</b>
<b>Other operating activities</b>		
Income tax paid	(431,733)	(178,099)
Other operating payments	(93,573)	(99,071)
Loans advanced	(27,518)	(13,407)
Loans installments received	26,144	26,659
Other operating receipts	16,703	29,621
<b>Net cash outflow for other operating activities</b>	<b>(509,977)</b>	<b>(234,297)</b>
<b>Total cash inflow from all operating activities</b>	<b>3,383,981</b>	<b>1,740,989</b>
<b>Cash flows from investing activities</b>		
Profit / return received on bank deposits	1,201,961	1,687,866
Income from treasury bills and Pakistan Investment Bonds	32,197	29,226
Dividends received	1,618,798	886,567
Rentals received	57,812	29,609
Payment for investments/ investment properties	(109,210,915)	(107,478,780)
Loan to / from policy holder	(5,807)	1,530
Proceeds from disposal investments/ investment properties	109,871,560	99,946,192
Fixed capital expenditure	(194,506)	(256,037)
Proceeds from disposal of fixed assets	19,257	11,877
<b>Total cash outflow for / cash inflow from investing activities</b>	<b>3,390,357</b>	<b>(5,141,950)</b>
<b>Cash flows from financing activities</b>		
Payments against lease liabilities	(25,741)	(17,792)
Dividends paid	(447,574)	(490,345)
Loan obtained	-	356,905
Loan principal and interest expense against loan paid	(89,304)	-
<b>Total cash outflow for financing activities</b>	<b>(562,619)</b>	<b>(151,232)</b>
<b>Net cash outflow for / flow from all activities</b>	<b>6,211,719</b>	<b>(3,552,193)</b>
Cash and cash equivalents at beginning of the period	19,229,096	18,022,244
<b>Cash and cash equivalents at end of period</b>	<b>25,440,815</b>	<b>14,470,051</b>

# Consolidated Condensed Interim Cash Flow Statement (Un-audited)


## For Six Months Period Ended 30 June 2021

	For six months period ended	
	30 June 2021	30 June 2020
Rupees in thousand		
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	3,383,981	1,740,989
Depreciation and amortization expense	(163,525)	(201,263)
Provision for retirement benefit obligations	(20,268)	(25,358)
Finance cost	(17,486)	(13,558)
Other income - bank and term deposits	93,635	155,116
Gain on disposal of fixed assets	12,085	4,597
Rental income	36,313	32,988
Change in assets other than cash	3,609,648	1,131,484
Change in liabilities other than running finance	(8,305,658)	(3,553,686)
Gain on disposal of investments	458,808	(114,119)
Change in unearned premium	(954,027)	815,928
Change in loans	1,374	(13,252)
Income taxes paid	295,958	157,070
Reversal / (provision) for impairment in value of 'available-for-sale' investments	223,096	(203,239)
Dividend and other investment income	2,953,708	902,770
Profit from Window Takaful Operations	72,655	87,036
<b>Profit after tax</b>	<b>1,680,297</b>	<b>903,503</b>
<b>Cash and cash equivalents for the purposes of the statement of cash flows consists of:</b>		
Cash and cash equivalents	18,867	14,590
Current and saving accounts	11,726,948	10,155,461
Term deposits	13,695,000	4,300,000
<b>Total cash and cash equivalents</b>	<b>25,440,815</b>	<b>14,470,051</b>

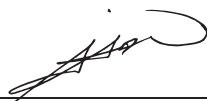
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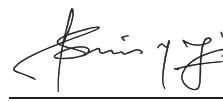
Umer Mansha  
Chairman



Muhammad Arif Hameed  
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 (Un-audited) For Six Months Period Ended 30 June 2021

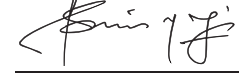
	Share capital	Capital reserves				Revenue reserves		Equity attributable to equity holders of the parent	Non-controlling interest	Total
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve	Retained earnings			
	Rupees in thousand									
<b>Balance as at 31 December 2019 - (Audited)</b>	3,500,000	22,859	3,764	674,936	2,914,787	936,500	13,610,534	21,663,380	341,508	<b>22,004,888</b>
Profit for the period 01 January 2020 to 30 June 2020	-	-	-	-	-	-	900,717	900,717	2,786	<b>903,503</b>
Other comprehensive income for the period 01 January 2020 to 30 June 2020	-	-	-	140,857	(1,978,564)	-	-	(1,837,707)	697	<b>(1,837,010)</b>
<b>Total comprehensive income for the period</b>	-	-	-	140,857	(1,978,564)	-	900,717	(936,990)	3,483	<b>(933,507)</b>
<b>Transactions with owners of the Company</b>										
Acquisition of Non-controlling interest	-	-	-	-	(220)	-	(57,794)	(58,014)	(344,991)	<b>(403,005)</b>
Final cash dividend at Rs. 1.5 per share - 31 December 2019	-	-	-	-	-	-	(525,000)	(525,000)	-	<b>(525,000)</b>
<b>Balance as at 30 June 2020 - (Unaudited)</b>	3,500,000	22,859	3,764	815,793	936,003	936,500	13,928,457	20,143,376	-	<b>20,143,376</b>
Profit for the period 01 July 2020 to 31 December 2020	-	-	-	-	-	-	1,173,205	1,173,205	-	<b>1,173,205</b>
Other comprehensive income for the period 01 July 2020 to 31 December 2020	-	-	-	(137,355)	1,909,743	-	(13,707)	1,758,681	-	<b>1,758,681</b>
<b>Total comprehensive income for the period</b>	-	-	-	(137,355)	1,909,743	-	1,159,498	2,931,886	-	<b>2,931,886</b>
<b>Transactions with owners of the Company</b>										
Interim cash dividend at Rs. 1.25 per share - 30 June 2020	-	-	-	-	-	-	(437,500)	(437,500)	-	<b>(437,500)</b>
<b>Balance as at 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	-	<b>22,637,762</b>
Profit for the period 01 January 2021 to 30 June 2021	-	-	-	-	-	-	1,680,297	1,680,297	-	<b>1,680,297</b>
Other comprehensive income for the period 01 January 2021 to 30 June 2021	-	-	-	(24,857)	(683,692)	-	6,763	(701,786)	-	<b>(701,786)</b>
<b>Total comprehensive income for the period</b>	-	-	-	(24,857)	(683,692)	-	1,687,060	978,511	-	<b>978,511</b>
<b>Balance as at 30 June 2021 - (Unaudited)</b>	3,500,000	22,859	3,764	653,581	2,162,054	936,500	16,337,515	23,616,273	-	<b>23,616,273</b>
<b>Transactions with owners of the Company</b>										
Final cash dividend at Rs. 1.25 per share - 31 December 2020	-	-	-	-	-	-	(437,500)	(437,500)	-	<b>(437,500)</b>
<b>Balance as at 30 June 2021 - (Unaudited)</b>	<b>3,500,000</b>	<b>22,859</b>	<b>3,764</b>	<b>653,581</b>	<b>2,162,054</b>	<b>936,500</b>	<b>15,900,015</b>	<b>23,178,773</b>	<b>-</b>	<b>23,178,773</b>

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

  
Umer Mansha  
Chairman

  
Muhammad Arif Hameed  
Director

  
Shaikh Muhammad Jawed  
Director

  
Muhammad Asim Nagi  
Chief Financial Officer

  
Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

## 1 The group and its operations:

### 1.1 The group comprises of:

	2021 (Holding percentage)	2020
<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 insurance business:

- Conventional Business
- Accident and Health Business
- Individual Life Non-unitized Investment Linked Business
- Individual Life Unit Linked Business
- Individual Family Takaful Business
- General 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 Statements (Un-audited) For Six Months Period Ended 30 June 2021

## 2 Basis of preparation and statement of compliance

This consolidated condensed interim financial information of the Group for the six months period ended 30 June 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
- 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 six months period ended 30 June 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.

The Group has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2021, as mentioned in the financial statement for the year ended 31 December 2020.

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

## 5 Use of estimates and judgments

The preparation of this consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the 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.

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

## For Six Months Period Ended 30 June 2021

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 statements, 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.

		<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	Note	Rupees in thousand	
<b>7 Property and equipment</b>			
Operating assets	7.1	4,586,550	4,535,595
Capital work in progress		25,215	28,116
Right of use asset		174,929	195,271
		<u>4,786,694</u>	<u>4,758,982</u>
<b>7.1 Operating assets</b>			
Opening balance - net book value		4,535,595	4,288,446
Additions during the period / year	7.2	174,043	562,351
Less:			
Book value of disposals during the period / year	7.3	(6,347)	(49,386)
Depreciation charged during the period / year		(111,217)	(275,637)
Exchange differences and other adjustments		(5,524)	9,821
		<u>(123,088)</u>	<u>(315,202)</u>
		<u>4,586,550</u>	<u>4,535,595</u>
<b>7.2 Additions during the period / year - cost</b>			
Land and buildings		74,813	254,005
Furniture and fixtures		20,445	107,479
Motor vehicles		36,716	26,596
Machinery and equipment		29,188	116,307
Computer and related accessories		8,411	52,313
Leasehold Improvements		4,470	5,651
		<u>174,043</u>	<u>562,351</u>
<b>7.3 Written down values of property and equipment disposed off during the period / year</b>			
Land and buildings		-	592
Furniture and fixtures		-	5,364
Motor vehicles		3,981	27,477
Machinery and equipment		2,351	2,683
Computer and related accessories		15	1,370
Leasehold Improvements		-	11,900
		<u>6,347</u>	<u>49,386</u>



# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	Rupees in thousand	
<b>8 Intangible assets</b>		
Opening balance - net book value	127,381	131,236
Additions during the period	23,363	42,296
Book value of disposals during the period	-	-
Amortization charged during the period	(21,973)	(47,821)
Exchange differences and other adjustments	(236)	1,670
	<u>(22,209)</u>	<u>(46,151)</u>
	<u>128,535</u>	<u>127,381</u>
<b>9 Investment Properties</b>		
Opening balance - net book value	1,183,026	1,204,026
Additions and capital improvements	-	-
Unrealized fair value gain / (loss)	42,000	(21,000)
	<u>1,225,026</u>	<u>1,183,026</u>
<b>10 Investment in equity securities</b>		

	30 June 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	9,858,796	(23,854)	(124,924)	9,710,018	9,104,774	(265,237)	1,187,635	10,027,172
Unlisted shares	949,456	-	265,867	1,215,323	924,333	-	258,807	1,183,140
	10,808,252	(23,854)	140,943	10,925,341	10,029,107	(265,237)	1,446,442	11,210,312
<b>Others</b>								
Listed shares	6,369,165	(1,916,260)	1,527,986	5,980,891	6,369,165	(1,897,973)	1,184,151	5,655,343
Unlisted shares	925,360	-	1,375,709	2,301,069	925,360	-	1,375,709	2,301,069
Mutual Funds	48,321	-	1,489	49,810	48,130	-	(1,851)	46,279
NIT Units	161	-	783	944	161	-	709	870
	7,343,007	(1,916,260)	2,905,967	8,332,714	7,342,816	(1,897,973)	2,558,718	8,003,561
<b>Total - available for sale</b>	18,151,259	(1,940,114)	3,046,910	19,258,055	17,371,923	(2,163,210)	4,005,160	19,213,873
<b>Fair value through profit and loss</b>								
<b>Related parties</b>								
Listed shares	964,048	-	-	964,048	1,289,216	-	-	1,289,216
Mutual Funds	6,031,257	-	-	6,031,257	6,174,140	-	-	6,174,140
	6,995,305	-	-	6,995,305	7,463,356	-	-	7,463,356
<b>Others</b>								
Listed shares	6,964,348	-	-	6,964,348	5,763,671	-	-	5,763,671
Mutual Funds	2,053,622	-	-	2,053,622	2,422,849	-	-	2,422,849
	9,017,970	-	-	9,017,970	8,186,520	-	-	8,186,520
<b>Total - fair value through profit and loss</b>	16,013,275	-	-	16,013,275	15,649,876	-	-	15,649,876
<b>Grand Total</b>	34,164,534	(1,940,114)	3,046,910	35,271,330	33,021,799	(2,163,210)	4,005,160	34,863,749

- 10.1** 3,716,710 (2020: 3,716,710) shares of MCB Bank Limited and 4,650,000 (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 Group.

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

## For Six Months Period Ended 30 June 2021

	(Unaudited) 30 June 2021	(Audited) 31 December 2020
Note	Rupees in thousand	
<b>11 Investments in debt securities</b>		
<b>Held to maturity</b>		
Treasury Bills	274,446	275,631
Pakistan Investment Bonds	99,817	98,700
	<b>374,263</b>	<b>374,331</b>
<b>Available for sale</b>		
Treasury Bills	420,194	688,532
Pakistan Investment Bonds	101,135	101,736
	<b>521,329</b>	<b>790,268</b>
<b>Fair value through profit and loss</b>		
Term Finance Certificate	1,543,051	1,125,156
Advance against purchase of term finance certificate	-	100,000
Corporate sukuks	1,584,077	2,155,587
Ijarah sukuks	426,060	464,354
Treasury Bills	2,332,621	6,371,663
Pakistan Investment Bonds	6,716,922	3,908,807
	<b>12,602,731</b>	<b>14,125,567</b>
	<b>13,498,323</b>	<b>15,290,166</b>
<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	765,000	448,811
- others	13,105,066	7,695,066
	<b>13,870,066</b>	<b>8,143,877</b>
<b>Outside Pakistan</b>		
- related parties	1,286,718	1,305,429
- others	4,444,478	4,364,568
	<b>5,731,196</b>	<b>5,669,997</b>
<b>Deposits maturing after 12 months</b>	<b>19,601,262</b>	<b>13,813,874</b>
<b>Inside Pakistan</b>		
- related parties	8,811	2,000
- others	75,188	75,188
	<b>83,999</b>	<b>77,188</b>
<b>12.1</b>	<b>19,685,261</b>	<b>13,891,062</b>

**12.1** These include fixed deposits amounting to Rs. 4,932,419 thousands (AED 115,000 thousands) [December 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 (December 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 of the Group.

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

## For Six Months Period Ended 30 June 2021

		<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	Note	Rupees in thousand	
<b>13 Loans and other receivables - considered good</b>			
Rent receivable		11,223	7,776
Accrued income		393,525	251,749
Security deposits		117,875	102,938
Advances to employees and suppliers		166,945	237,051
Advance agent commission		6,027	4,478
Loans to employees		55,330	52,335
Receivable against the sale of investment		469,472	233,958
Receivable from related parties		-	16,694
Other receivables		83,067	78,765
		<u>1,303,464</u>	<u>985,744</u>
<b>14 Insurance / reinsurance receivables - unsecured and considered good</b>			
Due from insurance contract holders		<b>6,192,869</b>	4,753,304
Provision for impairment of receivables from insurance contract holders		<b>(926,348)</b>	(936,290)
		<b>5,266,521</b>	3,817,014
Due from other insurers / other reinsurers		<b>1,464,886</b>	1,375,616
Provision for impairment of due from other insurers / reinsurers		<b>(201,302)</b>	(201,302)
		<b>1,263,584</b>	1,174,314
		<b>6,530,105</b>	4,991,328
<b>14.1</b> Due from insurance contact holders include an amount Rs. 309,826 thousands (2020: Rs. 201,453 thousands) held with related parties.			
		<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	Note	Rupees in thousand	
<b>15 Prepayments</b>			
Prepaid reinsurance premium ceded		3,253,601	3,307,863
Prepaid miscellaneous expenses		219,981	161,089
		<u>3,473,582</u>	<u>3,468,952</u>
<b>16 Cash and bank</b>			
<b>Cash and cash equivalents</b>			
<b>Inside Pakistan</b>			
Cash in hand		698	580
Policy & Revenue stamps, Bond papers		17,596	10,499
		18,294	11,079
<b>Outside Pakistan</b>			
Cash in hand		573	-
		18,867	11,079
<b>Cash at bank</b>			
<b>Inside Pakistan</b>	16.1		
Current accounts		458,174	331,680
Savings accounts		10,530,748	10,787,153
		10,988,922	11,118,833
<b>Outside Pakistan</b>			
Current accounts		736,704	136,313
Savings accounts		1,322	871
		738,026	137,184
		11,726,948	11,256,017
		<u>11,745,815</u>	<u>11,267,096</u>

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

- 16.1** Cash at bank includes an amount of Rs. 2,345,223 thousands (2020: Rs. 3,674,945 thousands) held with MCB Bank Limited, a related party 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 SBL (Standby Letter of Credit) issued in favor of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited.

	(Unaudited)	(Audited)
	30 June 2021	31 December 2020
Note	Rupees in thousand	
<b>17 Window Takaful Operations - Parent Company</b>		
<b>Operator's Fund</b>		
<b>Assets</b>		
Cash and bank deposits	272,518	209,446
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	36,943	35,873
Intangible assets	10,153	12,421
Property and equipment	22,520	20,793
Current assets - others	152,423	164,155
<b>Total Assets</b>	<b>641,017</b>	<b>589,148</b>
<b>Total Liabilities</b>	<b>243,964</b>	<b>242,797</b>
	30 June 2021	30 June 2020
	Rupees in thousand	
Wakala income	206,364	199,242
Commission expense	(63,823)	(52,440)
Management expenses	(80,354)	(68,549)
Investment income	2,317	3,584
Other income	8,168	5,190
Mudarib's share of PTF investment income	1,523	1,989
Other Expenses	(1,540)	(1,980)
Profit before tax	72,655	87,036
Provision for tax	(21,070)	(25,241)
<b>Profit from Window Takaful Operations</b>	<b>51,585</b>	<b>61,795</b>

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

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 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	653,581	678,438
Fair value reserve	<u>2,162,054</u>	<u>2,845,746</u>
	<b>2,842,258</b>	<b>3,550,807</b>
<b>Revenue reserves</b>		
General reserves	936,500	936,500
	<u>3,778,758</u>	<u>4,487,307</u>
<b>19 Other creditors and accruals</b>		
Agents commission payable	876,064	1,077,695
Payable against the purchase of investment	92,716	237,167
Federal Excise Duty / Sales Tax / VAT	177,508	94,242
Federal Insurance Fee payable	45,458	29,854
Payable to related parties	6,439	4,801
Workers' welfare fund payable	76,485	76,485
Tax deducted at source	101,831	107,570
Accrued expenses	421,768	510,725
Unpaid and unclaimed dividend	151,679	161,753
Payable to employees' provident fund	49	143
Sundry creditors	614,749	592,559
	<u>2,564,746</u>	<u>2,892,994</u>
<b>20 Contingencies and commitments</b>		
<b>Parent Company</b>		
<b>Contingencies and commitments</b>		

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

- The Parent Company has provided a guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party, amounting to Rs. 1,277,100 thousands (December 2020: Rs. 1,209,000 thousands).
- The Parent Company has issued letter of guarantees amounting to AED 448,683 amounting to Rs. 19,244 thousands (December 2020: AED 251,500 amounting to Rs. 10,944 thousands) relating to UAE branch.

## Subsidiary Company

### Contingencies

#### Sales tax on life insurance premium

Last year, 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

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

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 Subsidiary 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 (for both Sindh and Punjab region) is around Rs.434.569 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 detail 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.

### Commitments

Commitments represent ljarah rentals for vehicles payable in future period.

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	<b>Rupees in thousand</b>	
Not later than one year	<b>44,316</b>	37,844
Later than one year and not later than five years	<b>117,206</b>	102,066
	<b>161,522</b>	139,910

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

Note	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>21 Net insurance premium</b>	<b>Rupees in thousand</b>			
<b>Parent Company</b>				
Written gross premium	5,414,057	5,181,094	10,504,791	9,743,523
Unearned premium reserve opening	8,518,774	9,235,451	8,366,434	10,242,348
Unearned premium reserve closing	(9,320,461)	(9,426,420)	(9,320,461)	(9,426,420)
Currency translation effect	100,040	9,368	(28,369)	304,327
Premium earned	4,712,410	4,999,493	9,522,395	10,863,778
Reinsurance premium ceded	(2,343,894)	(2,147,625)	(3,623,945)	(3,224,284)
Prepaid reinsurance premium opening	(2,651,227)	(2,445,880)	(3,307,863)	(3,500,512)
Prepaid reinsurance premium closing	3,253,601	2,937,772	3,253,601	2,937,772
Currency translation effect	(2,447)	(1,171)	48	(8,253)
Reinsurance expense	(1,743,967)	(1,656,904)	(3,678,159)	(3,795,277)
<b>21.1 &amp; 21.2</b>	<b>2,968,443</b>	<b>3,342,589</b>	<b>5,844,236</b>	<b>7,068,501</b>
<b>Subsidiary Company</b>				
<b>Regular premium / contributions individual policies</b>				
	<b>21.3</b>			
- first year	867,128	319,018	1,729,765	1,078,722
- second year renewal	269,339	577,510	930,036	1,222,165
- subsequent years renewal	1,475,627	1,094,014	2,954,638	2,285,357
Single premium / contributions individual policies	<b>21.3</b>			
Group policies without cash values	1,950,010	361,399	3,748,082	1,231,112
Less: Experience refund	24,519	84,398	190,171	248,506
	-	(9,536)	(2,429)	(10,137)
	<b>4,586,623</b>	<b>2,426,803</b>	<b>9,550,263</b>	<b>6,055,725</b>
<b>Less: reinsurance premiums / retakaful contributions ceded</b>				
On individual life first year business	(16,216)	(7,427)	(28,567)	(10,719)
On individual life second year business	(7,954)	(7,777)	(16,714)	(11,001)
On individual life subsequent renewal business	(40,506)	(29,529)	(82,703)	(55,231)
On individual life single premium business	(3,147)	(464)	(5,355)	(2,255)
On group policies	(8,483)	(39,070)	(99,680)	(143,889)
Profit commission on reinsurance	-	-	7,386	393
	<b>(76,306)</b>	<b>(84,267)</b>	<b>(225,633)</b>	<b>(222,702)</b>
	<b>4,510,317</b>	<b>2,342,536</b>	<b>9,324,630</b>	<b>5,833,023</b>
	<b>7,478,760</b>	<b>5,685,125</b>	<b>15,168,866</b>	<b>12,901,524</b>
<b>21.1 Net insurance premium - Business underwritten inside Pakistan</b>				
Written gross premium	4,127,607	3,972,209	7,361,815	6,788,167
Unearned premium reserve opening	5,626,861	5,111,264	6,021,464	6,197,501
Unearned premium reserve closing	(6,279,981)	(5,861,254)	(6,279,981)	(5,861,254)
Premium earned	3,474,487	3,222,219	7,103,298	7,124,414
Reinsurance premium ceded	(2,192,293)	(2,090,864)	(3,405,855)	(3,113,291)
Prepaid reinsurance premium opening	(2,595,479)	(2,344,222)	(3,260,277)	(3,425,355)
Prepaid reinsurance premium closing	3,118,551	2,818,671	3,118,551	2,818,671
Reinsurance expense	(1,669,221)	(1,616,415)	(3,547,581)	(3,719,975)
	<b>1,805,266</b>	<b>1,605,804</b>	<b>3,555,717</b>	<b>3,404,439</b>

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

## For Six Months Period Ended 30 June 2021

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Rupees in thousand			
<b>21.2 Net insurance premium - Business underwritten outside Pakistan</b>				
Written gross premium	1,286,450	1,208,885	3,142,976	2,955,356
Unearned premium reserve opening	2,891,913	4,124,187	2,344,970	4,044,847
Unearned premium reserve closing	(3,040,480)	(3,565,166)	(3,040,480)	(3,565,166)
Currency translation effect	100,040	9,368	(28,369)	304,327
Premium earned	1,237,923	1,777,274	2,419,097	3,739,364
Reinsurance premium ceded	(151,601)	(56,761)	(218,090)	(110,993)
Prepaid reinsurance premium opening	(55,748)	(101,658)	(47,586)	(75,157)
Prepaid reinsurance premium closing	135,050	119,101	135,050	119,101
Currency translation effect	(2,447)	(1,171)	48	(8,253)
Reinsurance expense	(74,746)	(40,489)	(130,578)	(75,302)
	<b>1,163,177</b>	<b>1,736,785</b>	<b>2,288,519</b>	<b>3,664,062</b>
<b>21.3</b> Individual policies are those underwritten on an individual basis.				
<b>22 Net insurance claims expense</b>				
<b>Parent Company</b>				
Claim paid	2,256,525	2,339,146	4,762,831	5,416,708
Outstanding claims including IBNR closing	12,627,240	11,641,695	12,627,240	11,641,695
Outstanding claims including IBNR opening	(10,242,473)	(11,191,266)	(10,768,040)	(10,367,347)
Currency translation effect	(170,953)	(40,650)	84,267	(514,150)
Claims expense	4,470,339	2,748,925	6,706,298	6,176,906
Reinsurance and other recoveries received	(673,003)	(982,050)	(1,509,233)	(2,020,193)
Reinsurance and other recoveries in respect of outstanding claims closing	(8,059,933)	(6,583,565)	(8,059,933)	(6,583,565)
Reinsurance and other recoveries in respect of outstanding claims opening	5,898,472	6,523,405	6,192,571	6,233,348
Currency translation effect	74,846	17,495	(38,965)	260,831
Reinsurance and other recoveries revenue	(2,759,618)	(1,024,715)	(3,415,560)	(2,109,579)
	<b>1,710,721</b>	<b>1,724,210</b>	<b>3,290,738</b>	<b>4,067,327</b>
<b>22.1 &amp; 22.2</b>				
<b>Subsidiary Company</b>				
<b>Gross claims</b>				
Claim under individual policies				
- by death	180,908	32,496	351,217	154,511
- by insured event other than death	1,984	400	3,609	1,100
- by maturity	495,583	618,366	702,044	785,941
- by surrender	1,235,876	646,867	2,982,527	1,881,592
Total gross individual policy claims	1,914,351	1,298,129	4,039,397	2,823,144
Claims under group policies				
- by death	119,407	111,183	247,988	223,570
- by insured event other than death	3,378	(1,497)	4,225	3,472
Total gross group policy claims	122,785	109,686	252,213	227,042
Claim related expenses	2,015	204	4,502	1,979
<b>Total gross claims</b>	<b>2,039,151</b>	<b>1,408,019</b>	<b>4,296,112</b>	<b>3,052,165</b>
<b>Less: Reinsurance recoveries</b>				
- on individual claims	56,430	(2,376)	72,229	31,769
- on group claims	87,152	79,907	175,464	160,425
	143,582	77,531	247,693	192,194
	1,895,569	1,330,488	4,048,419	2,859,971
	<b>3,606,290</b>	<b>3,054,698</b>	<b>7,339,157</b>	<b>6,927,298</b>



## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

Note	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>Rupees in thousand</b>				
<b>22.1 Net insurance claims expense - Business underwritten inside Pakistan</b>				
Claim paid	1,242,361	1,050,321	2,758,024	2,188,705
Outstanding claims including IBNR closing	6,926,367	5,057,585	6,926,367	5,057,585
Outstanding claims including IBNR opening	(4,750,466)	(4,507,781)	(4,920,475)	(4,398,967)
Claim expense	3,418,262	1,600,125	4,763,916	2,847,323
Reinsurance and other recoveries received	(274,838)	(428,128)	(778,083)	(572,528)
Reinsurance and other recoveries in respect of outstanding claims closing	(5,535,861)	(3,410,063)	(5,535,861)	(3,410,063)
Reinsurance and other recoveries in respect of outstanding claims opening	3,462,096	3,114,792	3,526,278	2,948,471
Reinsurance and other recoveries revenue	(2,348,603)	(723,399)	(2,787,666)	(1,034,120)
	<b>1,069,659</b>	<b>876,726</b>	<b>1,976,250</b>	<b>1,813,203</b>
<b>22.2 Net insurance claims expense - Business underwritten outside Pakistan</b>				
Claim Paid	1,014,164	1,288,825	2,004,807	3,228,003
Outstanding claims including IBNR closing	5,700,873	6,584,110	5,700,873	6,584,110
Outstanding claims including IBNR opening	(5,492,007)	(6,683,485)	(5,847,565)	(5,968,380)
Currency translation effect	(170,953)	(40,650)	84,267	(514,150)
Claim expense	1,052,077	1,148,800	1,942,382	3,329,583
Reinsurance and other recoveries received	(398,165)	(553,922)	(731,150)	(1,447,665)
Reinsurance and other recoveries in respect of outstanding claims closing	(2,524,072)	(3,173,502)	(2,524,072)	(3,173,502)
Reinsurance and other recoveries in respect of outstanding claims opening	2,436,376	3,408,613	2,666,293	3,284,877
Currency translation effect	74,846	17,495	(38,965)	260,831
Reinsurance and other recoveries revenue	(411,015)	(301,316)	(627,894)	(1,075,459)
	<b>641,062</b>	<b>847,484</b>	<b>1,314,488</b>	<b>2,254,124</b>

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

## For Six Months Period Ended 30 June 2021

Note	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>Rupees in thousand</b>				
<b>23 Net commission and other acquisition costs</b>				
<b>Parent Company</b>				
Commission paid or payable	513,599	598,965	1,166,198	1,180,699
Deferred commission expense opening	867,149	1,197,363	731,319	1,190,146
Deferred commission expense closing	(911,257)	(1,192,418)	(911,257)	(1,192,418)
Currency translation effect	20,844	1,532	(5,212)	65,669
Net commission	490,335	605,442	981,048	1,244,096
Commission received or recoverable	(167,197)	(154,240)	(260,287)	(240,617)
Unearned reinsurance commission opening	(205,766)	(201,121)	(245,318)	(237,751)
Unearned reinsurance commission closing	242,641	199,721	242,641	199,721
Currency translation effect	(123)	8	70	(260)
Commission from reinsurance	(130,445)	(155,632)	(262,894)	(278,907)
	<b>359,890</b>	<b>449,810</b>	<b>718,154</b>	<b>965,189</b>
	<b>23.1 &amp; 23.2</b>			
<b>Subsidiary Company</b>				
Remuneration to insurance / takaful intermediaries on individual policies:				
- Commission on first year contribution / premium	371,461	138,335	739,480	476,831
- Commission on second year contribution / premium	17,019	30,933	55,108	65,340
- Commission on subsequent years renewal contribution / premium	34,903	25,202	69,767	53,118
- Commission on single contribution / premium	41,795	7,603	80,564	25,866
- Other benefits to insurance intermediaries	122,257	61,029	207,262	157,529
	587,435	263,102	1,152,181	778,684
Remuneration to insurance intermediaries on group policies:				
- Commission	4,036	3,444	14,569	24,118
- Other benefits to insurance intermediaries	332	1,409	1,139	1,887
	4,368	4,853	15,708	26,005
Other acquisition costs	172,022	143,703	362,221	265,830
	763,825	411,658	1,530,110	1,070,519
	1,123,715	861,468	2,248,264	2,035,708
<b>23.1 Net commission and other acquisition costs - Business underwritten inside Pakistan</b>				
Commission paid or payable	274,433	307,625	513,358	508,389
Deferred commission expense opening	273,882	295,578	285,324	352,673
Deferred commission expense closing	(307,507)	(400,172)	(307,507)	(400,172)
Net commission	240,808	203,031	491,175	460,890
Commission received or recoverable	(165,743)	(152,749)	(257,590)	(236,579)
Unearned reinsurance commission opening	(201,575)	(197,095)	(240,971)	(236,381)
Unearned reinsurance commission closing	239,650	195,331	239,650	195,331
Commission from reinsurance	(127,668)	(154,513)	(258,911)	(277,629)
	113,140	48,518	232,264	183,261
<b>23.2 Net commission and other acquisition costs - Business underwritten outside Pakistan</b>				
Commission paid or payable	239,166	291,340	652,840	672,310
Deferred commission expense opening	593,267	901,785	445,995	837,473
Deferred commission expense closing	(603,750)	(792,246)	(603,750)	(792,246)
Currency translation effect	20,844	1,532	(5,212)	65,669
Net commission	249,527	402,411	489,873	783,206
Commission received or recoverable	(1,454)	(1,491)	(2,697)	(4,038)
Unearned reinsurance commission opening	(4,191)	(4,026)	(4,347)	(1,370)
Unearned reinsurance commission closing	2,991	4,390	2,991	4,390
Currency translation effect	(123)	8	70	(260)
Commission from reinsurance	(2,777)	(1,119)	(3,983)	(1,278)
	246,750	401,292	485,890	781,928

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

## For Six Months Period Ended 30 June 2021

	For three month period ended		For six month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>24 Investment income</b>	<b>Rupees in thousand</b>			
<b>Business underwritten Inside Pakistan</b>				
<b>Income from equity securities</b>				
<b>Dividend Income</b>				
- Available for sale	365,525	319,351	1,321,148	670,443
- Fair value through profit or loss	163,992	163,452	332,838	242,156
	<b>529,517</b>	<b>482,803</b>	<b>1,653,986</b>	<b>912,599</b>
<b>Income from debt securities</b>				
<b>Return on debt securities</b>				
- Fair value through profit or loss	65,546	109,210	134,737	230,119
- Held to maturity	-	-	-	-
	<b>65,546</b>	<b>109,210</b>	<b>134,737</b>	<b>230,119</b>
<b>Return on government securities</b>				
- Available for Sale	6,432	12,351	15,742	25,346
- Fair value through profit or loss	405,134	361,303	761,063	794,160
- Held to maturity	12,393	8,519	20,331	21,705
	<b>423,959</b>	<b>382,173</b>	<b>797,136</b>	<b>841,211</b>
<b>Income from term deposit receipts</b>				
- Held to maturity	114,675	77,376	206,503	224,048
	<b>114,675</b>	<b>77,376</b>	<b>206,503</b>	<b>224,048</b>
Tax on dividend under final tax regime	(27,158)	(1,337)	(44,797)	(1,347)
	<b>(27,158)</b>	<b>(1,337)</b>	<b>(44,797)</b>	<b>(1,347)</b>
<b>Net realized fair value gains on investments</b>				
<b>Available for sale</b>				
- Equity securities	5,421	-	5,421	3,533
- Government securities	(3)	-	(3)	-
	<b>5,418</b>	<b>-</b>	<b>5,418</b>	<b>3,533</b>
<b>Fair value through profit or loss</b>				
- Equity securities	118,672	(318,295)	480,373	(400,482)
- Debt securities	-	(222)	6,331	(222)
- Government securities	6,668	200,559	(33,314)	282,861
	<b>125,340</b>	<b>(117,958)</b>	<b>453,390</b>	<b>(117,843)</b>
Reversal of / (provision for) impairment in value of 'available-for-sale' investments	223,096	(203,239)	223,096	(203,239)
	<b>1,460,393</b>	<b>729,028</b>	<b>3,429,469</b>	<b>1,889,081</b>
<b>Business underwritten Outside Pakistan</b>				
<b>Income from equity securities</b>				
<b>Dividend income</b>				
- Available for Sale	74	40	143	94
	<b>74</b>	<b>40</b>	<b>143</b>	<b>94</b>
<b>Net realized gains on investments</b>				
- Available for Sale	-	-	-	191
	<b>-</b>	<b>-</b>	<b>-</b>	<b>191</b>
<b>Return on term deposits</b>				
- Held to maturity	26,310	40,491	59,679	82,711
	<b>26,310</b>	<b>40,491</b>	<b>59,679</b>	<b>82,711</b>
	<b>26,384</b>	<b>40,531</b>	<b>59,822</b>	<b>82,996</b>
<b>Total investment income</b>	<b>1,486,777</b>	<b>769,559</b>	<b>3,489,291</b>	<b>1,972,077</b>

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

	For three months period ended		For six months period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Rupees in thousand			
<b>25 Earnings per share - basic and diluted</b>				
There is no dilutive effect on the basic earnings per share which is based on:				
Profit after tax for the period attributable to ordinary shareholders	<b>706,066</b>	410,132	<b>1,680,297</b>	900,717
	Number of shares		Number of shares	
Weighted average number of ordinary shares outstanding	<b>350,000,000</b>	350,000,000	<b>350,000,000</b>	350,000,000
	Rupees		Rupees	
Earnings per share - basic and diluted	<b>2.02</b>	1.17	<b>4.80</b>	2.57

## 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 these 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 statements. Other transactions with related parties are summarized as follows:

	For six months period ended	
	30 June 2021	30 June 2020
	Rupees in thousand	
<b>Parent Company</b>		
<b>i) Transactions</b>		
Premiums underwritten	<b>732,834</b>	708,012
Premiums received	<b>613,908</b>	587,676
Claims paid	<b>294,114</b>	322,950
Security deposit received	<b>5,096</b>	-
Commission Paid	<b>9,495</b>	18,859
Rent paid	<b>4,590</b>	6,085
Rent received	<b>20,048</b>	7,776
Loan obtained	-	178,609
Loan repaid	<b>44,652</b>	-
Interest on loan paid	<b>835</b>	-
Dividends received	<b>828,220</b>	406,532
Dividends paid	<b>88,577</b>	106,292
Income on bank deposits	<b>21,482</b>	52,910
Investments made	<b>1,213,180</b>	50,000
Fee / service charges paid	<b>4,458</b>	4,739
Fee / service charges / expenses received / receivable	<b>14,256</b>	-
Charge in respect of gratuity expense	<b>15,749</b>	18,064
Contribution to Employees' Provident Fund	<b>18,490</b>	17,597
Compensation paid to Key management personnel	<b>653,773</b>	686,558

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	Rupees in thousand	
<b>ii) Period end balances</b>		
Balances receivable	306,537	206,040
Balances payable	270,861	313,285
Loan Payable	127,551	166,367
Cash and bank balances including term deposits	1,807,508	1,682,250
Payable to Staff Gratuity Fund	148,622	132,874
	<u>For six month period ended</u>	
	<u>30 June</u> 2021	<u>30 June</u> 2020
	Rupees in thousand	
<b>Subsidiary Company</b>		
<b>i) Transactions</b>		
<b>Associated undertakings</b>		
Premium written	31,343	18,328
Claims expense	86,133	71,946
Commission and other incentives in respect of bancassurance	801,510	529,845
Profit on bank deposits	162,446	59,226
Bank charges	1,343	940
Investments purchased	5,119,305	2,011,890
Investments sold	5,363,335	2,081,036
Dividend income	99,757	145,077
Reinsurance claim recoveries	-	-
Reinsurance premium ceded	-	-
<b>Other related parties</b>		
Premium written	5,401	4,699
Claims expense	6,000	1,379
Investment advisor fee	18,606	12,173
Trustee fee	4,613	5,038
<b>Transactions with key management personnel</b>		
Premium written	351	50
<b>Staff Retirement Benefit Plan (Gratuity Fund)</b>		
Charge for the period	21,919	21,033

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

	<u>(Unaudited)</u> 30 June 2021	<u>(Audited)</u> 31 December 2020
	Rupees in thousand	
<b>ii) Period end balances</b>		
<b>Associated undertakings</b>		
Premium due but unpaid	10,717	7,985
Bank deposits	1,833,244	3,306,935
Investments held	7,761,062	7,868,307
Dividend receivables	818	-
Accrued Income	1,907	593
Commission payable	234,634	453,358
Claims payable	1,132	33,107
Reinsurance receivable	-	-
<b>Other related parties</b>		
Premium due but unpaid	190	146
Remuneration payable for the management of discretionary investment portfolio	2,712	1,849
Remuneration payable to trustee	813	968
Other receivable / (payable)	(213)	16,694
<b>Staff Retirement Benefit Plan (Gratuity Fund)</b>		
Payable to Gratuity fund	21,975	112,349

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 2021

## 27 Segment Information

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

Six month period ended 30 June 2021														Life Insurance	Aggregate
General Insurance												Aggregate General Insurance			
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total					
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Aggregate General Insurance			
Rupees in thousands															
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,971,440	12,917	661,808	16,567	1,770,782	3,017,578	1,204,174	249,604	681,621	3,681	8,289,725	3,300,347	11,590,072	9,550,263	21,140,335
Less: Federal excise duty / VAT	(501,326)	(764)	(75,403)	(823)	(212,140)	(143,694)	(8,394)	(11,886)	(58,192)	(175)	(855,455)	(157,242)	(1,012,797)	-	(1,012,797)
Federal insurance fee	(32,631)	(20)	(5,859)	(9)	(15,581)	-	(12,060)	-	(6,324)	-	(72,455)	(29)	(72,484)	-	(72,484)
	3,437,483	12,133	580,546	15,735	1,543,061	2,873,884	1,183,720	237,718	617,005	3,506	7,361,815	3,142,976	10,504,791	9,550,263	20,055,054
Gross written premium (Inclusive of administrative surcharge)	3,437,483	12,133	580,546	15,735	1,543,061	2,873,884	1,183,720	237,718	617,005	3,506	7,361,815	3,142,976	10,504,791	9,550,263	20,055,054
Gross direct premium	3,411,778	12,101	565,737	15,735	1,486,466	2,867,531	1,182,679	237,718	612,006	3,493	7,258,686	3,136,578	10,395,244	9,550,263	19,945,507
Facultative inward premium	17,946	-	94	-	-	-	-	-	-	-	18,040	-	18,040	-	18,040
Administrative surcharge	7,759	32	14,715	-	56,585	6,353	1,041	-	4,999	13	85,109	6,398	91,507	-	91,507
	3,437,483	12,133	580,546	15,735	1,543,061	2,873,884	1,183,720	237,718	617,005	3,506	7,361,815	3,142,976	10,504,791	9,550,263	20,055,054
Insurance premium earned	3,594,274	10,181	517,490	11,376	1,421,336	2,289,660	950,685	103,407	619,513	4,473	7,103,298	2,419,097	9,522,395	9,550,263	19,072,658
Insurance premium ceded to reinsurers	(3,154,549)	(6,991)	(89,335)	-	(30,571)	(71,243)	-	(48,674)	(273,126)	(3,670)	(3,547,581)	(130,578)	(3,678,159)	(225,633)	(3,903,792)
Net insurance premium	439,725	3,190	428,155	11,376	1,390,765	2,218,417	950,685	54,733	346,387	803	3,555,717	2,288,519	5,844,236	9,324,630	15,168,866
Commission income	216,754	1,623	452	-	1,948	-	-	1,212	39,757	1,148	258,911	3,983	262,894	-	262,894
<b>Net underwriting income</b>	<b>656,479</b>	<b>4,813</b>	<b>428,607</b>	<b>11,376</b>	<b>1,392,713</b>	<b>2,218,417</b>	<b>950,685</b>	<b>55,945</b>	<b>386,144</b>	<b>1,951</b>	<b>3,814,628</b>	<b>2,292,502</b>	<b>6,107,130</b>	<b>9,324,630</b>	<b>15,431,760</b>
Insurance claims	(2,739,516)	65,447	(167,947)	(1,201)	(700,209)	(1,943,647)	(805,966)	(63,964)	(350,278)	983	(4,763,916)	(1,942,382)	(6,706,298)	(4,296,112)	(11,002,410)
Insurance claim recoveries from reinsurer	2,572,710	(54,077)	(27,883)	-	19,271	636,831	-	45,189	223,568	(49)	2,787,666	627,894	3,415,560	247,693	3,663,253
Net claims	(166,806)	11,370	(195,830)	(1,201)	(680,938)	(1,306,816)	(805,966)	(18,775)	(126,710)	934	(1,976,250)	(1,314,488)	(3,290,738)	(4,048,419)	(7,339,157)
Commission expense	(215,041)	(1,253)	(74,432)	(2,449)	(111,137)	(478,824)	(30,312)	(7,137)	(60,253)	(210)	(491,175)	(489,873)	(981,048)	(1,530,110)	(2,511,158)
Management expense	(197,751)	(470)	(200,900)	(3,564)	(476,836)	(407,569)	(66,761)	(16,148)	(103,877)	(161)	(1,046,125)	(427,912)	(1,474,037)	(519,613)	(1,993,650)
Net insurance claims and expenses	(579,598)	9,647	(471,162)	(7,214)	(1,268,911)	(2,193,209)	(903,039)	(42,060)	(290,840)	563	(3,513,550)	(2,232,273)	(5,745,823)	(6,098,142)	(11,843,965)
Net change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,178,940)	(5,178,940)
<b>Underwriting result</b>	<b>76,881</b>	<b>14,460</b>	<b>(42,555)</b>	<b>4,162</b>	<b>123,802</b>	<b>25,208</b>	<b>47,646</b>	<b>13,885</b>	<b>95,304</b>	<b>2,514</b>	<b>301,078</b>	<b>60,229</b>	<b>361,307</b>	<b>(1,952,452)</b>	<b>(1,591,145)</b>
Net investment income											1,575,744	59,822	1,635,566	1,853,725	3,489,291
Net fair value loss on financial assets at fair value through profit or loss											-	-	-	31,875	31,875
Net unrealized loss on investment property											-	-	-	42,000	42,000
Rental income											35,161	852	36,013	-	36,013
Other income											34,002	25,682	59,684	170,513	230,197
Other expenses											(17,704)	(6,494)	(24,198)	(5,787)	(29,985)
Finance Cost											(8,437)	(1,430)	(9,867)	(3,253)	(13,120)
Profit from Window Takaful Operations											72,655	-	72,655	-	72,655
<b>Profit before tax</b>											<b>1,992,499</b>	<b>136,661</b>	<b>2,131,160</b>	<b>136,621</b>	<b>2,267,781</b>

30 June 2021														Aggregate Life Insurance	Aggregate
General Insurance												Aggregate General Insurance			
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total					
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Aggregate General Insurance			
Rupees in thousands															
Segment Assets	9,160,912	29,457	600,545	8,347	1,398,600	4,090,157	849,208	261,008	2,050,828	16,750	14,060,093	4,405,719	18,465,812	54,386,978	72,852,790
Unallocated assets											26,760,378	7,271,388	34,031,766	972,426	35,004,192
											<b>40,820,471</b>	<b>11,677,107</b>	<b>52,497,578</b>	<b>55,359,404</b>	<b>107,856,982</b>
Segment Liabilities	9,688,995	33,147	825,214	28,575	2,760,611	8,678,123	1,947,605	288,429	2,439,270	18,780	17,661,695	9,047,054	26,708,749	53,269,974	79,978,723
Unallocated Liabilities											3,652,488	586,453	4,238,921	460,565	4,699,486
											<b>21,314,163</b>	<b>9,633,507</b>	<b>30,947,670</b>	<b>53,730,539</b>	<b>84,678,209</b>

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

## For Six Months Period Ended 30 June 2021

### 27.1 Segment Information

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

Six month period ended 30 June 2020														Life Insurance	Aggregate
General Insurance												Aggregate General Insurance			
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total					
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan				
Rupees in thousands															
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,891,102	13,441	573,438	10,839	1,492,284	3,031,053	1,078,887	41,763	616,273	5,766	7,651,984	3,102,862	10,754,846	6,055,725	16,810,571
Less: Federal excise duty / VAT	(488,410)	(779)	(64,185)	(55)	(178,339)	(144,336)	(10,399)	(1,989)	(54,455)	(313)	(795,788)	(147,472)	(943,260)	-	(943,260)
Federal insurance fee	(33,033)	(18)	(5,043)	(11)	(13,123)	-	(10,740)	-	(6,090)	(5)	(68,029)	(34)	(68,063)	-	(68,063)
	3,369,659	12,644	504,210	10,773	1,300,822	2,886,717	1,057,748	39,774	555,728	5,448	6,788,167	2,955,356	9,743,523	6,055,725	15,799,248
Gross written premium (inclusive of administrative surcharge)	3,369,659	12,644	504,210	10,773	1,300,822	2,886,717	1,057,748	39,774	555,728	5,448	6,788,167	2,955,356	9,743,523	6,055,725	15,799,248
Gross direct premium	3,358,570	12,606	493,683	10,773	1,252,021	2,882,985	1,056,989	39,774	551,375	5,443	6,712,638	2,951,581	9,664,219	6,055,725	15,719,944
Facultative inward premium	2,630	-	230	-	-	-	-	-	-	-	2,860	-	2,860	-	2,860
Administrative surcharge	6,459	38	10,297	-	48,801	3,732	759	-	4,353	5	72,669	3,775	76,444	-	76,444
	3,369,659	12,644	504,210	10,773	1,300,822	2,886,717	1,057,748	39,774	555,728	5,448	6,788,167	2,955,356	9,743,523	6,055,725	15,799,248
Insurance premium earned	3,535,624	16,309	387,836	10,780	1,378,234	3,697,941	919,933	7,824	902,787	6,510	7,124,414	3,739,364	10,863,778	6,055,725	16,919,503
Insurance premium ceded to reinsurers	(3,134,753)	(11,837)	(103,990)	-	(24,727)	(47,359)	-	(12,134)	(456,505)	(3,972)	(3,719,975)	(75,302)	(3,795,277)	(222,702)	(4,017,979)
Net insurance premium	400,871	4,472	283,846	10,780	1,353,507	3,650,582	919,933	(4,310)	446,282	2,538	3,404,439	3,664,062	7,068,501	5,833,023	12,901,524
Commission income	223,468	791	321	-	2,282	-	284	-	51,578	223	277,629	1,278	278,907	-	278,907
Net underwriting income	624,339	5,263	284,167	10,780	1,355,769	3,650,582	919,933	(4,046)	497,860	2,761	3,682,068	3,665,340	7,347,408	5,833,023	13,180,431
Insurance claims	(990,079)	(95,756)	(229,362)	2,272	(522,729)	(3,217,762)	(666,082)	(19,006)	(439,071)	689	(2,847,323)	(3,329,583)	(6,176,906)	(3,052,165)	(9,229,071)
Insurance claim recoveries from reinsurer	702,912	26,482	37,561	-	48,471	1,034,340	-	14,505	245,176	152	1,034,120	1,075,459	2,109,579	192,194	2,301,773
Net claims	(287,167)	(69,274)	(191,801)	2,272	(474,258)	(2,183,422)	(666,082)	(4,501)	(193,895)	821	(1,813,203)	(2,254,124)	(4,067,327)	(2,859,971)	(6,927,298)
Commission expense	(218,837)	(1,194)	(56,570)	(845)	(90,769)	(779,874)	(25,216)	(891)	(69,498)	(402)	(460,890)	(783,206)	(1,244,096)	(1,070,519)	(2,314,615)
Management expense	(173,672)	(556)	(154,728)	(4,065)	(487,708)	(458,199)	(62,306)	(7,747)	(129,943)	(253)	(1,008,357)	(470,820)	(1,479,177)	(410,584)	(1,889,761)
Net insurance claims and expenses	(679,676)	(71,044)	(403,099)	(2,638)	(1,052,735)	(3,421,495)	(753,604)	(13,139)	(393,336)	166	(3,282,450)	(3,506,150)	(6,790,600)	(4,341,074)	(11,131,674)
Net change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,516,943)	(1,516,943)
Underwriting result	(55,337)	(65,781)	(118,932)	8,142	303,034	229,087	166,329	(17,185)	104,524	2,927	399,618	157,190	556,808	(24,994)	531,814
Net investment income											498,805	82,996	581,801	1,390,276	1,972,077
Net fair value loss on financial assets at fair value through profit or loss											-	-	-	(1,444,546)	(1,444,546)
Net unrealized loss on investment property											-	-	-	(21,000)	(21,000)
Rental income											31,498	979	32,477	-	32,477
Other income											65,099	34,873	99,972	171,549	271,521
Other expenses											(28,899)	(6,305)	(35,204)	(5,621)	(40,825)
Finance Cost											(791)	(2,057)	(2,848)	(3,107)	(5,955)
Profit from Window Takatful Operations											87,036	-	87,036	-	87,036
Profit before tax											1,062,366	267,676	1,320,042	62,557	1,382,599

31 December 2020														Aggregate Life Insurance	Aggregate
General Insurance												Aggregate General Insurance			
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total					
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan				
Rupees in thousands															
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	49,580,853	64,571,757
Unallocated assets											26,777,697	6,594,548	33,372,245	1,117,992	34,490,237
											37,470,345	10,892,804	48,363,149	50,698,845	99,061,994
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	48,555,896	71,366,067
Unallocated Liabilities											3,823,993	641,246	4,465,239	592,926	5,058,165
											18,231,873	9,043,537	27,275,410	49,148,822	76,424,232



# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 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 company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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

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

	Note	30 June 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
Rupees in thousand												
<b>Financial assets - measured at fair value</b>												
Investment												
Equity securities- quoted	10	15,741,663	-	16,013,275	-	-	31,754,938	31,754,938	-	-	-	31,754,938
Equity securities- unquoted	10	3,516,392	-	-	-	-	3,516,392	-	-	3,516,392	-	3,516,392
Debt securities	11	521,329	374,263	12,602,731	-	-	13,498,323	-	13,498,323	-	-	13,498,323
Investments of Window Takaful Operations - Operator's Fund	17	36,943	-	-	-	-	36,943	36,943	-	-	-	36,943
<b>Financial assets - not measured at fair value</b>												
Loans and other receivables *	13	-	-	-	1,303,464	-	1,303,464	-	-	-	-	-
Loan secured against life insurance policies*		-	-	-	37,465	-	37,465	-	-	-	-	-
Investment - Term deposits*	12	-	19,685,261	-	-	-	19,685,261	-	-	-	-	-
Insurance / reinsurance receivables												
- unsecured and considered good *	14	-	-	-	6,530,105	-	6,530,105	-	-	-	-	-
Reinsurance recoveries against outstanding claims *		-	-	-	7,765,469	-	7,765,469	-	-	-	-	-
Salvage recoveries accrued *		-	-	-	294,464	-	294,464	-	-	-	-	-
Prepayments *	15	-	-	-	3,473,582	-	3,473,582	-	-	-	-	-
Cash and bank *	16	-	-	-	-	11,745,815	11,745,815	-	-	-	-	-
Other Assets of Window Takaful Operations - Operator's Fund*	17	-	-	-	298,883	272,518	571,401	-	-	-	-	-
		19,816,327	20,059,524	28,616,006	19,703,432	12,018,333	100,213,622	31,791,881	13,498,323	3,516,392	-	48,806,596
<b>Financial liabilities - not measured at fair value</b>												
Underwriting provisions:												
Outstanding claims (including IENR)*	22	-	-	-	-	-	12,627,240	12,627,240	-	-	-	-
Insurance / reinsurance payables *		-	-	-	-	-	4,085,282	4,085,282	-	-	-	-
Other creditors and accruals*	19	-	-	-	-	-	2,163,464	2,163,464	-	-	-	-
Deposits and other liabilities*		-	-	-	-	-	562,399	562,399	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*	17	-	-	-	-	-	243,964	243,964	-	-	-	-
		-	-	-	-	-	19,682,349	19,682,349	-	-	-	-

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

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) For Six Months Period Ended 30 June 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 company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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

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

		31 December 2020										
		Available for sale	Held to maturity	Fair value through P&L	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand										
Financial assets - measured at fair value												
Investment												
	10	15,729,664	-	15,649,876	-	-	-	31,379,540	31,379,540	-	-	31,379,540
	10	3,484,209	-	-	-	-	-	3,484,209	-	-	3,484,209	3,484,209
	11	790,268	374,331	14,125,567	-	-	-	15,290,166	-	15,290,166	-	15,290,166
	17	35,873	-	-	-	-	-	35,873	35,873	-	-	35,873
Financial assets - not measured at fair value												
	13	-	-	-	985,744	-	-	985,744	-	-	-	-
		-	-	-	29,912	-	-	29,912	-	-	-	-
	12	-	13,891,062	-	-	-	-	13,891,062	-	-	-	-
	14	-	-	-	4,991,328	-	-	4,991,328	-	-	-	-
		-	-	-	5,922,296	-	-	5,922,296	-	-	-	-
		-	-	-	270,275	-	-	270,275	-	-	-	-
	15	-	-	-	3,468,952	-	-	3,468,952	-	-	-	-
	16	-	-	-	-	11,267,096	-	11,267,096	-	-	-	-
	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:												
	22	-	-	-	-	-	10,768,040	10,768,040	-	-	-	-
		-	-	-	-	-	3,161,519	3,161,519	-	-	-	-
		-	-	-	-	-	330,849	330,849	-	-	-	-
	19	-	-	-	-	-	2,584,843	2,584,843	-	-	-	-
		-	-	-	-	-	570,776	570,776	-	-	-	-
	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 Statements (Un-audited) For Six Months Period Ended 30 June 2021

## 29 Date of authorization for issue

These consolidated condensed interim financial statements were authorized for issue on August 26, 2021 by the Board of Directors of the Parent Company.

## 30 Impact of Covid - 19 on Operations

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

## 31 Non - adjusting events after balance sheet date

The Board of Directors of the Parent Company in their meeting held on August 26, 2021 proposed an interim cash dividend for the six month period ended 30 June 2021 @ 15% i.e. Rupees 1.5/- per share (30 June 2020 @ 12.5 % i.e. Rupee 1.25/- per share). These consolidated condensed interim financial statements for the six month period ended 30 June 2021 do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending 31 December 2021.

The Board of Directors of the Parent Company in their meeting held on August 13, 2021 has decided to make investment of Rs. 1,564.47 million in Adamjee Life Assurance Company Limited, a wholly owned subsidiary, by subscribing 156,447,673 right shares offered by the Subsidiary Company at par value of Rs. 10/- each.


## 32 General

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

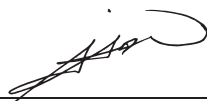
32.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.



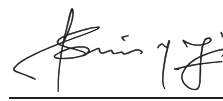
Umer Mansha  
Chairman



Muhammad Arif Hameed  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# WINDOW TAKAFUL OPERATIONS

SIX MONTHS ENDED 30 JUNE 2021



# Independent Auditor's Review Report

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

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Adamjee Insurance Company Limited – Window Takaful Operations** (the operator) as at June 30, 2021 and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in shareholders equity and participants' takaful fund, condensed interim cash flow statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the three months period ended June 30, 2021 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six month period ended June 30, 2021.

### Scope of Review

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

### Conclusion

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

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



Chartered Accountants

Lahore

Date: 26 August 2021

# Condensed Interim Statement of Financial Position (Unaudited)

## As at 30 June 2021

	Note	Operator's Takaful Fund		Participants' Takaful Fund	
		June 30	December 31	June 30	December 31
		2021	2020	2021	2020
		Rupees in thousand		Rupees in thousand	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>ASSETS</b>					
<b>Qard-e-Hasna to Participants' Takaful Fund</b>					
		146,460	146,460	-	-
Property and equipment	7	22,520	20,793	-	-
Intangible assets	8	10,153	12,421	-	-
Investments					
Equity securities	9	36,943	35,873	51,869	50,614
Debt securities	10	-	-	125,000	125,000
Loans and other receivables	11	7,640	7,411	45,111	27,650
Takaful / re - takaful receivables	12	-	-	495,119	384,445
Re - takaful recoveries against outstanding claims		-	-	197,372	279,132
Salvage recoveries accrued		-	-	48,720	35,986
Wakala and mudarib fee receivable		94,393	116,783	-	-
Deferred commission expense	21	46,108	39,961	-	-
Prepayments	13	4,282	-	90,594	104,047
Cash and bank	14	272,518	209,446	394,703	552,900
		494,557	442,688	1,448,488	1,559,774
<b>TOTAL ASSETS</b>		<b>641,017</b>	<b>589,148</b>	<b>1,448,488</b>	<b>1,559,774</b>
<b>FUNDS AND LIABILITIES</b>					
<b>Funds attributable to Operator's and Participants'</b>					
<b>Operator's Takaful Fund</b>					
Statutory fund		50,000	50,000	-	-
Reserves		-	883	-	-
Unappropriated profit		347,053	295,468	-	-
		397,053	346,351	-	-
<b>Waqf / Participants' Takaful Fund</b>					
Ceded money		-	-	500	500
Reserves		-	-	39	436
Accumulated surplus		-	-	197,854	172,580
		-	-	198,393	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	-	-	427,539	558,082
Unearned contribution reserve	18	-	-	425,806	421,449
Unearned retakaful rebate	19	-	-	14,649	17,183
Contribution deficiency reserve		-	-	20,262	-
Retirement benefit obligations		3,878	3,878	-	-
Deferred taxation		147	527	16	178
Contribution received in advance		-	-	37,353	11,037
Takaful / re - takaful payables	15	-	-	40,729	79,436
Wakala and mudarib fee payable		-	-	94,393	116,783
Unearned wakala fee	22	188,574	178,766	-	-
Other creditors and accruals	16	46,069	54,168	42,888	35,650
Taxation - provision less payments		5,296	5,458	-	-
<b>Total Liabilities</b>		<b>243,964</b>	<b>242,797</b>	<b>1,103,635</b>	<b>1,239,798</b>
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>641,017</b>	<b>589,148</b>	<b>1,448,488</b>	<b>1,559,774</b>
<b>Contingencies and commitments</b>	17				

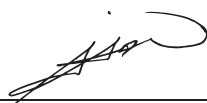
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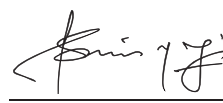
Umer Mansha  
Chairman



Muhammad Arif Hameed  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer

# Condensed Interim Profit and Loss Account (Unaudited)

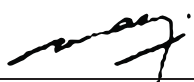
## For the Six Months Period Ended 30 June 2021

Note	For three months period ended		For six months period ended	
	June 30	June 30	June 30	June 30
	2021	2020	2021	2020
	Rupees in thousand		Rupees in thousand	
<b>PARTICIPANTS' TAKAFUL FUND - REVENUE ACCOUNT</b>				
Contributions earned	242,417	260,989	487,830	516,829
Contributions ceded to retakaful	(79,012)	(70,971)	(161,205)	(141,915)
<b>Net contribution revenue</b>	<b>163,405</b>	<b>190,018</b>	<b>326,625</b>	<b>374,914</b>
Retakaful rebate earned	14,019	13,219	28,333	25,677
<b>Net underwriting income</b>	<b>177,424</b>	<b>203,237</b>	<b>354,958</b>	<b>400,591</b>
Net takaful claims - reported / settled	(119,440)	(184,760)	(294,908)	(333,377)
Charge of contribution deficiency reserve	(20,262)	(25,716)	(20,262)	(25,716)
	(139,702)	(210,476)	(315,170)	(359,093)
Other direct expenses	(15,016)	(14,384)	(32,547)	(30,479)
<b>(Deficit) / surplus before investment income</b>	<b>22,706</b>	<b>(21,623)</b>	<b>7,241</b>	<b>11,019</b>
Investment income	4,871	5,458	7,616	9,947
Other income	5,411	9,009	11,940	20,491
Mudarib's share of investment income	(974)	(1,091)	(1,523)	(1,989)
<b>Surplus transferred to accumulated surplus</b>	<b>32,014</b>	<b>(8,247)</b>	<b>25,274</b>	<b>39,468</b>
<b>OPERATOR'S TAKAFUL FUND - REVENUE ACCOUNT</b>				
Wakala fee	105,536	102,919	206,364	199,242
Commission expense	(31,737)	(23,972)	(63,823)	(52,440)
General, administrative and management expenses	(41,809)	(33,785)	(80,354)	(68,549)
	31,990	45,162	62,187	78,253
Other income	4,394	4,292	8,168	5,190
Mudarib's share of PTF investment income	974	1,989	1,523	1,989
Investment income	2,317	4,354	2,317	3,584
Direct expenses	(770)	(4,537)	(1,540)	(1,980)
<b>Profit before taxation</b>	<b>38,905</b>	<b>51,260</b>	<b>72,655</b>	<b>87,036</b>
Provision for taxation	(11,283)	(14,819)	(21,070)	(25,241)
<b>Profit after taxation</b>	<b>27,622</b>	<b>36,441</b>	<b>51,585</b>	<b>61,795</b>

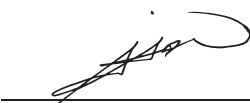
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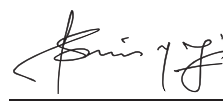
Umer Mansha  
Chairman



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Chief Financial Officer



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Managing Director &  
Chief Executive Officer

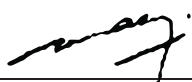
## Condensed Interim Statement of Comprehensive Income (Unaudited) For the Six Months Period Ended 30 June 2021

	For three months period ended		For six months period ended	
	June 30	June 30	June 30	June 30
	2021	2020	2021	2020
	Rupees in thousand		Rupees in thousand	
<b>PARTICIPANTS' TAKAFUL FUND</b>				
Surplus / (deficit) for the period	32,014	(8,247)	25,274	39,468
<b>Other comprehensive income:</b>				
Unrealized losses on available-for-sale investment- Net of tax	(397)	-	(397)	-
<b>Total comprehensive income for the period</b>	<b>31,617</b>	<b>(8,247)</b>	<b>24,877</b>	<b>39,468</b>
<b>OPERATOR'S TAKAFUL FUND</b>				
Profit after taxation	27,622	36,441	51,585	61,795
<b>Other comprehensive income:</b>				
Unrealized losses on available-for-sale investment- Net of tax	(1,261)	(2,027)	(883)	(1,343)
<b>Total comprehensive income for the period</b>	<b>26,361</b>	<b>34,414</b>	<b>50,702</b>	<b>60,452</b>

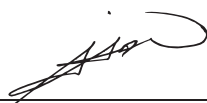
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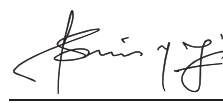
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Chief Financial Officer



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Managing Director &  
Chief Executive Officer



# Condensed Interim Statement of Changes in Funds (Unaudited)

## For the Six Months Period Ended 30 June 2021

	Operator's Takaful Fund			Total
	Statutory fund	Unappropriated profit	Fair value reserve	
<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 June 30, 2020	-	61,795	-	<b>61,795</b>
Other comprehensive income for the period January 01, 2020 to June 30, 2020	-	-	(1,343)	<b>(1,343)</b>
<b>Total comprehensive income for the period</b>	-	61,795	(1,343)	<b>60,452</b>
<b>Balance as at June 30, 2020 - (Unaudited)</b>	50,000	240,858	13	<b>290,871</b>
Profit after tax for the period July 01, 2020 to December 31, 2020	-	54,610	-	<b>54,610</b>
Other comprehensive income for the period July 01, 2020 to December 31, 2020	-	-	870	<b>870</b>
<b>Total comprehensive income for the period</b>	-	54,610	870	<b>55,480</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 June 30, 2021	-	51,585	-	<b>51,585</b>
Other comprehensive income / (loss) for the period January 01, 2021 to June 30, 2021	-	-	(883)	<b>(883)</b>
<b>Total comprehensive income for the period</b>	-	51,585	(883)	<b>50,702</b>
<b>Balance as at June 30, 2021 - (Unaudited)</b>	<u>50,000</u>	<u>347,053</u>	<u>-</u>	<u><b>397,053</b></u>

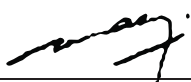
  

	Participants' Takaful Fund			Total
	Ceded money	Accumulated surplus / (deficit)	Fair value reserve	
<b>Balance as at December 31, 2019 - (Audited)</b>	500	80,786	-	<b>81,286</b>
Surplus after tax for the period January 01, 2020 to June 30, 2020	-	39,468	-	<b>39,468</b>
Other comprehensive income for the period January 01, 2020 to June 30, 2020	-	-	-	<b>-</b>
<b>Total comprehensive income for the period</b>	-	39,468	-	<b>39,468</b>
<b>Balance as at June 30, 2020 - (Unaudited)</b>	500	120,254	-	<b>120,754</b>
Surplus after tax for the period July 01, 2020 to December 31, 2020	-	52,326	-	<b>52,326</b>
Other comprehensive income for the period July 01, 2020 to December 31, 2020	-	-	436	<b>436</b>
<b>Total comprehensive income for the period</b>	-	52,326	436	<b>52,762</b>
<b>Balance as at December 31, 2020 - (Audited)</b>	500	172,580	436	<b>173,516</b>
Surplus after tax for the period January 01, 2021 to June 30, 2021	-	25,274	-	<b>25,274</b>
Other comprehensive income for the period January 01, 2021 to June 30, 2021	-	-	(397)	<b>(397)</b>
<b>Total comprehensive income for the period</b>	-	25,274	(397)	<b>24,877</b>
<b>Balance as at June 30, 2021 - (Unaudited)</b>	<u>500</u>	<u>197,854</u>	<u>39</u>	<u><b>198,393</b></u>

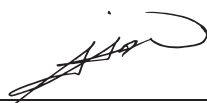
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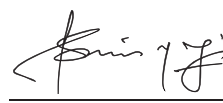
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Chief Executive Officer



# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 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 Six Months Period Ended 30 June 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 June 30, 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 Six Months Period Ended 30 June 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, 2020, 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	
	June 30 2021	December 31 2020
	Rupees in thousand	
	(Unaudited)	(Audited)
	18,793	16,433
7.1	3,457	5,728
	-	-
	(1,730)	(3,368)
	(1,730)	(3,368)
	20,520	18,793
7.2	2,000	2,000
	22,520	20,793
	-	-
	3,457	4,982
	-	298
	-	448
	3,457	5,728

# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 2021

	Operator's Takaful Fund	
	June 30 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.		
<b>8 Intangible assets</b>		
Opening balance - net book value	12,421	17,650
Transfer from Capital work-in-progress	-	-
Addition during the period	110	1,060
Book value of disposal during the period	-	(1,312)
Amortization charged during the period	(2,378)	(4,977)
Closing balance	10,153	12,421

	June 30, 2021			December 31, 2020		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
	Rupees in thousand			Rupees in thousand		
	(Unaudited)			(Audited)		
<b>9 Investments in equity securities</b>						
<b>Operator's Takaful Fund</b>						
<b>Available for sale - Mutual fund</b>						
Meezan Islamic Income Fund [717,818 units (2020: 604,139 units)]	36,943	-	36,943	34,628	-	34,628
Unrealized gain on revaluation			-			1,245
			36,943			35,873
<b>Participants' Takaful Fund</b>						
<b>Available for sale - Mutual fund</b>						
Al Hamra Islamic Income Fund [481,118 units (2020: Nil units)]	51,814	-	51,814	50,000	-	50,000
Unrealized gain on revaluation			55			614
			51,869			50,614

## Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 2021

		Participants' Takaful Fund				
		No. of Certificates		Value of Certificates		
		June 30, 2021	December 31, 2020	Face Value	June 30, 2021	December 31, 2020
				Rupees in thousand		
				(Unaudited)	(Audited)	
<b>10</b>	<b>Investments in debt securities</b>					
	<b>Held - to - maturity</b>					
	<b>Sukuk certificates</b>					
	Engro Polymer & Chemicals Limited	500	500	100,000	50,000	50,000
	The Hub Power Company Limited (HUBCO)	750	750	100,000	75,000	75,000
					<b>125,000</b>	<b>125,000</b>

		Operator's Takaful Fund		Participants' Takaful Fund	
		June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
		Rupees in thousand		Rupees in thousand	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>11</b>	<b>Loans and other receivables - Considered good</b>				
	Sales tax recoverable	823	14	-	-
	Federal excise duty	-	-	29,299	14,770
	Accrued income	1,578	1,339	3,110	3,548
	Loan to employees	2,331	1,160	-	-
	Security deposits	366	366	-	-
	Bid money for tenders	-	-	12,702	9,332
	Advances	2,542	4,532	-	-
		<b>7,640</b>	<b>7,411</b>	<b>45,111</b>	<b>27,650</b>

		Participants' Takaful Fund	
		June 30, 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	343,263	304,220
	Less: provision for impairment of takaful participants' holder	-	-
		<b>343,263</b>	<b>304,220</b>
	Due from other takaful / re - takaful operator's	151,856	80,225
	Less: provision for impairment of due from other takaful / re - takaful operator's	-	-
		<b>151,856</b>	<b>80,225</b>
		<b>495,119</b>	<b>384,445</b>

# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 2021

	Operator's Takaful Fund		Participants' Takaful Fund	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>13 Prepayments</b>				
Prepaid re - takaful contribution ceded	-	-	71,633	83,834
Prepaid monitoring charges (Tracking device)	-	-	18,961	20,213
Prepaid Expense	4,282	-	-	-
	<b>4,282</b>	<b>-</b>	<b>90,594</b>	<b>104,047</b>

	Operator's Takaful Fund		Participants' Takaful Fund	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>14 Cash and bank</b>				
<b>Cash and cash equivalents:</b>				
Policy stamps in hand	200	-	-	-
Cash in hand	-	150	-	-
<b>14.1</b> Saving accounts carry expected profit rates ranging from 3% to 6% (2020: 3% to 8%).				
<b>Current and other accounts:</b>				
Profit or loss accounts	272,318	209,296	394,703	552,900
	<b>272,518</b>	<b>209,446</b>	<b>394,703</b>	<b>552,900</b>

	Participants' Takaful Fund	
	June 30, 2021	December 31, 2020
	Rupees in thousand	
	(Unaudited)	(Audited)
<b>15 Takaful / re - takaful payables</b>		
Due to takaful participants' holders	13,783	11,059
Due to other takaful / re - takaful operator's	26,946	68,377
	<b>40,729</b>	<b>79,436</b>

	Operator's Takaful Fund		Participants' Takaful Fund	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>16 Other creditors and accruals</b>				
Agents commission payable	38,644	39,299	-	-
Federal insurance fee	-	-	3,086	3,522
Income tax deducted at source	3,233	2,066	25,371	21,711
Accrued expenses	2,389	7,423	-	-
Others	1,803	5,380	14,431	10,417
	<b>46,069</b>	<b>54,168</b>	<b>42,888</b>	<b>35,650</b>

# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 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.

	For three months period ended		For six months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>18 Net contribution revenue</b>				
Gross contribution written	309,246	321,553	708,359	821,605
Wakala fee	(93,418)	(92,518)	(216,172)	(234,650)
<b>Contribution net of wakala fee</b>	<b>215,828</b>	<b>229,035</b>	<b>492,187</b>	<b>586,955</b>
Unearned contribution revenue - opening	452,395	479,666	421,449	377,586
Unearned contribution revenue - closing	(425,806)	(447,712)	(425,806)	(447,712)
<b>Contribution earned</b>	<b>242,417</b>	<b>260,989</b>	<b>487,830</b>	<b>516,829</b>
<b>Less:</b>				
Re - takaful contribution ceded	66,036	74,972	149,003	141,151
Prepaid re - takaful contribution ceded - opening	84,608	76,921	83,834	81,686
Prepaid re - takaful contribution ceded - closing	(71,632)	(80,922)	(71,632)	(80,922)
<b>Re - takaful expense</b>	<b>79,012</b>	<b>70,971</b>	<b>161,205</b>	<b>141,915</b>
<b>Net contribution</b>	<b>163,405</b>	<b>190,018</b>	<b>326,625</b>	<b>374,914</b>
<b>19 Re - takaful rebate</b>				
Re - takaful rebate received	10,958	14,680	25,799	26,667
Unearned re - takaful rebate - opening	17,710	15,508	17,183	15,979
Unearned re - takaful rebate - closing	(14,649)	(16,969)	(14,649)	(16,969)
<b>Net re-takaful rebate</b>	<b>14,019</b>	<b>13,219</b>	<b>28,333</b>	<b>25,677</b>
<b>20 Net Takaful Claims</b>				
Claims Paid	142,366	119,269	491,338	303,823
Outstanding claims including IBNR - closing	427,539	650,915	427,539	650,915
Outstanding claims including IBNR - opening	(392,679)	(253,192)	(558,082)	(257,810)
<b>Claim expense</b>	<b>177,226</b>	<b>516,992</b>	<b>360,795</b>	<b>696,928</b>
<b>Less:</b>				
Re - takaful and other recoveries received	3,751	11,438	134,913	57,017
Re - takaful and other recoveries in respect of outstanding claims net of impairment (if any)	246,092	408,870	246,092	408,870
Re - takaful and other recoveries in respect of outstanding claims net of impairment (if any)	(192,057)	(88,076)	(315,118)	(102,336)
<b>Re-takaful and other recoveries revenue</b>	<b>57,786</b>	<b>332,232</b>	<b>65,887</b>	<b>363,551</b>
<b>Net claim expense</b>	<b>119,440</b>	<b>184,760</b>	<b>294,908</b>	<b>333,377</b>
<b>21 Commission Expense</b>				
Commission paid or payable	44,260	17,532	69,970	39,538
Deferred commission - opening	33,585	35,469	39,961	41,931
Deferred commission - closing	(46,108)	(29,029)	(46,108)	(29,029)
<b>Net commission</b>	<b>31,737</b>	<b>23,972</b>	<b>63,823</b>	<b>52,440</b>



## Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 2021

	For three months period ended		For six months period ended	
	Operator's Fund		Operator's Fund	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>22 Wakala Fee</b>				
Gross Wakala fee	93,418	92,518	216,172	234,650
Unearned Wakala fee - Opening	200,692	185,787	178,766	139,978
Unearned Wakala fee - Closing	(188,574)	(175,386)	(188,574)	(175,386)
<b>Net wakala fee</b>	<b>105,536</b>	<b>102,919</b>	<b>206,364</b>	<b>199,242</b>
	For three months period ended		For six months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>23 Management Expenses</b>				
Employee benefit cost	23,643	22,878	46,360	44,771
Depreciation	866	658	1,730	1,304
Amortization	1,189	1,302	2,378	2,603
Advertisement and sales promotion	6,014	-	8,594	-
Rent, rates and taxes	1,014	1,398	2,028	2,032
Communication	458	338	895	682
Legal and professional charges - business related	-	-	-	-
Travelling and conveyance expenses	145	256	320	1,079
Shared expenses	5,023	4,680	9,908	9,546
Entertainment	248	57	826	552
Printing, stationery and postage	183	29	494	215
Annual supervision fee SECP	483	551	967	1,101
Bank charges	28	8	41	18
Repairs and maintenance	463	143	823	1,254
Others	2,052	1,487	4,990	3,392
	<b>41,809</b>	<b>33,785</b>	<b>80,354</b>	<b>68,549</b>
	For three months period ended		For six months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>24 Investment income</b>				
<b>Operator's Takaful Fund</b>				
<b>Profit on</b>				
Mutual funds - Dividend Income	8	24	8	24
Mutual funds - Capital Gain	2,309	3,560	2,309	3,560
	<b>2,317</b>	<b>3,584</b>	<b>2,317</b>	<b>3,584</b>
<b>Participants' Takaful Fund</b>				
<b>Profit on</b>				
Mutual funds - Dividend Income	2,135	-	2,135	-
Sukuks	2,736	5,458	5,481	9,947
	<b>4,871</b>	<b>5,458</b>	<b>7,616</b>	<b>9,947</b>
	For three months period ended		For six months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>25 Other income</b>				
<b>Operator's Takaful Fund</b>				
Profit on bank deposits	4,394	5,190	8,168	5,190
	<b>4,394</b>	<b>5,190</b>	<b>8,168</b>	<b>5,190</b>

# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 2021

### 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.

	June 30, 2021	June 30, 2020
	Rupees in thousand	
	(Unaudited)	(Unaudited)
<b>i) Transactions</b>		
<b>Subsidiary Company</b>		
Contribution underwritten	3,105	1,551
Contribution received	2,740	1,552
Claims paid	630,341	639
<b>Other related parties</b>		
Contribution underwritten	92,221	83,155
Contribution received	113,823	89,272
Claims paid	50,931	24,043
Income on bank deposits	4,926	9,245
<b>ii) Period end balances</b>		
<b>Subsidiary Company</b>		
Balances payable	150	339
Balances receivable	547	-
Contribution received in advance	-	-
<b>Other related parties</b>		
Balances receivable	11,796	9,624
Balances payable	24,212	25,112
Cash and bank balances	188,349	249,146
Contribution received in advance	585	325

# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 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
	June 30, 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)	73,067	31,570	495,362	109,863	45,025	754,887
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)	67,407	29,328	454,631	109,437	39,698	700,501
Facultative inward contribution	828	30	-	-	7,000	7,858
<b>Gross Contribution Written</b>	68,235	29,358	454,631	109,437	46,698	708,359
Wakala fee	(19,106)	(10,276)	(147,757)	(27,359)	(11,674)	(216,172)
<b>Contribution net of wakala fee</b>	49,129	19,082	306,874	82,078	35,024	492,187
Contribution earned	69,942	19,593	272,056	98,573	27,666	487,830
Takaful contribution ceded to retakaful	(79,878)	(24,394)	(23,864)	-	(33,069)	(161,205)
Net takaful contribution	(9,936)	(4,801)	248,192	98,573	(5,403)	326,625
Re-takaful rebate	19,491	5,129	(144)	-	3,857	28,333
<b>Net underwriting income</b>	9,555	328	248,048	98,573	(1,546)	354,958
Takaful claims	(68,331)	(6,975)	(172,466)	(108,429)	(4,594)	(360,795)
Re - takaful and other recoveries	60,215	2,202	(684)	-	4,154	65,887
Net claims	(8,116)	(4,773)	(173,150)	(108,429)	(440)	(294,908)
Contribution deficiency reserve				(18,943)	(1,319)	(20,262)
Direct expense	(1,195)	(241)	(29,848)	(877)	(386)	(32,547)
<b>Net takaful claims and expenses</b>	(9,311)	(5,014)	(202,998)	(128,249)	(2,145)	(347,717)
<b>(Deficit) / surplus before investment income</b>	244	(4,686)	45,050	(29,676)	(3,691)	7,241
Other income						7,616
Investment income						11,940
Mudarib fee						(1,523)
<b>Surplus transferred to Balance of PTF</b>						25,274
Corporate segment assets	269,011	27,253	372,008	76,493	68,079	812,844
Corporate unallocated assets	-	-	-	-	-	635,644
<b>Total assets</b>	<b>269,011</b>	<b>27,253</b>	<b>372,008</b>	<b>76,493</b>	<b>68,079</b>	<b>1,448,488</b>
Corporate segment liabilities	272,124	15,369	541,874	180,577	50,787	1,060,731
Corporate unallocated liabilities	-	-	-	-	-	189,364
<b>Total liabilities</b>	<b>272,124</b>	<b>15,369</b>	<b>541,874</b>	<b>180,577</b>	<b>50,787</b>	<b>1,250,095</b>

# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 2021

27.1.1

	June 30, 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)	83,882	23,262	383,166	329,100	74,652	894,062
Less : Federal Excise Duty	(10,866)	(3,000)	(46,123)	(1,783)	(9,388)	(71,160)
Federal Insurance Fee	(722)	(201)	(2,937)	(3,241)	(646)	(7,747)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	72,294	20,061	334,106	324,076	64,618	815,155
Facultative inward contribution	528	-	-	-	5,922	6,450
<b>Gross Contribution Written</b>	72,822	20,061	334,106	324,076	70,540	821,605
Wakala fee	(20,390)	(7,021)	(108,585)	(81,019)	(17,635)	(234,650)
<b>Contribution net of wakala fee</b>	52,432	13,040	225,521	243,057	52,905	586,955
Contribution earned	63,781	13,589	241,183	160,447	37,829	516,829
Retakaful expense	(71,704)	(16,190)	(13,994)	-	(40,027)	(141,915)
Net contribution revenue	(7,923)	(2,601)	227,189	160,447	(2,198)	374,914
Net rebate on re - takaful	14,214	3,467	-	-	7,996	25,677
<b>Net underwriting income</b>	6,291	866	227,189	160,447	5,798	400,591
Takaful claims	(364,823)	(552)	(160,649)	(170,960)	56	(696,928)
Re - takaful and other recoveries	334,756	569	28,153	-	73	363,551
Net claims	(30,067)	17	(132,496)	(170,960)	129	(333,377)
Contribution deficiency reserve				(25,716)		(25,716)
Direct expense	(400)	(87)	(28,296)	(1,371)	(325)	(30,479)
<b>Net takaful claims and expenses</b>	(30,467)	(70)	(160,792)	(198,047)	(196)	(389,572)
<b>Surplus / (deficit) before investment income</b>	(24,176)	796	66,397	(37,600)	5,602	11,019
Other income						20,491
Investment income						9,947
Mudarib fee						(1,989)
<b>Surplus transferred to Balance of PTF</b>						39,468

	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 Six Months Period Ended 30 June 2021

27.2

	Operator's Takaful Fund					Total
	June 30, 2021 (Unaudited)					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	
	Rupees in thousand					
Wakala fee income	27,201	10,551	126,533	32,857	9,222	206,364
Less : Commission expense	(14,084)	(4,574)	(35,542)	(6,168)	(3,455)	(63,823)
Management expenses	(17,732)	(5,758)	(44,748)	(7,766)	(4,350)	(80,354)
	(4,615)	219	46,243	18,923	1,417	62,187
Mudarib's share of PTF investment income						1,523
Investment income						2,317
Direct expenses						(1,540)
Other income						8,168
<b>Profit before tax</b>						<b>72,655</b>
Corporate segment assets	16,918	4,061	94,185	16,854	8,483	140,501
Corporate unallocated assets	-	-	-	-	-	500,516
<b>Total assets</b>	<b>16,918</b>	<b>4,061</b>	<b>94,185</b>	<b>16,854</b>	<b>8,483</b>	<b>641,017</b>
Corporate segment liabilities	15,469	339	143,977	22,737	6,052	188,574
Corporate unallocated liabilities	-	-	-	-	-	55,390
<b>Total liabilities</b>	<b>15,469</b>	<b>339</b>	<b>143,977</b>	<b>22,737</b>	<b>6,052</b>	<b>243,964</b>

27.2.1

	June 30, 2020 (Unaudited)					Total
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	
	Rupees in thousand					
Wakala fee income	24,804	7,317	101,030	53,482	12,609	199,242
Less : Commission expense	(13,343)	(3,003)	(24,456)	(5,612)	(6,026)	(52,440)
Management expenses	(17,442)	(3,926)	(31,968)	(7,336)	(7,877)	(68,549)
	(5,981)	388	44,606	40,534	(1,294)	78,253
Mudarib's share of PTF investment income						1,989
Investment income						3,584
Other expenses						(1,980)
Other income						5,190
<b>Profit before tax</b>						<b>87,036</b>
	December 31, 2020 (Audited)					Total
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous		
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 Six Months Period Ended 30 June 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.

		June 30, 2021 (Unaudited)								
		Carrying amount				Fair value				
		Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand								
<b>Financial assets not measured at fair value</b>										
	Investments - Debt securities	10	125,000	-	-	-	125,000	-	-	-
	Investments - Equity securities	9	51,869	-	-	-	51,869	51,869	-	-
	Loan and other receivables	11	-	45,111	-	-	45,111	-	-	-
	Takaful / re - takaful receivables	12	-	495,119	-	-	495,119	-	-	-
	Re - takaful recoveries against outstanding claims		-	197,372	-	-	197,372	-	-	-
	Salvage recoveries accrued		-	48,720	-	-	48,720	-	-	-
	Cash and bank deposits	14	-	-	394,703	-	394,703	-	-	-
			176,869	786,322	394,703	-	1,357,894	51,869	-	51,869
<b>Financial liabilities not measured at fair value</b>										
	Outstanding claims including IBNR	20	-	-	-	427,539	427,539	-	-	-
	Takaful / re - takaful payables		-	-	-	40,729	40,729	-	-	-
	Wakala and mudarib fee payable		-	-	-	94,393	94,393	-	-	-
	Other creditors and accruals	16	-	-	-	14,431	14,431	-	-	-
			-	-	-	577,092	577,092	-	-	-
<b>Participants' Takaful Fund</b>										
December 31, 2020 (Audited)										
		Carrying amount				Fair value				
		Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand								
<b>Financial assets not measured at fair value</b>										
	Investments - Debt securities	10	125,000	-	-	-	125,000	-	-	-
	Investments - Equity securities	9	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	-	-	-
			175,614	727,213	552,900	-	1,455,727	50,614	-	50,614
<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	-	-	-
			-	-	-	764,718	764,718	-	-	-

# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 2021

Operator's Takaful Fund									
June 30, 2021 (Unaudited)									
Note	Carrying amount				Fair value				
	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousand									
<b>Financial assets measured at fair value</b>									
Investments - Equity securities	9	36,943	-	-	36,943	36,943	-	-	36,943
<b>Financial assets not measured at fair value</b>									
Loan and other receivables	11	-	4,275	-	4,275	-	-	-	-
Wakala and mudarib fee receivable		-	94,393	-	94,393	-	-	-	-
Cash and bank deposits	14	-	-	272,518	272,518	-	-	-	-
		36,943	98,668	272,518	408,129	36,943	-	-	36,943

**Financial liabilities not measured at fair value**

Other creditors and accruals	16	-	-	42,836	42,836	-	-	-	-
		-	-	42,836	42,836	-	-	-	-

Operator's Takaful Fund									
December 31, 2020 (Audited)									
Note	Carrying amount				Fair value				
	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousand									
<b>Financial assets measured at fair value</b>									
Investments - Equity securities	9	35,873	-	-	35,873	35,873	-	-	35,873
<b>Financial assets not measured at fair value</b>									
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	35,873	-	-	35,873
<b>Financial liabilities not measured at fair value</b>									
Other creditors and accruals	16	-	-	52,102	52,102	-	-	-	-
		-	-	52,102	52,102	-	-	-	-

	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>				
<b>At the beginning of previous year</b>		32,958	-	-
Additions		34,627	50,000	125,000
Disposals		(31,048)	-	-
Fair value on gains (excluding net realized gain)		(665)	614	-
<b>At the beginning of current period</b>		<b>35,872</b>	<b>50,614</b>	<b>125,000</b>
Additions		36,943	1,814	-
Disposals		(34,627)	-	-
Fair value on gains (excluding net realized gain)		(1,245)	(559)	-
<b>At the end of current period</b>		<b>36,943</b>	<b>51,869</b>	<b>125,000</b>

# Notes to the Interim Financial Information (Unaudited)

## For the Six Months Period Ended 30 June 2021

### 30 Subsequent events - non adjusting event

There are no significant events that need to be disclosed For the Six Months Period Ended 30 June 2021.

### 31 Date of authorization for issue

This condensed financial information was authorized for issue on 26 August 2021 by the Board of Directors of the Operator.

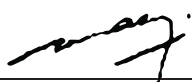
### 32 General

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

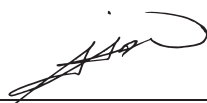
**32.2** Figures have been rounded off to the nearest thousand rupees unless other wise stated.



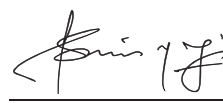
Umer Mansha  
Chairman



Muhammad Arif Hameed  
Director



Shaikh Muhammad Jawed  
Director



Muhammad Asim Nagi  
Chief Financial Officer



Muhammad Ali Zeb  
Managing Director &  
Chief Executive Officer







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