



Century Insurance

A Lakson Group Company

**Your Trust**  
**Our Assurance**

**AA**  
Rating



Half Yearly Report June 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. 1.8 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. Aftab Ahmad  
Mr. Sadrudin Ismail Mohamed  
Mr. Akbar Dawood Vazir  
Mr. Mohammad Hussain Hirji - Chief Executive

## 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. Aftab Ahmad

## Investment Committee

Mr. Iqbal Ali Lakhani - Chairman  
Mr. Aftab Ahmad  
Mr. Mohammad Hussain Hirji  
Mr. Sabza Ali Pirani

## Ethics, Human Resource & Remuneration Committee

Mr. Sadrudin Ismail Mohamed - Chairman  
Mr. Amin Mohammed Lakhani  
Mr. Akbar Dawood Vazir  
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

11<sup>th</sup> 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 half-year ended 30 June 2020.

## General Review

The overall operational performance of the Company has improved in the HY2020 as compared to the same period in 2019. Gross Written Premium (inclusive of Takaful Contribution) has increased by Rs. 23.3 million (3%) to Rs. 829.8 million. Net premium has increased by Rs. 26.7 million (7%) to Rs. 413.4 million. Underwriting profit stood at Rs. 94.3 million, up by Rs. 27.1 million (40%). Investment & other income has increased by Rs. 63.6 million.

Earnings (after tax) per share for HY2020 is Rs. 1.93 as against Rs. 0.68 for the same period last year.

## Operating Results

The comparative financial highlights for the half-year ended 30 June 2020 and 30 June 2019 are presented below:-

Description	Rs. In Millions (except otherwise stated)			
	30 June 2020	30 June 2019	Increase / (Decrease)	%
Gross Written Premium (including Takaful Contribution)	830	807	23	3
Net Premium	413	387	26	7
Underwriting results	94	67	27	40
Investment & other income	45	(19)	64	335
Profit before tax	136	49	87	178
Profit after tax	97	34	63	185
Earnings per share (Rs.)	1.93	0.68	1.25	184
Total assets	3,456	3,139	317	10
Paid-up capital	503	503	-	-
Total equity	1,794	1,685	109	6

As compared to HY2019, the gross written premium (inclusive of takaful contribution) for Fire class of business has increased by Rs. 1 million (0%), Marine by Rs. 11.1 million (9%), Accident & Health by Rs. 12.8 million (7%). Motor class of business has decreased by Rs. 1.3 million (1%), and Miscellaneous by Rs. 0.2 million (1%).

## Window Takaful Operations

### Participant Takaful Fund (PTF)

The Gross Written Contribution for the HY2020 is Rs. 45.5 million as compared to Rs. 32.0 million for the same period last year. Net contribution revenue for the HY2020 is Rs. 27.1 million and the surplus for the period is Rs. 7.9 million.

### Operator's Fund (OPF)

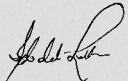
Gross Wakala Fee income for the HY2020 is Rs. 16.8 million. Net Wakala fee income is Rs. 15.2 million. Profit before tax is Rs. 5.4 million.

## Future Outlook

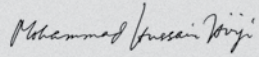
The management is making concerted efforts to increase market share and profitability and the business of the Company is expected to continue to grow at a steady pace. We shall continue to strive to identify new and innovative products and distribution channels, expand the branch network to serve clients 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.

## Acknowledgments

On behalf of all the Directors, we would like to thank our shareholders and valuable clients who continue to place their trust and confidence in the Company. 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: 26 August 2020





ششماہی 2019ء کے مقابلے میں مجموعی پربہیم (بشمول ہکا فل کنز بیوشن) برائے بیمہ آتش زدگی میں 1 ملین روپے (0 فیصد)، بحری بیمہ میں 11.1 ملین روپے (9 فیصد)، بیمہ حادثہ و صحت میں 12.8 ملین روپے (7 فیصد)، موٹر بیمہ میں 1.3 ملین روپے (1 فیصد) کی کمی ہو نا اور بیمہ متفرق میں 0.2 ملین روپے (1 فیصد) کی کمی ہوئی ہے۔

### وئڈو ہکا فل آپریشنز

شرکت داروں کا ہکا فل فنڈ  
ششماہی 2020ء میں شرکت داروں کا تحریر شدہ مجموعی کنزیوشن کا فنڈ 45.5 ملین روپے جبکہ اسی مدت کے دوران گزشتہ سال 32 ملین روپے رہا۔ خالص کنزیوشن 27.1 ملین روپے اور سرپلس فنڈ 7.9 ملین روپے رہا۔

آپریٹر فنڈ  
مجموعی وکالہ فیس برائے ششماہی 2020ء میں 16.8 ملین روپے ہے۔ خالص وکالہ فیس کی آمدنی 15.2 ملین روپے ہے۔ قبل از ٹیکس منافع 5.4 ملین 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۔

### اعترافات

ہم تمام ڈائریکٹرز کی جانب سے حصص یافتگان اور معزز کلائنٹس شکریمہ ادا کرتے ہیں جنہوں نے کمپنی پر اپنا بھروسہ اور اعتماد رکھا۔ اور ہم انتظامیہ اور عملے کے اراکین کی لگن، وفاداری اور انتھک محنت کو سراہتے ہیں جنہوں نے کمپنی کی ترقی اور کاروبار کی کامیابی میں اپنا کردار ادا کیا۔

Muhammad Hussain Mirza  
محمد حسین میرزا  
ڈائریکٹر اور چیف ایگزیکٹو

اقبال علی لاکھانی  
چیئرمین

کراچی: 28 اگست 2020ء



# ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم مسرت کے ساتھ 30 جون 2020ء کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

## عمومی جائزہ

مجموعی طور پر ششماہی 2020ء میں کمپنی کی آپریشنل کارکردگی میں 2019ء کے مقابلے میں اضافہ ہوا ہے۔ مشترکہ مجموعی پریمیئم (بشمول نکافل کنزیوشن) 23.3 ملین روپے (3 فیصد) کا اضافہ جو کہ 829.8 ملین روپے ہوا۔ مجموعی خالص پریمیئم 26.7 ملین روپے (7 فیصد) اضافہ جو کہ 413.4 ملین روپے ہوا۔ انڈر رائٹنگ آمدنی 94.3 ملین روپے رہی ہے جس میں 27.1 ملین روپے کا اضافہ جو کہ (40) فیصد ہے۔ سرمایہ کاری اور دیگر آمدنی میں 63.6 ملین روپے کا اضافہ ظاہر کیا ہے

ششماہی 2020ء کو ختم ہونے والی مدت میں فی حصص آمدنی 1.93 ملین روپے جو کہ گزشتہ سال اسی مدت میں 0.68 ملین روپے تھی۔

## کاروباری امور کے نتائج

ششماہی 30 جون 2020ء اور 2019ء کی تقابلی مالیاتی جھلکیاں درج ذیل ہیں۔

بیان	30 جون 2020ء	30 جون 2019ء	(روپے ملین میں) اضافہ / (کمی)	(رقم) فیصد
تحریر شدہ مجموعی پریمیئم (بشمول نکافل کنزیوشن) خالص پریمیئم	830	807	23	3
انڈر رائٹنگ نتائج	413	387	26	7
سرمایہ کاری و دیگر آمدنی	94	67	27	40
منافع قبل از ٹیکس	45	(19)	64	335
منافع بعد از ٹیکس	136	49	87	178
آمدنی فی حصص (روپے)	97	34	63	185
کل اثاثہ جات	1.93	0.68	1.25	184
ادا شدہ سرمایہ	3,456	3,139	317	10
کل ایکویٹی	503	503	-	-
	1,794	1,685	109	6

# Report on Review of Interim Financial Statements

## Independent Auditors' Review Report

To the members of Century Insurance Company Limited

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Century Insurance Company Limited (“the Company”) as at 30 June 2020 and the related condensed interim profit and loss account, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of Review

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

### Conclusion

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



## Other Matter

The figures for the quarters ended 30 June 2020 and 30 June 2019 in the condensed interim profit and loss account and the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review engagement resulting in this independent auditors' review report is Aryn Malik.

Date:

KPMG Taseer Hadi & Co.  
Chartered Accountants

Karachi





# Condensed Interim Statement of Financial Position

As at June 30, 2020

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Note	------(Rupees)-----	
<b>Assets</b>			
Property and equipment	9	74,871,489	81,105,602
Intangible assets		1,404	9,741
Right-of-use assets	10	42,776,505	48,887,433
Investment in associates	11	40,992,144	39,404,247
Investments			
Equity securities / mutual funds	12.1	835,418,544	802,057,535
Debt securities	12.2	556,374,580	429,382,013
Term deposit	13	195,400,000	426,000,000
Other receivables	14	44,888,680	37,416,224
Insurance / reinsurance receivable	15	780,867,674	500,355,096
Reinsurance recoveries against outstanding claims	24	127,561,761	97,581,839
Salvage recoveries accrued		5,475,000	4,005,000
Deferred commission expense	25	27,538,371	35,271,269
Deferred taxation	19	78,309,091	42,441,773
Prepayments	16	238,006,854	185,447,129
Cash and bank	17	311,534,707	267,024,544
Total assets of Window Takaful Operations - Operator's fund	18	95,616,520	89,831,932
<b>Total assets</b>		<b><u>3,455,633,324</u></b>	<b><u>3,086,221,377</u></b>

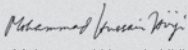
		(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note		------(Rupees) -----	
<b>Equity and liabilities</b>			
	Authorized share capital (70,000,000 Ordinary share of Rs.10 each)	<u>700,000,000</u>	<u>700,000,000</u>
<b>Capital and reserves attributable to Company's equity holders</b>			
	Ordinary share capital	502,968,030	502,968,030
	Share premium	254,024,260	254,024,260
	Reserves	72,730,463	124,545,934
	Unappropriated profit	964,164,834	955,159,703
	<b>Total Equity</b>	<u>1,793,887,587</u>	<u>1,836,697,927</u>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
	Outstanding claims including IBNR	24 237,195,622	206,337,532
	Unearned premium reserve	23 622,426,853	494,320,532
	Unearned reinsurance commission	25 45,860,824	40,139,097
	Retirement benefits obligation	2,753,446	5,141,096
	Premiums received in advance	1,353,992	1,023,802
	Insurance / reinsurance payables	20 415,212,059	243,253,439
	Lease liabilities	45,875,323	49,356,416
	Other creditors and accruals	21 182,588,059	139,124,611
	Taxation - provision less payments	77,862,776	42,056,608
	<b>Total Liabilities</b>	<u>1,631,128,954</u>	<u>1,220,753,133</u>
	Total liabilities of Window Takaful Operations - Operator's fund	18 30,616,783	28,770,317
	<b>Total equity and liabilities</b>	<u>3,455,633,324</u>	<u>3,086,221,377</u>
	<b>Contingencies and commitments</b>	22	


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

  
Iqbal Ali Lakhani  
Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Mirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer





# Condensed Interim Profit and Loss Account (Un-audited)

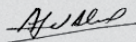
For the three and six months period ended June 30, 2020

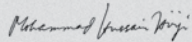
	Note	Three months period ended		Six months period ended	
		2020	2019	2020	2019
		----- (Rupees) -----		----- (Rupees) -----	
Net insurance premium	23	202,395,701	189,866,931	413,428,708	386,749,943
Net insurance claims	24	(67,608,241)	(84,234,434)	(150,938,642)	(167,663,344)
Net commission and other acquisition costs	25	3,100,473	1,162,689	3,234,273	2,377,338
Insurance claims and acquisition expenses		(64,507,768)	(83,071,745)	(147,704,369)	(165,286,006)
Management Expenses		(88,210,773)	(75,821,424)	(171,397,747)	(154,216,295)
<b>Underwriting results</b>		<b>49,677,160</b>	<b>30,973,762</b>	<b>94,326,592</b>	<b>67,247,642</b>
Investment income / (loss)	26	24,506,128	(38,617,566)	22,802,731	(28,221,995)
Other income	27	14,702,608	11,884,191	19,714,354	24,183,064
Other expenses		(3,588,086)	(2,011,328)	(5,292,499)	(4,265,751)
<b>Results of operating activities</b>		<b>85,297,810</b>	<b>2,229,059</b>	<b>131,551,178</b>	<b>58,942,960</b>
Finance costs on lease liabilities		(1,581,393)	-	(3,233,139)	-
Share of profit of associates		2,064,025	1,302,653	2,064,025	2,471,222
Impairment in associates		-	(17,412,640)	-	(17,412,640)
Profit from Window Takaful Operations	18	2,226,307	1,931,260	5,419,869	4,781,390
<b>Profit before tax</b>		<b>88,006,749</b>	<b>(11,949,668)</b>	<b>135,801,933</b>	<b>48,782,932</b>
Income tax expense					
- current		(33,074,179)	(10,003,615)	(53,443,788)	(27,047,385)
- prior		-	-	-	2,789,293
- deferred		(1,781,112)	9,481,714	14,666,518	9,451,103
		(34,855,291)	(521,901)	(38,777,270)	(14,806,989)
<b>Profit after tax</b>		<b>53,151,458</b>	<b>(12,471,569)</b>	<b>97,024,663</b>	<b>33,975,943</b>
<b>Earnings (after tax) per share - basic and diluted</b>	28	<b>1.06</b>	<b>(0.25)</b>	<b>1.93</b>	<b>0.68</b>


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

  
Iqbal Ali Lakhani  
Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Mirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer



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

For the three and six months period ended June 30, 2020

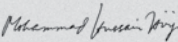
	Three months period ended		Six months period ended	
	2020	2019	2020	2019
Note	----- (Rupees) -----		----- (Rupees) -----	
Profit after tax	53,151,458	(12,471,569)	97,024,663	33,975,943
<b>Other comprehensive income</b>				
<b>Item to be reclassified to profit and loss account in subsequent period:</b>				
Unrealised gains / (loss) on revaluation 'available for sale' investments - net of tax	72,883,882	(51,300,494)	(72,834,191)	(15,189,610)
Related income tax	(21,136,326)	14,877,143	21,121,916	4,404,987
	51,747,556	(36,423,351)	(51,712,276)	(10,784,623)
Impairment loss on available for sale investments as at March 31, 2020	12.3 (30,293,728)	-	(30,293,728)	-
Impairment loss on available for sale investments as at March 31, 2020 adjusted with the fair value change during the period April 01 to June 30, 2020	16,752,227	-	16,752,227	-
Impairment loss on available for sale investments as at March 31, 2020 reversed due to fair value changes	13,541,501	-	13,541,501	-
Reclassification adjustment for net (gain) / loss on available for sale investments included in profit and loss account - net of tax	(132,480)	5,410,780	(132,480)	5,410,780
	51,615,076	(31,012,571)	(51,844,756)	(5,373,843)
Unrealised gain on available for sale investments of Window Takaful Operations - net of tax	(41,243)	(1,553,679)	29,285	(1,062,134)
<b>Other comprehensive income for the period</b>				
- Share in other comprehensive income of an associate - net of tax	76	377	76	377
<b>Total comprehensive income / (loss) for the period</b>	<b>104,725,367</b>	<b>(45,037,442)</b>	<b>45,209,268</b>	<b>27,540,343</b>


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

  
Iqbal Ali Lakhani  
Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer



# Condensed Interim Statement of Cash Flows (Un-audited)

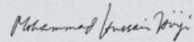
For the six months period ended June 30, 2020


	(Un-audited)	
	June 30, 2020	June 30, 2019
Note	----- (Rupees) -----	
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Insurance premium received	563,696,268	560,853,263
Reinsurance premium paid	(107,007,618)	(155,736,188)
Claims paid	(228,541,344)	(214,542,354)
Reinsurance and other recoveries received	23,008,877	45,967,576
Commissions paid	(44,485,307)	(81,928,240)
Commissions received	44,739,144	53,236,760
Management expenses paid	(159,642,849)	(156,761,686)
Net cash inflow from underwriting activities	<u>91,767,171</u>	<u>51,089,131</u>
<b>(b) Other operating activities</b>		
Income tax paid	(16,065,858)	(16,913,506)
Other operating receipts	30,904,718	26,433,799
Net cash inflow from other operating activities	<u>14,838,860</u>	<u>9,520,293</u>
<b>Total cash inflow from operating activities</b>	<u>106,606,031</u>	<u>60,609,424</u>
<b>Investment activities</b>		
Profit / return received	30,516,203	33,763,865
Dividends received	9,552,823	5,438,113
Payment against purchase of investments	(1,365,635,778)	(1,477,851,637)
Proceeds from disposal of investments	1,352,364,681	1,586,982,192
Fixed capital expenditure	(2,241,115)	(16,970,746)
Proceeds from sale of property and equipment	770,104	743,216
<b>Total cash inflow from investing activities</b>	<u>25,326,918</u>	<u>132,105,003</u>
<b>Financing activities - Dividends paid</b>	<u>(87,422,786)</u>	<u>(62,835,189)</u>
<b>Net cash inflow from all activities</b>	<u>44,510,163</u>	<u>129,879,238</u>
<b>Cash and cash equivalent at beginning of the period</b>	266,224,544	439,566,476
<b>Cash and cash equivalent at end of the period</b>	17.1 <u>310,734,707</u>	<u>569,445,714</u>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	106,606,031	60,609,424
Depreciation expense	(1,659,902)	(7,007,964)
Profit on disposal of property, plant and equipment	57,369	41,843
Profit / (loss) on disposal of investments	(6,375,870)	(6,202,794)
Dividend income	10,505,423	5,531,439
Other investment income	65,327,562	180,590
Increase in assets other than cash	340,553,477	269,443,823
Increase in liabilities other than running finance	(423,409,296)	(293,401,808)
Profit from Window Takaful Operations	5,419,869	4,781,390
Profit after taxation	<u>97,024,663</u>	<u>33,975,943</u>

  
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Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
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Chief Financial Officer

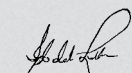


# Condensed Interim Statement of Changes in Equity (Un-audited)

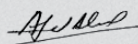
For the six months period ended June 30, 2020

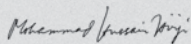
	Attributable to equity holders of the Company					Total
	Share capital	Capital reserves	Revenue reserves		Unappropriated profit	
	Issued, subscribed and paid-up	Share premium	General reserve	Unrealised appreciation / (diminution) 'available for sale' investments		
	----- (Rupees) -----					
<b>Balance as at January 01, 2019</b>	502,968,030	254,024,260	119,000,000	(29,481,352)	873,893,357	1,720,404,295
<b>Total comprehensive income</b>						
Profit after tax for the six months period ended June 30, 2019	-	-	-	-	33,975,943	33,975,943
<b>Other comprehensive income</b>						
Share in other comprehensive income of an associate	-	-	-	-	377	377
Net unrealised loss arising during the period on revaluation of available for sale investments net of tax	-	-	-	(11,846,757)	-	(11,846,757)
Reclassification adjustment for net loss on available for sale investments included in profit and loss account net of tax	-	-	-	5,410,780	-	5,410,780
<b>Total comprehensive income</b>	-	-	-	(6,435,977)	33,976,320	27,540,343
<b>Transactions with owners recorded directly in equity</b>						
Final cash dividend of Rs. 1.25 (12.5%) per share for the year ended December 31, 2018	-	-	-	-	(62,871,164)	(62,871,164)
<b>Balance as at June 30, 2019</b>	<b>502,968,030</b>	<b>254,024,260</b>	<b>119,000,000</b>	<b>(35,917,329)</b>	<b>844,998,513</b>	<b>1,685,073,474</b>
<b>Balance as at January 01, 2020</b>	502,968,030	254,024,260	119,000,000	5,545,934	955,159,703	1,836,697,927
<b>Total comprehensive income</b>						
Profit after tax for the six months period	-	-	-	-	97,024,663	97,024,663
<b>Other comprehensive income</b>						
Share in other comprehensive income of an associate	-	-	-	-	76	76
Net unrealised loss arising during the period on revaluation of available for sale investments (including WTO) net of tax	-	-	-	(51,682,991)	-	(51,682,991)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) net off tax	-	-	-	(132,480)	-	(132,480)
<b>Total comprehensive (loss) / income</b>	-	-	-	(51,815,471)	97,024,739	45,209,268
<b>Transactions with owners recorded directly in equity</b>						
Final cash dividend of Rs. 1.75 (17.5%) per share for the year ended December 31, 2019	-	-	-	-	(88,019,608)	(88,019,608)
<b>Balance as at June 30, 2020</b>	<b>502,968,030</b>	<b>254,024,260</b>	<b>119,000,000</b>	<b>(46,269,537)</b>	<b>964,164,834</b>	<b>1,793,887,587</b>

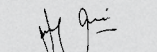
The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.

  
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Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer





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

For the six months period ended June 30, 2020

## 1. LEGAL 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.

- 1.1 During the period, the novel coronavirus (COVID 19) emerged and since then, the condition has continued to deteriorate. The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do so in the coming months of 2020. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the Operator based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the Operator.

Further, based on its assessment along with consideration of future plans and business activities, the Operator has determined that events or conditions do not exist that would result in material uncertainty with regards to going concern.

## 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, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

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

- 2.2 The condensed interim financial statements do not include all the information required in the full annual financial statements. Accordingly, these condensed interim financial statements 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 statements have been presented in Pakistan Rupees, which is also the functional currency of the Company.

**2.4 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards**

**2.4.1 Standards and amendments to accounting and reporting standards that are effective**

There are certain amendments and interpretations listed below, to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on January 01, 2020. However, these do not have any significant impact on the Company's financial reporting.

Effective date	New standards or amendments
January 01, 2020	Amendments to References to conceptual Framework in IFRS standards
	Definition of Business (Amendments to IFRS 3)
	Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
June 01, 2020	Practical relief for Lessees in accounting for rent concessions (Amendments to IFRS 16)

**2.4.2 Standards, amendments and improvements to accounting and reporting standards that are not yet effective**

There are certain amendments and interpretations listed below, to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 01, 2021. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

Effective date	New standards, amendments and annual improvements
January 01, 2022	Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
	Classification of Liabilities as Current or Non-current (Amendment to IAS 1)
	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	The annual improvements to IFRS standards 2018-2020 includes IFRS 9 Financial Instrument, IFRS 16 Leases and IAS 41 Biological Assets

**3. BASIS OF MEASUREMENT**

These condensed interim financial statements 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 six months period ended June 30, 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 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 Company's accounting policies and the key sources of estimation uncertainty were the same as those 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 term '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.



	June 30, 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) -----					
<b>Financial assets</b>					
Investment in associate	40,992,144	-	-	-	-
Investments					
- Equity securities - Available for Sale	759,931,422	(99,092,326)	-	-	-
- Equity securities - Held for trading	75,487,122	(9,051,791)	-	-	-
- Debt securities - Held for trading	191,652,733	4,400,720	-	-	-
- Debt securities - available for sale	-	-	210,990,013	-	-
- Debt securities - held to maturity	-	-	153,731,834	-	-
Term deposit	-	-	195,400,000	-	-
<b>TOTAL</b>	<b>1,068,063,421</b>	<b>(103,743,397)</b>	<b>560,121,847</b>	<b>-</b>	<b>-</b>

	Gross Carrying amount of debt instruments that pass the SPPI test			
	AA	A	Unrated	Total
	----- (Rupees) -----			
<b>Investment in debt securities -</b>				
Available for sale	59,930,803	20,000,000	131,059,210	210,990,013
Held to Maturity	-	195,400,000	153,731,834	349,131,834
	<b>59,930,803</b>	<b>215,400,000</b>	<b>284,791,044</b>	<b>560,121,847</b>

## 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

	Note	(Un-audited)	(Audited)
		June 30, 2020	December 31, 2019
----- (Rupees) -----			
Operating assets	9.1	74,452,268	77,172,381
Capital work in progress	9.2	419,221	3,933,221
		<b>74,871,489</b>	<b>81,105,602</b>



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

For the six months period ended June 30, 2020

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note	----- (Rupees) -----	
<b>9.1 Operating assets</b>		
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	1,334,800	494,600
- Office equipment	609,652	1,292,240
- Furniture and fixtures	52,000	2,396,774
- Office improvement	-	1,416,387
	<b>5,763,452</b>	27,583,250
Less: Written down value of deletions	712,735	3,296,409
Depreciation for the period / year	7,770,830	14,633,567
	<b>8,483,565</b>	17,929,976
	<b>74,452,268</b>	<b>77,172,381</b>
<b>9.2 Capital work in progress</b>		
Advance against purchase of vehicles	419,221	3,933,221
	<b>419,221</b>	<b>3,933,221</b>
<b>10. Right of use assets</b>		
Written down value at beginning of the period / year	48,887,433	55,755,349
Additions during the period / year	-	5,353,942
Depreciation for the period / year	(6,110,928)	(12,221,858)
Written down value at end of the period / year	<b>42,776,505</b>	48,887,433
<b>11. INVESTMENT IN ASSOCIATES</b>		
Beginning of the period / year	39,404,247	45,144,162
Share of profit	2,064,025	6,918,238
Dividend received	(476,235)	(1,402,054)
Change in other comprehensive income / (loss)	107	(176,749)
Provision for impairment	-	(11,079,350)
End of the period / year	<b>40,992,144</b>	39,404,247
<b>11.1</b> This includes investment in Colgate - Palmolive (Pakistan) Limited and Century Board & Paper Mills Limited amounting to Rs. 11,003,096 (December 31, 2019: Rs. 10,992,804 and Rs. 29,989,048 (December 31, 2019: Rs 28,411,443) having market values of Rs. 47,411,840 and Rs. 45,052,957 respectively.		
As at March 31, 2020, the assets, liabilities and equity of these associates were as follows:		
	Assets	Liabilities
	----- (Rupees) -----	
Colgate - Palmolive (Pakistan) Limited	21,312,077,000	5,262,399,000
Century Paper & Board Mills Limited	18,102,921,000	11,098,989,000
		16,049,678,000
		7,003,932,000



## 12. INVESTMENTS

### 12.1 Investments in equity securities / mutual funds

	Note	(Un-audited) June 30, 2020				Audited December 31, 2019			
		Cost	Impairment loss on AFS	Unrealised loss on revaluation	Carrying value	Cost	Impairment loss on AFS	Unrealised loss on revaluation	Carrying value
Available for sale	12.1.1	859,023,748	(23,594,686)	(75,497,640)	759,931,422	782,085,441	(31,659,686)	(39,358,287)	711,067,468
Held for trading		84,538,914	-	(9,051,792)	75,487,122	82,551,060	-	8,439,007	90,990,067
		<u>943,562,662</u>	<u>(23,594,686)</u>	<u>(84,549,432)</u>	<u>835,418,544</u>	<u>864,636,501</u>	<u>(31,659,686)</u>	<u>(30,919,280)</u>	<u>802,057,535</u>
<b>12.1.1 Available for sale</b>									
<b>Related parties</b>									
Mutual funds	12.1.1.1	355,467,854	-	(34,165,006)	321,302,848	348,746,265	(8,533,043)	7,286,358	347,499,580
<b>Others</b>									
Listed shares		44,242,450	(4,860,437)	3,902,425	43,284,438	44,242,450	(9,318,870)	14,936,302	49,859,882
Unlisted shares		75,200	-	-	75,200	75,283	-	-	75,283
Mutual funds		459,238,244	(18,734,249)	(45,235,059)	395,268,936	389,021,443	(13,907,773)	(61,580,947)	313,632,723
		503,555,894	(23,594,686)	(41,332,634)	438,628,574	433,339,176	(23,126,643)	(46,644,645)	363,567,888
		<u>859,023,748</u>	<u>(23,594,686)</u>	<u>(75,497,640)</u>	<u>759,931,422</u>	<u>782,085,441</u>	<u>(31,659,686)</u>	<u>(39,358,287)</u>	<u>711,067,468</u>

12.1.1.1 This includes investment in Lakson Private Equity Fund amounting to Rs. 143 million. The classification is based on the fact that the Company does not have significant influence.

### 12.2 Investments in debt securities

#### Held for trading

Government securities	187,252,013	-	4,400,720	191,652,733	-	-	-	-
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#### Held to maturity

Government securities	12.2.1	124,225,261	-	-	124,225,261	204,079,103	-	-	204,079,103
Commercial paper		29,506,573	-	-	29,506,573	24,238,262	-	-	24,238,262
Term finance certificate		293,292	(293,292)	-	-	293,292	(293,292)	-	-
	12.2.2	154,025,126	(293,292)	-	153,731,834	228,610,657	(293,292)	-	228,317,365

#### Available for sale

Sukuk		36,500,000	-	(944,668)	35,555,332	38,000,000	-	(654,552)	37,445,448
Term finance certificate		44,990,000	-	(614,529)	44,375,471	44,990,000	-	-	44,990,000
Government securities		119,211,983	-	11,847,227	131,059,210	114,160,050	-	4,469,150	118,629,200
		200,701,983	-	10,288,030	210,990,013	197,150,050	-	3,914,598	201,064,648
		<u>541,979,122</u>	<u>(293,292)</u>	<u>14,688,750</u>	<u>556,374,580</u>	<u>425,760,707</u>	<u>(293,292)</u>	<u>3,914,598</u>	<u>429,382,013</u>

12.2.1 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.

12.2.2 The market value of held to maturity debt securities is Rs. 161.561 million (2019: Rs. 204.804 million).

### 12.3 Impairment loss on available for sale investments

As at March 31, 2020, an impairment loss for the period amounting to Rs. 30.3 million (net of tax) was assessed in accordance with the Company's impairment criterion. The Securities Exchange Commission of Pakistan (SECP) vide its circular S.R.O. 414 (I)/2020 dated May 11, 2020 provided relief from the requirements contained in IAS 39 in relation to Available for Sale (AFS) equity instruments according to which the Company may charge the impairment loss for the period ended March 31, 2020 in the Statement of Changes in Equity. The amount so charged, adjusted with the fair value change during the period from April 01, 2020 to June 30, 2020, shall be considered for impairment in accordance with the requirements of IAS 39.

Accordingly, the Company opted to avail the relaxation under the aforementioned circular and recognized the impairment loss for the period ended March 31, 2020 in statement of changes in equity amounting to Rs. 30.3 (net of tax). During the current period from April 01, 2020 to June 30, 2020, Rs. 6.7 million has been reversed due to fair value changes and impairment loss Rs. 23.6 million has been recognised in the profit and loss account in June 30, 2020.



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

For the six months period ended June 30, 2020

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
------(Rupees) -----			
<b>13. INVESTMENT IN TERM DEPOSIT</b>			
Deposit maturing within 12 months		95,400,000	326,000,000
Deposit maturing after 12 months		100,000,000	100,000,000
		<u>195,400,000</u>	<u>426,000,000</u>
<b>14. OTHERS RECEIVABLE</b>			
Accrued investment income		26,477,871	14,415,360
Security deposits		6,727,969	6,457,003
Advance to employees		3,109,416	3,216,452
Advance against expenses		354,250	1,309,375
Advance against purchase of shares		105,750	-
Window Takaful Operations		6,790,451	10,302,222
Others		1,322,973	1,715,812
		<u>44,888,680</u>	<u>37,416,224</u>
<b>15. INSURANCE / RE-INSURANCE RECEIVABLE</b>			
Due from insurance contract holders		653,167,827	390,970,140
Less: provision for impairment of receivable from insurance contract holders		(16,865,550)	(11,511,332)
	15.1	<u>636,302,277</u>	<u>379,458,808</u>
Amount due from other insurers / reinsurers		78,401,981	97,145,649
Less: provision for impairment of due from other insurers / reinsurers		(46,012,482)	(44,490,617)
	15.4	<u>32,389,499</u>	<u>52,655,032</u>
Reinsurance recoveries due but unpaid		112,175,898	68,241,256
		<u>780,867,674</u>	<u>500,355,096</u>
<b>15.1 Due from insurance contract holders</b>			
<b>Unsecured</b>			
Considered good	15.2	641,656,495	379,458,808
Considered doubtful		11,511,332	11,511,332
		<u>653,167,827</u>	<u>390,970,140</u>
Provision for doubtful balances	15.3	(16,865,550)	(11,511,332)
		<u>636,302,277</u>	<u>379,458,808</u>
<b>15.2</b>			
This includes a sum of Rs. 504.074 million (December 31, 2019: Rs. 225.964 million) due from related parties.			



	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Note	------(Rupees) -----	
<b>15.3 Provision for doubtful balances</b>		
Balance at beginning of the period / year	11,511,332	9,896,940
Provision made during the period / year	5,354,218	1,692,340
Recoveries during the period / year	-	(77,948)
	5,354,218	1,614,392
Balance at end of the period / year	16,865,550	11,511,332
<b>15.4 Amount due from other insurers / reinsurers</b>		
<b>Considered good - unsecured</b>		
Foreign reinsurers	168,437	168,437
Local reinsurers	52,988,539	53,092,905
Co-insurers	25,245,005	43,884,307
	78,401,981	97,145,649
Provision for doubtful balances	(46,012,482)	(44,490,617)
	32,389,499	52,655,032
<b>16. PREPAYMENTS</b>		
Prepaid reinsurance premium ceded	234,210,691	179,906,261
Prepayments	3,796,163	5,540,868
	238,006,854	185,447,129
<b>17. CASH AND BANK</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	278,390	270,730
Policy stamps and bond papers in hand	2,497,434	471,091
Deposit with SBP	5,153,258	5,153,258
	7,929,082	5,895,079
<b>Cash at bank</b>		
Current accounts	54,598,199	16,583,161
Saving accounts	249,007,426	244,546,304
	303,605,625	261,129,465
	311,534,707	267,024,544
<b>17.1 Cash includes the following for the purposes of the Statement of Cash Flows:</b>		
Cash and Balance	17 311,534,707	267,024,544
Less: local currency account with a lien	800,000	800,000
	310,734,707	266,224,544

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

For the six months period ended June 30, 2020

18. WINDOW TAKAFUL OPERATIONS	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
<b>Assets</b>		
Investments	45,554,298	62,081,477
Cash and bank deposits	13,087,030	1,326,746
Current assets - others	36,975,192	26,423,709
<b>Total Assets</b>	<b>95,616,520</b>	<b>89,831,932</b>
<b>Total Liabilities - Current</b>	<b>30,616,783</b>	<b>28,770,317</b>

	Three months period ended (Un-audited) June 30, 2020	(Un-audited) June 30, 2019	Six months period ended (Un-audited) June 30, 2020	(Un-audited) June 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	

**Profit before tax for the period** 2,226,307      1,931,260      5,419,869      4,781,390

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

19. DEFERRED TAXATION - NET	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
Deferred tax asset / (liability) arising in respect of:		
Accelerated depreciation on operating fixed assets	403,491	(121,189)
Net liability of IFRS 16	898,657	136,005
Unrealised loss / (gain) on remeasurement of securities to fair value - net	1,348,810	(2,447,312)
Provision for claims incurred but not reported (IBNR)	2,896,797	1,979,767
Provision for compensated absences	2,438,690	2,148,690
Share of profit from associates	(985,265)	(524,775)
Provision against receivables	18,234,629	16,240,565
Provision against impairment on available for sale investment	34,057,214	27,214,755
	<b>59,293,023</b>	<b>44,626,506</b>
Unrealised diminution (appreciation) 'available for sale' investments	18,910,787	(2,290,045)
Share in associates' reserves	105,281	105,312
	<b>78,309,091</b>	<b>42,441,773</b>



		(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Note	------(Rupees) -----	
<b>20. INSURANCE AND REINSURANCE PAYABLES</b>			
Foreign reinsurers		131,838,352	65,314,547
Local reinsurers		248,983,145	157,935,395
Co-insurers		<u>34,390,562</u>	<u>20,003,497</u>
		<u>415,212,059</u>	<u>243,253,439</u>
<b>21. OTHER CREDITORS AND ACCRUALS</b>			
Agent commission payable	21.1	99,174,651	87,993,803
Federal excise duty		33,289,398	12,431,255
Federal insurance fees		4,471,133	1,529,994
Creditors		4,488,195	3,641,353
Retention money		141,073	141,073
Margin deposits		4,840,500	4,312,474
Withholding tax payable		249,617	640,773
Accrued expenses		16,244,488	11,259,068
Deposits from employees against car scheme		12,217,015	11,273,007
Unclaimed dividend		5,182,456	4,585,634
Others		<u>2,289,533</u>	<u>1,316,177</u>
		<u>182,588,059</u>	<u>139,124,611</u>

21.1 This includes a sum of Rs. 70.132 million (December 31, 2019: Rs. 68.778 million) due to related parties.

## 22. CONTINGENCIES AND COMMITMENTS

### 22.1 Contingencies

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

### 22.2 Commitments

Commitment to make further investment in Lakson Private Equity Fund amounting to Rs. 57 million (December 31, 2019: Rs. 57 million).

There were no other commitments as at June 30, 2020 and December 31, 2019.



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

For the six months period ended June 30, 2020

## 23. NET INSURANCE PREMIUM

	(Un-audited)		(Un-audited)	
	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Note	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Written Gross premium	547,234,995	523,835,652	784,253,327	774,556,924
Add : Unearned premium reserve opening	400,280,383	376,483,232	494,320,532	439,281,123
Less: Unearned premium reserve closing	622,426,853	589,124,414	622,426,853	589,124,414
Premium earned	<u>325,088,525</u>	311,194,470	<u>656,147,006</u>	624,713,633
Less: Reinsurance premium ceded	217,654,900	214,661,940	297,022,728	293,659,451
Add: Prepaid reinsurance premium opening	139,248,615	133,417,470	179,906,261	171,056,110
Less: Prepaid reinsurance premium closing	234,210,691	226,751,871	234,210,691	226,751,871
Reinsurance expense	122,692,824	121,327,539	242,718,298	237,963,690
	<u>202,395,701</u>	189,866,931	<u>413,428,708</u>	386,749,943

## 24. NET INSURANCE CLAIMS EXPENSE

Claim paid	104,004,328	106,466,685	228,541,344	214,542,354
Add : Outstanding claims including IBNR closing	24.1 237,195,622	173,890,780	237,195,622	173,890,780
Less: Outstanding claims including IBNR opening	241,073,040	187,140,372	206,337,532	192,759,004
Claims expense	<u>100,126,910</u>	93,217,093	<u>259,399,434</u>	195,674,130
Less: Reinsurance and others recoveries received	42,695,109	29,176,112	78,480,870	50,547,196
Add: Reinsurance and others recoveries in respect of outstanding claims closing	127,561,761	77,479,975	127,561,761	77,479,975
Less: Reinsurance and others recoveries in respect of outstanding claims opening	137,738,201	97,673,428	97,581,839	100,016,385
Reinsurance and other recoveries revenue	32,518,669	8,982,659	108,460,792	28,010,786
	<u>67,608,241</u>	84,234,434	<u>150,938,642</u>	167,663,344

24.1 This includes a sum of Rs. 73.753 million (December 31, 2019: Rs. 62.408 million) relating to related parties.

## 25. NET COMMISSION EXPENSE

Commission paid or payable	25,742,402	41,166,210	50,609,356	67,146,139
Add : Deferred commission expense opening	30,695,657	29,711,355	35,271,269	33,060,770
Less: Deferred commission expense closing	27,538,371	41,870,514	27,538,371	41,870,514
Net commission	<u>28,899,688</u>	29,007,051	<u>58,342,254</u>	58,336,395
Less: Commission received or recoverable	43,223,109	40,943,613	67,298,254	65,419,506
Add: Unearned Reinsurance commission opening	34,637,876	33,123,657	40,139,097	39,191,757
Less: Unearned Reinsurance commission closing	45,860,824	43,897,530	45,860,824	43,897,530
Commission from reinsurers	32,000,161	30,169,740	61,576,527	60,713,733
	<u>(3,100,473)</u>	(1,162,689)	<u>(3,234,273)</u>	(2,377,338)



26. INVESTMENT INCOME / (LOSS)

	(Un-audited)		(Un-audited)	
	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	
<b>Income from equity securities</b>				
<b>Available-for-sale</b>				
Dividend income	6,510,516	1,808,352	8,599,989	3,591,993
<b>Held for trading</b>				
Dividend income	444,003	669,921	1,905,434	1,939,446
<b>Income from debt securities</b>				
<b>Held to maturity</b>				
Return on government securities	3,791,162	4,873,943	8,231,783	6,712,553
Return on other fixed income securities and deposits	1,020,496	-	2,309,303	4,825
	4,811,658	4,873,943	10,541,086	6,717,378
<b>Available-for-sale</b>				
Return on government securities	7,558,183	2,248,287	10,064,433	2,248,287
Return on other fixed income securities and deposits	2,906,960	2,675,676	5,940,089	5,161,696
	10,465,143	4,923,963	16,004,522	7,409,983
<b>Held -for-trading</b>				
Return on government securities	12,563,212	1,601,269	12,563,212	1,601,269
<b>Income from term deposits</b>				
Return on term deposits	3,957,077	-	9,148,803	1,014,328
<b>Net realised gains / (losses) on investments</b>				
<b>Available for sale</b>				
- Gain / (loss) on sale of equity securities	397,578	(6,553,720)	397,578	(6,553,720)
<b>Held -for-trading</b>				
- Loss on sale of equity securities	(4,829,219)	(4,287,254)	(9,344,221)	(2,405,270)
- (Loss) / gain on sale of debt securities	(2,973,152)	2,756,196	2,570,773	2,756,196
	(7,802,371)	(1,531,058)	(6,773,448)	350,926
<b>Net unrealised gain / (loss) on investments at fair value through profit and loss (Held for trading purposes)</b>				
- Equity securities	16,255,277	(11,318,347)	(9,051,791)	(10,298,467)
- Debt securities	1,194,502	(797,780)	4,400,720	(1,216,658)
	17,449,779	(12,116,127)	(4,651,071)	(11,515,125)
<b>Total investment income / (loss)</b>	<b>48,796,595</b>	<b>(6,323,457)</b>	<b>47,736,105</b>	<b>4,556,478</b>
Less: Impairment in value of available-for-sale	(23,594,686)	(31,659,686)	(23,594,686)	(31,659,686)
Less: Investment related expenses	(695,781)	(634,423)	(1,338,688)	(1,118,787)
<b>Investment income / (loss)</b>	<b>24,506,128</b>	<b>(38,617,566)</b>	<b>22,802,731</b>	<b>(28,221,995)</b>



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

For the six months period ended June 30, 2020

	(Un-audited)		(Un-audited)	
	Three months period ended June 30, 2020	June 30, 2019	Six months period ended June 30, 2020	June 30, 2019
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
<b>27. OTHER INCOME</b>				
<b>Income from financial assets</b>				
Return on bank balances	14,690,312	11,831,594	19,644,396	24,026,225
Others	12,589	44,996	12,589	114,996
<b>Income from non-financial assets</b>				
(Loss / gain on sale of property and equipment)	(293)	7,601	57,369	41,843
	<u>14,702,608</u>	<u>11,884,191</u>	<u>19,714,354</u>	<u>24,183,064</u>
<b>28. EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit after tax for the period	<u>53,151,458</u>	<u>(12,471,569)</u>	<u>97,024,663</u>	<u>33,975,943</u>
	----- (Numbers) -----	----- (Numbers) -----	----- (Numbers) -----	----- (Numbers) -----
Weighted average number of ordinary shares	<u>50,296,803</u>	<u>50,296,803</u>	<u>50,296,803</u>	<u>50,296,803</u>
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Earnings per share - basic and diluted	<u>1.06</u>	<u>(0.25)</u>	<u>1.93</u>	<u>0.68</u>

28.1 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.

## 29. 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:

	(Un-audited)		(Un-audited)	
	Three months period ended <b>June 30,</b> <b>2020</b>	June 30, 2019	Six months period ended <b>June 30,</b> <b>2020</b>	June 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	
<b>Transactions with related parties</b>				
Premium written	<b>432,360,536</b>	402,879,950	<b>519,817,879</b>	496,874,111
Commission expense	<b>12,554,312</b>	28,823,788	<b>22,606,736</b>	40,615,273
Claims paid	<b>55,123,808</b>	49,731,220	<b>108,217,984</b>	88,495,710
Dividend paid	<b>54,551,777</b>	38,612,048	<b>54,551,777</b>	38,612,048
Investment in mutual funds	<b>2,467,854</b>	-	<b>6,721,589</b>	-
Sale of shares / units of mutual funds	-	100,000,000	-	100,000,000
Bonus share issued	-	-	-	349,239
Dividend received	-	-	<b>476,235</b>	-
Expenses	<b>6,864,433</b>	3,928,976	<b>12,717,476</b>	11,455,323
Contribution to / provision for Staff benefit plans	<b>3,557,279</b>	3,112,701	<b>6,772,118</b>	6,006,256
Remuneration to key management personnel	<b>23,695,332</b>	21,941,243	<b>45,353,829</b>	37,811,660

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

For the six months period ended June 30, 2020

## 30. 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.

	June 30, 2020 (Un-audited)								
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)								
<b>Financial assets measured at fair value</b>									
<b>Investments</b>									
- Equity securities / mutual funds	75,487,122	616,856,222	-	-	-	692,343,344	692,343,344	-	-
- Debt securities	191,652,733	210,990,013	-	-	-	402,642,746	-	402,642,746	-
<b>Financial assets not measured at fair value</b>									
<b>Cash and bank*</b>									
	-	-	-	311,534,707	-	311,534,707	-	-	-
<b>Investments</b>									
- Unquoted equity shares / mutual funds*	-	143,075,200	-	-	-	143,075,200	-	-	-
- Debt securities	-	-	153,731,834	-	-	153,731,834	-	161,561,000	-
- Term Deposits	-	-	195,400,000	-	-	195,400,000	-	-	-
Insurance / reinsurance receivable*	-	-	-	780,867,674	-	780,867,674	-	-	-
Other receivable*	-	-	-	44,534,430	-	44,534,430	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	127,561,761	-	127,561,761	-	-	-
Assets of Window Takatful Operations - Operator's fund*	-	-	-	95,616,520	-	95,616,520	-	-	-
<b>Total financial assets</b>	<b>267,139,855</b>	<b>1,016,475,970</b>	<b>349,131,834</b>	<b>1,360,115,092</b>	<b>-</b>	<b>2,992,862,751</b>			
<b>Financial liabilities not measured at fair value</b>									
Outstanding claims including IBNR*	-	-	-	-	237,195,622	237,195,622	-	-	-
Insurance / reinsurance payables*	-	-	-	-	415,212,059	415,212,059	-	-	-
Lease liabilities	-	-	-	-	45,875,323	45,875,323	-	-	-
Other creditors and accruals*	-	-	-	-	144,577,911	144,577,911	-	-	-
Total liabilities of Window Takatful Operations - Operator's fund*	-	-	-	-	30,616,783	30,616,783	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>873,477,698</b>	<b>873,477,698</b>			



December 31, 2019 (Audited)									
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total	
(Rupees)									
<b>Financial assets measured at fair value</b>									
<b>Investments</b>									
- Equity securities / mutual funds	90,990,067	567,992,185	-	-	658,982,252	658,982,252	-	-	-
- Debt securities	-	201,064,648	-	-	201,064,648	-	201,064,648	-	-
<b>Financial assets not measured at fair value</b>									
<b>Cash and bank*</b>									
-	-	-	267,024,544	-	267,024,544	-	-	-	-
<b>Investments</b>									
- Debt securities	-	228,317,365	-	-	228,317,365	-	-	-	-
- Unquoted equity shares*	-	143,075,283	-	-	143,075,283	-	204,803,500	-	-
- Term Deposits	-	426,000,000	-	-	426,000,000	-	-	-	-
Insurance / reinsurance receivable*	-	-	500,355,096	-	500,355,096	-	-	-	-
Other receivable*	-	-	32,890,397	-	32,890,397	-	-	-	-
<b>Reinsurance recoveries against outstanding claims*</b>									
-	-	-	97,581,839	-	97,581,839	-	-	-	-
<b>Assets of Window Takatful Operations - Operator's fund*</b>									
-	-	-	86,567,960	-	86,567,960	-	-	-	-
<b>Total financial assets</b>	<b>90,990,067</b>	<b>912,132,116</b>	<b>654,317,365</b>	<b>984,419,836</b>	<b>-</b>	<b>2,641,859,384</b>			
<b>Financial liabilities not measured at fair value</b>									
<b>Outstanding claims including IBNR*</b>									
-	-	-	-	206,337,532	206,337,532	-	-	-	-
<b>Insurance / reinsurance payables*</b>									
-	-	-	-	243,253,439	243,253,439	-	-	-	-
<b>Other creditors and accruals*</b>									
-	-	-	-	1,330,364,763	1,330,364,763	-	-	-	-
<b>Total liabilities of Window Takatful Operations - Operator's fund*</b>									
-	-	-	-	15,378,719	15,378,719	-	-	-	-
-	-	-	-	1,795,334,453	1,795,334,453	-	-	-	-

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

**30.1** 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).



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

For the six months period ended June 30, 2020

## 31. SEGMENT INFORMATION

	Three months period ended June 30, 2020 (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)	232,939,975	77,895,661	89,612,746	187,318,898	16,286,284	604,053,564
Less: - Federal Excise Duty / Sales Tax	27,054,489	8,524,812	10,548,433	36,507	1,898,459	48,062,700
- Federal Insurance Fee	2,045,518	655,577	784,464	1,876,335	142,393	5,504,287
- Others	17,400	3,169,322	54,540	1,520	8,800	3,251,582
Gross written premium (inclusive of Administrative Surcharge)	203,822,568	65,545,950	78,225,309	185,404,536	14,236,632	547,234,995
- Gross direct premium	203,426,614	64,152,321	76,747,088	185,347,350	14,106,679	543,780,052
- Facultative inward premium	-	-	-	-	-	-
- Administrative surcharge	395,954	1,393,629	1,478,221	57,186	129,953	3,454,943
	203,822,568	65,545,950	78,225,309	185,404,536	14,236,632	547,234,995
Insurance premium earned	96,378,383	66,124,693	78,653,152	70,069,598	13,862,699	325,088,525
Insurance premium ceded to reinsurers	(86,341,867)	(23,513,757)	(1,355,157)	(166,084)	(11,315,959)	(122,692,824)
Net Insurance premium	10,036,516	42,610,936	77,297,995	69,903,514	2,546,740	202,395,701
Commission income	20,251,267	9,089,143	22,052	48,164	2,589,535	32,000,161
<b>Net underwriting income</b>	30,287,783	51,700,079	77,320,047	69,951,678	5,136,275	234,395,862
Insurance claims	(26,285,946)	(7,492,668)	(17,070,383)	(43,744,433)	(5,533,480)	(100,126,910)
Insurance claims recovered from reinsurers	23,011,310	3,176,503	1,485,957	-	4,844,899	32,518,669
Net claims	(3,274,636)	(4,316,165)	(15,584,426)	(43,744,433)	(688,581)	(67,608,241)
Commission expense	(11,357,836)	(9,726,204)	(5,578,860)	(1,051,963)	(1,184,825)	(28,899,688)
Management expense	(37,485,980)	(5,890,690)	(3,471,322)	(39,878,684)	(1,484,097)	(88,210,773)
<b>Net insurance claims and expenses</b>	(52,118,452)	(19,933,059)	(24,634,608)	(84,675,080)	(3,357,503)	(184,718,702)
Underwriting results	(21,830,669)	31,767,020	52,685,439	(14,723,402)	1,778,772	49,677,160
Investment Income						24,506,128
Other income						14,702,608
Other expenses						(3,588,086)
Finance costs on lease liabilities						(1,581,393)
Share of profit from associates						2,064,025
Profit before tax from Window Takaful Operations						2,226,307
<b>Profit before tax for the period</b>						<b>88,006,749</b>



## Six months period ended June 30, 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)	294,697,540	153,557,516	207,799,110	192,262,551	30,523,690	<b>878,840,407</b>
Less: - Federal Excise Duty / Sales Tax	34,948,761	16,733,292	24,626,036	72,056	3,696,515	<b>80,076,660</b>
- Federal Insurance Fee	2,585,098	1,292,558	1,817,940	1,940,669	265,284	<b>7,901,549</b>
- Others	33,250	6,293,911	242,440	2,620	36,650	<b>6,608,871</b>
Gross written premium (inclusive of Administrative Surcharge)	257,130,431	129,237,755	181,112,694	190,247,206	26,525,241	<b>784,253,327</b>
- Gross direct premium	256,387,953	126,371,219	168,194,278	190,175,482	26,258,512	<b>767,387,444</b>
- Facultative inward premium	-	-	-	-	-	<b>-</b>
- Administrative surcharge	742,478	2,866,536	12,918,416	71,724	266,729	<b>16,865,883</b>
	257,130,431	129,237,755	181,112,694	190,247,206	26,525,241	<b>784,253,327</b>
Insurance premium earned	200,117,618	128,747,986	154,352,109	143,496,998	29,432,295	<b>656,147,006</b>
Insurance premium ceded to reinsurers	(173,344,030)	(44,498,742)	(2,919,954)	(314,612)	(21,640,960)	<b>(242,718,298)</b>
Net Insurance premium	26,773,588	84,249,244	151,432,155	143,182,386	7,791,335	<b>413,428,708</b>
Commission income	38,973,135	17,185,452	48,756	91,236	5,277,948	<b>61,576,527</b>
<b>Net underwriting income</b>	<b>65,746,723</b>	<b>101,434,696</b>	<b>151,480,911</b>	<b>143,273,622</b>	<b>13,069,283</b>	<b>475,005,235</b>
Insurance claims	(58,392,742)	(8,851,776)	(52,397,776)	(92,245,104)	(47,512,036)	<b>(259,399,434)</b>
Insurance claims recovered from reinsurers	54,607,922	3,794,136	8,416,760	-	41,641,974	<b>108,460,792</b>
Net claims	(3,784,820)	(5,057,640)	(43,981,016)	(92,245,104)	(5,870,062)	<b>(150,938,642)</b>
Commission expense	(24,434,686)	(18,934,997)	(10,413,703)	(2,151,020)	(2,407,848)	<b>(58,342,254)</b>
Management expense	(56,195,587)	(28,244,777)	(39,581,990)	(41,578,329)	(5,797,064)	<b>(171,397,747)</b>
<b>Net insurance claims and expenses</b>	<b>(84,415,093)</b>	<b>(52,237,414)</b>	<b>(93,976,709)</b>	<b>(135,974,453)</b>	<b>(14,074,974)</b>	<b>(380,678,643)</b>
Underwriting results	(18,668,370)	49,197,282	57,504,202	7,299,169	(1,005,691)	<b>94,326,592</b>
Investment income						<b>22,802,731</b>
Other income						<b>19,714,354</b>
Other expenses						<b>(5,292,499)</b>
Finance costs on lease liabilities						<b>(3,233,139)</b>
Share of profit from associates						<b>2,064,025</b>
Profit before tax from Window Takaful Operations						<b>5,419,869</b>
<b>Profit before tax for the period</b>						<b>135,801,933</b>



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

For the six months period ended June 30, 2020

	Three months period ended June 30, 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)	239,269,905	66,673,962	91,082,223	171,580,506	15,817,558	584,424,154
Less: - Federal Excise Duty / Sales Tax	28,210,131	7,358,232	10,767,236	4,480,628	1,847,650	52,663,877
- Federal Insurance Fee	2,088,468	562,291	802,076	1,675,203	138,049	5,266,087
- Others	19,570	2,524,618	80,300	1,700	2,350	2,628,538
Gross written premium (inclusive of Administrative Surcharge)	208,951,736	56,228,821	79,432,611	165,422,975	13,829,509	523,865,652
- Gross direct premium	208,480,601	54,948,337	76,102,438	165,364,584	13,604,939	518,500,899
- Facultative inward premium	-	-	-	-	-	-
- Administrative surcharge	471,135	1,280,484	3,330,173	58,391	194,570	5,334,753
	208,951,736	56,228,821	79,432,611	165,422,975	13,799,509	523,835,652
Insurance premium earned	94,939,872	59,938,676	84,197,620	57,730,696	14,387,606	311,194,470
Insurance premium ceded to reinsurers	(87,900,342)	(19,167,384)	(1,734,445)	(130,044)	(12,395,324)	(121,327,539)
Net Insurance premium	7,039,530	40,771,292	82,463,175	57,600,652	1,992,282	189,866,931
Commission income	19,386,949	7,373,175	50,687	37,713	3,321,217	30,169,741
<b>Net underwriting income</b>	26,426,479	48,144,467	82,513,862	57,638,365	5,313,499	220,036,672
Insurance claims	4,588,820	(9,239,633)	(37,672,351)	(45,758,468)	(5,135,461)	(93,217,093)
Insurance claims recovered from reinsurers	(4,717,594)	5,324,884	4,855,906	-	3,519,463	8,982,659
Net claims	(128,774)	(3,914,749)	(32,816,445)	(45,758,468)	(1,615,998)	(84,234,434)
Commission expense	(12,088,955)	(8,866,882)	(6,057,505)	(647,192)	(1,346,517)	(29,007,051)
Management expense	(95,310,390)	(7,202,534)	33,293,340	3,527,639	(10,129,480)	(75,821,425)
<b>Net insurance claims and expenses</b>	(107,528,119)	(19,984,165)	(5,580,610)	(42,878,021)	(13,091,995)	(189,062,910)
Underwriting results	(81,101,640)	28,160,302	76,933,252	14,760,344	(7,778,496)	30,973,762
Investment Income						(38,617,566)
Other income						11,884,191
Other expenses						(2,011,328)
Share of profit from associates						1,302,653
Impairment in associates						(17,412,640)
Profit before tax from Window Takaful Operations						1,931,260
<b>Loss before tax for the period</b>						<b>(11,949,668)</b>



## Six months period ended June 30, 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)	295,147,329	140,465,713	222,661,011	184,121,855	32,004,980	<b>874,400,888</b>
Less: - Federal Excise Duty / Sales Tax	35,303,253	15,421,832	26,374,503	5,071,747	3,880,606	<b>86,051,941</b>
- Federal Insurance Fee	2,571,621	1,182,946	1,951,795	1,836,441	277,807	<b>7,820,610</b>
- Others	33,110	5,589,953	276,850	3,100	38,400	<b>5,941,413</b>
Gross written premium (inclusive of Administrative Surcharge)	257,239,345	118,270,982	194,057,863	177,210,567	27,808,167	<b>774,586,924</b>
- Gross direct premium	256,187,967	115,580,676	177,008,441	177,141,155	27,415,488	<b>753,333,727</b>
- Facultative inward premium	233,232	-	-	-	-	<b>233,232</b>
- Administrative surcharge	818,146	2,690,306	17,049,422	69,412	362,679	<b>20,989,965</b>
	257,239,345	118,270,982	194,057,863	177,210,567	27,778,167	<b>774,556,924</b>
Insurance premium earned	195,161,943	122,259,462	162,602,847	114,342,844	30,346,537	<b>624,713,633</b>
Insurance premium ceded to reinsurers	(170,366,519)	(41,047,815)	(3,930,745)	(243,916)	(22,374,695)	<b>(237,963,690)</b>
Net Insurance premium	24,795,424	81,211,647	158,672,102	114,098,928	7,971,842	<b>386,749,943</b>
Commission income	38,680,835	15,774,975	106,280	77,152	6,074,491	<b>60,713,733</b>
<b>Net underwriting income</b>	<b>63,476,259</b>	<b>96,986,622</b>	<b>158,778,382</b>	<b>114,176,080</b>	<b>14,046,333</b>	<b>447,463,676</b>
Insurance claims	(2,279,591)	(14,654,064)	(76,235,753)	(91,077,376)	(11,427,346)	<b>(195,674,130)</b>
Insurance claims recovered from reinsurers	2,038,540	6,958,257	10,404,982	-	8,609,007	<b>28,010,786</b>
Net claims	(241,051)	(7,695,807)	(65,830,771)	(91,077,376)	(2,818,339)	<b>(167,663,344)</b>
Commission expense	(24,966,174)	(18,031,117)	(11,356,787)	(1,372,315)	(2,610,002)	<b>(58,336,395)</b>
Management expense	(110,408,833)	(26,601,714)	(2,547,384)	(158,074)	(14,500,290)	<b>(154,216,295)</b>
<b>Net insurance claims and expenses</b>	<b>(135,616,058)</b>	<b>(52,328,638)</b>	<b>(79,734,942)</b>	<b>(92,607,765)</b>	<b>(19,928,631)</b>	<b>(380,216,034)</b>
Underwriting results	(72,139,799)	44,657,984	79,043,440	21,568,315	(5,882,298)	<b>67,247,642</b>
Investment income						<b>(28,221,995)</b>
Other income						<b>24,183,064</b>
Other expenses						<b>(4,265,751)</b>
Share of profit from associates						<b>2,471,222</b>
Impairment in associates						<b>(17,412,640)</b>
Profit before tax from Window Takaful Operations						<b>4,781,390</b>
<b>Profit before tax for the period</b>						<b>48,782,932</b>



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

For the six months period ended June 30, 2020

The class wise assets and liabilities are as follows:

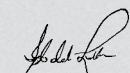
	Six months period ended June 30, 2020 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
<b>Segment assets</b>	<b>550,287,440</b>	<b>144,524,249</b>	<b>195,149,888</b>	<b>191,178,810</b>	<b>94,513,110</b>	<b>1,175,653,497</b>
Unallocated assets	-	-	-	-	-	2,184,363,307
Unallocated assets of Window Takaful Operation - Operator's Fund	-	-	-	-	-	95,616,520
<b>Total assets</b>	<b>550,287,440</b>	<b>144,524,249</b>	<b>195,149,888</b>	<b>191,178,810</b>	<b>94,513,110</b>	<b>3,455,633,324</b>
<b>Segment liabilities</b>	<b>486,290,100</b>	<b>104,849,341</b>	<b>301,887,789</b>	<b>325,364,650</b>	<b>103,657,469</b>	<b>1,322,049,350</b>
Unallocated liabilities	-	-	-	-	-	309,079,604
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	30,616,783
<b>Total liabilities</b>	<b>486,290,100</b>	<b>104,849,341</b>	<b>301,887,789</b>	<b>325,364,650</b>	<b>103,657,469</b>	<b>1,661,745,737</b>
	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
<b>Total assets</b>	<b>385,053,406</b>	<b>111,418,140</b>	<b>133,638,759</b>	<b>111,400,655</b>	<b>75,608,505</b>	<b>3,086,221,377</b>
Segment liabilities	346,751,839	86,578,096	229,259,377	236,830,287	85,654,803	985,074,402
Unallocated liabilities	-	-	-	-	-	235,678,731
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	28,770,317
<b>Total liabilities</b>	<b>346,751,839</b>	<b>86,578,096</b>	<b>229,259,377</b>	<b>236,830,287</b>	<b>85,654,803</b>	<b>1,249,523,450</b>

## 32. GENERAL

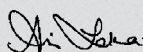
Figures in these condensed interim financial statements have been rounded off to the nearest rupees, unless otherwise stated.

## 33. DATE OF AUTHORISATION FOR ISSUE

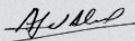
These condensed interim financial statements were authorised for issue in accordance with a resolution of the Board of Directors on August 26, 2020.



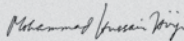
Iqbal Ali Lakhani  
Chairman



Amin Mohammed Lakhani  
Director



Aftab Ahmad  
Director



Mohammad Hussain Mirji  
Director & Chief Executive



Sabza Ali Pirani  
Chief Financial Officer



Window  
**TAKAFUL**  
Operations

Financial Statements

# Report on Review of Interim Financial Statements

## Independent Auditors' Review Report

To the members of Century Insurance Company Limited - Window Takaful Operations

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Century Insurance Company Limited - Window Takaful Operations ("the Operations") as at 30 June 2020 and the related condensed interim profit and loss account, the condensed interim statement of comprehensive income, the condensed interim statement of changes in funds, the condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of Review

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

### Conclusion

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



## Other Matter

The figures for the quarters ended 30 June 2020 and 30 June 2019 in the condensed interim profit and loss account and the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review engagement resulting in this independent auditors' review report is Aryn Malik.

Date:

Karachi

KPMG Taseer Hadi & Co.  
Chartered Accountants



# Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2020

	Note	Operator's Fund		Participants' Takaful Fund	
		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- (Rupees) -----			
<b>Assets</b>					
Investments	9				
Equity securities / mutual funds		45,554,298	62,081,477	-	-
Debt securities		-	-	500,000	500,000
Loan and other receivables	10	16,825,938	60,907	590,794	452,811
Takaful / Re-takaful receivables	11	-	-	46,046,142	31,222,562
Retakaful recoveries against outstanding claims		-	-	19,867,452	5,735,733
Deferred commission expense / acquisition cost	20	3,181,841	3,239,167	-	-
Receivable from PTF	12	16,967,413	23,098,830	-	-
Deferred wakala fee	21	-	-	12,967,318	11,310,448
Prepaid re-takaful contribution ceded		-	-	8,923,733	8,104,293
Deferred taxation		-	24,805	-	-
Cash and bank	13	13,087,030	1,326,746	42,961,644	43,817,054
		<u>95,616,520</u>	<u>89,831,932</u>	<u>131,857,083</u>	<u>101,142,901</u>



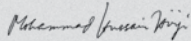
	Operator's Fund		Participants' Takaful Fund	
	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees)			
<b>Funds and Liabilities</b>				
<b>Funds attributable to:</b>				
<b>Operator's Fund</b>				
Statutory fund	50,000,000	50,000,000	-	-
Reserves	29,285	(60,730)	-	-
Accumulated gain	14,970,452	11,122,345	-	-
<b>Participants' Takaful Fund</b>				
Seed Money	-	-	500,000	500,000
Accumulated surplus	-	-	17,198,683	9,304,881
<b>Total Funds</b>	<b>64,999,737</b>	<b>61,061,615</b>	<b>17,698,683</b>	<b>9,804,881</b>
<b>Liabilities</b>				
<b>PTF underwriting provisions</b>				
Outstanding claims including IBNR	19	-	36,876,043	19,802,329
Unearned contribution reserve	17	-	34,358,055	30,202,824
Reserve for unearned re-takaful rebate	18	-	1,469,999	1,134,344
		-	72,704,097	51,139,497
Unearned Wakala fee	21	12,967,318	-	-
Payable to OPF	12	-	16,967,413	23,098,830
Deferred taxation		11,961	-	-
Contribution received in advance		-	253,979	384,481
Takaful / re-takaful payables	14	-	20,863,911	15,881,047
Other creditors and accruals	15	14,196,021	3,369,000	834,165
Taxation - provision less payment		3,441,483	-	-
		30,616,783	41,454,303	40,198,523
<b>Total Liabilities</b>		<b>28,770,317</b>	<b>114,158,400</b>	<b>91,338,020</b>
<b>Total Funds and Liabilities</b>		<b>89,831,932</b>	<b>131,857,083</b>	<b>101,142,901</b>
<b>Contingency and Commitment</b>	16			


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

  
Iqbal Ali Lakhani  
Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer

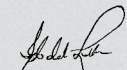


# Condensed Interim Profit and Loss Account (Un-audited)

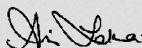
For the three and six months period ended June 30, 2020

	Note	Three months period ended		Six months period ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Note ----- (Rupees) -----					
<b>Participants' Takaful Fund - revenue account</b>					
Contribution earned		13,039,575	11,687,104	26,185,841	22,178,368
Less: Contribution ceded to retakaful		(7,548,326)	(4,574,222)	(14,223,181)	(7,846,064)
Net contribution revenue	17	5,491,249	7,112,882	11,962,660	14,332,304
Re-takaful rebate earned	18	1,000,604	489,069	1,972,648	1,024,253
Net underwriting income		6,491,853	7,601,951	13,935,308	15,356,557
Net claims - reported / settled	19	(2,329,669)	(4,424,715)	(6,826,242)	(7,799,542)
Direct expenses		(230,510)	(144,712)	(536,013)	(301,715)
<b>Surplus before investment income</b>		<b>3,931,674</b>	<b>3,032,524</b>	<b>6,573,053</b>	<b>7,255,300</b>
Investment income	22	312,466	1,049,114	719,250	1,208,680
Other income	23	353,444	241,645	931,686	456,119
Less: Mudarib share of investment income	24	(133,182)	(258,152)	(330,187)	(332,960)
<b>Surplus transferred to the accumulated surplus</b>		<b>4,464,402</b>	<b>4,065,131</b>	<b>7,893,802</b>	<b>8,587,139</b>
<b>Operator's Fund - revenue account</b>					
Wakala fee	21	7,634,300	6,639,973	15,189,061	12,597,275
Commission expense	20	(2,149,226)	(1,926,068)	(4,288,362)	(3,541,818)
General, administration and management expenses		(4,398,218)	(6,287,676)	(8,576,020)	(7,918,285)
		1,086,856	(1,573,771)	2,324,679	1,137,172
Mudarib share of PTF investment income	24	133,182	258,152	330,187	332,960
Investment Income	22	1,199,726	3,235,546	2,909,933	3,235,546
Other income	23	54,395	111,333	177,181	215,571
Direct expenses		(247,852)	(100,000)	(322,111)	(139,859)
<b>Profit before tax</b>		<b>2,226,307</b>	<b>1,931,260</b>	<b>5,419,869</b>	<b>4,781,390</b>
Taxation		(645,629)	(560,065)	(1,571,762)	(1,386,603)
<b>Profit after tax</b>		<b>1,580,678</b>	<b>1,371,195</b>	<b>3,848,107</b>	<b>3,394,787</b>

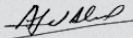
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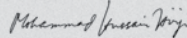
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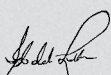


# Condensed Interim Statement of Comprehensive Income (Un-audited)

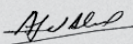
For the three and six months period ended June 30, 2020

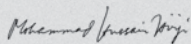
	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	
<b>Participants' Fund</b>				
Surplus for the period	4,464,402	4,065,131	7,893,802	8,587,139
<b>Other Comprehensive Income for the period</b>				
- Unrealized loss on available for sale investments	-	(637,777)	-	(505,970)
- Reclassification adjustment for net (gain) on available for sale investments included in profit and loss account	-	-	-	(5,181)
	-	(637,777)	-	(511,151)
<b>Total Comprehensive Income for the period</b>	<b>4,464,402</b>	<b>3,427,354</b>	<b>7,893,802</b>	<b>8,075,988</b>
<b>Operator's Fund</b>				
Profit after tax	1,580,678	1,371,195	3,848,107	3,394,787
<b>Other Comprehensive Income for the period</b>				
<b>Items that will be reclassified to profit and loss account</b>				
- Unrealized gain / (Loss) on available for sale investments - net of tax	19,487	(1,553,679)	29,285	(1,062,134)
- Reclassification adjustment for net loss on available for sale investments included in profit and loss account	-	-	60,730	-
	19,487	(1,553,679)	90,015	(1,062,134)
<b>Total comprehensive income for the period</b>	<b>1,600,165</b>	<b>(182,484)</b>	<b>3,938,122</b>	<b>2,332,653</b>


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Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer

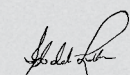


# Condensed Interim Statement of Cash Flows (Un-audited)

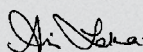
For the six months period ended June 30, 2020

	Operator's Fund		Participants' Takaful Fund	
	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020
<b>Operating Cash flows</b>	Note ----- (Rupees) -----			
<b>(a) Takaful activities</b>				
Contribution received	-	-	31,121,645	24,514,203
Re-takaful contributions paid	-	-	(4,140,664)	(25,963)
Claims paid	-	-	(10,630,265)	(10,830,384)
Re-takaful and other recoveries received	-	-	2,121,335	550,000
Commission paid	(1,984,616)	(2,432,746)	-	2,596
Re-takaful rebate received	-	-	468,298	-
Wakala fee received / paid	23,307,535	8,717,315	(23,307,535)	(8,717,315)
Direct expenses paid	-	-	(538,013)	(301,715)
Net cash inflows / (outflows) from takaful activities	21,322,919	6,284,569	(4,903,199)	5,191,422
<b>(b) Other operating activities</b>				
Income tax paid	(211,429)	(283,942)	(239,457)	-
General, administration and management expenses paid	(12,332,402)	(1,066,149)	-	-
Other operating receipts / payments- net	36,766	(63,095)	2,532,145	889,418
Net cash (outflows) / inflows from other operating activities	(12,507,065)	(1,413,186)	2,292,688	889,418
<b>Total cash inflows / (outflows) from operating activities</b>	<b>8,815,854</b>	<b>4,871,383</b>	<b>(2,610,511)</b>	<b>6,080,840</b>
<b>Investment activities</b>				
Profit / return received	219,040	371,969	1,052,725	483,329
Dividend received	1,263,510	1,720,454	368,097	459,997
Payment for investments	(105,642,514)	(1,462,386)	(39,711,417)	(15,959,997)
Proceed from investments	107,104,394	-	40,045,696	10,500,000
<b>Total cash inflows / (outflows) from investing activities</b>	<b>2,944,430</b>	<b>630,037</b>	<b>1,755,101</b>	<b>(4,516,671)</b>
<b>Net cash inflows / (outflows) from all activities</b>	<b>11,760,284</b>	<b>5,501,420</b>	<b>(855,410)</b>	<b>1,564,169</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,326,746</b>	<b>8,976,046</b>	<b>43,817,054</b>	<b>15,729,935</b>
<b>Cash and cash equivalents at the end of period</b>	<b>13,087,030</b>	<b>14,477,466</b>	<b>42,961,644</b>	<b>17,294,104</b>
<b>Reconciliation to profit and loss account</b>				
Operating cash flows	8,815,854	4,871,383	(2,610,511)	6,080,840
Profit on disposal of investments	1,646,423	-	331,588	153,596
Profit / returns received	219,040	548,531	1,052,725	250,626
Dividend income	1,263,510	3,235,546	368,097	1,044,522
Increase / (decrease) in assets other than cash	(6,255,407)	2,273,112	31,569,592	2,608,290
(Increase) in liabilities other than borrowings	(1,841,313)	(7,533,785)	(22,817,689)	(1,550,735)
<b>Profit after tax / surplus for the period</b>	<b>3,848,107</b>	<b>3,394,787</b>	<b>7,893,802</b>	<b>8,587,139</b>

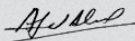
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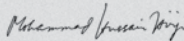
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Chairman



Amin Mohammed Lakhani  
Director



Aftab Ahmad  
Director



Mohammad Hussain Hirji  
Director & Chief Executive



Sabza Ali Pirani  
Chief Financial Officer



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

For the six months period ended June 30, 2020

	Operator's Fund			
	Statutory fund	Revenue reserve Available for sale Investment revaluation reserve	Accumulated surplus	Total
	----- (Rupees) -----			
Balance as at January 01, 2019	50,000,000	141,806	4,408,021	54,549,827
Changes in fund for the six months period ended June 30, 2019				
Profit after tax for the six months period	-	-	3,394,787	3,394,787
<b>Other comprehensive income</b>				
Unrealised loss on available for sale investments - net of tax	-	(1,062,134)	-	(1,062,134)
	-	(1,062,134)	3,394,787	2,332,653
<b>Balance as at June 30, 2019</b>	<b>50,000,000</b>	<b>(920,328)</b>	<b>7,802,808</b>	<b>56,882,480</b>
Balance as at January 01, 2020	50,000,000	(60,730)	11,122,345	61,061,615
Changes in fund for the six months period ended June 30, 2020				
Profit after tax for the six months period	-	-	3,848,107	3,848,107
<b>Other comprehensive income</b>				
Unrealised gain on available for sale investments - net of tax	-	29,285	-	29,285
Released loss on available for sale investments - net of tax	-	60,730	-	60,730
	-	90,015	3,848,107	3,938,122
<b>Balance as at June 30, 2020</b>	<b>50,000,000</b>	<b>29,285</b>	<b>14,970,452</b>	<b>64,999,737</b>



**Participants' Takaful Fund**

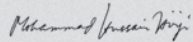
	Ceded money	Accumulated surplus (Rupees)	Total
Balances as at January 01, 2019	500,000	98,359	598,359
Changes in fund for the six months period ended June 30, 2019			
Surplus for the six months period ended	-	8,587,139	8,587,139
<b>Other comprehensive income</b>			
Unrealised loss on available for sale investments	-	(505,970)	(505,970)
Realised gains on available for sale investments	-	(5,181)	(5,181)
	-	8,075,988	8,075,988
Balance as at June 30, 2019	500,000	8,174,347	8,674,347
<b>Balances as at January 01, 2020</b>	<b>500,000</b>	<b>9,304,881</b>	<b>9,804,881</b>
Changes in fund for the six months period ended June 30, 2020			
Surplus for the six months period ended	-	7,893,802	7,893,802
<b>Other comprehensive income</b>			
	-	-	-
	-	7,893,802	7,893,802
Balance as at June 30, 2020	500,000	17,198,683	17,698,683


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Chief Financial Officer



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

For the six months period ended June 30, 2020

## 1. LEGAL 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.

- 1.1 During the period, the novel coronavirus (COVID 19) emerged and since then, the condition has continued to deteriorate. The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do so in the coming months of 2020. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the Operator based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the Operator.

Further, based on its assessment along with consideration of future plans and business activities, the Operator has determined that events or conditions do not exist that would result in material uncertainty with regards to going concern.

## 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), Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance 2000, Takaful Rules 2012 and General Takaful Accounting Regulations, 2019.



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

For the six months period ended June 30, 2020

In case requirements differ, the provisions or directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Takaful Rules 2012 and General Takaful Accounting Regulations 2019 shall prevail. These financial statements reflect the financial position and results of operations of both the Company and PTF in a manner that the assets, liabilities, income and expenses of the Company and PTF remain separately identifiable.

- 2.2** Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 1416(1)/2019 dated November 20, 2019 has issued General Takaful Accounting Regulations 2019 ("the Regulations"). Accordingly, the Operator has prepared and presented the condensed interim financial statement in accordance with the requirement of the Regulations. The application of these regulations for the purpose of preparation and presentation of the condensed interim financial statements are effective from January 01, 2020.
- 2.3** 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.
- 2.4** These condensed interim financial statements have been presented in Pakistan Rupees, which is also the functional currency of the Operator.
- 2.5 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards**

## 2.5.1 Standards and amendments to accounting and reporting standards that are effective

There are certain amendments and interpretations listed below, to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on January 01, 2020. However, these do not have any significant impact on the Company's financial reporting.

Effective date	New standards or amendments
January 01, 2020	Amendments to References to conceptual Framework in IFRS standards
	Definition of Business (Amendments to IFRS 3)
	Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
June 01, 2020	Practical relief for Lessees in accounting for rent concessions (Amendments to IFRS 16)

## 2.5.2 Standards, amendments and improvements to accounting and reporting standards that are not yet effective

There are certain amendments and interpretations listed below, to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 01, 2021. However, these will not have any impact on the Company's



financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

Effective date	New standards, amendments and annual improvements
January 01, 2022	Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
	Classification of Liabilities as Current or Non-current (Amendment to IAS 1)
	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	The annual improvements to IFRS standards 2018-2020 includes IFRS 9 Financial Instrument, IFRS 16 Leases and IAS 41 Biological Assets

### 3. BASIS OF MEASUREMENT

These condensed financial statements have been prepared under the historical cost convention except for certain investments 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 these 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. 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 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 retakaful from claims and other expenses expected to be increased after the reporting date in respect of policies in force at reporting date.



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

For the six months period ended June 30, 2020

## 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 or loss.

The table 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.

	June 30, 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) -----					
<b>Financial assets</b>					
Investments					
- Equity securities - Available for Sale	45,554,298	41,246	-	-	-
- Debt securities - held to maturity	-	-	500,000	-	-
	<u>45,554,298</u>	<u>41,246</u>	<u>500,000</u>	<u>-</u>	<u>-</u>

Gross Carrying amount of debt instruments that pass the SPPI test

	AA+
Investment in debt securities	---
Held to Maturity	<u>500,000</u>

\* 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

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Cost	Impairment / provision	Carrying Value	Cost	Impairment / provision	Carrying Value
----- (Rupees) -----						
<b>Operator's Fund</b>						
Mutual funds	<u>45,513,052</u>	-	<u>45,554,298</u>	62,167,012	-	62,081,477

### 9.2 Investment in debt securities

#### Held to maturity

Certificate of Islamic Investment

	<u>500,000</u>	-	<u>500,000</u>	500,000	-	500,000
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## 10. LOAN AND OTHER RECEIVABLE

Accrued investment income  
Advance Tax  
Receivable against sale of investment

	Operator's Fund		Participants' Takaful Fund	
	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
----- (Rupees) -----				
Accrued investment income	19,048	60,907	95,760	197,234
Advance Tax	-	-	495,034	255,577
Receivable against sale of investment	<u>16,806,890</u>	-	-	-
	<u>16,825,938</u>	60,907	<u>590,794</u>	452,811

## 11. TAKAFUL / RETAKAFUL RECEIVABLES - PTF

Due from Takaful participants  
Due from other Takaful / Retakaful operators  
Retakaful recoveries due but unpaid

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----	
Due from Takaful participants	13,691,346	7,060,403
Due from other Takaful / Retakaful operators	26,659,461	23,086,087
Retakaful recoveries due but unpaid	<u>5,695,335</u>	<u>1,076,072</u>
	<u>46,046,142</u>	31,222,562

## 12. RECEIVABLE / PAYABLE (Between OPF and PTF)

Wakala fee  
Modaraba fee

	Operator's Fund		Participants' Takaful Fund	
	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
----- (Rupees) -----				
Wakala fee	16,845,931	22,913,872	-	-
Modaraba fee	<u>121,482</u>	<u>184,958</u>	-	-
	<u>16,967,413</u>	23,098,830	-	-

## 13. CASH AND BANK

### Cash and cash equivalents

Cash in hand

	10,000	10,000	-	-
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### Cash at bank

Saving accounts

13.1	<u>13,077,030</u>	1,316,746	<u>42,961,644</u>	43,817,054
	<u>13,087,030</u>	1,326,746	<u>42,961,644</u>	43,817,054

13.1 Saving accounts carry expected profit rates ranging from 3.0% to 6.75% (2019: 5.3% to 7.21%) per annum.



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

For the six months period ended June 30, 2020

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----	
<b>14. TAKAFUL / RETAKAFUL PAYABLES - PTF</b>		
Due to other takaful / retakaful operators	<b>20,863,911</b>	15,881,047

	Operator's Fund		Participants' Takaful Fund	
	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----			
<b>15. OTHER CREDITORS AND ACCRUALS</b>				
Commission payable	6,893,303	4,646,883	-	-
Federal excise duty and sales tax	-	-	2,971,681	752,139
Federal takaful fee	-	-	229,733	67,243
Accrued expense	6,790,451	10,452,222	150,112	-
Audit fee payable	502,500	275,000	-	-
Tax deducted at source	9,767	4,614	17,474	14,783
	<b>14,196,021</b>	15,378,719	<b>3,369,000</b>	834,165

## 16. CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at June 30, 2020 (December 31, 2019: Nil).

	(Un-audited)		(Un-audited)	
	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020
	----- (Rupees) -----		----- (Rupees) -----	
<b>17. NET TAKAFUL CONTRIBUTION - PTF</b>				
Written Gross Contribution	31,536,399	19,539,676	45,530,133	31,946,535
Less: Wakala Fee	(7,634,300)	(6,639,973)	(15,189,061)	(12,597,275)
Contribution Net of Wakala Fee	23,902,099	12,899,703	30,341,072	19,349,260
Add : Unearned contribution reserve opening	23,495,531	23,054,506	30,202,824	27,096,213
Less: Unearned contribution reserve closing	(34,358,055)	(24,267,105)	(34,358,055)	(24,267,105)
Contribution earned	13,039,575	11,687,104	26,185,841	22,178,368
Less: Retakaful Contribution ceded	8,688,044	7,549,553	15,042,621	12,072,426
Add: Prepaid Retakaful contribution ceded opening	7,784,015	6,210,028	8,104,293	4,958,997
Less: Prepaid Retakaful contribution ceded closing	(8,923,733)	(9,185,359)	(8,923,733)	(9,185,359)
Retakaful expense	7,548,326	4,574,222	14,223,181	7,846,064
	<b>5,491,249</b>	7,112,882	<b>11,962,660</b>	14,332,304



	(Un-audited)		(Un-audited)	
	Three months period ended	Six months period ended	Three months period ended	Six months period ended
	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020
	----- (Rupees) -----		----- (Rupees) -----	
<b>18. REBATE FROM RE-TAKAFUL - PTF</b>				
Retakaful Rebate received or receivable	1,407,873	1,072,653	2,308,303	1,758,718
Add: Unearned retakaful opening	1,062,730	881,384	1,134,344	730,503
Less: Unearned retakaful closing	(1,469,999)	(1,464,968)	(1,469,999)	(1,464,968)
	<u>1,000,604</u>	<u>489,069</u>	<u>1,972,648</u>	<u>1,024,253</u>
<b>19. NET TAKAFUL CLAIMS EXPENSE - PTF</b>				
Claim paid	5,965,014	2,428,150	10,630,265	10,830,384
Add: Outstanding claims including IBNR closing	36,876,043	10,228,772	36,876,043	10,228,772
Less: Outstanding claims including IBNR opening	(35,397,819)	(16,477,007)	(19,802,329)	(20,916,014)
Claims expense	<u>7,443,238</u>	<u>(3,820,085)</u>	<u>27,703,979</u>	<u>143,142</u>
Less: Retakaful and others recoveries received	5,982,026	-	6,746,018	588,400
Add: Retakaful and others recoveries against outstanding claims closing	19,867,452	1,442,800	19,867,452	1,442,800
Less: Retakaful and others recoveries against outstanding claims opening	(20,735,909)	(9,687,600)	(5,735,733)	(9,687,600)
Re-takaful and recoveries revenue	5,113,569	(8,244,800)	20,877,737	(7,656,400)
	<u>2,329,669</u>	<u>4,424,715</u>	<u>6,826,242</u>	<u>7,799,542</u>
<b>20. COMMISSION EXPENSE - OPF</b>				
Commission paid or payable	3,023,853	1,701,444	4,231,036	2,933,733
Add: Deferred commission expense opening	2,307,214	2,125,783	3,239,167	2,509,244
Less: Deferred commission expense closing	(3,181,841)	(1,901,159)	(3,181,841)	(1,901,159)
Net commission	<u>2,149,226</u>	<u>1,926,068</u>	<u>4,288,362</u>	<u>3,541,818</u>
<b>21. WAKALA FEE</b>				
Gross Wakala Fee	11,859,361	7,053,433	16,845,931	11,535,417
Add: Deferred Wakala Fee - Opening	8,742,257	8,564,409	11,310,448	10,039,727
Less: Deferred Wakala Fee - Closing	(12,967,318)	(8,977,869)	(12,967,318)	(8,977,869)
	(4,225,061)	(413,460)	(1,656,870)	1,061,858
	<u>7,634,300</u>	<u>6,639,973</u>	<u>15,189,061</u>	<u>12,597,275</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



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

For the six months period ended June 30, 2020

	(Un-audited)		(Un-audited)	
	Three months period ended June 30, 2020	June 30, 2019	Six months period ended June 30, 2020	June 30, 2019
<b>22. INVESTMENT INCOME</b>	----- (Rupees) -----			
<b>Participants' Takaful Fund</b>				
<b>Income from equity securities - Available for sale</b>				
Realised gain on sale of equity securities	34,240	-	331,588	153,596
Dividend income	270,982	1,044,522	368,097	1,044,522
<b>Income from debt securities - Held to maturity</b>				
Return on Certificate of Islamic Investment	7,244	4,592	19,565	10,562
	<u>312,466</u>	<u>1,049,114</u>	<u>719,250</u>	<u>1,208,680</u>
<b>Operator's Fund</b>				
<b>Income from equity securities - Available for sale</b>				
Realised gain on sale of equity securities	256,496	-	1,646,423	-
Dividend income	943,230	3,235,546	1,263,510	3,235,546
	<u>1,199,726</u>	<u>3,235,546</u>	<u>2,909,933</u>	<u>3,235,546</u>

## 23. OTHER INCOME

### Participants' Takaful Fund

Profit on bank balances	<u>353,444</u>	241,645	<u>931,686</u>	456,119
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### Operator's Fund

Profit on bank balances	<u>54,395</u>	111,333	<u>177,181</u>	215,571
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## 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.

Mudarib's share of PTF investment income	<u>133,182</u>	258,152	<u>330,187</u>	332,960
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## 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)		(Un-audited)	
	Three months period ended June 30, 2020	June 30, 2019	Six months period ended June 30, 2020	June 30, 2019
	----- (Rupees) -----			
<b>Associated companies</b>				
Takaful contribution written	<u>5,442,814</u>	4,902,125	<u>7,683,777</u>	7,167,197
Claim paid	<u>3,907,183</u>	-	<u>3,985,853</u>	-
Managerial Remuneration	<u>2,070,775</u>	-	<u>2,070,775</u>	-
Expenses Paid	<u>9,349,862</u>	-	<u>9,349,862</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.



The class wise revenues and results are as follows:

	For the three months period ended June 30, 2020 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
----- (Rupees) -----					
<b>Participant's Takaful Fund</b>					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)					
	4,007,733	2,784,185	25,501,807	4,052,130	<b>36,345,855</b>
Less: - Federal Excise Duty / Sales Tax					
	461,792	275,124	3,055,266	462,280	<b>4,254,462</b>
- Federal Insurance Fee					
	35,104	22,652	222,301	35,556	<b>315,613</b>
- Others					
	850	220,934	19,350	-	<b>241,134</b>
Facultative inward contribution					
	1,753	-	-	-	<b>1,753</b>
	<u>3,511,740</u>	<u>2,265,475</u>	<u>22,204,890</u>	<u>3,554,294</u>	<u><b>31,536,399</b></u>
Gross written Contribution (inclusive of Administrative Surcharge)					
	3,487,570	2,160,380	21,617,986	3,546,292	<b>30,812,228</b>
- Gross direct Contribution					
	1,753	-	-	-	<b>1,753</b>
- Facultative inward contribution					
	22,417	105,095	586,904	8,002	<b>722,418</b>
	<u>3,511,740</u>	<u>2,265,475</u>	<u>22,204,890</u>	<u>3,554,294</u>	<u><b>31,536,399</b></u>
Wakala fee					
	(1,036,677)	(692,770)	(5,502,171)	(402,682)	<b>(7,634,300)</b>
Takaful contribution earned					
	3,455,590	2,309,235	13,755,427	1,153,623	<b>20,673,875</b>
Takaful contribution ceded to retakaful operators					
	(3,062,311)	(1,683,859)	(1,998,105)	(804,051)	<b>(7,548,326)</b>
Net Takaful contribution					
	(643,398)	(67,394)	6,255,151	(53,110)	<b>5,491,249</b>
Retakaful rebate					
	492,198	311,960	11,486	184,960	<b>1,000,604</b>
<b>Net underwriting income</b>					
	(151,200)	244,566	6,266,637	131,850	<b>6,491,853</b>
Takaful claims					
	(4,953,362)	88,250	(2,690,053)	111,927	<b>(7,443,238)</b>
Takaful claims recovered from retakaful operators					
	3,962,690	(70,600)	1,305,420	(83,941)	<b>5,113,569</b>
Net claims					
	(990,672)	17,650	(1,384,633)	27,986	<b>(2,329,669)</b>
Direct expenses					
	97	(14,886)	(189,216)	(26,505)	<b>(230,510)</b>
<b>(Deficit) / surplus before investment income</b>					
	<u>(1,141,775)</u>	<u>247,330</u>	<u>4,692,788</u>	<u>133,331</u>	<u><b>3,931,674</b></u>
Investment income					
					<b>312,466</b>
Other income					
					<b>353,444</b>
Mudarib's share of investment income					
					<b>(133,182)</b>
<b>Surplus for the period</b>					
					<u><b>4,464,402</b></u>
<b>Operator's Fund</b>					
Wakala fee					
	1,036,677	692,770	5,502,171	402,682	<b>7,634,300</b>
Commission expense					
	(396,997)	(219,671)	(1,419,868)	(112,690)	<b>(2,149,226)</b>
Management expense					
	(207,513)	(297,628)	(3,391,619)	(501,458)	<b>(4,398,218)</b>
	<u>432,167</u>	<u>175,471</u>	<u>690,684</u>	<u>(211,466)</u>	<u><b>1,086,856</b></u>
Mudarib share of PTF investment income					
					<b>133,182</b>
Investment income					
					<b>1,199,726</b>
Other income					
					<b>54,395</b>
Direct expenses					
					<b>(247,852)</b>
<b>Profit before tax</b>					
					<u><b>2,226,307</b></u>



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

For the six months period ended June 30, 2020

	For the six months period ended June 30, 2020 (Un-audited)				Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	
	----- (Rupees) -----				
<b>Participant's Takaful Fund</b>					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	8,761,734	4,226,293	33,749,155	5,826,603	<b>52,563,785</b>
Less: - Federal Excise Duty / Sales Tax	1,052,359	425,735	4,043,519	696,457	<b>6,218,070</b>
- Federal Insurance Fee	76,343	34,487	294,283	50,805	<b>455,918</b>
- Others	3,250	329,017	29,000	150	<b>361,417</b>
Facultative inward premium	1,753	-	-	-	<b>1,753</b>
	<u>7,631,535</u>	<u>3,437,054</u>	<u>29,382,353</u>	<u>5,079,191</u>	<b><u>45,530,133</u></b>
Gross written Contribution (inclusive of Administrative Surcharge)					
- Gross direct Contribution	7,556,027	3,284,969	28,554,467	5,064,043	<b>44,459,506</b>
- Facultative inward contribution	1,753	-	-	-	<b>1,753</b>
- Administrative surcharge	73,755	152,085	827,886	15,148	<b>1,068,874</b>
	<u>7,631,535</u>	<u>3,437,054</u>	<u>29,382,353</u>	<u>5,079,191</u>	<b><u>45,530,133</u></b>
Wakala fee	(2,599,322)	(1,113,274)	(10,635,902)	(840,563)	<b>(15,189,061)</b>
Takaful contribution earned	8,664,403	3,710,915	26,589,756	2,409,828	<b>41,374,902</b>
Takaful contribution ceded to retakaful operators	<u>(7,231,726)</u>	<u>(2,757,709)</u>	<u>(2,385,986)</u>	<u>(1,847,760)</u>	<b><u>(14,223,181)</u></b>
Net Takaful contribution	(1,166,645)	(160,068)	13,567,868	(278,495)	<b>11,962,660</b>
Retakaful rebate	1,144,046	467,527	24,909	336,166	<b>1,972,648</b>
<b>Net underwriting income</b>	<b>(22,599)</b>	<b>307,459</b>	<b>13,592,777</b>	<b>57,671</b>	<b>13,935,308</b>
Takaful claims	(18,020,114)	(78,581)	(5,443,563)	(4,161,721)	<b>(27,703,979)</b>
Takaful claims recovered from retakaful operators	<u>16,155,081</u>	<u>62,865</u>	<u>1,305,420</u>	<u>3,354,371</u>	<b><u>20,877,737</u></b>
Net claims	(1,865,033)	(15,716)	(4,138,143)	(807,350)	<b>(6,826,242)</b>
Direct expenses	(89,844)	(40,463)	(345,910)	(59,796)	<b>(536,013)</b>
<b>(Deficit) / surplus before investment income</b>	<b>(1,977,476)</b>	<b>251,280</b>	<b>9,108,724</b>	<b>(809,475)</b>	<b>6,573,053</b>
Investment income					<b>719,250</b>
Other income					<b>931,686</b>
Mudarib's share of investment income					<b>(330,187)</b>
<b>Surplus for the period</b>					<b><u>7,893,802</u></b>
<b>Operator's Fund</b>					
Wakala fee	2,599,322	1,113,274	10,635,902	840,563	<b>15,189,061</b>
Commission expense	(960,211)	(357,065)	(2,734,518)	(236,568)	<b>(4,288,362)</b>
Management expense	(1,437,470)	(647,401)	(5,534,436)	(956,713)	<b>(8,576,020)</b>
	<u>201,641</u>	<u>108,808</u>	<u>2,366,948</u>	<u>(352,718)</u>	<b><u>2,324,679</u></b>
Mudarib share of PTF investment income					<b>330,187</b>
Investment income					<b>2,909,933</b>
Other income					<b>177,181</b>
Direct expenses					<b>(322,111)</b>
<b>Profit before tax</b>					<b><u>5,419,869</u></b>



For the three months period ended June 30, 2019 (Un-audited)

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
<b>Participant's Takaful Fund</b>					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	4,361,867	2,611,576	12,148,356	3,362,710	22,484,509
Less: - Federal Excise Duty / Sales Tax	500,560	283,889	1,478,641	384,996	2,648,086
- Federal Insurance Fee	38,229	21,993	105,404	29,480	195,106
- Others	1,650	107,005	13,300	50	122,005
Facultative inward premium	20,364	-	-	-	20,364
	<u>3,841,792</u>	<u>2,198,689</u>	<u>10,551,011</u>	<u>2,948,184</u>	<u>19,539,676</u>
<b>Gross written Contribution (inclusive of Administrative Surcharge)</b>					
- Gross direct Contribution	3,793,661	2,131,129	10,228,816	2,940,281	19,093,887
- Facultative inward contribution	20,364	-	-	-	20,364
- Administrative surcharge	27,767	67,560	322,195	7,903	425,425
	<u>3,841,792</u>	<u>2,198,689</u>	<u>10,551,011</u>	<u>2,948,184</u>	<u>19,539,676</u>
Wakala fee	(848,175)	(592,958)	(4,684,166)	(514,674)	(6,639,973)
Takaful contribution earned	2,827,250	1,976,527	11,710,412	1,812,888	18,327,077
Takaful contribution ceded to retakaful operators	<u>(1,786,056)</u>	<u>(683,270)</u>	<u>(1,384,741)</u>	<u>(720,155)</u>	<u>(4,574,222)</u>
Net Takaful contribution	193,019	700,299	5,641,505	578,059	7,112,882
Retakaful rebate	389,444	94,230	8,338	(2,943)	489,069
<b>Net revenue</b>	<u>582,463</u>	<u>794,529</u>	<u>5,649,843</u>	<u>575,116</u>	<u>7,601,951</u>
Takaful claims	10,325,000	-	(5,747,187)	(757,728)	3,820,085
Takaful claims recovered from retakaful operators	<u>(8,258,800)</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>(8,244,800)</u>
Net claims	2,066,200	-	(5,747,187)	(743,728)	(4,424,715)
Direct expenses	(27,456)	(17,058)	(76,526)	(23,672)	(144,712)
<b>Surplus / (deficit) before investment income</b>	<u>2,621,207</u>	<u>777,471</u>	<u>(173,870)</u>	<u>(192,284)</u>	<u>3,032,524</u>
Investment income					1,049,114
Other income					241,645
Mudarib's share of investment income					<u>(258,152)</u>
<b>Surplus for the period</b>					<u>4,065,131</u>
<b>Operator's Fund</b>					
Wakala fee	848,175	592,958	4,684,166	514,674	6,639,973
Commission expense	(316,819)	(186,530)	(1,113,963)	(308,756)	(1,926,068)
Management expense	(1,272,378)	(679,433)	(3,453,798)	(882,067)	(6,287,676)
	<u>(741,022)</u>	<u>(273,005)</u>	<u>116,405</u>	<u>(676,149)</u>	<u>(1,573,771)</u>
Mudarib share of PTF investment income					258,152
Investment income					3,235,546
Other income					111,333
Direct expenses					<u>(100,000)</u>
<b>Profit before tax</b>					<u>1,931,260</u>



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

For the six months period ended June 30, 2020

	For the six months period ended June 30, 2019 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
<b>Participant's Takaful Fund</b>					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	7,533,560	4,026,372	20,385,816	4,882,219	36,827,967
Less: - Federal Excise Duty / Sales Tax	892,797	430,109	2,436,072	591,597	4,350,575
- Federal Insurance Fee	65,728	33,550	177,622	42,477	319,377
- Others	3,950	209,144	18,500	250	231,844
Facultative inward premium	20,364	-	-	-	20,364
	<u>6,591,449</u>	<u>3,353,569</u>	<u>17,753,622</u>	<u>4,247,895</u>	<u>31,946,535</u>
<b>Gross written Contribution (inclusive of Administrative Surcharge)</b>					
- Gross direct Contribution	6,498,867	3,230,273	17,215,637	4,239,414	31,184,191
- Facultative inward contribution	20,364	-	-	-	20,364
- Administrative surcharge	72,218	123,296	537,985	8,481	741,980
	<u>6,591,449</u>	<u>3,353,569</u>	<u>17,753,622</u>	<u>4,247,895</u>	<u>31,946,535</u>
Wakala fee	(1,607,653)	(933,861)	(8,981,505)	(1,074,256)	(12,597,275)
Takaful contribution earned	5,358,845	3,112,870	22,453,761	3,850,167	34,775,643
Takaful contribution ceded to retakaful operators	<u>(3,158,608)</u>	<u>(1,695,488)</u>	<u>(1,899,666)</u>	<u>(1,092,302)</u>	<u>(7,846,064)</u>
Net Takaful contribution	592,584	483,521	11,572,590	1,683,609	14,332,304
Rebate earned	572,218	248,761	13,352	189,922	1,024,253
<b>Net revenue</b>	<u>1,164,802</u>	<u>732,282</u>	<u>11,585,942</u>	<u>1,873,531</u>	<u>15,356,557</u>
Takaful claims	10,323,500	-	(8,746,752)	(1,719,890)	(143,142)
Takaful claims recovered from retakaful operators	<u>(8,258,800)</u>	<u>-</u>	<u>550,000</u>	<u>52,400</u>	<u>(7,656,400)</u>
Net claims	2,064,700	-	(8,196,752)	(1,667,490)	(7,799,542)
Direct expenses	(62,252)	(31,672)	(167,672)	(40,119)	(301,715)
<b>Surplus before investment income</b>	<u>3,167,250</u>	<u>700,610</u>	<u>3,221,518</u>	<u>165,922</u>	<u>7,255,300</u>
Investment income					1,208,680
Other income					456,119
Mudarib fee					<u>(332,960)</u>
<b>Surplus for the period</b>					<u>8,587,139</u>
<b>Operator's Fund</b>					
Wakala fee	1,607,653	933,861	8,981,505	1,074,256	12,597,275
Commission expense	(612,164)	(295,147)	(2,174,647)	(459,860)	(3,541,818)
Management expense	(1,633,760)	(831,217)	(4,400,422)	(1,052,886)	(7,918,285)
	<u>(638,271)</u>	<u>(192,503)</u>	<u>2,406,436</u>	<u>(438,490)</u>	<u>1,137,172</u>
Mudarib share of PTF investment income					332,960
Investment income					3,235,546
Other income					215,571
Direct expenses					<u>(139,859)</u>
<b>Profit before tax</b>					<u>4,781,390</u>



The classwise assets and liabilities are as follows:

June 30, 2020 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	----- (Rupees) -----				
<b>Segment assets</b>	28,182,921	3,930,947	40,917,119	14,773,658	<b>87,804,645</b>
Unallocated assets					
Participants' Takaful Fund					44,052,438
Operator's Fund					95,616,520
<b>Consolidated total assets</b>					<b>227,473,603</b>
<b>Segment liabilities</b>	28,042,391	3,449,005	65,081,386	15,318,144	<b>111,890,926</b>
Unallocated liabilities					
Participants' Takaful Fund					2,267,474
Operator's Fund					30,616,783
<b>Consolidated total liabilities</b>					<b>144,775,183</b>
December 31, 2019 (Audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	----- (Rupees) -----				
<b>Segment assets</b>	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
<b>Consolidated total assets</b>					<b>190,974,833</b>
<b>Segment liabilities</b>	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
<b>Consolidated total liabilities</b>					<b>120,108,337</b>



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

For the six months period ended June 30, 2020

## 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.

	June 30, 2020 (Un-audited)				Fair value			
	Carrying amount				Level 1	Level 2	Level 3	
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities				Total
	(Rupees)							
<b>Financial assets measured at fair value</b>								
Investments in mutual funds	45,554,298	-	-	-	45,554,298	-	45,554,298	-
<b>Financial assets not measured at fair value</b>								
Investment in Debt securities*	-	500,000	-	-	500,000			
Loans and receivables*	-	-	16,921,698	-	16,921,698			
Takaful / retakaful receivables*	-	-	46,046,142	-	46,046,142			
Retakaful recoveries against outstanding claims	-	-	19,867,452	-	19,867,452			
Receivable from PTF*	-	-	16,967,413	-	16,967,413			
Cash and bank*	-	-	56,048,674	-	56,048,674			
<b>Financial liabilities not measured at fair value</b>								
Provision for outstanding claims (including IBNR)*	-	-	-	(36,876,043)	(36,876,043)			
Payable to OPF*	-	-	-	(16,967,413)	(16,967,413)			
Takaful / retakaful payables*	-	-	-	(20,863,911)	(20,863,911)			
Other creditors and accruals*	-	-	-	(14,336,366)	(14,336,366)			
	<b>45,554,298</b>	<b>500,000</b>	<b>155,851,379</b>	<b>(89,043,733)</b>	<b>112,861,944</b>			

	December 31, 2019 (Audited)				Fair value			
	Carrying amount				Level 1	Level 2	Level 3	
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities				Total
	(Rupees)							
<b>Financial assets measured at fair value</b>								
Investments in equity securities	62,081,477	-	-	-	62,081,477	-	62,081,477	-
<b>Financial assets not measured at fair value</b>								
Investments in Debt securities*	-	500,000	-	-	500,000			
Loans and receivables*	-	-	258,141	-	258,141			
Takaful / retakaful receivables*	-	-	31,222,562	-	31,222,562			
Retakaful recoveries against outstanding claims	-	-	5,735,733	-	5,735,733			
Wakala and mudarib fee receivable*	-	-	23,098,830	-	23,098,830			
Cash and bank*	-	-	45,143,800	-	45,143,800			
<b>Financial liabilities not measured at fair value</b>								
Provision for outstanding claims (including IBNR)*	-	-	-	(19,802,329)	(19,802,329)			
Wakala and mudarib fee payable*	-	-	-	(23,098,830)	(23,098,830)			
Takaful / retakaful payables*	-	-	-	(15,881,047)	(15,881,047)			
Other creditors and accruals*	-	-	-	(15,374,105)	(15,374,105)			
	<b>62,081,477</b>	<b>500,000</b>	<b>105,459,066</b>	<b>(74,156,311)</b>	<b>93,884,232</b>			

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



27.1 Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable and 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).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

## 28. GENERAL

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

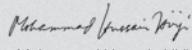
## 29. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on August 26, 2020.

  
Iqbal Ali Lakhani  
Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer



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