



Century Insurance

A Lakson Group Company

Your Trust
Our Assurance

AA-
Rating



Quarterly Report March 2020
(Un-audited)

Century Insurance at a glance

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance business.
- One of the premier general insurance companies of Pakistan.
- Rated “AA-” with a stable outlook by VIS Credit Rating Co. Limited, signifying a ‘very high capacity to meet policyholders’ and contractual obligations’.
- Total equity in excess of Rs. 1.7 billion.
- Twice awarded ‘Top 25 Companies Award’ by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with highly rated international reinsurers.
- Broad client base consisting of individuals as well as some of the most prestigious local and multinational companies.



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Our vision

To be an organization known for integrity and ethical behavior and fully dedicated to its Clients, Business Partners, Shareholders and Employees, providing exceptional quality service and committed to achieving excellence in all areas of its operations.

Our mission

- To become a company of choice for its valued Clients, Stockholders and Employees.
- To ensure continued growth of the financial strength and resilience of the company so that it may be able to withstand any unexpected shocks or cyclical economic downturns.
- The Company culture to be known for Integrity and Ethical behavior.
- The Company to be known as one of the best insurance companies of the country.

Corporate information

Board of Directors

Mr. Iqbal Ali Lakhani - Chairman
Mr. Amin Mohammed Lakhani
Ms. Anushka Lakhani
Mr. Tasleemuddin Ahmed Batlay
Mr. Mohammad Hussain Hirji - Chief Executive
Mr. Sadrudin Ismail Mohamed
Mr. Aftab Ahmad

Advisor

Mr. Sultan Ali Lakhani

Chief Financial Officer

Mr. Sabza Ali Pirani

Company Secretary

Mr. Mansoor Ahmed

Shariah Advisor

Mufti Muhammad Shakir Siddiqui

Audit Committee

Mr. Sadrudin Ismail Mohamed - Chairman
Mr. Amin Mohammed Lakhani
Mr. Tasleemuddin Ahmed Batlay

Investment Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. Tasleemuddin Ahmed Batlay
Mr. Mohammad Hussain Hirji
Mr. Sabza Ali Pirani

Ethics, Human Resource & Remuneration Committee

Mr. Sadrudin Ismail Mohamed - Chairman
Mr. Amin Mohammed Lakhani
Mr. Tasleemuddin Ahmed Batlay
Mr. Mohammad Hussain Hirji

External Auditors

M/s. KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

M/s. FAMCO Associates (Pvt) Ltd.
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal,
Karachi.
Tel: (021) 34380101-2
Fax: (021) 34380106
Email: info.shares@famco.com.pk
Website: www.famco.com.pk

Bankers

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
NRSP Microfinance Bank Limited
Silkbank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
United Bank Limited

Registered & Corporate Office

Lakson Square, Building No. 2, Sarwar
Shaheed Road, Karachi-74200.

Head Office

11th Floor, Lakson Square, Building No. 3,
Sarwar Shaheed Road, Karachi-74200.

Website: www.cicl.com.pk
UAN: 111-111-717
NTN: 0710008-6



Directors' Review

On behalf of the Board of Directors, we are pleased to present to you the un-audited financial statements for the first quarter ended March 31, 2020.

General Review

The overall operational performance of the Company has improved in the first quarter of 2020 as compared to the same period in 2019. Albeit, Gross Written Premium (inclusive of Takaful Contribution) has decreased by Rs. 12.1 million (5%) to Rs. 251.0 million, Net premium has increased by Rs. 14.2 million (7%) to Rs. 211.0 million. Underwriting profit stood at Rs. 44.6 million, up by Rs. 8.4 million (8%). Investment & other income has decreased by Rs. 20.6 million (86%) mainly due to decline in equity market.

Earnings per share (EPS) for the three-month period ended March 31, 2020 is Rs. 0.74 as against Rs. 0.92 for the same period last year.

Operating Results

The comparative financial highlights for the first quarter ended March 31, 2020 and 2019 are presented below:-

| | March 31, 2020 | March 31, 2019 | Rs. In million (except for EPS) | |
|--|-------------------|-------------------|---------------------------------|------|
| | | | Increase / (Decrease) Amount | % |
| Gross Written Premium (including Takaful Contribution) | 251 | 263 | (12) | (5) |
| Net Premium | 211 | 197 | 14 | 7 |
| Underwriting results | 45 | 36 | 8 | 23 |
| Investment & other income | 3 | 24 | (21) | (86) |
| Profit before tax | 48 | 61 | (13) | (21) |
| Profit after tax | 37 | 46 | (9) | (19) |
| Earnings per share (Rs.) | 0.74 | 0.92 | (0.18) | (20) |
| Total assets | 2,954 | 2,827 | 126 | 4 |
| Paid-up capital | 503 | 503 | - | - |
| Total equity | 1,754 | 1,793 | (39) | (2) |

As compared to the first quarter of 2019, the gross written premium (inclusive of Takaful Contribution) for Fire and Marine classes of business has increased by Rs. 6.4 million (13%) and by Rs. 1.7 million (3%), respectively. Motor class of business has decreased by Rs. 11.8 million (10%), Accident and Health class decreased by Rs. 7.1 million (59%) and Miscellaneous class decreased by Rs. 1.3 million (9%).

Window Takaful Operations

Participant Takaful Fund (PTF)

The Gross Written Contribution for the first quarter 2020 is Rs. 14.0 million as compared to Rs. 12.4 million for the same period last year. Net contribution revenue is Rs. 14.0 million and the surplus for the period is Rs. 3.4 million.

Operator's Fund (OPF)

Gross Wakala Fee for the first quarter 2020 is Rs. 5.0 million. Net Wakala fee income is Rs. 7.6 million. Profit before tax is Rs. 3.2 million.

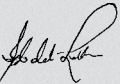
Future Outlook

The management is making concerted efforts to increase market share and profitability and the business of the Company is expected to continue to grow at a steady pace. We shall continue to strive to identify new and innovative products and distribution channels, expand the branch network to serve clients in new cities and recruit, train and motivate sales staff so as to maintain the momentum of profitable growth. We are hopeful that this will result in improved sustainability and enhanced shareholder equity.

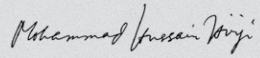
The emergence of the Coronavirus in Pakistan and the subsequent lockdown in the country to curtail its spread has had negative impacts on the economy, the stock exchange and on the investment returns of the Company. However, we are hopeful that the economy shall recover and investment returns rebound, once the threat of the pandemic recedes and activity returns to normal.

Acknowledgments

On behalf of all the Directors, we would like to thank our shareholders who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum deployment of their investment. We also wish to place on record our appreciation of the devotion, loyalty and hard work of the management and members of the staff that have contributed towards the growth of the Company and success of its operations.



Iqbal Ali Lakhani
Chairman



Mohammad Hussain Hirji
Director & Chief Executive

Karachi: April 28, 2020



پہلی سہ ماہی 2019ء کے مقابلے میں مجموعی پرییم (بشمول ٹکا فل کنز بیوشن) برائے بیمہ آتش زدگی اور بحری بیمہ میں 6.4 بلین روپے (13 فیصد) اور 1.7 بلین روپے (3 فیصد) بالترتیب اضافہ ہوا ہے۔ موٹر بیمہ میں 11.8 بلین روپے (10 فیصد) کی کمی ہوئی، بیمہ حادثہ و صحت میں 7.1 بلین روپے (59 فیصد) اور بیمہ متفرق میں 1.3 بلین روپے (9 فیصد) کی کمی ہوئی ہے۔

وئڈو ٹکا فل آپریشنز

شرکت داروں کا ٹکا فل فنڈ
پہلی سہ ماہی 2020ء میں شرکت داروں کا تحریر شدہ مجموعی کنز بیوشن کا فنڈ 14.0 بلین روپے جبکہ اسی مدت کے دوران گزشتہ سال 12.4 بلین روپے رہا۔ خالص کنزی بیوشن 14.0 بلین روپے اور سرپلس فنڈ 3.4 بلین روپے رہا۔

آپریٹر فنڈ
مجموعی وکالہ فیس برائے پہلی سہ ماہی 2020ء میں 5.0 بلین روپے ہے۔ خالص وکالہ فیس کی آمدنی 7.6 بلین روپے ہے۔ قبل از ٹیکس منافع 3.2 بلین روپے رہا۔

مستقبل کے خدوخال

کمپنی کی انتظامیہ کاروبار میں منافع اور مارکیٹ شیئر میں اضافے کی مستحکم رفتار کو برقرار رکھنے کے لیے ٹھوس اقدامات کر رہی ہے۔ ہم منافع بخش ترقی کی رفتار کو برقرار رکھنے کے لیے نئی اور جدید مصنوعات کی شناخت، دیگر شہروں میں کلائنٹ کی خدمات کی غرض سے اضافی برانچوں کے قیام اور بیمہ فروخت کے عملے کی حوصلہ افزائی اور تربیت کرتے رہیں گے۔ ہم امید کرتے ہیں کہ مندرجہ بالا اقدامات حصص یافتگان کی ایکویٹی میں اضافے اور بہتر پائیداری کا باعث بنیں گے۔

پاکستان میں کورونا وائرس کا خروج اور ملک میں اس کے پھیلاؤ کو روکنے کے لئے لاک ڈاؤن لگایا جس کا معیشت، اشیا کی سپلائی اور کمپنی کے سرمایہ کاری کے منافع پر منفی اثرات پڑے ہیں۔ ہم امید کرتے ہیں کہ ایک بار وبائی بیماری کا خطرہ ٹل جائے اور سرگرمیاں معمول پر آئے معیشت اور سرمایہ کاری کے منافع پر تیزی آجائے گی۔

اعترافات

ہم تمام ڈائریکٹرز کی جانب سے حصص یافتگان کا شکریہ ادا کرتے ہیں جنہوں نے کمپنی پر اپنا بھروسہ اور اعتماد رکھا اور ان کے کمپنی میں سرمایہ کاری کے بہترین استعمال کی یقین دہانی کرائے ہیں۔ اور ہم انتظامیہ اور عملے کے اراکین کی لگن، وفاداری اور انتھک محنت کو سراہتے ہیں جنہوں نے کمپنی کی ترقی اور کاروباری امور کی کامیابی میں اپنا کردار ادا کیا۔

Mohammad Insaam Binji

محمد حسین جبرجی
ڈائریکٹر اور چیف ایگزیکٹو

اقبال علی لاکھانی
چیئر مین

کراچی: 28 اپریل 2020ء

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم مسرت کے ساتھ 31 مارچ 2020ء کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ

31 مارچ 2020ء کو ختم ہونے والی سہ ماہی کی مدت میں ادارے کی انشورنس آپریشن کا کردگی میں گذشتہ سال 2019ء کی اسی مدت کے مقابلے بہتر آئی ہے۔ اگرچہ مشترکہ مجموعی پریمیسیم (بشمول ٹیکافل کنٹریوشن) 12.1 ملین (5) فیصد کی کمی سے 251 ملین روپے ہو گئی ہے۔ مجموعی خالص پریمیسیم 14.2 ملین روپے 7 فیصد اضافہ جو کہ 211.0 ملین روپے ہوا۔ انڈر رائٹنگ آمدنی 44.6 ملین روپے رہی ہے جس میں 8.4 ملین روپے کا اضافہ جو کہ 8 فیصد ہے۔ انوسٹمنٹ اور دیگر آمدنی میں 20.6 ملین روپے کا نقصان ظاہر کیا ہے۔ جسکی بنیادی وجہ ایکویٹی مارکیٹ میں کمی کا رجحان ہے۔

31 مارچ 2020ء کو ختم ہونے والی سہ ماہی کی مدت میں فی حصص آمدنی 0.74 ملین روپے جو کہ گزشتہ سال اسی مدت میں 0.92 ملین روپے تھی۔

کاروباری امور کے نتائج

پہلی سہ ماہی کی مدت 31 مارچ 2020 اور 2019ء کی تقابلی مالیاتی جھلکیاں درج ذیل ہیں۔

| بیان | 31 مارچ 2020ء | 31 مارچ 2020ء | (روپے ملین میں) | اضافہ/(کمی) |
|---|---------------|---------------|-----------------|-------------|
| | (رقم) | (رقم) | (رقم) | فیصد |
| تحریر شدہ مجموعی پریمیسیم (بشمول ٹیکافل کنٹریوشن) | 251 | 263 | (12) | (5) |
| خالص پریمیسیم | 211 | 197 | 14 | 7 |
| انڈر رائٹنگ نتائج | 45 | 36 | 8 | 23 |
| سرمایہ کاری و دیگر آمدنی | 3 | 24 | (21) | (86) |
| منافع قبل از ٹیکس | 48 | 61 | (13) | (21) |
| منافع بعد از ٹیکس | 37 | 46 | (9) | (19) |
| آمدنی فی حصص (روپے) | 0.74 | 0.92 | (0.18) | (20) |
| کل اثاثہ جات | 2,954 | 2,827 | 126 | 4 |
| ادا شدہ سرمایہ | 503 | 503 | - | - |
| کل ایکویٹی | 1,754 | 1,793 | (39) | (2) |

Condensed Interim Statement of Financial Position

As at March 31, 2020

| | | (Un-audited) March 31, 2020 | (Audited) December 31, 2019 |
|---|------|-----------------------------------|-----------------------------------|
| | Note | ------(Rupees)----- | |
| Assets | | | |
| Property and equipment | 9 | 123,150,486 | 129,993,035 |
| Intangible assets | | 5,570 | 9,741 |
| Investment in associates | 10 | 38,928,012 | 39,404,247 |
| Investments | | | |
| Equity securities | 11.1 | 690,819,040 | 802,057,535 |
| Debt securities | 11.2 | 685,154,381 | 429,382,013 |
| Term deposit | 12 | 100,000,000 | 426,000,000 |
| Loan and other receivable | 13 | 44,560,180 | 37,416,224 |
| Insurance / reinsurance receivable | 14 | 511,035,938 | 500,355,096 |
| Reinsurance recoveries against outstanding claims | 23 | 137,738,201 | 97,581,839 |
| Salvage recoveries accrued | | 4,005,000 | 4,005,000 |
| Deferred commission expense | 24 | 30,695,657 | 35,271,269 |
| Deferred taxation | 18 | 101,291,062 | 42,441,773 |
| Prepayments | 15 | 144,052,800 | 185,447,129 |
| Cash and bank | 16 | 247,716,487 | 267,024,544 |
| Total assets of Window Takaful Operations - Operator's fund | 17 | 94,417,733 | 89,831,932 |
| Total assets | | <u>2,953,570,547</u> | <u>3,086,221,377</u> |

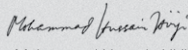
| | | (Un-audited) March 31, 2020 | (Audited) December 31, 2019 |
|--|---|-----------------------------------|-----------------------------------|
| Note | | ------(Rupees) ----- | |
| Equity and liabilities | | | |
| | Authorized share capital (70,000,000 Ordinary share of Rs.10 each) | 700,000,000 | 700,000,000 |
| Capital and reserves attributable to Company's equity holders | | | |
| | Ordinary share capital | 502,968,030 | 502,968,030 |
| | Share premium | 254,024,260 | 254,024,260 |
| | Reserves | 4,404,403 | 124,545,934 |
| | Unappropriated profit | 992,333,866 | 955,159,703 |
| | Total Equity | 1,753,730,559 | 1,836,697,927 |
| Liabilities | | | |
| Underwriting Provisions | | | |
| | Outstanding claims including IBNR | 241,073,040 | 206,337,532 |
| | Unearned premium reserve | 400,280,383 | 494,320,532 |
| | Unearned reinsurance commission | 34,637,876 | 40,139,097 |
| | Retirement benefits obligation | 6,517,818 | 5,141,096 |
| | Premiums received in advance | 2,084,499 | 1,023,802 |
| | Insurance / reinsurance payables | 244,393,606 | 243,253,439 |
| | Other creditors and accruals | 185,356,948 | 188,481,027 |
| | Taxation - provision less payments | 54,477,657 | 42,056,608 |
| | Total Liabilities | 1,168,821,827 | 1,220,753,133 |
| | Total liabilities of Window Takaful Operations - Operator's fund | 31,018,161 | 28,770,317 |
| | Total equity and liabilities | 2,953,570,547 | 3,086,221,377 |
| Contingencies and commitments | | | |
| | | 21 | |


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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammed Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer



Condensed Interim Profit and Loss Account (Un-audited)

For the three months period ended March 31, 2020

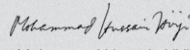
| | | (Un-audited) | |
|------|---|----------------------|-------------------|
| | | March 31, | |
| | | 2020 | 2019 |
| Note | | ----- (Rupees) ----- | |
| | Net insurance premium | 211,033,007 | 196,883,012 |
| | Net insurance claims | (83,330,401) | (83,428,910) |
| | Net commission and other acquisition costs | 133,800 | 1,214,649 |
| | Insurance claims and acquisition expenses | (83,196,601) | (82,214,261) |
| | Management Expenses | (83,186,974) | (78,394,871) |
| | Underwriting results | 44,649,432 | 36,273,880 |
| | Investment (loss) / income | (1,703,397) | 10,395,571 |
| | Other income | 5,011,746 | 12,298,873 |
| | Other expenses | (1,704,413) | (2,254,423) |
| | Results of operating activities | 46,253,368 | 56,713,901 |
| | Finance costs - Lease liabilities | (1,651,746) | - |
| | Share of profit of associates | - | 1,168,569 |
| | Profit from Window Takaful Operations | 3,193,562 | 2,850,130 |
| | Profit before tax | 47,795,184 | 60,732,600 |
| | Income tax expense - current | (20,369,609) | (17,043,770) |
| | - prior | - | 2,789,293 |
| | - deferred | 9,748,588 | (30,611) |
| | | (10,621,021) | (14,285,088) |
| | Profit after tax | 37,174,163 | 46,447,512 |
| | Earnings per share of Rs.10 each - basic and diluted | 0.74 | 0.92 |


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Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammed Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

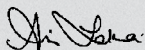
For the three months period ended March 31, 2020

| | (Un-audited) | |
|--|---------------------|-------------------|
| | March 31, | |
| | 2020 | 2019 |
| | ------(Rupees)----- | |
| Profit after tax | 37,174,163 | 46,447,512 |
| Other comprehensive income | | |
| Item to be reclassified to profit and loss account in subsequent period: | | |
| Unrealised (diminution) / appreciation 'available for sale' investments - net of tax | (120,212,059) | 25,638,728 |
| Unrealised appreciation 'available for sale' investments of Window Takaful Operations - net of tax | 70,528 | 491,545 |
| Total comprehensive (loss) / income for the period | <u>(82,967,368)</u> | <u>72,577,785</u> |

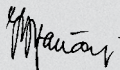
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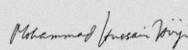
Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Tasleemuddin Ahmed Battay
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer



Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended March 31, 2020

| | (Un-audited) | |
|--|---------------------|-------------------|
| | March 31, 2020 | March 31, 2019 |
| | ------(Rupees)----- | |
| Operating cash flows | | |
| (a) Underwriting activities | | |
| Insurance premium received | 224,481,148 | 268,633,414 |
| Reinsurance premium paid | (47,246,136) | (59,616,151) |
| Claims paid | (124,537,016) | (108,075,669) |
| Reinsurance and other recoveries received | 28,565,851 | 22,105,481 |
| Commissions paid | (24,630,185) | (41,036,150) |
| Commissions received | 2,790,511 | 28,725,280 |
| Management expenses paid | (75,566,241) | (85,405,369) |
| Net cash (outflow) / inflow from underwriting activities | (16,142,068) | 25,330,836 |
| (b) Other operating activities | | |
| Income tax paid | (7,948,560) | (11,155,114) |
| Other operating payments | (3,024,369) | (9,372,576) |
| Net cash (outflow) from other operating activities | (10,972,929) | (20,527,690) |
| Total cash (outflow) / inflow from operating activities | (27,114,997) | 4,803,146 |
| Investment activities | | |
| Profit / return received | 15,143,889 | 18,896,847 |
| Dividends received | 2,598,304 | 1,669,169 |
| Payments for investments | (726,196,051) | (137,135,252) |
| Proceeds from disposal of investments | 716,296,051 | 147,226,839 |
| Fixed capital expenditure | (802,729) | (2,119,330) |
| Proceeds from sale of property and equipment | 767,476 | 13,419 |
| Total cash inflow from investing activities | 7,806,940 | 28,551,692 |
| Financing activities - Dividends paid | - | 142,520 |
| Net cash (outflow) / inflow from all activities | (19,308,057) | 33,497,357 |
| Cash at beginning of the period | 266,224,544 | 439,566,476 |
| Cash at end of the three months period | 246,916,487 | 473,063,833 |
| Reconciliation to profit and loss account | | |
| Operating cash flows | (27,114,997) | 4,803,146 |
| Depreciation / amortization expense | (3,884,170) | (3,390,176) |
| Profit on disposal of fixed assets | 57,662 | 34,242 |
| Profit on disposal of investments | 1,028,923 | 1,881,984 |
| Dividend income | 3,550,904 | 3,053,166 |
| Investment and other income | (686,233) | 19,377,985 |
| Increase / (decrease) in assets other than cash | 21,759,808 | (63,870,442) |
| Decrease in liabilities other than running finance | 39,268,704 | 81,707,477 |
| Profit from Window Takaful Operations | 3,193,562 | 2,850,130 |
| Profit after tax | 37,174,163 | 46,447,512 |

Cash for the purposes of the Statement of Cash Flows consists of:

| | (Un-audited) | |
|---|----------------------|-------------------|
| | March 31, 2020 | March 31, 2019 |
| Cash and bank deposits | ------(Rupees) ----- | |
| Cash and other equivalents | | |
| - Cash | 290,000 | 237,736 |
| - Policy stamps and bond papers in hand | 1,758,204 | 801,960 |
| - Cash deposit with SBP | <u>5,153,258</u> | 5,153,258 |
| | <u>7,201,462</u> | 6,192,954 |
| Current and other accounts | | |
| - Current accounts * | <u>6,907,767</u> | 6,981,269 |
| - Savings accounts | <u>232,807,258</u> | 459,889,610 |
| | <u>239,715,025</u> | 466,870,879 |
| | <u>246,916,487</u> | 473,063,833 |

* This does not include local currency account with a lien amounting to Rs.0.8 million (March 31, 2019: Rs.0.8 million), with a commercial bank for letters of credit arranged through the bank for securing claims arising outside Pakistan.

Definition of cash

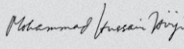
Cash comprises of cash in hand, policy stamps, bond papers, cheques in hand, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.


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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Battay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer




Condensed Interim Statement of Changes in Equity (Un-audited)

For the three months period ended March 31, 2020

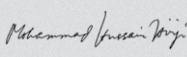
| | Attributable to equity holders of the Company | | | | | Total |
|---|---|--------------------|--------------------|--|----------------------|----------------------|
| | Share capital | Capital reserves | Revenue reserves | | | |
| | Issued, subscribed and paid-up | Share premium | General reserve | Unrealised appreciation / (diminution) ‘available for sale’ investments | Retained earnings | |
| | ----- (Rupees) ----- | | | | | |
| Balance as at January 01, 2019 | 502,968,030 | 254,024,260 | 119,000,000 | (29,481,352) | 873,893,357 | 1,720,404,295 |
| Total comprehensive income | | | | | | |
| Profit after tax for the three months period | - | - | - | - | 46,447,512 | 46,447,512 |
| Other comprehensive income | | | | | | |
| Net unrealised gain arising during the period on revaluation of available for sale investments net of tax | - | - | - | 25,638,728 | - | 25,638,728 |
| Total comprehensive income | - | - | - | 25,638,728 | 46,447,512 | 72,086,240 |
| Balance as at March 31, 2019 | <u>502,968,030</u> | <u>254,024,260</u> | <u>119,000,000</u> | <u>(3,842,624)</u> | <u>920,340,869</u> | <u>1,792,490,535</u> |
| Balance as at January 01, 2020 | 502,968,030 | 254,024,260 | 119,000,000 | 5,545,934 | 955,159,703 | 1,836,697,927 |
| Total comprehensive income | | | | | | |
| Profit after tax for the three months period | - | - | - | - | 37,174,163 | 37,174,163 |
| Net unrealised (loss) arising during the period on revaluation of available for sale investments (including WTO) net of tax | - | - | - | (120,141,531) | - | (120,141,531) |
| Total comprehensive (loss) | - | - | - | (120,141,531) | 37,174,163 | (82,967,368) |
| Balance as at March 31, 2020 | <u>502,968,030</u> | <u>254,024,260</u> | <u>119,000,000</u> | <u>(114,595,597)</u> | <u>992,333,866</u> | <u>1,753,730,559</u> |


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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

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

For the three months period ended March 31, 2020

1. STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on October 10, 1985 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The Company is listed on the Pakistan Stock Exchange Limited and is engaged in general insurance business. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

The Company was granted authorization on August 07, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations by Securities and Exchange Commission of Pakistan (SECP) and under Takaful Rules, 2012 to carry on general takaful operations in Pakistan. The Company has formed a Waqf for Participants' Fund ("PTF") by executing the Waqf deed dated August 17, 2017. The Company commenced its activities of Window Takaful Operations on August 18, 2017.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012, have been followed.

2.2 The condensed interim financial information do not include all the information required in the full annual financial statement. Accordingly, these condensed interim financial information should be read in conjunction with annual financial statement of the Company for the year ended December 31, 2019.

2.3 These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional currency of the Company.

3. BASIS OF MEASUREMENT

These condensed interim financial information have been prepared under historical cost except for certain investment which are stated at their fair value.



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

For the three months period ended March 31, 2020

4. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these condensed interim financial information are same as compared with the annual financial statements of the Company as at and for the year ended December 31, 2019.

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2019.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended December 31, 2019.

7. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit and loss.

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

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

March 31, 2020 (Un-audited)

| | Fail the SPPI Test | | Pass the SPPI Test | | |
|--|----------------------|---|--------------------|----------------------|---|
| | Fair value | Change in Unrealized gain or (loss) during the period | Carrying value | Cost less impairment | Change in Unrealized gain or (loss) during the period |
| ----- (Rupees) ----- | | | | | |
| Financial assets | | | | | |
| Investment in associate | 72,458,098 | - | - | - | - |
| Investments | | | | | |
| - Equity securities - Available for Sale | 631,634,704 | (171,552,621) | - | - | - |
| - Equity securities - Held for trading | 59,184,336 | (25,307,068) | - | - | - |
| - Debt securities - Held for trading | 295,588,681 | 3,206,218 | - | - | - |
| - Debt securities - available for sale | - | - | 207,286,620 | - | 10,136,570 |
| - Debt securities - held to maturity | - | - | 182,279,080 | - | - |
| Term deposit | - | - | 100,000,000 | - | - |
| Insurance / reinsurance receivable* | 511,035,938 | - | - | - | - |
| Loan and other receivables* | 44,560,180 | - | - | - | - |
| Reinsurance recoveries against outstanding claims* | 137,738,201 | - | - | - | - |
| Cash and Bank | 247,716,487 | - | - | - | - |
| Total assets of Window Takaful Operations | 165,686,005 | - | - | - | - |
| TOTAL | 2,165,602,630 | (193,653,471) | 489,565,700 | - | 10,136,570 |

Gross Carrying amount of debt instruments that pass the SPPI test

| | AA | A | Unrated | Total |
|--|-------------------|-------------------|--------------------|--------------------|
| ----- (Rupees) ----- | | | | |
| Investment in debt securities - | | | | |
| Available for sale | 61,963,369 | 20,000,000 | 125,323,250 | 207,286,619 |
| Held to Maturity | - | - | 182,279,080 | 182,279,080 |
| | 61,963,369 | 20,000,000 | 307,602,330 | 389,565,699 |

8. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business at period end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the reporting date.

9. PROPERTY AND EQUIPMENT

| | | (Un-audited) March 31, 2020 | (Audited) December 31, 2019 |
|--------------------------|-----|-----------------------------------|-----------------------------------|
| Note | | ----- (Rupees) ----- | |
| Operating assets | 9.1 | 76,899,297 | 77,172,381 |
| Right of use assets | 9.2 | 45,831,968 | 48,887,433 |
| Capital work in progress | 9.3 | 419,221 | 3,933,221 |
| | | 123,150,486 | 129,993,035 |



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

For the three months period ended March 31, 2020

| | (Un-audited) March 31, 2020 | (Audited) December 31, 2019 |
|--|-----------------------------------|-----------------------------------|
| Note | ------(Rupees) ----- | |
| 9.1 Operating assets | | |
| Opening written down value | 77,172,381 | 67,519,107 |
| Add: Additions during the period / year - at cost | | |
| - Motor vehicles | 3,767,000 | 21,983,249 |
| - Computers and related accessories | 124,300 | 494,600 |
| - Office equipment | 429,600 | 1,292,240 |
| - Furniture and fixtures | - | 2,396,774 |
| - Office improvement | - | 1,416,387 |
| | 4,320,900 | 27,583,250 |
| Less: Written down value of deletions | 709,814 | 3,296,409 |
| Depreciation for the period / year | 3,884,170 | 14,633,567 |
| | 4,593,984 | 17,929,976 |
| | <u>76,899,297</u> | <u>77,172,381</u> |
| 9.2 Right of use assets | | |
| Opening written down value as at | 48,887,433 | 55,755,349 |
| Add: Additions during the period / year | - | 5,353,942 |
| Less: Depreciation for the period / year | 3,055,465 | 12,221,858 |
| Closing written down value as at | <u>45,831,968</u> | <u>48,887,433</u> |
| 9.2 Capital work in progress | | |
| Advance against purchase of vehicles | 419,221 | 3,933,221 |
| | <u>419,221</u> | <u>3,933,221</u> |
| 10. INVESTMENT IN ASSOCIATES | | |
| Beginning of the period / year | 39,404,247 | 45,144,162 |
| Share of profit from associates | - | 6,918,238 |
| Dividend received from associates | (476,235) | (1,402,054) |
| Share in other comprehensive income / (loss) | - | (176,749) |
| Provision for impairment | - | (11,079,350) |
| End of the period / year | 10.1 <u>38,928,012</u> | <u>39,404,247</u> |
| 10.1 This includes investment in Colgate - Palmolive (Pakistan) Limited Rs. 10,516,569 (December 31, 2019: Rs. 10,992,804 and Century Board & Paper Mills Limited of Rs. 28,411,443 (December 31, 2019: Rs 28,411,443). | | |

11. INVESTMENTS

| 11.1 | Investments in equity securities | (Un-audited) | | Audited | |
|--------|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | | March 31, 2020 | | December 31, 2019 | |
| | | Cost | Carrying value | Cost | Carrying value |
| Note | | (Rupees) | | | |
| | Available for sale | 803,187,325 | 631,634,704 | 782,085,441 | 711,067,468 |
| | Held for trading | 84,491,404 | 59,184,336 | 82,551,060 | 90,990,067 |
| | | 887,678,729 | 690,819,040 | 864,636,501 | 802,057,535 |
| 11.1.1 | Available for sale | | | | |
| | Related parties | | | | |
| | Mutual funds | 353,500,000 | 298,072,817 | 348,746,265 | 347,499,580 |
| | Others | | | | |
| | Listed shares | 44,242,367 | 34,141,860 | 44,242,450 | 49,859,882 |
| | Unlisted shares | 75,283 | 75,283 | 75,283 | 75,283 |
| | Mutual funds | 405,369,675 | 299,344,744 | 389,021,443 | 313,632,723 |
| | | 449,687,325 | 333,561,887 | 433,339,176 | 363,567,888 |
| | | 803,187,325 | 631,634,704 | 782,085,441 | 711,067,468 |
| 11.2 | Investments in debt securities | | | | |
| | | (Un-audited) | | Audited | |
| | | March 31, 2020 | | December 31, 2019 | |
| | | Cost | Carrying value | Cost | Carrying value |
| | | (Rupees) | | | |
| | Held for trading | | | | |
| | Government securities | 292,382,463 | 295,588,681 | - | - |
| | Held to maturity | | | | |
| | Government securities | 153,793,003 | 153,793,003 | 204,079,103 | 204,079,103 |
| | Commercial paper | 28,486,077 | 28,486,077 | 24,238,262 | 24,238,262 |
| | Term finance certificate | 293,292 | - | 293,292 | - |
| | | 182,572,372 | 182,279,080 | 228,610,657 | 228,317,365 |
| | Available for sale | | | | |
| | Sukuk | 38,000,000 | 37,515,915 | 38,000,000 | 37,445,448 |
| | Term finance certificate | 44,990,000 | 44,447,455 | 44,990,000 | 44,990,000 |
| | Government securities | 114,160,050 | 125,323,250 | 114,160,050 | 118,629,200 |
| | | 197,150,050 | 207,286,620 | 197,150,050 | 201,064,648 |
| | | 672,104,885 | 685,154,381 | 425,760,707 | 429,382,013 |

11.2.1 This includes securities which are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

11.2.2 The market value of held to maturity debt securities is Rs. 183.456 million (2019: Rs. 228.542 million).



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

For the three months period ended March 31, 2020

| | (Un-audited) March 31, 2020 | (Audited) December 31, 2019 |
|--|-----------------------------------|-----------------------------------|
| | ----- (Rupees) ----- | |
| 12. INVESTMENT IN TERM DEPOSIT | | |
| Deposit maturing within 12 months | - | 326,000,000 |
| Deposit maturing after 12 months | <u>100,000,000</u> | <u>100,000,000</u> |
| | <u>100,000,000</u> | <u>426,000,000</u> |
| 13. LOAN AND OTHERS RECEIVABLE | | |
| Accrued investment income | 18,123,441 | 14,415,360 |
| Security deposits | 6,704,394 | 6,457,003 |
| Advance to employees | 3,348,328 | 3,216,452 |
| Advance against expenses | 430,825 | 1,309,375 |
| Receivable against sale of shares | 885,275 | - |
| Window Takaful Operations | 14,056,073 | 10,302,222 |
| Others | <u>1,011,844</u> | <u>1,715,812</u> |
| | <u>44,560,180</u> | <u>37,416,224</u> |
| 14. INSURANCE / RE-INSURANCE RECEIVABLE | | |
| Due from insurance contract holders | 391,308,135 | 379,458,808 |
| Amounts due from other insurers / reinsurers | 45,058,130 | 52,655,032 |
| Reinsurance recoveries due but unpaid | <u>74,669,673</u> | <u>68,241,256</u> |
| | <u>511,035,938</u> | <u>500,355,096</u> |
| 15. PREPAYMENTS | | |
| Prepaid reinsurance premium ceded | 139,248,615 | 179,906,261 |
| Prepayments | <u>4,804,185</u> | <u>5,540,868</u> |
| | <u>144,052,800</u> | <u>185,447,129</u> |
| 16. CASH AND BANK | | |
| Cash and cash equivalents | | |
| Cash in hand | 290,000 | 270,730 |
| Policy stamps and bond papers in hand | 1,758,204 | 471,091 |
| Deposit with SBP | <u>5,153,258</u> | <u>5,153,258</u> |
| | <u>7,201,462</u> | <u>5,895,079</u> |
| Current and other accounts | | |
| Current accounts | <u>7,707,767</u> | <u>16,583,161</u> |
| Saving accounts | <u>232,807,258</u> | <u>244,546,304</u> |
| | <u>240,515,025</u> | <u>261,129,465</u> |
| | <u>247,716,487</u> | <u>267,024,544</u> |

| 17. WINDOW TAKAFUL OPERATIONS | (Un-audited) March 31, 2020 | (Audited) December 31, 2019 |
|---|-----------------------------------|-----------------------------------|
| | ------(Rupees)----- | |
| Assets | | |
| Investments | 66,013,800 | 62,081,477 |
| Cash and bank deposits | 4,802,113 | 1,326,746 |
| Current assets - others | <u>23,601,820</u> | <u>26,423,709</u> |
| Total Assets | <u>94,417,733</u> | <u>89,831,932</u> |
| | | |
| Total Liabilities - Current | <u>31,018,161</u> | <u>28,770,317</u> |
| | | |
| Profit before tax for the period | <u>3,193,562</u> | <u>2,850,130</u> |

Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed condensed interim financial information.

| 18. DEFERRED TAXATION - NET | (Un-audited) March 31, 2020 | (Audited) December 31, 2019 |
|---|-----------------------------------|-----------------------------------|
| | ------(Rupees)----- | |
| Deferred tax asset / (liability) arising in respect of: | | |
| Accelerated depreciation on operating fixed assets | 292,260 | (121,189) |
| Net liability of IFRS 16 | 476,479 | 136,005 |
| Unrealised loss / (gain) on remeasurement of securities to fair value - net | 6,409,246 | (2,447,312) |
| Provision for claims incurred but not reported (IBNR) | 1,979,767 | 1,979,767 |
| Provision for compensated absences | 2,148,690 | 2,148,690 |
| Share of profit from associates | (386,667) | (524,775) |
| Provision against receivables | 16,240,565 | 16,240,565 |
| Provision against impairment on available for sales investment | <u>27,214,755</u> | <u>27,214,755</u> |
| | <u>54,375,095</u> | <u>44,626,506</u> |
| Unrealised diminution (appreciation) 'available for sale' investments | 46,810,655 | (2,290,045) |
| Share in associates' reserves | 105,312 | 105,312 |
| | <u>101,291,062</u> | <u>42,441,773</u> |

19. INSURANCE AND REINSURANCE PAYABLES

| | | |
|--------------------|--------------------|--------------------|
| Foreign reinsurers | 52,341,390 | 65,314,547 |
| Local reinsurers | 182,386,480 | 157,935,395 |
| Co-insurers | <u>9,665,736</u> | <u>20,003,497</u> |
| | <u>244,393,606</u> | <u>243,253,439</u> |



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

For the three months period ended March 31, 2020

| | (Un-audited) March 31, 2020 | (Audited) December 31, 2019 |
|--|-----------------------------------|-----------------------------------|
| | ----- (Rupees) ----- | |
| 20. OTHER CREDITORS AND ACCRUALS | | |
| Agent commission payable | 87,790,515 | 87,993,803 |
| Federal excise duty | 5,202,002 | 12,431,255 |
| Federal insurance fees | 511,130 | 1,529,994 |
| Creditors | 3,808,703 | 3,641,353 |
| Retention money | 141,073 | 141,073 |
| Margin deposits | 4,840,500 | 4,312,474 |
| Payable against purchase of shares | 727,826 | - |
| Withholding tax payable | 384,733 | 640,773 |
| Accrued expenses | 16,388,671 | 11,259,068 |
| Deposits from employees against car scheme | 11,522,911 | 11,273,007 |
| Unclaimed dividend | 4,585,634 | 4,585,634 |
| Lease liability | 47,474,998 | 49,356,416 |
| Others | 1,978,252 | 1,316,177 |
| | <u>185,356,948</u> | <u>188,481,027</u> |

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

The status of contingencies remain unchanged as disclosed in annual financial statements for the year ended December 31, 2019.

21.2 Commitments

There is no commitment as at March 31, 2020.

22. NET INSURANCE PREMIUM

| | (Un-audited) | |
|---|--------------------------|--------------------|
| | Three month period ended | |
| | March 31, 2020 | March 31, 2019 |
| | ----- (Rupees) ----- | |
| Written Gross premium | 237,018,332 | 250,721,272 |
| Add : Unearned premium reserve opening | 494,320,532 | 439,281,123 |
| Less: Unearned premium reserve closing | 400,280,383 | 376,483,232 |
| | <u>331,058,481</u> | <u>313,519,163</u> |
| Premium earned | | |
| Less: Reinsurance premium ceded | 79,367,828 | 78,997,511 |
| Add: Prepaid reinsurance premium opening | 179,906,261 | 171,056,110 |
| Less: Prepaid reinsurance premium closing | 139,248,615 | 133,417,470 |
| Reinsurance expense | 120,025,474 | 116,636,151 |
| | <u>211,033,007</u> | <u>196,883,012</u> |

| | (Un-audited) | |
|--|---|--------------------|
| | Three month period ended March 31, 2020 | March 31, 2019 |
| | ------(Rupees) ----- | |
| 23. NET INSURANCE CLAIMS EXPENSE | | |
| Claim paid | 124,537,016 | 108,075,669 |
| Add : Outstanding claims including IBNR closing | 241,073,040 | 187,140,372 |
| Less: Outstanding claims including IBNR opening | 206,337,532 | 192,759,004 |
| | <u>159,272,524</u> | <u>102,457,037</u> |
| Claims expense | | |
| Less: Reinsurance and others recoveries received | 35,785,761 | 21,371,084 |
| Add: Reinsurance and others recoveries in respect of outstanding claims closing | 137,738,201 | 97,673,428 |
| Less: Reinsurance and others recoveries in respect of outstanding claims opening | 97,581,839 | 100,016,385 |
| Reinsurance and other recoveries revenue | 75,942,123 | 19,028,127 |
| | <u>83,330,401</u> | <u>83,428,910</u> |
| 24. NET COMMISSION EXPENSE | | |
| Commission paid or payable | 24,866,954 | 25,979,929 |
| Add : Deferred commission expense opening | 35,271,269 | 33,060,770 |
| Less: Deferred commission expense closing | 30,695,657 | 29,711,355 |
| Net commission | <u>29,442,566</u> | <u>29,329,344</u> |
| Less: Commission received or recoverable | 24,075,145 | 24,475,893 |
| Add: Unearned Reinsurance commission opening | 40,139,097 | 39,191,757 |
| Less: Unearned Reinsurance commission closing | 34,637,876 | 33,123,657 |
| Commission from reinsurers | 29,576,366 | 30,543,993 |
| | <u>(133,800)</u> | <u>(1,214,649)</u> |

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

For the three months period ended March 31, 2020

25. INVESTMENT INCOME

| | (Un-audited) | |
|--|----------------------|-------------------|
| | March 31 2020 | March 31 2019 |
| | ------(Rupees) ----- | |
| Income from equity securities | | |
| Available-for-sale | | |
| Dividend income | 2,089,473 | 1,783,641 |
| Held for trading | | |
| Dividend income | 1,461,431 | 1,269,525 |
| Income from debt securities | | |
| Held to maturity | | |
| Return on government securities | 4,440,621 | 1,838,610 |
| Return on other fixed income securities and deposits | 1,288,807 | 4,825 |
| | 5,729,428 | 1,843,435 |
| Available-for-sale | | |
| Return on government securities | 2,506,250 | - |
| Return on other fixed income securities and deposits | 3,033,129 | 2,486,020 |
| | 5,539,379 | 2,486,020 |
| Income from term deposits | | |
| Return on term deposits | 5,191,726 | 1,014,328 |
| Fair value through profit or loss | | |
| - (loss) / gain on sale of equity securities | (4,515,002) | 1,881,984 |
| - Gain on sale of debt securities | 5,543,925 | - |
| | 1,028,923 | 1,881,984 |
| Net unrealised (loss) / gain on investments at fair value through profit and loss (Held for trading purposes) | | |
| - Equity securities | (25,307,068) | 1,019,880 |
| - Debt securities | 3,206,218 | (418,878) |
| | (22,100,850) | 601,002 |
| Total investment (loss) / income | (1,060,490) | 10,879,935 |
| Less: Investment related expenses | (642,907) | (484,364) |
| Investment (loss) / income | (1,703,397) | 10,395,571 |

| | | (Un-audited) | |
|-------------|---|--------------------------|-------------------|
| | | Three month period ended | |
| | | March 31 | March 31 |
| | | 2020 | 2019 |
| | | ------(Rupees) ----- | |
| 26. | OTHER INCOME | | |
| | Income from financial assets / liabilities | | |
| | Return on bank balances | 4,954,084 | 12,194,631 |
| | Others | - | 70,000 |
| | Income from non-financial assets | | |
| | Gain on sale of fixed assets | <u>57,662</u> | 34,242 |
| | | <u>5,011,746</u> | <u>12,298,873</u> |
| 27. | EARNINGS PER SHARE - BASIC AND DILUTED | | |
| | Profit after tax for the period | <u>37,174,163</u> | <u>46,447,512</u> |
| | | ----- (Numbers) ----- | |
| | Weighted average number of ordinary shares | <u>50,296,803</u> | <u>50,296,803</u> |
| | | ------(Rupees) ----- | |
| | Earnings per share - basic and diluted | <u>0.74</u> | <u>0.92</u> |
| 27.1 | No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised. | | |

28. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies; directors and their close family members; staff retirement funds; key management personnel and major shareholders of the Company. The associated companies are associated either based on holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes.

Balances, including investments in associates, are disclosed in relevant notes to these financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:



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

For the three months period ended March 31, 2020

| | (Un-audited) | |
|--|--------------------------|------------------|
| | Three month period ended | |
| | March 31 2020 | March 31 2019 |
| | ------(Rupees) ----- | |
| Transactions with related parties | | |
| Premium written | <u>87,457,343</u> | 93,994,161 |
| Commission expense | <u>10,052,424</u> | 11,791,485 |
| Claims paid | <u>53,094,176</u> | 38,764,490 |
| Investment in mutual funds | <u>4,253,735</u> | 349,239 |
| Dividend received | <u>476,235</u> | - |
| Expenses | <u>5,853,043</u> | 7,526,347 |
| Staff benefit plans | <u>3,214,839</u> | 2,893,555 |
| Remuneration to key management personnel | <u>21,658,497</u> | 15,870,417 |

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

| | March 31, 2020 (Un-audited) | | | | | | | | | |
|--|-----------------------------|------------------------|----------------------|--------------------------|----------------------------|-----------------------------------|---------------|-------------|---------------|---------------|
| | Held-for- trading | Available-for- sale | Held-to- maturity | Loans and receivables | Investment in Associate | Other financial liabilities | Total | Level 1 | Level 2 | Total |
| | (Rupees) | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | |
| Investments | | | | | | | | | | |
| - Equity securities | 59,184,336 | 488,559,421 | - | - | - | - | 547,743,757 | 93,250,913 | 454,417,561 | 547,668,474 |
| - Debt securities | 295,588,681 | 207,286,620 | - | - | - | - | 502,875,301 | - | 502,875,301 | 502,875,301 |
| Assets of Window Takatful Operations - Operator's fund | - | 43,720,188 | - | - | - | - | 43,720,188 | - | 43,720,188 | 43,720,188 |
| Financial assets not measured at fair value | | | | | | | | | | |
| Cash and bank* | | | | | | | | | | |
| | - | - | - | 247,716,487 | - | - | 247,716,487 | - | - | - |
| Investments | | | | | | | | | | |
| - In associates | - | - | - | - | 38,928,012 | - | 38,928,012 | 74,121,498 | - | 74,121,498 |
| - Debt securities | - | - | 182,279,080 | - | - | - | 182,279,080 | - | 183,455,502 | 183,455,502 |
| - Unquoted equity shares* | - | 143,075,283 | - | - | - | - | 143,075,283 | - | - | - |
| - Term Deposits | - | - | 100,000,000 | - | - | - | 100,000,000 | - | - | - |
| Insurance / reinsurance receivable* | - | - | - | 511,035,938 | - | - | 511,035,938 | - | - | - |
| Loan and other receivable* | - | - | - | 40,781,027 | - | - | 40,781,027 | - | - | - |
| Reinsurance recoveries against outstanding claims* | - | - | - | 137,738,201 | - | - | 137,738,201 | - | - | - |
| Assets of Window Takatful Operations - Operator's fund* | - | - | - | 92,110,519 | - | - | 92,110,519 | - | 66,013,800 | 66,013,800 |
| Financial liabilities not measured at fair value | | | | | | | | | | |
| Outstanding claims including IBNR* | | | | | | | | | | |
| | - | - | - | - | - | (241,073,040) | (241,073,040) | - | - | - |
| Insurance / reinsurance payables* | - | - | - | - | - | (244,393,606) | (244,393,606) | - | - | - |
| Other creditors and accruals* | - | - | - | - | - | (179,259,083) | (179,259,083) | - | - | - |
| Total liabilities of Window Takatful Operations - Operator's fund* | - | - | - | - | - | (19,415,566) | (19,415,566) | - | - | - |
| | 354,773,017 | 882,641,512 | 282,279,080 | 1,029,382,172 | 38,928,012 | (684,141,295) | 1,903,862,498 | 167,372,411 | 1,250,482,352 | 1,417,854,763 |

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

For the three months period ended March 31, 2020

| | December 31, 2019 (Audited) | | | | | | | | | |
|---|-----------------------------|--------------------|------------------|-----------------------|-------------------------|-----------------------------|-----------------|-------------|---------------|---------------|
| | Held-for-trading | Available-for-sale | Held-to-maturity | Loans and receivables | Investment in Associate | Other financial liabilities | Total | Level 1 | Level 2 | Total |
| | (Rupees) | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | |
| Investments | | | | | | | | | | |
| - Equity securities | 90,990,067 | 567,992,185 | - | - | - | - | 658,982,252 | 140,774,666 | 518,132,303 | 658,906,969 |
| - Debt securities | - | 201,064,648 | - | - | - | - | 201,064,648 | - | 201,064,648 | 201,064,648 |
| Assets of Window Takaful Operations | | | | | | | | | | |
| - Operator's fund | - | 62,081,477 | - | - | - | - | 62,081,477 | - | 62,081,477 | 62,081,477 |
| Financial assets not measured at fair value | | | | | | | | | | |
| Cash and bank* | | | | | | | | | | |
| | - | - | - | 267,024,544 | - | - | 267,024,544 | - | - | - |
| Investments | | | | | | | | | | |
| - In associates | - | - | - | - | 39,404,247 | - | 39,404,247 | 81,642,907 | - | 81,642,907 |
| - Debt securities | - | - | 228,317,365 | - | - | - | 228,317,365 | - | 204,803,600 | 204,803,600 |
| - Unquoted equity shares* | - | 143,075,283 | - | - | - | - | 143,075,283 | - | - | - |
| - Term Deposits | - | - | 426,000,000 | - | - | - | 426,000,000 | - | - | - |
| Insurance / reinsurance receivable* | - | - | - | 500,355,096 | - | - | 500,355,096 | - | - | - |
| Loan and other receivables | - | - | - | 32,890,397 | - | - | 32,890,397 | - | - | - |
| Reinsurance recoveries against outstanding claims* | | | | | | | | | | |
| | - | - | - | 97,581,839 | - | - | 97,581,839 | - | - | - |
| Assets of Window Takaful Operations | | | | | | | | | | |
| - Operator's fund* | - | - | - | 86,567,960 | - | - | 86,567,960 | - | 62,081,477 | 62,081,477 |
| Financial liabilities not measured at fair value | | | | | | | | | | |
| Outstanding claims including IBNR* | | | | | | | | | | |
| | - | - | - | - | - | (206,337,532) | (206,337,532) | - | - | - |
| Insurance / reinsurance payables* | | | | | | | | | | |
| | - | - | - | - | - | (243,253,439) | (243,253,439) | - | - | - |
| Other creditors and accruals* | | | | | | | | | | |
| | - | - | - | - | - | (1,330,364,763) | (1,330,364,763) | - | - | - |
| Total liabilities of Window Takaful Operations - Operator's fund* | | | | | | | | | | |
| | - | - | - | - | - | (15,378,719) | (15,378,719) | - | - | - |
| | 90,990,067 | 974,213,593 | 654,317,365 | 984,419,836 | 39,404,247 | (1,795,334,453) | 948,010,655 | 222,417,573 | 1,048,163,405 | 1,270,580,978 |

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

29.1 Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

30. SEGMENT INFORMATION

| | Three months period ended March 31, 2020 (Un-audited) | | | | | |
|---|---|--------------------------------|---------------------|---------------------|---------------------|----------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Accident & Health | Miscellaneous | Aggregate |
| | (Rupees) | | | | | |
| Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge) | 61,757,565 | 75,661,855 | 118,186,364 | 4,943,653 | 14,237,406 | 274,786,843 |
| Less: - Federal Excise Duty / Sales Tax | 7,894,272 | 8,208,480 | 14,077,603 | 35,549 | 1,798,056 | 32,013,960 |
| - Federal Insurance Fee | 539,580 | 636,981 | 1,033,476 | 64,334 | 122,891 | 2,397,262 |
| - Others | 15,850 | 3,124,589 | 187,900 | 1,100 | 27,850 | 3,357,289 |
| Gross written premium (inclusive of Administrative Surcharge) | 53,307,863 | 63,691,805 | 102,887,385 | 4,842,670 | 12,288,609 | 237,018,332 |
| - Gross direct premium | 52,961,339 | 62,218,898 | 91,447,190 | 4,828,132 | 12,151,833 | 223,607,392 |
| - Facultative inward premium | - | - | - | - | - | - |
| - Administrative surcharge | 346,524 | 1,472,907 | 11,440,195 | 14,538 | 136,776 | 13,410,940 |
| | 53,307,863 | 63,691,805 | 102,887,385 | 4,842,670 | 12,288,609 | 237,018,332 |
| Insurance premium earned | 103,739,235 | 62,623,293 | 75,698,957 | 73,427,400 | 15,569,596 | 331,058,481 |
| Insurance premium ceded to reinsurers | (87,002,163) | (20,984,985) | (1,564,797) | (148,528) | (10,325,001) | (120,025,474) |
| Net Insurance premium | 16,737,072 | 41,638,308 | 74,134,160 | 73,278,872 | 5,244,595 | 211,033,007 |
| Commission income | 18,721,868 | 8,096,309 | 26,704 | 43,072 | 2,688,413 | 29,576,366 |
| Net underwriting income | 35,458,940 | 49,734,617 | 74,160,864 | 73,321,944 | 7,933,008 | 240,609,373 |
| Insurance claims | (32,106,796) | (1,359,108) | (35,327,393) | (48,500,671) | (41,978,556) | (159,272,524) |
| Insurance claims recovered from reinsurers | 31,596,612 | 617,633 | 6,930,803 | - | 36,797,075 | 75,942,123 |
| Net claims | (510,184) | (741,475) | (28,396,590) | (48,500,671) | (5,181,481) | (83,330,401) |
| Commission expense | (13,076,850) | (9,208,793) | (4,834,843) | (1,099,057) | (1,223,023) | (29,442,566) |
| Management expense | (18,709,607) | (22,354,087) | (36,110,668) | (1,699,645) | (4,312,967) | (83,186,974) |
| Net insurance claims and expenses | (32,296,641) | (32,304,355) | (69,342,101) | (51,299,373) | (10,717,471) | (195,959,941) |
| Underwriting results | 3,162,299 | 17,430,262 | 4,818,763 | 22,022,571 | (2,784,463) | 44,649,432 |
| Investment loss | | | | | | (1,703,397) |
| Other income | | | | | | 5,011,746 |
| Other expenses | | | | | | (1,704,413) |
| Finance costs - Lease liabilities | | | | | | (1,651,746) |
| Share of profit of associates | | | | | | - |
| Profit before tax from Window Takaful Operations | | | | | | 3,193,562 |
| Profit before tax for the period | | | | | | 47,795,184 |



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

For the three months period ended March 31, 2020

| | Three months period ended March 31, 2019 (Un-audited) | | | | | Aggregate |
|---|---|--------------------------------|---------------------|---------------------|--------------------|----------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Accident & Health | Miscellaneous | |
| | ----- (Rupees) ----- | | | | | |
| Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge) | 55,877,424 | 73,791,751 | 131,578,788 | 12,541,349 | 16,187,422 | 289,976,734 |
| Less: - Federal Excise Duty / Sales Tax | 7,093,122 | 8,063,600 | 15,607,267 | 591,119 | 2,032,956 | 33,388,064 |
| - Federal Insurance Fee | 483,153 | 620,655 | 1,149,719 | 161,238 | 139,758 | 2,554,523 |
| - Others | 13,540 | 3,065,335 | 196,550 | 1,400 | 36,050 | 3,312,875 |
| Gross written premium (inclusive of Administrative Surcharge) | 48,287,609 | 62,042,161 | 114,625,252 | 11,787,592 | 13,978,658 | 250,721,272 |
| - Gross direct premium | 47,707,366 | 60,632,339 | 100,906,003 | 11,776,571 | 13,810,549 | 234,832,828 |
| - Facultative inward premium | 233,232 | - | - | - | - | 233,232 |
| - Administrative surcharge | 347,011 | 1,409,822 | 13,719,249 | 11,021 | 168,109 | 15,655,212 |
| | 48,287,609 | 62,042,161 | 114,625,252 | 11,787,592 | 13,978,658 | 250,721,272 |
| Insurance premium earned | 100,222,071 | 62,320,786 | 78,405,227 | 56,612,148 | 15,958,931 | 313,519,163 |
| Insurance premium ceded to reinsurers | (82,466,177) | (21,880,431) | (2,196,300) | (113,872) | (9,979,371) | (116,636,151) |
| Net Insurance premium | 17,755,894 | 40,440,355 | 76,208,927 | 56,498,276 | 5,979,560 | 196,883,012 |
| Commission income | 19,293,886 | 8,401,800 | 55,593 | 39,439 | 2,753,274 | 30,543,992 |
| Net underwriting income | 37,049,780 | 48,842,155 | 76,264,520 | 56,537,715 | 8,732,834 | 227,427,004 |
| Insurance claims | (6,868,411) | (5,414,431) | (38,563,402) | (45,318,908) | (6,291,885) | (102,457,037) |
| Insurance claims recovered from reinsurers | 6,756,134 | 1,633,373 | 5,549,076 | - | 5,089,544 | 19,028,127 |
| Net claims | (112,277) | (3,781,058) | (33,014,326) | (45,318,908) | (1,202,341) | (83,428,910) |
| Commission expense | (12,877,219) | (9,164,235) | (5,299,282) | (725,123) | (1,263,485) | (29,329,344) |
| Management expense | (15,098,443) | (19,399,180) | (35,840,724) | (3,685,713) | (4,370,810) | (78,394,870) |
| Net insurance claims and expenses | (28,087,939) | (32,344,473) | (74,154,332) | (49,729,744) | (6,836,636) | (191,153,124) |
| Underwriting results | 8,961,841 | 16,497,682 | 2,110,188 | 6,807,971 | 1,896,198 | 36,273,880 |
| Investment income | | | | | | 10,395,571 |
| Other income | | | | | | 12,298,873 |
| Other expenses | | | | | | (2,254,423) |
| Share of profit of associates | | | | | | 1,168,569 |
| Profit before tax from Window Takaful Operations | | | | | | 2,850,130 |
| Profit before tax for the period | | | | | | 60,732,600 |

The class wise assets and liabilities are as follows:

| | Three months period ended March 31, 2020 (Un-audited) | | | | | |
|--|---|--------------------------------|--------------------|---------------------|--------------------|----------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Accident and health | Miscellaneous | Total |
| | (Rupees) | | | | | |
| Segment assets | 317,822,205 | 157,846,527 | 236,160,831 | 12,348,058 | 98,545,790 | 822,723,411 |
| Unallocated assets | | | | | | 2,036,429,403 |
| Unallocated assets of Window Takaful Operation - Operator's Fund | | | | | | 94,417,733 |
| Total assets | 317,822,205 | 157,846,527 | 236,160,831 | 12,348,058 | 98,545,790 | 2,953,570,547 |
| Segment liabilities | 287,124,352 | 108,151,152 | 303,219,011 | 116,800,615 | 107,174,274 | 922,469,404 |
| Unallocated liabilities | | | | | | 246,352,423 |
| Unallocated liabilities of Window Takaful Operation - Operator's Fund | | | | | | 31,018,161 |
| Total liabilities | 287,124,352 | 108,151,152 | 303,219,011 | 116,800,615 | 107,174,274 | 1,199,839,988 |

| | December 31, 2019 (Audited) | | | | | |
|--|-----------------------------|--------------------------------|--------------------|---------------------|-------------------|----------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Accident and health | Miscellaneous | Total |
| | (Rupees) | | | | | |
| Segment assets | 385,053,406 | 111,418,140 | 133,638,759 | 111,400,655 | 75,608,505 | 817,119,465 |
| Unallocated assets | | | | | | 2,179,269,980 |
| Unallocated assets of Window Takaful Operation - Operator's Fund | | | | | | 89,831,932 |
| Total assets | 385,053,406 | 111,418,140 | 133,638,760 | 111,400,655 | 75,608,505 | 3,086,221,377 |
| Segment liabilities | 346,751,839 | 86,578,096 | 229,259,377 | 236,830,287 | 85,654,803 | 965,074,402 |
| Unallocated liabilities | | | | | | 235,678,731 |
| Unallocated liabilities of Window Takaful Operation - Operator's Fund | | | | | | 28,770,317 |
| Total liabilities | 346,751,839 | 86,578,096 | 229,259,377 | 236,830,286 | 85,654,803 | 1,249,523,450 |

31. GENERAL

Figures in these condensed interim financial information have been rounded off to the nearest rupees, unless otherwise stated.

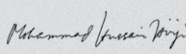
32. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial information were authorised for issue in accordance with a resolution of the Board of Directors on April 28, 2020.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer





Window
TAKAFUL
Operations

Financial Statements

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2020

| | Note | Operator's Fund | | Participants' Takaful Fund | |
|---|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| | | ----- (Rupees) ----- | | | |
| Assets | | | | | |
| Investments | 9 | | | | |
| Equity securities | | 66,013,800 | 62,081,477 | - | - |
| Debt securities | | - | - | 500,000 | 500,000 |
| Loan and other receivables | 10 | 65,634 | 60,907 | 563,479 | 452,811 |
| Takaful / Re-takaful receivables | 11 | - | - | 28,715,886 | 31,222,562 |
| Retakaful recoveries against outstanding claims | | - | - | 20,735,909 | 5,735,733 |
| Deferred commission expense / acquisition cost | 20 | 2,307,214 | 3,239,167 | - | - |
| Receivable from PTF | 12 | 21,228,972 | 23,098,830 | - | - |
| Deferred wakala fee | 21 | - | - | 8,742,257 | 11,310,448 |
| Prepaid re-takaful contribution ceded | | - | - | 7,784,015 | - |
| Deferred taxation | | - | 24,805 | - | 8,104,293 |
| Cash and bank | 13 | 4,802,113 | 1,326,746 | 44,789,184 | 43,817,054 |
| Total Assets | | 94,417,733 | 89,831,932 | 111,830,730 | 101,142,901 |

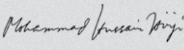
| | Operator's Fund | | Participants' Takaful Fund | |
|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| Note | ----- (Rupees) ----- | | | |
| Funds and Liabilities | | | | |
| Funds attributable to: | | | | |
| Operator's Fund | | | | |
| Statutory fund | 50,000,000 | 50,000,000 | - | - |
| Reserves | 9,798 | (60,730) | - | - |
| Accumulated gain | 13,389,774 | 11,122,345 | - | - |
| Participants' Takaful Fund | | | | |
| Ceded Money | - | - | 500,000 | 500,000 |
| Accumulated surplus | - | - | 12,734,281 | 9,304,881 |
| Total Funds | 63,399,572 | 61,061,615 | 13,234,281 | 9,804,881 |
| Liabilities | | | | |
| Underwriting provisions | | | | |
| Outstanding claims including IBNR | 19 | - | 35,397,819 | 19,802,329 |
| Unearned contribution reserve | 17 | - | 23,495,531 | 30,202,824 |
| Unearned re-takaful rebate | 18 | - | 1,062,730 | 1,134,344 |
| Unearned Wakala fee | 21 | 8,742,257 | - | - |
| Payable to OPF | 12 | - | 21,228,972 | 23,098,830 |
| Deferred taxation | - | 4,002 | - | - |
| Contribution received in advance | - | - | 278,249 | 384,481 |
| Takaful / Re-takaful payables | 14 | - | 16,594,832 | 15,881,047 |
| Other creditors and accruals | 15 | 19,415,566 | 538,316 | 834,165 |
| Taxation - provision less payment | - | 2,856,336 | - | - |
| Total Liabilities | 31,018,161 | 28,770,317 | 98,596,449 | 91,338,020 |
| Total Funds and Liabilities | 94,417,733 | 89,831,932 | 111,830,730 | 101,142,901 |
| Contingency and Commitment | | 16 | | |


The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer



Condensed Interim Profit and Loss Account (Un-audited)

For the three months period ended March 31, 2020

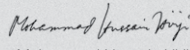
| | | Three months period ended | |
|---|--|---------------------------|-------------------|
| | | March 31, 2020 | March 31, 2019 |
| Note | | (Rupees) | |
| Participants' Takaful Fund - revenue account | | | |
| | Contribution earned | 13,146,266 | 10,491,264 |
| | Less: Contribution ceded to retakaful | (6,674,855) | (3,271,842) |
| | Net contribution revenue | 6,471,411 | 7,219,422 |
| 17 | | | |
| | Re-takaful rebate earned | 972,044 | 535,184 |
| 18 | Net underwriting income | 7,443,455 | 7,754,606 |
| | Net claims - reported / settled | (4,496,573) | (3,924,827) |
| 19 | Direct expenses | (305,503) | (157,003) |
| | Surplus before investment income | 2,641,379 | 3,672,776 |
| | Investment income | 406,784 | 159,566 |
| 22 | Other income | 578,242 | 214,474 |
| | Less: Mudarib share of investment income | (197,005) | (74,808) |
| 24 | Surplus for the period | 3,429,400 | 3,972,008 |
| Operator's Fund - revenue account | | | |
| | Wakala fee | 7,554,761 | 5,957,302 |
| 21 | Commission expense | (2,139,136) | (1,615,750) |
| 20 | Management expenses | (4,177,802) | (1,630,609) |
| | | 1,237,823 | 2,710,943 |
| | Mudarib share of PTF investment income | 197,005 | 74,808 |
| 24 | Investment Income | 1,710,207 | - |
| 22 | Other income | 122,786 | 104,238 |
| 23 | Direct expenses | (74,259) | (39,859) |
| | Profit before tax | 3,193,562 | 2,850,130 |
| | Taxation | (926,133) | (798,036) |
| | Profit after tax | 2,267,429 | 2,052,094 |


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Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months period ended March 31, 2020

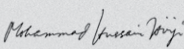
| | Three months period ended | |
|--|---------------------------|-------------------|
| | March 31, 2020 | March 31, 2019 |
| | ------(Rupees)----- | |
| Participants' Fund | | |
| Surplus for the period | 3,429,400 | 3,972,008 |
| Other Comprehensive Income for the period | | |
| - Unrealized gain on available for sale investments | - | 131,807 |
| - Reclassification adjustment for net (gain) on available for sale investments included in profit and loss account | - | (5,181) |
| | - | 126,626 |
| Total Comprehensive Income for the period | 3,429,400 | 4,098,634 |
| Operator's Fund | | |
| Profit after tax | 2,267,429 | 2,052,094 |
| Other Comprehensive Income for the period | | |
| Items that will be reclassified to profit and loss account | | |
| - Unrealized gain on available for sale investments - net of tax | 9,798 | 491,545 |
| - Reclassification adjustment for net loss on available for sale investments included in profit and loss account | 60,730 | - |
| | 70,528 | 491,545 |
| Total comprehensive income for the period | 2,337,957 | 2,543,639 |


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Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer



Condensed Interim Statement of Cash Flows (Un-audited)

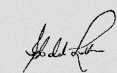
For the three months period ended March 31, 2020

| | Operator's Fund | | Participants' Takaful Fund | |
|--|--------------------|--------------------|----------------------------|--------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Operating Cash flows | (Rupees) | | | |
| (a) Takaful activities | | | | |
| Contribution received | - | - | 14,485,811 | 12,114,424 |
| Re-takaful contributions paid | - | - | (3,246,336) | - |
| Claims paid | - | - | (4,665,251) | (8,402,234) |
| Re-takaful and other recoveries received | - | - | 793,334 | - |
| Commission paid | (997,322) | (1,205,217) | 2,596 | - |
| Re-takaful rebate received | - | - | 384,998 | - |
| Wakala fee received / paid | 7,053,433 | - | (7,053,433) | - |
| Direct expenses paid | - | - | (305,503) | (157,003) |
| Net cash inflows / (outflows) from takaful activities | 6,056,111 | (1,205,217) | 396,216 | 3,555,187 |
| (b) Other operating activities | | | | |
| Income tax paid | (150,947) | (16,957) | (66,605) | - |
| General, administration and management expenses paid | (429,461) | (639,700) | - | - |
| Other operating receipts / payments- net | 4,382 | - | (298,443) | 191,472 |
| Net cash (outflows) / inflows from other operating activities | (576,026) | (656,657) | (365,048) | 191,472 |
| Total cash inflows / (outflows) from operating activities | 5,480,085 | (1,861,874) | 31,168 | 3,746,659 |
| Investment activities | | | | |
| Profit / return received | 118,059 | 232,835 | 546,500 | 228,666 |
| Dividend received | 320,280 | - | 97,115 | - |
| Payment for investments | (66,295,845) | - | (14,485,161) | (15,000,000) |
| Proceed from redemption or sale of investment | 63,852,788 | - | 14,782,508 | 10,000,000 |
| Total cash (outflows) / inflow from investing activities | (2,004,718) | 232,835 | 940,962 | (4,771,334) |
| Net cash inflow from all activities | 3,475,367 | (1,629,039) | 972,130 | (1,024,675) |
| Cash and cash equivalents at beginning of period | 1,326,746 | 8,976,046 | 43,817,054 | 15,729,935 |
| Cash and cash equivalents at the end of period | 4,802,113 | 7,347,007 | 44,789,184 | 14,705,260 |
| Reconciliation to profit and loss account | | | | |
| Operating cash flows | 5,480,085 | (1,861,874) | 31,168 | 3,746,659 |
| Profit on disposal of investments | 1,389,927 | - | 297,348 | 153,596 |
| Profit / returns received | 319,791 | 179,046 | 393,558 | 145,636 |
| Dividend income | 320,280 | - | 97,115 | - |
| Increase / (decrease) in assets other than cash | (2,999,196) | 4,397,897 | 9,874,094 | 176,550 |
| (Increase) in liabilities other than borrowings | (2,243,458) | (662,975) | (7,263,883) | (250,433) |
| Profit after tax / surplus for the period | 2,267,429 | 2,052,094 | 3,429,400 | 3,972,008 |

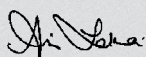
Definition of cash

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

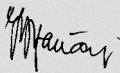
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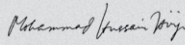
Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Tasleemuddin Ahmed Batlay
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Changes in Funds (Un-audited)

For the three months period ended March 31, 2020

| | Operator's Fund | | | Total |
|--|-----------------|---|---------------------|------------|
| | Statutory fund | Revenue reserve Available for sale Investment revaluation reserve | Accumulated surplus | |
| ----- (Rupees) ----- | | | | |
| Balance as at January 01, 2019 | 50,000,000 | 141,806 | 4,408,021 | 54,549,827 |
| Changes in fund for the three months period ended March 31, 2019 | | | | |
| Profit after tax for the three months period | - | - | 2,052,094 | 2,052,094 |
| Other comprehensive income | | | | |
| Unrealised gains on available for sale investments - net of tax | - | 491,545 | - | 491,545 |
| Released loss on available for sale investments - net of tax | - | - | - | - |
| | - | 491,545 | 2,052,094 | 2,543,639 |
| Balance as at March 31, 2019 | 50,000,000 | 633,351 | 6,460,115 | 57,093,466 |
| Balance as at January 01, 2020 | 50,000,000 | (60,730) | 11,122,345 | 61,061,615 |
| Changes in fund for the three months period ended March 31, 2020 | | | | |
| Profit after tax for the three months period | - | - | 2,267,429 | 2,267,429 |
| Other comprehensive income | | | | |
| Unrealised gains on available for sale investments - net of tax | - | 9,798 | - | 9,798 |
| Released loss on available for sale investments - net of tax | - | 60,730 | - | 60,730 |
| | - | 70,528 | 2,267,429 | 2,337,957 |
| Balance as at March 31, 2020 | 50,000,000 | 9,798 | 13,389,774 | 63,399,572 |




Condensed Interim Statement of Changes in Funds (Un-audited)

For the three months period ended March 31, 2020

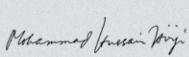
| | Participants' Takaful Fund | | |
|---|----------------------------|---------------------------------|-------------------|
| | Ceded money | Accumulated surplus (Rupees) | Total |
| Balances as at January 01, 2019 | 500,000 | 98,359 | 598,359 |
| Changes in fund for the three months period ended March 31, 2019 | | | |
| Surplus for the three months period ended | - | 3,972,008 | 3,972,008 |
| Other comprehensive income | | | |
| Unrealised gains on available for sale investments | - | 131,807 | 131,807 |
| Realised gains on available for sale investments | - | (5,181) | (5,181) |
| | - | 4,098,634 | 4,098,634 |
| Balance as at March 31, 2019 | 500,000 | 4,196,993 | 4,696,993 |
| Balances as at January 01, 2020 | 500,000 | 9,304,881 | 9,804,881 |
| Changes in fund for the three months period ended March 31, 2020 | | | |
| Surplus for the three months period ended | - | 3,429,400 | 3,429,400 |
| Other comprehensive income | | | |
| Unrealised gains on available for sale investments | - | - | - |
| Realised gains on available for sale investments | - | - | - |
| | - | 3,429,400 | 3,429,400 |
| Balance as at March 31, 2020 | 500,000 | 12,734,281 | 13,234,281 |


The annexed notes from 1 to 29 form an integral part of these condensed interim financial information.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the three months period ended March 31, 2020

1. STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (“the Operator”) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act 2017) on October 10, 1985. The Operator is listed on Pakistan Stock Exchange and is engaged in general insurance business. The registered office of the Operator is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

The Operator was granted authorisation on August 07, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (“the Operations”) by Securities and Exchange Commission of Pakistan (“SECP”) under Takaful Rules, 2012 to carry on general takaful operations in Pakistan.

The Operator transferred statutory fund of Rs. 50 million in a separate bank account for the Operations as per the requirement of circular 8 of 2014. Thereafter, the Operator has formed a Waqf for Participants’ Fund (“PTF”) by executing the Waqf deed dated August 17, 2017 by investing a ceded money of Rs. 0.5 million. The ceded money is required to be invested in shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf Deed governs the relationship of Operator and participants for management of takaful operations, investments of participants’ funds and investments of the Operator’s funds approved by the shariah advisor of the Operator. The Operator commenced activities of the Operations on August 18, 2017.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Takaful Accounting Regulations 2019 and Takaful Rules 2012, have been followed.

2.2 These condensed interim financial statements do not include all the statements required in the full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with annual financial statements as at and for the year ended December 31, 2019.



Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the three months period ended March 31, 2020

2.3 These condensed interim financial statements have been presented in Pakistani Rupees, which is also the functional currency of the Operator.

3. BASIS OF MEASUREMENT

These condensed financial statements have been prepared under the historical cost convention except for certain investment which are stated at their fair values.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operations' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at December 31, 2019.

6. TAKAFUL AND FINANCIAL RISK MANAGEMENT

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

7. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business at period end is adequate to meet the expected future liability after re-takaful from claims and other expenses expected to be increased after the reporting date in respect of policies in force at reporting date.

8. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit and loss.

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

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

| | March 31, 2020 | | | | |
|--|----------------------|---|--------------------|----------------------|---|
| | Fail the SPPI Test | | Pass the SPPI Test | | |
| | Fair value | Change in Unrealized gain or (loss) during the year | Carrying Value | Cost less impairment | Change in Unrealized gain or (loss) during the year |
| | ----- (Rupees) ----- | | | | |
| Financial assets | | | | | |
| Investments | | | | | |
| - Equity securities - Available for Sale | 66,013,800 | 13,800 | - | - | - |
| - Debt securities - held to maturity | - | - | 500,000 | - | - |
| Loans and other receivables* | 629,113 | - | - | - | - |
| Takaful / Re-takaful receivables* | 28,715,886 | - | - | - | - |
| Retakaful recoveries against outstanding claims* | 20,735,909 | - | - | - | - |
| Cash and Bank | 49,591,297 | | | | |
| | 165,686,005 | 13,800 | 500,000 | - | - |

Gross Carrying amount of debt instruments that pass the SPPI test

| Investment in debt securities | AA+ |
|-------------------------------|-----------------|
| | --- (Rupees)--- |
| Held to Maturity | 500,000 |

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

9. INVESTMENTS

9.1 Investments In Securities - Available For Sale

| | March 31, 2020 (Un-audited) | | December 31, 2019 (Audited) | |
|------------------------|--------------------------------|-------------------|--------------------------------|----------------|
| | Cost | Carrying Value | Cost | Carrying Value |
| | ----- (Rupees) ----- | | | |
| Operator's Fund | | | | |
| Mutual funds | 66,000,000 | 66,013,800 | 62,167,012 | 62,081,477 |

9.2 Investment in debt securities

| Held to maturity | | | | |
|-----------------------------------|----------------|----------------|---------|---------|
| Certificate of Islamic Investment | 500,000 | 500,000 | 500,000 | 500,000 |



Notes to and Forming Part of the Condensed Interim Financial Statements (Unaudited)

For the three months period ended March 31, 2020

| | Operator's Fund | | Participants' Takaful Fund | |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| 10. LOAN AND OTHER RECEIVABLE | ----- (Rupees) ----- | | | |

| | | | | |
|---------------------------|---------------|---------------|----------------|----------------|
| Accrued investment income | 65,634 | 60,907 | 241,297 | 197,234 |
| Advance Tax | - | - | 322,182 | 255,577 |
| | <u>65,634</u> | <u>60,907</u> | <u>563,479</u> | <u>452,811</u> |

| | Operator's Fund | | Participants' Takaful Fund | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| 11. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF | ----- (Rupees) ----- | | | |

| | | | | |
|---|--|--|-------------------|-------------------|
| Due from Takaful contract holders | | | 8,039,821 | 7,060,403 |
| Due from other Takaful / Re-takaful operators | | | 19,629,335 | 23,086,087 |
| Re-Takaful recoveries due but unpaid | | | 1,046,730 | 1,076,072 |
| | | | <u>28,715,886</u> | <u>31,222,562</u> |

| | Operator's Fund | | Participants' Takaful Fund | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| 12. RECEIVABLE / PAYABLE (Between OPF and PTF) | ----- (Rupees) ----- | | | |

| | | | | |
|--------------|-------------------|-------------------|----------|----------|
| Wakala fee | 20,847,009 | 22,913,872 | - | - |
| Modaraba fee | 381,963 | 184,958 | - | - |
| | <u>21,228,972</u> | <u>23,098,830</u> | <u>-</u> | <u>-</u> |

| | Operator's Fund | | Participants' Takaful Fund | |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| 13. CASH AND BANK | | | | |
| Cash and cash equivalents | | | | |
| Cash in hand | 10,000 | 10,000 | - | - |
| Current and other accounts | | | | |
| Saving accounts | 4,792,113 | 1,316,746 | 44,789,184 | 43,817,054 |
| | <u>4,802,113</u> | <u>1,326,746</u> | <u>44,789,184</u> | <u>43,817,054</u> |

13.1 Saving accounts carry expected profit rates ranging from 2.9% to 7.25% (2019: 3.5% to 7.2%) per annum.

| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
|---|-----------------------------------|-----------------------------------|
| | ----- (Rupees) ----- | |
| 14. TAKAFUL / RE-TAKAFUL PAYABLES - PTF | | |
| Due to other takaful / re-takaful operators | <u>16,594,832</u> | <u>15,881,047</u> |

| | Operator's Fund | | Participants' Takaful Fund | |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| | ----- (Rupees) ----- | | | |
| 15. OTHER CREDITORS AND ACCRUALS | | | | |
| Commission payable | 4,856,744 | 4,646,883 | - | - |
| Federal excise duty and sales tax | - | - | 364,731 | 752,139 |
| Federal takaful fee | - | - | 43,973 | 67,243 |
| Accrued expense | 14,206,072 | 10,452,222 | 120,283 | - |
| Audit fee payable | 343,750 | 275,000 | - | - |
| Tax deducted at source | 9,000 | 4,614 | 9,329 | 14,783 |
| | <u>19,415,566</u> | <u>15,378,719</u> | <u>538,316</u> | <u>834,165</u> |

16. CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at March 31, 2020 (December 31, 2019: Nil).

| | (Un-audited) | |
|---|---|--------------------|
| | Three month period ended March 31, 2020 | March 31, 2019 |
| | ----- (Rupees) ----- | |
| 17. NET TAKAFUL CONTRIBUTION - PTF | | |
| Written Gross Contribution | 13,993,734 | 12,406,859 |
| Less: Wakala Fee | (7,554,761) | (5,957,302) |
| Contribution Net of Wakala Fee | <u>6,438,973</u> | <u>6,449,557</u> |
| Add : Unearned contribution reserve opening | 30,202,824 | 27,096,213 |
| Less: Unearned contribution reserve closing | (23,495,531) | (23,054,506) |
| Contribution earned | <u>13,146,266</u> | <u>10,491,264</u> |
| Less: Re-takaful Contribution ceded | <u>6,354,577</u> | 4,522,873 |
| Add: Prepaid re-takaful contribution ceded opening | 8,104,293 | 4,958,997 |
| Less: Prepaid re-takaful contribution ceded closing | <u>(7,784,015)</u> | <u>(6,210,028)</u> |
| Re-takaful expense | <u>6,674,855</u> | <u>3,271,842</u> |
| | <u>6,471,411</u> | <u>7,219,422</u> |



Notes to and Forming Part of the Condensed Interim Financial Statements (Unaudited)

For the three months period ended March 31, 2020

| | (Un-audited) | |
|---|--------------------------|---------------------|
| | Three month period ended | |
| | March 31, 2020 | March 31, 2019 |
| | ----- (Rupees) ----- | |
| 18. REBATE FROM RE-TAKAFUL - PTF | | |
| Retakaful Rebate received or receivable | 900,430 | 686,065 |
| Add: Unearned Re-takaful opening | 1,134,344 | 730,503 |
| Less: Unearned Re-takaful closing | <u>(1,062,730)</u> | <u>(881,384)</u> |
| | <u>972,044</u> | <u>535,184</u> |
| 19. NET TAKAFUL CLAIMS EXPENSE - PTF | | |
| Claim paid | 4,665,251 | 8,402,234 |
| Add : Outstanding claims including IBNR closing | 35,397,819 | 16,477,007 |
| Less: Outstanding claims including IBNR opening | <u>(19,802,329)</u> | <u>(20,916,014)</u> |
| Claims expense | <u>20,260,741</u> | <u>3,963,227</u> |
| Less: Re-takaful and others recoveries received | <u>763,992</u> | <u>38,400</u> |
| Add: Re-takaful and others recoveries against outstanding claims closing | <u>20,735,909</u> | <u>9,687,600</u> |
| Less: Re-takaful and others recoveries against outstanding claims opening | <u>(5,735,733)</u> | <u>(9,687,600)</u> |
| Re-takaful and recoveries revenue | <u>15,764,168</u> | <u>38,400</u> |
| | <u>4,496,573</u> | <u>3,924,827</u> |
| 20. COMMISSION EXPENSE - OPF | | |
| Commission paid or payable | 1,207,183 | 1,232,289 |
| Add : Deferred commission expense opening | 3,239,167 | 2,509,244 |
| Less: Deferred commission expense closing | <u>(2,307,214)</u> | <u>(2,125,783)</u> |
| Net commission | <u>2,139,136</u> | <u>1,615,750</u> |
| 21. NET WAKALA FEE | | |
| Gross Wakala Fee | 4,986,570 | 4,481,984 |
| Add: Deferred Wakala Fee - Opening | <u>11,310,448</u> | <u>10,039,727</u> |
| Less: Deferred Wakala Fee - Closing | <u>(8,742,257)</u> | <u>(8,564,409)</u> |
| | <u>2,568,191</u> | <u>1,475,318</u> |
| | <u>7,554,761</u> | <u>5,957,302</u> |

The Operator manages the general takaful operations for the Participants' and charges wakala fee to PTF on gross contributions recognized for each class of business at following rates:

| Class | Percentage ----- (%) ----- |
|--------------------------------|-------------------------------|
| Fire and property damage | 30 |
| Marine, aviation and transport | 30 |
| Motor | 40 |
| Health | 20 |
| Miscellaneous | 35 |

| | Operator's Fund | | Participants' Takaful Fund | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| 22. INVESTMENT INCOME | ----- (Rupees) ----- | | | |
| Participants' Takaful Fund | | | | |
| Income from equity securities - Available for sale | | | | |
| Realised gain on sale of equity securities | 1,389,927 | - | 297,348 | 153,596 |
| Dividend income | 320,280 | - | 97,115 | - |
| Income from debt securities - Held to maturity | | | | |
| Return on Certificate of Islamic Investment | - | - | 12,321 | 5,970 |
| | <u>1,710,207</u> | <u>-</u> | <u>406,784</u> | <u>159,566</u> |

23. OTHER INCOME - OPF

Operator's Fund

| | | | | |
|-------------------------|----------------|---------|----------------|---------|
| Profit on bank balances | <u>122,786</u> | 104,238 | <u>578,242</u> | 214,474 |
|-------------------------|----------------|---------|----------------|---------|

24. MUDARIB'S FEE

The Operator also manages the participants' investment as Mudarib and charges 20 percent of the investment income and profits on bank deposits earned by the PTF as Mudarib's fee. It is recognized on the same basis on which related revenue is recognised.

| | Operator's Fund | | Participants' Takaful Fund | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
| | ----- (Rupees) ----- | | | |
| Mudarib's share of PTF investment income | <u>197,005</u> | 74,808 | <u>-</u> | <u>-</u> |

25. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise the Operator, associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel of the Operator. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions and on an arm's length basis. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these financial information, are as follows:

| | (Un-audited) | |
|--|--------------------------|-------------------|
| | Three month period ended | |
| | March 31, 2020 | March 31, 2019 |
| | ----- (Rupees) ----- | |
| Associated companies / undertakings | | |
| Takaful contribution written | <u>2,240,963</u> | 2,274,072 |
| Claim paid | <u>78,670</u> | <u>-</u> |

26. SEGMENT INFORMATION

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and Insurance Rules, 2017 for class of business wise revenues, results, assets and liabilities.



Notes to and Forming Part of the Condensed Interim Financial Statements (Unaudited)

For the three months period ended March 31, 2020

| | For the three months period ended March 31, 2020 (Un-audited) | | | | |
|--|---|--------------------------------|------------------|------------------|--------------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Aggregate |
| | ----- (Rupees) ----- | | | | |
| Participant's Takaful Fund | | | | | |
| Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge) | 4,754,001 | 1,442,108 | 8,247,348 | 1,774,473 | 16,217,930 |
| Less: - Federal Excise Duty / Sales Tax | 590,567 | 150,611 | 988,253 | 234,177 | 1,963,608 |
| - Federal Insurance Fee | 41,239 | 11,835 | 71,982 | 15,249 | 140,305 |
| - Others | 2,400 | 108,083 | 9,650 | 150 | 120,283 |
| Facultative inward premium | - | - | - | - | - |
| | <u>4,119,795</u> | <u>1,171,579</u> | <u>7,177,463</u> | <u>1,524,897</u> | <u>13,993,734</u> |
| Gross written Contribution (inclusive of Administrative Surcharge) | 4,068,457 | 1,124,589 | 6,936,481 | 1,517,751 | 13,647,278 |
| - Gross direct Contribution | - | - | - | - | - |
| - Facultative inward contribution | 51,338 | 46,990 | 240,982 | 7,146 | 346,456 |
| - Administrative surcharge | - | - | - | - | - |
| | <u>4,119,795</u> | <u>1,171,579</u> | <u>7,177,463</u> | <u>1,524,897</u> | <u>13,993,734</u> |
| Wakala fee | (1,562,645) | (420,504) | (5,133,731) | (437,881) | (7,554,761) |
| Takaful contribution earned | 5,208,813 | 1,401,680 | 12,834,329 | 1,256,205 | 20,701,027 |
| Takaful contribution ceded to re-takaful operators | (4,169,415) | (1,073,850) | (387,881) | (1,043,709) | (6,674,855) |
| Net Takaful contribution | (523,247) | (92,674) | 7,312,717 | (225,385) | 6,471,411 |
| Rebate earned | 651,848 | 155,567 | 13,423 | 151,206 | 972,044 |
| Net underwriting income | 128,601 | 62,893 | 7,326,140 | (74,179) | 7,443,455 |
| Takaful claims | (13,066,752) | (166,831) | (2,753,510) | (4,273,648) | (20,260,741) |
| Takaful claims recovered from re-takaful operators | 12,192,391 | 133,465 | - | 3,438,312 | 15,764,168 |
| Net claims | (874,361) | (33,366) | (2,753,510) | (835,336) | (4,496,573) |
| Direct expenses | (89,941) | (25,577) | (156,694) | (33,291) | (305,503) |
| (Deficit) / surplus before investment income | (835,701) | 3,950 | 4,415,936 | (942,806) | 2,641,379 |
| Investment income | | | | | 406,784 |
| Other income | | | | | 578,242 |
| Mudarib fee | | | | | (197,005) |
| Surplus for the period | | | | | <u>3,429,400</u> |
| Operator's Fund | | | | | |
| Wakala fee | 1,562,645 | 420,504 | 5,133,731 | 437,881 | 7,554,761 |
| Commission expense | (563,214) | (137,394) | (1,314,650) | (123,878) | (2,139,136) |
| Management expense | (1,229,957) | (349,773) | (2,142,817) | (455,255) | (4,177,802) |
| | <u>(230,526)</u> | <u>(66,663)</u> | <u>1,676,264</u> | <u>(141,252)</u> | <u>1,237,823</u> |
| Mudarib share of PTF investment income | | | | | 197,005 |
| Investment income | | | | | 1,710,207 |
| Other income | | | | | 122,786 |
| Other expenses | | | | | (74,259) |
| Profit before tax | | | | | <u>3,193,562</u> |

The class wise revenues and results are as follows:

| | For the three months period ended March 31, 2019 (Un-audited) | | | | |
|--|---|--------------------------------|------------------|------------------|-------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Aggregate |
| | ----- (Rupees) ----- | | | | |
| Participant's Takaful Fund | | | | | |
| Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge) | 3,171,693 | 1,414,796 | 8,237,460 | 1,519,509 | 14,343,458 |
| Less: - Federal Excise Duty / Sales Tax | 392,237 | 146,220 | 957,431 | 206,601 | 1,702,489 |
| - Federal Insurance Fee | 27,499 | 11,557 | 72,218 | 12,997 | 124,271 |
| - Others | 2,300 | 102,139 | 5,200 | 200 | 109,839 |
| Facultative inward premium | - | - | - | - | - |
| | <u>2,749,657</u> | <u>1,154,880</u> | <u>7,202,611</u> | <u>1,299,711</u> | <u>12,406,859</u> |
| Gross written Contribution (inclusive of Administrative Surcharge) | | | | | |
| - Gross direct Contribution | 2,705,206 | 1,099,144 | 6,986,821 | 1,299,133 | 12,090,304 |
| - Facultative inward premium | - | - | - | - | - |
| - Administrative surcharge | 44,451 | 55,736 | 215,790 | 578 | 316,555 |
| | <u>2,749,657</u> | <u>1,154,880</u> | <u>7,202,611</u> | <u>1,299,711</u> | <u>12,406,859</u> |
| Wakala fee | (759,478) | (340,903) | (4,297,339) | (559,582) | (5,957,302) |
| Takaful contribution earned | 2,531,595 | 1,136,343 | 10,743,349 | 2,037,279 | 16,448,566 |
| Takaful contribution ceded to re-takaful operators | (1,372,552) | (1,012,218) | (514,925) | (372,147) | (3,271,842) |
| Net Takaful contribution | 399,565 | (216,778) | 5,931,085 | 1,105,550 | 7,219,422 |
| Rebate earned | 182,774 | 154,531 | 5,014 | 192,865 | 535,184 |
| Net revenue | <u>582,339</u> | <u>(62,247)</u> | <u>5,936,099</u> | <u>1,298,415</u> | <u>7,754,606</u> |
| Takaful claims | (1,500) | - | (2,999,565) | (962,162) | (3,963,227) |
| Takaful claims recovered from re-takaful operators | - | - | - | 38,400 | 38,400 |
| Net claims | (1,500) | - | (2,999,565) | (923,762) | (3,924,827) |
| Direct expenses | (34,796) | (14,614) | (91,146) | (16,447) | (157,003) |
| Surplus / (deficit) before investment income | <u>546,043</u> | <u>(76,861)</u> | <u>2,845,388</u> | <u>358,206</u> | <u>3,672,776</u> |
| Investment income | | | | | 159,566 |
| Other income | | | | | 214,474 |
| Mudarib fee | | | | | (74,808) |
| Surplus for the period | | | | | <u>3,972,008</u> |
| Operator's Fund | | | | | |
| Wakala fee | 759,478 | 340,903 | 4,297,339 | 559,582 | 5,957,302 |
| Commission expense | (295,345) | (108,617) | (1,060,684) | (151,104) | (1,615,750) |
| Management expense | (361,382) | (151,784) | (946,624) | (170,819) | (1,630,609) |
| | <u>102,751</u> | <u>80,502</u> | <u>2,290,031</u> | <u>237,659</u> | <u>2,710,943</u> |
| Mudarib share of PTF investment income | | | | | 74,808 |
| Investment income | | | | | - |
| Other income | | | | | 104,238 |
| Other expenses | | | | | (39,859) |
| Profit before tax | | | | | <u>2,850,130</u> |



Notes to and Forming Part of the Condensed Interim Financial Statements (Unaudited)

For the three months period ended March 31, 2020

The classwise assets and liabilities are as follows:

| | March 31, 2020 (Un-audited) | | | | |
|---------------------------------------|-----------------------------|--------------------------------|-------------------|-------------------|--------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Total |
| | ----- (Rupees) ----- | | | | |
| Segment assets | 27,863,213 | 3,042,441 | 22,316,560 | 12,755,852 | 65,978,066 |
| Unallocated assets | | | | | |
| Participants' Takaful Fund | | | | | 45,852,664 |
| Operator's Fund | | | | | 94,417,733 |
| Consolidated total assets | | | | | 206,248,463 |
| Segment liabilities | 31,221,845 | 3,890,287 | 47,355,889 | 15,998,816 | 98,466,837 |
| Unallocated liabilities | | | | | |
| Participants' Takaful Fund | | | | | 129,612 |
| Operator's Fund | | | | | 31,018,161 |
| Consolidated total liabilities | | | | | 129,614,610 |
| | December 31, 2019 (Audited) | | | | |
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Total |
| | ----- (Rupees) ----- | | | | |
| Segment assets | 15,226,991 | 3,577,024 | 29,769,969 | 7,799,052 | 56,373,036 |
| Unallocated assets | | | | | |
| Participants' Takaful Fund | | | | | 44,769,865 |
| Operator's Fund | | | | | 89,831,932 |
| Consolidated total assets | | | | | 190,974,833 |
| Segment liabilities | 17,253,452 | 4,414,007 | 59,930,070 | 9,725,708 | 91,323,237 |
| Unallocated liabilities | | | | | |
| Participants' Takaful Fund | | | | | 14,783 |
| Operator's Fund | | | | | 28,770,317 |
| Consolidated total liabilities | | | | | 120,108,337 |

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

| | March 31, 2020 (Un-audited) | | | | Fair value | | | |
|---|-----------------------------|------------------|-----------------------|-----------------------------|-------------------|---------|-------------------|-------------------|
| | Available-for-sale | Held to maturity | Loans and receivables | Other financial liabilities | Total | Level 1 | Level 2 | Total |
| | (Rupees) | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Investments in equity securities | 66,013,800 | - | - | - | 66,013,800 | - | 66,013,800 | 66,013,800 |
| Financial assets not measured at fair value | | | | | | | | |
| Investment in Debt securities | - | 500,000 | - | - | 500,000 | - | - | - |
| Loans and receivables* | - | - | 241,297 | - | 241,297 | - | - | - |
| Takaful / Re-takaful receivables* | - | - | 28,715,886 | - | 28,715,886 | - | - | - |
| Retakaful recoveries against outstanding claims | - | - | 20,735,909 | - | 20,735,909 | - | - | - |
| Wakala and mudanib fee receivable* | - | - | 21,228,972 | - | 21,228,972 | - | - | - |
| Cash and bank* | - | - | 49,591,297 | - | 49,591,297 | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Provision for outstanding claims (including IBNR)* | - | - | - | (35,397,819) | (35,397,819) | - | - | - |
| Wakala and mudanib fee payable* | - | - | - | (21,228,972) | (21,228,972) | - | - | - |
| Takaful / Re-takaful payables* | - | - | - | (16,594,832) | (16,594,832) | - | - | - |
| Other creditors and accruals* | - | - | - | (19,406,566) | (19,406,566) | - | - | - |
| | 66,013,800 | 500,000 | 120,513,361 | (92,628,189) | 94,398,972 | - | 66,013,800 | 66,013,800 |

| | December 31, 2019 (Audited) | | | | Fair value | | | |
|---|-----------------------------|------------------|-----------------------|-----------------------------|-------------------|---------|-------------------|-------------------|
| | Available-for-sale | Held to maturity | Loans and receivables | Other financial liabilities | Total | Level 1 | Level 2 | Total |
| | (Rupees) | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Investments in equity securities | 62,081,477 | - | - | - | 62,081,477 | - | 62,081,477 | 62,081,477 |
| Financial assets not measured at fair value | | | | | | | | |
| Investments in Debt securities* | - | 500,000 | - | - | 500,000 | - | - | - |
| Loans and receivables* | - | - | 197,234 | - | 197,234 | - | - | - |
| Takaful / Re-takaful receivables* | - | - | 31,222,562 | - | 31,222,562 | - | - | - |
| Retakaful recoveries against outstanding claims | - | - | 5,735,733 | - | 5,735,733 | - | - | - |
| Wakala and mudanib fee receivable* | - | - | 23,098,830 | - | 23,098,830 | - | - | - |
| Cash and bank* | - | - | 45,143,800 | - | 45,143,800 | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Provision for outstanding claims (including IBNR)* | - | - | - | (19,802,329) | (19,802,329) | - | - | - |
| Wakala and mudanib fee payable* | - | - | - | (23,098,830) | (23,098,830) | - | - | - |
| Takaful / Re-takaful payables* | - | - | - | (15,881,047) | (15,881,047) | - | - | - |
| Other creditors and accruals* | - | - | - | (15,374,105) | (15,374,105) | - | - | - |
| | 62,081,477 | 500,000 | 105,398,159 | (74,156,311) | 93,823,325 | - | 62,081,477 | 62,081,477 |

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



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For the three months period ended March 31, 2020

- 27.1 Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The operations measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

28. GENERAL

Figures in these interim condensed financial information have been rounded off to the nearest rupee, unless otherwise stated.

29. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorized for issue in accordance with a resolution of the Board of Directors on April 28, 2020.

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Amin Mohammed Lakhani
Director

Tasleemuddin Ahmed Batlay
Director

Mohammad Hussain Hirji
Director & Chief Executive

Sabza Ali Pirani
Chief Financial Officer

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
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

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