

MAKING A MARK

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2022





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Vision & Mission

Our will is to **Explore, Innovate and Differentiate**.
Our passion is to provide **leadership** to the
insurance industry.

Core Values

- **Integrity** - Transparency & honesty without compromise
- **Humility** - Empathy, self-esteem & 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 |
| Khawaja Jalaluddin | Director |
| Muhammad Arif Hameed | Director |
| Sadia Younas Mansha | Director |
| Shaikh Muhammad Jawed | Director |
| Muhammad Ali Zeb | Managing Director& CEO |

ADVISOR

Mian Muhammad Mansha

AUDIT COMMITTEE

| | |
|-----------------------|----------|
| Muhammad Arif Hameed | Chairman |
| Ibrahim Shamsi | Member |
| Shaikh Muhammad Jawed | Member |
| Umer Mansha | Member |

ETHICS, HUMAN RESOURCE AND REMUNERATION COMMITTEE

| | |
|--------------------|----------|
| Khawaja Jalaluddin | Chairman |
| Ibrahim Shamsi | Member |
| Muhammad Ali Zeb | Member |
| Umer Mansha | Member |

INVESTMENT COMMITTEE

| | |
|-----------------------|----------|
| Shaikh Muhammad Jawed | Chairman |
| Imran Maqbool | Member |
| Muhammad Ali Zeb | Member |
| Muhammad Asim Nagi | Member |
| Umer Mansha | Member |

COMPANY SECRETARY

Tameez ul Haque, FCA

CHIEF FINANCIAL OFFICER

Muhammad Asim Nagi, FCA

EXECUTIVE MANAGEMNT 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) 34326031

BANKERS

Askari Bank Limited
Abu Dhabi Commercial Bank
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 Taraqjati 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) – 35772871
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 2022

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 2022.

Financial Highlights:

The highlights for the period under review are as follows:

| | (Unaudited) | |
|----------------------|----------------------|----------------------|
| | 30 September 2022 | 30 September 2021 |
| | Rupees in thousand | |
| Gross Premium | 26,474,151 | 18,555,323 |
| Net Premium | 12,375,408 | 9,092,359 |
| Underwriting results | 248,302 | 711,687 |
| Investment Income | 1,796,809 | 2,179,044 |
| Profit before tax | 2,500,462 | 3,120,639 |
| Profit after tax | 1,384,957 | 2,271,381 |

| | (Unaudited) | |
|--------------------------------|----------------------|----------------------|
| | 30 September 2022 | 30 September 2021 |
| | Rupees | |
| Earnings (after tax) per share | 3.96 | 6.49 |

Performance Review:

The Gross Premium of the Company increased by 43% while the Net Premium increased by 36%. Overall underwriting profit decreased by 65% over the corresponding period of last year. Investment income, profit before tax and profit after tax also showed decrease of 18%, 20% and 39% respectively.

Window Takaful Operations:

The written contribution and deficit of Participants' Takaful Fund are Rs. 2,030,367 thousands (2021: Rs. 1,109,270 thousands) and Rs. 29,039 thousands (2021: surplus of Rs. 41,562 thousands) respectively. The operator has gained 436% and 20% growth in contribution written in Health and Motor lines of businesses resulting in overall growth of 83%. Window Takaful Operations profit before tax amounts to Rs. 250,472 thousands for the period ended 30 September 2022 (2021: Rs. 97,561 thousands).

Future Outlook:

The economy posted real GDP growth of 5.97 percent in the fiscal year 2022. However, certain financial and macroeconomic imbalances hamper the growth trend to continue. Recent floods have caused great losses to the economy to which donor countries and international agencies have pledged support but the magnitude of the losses still seems to be much higher than the commitments made by international community. The inflation also surged to a multi-decade high of 27.3% in Aug-22 and the forecast is also on higher side for at least next few months. Pak Rupee also depreciated against the US Dollar due to tighter monetary policies in the US. To counter these macroeconomic issues SBP has raised the Policy Rate to 15% in its attempt to reduce the inflationary pressure and cause appreciation in the exchange rate.

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

Lahore: 27 October 2022

غیر مجتمع مختصر عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پر ممبران کو ڈائریکٹرز کا جائزہ بابت نو ماہی مختتمہ 30 ستمبر 2022ء

بورڈ کی جانب سے 30 ستمبر 2022ء کو ختم ہونے والی نو ماہی کیلئے کمپنی کے غیر آڈٹ شدہ غیر مجتمع عبوری مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کی جھلکیاں درج ذیل ہیں:

| 30 ستمبر 2022ء | 30 ستمبر 2021ء |
|----------------|--------------------------------|
| (غیر آڈٹ شدہ) | ہزار روپے میں (غیر آڈٹ شدہ) |
| 26,474,151 | 18,555,323 |
| 12,375,408 | 9,092,359 |
| 248,302 | 711,687 |
| 1,796,809 | 2,179,044 |
| 2,500,462 | 3,120,639 |
| 1,384,957 | 2,271,381 |
| 30 ستمبر 2022ء | 30 ستمبر 2021ء |
| (غیر آڈٹ شدہ) | روپے میں (غیر آڈٹ شدہ) |
| 3.96 | 6.49 |

مجموعی پریمیوم

نیٹ پریمیوم

انڈر رائٹنگ 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 43% جبکہ خالص پریمیوم (نیٹ پریمیوم) میں 36% کا اضافہ ہوا۔ انڈر رائٹنگ (عمانٹوں) کے مجموعی منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 65% کمی واقع ہوئی ہے۔ سرمایہ کاری کی آمدنی، ٹیکس سے پہلے کا منافع اور ٹیکس کے بعد کے منافع میں بھی علی الترتیب 18%، 20% اور 39% کمی دیکھی گئی۔

ونڈ و نکافل آپریشنز

پارٹنیشنس نکافل فنڈ کا تحریر کردہ حصہ اور خسارہ قبل از ٹیکس علی الترتیب 2,030,367 ہزار روپے (2021ء: 1,109,270 ہزار روپے) اور 29,039 ہزار روپے (2021ء: 41,562 ہزار روپے کا سرپلس) ہے۔ آپریٹرز نے صحت اور موٹر کے کاروبار میں تحریر کردہ حصہ میں 43% اور 20% اضافہ حاصل کیا ہے جس کے نتیجے میں مجموعی طور پر 83% کی بڑھوتری ہوئی ہے۔ 30 ستمبر 2022ء کو ختم ہونے والی مدت کے لیے ونڈ و نکافل آپریشنز کا منافع ٹیکس سے پہلے 250,472 ہزار روپے (2021ء: 97,561 ہزار روپے) ہے۔

توقعات مستقبل

مالی سال 2022ء میں، ہم ہمیشہ سے 5.97 فیصد کی حقیقی مجموعی ملکی پیداوار (جی ڈی پی) کا ظاہر کی ہے۔ تاہم، بعض مالیاتی اور معاشی عدم توازن ترقی کے رجحان کو جاری رکھنے میں رکاوٹ ہیں۔ حالیہ سیلاب نے معیشت کو بہت نقصان پہنچایا ہے جس کے لیے ڈونر مالک اور بین الاقوامی اداروں نے تعاون کا وعدہ کیا ہے لیکن نقصانات کی شدت اب بھی بین الاقوامی برادری کے وعدوں سے کہیں زیادہ دکھائی دیتی ہے۔ مہنگائی بھی اگست 2022ء کو 27.3 فیصد کی دہائیوں کی بلند ترین سطح پر پہنچ گئی اور کم از کم اگلے چند مہینوں کے لیے پیش گوئی بھی زیادہ ہے۔ امریکہ میں سخت مانیٹری پالیسیوں کی وجہ سے پاکستانی روپے کی قدر بھی امریکی ڈالر کے مقابلے میں گر گئی۔ ان میکرو اکنامک مسائل کا مقابلہ کرنے کے لیے اسٹیٹ بینک نے افراط زر کے دباؤ کو کم کرنے اور شرح مبادلہ میں اضافے کا سبب بننے کی کوشش میں پالیسی ریٹ کو 15% تک بڑھا دیا ہے۔

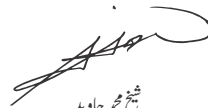
اعتراف

ہم اپنے شیئرز، ہولڈرز، معزز صارفین، ملازمین اور ذمہ داران کے لیے ان کی مستقل معاونت پر تہنودل سے شکر یہ ادا کرتے ہیں جنہوں نے آدھی انٹرنس کو پاکستان کی بڑی اور نمایاں انٹرنس کمپنی بننے میں مدد کی۔ ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی مستقل کی معاونت اور فراہم کردہ رہنمائی کو بھی سراہتے ہیں۔

منجانب و برائے بورڈ


محمد علی زید

چیئرمین ڈائریکٹرز اینڈ چیف ایگزیکٹو آفیسر


شیخ شجاع جاوید
ڈائریکٹر

لاہور، 27 اکتوبر 2022ء

A blue truck is driving across a wooden suspension bridge over a river. The bridge has a wooden deck and metal railings. The background shows a mountainous landscape with a river and some trees. The text is overlaid on the left side of the image.

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL INFORMATION
NINE MONTHS ENDED 30 SEPTEMBER 2022**

Adamjee Insurance Company Limited
 Unconsolidated Condensed Interim Statement of Financial Position
 As at 30 September 2022

| | Note | 30 September 2022 | 31 December 2021 |
|--|------|----------------------|---------------------|
| ----- (Rupees in thousand) ----- | | | |
| | | (Unaudited) | (Audited) |
| Assets | | | |
| Property and equipment | 8 | 4,283,027 | 4,238,164 |
| Intangible assets | 9 | 90,460 | 100,379 |
| Investment Property | 10 | 1,632,965 | 1,632,498 |
| Investment in Subsidiary | 11 | 2,396,166 | 2,662,406 |
| <i>Investments</i> | | | |
| Equity securities | 12 | 19,383,376 | 21,157,579 |
| Debt securities | 13 | 1,250,473 | 377,652 |
| Term deposits | 14 | 6,752,033 | 6,871,466 |
| Loans and other receivable | 15 | 1,033,702 | 615,600 |
| Insurance / reinsurance receivables | 16 | 10,795,769 | 7,175,870 |
| Reinsurance recoveries against outstanding claims | | 9,619,366 | 7,598,556 |
| Salvage recoveries accrued | | 389,788 | 344,957 |
| Deferred commission expense / Acquisition cost | | 1,947,803 | 1,055,480 |
| Taxation - payment less provisions | | - | 160,143 |
| Prepayments | 17 | 8,232,629 | 4,751,930 |
| Cash and bank | 18 | 5,375,977 | 2,174,053 |
| | | 73,183,534 | 60,916,733 |
| Total assets of Window Takaful Operations - Operator's Fund | 19 | 1,039,558 | 723,850 |
| Total Assets | | 74,223,092 | 61,640,583 |
| Equity And Liabilities | | | |
| Capital and reserves attributable to Company's equity holders | | | |
| Ordinary share capital | | 3,500,000 | 3,500,000 |
| Reserves | 20 | 4,807,199 | 5,486,879 |
| Unappropriated Profit | | 16,737,842 | 16,402,885 |
| Total Equity | | 25,045,041 | 25,389,764 |
| Liabilities | | | |
| Underwriting provisions | | | |
| Outstanding claims including IBNR | | 15,516,140 | 12,686,045 |
| Unearned premium reserves | | 17,193,586 | 11,010,289 |
| Unearned reinsurance commission | | 457,349 | 241,094 |
| Retirement benefit obligation | | 198,661 | 263,660 |
| Deferred taxation | | 1,804,574 | 2,031,142 |
| Borrowings | | 22,294 | 926,756 |
| Deferred grant income | | - | 6,329 |
| Premium received in advance | | 441,334 | 515,758 |
| Insurance / reinsurance payables | | 8,820,791 | 5,215,694 |
| Other creditors and accruals | 21 | 3,399,000 | 2,446,386 |
| Deposits and other liabilities | | 560,209 | 629,135 |
| Taxation - provision less payments | | 331,129 | - |
| | | 48,745,067 | 35,972,288 |
| Total liabilities of Window Takaful Operations - Operator's Fund | 19 | 432,984 | 278,531 |
| Total Equity and Liabilities | | 74,223,092 | 61,640,583 |
| Contingencies and commitments | 22 | | |

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



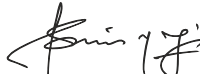
Chairman



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 2022

| | Note | Quarter ended | | Nine Months ended | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |
| ----- (Rupees in thousand) ----- | | | | | |
| Net Insurance Premium | 23 | 4,575,776 | 3,223,277 | 12,375,408 | 9,092,359 |
| Net Insurance Claims | 24 | (3,246,632) | (1,781,414) | (7,845,013) | (5,072,152) |
| Net Commission and other acquisition costs | 25 | (545,238) | (369,043) | (1,530,044) | (1,087,197) |
| Insurance claims and acquisition expenses | | (3,791,870) | (2,150,457) | (9,375,057) | (6,159,349) |
| Management expenses | | (975,044) | (743,325) | (2,752,049) | (2,221,323) |
| Underwriting results | | (191,138) | 329,495 | 248,302 | 711,687 |
| Investment income | 26 | 594,542 | 543,478 | 1,796,809 | 2,179,044 |
| Rental income | | 41,138 | 36,085 | 119,682 | 95,544 |
| Other income | 27 | 60,018 | 37,858 | 175,792 | 98,473 |
| Other expenses | | (26,554) | (15,093) | (56,637) | (39,291) |
| Results of operating activities | | 478,006 | 931,823 | 2,283,948 | 3,045,457 |
| Finance cost | | (2,033) | (12,260) | (33,958) | (22,379) |
| Profit from window takaful operations | | 91,959 | 24,906 | 250,472 | 97,561 |
| Profit before tax | | 567,932 | 944,469 | 2,500,462 | 3,120,639 |
| Income tax expense | | (192,869) | (288,091) | (1,115,505) | (849,258) |
| Profit after tax | | 375,063 | 656,378 | 1,384,957 | 2,271,381 |
| ----- (Rupees) ----- | | | | | |
| Earnings (after tax) per share | 28 | 1.07 | 1.88 | 3.96 | 6.49 |

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



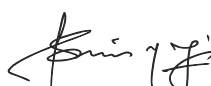
Chairman



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 2022

| | Quarter Ended | | Nine Months Ended | |
|---|----------------------------------|----------------------|----------------------|----------------------|
| | 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |
| | ----- (Rupees in thousand) ----- | | | |
| Profit after tax for the period | 375,063 | 656,378 | 1,384,957 | 2,271,381 |
| <u>Other comprehensive income</u> | | | | |
| <i>Items that may be reclassified subsequently to profit and loss:</i> | | | | |
| - Unrealized loss on 'available-for-sale' investments - net of tax | (136,968) | (661,843) | (1,712,953) | (1,520,470) |
| - Reclassification adjustment relating to 'available for sale' investments disposed of during the period - net of tax | (3,598) | - | 350,171 | 177,198 |
| - Unrealized gain / (loss) on 'available for sale' investment from Window Takaful Operations - net of tax | - | 554 | (968) | (329) |
| - Net effect of translation of foreign branch | 289,246 | 175,367 | 684,070 | 150,510 |
| Other comprehensive income / (loss) for the period | 148,680 | (485,922) | (679,680) | (1,193,091) |
| Total comprehensive income for the period | 523,743 | 170,456 | 705,277 | 1,078,290 |

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 2022

| | Nine Months Ended 30 September 2022 | Nine Months Ended 30 September 2021 |
|--|--|--|
| ------(Rupees in thousand)----- | | |
| <u>Cash flows from operating activities</u> | | |
| Underwriting activities | | |
| Insurance premiums received | 24,003,858 | 15,150,227 |
| Reinsurance premiums paid | (8,866,479) | (4,861,068) |
| Claims paid | (12,629,067) | (8,413,107) |
| Surrenders paid | (165,800) | (50,873) |
| Reinsurance and other recoveries received | 4,035,532 | 3,041,301 |
| Commissions paid | (2,349,321) | (1,581,745) |
| Commissions received | 822,799 | 477,848 |
| Other underwriting payments | (2,296,492) | (1,727,090) |
| Net cash inflow from underwriting activities | 2,555,030 | 2,035,493 |
| Other operating activities | | |
| Income tax paid | (395,968) | (593,578) |
| Other operating payments | (128,811) | (102,810) |
| Loans advanced | (53,991) | (42,168) |
| Loans repayments received | 46,094 | 40,693 |
| Other operating receipts | 35,941 | 27,864 |
| Net cash outflow from other operating activities | (496,735) | (669,999) |
| Total cash inflow from all operating activities | 2,058,295 | 1,365,494 |
| <u>Cash flows from investing activities</u> | | |
| Profit / return received on bank deposits | 234,899 | 192,214 |
| Return on Pakistan investment bonds | 9,000 | 7,305 |
| Income from Treasury Bills | 20,836 | 29,391 |
| Dividends received | 1,326,422 | 1,677,524 |
| Rentals received | 111,504 | 95,330 |
| Payments for investments | (10,097,736) | (12,063,366) |
| Proceeds from disposal of investments | 11,615,644 | 9,359,847 |
| Fixed capital expenditure - operating assets | (67,223) | (214,793) |
| Fixed capital expenditure - intangible assets | (12,198) | (32,115) |
| Proceeds from disposal of operating fixed assets | 16,024 | 26,115 |
| Total cash inflow / (outflow) from investing activities | 3,157,172 | (922,548) |
| <u>Cash flows from financing activities</u> | | |
| Payments against lease liability | (29,578) | (35,929) |
| Dividends paid | (1,033,608) | (448,971) |
| Loan obtained | - | 1,390,000 |
| Loan principal payment made | (906,978) | (66,978) |
| Interest expense paid against loan | (43,379) | (1,162) |
| Total cash (outflow) / inflow from financing activities | (2,013,543) | 836,960 |
| Net cash inflow from all activities | 3,201,924 | 1,279,906 |
| Cash and cash equivalent at the beginning of the period | 2,174,053 | 1,312,044 |
| Cash and cash equivalent at the end of the period | 5,375,977 | 2,591,950 |

| Nine Months Ended 30 September 2022 | Nine Months Ended 30 September 2021 |
|--|--|
|--|--|

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

Reconciliation to profit and loss account

| | | |
|---|------------------|------------------|
| Operating cash flows | 2,058,295 | 1,365,494 |
| Depreciation expense | (163,429) | (165,706) |
| Provision for retirement benefit obligations | (40,961) | (30,516) |
| Finance cost | (33,958) | (22,379) |
| Other income - bank and term deposits | 214,497 | 134,387 |
| Gain on disposal of operating fixed assets | 10,945 | 18,461 |
| Rental income | 120,287 | 96,046 |
| Increase in assets other than cash | 10,392,134 | 7,739,891 |
| Increase in liabilities | (6,215,540) | (4,902,962) |
| Gain on disposal of investments | 428,538 | 5,421 |
| Amortization expense | (24,066) | (21,408) |
| Increase in unearned premium | (6,183,297) | (3,880,088) |
| Increase in loans | 7,897 | 1,475 |
| Income taxes paid | 395,968 | 593,578 |
| Increase in tax liabilities | (1,115,505) | (849,258) |
| (Provision) / reversal for impairment of 'available-for-sale' investments | (179,501) | 223,096 |
| Dividend and other income | 1,412,572 | 1,834,181 |
| Income from treasury bills | 36,927 | 19,911 |
| Return on Pakistan investment bonds | 6,353 | 7,867 |
| Income against deferred grant | 6,329 | 6,329 |
| Profit from Window Takaful Operations | 250,472 | 97,561 |
| Profit after tax | 1,384,957 | 2,271,381 |

| Nine Months Ended 30 September 2022 | Nine Months Ended 30 September 2021 |
|--|--|
|--|--|

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

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

| | | |
|--|------------------|------------------|
| Cash and cash equivalents | 9,900 | 8,039 |
| Current and other accounts | 5,366,077 | 2,583,911 |
| Total cash and cash equivalents | 5,375,977 | 2,591,950 |

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 2022

| | Share capital | Capital reserve | | | | Revenue reserves | | 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 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 31 December 2020 @ 12.5% (Rupee 1.25/- per share) | - | - | - | - | - | - | (437,500) | (437,500) |
| Interim dividend for the half year ended 30 June 2021 @ 15% (Rupee 1.50/- 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 |
| Profit for the period 01 October 2021 to 31 December 2021 | - | - | - | - | - | - | 865,113 | 865,113 |
| Other comprehensive income for the period 01 October 2021 to 31 December 2021 | - | - | - | 70,935 | 2,122,089 | - | (19,022) | 2,174,002 |
| Total comprehensive income for the period | - | - | - | 70,935 | 2,122,089 | - | 846,091 | 3,039,115 |
| Balance as at 31 December 2021 - (Audited) | 3,500,000 | 22,859 | 3,764 | 899,883 | 3,623,873 | 936,500 | 16,402,885 | 25,389,764 |
| Profit for the period 01 January 2022 to 30 September 2022 | - | - | - | - | - | - | 1,384,957 | 1,384,957 |
| Other comprehensive income for the period 01 January 2022 to 30 September 2022 | - | - | - | 684,070 | (1,363,750) | - | - | (679,680) |
| Total comprehensive income for the period | - | - | - | 684,070 | (1,363,750) | - | 1,384,957 | 705,277 |
| Transactions with owners of the Company | | | | | | | | |
| Final dividend for the year ended 31 December 2021 @ 15% (Rupees 1.50/- per share) | - | - | - | - | - | - | (525,000) | (525,000) |
| Interim dividend for the half year ended 30 June 2022 @ 15% (Rupees 1.5/- per share) | - | - | - | - | - | - | (525,000) | (525,000) |
| Balance as at 30 September 2022 - (Unaudited) | 3,500,000 | 22,859 | 3,764 | 1,583,953 | 2,260,123 | 936,500 | 16,737,842 | 25,045,041 |

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 2022

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 2022 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 2021. 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 2021, 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 2021.

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 2021.

4.1 Standards, amendments or interpretations

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in this unconsolidated 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, 2022 | | | | |
|---|--------------------------------|--|--------------------|----------------------|--|
| | 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* | 3,914,469 | - | 1,461,508 | - | - |
| Investment in subsidiary | 4,342,500 | - | - | - | - |
| Investments in equity securities - available-for-sale | 19,383,376 | (1,729,366) | - | - | - |
| Investment in debt securities - held-to-maturity | - | - | 1,250,473 | - | - |
| Term deposits* | - | - | 6,752,033 | - | - |
| Loans and other receivables* | 517,302 | - | 2,776 | - | - |
| Total | 28,157,647 | (1,729,366) | 9,466,790 | - | - |

* 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 2021.

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 2021.

| | | (Unaudited) 30 September 2022 | (Audited) 31 December 2021 |
|--|--------------|-------------------------------------|----------------------------------|
| | <i>Note</i> | ---- (Rupees in thousand) ---- | |
| 8 Property and equipment | | | |
| Operating assets | 8.1 | 4,190,562 | 4,132,230 |
| Capital work in progress | | 21,706 | 16,205 |
| Right of use asset | | 70,759 | 89,729 |
| | | 4,283,027 | 4,238,164 |
| 8.1 Operating assets | | | |
| Opening balance - net book value | | 4,132,230 | 3,970,750 |
| Additions during the period / year | 8.1.1 | 72,636 | 234,349 |
| Transfer from investment property | | - | 115,913 |
| Book value of disposals during the period / year | 8.1.2 | (5,079) | (46,160) |
| Depreciation charged during the period / year | | (132,419) | (187,019) |
| Transfer to investment property | | (467) | - |
| Exchange differences and other adjustments | | 123,661 | 44,397 |
| | | (14,304) | (188,782) |
| | | 4,190,562 | 4,132,230 |
| 8.1.1 Additions during the period / year | | | |
| Land and buildings | | 16,881 | 90,714 |
| Furniture and fixtures | | 4,304 | 21,907 |
| Motor vehicles | | 22,568 | 64,299 |
| Machinery and equipment | | 4,268 | 50,697 |
| Computer and related accessories | | 24,615 | 6,732 |
| | | 72,636 | 234,349 |
| 8.1.2 Written down values of property and equipment disposed off during the period / year | | | |
| Land and buildings | | - | 32,225 |
| Furniture and fixtures | | - | 38 |
| Motor vehicles | | 5,079 | 11,478 |
| Machinery and equipment | | - | 2,355 |
| Computer and related accessories | | - | 64 |
| | | 5,079 | 46,160 |
| 9 Intangible assets | | | |
| Opening balance - net book value | | 100,379 | 88,187 |
| Additions during the period / year | | 1,283 | 37,643 |
| Less: | | | |
| Amortization charged during the period / year | | (24,066) | (29,819) |
| Exchange differences and other adjustments | | 12,864 | 4,368 |
| | | (11,202) | (25,451) |
| | | 90,460 | 100,379 |
| 10 Investment Property | | | |
| Opening net book value | | 1,632,498 | 787,279 |
| Transfer to Property and equipment | | - | (115,913) |
| Transfer from Property and equipment | | 467 | - |
| Additions and capital improvements | | - | - |
| Unrealized fair value gain | | - | 961,132 |
| | | 1,632,965 | 1,632,498 |
| 11 Investment in subsidiary | | | |
| Adamjee Life Assurance Company Limited - At cost | | 2,396,166 | 2,662,406 |

12 Investment in equity securities

Available-for-sale

| | 30 September 2022 (Unaudited) | | | | 31 December 2021 (Audited) | | | |
|---------------------------------|-------------------------------|------------------------|--------------------------|-------------------|----------------------------|------------------------|--------------------------|-------------------|
| | Cost | Impairment / Provision | Unrealized Gain / (Loss) | Carrying value | Cost | Impairment / Provision | Unrealized Gain / (Loss) | Carrying value |
| ----- Rupees in thousands ----- | | | | | | | | |
| Related parties | | | | | | | | |
| Listed shares | 9,688,560 | - | (2,539,218) | 7,149,342 | 9,543,446 | - | (463,761) | 9,079,685 |
| Unlisted shares | 1,056,956 | - | 2,850,039 | 3,906,995 | 949,456 | - | 2,559,896 | 3,509,352 |
| | 10,745,516 | - | 310,821 | 11,056,337 | 10,492,902 | - | 2,096,135 | 12,589,037 |
| Others | | | | | | | | |
| Listed shares | 6,583,076 | (2,278,375) | 1,160,706 | 5,465,407 | 6,701,235 | (2,108,194) | 1,104,398 | 5,697,439 |
| Unlisted shares | 925,360 | - | 1,901,408 | 2,826,768 | 925,360 | - | 1,901,408 | 2,826,768 |
| Mutual Funds | 48,759 | (14,437) | (209) | 34,113 | 48,550 | (5,117) | 31 | 43,464 |
| NIT Units | 161 | - | 590 | 751 | 161 | - | 710 | 871 |
| | 7,557,356 | (2,292,812) | 3,062,495 | 8,327,039 | 7,675,306 | (2,113,311) | 3,006,547 | 8,568,542 |
| Total | 18,302,872 | (2,292,812) | 3,373,316 | 19,383,376 | 18,168,208 | (2,113,311) | 5,102,682 | 21,157,579 |

- 12.1 4,816,710 (2021 : 3,716,710) shares of MCB Bank Limited, 155,000 (2021 : 369,000) shares of Abbot Laboratories Limited, 1,405,000 (2021 : 2,220,000) shares of Dawood Hercules Corporation Limited, Nil (2021 : 1,480,000) shares of Engro Fertilizers Limited, 4,800,000 (2021 : 9,250,000) shares of Fauji Fertilizer Company Limited, Nil (2021 : 330,000) shares of Habib Bank Limited, Nil (2021 : 300,000) shares of International Steels Limited, 255,000 (2021 : 823,000) shares of Millat Tractors Limited, Nil (2021 : 8,240,000) shares of National Bank of Pakistan, Nil (2021 : 5,700) shares of Nestle Pakistan Limited, Nil (2021 : 1,524,000) shares of Oil & Gas Development Company Limited and 850,000 (2021 : 1,250,000) shares of United Bank Limited have been pledged against SBLC (Standby Letter of Credit) issued in favour of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited, a related party of the Company and loans obtained from MCB Bank Limited, a related party of the Company.

13 Investment in debt securities

Held-to-maturity

| | (Unaudited) 30 September 2022 | (Audited) 31 December 2021 |
|---------------------------|-------------------------------------|----------------------------------|
| | ---- (Rupees in thousand) ---- | |
| Treasury Bills | 1,250,473 | 275,005 |
| Pakistan Investment Bonds | - | 102,647 |
| | <u>1,250,473</u> | <u>377,652</u> |

14 Investments in Term Deposits

Held to maturity

Deposits maturing within 12 months

Inside Pakistan

- related parties
- others

| | |
|---|---------|
| - | - |
| - | 175,066 |
| - | 175,066 |

Outside Pakistan

- related parties
- others

| | |
|------------------|------------------|
| 1,865,880 | 1,441,691 |
| 4,802,154 | 5,170,710 |
| <u>6,668,034</u> | <u>6,612,401</u> |

Deposits maturing after 12 months

Inside Pakistan

- related parties
- others

| | |
|---------------|---------------|
| 8,811 | 8,811 |
| 75,188 | 75,188 |
| <u>83,999</u> | <u>83,999</u> |

14.1 6,752,033 6,871,466

- 14.1 These include fixed deposits amounting to Rs. 5,535,444 thousands (AED 89,000 thousands) [2021: Rs. 5,526,486 thousands (AED 115,000 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. 83,999 thousands (2021: 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 and bid bond guarantees.

| | (Unaudited) 30 September 2022 | (Audited) 31 December 2021 |
|---------------------------------------|-------------------------------------|----------------------------------|
| Note | ----- (Rupees in thousand) ----- | |
| 15 Loans and other receivables | | |
| Considered good | | |
| Rent receivable | 16,180 | 7,397 |
| Receivable from related parties | 74,357 | 58,745 |
| Accrued income | 162,230 | 96,481 |
| Security deposits | 54,777 | 50,627 |
| Advances to employees and suppliers | 509,812 | 177,729 |
| Advance agent commission | 3,812 | 7,796 |
| Loans to employees | 61,942 | 51,929 |
| Other receivables | 150,592 | 164,896 |
| | 1,033,702 | 615,600 |

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 2022 | (Audited) 31 December 2021 |
|---|-------------------------------------|----------------------------------|
| Note | ----- (Rupees in thousand) ----- | |
| 16 Insurance / reinsurance receivables - unsecured and considered good | | |
| Due from insurance contract holders | 10,534,544 | 7,336,121 |
| Provision for impairment of receivables from insurance contract holders | (1,325,051) | (1,078,100) |
| | 9,209,493 | 6,258,021 |
| Due from other insurers / other reinsurers | 1,787,578 | 1,119,151 |
| Provision for impairment of due from other insurers / reinsurers | (201,302) | (201,302) |
| | 1,586,276 | 917,849 |
| | 10,795,769 | 7,175,870 |

16.1 Due from insurance contact holders include an amount of Rs. 270,353 thousands (2021: Rs. 237,666 thousands) held with related parties.

| | (Unaudited) 30 September 2022 | (Audited) 31 December 2021 |
|---|-------------------------------------|----------------------------------|
| Note | ----- (Rupees in thousand) ----- | |
| 17 Prepayments | | |
| Prepaid reinsurance premium ceded | 8,071,639 | 4,627,169 |
| Prepaid miscellaneous expenses | 160,990 | 124,761 |
| | 8,232,629 | 4,751,930 |
| 18 Cash and Bank | | |
| <u>Cash and cash equivalents</u> | | |
| <i>Inside Pakistan</i> | | |
| Cash in hand | 380 | 353 |
| Policy & revenue stamps, bond papers | 8,531 | 9,696 |
| | 8,911 | 10,049 |
| <i>Outside Pakistan</i> | | |
| Cash in hand | 989 | - |
| | 9,900 | 10,049 |
| <u>Cash at bank</u> | | |
| <i>Inside Pakistan</i> | | |
| Current accounts | 274,579 | 537,244 |
| Saving accounts | 1,459,589 | 755,152 |
| | 1,734,168 | 1,292,396 |
| <i>Outside Pakistan</i> | | |
| Current accounts | 3,629,990 | 870,126 |
| Savings accounts | 1,919 | 1,482 |
| | 3,631,909 | 871,608 |
| | 5,375,977 | 2,174,053 |

18.1 Cash at bank includes an amount of Rs. 2,545,276 thousands (2021: Rs. 151,077 thousands) held with MCB Bank Limited, a related party of the Company.

18.2 Lien of Rs. 563,257 thousands (2021: Rs. 432,571 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.

18.3 Lien of Rs. 1,617,096 thousands (AED 26,000 thousands) [(2021: Nil)] is marked on cash deposits in current accounts in accordance with the requirements of Insurance Regulations applicable to the UAE branches for the purpose of carrying on business in United Arab Emirates.

(Unaudited) (Audited)
30 September 31 December
2022 2021
----- (Rupees in thousand) -----

19 Window takaful operations - operator's fund

Assets

| | | |
|--|------------------|----------------|
| Cash and bank deposits | 362,427 | 264,235 |
| Qard-e-Hasna to Participant Takaful Fund | 146,460 | 146,460 |
| Investments - Equity securities | - | 38,326 |
| Investments - Debt securities | 75,000 | 75,000 |
| Investments - Term Deposits | 100,000 | - |
| Intangible assets | 7,013 | 10,409 |
| Property and equipment | 30,819 | 22,883 |
| Current assets - others | 317,839 | 166,537 |
| Total Assets | 1,039,558 | 723,850 |

Total liabilities

432,984 **278,531**

(Unaudited) (Unaudited)
30 September 30 September
2022 2021
----- (Rupees in thousand) -----

| | | |
|--|----------------|---------------|
| Wakala income | 457,782 | 311,004 |
| Commission expense | (114,201) | (101,543) |
| Management expenses | (142,330) | (126,269) |
| Investment income | 14,435 | 2,317 |
| Other income | 29,511 | 12,275 |
| Mudarib's share of PTF investment income | 8,135 | 2,087 |
| Other Expenses | (2,860) | (2,310) |
| Profit before taxation | 250,472 | 97,561 |
| Taxation | (88,249) | (36,700) |
| Profit after taxation | 162,223 | 60,861 |

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 2022.

(Unaudited) (Audited)
30 September 31 December
2022 2021
----- (Rupees in thousand) -----

20 Reserves

Capital reserves

| | | |
|---------------------------------|------------------|------------------|
| Reserves for exceptional losses | 22,859 | 22,859 |
| Investment fluctuation reserves | 3,764 | 3,764 |
| Exchange translation reserves | 1,583,953 | 899,883 |
| Fair value reserve | 2,260,123 | 3,623,873 |
| | 3,870,699 | 4,550,379 |

Revenue reserves

| | | |
|------------------|------------------|------------------|
| General reserves | 936,500 | 936,500 |
| | 4,807,199 | 5,486,879 |

21 Other creditors and accruals

| | | |
|---------------------------------------|------------------|------------------|
| Agents commission payable | 1,386,315 | 840,609 |
| Federal Excise Duty / Sales tax / VAT | 390,445 | 346,924 |
| Federal Insurance Fee payable | 91,660 | 35,707 |
| Workers' welfare fund payable | 76,485 | 76,485 |
| Tax deducted at source | 132,057 | 86,451 |
| Accrued expenses | 157,793 | 229,363 |
| Unpaid and unclaimed dividend | 173,019 | 156,627 |
| Payable to employees' provident fund | 168 | 88 |
| Sundry creditors | 991,058 | 674,132 |
| | 3,399,000 | 2,446,386 |

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 2021 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. 1,250,357 thousands (2021: Rs. 1,269,671 thousands).
- The Company has issued letter of guarantees amounting to AED 115,219,000 amounting to Rs. 7,166,161 thousands (2021: AED 219,000 amounting to Rs.10,524 thousands) relating to UAE branch.

| | Quarter Ended | | Nine Months Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |
| ----- (Rupees in thousand) ----- | | | | |
| 23 Net Insurance Premium | | | | |
| Written Gross Premium | 11,396,612 | 8,025,686 | 26,474,151 | 18,555,323 |
| Unearned premium reserve - opening | 13,173,256 | 9,320,461 | 11,010,289 | 8,366,434 |
| Unearned premium reserve - closing | (17,193,586) | (12,246,522) | (17,193,586) | (12,246,522) |
| Currency translation effect | 552,437 | 249,470 | 1,270,940 | 221,101 |
| Premium earned | 7,928,719 | 5,349,095 | 21,561,794 | 14,896,336 |
| Reinsurance premium ceded | (6,661,143) | (4,478,391) | (12,471,576) | (8,102,336) |
| Prepaid reinsurance premium - opening | (4,692,620) | (3,253,601) | (4,627,169) | (3,307,863) |
| Prepaid reinsurance premium - closing | 8,071,639 | 5,622,428 | 8,071,639 | 5,622,428 |
| Currency translation effect | (70,819) | (16,254) | (159,280) | (16,206) |
| Reinsurance expense | (3,352,943) | (2,125,818) | (9,186,386) | (5,803,977) |
| | 4,575,776 | 3,223,277 | 12,375,408 | 9,092,359 |
| 23.1 Net Insurance Premium - Business underwritten inside Pakistan | | | | |
| Written Gross Premium | 8,684,846 | 6,554,304 | 18,405,918 | 13,940,965 |
| Unearned premium reserve - opening | 7,478,871 | 6,279,981 | 7,393,851 | 6,021,464 |
| Unearned premium reserve - closing | (10,935,405) | (8,826,825) | (10,935,405) | (8,826,825) |
| Premium earned | 5,228,312 | 4,007,460 | 14,864,364 | 11,135,604 |
| Reinsurance premium ceded | (6,159,422) | (4,285,351) | (11,091,018) | (7,691,206) |
| Prepaid reinsurance premium - opening | (3,921,729) | (3,118,551) | (4,302,258) | (3,260,277) |
| Prepaid reinsurance premium - closing | 7,165,493 | 5,380,775 | 7,165,493 | 5,380,775 |
| Reinsurance expense | (2,915,658) | (2,023,127) | (8,227,783) | (5,570,708) |
| | 2,312,654 | 1,984,333 | 6,636,581 | 5,564,896 |
| 23.2 Net Insurance Premium - Business underwritten outside Pakistan | | | | |
| Written Gross Premium | 2,711,766 | 1,471,382 | 8,068,233 | 4,614,358 |
| Unearned premium reserve - opening | 5,694,385 | 3,040,480 | 3,616,438 | 2,344,970 |
| Unearned premium reserve - closing | (6,258,181) | (3,419,697) | (6,258,181) | (3,419,697) |
| Currency translation effect | 552,437 | 249,470 | 1,270,940 | 221,101 |
| Premium earned | 2,700,407 | 1,341,635 | 6,697,430 | 3,760,732 |
| Reinsurance premium ceded | (501,721) | (193,040) | (1,380,558) | (411,130) |
| Prepaid reinsurance premium - opening | (770,891) | (135,050) | (324,911) | (47,586) |
| Prepaid reinsurance premium - closing | 906,146 | 241,653 | 906,146 | 241,653 |
| Currency translation effect | (70,819) | (16,254) | (159,280) | (16,206) |
| Reinsurance expense | (437,285) | (102,691) | (958,603) | (233,269) |
| | 2,263,122 | 1,238,944 | 5,738,827 | 3,527,463 |

| Quarter Ended | | Nine Months Ended | |
|----------------------|----------------------|----------------------|----------------------|
| 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |

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

24 Net Insurance Claims Expense

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Claims Paid | 5,354,864 | 3,650,276 | 12,629,067 | 8,413,107 |
| Outstanding claims including IBNR - closing | 15,516,140 | 12,086,375 | 15,516,140 | 12,086,375 |
| Outstanding claims including IBNR - opening | (14,699,148) | (12,627,240) | (12,686,045) | (10,768,040) |
| Currency translation effect | (827,144) | (405,380) | (1,741,420) | (321,113) |
| Claims expense | 5,344,712 | 2,704,031 | 13,717,742 | 9,410,329 |
| Reinsurance and other recoveries received | (2,191,865) | (1,795,700) | (4,703,959) | (3,304,933) |
| Reinsurance and other recoveries in respect of outstanding claims - closing | (10,009,154) | (7,348,618) | (10,009,154) | (7,348,618) |
| Reinsurance and other recoveries in respect of outstanding claims - opening | 9,647,254 | 8,059,933 | 7,943,513 | 6,192,571 |
| Currency translation effect | 455,685 | 161,768 | 896,871 | 122,803 |
| Reinsurance and other recoveries revenue | (2,098,080) | (922,617) | (5,872,729) | (4,338,177) |
| | 3,246,632 | 1,781,414 | 7,845,013 | 5,072,152 |

24.1 Net Insurance Claims Expense - Business underwritten inside Pakistan

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Claims Paid | 2,579,381 | 1,474,756 | 5,850,555 | 4,232,780 |
| Outstanding claims including IBNR - closing | 7,510,665 | 6,942,985 | 7,510,665 | 6,942,985 |
| Outstanding claims including IBNR - opening | (8,006,193) | (6,926,367) | (7,131,251) | (4,920,475) |
| Claims expense | 2,083,853 | 1,491,374 | 6,229,969 | 6,255,290 |
| Reinsurance and other recoveries received | (1,418,173) | (634,719) | (2,381,143) | (1,412,802) |
| Reinsurance and other recoveries in respect of outstanding claims - closing | (5,506,578) | (5,350,469) | (5,506,578) | (5,350,469) |
| Reinsurance and other recoveries in respect of outstanding claims - opening | 6,290,271 | 5,535,861 | 5,482,393 | 3,526,278 |
| Reinsurance and other recoveries revenue | (634,480) | (449,327) | (2,405,328) | (3,236,993) |
| | 1,449,373 | 1,042,047 | 3,824,641 | 3,018,297 |

24.2 Net Insurance Claims Expense - Business underwritten outside Pakistan

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Claims Paid | 2,775,483 | 2,175,520 | 6,778,512 | 4,180,327 |
| Outstanding claims including IBNR - closing | 8,005,475 | 5,143,390 | 8,005,475 | 5,143,390 |
| Outstanding claims including IBNR - opening | (6,692,955) | (5,700,873) | (5,554,794) | (5,847,565) |
| Currency translation effect | (827,144) | (405,380) | (1,741,420) | (321,113) |
| Claims expense | 3,260,859 | 1,212,657 | 7,487,773 | 3,155,039 |
| Reinsurance and other recoveries received | (773,692) | (1,160,981) | (2,322,816) | (1,892,131) |
| Reinsurance and other recoveries in respect of outstanding claims - closing | (4,502,576) | (1,998,149) | (4,502,576) | (1,998,149) |
| Reinsurance and other recoveries in respect of outstanding claims - opening | 3,356,983 | 2,524,072 | 2,461,120 | 2,666,293 |
| Currency translation effect | 455,685 | 161,768 | 896,871 | 122,803 |
| Reinsurance and other recoveries revenue | (1,463,600) | (473,290) | (3,467,401) | (1,101,184) |
| | 1,797,259 | 739,367 | 4,020,372 | 2,053,855 |

| Quarter Ended | | Nine Months Ended | |
|----------------------------------|----------------------|----------------------|----------------------|
| 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |
| ----- (Rupees in thousand) ----- | | | |

25 Net commission and other acquisition costs

| | | | | |
|---|--------------------|-------------|--------------------|-------------|
| Commission Paid or payable | 1,023,254 | 612,158 | 2,797,232 | 1,778,356 |
| Deferred Commission expense - opening | 1,568,054 | 911,257 | 1,055,480 | 731,319 |
| Deferred Commission expense - closing | (1,947,803) | (1,052,910) | (1,947,803) | (1,052,910) |
| Currency translation effect | 102,004 | 47,151 | 238,993 | 41,939 |
| Net Commission | 745,509 | 517,656 | 2,143,902 | 1,498,704 |
| Commission received or recoverable | (380,865) | (217,561) | (822,799) | (477,848) |
| Unearned reinsurance commission - opening | (273,652) | (242,641) | (241,094) | (245,318) |
| Unearned reinsurance commission - closing | 457,349 | 311,837 | 457,349 | 311,837 |
| Currency translation effect | (3,103) | (248) | (7,314) | (178) |
| Commission from reinsurance | (200,271) | (148,613) | (613,858) | (411,507) |
| | 545,238 | 369,043 | 1,530,044 | 1,087,197 |

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

| | | | | |
|---|------------------|-----------|------------------|-----------|
| Commission Paid or payable | 525,455 | 350,703 | 1,235,126 | 864,061 |
| Deferred Commission expense - opening | 466,365 | 307,507 | 393,554 | 285,324 |
| Deferred Commission expense - closing | (753,769) | (404,158) | (753,769) | (404,158) |
| Net Commission | 238,051 | 254,052 | 874,911 | 745,227 |
| Commission received or recoverable | (356,601) | (215,184) | (744,002) | (472,774) |
| Unearned reinsurance commission - opening | (228,811) | (239,650) | (239,650) | (240,971) |
| Unearned reinsurance commission - closing | 402,931 | 308,923 | 402,931 | 308,923 |
| Commission from reinsurance | (182,481) | (145,911) | (580,721) | (404,822) |
| | 55,570 | 108,141 | 294,190 | 340,405 |

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

| | | | | |
|---|--------------------|-----------|--------------------|-----------|
| Commission Paid or payable | 497,799 | 261,455 | 1,562,106 | 914,295 |
| Deferred Commission expense - opening | 1,101,689 | 603,750 | 661,926 | 445,995 |
| Deferred Commission expense - closing | (1,194,034) | (648,752) | (1,194,034) | (648,752) |
| Currency translation effect | 102,004 | 47,151 | 238,993 | 41,939 |
| Net Commission | 507,458 | 263,604 | 1,268,991 | 753,477 |
| Commission received or recoverable | (24,264) | (2,377) | (78,797) | (5,074) |
| Unearned reinsurance commission - opening | (44,841) | (2,991) | (1,444) | (4,347) |
| Unearned reinsurance commission - closing | 54,418 | 2,914 | 54,418 | 2,914 |
| Currency translation effect | (3,103) | (248) | (7,314) | (178) |
| Commission from reinsurance | (17,790) | (2,702) | (33,137) | (6,685) |
| | 489,668 | 260,902 | 1,235,854 | 746,792 |

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) / reversal 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

Income from term deposits

Return on term deposits

Net investment income

27 Other income

Return on bank balance

Gain 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 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |
| | ----- (Rupees in thousand) ----- | | | |
| Business underwritten Inside Pakistan | | | | |
| Available-for-sale | | | | |
| Income from equity securities | | | | |
| Dividend income | | | | |
| - associated undertakings | 263,241 | 300,372 | 820,205 | 1,272,487 |
| - others | 268,789 | 213,020 | 592,261 | 561,453 |
| | 532,030 | 513,392 | 1,412,466 | 1,833,940 |
| Income from debt securities - Held to maturity | | | | |
| Return on Pakistan Investment Bonds | 736 | 2,250 | 6,353 | 7,867 |
| Profit on Treasury Bills | 21,376 | 5,197 | 36,927 | 19,911 |
| | 22,112 | 7,447 | 43,280 | 27,778 |
| Income from term deposits | | | | |
| Return on term deposits | - | 513 | 2,849 | 6,861 |
| | - | 513 | 2,849 | 6,861 |
| Net realized gains on investments | | | | |
| Realized gains on | | | | |
| - associated undertakings | (4,587) | - | 407,500 | - |
| - others | 9,118 | - | 21,038 | 5,421 |
| | 4,531 | - | 428,538 | 5,421 |
| | 558,673 | 521,352 | 1,887,133 | 1,874,000 |
| (Provision) / reversal of impairment in value of 'available-for-sale' investments | - | - | (179,501) | 223,096 |
| | 558,673 | 521,352 | 1,707,632 | 2,097,096 |
| Business underwritten Outside Pakistan | | | | |
| Available-for-sale | | | | |
| Income from equity securities | | | | |
| Dividend income | | | | |
| - associated undertakings | - | - | - | - |
| - others | - | 98 | 106 | 241 |
| | - | 98 | 106 | 241 |
| Income from term deposits | | | | |
| Return on term deposits | 35,869 | 22,028 | 89,071 | 81,707 |
| | 35,869 | 22,028 | 89,071 | 81,707 |
| | 35,869 | 22,126 | 89,177 | 81,948 |
| Net investment income | 594,542 | 543,478 | 1,796,809 | 2,179,044 |
| 27 Other income | | | | |
| Return on bank balance | 43,364 | 18,211 | 122,577 | 45,819 |
| Gain on sale of fixed assets | 579 | 6,376 | 10,945 | 18,461 |
| Return on loans to employee | 35 | 49 | 121 | 143 |
| Miscellaneous | 16,040 | 13,222 | 42,149 | 34,050 |
| | 60,018 | 37,858 | 175,792 | 98,473 |
| 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 | 375,063 | 656,378 | 1,384,957 | 2,271,381 |
| | ----- 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 | 1.07 | 1.88 | 3.96 | 6.49 |

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 these unconsolidated condensed interim financial statements are as follows:

| | (Unaudited) 30 September 2022 | (Unaudited) 30 September 2021 |
|--|-------------------------------------|-------------------------------------|
| | ---- (Rupees in thousand) ---- | |
| i) Transactions | | |
| Subsidiary company | | |
| Premiums underwritten | 24,033 | 24,384 |
| Premiums received | 24,753 | 22,370 |
| Investments made | - | 1,564,536 |
| Investments sold | 700,000 | - |
| Claims paid | 10,225 | 10,109 |
| Claims received | - | 3,000 |
| Security deposit received | 1,105 | - |
| Premium paid | 20,956 | 20,875 |
| Rent paid | 2,500 | 8,288 |
| Rent / service charges / expenses received | 56,413 | 44,996 |
| Other related parties | | |
| Premiums underwritten | 1,920,562 | 1,478,394 |
| Premiums received | 1,603,795 | 873,336 |
| Claims paid | 496,688 | 435,327 |
| Commission Paid | 30,214 | 27,939 |
| Fee / service charges / expenses received / receivable | 15,375 | 22,445 |
| Rent paid | 8,145 | 4,590 |
| Rent received | 49,540 | 40,169 |
| Loan obtained | - | 1,390,000 |
| Loan repaid | 906,978 | 66,978 |
| Interest on loan paid | 43,379 | 1,162 |
| Dividends received | 700,051 | 1,061,743 |
| Dividends paid | 216,693 | 88,577 |
| Income on bank deposits | 57,138 | 33,168 |
| Investments made | 252,615 | 1,250,493 |
| Fee / service charges paid | 7,641 | 7,374 |
| Security deposit paid | - | - |
| Security deposit received | - | 5,096 |
| Charge in respect of gratuity expense | 31,874 | 23,623 |
| Contribution to Employees' Provident Fund | 30,923 | 27,689 |
| Compensation paid to Key management personnel | 1,151,695 | 977,453 |
| | (Unaudited) 30 September 2022 | (Audited) 31 December 2021 |
| | ---- (Rupees in thousand) ---- | |
| ii) Period end balances | | |
| Subsidiary company | | |
| Balances receivable | 80,286 | 64,112 |
| Balances payable | 7,337 | 5,186 |
| Other related parties | | |
| Balances receivable | 279,850 | 243,103 |
| Balances payable | 399,677 | 299,939 |
| Loan Payable | 22,294 | 926,756 |
| Cash and bank balances including term deposits | 4,419,967 | 1,601,579 |
| Payable to Staff Gratuity Fund | 83,389 | 181,515 |

Nine Months Ended 30 September 2022

| | 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) | 12,460,482 | 21,825 | 1,872,099 | 16,712 | 3,169,237 | 6,609,407 | 2,183,480 | 1,815,923 | 1,169,385 | 8,197 | 20,854,683 | 8,472,064 | 29,326,747 |
| Less: Federal excise duty | (1,535,929) | (1,333) | (207,204) | (854) | (380,292) | (314,734) | (20,675) | (86,473) | (120,608) | (390) | (2,264,708) | (403,784) | (2,668,492) |
| Federal insurance fee | (107,473) | (39) | (16,591) | (8) | (27,892) | - | (21,414) | - | (10,687) | - | (184,057) | (47) | (184,104) |
| | 10,817,080 | 20,453 | 1,648,304 | 15,850 | 2,761,053 | 6,294,673 | 2,141,391 | 1,729,450 | 1,038,090 | 7,807 | 18,405,918 | 8,068,233 | 26,474,151 |
| Gross written premium (inclusive of administrative surcharge) | 10,817,080 | 20,453 | 1,648,304 | 15,850 | 2,761,053 | 6,294,673 | 2,141,391 | 1,729,450 | 1,038,090 | 7,807 | 18,405,918 | 8,068,233 | 26,474,151 |
| Gross direct premium | 10,767,650 | 20,387 | 1,621,847 | 15,850 | 2,663,776 | 6,273,890 | 2,139,568 | 1,729,450 | 1,000,472 | 7,785 | 18,193,313 | 8,047,362 | 26,240,675 |
| Facultative inward premium | 34,401 | - | 1,117 | - | 82 | - | - | - | 27,172 | - | 62,772 | - | 62,772 |
| Administrative surcharge | 15,029 | 66 | 25,340 | - | 97,195 | 20,783 | 1,823 | - | 10,446 | 22 | 149,833 | 20,871 | 170,704 |
| | 10,817,080 | 20,453 | 1,648,304 | 15,850 | 2,761,053 | 6,294,673 | 2,141,391 | 1,729,450 | 1,038,090 | 7,807 | 18,405,918 | 8,068,233 | 26,474,151 |
| Insurance premium earned | 7,907,014 | 18,235 | 1,584,083 | 26,287 | 2,569,150 | 5,424,940 | 1,872,284 | 1,221,091 | 931,833 | 6,877 | 14,864,364 | 6,697,430 | 21,561,794 |
| Insurance premium ceded to reinsurers | (7,131,003) | (13,470) | (628,287) | (459) | (37,671) | (255,311) | - | (685,504) | (430,822) | (3,859) | (8,227,783) | (958,603) | (9,186,386) |
| Net insurance premium | 776,011 | 4,765 | 955,796 | 25,828 | 2,531,479 | 5,169,629 | 1,872,284 | 535,587 | 501,011 | 3,018 | 6,636,581 | 5,738,827 | 12,375,408 |
| Commission income | 494,550 | 3,001 | 3,126 | - | 2,524 | 27,620 | - | - | 80,521 | 2,516 | 580,721 | 33,137 | 613,858 |
| Net underwriting income | 1,270,561 | 7,766 | 958,922 | 25,828 | 2,534,003 | 5,197,249 | 1,872,284 | 535,587 | 581,532 | 5,534 | 7,217,302 | 5,771,964 | 12,989,266 |
| Insurance claims | (2,617,835) | (764) | (330,905) | (2,811) | (1,319,857) | (6,465,827) | (1,643,241) | (1,018,693) | (318,131) | 322 | (6,229,969) | (7,487,773) | (13,717,742) |
| Insurance claim recoveries from reinsurer | 2,198,002 | 756 | (31,098) | 166 | 122,895 | 2,745,311 | - | 721,827 | 115,529 | (659) | 2,405,328 | 3,467,401 | 5,872,729 |
| Net claims | (419,833) | (8) | (362,003) | (2,645) | (1,196,962) | (3,720,516) | (1,643,241) | (296,866) | (202,602) | (337) | (3,824,641) | (4,020,372) | (7,845,013) |
| Commission expense | (400,780) | (2,458) | (137,088) | (4,546) | (196,366) | (1,125,356) | (48,964) | (136,449) | (91,713) | (182) | (874,911) | (1,268,991) | (2,143,902) |
| Management expense | (357,824) | (1,718) | (365,898) | (9,421) | (857,410) | (750,929) | (111,149) | (124,967) | (171,341) | (1,392) | (1,863,622) | (888,427) | (2,752,049) |
| Net insurance claims and expenses | (1,178,437) | (4,184) | (864,989) | (16,612) | (2,250,738) | (5,596,801) | (1,803,354) | (558,282) | (465,656) | (1,911) | (6,563,174) | (6,177,790) | (12,740,964) |
| Underwriting result | 92,124 | 3,582 | 93,933 | 9,216 | 283,265 | (399,552) | 68,930 | (22,695) | 115,876 | 3,623 | 654,128 | (405,826) | 248,302 |
| Net investment income | | | | | | | | | | | 1,707,632 | 89,177 | 1,796,809 |
| Rental income | | | | | | | | | | | 118,061 | 1,621 | 119,682 |
| Other income | | | | | | | | | | | 113,051 | 62,741 | 175,792 |
| Other expenses | | | | | | | | | | | (44,049) | (12,588) | (56,637) |
| Finance cost | | | | | | | | | | | (32,476) | (1,482) | (33,958) |
| Profit from Window Takaful Operations | | | | | | | | | | | 250,472 | - | 250,472 |
| Profit before tax | | | | | | | | | | | 2,766,819 | (266,357) | 2,500,462 |

30 September 2022

| | 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 | 16,429,283 | 35,754 | 1,088,233 | 5,767 | 1,780,045 | 6,817,696 | 1,067,971 | 1,516,161 | 2,062,167 | 21,289 | 22,427,699 | 8,396,667 | 30,824,366 |
| Unallocated assets | | | | | | | | | | | 31,789,549 | 11,609,177 | 43,398,726 |
| | | | | | | | | | | | 54,217,248 | 20,005,844 | 74,223,092 |
| Segment Liabilities | 16,744,429 | 41,585 | 1,408,080 | 37,593 | 3,477,264 | 13,527,455 | 2,444,276 | 1,982,255 | 2,741,309 | 24,956 | 26,815,358 | 15,613,844 | 42,429,202 |
| Unallocated Liabilities | | | | | | | | | | | 5,294,068 | 1,454,781 | 6,748,849 |
| | | | | | | | | | | | 32,109,426 | 17,068,625 | 49,178,051 |

30.1 Segment Information

| Nine Month 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 |
| 31 December 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 | 11,179,552 | 24,697 | 819,410 | 11,616 | 1,472,253 | 4,089,417 | 771,191 | 651,760 | 1,765,915 | 16,220 | 16,008,321 | 4,793,710 | 20,802,031 |
| Unallocated assets | | | | | | | | | | | 32,571,051 | 8,267,501 | 40,838,552 |
| | | | | | | | | | | | 48,579,372 | 13,061,211 | 61,640,583 |
| Segment Liabilities | 11,591,214 | 28,176 | 1,149,567 | 37,421 | 2,923,636 | 8,898,921 | 1,812,336 | 808,489 | 2,400,998 | 18,123 | 19,877,751 | 9,791,130 | 29,668,881 |
| Unallocated Liabilities | | | | | | | | | | | 5,776,523 | 805,415 | 6,581,938 |
| | | | | | | | | | | | 25,654,274 | 10,596,545 | 36,250,819 |

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 2022 | | | | | | | | | |
|--|----|----------------------------------|---------------------|--|---------------------------------|-----------------------------------|------------|------------|-----------|-----------|------------|
| | | 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> | | | | | | | | | | | |
| | 12 | 12,649,613 | - | - | - | - | 12,649,613 | 12,649,613 | - | - | 12,649,613 |
| | 12 | 6,733,763 | - | - | - | - | 6,733,763 | - | - | 6,733,763 | 6,733,763 |
| | 19 | - | 75,000 | - | - | - | 75,000 | 75,000 | - | - | 75,000 |
| <i>Financial assets - not measured at fair value</i> | | | | | | | | | | | |
| | 13 | - | 1,250,473 | - | - | - | 1,250,473 | - | 1,250,473 | - | 1,250,473 |
| | 15 | - | - | 520,078 | - | - | 520,078 | - | - | - | - |
| | 14 | - | 6,752,033 | - | - | - | 6,752,033 | - | - | - | - |
| | 11 | - | - | 2,396,166 | - | - | 2,396,166 | 4,342,500 | - | - | 4,342,500 |
| | 16 | - | - | 10,795,769 | - | - | 10,795,769 | - | - | - | - |
| | | - | - | 9,619,366 | - | - | 9,619,366 | - | - | - | - |
| | 18 | - | - | - | 5,375,977 | - | 5,375,977 | - | - | - | - |
| | 19 | - | - | 464,299 | 362,427 | - | 826,726 | - | - | - | - |
| | | 19,383,376 | 8,077,506 | 23,795,678 | 5,738,404 | - | 56,994,964 | 17,067,113 | 1,250,473 | 6,733,763 | 25,051,349 |
| <i>Financial liabilities - not measured at fair value</i> | | | | | | | | | | | |
| <i>Underwriting provisions:</i> | | | | | | | | | | | |
| | | - | - | - | - | 22,294 | 22,294 | - | - | - | - |
| | | - | - | - | - | 15,516,140 | 15,516,140 | - | - | - | - |
| | | - | - | - | - | 8,820,791 | 8,820,791 | - | - | - | - |
| | | - | - | - | - | 2,708,353 | 2,708,353 | - | - | - | - |
| | | - | - | - | - | 560,209 | 560,209 | - | - | - | - |
| | 19 | - | - | - | - | 432,984 | 432,984 | - | - | - | - |
| | | - | - | - | - | 28,060,771 | 28,060,771 | - | - | - | - |

* 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 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 | 14,821,459 | - | - | - | - | 14,821,459 | 14,821,459 | - | - | 14,821,459 |
| | 12 | 6,336,120 | - | - | - | - | 6,336,120 | - | - | 6,336,120 | 6,336,120 |
| | 19 | 38,326 | 75,000 | - | - | - | 113,326 | 113,326 | - | - | 113,326 |
| <u>Financial assets - not measured at fair value</u> | | | | | | | | | | | |
| | 13 | - | 377,652 | - | - | - | 377,652 | - | 377,652 | - | 377,652 |
| | 15 | - | - | 430,075 | - | - | 430,075 | - | - | - | - |
| | 14 | - | 6,871,466 | - | - | - | 6,871,466 | - | - | - | - |
| | 11 | - | - | 2,662,406 | - | - | 2,662,406 | - | - | - | - |
| | 16 | - | - | 7,175,870 | - | - | 7,175,870 | - | - | - | - |
| | | - | - | 7,598,556 | - | - | 7,598,556 | - | - | - | - |
| | 18 | - | - | - | 2,174,053 | - | 2,174,053 | - | - | - | - |
| | 19 | - | - | 312,997 | 264,235 | - | 577,232 | - | - | - | - |
| | | 21,195,905 | 7,324,118 | 18,179,904 | 2,438,288 | - | 49,138,215 | 14,934,785 | 377,652 | 6,336,120 | 21,648,557 |
| <u>Financial liabilities - not measured at fair value</u> | | | | | | | | | | | |
| <i>Underwriting provisions:</i> | | | | | | | | | | | |
| | | - | - | - | - | 926,756 | 926,756 | - | - | - | - |
| | | - | - | - | - | 12,686,045 | 12,686,045 | - | - | - | - |
| | | - | - | - | - | 5,215,694 | 5,215,694 | - | - | - | - |
| | | - | - | - | - | 1,900,819 | 1,900,819 | - | - | - | - |
| | | - | - | - | - | 629,135 | 629,135 | - | - | - | - |
| | 19 | - | - | - | - | 278,531 | 278,531 | - | - | - | - |
| | | - | - | - | - | 21,636,980 | 21,636,980 | - | - | - | - |

* 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 27 October, 2022 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

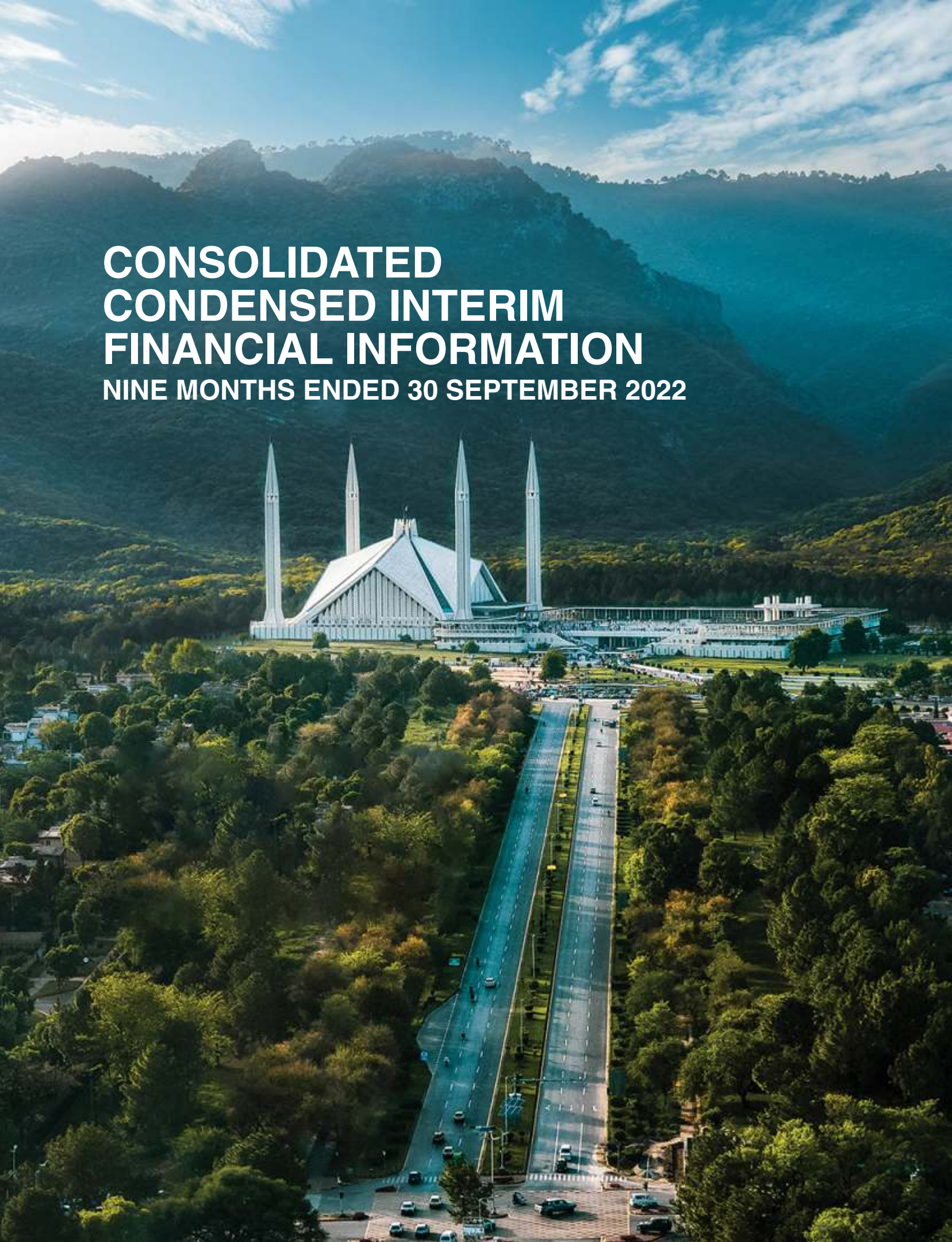


**Chief Financial
Officer**



**Managing Director & Chief
Executive Officer**

**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL INFORMATION
NINE MONTHS ENDED 30 SEPTEMBER 2022**



Directors' Review

to the Members on Consolidated Condensed Interim Financial Information (Unaudited) For the Nine Months Ended 30 September 2022

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 2022.

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

| | (Unaudited) | |
|--|----------------------|----------------------|
| | 30 September 2022 | 30 September 2021 |
| | Rupees in thousand | |
| Profit before tax | 2,628,305 | 3,307,664 |
| Taxation | (1,297,950) | (899,059) |
| Profit after tax | 1,330,355 | 2,408,605 |
| Less: Profit attributable to non-controlling interest | (30,726) | - |
| Profit attributable to ordinary shares | 1,299,629 | 2,408,605 |
| Other comprehensive income - Remeasurement of defined benefit obligation | (1,739) | 6,763 |
| Unappropriated profit brought forward | 16,638,433 | 14,650,455 |
| Profit available for appropriation | 17,936,323 | 17,065,823 |
| Final cash dividend at Rs. 1.5 per share - 31 December 2021 [31 December 2020 (Rupee 1.25 per share)] | (525,000) | (437,500) |
| Interim cash dividend at Rs. 1.5 per share - 30 June 2022 [30 June 2021 (Rupee 1.5 per share)] | (525,000) | (525,000) |
| Transaction between owners | 343,713 | - |
| Profit after appropriation | 17,230,036 | 16,103,323 |
| | (Unaudited) | |
| | 30 September 2022 | 30 September 2021 |
| | Rupees | |
| Earnings per share - Basic and diluted | 3.71 | 6.88 |

For and on behalf of the Board


Shaikh Muhammad Jawed
Director


Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Lahore: 27 October 2022

Adamjee Insurance Company Limited
Consolidated Condensed Interim Statement of Financial Position
As at 30 September 2022

| | Note | 30 September 2022 | 31 December 2021 |
|--|------|---------------------------|---------------------------|
| ------(Rupees in thousand)----- | | | |
| | | (Unaudited) | (Audited) |
| ASSETS | | | |
| Property and equipment | 7 | 5,513,346 | 5,415,445 |
| Intangible assets | 8 | 103,377 | 123,465 |
| Investment properties | 9 | 1,263,942 | 1,259,667 |
| Investments | | | |
| Equity securities | 10 | 38,134,032 | 38,014,361 |
| Debt securities | 11 | 36,471,052 | 25,619,017 |
| Term deposits | 12 | 12,228,033 | 14,451,466 |
| Loan secured against life insurance policies | | 39,793 | 39,499 |
| Loans and other receivables | 13 | 1,845,342 | 965,110 |
| Insurance / reinsurance receivables | 14 | 10,878,385 | 7,311,312 |
| Reinsurance recoveries against outstanding claims | | 9,619,366 | 7,598,556 |
| Salvage recoveries accrued | | 389,788 | 344,957 |
| Deferred commission expense / acquisition cost | | 1,947,803 | 1,055,480 |
| Taxation - payment less provisions | | 475,339 | 730,267 |
| Prepayments | 15 | 8,290,696 | 4,790,632 |
| Cash and bank | 16 | 9,615,240 | 11,900,126 |
| | | <u>136,815,534</u> | <u>119,619,360</u> |
| Total assets of Window Takaful Operations | | | |
| - Operator's Fund (Parent Company) | 17 | 1,039,558 | 723,850 |
| TOTAL ASSETS | | <u><u>137,855,092</u></u> | <u><u>120,343,210</u></u> |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves attributable to the Company's equity holders | | | |
| Ordinary share capital | | 3,500,000 | 3,500,000 |
| Reserves | 18 | 4,803,207 | 5,482,136 |
| Unappropriated Profit | | 17,230,036 | 16,638,433 |
| Equity attributable to equity holders of the parent | | <u>25,533,243</u> | <u>25,620,569</u> |
| Non-controlling interest | | 360,116 | - |
| Total Equity | | <u>25,893,359</u> | <u>25,620,569</u> |
| Liabilities | | | |
| Insurance liabilities | | 61,493,971 | 56,874,290 |
| Underwriting provisions: | | | |
| Outstanding claims including IBNR | | 15,516,140 | 12,686,045 |
| Unearned premium reserve | | 17,193,586 | 11,010,289 |
| Unearned reinsurance commission | | 457,349 | 241,094 |
| Retirement benefits obligations | | 208,948 | 257,200 |
| Deferred taxation | | 2,173,372 | 2,262,665 |
| Borrowings | | 65,874 | 1,011,650 |
| Deferred grant income | | 1,552 | 10,627 |
| Premium received in advance | | 691,136 | 946,956 |
| Insurance / reinsurance payables | | 8,954,291 | 5,215,694 |
| Other creditors and accruals | 19 | 4,117,348 | 3,189,647 |
| Deposits and other liabilities | | 655,182 | 737,953 |
| | | <u>50,034,778</u> | <u>37,569,820</u> |
| Total liabilities of Window Takaful Operations | | | |
| - Operator's Fund (Parent Company) | 17 | 432,984 | 278,531 |
| TOTAL EQUITY AND LIABILITIES | | <u><u>137,855,092</u></u> | <u><u>120,343,210</u></u> |

Contingencies and commitments

20

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



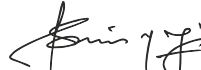
Chairman



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 2022

| | Note | For three month period ended | | For nine month period ended | |
|--|------|------------------------------|-------------------|-----------------------------|-------------------|
| | | 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |
| ----- (Rupees in thousand) ----- | | | | | |
| Net insurance premium | 21 | 9,408,569 | 8,361,945 | 26,802,182 | 23,530,811 |
| Net insurance claims | 22 | (6,784,008) | (3,806,090) | (17,215,779) | (11,145,247) |
| Net commission and other acquisition costs | 23 | (1,206,207) | (1,121,475) | (3,656,153) | (3,369,739) |
| Insurance claims and acquisition expenses | | (7,990,215) | (4,927,565) | (20,871,932) | (14,514,986) |
| Management expenses | | (1,286,369) | (1,049,432) | (3,563,768) | (3,043,082) |
| Net change in insurance / takaful liabilities (other than outstanding claims) | | (1,882,826) | (1,740,623) | (4,261,595) | (6,919,563) |
| Underwriting results | | (1,750,841) | 644,325 | (1,895,113) | (946,820) |
| Investment income | 24 | 2,259,404 | 1,303,173 | 5,593,745 | 4,792,464 |
| Net fair value gain / (loss) on financial assets at fair value through profit or loss | | 8,894 | (1,044,979) | (2,039,025) | (1,013,104) |
| Net unrealized gain on investment property | | 4,275 | - | 4,275 | 42,000 |
| Rental income | | 25,119 | 29,522 | 77,518 | 65,535 |
| Other income | | 227,378 | 112,959 | 733,252 | 343,156 |
| Other expenses | | (27,194) | (15,992) | (60,578) | (45,977) |
| Results of operating activities | | 747,035 | 1,029,008 | 2,414,074 | 3,237,254 |
| Finance cost | | (2,319) | (14,031) | (36,241) | (27,151) |
| Profit from Window Takaful Operations - Operator's Fund (Parent Company) | 17 | 91,959 | 24,906 | 250,472 | 97,561 |
| Profit before tax | | 836,675 | 1,039,883 | 2,628,305 | 3,307,664 |
| Income tax expense | | (269,881) | (311,575) | (1,297,950) | (899,059) |
| Profit after tax for the period | | 566,794 | 728,308 | 1,330,355 | 2,408,605 |
| Profit attributable to: | | | | | |
| Equity holders of the parent | | 548,045 | 728,308 | 1,299,629 | 2,408,605 |
| Non-controlling interest | | 18,749 | - | 30,726 | - |
| | | 566,794 | 728,308 | 1,330,355 | 2,408,605 |
| | | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Earnings after tax per share | 25 | 1.56 | 2.08 | 3.71 | 6.88 |

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



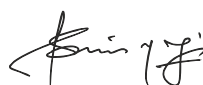
Chairman



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 2022

| | For three month period ended | | For nine month period ended | |
|---|---|----------------------|-----------------------------|----------------------|
| | 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |
| | ----- (Rupees in thousand) ----- | | | |
| Profit after tax | 566,794 | 728,308 | 1,330,355 | 2,408,605 |
| Other comprehensive income | | | | |
| Items that will not be reclassified subsequently to profit and loss: | | | | |
| Re-measurement of retirement benefit obligations | - | - | (1,932) | 6,763 |
| Items that may be reclassified subsequently to profit and loss: | | | | |
| Unrealized loss on 'available-for-sale' investments - net of tax | (132,994) | (664,771) | (1,712,646) | (1,524,778) |
| Reclassification adjustment relating to 'available for sale' investments disposed off during the period - net of tax | (3,598) | - | 350,171 | 177,198 |
| Other comprehensive income from window takaful operations - net of tax | - | 554 | (968) | (329) |
| Effect of translation of investment in foreign branches - net | 289,246 | 175,367 | 684,070 | 150,510 |
| Total comprehensive income for the period | 719,448 | 239,458 | 649,050 | 1,217,969 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the parent | 700,302 | 239,458 | 618,429 | 1,217,969 |
| Non-controlling interest | 19,146 | - | 30,621 | - |
| | 719,448 | 239,458 | 649,050 | 1,217,969 |

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 2022

| | Nine months ended 30 September 2022 | Nine months ended 30 September 2021 |
|--|--|--|
| ------(Rupees in thousand)----- | | |
| Cash flows from operating activities: | | |
| Underwriting activities | | |
| Insurance premium received | 38,621,593 | 30,173,177 |
| Reinsurance premiums paid | (8,909,666) | (4,996,676) |
| Claims paid | (21,905,320) | (14,686,970) |
| Reinsurance and other recoveries received | 4,035,532 | 3,041,301 |
| Commissions paid | (3,906,837) | (3,527,346) |
| Commissions received | 822,799 | 477,848 |
| Other underwriting payments | (3,830,965) | (3,165,180) |
| Net cash flow from underwriting activities | 4,927,136 | 7,316,154 |
| Other operating activities | | |
| Income tax paid | (679,553) | (798,035) |
| Other operating payments | (128,811) | (102,810) |
| Loans advanced | (53,991) | (42,168) |
| Loans installments received | 46,094 | 40,693 |
| Other operating receipts | 35,941 | 27,864 |
| Net cash outflow for other operating activities | (780,320) | (874,456) |
| Total cash inflow from all operating activities | 4,146,816 | 6,441,698 |
| Cash flows from investing activities: | | |
| Profit / return received | 3,935,025 | 2,013,272 |
| Dividends received | 1,668,185 | 2,102,752 |
| Rentals received | 113,754 | 97,580 |
| Payment for investments/ investment properties | (462,721,560) | (218,551,561) |
| Proceeds from disposal of investments/ investment properties | 450,650,768 | 212,563,451 |
| Loan to / from policy holder | 2,690 | (7,468) |
| Fixed capital expenditure | (193,227) | (282,738) |
| Proceeds from disposal of operating fixed assets | 16,024 | 27,832 |
| Total cash outflow for investing activities | (6,528,341) | (2,036,880) |
| Cash flows from financing activities: | | |
| Payments against lease liabilities | (29,578) | (35,929) |
| Dividends paid | (1,033,609) | (448,971) |
| Proceeds against right issue | - | 1,564,506 |
| Loan obtained | - | 1,390,000 |
| Loan principal and interest expense paid against loan | (995,174) | (135,008) |
| Total cash outflow for financing activities | (2,058,361) | 2,334,598 |
| Net cash outflow for / flow from all activities | (4,439,886) | 6,739,416 |
| Cash and cash equivalents at beginning of period | 19,480,126 | 19,229,096 |
| Cash and cash equivalents at end of period | 15,040,240 | 25,968,512 |

| Nine months ended 30 September 2022 | Nine months ended 30 September 2021 |
|--|--|
|--|--|

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

Reconciliation to profit and loss account:

| | | |
|---|------------------|------------------|
| Operating cash flows | 4,146,816 | 6,441,698 |
| Depreciation and amortization expense | (279,988) | (246,279) |
| Provision for retirement benefit obligations | (40,961) | (30,516) |
| Finance cost | (53,883) | (30,959) |
| Other income - bank balances and term deposits | 214,497 | 134,387 |
| Gain on disposal of fixed assets | 8,904 | 18,461 |
| Rental income | 122,537 | 66,037 |
| Change in assets other than cash | 10,665,055 | 7,740,127 |
| Change in liabilities other than running finance | (11,545,605) | (11,880,733) |
| Gain on disposal of investments | 236,428 | 436,401 |
| Change in unearned premium | (6,183,297) | (3,880,088) |
| (Provision)/Reversal for impairment in value of 'available-for-sale' investments | (179,501) | 223,096 |
| Dividend and other investment income | 6,007,906 | 4,332,516 |
| Capital contribution to SHF | - | - |
| Surplus on revaluation of investment | (2,039,025) | (1,013,104) |
| Profit from Window Takaful Operations | 250,472 | 97,561 |
| Profit after tax | 1,330,355 | 2,408,605 |

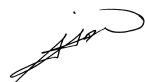
Cash for the purposes of the cash flows statement consists of:

| | | |
|--|-------------------|-------------------|
| Cash and cash equivalents | 37,615 | 29,172 |
| Current and saving accounts | 9,577,625 | 12,644,340 |
| Term deposits | 5,425,000 | 13,295,000 |
| Total cash and cash equivalents | 15,040,240 | 25,968,512 |

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



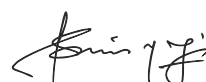
Chairman



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 2022

| | 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 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 |
| Profit for the period 01 October 2021 to 31 December 2021 | - | - | - | - | - | - | 534,988 | 534,988 | - | 534,988 |
| Other comprehensive income for the period 01 October 2021 to 31 December 2021 | - | - | - | 70,935 | 2,121,293 | - | 122 | 2,192,350 | - | 2,192,350 |
| Total comprehensive income for the period | - | - | - | 70,935 | 2,121,293 | - | 535,110 | 2,727,338 | - | 2,727,338 |
| Balance as at 31 December 2021 - (Audited) | 3,500,000 | 22,859 | 3,764 | 899,883 | 3,619,130 | 936,500 | 16,638,433 | 25,620,569 | - | 25,620,569 |
| Transaction between owners | - | - | - | - | 532 | - | 343,713 | 344,245 | 329,495 | 673,740 |
| | - | - | - | - | 532 | - | 343,713 | 344,245 | 329,495 | 673,740 |
| Profit for the period 01 January 2022 to 30 September 2022 | - | - | - | - | - | - | 1,299,629 | 1,299,629 | 30,726 | 1,330,355 |
| Other comprehensive income for the period 01 January 2022 to 30 September 2022 | - | - | - | 684,070 | (1,363,531) | - | (1,739) | (681,200) | (105) | (681,305) |
| Total comprehensive income for the period | - | - | - | 684,070 | (1,363,531) | - | 1,297,890 | 618,429 | 30,621 | 649,050 |
| | 3,500,000 | 22,859 | 3,764 | 1,583,953 | 2,256,131 | 936,500 | 18,280,036 | 26,583,243 | 360,116 | 26,943,359 |
| Transactions with owners of the Group | | | | | | | | | | |
| Final cash dividend at Rs. 1.5 per share - 31 December 2021 | - | - | - | - | - | - | (525,000) | (525,000) | - | (525,000) |
| Interim cash dividend at Rs. 1.5 per share - 30 June 2022 | - | - | - | - | - | - | (525,000) | (525,000) | - | (525,000) |
| Balance as at 30 September 2022 - (Unaudited) | 3,500,000 | 22,859 | 3,764 | 1,583,953 | 2,256,131 | 936,500 | 17,230,036 | 25,533,243 | 360,116 | 25,893,359 |

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 2022

1 The group and its operations:

1.1 The group comprises of:

| | 2022 | 2021 |
|--|----------------------|------|
| | (Holding percentage) | |
| Parent Company | | |
| Adamjee Insurance Company Limited | 100% | 100% |
| Subsidiary Company | | |
| Adamjee Life Assurance Company Limited | 90% | 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)

Adamjee Life Assurance Company Limited ("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 5th floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi.

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

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

The Subsidiary Company was granted authorisation on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (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 cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilised only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Subsidiary Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Subsidiary Company.

Listing of Adamjee life Assurance Company Limited - Subsidiary Company completed on March 03, 2022 by offering 25,000,000 million shares of Subsidiary Company constituting 10% of total shares of the Subsidiary Company held by Adamjee Insurance Company Limited - Parent Company. Eventually percentage of holding of Subsidiary Company by Parent Company changed to 90% from 100%.

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 2022 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
- Provisions 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.

As per the requirements of 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 Window Takaful Operations of the Parent Company have been presented as a single line item in the statement of financial position and profit and loss account of the Parent Company respectively. A separate set of financial statements of the Window Takaful Operations of Parent Company has been annexed to these consolidated financial statements as per the requirements of the Takaful Rules, 2012.

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 2021. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2021, 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 2021.

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 2021.

4.1 Standards, amendments or interpretations

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

IFRS

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, 2022 | | | | |
|---|--------------------|--|--------------------------------|----------------------|--|
| | 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* | 9,615,240 | - | - | - | - |
| Investments in equity securities - available-for-sale | 19,397,539 | (1,734,851) | - | - | - |
| Investment in debt securities | - | - | 36,471,052 | - | - |
| Term deposits* | - | - | 12,228,033 | - | - |
| Loan secured against life insurance policies | - | - | 39,793 | - | - |
| Loans and other receivables* | 1,842,566 | - | 2,776 | - | - |
| Total | 30,855,345 | (1,734,851) | 48,741,654 | - | - |

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

5 Use of estimates and judgments

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

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 31 December 2021.

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 2021.

| | (Unaudited) 30 September 2022 | (Audited) 31 December 2021 |
|--|-------------------------------------|----------------------------------|
| Note | Rupees in thousand | |
| 7 Property and equipment | | |
| Operating assets | 5,338,198 | 5,190,298 |
| Capital work in progress | 41,931 | 53,719 |
| Right of use asset | 133,217 | 171,428 |
| | 5,513,346 | 5,415,445 |
| 7.1 Operating assets | | |
| Opening balance - net book value | 5,190,298 | 4,245,254 |
| Additions during the period / year | 203,732 | 1,176,890 |
| Less: | | |
| Book value of disposals during the period / year | (9,030) | (50,506) |
| Depreciation charged during the period / year | (170,463) | (225,737) |
| Transfer to investment property | - | - |
| Exchange differences and other adjustments | 123,661 | 44,397 |
| | (55,832) | (231,846) |
| | 5,338,198 | 5,190,298 |
| 7.2 Additions during the period / year - cost | | |
| Land and buildings | 16,881 | 978,554 |
| Furniture and fixtures | 11,019 | 30,760 |
| Motor vehicles | 95,170 | 70,455 |
| Machinery and equipment | 9,666 | 58,503 |
| Computer and related accessories | 58,184 | 26,523 |
| Leasehold Improvements | 12,812 | 12,095 |
| | 203,732 | 1,176,890 |
| 7.3 Written down values of property and equipment disposed off during the period / year | | |
| Land and buildings | - | 32,225 |
| Furniture and fixtures | 132 | 508 |
| Motor vehicles | 5,081 | 12,370 |
| Machinery and equipment | 211 | 2,629 |
| Computer and related accessories | 110 | 64 |
| Leasehold Improvements | 3,496 | 2,710 |
| | 9,030 | 50,506 |
| 8 Intangible assets | | |
| Opening balance - net book value | 123,465 | 127,381 |
| Additions during the period / year | 1,283 | 37,643 |
| Amortization charged during the period / year | (34,235) | (45,927) |
| Exchange differences and other adjustments | 12,864 | 4,368 |
| | (21,371) | (41,559) |
| | 103,377 | 123,465 |
| 9 Investment Properties | | |
| Opening balance - net book value | 1,259,667 | 1,473,367 |
| Additions and capital improvements | - | - |
| Transfer from property and equipment | - | - |
| Transfer to property and equipment | - | (887,840) |
| Unrealized fair value gain / (loss) | 4,275 | 674,140 |
| | 1,263,942 | 1,259,667 |

10 Investments in equity securities

| | 30 September 2022 (Unaudited) | | | | 31 December 2021 (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 | 9,731,921 | (23,993) | (2,537,621) | 7,170,307 | 9,586,807 | (23,854) | (464,114) | 9,098,839 |
| Unlisted shares | 1,056,956 | - | 2,850,039 | 3,906,995 | 949,456 | - | 2,559,896 | 3,509,352 |
| | 10,788,877 | (23,993) | 312,418 | 11,077,302 | 10,536,263 | (23,854) | 2,095,782 | 12,608,191 |
| Others | | | | | | | | |
| Listed shares | 6,560,308 | (2,254,382) | 1,152,679 | 5,458,605 | 6,678,467 | (2,084,340) | 1,103,806 | 5,697,933 |
| Unlisted shared | 925,360 | - | 1,901,408 | 2,826,768 | 925,360 | - | 1,901,408 | 2,826,768 |
| Mutual Funds | 48,759 | (14,437) | (209) | 34,113 | 48,550 | (5,117) | 31 | 43,464 |
| NIT Units | 161 | - | 590 | 751 | 161 | - | 710 | 871 |
| | 7,534,588 | (2,268,819) | 3,054,468 | 8,320,237 | 7,652,538 | (2,089,457) | 3,005,955 | 8,569,036 |
| Total - available for sale | 18,323,465 | (2,292,812) | 3,366,886 | 19,397,539 | 18,188,801 | (2,113,311) | 5,101,737 | 21,177,227 |
| Fair value through profit or loss | | | | | | | | |
| Related parties | | | | | | | | |
| Listed shares | 1,435,848 | - | (275,354) | 1,160,494 | 1,411,292 | - | (208,805) | 1,202,487 |
| Mutual Funds | 8,585,457 | - | (710,454) | 7,875,003 | 6,902,701 | - | (11,942) | 6,890,759 |
| | 10,021,305 | - | (985,808) | 9,035,497 | 8,313,993 | - | (220,747) | 8,093,246 |
| Others | | | | | | | | |
| Listed shares | 10,894,723 | - | (3,722,474) | 7,172,249 | 9,407,055 | - | (2,632,258) | 6,774,797 |
| Mutual Funds | 2,087,769 | - | 440,978 | 2,528,747 | 960,373 | - | 1,008,718 | 1,969,091 |
| | 12,982,492 | - | (3,281,496) | 9,700,996 | 10,367,428 | - | (1,623,540) | 8,743,888 |
| Total - fair value through profit or loss | 23,003,797 | - | (4,267,304) | 18,736,493 | 18,681,421 | - | (1,844,287) | 16,837,134 |
| Grand Total | 41,327,262 | (2,292,812) | (900,418) | 38,134,032 | 36,870,222 | (2,113,311) | 3,257,450 | 38,014,361 |

10.1 4,816,710 (2021 : 3,716,710) shares of MCB Bank Limited, 155,000 (2021 : 369,000) shares of Abbot Laboratories Limited, 1,405,000 (2021 : 2,220,000) shares of Dawood Hercules Corporation Limited, Nil (2021 : 1,480,000) shares of Engro Fertilizers Limited, 4,800,000 (2021 : 9,250,000) shares of Fauji Fertilizer Company Limited, Nil (2021 : 330,000) shares of Habib Bank Limited, Nil (2021 : 300,000) shares of International Steels Limited, 255,000 (2021 : 823,000) shares of Millat Tractors Limited, Nil (2021 : 8,240,000) shares of National Bank of Pakistan, Nil (2021 : 5,700) shares of Nestle Pakistan Limited, Nil (2021 : 1,524,000) shares of Oil & Gas Development Company Limited and 850,000 (2021 : 1,250,000) shares of United Bank Limited have been pledged against SBLC (Standby Letter of Credit) issued in favour of Meezan Bank Limited on behalf of Hyundai Nishat Motor (Private) Limited, a related party of the Group and loans obtained from MCB Bank Limited, a related party of the Group.

| | (Unaudited) | (Audited) |
|--|---------------------------|--------------------|
| | 30 September | 31 December |
| | 2022 | 2021 |
| Note | Rupees in thousand | |
| 11 Investments in debt securities | | |
| Held to maturity | | |
| Treasury Bills | 1,250,473 | 275,005 |
| Pakistan Investment Bonds | - | 102,647 |
| | 1,250,473 | 377,652 |
| Available for sale | | |
| Treasury Bills | - | - |
| Pakistan Investment Bonds | - | 98,412 |
| | - | 98,412 |
| Fair value through profit or loss | | |
| Term Finance Certificates | 2,483,442 | 1,553,480 |
| Advance against purchase of term finance certificate | 450,000 | 1,425,000 |
| Corporate Sukuks | 1,540,610 | 1,465,126 |
| Ijarah Sukuks | 1,575,302 | 892,516 |
| Treasury Bills | 19,361,366 | 17,845,946 |
| Pakistan Investment Bonds | 9,809,859 | 1,960,885 |
| | 35,220,579 | 25,142,953 |
| | 36,471,052 | 25,619,017 |
| 12 Investments in Term Deposits | | |
| Held to maturity | | |
| Deposits maturing within 12 months | | |
| Inside Pakistan | | |
| - related parties | 1,001,000 | 405,000 |
| - others | 4,475,000 | 7,350,066 |
| | 5,476,000 | 7,755,066 |
| Outside Pakistan | | |
| - related parties | 1,865,880 | 1,441,691 |
| - others | 4,802,154 | 5,170,710 |
| | 6,668,034 | 6,612,401 |
| Deposits maturing after 12 months | 12,144,034 | 14,367,467 |
| Inside Pakistan | | |
| - related parties | 8,811 | 8,811 |
| - others | 75,188 | 75,188 |
| | 83,999 | 83,999 |
| 12.1 | 12,228,033 | 14,451,466 |

12.1 These include fixed deposits amounting to Rs. 5,535,444 thousands (AED 89,000 thousands) [2021: Rs. 5,526,486 thousands (AED 115,000 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. 83,999 thousands (2021: Rs. 259,065 thousands) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Parent Company for claims under litigation filed against the Parent Company and bid bond guarantees.

| | (Unaudited) 30 September 2022 | (Audited) 31 December 2021 |
|---|-------------------------------------|----------------------------------|
| Rupees in thousand | | |
| 13 Loans and other receivables - considered good | | |
| Rent receivable | 16,180 | 7,397 |
| Receivable from related parties | 10,547 | - |
| Accrued income | 677,706 | 279,766 |
| Security deposits | 136,522 | 124,857 |
| Advances to employees and suppliers | 529,860 | 177,729 |
| Advance agent commission | 3,812 | 7,796 |
| Loans to employees | 80,175 | 64,567 |
| Other receivables | 266,491 | 171,870 |
| Receivable against the sale of investment | 124,049 | 131,128 |
| | 1,845,342 | 965,110 |

14 Insurance / reinsurance receivables - unsecured and considered good

| | | |
|---|-------------------|------------------|
| Due from insurance contract holders | 10,595,018 | 7,370,193 |
| Provision for impairment of receivables from insurance contract holders | (1,333,394) | (1,086,443) |
| | 9,261,624 | 6,283,750 |
| Due from other insurers / other reinsurers | 1,818,063 | 1,228,864 |
| Provision for impairment of due from other insurers / reinsurers | (201,302) | (201,302) |
| | 1,616,761 | 1,027,562 |
| | 10,878,385 | 7,311,312 |

14.1 Due from insurance contact holders include an amount Rs. 290,496 thousands (2021: Rs. 249,292 thousands) held with related parties.

| | (Unaudited) 30 September 2022 | (Audited) 31 December 2021 |
|---|-------------------------------------|----------------------------------|
| Rupees in thousand | | |
| 15 Prepayments | | |
| Prepaid reinsurance premium ceded | 8,071,639 | 4,627,169 |
| Prepaid miscellaneous expenses | 219,057 | 163,463 |
| | 8,290,696 | 4,790,632 |
| 16 Cash and bank | | |
| Cash and cash equivalents | | |
| Inside Pakistan | | |
| Cash in hand | 813 | 372 |
| Policy stamps, revenue stamps and bond papers | 35,813 | 20,182 |
| | 36,626 | 20,554 |
| Outside Pakistan | | |
| Cash in hand | 989 | - |
| | 37,615 | 20,554 |
| Cash at bank | | |
| Inside Pakistan | | |
| Current accounts | 481,992 | 588,530 |
| Savings accounts | 5,463,724 | 10,419,434 |
| | 5,945,716 | 11,007,964 |
| Outside Pakistan | | |
| Current accounts | 3,629,990 | 870,126 |
| Savings accounts | 1,919 | 1,482 |
| | 3,631,909 | 871,608 |
| | 9,577,625 | 11,879,572 |
| | 9,615,240 | 11,900,126 |

16.1 Cash at bank includes an amount of Rs. 4,702,926 thousands (2021: Rs. 1,819,586 thousands) held with MCB Bank Limited and MCB Islamic Bank Limited, a related parties of the Group.

16.2 Lien of Rs. 563,257 thousands (2021: Rs. 432,571 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.

16.3 Lien of Rs. 1,617,096 thousands (AED 26,000 thousands) [(2021: Nil)] is marked on cash deposits in current accounts in accordance with the requirements of Insurance Regulations applicable to the UAE branches for the purpose of carrying on business in United Arab Emirates.

| | (Unaudited) | (Audited) |
|---|------------------------------------|---------------------|
| | 30 September | 31 December |
| | 2022 | 2021 |
| | Rupees in thousand | |
| 17 Window Takaful Operations - Parent Company | | |
| Operator's Fund | | |
| Assets | | |
| Cash and bank deposits | 362,427 | 264,235 |
| Qard-e-Hasna to Participant Takaful Fund | 146,460 | 146,460 |
| Investments - Equity securities | - | 38,326 |
| Investments - Debt securities | 75,000 | 75,000 |
| Investments - Term Deposits | 100,000 | - |
| Intangible assets | 7,013 | 10,409 |
| Property and equipment | 30,819 | 22,883 |
| Current assets - others | 317,839 | 166,537 |
| Total Assets | 1,039,558 | 723,850 |
| Total Liabilities | 432,984 | 278,531 |
| | For nine month period ended | |
| | 30 September | 30 September |
| | 2022 | 2021 |
| | Rupees in thousand | |
| Wakala income | 457,782 | 311,004 |
| Commission expense | (114,201) | (101,543) |
| Management expenses | (142,330) | (126,269) |
| Investment income | 14,435 | 2,317 |
| Other income | 29,511 | 12,275 |
| Mudarib's share of PTF investment income | 8,135 | 2,087 |
| Other Expenses | (2,860) | (2,310) |
| Profit before taxation | 250,472 | 97,561 |
| Taxation | (88,249) | (36,700) |
| Profit after taxation | 162,223 | 60,861 |
| 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 2022. | | |
| | (Unaudited) | (Audited) |
| | 30 September | 31 December |
| | 2022 | 2021 |
| | 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 | 1,583,953 | 899,883 |
| Fair value reserve | 2,256,131 | 3,619,130 |
| | 3,866,707 | 4,545,636 |
| Revenue reserves | | |
| General reserves | 936,500 | 936,500 |
| | 4,803,207 | 5,482,136 |
| 19 Other creditors and accruals | | |
| Agents commission payable | 1,685,647 | 1,148,121 |
| Taxes payable | 546,474 | 446,272 |
| Federal Insurance Fee payable | 91,660 | 35,707 |
| Workers' welfare fund | 76,485 | 76,485 |
| Accrued expenses | 470,561 | 623,583 |
| Unpaid and unclaimed dividend | 173,019 | 156,627 |
| Payable to employees' provident fund | 168 | 88 |
| Sundry creditors | 980,868 | 666,170 |
| Payable against the purchase of investment | 88,360 | 30,524 |
| Payable to related parties | 4,106 | 6,070 |
| | 4,117,348 | 3,189,647 |

20 Contingencies and commitments

Parent Company

Contingencies and commitments

There has been no significant change in the status of contingencies as reported in the preceding published consolidated annual financial statements of the Parent Company for the year ended 31 December 2021 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. 1,250,357 thousands (2021: Rs. 1,269,671 thousands).
- The Parent Company has issued letter of guarantees amounting to AED 115,219,000 amounting to Rs. 7,166,161 thousands (2021: AED 219,000 amounting to Rs.10,524 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 vide notification no. SRB 3-4/19/2022 dated June 28, 2022 extended exemption on health insurance till June 30, 2023. 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”) 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 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 reasonably around Rs. 839.90 million (December 31, 2021: Rs. 538.14 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

Further subsequent to filing petition, the provincial tax authorities 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.

| | (Unaudited) | (Audited) |
|---|---------------------------|--------------------|
| | 30 September | 31 December |
| | 2022 | 2021 |
| | Rupees in thousand | |
| Not later than one year | 77,933 | 60,461 |
| Later than one year and not later than five years | 180,947 | 161,923 |
| | 258,880 | 222,384 |

| Note | For three month period ended | | For nine month period ended | |
|--|------------------------------|----------------------|-----------------------------|----------------------|
| | 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |
| | Rupees in thousand | | | |
| 21 Net insurance premium | | | | |
| Parent Company | | | | |
| Written gross premium | 11,394,906 | 8,026,148 | 26,450,118 | 18,530,939 |
| Unearned premium reserve opening | 13,173,256 | 9,320,461 | 11,010,289 | 8,366,434 |
| Unearned premium reserve closing | (17,193,586) | (12,246,522) | (17,193,586) | (12,246,522) |
| Currency translation effect | 552,437 | 249,470 | 1,270,940 | 221,101 |
| Premium earned | 7,927,013 | 5,349,557 | 21,537,761 | 14,871,952 |
| Reinsurance premium ceded | (6,661,143) | (4,478,391) | (12,471,576) | (8,102,336) |
| Prepaid reinsurance premium opening | (4,692,620) | (3,253,601) | (4,627,169) | (3,307,863) |
| Prepaid reinsurance premium closing | 8,071,639 | 5,622,428 | 8,071,639 | 5,622,428 |
| Currency translation effect | (70,819) | (16,254) | (159,280) | (16,206) |
| Reinsurance expense | (3,352,943) | (2,125,818) | (9,186,386) | (5,803,977) |
| | 21.1 & 21.2 | | | |
| | 4,574,070 | 3,223,739 | 12,351,375 | 9,067,975 |
| Subsidiary Company | | | | |
| Regular premium / contributions individual policies | | | | |
| - first year | 678,649 | 938,915 | 2,294,532 | 2,668,680 |
| - second year renewal | 697,414 | 564,936 | 2,013,991 | 1,494,972 |
| - subsequent years renewal | 1,739,498 | 1,536,492 | 4,922,460 | 4,491,130 |
| Single premium / contributions individual policies | 1,647,807 | 2,098,110 | 5,176,785 | 5,846,192 |
| Group policies without cash values | 330,624 | 293,002 | 588,333 | 483,173 |
| Less: Experience refund | - | (72,066) | (10,194) | (74,495) |
| | 5,093,992 | 5,359,389 | 14,985,907 | 14,909,652 |
| Less: reinsurance premiums / retakaful contributions ceded | | | | |
| On individual life first year business | (12,996) | (15,120) | (43,267) | (43,687) |
| On individual life second year business | (10,064) | (8,240) | (28,642) | (24,954) |
| On individual life subsequent renewal business | (44,818) | (45,178) | (134,350) | (127,881) |
| On single premium individual policies | (1,698) | (2,707) | (4,993) | (8,062) |
| On group policies | (189,917) | (164,097) | (323,848) | (263,777) |
| Profit commission on reinsurance | - | 14,159 | - | 21,545 |
| | (259,493) | (221,183) | (535,100) | (446,816) |
| | 4,834,499 | 5,138,206 | 14,450,807 | 14,462,836 |
| | 9,408,569 | 8,361,945 | 26,802,182 | 23,530,811 |
| 21.1 Net insurance premium - Business underwritten inside Pakistan | | | | |
| Written gross premium | 8,683,140 | 6,554,766 | 18,381,885 | 13,916,581 |
| Unearned premium reserve opening | 7,478,871 | 6,279,981 | 7,393,851 | 6,021,464 |
| Unearned premium reserve closing | (10,935,405) | (8,826,825) | (10,935,405) | (8,826,825) |
| Premium earned | 5,226,606 | 4,007,922 | 14,840,331 | 11,111,220 |
| Reinsurance premium ceded | (6,159,422) | (4,285,351) | (11,091,018) | (7,691,206) |
| Prepaid reinsurance premium opening | (3,921,729) | (3,118,551) | (4,302,258) | (3,260,277) |
| Prepaid reinsurance premium closing | 7,165,493 | 5,380,775 | 7,165,493 | 5,380,775 |
| Reinsurance expense | (2,915,658) | (2,023,127) | (8,227,783) | (5,570,708) |
| | 2,310,948 | 1,984,795 | 6,612,548 | 5,540,512 |
| 21.2 Net insurance premium - Business underwritten outside Pakistan | | | | |
| Written gross premium | 2,711,766 | 1,471,382 | 8,068,233 | 4,614,358 |
| Unearned premium reserve opening | 5,694,385 | 3,040,480 | 3,616,438 | 2,344,970 |
| Unearned premium reserve closing | (6,258,181) | (3,419,697) | (6,258,181) | (3,419,697) |
| Currency translation effect | 552,437 | 249,470 | 1,270,940 | 221,101 |
| Premium earned | 2,700,407 | 1,341,635 | 6,697,430 | 3,760,732 |
| Reinsurance premium ceded | (501,721) | (193,040) | (1,380,558) | (411,130) |
| Prepaid reinsurance premium opening | (770,891) | (135,050) | (324,911) | (47,586) |
| Prepaid reinsurance premium closing | 906,146 | 241,653 | 906,146 | 241,653 |
| Currency translation effect | (70,819) | (16,254) | (159,280) | (16,206) |
| Reinsurance expense | (437,285) | (102,691) | (958,603) | (233,269) |
| | 2,263,122 | 1,238,944 | 5,738,827 | 3,527,463 |

| Note | For three month period ended | | For nine month period ended | |
|------|------------------------------|----------------------|-----------------------------|----------------------|
| | 30 September 2022 | 30 September 2021 | 30 September 2022 | 30 September 2021 |

Rupees in thousand

22 Net insurance claims expense

Parent Company

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Claims paid | 5,354,864 | 3,650,276 | 12,629,067 | 8,413,107 |
| Outstanding claims including IBNR closing | 15,516,140 | 12,086,375 | 15,516,140 | 12,086,375 |
| Outstanding claims including IBNR opening | (14,699,148) | (12,627,240) | (12,686,045) | (10,768,040) |
| Currency translation effect | (827,144) | (405,380) | (1,741,420) | (321,113) |
| Claims expense | 5,344,712 | 2,704,031 | 13,717,742 | 9,410,329 |
| Reinsurance and other recoveries received | (2,191,865) | (1,795,700) | (4,703,959) | (3,304,933) |
| Reinsurance and other recoveries in respect of outstanding claims closing | (10,009,154) | (7,348,618) | (10,009,154) | (7,348,618) |
| Reinsurance and other recoveries in respect of outstanding claims opening | 9,647,254 | 8,059,933 | 7,943,513 | 6,192,571 |
| Currency translation effect | 455,685 | 161,768 | 896,871 | 122,803 |
| Reinsurance and other recoveries revenue | (2,098,080) | (922,617) | (5,872,729) | (4,338,177) |
| 22.1 & 22.2 | 3,246,632 | 1,781,414 | 7,845,013 | 5,072,152 |

Subsidiary Company

Gross claims

| | | | | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Claims under individual policies | | | | |
| - by death | 140,536 | 191,956 | 494,926 | 543,173 |
| - by insured event other than death | (1,634) | (2,284) | 2,571 | 1,325 |
| - by maturity | 1,005,585 | 381,236 | 2,726,851 | 1,083,280 |
| - by surrender | 2,382,226 | 1,445,068 | 6,147,390 | 4,427,595 |
| Total gross individual policy claims | 3,526,713 | 2,015,976 | 9,371,738 | 6,055,373 |
| Claims under group policies | | | | |
| - by death | 77,215 | 63,276 | 268,573 | 311,264 |
| - by insured event other than death | (2,792) | 350 | 3,908 | 4,575 |
| Total gross group policy claims | 74,423 | 63,626 | 272,481 | 315,839 |
| Claim investigation fees | 1,625 | 4,246 | 5,732 | 8,748 |
| Total gross claims | 3,602,761 | 2,083,848 | 9,649,951 | 6,379,960 |

Less: Reinsurance recoveries

| | | | | |
|------------------------|-----------|-----------|------------|------------|
| - on individual claims | 24,753 | 35,374 | 135,500 | 107,603 |
| - on group claims | 40,632 | 23,798 | 143,685 | 199,262 |
| | 65,385 | 59,172 | 279,185 | 306,865 |
| | 3,537,376 | 2,024,676 | 9,370,766 | 6,073,095 |
| | 6,784,008 | 3,806,090 | 17,215,779 | 11,145,247 |

22.1 Net insurance claims expense - Business underwritten inside Pakistan

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Claim paid | 2,579,381 | 1,474,756 | 5,850,555 | 4,232,780 |
| Outstanding claims including IBNR closing | 7,510,665 | 6,942,985 | 7,510,665 | 6,942,985 |
| Outstanding claims including IBNR opening | (8,006,193) | (6,926,367) | (7,131,251) | (4,920,475) |
| Claim expense | 2,083,853 | 1,491,374 | 6,229,969 | 6,255,290 |
| Reinsurance and other recoveries received | (1,418,173) | (634,719) | (2,381,143) | (1,412,802) |
| Reinsurance and other recoveries in respect of outstanding claims closing | (5,506,578) | (5,350,469) | (5,506,578) | (5,350,469) |
| Reinsurance and other recoveries in respect of outstanding claims opening | 6,290,271 | 5,535,861 | 5,482,393 | 3,526,278 |
| Reinsurance and other recoveries revenue | (634,480) | (449,327) | (2,405,328) | (3,236,993) |
| | 1,449,373 | 1,042,047 | 3,824,641 | 3,018,297 |

22.2 Net insurance claims expense - Business underwritten outside Pakistan

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Claim Paid | 2,775,483 | 2,175,520 | 6,778,512 | 4,180,327 |
| Outstanding claims including IBNR closing | 8,005,475 | 5,143,390 | 8,005,475 | 5,143,390 |
| Outstanding claims including IBNR opening | (6,692,955) | (5,700,873) | (5,554,794) | (5,847,565) |
| Currency translation effect | (827,144) | (405,380) | (1,741,420) | (321,113) |
| Claim expense | 3,260,859 | 1,212,657 | 7,487,773 | 3,155,039 |
| Reinsurance and other recoveries received | (773,692) | (1,160,981) | (2,322,816) | (1,892,131) |
| Reinsurance and other recoveries in respect of outstanding claims closing | (4,502,576) | (1,998,149) | (4,502,576) | (1,998,149) |
| Reinsurance and other recoveries in respect of outstanding claims opening | 3,356,983 | 2,524,072 | 2,461,120 | 2,666,293 |
| Currency translation effect | 455,685 | 161,768 | 896,871 | 122,803 |
| Reinsurance and other recoveries revenue | (1,463,600) | (473,290) | (3,467,401) | (1,101,184) |
| | 1,797,259 | 739,367 | 4,020,372 | 2,053,855 |

| Note | For three month period ended | | For nine month period ended | |
|---|------------------------------|--------------|-----------------------------|--------------|
| | 30 September | 30 September | 30 September | 30 September |
| | 2022 | 2021 | 2022 | 2021 |
| | Rupees in thousand | | | |
| 23 Net commission and other acquisition costs | | | | |
| Parent Company | | | | |
| Commission paid or payable | 1,023,254 | 612,158 | 2,797,232 | 1,778,356 |
| Deferred commission expense opening | 1,568,054 | 911,257 | 1,055,480 | 731,319 |
| Deferred commission expense closing | (1,947,803) | (1,052,910) | (1,947,803) | (1,052,910) |
| Currency translation effect | 102,004 | 47,151 | 238,993 | 41,939 |
| Net commission | 745,509 | 517,656 | 2,143,902 | 1,498,704 |
| Commission received or recoverable | (380,865) | (217,561) | (822,799) | (477,848) |
| Unearned reinsurance commission opening | (273,652) | (242,641) | (241,094) | (245,318) |
| Unearned reinsurance commission closing | 457,349 | 311,837 | 457,349 | 311,837 |
| Currency translation effect | (3,103) | (248) | (7,314) | (178) |
| Commission from reinsurance | (200,271) | (148,613) | (613,858) | (411,507) |
| | 23.1 & 23.2 | | | |
| | 545,238 | 369,043 | 1,530,044 | 1,087,197 |
| Subsidiary Company | | | | |
| Remuneration to insurance / takaful intermediaries on individual policies: | | | | |
| - Commission on first year contribution / premium | 253,116 | 376,079 | 897,495 | 1,115,559 |
| - Commission on second year contribution / premium | 40,617 | 32,417 | 110,209 | 87,525 |
| - Commission on subsequent years renewal contribution / premium | 39,647 | 36,689 | 108,125 | 106,456 |
| - Commission on single contribution / premium | 47,856 | 44,491 | 148,072 | 125,055 |
| - Other benefits to insurance intermediaries | 78,102 | 87,100 | 270,977 | 294,362 |
| | 459,338 | 576,776 | 1,534,878 | 1,728,957 |
| Remuneration to insurance intermediaries on group policies: | | | | |
| - Commission | 2,932 | 5,819 | 12,058 | 20,388 |
| - Other benefits to insurance intermediaries | 419 | 232 | 2,400 | 1,371 |
| | 3,351 | 6,051 | 14,458 | 21,759 |
| Other acquisition costs | 198,280 | 169,605 | 576,773 | 531,826 |
| | 660,969 | 752,432 | 2,126,109 | 2,282,542 |
| | 1,206,207 | 1,121,475 | 3,656,153 | 3,369,739 |
| 23.1 Net commission and other acquisition costs - Business underwritten inside Pakistan | | | | |
| Commission paid or payable | 525,455 | 350,703 | 1,235,126 | 864,061 |
| Deferred commission expense opening | 466,365 | 307,507 | 393,554 | 285,324 |
| Deferred commission expense closing | (753,769) | (404,158) | (753,769) | (404,158) |
| Net commission | 238,051 | 254,052 | 874,911 | 745,227 |
| Commission received or recoverable | (356,601) | (215,184) | (744,002) | (472,774) |
| Unearned reinsurance commission opening | (228,811) | (239,650) | (239,650) | (240,971) |
| Unearned reinsurance commission closing | 402,931 | 308,923 | 402,931 | 308,923 |
| Commission from reinsurance | (182,481) | (145,911) | (580,721) | (404,822) |
| | 55,570 | 108,141 | 294,190 | 340,405 |
| 23.2 Net commission and other acquisition costs - Business underwritten outside Pakistan | | | | |
| Commission paid or payable | 497,799 | 261,455 | 1,562,106 | 914,295 |
| Deferred commission expense opening | 1,101,689 | 603,750 | 661,926 | 445,995 |
| Deferred commission expense closing | (1,194,034) | (648,752) | (1,194,034) | (648,752) |
| Currency translation effect | 102,004 | 47,151 | 238,993 | 41,939 |
| Net commission | 507,458 | 263,604 | 1,268,991 | 753,477 |
| Commission received or recoverable | (24,264) | (2,377) | (78,797) | (5,074) |
| Unearned reinsurance commission opening | (44,841) | (2,991) | (1,444) | (4,347) |
| Unearned reinsurance commission closing | 54,418 | 2,914 | 54,418 | 2,914 |
| Currency translation effect | (3,103) | (248) | (7,314) | (178) |
| Commission from reinsurance | (17,790) | (2,702) | (33,137) | (6,685) |
| | 489,668 | 260,902 | 1,235,854 | 746,792 |

| For three month period ended | | For nine month period ended | |
|------------------------------|--------------|-----------------------------|--------------|
| 30 September | 30 September | 30 September | 30 September |
| 2022 | 2021 | 2022 | 2021 |

Rupees in thousand

24 Investment income

Business underwritten Inside Pakistan

Income from equity securities

Dividend Income

| | | | | |
|-------------------------------------|---------|---------|-----------|-----------|
| - Available for sale | 532,069 | 513,632 | 1,413,189 | 1,834,780 |
| - Fair value through profit or loss | 157,639 | 138,564 | 447,900 | 471,402 |
| | 689,708 | 652,196 | 1,861,089 | 2,306,182 |

Income from debt securities

Return on debt securities

| | | | | |
|-------------------------------------|----------|--------|---------|---------|
| - Fair value through profit or loss | 169,420 | 67,854 | 428,315 | 202,591 |
| - Held to maturity | (21,168) | - | - | - |
| | 148,252 | 67,854 | 428,315 | 202,591 |

Return on government securities

| | | | | |
|-------------------------------------|-----------|---------|-----------|-----------|
| - Available for Sale | 5,692 | 5,622 | 14,671 | 21,364 |
| - Fair value through profit or loss | 1,114,566 | 441,971 | 2,503,806 | 1,203,034 |
| - Held to maturity | 43,280 | 7,447 | 43,280 | 27,778 |
| | 1,163,538 | 455,040 | 2,561,757 | 1,252,176 |

Income from term deposit receipts

| | | | | |
|--------------------|---------|---------|---------|---------|
| - Held to maturity | 198,515 | 139,452 | 596,480 | 345,955 |
| | 198,515 | 139,452 | 596,480 | 345,955 |

Tax on dividend under final tax regime

| | | | | |
|--|---|----------|---|----------|
| | - | (11,088) | - | (55,885) |
| | - | (11,088) | - | (55,885) |

Net realized fair value gains on investments

Available for sale

| | | | | |
|-------------------------|---------|-----|---------|-------|
| - Equity securities | 9,118 | - | 21,038 | 5,421 |
| - Government securities | (5,941) | (6) | (5,950) | (9) |
| | 3,177 | (6) | 15,088 | 5,412 |

Fair value through profit or loss

| | | | | |
|-------------------------|--------|----------|----------|----------|
| - Equity securities | 7,173 | (70) | 245,930 | 480,303 |
| - Debt securities | - | - | - | 6,331 |
| - Government securities | 13,172 | (22,331) | (24,590) | (55,645) |
| | 20,345 | (22,401) | 221,340 | 430,989 |

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

| | | | | |
|--|-----------|-----------|-----------|-----------|
| | - | - | (179,501) | 223,096 |
| | 2,223,535 | 1,281,047 | 5,504,568 | 4,710,516 |

Business underwritten Outside Pakistan

Income from equity securities

Dividend income

| | | | | |
|----------------------|---|----|-----|-----|
| - Available for Sale | - | 98 | 106 | 241 |
| | - | 98 | 106 | 241 |

Net realized gains on investments

| | | | | |
|----------------------|---|---|---|---|
| - Available for Sale | - | - | - | - |
| | - | - | - | - |

Return on term deposits

| | | | | |
|--------------------|--------|--------|--------|--------|
| - Held to maturity | 35,869 | 22,028 | 89,071 | 81,707 |
| | 35,869 | 22,028 | 89,071 | 81,707 |
| | 35,869 | 22,126 | 89,177 | 81,948 |

Total investment income

| | | | | |
|--|-----------|-----------|-----------|-----------|
| | 2,259,404 | 1,303,173 | 5,593,745 | 4,792,464 |
|--|-----------|-----------|-----------|-----------|

| For three month period ended | | For nine month period ended | |
|-------------------------------------|--------------|------------------------------------|--------------|
| 30 September | 30 September | 30 September | 30 September |
| 2022 | 2021 | 2022 | 2021 |

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

| | | | | |
|--|-------------------------|-------------|-------------------------|-------------|
| | 548,045 | 728,308 | 1,299,629 | 2,408,605 |
| | Number of shares | | Number of shares | |
| outstanding | 350,000,000 | 350,000,000 | 350,000,000 | 350,000,000 |
| | Rupees | | Rupees | |
| Earnings per share - basic and diluted | 1.56 | 2.08 | 3.71 | 6.88 |

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 | 30 September |
| | 2022 | 2021 |
| | Rupees in thousand | |
| Parent Company | | |
| i) Transactions | | |
| Premiums underwritten | 1,920,562 | 1,478,394 |
| Premiums received | 1,603,795 | 873,336 |
| Claims paid | 496,688 | 435,327 |
| Commission Paid | 30,214 | 27,939 |
| Fee / service charges / expenses received / receivable | 15,375 | 22,445 |
| Rent paid | 8,145 | 4,590 |
| Rent received | 49,540 | 40,169 |
| Loan obtained | - | 1,390,000 |
| Loan repaid | 906,978 | 66,978 |
| Interest on loan paid | 43,379 | 1,162 |
| Dividends received | 700,051 | 1,061,743 |
| Dividends paid | 216,693 | 88,577 |
| Income on bank deposits | 57,138 | 33,168 |
| Investments made | 252,615 | 1,250,493 |
| Fee / service charges paid | 7,641 | 7,374 |
| Security deposit received | - | 5,096 |
| Charge in respect of gratuity expense | 31,874 | 23,623 |
| Contribution to Employees' Provident Fund | 30,923 | 27,689 |
| Compensation paid to Key management personnel | 1,151,695 | 977,453 |
| | (Unaudited) | (Audited) |
| | 30 September | 31 December |
| | 2022 | 2021 |
| | Rupees in thousand | |
| ii) Period end balances | | |
| Balances receivable | 279,850 | 243,103 |
| Balances payable | 399,677 | 299,939 |
| Loan Payable | 22,294 | 926,756 |
| Cash and bank balances including term deposits | 4,419,967 | 1,601,579 |
| Payable to Staff Gratuity Fund | 83,389 | 181,515 |

| Subsidiary Company | For nine month period ended | |
|---|-----------------------------|----------------------|
| | 30 September 2022 | 30 September 2021 |
| | Rupees in thousand | |
| i) Transactions | | |
| Associated undertakings | | |
| Premium written | 292,557 | 254,522 |
| Claims expense | 133,509 | 94,875 |
| Commission and other incentives in respect of bancassurance | 963,897 | 1,231,838 |
| Profit on bank deposits | 145,050 | 229,669 |
| Bank charges | 2,862 | 1,752 |
| Investments purchased | 24,086,906 | 7,732,912 |
| Investments sold | 23,016,502 | 6,450,435 |
| Dividend income | 136,345 | 131,873 |
| Borrowings repaid | 44,817 | 66,868 |
| Other related parties | | |
| Premium written | 8,506 | 5,458 |
| Claims expense | - | 8,000 |
| Investment advisor fee | 28,594 | 27,227 |
| Trustee fee | 6,883 | 6,838 |
| Key management personnel | | |
| Board meeting fee | 305 | 420 |
| Purchase of right shares | - | 29 |
| Remuneration | 129,476 | 100,314 |
| Loan | 1,093 | 1,353 |
| Staff retirement benefit plan (gratuity fund) | | |
| Charge for the period | 32,118 | 33,655 |
| | (Unaudited) | (Audited) |
| | 30 September 2022 | 31 December 2021 |
| | Rupees in thousand | |
| ii) Period end balances | | |
| Associated undertakings | | |
| Premium due but unpaid | 20,068 | 855 |
| Bank deposits | 2,157,650 | 2,023,627 |
| Investments held | 10,037,367 | 8,811,476 |
| Dividend receivables | - | 6,068 |
| Accrued Income | 9,242 | 1,280 |
| Commission payable | 253,302 | 314,540 |
| Claims payable | 133,509 | - |
| Borrowings | 43,580 | 84,894 |
| Other related parties | | |
| Premium due but unpaid | 74 | 1,788 |
| Remuneration payable for the management of discretionary investment portfolio | 9,029 | 3,288 |
| Remuneration payable to trustee | 1,187 | 807 |
| Other payable | - | (20) |
| Key management personnel | | |
| Short term loans | 2,791 | 1,698 |
| Staff Retirement Benefit Plan (Gratuity Fund) | | |
| (Payable) / receivable to gratuity fund | (10,287) | 6,460 |

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 2022 | | | | | | | | | | | | | | 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) | 12,459,210 | 21,825 | 1,872,099 | 16,712 | 3,168,529 | 6,609,407 | 2,162,324 | 1,815,923 | 1,168,488 | 8,197 | 20,830,650 | 8,472,064 | 29,302,714 | 14,985,907 | 44,288,621 |
| Less: Federal excise duty / VAT | (1,535,929) | (1,333) | (207,204) | (854) | (380,292) | (314,734) | (20,675) | (86,473) | (120,608) | (390) | (2,264,708) | (403,784) | (2,668,492) | - | (2,668,492) |
| Federal insurance fee | (107,473) | (39) | (16,591) | (8) | (27,892) | - | (21,414) | - | (10,687) | - | (184,057) | (47) | (184,104) | - | (184,104) |
| | 10,815,808 | 20,453 | 1,648,304 | 15,850 | 2,760,345 | 6,294,673 | 2,120,235 | 1,729,450 | 1,037,193 | 7,807 | 18,381,885 | 8,068,233 | 26,450,118 | 14,985,907 | 41,436,025 |
| Gross written premium (inclusive of administrative surcharge) | 10,815,808 | 20,453 | 1,648,304 | 15,850 | 2,760,345 | 6,294,673 | 2,120,235 | 1,729,450 | 1,037,193 | 7,807 | 18,381,885 | 8,068,233 | 26,450,118 | 14,985,907 | 41,436,025 |
| Gross direct premium | 10,766,378 | 20,387 | 1,621,847 | 15,850 | 2,663,068 | 6,273,890 | 2,118,412 | 1,729,450 | 999,575 | 7,785 | 18,169,280 | 8,047,362 | 26,216,642 | 14,985,907 | 41,202,549 |
| Facultative inward premium | 34,401 | - | 1,117 | - | 82 | - | - | - | 27,172 | - | 62,772 | - | 62,772 | - | 62,772 |
| Administrative surcharge | 15,029 | 66 | 25,340 | - | 97,195 | 20,783 | 1,823 | - | 10,446 | 22 | 149,833 | 20,871 | 170,704 | - | 170,704 |
| | 10,815,808 | 20,453 | 1,648,304 | 15,850 | 2,760,345 | 6,294,673 | 2,120,235 | 1,729,450 | 1,037,193 | 7,807 | 18,381,885 | 8,068,233 | 26,450,118 | 14,985,907 | 41,436,025 |
| Insurance premium earned | 7,905,742 | 18,235 | 1,584,083 | 26,287 | 2,568,442 | 5,424,940 | 1,851,128 | 1,221,091 | 930,936 | 6,877 | 14,840,331 | 6,697,430 | 21,537,761 | 14,985,907 | 36,523,668 |
| Insurance premium ceded to reinsurers | (7,131,003) | (13,470) | (628,287) | (459) | (37,671) | (255,311) | - | (685,504) | (430,822) | (3,859) | (8,227,783) | (9,586,603) | (9,186,386) | (535,100) | (9,721,486) |
| Net insurance premium | 774,739 | 4,765 | 955,796 | 25,828 | 2,530,771 | 5,169,629 | 1,851,128 | 535,587 | 500,114 | 3,018 | 6,612,548 | 5,738,827 | 12,351,375 | 14,450,807 | 26,802,182 |
| Commission income | 494,550 | 3,001 | 3,126 | - | 2,524 | 27,620 | - | - | 80,521 | 2,516 | 580,721 | 33,137 | 613,858 | - | 613,858 |
| Net underwriting income | 1,269,289 | 7,766 | 958,922 | 25,828 | 2,533,295 | 5,197,249 | 1,851,128 | 535,587 | 580,635 | 5,534 | 7,193,269 | 5,771,964 | 12,965,233 | 14,450,807 | 27,416,040 |
| Insurance claims | (2,617,835) | (764) | (330,905) | (2,811) | (1,319,857) | (6,465,827) | (1,643,241) | (1,018,693) | (318,131) | 322 | (6,229,969) | (7,487,773) | (13,717,742) | (9,649,951) | (23,367,693) |
| Insurance claim recoveries from reinsurer | 2,198,002 | 756 | (31,098) | 166 | 122,895 | 2,745,311 | - | 721,827 | 115,529 | (659) | 2,405,328 | 3,467,401 | 5,872,729 | 279,185 | 6,151,914 |
| Net claims | (419,833) | (8) | (362,003) | (2,645) | (1,196,962) | (3,720,516) | (1,643,241) | (296,866) | (202,602) | (337) | (3,824,641) | (4,020,372) | (7,845,013) | (9,370,766) | (17,215,779) |
| Commission expense | (400,780) | (2,458) | (137,088) | (4,546) | (196,366) | (1,125,356) | (48,964) | (136,449) | (91,713) | (182) | (874,911) | (1,268,991) | (2,143,902) | (2,126,109) | (4,270,011) |
| Management expense | (357,824) | (1,718) | (365,898) | (9,421) | (857,410) | (750,929) | (111,149) | (124,967) | (163,125) | (1,392) | (1,855,406) | (888,427) | (2,743,833) | (819,935) | (3,563,768) |
| Net insurance claims and expenses | (1,178,437) | (4,184) | (864,989) | (16,612) | (2,250,738) | (5,596,801) | (1,803,354) | (558,282) | (457,440) | (1,911) | (6,554,958) | (6,177,790) | (12,732,748) | (12,316,810) | (25,049,558) |
| Net change in insurance liabilities (other than outstanding claims) | - | - | - | - | - | - | - | - | - | - | - | - | - | (4,261,595) | (4,261,595) |
| Underwriting result | 90,852 | 3,582 | 93,933 | 9,216 | 282,557 | (399,552) | 47,774 | (22,695) | 123,195 | 3,623 | 638,311 | (405,826) | 232,485 | (2,127,598) | (1,895,113) |
| Net investment income | | | | | | | | | | | 1,300,132 | 89,177 | 1,389,309 | 4,204,436 | 5,593,745 |
| Net fair value loss on financial assets at fair value through profit or loss | | | | | | | | | | | - | - | - | (2,039,025) | (2,039,025) |
| Net unrealized loss on investment property | | | | | | | | | | | - | - | - | 4,275 | 4,275 |
| Rental income | | | | | | | | | | | 75,897 | 1,621 | 77,518 | - | 77,518 |
| Other income | | | | | | | | | | | 111,780 | 62,741 | 174,521 | 558,731 | 733,252 |
| Other expenses | | | | | | | | | | | (44,049) | (12,588) | (56,637) | (3,941) | (60,578) |
| Finance Cost | | | | | | | | | | | (32,332) | (1,482) | (33,814) | (2,427) | (36,241) |
| Profit from Window Takaful Operations | | | | | | | | | | | 250,472 | - | 250,472 | - | 250,472 |
| Profit before tax | | | | | | | | | | | 2,300,211 | (266,357) | 2,033,854 | 594,451 | 2,628,305 |

| 30 September 2022 | | | | | | | | | | | | | | Life Insurance | Aggregate |
|--------------------------|------------------|--------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|-------------------|-----------------------------|-------------------|-------------------|--------------------|
| General Insurance | | | | | | | | | | | | Aggregate General Insurance | | | |
| Fire and property damage | | Marine, aviation and transport | | Motor | | Health | | Miscellaneous | | Total | | | | | |
| Inside Pakistan | Outside Pakistan | Inside Pakistan | Outside Pakistan | Inside Pakistan | Outside Pakistan | Inside Pakistan | Outside Pakistan | Inside Pakistan | Outside Pakistan | Inside Pakistan | Outside Pakistan | | | | |
| Rupees in thousands | | | | | | | | | | | | | | | |
| Segment Assets | 16,429,283 | 35,754 | 1,088,233 | 5,767 | 1,780,045 | 6,817,696 | 1,067,971 | 1,516,161 | 2,062,167 | 21,289 | 22,427,699 | 8,396,667 | 30,824,366 | 64,183,688 | 95,008,054 |
| Unallocated assets | | | | | | | | | | | 28,772,526 | 11,609,177 | 40,381,703 | 2,465,335 | 42,847,038 |
| | | | | | | | | | | | 51,200,225 | 20,005,844 | 71,206,069 | 66,649,023 | 137,855,092 |
| Segment Liabilities | 16,744,429 | 41,585 | 1,408,080 | 37,593 | 3,477,264 | 13,527,455 | 2,444,276 | 1,982,255 | 2,741,309 | 24,956 | 26,815,358 | 15,613,844 | 42,429,202 | 62,820,884 | 105,250,086 |
| Unallocated Liabilities | | | | | | | | | | | 4,952,269 | 1,454,781 | 6,407,050 | 304,597 | 6,711,647 |
| | | | | | | | | | | | 31,767,627 | 17,068,625 | 48,836,252 | 63,125,481 | 111,961,733 |

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 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 | - | 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 gains 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 |

| 31 December 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 | | | | | | | | | | | | | | | |
| Segment Assets | 11,179,552 | 24,697 | 819,410 | 11,616 | 1,472,253 | 4,089,417 | 771,191 | 651,760 | 1,765,915 | 16,220 | 16,008,321 | 4,793,710 | 20,802,031 | 59,116,387 | 79,918,418 |
| Unallocated assets | | | | | | | | | | | 29,632,221 | 8,267,501 | 37,899,722 | 2,525,070 | 40,424,792 |
| | | | | | | | | | | | 45,640,542 | 13,061,211 | 58,701,753 | 61,641,457 | 120,343,210 |
| Segment Liabilities | 11,591,214 | 28,176 | 1,149,567 | 37,421 | 2,923,636 | 8,898,921 | 1,812,336 | 808,489 | 2,400,998 | 18,123 | 19,877,751 | 9,791,130 | 29,668,881 | 58,021,231 | 87,690,112 |
| Unallocated Liabilities | | | | | | | | | | | 5,768,468 | 805,415 | 6,573,883 | 458,646 | 7,032,529 |
| | | | | | | | | | | | 25,646,219 | 10,596,545 | 36,242,764 | 58,479,877 | 94,722,641 |

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 2022 | | | | | | | | | | |
|---|--|-----------------------|---------------------|---------------------------|--|---------------------------------|-----------------------------------|-------------|------------|------------|-----------|------------|
| | | Available for sale | Held to maturity | Fair value through P&L | Receivables and other financial assets | Cash and cash equivalents | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | Rupees in thousand | | | | | | | | | | |
| Financial assets - measured at fair value | | | | | | | | | | | | |
| Investment | | | | | | | | | | | | |
| | Equity securities- quoted | 10 | 12,663,776 | - | 18,736,493 | - | - | 31,400,269 | 31,400,269 | - | - | 31,400,269 |
| | Equity securities- unquoted | 10 | 6,733,763 | - | - | - | - | 6,733,763 | - | - | 6,733,763 | 6,733,763 |
| | Debt securities | 11 | - | 1,250,473 | 35,220,579 | - | - | 36,471,052 | - | 36,471,052 | - | 36,471,052 |
| | Investments of Window Takaful Operations - Operator's Fund | 17 | 175,000 | - | - | - | - | 175,000 | 175,000 | - | - | 175,000 |
| Financial assets - not measured at fair value | | | | | | | | | | | | |
| | Loans and other receivables * | 13 | - | - | - | 1,845,342 | - | 1,845,342 | - | - | - | - |
| | Loan secured against life insurance policies* | | - | - | - | 39,793 | - | 39,793 | - | - | - | - |
| | Investment - Term deposits* | 12 | - | 12,228,033 | - | - | - | 12,228,033 | - | - | - | - |
| | Insurance / reinsurance receivables | | | | | | | | | | | |
| | - unsecured and considered good * | 14 | - | - | - | 10,878,385 | - | 10,878,385 | - | - | - | - |
| | Reinsurance recoveries against outstanding claims * | | - | - | - | 9,619,366 | - | 9,619,366 | - | - | - | - |
| | Cash and bank * | 16 | - | - | - | - | 9,615,240 | 9,615,240 | - | - | - | - |
| | Other Assets of Window Takaful Operations - Operator's Fund* | 17 | - | - | - | 464,299 | 362,427 | 826,726 | - | - | - | - |
| | | | 19,572,539 | 13,478,506 | 53,957,072 | 22,847,185 | 9,977,667 | 119,832,969 | 31,575,269 | 36,471,052 | 6,733,763 | 74,780,084 |
| Financial liabilities - not measured at fair value | | | | | | | | | | | | |
| Underwriting provisions: | | | | | | | | | | | | |
| | Outstanding claims (including IBNR)* | 22 | - | - | - | - | - | 15,516,140 | 15,516,140 | - | - | - |
| | Insurance / reinsurance payables * | | - | - | - | - | - | 8,954,291 | 8,954,291 | - | - | - |
| | Borrowings* | | - | - | - | - | - | 65,874 | 65,874 | - | - | - |
| | Other creditors and accruals and other liabilities* | 19 | - | - | - | - | - | 3,402,729 | 3,402,729 | - | - | - |
| | Deposits and other liabilities* | | - | - | - | - | - | 500,439 | 500,439 | - | - | - |
| | Total liabilities of Window Takaful Operations- Operator's Fund* | 17 | - | - | - | - | - | 432,984 | 432,984 | - | - | - |
| | | | - | - | - | - | - | 28,872,457 | 28,872,457 | - | - | - |

* 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 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 | | | | | | | | | | |
| <u>Financial assets - measured at fair value</u> | | | | | | | | | | | | |
| Investment | | | | | | | | | | | | |
| | Equity securities- quoted | 10 | 14,841,107 | - | 16,837,134 | - | - | 31,678,241 | 31,678,241 | - | - | 31,678,241 |
| | Equity securities- unquoted | 10 | 6,336,120 | - | - | - | - | 6,336,120 | - | - | 6,336,120 | 6,336,120 |
| | Debt securities | 11 | 98,412 | 377,652 | 25,142,953 | - | - | 25,619,017 | - | 25,619,017 | - | 25,619,017 |
| | Investments of Window Takaful Operations - Operator's Fund | 17 | 113,326 | - | - | - | - | 113,326 | 113,326 | - | - | 113,326 |
| <u>Financial assets - not measured at fair value</u> | | | | | | | | | | | | |
| | Loans and other receivables * | 13 | - | - | 965,110 | - | - | 965,110 | - | - | - | - |
| | Loan secured against life insurance policies* | | - | - | 39,499 | - | - | 39,499 | - | - | - | - |
| | Investment - Term deposits* | 12 | - | 14,451,466 | - | - | - | 14,451,466 | - | - | - | - |
| Insurance / reinsurance receivables | | | | | | | | | | | | |
| | - unsecured and considered good * | 14 | - | - | 7,311,312 | - | - | 7,311,312 | - | - | - | - |
| | Reinsurance recoveries against outstanding claims * | | - | - | 7,598,556 | - | - | 7,598,556 | - | - | - | - |
| | Cash and bank * | 16 | - | - | - | 11,900,126 | - | 11,900,126 | - | - | - | - |
| | Other Assets of Window Takaful Operations - Operator's Fund* | 17 | - | - | 312,997 | 264,235 | - | 577,232 | - | - | - | - |
| | | | 21,388,965 | 14,829,118 | 41,980,087 | 16,227,474 | 12,164,361 | 106,590,005 | 31,791,567 | 25,619,017 | 6,336,120 | 63,746,704 |
| <u>Financial liabilities - not measured at fair value</u> | | | | | | | | | | | | |
| Underwriting provisions: | | | | | | | | | | | | |
| | Outstanding claims (including IBNR)* | 22 | - | - | - | - | 12,686,045 | 12,686,045 | - | - | - | - |
| | Insurance / reinsurance payables * | | - | - | - | - | 5,215,694 | 5,215,694 | - | - | - | - |
| | Borrowings* | | - | - | - | - | 1,011,650 | 1,011,650 | - | - | - | - |
| | Other creditors and accruals and other liabilities* | 19 | - | - | - | - | 2,631,183 | 2,631,183 | - | - | - | - |
| | Deposits and other liabilities* | | - | - | - | - | 553,460 | 553,460 | - | - | - | - |
| | Total liabilities of Window Takaful Operations- Operator's Fund* | 17 | - | - | - | - | 278,531 | 278,531 | - | - | - | - |
| | | | - | - | - | - | 22,376,563 | 22,376,563 | - | - | - | - |

* 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 27, 2022 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.



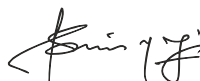
Chairman



Director



Director



**Chief Financial
Officer**



**Managing Director & Chief
Executive Officer**

WINDOW TAKAFUL OPERATIONS

NINE MONTHS ENDED 30 SEPTEMBER 2022



Adamjee Insurance Company Limited
Window Takaful Operations
Condensed Interim Statement of Financial Position (Unaudited)
As at September 30, 2022

| | Note | Operator's Takaful Fund | | Participants' Takaful Fund | |
|---|------|-------------------------|----------------|----------------------------|------------------|
| | | September 30, | December 31, | September 30, | December 31, |
| | | 2022 | 2021 | 2022 | 2021 |
| | | 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 | 30,819 | 22,883 | - | - |
| Intangible assets | 8 | 7,013 | 10,409 | - | - |
| Investments | | | | | |
| Equity securities | 9 | - | 38,326 | 143,249 | 53,900 |
| Debt securities | 10 | 75,000 | 75,000 | 87,500 | 125,000 |
| Term Deposits | 11 | 100,000 | - | 415,000 | 50,000 |
| Loans and other receivables | 12 | 19,529 | 13,009 | 118,468 | 72,157 |
| Takaful / re - takaful receivables | 13 | - | - | 722,786 | 423,514 |
| Re - takaful recoveries against outstanding claims | | - | - | 174,904 | 144,551 |
| Salvage recoveries accrued | | - | - | 64,538 | 46,385 |
| Wakala and mudarib fee receivable | | 221,348 | 108,181 | - | - |
| Deferred commission expense | 22 | 76,336 | 45,347 | - | - |
| Prepayments | 14 | 626 | - | 173,769 | 125,530 |
| Cash and bank | 15 | 362,427 | 264,235 | 266,618 | 522,515 |
| | | 893,098 | 577,390 | 2,166,832 | 1,563,552 |
| TOTAL ASSETS | | 1,039,558 | 723,850 | 2,166,832 | 1,563,552 |
| FUNDS AND LIABILITIES | | | | | |
| Funds attributable to Operator's and Participants' | | | | | |
| Operator's Takaful Fund | | | | | |
| Statutory fund | | 50,000 | 50,000 | - | - |
| Reserves | | - | 968 | - | - |
| Unappropriated profit | | 556,574 | 394,351 | - | - |
| | | 606,574 | 445,319 | - | - |
| Waqf / Participants' Takaful Fund | | | | | |
| Ceded money | | - | - | 500 | 500 |
| Reserves | | - | - | - | 11 |
| Accumulated surplus | | - | - | 210,095 | 239,134 |
| | | - | - | 210,595 | 239,645 |
| Qard-e-Hasna from Operator's Takaful Fund | | - | - | 146,460 | 146,460 |
| Liabilities | | | | | |
| Underwriting provisions | | | | | |
| Outstanding claims including IBNR | 21 | - | - | 535,186 | 354,540 |
| Unearned contribution reserve | 19 | - | - | 778,595 | 441,519 |
| Unearned retakaful rebate | 20 | - | - | 30,781 | 22,466 |
| Contribution deficiency reserve | | - | - | 12,582 | 12,582 |
| Retirement benefit obligations | | 3,878 | 3,878 | - | - |
| Deferred taxation | | 64 | 456 | - | 4 |
| Contribution received in advance | | - | - | 32,155 | 67,232 |
| Takaful / re - takaful payables | 16 | - | - | 102,872 | 96,834 |
| Wakala and mudarib fee payable | | - | - | 221,348 | 108,181 |
| Unearned wakala fee | 23 | 314,504 | 191,460 | - | - |
| Other creditors and accruals | 17 | 88,227 | 64,872 | 91,660 | 69,834 |
| Taxation - provision less payments | | 26,311 | 17,865 | 4,598 | 4,255 |
| Total Liabilities | | 432,984 | 278,531 | 1,809,777 | 1,177,447 |
| TOTAL FUNDS AND LIABILITIES | | 1,039,558 | 723,850 | 2,166,832 | 1,563,552 |
| Contingencies and commitments | 18 | | | | |

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


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
Window Takaful Operations
Condensed Interim Statement of Profit and Loss Account (Unaudited)
For the nine months period ended September 30, 2022

| Note | For three months period ended | | For nine months period ended | | |
|---|-------------------------------|--------------------|------------------------------|--------------------|--|
| | September 30, | September 30, | September 30, | September 30, | |
| | 2022 | 2021 | 2022 | 2021 | |
| | | Rupees in thousand | | Rupees in thousand | |
| PARTICIPANTS' TAKAFUL FUND - REVENUE ACCOUNT | | | | | |
| Contributions earned | 397,822 | 237,573 | 1,112,465 | 725,403 | |
| Contributions ceded to retakaful | (98,943) | (76,875) | (299,551) | (238,080) | |
| Net contribution revenue | 298,879 | 160,698 | 812,914 | 487,323 | |
| Retakaful rebate earned | 18,053 | 14,259 | 52,951 | 42,592 | |
| Net underwriting income | 316,932 | 174,957 | 865,865 | 529,915 | |
| Net takaful claims - reported / settled | (326,778) | (155,407) | (901,920) | (450,315) | |
| Charge of contribution deficiency reserve | - | - | - | (20,262) | |
| | (326,778) | (155,407) | (901,920) | (470,577) | |
| Other direct expenses | (12,923) | (12,938) | (35,789) | (45,485) | |
| (Deficit) / surplus before investment income | (22,769) | 6,612 | (71,844) | 13,853 | |
| Investment income | 21,379 | 3,624 | 40,673 | 11,240 | |
| Other income | 11,323 | 6,616 | 33,658 | 18,556 | |
| Mudarib's share of investment income | (4,276) | (564) | (8,135) | (2,087) | |
| (Deficit) / surplus before taxation | 5,657 | 16,288 | (5,648) | 41,562 | |
| Taxation expense | (9,381) | - | (23,391) | - | |
| (Deficit) / surplus after taxation | (3,724) | 16,288 | (29,039) | 41,562 | |
| OPERATOR'S TAKAFUL FUND - REVENUE ACCOUNT | | | | | |
| Wakala fee | 165,293 | 104,640 | 457,782 | 311,004 | |
| Commission expense | (45,981) | (37,720) | (114,201) | (101,543) | |
| General, administrative and management expenses | (50,241) | (45,915) | (142,330) | (126,269) | |
| | 69,071 | 21,005 | 201,251 | 83,192 | |
| Other income | 12,204 | 4,107 | 29,511 | 12,275 | |
| Mudarib's share of PTF investment income | 4,276 | 564 | 8,135 | 2,087 | |
| Investment income | 7,178 | - | 14,435 | 2,317 | |
| Direct expenses | (770) | (770) | (2,860) | (2,310) | |
| Profit before taxation | 91,959 | 24,906 | 250,472 | 97,561 | |
| Taxation expense | (30,347) | (15,630) | (88,249) | (36,700) | |
| Profit after taxation | 61,612 | 9,276 | 162,223 | 60,861 | |

The annexed notes from 1 to 33 form an integral part of these 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 September 30, 2022

| | For three months period ended | | For nine months period ended | |
|--|-------------------------------|--------------------|------------------------------|--------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| PARTICIPANTS' TAKAFUL FUND | | | | |
| (Deficit) / surplus after taxation | (3,724) | 16,288 | (29,039) | 41,562 |
| Other comprehensive income: | | | | |
| Unrealized losses on available-for-sale investment- net of tax | - | 740 | (11) | 343 |
| Total comprehensive (loss) / income for the period | (3,724) | 17,028 | (29,050) | 41,905 |
| OPERATOR'S TAKAFUL FUND | | | | |
| Profit after taxation | 61,612 | 9,276 | 162,223 | 60,861 |
| Other comprehensive income: | | | | |
| Unrealized losses on available-for-sale investment- net of tax | - | 554 | (968) | (329) |
| Total comprehensive income for the period | 61,612 | 9,830 | 161,255 | 60,532 |

The annexed notes from 1 to 33 form an integral part of these 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 Changes in Shareholders Equity and Participants' Takaful Funds (Unaudited)
As at September 30, 2022


| | Operator's Takaful Fund | | | Total |
|--|-------------------------|-----------------------|---------------------|----------------|
| | Statutory fund | Unappropriated profit | Fair value reserves | |
| Rupees in thousand | | | | |
| Balance as at December 31, 2020 - (Audited) | 50,000 | 295,472 | 883 | 346,355 |
| Profit after tax for the period January 01, 2021 to September 30, 2021 | - | 60,861 | - | 60,861 |
| Other comprehensive income for the period January 01, 2021 to September 30, 2021 | - | - | (329) | (329) |
| Total comprehensive income / (loss) for the period | - | 60,861 | (329) | 60,532 |
| Balance as at September 30, 2021 - (Unaudited) | 50,000 | 356,333 | 554 | 406,887 |
| Profit after tax for the period October 01, 2021 to December 31, 2021 | - | 38,018 | - | 38,018 |
| Other comprehensive income for the period October 01, 2021 to December 31, 2021 | - | - | 414 | 414 |
| Total comprehensive income for the period | - | 38,018 | 414 | 38,432 |
| Balance as at December 31, 2021 - (Audited) | 50,000 | 394,351 | 968 | 445,319 |
| Profit after tax for the period January 01, 2022 to September 30, 2022 | - | 162,223 | - | 162,223 |
| Other comprehensive loss for the period January 01, 2022 to September 30, 2022 | - | - | (968) | (968) |
| Total comprehensive income / (loss) for the period | - | 162,223 | (968) | 161,255 |
| Balance as at September 30, 2022 - (Unaudited) | 50,000 | 556,574 | - | 606,574 |


| | Participants' Takaful Fund | | | Total |
|--|----------------------------|---------------------------------|---------------------|-----------------|
| | Ceded money | Accumulated surplus / (deficit) | Fair value reserves | |
| Rupees in thousand | | | | |
| Balance as at December 31, 2020 - (Audited) | 500 | 172,580 | 436 | 173,516 |
| Surplus after tax for the period January 01, 2021 to September 30, 2021 | - | 41,562 | - | 41,562 |
| Other comprehensive loss for the period January 01, 2021 to September 30, 2021 | - | - | 343 | 343 |
| Total comprehensive income / (loss) for the period | - | 41,562 | 343 | 41,905 |
| Balance as at September 30, 2021 - (Unaudited) | 500 | 214,142 | 779 | 215,421 |
| Surplus after tax for the period October 01, 2021 to December 31, 2021 | - | 24,992 | - | 24,992 |
| Other comprehensive loss for the period October 01, 2021 to December 31, 2021 | - | - | (425) | (425) |
| Total comprehensive income / (loss) for the period | - | 24,992 | (425) | 24,567 |
| Balance as at December 31, 2021 - (Audited) | 500 | 239,134 | 11 | 239,645 |
| Surplus after tax for the period January 01, 2022 to September 30, 2022 | - | (29,039) | - | (29,039) |
| Other comprehensive loss for the period January 01, 2022 to September 30, 2022 | - | - | (11) | (11) |
| Total comprehensive loss for the period | - | (29,039) | (11) | (29,050) |
| Balance as at September 30, 2022 - (Unaudited) | 500 | 210,095 | - | 210,595 |

The annexed notes from 1 to 33 form an integral part of these 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 September 30, 2022

| | Operator's Takaful Fund | | Participants' Takaful Fund | |
|--|-------------------------|--------------------|----------------------------|--------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| Operating cash flows | | | | |
| (a) Takaful activities | | | | |
| Contributions received | - | - | 1,634,692 | 1,073,135 |
| Wakala fee received / (paid) | 475,794 | 334,480 | (475,794) | (334,480) |
| Retakaful / co-takaful paid | - | - | (307,504) | (173,430) |
| Claims paid | - | - | (745,182) | (731,805) |
| Retakaful and other recoveries received | - | - | - | - |
| Commissions paid | (124,296) | (106,824) | - | - |
| Commissions received | - | - | 61,266 | 51,623 |
| Management expenses paid | (140,584) | (132,602) | - | - |
| Other underwriting payments | - | - | (37,725) | (31,701) |
| Net cash inflows / (outflows) from takaful activities | 210,914 | 95,054 | 129,753 | (146,658) |
| (b) Other operating activities | | | | |
| Income tax paid | (79,796) | (21,904) | (23,047) | - |
| Other payments / (receipts) | - | - | (17,289) | (22,351) |
| Expenses paid | - | - | - | - |
| Net cash (outflows) / inflows from other operating activities | (79,796) | (21,904) | (40,336) | (22,351) |
| Total cash inflows / (outflows) from operating activities | 131,118 | 73,150 | 89,417 | (169,009) |
| (c) Investment activities | | | | |
| Profit received on bank deposits and investments | 39,040 | 12,251 | 71,550 | 29,187 |
| Payment for investments | (100,000) | (36,943) | (416,864) | (1,814) |
| Proceeds from disposal of investments | 39,387 | 36,945 | - | - |
| Fixed capital expenditure | (11,353) | (5,833) | - | - |
| Total cash inflows from investing activities | (32,926) | 6,420 | (345,314) | 27,373 |
| (d) Financing activities | | | | |
| Contribution to Operator's fund | - | - | - | - |
| Ceded money | - | - | - | - |
| Total cash inflows from financing activities | - | - | - | - |
| Net Cash inflows / (outflows) from all activities | 98,192 | 79,570 | (255,897) | (141,636) |
| Cash and cash equivalent at the beginning of the period | 264,235 | 209,446 | 522,515 | 552,900 |
| Cash and cash equivalent at the end of the period | 362,427 | 289,016 | 266,618 | 411,264 |
| Reconciliation to profit and loss account | | | | |
| Operating cash flows | 131,118 | 73,150 | 89,417 | (169,009) |
| Depreciation | (2,718) | (2,603) | - | - |
| Amortization | (4,096) | (3,618) | - | - |
| (Decrease) / Increase in assets other than cash | 148,825 | 23,233 | 474,624 | 100,759 |
| (Increase) / Decrease in liabilities other than cash | (154,852) | (43,893) | (667,411) | 80,016 |
| Investment income | 14,435 | 2,317 | 40,673 | 11,240 |
| Return on bank deposits | 29,511 | 12,275 | 33,658 | 18,556 |
| Net (loss) / profit for the period | 162,223 | 60,861 | (29,039) | 41,562 |
| Attributed to | | | | |
| Operator's Takaful Fund | 162,223 | 60,861 | - | - |
| Participants' Takaful Fund | - | - | (29,039) | 41,562 |
| | 162,223 | 60,861 | (29,039) | 41,562 |

The annexed notes from 1 to 33 form an integral part of these 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 Statements (Unaudited)
For the nine months period ended September 30, 2022

1 Legal status and nature of business

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

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

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

2 Basis of preparation and statement of compliance

This condensed interim financial information for the six months period ended September 30, 2022 has been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting and the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Operator's for the year ended December 31, 2021. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of December 31, 2021, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in funds and interim cash flow statement and related notes are extracted from condensed interim financial information of the Operator's for the three months period ended June 30, 2021.

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 December 31, 2021.

The Operator has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 01, 2021, as mentioned in the financial statement for the year ended December 31, 2021. Furthermore, the Company has adopted the temporary exemption which allows the Company to defer the application of both IFRS 9 and IFRS 17 until December 31, 2023.

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

5 Use of estimates and judgments

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

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

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Operator's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Operator for the year ended December 31, 2021.

6 Takaful and Financial risk management

The Operator's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2021.

| | Note | Operator's Takaful Fund | |
|---|------|-------------------------|-------------------|
| | | September 30, 2022 | December 31, 2021 |
| | | Rupees in thousand | |
| | | (Unaudited) | (Audited) |
| 7 Property and equipment | | | |
| Opening balance - net book value | | 18,903 | 18,793 |
| Additions during the period | 7.1 | 7,501 | 3,593 |
| Book value of disposals during the period | | - | - |
| Depreciation charged during the period | | (2,717) | (3,483) |
| | | (2,717) | (3,483) |
| Closing balance - net book value | | 23,687 | 18,903 |
| Capital work - in - progress | 7.2 | 7,132 | 3,980 |
| | | 30,819 | 22,883 |
| 7.1 Additions during the period | | | |
| Motor vehicles | | 7,121 | 3,509 |
| Computer and related accessories | | 380 | 84 |
| | | 7,501 | 3,593 |
| 7.2 Capital work in progress | | | |
| Opening balance | | 3,980 | 2,000 |
| Additions during the year | | 3,152 | 2,680 |
| Transfer to intangibles | | - | (700) |
| Closing balance | | 7,132 | 3,980 |

This represent amount advanced to Ozoned Digital (Private) Limited for digital platform of motor Takaful.

| | | | |
|--|--|---------|---------|
| 8 Intangible assets | | | |
| Opening balance - net book value | | 10,409 | 12,421 |
| Transfer from capital work-in-progress | | - | 700 |
| Additions during the period | | 700 | 2,240 |
| Book value of disposal during the period | | - | - |
| Amortization charged during the period | | (4,096) | (4,952) |
| | | (4,096) | (4,952) |
| Closing balance | | 7,013 | 10,409 |

| September 30, 2022 | | | December 31, 2021 | | |
|--------------------|-----------------------|----------------|--------------------|-----------------------|----------------|
| 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 Rozana Amdani Fund
[Nil units (2021: 766,531 units)]

| | | | | | |
|---|---|---|--------|---|--------|
| - | - | - | 36,963 | - | 36,963 |
| | | - | | | 1,363 |
| | | - | | | 38,326 |

Participants' Takaful Fund

Available for sale - Mutual fund

Al Hamra Islamic Money Market Fund
[1,439,394 units (2021: Nil units)]

| | | | | | |
|---------|---|---------|---|---|---|
| 143,234 | - | 143,234 | - | - | - |
| | | - | | | - |
| | | 143,234 | | | - |

Available for sale - Mutual fund

Al Hamra Daily Dividend Fund
[151 units (2021: 508,710 units)]

| | | | | | |
|----|---|----|--------|---|--------|
| 15 | - | 15 | 53,885 | - | 53,885 |
| | | - | | | 15 |
| | | 15 | | | 53,900 |

| No. of Certificates | | Face Value | Value of Certificates | |
|---------------------|-------------------|------------|-----------------------|-------------------|
| September 30, 2022 | December 31, 2021 | | September 30, 2022 | December 31, 2021 |
| Rupees in thousand | | | (Unaudited) | (Audited) |

10 Investments in debt securities

Participants' Takaful Fund

Held - to - maturity

Sukuk certificates

Engro Polymer & Chemicals Limited 500 500 100,000
The Hub Power Company Limited (HUBCO) 375 750 100,000

| | |
|--------|---------|
| 50,000 | 50,000 |
| 37,500 | 75,000 |
| 87,500 | 125,000 |

Operator's Takaful Fund

Held - to - maturity

Sukuk certificates

Pak Electron Limited (PEL) 75 75 1,000,000

| | |
|--------|--------|
| 75,000 | 75,000 |
| 75,000 | 75,000 |

| | Participants' Takaful Fund | |
|--|----------------------------|-------------------|
| | September 30, 2022 | December 31, 2021 |
| | Rupees in thousand | |
| | (Unaudited) | (Audited) |
| 16 Takaful / re - takaful payables | | |
| Due to takaful participants' holders | 22,171 | 15,641 |
| Due to other takaful / re - takaful operator's | 80,701 | 81,193 |
| | 102,872 | 96,834 |

| | Operator's Takaful Fund | | Participants' Takaful Fund | |
|--|-------------------------|-------------------|----------------------------|-------------------|
| | September 30, 2022 | December 31, 2021 | September 30, 2022 | December 31, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| 17 Other creditors and accruals | | | | |
| Agents commission payable | 68,341 | 47,448 | - | - |
| Federal insurance fee | - | - | 16,030 | 3,617 |
| Sales tax payable | 3,511 | 1,450 | - | - |
| Income tax deducted at source | 3,549 | 625 | 46,899 | 33,071 |
| Accrued expenses | 3,331 | 8,921 | - | - |
| Others | 9,495 | 6,428 | 28,731 | 33,146 |
| | 88,227 | 64,872 | 91,660 | 69,834 |

18 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 | |
|---|-------------------------------|--------------------|------------------------------|--------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| 19 Net contribution revenue | | | | |
| Gross contribution written | 763,078 | 400,911 | 2,030,367 | 1,109,270 |
| Wakala fee | (217,073) | (119,986) | (580,826) | (336,158) |
| Contribution net of wakala fee | 546,005 | 280,925 | 1,449,541 | 773,112 |
| Unearned contribution reserve - opening | 630,412 | 425,806 | 441,519 | 421,449 |
| Unearned contribution reserve - closing | (778,595) | (43,352) | (778,595) | (469,158) |
| Contribution earned | 397,822 | 663,379 | 1,112,465 | 725,403 |
| Less: | | | | |
| Re - takaful contribution ceded | 198,002 | 134,677 | 350,269 | 283,680 |
| Prepaid re - takaful contribution ceded - opening | 61,363 | 71,632 | 109,704 | 83,834 |
| Prepaid re - takaful contribution ceded - closing | (160,422) | (129,434) | (160,422) | (129,434) |
| Re - takaful expense | 98,943 | 76,875 | 299,551 | 238,080 |
| Net contribution | 298,879 | 586,504 | 812,914 | 487,323 |

20 Re - takaful rebate

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Re - takaful rebate received | 36,031 | 25,824 | 61,266 | 51,623 |
| Unearned re - takaful rebate - opening | 12,803 | 14,649 | 22,466 | 17,183 |
| Unearned re - takaful rebate - closing | (30,781) | (26,214) | (30,781) | (26,214) |
| Net re-takaful rebate | 18,053 | 14,259 | 52,951 | 42,592 |

21 Net Takaful Claims

| | | | | |
|---|-----------------|----------------|----------------|----------------|
| Claims Paid | 245,194 | 240,467 | 745,182 | 731,805 |
| Outstanding claims including IBNR - closing | 535,186 | 382,806 | 535,186 | 382,806 |
| Outstanding claims including IBNR - opening | (468,949) | (427,539) | (354,540) | (558,082) |
| Claims expense | 311,431 | 195,734 | 925,828 | 556,529 |
| Less: | | | | |
| Re - takaful and other recoveries received | (49,258) | 69,127 | (24,599) | 204,040 |
| Re - takaful and other recoveries in respect of outstanding claims net of impairment (if any) | 239,443 | 217,292 | 239,443 | 217,292 |
| Re - takaful and other recoveries in respect of outstanding claims net of impairment (if any) | (205,532) | (246,092) | (190,936) | (315,118) |
| Re-takaful and other recoveries revenue | (15,347) | 40,327 | 23,908 | 106,214 |
| Net claims expense | 326,778 | 155,407 | 901,920 | 450,315 |

| | For three months period ended | | For nine months period ended | |
|-------------------------------|-------------------------------|--------------------|------------------------------|--------------------|
| | Operator's Fund | | Operator's Fund | |
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| 22 Commission Expense | | | | |
| Commission paid or payable | 71,546 | 47,397 | 145,190 | 117,367 |
| Deferred commission - opening | 50,771 | 46,108 | 45,347 | 39,961 |
| Deferred commission - closing | (76,336) | (55,785) | (76,336) | (55,785) |
| Net commission expense | 45,981 | 37,720 | 114,201 | 101,543 |

| | For three months period ended | | For nine months period ended | |
|-------------------------------|-------------------------------|-----------------|------------------------------|--------------------|
| | Operator's Fund | | Operator's Fund | |
| | September 30, 2022 | September, 2021 | September 30, 2022 | September 30, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| 23 Wakala Fee | | | | |
| Gross Wakala fee | 217,073 | 119,986 | 580,826 | 336,158 |
| Unearned Wakala fee - Opening | 262,724 | 188,574 | 191,460 | 178,766 |
| Unearned Wakala fee - Closing | (314,504) | (203,920) | (314,504) | (203,920) |
| Net wakala fee | 165,293 | 104,640 | 457,782 | 311,004 |

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

| | For three months period ended | | For nine months period ended | |
|---|-------------------------------|-----------------|------------------------------|--------------------|
| | September 30, 2022 | September, 2021 | September 30, 2022 | September 30, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| 24 Management Expenses | | | | |
| Employee benefit cost | 34,784 | 25,992 | 94,287 | 72,352 |
| Depreciation | 1,038 | 872 | 2,717 | 2,602 |
| Amortization | 1,369 | 1,240 | 4,096 | 3,618 |
| Advertisement and sales promotion | (1,009) | 6,461 | 1,851 | 15,055 |
| Rent, rates and taxes | 1,007 | 1,014 | 2,867 | 3,042 |
| Communication | 328 | 385 | 995 | 1,280 |
| Legal and professional charges - business related | 71 | 574 | 469 | 574 |
| Travelling and conveyance expenses | 350 | 102 | 1,344 | 422 |
| Shared expenses | 6,566 | 5,956 | 19,064 | 15,864 |
| Entertainment | 822 | 351 | 1,935 | 1,177 |
| Printing, stationery and postage | 141 | 201 | 703 | 695 |
| Annual supervision fee SECP | 607 | 323 | 1,822 | 1,290 |
| Bank charges | 21 | 15 | 89 | 56 |
| Repair and maintenance | 445 | 369 | 1,509 | 1,192 |
| Others | 3,701 | 2,060 | 8,582 | 7,050 |
| | 50,241 | 45,915 | 142,330 | 126,269 |

| | For three months period ended | | For nine months period ended | |
|-----------------------------------|-------------------------------|-----------------|------------------------------|--------------------|
| | September 30, 2022 | September, 2021 | September 30, 2022 | September 30, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| 25 Investment Income | | | | |
| Operator's Takaful Fund | | | | |
| Profit on | | | | |
| Mutual funds - Dividend Income | 924 | - | 1,997 | 8 |
| Mutual funds - Capital Gain | - | - | 1,620 | 2,309 |
| Term Deposits | 3,197 | - | 3,731 | - |
| Sukuks | 3,057 | - | 7,087 | - |
| | 7,178 | - | 14,435 | 2,317 |
| Participants' Takaful Fund | | | | |
| Profit on | | | | |
| Mutual funds - Dividend Income | 3,805 | - | 5,391 | 2,134 |
| Sukuks | 4,397 | 3,625 | 11,210 | 9,106 |
| Term Deposits | 13,177 | - | 24,072 | - |
| | 21,379 | 3,625 | 40,673 | 11,240 |

| | For three months period ended | | For nine months period ended | |
|-----------------------------------|-------------------------------|--------------------|------------------------------|--------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| | Rupees in thousand | | Rupees in thousand | |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| 26 Other Income | | | | |
| Operator's Takaful Fund | | | | |
| Profit on bank deposits | 12,204 | 4,107 | 29,511 | 12,275 |
| Other Income | - | - | - | - |
| | <u>12,204</u> | <u>4,107</u> | <u>29,511</u> | <u>12,275</u> |
| Participants' Takaful Fund | | | | |
| Profit on bank deposits | 8,579 | 6,616 | 30,914 | 18,556 |
| Miscellaneous income | | | 2,744 | |
| | <u>8,579</u> | <u>6,616</u> | <u>33,658</u> | <u>18,556</u> |

27 Transactions with related parties

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

| | September 30, 2022 | September 30, 2021 |
|----------------------------------|--------------------|--------------------|
| | Rupees in thousand | |
| | (Unaudited) | (Unaudited) |
| i) Transactions | | |
| Subsidiary Company | | |
| Contribution underwritten | 5,041 | 3,086 |
| Contribution received | 5,022 | 2,699 |
| Claims paid | 1,554 | 951 |
| Other related parties | | |
| Contribution underwritten | 131,310 | 123,254 |
| Contribution received | 160,323 | 142,029 |
| Claims paid | 79,908 | 66,525 |
| Income on bank deposits | 8,952 | 8,514 |
| ii) Period end balances | | |
| Subsidiary Company | | |
| Balances payable | 653 | 320 |
| Balances receivable | 737 | 558 |
| Contribution received in advance | - | - |
| Other related parties | | |
| Balances receivable | 11,828 | 18,216 |
| Balances payable | 34,048 | 22,790 |
| Cash and bank balances | 21,731 | 224,327 |
| Contribution received in advance | 559 | 585 |

28 Segment Information

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

28.1

| | Participants' Takaful Fund | | | | | Total |
|--|--------------------------------|---------------------------------|----------------|-------------------|---------------|------------------|
| | September 30, 2022 (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) | 256,155 | 79,058 | 861,755 | 870,210 | 64,998 | 2,132,176 |
| Less : Federal excise duty | (10,829) | (6,693) | (74,139) | (1,013) | (5,615) | (98,289) |
| Federal insurance fee | (718) | (465) | (5,356) | (5,682) | (388) | (12,609) |
| Gross direct written contribution (inclusive of administrative surcharge) | 244,608 | 71,900 | 782,260 | 863,515 | 58,995 | 2,021,278 |
| facultative inward contribution | 1,006 | 85 | - | - | 7,998 | 9,089 |
| Gross Contribution Written | 245,614 | 71,985 | 782,260 | 863,515 | 66,993 | 2,030,367 |
| Wakala fee | (68,770) | (25,196) | (254,233) | (215,879) | (16,748) | (580,826) |
| Contribution net of wakala fee | 176,844 | 46,789 | 528,027 | 647,636 | 50,245 | 1,449,541 |
| Contribution earned | 139,422 | 46,445 | 470,426 | 408,763 | 47,409 | 1,112,465 |
| Takaful contribution ceded to retakaful | (152,237) | (69,100) | (27,313) | - | (50,901) | (299,551) |
| Net takaful contribution | (12,815) | (22,655) | 443,113 | 408,763 | (3,492) | 812,914 |
| Re-takaful rebate | 31,583 | 12,738 | (797) | - | 9,427 | 52,951 |
| Net underwriting income | 18,768 | (9,917) | 442,316 | 408,763 | 5,935 | 865,865 |
| Takaful claims | (3,315) | (21,018) | (401,820) | (486,282) | (13,393) | (925,828) |
| Re - takaful and other recoveries | (34,073) | 15,849 | 30,254 | - | 11,878 | 23,908 |
| Net claims | (37,388) | (5,169) | (371,566) | (486,282) | (1,515) | (901,920) |
| Contribution deficiency reserve | | | | 1,319 | (1,319) | - |
| Direct expenses | (2,062) | (13) | (31,896) | (1,886) | 68 | (35,789) |
| Net takaful claims and expenses | (39,450) | (5,182) | (403,462) | (486,849) | (2,766) | (937,709) |
| (Deficit) / surplus before investment income | (20,682) | (15,099) | 38,854 | (78,086) | 3,169 | (71,844) |
| Other income | | | | | | 40,673 |
| Investment income | | | | | | 33,658 |
| Mudarib fee | | | | | | (8,135) |
| Surplus transferred to Balance of PTF | | | | | | (5,648) |
| Corporate segment assets | 326,333 | 50,316 | 360,534 | 307,401 | 78,068 | 1,122,652 |
| Corporate unallocated assets | - | - | - | - | - | 1,044,180 |
| Total assets | 326,333 | 50,316 | 360,534 | 307,401 | 78,068 | 2,166,832 |
| Corporate segment liabilities | 301,476 | 41,675 | 664,815 | 632,082 | 73,471 | 1,713,519 |
| Corporate unallocated liabilities | - | - | - | - | - | 242,718 |
| Total liabilities | 301,476 | 41,675 | 664,815 | 632,082 | 73,471 | 1,956,237 |

28.1.1

| | September 30, 2021 (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) | 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 expenses | (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 |

| | December 31, 2021 (Audited) | | | | | Total |
|-----------------------------------|-----------------------------|------------------------------|---------|-------------------|---------------|-----------|
| | Fire & Property Damage | Marine, Aviation & Transport | Motor | Accident & Health | Miscellaneous | |
| | Rupees in thousand | | | | | |
| Corporate segment assets | 236,130 | 45,641 | 296,000 | 65,998 | 80,385 | 724,154 |
| Corporate unallocated assets | - | - | - | - | - | 839,398 |
| Total assets | 236,130 | 45,641 | 296,000 | 65,998 | 80,385 | 1,563,552 |
| Corporate segment liabilities | 233,409 | 43,224 | 568,284 | 182,390 | 76,047 | 1,103,354 |
| Corporate unallocated liabilities | - | - | - | - | - | 220,553 |
| Total liabilities | 233,409 | 43,224 | 568,284 | 182,390 | 76,047 | 1,323,907 |

28.1.2

| Operator's Takaful Fund | | | | | | |
|--|------------------------------|---------------|-------------------|----------------|--------------|------------------|
| September 30, 2022 (Unaudited) | | | | | | |
| Fire & Property Damage | Marine, Aviation & Transport | Motor | Accident & Health | Miscellaneous | Total | |
| Rupees in thousand | | | | | | |
| Wakala fee income | 54,216 | 25,010 | 226,499 | 136,255 | 15,802 | 457,782 |
| Less : Commission expense | (29,433) | (7,976) | (47,188) | (23,401) | (6,203) | (114,201) |
| Management expenses | (36,682) | (9,940) | (58,812) | (29,165) | (7,731) | (142,330) |
| | (11,899) | 7,094 | 120,499 | 83,689 | 1,868 | 201,251 |
| Mudarib's share of PTF investment income | | | | | | 8,135 |
| Investment income | | | | | | 14,435 |
| Direct expenses | | | | | | (2,860) |
| Other income | | | | | | 29,511 |
| Profit before tax | | | | | | 250,472 |
| Corporate segment assets | 51,646 | 12,721 | 114,009 | 110,010 | 9,298 | 297,684 |
| Corporate unallocated assets | - | - | - | - | - | 741,874 |
| Total assets | 51,646 | 12,721 | 114,009 | 110,010 | 9,298 | 1,039,558 |
| Corporate segment liabilities | 45,128 | 522 | 157,058 | 105,700 | 6,096 | 314,504 |
| Corporate unallocated liabilities | - | - | - | - | - | 118,480 |
| Total liabilities | 45,128 | 522 | 157,058 | 105,700 | 6,096 | 432,984 |

28.1.3

| September 30, 2021 (Unaudited) | | | | | | |
|--|--------------------------------|--------------|-------------------|---------------|--------------|----------------|
| Fire and Property Damage | Marine, Aviation and 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 |
| December 31, 2021 (Audited) | | | | | | |
| Fire and Property Damage | Marine, Aviation and Transport | Motor | Accident & Health | Miscellaneous | Total | |
| Rupees in thousand | | | | | | |
| Corporate segment assets | 33,973 | 6,715 | 85,030 | 19,039 | 8,770 | 153,527 |
| Corporate unallocated assets | - | - | - | - | - | 570,323 |
| Total assets | 33,973 | 6,715 | 85,030 | 19,039 | 8,770 | 723,850 |
| Corporate segment liabilities | 30,574 | 336 | 129,324 | 26,076 | 5,150 | 191,460 |
| Corporate unallocated liabilities | - | - | - | - | - | 87,071 |
| Total liabilities | 30,574 | 336 | 129,324 | 26,076 | 5,150 | 278,531 |

29 Fair values of financial instruments

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

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

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

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

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

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

| | | Participants' Takaful Fund | | | | | | | | | |
|---|--|--------------------------------|------------------|-----------------------|---------------------------|-----------------------------|-----------|---------|---------|---------|---------|
| | | September 30, 2022 (Unaudited) | | | | | | | | | |
| | | Carrying amount | | | | Fair value | | | | | |
| | | Available-for-sale | Held to maturity | Loans and receivables | Cash and cash equivalents | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | Rupees in thousand | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | | |
| | Investments - Equity securities | 9 | 143,249 | - | - | - | - | 143,249 | - | - | 143,249 |
| Financial assets not measured at fair value | | | | | | | | | | | |
| | Investments - Debt securities | 10 | - | 87,500 | - | - | 87,500 | - | - | - | - |
| | Investments - Term Deposits | 11 | - | 415,000 | - | - | 415,000 | - | - | - | - |
| | Loan and other receivables | 12 | - | - | 47,940 | - | 47,940 | - | - | - | - |
| | Takaful / re - takaful receivables | 13 | - | - | 722,786 | - | 722,786 | - | - | - | - |
| | Re - takaful recoveries against outstanding claims | | - | - | 174,904 | - | 174,904 | - | - | - | - |
| | Salvage recoveries accrued | | - | - | 64,538 | - | 64,538 | - | - | - | - |
| | Cash and bank deposits | 15 | - | - | - | 266,618 | 266,618 | - | - | - | - |
| | | | 143,249 | 502,500 | 1,010,168 | 266,618 | 1,922,535 | 143,249 | - | - | 143,249 |
| Financial liabilities not measured at fair value | | | | | | | | | | | |
| | Outstanding claims including IBNR | 21 | - | - | - | 535,186 | 535,186 | - | - | - | - |
| | Takaful / re - takaful payables | | - | - | - | 102,872 | 102,872 | - | - | - | - |
| | Wakala and mudarib fee payable | | - | - | - | 221,348 | 221,348 | - | - | - | - |
| | Other creditors and accruals | 17 | - | - | - | 28,731 | 28,731 | - | - | - | - |
| | | | - | - | - | 888,137 | 888,137 | - | - | - | - |
| Participants' Takaful Fund | | | | | | | | | | | |
| December 31, 2021 (Audited) | | | | | | | | | | | |
| | | Carrying amount | | | | Fair value | | | | | |
| | | Available-for-sale | Held to maturity | Loans and receivables | Cash and cash equivalents | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | Rupees in thousand | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | | |
| | Investments - Equity securities | 9 | 53,885 | - | - | - | 53,885 | 53,900 | - | - | 53,900 |
| Financial assets not measured at fair value | | | | | | | | | | | |
| | Investments - Debt securities | 10 | - | 125,000 | - | - | 125,000 | - | 125,000 | - | 125,000 |
| | Investments - Term Deposits | 11 | - | 50,000 | - | - | 50,000 | - | - | - | - |
| | Loan and other receivables | 12 | - | - | 21,190 | - | 21,190 | - | - | - | - |
| | Takaful / re - takaful receivables | 13 | - | - | 423,514 | - | 423,514 | - | - | - | - |
| | Retakaful recoveries against outstanding claims | | - | - | 144,551 | - | 144,551 | - | - | - | - |
| | Salvage recoveries accrued | | - | - | 46,385 | - | 46,385 | - | - | - | - |
| | Cash and bank deposits | 15 | - | - | - | 522,515 | 522,515 | - | - | - | - |
| | | | 53,885 | 175,000 | 635,640 | 522,515 | 1,387,040 | 53,900 | 125,000 | - | 178,900 |
| Financial liabilities not measured at fair value | | | | | | | | | | | |
| | Outstanding claims including IBNR | 21 | - | - | - | 354,540 | 354,540 | - | - | - | - |
| | Takaful / retakaful payables | | - | - | - | 96,834 | 96,834 | - | - | - | - |
| | Wakala and mudarib fee payable | | - | - | - | 108,181 | 108,181 | - | - | - | - |
| | Other creditors and accruals | 17 | - | - | - | 33,146 | 33,146 | - | - | - | - |
| | | | - | - | - | 592,701 | 592,701 | - | - | - | - |

| Operator's Takaful Fund | | | | | | | | | |
|---|--------------------|-----------------------|---------------------------|-----------------------------|---------|------------|---------|---------|--------|
| September 30, 2022 (Unaudited) | | | | | | | | | |
| Carrying amount | | | | | | Fair value | | | |
| Available-for-sale | Held to maturity | Loans and receivables | Cash and cash equivalents | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | Rupees in thousand | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investments - Equity securities | 9 | - | - | - | - | - | - | - | - |
| Financial assets not measured at fair value | | | | | | | | | |
| Investments - Debt securities | 10 | - | 75,000 | - | - | 75,000 | - | 75,000 | - |
| Investments - Term Deposits | 11 | - | 100,000 | - | - | 100,000 | - | - | - |
| Loan and other receivables | 12 | - | - | 19,529 | - | 19,529 | - | - | - |
| Wakala and mudarib fee receivable | - | - | - | 221,348 | - | 221,348 | - | - | - |
| Cash and bank deposits | 15 | - | - | - | 362,427 | 362,427 | - | - | - |
| | | - | 175,000 | 240,877 | 362,427 | - | 75,000 | - | 75,000 |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Other creditors and accruals | 17 | - | - | - | - | 81,167 | - | - | - |
| | | - | - | - | - | 81,167 | - | - | - |
| Operator's Takaful Fund | | | | | | | | | |
| December 31, 2021 (Audited) | | | | | | | | | |
| Carrying amount | | | | | | Fair value | | | |
| Available-for-sale | Held to maturity | Loans and receivables | Cash and cash equivalents | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | Rupees in thousand | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investments - Equity securities | 9 | 38,326 | - | - | - | 38,326 | 38,326 | - | - |
| Financial assets not measured at fair value | | | | | | | | | |
| Investments - Debt securities | 10 | 75,000 | - | - | - | 75,000 | - | - | - |
| Loan and other receivables | 12 | - | - | 13,009 | - | 13,009 | - | - | - |
| Wakala and mudarib fee receivable | - | - | - | 108,181 | - | 108,181 | - | - | - |
| Cash and bank deposits | 15 | - | - | - | 264,235 | 264,235 | - | - | - |
| | | 113,326 | - | 121,190 | 264,235 | - | - | - | 38,326 |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Other creditors and accruals | 17 | - | - | - | - | 62,797 | - | - | - |
| | | - | - | - | - | 62,797 | - | - | - |

| | Operator's Takaful Fund | | Participants' Takaful Fund | |
|---|-------------------------|------------------|----------------------------|------------------|
| | Available for sale | Held to Maturity | Available for sale | Held to Maturity |
| | Rupees in thousand | | | |
| 30 Movement in Investment - Available for sale | | | | |
| At the beginning of previous year | 35,872 | - | 50,614 | 125,000 |
| Additions | - | 75,000 | - | 50,000 |
| Disposals | - | - | - | - |
| Fair value gain (excluding net realized gain) | 2,454 | - | 3,286 | - |
| At the beginning of current period | 38,326 | 75,000 | 53,900 | 175,000 |
| Additions | - | 100,000 | 143,234 | 415,000 |
| Disposals | (38,326) | - | (53,885) | (87,500) |
| Fair value gain (excluding net realized gain) | - | - | - | - |
| At the end of current period | - | 175,000 | 143,249 | 502,500 |

31 Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the three months period ended September 30, 2022.

32 Date of authorization for issue

This condensed financial information was authorized for issue on October 27, 2022 by the Board of Directors of the Operator.

33 General

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



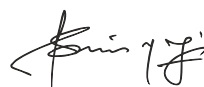
Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer



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