

A PILLAR OF STRENGTH

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED
30 SEPTEMBER 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.



A modern office lounge with large windows, green armchairs, and indoor plants. The room features a high ceiling with exposed wooden beams and two large black cylindrical pendant lights. The seating area includes several green armchairs, a white armchair, and a white coffee table. Large indoor plants are visible in the foreground and background. The overall atmosphere is bright and professional.

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
Web: www.adamjeeinsurance.com

Directors' Review

to the Members on Unconsolidated Condensed Interim Financial Information (Unaudited) For nine months period ended 30 September 2021

On behalf of the Board, we are pleased to present the unaudited unconsolidated condensed interim financial information of the Company for the nine months ended 30 September 2021.

Financial Highlights:

The highlights for the period under review are as follows:

	(Unaudited)	
	30 September 2021	30 September 2020
	————— Rupees in thousand —————	
Gross Premium	18,555,323	14,441,110
Net Premium	9,092,359	10,357,853
Underwriting results	711,687	553,939
Investment Income	2,179,044	914,799
Profit before tax	3,120,639	1,754,626
Profit after tax	2,271,381	1,188,486
	(Unaudited)	
	30 September 2021	30 September 2020
	————— Rupees —————	
Earnings per share	6.49	3.40

Performance Review:

The Gross Premium of the Company increased by 28% while the Net Premium decreased by 12%. Overall underwriting profit increased by 28% over the corresponding period of last year. Investment income, profit before tax and profit after tax also showed sharp increase of 138%, 78% and 91% respectively.

Window Takaful Operations:

The written contribution and Surplus of Participants' Takaful Fund are Rs. 1,109,270 thousands (2020: Rs. 1,178,270 thousands) and Rs. 41,562 thousands (2020: Rs. 26,146 thousands) respectively. The operator has gained 31% and 36% growth in contribution written in Motor and Marine, Aviation & Transport lines of businesses but there is a 60% decline in contribution written of Accident & health line of business. Window Takaful Operations profit before tax amounts to Rs. 97,561 thousands for the period ended 30 September 2021 (2020: Rs. 124,967 thousands).



Future Outlook:

Following the economic devastation caused by COVID-19 in previous periods, all global economies including Pakistan are now on a rebound. The Government of Pakistan has taken deft steps, such as vaccinations and strict adherence to SOPs to limit the impacts of this pandemic. Due to these efforts the economic situation of the country has shown signs of improvements and we are now observing financial recovery in all sectors. The Economy of the Country showed strong growth of 3.94 % which surpasses growth targets and initial growth projections. The SBP has also raised the policy rate by 25 basis points to 7.25% in its Monetary Policy Committee meeting held on 20 September, 2021. The rise in the policy rate has been made following the fast paced economic recovery and sharp increase in domestic demand in an attempt to sustain the economic development.

Acknowledgements:

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

For and on behalf of the Board

 _____ Shaikh Muhammad Jawed Director	 _____ Muhammad Ali Zeb Managing Director & Chief Executive Officer
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Lahore: 28 October 2021

غیرمجمع مختصر عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پر ممبران کوڈائزڈ ایکٹرز کا جائزہ بابت نومبر 30 2021ء

بورڈ کی جانب سے 30 ستمبر 2021ء کو ختم ہونے والی نومبر کیلئے کمپنی کی غیر آڈٹ شدہ غیرمجمع عبوری مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کی جھلکیاں درج ذیل ہیں:

(غیر آڈٹ شدہ)	
30 ستمبر 2021ء	30 ستمبر 2020ء
ہزار روپے میں	
18,555,323	14,441,110
9,092,359	10,357,853
711,687	553,939
2,179,044	914,799
3,120,639	1,754,626
2,271,381	1,188,486
(غیر آڈٹ شدہ)	
30 ستمبر 2021ء	30 ستمبر 2020ء
روپے	
6.49	3.40

مجموعی پریمیوم
خالص پریمیوم
زیر تحریر نتائج
سرمایہ کاری سے آمدنی
منافع قبل از ٹیکس
منافع بعد از ٹیکس

آمدنی فی شیئر (روپے)

کارکردگی کا جائزہ

کمپنی کی مجموعی اقساط (گراس پریمیوم) میں 28% اضافہ ہوا جبکہ خالص اقساط (نیٹ پریمیوم) میں 12% تک کی کمی واقع ہوئی۔ پچھلے سال کے اسی مدت کے مقابلے میں انڈر رائٹنگ منافع میں 28% کا اضافہ ہوا۔ سرمایہ کاری کی آمدن، منافع قبل از ٹیکس اور منافع بعد از ٹیکس میں علی الترتیب 138%، 78% اور 91% کا زبردست اضافہ ہوا۔

ونڈ ونگا فل آپریشنز

تخریر شدہ کنٹری بیوشن اور پارٹنیشنس مکاف فل فنڈ کاسرپلس علی الترتیب -/1,109,270 ہزار روپے (2020ء میں -/1,178,270 ہزار روپے) اور -/41,562 ہزار روپے (2020ء میں -/26,146 ہزار روپے) تھا۔ آپریٹرز نے موثر اور میرین، ایوی ایشن اور ٹرانسپورٹ لائن آف بزنسز میں 31% اور 36% کا تخریر شدہ کنٹری بیوشن میں اضافہ حاصل کیا لیکن ایکٹیوٹ اینڈ ہیلتھ لائن آف بزنس کے تخریر شدہ کنٹری بیوشن میں 60% کمی دیکھی گئی۔ ونڈ ونگا فل آپریشنز کا منافع قبل از ٹیکس 30 ستمبر 2021ء کو ختم شدہ مدت کیلئے -/97,561 ہزار روپے ہو گیا (2020ء میں -/124,967 ہزار روپے)۔

توقعات مستقبل

پچھلے دنوں کووڈ-19 کی وجہ سے معاشی تباہی کے بعد، پوری کی پوری عالمی معیشت جس میں پاکستان بھی شامل ہے ایک بار پھر ابھرنے کی طرف گامزن ہیں۔ حکومت پاکستان نے عمیق اقدامات کیے ہیں جیسے اس وبا کے اثرات کو محدود رکھنے کیلئے ویکسینیشن اور ایس او بیز پر سختی سے عملدرآمد۔ ان کوششوں کی وجہ سے ملکی معاشی صورتحال میں بہتری کے آثار نظر آنا شروع ہو گئے ہیں اور اب ہم تقریباً تمام ہی شعبوں میں مالیاتی بحالی کا مشاہدہ کر رہے ہیں۔ ملکی معیشت نے 3.94% کی مستحکم نمو ظاہر کی ہے جس نے ترقی کے اہداف اور ابتدائی نمونہ پیش گوئیوں سے بھی تجاوز کیا ہے۔ بینک دولت پاکستان نے بھی اپنی مالیاتی پالیسی کمیٹی اجلاس جو کہ 20 ستمبر 2021ء کو منعقد ہوا میں شرح پالیسی 25 بنیادی پوائنٹس سے بڑھاتے ہوئے 7.25% تک کر دیا ہے۔ شرح پالیسی میں اضافہ تیز رفتار معاشی بحالی ملکی طلب میں تیز اضافے کو دیکھتے ہوئے اقتصادی پیش رفت کو بڑھانے کی کوشش میں کیا گیا ہے۔

اعتراف

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

مخانب و برائے بورڈ



محمد علی زید

ٹیچنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر



شیخ محمد جاوید

ڈائریکٹر

لاہور: 128 اکتوبر 2021ء

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

NINE MONTHS ENDED 30 SEPTEMBER 2021



Adamjee Insurance Company Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at 30 September 2021

	Note	30 September 2021	31 December 2020
----- (Rupees in thousand) -----			
		(Unaudited)	(Audited)
Assets			
Property and equipment	8	4,554,043	4,467,919
Intangible assets	9	95,206	88,187
Investment Property	10	401,896	401,896
Investment in Subsidiary	11	2,662,436	1,097,900
<i>Investments</i>			
Equity securities	12	18,342,367	19,194,460
Debt securities	13	377,211	374,331
Term deposits	14	6,651,917	5,929,062
Loans and other receivable	15	615,729	582,896
Insurance / reinsurance receivables	16	8,607,225	4,759,151
Reinsurance recoveries against outstanding claims		7,008,186	5,922,296
Salvage recoveries accrued		340,432	270,275
Deferred commission expense / Acquisition cost		1,052,910	731,319
Taxation - payment less provisions		194,418	376,484
Prepayments	17	5,787,119	3,422,781
Cash and bank	18	2,591,950	1,312,044
		59,283,045	48,931,001
Total assets of Window Takaful Operations - Operator's Fund	19	693,437	589,148
Total Assets		59,976,482	49,520,149
Equity And Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		3,500,000	3,500,000
Reserves	20	3,293,855	4,486,946
Unappropriated Profit		15,556,794	14,247,913
Total Equity		22,350,649	22,234,859
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		12,086,375	10,768,040
Unearned premium reserves		12,246,522	8,366,434
Unearned reinsurance commission		311,837	245,318
Retirement benefit obligation		231,234	197,232
Deferred taxation		863,647	1,375,394
Borrowings		1,497,359	166,367
Deferred grant income		8,439	14,767
Premium received in advance		450,346	399,494
Insurance / reinsurance payables		6,272,152	3,030,884
Other creditors and accruals	21	2,738,170	1,806,196
Deposits and other liabilities		633,198	672,367
		37,339,279	27,042,493
Total liabilities of Window Takaful Operations - Operator's Fund	19	286,554	242,797
Total Equity and Liabilities		59,976,482	49,520,149
Contingencies and commitments	22		

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



Chairman



Director



Director



Chief Financial
Officer



Managing Director &
Chief Executive
Officer

Adamjee Insurance Company Limited
 Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)
 For the Nine Months Ended 30 September 2021

	Note	Quarter ended		Nine Months ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
----- (Rupees in thousand) -----					
Net Insurance Premium	23	3,223,277	3,270,512	9,092,359	10,357,853
Net Insurance Claims	24	(1,781,414)	(2,081,540)	(5,072,152)	(6,148,867)
Net Commission and other acquisition costs	25	(369,043)	(480,802)	(1,087,197)	(1,445,991)
Insurance claims and acquisition expenses		(2,150,457)	(2,562,342)	(6,159,349)	(7,594,858)
Management expenses		(743,325)	(726,944)	(2,221,323)	(2,209,056)
Underwriting results		329,495	(18,774)	711,687	553,939
Investment income	26	543,478	332,998	2,179,044	914,799
Rental income		36,085	27,151	95,544	80,682
Other income	27	37,858	34,932	98,473	134,904
Other expenses		(15,093)	(10,514)	(39,291)	(45,718)
Results of operating activities		931,823	365,793	3,045,457	1,638,606
Finance cost		(12,260)	(5,741)	(22,379)	(8,947)
Profit from window takaful operations		24,906	37,931	97,561	124,967
Profit before tax		944,469	397,983	3,120,639	1,754,626
Income tax expense		(288,091)	(100,528)	(849,258)	(566,140)
Profit after tax		656,378	297,455	2,271,381	1,188,486
----- (Rupees) -----					
Earnings (after tax) per share	28	1.88	0.85	6.49	3.40


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



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited

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

For the Nine Months Ended 30 September 2021

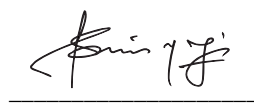
	Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	----- (Rupees in thousand) -----			
Profit after tax for the period	656,378	297,455	2,271,381	1,188,486
<u>Other comprehensive income</u>				
<i>Items that may be reclassified subsequently to profit and loss:</i>				
- Unrealized (loss) / gain on 'available-for-sale' investments - net of tax	(661,843)	913,717	(1,520,470)	(1,068,757)
- Reclassification adjustment relating to 'available for sale' investments disposed of during the period - net of tax	-	70,798	177,198	73,442
- Unrealized gain / (loss) on 'available for sale' investment from Window Takaful Operations - net of tax	554	470	(329)	(873)
- Net effect of translation of foreign branch	175,367	(28,488)	150,510	112,369
Other comprehensive (loss) / income for the period	(485,922)	956,497	(1,193,091)	(883,819)
Total comprehensive income for the period	170,456	1,253,952	1,078,290	304,667

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


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)
For the Nine Months Ended 30 September 2021

	Nine Months Ended 30 September 2021	Nine Months Ended 30 September 2020
------(Rupees in thousand)-----		
<u>Cash flows from operating activities</u>		
Underwriting activities		
Insurance premiums received	15,150,227	14,377,829
Reinsurance premiums paid	(4,861,068)	(4,119,733)
Claims paid	(8,413,107)	(7,953,138)
Surrenders paid	(50,873)	(24,718)
Reinsurance and other recoveries received	3,041,301	2,498,083
Commissions paid	(1,581,745)	(1,515,825)
Commissions received	477,848	422,134
Other underwriting payments	(1,727,090)	(2,062,265)
Net cash inflow from underwriting activities	2,035,493	1,622,367
Other operating activities		
Income tax paid	(593,578)	(192,841)
Other operating payments	(102,810)	(100,311)
Loans advanced	(42,168)	(27,329)
Loans repayments received	40,693	37,986
Other operating receipts	27,864	39,137
Net cash outflow from other operating activities	(669,999)	(243,358)
Total cash inflow from all operating activities	1,365,494	1,379,009
<u>Cash flows from investing activities</u>		
Profit / return received on bank deposits	192,214	249,783
Income received from Pakistan Investment Bonds	7,305	9,085
Income from Treasury Bills	29,391	24,642
Dividends received	1,677,524	808,498
Rentals received	95,330	89,412
Payments for investments	(12,063,366)	(9,251,259)
Proceeds from disposal of investments	9,359,847	8,344,873
Fixed capital expenditure - operating assets	(214,793)	(389,298)
Fixed capital expenditure - intangible assets	(32,115)	(19,631)
Proceeds from disposal of operating fixed assets	26,115	26,668
Total cash outflow from investing activities	(922,548)	(107,227)
<u>Cash flows from financing activities</u>		
Payments against lease liability	(35,929)	(31,123)
Dividends paid	(448,971)	(490,345)
Loan obtained	1,390,000	178,609
Loan principal payment made	(66,978)	-
Interest expense paid against loan	(1,162)	(10)
Total cash outflow from financing activities	836,960	(342,869)
Net cash inflow from all activities	1,279,906	928,913
Cash and cash equivalent at the beginning of the period	1,312,044	1,176,685
Cash and cash equivalent at the end of the period	2,591,950	2,105,598

Nine Months Ended 30 September 2021	Nine Months Ended 30 September 2020
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------(Rupees in thousand)-----

Reconciliation to profit and loss account

Operating cash flows	1,365,494	1,379,009
Depreciation expense	(165,706)	(203,350)
Provision for retirement benefit obligations	(30,516)	(38,202)
Finance cost	(22,379)	(8,947)
Other income - bank and term deposits	134,387	211,941
Gain on disposal of operating fixed assets	18,461	9,098
Rental income	96,046	82,042
Increase in assets other than cash	7,739,891	1,309,096
Increase in liabilities	(4,902,962)	(3,344,402)
Gain on disposal of investments	5,421	40,743
Amortization expense	(21,408)	(17,032)
(Increase) / decrease in unearned premium	(3,880,088)	1,280,828
Increase / (decrease) in loans	1,475	(10,657)
Income taxes paid	593,578	192,841
Increase in tax liabilities	(849,258)	(566,140)
Reversal / (provision) for impairment of 'available-for-sale' investments	223,096	(140,543)
Dividend and other income	1,834,181	857,658
Income from treasury bills	19,911	21,638
Return on Pakistan investment bonds	7,867	7,898
Income against deferred grant	6,329	-
Profit from Window Takaful Operations	97,561	124,967
Profit after tax	2,271,381	1,188,486


Nine Months Ended 30 September 2021	Nine Months Ended 30 September 2020
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------(Rupees in thousand)-----


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

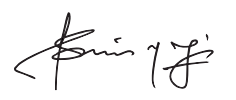
Cash and cash equivalents	8,039	2,641
Current and other accounts	2,583,911	2,102,957
Total cash and cash equivalents	2,591,950	2,105,598

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


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Unconsolidated Condensed Interim Statement of Changes in Equity
 For the Nine Months Ended 30 September 2021

	Share capital	Capital reserve			Revenue reserve		Total	
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve		Unappropriated Profit
	Rupees in thousand							
Balance as at December 31, 2019 - (Audited)	3,500,000	22,859	3,764	674,936	2,917,432	936,500	13,325,001	21,380,492
Comprehensive income for the period ended 30 September 2020								
Profit for the period 01 January 2020 to 30 September 2020	-	-	-	-	-	-	1,188,486	1,188,486
Other comprehensive income for the period 01 January 2020 to 30 September 2020	-	-	-	112,369	(996,188)	-	-	(883,819)
Total comprehensive income for the period	-	-	-	112,369	(996,188)	-	1,188,486	304,667
Transactions with owners of the Company								
Final dividend for the year ended 31 December 2019 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	(525,000)	(525,000)
Interim dividend for the half year ended 30 June 2020 @ 12.5% (Rupee 1.25/- per share)	-	-	-	-	-	-	(437,500)	(437,500)
Balance as at 30 September 2020 - (Unaudited)	3,500,000	22,859	3,764	787,305	1,921,244	936,500	13,550,987	20,722,659
Comprehensive income for the period ended 31 December 2020								
Profit for the period 01 October 2020 to 31 December 2020	-	-	-	-	-	-	687,020	687,020
Other comprehensive income for the period 01 October 2020 to 31 December 2020	-	-	-	(108,867)	924,141	-	9,906	825,180
Total comprehensive income for the period	-	-	-	(108,867)	924,141	-	696,926	1,512,200
Balance as at 31 December 2020 - (Audited)	3,500,000	22,859	3,764	678,438	2,845,385	936,500	14,247,913	22,234,859
Comprehensive income for the period ended 30 September 2021								
Profit for the period 01 January 2021 to 30 September 2021	-	-	-	-	-	-	2,271,381	2,271,381
Other comprehensive income for the period 01 January 2021 to 30 September 2021	-	-	-	150,510	(1,343,601)	-	-	(1,193,091)
Total comprehensive income for the period	-	-	-	150,510	(1,343,601)	-	2,271,381	1,078,290
Transactions with owners of the Company								
Final dividend for the year ended December 31, 2020 @ 12.5% (Rupees 1.25/- per share)	-	-	-	-	-	-	(437,500)	(437,500)
Interim dividend for the half year ended 30 June 2021 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	(525,000)	(525,000)
Balance as at 30 September 2021 - (Unaudited)	3,500,000	22,859	3,764	828,948	1,501,784	936,500	15,556,794	22,350,649

Chairman

Director

Director

Chief Financial Officer

Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited

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

For the Nine Months Ended 30 September 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

This unconsolidated condensed interim financial information of the Company for the nine months ended 30 September 2021 has been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

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

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

This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Company for the year ended 31 December 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 information of the Company for the nine months ended 30 September 2020.

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

3 Basis of measurement

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

4 Accounting policies

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

4.1 Standards, amendments or interpretations

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

IFRS 9

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

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

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

	September 30, 2021				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period
Financial assets	---- (Rupees in thousand) ----				
Cash and Bank*	-	-	2,591,950	-	-
Investment in subsidiary*	2,662,436	-	-	-	-
Investments in equity securities - available-for-sale	18,342,367	(1,891,933)	-	-	-
Investment in debt securities - held-to-maturity	-	-	377,211	-	-
Term deposits*	-	-	6,651,917	-	-
Loans and other receivables*	396,507	-	3,664	-	-
Total	21,401,310	(1,891,933)	9,624,742	-	-

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

5 Use of estimates and judgments

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

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

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2020.

6 Functional and presentation currency

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

7 Insurance and Financial risk management

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

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
	---- (Rupees in thousand) ----	
8 Property and equipment		
Opening balance - net book value	4,456,749	4,168,110
Additions during the period / year	8.1 215,451	573,993
Book value of disposals during the period / year	8.2 (7,654)	(29,190)
Depreciation charged during the period / year	(165,706)	(263,522)
Exchange differences and other adjustments	28,125	7,358
	(145,235)	(285,354)
	4,526,965	4,456,749
Capital work in progress	27,078	11,170
	4,554,043	4,467,919
8.1 Additions during the period / year		
Land and buildings	84,165	254,005
Furniture and fixtures	21,906	98,177
Motor vehicles	48,816	26,596
Machinery and equipment	45,374	108,615
Computer and related accessories	5,302	45,645
Right of use asset	9,888	40,955
	215,451	573,993
8.2 Written down values of property and equipment disposed off during the period / year		
Land and buildings	-	592
Furniture and fixtures	38	172
Motor vehicles	5,246	26,779
Machinery and equipment	2,355	277
Computer and related accessories	15	1,370
	7,654	29,190
9 Intangible assets		
Opening balance - net book value	88,187	68,927
Additions during the period / year	25,437	40,886
Less:		
Amortization charged during the period / year	(21,408)	(23,296)
Exchange differences and other adjustments	2,990	1,670
	(18,418)	(21,626)
	95,206	88,187
10 Investment Property		
Opening net book value	401,896	401,896
Additions and capital improvements	-	-
Unrealized fair value gain	-	-
	401,896	401,896
11 Investment in subsidiary		
Adamjee Life Assurance Company Limited - At cost	2,662,436	1,097,900

12 Investment in equity securities

Available-for-sale

	30 September 2021 (Unaudited)			31 December 2020 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
----- Rupees in thousands -----						
Related parties						
Listed shares	9,543,446	-	9,543,446	8,318,076	-	8,318,076
Unlisted shares	949,456	-	949,456	924,333	-	924,333
	10,492,902	-	10,492,902	9,242,409	-	9,242,409
Unrealized gain			(334,698)			1,307,313
			10,158,204			10,549,722
Others						
Listed shares	6,701,235	(1,940,114)	4,761,121	7,135,270	(2,163,210)	4,972,060
Unlisted shares	925,360	-	925,360	925,360	-	925,360
Mutual Funds	48,416	-	48,416	48,130	-	48,130
NIT Units	161	-	161	161	-	161
	7,675,172	(1,940,114)	5,735,058	8,108,921	(2,163,210)	5,945,711
Unrealized gain			2,449,105			2,699,027
			8,184,163			8,644,738
Total	18,168,074	(1,940,114)	18,342,367	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.

13 Investment in debt securities

Held-to-maturity

	(Unaudited)		(Audited)	
	30 September 2021		31 December 2020	
----- (Rupees in thousand) -----				
Treasury Bills	277,949		275,631	
Pakistan Investment Bonds	99,262		98,700	
	377,211		374,331	

14 Investments in Term Deposits

Held to maturity

Deposits maturing within 12 months

Inside Pakistan

- related parties
- others

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

Outside Pakistan

- related parties
- others

1,393,824	1,305,429
4,999,028	4,364,568
6,392,852	5,669,997

Deposits maturing after 12 months

Inside Pakistan

- related parties
- others

8,811	2,000
75,188	75,188
83,999	77,188

14.1

6,651,917	5,929,062
------------------	------------------

- 14.1 These include fixed deposits amounting to Rs. 5,342,992 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.

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
Note	----- (Rupees in thousand) -----	
15 Loans and other receivables		
Considered good		
Rent receivable	8,492	7,776
Receivable from related parties	58,745	43,135
Accrued income	228,191	129,361
Security deposits	49,450	46,713
Advances to employees and suppliers	158,987	237,051
Advance agent commission	7,121	4,478
Loans to employees	47,219	45,336
Other receivables	57,524	69,046
	615,729	582,896

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

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
	----- (Rupees in thousand) -----	
16 Insurance / reinsurance receivables - unsecured and considered good		
Due from insurance contract holders	8,354,621	4,723,214
Provision for impairment of receivables from insurance contract holders	(979,349)	(932,384)
	7,375,272	3,790,830
Due from other insurers / other reinsurers	1,433,255	1,169,623
Provision for impairment of due from other insurers / reinsurers	(201,302)	(201,302)
	1,231,953	968,321
	8,607,225	4,759,151

16.1 Due from insurance contact holders include an amount of Rs. 387,797 thousands (December 2020: Rs. 192,060 thousands) held with related parties.

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
	----- (Rupees in thousand) -----	
17 Prepayments		
Prepaid reinsurance premium ceded	5,622,428	3,307,863
Prepaid miscellaneous expenses	164,691	114,918
	5,787,119	3,422,781
18 Cash and Bank		
<u>Cash and cash equivalents</u>		
<i>Inside Pakistan</i>		
Cash in hand	805	438
Policy & revenue stamps, bond papers	6,601	4,703
	7,406	5,141
<i>Outside Pakistan</i>		
Cash in hand	633	-
	8,039	5,141
<u>Cash at bank</u>		
<i>Inside Pakistan</i>		
Current accounts	665,646	237,821
Saving accounts	1,218,732	931,898
	1,884,378	1,169,719
<i>Outside Pakistan</i>		
Current accounts	698,101	136,313
Savings accounts	1,432	871
	699,533	137,184
	2,591,950	1,312,044

18.1 Cash at bank includes an amount of Rs. 612,153 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.

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
	----- (Rupees in thousand) -----	
19 Window takaful operations - operator's fund		
Assets		
Cash and bank deposits	289,016	209,446
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	37,723	35,873
Intangible assets	11,743	12,421
Property and equipment	21,083	20,793
Current assets - others	187,412	164,155
Total Assets	693,437	589,148
Total liabilities	286,554	242,797
	(Unaudited) 30 September 2021	(Unaudited) 30 September 2020
	----- (Rupees in thousand) -----	
Wakala income	311,004	300,965
Commission expense	(101,543)	(87,604)
Management expenses	(126,269)	(101,807)
Investment income	2,317	3,584
Other income	12,275	9,579
Mudarib's share of PTF investment income	2,087	2,744
Other Expenses	(2,310)	(2,494)
Profit before taxation	97,561	124,967
Taxation	(36,700)	(36,241)
Profit after taxation	60,861	88,726

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed condensed interim financial information for the nine months ended 30 September 2021.

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
	----- (Rupees in thousand) -----	
20 Reserves		
<u>Capital reserves</u>		
Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	828,948	678,438
Fair value reserve	1,501,784	2,845,385
	2,357,355	3,550,446
<u>Revenue reserves</u>		
General reserves	936,500	936,500
	3,293,855	4,486,946
21 Other creditors and accruals		
Agents commission payable	769,486	554,372
Federal Excise Duty / Sales tax / VAT	299,272	94,242
Federal Insurance Fee payable	69,817	29,854
Workers' welfare fund payable	76,485	76,485
Tax deducted at source	79,581	92,945
Accrued expenses	141,855	204,872
Unpaid and unclaimed dividend	675,282	161,753
Payable to employees' provident fund	382	143
Sundry creditors	626,010	591,530
	2,738,170	1,806,196
22 Contingencies and commitments		

There has been no significant change in the status of contingencies as reported in the preceding published unconsolidated annual financial statements of the Company for the year ended 31 December 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 of AED 349,250 amounting to Rs. 16,226 thousands (December 2020: AED 251,500 amounting to Rs. 10,944 thousands) relating to UAE branch.

	Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
----- (Rupees in thousand) -----				
23 Net Insurance Premium				
Written Gross Premium	8,025,686	4,678,747	18,555,323	14,441,110
Unearned premium reserve - opening	9,320,461	9,426,420	8,366,434	10,242,348
Unearned premium reserve - closing	(12,246,522)	(8,961,520)	(12,246,522)	(8,961,520)
Currency translation effect	249,470	(56,045)	221,101	248,282
Premium earned	5,349,095	5,087,602	14,896,336	15,970,220
Reinsurance premium ceded	(4,478,391)	(2,212,573)	(8,102,336)	(5,436,857)
Prepaid reinsurance premium - opening	(3,253,601)	(2,937,772)	(3,307,863)	(3,500,512)
Prepaid reinsurance premium - closing	5,622,428	3,331,062	5,622,428	3,331,062
Currency translation effect	(16,254)	2,193	(16,206)	(6,060)
Reinsurance expense	(2,125,818)	(1,817,090)	(5,803,977)	(5,612,367)
	3,223,277	3,270,512	9,092,359	10,357,853
23.1 Net Insurance Premium - Business underwritten inside Pakistan				
Written Gross Premium	6,554,304	3,907,708	13,940,965	10,714,715
Unearned premium reserve - opening	6,279,981	5,861,254	6,021,464	6,197,501
Unearned premium reserve - closing	(8,826,825)	(6,298,218)	(8,826,825)	(6,298,218)
Premium earned	4,007,460	3,470,744	11,135,604	10,613,998
Reinsurance premium ceded	(4,285,351)	(2,150,570)	(7,691,206)	(5,263,861)
Prepaid reinsurance premium - opening	(3,118,551)	(2,818,671)	(3,260,277)	(3,425,355)
Prepaid reinsurance premium - closing	5,380,775	3,213,297	5,380,775	3,213,297
Reinsurance expense	(2,023,127)	(1,755,944)	(5,570,708)	(5,475,919)
	1,984,333	1,714,800	5,564,896	5,138,079
23.2 Net Insurance Premium - Business underwritten outside Pakistan				
Written Gross Premium	1,471,382	771,039	4,614,358	3,726,395
Unearned premium reserve - opening	3,040,480	3,565,166	2,344,970	4,044,847
Unearned premium reserve - closing	(3,419,697)	(2,663,302)	(3,419,697)	(2,663,302)
Currency translation effect	249,470	(56,045)	221,101	248,282
Premium earned	1,341,635	1,616,858	3,760,732	5,356,222
Reinsurance premium ceded	(193,040)	(62,003)	(411,130)	(172,996)
Prepaid reinsurance premium - opening	(135,050)	(119,101)	(47,586)	(75,157)
Prepaid reinsurance premium - closing	241,653	117,765	241,653	117,765
Currency translation effect	(16,254)	2,193	(16,206)	(6,060)
Reinsurance expense	(102,691)	(61,146)	(233,269)	(136,448)
	1,238,944	1,555,712	3,527,463	5,219,774

Quarter Ended		Nine Months Ended	
30 September 2021	30 September 2020	30 September 2021	30 September 2020

----- (Rupees in thousand) -----

24 Net Insurance Claims Expense

Claim Paid	3,650,276	2,536,430	8,413,107	7,953,138
Outstanding claims including IBNR - closing	12,086,375	12,462,175	12,086,375	12,462,175
Outstanding claims including IBNR - opening	(12,627,240)	(11,641,695)	(10,768,040)	(10,367,347)
Currency translation effect	(405,380)	91,911	(321,113)	(422,239)
Claim expense	2,704,031	3,448,821	9,410,329	9,625,727
Reinsurance and other recoveries received	(1,795,700)	(829,757)	(3,304,933)	(2,849,950)
Reinsurance and other recoveries in respect of outstanding claims - closing	(7,348,618)	(7,080,096)	(7,348,618)	(7,080,096)
Reinsurance and other recoveries in respect of outstanding claims - opening	8,059,933	6,583,565	6,192,571	6,233,348
Currency translation effect	161,768	(40,993)	122,803	219,838
Reinsurance and other recoveries revenue	(922,617)	(1,367,281)	(4,338,177)	(3,476,860)
	1,781,414	2,081,540	5,072,152	6,148,867

24.1 Net Insurance Claims Expense - Business underwritten inside Pakistan

Claim Paid	1,474,756	1,213,892	4,232,780	3,402,597
Outstanding claims including IBNR - closing	6,942,985	5,892,742	6,942,985	5,892,742
Outstanding claims including IBNR - opening	(6,926,367)	(5,057,585)	(4,920,475)	(4,398,967)
Claim expense	1,491,374	2,049,049	6,255,290	4,896,372
Reinsurance and other recoveries received	(634,719)	(252,863)	(1,412,802)	(825,391)
Reinsurance and other recoveries in respect of outstanding claims - closing	(5,350,469)	(4,057,402)	(5,350,469)	(4,057,402)
Reinsurance and other recoveries in respect of outstanding claims - opening	5,535,861	3,410,063	3,526,278	2,948,471
Currency translation effect	(449,327)	(900,202)	(3,236,993)	(1,934,322)
Reinsurance and other recoveries revenue	1,042,047	1,148,847	3,018,297	2,962,050

24.2 Net Insurance Claims Expense - Business underwritten outside Pakistan

Claim Paid	2,175,520	1,322,538	4,180,327	4,550,541
Outstanding claims including IBNR - closing	5,143,390	6,569,433	5,143,390	6,569,433
Outstanding claims including IBNR - opening	(5,700,873)	(6,584,110)	(5,847,565)	(5,968,380)
Currency translation effect	(405,380)	91,911	(321,113)	(422,239)
Claim expense	1,212,657	1,399,772	3,155,039	4,729,355
Reinsurance and other recoveries received	(1,160,981)	(576,894)	(1,892,131)	(2,024,559)
Reinsurance and other recoveries in respect of outstanding claims - closing	(1,998,149)	(3,022,694)	(1,998,149)	(3,022,694)
Reinsurance and other recoveries in respect of outstanding claims - opening	2,524,072	3,173,502	2,666,293	3,284,877
Currency translation effect	161,768	(40,993)	122,803	219,838
Reinsurance and other recoveries revenue	(473,290)	(467,079)	(1,101,184)	(1,542,538)
	739,367	932,693	2,053,855	3,186,817

Quarter Ended		Nine Months Ended	
30 September 2021	30 September 2020	30 September 2021	30 September 2020

----- (Rupees in thousand) -----

25 Net commission and other acquisition costs

Commission Paid or payable	612,158	368,302	1,778,356	1,549,001
Deferred Commission expense - opening	911,257	1,192,418	731,319	1,190,146
Deferred Commission expense - closing	(1,052,910)	(944,467)	(1,052,910)	(944,467)
Currency translation effect	47,151	(14,022)	41,939	51,647
Net Commission	517,656	602,231	1,498,704	1,846,327
Commission received or recoverable	(217,561)	(181,517)	(477,848)	(422,134)
Unearned reinsurance commission - opening	(242,641)	(199,721)	(245,318)	(237,751)
Unearned reinsurance commission - closing	311,837	259,741	311,837	259,741
Currency translation effect	(248)	68	(178)	(192)
Commission from reinsurance	(148,613)	(121,429)	(411,507)	(400,336)
	369,043	480,802	1,087,197	1,445,991

25.1 Net commission and other acquisition costs Business underwritten Inside Pakistan

Commission Paid or payable	350,703	224,964	864,061	733,353
Deferred Commission expense - opening	307,507	400,172	285,324	352,673
Deferred Commission expense - closing	(404,158)	(381,604)	(404,158)	(381,604)
Net Commission	254,052	243,532	745,227	704,422
Commission received or recoverable	(215,184)	(177,882)	(472,774)	(414,461)
Unearned reinsurance commission - opening	(239,650)	(195,331)	(240,971)	(236,381)
Unearned reinsurance commission - closing	308,923	253,765	308,923	253,765
Commission from reinsurance	(145,911)	(119,448)	(404,822)	(397,077)
	108,141	124,084	340,405	307,345

25.2 Net commission and other acquisition costs Business underwritten Outside Pakistan

Commission Paid or payable	261,455	143,338	914,295	815,648
Deferred Commission expense - opening	603,750	792,246	445,995	837,473
Deferred Commission expense - closing	(648,752)	(562,863)	(648,752)	(562,863)
Currency translation effect	47,151	(14,022)	41,939	51,647
Net Commission	263,604	358,699	753,477	1,141,905
Commission received or recoverable	(2,377)	(3,635)	(5,074)	(7,673)
Unearned reinsurance commission - opening	(2,991)	(4,390)	(4,347)	(1,370)
Unearned reinsurance commission - closing	2,914	5,976	2,914	5,976
Currency translation effect	(248)	68	(178)	(192)
Commission from reinsurance	(2,702)	(1,981)	(6,685)	(3,259)
	260,902	356,718	746,792	1,138,646

26 Investment Income

Business underwritten Inside Pakistan

Available-for-sale

Income from equity securities

Dividend income

- associated undertakings
- others

Income from debt securities - Held to maturity

Return on Pakistan Investment Bonds

Profit on Treasury Bills

Income from term deposits

Return on term deposits

Net realized gains on investments

Realized gains on

- associated undertakings
- others

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

Business underwritten Outside Pakistan

Available-for-sale

Income from equity securities

Dividend income

- associated undertakings
- others

Net realized gains on investments

- associated undertakings
- others

Income from term deposits

Return on term deposits

Net investment income

27 Other income

Return on bank balance

Gain / (loss) on sale of fixed assets

Return on loans to employee

Miscellaneous

28 Earnings per share - basic and diluted

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

Net profit after tax for the period

Weighted average number of shares

Earnings (after tax) per share

	Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	----- (Rupees in thousand) -----			
Business underwritten Inside Pakistan				
Available-for-sale				
Income from equity securities				
Dividend income				
- associated undertakings	300,372	32,047	1,272,487	510,320
- others	213,020	153,212	561,453	345,094
	513,392	185,259	1,833,940	855,414
Income from debt securities - Held to maturity				
Return on Pakistan Investment Bonds	2,250	2,250	7,867	7,898
Profit on Treasury Bills	5,197	5,581	19,911	21,638
	7,447	7,831	27,778	29,536
Income from term deposits				
Return on term deposits	513	336	6,861	6,987
	513	336	6,861	6,987
Net realized gains on investments				
Realized gains on				
- associated undertakings	-	-	-	-
- others	-	37,019	5,421	40,552
	-	37,019	5,421	40,552
	521,352	230,445	1,874,000	932,489
Provision of impairment in value of 'available-for-sale' investments	-	62,696	223,096	(140,543)
	521,352	293,141	2,097,096	791,946
Business underwritten Outside Pakistan				
Available-for-sale				
Income from equity securities				
Dividend income				
- associated undertakings	-	-	-	-
- others	98	2,150	241	2,244
	98	2,150	241	2,244
Net realized gains on investments				
- associated undertakings	-	-	-	-
- others	-	-	-	191
	-	-	-	191
Income from term deposits				
Return on term deposits	22,028	37,707	81,707	120,418
	22,028	37,707	81,707	120,418
Net investment income	22,126	39,857	81,948	122,853
	543,478	332,998	2,179,044	914,799
27 Other income				
Return on bank balance	18,211	18,782	45,819	84,536
Gain / (loss) on sale of fixed assets	6,376	4,501	18,461	9,098
Return on loans to employee	49	51	143	163
Miscellaneous	13,222	11,598	34,050	41,107
	37,858	34,932	98,473	134,904
28 Earnings per share - basic and diluted				
There is no dilutive effect on the basic earnings per share which is based on:				
Net profit after tax for the period	656,378	297,455	2,271,381	1,188,486
	----- Number of shares -----		----- Number of shares -----	
Weighted average number of shares	350,000,000	350,000,000	350,000,000	350,000,000
	----- (Rupees) -----		----- (Rupees) -----	
Earnings (after tax) per share	1.88	0.85	6.49	3.40

29 Transactions with related parties

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

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

	(Unaudited) 30 September 2021	(Unaudited) 30 September 2020
	---- (Rupees in thousand) ----	
i) Transactions		
Subsidiary company		
Premiums underwritten	24,384	17,513
Premiums received	22,370	18,900
Investments made	1,564,536	-
Claims paid	10,109	6,910
Claims received	3,000	3,000
Security deposit received	-	3,190
Premium paid	20,875	17,506
Rent paid	8,288	-
Rent, service charges and other receipts	44,996	43,779
Other related parties		
Premiums underwritten	1,478,394	1,340,624
Premiums received	873,336	1,061,914
Claims paid	435,327	463,910
Commission Paid	27,939	23,903
Fee / service charges / expenses received / receivable	22,445	8,460
Rent paid	4,590	8,067
Rent received	40,169	29,584
Loan obtained	1,390,000	178,609
Loan repaid	66,978	-
Interest on loan paid	1,162	10
Dividends received	1,061,743	406,532
Dividends paid	88,577	107,745
Income on bank deposits	33,168	67,093
Investments made	1,250,493	150,738
Fee / service charges paid	7,374	6,410
Security deposit paid	-	115
Security deposit received	5,096	-
Charge in respect of gratuity expense	23,623	27,096
Contribution to Employees' Provident Fund	27,689	26,375
Compensation paid to Key management personnel	977,453	1,010,106
	(Unaudited) 30 September 2021	(Audited) 31 December 2020
	---- (Rupees in thousand) ----	
ii) Period end balances		
Subsidiary company		
Balances receivable	63,461	48,364
Balances payable	7,510	5,684
Other related parties		
Balances receivable	388,957	206,040
Balances payable	306,788	313,285
Loan Payable	1,497,359	166,367
Cash and bank balances including term deposits	2,014,788	1,682,250
Payable to Staff Gratuity Fund	156,497	132,874

Nine Months Ended 30 September 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)	9,177,370	18,912	993,474	25,792	2,761,153	4,263,353	1,867,336	532,033	968,070	5,436	15,767,403	4,845,526	20,612,929
Less: Federal excise duty	(1,141,484)	(1,220)	(112,590)	(1,278)	(330,510)	(203,017)	(15,555)	(25,335)	(88,185)	(263)	(1,688,324)	(231,113)	(1,919,437)
Federal insurance fee	(77,692)	(42)	(8,827)	(12)	(24,445)	-	(18,334)	-	(8,816)	(1)	(138,114)	(55)	(138,169)
	7,958,194	17,650	872,057	24,502	2,406,198	4,060,336	1,833,447	506,698	871,069	5,172	13,940,965	4,614,358	18,555,323
Gross written premium (inclusive of administrative surcharge)	7,958,194	17,650	872,057	24,502	2,406,198	4,060,336	1,833,447	506,698	871,069	5,172	13,940,965	4,614,358	18,555,323
Gross direct premium	7,924,744	17,603	848,193	24,502	2,320,115	4,051,373	1,831,741	506,698	863,077	5,147	13,787,870	4,605,323	18,393,193
Facultative inward premium	17,946	-	1,476	-	-	-	-	-	-	-	19,422	-	19,422
Administrative surcharge	15,504	47	22,388	-	86,083	8,963	1,706	-	7,992	25	133,673	9,035	142,708
	7,958,194	17,650	872,057	24,502	2,406,198	4,060,336	1,833,447	506,698	871,069	5,172	13,940,965	4,614,358	18,555,323
Insurance premium earned	5,659,466	15,595	843,813	19,290	2,191,087	3,511,393	1,510,563	207,804	930,675	6,650	11,135,604	3,760,732	14,896,336
Insurance premium ceded to reinsurers	(4,982,714)	(10,692)	(132,143)	-	(43,566)	(108,665)	-	(108,669)	(412,285)	(5,243)	(5,570,708)	(233,269)	(5,803,977)
Net insurance premium	676,752	4,903	711,670	19,290	2,147,521	3,402,728	1,510,563	99,135	518,390	1,407	5,564,896	3,527,463	9,092,359
Commission income	338,410	2,916	783	-	2,900	-	-	1,232	62,729	2,537	404,822	6,685	411,507
Net underwriting income	1,015,162	7,819	712,453	19,290	2,150,421	3,402,728	1,510,563	100,367	581,119	3,944	5,969,718	3,534,148	9,503,866
Insurance claims	(3,132,140)	67,738	(327,944)	(1,454)	(1,041,200)	(3,068,206)	(1,295,730)	(154,116)	(458,276)	999	(6,255,290)	(3,155,039)	(9,410,329)
Insurance claim recoveries from reinsurer	2,944,458	(56,021)	28,426	-	48,421	1,048,952	-	108,303	215,688	(50)	3,236,993	1,101,184	4,338,177
Net claims	(187,682)	11,717	(299,518)	(1,454)	(992,779)	(2,019,254)	(1,295,730)	(45,813)	(242,588)	949	(3,018,297)	(2,053,855)	(5,072,152)
Commission expense	(333,041)	(1,921)	(116,502)	(3,773)	(162,679)	(731,354)	(44,337)	(16,141)	(88,668)	(288)	(745,227)	(753,477)	(1,498,704)
Management expense	(302,049)	(685)	(280,026)	(5,488)	(731,878)	(608,669)	(97,023)	(29,197)	(166,050)	(258)	(1,577,026)	(644,297)	(2,221,323)
Net insurance claims and expenses	(822,772)	9,111	(696,046)	(10,715)	(1,887,336)	(3,359,277)	(1,437,090)	(91,151)	(497,306)	403	(5,340,550)	(3,451,629)	(8,792,179)
Underwriting result	192,390	16,930	16,407	8,575	263,085	43,451	73,473	9,216	83,813	4,347	629,168	82,519	711,687
Net investment income											2,097,096	81,948	2,179,044
Rental income											94,245	1,299	95,544
Other income											64,186	34,287	98,473
Other expenses											(29,236)	(10,055)	(39,291)
Finance cost											(20,347)	(2,032)	(22,379)
Profit from Window Takaful Operations											97,561	-	97,561
Profit before tax											2,932,673	187,966	3,120,639

30 September 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	13,302,085	29,987	689,845	9,563	1,626,381	3,684,591	982,533	409,173	1,879,101	17,922	18,479,945	4,151,236	22,631,181
Unallocated assets											29,478,693	7,866,608	37,345,301
											47,958,638	12,017,844	59,976,482
Segment Liabilities	13,690,863	34,593	930,322	32,355	3,031,792	8,415,437	2,249,148	504,020	2,458,899	19,804	22,361,024	9,006,209	31,367,233
Unallocated Liabilities											5,577,822	680,778	6,258,600
											27,938,846	9,686,987	37,625,833

30.1 Segment Information

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

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

31 Fair value measurement of financial instruments

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

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

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

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

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

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

		30 September 2021									
		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) -----									
<u>Financial assets - measured at fair value</u>											
<i>Investment</i>											
	12	14,825,977	-	-	-	-	14,825,977	14,825,977	-	-	14,825,977
	12	3,516,392	-	-	-	-	3,516,392	-	-	3,516,392	3,516,392
	13	-	377,211	-	-	-	377,211	-	377,211	-	377,211
	19	37,723	-	-	-	-	37,723	37,723	-	-	37,723
<u>Financial assets - not measured at fair value</u>											
	15	-	-	400,171	-	-	400,171	-	-	-	-
	14	-	6,651,917	-	-	-	6,651,917	-	-	-	-
	16	-	-	8,607,225	-	-	8,607,225	-	-	-	-
	18	-	-	7,008,186	-	-	7,008,186	-	-	-	-
	18	-	-	-	2,591,950	-	2,591,950	-	-	-	-
	19	-	-	333,872	289,016	-	622,888	-	-	-	-
		18,380,092	7,029,128	16,349,454	2,880,966	-	44,639,640	14,863,700	377,211	3,516,392	18,757,303
<u>Financial liabilities - not measured at fair value</u>											
<i>Underwriting provisions:</i>											
		-	-	-	-	1,497,359	1,497,359	-	-	-	-
		-	-	-	-	12,086,375	12,086,375	-	-	-	-
		-	-	-	-	6,272,152	6,272,152	-	-	-	-
		-	-	-	-	2,846,213	2,846,213	-	-	-	-
	19	-	-	-	-	286,554	286,554	-	-	-	-
		-	-	-	-	22,988,653	22,988,653	-	-	-	-

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

31.1 Fair value measurement of financial instruments

		31 December 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) -----									
<i>Financial assets - measured at fair value</i>											
<i>Investment</i>											
		15,710,251	-	-	-	-	15,710,251	15,710,251	-	-	15,710,251
	12	3,484,209	-	-	-	-	3,484,209	-	-	3,484,209	3,484,209
	13	-	374,331	-	-	-	374,331	-	374,331	-	374,331
	19	35,873	-	-	-	-	35,873	35,873	-	-	35,873
<i>Financial assets - not measured at fair value</i>											
	15	-	-	294,654	-	-	294,654	-	-	-	-
	14	-	5,929,062	-	-	-	5,929,062	-	-	-	-
	16	-	-	4,759,151	-	-	4,759,151	-	-	-	-
	18	-	-	5,922,296	-	-	5,922,296	-	-	-	-
	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
<i>Financial liabilities - not measured at fair value</i>											
<i>Underwriting provisions:</i>											
		-	-	-	-	166,367	166,367	-	-	-	-
		-	-	-	-	10,768,040	10,768,040	-	-	-	-
		-	-	-	-	3,030,884	3,030,884	-	-	-	-
		-	-	-	-	2,185,037	2,185,037	-	-	-	-
	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.

32 Date of authorization for issue

This unconsolidated condensed interim financial information was authorized for issue on 28 October, 2021 by the Board of Directors of the Company.

33 General

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

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



Chairman



Director



Director



**Chief Financial
Officer**



**Managing Director & Chief
Executive Officer**

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

For nine months period ended 30 September 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 nine months period ended 30 September 2021.

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

	(Unaudited)	
	30 September 2021	30 September 2020
	———— Rupees in thousand ————	
Profit before tax	3,307,664	1,943,337
Taxation	<u>(899,059)</u>	<u>(623,386)</u>
Profit after tax	2,408,605	1,319,951
Less: Profit attributable to non-controlling interest	<u>-</u>	<u>(2,786)</u>
Profit attributable to ordinary shares	2,408,605	1,317,165
Other comprehensive income - Remeasurement of defined benefit obligation	6,763	-
Unappropriated profit brought forward	<u>14,650,455</u>	<u>13,610,534</u>
Profit available for appropriation	17,065,823	14,927,699
Final cash dividend at Rs. 1.25 per share - 31 December 2020 [31 December 2019 (Rupee 1.5 per share)]	<u>(437,500)</u>	<u>(525,000)</u>
Interim cash dividend at Rs. 1.5 per share - 30 June 2021 [30 June 2020 (Rupee 1.25 per share)]	<u>(525,000)</u>	<u>(437,500)</u>
Acquisition of non-controlling interest	<u>-</u>	<u>(57,794)</u>
Profit after appropriation	<u>16,103,323</u>	<u>13,907,405</u>
	(Unaudited)	
	30 September 2021	30 September 2020
	———— Rupees ————	
Earnings per share - Basic and diluted	<u>6.88</u>	<u>3.76</u>

For and on behalf of the Board

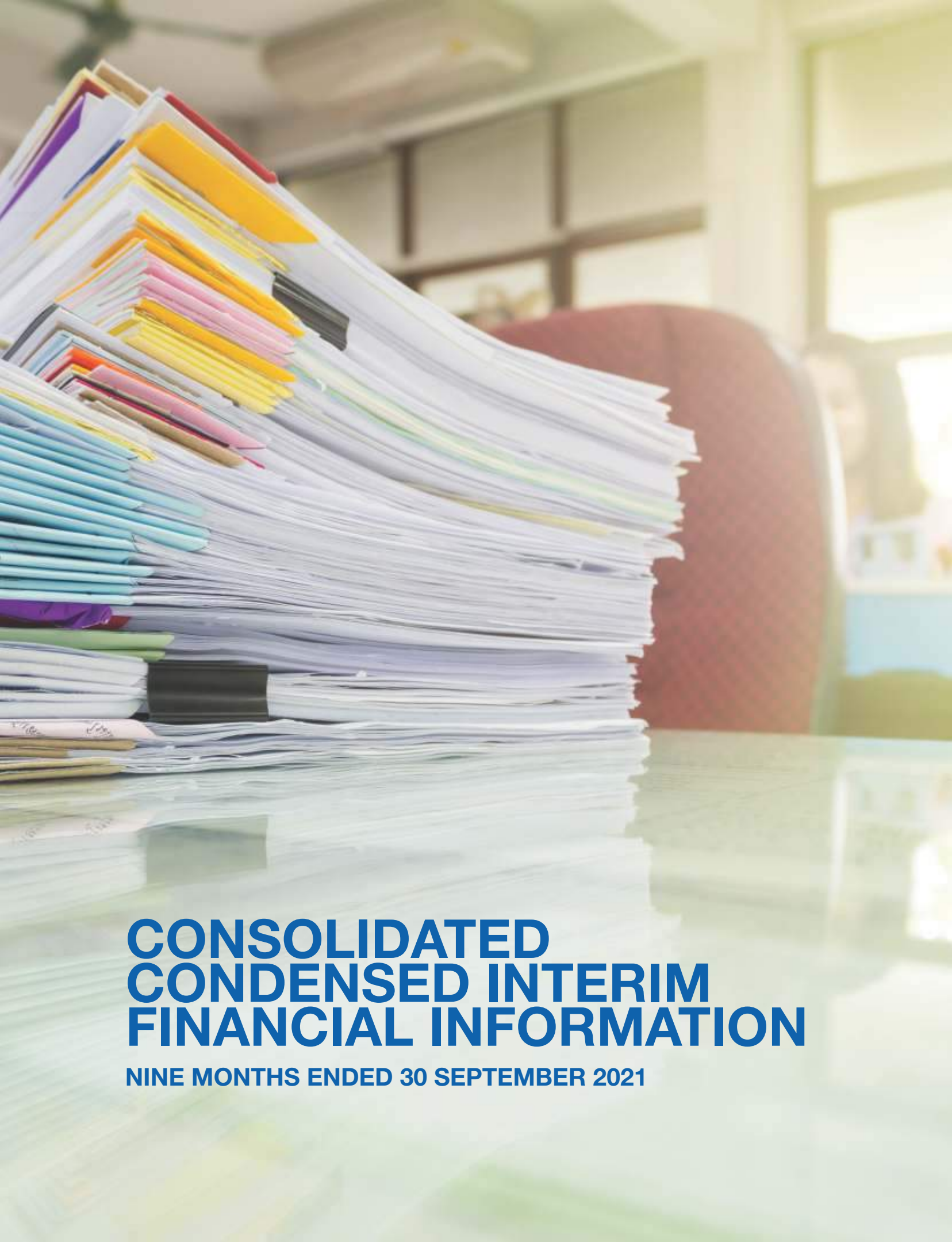


Shaikh Muhammad Jawed
 Director



Muhammad Ali Zeb
 Managing Director &
 Chief Executive Officer

Lahore: 28 October 2021

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

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

NINE MONTHS ENDED 30 SEPTEMBER 2021

Adamjee Insurance Company Limited
 Consolidated Condensed Interim Statement of Financial Position
 As at 30 September 2021

	Note	30 September 2021	31 December 2020
----- (Rupees in thousand) -----			
		(Unaudited)	(Audited)
ASSETS			
Property and equipment	7	4,833,209	4,758,982
Intangible assets	8	122,070	127,381
Investment properties	9	1,225,026	1,183,026
Investments			
Equity securities	10	35,022,777	34,863,749
Debt securities	11	17,193,987	15,290,166
Term deposits	12	19,946,917	13,891,062
Loan secured against life insurance policies		40,115	29,912
Loans and other receivables	13	1,009,764	985,744
Insurance / reinsurance receivables	14	8,633,210	4,991,328
Reinsurance recoveries against outstanding claims		7,008,186	5,922,296
Salvage recoveries accrued		340,432	270,275
Deferred commission expense / acquisition cost		1,052,910	731,319
Taxation - payment less provisions		656,549	691,558
Prepayments	15	5,826,837	3,468,952
Cash and bank	16	12,673,512	11,267,096
		115,585,501	98,472,846
Total assets of Window Takaful Operations			
- Operator's Fund (Parent Company)	17	693,437	589,148
TOTAL ASSETS		116,278,938	99,061,994
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		3,500,000	3,500,000
Reserves	18	3,289,908	4,487,307
Unappropriated Profit		16,103,323	14,650,455
Equity attributable to equity holders of the parent		22,893,231	22,637,762
Non-controlling interest		-	-
Total Equity		22,893,231	22,637,762
Liabilities			
Insurance liabilities		54,000,393	46,990,343
Underwriting provisions:			
Outstanding claims including IBNR		12,086,375	10,768,040
Unearned premium reserve		12,246,522	8,366,434
Unearned reinsurance commission		311,837	245,318
Retirement benefits obligations		243,026	309,581
Deferred taxation		1,119,519	1,581,977
Borrowings		1,605,636	330,849
Deferred grant income		14,007	28,574
Premium received in advance		936,811	724,448
Insurance / reinsurance payables		6,343,167	3,161,519
Other creditors and accruals	19	3,467,800	2,892,994
Deposits and other liabilities		724,060	781,358
		39,098,760	29,191,092
Total liabilities of Window Takaful Operations			
- Operator's Fund (Parent Company)	17	286,554	242,797
TOTAL EQUITY AND LIABILITIES		116,278,938	99,061,994

Contingencies and commitments

20

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

Chairman

Director

Director

Chief Financial
Officer

Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Consolidated Condensed Interim Profit and Loss Account (Un-audited)
 For the Nine Months Ended 30 September 2021

	Note	For three month period ended		For nine month period ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
----- (Rupees in thousand) -----					
Net insurance premium	21	8,361,945	7,694,679	23,530,811	20,596,203
Net insurance claims	22	(3,806,090)	(3,878,065)	(11,145,247)	(10,805,363)
Net commission and other acquisition costs	23	(1,121,475)	(1,143,828)	(3,369,739)	(3,179,536)
Insurance claims and acquisition expenses		(4,927,565)	(5,021,893)	(14,514,986)	(13,984,899)
Management expenses		(1,049,432)	(971,475)	(3,043,082)	(2,861,236)
Net change in insurance / takaful liabilities (other than outstanding claims)		(1,740,623)	(4,160,557)	(6,919,563)	(5,677,500)
Underwriting results		644,325	(2,459,246)	(946,820)	(1,927,432)
Investment income	24	1,303,173	1,213,170	4,792,464	3,185,247
Net fair value (loss) / gain on financial assets at fair value through profit or loss		(1,044,979)	1,675,888	(1,013,104)	231,342
Net unrealized gain / (loss) on investment property		-	-	42,000	(21,000)
Rental income		29,522	16,624	65,535	49,101
Other income		112,959	92,542	343,156	364,063
Other expenses		(15,992)	(8,433)	(45,977)	(49,258)
Results of operating activities		1,029,008	530,545	3,237,254	1,832,063
Finance cost		(14,031)	(7,738)	(27,151)	(13,693)
Profit from Window Takaful Operations - Operator's Fund (Parent Company)	17	24,906	37,931	97,561	124,967
Profit before tax		1,039,883	560,738	3,307,664	1,943,337
Income tax expense		(311,575)	(144,290)	(899,059)	(623,386)
Profit after tax for the period		728,308	416,448	2,408,605	1,319,951
Profit attributable to:					
Equity holders of the parent		728,308	416,448	2,408,605	1,317,165
Non-controlling interest		-	-	-	2,786
		728,308	416,448	2,408,605	1,319,951
----- (Rupees) -----					
Earnings after tax per share	25	2.08	1.19	6.88	3.76

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



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
 For the Nine Months Ended 30 September 2021

	For three month period ended		For nine month period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
------(Rupees in thousand)-----				
Profit after tax	728,308	416,448	2,408,605	1,319,951
Other comprehensive income				
Items that will not be reclassified subsequently to profit and loss:				
Re-measurement of retirement benefit obligations	-	-	6,763	-
Items that may be reclassified subsequently to profit and loss:				
Unrealized (loss) / gain on 'available-for-sale' investments - net of tax	(664,771)	914,159	(1,524,778)	(1,065,009)
Reclassification adjustment relating to 'available for sale' investments disposed off during the period - net of tax	-	70,798	177,198	73,442
Other comprehensive income from window takaful operations - net of tax	554	470	(329)	(873)
Effect of translation of investment in foreign branches - net	175,367	(28,488)	150,510	112,369
Total comprehensive income for the period	239,458	1,373,387	1,217,969	439,880
Total comprehensive income attributable to:				
Equity holders of the parent	239,458	1,373,387	1,217,969	436,397
Non-controlling interest	-	-	-	3,483
	239,458	1,373,387	1,217,969	439,880

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



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the Nine Months Ended 30 September 2021

	Nine months ended 30 September 2021	Nine months ended 30 September 2020
	------(Rupees in thousand)-----	
Cash flows from operating activities:		
Underwriting activities		
Insurance premium received	30,173,177	25,089,698
Reinsurance premiums paid	(4,996,676)	(4,266,034)
Claims paid	(14,686,970)	(12,610,038)
Reinsurance and other recoveries received	3,041,301	2,498,083
Commissions paid	(3,527,346)	(2,928,442)
Commissions received	477,848	422,134
Other underwriting payments	(3,165,180)	(4,086,688)
Net cash flow from underwriting activities	7,316,154	4,118,713
Other operating activities		
Income tax paid	(798,035)	(237,159)
Other operating payments	(102,810)	(100,311)
Loans advanced	(42,168)	(27,329)
Loans installments received	40,693	37,986
Other operating receipts	27,864	39,137
Net cash outflow for other operating activities	(874,456)	(287,676)
Total cash inflow from all operating activities	6,441,698	3,831,037
Cash flows from investing activities:		
Profit / return received	2,013,272	2,231,687
Dividends received	2,102,752	1,063,194
Rentals received	97,580	92,412
Payment for investments/ investment properties	(218,551,561)	(110,099,960)
Proceeds from disposal of investments/ investment properties	212,563,451	99,822,877
Loan to / from policy holder	(7,468)	2,323
Fixed capital expenditure	(282,738)	(439,920)
Proceeds from disposal of operating fixed assets	27,832	26,878
Total cash outflow for investing activities	(2,036,880)	(7,300,509)
Cash flows from financing activities:		
Payments against lease liabilities	(35,929)	(31,123)
Dividends paid	(448,971)	(490,345)
Proceeds against right issue	1,564,506	-
Loan obtained	1,390,000	356,905
Loan principal and interest expense paid against loan	(135,008)	(10)
Total cash outflow for financing activities	2,334,598	(164,573)
Net cash outflow for / flow from all activities	6,739,416	(3,634,045)
Cash and cash equivalents at beginning of period	19,229,096	18,022,244
Cash and cash equivalents at end of period	25,968,512	14,388,199

Nine months ended 30 September 2021	Nine months ended 30 September 2020
----- (Rupees in thousand) -----	

Reconciliation to profit and loss account:

Operating cash flows	6,441,698	3,831,037
Depreciation and amortization expense	(246,279)	(277,000)
Provision for retirement benefit obligations	(30,516)	(38,202)
Finance cost	(30,959)	(12,616)
Other income - bank balances and term deposits	134,387	211,941
Gain / (loss) on disposal of fixed assets	18,461	9,098
Rental income	66,037	50,461
Change in assets other than cash	7,740,127	1,264,028
Change in liabilities other than running finance	(11,880,733)	(8,623,607)
Gain on disposal of investments	436,401	301,045
Change in unearned premium	(3,880,088)	1,280,828
Reversal / (provision) for impairment in value of 'available-for-sale' investments	223,096	(140,543)
Dividend and other investment income	4,332,516	3,334,766
Capital contribution to SHF	-	-
Surplus on revaluation of investment	(1,013,104)	3,748
Profit from Window Takaful Operations	97,561	124,967
Profit after tax	2,408,605	1,319,951

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

Cash and cash equivalents	29,172	15,655
Current and saving accounts	12,644,340	10,565,544
Term deposits	13,295,000	3,807,000
Total cash and cash equivalents	25,968,512	14,388,199

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



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive
Officer

Adamjee Insurance Company Limited
 Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)
 For the Nine Months Ended 30 September 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									
Balance as at 31 December 2019 - (Audited)	3,500,000	22,859	3,764	674,936	2,914,787	936,500	13,610,534	21,663,380	341,508	22,004,888
Profit for the period 01 January 2020 to 30 September 2020	-	-	-	-	-	-	1,317,165	1,317,165	2,786	1,319,951
Other comprehensive income for the period 01 January 2020 to 30 September 2020	-	-	-	112,369	(993,137)	-	-	(880,768)	697	(880,071)
Total comprehensive income for the period	-	-	-	112,369	(993,137)	-	1,317,165	436,397	3,483	439,880
	3,500,000	22,859	3,764	787,305	1,921,650	936,500	14,927,699	22,099,777	344,991	22,444,768
Transactions with owners of the Group										
Acquisition of Non-controlling interest	-	-	-	-	(220)	-	(57,794)	(58,014)	(344,991)	(403,005)
Final cash dividend at Rs. 1.5 per share - 31 December 2019	-	-	-	-	-	-	(525,000)	(525,000)	-	(525,000)
Interim cash dividend at Rs. 1.25 per share - 30 June 2020	-	-	-	-	-	-	(437,500)	(437,500)	-	(437,500)
Balance as at 30 September 2020 - (Unaudited)	3,500,000	22,859	3,764	787,305	1,921,430	936,500	13,907,405	21,079,263	-	21,079,263
Profit for the period 01 October 2020 to 31 December 2020	-	-	-	-	-	-	756,757	756,757	-	756,757
Other comprehensive income for the period 01 October 2020 to 31 December 2020	-	-	-	(108,867)	924,316	-	(13,707)	801,742	-	801,742
Total comprehensive income for the period	-	-	-	(108,867)	924,316	-	743,050	1,558,499	-	1,558,499
Balance as at 31 December 2020 - (Audited)	3,500,000	22,859	3,764	678,438	2,845,746	936,500	14,650,455	22,637,762	-	22,637,762
Profit for the period 01 January 2021 to 30 September 2021	-	-	-	-	-	-	2,408,605	2,408,605	-	2,408,605
Other comprehensive income for the period 01 January 2021 to 30 September 2021	-	-	-	150,510	(1,347,909)	-	6,763	(1,190,636)	-	(1,190,636)
Total comprehensive income for the period	-	-	-	150,510	(1,347,909)	-	2,415,368	1,217,969	-	1,217,969
	3,500,000	22,859	3,764	828,948	1,497,837	936,500	17,065,823	23,855,731	-	23,855,731
Transactions with owners of the Group										
Final cash dividend at Rs. 1.25 per share - 31 December 2020	-	-	-	-	-	-	(437,500)	(437,500)	-	(437,500)
Interim cash dividend at Rs. 1.5 per share - 30 June 2021	-	-	-	-	-	-	(525,000)	(525,000)	-	(525,000)
Balance as at 30 September 2021 - (Unaudited)	3,500,000	22,859	3,764	828,948	1,497,837	936,500	16,103,323	22,893,231	-	22,893,231

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



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
Notes to the Consolidated Condensed Interim Financial Information (Un-audited)
For the Nine Months Ended 30 September 2021

1 The group and its operations:

1.1 The group comprises of:

	2021	2020
	(Holding percentage)	
Parent Company		
Adamjee Insurance Company Limited	100%	100%
Subsidiary Company		
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 the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by the SECP and subsequently the Subsidiary Company commenced Window Takaful Operations from July 14, 2016. The Subsidiary Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf deed executed by the Subsidiary Company with the ceded amount of Rs. 500,000. The ceded money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Subsidiary Company and policy holders for the management of Takaful operations, investment of policy holders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Subsidiary Company.

2 Basis of preparation and statement of compliance

This consolidated condensed interim financial information of the Group for the nine months period ended 30 September 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 the 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 nine months period ended 30 September 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 information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 31 December 2020.

6 Insurance and Financial risk management

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

		(Unaudited) 30 September 2021	(Audited) 31 December 2020
	Note	Rupees in thousand	
7 Property and equipment			
Operating assets	7.1	4,628,956	4,535,595
Capital work in progress		42,556	28,116
Right of use asset		161,697	195,271
		<u>4,833,209</u>	<u>4,758,982</u>
7.1 Operating assets			
Opening balance - net book value		4,535,595	4,288,446
Additions during the period / year	7.2	242,861	562,351
Less:			
Book value of disposals during the period / year	7.3	(8,546)	(49,386)
Depreciation charged during the period / year		(167,018)	(275,637)
Exchange differences and other adjustments		26,064	9,821
		<u>(149,500)</u>	<u>(315,202)</u>
		<u>4,628,956</u>	<u>4,535,595</u>
7.2 Additions during the period / year - cost			
Land and buildings		84,165	254,005
Furniture and fixtures		28,348	107,479
Motor vehicles		52,240	26,596
Machinery and equipment		51,276	116,307
Computer and related accessories		17,268	52,313
Leasehold Improvements		9,564	5,651
		<u>242,861</u>	<u>562,351</u>
7.3 Written down values of property and equipment disposed off during the period / year			
Land and buildings		-	592
Furniture and fixtures		38	5,364
Motor vehicles		6,138	27,477
Machinery and equipment		2,355	2,683
Computer and related accessories		15	1,370
Leasehold Improvements		-	11,900
		<u>8,546</u>	<u>49,386</u>
8 Intangible assets			
Opening balance - net book value		127,381	131,236
Additions during the period / year		25,437	42,296
Book value of disposals during the period / year		-	-
Amortization charged during the period / year		(33,738)	(47,821)
Exchange differences and other adjustments		2,990	1,670
		<u>(30,748)</u>	<u>(46,151)</u>
		<u>122,070</u>	<u>127,381</u>
9 Investment Properties			
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>

10 Investments in equity securities

	30 September 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								
Available-for-sale								
Related parties								
Listed shares	9,896,109	(23,854)	(651,100)	9,221,155	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
Mutual Funds	150,000	-	525	150,525	-	-	-	-
	10,995,565	(23,854)	(384,708)	10,587,003	10,029,107	(265,237)	1,446,442	11,210,312
Others								
Listed shares	6,369,165	(1,916,260)	1,125,958	5,578,863	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	248,416	-	(4,349)	244,067	48,130	-	(1,851)	46,279
NIT Units	161	-	700	861	161	-	709	870
	7,543,102	(1,916,260)	2,498,018	8,124,860	7,342,816	(1,897,973)	2,558,718	8,003,561
Total - available for sale	18,538,667	(1,940,114)	2,113,310	18,711,863	17,371,923	(2,163,210)	4,005,160	19,213,873
Fair value through profit or loss								
Related parties								
Listed shares	963,206	-	-	963,206	1,289,216	-	-	1,289,216
Mutual Funds	6,941,948	-	-	6,941,948	6,174,140	-	-	6,174,140
	7,905,154	-	-	7,905,154	7,463,356	-	-	7,463,356
Others								
Listed shares	6,459,545	-	-	6,459,545	5,763,671	-	-	5,763,671
Mutual Funds	1,946,215	-	-	1,946,215	2,422,849	-	-	2,422,849
	8,405,760	-	-	8,405,760	8,186,520	-	-	8,186,520
Total - fair value through profit or loss	16,310,914	-	-	16,310,914	15,649,876	-	-	15,649,876
Grand Total	34,849,581	(1,940,114)	2,113,310	35,022,777	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.

	(Unaudited)	(Audited)
	30 September	31 December
	2021	2020
Note	Rupees in thousand	
11 Investments in debt securities		
Held to maturity		
Treasury Bills	277,949	275,631
Pakistan Investment Bonds	99,262	98,700
	377,211	374,331
Available for sale		
Treasury Bills	1,527,411	688,532
Pakistan Investment Bonds	100,297	101,736
	1,627,708	790,268
Fair value through profit or loss		
Term Finance Certificates	1,539,859	1,125,156
Advance against purchase of term finance certificate	975,000	100,000
Corporate Sukuks	1,567,605	2,155,587
Ijarah Sukuks	427,688	464,354
Treasury Bills	6,164,218	6,371,663
Pakistan Investment Bonds	4,514,698	3,908,807
	15,189,068	14,125,567
	17,193,987	15,290,166
12 Investments in Term Deposits		
Held to maturity		
Deposits maturing within 12 months		
Inside Pakistan		
- related parties	755,000	448,811
- others	12,715,066	7,695,066
	13,470,066	8,143,877
Outside Pakistan		
- related parties	1,393,824	1,305,429
- others	4,999,028	4,364,568
	6,392,852	5,669,997
Deposits maturing after 12 months	19,862,918	13,813,874
Inside Pakistan		
- related parties	8,811	2,000
- others	75,188	75,188
	83,999	77,188
12.1	19,946,917	13,891,062

12.1 These include fixed deposits amounting to Rs. 5,342,992 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 Group for claims under litigation filed against the Group, bid bond guarantees and guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party.

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
	Rupees in thousand	
13 Loans and other receivables - considered good		
Rent receivable	8,492	7,776
Accrued income	477,622	251,749
Security deposits	123,024	102,938
Advances to employees and suppliers	158,987	237,051
Advance agent commission	7,121	4,478
Loans to employees	57,786	52,335
Receivable against the sale of investment	53,764	233,958
Receivable from related parties	-	16,694
Other receivables	122,968	78,765
	1,009,764	985,744

14 Insurance / reinsurance receivables - unsecured and considered good

Due from insurance contract holders	8,384,515	4,753,304
Provision for impairment of receivables from insurance contract holders	(983,258)	(936,290)
	7,401,257	3,817,014
Due from other insurers / other reinsurers	1,433,255	1,375,616
Provision for impairment of due from other insurers / reinsurers	(201,302)	(201,302)
	1,231,953	1,174,314
	8,633,210	4,991,328

14.1 Due from insurance contact holders include an amount Rs. 390,440 thousands (2020: Rs. 201,453 thousands) held with related parties.

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
	Rupees in thousand	
15 Prepayments		
Prepaid reinsurance premium ceded	5,622,428	3,307,863
Prepaid miscellaneous expenses	204,409	161,089
	5,826,837	3,468,952
16 Cash and bank		
Cash and cash equivalents		
Inside Pakistan		
Cash in hand	1,107	580
Policy stamps, revenue stamps and bond papers	27,432	10,499
	28,539	11,079
Outside Pakistan		
Cash in hand	633	-
	29,172	11,079
Cash at bank		
Inside Pakistan		
Current accounts	757,672	331,680
Savings accounts	11,187,135	10,787,153
	11,944,807	11,118,833
Outside Pakistan		
Current accounts	698,101	136,313
Savings accounts	1,432	871
	699,533	137,184
	12,644,340	11,256,017
	12,673,512	11,267,096

16.1 Cash at bank includes an amount of Rs. 2,635,780 thousands (2020: Rs. 3,674,945 thousands) held with MCB Bank Limited and MCB Islamic Bank Limited, a related parties of the Group.

16.2 Lien of Rs. 440,000 thousands (2020: Rs. 440,000 thousands) is marked on cash deposits in saving accounts against SBLC (Standby Letter of Credit) issued in favor of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited, a related party of the Group.

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
Rupees in thousand		
17 Window Takaful Operations - Parent Company		
Operator's Fund		
Assets		
Cash and bank deposits	289,016	209,446
Qard-e-Hasna to Participant Takaful Fund	146,460	146,460
Investments	37,723	35,873
Intangible assets	11,743	12,421
Property and equipment	21,083	20,793
Current assets - others	187,412	164,155
Total Assets	693,437	589,148
Total Liabilities	286,554	242,797
	For nine month period ended	
	30 September 2021	30 September 2020
	Rupees in thousand	
Wakala income	311,004	300,965
Commission expense	(101,543)	(87,604)
Management expenses	(126,269)	(101,807)
Investment income	2,317	3,584
Other income	12,275	9,579
Mudarib's share of PTF investment income	2,087	2,744
Other Expenses	(2,310)	(2,494)
Profit before taxation	97,561	124,967
Taxation	(36,700)	(36,241)
Profit after taxation	60,861	88,726

Details of total assets, total liabilities and segment disclosure of window takaful operations of the Parent Company are stated in the annexed condensed interim financial information for the nine months ended 30 September 2021.

	(Unaudited) 30 September 2021	(Audited) 31 December 2020
Rupees in thousand		
18 Reserves		
Capital reserves		
Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	828,948	678,438
Fair value reserve	1,497,837	2,845,746
	2,353,408	3,550,807
Revenue reserves		
General reserves	936,500	936,500
	3,289,908	4,487,307
19 Other creditors and accruals		
Agents commission payable	1,097,924	1,077,695
Payable against the purchase of investment	36,911	237,167
Federal Excise Duty / Sales Tax / VAT	341,346	94,242
Federal Insurance Fee payable	69,817	29,854
Payable to related parties	3,833	4,801
Workers' welfare fund	76,485	76,485
Tax deducted at source	79,581	107,570
Accrued expenses	460,229	510,725
Unpaid and unclaimed dividend	675,282	161,753
Payable to employees' provident fund	382	143
Sundry creditors	626,010	592,559
	3,467,800	2,892,994

20 Contingencies and commitments

Parent Company

Contingencies and commitments

There has been no significant change in the status of contingencies as reported in the preceding published unconsolidated 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 of AED 349,250 amounting to Rs. 16,226 thousands (December 2020: AED 251,500 amounting to Rs.10,944 thousands) relating to UAE branch.

Subsidiary Company

Contingencies

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

According to the grounds of the petition and legal opinion obtained by the Subsidiary Company the Insurance premium does not fall under the definition of service rather an insurance policy is a financial arrangement, which is in the nature of a contingent contract, and not a service upon which sales tax can be levied (and that an insurance 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.509.37 million (December 31, 2020: 347.54 million) computed on the basis of risk based premium, as per the advice of legal advisor, which nonetheless the Subsidiary Company maintains, based on the legal view, cannot be levied as the insurance is not a service.

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

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

Commitments

Commitments represent ljarah rentals for vehicles payable in future period.

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>30 September</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	Rupees in thousand	
Not later than one year	56,303	37,844
Later than one year and not later than five years	148,879	102,066
	<u>205,182</u>	<u>139,910</u>

Note	For three month period ended		For nine month period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand			
21 Net insurance premium				
Parent Company				
Written gross premium	8,026,148	4,680,074	18,530,939	14,423,597
Unearned premium reserve opening	9,320,461	9,426,420	8,366,434	10,242,348
Unearned premium reserve closing	(12,246,522)	(8,961,520)	(12,246,522)	(8,961,520)
Currency translation effect	249,470	(56,045)	221,101	248,282
Premium earned	5,349,557	5,088,929	14,871,952	15,952,707
Reinsurance premium ceded	(4,478,391)	(2,212,573)	(8,102,336)	(5,436,857)
Prepaid reinsurance premium opening	(3,253,601)	(2,937,772)	(3,307,863)	(3,500,512)
Prepaid reinsurance premium closing	5,622,428	3,331,062	5,622,428	3,331,062
Currency translation effect	(16,254)	2,193	(16,206)	(6,060)
Reinsurance expense	(2,125,818)	(1,817,090)	(5,803,977)	(5,612,367)
21.1 & 21.2	3,223,739	3,271,839	9,067,975	10,340,340
Subsidiary Company				
Regular premium / contributions individual policies				
- first year	938,915	884,621	2,668,680	1,963,343
- second year renewal	564,936	679,557	1,494,972	1,901,722
- subsequent years renewal	1,536,492	1,246,715	4,491,130	3,532,072
Single premium / contributions individual policies	2,098,110	1,552,873	5,846,192	2,783,985
Group policies without cash values	293,002	329,454	483,173	577,960
Less: Experience refund	(72,066)	(12,182)	(74,495)	(22,319)
	5,359,389	4,681,038	14,909,652	10,736,763
Less: reinsurance premiums / retakaful contributions ceded				
On individual life first year business	(15,120)	(10,800)	(43,687)	(21,519)
On individual life second year business	(8,240)	(5,474)	(24,954)	(16,475)
On individual life subsequent renewal business	(45,178)	(32,503)	(127,881)	(87,734)
On single premium individual policies	(2,707)	(1,029)	(8,062)	(3,284)
On group policies	(164,097)	(208,392)	(263,777)	(352,281)
Profit commission on reinsurance	14,159	-	21,545	393
	(221,183)	(258,198)	(446,816)	(480,900)
	5,138,206	4,422,840	14,462,836	10,255,863
	8,361,945	7,694,679	23,530,811	20,596,203
21.1 Net insurance premium - Business underwritten inside Pakistan				
Written gross premium	6,554,766	3,909,035	13,916,581	10,697,202
Unearned premium reserve opening	6,279,981	5,861,254	6,021,464	6,197,501
Unearned premium reserve closing	(8,826,825)	(6,298,218)	(8,826,825)	(6,298,218)
Premium earned	4,007,922	3,472,071	11,111,220	10,596,485
Reinsurance premium ceded	(4,285,351)	(2,150,570)	(7,691,206)	(5,263,861)
Prepaid reinsurance premium opening	(3,118,551)	(2,818,671)	(3,260,277)	(3,425,355)
Prepaid reinsurance premium closing	5,380,775	3,213,297	5,380,775	3,213,297
Reinsurance expense	(2,023,127)	(1,755,944)	(5,570,708)	(5,475,919)
	1,984,795	1,716,127	5,540,512	5,120,566
21.2 Net insurance premium - Business underwritten outside Pakistan				
Written gross premium	1,471,382	771,039	4,614,358	3,726,395
Unearned premium reserve opening	3,040,480	3,565,166	2,344,970	4,044,847
Unearned premium reserve closing	(3,419,697)	(2,663,302)	(3,419,697)	(2,663,302)
Currency translation effect	249,470	(56,045)	221,101	248,282
Premium earned	1,341,635	1,616,858	3,760,732	5,356,222
Reinsurance premium ceded	(193,040)	(62,003)	(411,130)	(172,996)
Prepaid reinsurance premium opening	(135,050)	(119,101)	(47,586)	(75,157)
Prepaid reinsurance premium closing	241,653	117,765	241,653	117,765
Currency translation effect	(16,254)	2,193	(16,206)	(6,060)
Reinsurance expense	(102,691)	(61,146)	(233,269)	(136,448)
	1,238,944	1,555,712	3,527,463	5,219,774

Note	For three month period ended		For nine month period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand			
22 Net insurance claims expense				
Parent Company				
Claims paid	3,650,276	2,536,430	8,413,107	7,953,138
Outstanding claims including IBNR closing	12,086,375	12,462,175	12,086,375	12,462,175
Outstanding claims including IBNR opening	(12,627,240)	(11,641,695)	(10,768,040)	(10,367,347)
Currency translation effect	(405,380)	91,911	(321,113)	(422,239)
Claims expense	2,704,031	3,448,821	9,410,329	9,625,727
Reinsurance and other recoveries received	(1,795,700)	(829,757)	(3,304,933)	(2,849,950)
Reinsurance and other recoveries in respect of outstanding claims closing	(7,348,618)	(7,080,096)	(7,348,618)	(7,080,096)
Reinsurance and other recoveries in respect of outstanding claims opening	8,059,933	6,583,565	6,192,571	6,233,348
Currency translation effect	161,768	(40,993)	122,803	219,838
Reinsurance and other recoveries revenue	(922,617)	(1,367,281)	(4,338,177)	(3,476,860)
22.1 & 22.2	1,781,414	2,081,540	5,072,152	6,148,867
Subsidiary Company				
Gross claims				
Claims under individual policies				
- by death	191,956	174,295	543,173	328,806
- by insured event other than death	(2,284)	(6)	1,325	1,094
- by maturity	381,236	479,921	1,083,280	1,265,862
- by surrender	1,445,068	1,146,994	4,427,595	3,028,586
Total gross individual policy claims	2,015,976	1,801,204	6,055,373	4,624,348
Claims under group policies				
- by death	63,276	259,108	311,264	482,678
- by insured event other than death	350	1,776	4,575	5,248
Total gross group policy claims	63,626	260,884	315,839	487,926
Claim investigation fees	4,246	2,197	8,748	4,176
Total gross claims	2,083,848	2,064,285	6,379,960	5,116,450
Less: Reinsurance recoveries				
- on individual claims	35,374	68,020	107,603	99,789
- on group claims	23,798	199,740	199,262	360,165
	59,172	267,760	306,865	459,954
	2,024,676	1,796,525	6,073,095	4,656,496
	3,806,090	3,878,065	11,145,247	10,805,363
22.1 Net insurance claims expense - Business underwritten inside Pakistan				
Claim paid	1,474,756	1,213,892	4,232,780	3,402,597
Outstanding claims including IBNR closing	6,942,985	5,892,742	6,942,985	5,892,742
Outstanding claims including IBNR opening	(6,926,367)	(5,057,585)	(4,920,475)	(4,398,967)
Claim expense	1,491,374	2,049,049	6,255,290	4,896,372
Reinsurance and other recoveries received	(634,719)	(252,863)	(1,412,802)	(825,391)
Reinsurance and other recoveries in respect of outstanding claims closing	(5,350,469)	(4,057,402)	(5,350,469)	(4,057,402)
Reinsurance and other recoveries in respect of outstanding claims opening	5,535,861	3,410,063	3,526,278	2,948,471
Reinsurance and other recoveries revenue	(449,327)	(900,202)	(3,236,993)	(1,934,322)
	1,042,047	1,148,847	3,018,297	2,962,050
22.2 Net insurance claims expense - Business underwritten outside Pakistan				
Claim Paid	2,175,520	1,322,538	4,180,327	4,550,541
Outstanding claims including IBNR closing	5,143,390	6,569,433	5,143,390	6,569,433
Outstanding claims including IBNR opening	(5,700,873)	(6,584,110)	(5,847,565)	(5,968,380)
Currency translation effect	(405,380)	91,911	(321,113)	(422,239)
Claim expense	1,212,657	1,399,772	3,155,039	4,729,355
Reinsurance and other recoveries received	(1,160,981)	(576,894)	(1,892,131)	(2,024,559)
Reinsurance and other recoveries in respect of outstanding claims closing	(1,998,149)	(3,022,694)	(1,998,149)	(3,022,694)
Reinsurance and other recoveries in respect of outstanding claims opening	2,524,072	3,173,502	2,666,293	3,284,877
Currency translation effect	161,768	(40,993)	122,803	219,838
Reinsurance and other recoveries revenue	(473,290)	(467,079)	(1,101,184)	(1,542,538)
	739,367	932,693	2,053,855	3,186,817

Note	For three month period ended		For nine month period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	Rupees in thousand			
23 Net commission and other acquisition costs				
Parent Company				
Commission paid or payable	612,158	368,302	1,778,356	1,549,001
Deferred commission expense opening	911,257	1,192,418	731,319	1,190,146
Deferred commission expense closing	(1,052,910)	(944,467)	(1,052,910)	(944,467)
Currency translation effect	47,151	(14,022)	41,939	51,647
Net commission	517,656	602,231	1,498,704	1,846,327
Commission received or recoverable	(217,561)	(181,517)	(477,848)	(422,134)
Unearned reinsurance commission opening	(242,641)	(199,721)	(245,318)	(237,751)
Unearned reinsurance commission closing	311,837	259,741	311,837	259,741
Currency translation effect	(248)	68	(178)	(192)
Commission from reinsurance	(148,613)	(121,429)	(411,507)	(400,336)
23.1 & 23.2	369,043	480,802	1,087,197	1,445,991
Subsidiary Company				
Remuneration to insurance / takaful intermediaries on individual policies:				
- Commission on first year contribution / premium	376,079	382,675	1,115,559	859,506
- Commission on second year contribution / premium	32,417	36,045	87,525	101,385
- Commission on subsequent years renewal contribution / premium	36,689	29,206	106,456	82,324
- Commission on single contribution / premium	44,491	33,817	125,055	59,683
- Other benefits to insurance intermediaries	87,100	82,894	294,362	240,423
	576,776	564,637	1,728,957	1,343,321
Remuneration to insurance intermediaries on group policies:				
- Commission	5,819	4,588	20,388	28,706
- Other benefits to insurance intermediaries	232	760	1,371	2,647
	6,051	5,348	21,759	31,353
Other acquisition costs	169,605	93,041	531,826	358,871
	752,432	663,026	2,282,542	1,733,545
	1,121,475	1,143,828	3,369,739	3,179,536
23.1 Net commission and other acquisition costs - Business underwritten inside Pakistan				
Commission paid or payable	350,703	224,964	864,061	733,353
Deferred commission expense opening	307,507	400,172	285,324	352,673
Deferred commission expense closing	(404,158)	(381,604)	(404,158)	(381,604)
Net commission	254,052	243,532	745,227	704,422
Commission received or recoverable	(215,184)	(177,882)	(472,774)	(414,461)
Unearned reinsurance commission opening	(239,650)	(195,331)	(240,971)	(236,381)
Unearned reinsurance commission closing	308,923	253,765	308,923	253,765
Commission from reinsurance	(145,911)	(119,448)	(404,822)	(397,077)
	108,141	124,084	340,405	307,345
23.2 Net commission and other acquisition costs - Business underwritten outside Pakistan				
Commission paid or payable	261,455	143,338	914,295	815,648
Deferred commission expense opening	603,750	792,246	445,995	837,473
Deferred commission expense closing	(648,752)	(562,863)	(648,752)	(562,863)
Currency translation effect	47,151	(14,022)	41,939	51,647
Net commission	263,604	358,699	753,477	1,141,905
Commission received or recoverable	(2,377)	(3,635)	(5,074)	(7,673)
Unearned reinsurance commission opening	(2,991)	(4,390)	(4,347)	(1,370)
Unearned reinsurance commission closing	2,914	5,976	2,914	5,976
Currency translation effect	(248)	68	(178)	(192)
Commission from reinsurance	(2,702)	(1,981)	(6,685)	(3,259)
	260,902	356,718	746,792	1,138,646

24 **Investment income**

Business underwritten Inside Pakistan

Income from equity securities

Dividend Income

	For three month period ended		For nine month period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
- Available for sale	513,632	185,399	1,834,780	855,842
- Fair value through profit or loss	138,564	27,160	471,402	269,316
	652,196	212,559	2,306,182	1,125,158

Income from debt securities

Return on debt securities

- Fair value through profit or loss	67,854	79,987	202,591	310,106
- Held to maturity	-	-	-	-
	67,854	79,987	202,591	310,106

Return on government securities

- Available for Sale	5,622	9,437	21,364	34,783
- Fair value through profit or loss	441,971	322,645	1,203,034	1,116,805
- Held to maturity	7,447	7,831	27,778	29,536
	455,040	339,913	1,252,176	1,181,124

Income from term deposit receipts

- Held to maturity	139,452	63,429	345,955	287,477
	139,452	63,429	345,955	287,477

Tax on dividend under final tax regime	(11,088)	(435)	(55,885)	(1,782)
	(11,088)	(435)	(55,885)	(1,782)

Net realized fair value gains on investments

Available for sale

- Equity securities	-	37,019	5,421	40,552
- Government securities	(6)	-	(9)	-
	(6)	37,019	5,412	40,552

Fair value through profit or loss

- Equity securities	(70)	375,508	480,303	(24,974)
- Debt securities	-	(1,018)	6,331	(1,240)
- Government securities	(22,331)	3,655	(55,645)	286,516
	(22,401)	378,145	430,989	260,302

Provision for impairment in value of 'available-for-sale' investments	-	62,696	223,096	(140,543)
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	1,281,047	1,173,313	4,710,516	3,062,394
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Business underwritten Outside Pakistan

Income from equity securities

Dividend income

- Available for Sale	98	2,150	241	2,244
	98	2,150	241	2,244

Net realized gains on investments

- Available for Sale	-	-	-	191
	-	-	-	191

Return on term deposits

- Held to maturity	22,028	37,707	81,707	120,418
	22,028	37,707	81,707	120,418
	22,126	39,857	81,948	122,853

Total investment income	1,303,173	1,213,170	4,792,464	3,185,247
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	For three month period ended		For nine month period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand			
25 Earnings per share - basic and diluted				
There is no dilutive effect on the basic earnings per share which is based on:				
Profit after tax for the period attributable to ordinary shareholders	728,308	416,448	2,408,605	1,317,165
	Number of shares		Number of shares	
Weighted average number of ordinary shares outstanding	350,000,000	350,000,000	350,000,000	350,000,000
	Rupees		Rupees	
Earnings per share - basic and diluted	2.08	1.19	6.88	3.76

26 Transactions with related parties

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

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

	For nine month period ended	
	30 September 2021	30 September 2020
	Rupees in thousand	
Parent Company		
i) Transactions		
Premiums underwritten	1,478,394	1,340,624
Premiums received	873,336	1,061,914
Claims paid	435,327	463,910
Commission Paid	27,939	23,903
Fee / service charges / expenses received / receivable	22,445	8,460
Rent paid	4,590	8,067
Rent received	40,169	29,584
Loan obtained	1,390,000	178,609
Loan repaid	66,978	-
Interest on loan paid	1,162	10
Dividends received	1,061,743	406,532
Dividends paid	88,577	107,745
Income on bank deposits	33,168	67,093
Investments made	1,250,493	150,738
Fee / service charges paid	7,374	6,410
Security deposit paid	-	115
Security deposit received	5,096	-
Charge in respect of gratuity expense	23,623	27,096
Contribution to Employees' Provident Fund	27,689	26,375
Compensation paid to Key management personnel	977,453	1,010,106
	(Unaudited)	(Audited)
	30 September	31 December
	2021	2020
	Rupees in thousand	
ii) Period end balances		
Balances receivable	388,957	206,040
Balances payable	306,788	313,285
Loan Payable	1,497,359	166,367
Cash and bank balances including term deposits	2,014,788	1,682,250
Payable to Staff Gratuity Fund	156,497	132,874

	For nine month period ended	
	30 September 2021	30 September 2020
	Rupees in thousand	
Subsidiary Company		
i) Transactions		
Associated undertakings		
Premium written	254,522	206,305
Claims expense	94,875	130,057
Commission and other incentives in respect of bancassurance	1,231,838	849,627
Profit on bank deposits	229,669	64,710
Bank charges	1,752	1,390
Investments purchased	7,732,912	4,596,363
Investments sold	6,450,435	3,918,881
Dividend income	131,873	151,825
Other related parties		
Premium written	5,458	5,798
Claims expense	8,000	1,234
Investment advisor fee	27,227	18,685
Trustee fee	6,838	7,648
Key management personnel		
Premium written	-	50
Remuneration	100,734	85,944
Purchase of right shares	29	-
Staff retirement benefit plan (gratuity fund)		
Charge for the period	33,655	31,549
	(Unaudited)	(Audited)
	30 September 2021	31 December 2020
	Rupees in thousand	
ii) Period end balances		
Associated undertakings		
Premium due but unpaid	855	7,985
Bank deposits	2,023,627	3,306,935
Investments held	8,811,476	7,868,307
Dividend receivables	6,068	-
Accrued Income	1,280	593
Commission payable	314,540	453,358
Claims payable	-	33,107
Other related parties		
Premium due but unpaid	1,788	146
Remuneration payable for the management of discretionary investment portfolio	3,288	1,849
Remuneration payable to trustee	807	968
Other receivable / (payable)	(20)	16,694
Key management personnel		
Short term loans	1,698	2,783
Staff Retirement Benefit Plan (Gratuity Fund)		
Payable to gratuity fund	11,792	112,349

27 Segment Information

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

Nine Months Ended 30 September 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					
Rupees in thousands																
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	9,175,697	18,912	993,474	25,792	2,760,772	4,263,353	1,845,570	532,033	967,506	5,436	15,743,019	4,845,526	20,588,545	14,909,652	35,498,197	
Less: Federal excise duty / VAT	(1,141,484)	(1,220)	(112,590)	(1,278)	(330,510)	(203,017)	(15,555)	(25,335)	(88,185)	(263)	(1,688,324)	(231,113)	(1,919,437)	-	(1,919,437)	
Federal insurance fee	(77,692)	(42)	(8,827)	(12)	(24,445)	-	(18,334)	-	(8,816)	(1)	(138,114)	(55)	(138,169)	-	(138,169)	
	7,956,521	17,650	872,057	24,502	2,405,817	4,060,336	1,811,681	506,698	870,505	5,172	13,916,581	4,614,358	18,530,939	14,909,652	33,440,591	
Gross written premium (inclusive of administrative surcharge)	7,956,521	17,650	872,057	24,502	2,405,817	4,060,336	1,811,681	506,698	870,505	5,172	13,916,581	4,614,358	18,530,939	14,909,652	33,440,591	
Gross direct premium	7,923,071	17,603	848,193	24,502	2,319,734	4,051,373	1,809,975	506,698	862,513	5,147	13,763,486	4,605,323	18,368,809	14,909,652	33,278,461	
Facultative inward premium	17,946	-	1,476	-	-	-	-	-	-	-	19,422	-	19,422	-	19,422	
Administrative surcharge	15,504	47	22,388	-	86,083	8,963	1,706	-	7,992	25	133,673	9,035	142,708	-	142,708	
	7,956,521	17,650	872,057	24,502	2,405,817	4,060,336	1,811,681	506,698	870,505	5,172	13,916,581	4,614,358	18,530,939	14,909,652	33,440,591	
Insurance premium earned	5,657,793	15,595	843,813	19,290	2,190,706	3,511,393	1,488,797	207,804	930,111	6,650	11,111,220	3,760,732	14,871,952	14,909,652	29,781,604	
Insurance premium ceded to reinsurers	(4,982,714)	(10,692)	(132,143)	-	(43,566)	(108,665)	-	(108,669)	(412,285)	(5,243)	(5,570,708)	(233,269)	(5,803,977)	(446,816)	(6,250,793)	
Net insurance premium	675,079	4,903	711,670	19,290	2,147,140	3,402,728	1,488,797	99,135	517,826	1,407	5,540,512	3,527,463	9,067,975	14,462,836	23,530,811	
Commission income	338,410	2,916	783	-	2,900	-	-	1,232	62,729	2,537	404,822	6,685	411,507	-	411,507	
Net underwriting income	1,013,489	7,819	712,453	19,290	2,150,040	3,402,728	1,488,797	100,367	580,555	3,944	5,945,334	3,534,148	9,479,482	14,462,836	23,942,318	
Insurance claims	(3,132,140)	67,738	(327,944)	(1,454)	(1,041,200)	(3,068,206)	(1,295,730)	(154,116)	(458,276)	999	(6,255,290)	(3,155,039)	(9,410,329)	(6,379,960)	(15,790,289)	
Insurance claim recoveries from reinsurer	2,944,458	(56,021)	28,426	-	48,421	1,048,952	48,421	108,303	215,688	(50)	3,236,993	1,101,184	4,338,177	306,865	4,645,042	
Net claims	(187,682)	11,717	(299,518)	(1,454)	(992,779)	(2,019,254)	(1,295,730)	(45,813)	(242,588)	949	(3,018,297)	(2,053,855)	(5,072,152)	(6,073,095)	(11,145,247)	
Commission expense	(333,041)	(1,921)	(116,502)	(3,773)	(162,679)	(731,354)	(44,337)	(16,141)	(88,668)	(288)	(745,227)	(753,477)	(1,498,704)	(2,282,542)	(3,781,246)	
Management expense	(302,049)	(685)	(280,026)	(5,488)	(731,878)	(608,669)	(97,023)	(29,197)	(160,225)	(258)	(1,571,201)	(644,297)	(2,215,498)	(827,584)	(3,043,082)	
Net insurance claims and expenses	(822,772)	9,111	(696,046)	(10,715)	(1,887,336)	(3,359,277)	(1,437,090)	(91,151)	(491,481)	403	(5,334,725)	(3,451,629)	(8,786,354)	(9,183,221)	(17,969,575)	
Net change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,919,563)	(6,919,563)	
Underwriting result	190,717	16,930	16,407	8,575	262,704	43,451	51,707	9,216	89,074	4,347	610,609	82,519	693,128	(1,639,948)	(946,820)	
Net investment income											2,097,096	81,948	2,179,044	2,613,420	4,792,464	
Net fair value loss on financial assets at fair value through profit or loss											-	-	-	(1,013,104)	(1,013,104)	
Net unrealized loss on investment property											-	-	-	42,000	42,000	
Rental income											64,236	1,299	65,535	-	65,535	
Other income											62,752	34,287	97,039	246,117	343,156	
Other expenses											(29,236)	(10,055)	(39,291)	(6,686)	(45,977)	
Finance Cost											(19,991)	(2,032)	(22,023)	(5,128)	(27,151)	
Profit from Window Takaful Operations											97,561	-	97,561	-	97,561	
Profit before tax											2,883,027	187,966	3,070,993	236,671	3,307,664	

30 September 2021															
General Insurance													Life Insurance	Aggregate	
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	13,302,085	29,987	689,845	9,563	1,626,381	3,684,591	982,533	409,173	1,879,101	17,922	18,479,945	4,151,236	22,631,181	56,841,063	79,472,244
Unallocated assets											26,742,623	7,866,608	34,609,231	2,197,463	36,806,694
											45,222,568	12,017,844	57,240,412	59,038,526	116,278,938
Segment Liabilities	13,690,863	34,593	930,322	32,355	3,031,792	8,415,437	2,249,148	504,020	2,458,899	19,804	22,361,024	9,006,209	31,367,233	55,344,255	86,711,488
Unallocated Liabilities											5,568,834	680,778	6,249,612	424,607	6,674,219
											27,929,858	9,686,987	37,616,845	55,768,862	93,385,707

27.1 Segment Information

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

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

31 December 2020

General Insurance														Life Insurance	Aggregate
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance			
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan				
Rupees in thousands															
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

28 Fair value measurement of financial instruments

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

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

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

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

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

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

		30 September 2021										
		Available for sale	Held to maturity	Fair value through P&L	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		Rupees in thousand										
Financial assets - measured at fair value												
Investment												
	10	15,195,471	-	16,310,914	-	-	-	31,506,385	31,506,385	-	-	31,506,385
	10	3,516,392	-	-	-	-	-	3,516,392	-	-	3,516,392	3,516,392
	11	1,627,708	377,211	15,189,068	-	-	-	17,193,987	-	17,193,987	-	17,193,987
	17	37,723	-	-	-	-	-	37,723	37,723	-	-	37,723
Financial assets - not measured at fair value												
	13	-	-	-	720,632	-	-	720,632	-	-	-	-
		-	-	-	40,115	-	-	40,115	-	-	-	-
	12	-	19,946,917	-	-	-	-	19,946,917	-	-	-	-
	14	-	-	-	8,633,210	-	-	8,633,210	-	-	-	-
	16	-	-	-	7,008,186	-	-	7,008,186	-	-	-	-
	17	-	-	-	333,872	289,016	-	622,888	-	-	-	-
		20,377,294	20,324,128	31,499,982	16,736,015	12,962,528	-	101,899,947	31,544,108	17,193,987	3,516,392	52,254,487
Financial liabilities - not measured at fair value												
Underwriting provisions:												
	22	-	-	-	-	-	12,086,375	12,086,375	-	-	-	-
		-	-	-	-	-	6,343,167	6,343,167	-	-	-	-
		-	-	-	-	-	1,605,636	1,605,636	-	-	-	-
	19	-	-	-	-	-	3,624,631	3,624,631	-	-	-	-
	17	-	-	-	-	-	286,554	286,554	-	-	-	-
		-	-	-	-	-	23,946,363	23,946,363	-	-	-	-

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

28.1 Fair value measurement of financial instruments

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

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

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

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

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

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

		31 December 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										
<u>Financial assets - measured at fair value</u>												
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
<u>Financial assets - not measured at fair value</u>												
	13	-	-	-	696,612	-	-	696,612	-	-	-	-
		-	-	-	29,912	-	-	29,912	-	-	-	-
	12	-	13,891,062	-	-	-	-	13,891,062	-	-	-	-
	14	-	-	-	4,991,328	-	-	4,991,328	-	-	-	-
	16	-	-	-	5,922,296	-	-	5,922,296	-	-	-	-
	17	-	-	-	310,615	209,446	-	520,061	-	-	-	-
		20,040,014	14,265,393	29,775,443	11,950,763	11,476,542	-	87,508,155	31,415,413	15,290,166	3,484,209	50,189,788
<u>Financial liabilities - not measured at fair value</u>												
Underwriting provisions:												
	22	-	-	-	-	-	10,768,040	10,768,040	-	-	-	-
		-	-	-	-	-	3,161,519	3,161,519	-	-	-	-
		-	-	-	-	-	330,849	330,849	-	-	-	-
	19	-	-	-	-	-	3,366,201	3,366,201	-	-	-	-
	17	-	-	-	-	-	242,797	242,797	-	-	-	-
		-	-	-	-	-	17,869,406	17,869,406	-	-	-	-

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

29 Date of authorization for issue

This consolidated condensed interim financial information was authorized for issue on October 28, 2021 by the Board of Directors of the Parent Company.

30 General

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

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



Chairman



Director



Director



**Chief Financial
Officer**



**Managing Director & Chief
Executive Officer**

WINDOW TAKAFUL OPERATIONS

NINE MONTHS ENDED 30 SEPTEMBER 2021



Adamjee Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Statement of Financial Position (Unaudited)
 As at 30 September 2021

	Note	Operator's Takaful Fund		Participants' Takaful Fund	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		Rupees in thousand		Rupees in thousand	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS					
Qard-e-Hasna to Participants' Takaful Fund					
		146,460	146,460	-	-
Property and equipment	7	21,083	20,793	-	-
Intangible assets	8	11,743	12,421	-	-
Investments					
Equity securities	9	37,723	35,873	52,911	50,614
Debt securities	10	-	-	125,000	125,000
Loans and other receivables	11	10,419	7,411	58,739	27,650
Takaful / re - takaful receivables	12	-	-	535,326	384,445
Re - takaful recoveries against outstanding claims		-	-	158,478	279,132
Salvage recoveries accrued		-	-	58,815	35,986
Wakala and mudarib fee receivable		120,548	116,783	-	-
Deferred commission expense	21	55,785	39,961	-	-
Prepayments	13	660	-	144,980	104,047
Cash and bank	14	289,016	209,446	411,264	552,900
		546,977	442,688	1,545,513	1,559,774
TOTAL ASSETS		693,437	589,148	1,545,513	1,559,774
FUNDS AND LIABILITIES					
Funds attributable to Operator's and Participants'					
Operator's Takaful Fund					
Statutory fund		50,000	50,000	-	-
Reserves		554	883	-	-
Unappropriated profit		356,329	295,468	-	-
		406,883	346,351	-	-
Waqf / Participants' Takaful Fund					
Ceded money		-	-	500	500
Reserves		-	-	779	436
Accumulated surplus		-	-	214,142	172,580
		-	-	215,421	173,516
Qard-e-Hasna from Operator's Takaful Fund					
		-	-	146,460	146,460
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	20	-	-	382,806	558,082
Unearned contribution reserve	18	-	-	469,158	421,449
Unearned retakaful rebate	19	-	-	26,214	17,183
Contribution deficiency reserve		-	-	20,262	-
Retirement benefit obligations		3,878	3,878	-	-
Deferred taxation		312	527	318	178
Contribution received in advance		-	-	34,745	11,037
Takaful / re - takaful payables	15	-	-	76,684	79,436
Wakala and mudarib fee payable		-	-	120,548	116,783
Unearned wakala fee	22	203,920	178,766	-	-
Other creditors and accruals	16	58,111	54,168	52,897	35,650
Taxation - provision less payments		20,333	5,458	-	-
Total Liabilities		286,554	242,797	1,183,632	1,239,798
TOTAL FUNDS AND LIABILITIES		693,437	589,148	1,545,513	1,559,774
Contingencies and commitments	17				

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

Chairman

Director

Director

Chief Financial Officer

Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
Window Takaful Operations
Condensed Interim Profit and Loss Account (Unaudited)
For the Nine Months Period Ended 30 September 2021

Note	For three months period ended		For nine months period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
Rupees in thousand		Rupees in thousand		
PARTICIPANTS' TAKAFUL FUND - REVENUE ACCOUNT				
Contributions earned	237,573	249,428	725,403	766,257
Contributions ceded to retakaful	(76,875)	(66,648)	(238,080)	(208,563)
Net contribution revenue	160,698	182,780	487,323	557,694
Retakaful rebate earned	14,259	12,619	42,592	38,296
Net underwriting income	174,957	195,399	529,915	595,990
Net takaful claims - reported / settled	(155,407)	(202,514)	(450,315)	(535,891)
Charge of contribution deficiency reserve	-	-	(20,262)	(25,716)
	(155,407)	(202,514)	(470,577)	(561,607)
Other direct expenses	(12,938)	(14,857)	(45,485)	(45,336)
Surplus / (deficit) before investment income	6,612	(21,972)	13,853	(10,953)
Investment income	3,624	3,772	11,240	13,719
Other income	6,616	5,683	18,556	26,124
Mudarib's share of investment income	(564)	(755)	(2,087)	(2,744)
Surplus / (deficit) transferred to accumulated surplus	16,288	(13,272)	41,562	26,146
OPERATOR'S TAKAFUL FUND - REVENUE ACCOUNT				
Wakala fee	104,640	101,723	311,004	300,965
Commission expense	(37,720)	(35,164)	(101,543)	(87,604)
General, administrative and management expenses	(45,915)	(33,258)	(126,269)	(101,807)
	21,005	33,301	83,192	111,554
Other income	4,107	4,389	12,275	9,579
Mudarib's share of PTF investment income	564	755	2,087	2,744
Investment income	-	-	2,317	3,584
Direct expenses	(770)	(514)	(2,310)	(2,494)
Profit before taxation	24,906	37,931	97,561	124,967
Provision for taxation	(15,630)	(11,000)	(36,700)	(36,241)
Profit after taxation	9,276	26,931	60,861	88,726

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


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Statement of Comprehensive Income (Unaudited)
 For the Nine Months Period Ended 30 September 2021

	For three months period ended		For nine months period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand		Rupees in thousand	
PARTICIPANTS' TAKAFUL FUND				
Surplus / (deficit) for the period	16,288	(13,322)	41,562	26,146
Other comprehensive income:				
Unrealized gains on available-for-sale investment- Net of tax	740	-	343	-
Total comprehensive income for the period	17,028	(13,322)	41,905	26,146
OPERATOR'S TAKAFUL FUND				
Profit after taxation	9,276	26,931	60,861	88,726
Other comprehensive income:				
Unrealized gains / (losses) on available-for-sale investment- Net of tax	554	470	(329)	(873)
Total comprehensive income for the period	9,830	27,401	60,532	87,853

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

Uma Monsha
 Chairman


 Director


 Director


 Chief Financial Officer


 Managing Director &
 Chief Executive Officer

Adamjee Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Statement of Changes in Funds (Unaudited)
 As at 30 September 2021

	Operator's Takaful Fund			Total
	Statutory fund	Unappropriated profit	Fair value reserve	
	Rupees in thousand			
Balance as at 31 December 2019 - (Audited)	50,000	179,063	1,356	230,419
Profit after tax for the period 01 January 2020 to 30 September 2020	-	88,726	-	88,726
Other comprehensive income for the period 01 January 2020 to 30 September 2020	-	-	(873)	(873)
Total comprehensive income for the period	-	88,726	(873)	87,853
Balance as at 30 September 2020 - (Unaudited)	50,000	267,789	483	318,272
Profit after tax for the period 01 October 2020 to 31 December 2020	-	27,679	-	27,679
Other comprehensive income for the period 01 October 2020 to 31 December 2020	-	-	400	400
Total comprehensive income for the period	-	27,679	400	28,079
Balance as at 31 December 2020 - (Audited)	50,000	295,468	883	346,351
Profit after tax for the period 01 January 2021 to 30 September 2021	-	60,861	-	60,861
Other comprehensive income / (loss) for the period 01 January 2021 to 30 September 2021	-	-	(329)	(329)
Total comprehensive income for the period	-	60,861	(329)	60,532
Balance as at 30 September 2021 - (Unaudited)	50,000	356,329	554	406,883

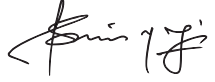
	Participants' Takaful Fund			Total
	Ceded money	Accumulated surplus / (deficit)	Fair value reserve	
	Rupees in thousand			
Balance as at 31 December 2019 - (Audited)	500	80,786	-	81,286
Surplus after tax for the period 01 January 2020 to 30 September 2020	-	26,146	-	26,146
Other comprehensive income for the period 01 January 2020 to 30 September 2020	-	-	-	-
Total comprehensive income for the period	-	26,146	-	26,146
Balance as at 30 September 2020 - (Unaudited)	500	106,932	-	107,432
Surplus after tax for the period 01 October 2020 to 31 December 2020	-	65,648	-	65,648
Other comprehensive income for the period 01 October 2020 to 31 December 2020	-	-	436	436
Total comprehensive income for the period	-	65,648	436	66,084
Balance as at 31 December 2020 - (Audited)	500	172,580	436	173,516
Surplus after tax for the period 01 January 2021 to 30 September 2021	-	41,562	-	41,562
Other comprehensive income / (loss) for the period 01 January 2021 to 30 September 2021	-	-	343	343
Total comprehensive income for the period	-	41,562	343	41,905
Balance as at 30 September 2021 - (Unaudited)	500	214,142	779	215,421

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


 Chairman


 Director


 Director


 Chief Financial Officer



 Managing Director &
 Chief Executive Officer

Adamjee Insurance Company Limited
Window Takaful Operations
Condensed Interim Cash Flow Statement (Unaudited)
For the Nine Months Period Ended 30 September 2021

	Operator's Takaful Fund		Participants' Takaful Fund	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand		Rupees in thousand	
Operating cash flows				
(a) Takaful activities				
Contributions received	-	-	1,073,135	1,069,529
Wakala fee received / (paid)	334,480	405,068	(334,480)	(405,068)
Retakaful / co-takaful paid	-	-	(173,430)	88,956
Claims paid	-	-	(731,805)	(767,043)
Retakaful and other recoveries received	-	-	-	(45,723)
Commissions paid	(106,824)	(66,726)	-	-
Commissions received	-	-	51,623	45,342
Management expenses paid	(132,602)	(112,003)	-	-
Other underwriting payments	-	-	(31,701)	(24,392)
Net cash inflows / (outflows) from takaful activities	95,054	226,339	(146,658)	(38,399)
(b) Other operating activities				
Income tax paid	(21,904)	(1,202)	-	-
Other payments / (receipts)	-	-	(22,351)	1,489
Expenses paid	-	-	-	-
Net cash (outflows) / inflows from other operating activities	(21,904)	(1,202)	(22,351)	1,489
Total cash inflows / (outflows) from operating activities	73,150	225,137	(169,009)	(36,910)
(c) Investment activities				
Profit received on bank deposits and investments	12,251	9,100	29,187	40,263
Payment for investments	(36,943)	(34,628)	(1,814)	-
Proceeds from disposal of investments	36,945	34,632	-	-
Fixed capital expenditures	(5,833)	(6,211)	-	-
Total cash inflows from investing activities	6,420	2,893	27,373	40,263
(d) Financing activities				
Contribution to Operator's fund	-	-	-	-
Ceded money	-	-	-	-
Total cash inflows from financing activities	-	-	-	-
Net Cash inflows / (outflows) from all activities	79,570	228,030	(141,636)	3,353
Cash and cash equivalent at the beginning of the period	209,446	91,895	552,900	434,658
Cash and cash equivalent at the end of the period	289,016	319,925	411,264	438,011
Reconciliation to profit and loss account				
Operating cash flows	73,150	225,137	(169,009)	(36,910)
Depreciation expense	(2,603)	(2,076)	-	-
Amortization expense	(3,618)	(3,906)	-	-
(Decrease) / Increase in assets other than cash	23,233	(58,309)	100,759	295,788
(Increase) / Decrease in liabilities other than cash	(43,893)	(85,283)	80,016	(272,575)
Investment income	2,317	3,584	11,240	13,719
Return on bank deposits	12,275	9,579	18,556	26,124
Net profit / surplus for the period	60,861	88,726	41,562	26,146
Attributed to				
Operator's Takaful Fund	60,861	88,726	-	-
Participants' Takaful Fund	-	-	41,562	26,146
	60,861	88,726	41,562	26,146

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


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
Window Takaful Operations
Notes to the Condensed Interim Financial Information (Unaudited)
For the Nine Months Period Ended 30 September 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 23 December 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 01 January 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 September 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 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 funds and interim cash flow statement and related notes are extracted from condensed interim financial information of the Operator's for the nine months period ended 30 September 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.

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 31 December 2019.

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

There is no significant impact of such changes on this condensed interim financial 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 31 December 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 31 December 2020.

	Note	Operator's Takaful Fund	
		30 September 2021	31 December 2020
		Rupees in thousand	
		(Unaudited)	(Audited)
7 Property and equipment			
Opening balance - net book value		18,793	16,433
Additions during the period	7.1	3,593	5,728
Book value of disposals during the period		-	-
Depreciation charged during the period		(2,609)	(3,368)
		<u>19,777</u>	<u>18,793</u>
Closing balance - net book value		19,777	18,793
Capital work - in - progress	7.2	1,300	2,000
		<u>21,077</u>	<u>20,793</u>
7.1 Additions during the period			
Furniture and fixture		-	-
Motor vehicles		3,509	4,982
Office equipment		-	298
Computer and related accessories		84	448
		<u>3,593</u>	<u>5,728</u>
7.2 Capital work in progress			
Opening balance		2,000	1,300
Additions during the year		-	700
Transfer to property and equipment		-	-
Transfer to intangibles		-	-
Closing balance		<u>2,000</u>	<u>2,000</u>

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

8 Intangible assets			
Opening balance - net book value		12,421	17,650
Transfer from Capital work-in-progress		-	-
Addition during the period		2,940	1,060
Book value of disposal during the period		-	(1,312)
Amortization charged during the period		(3,618)	(4,977)
		<u>(3,618)</u>	<u>(6,289)</u>
Closing balance - net book value		<u>11,743</u>	<u>12,421</u>

30 September 2021			31 December 2020		
Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
Rupees in thousand			Rupees in thousand		
(Unaudited)			(Audited)		

9 Investments in equity securities					
Operator's Takaful Fund					
Available for sale - Mutual fund					
Meezan Islamic Income Fund [673,205 units (2020: 604,139 units)]	36,943	-	36,943	34,628	-
Unrealized gain on revaluation					1,245
					<u>1,245</u>
					<u>35,873</u>
Participants' Takaful Fund					
Available for sale - Mutual fund					
Al Hamra Islamic Income Fund [508,711 units (2020: 481,118)]	51,814	-	51,814	50,000	-
Unrealized gain on revaluation					614
					<u>614</u>
					<u>50,614</u>

Participants' Takaful Fund				
No. of Certificates		Face Value	Value of Certificates	
30 September 2021	31 December 2020		30 September 2021	31 December 2020
Rupees in thousand				
			(Unaudited)	(Audited)

10 Investments in debt securities					
Held - to - maturity					
Sukuk certificates					
Engro Polymer & Chemicals Limited	500	500	100,000	50,000	50,000
The Hub Power Company Limited (HUBCO)	750	750	100,000	75,000	75,000
				<u>125,000</u>	<u>125,000</u>

11 Loans and other receivables - Considered good

	Operator's Takaful Fund		Participants' Takaful Fund	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Sales tax recoverable	(171)	14	-	-
Federal excise duty	-	-	40,600	14,770
Accrued income	1,363	1,339	4,157	3,548
Loan to employees	3,410	1,160	-	-
Security deposits	366	366	-	-
Bid money for tenders	-	-	13,982	9,332
Advances	5,451	4,532	-	-
	10,419	7,411	58,739	27,650

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

	Participants' Takaful Fund	
	30 September 2021	31 December 2020
	Rupees in thousand	
	(Unaudited)	(Audited)
Due from takaful participants' holders	364,063	304,220
Less: provision for impairment of takaful participants' holder	-	-
	364,063	304,220
Due from other takaful / re - takaful operator's	171,263	80,225
Less: provision for impairment of due from other takaful / re - takaful operator's	-	-
	171,263	80,225
	535,326	384,445

13 Prepayments

	Operator's Takaful Fund		Participants' Takaful Fund	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Prepaid re - takaful contribution ceded	-	-	129,434	83,834
Prepaid monitoring charges (Tracking device)	-	-	15,546	20,213
Prepaid Expense	660	-	-	-
	660	-	144,980	104,047

14 Cash and bank

Cash and cash equivalents:

	Operator's Takaful Fund		Participants' Takaful Fund	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Policy stamps in hand	200	-	-	-
Cash in hand	-	150	-	-

Current and other accounts:

Profit or loss accounts	14.1	288,816	209,296	411,264	552,900
		289,016	209,446	411,264	552,900

14.1 Saving accounts carry expected profit rates ranging from 4% to 9% (2020: 5% to 11%).

	Participants' Takaful Fund	
	30 September 2021	31 December 2020
	Rupees in thousand	
	(Unaudited)	(Audited)
15 Takaful / re - takaful payables		
Due to takaful participants' holders	13,783	11,059
Due to other takaful / re - takaful operator's	62,901	68,377
	76,684	79,436

	Operator's Takaful Fund		Participants' Takaful Fund	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
16 Other creditors and accruals				
Agents commission payable	49,841	39,299	-	-
Federal insurance fee	-	-	4,071	3,522
Income tax deducted at source	4,178	2,066	29,290	21,711
Accrued expenses	1,913	7,423	-	-
Others	2,179	5,380	19,536	10,417
	58,111	54,168	52,897	35,650

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 nine months period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
18 Net contribution revenue				
Gross contribution written	400,911	356,665	1,109,270	1,178,270
Wakala fee	(119,986)	(105,431)	(336,158)	(340,081)
Contribution net of wakala fee	280,925	251,234	773,112	838,189
Unearned contribution revenue - opening	425,806	447,712	421,449	377,586
Unearned contribution revenue - closing	(43,352)	(449,518)	(469,158)	(449,518)
Contribution earned	663,379	249,428	725,403	766,257
Less:				
Re - takaful contribution ceded	134,677	99,952	283,680	241,103
Prepaid re - takaful contribution ceded - opening	71,632	80,922	83,834	81,686
Prepaid re - takaful contribution ceded - closing	(129,434)	(114,226)	(129,434)	(114,226)
Re - takaful expense	76,875	66,648	238,080	208,563
Net contribution	586,504	182,780	487,323	557,694

19 Re - takaful rebate

Re - takaful rebate received	25,824	18,675	51,623	45,342
Unearned re - takaful rebate - opening	14,649	16,969	17,183	15,979
Unearned re - takaful rebate - closing	(26,214)	(23,025)	(26,214)	(23,025)
Net re-takaful rebate	14,259	12,619	42,592	38,296

20 Net Takaful Claims

Claims Paid	240,467	463,220	731,805	767,043
Outstanding claims including IBNR - closing	382,806	434,513	382,806	434,513
Outstanding claims including IBNR - opening	(427,539)	(650,915)	(558,082)	(257,810)
Claim expense	195,734	246,818	556,529	943,746

Less:

Re - takaful and other recoveries received	69,127	276,522	204,040	333,539
Re - takaful and other recoveries in respect of outstanding claims net of impairment (if any) closing	217,292	176,652	217,292	176,652
Re - takaful and other recoveries in respect of outstanding claims net of impairment (if any) opening	(246,092)	(408,870)	(315,118)	(102,336)
Re-takaful and other recoveries revenue	40,327	44,304	106,214	407,855
Net claim expense	155,407	202,514	450,315	535,891

	For three months period ended		For nine months period ended	
	Operator's Fund		Operator's Fund	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
21 Commission Expense				
Commission paid or payable	47,397	52,195	117,367	91,733
Deferred commission - opening	46,108	29,029	39,961	41,931
Deferred commission - closing	(55,785)	(46,060)	(55,785)	(46,060)
Net commission	37,720	35,164	101,543	87,604
	For three months period ended		For nine months period ended	
	Operator's Fund		Operator's Fund	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
22 Wakala Fee				
Gross Wakala fee	119,986	105,431	336,158	340,081
Unearned Wakala fee - Opening	188,574	175,386	178,766	139,978
Unearned Wakala fee - Closing	(203,920)	(179,094)	(203,920)	(179,094)
Net wakala fee	104,640	101,723	311,004	300,965
	For three months period ended		For nine months period ended	
	Operator's Fund		Operator's Fund	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
23 Management Expenses				
Employee benefit cost	25,992	21,850	72,352	66,621
Depreciation	872	772	2,602	2,076
Amortization	1,240	1,303	3,618	3,906
Advertisement and sales promotion	6,461	273	15,055	273
Rent, rates and taxes	1,014	1,014	3,042	3,046
Communication	385	428	1,280	1,110
Legal and professional charges - business related	574	350	574	350
Travelling and conveyance expenses	102	450	422	1,529
Shared expenses	5,956	4,129	15,864	13,675
Entertainment	351	168	1,177	720
Printing, stationery and postage	201	41	695	256
Annual supervision fee SECP	323	371	1,290	1,472
Bank charges	15	5	56	23
Repairs and maintenance	369	581	1,192	1,835
Others	2,060	1,523	7,050	4,915
	45,915	33,258	126,269	101,807
	For three months period ended		For nine months period ended	
	Operator's Fund		Operator's Fund	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
24 Investment income				
Operator's Takaful Fund				
Profit on				
Mutual funds - Dividend Income	-	-	8	24
Mutual funds - Capital Gain	-	-	2,309	3,560
	-	-	2,317	3,584
Participants' Takaful Fund				
Profit on				
Mutual funds - Dividend Income	-	-	2,134	-
Sukuks	3,625	3,772	9,106	13,719
	3,625	3,772	11,240	13,719
	For three months period ended		For nine months period ended	
	Operator's Fund		Operator's Fund	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees in thousand		Rupees in thousand	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
25 Other income				
Operator's Takaful Fund				
Profit on bank deposits	4,107	4,389	12,275	5,190
	4,107	4,389	12,275	5,190
Participants' Takaful Fund				
Profit on bank deposits	6,616	5,633	18,556	26,124
	6,616	5,633	18,556	26,124

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 information.

	30 September 2021	30 September 2020
	Rupees in thousand	
	(Unaudited)	(Unaudited)
i) Transactions		
Subsidiary Company		
Contribution underwritten	3,086	1,526
Contribution received	2,699	1,528
Claims paid	951	1,036
Other related parties		
Contribution underwritten	123,254	123,434
Contribution received	142,029	106,059
Claims paid	66,525	41,020
Income on bank deposits	8,514	1,983
ii) Period end balances		
Subsidiary Company		
Balances payable	320	29
Balances receivable	558	9
Other related parties		
Balances receivable	18,216	41,120
Balances payable	22,790	19,542
Cash and bank balances	224,327	43,785
Contribution received in advance	585	301

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
	30 September 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)	214,312	51,366	747,715	163,609	68,338	1,245,340
Less : Federal Excise Duty	(27,094)	(6,598)	(90,732)	(950)	(8,675)	(134,049)
Federal Insurance Fee	(1,865)	(443)	(6,515)	(1,611)	(591)	(11,025)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	185,353	44,325	650,468	161,048	59,072	1,100,266
Facultative inward contribution	1,924	30	-	-	7,050	9,004
Gross Contribution Written	187,277	44,355	650,468	161,048	66,122	1,109,270
Wakala fee	(52,440)	(15,524)	(211,402)	(40,262)	(16,530)	(336,158)
Contribution net of wakala fee	134,837	28,831	439,066	120,786	49,592	773,112
Contribution earned	107,227	29,156	416,626	133,037	39,357	725,403
Takaful contribution ceded to retakaful	(122,445)	(36,414)	(32,175)	-	(47,046)	(238,080)
Net takaful contribution	(15,218)	(7,258)	384,451	133,037	(7,689)	487,323
Re-takaful rebate	27,923	7,713	135	-	6,821	42,592
Net underwriting income	12,705	455	384,586	133,037	(868)	529,915
Takaful claims	(64,422)	(23,975)	(290,821)	(151,111)	(26,200)	(556,529)
Re - takaful and other recoveries	52,168	16,373	14,074	-	23,599	106,214
Net claims	(12,254)	(7,602)	(276,747)	(151,111)	(2,601)	(450,315)
Contribution deficiency reserve				(18,943)	(1,319)	(20,262)
Direct expense	(1,673)	(203)	(42,358)	(1,049)	(202)	(45,485)
Net takaful claims and expenses	(13,927)	(7,805)	(319,105)	(171,103)	(4,122)	(516,062)
(Deficit) / surplus before investment income	(1,222)	(7,350)	65,481	(38,066)	(4,990)	13,853
Other income						11,240
Investment income						18,556
Mudarib fee						(2,087)
Surplus transferred to Balance of PTF						41,562
Corporate segment assets	295,098	40,245	379,852	77,721	89,137	882,053
Corporate unallocated assets	-	-	-	-	-	663,460
Total assets	295,098	40,245	379,852	77,720	89,137	1,545,513
Corporate segment liabilities	272,680	31,779	560,735	187,975	77,248	1,130,417
Corporate unallocated liabilities	-	-	-	-	-	199,675
Total liabilities	272,680	31,779	560,734	187,975	77,248	1,330,092

	30 September 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)	194,787	37,740	568,592	412,166	78,819	1,292,104
Less : Federal Excise Duty	(24,703)	(4,814)	(68,606)	(1,791)	(9,871)	(109,785)
Federal Insurance Fee	(1,685)	(327)	(4,551)	(4,063)	(682)	(11,308)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	168,399	32,599	495,435	406,312	68,266	1,171,011
Facultative inward contribution	1,295	42	-	-	5,922	7,259
Gross Contribution Written	169,694	32,641	495,435	406,312	74,188	1,178,270
Wakala fee	(47,514)	(11,425)	(161,017)	(101,578)	(18,547)	(340,081)
Contribution net of wakala fee	122,180	21,216	334,418	304,734	55,641	838,189
Contribution earned	95,935	21,937	353,013	243,125	52,247	766,257
Retakaful expense	(108,462)	(26,268)	(19,304)	-	(54,529)	(208,563)
Net contribution revenue	(12,527)	(4,331)	333,709	243,125	(2,282)	557,694
Net rebate on re - takaful	21,610	5,593	-	-	11,093	38,296
Net underwriting income	9,083	1,262	333,709	243,125	8,811	595,990
Takaful claims	(390,717)	(864)	(251,170)	(297,763)	(3,232)	(943,746)
Re - takaful and other recoveries	365,972	997	37,854	-	3,032	407,855
Net claims	(24,745)	133	(213,316)	(297,763)	(200)	(535,891)
Contribution deficiency reserve				(25,716)		(25,716)
Direct expense	(1,211)	(194)	(41,089)	(2,229)	(613)	(45,336)
Net takaful claims and expenses	(25,956)	(61)	(254,405)	(325,708)	(813)	(606,943)
Surplus / (deficit) before investment income	(16,873)	1,201	79,304	(82,583)	7,998	(10,953)
Other income						26,124
Investment income						13,719
Mudarib fee						(2,744)
Surplus transferred to Balance of PTF						26,146

	31 December 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
Total assets	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
Total liabilities	388,928	20,481	501,097	253,059	40,405	1,386,258

Operator's Takaful Fund						
30 September 2021 (Unaudited)						
Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident & Health	Miscellaneous	Total	
Rupees in thousand						
Wakala fee income	41,703	15,700	196,138	44,345	13,118	311,004
Less : Commission expense	(22,058)	(6,893)	(53,723)	(13,983)	(4,886)	(101,543)
Management expenses	(27,429)	(8,571)	(66,805)	(17,388)	(6,076)	(126,269)
	(7,784)	236	75,610	12,974	2,156	83,192
Mudarib's share of PTF investment income						2,087
Investment income						2,317
Direct expenses						(2,310)
Other income						12,275
Profit before tax						97,561
Corporate segment assets	39,564	5,024	102,448	19,316	9,981	176,333
Corporate unallocated assets	-	-	-	-	-	517,104
Total assets	39,564	5,024	102,448	19,316	9,981	693,437
Corporate segment liabilities	34,301	438	138,017	24,152	7,012	203,920
Corporate unallocated liabilities	-	-	-	-	-	82,634
Total liabilities	34,301	438	138,017	24,152	7,012	286,554
30 September 2020 (Unaudited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total	
Rupees in thousand						
Wakala fee income	37,308	11,813	153,387	81,042	17,415	300,965
Less : Commission expense	(19,979)	(4,906)	(37,848)	(16,930)	(7,941)	(87,604)
Management expenses	(23,218)	(5,702)	(43,984)	(19,675)	(9,228)	(101,807)
	(5,889)	1,205	71,555	44,437	246	111,554
Mudarib's share of PTF investment income						2,744
Investment income						3,584
Other expenses						(2,494)
Other income						9,579
Profit before tax						124,967
31 December 2020 (Audited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total	
Rupees in thousand						
Corporate segment assets	27,126	4,132	77,960	39,368	8,158	156,744
Corporate unallocated assets	-	-	-	-	-	432,404
Total assets	27,126	4,132	77,960	39,368	8,158	589,148
Corporate segment liabilities	23,564	614	122,753	28,235	3,600	178,766
Corporate unallocated liabilities	-	-	-	-	-	64,031
Total liabilities	23,564	614	122,753	28,235	3,600	242,797

28 **Fair values of financial instruments**

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

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

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

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

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

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

		Participants' Takaful Fund							
		30 September 2021 (Unaudited)							
		Carrying amount				Fair value			
Note	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousand									
Financial assets not measured at fair value									
	Investments - Debt securities	125,000	-	-	-	-	-	-	-
10	Investments - Equity securities	52,911	-	-	-	52,911	-	-	52,911
	Loan and other receivables	-	58,739	-	-	-	-	-	58,739
11	Takaful / re - takaful receivables	-	535,326	-	-	-	-	-	535,326
12	Re - takaful recoveries against outstanding claims	-	158,478	-	-	-	-	-	158,478
	Salvage recoveries accrued	-	58,815	-	-	-	-	-	58,815
14	Cash and bank deposits	-	-	411,264	-	-	-	-	411,264
		<u>177,911</u>	<u>811,358</u>	<u>411,264</u>	<u>-</u>	<u>52,911</u>	<u>-</u>	<u>-</u>	<u>52,911</u>
Financial liabilities not measured at fair value									
	Outstanding claims including IBNR	-	-	-	382,806	-	-	-	382,806
20	Takaful / re - takaful payables	-	-	-	76,684	-	-	-	76,684
	Wakala and mudarib fee payable	-	-	-	120,548	-	-	-	120,548
16	Other creditors and accruals	-	-	-	19,536	-	-	-	19,536
		<u>-</u>	<u>-</u>	<u>-</u>	<u>599,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,574</u>
Participants' Takaful Fund									
31 December 2020 (Audited)									
		Carrying amount				Fair value			
Note	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousand									
Financial assets not measured at fair value									
	Investments - Debt securities	125,000	-	-	-	-	-	-	-
10	Investments - Equity securities	50,614	-	-	-	50,614	-	-	50,614
	Loan and other receivables	-	27,650	-	-	-	-	-	27,650
11	Takaful / re - takaful receivables	-	384,445	-	-	-	-	-	384,445
12	Retakaful recoveries against outstanding claims	-	279,132	-	-	-	-	-	279,132
	Salvage recoveries accrued	-	35,986	-	-	-	-	-	35,986
14	Cash and bank deposits	-	-	552,900	-	-	-	-	552,900
		<u>175,614</u>	<u>727,213</u>	<u>552,900</u>	<u>-</u>	<u>50,614</u>	<u>-</u>	<u>-</u>	<u>50,614</u>
Financial liabilities not measured at fair value									
	Outstanding claims including IBNR	-	-	-	558,082	-	-	-	558,082
20	Takaful / retakaful payables	-	-	-	79,436	-	-	-	79,436
	Wakala and mudarib fee payable	-	-	-	116,783	-	-	-	116,783
16	Other creditors and accruals	-	-	-	10,417	-	-	-	10,417
		<u>-</u>	<u>-</u>	<u>-</u>	<u>764,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764,718</u>

Operator's Takaful Fund										
30 September 2021 (Unaudited)										
Note	Available-for-sale	Loans and receivables	Carrying amount		Total	Fair value			Total	
			Cash and cash equivalents	Other financial liabilities		Level 1	Level 2	Level 3		
Rupees in thousand										
Financial assets measured at fair value										
	Investments - Equity securities	9	37,723	-	-	-	37,723	-	-	37,723
Financial assets not measured at fair value										
	Loan and other receivables	11	-	5,139	-	-	5,139	-	-	-
	Wakala and mudarib fee receivable		-	120,548	-	-	120,548	-	-	-
	Cash and bank deposits	14	-	-	289,016	-	289,016	-	-	-
			<u>37,723</u>	<u>125,687</u>	<u>289,016</u>	<u>-</u>	<u>452,426</u>	<u>37,723</u>	<u>-</u>	<u>37,723</u>
Financial liabilities not measured at fair value										
	Other creditors and accruals	16	-	-	-	53,933	53,933	-	-	-
			<u>-</u>	<u>-</u>	<u>-</u>	<u>53,933</u>	<u>53,933</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operator's Takaful Fund										
31 December 2020 (Audited)										
Note	Available-for-sale	Loans and receivables	Carrying amount		Total	Fair value			Total	
			Cash and cash equivalents	Other financial liabilities		Level 1	Level 2	Level 3		
Rupees in thousand										
Financial assets measured at fair value										
	Investments - Equity securities	9	35,873	-	-	-	35,873	-	-	35,873
Financial assets not measured at fair value										
	Loan and other receivables	11	-	2,865	-	-	2,865	-	-	-
	Wakala and mudarib fee receivable		-	116,783	-	-	116,783	-	-	-
	Cash and bank deposits	14	-	-	209,446	-	209,446	-	-	-
			<u>35,873</u>	<u>119,648</u>	<u>209,446</u>	<u>-</u>	<u>364,967</u>	<u>35,873</u>	<u>-</u>	<u>35,873</u>
Financial liabilities not measured at fair value										
	Other creditors and accruals	16	-	-	-	52,102	52,102	-	-	-
			<u>-</u>	<u>-</u>	<u>-</u>	<u>52,102</u>	<u>52,102</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Operator's Takaful Fund	Participants' Takaful Fund	
	Available for sale	Available for sale	Held to Maturity
	Rupees in thousand		
29 Movement in Investment - Available for sale			
At the beginning of previous year	32,958	-	-
Additions	34,627	50,000	125,000
Disposals	(31,048)	-	-
Fair value on gains (excluding net realized gain)	(665)	614	-
At the beginning of current period	35,873	50,614	125,000
Additions	36,942	1,814	-
Disposals	(34,627)	-	-
Fair value on gains (excluding net realized gain)	(465)	483	-
At the end of current period	37,723	52,911	125,000

30 Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the three months period ended 30 September 2021.

31 Date of authorization for issue

This condensed financial information was authorized for issue on 28 October 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.



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer



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