



Century Insurance
A Lakson Group Company

Your Trust
Our Assurance

AA
Rating



Quarterly Report September 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. 1.9 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.



Table of Contents

Financial Statement Conventional Operations

Vision and Mission	2
Corporate Information	3
Directors' Review	4
Directors' Review (Urdu)	7
Condensed Interim Statement of Financial Position	8
Condensed Interim Profit and Loss Account (Un-audited)	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Statement of Cash Flows	12
Condensed Interim Statement of Changes in Equity	13
Notes to and Forming Part of the Condensed Interim Financial Statements	14

Financial Statement Window Takaful Operations

Condensed Interim Statement of Financial Position	36
Condensed Interim Profit and Loss Account (Un-audited)	38
Condensed Interim Statement of Comprehensive Income	39
Condensed Interim Statement of Cash Flows	40
Condensed Interim Statement of Changes in Fund	41
Notes to and Forming Part of the Condensed Interim Financial Statements	43

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

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

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



Directors' Review

On behalf of the Board of Directors, we are pleased to present to you the unaudited financial statements for the nine-month period ended 30 September 2020.

General Review

The overall operational performance of the Company has improved for the nine-month period ended 30 September 2020 as compared to the same period in 2019. Gross Written Premium (inclusive of Takaful Contribution) has increased by Rs. 78.9 million (7%) to Rs. 1,155.7 million. Net premium has increased by Rs. 37.2 million (7%) to Rs. 617.0 million. Underwriting profit stood at Rs. 131.4 million, up by Rs. 38.7 million (42%). Investment & other income is Rs. 83.9 million.

Earnings (after tax) per share (EPS) for the nine-month period ended 30 September 2020 is Rs. 3.01 as against Rs. 0.76 for the same period last year.

Operating Results

The comparative financial highlights for the nine-month period ended 30 September 2020 and 30 September 2019 are presented below:-

	Rs. In Millions (except as otherwise stated)			
	September 30, 2020	September 30, 2019	Increase / (Decrease)	
				%
Gross Written Premium (including Takaful Contribution)	1,156	1,077	79	7
Net Premium	617	579	38	7
Underwriting results	131	93	38	42
Investment & other income	84	(30)	114	380
Profit before tax	210	61	149	244
Profit after tax	151	38	113	297
Earnings per share (Rs.)	3.01	0.76	2.25	296
Total assets	3,501	2,987	514	17
Paid-up capital	503	503	-	-
Total equity	1,908	1,710	198	12

As compared to the nine-month period of 2019, the gross written premium (inclusive of Takaful Contribution) for Fire class of business has increased by Rs. 11.2 million (3%), Marine by Rs. 19.5 million (11%), Motor by Rs. 28.6 million (10%), Accident & Health by Rs. 14.2 million (7%) and Miscellaneous by Rs. 5.4 million (10%).

Window Takaful Operations

Participant Takaful Fund (PTF)

The Gross Written Contribution for the first nine months of 2020 is Rs. 80.1 million as compared to Rs. 54.2 million for the same period last year. Net contribution revenue is Rs. 40.8 million and the surplus for the period is Rs. 9.1 million.

Operator's Fund (OPF)

Gross Wakala Fee income for the first nine months is Rs. 31.0 million while Net Wakala fee income is Rs. 24.3 million. Profit before tax is Rs. 8.0 million

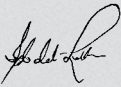
Future Outlook

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.

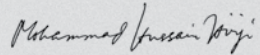
However, there is a risk going forward that a possible second wave of COVID-19 might depress economic activity in the country and this in turn, may have a negative impact on future premium growth of the Company. The Company is therefore increasing its sales efforts now so as to soften the impact of such and eventuality.

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: 28 October 2020



وئڈو ٹکا فل آپریشنز

شرکت داروں کا بٹکال فنڈ
2020ء کے ابتدائی نو ماہ میں شرکت داروں تحریر شدہ مجموعی کنزی بیوشن 80.1 ملین روپے رہا جبکہ اسی مدت میں گزشتہ سال 54.2 ملین روپے رہا۔ خالص کنزی بیوشن 40.8 ملین روپے اور سرپلس فنڈ 9.1 ملین روپے رہا۔

آپریٹر فنڈ
مجموعی وکالہ فیس برائے ابتدائی نو ماہ میں 31.0 ملین روپے ہے۔ خالص وکالہ فیس کی آمدنی 24.3 ملین روپے ہے۔ قبل از ٹیکس منافع 8.0 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 عیام 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۔

تاہم ملک میں یہ خطرات موجود ہیں کہ کرونا کی دوسری لہر سے اقتصادی سرگرمیوں میں کمی واقع ہو سکتی ہے جس کے نتیجے میں کمپنی کے مستقل کے پرامیم میں اضافے پر منفی اثر پڑ سکتا ہے۔ کمپنی اپنی سیل کو بڑھانے کے لیے کوشش کر رہی ہے تاکہ اس لہر کے اثر کو کم کیا جا سکے۔

اعترافات

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

Muhammad Hussain Birje

محمد حسین بیرجی
ڈائریکٹر اور چیف

Muhammad Ali Lakhani

اقبال علی لاکھانی
چیئرمین

کراچی : 28 اکتوبر 2020ء

ڈائریکٹرز کی جائزہ رپورٹ

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

عمومی جائزہ

30 ستمبر 2020ء کو ختم ہونے والی نوماہ کی مدت میں ادارے کی مجموعی انشورنس آپریشن کا رکردگی میں گذشتہ سال کی اسی مدت کے مقابلے بہتر آئی ہے۔ مشترکہ مجموعی پریمیئم (بشمول تکافل کنزیوشن) 78.9 ملین روپے 7 فیصد اضافہ جو کہ 1,155.7 ملین روپے ہوا۔ مجموعی خالص پریمیئم (بشمول تکافل کنزیوشن) 37.2 ملین روپے 7 فیصد اضافہ جو کہ 617.0 ملین روپے ہوا۔ انڈر رائٹنگ آمدنی 131.4 ملین روپے رہی ہے جس میں 38.7 ملین روپے کا اضافہ جو کہ 42 فیصد ہے۔ انوسٹمنٹ اور دیگر آمدنی 83.9 ملین روپے رہی ہے۔

30 ستمبر 2020ء کو ختم ہونے والی نوماہ کی مدت میں فی حصص آمدنی 3.01 ملین روپے جو کہ گذشتہ سال اسی مدت میں 0.76 ملین روپے تھی۔

کاروباری امور کے نتائج

نوماہ کی مدت 30 ستمبر 2020ء اور 2019ء کی تقابلی مالیاتی جھلکیاں درج ذیل ہیں۔

بیان	2020ء	2019ء	رقم	اضافہ/ (کمی)	(روپے ملین میں)
تحریر شدہ مجموعی پریمیئم (بشمول تکافل کنزیوشن)	1,156	1,077	79	7	
خالص پریمیئم (بشمول تکافل کنزیوشن)	617	579	38	7	
انڈر رائٹنگ نتائج	131	93	38	42	
سرمایہ کاری و دیگر آمدنی	84	(30)	114	380	
منافع قبل از ٹیکس	210	61	149	244	
منافع بعد از ٹیکس	151	38	113	297	
آمدنی فی حصص (روپے)	3.01	0.76	2.25	296	
کل اثاثہ جات	3,501	2,987	514	17	
ادا شدہ سرمایہ	503	503	-	-	
کل لیکویٹی	1908	1,710	198	12	

نوماہ 2019ء کے مقابلے میں مجموعی پریمیئم (بشمول تکافل کنزیوشن) برائے بیمہ آتش زدگی میں 11.2 ملین روپے (3 فیصد) بحری بیمہ میں 19.5 ملین روپے (11 فیصد)، موٹر بیمہ میں 28.6 ملین روپے (10 فیصد)، بیمہ حادثہ و صحت میں 14.2 ملین روپے (7 فیصد) اور بیمہ متفرق میں 5.4 ملین روپے (10 فیصد) کا اضافہ ہوا ہے۔

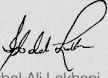
Condensed Interim Statement of Financial Position

As at September 30, 2020

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	------(Rupees)-----	
Assets			
Property and equipment	9	75,047,991	81,105,602
Intangible assets		15	9,741
Right-of-use assets	10	39,721,039	48,887,433
Investment in associates	11	43,910,382	39,404,247
Investments			
Equity securities / mutual funds	12.1	884,694,264	802,057,535
Debt securities	12.2	621,666,472	429,382,013
Term deposit	13	195,400,000	426,000,000
Other receivables	14	45,534,173	37,416,224
Insurance / reinsurance receivable	15	605,837,437	500,355,096
Reinsurance recoveries against outstanding claims	24	186,329,821	97,581,839
Salvage recoveries accrued		6,375,000	4,005,000
Deferred commission expense	25	30,397,132	35,271,269
Deferred taxation	19	44,283,548	42,441,773
Prepayments	16	237,604,604	185,447,129
Cash and bank	17	376,755,010	267,024,544
Total assets of Window Takaful Operations - Operator's fund	18	107,480,315	89,831,932
Total assets		<u>3,501,037,203</u>	<u>3,086,221,377</u>

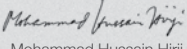
		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	------(Rupees) -----	
Equity and liabilities			
Authorized share capital (70,000,000 Ordinary share of Rs.10 each)		<u>700,000,000</u>	<u>700,000,000</u>
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		502,968,030	502,968,030
Share premium		254,024,260	254,024,260
Reserves		132,861,026	124,545,934
Unappropriated profit		1,018,387,909	955,159,703
Total Equity		<u>1,908,241,225</u>	<u>1,836,697,927</u>
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	24	314,008,953	206,337,532
Unearned premium reserve	23	578,088,483	494,320,532
Unearned reinsurance commission	25	50,882,670	40,139,097
Retirement benefits obligation		4,130,169	5,141,096
Premiums received in advance		2,546,397	1,023,802
Insurance / reinsurance payables	20	341,583,342	243,253,439
Lease liabilities		42,557,994	49,356,416
Other creditors and accruals	21	161,058,715	139,124,611
Taxation - provision less payments		57,931,673	42,056,608
Total Liabilities		<u>1,552,788,396</u>	<u>1,220,753,133</u>
Total liabilities of Window Takaful Operations - Operator's fund	18	40,007,582	28,770,317
Total equity and liabilities		<u>3,501,037,203</u>	<u>3,086,221,377</u>
Contingencies and commitments			
	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 Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

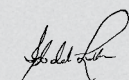


Condensed Interim Profit and Loss Account (Un-audited)

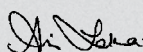
For the three and nine months period ended September 30, 2020

	Note	Three months period ended		Nine months period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		----- (Rupees) -----		----- (Rupees) -----	
Net insurance premium	23	203,538,148	192,295,265	616,966,856	579,045,208
Net insurance claims	24	(98,963,075)	(93,311,564)	(249,901,717)	(260,974,908)
Net commission and other acquisition costs	25	7,937,363	1,233,220	11,171,636	3,610,558
Insurance claims and acquisition expenses		(91,025,712)	(92,078,344)	(238,730,081)	(257,364,350)
Management Expenses		(75,407,480)	(74,779,530)	(246,805,227)	(228,995,825)
Underwriting results		37,104,956	25,437,391	131,431,548	92,685,033
Investment income / (loss)	26	29,105,923	(25,265,597)	51,908,654	(53,487,592)
Other income	27	7,443,166	13,593,937	27,157,520	37,777,001
Other expenses		(3,372,685)	(4,060,889)	(8,665,184)	(8,326,640)
Results of operating activities		70,281,360	9,704,842	201,832,538	68,647,802
Finance costs on lease liabilities		(1,507,994)	-	(4,741,133)	-
Share of profit of associates		2,853,594	1,059,465	4,917,619	3,530,687
Impairment in associates		-	-	-	(17,412,640)
Profit from Window Takaful Operations	18	2,609,798	1,426,201	8,029,667	6,207,591
Profit before tax		74,236,758	12,190,508	210,038,691	60,973,440
Income tax expense					
- current		(10,359,805)	(5,495,887)	(63,803,593)	(32,543,272)
- prior		-	-	-	2,789,293
- deferred		(9,699,775)	(2,322,372)	4,966,743	7,128,731
		(20,059,580)	(7,818,259)	(58,836,850)	(22,625,248)
Profit after tax		54,177,178	4,372,249	151,201,841	38,348,192
Earnings (after tax) per share - basic and diluted	28	1.08	0.09	3.01	0.76

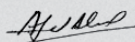
The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.



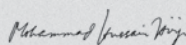
Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

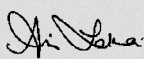
Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three and nine months period ended September 30, 2020

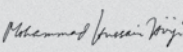
	Three months period ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Profit after tax	54,177,178	4,372,249	151,201,841	38,348,192
Other comprehensive income				
Item to be reclassified to profit and loss account in subsequent period:				
Unrealised gains / (loss) on revaluation 'available for sale' investments	83,738,722	16,698,930	10,904,531	1,509,320
Related income tax	(24,228,201)	(4,842,690)	(3,106,283)	(437,703)
	<u>59,510,521</u>	<u>11,856,240</u>	<u>7,798,248</u>	<u>1,071,617</u>
Impairment loss on available for sale investments as at March 31, 2020	12.3	-	(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	-
Impairment loss on available for sale investments as at March 31, 2020 reversed due to fair value changes	-	-	13,541,501	-
Reclassification adjustment for net (gain) / loss on available for sale investments included in profit and loss account - net of tax	-	8,391,260	(193,210)	13,802,040
	<u>59,510,521</u>	<u>20,247,500</u>	<u>7,605,038</u>	<u>14,873,657</u>
Unrealised gain on available for sale investments of Window Takaful Operations - net of tax	639,526	916,918	710,054	(145,216)
Other comprehensive income for the period				
- Share in other comprehensive income of an associate - net of tax	45,973	(230,348)	45,973	(229,971)
Total comprehensive income for the period	<u>114,373,198</u>	<u>25,306,319</u>	<u>159,562,906</u>	<u>52,846,662</u>


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

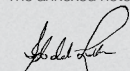


Condensed Interim Statement of Cash Flows (Un-audited)

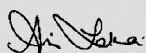
For the nine months period ended September 30, 2020

	(Un-audited)	
	September 30, 2020	September 30, 2019
Note	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	958,520,290	914,734,220
Reinsurance premium paid	(319,263,157)	(375,870,727)
Claims paid	(325,134,531)	(341,995,913)
Reinsurance and other recoveries received	68,625,360	100,042,022
Commissions paid	(58,824,098)	(109,096,293)
Commissions received	84,765,885	110,033,432
Management expenses paid	(242,387,200)	(233,050,858)
Net cash inflow from underwriting activities	<u>166,302,549</u>	<u>64,795,883</u>
(b) Other operating activities		
Income tax paid	(45,599,925)	(28,601,402)
Other operating receipts	(12,067,882)	(13,730,526)
Net cash (outflow) from other operating activities	(57,667,807)	(42,331,928)
Total cash inflow from operating activities	<u>108,634,742</u>	<u>22,463,955</u>
Investment activities		
Profit / return received	58,996,422	56,456,430
Dividends received	11,184,203	8,397,880
Payment against purchase of investments	(1,502,768,289)	(2,803,516,753)
Proceeds from disposal of investments	1,526,815,409	2,506,453,324
Fixed capital expenditure	(6,369,726)	(22,951,103)
Proceeds from sale of property and equipment	799,059	743,216
Total cash inflow / (outflow) from investing activities	<u>88,657,078</u>	<u>(254,417,006)</u>
Financing activities - Dividends paid	(87,561,354)	(62,954,658)
Net cash inflow / (outflow) from all activities	<u>109,730,466</u>	<u>(294,907,709)</u>
Cash and cash equivalent at beginning of the period	266,224,544	439,566,476
Cash and cash equivalent at end of the period	17.1 <u>375,955,010</u>	<u>144,658,767</u>
Reconciliation to profit and loss account		
Operating cash flows	108,634,742	22,463,955
Depreciation expense	(2,526,513)	(10,815,333)
Profit on disposal of property, plant and equipment	54,903	205,436
Loss on disposal of investments	(530,962)	(57,525,244)
Dividend income	10,938,991	9,008,864
Other investment income	79,967,121	20,427,476
Increase in assets other than cash	256,949,668	158,058,866
Increase in liabilities other than running finance	(310,315,776)	(109,683,419)
Profit from Window Takaful Operations	8,029,667	6,207,591
Profit after taxation	<u>151,201,841</u>	<u>38,348,192</u>

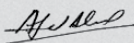
The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.



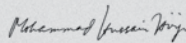
Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

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

For the nine months period ended September 30, 2020

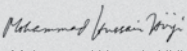
	Attributable to equity holders of the Company					Total
	Share capital	Capital reserves	Revenue reserves		Unappropriated profit	
	Issued, subscribed and paid-up	Share premium	General reserve	Unrealised appreciation / (diminution) 'available for sale' investments		
----- (Rupees) -----						
Balance as at January 01, 2019	502,968,030	254,024,260	119,000,000	(29,481,352)	873,893,357	1,720,404,295
Total comprehensive income						
Profit after tax for the nine months period ended September 30, 2019	-	-	-	-	38,348,192	38,348,192
Other comprehensive income						
Share in other comprehensive income of an associate	-	-	-	-	(229,971)	(229,971)
Net unrealised loss arising during the period on revaluation of available for sale investments (including WTO) net of tax	-	-	-	926,401	-	926,401
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) net of tax	-	-	-	13,802,040	-	13,802,040
Total comprehensive income	-	-	-	14,728,441	38,118,221	52,846,662
Transactions with owners recorded directly in equity						
Final cash dividend of Rs.1.25 (12.5%) per share for the year ended December 31, 2018	-	-	-	-	(62,871,164)	(62,871,164)
Balance as at September 30, 2019	<u>502,968,030</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>(14,752,911)</u>	<u>849,140,414</u>	<u>1,710,379,793</u>
Balance as at January 01, 2020	502,968,030	254,024,260	119,000,000	5,545,934	955,159,703	1,836,697,927
Total comprehensive income						
Profit after tax for the nine months period ended September 30, 2020	-	-	-	-	151,201,841	151,201,841
Other comprehensive income						
Share in other comprehensive income of an associate	-	-	-	-	45,973	45,973
Net unrealised loss arising during the period on revaluation of available for sale investments (including WTO) net of tax	-	-	-	8,508,302	-	8,508,302
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) net of tax	-	-	-	(193,210)	-	(193,210)
Total comprehensive income	-	-	-	8,315,092	151,247,814	159,562,906
Transactions with owners recorded directly in equity						
Final cash dividend of Rs.1.75 (17.5%) per share for the year ended December 31, 2019	-	-	-	-	(88,019,608)	(88,019,608)
Balance as at September 30, 2020	<u>502,968,030</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>13,861,026</u>	<u>1,018,387,909</u>	<u>1,908,241,225</u>


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



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

For the nine months period ended September 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 Company based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of company and financial condition of the Company.

Further, based on its assessment along with consideration of future plans and business activities, the Company 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 nine months period ended September 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.

September 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) -----					
Financial assets					
Investment in associate	43,910,382	-	-	-	-
Investments					
- Equity securities - Available for Sale	792,167,981	(13,255,011)	-	-	-
- Equity securities - Held for trading	92,526,283	2,779,312	-	-	-
- Debt securities - Held for trading	184,274,942	(938,023)	-	-	-
- Debt securities - available for sale	-	-	311,465,340	-	-
- Debt securities - held to maturity	-	-	125,926,190	-	-
Term deposit	-	-	195,400,000	-	-
TOTAL	1,112,879,588	(11,413,722)	632,791,530	-	-

Gross Carrying amount of debt instruments that pass the SPPI test

	AA	A	Unrated	Total
	----- (Rupees) -----			
Investment in debt securities -				
Available for sale	59,617,790	20,000,000	231,847,550	311,465,340
Held to Maturity	-	195,400,000	125,926,190	321,326,190
	59,617,790	215,400,000	357,773,740	632,791,530

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)
		September 30, 2020	December 31, 2019
----- (Rupees) -----			
Operating assets	9.1	72,004,770	77,172,381
Capital work in progress	9.2	3,043,221	3,933,221
		75,047,991	81,105,602



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

For the nine months period ended September 30, 2020

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
Note	------(Rupees)-----	
9.1 Operating assets		
Opening written down value	77,172,381	67,519,107
Add: Additions during the period / year - at cost		
- Motor vehicles	4,802,500	21,983,249
- Computers and related accessories	1,574,800	494,600
- Office equipment	840,152	1,292,240
- Furniture and fixtures	52,000	2,396,774
- Office improvement	-	1,416,387
	<u>7,269,452</u>	<u>27,583,250</u>
Less: Written down value of deletions	744,156	3,296,409
Depreciation for the period / year	<u>11,692,907</u>	<u>14,633,567</u>
	<u>12,437,063</u>	<u>17,929,976</u>
	<u>72,004,770</u>	<u>77,172,381</u>
9.2 Capital work in progress		
Advance against purchase of vehicles	<u>3,043,221</u>	3,933,221
	<u>3,043,221</u>	<u>3,933,221</u>
10. Right of use assets		
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	<u>(9,166,394)</u>	<u>(12,221,858)</u>
Written down value at end of the period / year	<u>39,721,039</u>	<u>48,887,433</u>
11. INVESTMENT IN ASSOCIATES		
Beginning of the period / year	39,404,247	45,144,162
Share of profit	4,917,619	6,918,238
Dividend received	(476,235)	(1,402,054)
Change in other comprehensive income / (loss)	64,751	(176,749)
Provision for impairment	-	(11,079,350)
End of the period / year	11.1 <u>43,910,382</u>	<u>39,404,247</u>
11.1 This includes investment in Colgate - Palmolive (Pakistan) Limited and Century Board & Paper Mills Limited amounting to Rs. 11,445,021 (December 31, 2019: Rs. 10,992,804) and Rs. 32,465,360 (December 31, 2019: Rs 28,411,443) having market values of Rs. 71,010,100 and Rs. 70,018,729 respectively.		
As at June 30, 2020, the assets, liabilities and equity of these associates were as follows:		
	Assets	Liabilities
	------(Rupees)-----	
Colgate - Palmolive (Pakistan) Limited	22,508,614,000	5,257,433,000
Century Paper & Board Mills Limited	18,596,995,000	11,014,721,000
	<u>41,105,609,000</u>	<u>16,272,154,000</u>
	<u>17,251,181,000</u>	<u>7,582,274,000</u>

12. INVESTMENTS

12.1 Investments in equity securities / mutual funds

Note	(Un-audited)				Audited				
	September 30, 2020				December 31, 2019				
	Cost	Impairment loss on AFS	Unrealised gain revaluation	Carrying value	Cost	Impairment loss on AFS	Unrealised loss on revaluation	Carrying value	
	(Rupees)								
Available for sale	12.1.1	805,422,992	(23,594,686)	10,339,675	792,167,981	782,085,441	(31,659,686)	(39,358,287)	711,067,468
Held for trading		89,746,972	-	2,779,311	92,526,283	82,551,060	-	8,439,007	90,990,067
		<u>895,169,964</u>	<u>(23,594,686)</u>	<u>13,118,986</u>	<u>884,694,264</u>	<u>864,636,501</u>	<u>(31,659,686)</u>	<u>(30,919,280)</u>	<u>802,057,535</u>
12.1.1 Available for sale									
Related parties									
Mutual funds	12.1.1.1	412,467,854	-	(6,259,769)	406,208,085	348,746,265	(8,533,043)	7,286,358	347,499,580
Others									
Listed shares		41,788,450	(4,860,437)	10,456,253	47,384,266	44,242,450	(9,318,870)	14,936,302	49,859,882
Unlisted shares		75,200	-	-	75,200	75,283	-	-	75,283
Mutual funds		351,091,488	(18,734,249)	6,143,191	338,500,430	389,021,443	(13,907,773)	(61,580,947)	313,632,723
		392,955,138	(23,594,686)	16,599,444	385,959,896	433,339,176	(23,126,643)	(46,644,645)	363,567,888
		<u>805,422,992</u>	<u>(23,594,686)</u>	<u>10,339,675</u>	<u>792,167,981</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. 200 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	185,212,965	-	(938,023)	184,274,942	-	-	-	-
-----------------------	-------------	---	-----------	-------------	---	---	---	---

Held to maturity

Government securities	12.2.1	125,926,190	-	-	125,926,190	204,079,103	-	-	204,079,103
Commercial paper		-	-	-	-	24,238,262	-	-	24,238,262
Term finance certificate		293,292	(293,292)	-	-	293,292	(293,292)	-	-
	12.2.2	126,219,482	(293,292)	-	125,926,190	228,610,657	(293,292)	-	228,317,365

Available for sale

Sukuk		35,500,000	-	(310,219)	35,189,781	38,000,000	-	(564,552)	37,445,448
Term finance certificate		44,985,000	-	(556,991)	44,428,009	44,990,000	-	-	44,990,000
Government securities		222,711,986	-	9,135,564	231,847,550	114,160,050	-	4,469,150	118,629,200
		303,196,986	-	8,268,354	311,465,340	197,150,050	-	3,914,598	201,064,648
		<u>614,629,433</u>	<u>(293,292)</u>	<u>7,330,331</u>	<u>621,666,472</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. 128.861 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 September 30, 2020.



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

For the nine months period ended September 30, 2020

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
------(Rupees) -----			
13. INVESTMENT IN TERM DEPOSIT			
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>
14. OTHERS RECEIVABLE			
Accrued investment income		21,790,388	14,415,360
Security deposits		6,500,079	6,457,003
Advance to employees		3,790,966	3,216,452
Advance against expenses		333,159	1,309,375
Advance against purchase of shares		536,630	-
Window Takaful Operations		10,744,600	10,302,222
Others		1,838,351	1,715,812
		<u>45,534,173</u>	<u>37,416,224</u>
15. INSURANCE / REINSURANCE RECEIVABLE			
Due from insurance contract holders		480,843,610	390,970,140
Less: provision for impairment of receivable from insurance contract holders		(16,865,550)	(11,511,332)
	15.1	<u>463,978,060</u>	<u>379,458,808</u>
Amount due from other insurers / reinsurers		109,318,824	97,145,649
Less: provision for impairment of due from other insurers / reinsurers		(46,012,482)	(44,490,617)
	15.4	<u>63,306,342</u>	<u>52,655,032</u>
Reinsurance recoveries due but unpaid		78,553,035	68,241,256
		<u>605,837,437</u>	<u>500,355,096</u>
15.1 Due from insurance contract holders			
Unsecured			
Considered good	15.2	463,978,060	379,458,808
Considered doubtful		16,865,550	11,511,332
		<u>480,843,610</u>	<u>390,970,140</u>
Provision for doubtful balances	15.3	(16,865,550)	(11,511,332)
		<u>463,978,060</u>	<u>379,458,808</u>
15.2			
This includes a sum of Rs. 341.736 million (December 31, 2019: Rs. 225.964 million) due from related parties.			

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
Note	------(Rupees) -----	
15.3 Provision for doubtful balances		
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
15.4 Amount due from other insurers / reinsurers		
Considered good - unsecured		
Foreign reinsurers	168,437	168,437
Local reinsurers	54,118,257	53,092,905
Co-insurers	55,032,130	43,884,307
	109,318,824	97,145,649
Provision for doubtful balances	(46,012,482)	(44,490,617)
	63,306,342	52,655,032
16. PREPAYMENTS		
Prepaid reinsurance premium ceded	230,765,132	179,906,261
Prepayments	6,839,472	5,540,868
	237,604,604	185,447,129
17. CASH AND BANK		
Cash and cash equivalents		
Cash in hand	244,630	270,730
Policy stamps and bond papers in hand	789,347	471,091
Deposit with SBP	5,153,258	5,153,258
	6,187,235	5,895,079
Cash at bank		
Current accounts	22,049,722	16,583,161
Saving accounts	348,518,053	244,546,304
	370,567,775	261,129,465
	376,755,010	267,024,544
17.1 Cash includes the following for the purposes of the Statement of Cash Flows:		
Cash and Balance	17 376,755,010	267,024,544
Less: local currency account with a lien	800,000	800,000
	375,955,010	266,224,544



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

For the nine months period ended September 30, 2020

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
18. WINDOW TAKAFUL OPERATIONS		
Assets		
Investments	71,992,812	62,081,477
Cash and bank deposits	5,331,848	1,326,746
Current assets - others	30,155,655	26,423,709
Total Assets	107,480,315	89,831,932
Total Liabilities - Current	40,007,582	28,770,317

	Three months period ended		Nine months period ended	
	(Un-audited) September 30, 2020	(Un-audited) September 30, 2019	(Un-audited) September 30, 2020	(Un-audited) September 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	

Profit before tax for the period	2,609,798	1,426,201	8,029,667	6,207,591
---	------------------	-----------	------------------	-----------

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

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
19. DEFERRED TAXATION - NET		
Deferred tax asset / (liability) arising in respect of:		
Accelerated depreciation on operating fixed assets	(495,007)	(121,189)
Net liability of IFRS 16	822,717	136,005
Unrealised (gain) on remeasurement of securities to fair value - net	(533,974)	(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	27,214,755	27,214,755
	49,593,342	44,626,506
Unrealised (appreciation) 'available for sale' investments	(5,396,328)	(2,290,045)
Share in associates' reserves	86,534	105,312
	44,283,548	42,441,773

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	------(Rupees) -----	
20. INSURANCE AND REINSURANCE PAYABLES			
Foreign reinsurers		72,385,336	65,314,547
Local reinsurers		261,212,448	157,935,395
Co-insurers		7,985,558	20,003,497
		<u>341,583,342</u>	<u>243,253,439</u>
21. OTHER CREDITORS AND ACCRUALS			
Agent commission payable	21.1	104,094,705	87,993,803
Federal excise duty		6,861,684	12,431,255
Federal insurance fees		922,526	1,529,994
Creditors		4,093,627	3,641,353
Retention money		141,073	141,073
Margin deposits		5,029,833	4,312,474
Payable against purchase of shares		71,500	-
Withholding tax payable		882,706	640,773
Accrued expenses		18,424,106	11,259,068
Deposits from employees against car scheme		13,071,119	11,273,007
Unclaimed dividend		5,043,888	4,585,634
Others		2,421,948	1,316,177
		<u>161,058,715</u>	<u>139,124,611</u>

21.1 This includes a sum of Rs. 77.315 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

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



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

For the nine months period ended September 30, 2020

23. NET INSURANCE PREMIUM

	(Un-audited)		(Un-audited)	
	Three months period ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Note	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Written Gross premium	291,315,371	248,050,897	1,075,568,698	1,022,607,821
Add : Unearned premium reserve opening	622,426,853	589,124,414	494,320,532	439,281,123
Less: Unearned premium reserve closing	578,088,483	523,806,408	578,088,483	523,806,408
Premium earned	<u>335,653,741</u>	313,368,903	<u>991,800,747</u>	938,082,536
Less: Reinsurance premium ceded	<u>128,670,034</u>	109,186,914	<u>425,692,762</u>	402,846,365
Add: Prepaid reinsurance premium opening	234,210,691	226,751,871	179,906,261	171,056,110
Less: Prepaid reinsurance premium closing	<u>230,765,132</u>	214,865,147	<u>230,765,132</u>	214,865,147
Reinsurance expense	<u>132,115,593</u>	121,073,638	<u>374,833,891</u>	359,037,328
	<u>203,538,148</u>	192,295,265	<u>616,966,856</u>	579,045,208

24. NET INSURANCE CLAIMS EXPENSE

Claim paid	96,593,187	127,453,559	325,134,531	341,995,913
Add : Outstanding claims including IBNR closing	314,008,953	197,907,404	314,008,953	197,907,404
Less: Outstanding claims including IBNR opening	237,195,622	173,890,780	206,337,532	192,759,004
Claims expense	<u>173,406,518</u>	151,470,183	<u>432,805,952</u>	347,144,313
Less: Reinsurance and others recoveries received	<u>15,675,383</u>	52,032,757	<u>94,156,253</u>	102,579,953
Add: Reinsurance and others recoveries in respect of outstanding claims closing	186,329,821	83,605,837	186,329,821	83,605,837
Less: Reinsurance and others recoveries in respect of outstanding claims opening	<u>127,561,761</u>	77,479,975	<u>97,581,839</u>	100,016,385
Reinsurance and other recoveries revenue	<u>74,443,443</u>	58,158,619	<u>182,904,235</u>	86,169,405
	<u>98,963,075</u>	93,311,564	<u>249,901,717</u>	260,974,908

25. NET COMMISSION EXPENSE

Commission paid or payable	27,852,478	28,085,540	78,461,834	95,231,679
Add : Deferred commission expense opening	27,538,371	41,870,514	35,271,269	33,060,770
Less: Deferred commission expense closing	30,397,132	40,744,819	30,397,132	40,744,819
Net commission	<u>24,993,717</u>	29,211,235	<u>83,335,971</u>	87,547,630
Less: Commission received or recoverable	<u>37,952,926</u>	34,097,675	<u>105,251,180</u>	99,517,181
Add: Unearned Reinsurance commission opening	45,860,824	43,897,530	40,139,097	39,191,757
Less: Unearned Reinsurance commission closing	<u>50,882,670</u>	47,550,750	<u>50,882,670</u>	47,550,750
Commission from reinsurers	<u>32,931,080</u>	30,444,455	<u>94,507,607</u>	91,158,188
	<u>(7,937,363)</u>	(1,233,220)	<u>(11,171,636)</u>	(3,610,558)

26. INVESTMENT INCOME / (LOSS)

	(Un-audited)		(Un-audited)	
	Three months period ended September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Income from equity securities				
Available-for-sale				
Dividend income	290,900	2,070,397	8,890,889	5,662,390
Held for trading				
Dividend income	142,668	1,407,028	2,048,102	3,346,474
Income from debt securities				
Held to maturity				
Return on government securities	2,825,805	10,607,194	11,057,588	17,319,747
Return on other fixed income securities and deposits	493,427	115,707	2,802,730	120,532
	3,319,232	10,722,901	13,860,318	17,440,279
Available-for-sale				
Return on government securities	5,017,981	2,547,622	15,082,414	4,795,909
Return on other fixed income securities and deposits	1,745,812	2,725,064	7,685,901	7,886,760
	6,763,793	5,272,686	22,768,315	12,682,669
Held-for-trading				
Return on government securities	6,995,077	119,964	19,558,289	1,721,233
Income from term deposits				
Return on term deposits	4,364,557	380,847	13,513,360	1,395,175
Net realised gains / (losses) on investments				
Available for sale				
- Gain / (loss) on sale of equity securities	2,966,218	(55,489,888)	3,363,796	(62,043,608)
Held -for-trading				
- Gain / (loss) on sale of equity securities	2,861,948	(3,493,437)	(6,482,273)	(5,898,707)
- Gain on sale of debt securities	16,742	7,660,875	2,587,515	10,417,071
	2,878,690	4,167,438	(3,894,758)	4,518,364
Net unrealised gain / (loss) on investments at fair value through profit and loss (Held for trading purposes)				
- Equity securities	11,831,103	(773,309)	2,779,312	(11,071,776)
- Debt securities	(5,338,743)	7,446,628	(938,023)	6,229,970
	6,492,360	6,673,319	1,841,289	(4,841,806)
Total investment income / (loss)	34,213,495	(24,675,308)	81,949,600	(20,118,830)
Less: Impairment in value of available-for-sale	-	-	(23,594,686)	(31,659,686)
Less: Investment related expenses	(5,107,572)	(590,289)	(6,446,260)	(1,709,076)
Investment income / (loss)	29,105,923	(25,265,597)	51,908,654	(53,487,592)

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

For the nine months period ended September 30, 2020

	(Un-audited)		(Un-audited)	
	Three months period ended September 30, 2020	September 30, 2019	Nine months period ended September 30, 2020	September 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	
27. OTHER INCOME				
Income from financial assets				
Return on bank balances	7,410,348	13,287,341	27,054,744	37,313,566
Others	35,284	143,003	47,873	257,999
Income from non-financial assets				
Gain on sale of property and equipment	(2,466)	163,593	54,903	205,436
	<u>7,443,166</u>	<u>13,593,937</u>	<u>27,157,520</u>	<u>37,777,001</u>
28. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	<u>54,177,178</u>	4,372,249	<u>151,201,841</u>	38,348,192
	----- (Numbers) -----		----- (Numbers) -----	
Weighted average number of ordinary shares	<u>50,296,803</u>	50,296,803	<u>50,296,803</u>	50,296,803
	----- (Rupees) -----		----- (Rupees) -----	
Earnings per share - basic and diluted	<u>1.08</u>	0.09	<u>3.01</u>	0.76

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 September 30, 2020	September 30, 2019	Nine months period ended September 30, 2020	September 30, 2019
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Transactions with related parties				
Premium written	<u>57,193,946</u>	66,362,593	<u>577,011,825</u>	563,236,704
Commission expense	<u>4,797,357</u>	8,965,342	<u>27,404,093</u>	49,580,615
Claims paid	<u>34,109,682</u>	51,815,548	<u>142,327,666</u>	140,311,258
Dividend paid	<u>-</u>	-	<u>54,551,777</u>	38,612,048
Investment in mutual funds	<u>57,000,000</u>	-	<u>63,721,589</u>	-
Sale of shares / units of mutual funds	<u>-</u>	172,000,000	<u>-</u>	272,000,000
Dividend received	<u>-</u>	-	<u>476,235</u>	349,239
Expenses	<u>4,480,274</u>	9,521,920	<u>17,197,750</u>	20,977,243
Donation Paid	<u>-</u>	500,000	<u>-</u>	500,000
Contribution to / provision for Staff benefit plans	<u>3,337,557</u>	2,983,491	<u>10,109,675</u>	8,989,747
Remuneration to key management personnel	<u>26,959,658</u>	22,696,847	<u>72,313,487</u>	60,508,507

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

For the nine months period ended September 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.

	September 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)								
Financial assets measured at fair value									
Investments									
- Equity securities / mutual funds	92,526,283	592,092,781	-	-	-	684,619,064	692,343,344	-	-
- Debt securities	184,274,942	311,465,340	-	-	-	495,740,282	-	495,740,282	-
Financial assets not measured at fair value									
Cash and bank*									
	-	-	-	376,755,010	-	376,755,010	-	-	-
Investments									
- Unquoted equity shares / mutual funds*	-	200,075,200	-	-	-	200,075,200	-	-	-
- Debt securities	-	-	125,926,190	-	-	125,926,190	-	128,861,025	-
- Term Deposits	-	-	195,400,000	-	-	195,400,000	-	-	-
Insurance / reinsurance receivable*	-	-	-	605,837,437	-	605,837,437	-	-	-
Other receivable*	-	-	-	45,201,014	-	45,201,014	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	186,329,821	-	186,329,821	-	-	-
Assets of Window Takatful Operations - Operator's fund*	-	-	-	107,480,315	-	107,480,315	-	-	-
Total financial assets	276,801,225	1,149,187,856	321,326,190	1,321,603,597	-	3,068,918,868			
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	314,008,953	314,008,953	-	-	-
Insurance / reinsurance payables*	-	-	-	-	341,583,342	341,583,342	-	-	-
Lease liabilities	-	-	-	-	42,557,994	42,557,994	-	-	-
Other creditors and accruals*	-	-	-	-	152,391,799	152,391,799	-	-	-
Total liabilities of Window Takatful Operations - Operator's fund*	-	-	-	-	40,007,582	40,007,582	-	-	-
Total financial liabilities	-	-	-	-	890,549,670	890,549,670			

December 31, 2019 (Audited)								
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
(Rupees)								
Financial assets measured at fair value								
Investments								
- 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	-
Financial assets not measured at fair value								
Cash and bank*								
-	-	-	267,024,544	-	267,024,544	-	-	-
Investments								
- Debt securities	-	228,317,365	-	-	228,317,365	-	204,803,500	-
- Unquoted equity shares*	143,075,283	-	-	-	143,075,283	-	-	-
- Term Deposits	-	426,000,000	-	-	426,000,000	-	-	-
Insurance / reinsurance receivable*	-	-	500,355,096	-	500,355,096	-	-	-
Other receivable*	-	-	32,890,397	-	32,890,397	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	97,581,839	-	97,581,839	-	-	-
Assets of Window Takaful Operations - Operator's fund*	-	-	86,567,960	-	86,567,960	-	-	-
Total financial assets	90,990,067	912,132,116	654,317,365	984,419,836	2,641,859,384			
Financial liabilities not measured at fair value								
Outstanding claims including IENR*								
-	-	-	-	206,337,532	206,337,532	-	-	-
Insurance / reinsurance payables*	-	-	-	243,253,439	243,253,439	-	-	-
Other creditors and accruals*	-	-	-	1,330,364,763	1,330,364,763	-	-	-
Total liabilities of Window Takaful Operations - Operator's fund*	-	-	-	15,378,719	15,378,719	-	-	-
				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 nine months period ended September 30, 2020

31. SEGMENT INFORMATION

	Three months period ended September 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)	99,271,162	80,919,158	85,460,419	34,597,255	31,412,020	331,660,014
Less: - Federal Excise Duty / Sales Tax	12,269,600	8,867,895	10,209,748	195,884	3,863,131	35,406,258
- Federal Insurance Fee	863,515	680,762	750,125	376,405	272,619	2,943,426
- Others	19,750	3,391,737	83,200	2,950	16,100	3,513,737
- Facultative inward premium	856,125	-	154,741	-	507,912	1,518,778
Gross written premium (inclusive of Administrative Surcharge)	86,974,422	67,978,764	74,572,087	34,022,016	27,768,082	291,315,371
- Gross direct premium	85,541,333	66,337,034	72,231,048	33,965,264	26,985,452	285,060,131
- Facultative inward premium	856,125	-	154,741	-	507,912	1,518,778
- Administrative surcharge	576,964	1,641,730	2,186,298	56,752	274,718	4,736,462
	86,974,422	67,978,764	74,572,087	34,022,016	27,768,082	291,315,371
Insurance premium earned	102,802,768	65,692,605	76,514,686	73,461,096	17,182,586	335,653,741
Insurance premium ceded to reinsurers	(92,056,802)	(27,876,229)	(1,321,469)	(186,033)	(10,675,060)	(132,115,593)
Net Insurance premium	10,745,966	37,816,376	75,193,217	73,275,063	6,507,526	203,538,148
Commission income	19,447,867	10,710,447	32,551	52,485	2,687,730	32,931,080
Net underwriting income	30,193,833	48,526,823	75,225,768	73,327,548	9,195,256	236,469,228
Insurance claims	(55,789,529)	(16,759,968)	(30,076,230)	(55,769,515)	(15,011,275)	(173,406,517)
Insurance claims recovered from reinsurers	50,115,091	9,496,351	4,798,918	-	10,033,083	74,443,443
Net claims	(5,674,439)	(7,263,617)	(25,277,312)	(55,769,515)	(4,978,192)	(98,963,075)
Commission expense	(8,409,478)	(8,740,077)	(4,749,022)	(1,092,213)	(2,002,927)	(24,993,717)
Management expense	(22,764,387)	(17,009,485)	(19,088,684)	(9,883,578)	(6,661,346)	(75,407,480)
Net insurance claims and expenses	(36,848,304)	(33,013,179)	(49,115,018)	(66,745,306)	(13,642,465)	(199,364,272)
Underwriting results	(6,654,471)	15,513,644	26,110,750	6,582,242	(4,447,209)	37,104,956
Investment Income						29,105,923
Other income						7,443,166
Other expenses						(3,372,685)
Finance costs on lease liabilities						(1,507,994)
Share of profit from associates						2,853,584
Profit before tax from Window Takaful Operations						2,609,798
Profit before tax for the period						74,236,758

Nine months period ended September 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)	393,968,702	234,476,674	293,259,529	226,859,806	61,935,710	1,210,500,421
Less: - Federal Excise Duty / Sales Tax	47,218,361	25,601,187	34,835,784	267,940	7,559,646	115,482,918
- Federal Insurance Fee	3,448,613	1,973,320	2,568,065	2,317,074	537,903	10,844,975
- Others	53,000	9,685,648	325,640	5,570	52,750	10,122,608
- Facultative inward premium	856,125	-	154,741	-	507,912	1,518,778
Gross written premium (inclusive of Administrative Surcharge)	344,104,853	197,216,519	255,684,781	224,269,222	54,293,323	1,075,568,698
- Gross direct premium	341,929,286	192,708,253	240,425,326	224,140,746	53,243,964	1,052,447,575
- Facultative inward premium	856,125	-	154,741	-	507,912	1,518,778
- Administrative surcharge	1,319,442	4,508,266	15,104,714	128,476	541,447	21,602,345
	344,104,853	197,216,519	255,684,781	224,269,222	54,293,323	1,075,568,698
Insurance premium earned	302,920,386	194,440,591	230,866,795	216,958,094	46,614,881	991,800,747
Insurance premium ceded to reinsurers	(265,400,832)	(72,374,971)	(4,241,423)	(500,645)	(32,316,020)	(374,833,891)
Net Insurance premium	37,519,554	122,065,620	226,625,372	216,457,449	14,298,861	616,966,856
Commission income	58,421,002	27,895,899	81,307	143,721	7,965,678	94,507,607
Net underwriting income	95,940,556	149,961,519	226,706,679	216,601,170	22,264,539	711,474,463
Insurance claims	(114,182,271)	(25,611,744)	(82,474,006)	(148,014,619)	(62,523,311)	(432,805,951)
Insurance claims recovered from reinsurers	104,723,013	13,290,487	13,215,678	-	51,675,057	182,904,235
Net claims	(9,459,259)	(12,321,257)	(69,258,328)	(148,014,619)	(10,848,254)	(249,901,717)
Commission expense	(32,844,164)	(27,675,074)	(15,162,725)	(3,243,233)	(4,410,775)	(83,335,971)
Management expense	(78,959,974)	(45,254,262)	(58,670,674)	(51,461,907)	(12,458,410)	(246,805,227)
Net insurance claims and expenses	(121,263,397)	(85,250,593)	(143,091,727)	(202,719,759)	(27,717,439)	(580,042,915)
Underwriting results	(25,322,841)	64,710,926	83,614,952	13,881,411	(5,452,900)	131,431,548
Investment income						51,908,654
Other income						27,157,520
Other expenses						(8,665,184)
Finance costs on lease liabilities						(4,741,133)
Share of profit from associates						4,917,619
Profit before tax from Window Takaful Operations						8,029,667
Profit before tax for the period						210,038,691



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

For the nine months period ended September 30, 2020

	Three months period ended September 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)	92,252,388	72,394,809	59,272,871	34,270,126	26,351,472	284,541,666
Less: - Federal Excise Duty / Sales Tax	11,376,380	7,997,969	7,167,902	1,301,578	3,250,277	31,094,106
- Federal Insurance Fee	800,996	618,818	528,089	348,642	228,539	2,525,084
- Others	20,600	2,743,679	80,800	3,750	22,750	2,871,579
Gross written premium (inclusive of Administrative Surcharge)	80,054,412	61,034,343	51,496,080	32,616,156	22,849,906	248,050,897
- Gross direct premium	79,019,767	59,600,543	48,571,459	32,523,290	22,593,274	242,308,333
- Facultative inward premium	483,650	-	-	-	-	483,650
- Administrative surcharge	550,995	1,433,800	2,924,621	92,866	256,632	5,258,914
	80,054,412	61,034,343	51,496,080	32,616,156	22,849,906	248,050,897
Insurance premium earned	100,341,142	57,808,080	76,870,303	62,564,895	15,784,483	313,368,903
Insurance premium ceded to reinsurers	(88,450,684)	(20,549,509)	(1,171,419)	(129,991)	(10,772,035)	(121,073,638)
Net Insurance premium	11,890,458	37,258,571	75,698,884	62,434,904	5,012,448	192,295,265
Commission income	19,745,120	7,899,126	40,822	37,680	2,721,707	30,444,455
Net underwriting income	31,635,578	45,157,697	75,739,706	62,472,584	7,734,155	222,739,720
Insurance claims	(51,274,732)	(5,701,731)	(36,639,048)	(50,953,373)	(6,901,299)	(151,470,183)
Insurance claims recovered from reinsurers	48,556,349	2,684,233	2,654,882	-	4,263,155	58,158,619
Net claims	(2,718,383)	(3,017,498)	(33,984,166)	(50,953,373)	(2,638,144)	(93,311,564)
Commission expense	(12,543,037)	(8,516,633)	(4,949,189)	(1,458,605)	(1,743,771)	(29,211,235)
Management expense	34,877,568	(13,550,698)	(52,440,292)	(46,829,092)	3,162,984	(74,779,530)
Net insurance claims and expenses	19,616,148	(25,084,829)	(91,373,647)	(99,241,070)	(1,218,931)	(197,302,329)
Underwriting results	51,251,726	20,072,868	(15,633,941)	(36,768,486)	6,515,224	25,437,391
Investment loss						(25,265,597)
Other income						13,593,937
Other expenses						(4,060,889)
Share of profit from associates						1,059,465
Impairment in associates						-
Profit before tax from Window Takaful Operations						1,426,201
Profit before tax for the period						12,190,508

Nine months period ended September 30, 2019 (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)	387,399,717	212,860,522	281,933,882	218,391,981	58,356,452	1,158,942,554
Less: - Federal Excise Duty / Sales Tax	46,679,633	23,419,801	33,542,405	6,373,325	7,130,883	117,146,047
- Federal Insurance Fee	3,372,617	1,801,764	2,479,884	2,185,083	506,346	10,345,694
- Others	53,710	8,333,632	357,650	6,850	91,150	8,842,992
Gross written premium (inclusive of Administrative Surcharge)	337,293,757	179,305,325	245,553,943	209,826,723	50,628,073	1,022,607,821
- Gross direct premium	335,207,734	175,181,219	225,579,900	209,664,445	50,008,762	995,642,060
- Facultative inward premium	716,882	-	-	-	-	716,882
- Administrative surcharge	1,369,141	4,124,106	19,974,043	162,278	619,311	26,248,879
	337,293,757	179,305,325	245,553,943	209,826,723	50,628,073	1,022,607,821
Insurance premium earned	295,503,085	180,067,542	239,473,150	176,907,739	46,131,020	938,082,536
Insurance premium ceded to reinsurers	(258,817,203)	(61,597,324)	(5,102,164)	(373,907)	(33,146,730)	(359,037,328)
Net Insurance premium	36,685,882	118,470,218	234,370,986	176,533,832	12,984,290	579,045,208
Commission income	58,425,955	23,674,101	147,102	114,832	8,796,198	91,158,188
Net underwriting income	95,111,837	142,144,319	234,518,088	176,648,664	21,780,488	670,203,396
Insurance claims	(53,554,323)	(20,355,795)	(112,874,801)	(142,030,749)	(18,328,645)	(347,144,313)
Insurance claims recovered from reinsurers	50,594,889	9,642,490	13,059,864	-	12,872,162	86,169,405
Net claims	(2,959,434)	(10,713,305)	(99,814,937)	(142,030,749)	(5,456,483)	(260,974,908)
Commission expense	(37,509,211)	(26,547,750)	(16,305,976)	(2,830,920)	(4,353,773)	(87,547,630)
Management expense	(75,531,265)	(40,152,412)	(54,987,676)	(46,987,166)	(11,337,306)	(228,995,825)
Net insurance claims and expenses	(115,999,910)	(77,413,467)	(171,108,589)	(191,848,835)	(21,147,562)	(577,518,363)
Underwriting results	(20,888,073)	64,730,852	63,409,499	(15,200,171)	632,926	92,685,033
Investment loss						(53,487,592)
Other income						37,777,001
Other expenses						(8,326,640)
Share of profit from associates						3,530,687
Impairment in associates						(17,412,640)
Profit before tax from Window Takaful Operations						6,207,591
Profit before tax for the period						60,973,440



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

For the nine months period ended September 30, 2020

The class wise assets and liabilities are as follows:

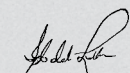
	Nine months period ended September 30, 2020 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
Segment assets	524,113,215	130,930,100	160,720,035	128,655,072	115,286,100	1,059,704,522
Unallocated assets	-	-	-	-	-	2,333,852,366
Unallocated assets of Window Takaful Operation - Operator's Fund	-	-	-	-	-	107,480,315
Total assets	524,113,215	130,930,100	160,720,035	128,655,072	115,286,100	3,501,037,203
Segment liabilities	495,083,237	110,790,239	289,225,720	260,136,656	131,873,994	1,287,109,846
Unallocated liabilities	-	-	-	-	-	265,678,550
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	40,007,582
Total liabilities	495,083,237	110,790,239	289,225,720	260,136,656	131,873,994	1,592,795,978
	December 31, 2019 (Audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
Segment assets	385,053,406	111,418,140	133,638,759	111,400,655	75,608,505	817,119,465
Unallocated assets	-	-	-	-	-	2,179,269,980
Unallocated assets of Window Takaful Operation - Operator's Fund	-	-	-	-	-	89,831,932
Total assets	385,053,406	111,418,140	133,638,759	111,400,655	75,608,505	3,086,221,377
Segment liabilities	346,751,839	86,578,096	229,259,377	236,830,287	85,654,803	985,074,402
Unallocated liabilities	-	-	-	-	-	235,678,731
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	28,770,317
Total liabilities	346,751,839	86,578,096	229,259,377	236,830,287	85,654,803	1,249,523,450

32. GENERAL

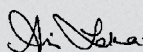
Figures in these condensed interim financial statements have been rounded off to the nearest rupees, unless otherwise stated.

33. DATE OF AUTHORISATION FOR ISSUE

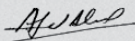
These condensed interim financial statements were authorised for issue in accordance with a resolution of the Board of Directors on October 28, 2020.



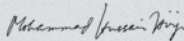
Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Mirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

Window
TAKAFUL
Operations

Financial Statements

Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2020

	Note	Operator's Fund		Participants' Takaful Fund	
		September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		(Rupees)			
Assets					
Investments	9				
Equity securities / mutual funds		71,992,812	62,081,477	14,178,515	-
Debt securities		-	-	500,000	500,000
Loans and other receivables	10	9,090	60,907	398,035	452,811
Takaful / retakaful receivables	11	-	-	52,906,681	31,222,562
Retakaful recoveries against outstanding claims		-	-	17,200,487	5,735,733
Deferred commission expense / acquisition cost	20	3,879,008	3,239,167	-	-
Receivable from PTF	12	26,267,557	23,098,830	-	-
Deferred wakala fee	21	-	-	18,067,480	11,310,448
Prepaid retakaful contribution ceded		-	-	13,949,866	8,104,293
Deferred taxation		-	24,805	-	-
Cash and bank	13	5,331,848	1,326,746	40,089,427	43,817,054
Total Assets		107,480,315	89,831,932	157,290,491	101,142,901

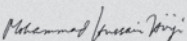
	Note	Operator's Fund		Participants' Takaful Fund	
		September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
----- (Rupees) -----					
Funds and Liabilities					
Funds attributable to:					
Operator's Fund					
Statutory fund		50,000,000	50,000,000	-	-
Reserves		649,324	(60,730)	-	-
Accumulated profit		16,823,409	11,122,345	-	-
Participants' Takaful Fund					
Seed Money		-	-	500,000	500,000
Accumulated surplus		-	-	18,465,960	9,304,881
Total Funds		67,472,733	61,061,615	18,965,960	9,804,881
Liabilities					
PTF underwriting provisions					
Outstanding claims including IBNR	19	-	-	37,282,987	19,802,329
Unearned contribution reserve	17	-	-	45,263,999	30,202,824
Reserve for unearned re-takaful rebate	18	-	-	2,040,988	1,134,344
		-	-	84,587,974	51,139,497
Unearned Wakala fee	21	18,067,480	11,310,448	-	-
Payable to OPF	12	-	-	26,267,557	23,098,830
Deferred taxation		265,217	-	-	-
Contribution received in advance		-	-	699,215	384,481
Takaful / re-takaful payables	14	-	-	24,812,389	15,881,047
Other creditors and accruals	15	19,605,925	15,378,719	1,957,396	834,165
Taxation - provision less payment		2,068,960	2,081,150	-	-
		40,007,582	28,770,317	53,736,557	40,198,523
Total Liabilities		40,007,582	28,770,317	138,324,531	91,338,020
Total Funds and Liabilities		107,480,315	89,831,932	157,290,491	101,142,901
Contingency and Commitment	16				


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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

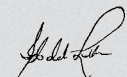


Condensed Interim Profit and Loss Account (Un-audited)

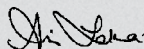
For the three and nine months period ended September 30, 2020

	Note	Three months period ended		Nine months period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Note ----- (Rupees) -----					
Participants' Takaful Fund - revenue account					
Contribution earned		14,633,948	11,736,552	40,819,789	33,914,920
Less: Contribution ceded to retakaful		(8,483,899)	(6,655,137)	(22,707,080)	(14,501,201)
Net contribution revenue	17	6,150,049	5,081,415	18,112,709	19,413,719
Re-takaful rebate earned	18	1,334,772	1,003,493	3,307,420	2,027,746
Net underwriting income		7,484,821	6,084,908	21,420,129	21,441,465
Net claims - reported / settled	19	(6,235,984)	(6,048,879)	(13,062,226)	(13,848,421)
Direct expenses		(497,063)	(232,874)	(1,033,076)	(534,589)
Surplus before investment income		751,774	(196,845)	7,324,827	7,058,455
Investment income	22	90,235	211,946	809,485	1,420,626
Other income	23	420,200	438,261	1,351,886	894,380
Less: Mudarib's share of investment income	24	(102,087)	(130,041)	(432,274)	(463,001)
Surplus transferred to the accumulated surplus		1,160,122	323,321	9,053,924	8,910,460
Operator's Fund - revenue account					
Wakala fee	21	9,072,765	6,785,912	24,261,826	19,383,187
Commission expense	20	(2,201,504)	(1,752,700)	(6,489,866)	(5,294,518)
General, administration and management expenses		(4,880,106)	(3,831,068)	(13,456,126)	(11,749,353)
		1,991,155	1,202,144	4,315,834	2,339,316
Mudarib share of PTF investment income	24	102,087	130,041	432,274	463,001
Investment Income	22	605,608	170,965	3,515,541	3,406,511
Other income	23	42,201	165,704	219,382	381,275
Direct expenses		(131,253)	(242,653)	(453,364)	(382,512)
Profit before tax		2,609,798	1,426,201	8,029,667	6,207,591
Taxation		(756,841)	(413,598)	(2,328,603)	(1,800,201)
Profit after tax		1,852,957	1,012,603	5,701,064	4,407,390

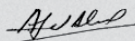
The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



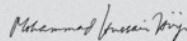
Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

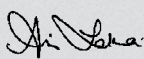
Condensed Interim Statement of Comprehensive Income (Un-audited)

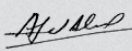
For the three and nine months period ended September 30, 2020

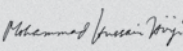
	Three months period ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	
Participants' Fund				
Surplus for the period	1,160,122	323,321	9,053,924	8,910,460
Other Comprehensive Income for the period				
- Unrealized gain on available for sale investments	107,155	-	107,155	-
- Reclassification adjustment for net (gain) on available for sale investments included in profit and loss account	-	(5,181)	-	(7,771)
	107,155	(5,181)	107,155	(7,771)
Total Comprehensive Income for the period	1,267,277	318,140	9,161,079	8,902,689
Operator's Fund				
Profit after tax	1,852,957	1,012,603	5,701,064	4,407,390
Other Comprehensive Income for the period				
Items that will be reclassified to profit and loss account				
- Unrealized gain / (loss) on available for sale investments - net of tax	620,039	(3,410)	649,324	(3,410)
- Reclassification adjustment for net loss on available for sale investments included in profit and loss account	-	(141,806)	60,730	(141,806)
	620,039	(145,216)	710,054	(145,216)
Total comprehensive income for the period	2,472,996	867,387	6,411,118	4,262,174


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 Statement of Cash Flows (Un-audited)

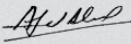
For the nine months period ended September 30, 2020

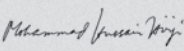
	Operator's Fund		Participants' Takaful Fund	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Operating Cash flows	Note ----- (Rupees) -----			
(a) Takaful activities				
Contribution received	-	-	59,977,130	46,140,275
Retakaful contributions paid	-	-	(15,462,760)	(5,535,310)
Claims paid	-	-	(19,186,514)	(14,999,593)
Retakaful and other recoveries received	-	-	8,843,700	550,000
Commission paid	(3,144,731)	(4,197,780)	-	2,596
Retakaful rebate received	-	-	2,148,279	907,919
Wakala fee received / paid	28,282,405	15,205,701	(28,282,405)	(15,205,701)
Direct expenses paid	-	-	(1,033,076)	(534,589)
Net cash inflows from takaful activities	25,137,674	11,007,921	7,004,354	11,325,597
(b) Other operating activities				
Income tax paid	(2,340,793)	(2,031,646)	30,032	-
General, administration and management expenses paid	(13,685,862)	(1,591,632)	-	-
Other operating receipts / payments- net	18,601	187,758	1,123,214	333,000
Net cash (outflows) / inflow from other operating activities	(16,008,054)	(3,435,520)	1,153,246	333,000
Total cash inflows from operating activities	9,129,620	7,572,401	8,157,600	11,658,597
Investment activities				
Profit / return received	271,199	399,267	1,402,472	850,851
Dividend received	1,869,118	3,235,546	452,055	1,271,747
Payment for investments	(131,176,119)	(72,977,478)	(53,785,450)	(16,544,522)
Proceed from investments	123,911,284	55,758,040	40,045,696	31,775,880
Total cash (outflows) / inflows from investing activities	(5,124,518)	(13,584,625)	(11,885,227)	17,353,956
Net cash inflows / (outflows) from all activities	4,005,102	(6,012,224)	(3,727,627)	29,012,553
Cash and cash equivalents at beginning of period	1,326,746	8,976,046	43,817,054	15,729,935
Cash and cash equivalents at the end of period	5,331,848	2,963,822	40,089,427	44,742,488
Reconciliation to profit and loss account				
Operating cash flows	9,129,620	7,572,401	8,157,600	11,658,597
Profit on disposal of investments	1,646,423	170,965	331,588	125,505
Profit / returns received	271,199	844,276	1,402,472	917,754
Dividend income	1,869,118	3,235,546	452,055	1,271,747
Increase in assets other than cash	3,756,752	4,959,143	45,696,720	7,529,653
(Increase) in liabilities other than borrowings	(10,972,048)	(12,374,941)	(46,986,511)	(12,592,796)
Profit after tax / surplus for the period	5,701,064	4,407,390	9,053,924	8,910,460


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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


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 nine months period ended September 30, 2020

	Operator's Fund			Total
	Statutory fund	Revenue reserve Available for sale Investment revaluation reserve	Accumulated surplus	
	----- (Rupees) -----			
Balance as at January 01, 2019	50,000,000	141,806	4,408,021	54,549,827
Changes in fund for the nine months period ended September 30, 2019				
Profit after tax for the nine months period	-	-	4,407,390	4,407,390
Other comprehensive income				
Unrealised loss on available for sale investments - net of tax	-	(3,410)	-	(3,410)
Released gain on available for sale investments - net of tax	-	(141,806)	-	(141,806)
	-	(145,216)	4,407,390	4,262,174
Balance as at September 30, 2019	50,000,000	(3,410)	8,815,411	58,812,001
Balance as at January 01, 2020	50,000,000	(60,730)	11,122,345	61,061,615
Changes in fund for the nine months period ended September 30, 2020				
Profit after tax for the nine months period	-	-	5,701,064	5,701,064
Other comprehensive income				
Unrealised gain on available for sale investments - net of tax	-	649,324	-	649,324
Released loss on available for sale investments - net of tax	-	60,730	-	60,730
	-	710,054	5,701,064	6,411,118
Balance as at September 30, 2020	50,000,000	649,324	16,823,409	67,472,733

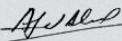


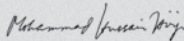
	Participants' Takaful Fund		
	Ceded money	Accumulated surplus	Total
	(Rupees)		
Balances as at January 01, 2019	500,000	98,359	598,359
Changes in fund for the nine months period ended September 30, 2019			
Surplus for the nine months period ended	-	8,910,460	8,910,460
Other comprehensive income			
Realised gains on available for sale investments	-	(7,771)	(7,771)
	-	8,902,689	8,902,689
Balance as at September 30, 2019	500,000	9,001,048	9,501,048
Balances as at January 01, 2020	500,000	9,304,881	9,804,881
Changes in fund for the nine months period ended September 30, 2020			
Surplus for the nine months period ended	-	9,053,924	9,053,924
Other comprehensive income			
Unrealised gains on available for sale investments	-	107,155	-
	-	9,161,079	9,161,079
Balance as at September 30, 2020	500,000	18,465,960	18,965,960


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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

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

For the nine months period ended September 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 nine months period ended September 30, 2020

Incase 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 (Un-audited)

For the nine months period ended September 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.

Operator's Fund

	September 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) -----				
Financial assets					
Investments					
- Equity securities - Available for Sale	71,992,812	914,541	-	-	-
	71,992,812	914,541	-	-	-

Participants' Takaful Fund

	September 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) -----		
Financial assets					
Investments					
- Equity securities - Available for Sale	14,178,515	107,155	-	-	-
- Debt securities - held to maturity	-	-	500,000	-	-
	<u>14,178,515</u>	<u>107,155</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
	Gross Carrying amount of debt instruments that pass the SPPI test				
Investment in debt securities				AA+	
				---	---
Held to Maturity				<u>500,000</u>	

9. INVESTMENTS

9.1 Investments In Securities - Available For Sale

	September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Cost	Impairment / provision	Carrying Value	Cost	Impairment / provision	Carrying Value
	----- (Rupees) -----					
Operator's Fund						
Mutual funds	<u>71,078,271</u>	-	<u>71,992,812</u>	62,167,012	-	62,081,477
Participants' Takaful Fund						
Mutual funds	<u>14,071,360</u>	-	<u>14,178,515</u>	-	-	-

9.2 Investment in debt securities

	September 30, 2020		December 31, 2019	
	Cost	Carrying Value	Cost	Carrying Value
	----- (Rupees) -----			
Held to maturity				
Certificate of Islamic Investment	<u>500,000</u>	<u>500,000</u>	500,000	500,000

10. LOAN AND OTHER RECEIVABLE

	Operator's Fund		Participants' Takaful Fund	
	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----			
Accrued investment income	9,090	60,907	172,490	197,234
Advance Tax	-	-	225,545	255,577
	<u>9,090</u>	<u>60,907</u>	<u>398,035</u>	<u>452,811</u>



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

For the nine months period ended September 30, 2020

	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----	
11. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF		
Due from Takaful participants	14,874,445	7,060,403
Due from other Takaful / Retakaful operators	33,689,692	23,086,087
Retakaful recoveries due but unpaid	4,342,544	1,076,072
	<u>52,906,681</u>	<u>31,222,562</u>

	Operator's Fund		Participants' Takaful Fund	
	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----			
12. RECEIVABLE / PAYABLE (Between OPF and PTF)				
Wakala fee	26,032,288	22,913,872	26,032,288	22,913,872
Modaraba fee	235,269	184,958	235,269	184,958
	<u>26,267,557</u>	<u>23,098,830</u>	<u>26,267,557</u>	<u>23,098,830</u>

13. CASH AND BANK

Cash and cash equivalents

Cash in hand	10,000	10,000	-	-
--------------	--------	--------	---	---

Current and other accounts

Saving accounts	13.1 <u>5,321,848</u>	1,316,746	<u>40,089,427</u>	43,817,054
	<u>5,331,848</u>	1,326,746	<u>40,089,427</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.

	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----	
14. TAKAFUL / RETAKAFUL PAYABLES - PTF		
Due to other takaful / re-takaful operators	<u>24,812,389</u>	15,881,047

	Operator's Fund		Participants' Takaful Fund	
	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
----- (Rupees) -----				
15. OTHER CREDITORS AND ACCRUALS				
Commission payable	8,631,859	4,646,883	-	-
Federal excise duty and sales tax	-	-	1,641,249	752,139
Federal takaful fee	-	-	133,844	67,243
Accrued expense	10,744,600	10,452,222	150,000	-
Audit fee payable	206,250	275,000	-	-
Tax deducted at source	23,216	4,614	32,303	14,783
	<u>19,605,925</u>	<u>15,378,719</u>	<u>1,957,396</u>	<u>834,165</u>

16. CONTINGENCY AND COMMITMENT

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

	(Un-audited)		(Un-audited)	
	Three months period ended September 30, 2020	September 30, 2019	Nine months period ended September 30, 2020	September 30, 2019
----- (Rupees) -----				
17. NET TAKAFUL CONTRIBUTION - PTF				
Written Gross Contribution	34,612,657	22,275,693	80,142,790	54,222,228
Less: Wakala Fee	(9,072,765)	(6,785,912)	(24,261,826)	(19,383,187)
Contribution Net of Wakala Fee	25,539,892	15,489,781	55,880,964	34,839,041
Add : Unearned contribution reserve opening	34,358,055	24,267,105	30,202,824	27,096,213
Less: Unearned contribution reserve closing	(45,263,999)	(28,020,334)	(45,263,999)	(28,020,334)
Contribution earned	14,633,948	11,736,552	40,819,789	33,914,920
Less: Retakaful Contribution ceded	13,510,032	7,557,564	28,552,653	19,629,990
Add: Prepaid Retakaful contribution ceded opening	8,923,733	9,185,359	8,104,293	4,958,997
Less: Prepaid Retakaful contribution ceded closing	(13,949,866)	(10,087,786)	(13,949,866)	(10,087,786)
Retakaful expense	8,483,899	6,655,137	22,707,080	14,501,201
	<u>6,150,049</u>	<u>5,081,415</u>	<u>18,112,709</u>	<u>19,413,719</u>
18. REBATE FROM RE-TAKAFUL - PTF				
Retakaful Rebate received or receivable	1,905,761	984,287	4,214,064	2,743,005
Add: Unearned retakaful opening	1,469,999	1,464,968	1,134,344	730,503
Less: Unearned retakaful closing	(2,040,988)	(1,445,762)	(2,040,988)	(1,445,762)
	<u>1,334,772</u>	<u>1,003,493</u>	<u>3,307,420</u>	<u>2,027,746</u>



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

For the nine months period ended September 30, 2020

	(Un-audited)		(Un-audited)	
	Three months period ended September 30, 2020	September 30, 2019	Nine months period ended September 30, 2020	September 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	
19. NET TAKAFUL CLAIMS EXPENSE - PTF				
Claim paid	8,556,249	4,169,209	19,186,514	14,999,593
Add : Outstanding claims including IBNR closing	37,282,987	12,269,265	37,282,987	12,269,265
Less: Outstanding claims including IBNR opening	(36,876,043)	(10,228,772)	(19,802,329)	(20,916,014)
Claims expense	8,963,193	6,209,702	36,667,172	6,352,844
Less: Retakaful and others recoveries received	5,394,174	804,823	12,140,192	1,393,223
Add: Retakaful and others recoveries against outstanding claims closing	17,200,487	798,800	17,200,487	798,800
Less: Retakaful and others recoveries against outstanding claims opening	(19,867,452)	(1,442,800)	(5,735,733)	(9,687,600)
Retakaful and recoveries revenue	2,727,209	160,823	23,604,946	(7,495,577)
	6,235,984	6,048,879	13,062,226	13,848,421
20. COMMISSION EXPENSE - OPF				
Commission paid or payable	2,898,671	2,402,606	7,129,707	5,336,339
Add : Deferred commission expense opening	3,181,841	1,901,159	3,239,167	2,509,244
Less: Deferred commission expense closing	(3,879,008)	(2,551,065)	(3,879,008)	(2,551,065)
Net commission	2,201,504	1,752,700	6,489,866	5,294,518
21. WAKALA FEE				
Gross Wakala Fee	14,172,927	8,141,204	31,018,858	19,676,621
Add: Deferred Wakala Fee - Opening	12,967,318	8,977,869	11,310,448	10,039,727
Less: Deferred Wakala Fee - Closing	(18,067,480)	(10,333,161)	(18,067,480)	(10,333,161)
	(5,100,162)	(1,355,292)	(6,757,032)	(293,434)
	9,072,765	6,785,912	24,261,826	19,383,187

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% - 58%
Health	20%
Miscellaneous	35%

	(Un-audited)		(Un-audited)	
	Three months period ended September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
22. INVESTMENT INCOME	----- (Rupees) -----			
Participants' Takaful Fund				
Income from equity securities - Available for sale				
Realised (loss) / gain on sale of equity securities	-	(28,091)	331,588	125,505
Dividend income	83,958	227,225	452,055	1,271,747
Income from debt securities - Held to maturity				
Return on Certificate of Islamic Investment	6,277	12,812	25,842	23,374
	<u>90,235</u>	<u>211,946</u>	<u>809,485</u>	<u>1,420,626</u>
Operator's Fund				
Income from equity securities - Available for sale				
Realised gain on sale of equity securities	-	170,965	1,646,423	170,965
Dividend income	605,608	-	1,869,118	3,235,546
	<u>605,608</u>	<u>170,965</u>	<u>3,515,541</u>	<u>3,406,511</u>

23. OTHER INCOME

Participants' Takaful Fund

Profit on bank balances	<u>420,200</u>	<u>438,261</u>	<u>1,351,886</u>	<u>894,380</u>
-------------------------	----------------	----------------	------------------	----------------

Operator's Fund

Profit on bank balances	<u>42,201</u>	<u>165,704</u>	<u>219,382</u>	<u>381,275</u>
-------------------------	---------------	----------------	----------------	----------------

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>102,087</u>	<u>130,041</u>	<u>432,274</u>	<u>463,001</u>
--	----------------	----------------	----------------	----------------

25. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)		(Un-audited)	
	Three months period ended September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	----- (Rupees) -----			
Associated companies				
Takaful contribution written	<u>2,032,152</u>	<u>1,353,221</u>	<u>9,715,929</u>	<u>8,529,418</u>
Claim paid	<u>235,462</u>	<u>-</u>	<u>4,221,315</u>	<u>-</u>
Managerial Remuneration	<u>-</u>	<u>-</u>	<u>2,070,775</u>	<u>-</u>
Expenses Paid	<u>-</u>	<u>-</u>	<u>9,349,862</u>	<u>-</u>

26. SEGMENT INFORMATION

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



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

For the nine months period ended September 30, 2020

	For the three months period ended September 30, 2020 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	11,467,583	2,892,369	24,545,444	881,153	39,786,549
Less: - Federal Excise Duty / Sales Tax	1,365,731	294,134	2,987,926	106,479	4,754,270
- Federal Insurance Fee	100,006	23,802	213,699	7,673	345,180
- Others	2,150	194,085	22,000	100	218,335
Facultative inward premium	29,222	28,000	86,671	-	143,893
	<u>10,028,918</u>	<u>2,380,348</u>	<u>21,321,819</u>	<u>766,901</u>	<u>34,612,657</u>
Gross written Contribution (inclusive of Administrative Surcharge)	9,927,613	2,275,281	20,773,286	748,241	33,724,421
- Gross direct Contribution	29,222	28,000	86,671	-	143,893
- Facultative inward contribution	72,083	105,067	548,533	18,660	744,343
- Administrative surcharge	10,028,918	2,408,348	21,408,490	766,901	34,612,657
Wakala fee	(1,577,119)	(675,386)	(6,309,889)	(510,371)	(9,072,765)
Takaful contribution earned	5,257,066	2,251,283	14,736,380	1,461,984	23,706,713
Takaful contribution ceded to re-takaful operators	(4,606,357)	(1,749,713)	(980,702)	(1,147,127)	(8,483,899)
Net Takaful contribution	(926,410)	(173,816)	7,445,789	(195,514)	6,150,049
Rebate earned	745,331	306,507	15,320	267,614	1,334,772
Net underwriting income	(181,079)	132,691	7,461,109	72,100	7,484,821
Takaful claims	(1,502,051)	(739)	(6,555,263)	(905,140)	(8,963,193)
Takaful claims recovered from re-takaful operators	1,580,992	3,000	316,669	826,548	2,727,209
Net claims	78,941	2,261	(6,238,594)	(78,592)	(6,235,984)
Direct expenses	(137,807)	(34,887)	(308,805)	(15,564)	(497,063)
(Deficit) / surplus before investment income	(239,945)	100,065	913,710	(22,056)	751,774
Investment income					90,235
Other income					420,200
Mudarib's share of investment income					(102,087)
Surplus for the period					1,160,122
Operator's Fund					
Wakala fee	1,577,119	675,386	6,309,889	510,371	9,072,765
Commission expense	(578,035)	(218,770)	(1,272,647)	(132,052)	(2,201,504)
Management expense	(1,527,753)	(334,053)	(2,993,443)	(24,857)	(4,880,106)
	<u>(528,669)</u>	<u>122,563</u>	<u>2,043,799</u>	<u>353,462</u>	<u>1,991,155</u>
Mudarib share of PTF investment income					102,087
Investment income					605,608
Other income					42,201
Direct expenses					(131,253)
Profit before tax					2,609,798

For the Nine months period ended September 30, 2020 (Un-audited)

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	20,229,317	7,118,662	58,294,599	6,707,756	92,350,334
Less: - Federal Excise Duty / Sales Tax	2,418,090	719,869	7,031,445	802,936	10,972,340
- Federal Insurance Fee	176,349	58,289	507,982	58,478	801,098
- Others	5,400	523,102	51,000	250	579,752
Facultative inward premium	30,975	28,000	86,671	-	145,646
	<u>17,660,453</u>	<u>5,817,402</u>	<u>50,704,172</u>	<u>5,846,092</u>	<u>80,142,790</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
- Gross direct Contribution	17,483,640	5,560,250	49,327,753	5,812,284	78,183,927
- Facultative inward contribution	30,975	28,000	86,671	-	145,646
- Administrative surcharge	145,838	257,152	1,376,419	33,808	1,813,217
	<u>17,660,453</u>	<u>5,845,402</u>	<u>50,790,843</u>	<u>5,846,092</u>	<u>80,142,790</u>
Wakala fee	(4,176,441)	(1,788,660)	(16,945,791)	(1,350,934)	(24,261,826)
Takaful contribution earned	13,921,469	5,962,198	41,326,136	3,871,812	65,081,615
Takaful contribution ceded to retakaful operators	<u>(11,838,083)</u>	<u>(4,507,422)</u>	<u>(3,366,688)</u>	<u>(2,994,887)</u>	<u>(22,707,080)</u>
Net Takaful contribution	(2,093,055)	(333,884)	21,013,657	(474,009)	18,112,709
Retakaful rebate	1,889,377	774,034	40,229	603,780	3,307,420
Net underwriting income	<u>(203,678)</u>	<u>440,150</u>	<u>21,053,886</u>	<u>129,771</u>	<u>21,420,129</u>
Takaful claims	(19,522,165)	(79,320)	(11,998,826)	(5,066,861)	(36,667,172)
Takaful claims recovered from retakaful operators	<u>17,736,073</u>	<u>65,865</u>	<u>1,622,089</u>	<u>4,180,919</u>	<u>23,604,946</u>
Net claims	(1,786,092)	(13,455)	(10,376,737)	(885,942)	(13,062,226)
Direct expenses	(227,651)	(75,350)	(654,715)	(75,360)	(1,033,076)
(Deficit) / surplus before investment income	<u>(2,217,421)</u>	<u>351,345</u>	<u>10,022,434</u>	<u>(831,531)</u>	<u>7,324,827</u>
Investment income					809,485
Other income					1,351,886
Mudarib's share of investment income					(432,274)
Surplus for the period					<u>9,053,924</u>
Operator's Fund					
Wakala fee	4,176,441	1,788,660	16,945,791	1,350,934	24,261,826
Commission expense	(1,538,246)	(575,835)	(4,007,165)	(368,620)	(6,489,866)
Management expense	(2,965,223)	(981,454)	(8,527,879)	(981,570)	(13,456,126)
	<u>(327,028)</u>	<u>231,371</u>	<u>4,410,747</u>	<u>744</u>	<u>4,315,834</u>
Mudarib share of PTF investment income					432,274
Investment income					3,515,541
Other income					219,382
Direct expenses					(453,364)
Profit before tax					<u>8,029,667</u>



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

For the nine months period ended September 30, 2020

	For the three months period ended September 30, 2019 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	7,558,913	1,114,759	16,616,460	127,263	25,417,395
Less: - Federal Excise Duty / Sales Tax	895,551	114,329	1,933,673	16,929	2,960,482
- Federal Insurance Fee	65,955	9,139	145,637	1,096	221,827
- Others	1,950	77,435	6,150	-	85,535
Facultative inward premium	126,142	-	-	-	126,142
	<u>6,721,599</u>	<u>913,856</u>	<u>14,531,000</u>	<u>109,238</u>	<u>22,275,693</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
- Gross direct Contribution	6,552,900	865,403	14,146,247	108,363	21,672,913
- Facultative inward contribution	126,142	-	-	-	126,142
- Administrative surcharge	42,557	48,453	384,753	875	476,638
	<u>6,721,599</u>	<u>913,856</u>	<u>14,531,000</u>	<u>109,238</u>	<u>22,275,693</u>
Wakala fee	(1,013,273)	(319,996)	(4,961,864)	(490,779)	(6,785,912)
Takaful contribution earned	3,377,578	1,066,652	12,404,660	1,673,574	18,522,464
Takaful contribution ceded to retakaful operators	<u>(3,900,807)</u>	<u>(927,396)</u>	<u>(638,861)</u>	<u>(1,188,073)</u>	<u>(6,655,137)</u>
Net Takaful contribution	(1,536,502)	(180,740)	6,803,935	(5,278)	5,081,415
Retakaful rebate	648,898	146,269	15,479	192,847	1,003,493
Net revenue	<u>(887,604)</u>	<u>(34,471)</u>	<u>6,819,414</u>	<u>187,569</u>	<u>6,084,908</u>
Takaful claims	(81,029)	-	(5,023,381)	(1,105,292)	(6,209,702)
Takaful claims recovered from retakaful operators	64,823	-	-	96,000	160,823
Net claims	(16,206)	-	(5,023,381)	(1,009,292)	(6,048,879)
Direct expenses	(69,004)	(10,402)	(150,629)	(2,839)	(232,874)
Surplus / (deficit) before investment income	<u>(972,814)</u>	<u>(44,873)</u>	<u>1,645,404</u>	<u>(824,562)</u>	<u>(196,845)</u>
Investment income					211,946
Other income					438,261
Mudarib's share of investment income					<u>(130,041)</u>
Surplus for the period					<u>323,321</u>
Operator's Fund					
Wakala fee	1,013,273	319,996	4,961,864	490,779	6,785,912
Commission expense	(376,834)	(102,983)	(1,220,193)	(52,690)	(1,752,700)
Management expense	(1,251,029)	(93,487)	(2,595,296)	108,744	(3,831,068)
	<u>(614,590)</u>	<u>123,526</u>	<u>1,146,375</u>	<u>546,833</u>	<u>1,202,144</u>
Mudarib share of PTF investment income					130,041
Investment income					170,965
Other income					165,704
Direct expenses					<u>(242,653)</u>
Profit before tax					<u>1,426,201</u>

For the nine months period ended September 30, 2019 (Un-audited)

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	15,092,473	5,141,131	37,002,276	5,009,482	62,245,362
Less: - Federal Excise Duty / Sales Tax	1,788,348	544,438	4,369,745	608,526	7,311,057
- Federal Insurance Fee	131,683	42,689	323,259	43,573	541,204
- Others	5,900	286,579	24,650	250	317,379
Facultative inward premium	146,506	-	-	-	146,506
	<u>13,313,048</u>	<u>4,267,425</u>	<u>32,284,622</u>	<u>4,357,133</u>	<u>54,222,228</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
- Gross direct Contribution	13,051,767	4,095,676	31,361,884	4,347,777	52,857,104
- Facultative inward contribution	146,506	-	-	-	146,506
- Administrative surcharge	114,775	171,749	922,738	9,356	1,218,618
	<u>13,313,048</u>	<u>4,267,425</u>	<u>32,284,622</u>	<u>4,357,133</u>	<u>54,222,228</u>
Wakala fee	(2,620,926)	(1,253,857)	(13,943,369)	(1,565,035)	(19,383,187)
Takaful contribution earned	8,736,423	4,179,522	34,858,421	5,523,741	53,298,107
Takaful contribution ceded to retakaful operators	<u>(7,059,415)</u>	<u>(2,622,884)</u>	<u>(2,538,527)</u>	<u>(2,280,375)</u>	<u>(14,501,201)</u>
Net Takaful contribution	(943,918)	302,781	18,376,525	1,678,331	19,413,719
Rebate earned	1,221,116	395,030	28,831	382,769	2,027,746
Net revenue	<u>277,198</u>	<u>697,811</u>	<u>18,405,356</u>	<u>2,061,100</u>	<u>21,441,465</u>
Takaful claims	10,242,471	-	(13,770,133)	(2,825,182)	(6,352,844)
Takaful claims recovered from retakaful operators	<u>(8,193,977)</u>	<u>-</u>	<u>550,000</u>	<u>148,400</u>	<u>(7,495,577)</u>
Net claims	2,048,494	-	(13,220,133)	(2,676,782)	(13,848,421)
Direct expenses	(131,256)	(42,074)	(318,301)	(42,958)	(534,589)
Surplus before investment income	<u>2,194,436</u>	<u>655,737</u>	<u>4,866,922</u>	<u>(658,640)</u>	<u>7,058,455</u>
Investment income					1,420,626
Other income					894,380
Mudarib fee					<u>(463,001)</u>
Surplus for the period					<u>8,910,460</u>
Operator's Fund					
Wakala fee	2,620,926	1,253,857	13,943,369	1,565,035	19,383,187
Commission expense	(988,998)	(398,130)	(3,394,840)	(512,550)	(5,294,518)
Management expense	(2,884,789)	(924,704)	(6,995,718)	(944,142)	(11,749,353)
	<u>(1,252,861)</u>	<u>(68,977)</u>	<u>3,552,811</u>	<u>108,343</u>	<u>2,339,316</u>
Mudarib share of PTF investment income					463,001
Investment income					3,406,511
Other income					381,275
Direct expenses					<u>(382,512)</u>
Profit before tax					<u>6,207,591</u>



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

For the nine months period ended September 30, 2020

The classwise assets and liabilities are as follows:

	September 30, 2020 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	----- (Rupees) -----				
Segment assets	36,669,982	4,321,721	48,662,273	12,470,536	102,124,512
Unallocated assets					
Participants' Takaful Fund					55,165,979
Operator's Fund					107,480,315
Consolidated total assets					264,770,806
Segment liabilities	36,676,318	4,397,080	83,428,739	13,554,823	138,056,960
Unallocated liabilities					
Participants' Takaful Fund					267,571
Operator's Fund					40,007,582
Consolidated total liabilities					178,332,113
	December 31, 2019 (Audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	----- (Rupees) -----				
Segment assets	15,226,991	3,577,024	29,769,969	7,799,052	56,373,036
Unallocated assets					
Participants' Takaful Fund					44,769,865
Operator's Fund					89,831,932
Consolidated total assets					190,974,833
Segment liabilities	17,253,452	4,414,007	59,930,070	9,725,708	91,323,237
Unallocated liabilities					
Participants' Takaful Fund					14,783
Operator's Fund					28,770,317
Consolidated total liabilities					120,108,337

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	September 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)							
Financial assets measured at fair value								
Investments in mutual funds	86,171,327	-	-	-	86,171,327	86,171,327	-	-
Financial assets not measured at fair value								
Investment in Debt securities*	-	500,000	-	-	500,000			
Loans and receivables*	-	-	181,580	-	181,580			
Takaful / retakaful receivables*	-	-	52,906,681	-	52,906,681			
Retakaful recoveries against outstanding claims	-	-	17,200,487	-	17,200,487			
Receivable from PTF*	-	-	26,267,557	-	26,267,557			
Cash and bank*	-	-	45,421,275	-	45,421,275			
Total financial assets	86,171,327	500,000	141,977,580	-	228,648,907			
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	(37,282,987)	(37,282,987)			
Payable to OPF*	-	-	-	(26,267,557)	(26,267,557)			
Takaful / retakaful payables*	-	-	-	(24,812,389)	(24,812,389)			
Other creditors and accruals*	-	-	-	(19,732,709)	(19,732,709)			
Total financial liabilities	-	-	-	(108,095,642)	(108,095,642)			
December 31, 2019 (Audited)								
	Carrying amount					Fair value		
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)							
Financial assets measured at fair value								
Investments in mutual funds	62,081,477	-	-	-	62,081,477	62,081,477	-	-
Financial assets not measured at fair value								
Investments in Debt securities*	-	500,000	-	-	500,000			
Loans and receivables*	-	-	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			
Total financial assets	62,081,477	500,000	105,459,066	-	168,040,543			
Financial liabilities not measured at fair value								
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)			
Total financial liabilities	-	-	-	(74,156,311)	(74,156,311)			

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



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

For the nine months period ended September 30, 2020

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).

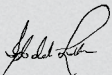
Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

28. GENERAL

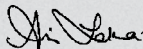
Figures in these interim condensed financial statements have been rounded off to the nearest rupee, unless otherwise stated.

29. DATE OF AUTHORISATION FOR ISSUE

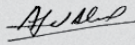
These condensed interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on October 28, 2020.



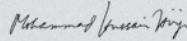
Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

Network

Head Office

11th Floor, Lakson Square, Building # 3,
Sarwar Shaheed Road, Karachi-74200.
UAN: (021) 111-111-717 Fax: (021) 35671665
Email: info@cicl.com.pk

Karachi Clifton Office

Office # 504-505, 5th Floor, Marine Point,
DC 1, Block-9, Clifton, Karachi.
Tel: (021) 35309234-36 Fax: (021) 35309237

Islamabad Office

Office # 6, Kashmir Plaza, Jinnah Avenue,
Blue Area, Islamabad.
UAN: (051) 111-111-717 Fax: (051) 2870228

Sialkot Office

1st Floor, Karim Plaza, Iqbal Town,
Defence Road, Sialkot.
UAN: (052) 111-111-717 Fax: (052) 3241703

Gujranwala Office

2nd Floor, Gujranwala Business Centre,
Opp. Gujranwala Chamber of Commercial &
Industry Trust Plaza, Gujranwala.
Tel: (055) 3840034-35

Registered and Corporate Office

Lakson Square, Building # 2,
Sarwar Shaheed Road,
Karachi-74200.
Tel: (021) 38400000 Fax: (021) 35683410

Karachi Lakson Square Office

10th Floor, Lakson Square, Building # 3,
Sarwar Shaheed Road, Karachi-74200.
Tel: (021) 111-111-717 Fax: (021) 35689518

Shahrah e Faisal Office:

Ebrahim Estates, 2nd Floor,
D/1 Union Commercial Area,
Block 7 & 8, Shahrah e Faisal, Karachi.
Tel: (021) 34529155-7, 34310723-4
Fax: (021) 34310725

Lahore Regional Office

1st Floor, 14 Ali Block, New Garden Town, Lahore.
UAN: (042) 111-111-717 Fax: (042) 35911176

Faisalabad Office

2nd Floor, Legacy Tower, Kohinoor City,
Faisalabad.
UAN: (041) 111-111-717 Fax: (041) 8554453








Multan Office








Office # 55-57, 1st Floor, Business City Plaza,
Bosan Road, Multan.
Tel: (061) 6211241-43 Fax: (061) 6211244



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

jamapunji.pk

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



Century Insurance
A Lakson Group Company

UAN: 111-111-717
Website: www.cicl.com.pk