



Century Insurance Company Limited
A Lakson Group Company

Your Trust Our Assurance

Nine Months Report September 2022
(Un-audited)

Century Insurance at a Glance

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance and takaful 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 strong capacity to meet policyholders' and contractual obligations'.
- Total equity in excess of Rs. 2.3 billion.
- Twice awarded 'Top 25 Companies Award' by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with highly rated international reinsurers.
- Broad client base consisting of individuals as well as some of the most prestigious local and multinational companies.

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Our Vision

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

Our Mission

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

Corporate Information

Board of Directors

Mr. Iqbal Ali Lakhani - Chairman
Mr. Amin Mohammed Lakhani
Ms. Anushka Lakhani
Mr. Aftab Ahmad
Mr. Sadrudin Ismail Mohamed
Mr. Akber Dawood Vazir
Mr. Mohammad Hussain Hirji - Chief Executive Officer

Advisor

Mr. Sultan Ali Lakhani

Chief Financial Officer

Mr. Sabza Ali Pirani

Company Secretary

Mr. Mansoor Ahmed

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. EY Ford Rhodes
Chartered Accountants

Shares Registrar

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

Bankers

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

Registered & Corporate Office

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

Head Office

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

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

Directors' Review

On behalf of the Board of Directors, we are pleased to present to you the un-audited financial statements for the nine-month period ended 30 September 2022.

General Review

The overall operational performance of the Company for the nine-month period ended 30 September 2022 has been satisfactory. Gross written premium (inclusive of takaful contribution) has increased by Rs. 252.3 million (19%) to Rs. 1,557.2 million whereas net premium has increased by Rs. 125.9 million (19%) to Rs. 788.5 million. Underwriting profit stood at Rs. 136.2 million, down by Rs. 16.1 million. Investment & other income is Rs. 184.9 million, up by Rs. 57.4 million (45%).

Operating Results

The comparative financial highlights for the nine-month period ended 30 September 2022 and 30 September 2021 are presented below:

Description	Rs. In Millions (except otherwise stated)			
	2022	2021	Increase / (Decrease)	
			Amount	%
Gross Written Premium (including Takaful Contribution)	1,557	1,305	252	19
Net Premium	789	663	126	19
Underwriting results	136	152	(16)	(11)
Investment & other income	185	128	57	45
Profit from Window Takaful Operations	21	15	5	34
Profit before tax	330	282	48	17
Profit after tax	203	201	2	1
Earnings per share - restated (Rs.)	3.68	3.63	0.05	1
Total assets	4,459	3,722	737	20
Paid-up capital	553	503	50	10
Total equity	2,335	2,129	206	10

As compared to the nine-month period ended 30 September 2021, the gross written premium (inclusive of takaful contribution) for Fire has increased by Rs. 36.4 million (9%), Marine by Rs. 97.7 million (41%), Motor by Rs. 39.9 million (11%), Accident & Health by Rs. 63.5 million (25%) and Miscellaneous by Rs. 14.9 million (26%).

Window Takaful Operations

Participant Takaful Fund (PTF)

The gross written contribution for the nine-month period ended 30 September 2022 is Rs. 162.6 million as compared to Rs. 104.6 million for the same period last year. Net contribution revenue (before adjustment for wakala fee) is Rs. 82.4 million and the surplus is Rs. 4.0 million.

Operator's Fund (OPF)

Gross wakala fee income for the nine-month period ended 30 September 2022 is Rs. 61.3 million while net wakala fee income is Rs. 49.1 million. Profit before tax is Rs. 20.5 million.

Future Outlook

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

Acknowledgments

On behalf of the directors of the company, we wish to place on record our appreciation of the efforts of all the employees of the company in enabling its growth and success. We are also grateful to our clients for their patronage, to the Securities & Exchange Commission of Pakistan (SECP) for its guidance as regulator of the insurance industry and to our reinsurers and shareholders for their trust and confidence in the company.



Iqbal Ali Lakhani
Chairman



Mohammad Hussain Hirji
Director & Chief Executive

Karachi: 26 October 2022

تیسری سہ ماہی 30 ستمبر 2021ء کے مقابلے میں مجموعی پریمیم (بشمول ہکا نقل کنزی بیوشن) برائے آتش زدگی میں 36.4 ملین روپے (9 فیصد)، بحری بیمہ میں 97.7 ملین روپے (41 فیصد)، موٹر بیمہ میں 39.9 ملین روپے (11 فیصد)، بیمہ حادثہ و صحت میں 63.5 ملین روپے (25 فیصد) اور بیمہ متفرق میں 14.9 ملین روپے (26 فیصد) اضافہ ہوا ہے۔

وئڈوٹکا فل آپریشنز

شرکت داروں کا ہکا نقل فنڈ تیسری سہ ماہی 30 ستمبر 2022ء میں شرکت داروں کا تحریر شدہ مجموعی کنزی بیوشن کا فنڈ 162.6 ملین روپے جبکہ اسی مدت کے دوران گزشتہ سال 104.6 ملین روپے رہا۔ خالص کنزی بیوشن (وکالہ فیس کی ایڈجسٹمنٹ سے پہلے) 82.4 ملین روپے رہا اور سرپلس میں 4.0 ملین روپے ہیں۔

آپریٹر فنڈ مجموعی وکالہ فیس برائے تیسری سہ ماہی 30 ستمبر 2022ء میں 61.3 ملین روپے ہے۔ جبکہ خالص وکالہ فیس کی آمدنی 49.1 ملین روپے ہے۔ قبل از ٹیکس منافع 20.5 ملین روپے رہا۔

مستقبل کے خدوخال

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

اعترافات

میں ادارے کی ترقی اور کامیابی کو ممکن بنانے کے لیے تمام ملازمین کی کوششوں پر انہیں کمپنی ڈائریکٹرز کی جانب سے سراہنا چاہتا ہوں۔ ہم اپنے شانہ بشانہ رہنے پر تمام کلائنٹس، انشورنس انڈسٹری میں ریگولیٹرز کی حیثیت سے رہنمائی کرنے پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور کمپنی پر بھروسہ و اعتماد کرنے پر اپنے شیئر ہولڈرز کے بھی شکر گزار ہیں۔

Muhammad Iqbal Ali

محمد حسین جبرجی
ڈائریکٹر اور چیف ایگزیکٹو

اقبال علی لاکھانی
چیئر مین

کراچی : 26 اکتوبر 2022ء

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم مسرت کے ساتھ 30 ستمبر 2022ء کو ختم ہونے والی تیسری سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ

30 ستمبر 2022ء کو ختم ہونے والی تیسری سہ ماہی کی مدت میں ادارے کی آپریشن کا ریکارڈنگ میں بہتری آئی ہے۔ مشترکہ مجموعی پریمیسیم (بشمول ٹکافل کنز بیوشن) 1,557.2 ملین روپے 19 فیصد اضافہ جو کہ 252.3 ملین روپے ہوا۔ مجموعی خالص پریمیسیم 788.5 ملین روپے 19 فیصد اضافہ جو کہ 125.9 ملین روپے ہوا۔ انڈرائٹنگ آمدنی 136.2 ملین روپے رہی ہے جس میں 16.1 ملین روپے کی کمی ہوئی ہے۔ انوسٹمنٹ اور دیگر آمدنی 184.9 ملین روپے رہی جو کہ 45 فیصد کے ساتھ 57.4 ملین روپے کا اضافہ ہے۔

کاروباری امور کے نتائج

تیسری سہ ماہی کی مدت 30 ستمبر 2022ء اور 30 ستمبر 2021ء کی تقابلی مالیاتی جھلکیاں درج ذیل ہیں۔

(روپے ملین میں علاوہ دیگر بیانیہ)

اضافہ/(کمی)		30 ستمبر 2021ء	30 ستمبر 2022ء	بیان
فیصد	(رقم)	(رقم)	(رقم)	
19	252	1,305	1,557	تحریر شدہ مجموعی پریمیسیم (بشمول ٹکافل کنز بیوشن)
19	126	663	789	خالص پریمیسیم
(11)	(16)	152	136	انڈرائٹنگ نتائج
45	57	128	185	سرمایہ کاری و دیگر آمدنی
34	5	15	21	ونڈ ٹکافل آپریشن سے منافع
17	48	282	330	منافع قبل از ٹیکس
1	2	201	203	منافع بعد از ٹیکس
1	0.05	3.63	3.68	آمدنی فی حصص (روپے)
20	737	3,722	4,459	کل اثاثہ جات
10	50	503	553	ادا شدہ سرمایہ
10	206	2,129	2,335	کل ایکویٹی

Condensed Interim Statement of Financial Position

As at September 30, 2022

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
Note		------(Rupees) -----	
Assets			
Property and equipment	10	110,803,020	125,567,780
Intangible assets		263,515	-
Investment in associates	11	65,926,533	60,681,713
Investments			
Equity securities	12.1	1,255,754,469	1,224,868,654
Debt securities	12.2	791,100,187	582,932,797
Loan and other receivable	13	41,893,885	42,277,283
Insurance / reinsurance receivable	14	804,543,052	541,142,145
Reinsurance recoveries against outstanding claims	22	326,735,657	123,311,654
Salvage recoveries accrued		6,285,000	7,985,000
Deferred commission expense	23	33,713,980	28,909,708
Deferred taxation		30,047,940	20,282,884
Prepayments	15	287,302,700	236,618,982
Cash and bank	16	549,286,598	725,474,690
Total assets of Window Takaful Operations - Operator's fund	17	155,112,501	130,422,076
Total assets		4,458,769,037	3,850,475,366


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
Note		------(Rupees)-----	
Equity and liabilities			
Authorized share capital (70,000,000 Ordinary share of Rs.10 each)		700,000,000	700,000,000
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		553,264,840	502,968,030
Share premium		254,024,260	254,024,260
Reserves		205,002,968	225,233,575
Unappropriated profit		1,322,616,002	1,282,749,800
Total Equity		2,334,908,070	2,264,975,665
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	22	559,482,030	294,800,833
Unearned premium reserve	21	752,469,707	641,585,269
Unearned reinsurance commission	23	60,157,534	54,234,596
Retirement benefits obligation		4,537,472	9,672,912
Premiums received in advance		2,695,677	2,982,677
Insurance / reinsurance payables	18	467,339,633	305,654,671
Other creditors and accruals	19	142,380,538	156,238,398
Taxation - provision less payments		74,477,696	71,686,314
Total Liabilities		2,063,540,287	1,536,855,670
Total liabilities of Window Takaful Operations - Operator's fund	17	60,320,680	48,644,031
Total equity and liabilities		4,458,769,037	3,850,475,366
Contingencies and commitments	20		

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-audited)

For the nine months period ended September 30, 2022

	Note	Three months period ended		Nine months period ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		----- (Rupees) -----		----- (Rupees) -----	
Net insurance premium	21	269,872,102	232,605,402	788,516,127	662,606,519
Net insurance claims	22	(136,759,582)	(107,761,072)	(429,174,423)	(309,649,608)
Net commission and other acquisition costs	23	26,530,616	14,059,285	68,839,629	47,111,425
Insurance claims and acquisition expenses		(110,228,966)	(93,701,787)	(360,334,794)	(262,538,183)
Management Expenses		(88,415,118)	(81,234,651)	(291,954,052)	(247,775,561)
Underwriting results		71,228,018	57,668,964	136,227,281	152,292,775
Investment income	24	40,613,889	11,087,888	123,521,704	85,327,272
Other income	25	18,852,755	15,913,316	55,500,620	37,452,107
Other expenses		(3,836,737)	(3,551,505)	(8,729,635)	(8,943,340)
Results of operating activities		126,857,925	81,118,663	306,519,970	266,128,814
Finance costs - lease liabilities		(1,135,811)	(1,468,765)	(3,365,879)	(4,352,672)
Share of profit of associates		-	494,731	5,913,016	4,792,604
Profit from Window Takaful Operations	17	9,343,539	4,382,439	20,529,295	15,366,311
Profit before tax		135,065,653	84,527,068	329,596,402	281,935,057
Income tax expense		(50,168,082)	(24,269,130)	(111,751,697)	(81,157,371)
- current		(50,168,082)	(24,269,130)	(111,751,697)	(81,157,371)
- prior year		(65,091)	-	(16,001,901)	-
- deferred		11,016	(1,440,934)	1,500,361	106,545
		(50,222,157)	(25,710,064)	(126,253,237)	(81,050,826)
Profit after tax		84,843,496	58,817,004	203,343,165	200,884,231
Earnings per share of Rs.10 each - basic and diluted (Restated)	26	1.53	1.06	3.68	3.63

The annexed notes from 1 to 31 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, 2022

	Three months period ended		Nine months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees)		(Rupees)	
Profit after tax	84,843,496	58,817,004	203,343,165	200,884,231
Other comprehensive income				
Item to be reclassified to profit and loss account in subsequent period:				
Unrealised appreciation / (diminution) 'available for sale' investments - net of tax	8,293,063	(21,347,991)	(2,068,423)	(11,864,184)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	-	-	(18,165,906)	(9,494,982)
	8,293,063	(21,347,991)	(20,234,329)	(21,359,166)
Unrealised (diminution) / appreciation 'available for sale' investments of Window Takaful Operations - net of tax	(54,553)	1,100,824	10,178	1,174,638
Reclassification adjustment for net gain on available for sale investments of Window Takaful Operation - net of tax	-	-	(6,456)	(34,045)
	(54,553)	1,100,824	3,722	1,140,593
Share in other comprehensive income of an associate - net of tax	-	9,303	(12,233)	9,367
Total comprehensive income for the period	93,082,006	38,579,140	183,100,325	180,675,025

The annexed notes from 1 to 31 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, 2022

	Note	(Un-audited)	
		September 30, 2022	September 30, 2021
		------(Rupees) -----	
Operating cash flows			
(a) Underwriting activities			
Insurance premium received		1,238,345,472	1,104,932,202
Reinsurance premium paid		(265,968,457)	(346,697,692)
Claims paid		(689,907,039)	(451,587,661)
Reinsurance and other recoveries received		141,020,920	232,383,348
Commissions paid		(63,094,879)	(54,493,224)
Commissions received		87,352,766	82,393,374
Management expenses paid		(282,275,615)	(254,085,323)
Net cash inflow from underwriting activities		<u>165,473,168</u>	312,845,024
(b) Other operating activities			
Income tax paid		(117,442,975)	(94,078,194)
Other operating payments		(1,249,780)	(2,323,495)
Net cash outflow from other operating activities		<u>(118,692,755)</u>	(96,401,689)
Total cash inflow from operating activities		<u>46,780,413</u>	216,443,335
Investment activities			
Profit / return received		99,795,152	81,513,922
Dividends received		22,889,627	25,550,094
Payments for investments		(3,023,098,930)	(763,338,070)
Proceeds from disposal of investments		2,813,446,559	773,953,913
Fixed capital expenditure		(12,425,095)	(17,927,501)
Proceeds from sale of property and equipment		5,214,697	1,986,976
Total cash (outflow) / inflow from investing activities		<u>(94,177,990)</u>	101,739,334
Financing activities			
Dividends paid		(112,586,136)	(100,173,421)
Lease rental paid		(16,204,379)	(14,003,500)
Total cash outflow from financing activities		<u>(128,790,515)</u>	(114,176,921)
Net cash (outflow) / inflow from all activities		<u>(176,188,092)</u>	204,005,748
Cash at beginning of the period		724,474,690	453,365,544
Cash at end of the nine months period	16.2	<u>548,286,598</u>	<u>657,371,292</u>

	(Un-audited)	
	September 30, 2022	September 30, 2021
	------(Rupees)-----	
Reconciliation to profit and loss account		
Operating cash flows	46,780,413	216,443,335
Depreciation / amortization expense	(24,985,183)	(23,002,151)
Profit on disposal of fixed assets	3,010,025	502,789
Profit on disposal of investments	44,482,766	22,093,925
Dividend income	23,811,257	26,853,779
Investment and other income	116,542,315	80,715,601
Increase in assets other than cash	520,214,635	97,150,954
Increase in liabilities other than running finance	(539,523,117)	(230,784,082)
Profit from Window Takaful Operations	13,010,054	10,910,081
Profit after tax	<u>203,343,165</u>	<u>200,884,231</u>

The annexed notes from 1 to 31 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, 2022

	Attributable to equity holders of the Company					Total
	Share capital Issued, subscribed and paid-up	Capital reserves Share premium	Revenue reserves			
			General reserve	Unrealised appreciation / (diminution) "available for sale" investments	Retained earnings	
(Rupees)						
Balance as at January 01, 2021	502,968,030	254,024,260	119,000,000	62,840,187	1,110,233,075	2,049,065,552
Total comprehensive income						
Profit after tax for the nine months period	-	-	-	-	200,884,231	200,884,231
Other comprehensive income						
Share in other comprehensive income of an associate	-	-	-	-	9,367	9,367
Net unrealised loss arising during the period on revaluation of available for sale investments net of tax	-	-	-	(10,689,546)	-	(10,689,546)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account net of tax	-	-	-	(9,529,027)	-	(9,529,027)
Total comprehensive income	-	-	-	(20,218,573)	200,893,598	180,675,025
Transactions with owners recorded directly in equity						
Final cash dividend of Rs. 2 (20%) per share for the year ended December 31, 2020	-	-	-	-	(100,593,666)	(100,593,666)
Balance as at September 30, 2021	<u>502,968,030</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>42,621,614</u>	<u>1,210,533,007</u>	<u>2,129,146,911</u>
Balance as at January 01, 2022	502,968,030	254,024,260	119,000,000	106,233,575	1,282,749,800	2,264,975,665
Total comprehensive income						
Profit after tax for the nine months period	-	-	-	-	203,343,165	203,343,165
Other comprehensive income						
Share in other comprehensive income of an associate	-	-	-	-	(12,233)	(12,233)
Net unrealised loss arising during the period on revaluation of available for sale investments (including WTO) net of tax	-	-	-	(2,058,245)	-	(2,058,245)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) net of tax	-	-	-	(18,172,362)	-	(18,172,362)
Total comprehensive income	-	-	-	(20,230,607)	203,330,932	183,100,325
Transactions with owners recorded directly in equity						
Final cash dividend of Rs. 2.25 (22.5%) per share for the year ended December 31, 2021	-	-	-	-	(113,167,920)	(113,167,920)
Issue of bonus share at the rate of one for every ten share held	50,296,810	-	-	-	(50,296,810)	-
Balance as at September 30, 2022	<u>553,264,840</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>86,002,968</u>	<u>1,322,616,002</u>	<u>2,334,908,070</u>

The annexed notes from 1 to 31 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 Statements (Un-audited)

For the nine months period ended September 30, 2022

1. STATUS AND NATURE OF BUSINESS

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

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

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 shall prevail.

In terms of the requirements of The General Takaful Accounting Regulation, 2019, read with SECP SRO 1416(I)/2019 dated November 20, 2019, the assets, liabilities and profit and loss of the Operator's Fund of the Window Takaful Operations (WTO) of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

3. BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis except for certain investment which are carried at fair value.

4. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to nearest Rupees, unless otherwise stated.

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

For the nine months period ended September 30, 2022

These condensed interim financial statements for the three months and nine months period ended September 30, 2022 have been prepared under the historical cost convention, except that investments classified as available-for-sale and investment properties are stated at fair value and obligations under employee benefits are measured at present value.

5. 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, 2021.

5.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period.

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operation and therefore not detailed in these financial statements.

5.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on or after January 01, 2022:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
AIP IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities	January 01, 2022
- IFRS 3 - Revised Conceptual Framework (Amendments)	January 01, 2022
- IAS 16 – Property, Plant and Equipments: proceeds before intended use	January 01, 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	January 01, 2022
- IAS 1 - Classification of Liabilities as Current to Non-current (Amendments)	January 01, 2023
AIP IAS 41 Agriculture Taxation in fair value measurements	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023

The above amendments are not likely to have an impact on Company's condensed interim financial statements. In addition to above Standards, there are certain new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after January 01, 2022 but are considered not to be relevant to the Company's operations and therefore, are not detailed in these condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
- IFRS 17 – Insurance Contracts	January 01, 2023

6. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2021.

7. 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, 2021.

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 (SPP) 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.

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

For the nine months period ended September 30, 2022

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:

- 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
- all other financial assets.

	September 30, 2022 (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	129,328,975	-	-	-	-
Investments					
- Equity securities - Available for Sale	1,181,880,636	133,392,917	-	-	-
- Equity securities - Held for trading	73,873,833	(4,372,588)	-	-	-
- Debt securities - Held for trading	-	-	54,440,744	-	(4,902,742)
- Debt securities - available for sale	-	-	657,559,561	-	(12,276,310)
- Debt securities - held to maturity	-	-	79,099,882	-	-
Loan and other receivables*	41,893,885	-	-	-	-
Cash and Bank	-	-	549,286,598	-	-
TOTAL	1,426,977,329	129,020,329	1,340,386,785	-	(17,179,052)

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

	Gross Carrying amount of debt instruments that pass the SPPI test					
	AAA	A+	A	A-	Unrated	Total
	----- (Rupees) -----					
Investment in debt securities -						
Held for trading	-	-	-	-	54,440,744	54,440,744
Available for sale	57,339,612	80,460,720	20,000,000	15,000,000	484,759,229	657,559,561
Held to Maturity	-	-	-	-	79,099,882	79,099,882
	57,339,612	80,460,720	20,000,000	15,000,000	618,299,855	791,100,187

9. 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.

10. PROPERTY AND EQUIPMENT

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Note	------(Rupees)-----	
Operating assets	10.1 80,150,615	83,355,554
Right of use assets	10.2 23,022,429	35,303,605
Capital work in progress	10.3 7,629,976	6,908,621
	<u>110,803,020</u>	<u>125,567,780</u>

10.1 Operating assets

Opening written down value	83,355,554	70,599,800
Add: Additions during the period / year - at cost		
- Motor vehicles	7,531,300	23,563,555
- Computers and related accessories	1,511,838	1,548,240
- Office equipment	1,165,097	3,930,224
- Furniture and fixtures	1,027,255	2,030,600
- Office improvement	468,250	1,385,019
	11,703,740	32,457,638
Less: Written down value of deletions	2,204,672	3,144,010
Depreciation for the period / year	12,704,007	16,557,874
	14,908,679	19,701,884
	<u>80,150,615</u>	<u>83,355,554</u>

10.2 Right of use assets

Opening written down value as at	35,303,605	38,925,248
Additions during the period / year	-	8,555,204
Depreciation for the period / year	(12,281,176)	(12,176,847)
Closing written down value as at	<u>23,022,429</u>	<u>35,303,605</u>

10.3 Capital work in progress

Advance against purchase of vehicles	5,831,121	6,428,621
Renovation of office	1,798,855	480,000
	<u>7,629,976</u>	<u>6,908,621</u>

11. INVESTMENT IN ASSOCIATES

Beginning of the period / year	60,681,713	49,959,574
Share of profit from associates	5,913,016	12,986,965
Dividend received from associates	(655,963)	(2,273,909)
Share in other comprehensive (loss) / income	(12,233)	9,083
End of the period / year	11.1 <u>65,926,533</u>	<u>60,681,713</u>

11.1 This includes investment in Colgate - Palmolive (Pakistan) Limited of Rs. 13.393 million (December 31, 2021: Rs. 12.982 million and Century Paper & Board Mills Limited of Rs. 52.533 million (December 31, 2021: Rs. 47.700 million).

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

For the nine months period ended September 30, 2022

12. INVESTMENTS

12.1 Investments in equity

Note	September 30, 2022 (Un-audited)				December 31, 2021 (Audited)				
	Cost	Impairment on AFS	Unrealised gain / (loss) on revaluation	Carrying value	Cost	Impairment on AFS	Unrealised gain / (loss) on revaluation	Carrying value	
	----- (Rupees) -----								
Available for sale	12.1.1	1,051,298,195	(2,810,476)	133,392,917	1,181,880,636	972,045,049	-	154,616,226	1,126,661,275
Held for trading		78,246,421	-	(4,372,588)	73,873,833	104,433,344		(6,225,965)	98,207,379
		<u>1,129,544,616</u>	<u>(2,810,476)</u>	<u>129,020,329</u>	<u>1,255,754,469</u>	<u>1,076,478,393</u>	<u>-</u>	<u>148,390,261</u>	<u>1,224,868,654</u>

12.1.1 Available for sale

Related parties

Mutual funds	446,200,706	-	115,779,870	573,134,873	459,015,352	-	125,975,547	584,990,899
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Others

Listed shares	61,213,461	(2,810,476)	(2,375,014)	56,027,971	64,819,749	-	4,184,720	69,004,469
Unlisted shares	75,283	-	-	75,283	75,283	-	-	75,283
Mutual funds	543,808,745	-	19,988,061	552,642,509	448,134,665	-	24,455,959	472,590,624
	<u>605,097,489</u>	<u>(2,810,476)</u>	<u>17,613,047</u>	<u>608,745,763</u>	<u>513,029,697</u>	<u>-</u>	<u>28,640,679</u>	<u>541,670,376</u>
	<u>1,051,298,195</u>	<u>(2,810,476)</u>	<u>133,392,917</u>	<u>1,181,880,636</u>	<u>972,045,049</u>	<u>-</u>	<u>154,616,226</u>	<u>1,126,661,275</u>

12.2 Investments in debt securities

Note	September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Unrealised gain / (loss) on revaluation	Carrying value	Cost	Unrealised gain / (loss) on revaluation	Carrying value
	----- (Rupees) -----					
Held for trading						
Government securities	59,343,486	(4,902,742)	54,440,744	90,170,946	(2,093,235)	88,077,711
Held to maturity						
Government securities	12.2.1 - 29,778,421	-	29,778,421	54,633,134	-	54,633,134
Commercial paper	12.2.2 - 49,321,461	-	49,321,461	-	-	-
	<u>79,099,882</u>	<u>-</u>	<u>79,099,882</u>	<u>54,633,134</u>	<u>-</u>	<u>54,633,134</u>
Available for sale						
Sukuk	25,000,000	-	25,000,000	25,000,000	-	25,000,000
Term finance certificate	142,912,400	4,887,932	147,800,332	242,934,000	2,046,292	244,980,292
Government securities	12.2.1 - 501,923,471	(17,164,242)	484,759,229	177,288,516	(7,046,856)	170,241,660
	<u>669,835,871</u>	<u>(12,276,310)</u>	<u>657,559,561</u>	<u>445,222,516</u>	<u>(5,000,564)</u>	<u>440,221,952</u>
	<u>808,279,239</u>	<u>(17,179,052)</u>	<u>791,100,187</u>	<u>590,026,596</u>	<u>(7,093,799)</u>	<u>582,932,797</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. 29.893 million (2021: Rs. 54.882 million).

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	------(Rupees) -----	
13. LOAN AND OTHERS RECEIVABLE			
Accrued investment income		19,286,524	17,683,925
Security deposits		7,768,540	6,889,003
Advance to employees		4,210,121	3,769,693
Advance against expenses		1,118,409	1,199,409
Receivable against sale of shares		497,106	418,208
Receivable from Window Takaful Operations		5,815,256	10,314,183
Others		3,197,929	2,002,862
		<u>41,893,885</u>	<u>42,277,283</u>
14. INSURANCE / RE-INSURANCE RECEIVABLE			
Due from insurance contract holders	14.1	641,507,180	433,862,590
Amounts due from other insurers / reinsurers		38,099,359	54,983,991
Reinsurance recoveries due but unpaid		124,936,513	52,295,564
		<u>804,543,052</u>	<u>541,142,145</u>
14.1	This include receivable amounting to Rs. 513.312 million (December 31, 2021: Rs. 297.285 million) due from related parties.		
15. PREPAYMENTS			
Prepaid reinsurance premium ceded		284,958,743	232,526,948
Prepayments		2,343,957	4,092,034
		<u>287,302,700</u>	<u>236,618,982</u>
16. CASH AND BANK			
Cash and cash equivalents			
Cash in hand		414,840	341,287
Policy stamps and bond papers in hand		3,086,448	2,689,689
Deposit with SBP		-	5,153,258
		<u>3,501,288</u>	<u>8,184,234</u>
Current and other accounts			
Current accounts		25,917,178	13,160,935
Saving accounts		519,868,132	704,129,521
		<u>545,785,310</u>	<u>717,290,456</u>
		<u>549,286,598</u>	<u>725,474,690</u>
16.1	Saving accounts expected profit rate ranging from 10.25% to 14.75% per annum (December 31, 2021: 5.5% to 12% per annum).		

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

For the nine months period ended September 30, 2022

16.2 Cash includes the following for the purposes of the Statement of Cash Flows:

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
	------(Rupees)-----	
Cash and balance	549,286,598	658,371,292
Less: Local Currency account with the lien	<u>1,000,000</u>	<u>1,000,000</u>
	<u>548,286,598</u>	<u>657,371,292</u>

17. WINDOW TAKAFUL OPERATIONS

Assets

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
Investments	113,888,521	105,036,455
Cash and bank deposits	2,859,897	5,539,413
Current assets - others	<u>38,364,083</u>	<u>19,846,208</u>
Total Assets	<u>155,112,501</u>	<u>130,422,076</u>

Total Liabilities - current

<u>60,320,680</u>	<u>48,644,031</u>
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Three months period ended		Nine months period ended	
September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
------(Rupees)-----			

Profit before tax for the period	<u>9,343,539</u>	4,382,439	<u>20,529,295</u>	15,366,311
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Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed condensed interim financial information.

18. INSURANCE AND REINSURANCE PAYABLES

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
Due to other Insurers / reinsurers	<u>467,339,633</u>	305,654,671
	<u>467,339,633</u>	<u>305,654,671</u>

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees) -----	
19. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	51,085,613	48,643,721
Federal excise duty	10,261,281	17,408,943
Federal insurance fees	1,177,343	1,950,270
Creditors	4,785,079	4,373,767
Retention money	141,073	141,073
Margin deposits	6,049,333	4,979,812
Payable against purchase of shares	-	1,247
Accrued expenses	14,064,514	14,791,628
Deposits from employees against car scheme	18,835,758	16,742,200
Unclaimed dividend	6,025,554	5,443,770
Lease liability	25,742,593	38,581,093
Others	4,212,397	3,180,874
	<u>142,380,538</u>	<u>156,238,398</u>

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

The status of contingencies remain unchanged as disclosed in annual audited financial statements for the year ended December 31, 2021.

20.2 Commitments

There are no commitments as at September 30, 2022 (December 31, 2021: NIL)

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

For the nine months period ended September 30, 2022

21. NET INSURANCE PREMIUM

	(Un-audited)		(Un-audited)	
	Three month period ended September 30, 2022	September 30, 2021	Nine months period ended September 30, 2022	September 30, 2021
	(Rupees)			
Written Gross premium	379,039,087	315,495,025	1,394,584,758	1,200,345,719
Add : Unearned premium reserve opening	820,102,898	699,004,578	641,585,269	521,370,886
Less: Unearned premium reserve closing	752,469,707	645,076,771	752,469,707	645,076,771
Premium earned	446,672,278	369,422,832	1,283,700,320	1,076,639,834
Less: Reinsurance premium ceded	165,426,056	136,515,550	547,615,988	480,220,886
Add: Prepaid reinsurance premium opening	296,332,863	270,318,161	232,526,948	203,828,710
Less: Prepaid reinsurance premium closing	284,958,743	270,016,281	284,958,743	270,016,281
Reinsurance expense	176,800,176	136,817,430	495,184,193	414,033,315
	269,872,102	232,605,402	788,516,127	662,606,519

22. NET INSURANCE CLAIMS EXPENSE

Claim paid	268,057,743	149,437,869	689,907,039	451,587,661
Add : Outstanding claims including IBNR closing	559,482,030	251,451,837	559,482,030	251,451,837
Less: Outstanding claims including IBNR opening	660,463,354	271,814,461	294,800,833	260,105,733
Claims expense	167,076,419	129,075,245	954,588,236	442,933,765
Less: Reinsurance and others recoveries received	136,432,383	45,466,371	321,989,810	153,144,183
Add: Reinsurance and others recoveries in respect of outstanding claims closing	326,735,657	105,482,514	326,735,657	105,482,514
Less: Reinsurance and others recoveries in respect of outstanding claims opening	432,851,203	129,634,712	123,311,654	125,342,540
Reinsurance and other recoveries revenue	30,316,837	21,314,173	525,413,813	133,284,157
	136,759,582	107,761,072	429,174,423	309,649,608

23. NET COMMISSION EXPENSE

Commission paid or payable	26,495,151	25,942,410	63,660,551	59,106,842
Add : Deferred commission expense opening	25,429,885	19,762,621	28,909,708	25,643,610
Less: Deferred commission expense closing	33,713,980	27,114,025	33,713,980	27,114,025
Net commission	18,211,056	18,591,006	58,856,279	57,636,427
Less: Commission received or recoverable	47,205,375	40,081,470	133,618,846	116,329,018
Add: Unearned Reinsurance commission opening	57,693,831	50,866,183	54,234,596	46,716,196
Less: Unearned Reinsurance commission closing	60,157,534	58,297,362	60,157,534	58,297,362
Commission from reinsurers	44,741,672	32,650,291	127,695,908	104,747,852
	(26,530,616)	(14,059,285)	(68,839,629)	(47,111,425)

24. INVESTMENT INCOME

	(Un-audited)		(Un-audited)	
	Three month period ended September 30, 2022	September 30, 2021	Nine months period ended September 30, 2022	September 30, 2021
----- (Rupees) -----				
Income from equity securities				
Available-for-sale				
Dividend income	4,805,918	4,595,304	18,261,848	21,803,234
Held for trading				
Dividend income	2,392,655	1,777,480	5,549,409	5,050,545
Income from debt securities				
Held to maturity				
Return on government securities	1,312,118	1,305,667	4,621,118	5,901,377
Return on other fixed income securities and deposits	1,891,683	-	3,022,581	-
	3,203,801	1,305,667	7,643,699	5,901,377
Available-for-sale				
Return on government securities	15,561,942	4,779,601	30,932,652	16,901,186
Return on other fixed income securities and deposits	7,108,944	2,607,589	24,453,334	6,392,883
	22,670,886	7,387,190	55,385,986	23,294,069
Held for trading				
Return on government securities	2,311,601	1,893,972	7,132,565	5,298,001
Income from term deposits				
Return on term deposits	-	3,591,779	-	15,866,784
Net realised gains on investments				
Available for sale				
- Gain on sale of equity securities	10,975,484	883,557	57,553,680	16,697,611
Fair value through profit or loss				
- (Loss) / gain on sale of equity securities	(2,581,868)	944,944	(13,070,914)	5,390,258
- Gain on sale of debt securities	-	-	-	6,056
	(2,581,868)	944,944	(13,070,914)	5,396,314
Net unrealised gain / (loss) on investments at fair value through profit and loss (Held for trading purposes)				
- Equity securities	982,887	(9,076,171)	(4,372,584)	(6,568,842)
- Debt securities	(3,418,087)	(1,405,577)	(4,902,742)	(4,817,710)
	(2,435,200)	(10,481,748)	(9,275,326)	(11,386,552)
Total investment income	41,343,277	11,898,145	129,180,947	87,921,383
Add: Reversal of impairment in debt securities Held to maturity	-	-	62,256	-
Less: Impairment in value of available-for-sale	-	-	(2,810,476)	-
Less: Investment related expenses	(729,388)	(810,257)	(2,911,023)	(2,594,111)
Investment income	40,613,889	11,087,888	123,521,704	85,327,272

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	Note	(Un-audited)		(Un-audited)	
		Three month period ended September 30, 2022	September 30, 2021	Nine months period ended September 30, 2022	September 30, 2021
25. OTHER INCOME					
Return on bank balances		18,823,899	15,831,450	52,452,103	37,249,215
Gain on sale of fixed assets		27,609	-	3,010,025	502,789
Others		1,247	81,866	38,492	(299,897)
		<u>18,852,755</u>	<u>15,913,316</u>	<u>55,500,620</u>	<u>37,452,107</u>
26. EARNINGS PER SHARE - BASIC AND DILUTED (Restated)					
Profit after tax for the period		<u>84,843,496</u>	58,817,004	<u>203,343,165</u>	200,884,231
				(Numbers)	
Weighted average number of ordinary shares		<u>55,326,484</u>	55,326,484	<u>55,326,484</u>	55,326,484
				(Rupees)	
Earnings per share - basic and diluted	26.1 & 26.2	<u>1.53</u>	1.06	<u>3.68</u>	3.63

26.1 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.

26.2 Earnings per share of last period has been restated based on bonus element for bonus shares issued during the year.

27. 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 condensed interim financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	(Un-audited)		(Un-audited)	
	Three month period ended September 30, 2022	September 30, 2021	Nine months period ended September 30, 2022	September 30, 2021
	----- (Rupees) -----			
Transactions with related parties				
Premium written	105,682,541	53,996,956	786,101,244	610,882,403
Claims paid	65,757,003	48,425,658	175,917,490	161,660,896
Investment in mutual funds	124,251,368	74,842,350	476,732,771	180,001,762
Sale of units of mutual funds	117,706,507	43,433,089	494,050,673	133,880,728
Dividend received	5,792,236	7,090,190	6,448,199	7,672,240
Donation paid	-	-	-	500,000
Dividend paid	-	-	86,854,544	77,204,246
Expenses	12,304,089	7,028,672	39,134,022	20,326,964
Staff benefit plans	3,948,305	3,417,883	11,813,191	10,227,261
Remuneration to key management personnel	28,792,554	39,985,659	91,582,993	80,068,957

28. FAIR VALUE OF MEASUREMENT

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates, fair value is determined by reference to average broker rates.

Fair value hierarchy

IFRS 13 requires the Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;
- Level 3 Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

For the nine months period ended September 30, 2022

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, 2022 (Un-audited)										
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in associate	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees) -----											
Financial assets measured at fair value											
Investments											
- Equity	73,873,833	1,181,805,353	-	-	-	-	1,255,679,186	129,901,804	797,939,585	327,837,797	1,255,679,186
- Debt	54,440,744	657,559,561	-	-	-	-	712,000,305	-	712,000,305	-	712,000,305
Assets of Window Takaful Operations - Operator's fund	-	113,888,521	-	-	-	-	113,888,521	-	113,888,521	-	113,888,521
Financial assets not measured at fair value											
Cash and bank*											
	-	-	-	549,286,598	-	-	549,286,598	-	-	-	-
Investments											
- In associates	-	-	-	-	65,926,533	-	65,926,533	129,328,975	-	-	129,328,975
- Debt securities	-	-	29,778,421	-	-	-	29,778,421	-	29,853,667	-	29,853,667
- Unquoted equity shares*	-	75,283	-	-	-	-	75,283	-	-	75,283	75,283
Insurance / reinsurance receivable*	-	-	-	804,543,052	-	-	804,543,052	-	-	-	-
Loan and other receivable*	-	-	-	36,565,355	-	-	36,565,355	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	326,735,657	-	-	326,735,657	-	-	-	-
Assets of Window Takaful Operations - Operator's fund*	-	-	-	26,844,110	-	-	26,844,110	-	-	-	-
Financial liabilities not measured at fair value											
Outstanding claims including IBNR*											
	-	-	-	-	-	(559,482,030)	(559,482,030)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(467,339,633)	(467,339,633)	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(130,941,914)	(130,941,914)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's fund*	-	-	-	-	-	(19,677,891)	(19,677,891)	-	-	-	-
	128,314,577	1,953,328,718	29,778,421	1,743,974,772	65,926,533	(1,177,441,468)	2,743,881,553	259,230,779	1,653,682,078	327,913,080	2,240,825,937

December 31, 2021 (Audited)											
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in associate	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)											
Financial assets measured at fair value											
Investments											
- Equity	98,207,379	1,126,585,992	-	-	-	-	1,224,793,371	167,211,848	729,743,726	327,837,797	1,224,793,371
- Debt	88,077,711	440,221,952	-	-	-	-	528,299,663	-	528,299,663	-	528,299,663
Assets of Window Takaful Operations											
- Operator's fund	-	105,036,455	-	-	-	-	105,036,455	-	105,036,455	-	105,036,455
Financial assets not measured at fair value											
Cash and bank*											
	-	-	-	725,474,690	-	-	725,474,690	-	-	-	-
Investments											
- In associates	-	-	-	-	60,681,713	-	60,681,713	129,679,073	-	-	129,679,073
- Debt securities	-	-	54,633,134	-	-	-	54,633,134	-	54,882,400	-	54,882,400
- Unquoted equity shares*	-	75,283	-	-	-	-	75,283	-	-	75,283	75,283
Insurance / reinsurance receivable*	-	-	-	541,142,145	-	-	541,142,145	-	-	-	-
Loan and other receivables	-	-	-	37,308,181	-	-	37,308,181	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	123,311,654	-	-	123,311,654	-	-	-	-
Assets of Window Takaful Operations											
- Operator's fund*	-	-	-	20,523,634	-	-	20,523,634	-	-	-	-
Financial liabilities not measured at fair value											
Outstanding claims including IBNR*											
	-	-	-	-	-	(294,800,833)	(294,800,833)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(305,654,671)	(305,654,671)	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(123,654,887)	(123,654,887)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's fund*											
	-	-	-	-	-	(21,924,911)	(21,924,911)	-	-	-	-
	186,285,090	1,671,919,682	54,633,134	1,447,760,304	60,681,713	(746,035,302)	2,675,244,621	296,890,921	1,417,962,244	327,913,080	2,042,766,245

28.1 Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV & PKFRV rates (MUFAP page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration, etc.

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

28.2 During the period ended September 30, 2022, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

For the nine months period ended September 30, 2022

29. SEGMENT INFORMATION

	Three months period ended September 30, 2022 (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)	108,990,575	136,203,517	102,855,195	54,849,693	22,240,652	425,139,632
Less: - Federal Excise Duty / Sales Tax	13,526,654	14,495,817	12,331,948	169,205	2,736,633	43,260,257
- Federal Insurance Fee	949,234	1,139,376	898,115	622,937	193,869	3,803,531
- Others	23,600	6,952,732	94,300	1,700	12,250	7,084,582
Add: - Facultative inward premium	7,490,325	39,818	88,191	-	429,491	8,047,825
Gross written premium (Inclusive of Administrative Surcharge)	101,981,412	113,655,410	89,619,023	54,055,851	19,727,391	379,039,087
- Gross direct premium	93,942,416	111,465,729	87,136,315	54,013,463	19,088,875	365,646,798
- Facultative inward premium	7,490,325	39,818	88,191	-	429,491	8,047,825
- Administrative surcharge	548,671	2,149,863	2,394,517	42,388	209,025	5,344,464
	101,981,412	113,655,410	89,619,023	54,055,851	19,727,391	379,039,087
Insurance premium earned	109,697,129	114,069,559	101,280,534	101,912,152	19,712,904	446,672,278
Insurance premium ceded to reinsurers	(113,494,246)	(48,532,747)	(2,509,094)	(108,627)	(12,155,462)	(176,800,176)
Net Insurance premium	(3,797,117)	65,536,812	98,771,440	101,803,525	7,557,442	269,872,102
Commission income	23,077,172	18,804,815	109,873	31,501	2,718,311	44,741,672
Net underwriting income	19,280,055	84,341,627	98,881,313	101,835,026	10,275,753	314,613,774
Insurance claims	(11,763,720)	(6,215,746)	(50,879,467)	(91,974,252)	(6,276,664)	(167,109,849)
Insurance claims recovered from reinsurers	9,400,926	2,073,297	14,410,856	-	4,465,188	30,350,267
Net claims	(2,362,794)	(4,142,449)	(36,468,611)	(91,974,252)	(1,811,476)	(136,759,582)
Commission expense	(5,591,514)	(5,038,522)	(5,528,320)	(1,359,598)	(693,102)	(18,211,056)
Management expense	(23,952,645)	(25,567,089)	(20,705,446)	(13,689,988)	(4,499,950)	(88,415,118)
Net insurance claims and expenses	(31,906,953)	(34,748,060)	(62,702,377)	(107,023,838)	(7,004,528)	(243,385,756)
Underwriting results	(12,626,898)	49,593,567	36,178,936	(5,188,812)	3,271,225	71,228,018
Investment income						40,613,889
Other income						18,852,755
Other expenses						(3,836,737)
Finance costs - Lease liabilities						(1,135,811)
Share of profit of associates						-
Profit before tax from Window Takaful Operations						9,343,539
Profit before tax for the period						135,065,653

Nine months period ended September 30, 2022 (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)	439,400,836	374,154,447	352,097,352	329,050,129	69,485,761	1,564,188,525
Less: - Federal Excise Duty / Sales Tax	52,354,581	39,846,169	41,896,478	5,674,831	8,323,367	148,095,426
- Federal Insurance Fee	3,840,939	3,124,219	3,079,063	3,382,035	606,093	14,032,349
- Others	65,950	19,115,439	273,050	5,450	35,950	19,495,839
Add: - Facultative inward premium	10,489,834	296,463	564,712	-	668,838	12,019,847
Gross written premium (Inclusive of Administrative Surcharge)	393,629,200	312,365,083	307,413,473	319,987,813	61,189,189	1,394,584,758
- Gross direct premium	381,782,091	305,734,832	299,843,201	319,834,551	59,972,627	1,367,167,302
- Facultative inward premium	10,489,834	296,463	564,712	-	668,838	12,019,847
- Administrative surcharge	1,357,275	6,333,788	7,005,560	153,262	547,724	15,397,609
	393,629,200	312,365,083	307,413,473	319,987,813	61,189,189	1,394,584,758
Insurance premium earned	341,706,659	311,382,706	291,685,713	282,634,113	56,291,129	1,283,700,320
Insurance premium ceded to reinsurers	(319,216,572)	(130,154,986)	(7,783,698)	(486,908)	(37,542,029)	(495,184,193)
Net Insurance premium	22,490,087	181,227,720	283,902,015	282,147,205	18,749,100	788,516,127
Commission income	67,018,015	51,671,564	289,406	141,996	8,574,927	127,695,908
Net underwriting income	89,508,102	232,899,284	284,191,421	282,289,201	27,324,027	916,212,035
Insurance claims	(436,863,822)	(67,938,838)	(181,103,054)	(246,897,424)	(21,785,098)	(954,588,236)
Insurance claims recovered from reinsurers	425,040,886	42,570,999	41,321,288	200,000	16,280,640	525,413,813
Net claims	(11,822,936)	(25,367,839)	(139,781,766)	(246,697,424)	(5,504,458)	(429,174,423)
Commission expense	(20,044,072)	(16,744,164)	(16,050,556)	(3,550,329)	(2,467,158)	(58,856,279)
Management expense	(82,405,634)	(65,393,122)	(64,356,511)	(66,988,928)	(12,809,857)	(291,954,052)
Net insurance claims and expenses	(114,272,642)	(107,505,125)	(220,188,833)	(317,236,681)	(20,781,473)	(779,984,754)
Underwriting results	(24,764,540)	125,394,159	64,002,588	(34,947,480)	6,542,554	136,227,281
Investment income						123,521,704
Other income						55,500,620
Other expenses						(8,729,635)
Finance costs - Lease liabilities						(3,365,879)
Share of profit of associates						5,913,016
Profit before tax from Window Takaful Operations						20,529,295
Profit before tax for the period						329,596,402

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

For the nine months period ended September 30, 2022

	Three months period ended September 30, 2021 (Un-audited)					Aggregate
	Fire and properly damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	
	----- (Rupees) -----					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	100,664,025	94,014,732	107,141,661	29,005,460	24,805,434	355,631,312
Less: - Federal Excise Duty / Sales Tax	12,552,748	10,248,036	12,689,585	240,222	2,971,580	38,702,171
- Federal Insurance Fee	882,135	783,716	938,298	397,217	216,007	3,217,373
- Others	24,200	4,629,817	94,349	2,800	14,000	4,765,166
Add: - Facultative inward premium	4,691,359	-	1,465,998	-	391,066	6,548,423
Gross written premium (inclusive of Administrative Surcharge)	91,896,301	78,353,163	94,885,427	28,365,221	21,994,913	315,495,025
- Gross direct premium	86,676,103	76,426,406	90,873,348	28,310,053	21,377,305	303,663,215
- Facultative inward premium	4,691,359	-	1,465,998	-	391,066	6,548,423
- Administrative surcharge	528,839	1,926,757	2,546,081	55,168	226,542	5,283,387
	91,896,301	78,353,163	94,885,427	28,365,221	21,994,913	315,495,025
Insurance premium earned	107,371,365	75,643,055	94,174,351	78,482,423	13,751,638	369,422,832
Insurance premium ceded to reinsurers	(97,644,160)	(27,900,092)	(2,146,149)	39,809	(9,166,838)	(136,817,430)
Net Insurance premium	9,727,205	47,742,963	92,028,202	78,522,232	4,584,800	232,605,402
Commission income	19,341,679	10,681,780	72,395	42,000	2,512,437	32,650,291
Net underwriting income	29,068,884	58,424,743	92,100,597	78,564,232	7,097,237	265,255,693
Insurance claims	(2,721,379)	(9,472,125)	(50,584,734)	(63,846,527)	(2,450,480)	(129,075,245)
Insurance claims recovered from reinsurers	2,365,187	6,776,577	10,637,138	-	1,535,271	21,314,173
Net claims	(356,192)	(2,695,548)	(39,947,596)	(63,846,527)	(915,209)	(107,761,072)
Commission expense	(6,924,272)	(5,217,242)	(5,257,323)	(677,029)	(515,140)	(18,591,006)
Management expense	(23,981,126)	(18,967,288)	(23,214,194)	(10,026,861)	(5,045,182)	(81,234,651)
Net insurance claims and expenses	(31,261,590)	(26,880,078)	(68,419,113)	(74,550,417)	(6,475,531)	(207,586,729)
Underwriting results	(2,192,706)	31,544,665	23,681,484	4,013,815	621,706	57,668,964
Investment income						11,087,888
Other income						15,913,316
Other expenses						(3,551,505)
Share of profit of associates						494,731
Finance costs - Lease liabilities						(1,468,765)
Profit before tax from Window Takaful Operations						4,382,439
Profit before tax for the period						84,527,068

	Nine months period ended September 30, 2021 (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)	413,446,195	278,705,377	335,104,918	265,087,751	56,592,229	1,348,936,470
Less: - Federal Excise Duty / Sales Tax	49,229,983	30,239,781	39,815,816	4,714,260	6,785,719	130,785,559
- Federal Insurance Fee	3,616,683	2,317,754	2,932,309	2,870,172	492,836	12,229,754
- Others	54,150	14,412,441	263,759	6,400	28,050	14,764,800
Add: - Facultative inward premium	6,629,040	57,505	2,056,979	-	445,838	9,189,362
Gross written premium (inclusive of Administrative Surcharge)	367,174,419	231,792,906	294,150,013	257,496,919	49,731,462	1,200,345,719
- Gross direct premium	359,268,705	225,651,911	285,231,090	257,338,879	48,836,778	1,176,327,363
- Facultative inward premium	6,629,040	57,505	2,056,979	-	445,838	9,189,362
- Administrative surcharge	1,276,674	6,083,490	6,861,944	158,040	448,846	14,828,994
	367,174,419	231,792,906	294,150,013	257,496,919	49,731,462	1,200,345,719
Insurance premium earned	314,417,591	229,391,940	263,889,087	225,248,501	43,692,715	1,076,639,834
Insurance premium ceded to reinsurers	(283,653,802)	(91,746,767)	(6,702,247)	(310,196)	(31,620,303)	(414,033,315)
Net Insurance premium	30,763,789	137,645,173	257,186,840	224,938,305	12,072,412	662,606,519
Commission income	60,519,573	35,417,741	226,695	143,503	8,440,340	104,747,852
Net underwriting income	91,283,362	173,062,914	257,413,535	225,081,808	20,512,752	767,354,371
Insurance claims	(62,711,444)	(33,282,488)	(151,991,343)	(181,240,234)	(13,708,256)	(442,933,765)
Insurance claims recovered from reinsurers	58,084,891	20,190,936	43,942,129	-	11,066,201	133,284,157
Net claims	(4,626,553)	(13,091,552)	(108,049,214)	(181,240,234)	(2,642,055)	(309,649,608)
Commission expense	(20,246,104)	(17,011,999)	(15,133,871)	(2,884,143)	(2,360,310)	(57,636,427)
Management expense	(75,792,204)	(47,846,730)	(60,718,494)	(53,152,556)	(10,265,577)	(247,775,561)
Net insurance claims and expenses	(100,664,861)	(77,950,281)	(183,901,579)	(237,276,933)	(15,267,942)	(615,061,596)
Underwriting results	(9,381,499)	95,112,633	73,511,956	(12,195,125)	5,244,810	152,292,775
Investment income						85,327,272
Other income						37,452,107
Other expenses						(8,943,340)
Share of profit of associates						4,792,604
Finance costs - Lease liabilities						(4,352,672)
Profit before tax from Window Takaful Operations						15,366,311
Profit before tax for the period						281,935,057

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

For the nine months period ended September 30, 2022

The class wise assets and liabilities are as follows:

	Nine months period ended September 30, 2022 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
Segment assets	768,375,054	207,444,556	197,276,390	188,050,981	95,089,452	1,456,236,433
Unallocated assets	-	-	-	-	-	2,847,420,103
Unallocated assets of Window Takaful Operation - Operator's Fund	-	-	-	-	-	155,112,501
Total assets	768,375,054	207,444,556	197,276,390	188,050,981	95,089,452	4,458,769,037
Segment liabilities	735,067,530	172,178,772	423,415,539	400,525,737	110,957,003	1,842,144,581
Unallocated liabilities	-	-	-	-	-	221,395,706
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	60,320,680
Total liabilities	735,067,530	172,178,772	423,415,539	400,525,737	110,957,003	2,123,860,967
	December 31, 2021 (Audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
Segment assets	421,524,928	155,382,764	151,189,087	121,460,473	84,318,203	933,875,455
Unallocated assets	-	-	-	-	-	2,786,177,835
Unallocated assets of Window Takaful Operation - Operator's Fund	-	-	-	-	-	130,422,076
Total assets	421,524,928	155,382,764	151,189,087	121,460,473	84,318,203	3,850,475,366
Segment liabilities	409,071,450	145,580,886	339,138,927	303,502,201	101,964,583	1,299,258,047
Unallocated liabilities	-	-	-	-	-	237,597,623
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	48,644,031
Total liabilities	409,071,450	145,580,886	339,138,927	303,502,201	101,964,583	1,585,499,701

30. GENERAL

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

31. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue in accordance with a resolution of the Board of Directors on October 26, 2022.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Window Takaful Operation Financial Statements

Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2022

	Note	Operator's Fund		Participants' Takaful Fund	
		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees)					
Assets					
Investments					
Equity securities / mutual funds	9.1	113,888,521	105,036,455	85,781,481	20,506,970
Debt securities	9.2	-	-	-	500,000
Loan and other receivables	10	58,131	26,451	1,316,833	886,051
Takaful / retakaful receivables	11	-	-	53,714,410	42,025,098
Retakaful recoveries against outstanding claims	19	-	-	30,011,131	11,853,077
Deferred commission expense / acquisition cost	20	6,611,100	4,861,987	-	-
Receivable from PTF	12	31,694,852	14,957,770	-	-
Deferred wakala fee	21	-	-	34,001,992	21,817,515
Prepaid retakaful contribution ceded	17	-	-	28,268,784	16,967,476
Cash and bank	13	2,859,897	5,539,413	51,060,705	58,154,524
Total Assets		155,112,501	130,422,076	284,155,336	172,710,711

	Operator's Fund		Participants' Takaful Fund	
	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)

Note

(Rupees)

Funds and Liabilities

Funds attributable to:

Operator's Fund

Statutory fund	50,000,000	50,000,000	-	-
Reserves	10,178	6,456	-	-
Accumulated profit	44,781,643	31,771,589	-	-

Participants' Takaful Fund

Seed Money	-	-	500,000	500,000
Accumulated surplus	-	-	26,561,982	22,256,364

Total Funds

	94,791,821	81,778,045	27,061,982	22,756,364
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Liabilities

PTF underwriting provisions

Outstanding claims including IBNR	19	-	-	68,369,280	35,843,954
Unearned contribution reserve	17	-	-	87,604,998	58,557,387
Reserve for unearned retakaful rebate	18	-	-	5,469,103	3,055,853
		-	-	161,443,381	97,457,194
Unearned Wakala fee	21	34,001,992	21,817,515	-	-
Payable to OPF	12	-	-	31,694,852	14,957,770
Deferred taxation		4,157	2,637	-	-
Contribution received in advance		-	-	1,488,411	1,119,255
Takaful / retakaful payables	14	-	-	59,624,807	34,272,044
Other creditors and accruals	15	19,836,442	21,924,911	2,841,903	2,148,084
Taxation - provision less payment		6,478,089	4,898,968	-	-
		60,320,680	48,644,031	95,649,973	52,497,153

Total Liabilities

	60,320,680	48,644,031	257,093,354	149,954,347
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Total Funds and Liabilities

	155,112,501	130,422,076	284,155,336	172,710,711
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Contingency and Commitment

16

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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Aftab Ahmad
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-audited)

For the three and nine months period ended September 30, 2022

	Note	Three months period ended		Nine months period ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
----- (Rupees) -----					
Participants' Takaful Fund - revenue account					
Contribution earned		31,729,032	21,156,001	84,381,930	57,338,235
Less: Contribution ceded to retakaful		<u>(20,097,142)</u>	<u>(11,354,768)</u>	<u>(51,116,602)</u>	<u>(29,668,963)</u>
Net contribution revenue	17	11,631,890	9,801,233	33,265,328	27,669,272
Retakaful rebate earned	18	3,872,320	1,874,038	9,739,118	4,802,614
Net underwriting income		<u>15,504,210</u>	<u>11,675,271</u>	<u>43,004,446</u>	<u>32,471,886</u>
Net claims - reported / settled	19	(8,445,633)	(11,809,817)	(42,502,770)	(26,960,469)
Direct expenses		<u>(588,139)</u>	<u>(692,830)</u>	<u>(2,233,407)</u>	<u>(1,858,382)</u>
Surplus / (deficit) before investment income		<u>6,470,438</u>	<u>(827,376)</u>	<u>(1,731,731)</u>	<u>3,653,035</u>
Investment income	22	1,806,268	216,796	4,039,921	801,720
Other income	23	1,250,686	627,492	3,161,172	1,734,281
Less: Mudarib share of investment income	24	<u>(611,391)</u>	<u>(168,857)</u>	<u>(1,425,939)</u>	<u>(507,200)</u>
Surplus / (deficit) transferred to the accumulated surplus		<u>8,916,001</u>	<u>(151,945)</u>	<u>4,043,423</u>	<u>5,681,836</u>
Operator's Fund - revenue account					
Wakala fee	21	18,853,036	12,430,010	49,144,042	34,917,847
Commission expense	20	(4,734,296)	(3,225,044)	(15,021,595)	(7,611,966)
General, administration and management expenses		<u>(9,433,257)</u>	<u>(4,724,185)</u>	<u>(24,649,184)</u>	<u>(14,326,955)</u>
		<u>4,685,483</u>	<u>4,480,781</u>	<u>9,473,263</u>	<u>12,978,926</u>
Mudarib share of PTF investment income	24	611,391	168,857	1,425,939	507,200
Investment Income	22	4,023,238	110,028	9,851,413	2,533,837
Other income	23	122,184	52,202	275,439	180,656
Direct expenses		<u>(98,757)</u>	<u>(429,429)</u>	<u>(496,759)</u>	<u>(834,308)</u>
Profit before tax		<u>9,343,539</u>	<u>4,382,439</u>	<u>20,529,295</u>	<u>15,366,311</u>
Taxation - current year		<u>(3,083,368)</u>	<u>(1,270,907)</u>	<u>(6,774,668)</u>	<u>(4,456,230)</u>
- Prior year		<u>-</u>	<u>-</u>	<u>(744,573)</u>	<u>-</u>
		<u>(3,083,368)</u>	<u>(1,270,907)</u>	<u>(7,519,241)</u>	<u>(4,456,230)</u>
Profit after tax		<u>6,260,171</u>	<u>3,111,532</u>	<u>13,010,054</u>	<u>10,910,081</u>

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, 2022

	Three months period ended		Nine months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
----- (Rupees) -----				
Participants' Fund				
Surplus / (deficit) for the period	8,916,001	(151,945)	4,043,423	5,681,836
Other Comprehensive Income for the period				
- Unrealized (loss) / gain on available for sale investments	240,670	330,383	263,358	346,447
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	-	(1,163)	-
	240,670	330,383	262,195	346,447
Total comprehensive income for the period	9,156,671	178,438	4,305,618	6,028,283
Operator's Fund				
Profit after tax	6,260,171	3,111,532	13,010,054	10,910,081
Other Comprehensive Income for the period				
Items that will be reclassified to profit and loss account				
- Unrealized (loss) / gain on available for sale investments - net of tax	(54,553)	1,100,824	10,178	1,174,638
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	-	(6,456)	(34,045)
	(54,553)	1,100,824	3,722	1,140,593
Total comprehensive income for the period	6,205,618	4,212,356	13,013,776	12,050,674

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, 2022

	Operator's Fund		Participants' Takaful Fund	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Operating Cash flows	Note ----- (Rupees) -----			
(a) Takaful activities				
Contribution received	-	-	161,576,997	117,714,062
Retakaful contributions paid	-	-	(35,044,674)	(23,025,920)
Claims paid	-	-	(52,673,905)	(34,690,365)
Retakaful and other recoveries received	-	-	17,650,558	3,016,601
Commission paid	(16,939,807)	(7,742,028)	-	-
Retakaful rebate received	-	-	6,696,174	3,215,624
Wakala fee received / paid	46,017,376	20,611,508	(46,017,376)	(20,611,508)
Direct expenses paid	-	-	(2,233,407)	(1,858,382)
Net cash inflow from takaful activities	29,077,569	12,869,480	49,954,367	43,760,112
(b) Other operating activities				
Income tax paid	(5,940,120)	(327,764)	(473,703)	(357,597)
General, administration and management expenses paid	(27,223,864)	(12,137,211)	-	-
Other operating receipts / payments - net	158,551	12,062	731,144	275,932
Net cash (outflow) / inflow from other operating activities	(33,005,433)	(12,452,913)	257,441	(81,665)
Total cash (outflow) / inflow from operating activities	(3,927,864)	416,567	50,211,808	43,678,447
Investment activities				
Profit / return received	243,759	218,433	3,169,000	1,724,202
Dividend received	6,691,579	2,423,809	3,502,442	784,628
Payment for investments	(80,658,603)	(104,628,810)	(77,316,695)	(30,685,662)
Proceed from investments	74,971,613	20,000,000	13,339,626	-
Total cash inflow / (outflow) from investing activities	1,248,348	(81,986,568)	(57,305,627)	(28,176,832)
Net cash (outflow) / inflow from all activities	(2,679,516)	(81,570,001)	(7,093,819)	15,501,615
Cash and cash equivalents at beginning of period	5,539,413	82,593,412	58,154,524	45,227,837
Cash and cash equivalents at the end of period	13 2,859,897	1,023,411	51,060,705	60,729,452
Reconciliation to profit and loss account				
Operating cash flows	(3,927,864)	416,567	50,211,808	43,678,447
Profit on disposal of investments	3,159,834	110,028	535,247	-
Profit / returns received	243,759	218,433	3,169,000	1,724,202
Dividend income	6,691,579	2,423,809	3,502,442	784,628
Increase in assets other than cash	18,517,875	18,813,080	53,763,933	25,055,379
Increase in liabilities other than borrowings	(11,675,129)	(11,071,836)	(107,139,007)	(65,560,820)
Profit after tax / surplus for the period	13,010,054	10,910,081	4,043,423	5,681,836


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 Changes in Funds (Un-audited)

For the nine months period ended September 30, 2022

	Operator's Fund			Total
	Statutory fund	Revenue reserve Available for sale Investment revaluation reserve	Accumulated surplus	
	----- (Rupees) -----			
Balance as at January 01, 2021	50,000,000	34,045	18,555,419	68,589,464
Changes in fund for the nine months period ended September 30, 2021				
Profit after tax for the nine months period	-	-	10,910,081	10,910,081
Other comprehensive income				
Unrealised gains on available for sale investments - net of tax	-	1,174,638	-	1,174,638
Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	(34,045)	-	(34,045)
	-	1,140,593	10,910,081	12,050,674
Balance as at September 30, 2021	50,000,000	1,174,638	29,465,500	80,640,138
Balance as at January 01, 2022	50,000,000	6,456	31,771,589	81,778,045
Changes in fund for the nine months period ended September 30, 2022				
Profit after tax for the nine months period	-	-	13,010,054	13,010,054
Other comprehensive income				
Unrealised gains on available for sale investments - net of tax	-	10,178	-	10,178
Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	(6,456)	-	(6,456)
	-	3,722	13,010,054	13,013,776
Balance as at September 30, 2022	50,000,000	10,178	44,781,643	94,791,821

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

For the nine months period ended September 30, 2022

	Participants' Takaful Fund		
	Ceded money	Accumulated surplus (Rupees)	Total
Balance as at January 01, 2021	500,000	13,723,262	14,223,262
Changes in fund for the nine months period ended September 30, 2021			
Surplus for the nine months period	-	5,681,836	5,681,836
Other comprehensive income			
Unrealised gains on available for sale investments	-	346,447	346,447
	-	6,028,283	6,028,283
Balance as at September 30, 2021	500,000	19,751,545	20,251,545
Balances as at January 01, 2022	500,000	22,256,364	22,756,364
Changes in fund for the nine months period ended September 30, 2022			
Surplus for the nine months period	-	4,043,423	4,043,423
Other comprehensive income			
Unrealised gains on available for sale investments	-	263,358	263,358
Realised gains on available for sale investments	-	(1,163)	(1,163)
	-	4,305,618	4,305,618
Balance as at September 30, 2022	500,000	26,561,982	27,061,982

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

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

For the nine months period ended September 30, 2022

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.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(I)/2019 dated November 20, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business. These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SECP. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements as prescribed by the SECP and should be read in conjunction with the annual audited financial statements of the Operator for the year ended December 31, 2021.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

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

- International Financial Reporting Standards (IAS) 34, interim Financial Reporting issued by the International Accounting Standards Board (IASB) as for interim Financial Reporting notified under the Companies Act, 2017;

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

For the nine months period ended September 30, 2022

- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 shall prevail.

- 2.3 These condensed interim financial statements have been prepared under the historical cost convention except investments which are carried at fair value and at amortized cost.
- 2.4 These condensed interim financial statements are presented in Pakistani Rupees which is also the Operator's functional currency. All financial information presented in Pakistani Rupees has been rounded to nearest Thousand Rupees, unless otherwise stated.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS

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 annual audited financial statements for the year ended December 31, 2021.

Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period.

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operation and therefore not detailed in these financial statements.

3.1 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

The following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on or after January 01, 2022:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
AIP IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities	January 01, 2022
- IFRS 3 - Revised Conceptual Framework (Amendments)	January 01, 2022
- IAS 16 – Property, Plant and Equipments: proceeds before intended use	January 01, 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	January 01, 2022

- IAS 1 - Classification of Liabilities as Current to Non-current (Amendments)	January 01, 2023
AIP IAS 41 Agriculture Taxation in fair value measurements	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023

The above amendments are not likely to have an impact on Company's condensed interim financial statements. In addition to above Standards, there are certain new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after January 01, 2022 but are considered not to be relevant to the Company's operations and therefore, are not detailed in these condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 1 – First time adoption of IFRSs	July 01, 2009
- IFRS 17 – Insurance Contracts	January 01, 2023

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, 2021.

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

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

For the nine months period ended September 30, 2022

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, 2021.

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, 2021.

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.

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, 2022				
	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	113,888,521	14,335	-	-	-
Loans and other receivables*	58,131	-	-	-	-
Cash and bank	-	-	2,859,897	-	-
	<u>113,946,652</u>	<u>14,335</u>	<u>2,859,897</u>	<u>-</u>	<u>-</u>

Participants' Takaful Fund

Financial assets

Investments					
- Equity securities - Available for Sale	85,781,481	263,358	-	-	-
Loans and other receivables*	1,316,833	-	-	-	-
Cash and bank	-	-	51,060,705	-	-
	<u>87,098,314</u>	<u>263,358</u>	<u>51,060,705</u>	<u>-</u>	<u>-</u>

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

9. INVESTMENTS

9.1 Investments In Securities - Available For Sale

	September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying Value	Cost	Impairment / provision	Carrying Value
	----- (Rupees) -----					
Operator's Fund						
Mutual funds	<u>113,874,186</u>	<u>-</u>	<u>113,888,521</u>	<u>105,027,362</u>	<u>-</u>	<u>105,036,455</u>
Participants' Takaful Fund						
Mutual funds	<u>85,518,123</u>	<u>-</u>	<u>85,781,481</u>	<u>20,505,807</u>	<u>-</u>	<u>20,506,970</u>

9.2 Investment in debt securities

Participants' Takaful Fund

Held to maturity

Certificate of Islamic Investment	-	-	-	500,000	-	500,000
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Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended September 30, 2022

	Operator's Fund		Participants' Takaful Fund	
	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
10. LOAN AND OTHER RECEIVABLE	----- (Rupees) -----			
Accrued investment income	58,131	26,451	326,820	332,416
Receivable against sale of investments	-	-	-	37,325
Advance Tax	-	-	990,013	516,310
	<u>58,131</u>	<u>26,451</u>	<u>1,316,833</u>	<u>886,051</u>

		September 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
		----- (Rupees) -----			
11. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF	Note				
Due from Takaful participants	11.1	31,863,967	17,578,378		
Due from other Takaful / Retakaful operators		18,560,273	20,957,486		
Retakaful recoveries due but unpaid		3,290,170	3,489,234		
		<u>53,714,410</u>	<u>42,025,098</u>		

11.1 This includes Rs. Nil (December 31, 2021: Rs. 0.1 million) receivable from related party. The amount is not over due/impaird as at September 30, 2022.

	Operator's Fund		Participants' Takaful Fund	
	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
12. RECEIVABLE / PAYABLE (Between OPF and PTF)	----- (Rupees) -----			
Wakala fee	31,083,461	14,614,018	31,083,461	14,614,018
Modaraba fee	611,391	343,752	611,391	343,752
	<u>31,694,852</u>	<u>14,957,770</u>	<u>31,694,852</u>	<u>14,957,770</u>

13. CASH AND BANK				
Cash and cash equivalents				
Cash in hand	10,000	10,000	-	-
Cash at bank				
Saving accounts	13.1	2,849,897	5,529,413	51,060,705
		<u>2,859,897</u>	<u>5,539,413</u>	<u>58,154,524</u>

13.1 Saving accounts carry expected profit rates ranging from 3.25% to 7.80% (December 31, 2021: 2.75% to 5.50%) per annum.

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rupees) -----	
14. TAKAFUL / RE-TAKAFUL PAYABLES - PTF		
Due to other takaful / retakaful operators	59,624,807	34,272,044

14.1 This includes Rs. 2.5 million (December 31, 2021: Rs. 0.1 million) payable to related party. The amount is not over due/impaired as at September 30, 2022.

	Operator's Fund		Participants' Takaful Fund	
	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rupees) -----			
15. OTHER CREDITORS AND ACCRUALS				
Commission payable	10,593,780	10,762,879	-	-
Federal excise duty and sales tax	-	-	1,486,956	1,820,477
Federal takaful fee	-	-	160,753	168,231
Accrued expense	8,934,111	10,672,032	-	-
Audit fee payable	150,000	490,000	-	-
Creditors	-	-	978,810	129,340
Tax deducted at source	158,551	-	215,384	30,036
	19,836,442	21,924,911	2,841,903	2,148,084

16. CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at September 30, 2022 (December 31, 2021: Nil).

	(Un-audited)		(Un-audited)	
	Three month period ended		Nine months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	----- (Rupees) -----			
17. NET TAKAFUL CONTRIBUTION - PTF				
Written Gross Contribution	56,560,650	40,482,810	162,573,583	104,546,223
Less: Wakala Fee	(18,853,036)	(12,430,010)	(49,144,042)	(34,917,847)
Contribution Net of Wakala Fee	37,707,614	28,052,800	113,429,541	69,628,376
Add : Unearned contribution reserve opening	81,626,416	49,894,564	58,557,387	44,501,222
Less: Unearned contribution reserve closing	(87,604,998)	(56,791,363)	(87,604,998)	(56,791,363)
Contribution earned	31,729,032	21,156,001	84,381,930	57,338,235
Less: Retakaful Contribution ceded	26,445,453	16,733,828	62,417,910	36,447,266
Add: Prepaid Retakaful contribution ceded opening	21,920,473	13,346,403	16,967,476	11,947,160
Less: Prepaid Retakaful contribution ceded closing	(28,268,784)	(18,725,463)	(28,268,784)	(18,725,463)
Retakaful expense	20,097,142	11,354,768	51,116,602	29,668,963
	11,631,890	9,801,233	33,265,328	27,669,272

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

For the nine months period ended September 30, 2022

	(Un-audited)		(Un-audited)	
	Three month period ended September 30, 2022	September 30, 2021	Nine months period ended September 30, 2022	September 30, 2021
	----- (Rupees) -----			
18. REBATE FROM RE-TAKAFUL - PTF				
Retakaful Rebate received or receivable	5,039,543	2,812,301	12,152,368	6,219,960
Add: Unearned retakaful rebate opening	4,301,880	2,230,884	3,055,853	1,751,801
Less: Unearned retakaful rebate closing	(5,469,103)	(3,169,147)	(5,469,103)	(3,169,147)
	<u>3,872,320</u>	<u>1,874,038</u>	<u>9,739,118</u>	<u>4,802,614</u>
19. NET TAKAFUL CLAIMS EXPENSE - PTF				
Claim paid	19,018,843	14,990,818	52,673,905	34,690,365
Add : Outstanding claims including IBNR closing	68,369,280	37,546,510	68,369,280	37,546,510
Less: Outstanding claims including IBNR opening	(54,071,703)	(38,234,767)	(35,843,954)	(36,298,886)
Claims expense	<u>33,316,420</u>	<u>14,302,561</u>	<u>85,199,231</u>	<u>35,937,989</u>
Less: Retakaful and others recoveries received	<u>11,040,484</u>	6,167,444	<u>24,538,407</u>	12,992,511
Add: Retakaful and others recoveries against outstanding claims closing	<u>30,011,131</u>	11,763,368	<u>30,011,131</u>	11,763,368
Less: Retakaful and others recoveries against outstanding claims opening	<u>(16,180,828)</u>	(15,438,068)	<u>(11,853,077)</u>	(15,778,359)
Retakaful and recoveries revenue	<u>24,870,787</u>	<u>2,492,744</u>	<u>42,696,461</u>	<u>8,977,520</u>
	<u>8,445,633</u>	<u>11,809,817</u>	<u>42,502,770</u>	<u>26,960,469</u>
20. COMMISSION EXPENSE - OPF				
Commission paid or payable	6,002,542	3,966,120	16,770,708	8,201,636
Add : Deferred commission expense opening	5,342,854	3,641,126	4,861,987	3,792,532
Less: Deferred commission expense closing	(6,611,100)	(4,382,202)	(6,611,100)	(4,382,202)
Net commission	<u>4,734,296</u>	<u>3,225,044</u>	<u>15,021,595</u>	<u>7,611,966</u>
21. NET WAKALA FEE				
Gross Wakala Fee	20,597,201	14,493,559	61,328,519	38,365,495
Add: Deferred Wakala Fee - Opening	<u>32,257,827</u>	19,053,302	<u>21,817,515</u>	17,669,203
Less: Deferred Wakala Fee - Closing	<u>(34,001,992)</u>	(21,116,851)	<u>(34,001,992)</u>	(21,116,851)
	<u>(1,744,165)</u>	<u>(2,063,549)</u>	<u>(12,184,477)</u>	<u>(3,447,648)</u>
	<u>18,853,036</u>	<u>12,430,010</u>	<u>49,144,042</u>	<u>34,917,847</u>

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

Class	Percentage ----- (%) -----
Fire and property damage	30%
Marine, aviation and transport	30%
Motor	40% - 43%
Health	20%
Miscellaneous	35%

22. INVESTMENT INCOME

Participants' Takaful Fund

Income from equity securities - Available for sale

	(Un-audited) Three month period ended September 30, 2022	(Un-audited) September 30, 2021	(Un-audited) Nine months period ended September 30, 2022	(Un-audited) September 30, 2021
	----- (Rupees) -----		----- (Rupees) -----	
Realised gain on sale of equity securities	230,868	-	535,247	-
Dividend income	1,575,400	209,490	3,502,442	784,628

Income from debt securities - Held to maturity

Return on Certificate of Islamic Investment	-	7,306	2,232	17,092
	<u>1,806,268</u>	<u>216,796</u>	<u>4,039,921</u>	<u>801,720</u>

Operator's Fund

Income from equity securities - Available for sale

Realised gain on sale of equity securities	1,348,055	110,028	3,159,834	110,028
Dividend income	2,675,183	-	6,691,579	2,423,809
	<u>4,023,238</u>	<u>110,028</u>	<u>9,851,413</u>	<u>2,533,837</u>

23. OTHER INCOME

Participants' Takaful Fund

Profit on bank balances	1,250,686	627,492	3,089,773	1,734,281
Exchange gain	-	-	71,399	-
	<u>1,250,686</u>	<u>627,492</u>	<u>3,161,172</u>	<u>1,734,281</u>

Operator's Fund

Profit on bank balances	122,184	52,202	275,439	180,656
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Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended September 30, 2022

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>611,391</u>	168,857	<u>1,425,939</u>	<u>507,200</u>
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25. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)		(Un-audited)	
	Three month period ended	September 30,	Nine month period ended	September 30,
	September 30,	2022	September 30,	2022
			2022	
				(Rupees)
Associated companies				
Takaful contribution written	<u>1,879,166</u>	17,184,445	<u>27,037,573</u>	18,134,914
Claim paid	<u>236,506</u>	1,416,662	<u>1,218,874</u>	1,649,534
Managerial Remuneration	<u>1,600,000</u>	1,765,396	<u>5,073,784</u>	4,143,768
Expenses Paid	<u>4,890,502</u>	-	<u>15,650,888</u>	5,202,562

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.

	For the three months period ended September 30, 2022 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution received / receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	20,777,086	10,820,972	31,615,555	1,498,799	64,712,412
Less: - Federal Excise Duty / Sales Tax	2,483,893	1,155,956	3,611,118	158,593	7,409,560
- Federal Insurance Fee	180,951	89,666	278,897	13,377	562,891
- Others	2,450	651,212	24,750	250	678,662
Facultative inward contribution	586,629	-	(133,324)	46,046	499,351
	<u>18,696,421</u>	<u>8,924,138</u>	<u>27,567,466</u>	<u>1,372,625</u>	<u>56,560,650</u>
Gross written Contribution (Inclusive of Administrative Surcharge)	18,047,038	8,706,381	26,895,939	1,310,111	54,959,469
- Gross direct Contribution	586,629	-	(133,324)	46,046	499,351
- Facultative inward contribution	62,754	217,757	804,851	16,468	1,101,830
- Administrative surcharge					
	<u>18,696,421</u>	<u>8,924,138</u>	<u>27,567,466</u>	<u>1,372,625</u>	<u>56,560,650</u>
Wakala fee	(2,867,180)	(2,718,629)	(12,289,005)	(978,222)	(18,853,036)
Takaful contribution earned	9,557,290	9,062,080	29,101,099	2,861,599	50,582,068
Takaful contribution ceded to retakaful operators	(9,309,645)	(7,118,254)	(1,559,866)	(2,109,377)	(20,097,142)
Net Takaful contribution	(2,619,535)	(774,803)	15,252,228	(226,000)	11,631,890
Retakaful rebate	1,842,074	1,550,043	32,449	447,754	3,872,320
Net underwriting income	<u>(777,461)</u>	<u>775,240</u>	<u>15,284,677</u>	<u>221,754</u>	<u>15,504,210</u>
Takaful claims	(21,422,348)	(873,228)	(10,724,195)	(296,649)	(33,316,420)
Takaful claims recovered from retakaful operators	21,035,927	698,747	2,984,166	151,947	24,870,787
Net claims	(386,421)	(174,481)	(7,740,029)	(144,702)	(8,445,633)
Direct expenses	(234,831)	(91,619)	(261,462)	(227)	(588,139)
(Deficit) / surplus before investment income	<u>(1,398,713)</u>	<u>509,140</u>	<u>7,283,186</u>	<u>76,825</u>	<u>6,470,438</u>
Investment income					1,806,268
Other income					1,250,686
Mudarib's share of investment income					<u>(611,391)</u>
Surplus for the period					<u>8,916,001</u>
Operator's Fund					
Wakala fee	2,867,180	2,718,629	12,289,005	978,222	18,853,036
Commission expense	(839,285)	(939,464)	(2,901,299)	(54,248)	(4,734,296)
Management expense	(2,934,692)	(1,493,729)	(4,712,133)	(292,703)	(9,433,257)
	<u>(906,797)</u>	<u>285,436</u>	<u>4,675,573</u>	<u>631,271</u>	<u>4,685,483</u>
Mudarib share of PTF investment income					611,391
Investment income					4,023,238
Other income					122,184
Direct expenses					<u>(98,757)</u>
Profit before tax					<u>9,343,539</u>

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

For the nine months period ended September 30, 2022

	For the nine months period ended September 30, 2022 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution received / receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	34,960,928	31,444,157	106,488,848	12,441,987	185,335,920
Less: - Federal Excise Duty / Sales Tax	4,181,642	3,299,528	12,298,900	1,426,602	21,206,672
- Federal Insurance Fee	304,843	263,787	936,834	109,168	1,614,632
- Others	7,300	1,568,688	79,700	450	1,656,138
Facultative inward contribution	586,629	-	205,397	923,079	1,715,105
	<u>31,053,772</u>	<u>26,312,154</u>	<u>93,378,811</u>	<u>11,828,846</u>	<u>162,573,583</u>
Gross written Contribution (Inclusive of Administrative Surcharge)	30,310,237	25,662,484	90,676,937	10,874,446	157,524,104
- Gross direct Contribution	586,629	-	205,397	923,079	1,715,105
- Facultative inward contribution	156,906	649,670	2,496,477	31,321	3,334,374
- Administrative surcharge	31,053,772	26,312,154	93,378,811	11,828,846	162,573,583
Wakala fee	(7,088,364)	(7,560,016)	(32,100,830)	(2,394,832)	(49,144,042)
Takaful contribution earned	23,627,924	25,200,072	77,387,322	7,310,654	133,525,972
Takaful contribution ceded to retakaful operators	(22,547,351)	(20,251,644)	(3,292,646)	(5,024,961)	(51,116,602)
Net Takaful contribution	(6,007,791)	(2,611,588)	41,993,846	(109,139)	33,265,328
Retakaful rebate	4,324,305	4,313,507	90,761	1,010,545	9,739,118
Net underwriting income	(1,683,486)	1,701,919	42,084,607	901,406	43,004,446
Takaful claims	(23,586,426)	(611,284)	(56,475,302)	(4,526,219)	(85,199,231)
Takaful claims recovered from retakaful operators	23,107,618	508,652	15,746,673	3,333,518	42,696,461
Net claims	(478,808)	(102,632)	(40,728,629)	(1,192,701)	(42,502,770)
Direct expenses	(426,611)	(361,472)	(1,282,822)	(162,502)	(2,233,407)
(Deficit) / surplus before investment income	(2,588,905)	1,237,815	73,156	(453,797)	(1,731,731)
Investment income					4,039,921
Other income					3,161,172
Mudarib's share of investment income					(1,425,939)
Surplus for the period					4,043,423
Operator's Fund					
Wakala fee	7,088,364	7,560,016	32,100,830	2,394,832	49,144,042
Commission expense	(2,285,328)	(2,647,585)	(9,687,058)	(401,624)	(15,021,595)
Management expense	(4,708,330)	(3,989,413)	(14,157,967)	(1,793,474)	(24,649,184)
	<u>94,706</u>	<u>923,018</u>	<u>8,255,805</u>	<u>199,734</u>	<u>9,473,263</u>
Mudarib share of PTF investment income					1,425,939
Investment income					9,851,413
Other income					275,439
Direct expenses					(496,759)
Profit before tax					20,529,295

The class wise revenues and results are as follows:

	For the three months period ended September 30, 2021 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution received / receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	14,082,733	4,380,485	26,194,362	677,557	45,335,137
Less: - Federal Excise Duty / Sales Tax	1,712,817	475,115	2,970,463	77,250	5,235,645
- Federal Insurance Fee	122,565	34,790	230,447	5,941	393,743
- Others	2,250	374,367	21,850	150	398,617
Facultative inward premium	452,525	-	471,910	251,243	1,175,678
	<u>12,697,626</u>	<u>3,496,213</u>	<u>23,443,512</u>	<u>845,459</u>	<u>40,482,810</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
- Gross direct Contribution	12,198,083	3,365,624	22,043,332	582,659	38,189,698
- Facultative inward contribution	452,525	-	471,910	251,243	1,175,678
- Administrative surcharge	47,018	130,589	928,270	11,557	1,117,434
	<u>12,697,626</u>	<u>3,496,213</u>	<u>23,443,512</u>	<u>845,459</u>	<u>40,482,810</u>
Wakala fee	(1,970,886)	(1,025,781)	(8,813,579)	(619,764)	(12,430,010)
Takaful contribution earned	6,569,618	3,419,270	21,712,090	1,885,033	33,586,011
Takaful contribution ceded to retakaful operators	(6,193,140)	(2,527,961)	(1,269,498)	(1,364,169)	(11,354,768)
Net Takaful contribution	(1,594,408)	(134,472)	11,629,013	(98,900)	9,801,233
Rebate earned	1,101,371	501,613	31,419	239,635	1,874,038
Net revenue	<u>(493,037)</u>	<u>367,141</u>	<u>11,660,432</u>	<u>140,735</u>	<u>11,675,271</u>
Takaful claims	(2,246,701)	(425,148)	(11,630,712)	-	(14,302,561)
Takaful claims recovered from retakaful operators	2,141,904	350,840	-	-	2,492,744
Net claims	(104,797)	(74,308)	(11,630,712)	-	(11,809,817)
Direct expenses	(222,200)	(59,784)	(398,606)	(12,240)	(692,830)
(Deficit) / surplus before investment income	<u>(820,034)</u>	<u>233,049</u>	<u>(368,886)</u>	<u>128,495</u>	<u>(827,376)</u>
Investment income					216,796
Other income					627,492
Mudarib fee					(168,857)
Deficit for the period					<u>(151,945)</u>
Operator's Fund					
Wakala fee	1,970,886	1,025,781	8,813,579	619,764	12,430,010
Commission expense	(634,981)	(352,610)	(2,147,430)	(90,023)	(3,225,044)
Management expense	(1,632,162)	(406,439)	(2,655,479)	(30,105)	(4,724,185)
	<u>(296,257)</u>	<u>266,732</u>	<u>4,010,670</u>	<u>499,636</u>	<u>4,480,781</u>
Mudarib share of PTF investment income					168,857
Investment income					110,028
Other income					52,202
Direct expenses					(429,429)
Profit before tax					<u>4,382,439</u>

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

For the nine months period ended September 30, 2022

The class wise revenues and results are as follows:

	For the nine months period ended September 30, 2021 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution received / receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	23,741,078	11,419,810	75,087,081	8,314,355	118,562,324
Less: - Federal Excise Duty / Sales Tax	2,896,935	1,253,263	8,697,162	975,887	13,823,247
- Federal Insurance Fee	206,576	91,090	659,448	73,147	1,030,261
- Others	5,650	995,530	55,600	250	1,057,030
Facultative inward premium	460,142	70,000	1,113,052	251,243	1,894,437
	<u>21,092,059</u>	<u>9,149,927</u>	<u>66,787,923</u>	<u>7,516,314</u>	<u>104,546,223</u>
Gross written Contribution (inclusive of Administrative Surcharge)	20,498,935	8,713,557	63,713,415	7,240,923	100,166,830
- Gross direct Contribution	460,142	70,000	1,113,052	251,243	1,894,437
- Facultative inward contribution	132,982	366,370	1,961,456	24,148	2,484,956
- Administrative surcharge					
	<u>21,092,059</u>	<u>9,149,927</u>	<u>66,787,923</u>	<u>7,516,314</u>	<u>104,546,223</u>
Wakala fee	(5,024,458)	(2,701,411)	(25,290,589)	(1,901,389)	(34,917,847)
Takaful contribution earned	16,748,193	9,004,705	60,943,431	5,559,753	92,256,082
Takaful contribution ceded to retakaful operators	(15,828,425)	(6,919,113)	(2,711,988)	(4,209,437)	(29,668,963)
Net Takaful contribution	(4,104,690)	(615,819)	32,940,854	(551,073)	27,669,272
Rebate earned	2,674,585	1,340,935	86,817	700,277	4,802,614
Net revenue	<u>(1,430,105)</u>	<u>725,116</u>	<u>33,027,671</u>	<u>149,204</u>	<u>32,471,886</u>
Takaful claims	(8,464,276)	(1,443,873)	(26,660,322)	630,482	(35,937,989)
Takaful claims recovered from retakaful operators	8,071,726	1,177,367	186,812	(458,385)	8,977,520
Net claims	(392,550)	(266,506)	(26,473,510)	172,097	(26,960,469)
Direct expenses	(374,926)	(162,646)	(1,187,202)	(133,608)	(1,858,382)
(Deficit) / surplus before investment income	<u>(2,197,581)</u>	<u>295,964</u>	<u>5,366,959</u>	<u>187,693</u>	<u>3,653,035</u>
Investment income					801,720
Other income					1,734,281
Mudarib fee					(507,200)
Surplus for the period					<u>5,681,836</u>
Operator's Fund					
Wakala fee	5,024,458	2,701,411	25,290,589	1,901,389	34,917,847
Commission expense	(1,658,440)	(923,925)	(4,685,346)	(344,255)	(7,611,966)
Management expense	(2,890,444)	(1,253,901)	(9,152,579)	(1,030,031)	(14,326,955)
	<u>475,574</u>	<u>523,585</u>	<u>11,452,664</u>	<u>527,103</u>	<u>12,978,926</u>
Mudarib share of PTF investment income					507,200
Investment income					2,533,837
Other income					180,656
Direct expenses					(834,308)
Profit before tax					<u>15,366,311</u>

The classwise assets and liabilities are as follows:

	September 30, 2022 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	(Rupees)				
Segment assets	61,614,487	11,858,761	57,012,083	15,510,986	145,996,317
Unallocated assets					
Participants' Takaful Fund					138,159,019
Operator's Fund					155,112,501
Consolidated total assets					439,267,837
Segment liabilities	70,734,518	17,448,154	148,722,542	19,361,365	256,266,579
Unallocated liabilities					
Participants' Takaful Fund					826,775
Operator's Fund					60,320,680
Consolidated total liabilities					317,414,034
	December 31, 2021 (Audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	(Rupees)				
Segment assets	35,235,737	7,960,525	43,588,580	5,878,324	92,663,166
Unallocated assets					
Participants' Takaful Fund					80,047,545
Operator's Fund					130,422,076
Consolidated total assets					303,132,787
Segment liabilities	36,175,126	10,095,441	97,177,484	6,132,508	149,580,559
Unallocated liabilities					
Participants' Takaful Fund					373,788
Operator's Fund					48,644,031
Consolidated total liabilities					198,598,378

27. FAIR VALUE OF MEASUREMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates, fair value is determined by reference to average broker rates.

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

For the nine months period ended September 30, 2022

Fair value hierarchy

IFRS 13 requires the company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;

Level 3 Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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, 2022 (Un-audited)					Fair value			
	Carrying amount					Level 1	Level 2	Level 3	Total
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total				
	(Rupees)								
Financial assets measured at fair value									
Investments in mutual funds	199,670,002	-	-	-	199,670,002	-	199,670,002	-	199,670,002
Financial assets not measured at fair value									
Investment in Debt securities*	-	-	-	-	-	-	-	-	-
Loans and receivables*	-	-	384,951	-	384,951	-	-	-	-
Takaful / retakaful receivables*	-	-	53,714,410	-	53,714,410	-	-	-	-
Retakaful recoveries against outstanding claims	-	-	30,011,131	-	30,011,131	-	-	-	-
Receivable from PTF*	-	-	31,694,852	-	31,694,852	-	-	-	-
Cash and bank*	-	-	53,920,602	-	53,920,602	-	-	-	-
Total financial assets	199,670,002	-	169,725,946	-	369,395,948	-	199,670,002	-	199,670,002
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	-	(68,369,280)	(68,369,280)	-	-	-	-
Payable to OPF*	-	-	-	(31,694,852)	(31,694,852)	-	-	-	-
Takaful / retakaful payables*	-	-	-	(59,624,807)	(59,624,807)	-	-	-	-
Other creditors and accruals*	-	-	-	(20,656,701)	(20,656,701)	-	-	-	-
Total financial liabilities	-	-	-	(180,345,640)	(180,345,640)	-	-	-	-

	December 31, 2021 (Audited)								
	Carrying amount				Fair value				
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)								
Financial assets measured at fair value									
Investments in equity securities	125,543,425	-	-	-	125,543,425	-	125,543,425	-	125,543,425
Financial assets not measured at fair value									
Investments in Debt securities*	-	500,000	-	-	500,000	-	-	-	-
Loans and receivables*	-	-	358,867	-	358,867	-	-	-	-
Takaful / retakaful receivables*	-	-	42,025,098	-	42,025,098	-	-	-	-
Retakaful recoveries against outstanding claims	-	-	11,853,077	-	11,853,077	-	-	-	-
Receivable from PTF*	-	-	14,957,770	-	14,957,770	-	-	-	-
Cash and bank*	-	-	63,693,937	-	63,693,937	-	-	-	-
Total financial assets	125,543,425	500,000	132,888,749	-	258,932,174	-	125,543,425	-	125,543,425
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	-	(35,843,954)	(35,843,954)	-	-	-	-
Payable to OPF*	-	-	-	(14,957,770)	(14,957,770)	-	-	-	-
Takaful / retakaful payables*	-	-	-	(34,272,044)	(34,272,044)	-	-	-	-
Other creditors and accruals*	-	-	-	(22,054,251)	(22,054,251)	-	-	-	-
Total financial liabilities	-	-	-	(107,128,019)	(107,128,019)	-	-	-	-

27.1 Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV & PKISRV rates (MUFAP page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration, etc.

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

27.2 During the period ended September 30, 2022, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

For the nine months period ended September 30, 2022

28. GENERAL

Figures in these interim condensed interim 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 26, 2022.



Iqbal Ali Lakhani
Chairman



Amin Mohammed Lakhani
Director



Aftab Ahmad
Director



Mohammad Hussain Hirji
Director & Chief Executive



Sabza Ali Pirani
Chief Financial Officer

Network

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Karachi Shahrah e Faisal Office:

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