

AA

**ASPIRINGLY
DETERMINED &
OPTIMISTIC**

**Half
Yearly
REPORT
2020**

60
Years of
Excellence

CONTENTS

COMPANY INFORMATION

02

Corporate Information

03

Committees Composition

04

Key Management Personnel

05

Banks & Leasing Companies

06

Directors' Review Report To The Members

09

ممبرز کو
ڈائریکٹرز رپورٹ

CONDENSED INTERIM FINANCIAL INFORMATION

11

Independent Auditors' Review Report

12

Condensed Interim Statement of Financial Position

13

Condensed Interim Profit and Loss Account

14

Condensed Interim Statement of Comprehensive Income

15

Condensed Interim Cash Flow Statement

17

Condensed Interim Statement of Changes in Equity

18

Notes to and Forming Part of these Condensed Interim Financial Statements

WINDOW TAKAFUL OPERATIONS

CONDENSED INTERIM FINANCIAL INFORMATION

35

Independent Auditors' Review Report

36

Condensed Interim Statement of Financial Position

38

Condensed Interim Profit and Loss Account

39

Condensed Interim Statement of Comprehensive Income

40

Condensed Interim Statement of Shareholders Equity And Participants' Takaful Fund

41

Condensed Interim Cash Flow Statement

43

Notes to and Forming Part of these Condensed Interim Financial Statements

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Javaid Sadiq

CHIEF EXECUTIVE OFFICER

Muhammad Rahat Sadiq

CHIEF OPERATING OFFICER

Aamir Hameed

DIRECTORS

Khawas Khan Niazi

Huma Waheed

Agha Ali Imam

Jamil A. Khan

Syed Rahat Ali Shah

ADVISOR TO BOARD

Mian M.A.Shahid
(Chairman UIG)

ADVISORS

Sardar Khan

(Former Managing Director
Universal Insurance Company
Limited)

Major General (R) Asif Duraiz
Akhtar

COMPANY SECRETARY

Athar A. Khan

CHIEF FINANCIAL OFFICER

Maqbool Ahmad

CHIEF INTERNAL AUDITOR

Abdul Mannan Munir

AUDITORS

M/S. Ilyas Saeed & Co.
Chartered Accountants

LEGAL ADVISORS

Muhammad Farooq Sheikh
(Advocate)

Mian Asghar Ali
(Advocate)

TAX ADVISOR

M/S. Sarwars Chartered
Accountants

CREDIT RATING AGENCY (PACRA)

INSURER FINANCIAL STRENGTH

AA (Double A) The Rating
Denotes a very strong
capacity to meet policyholder
and contract obligations. Risk
factors are modest, and the
impact of any adverse business
and economic factors is
expected to be very small.

COMPANY'S SHARE REGISTRAR

M/S. F.D.Registrar
Services(SMC-Pvt) Ltd.
1705,17th Floor, Saima Trade
Center, I.I.Chundrigar Road,
Karachi.

WEB PRESENCE

www.theunitedinsurance.com



REGISTERED OFFICE

204, 2nd Floor, Madina City Mall,
Abdullah Haroon Road, Saddar
Karachi.

TEL: 021-35621460-2,
021-35221803-4

FAX: 021-35621459

Email:
info@theunitedinsurance.com

HEAD OFFICE

UIG House, 6-D, Upper Mall,
Lahore

TEL: 042-35776475

UAN: 92-42-111-000-014

FAX: 92-42-35776486, 35776487

Email:
uicp@theunitedinsurance.com

COMMITTEES COMPOSITION

Ethics, Human Resource & Remuneration Committee:

Name of Member	Category
Mr. Jamil Ahmed Khan	Chairman
Mr. Javaid Sadiq	Member
Mr. Muhammad Rahat Sadiq	Member
Mr. S. Rahat Ali Shah	Member
Mr. Wakeel Ahmed Mirza	Secretary

Investment Committee:

Name of Member	Category
Mr. Jamil Ahmed Khan	Chairman
Mr. Agha Ali Imam	Member
Mr. Muhammad Rahat Sadiq	Member
Mr. Tajammal Iqbal	Member
Mr. Maqbool Ahmad	Secretary

Audit Committee:

Name of Member	Category
Mr. Agha Ali Imam	Chairman
Mr. Khawas Khan Niazi	Member
Mr. S. Rahat Ali Shah	Member
Mr. Maqbool Ahmad	CFO
Mr. Abdul Mannan Munir	Internal Auditor (Secretary)

Underwriting Committee:

Name of Member	Category
Mr. Khawas Khan Niazi	Chairman
Mr. Muhammad Rahat Sadiq	Member
Mr. S. Qaisar Imam	Member
Mr. Aamir Hameed	Member
Mr. Tayyab Bashir	Secretary

Claims Settlement Committee:

Name of Member	Category
Ms. Huma Waheed	Chairperson
Mr. Muhammad Rahat Sadiq	Member
Mr. Tajammal Iqbal	Member
Mr. Kamran Zaman	Member
Mr. Rizwan Safdar	Secretary

Reinsurance & Co-insurance Committee:

Name of Member	Category
Mr. Khawas Khan Niazi	Chairman
Mr. Muhammad Rahat Sadiq	Member
Mr. Aamir Hameed	Member
Mr. Abrar Ahmed Minhas	Secretary

Risk Management & Compliance Committee:

Name of Member	Category
Mr. Javaid Sadiq	Chairman
Ms. Huma Waheed	Member
Mr. S. Rahat Ali Shah	Member
Mr. Waqar Tanveer	Secretary

KEY MANAGEMENT PERSONNEL

CONVENTIONAL BUSINESS

HEAD OF CONVENTIONAL BUSINESS

Tajammal Iqbal

SR. EXECUTIVE DIRECTOR UNDERWRITING

S.M. Qaiser Imam

SR. EXECUTIVE DIRECTOR / GROUP COUNTRY MANAGER

Dr. Murtaza Mughal

JOINT DIRECTOR OPERATION

Tayyab Bashir

HEAD OF CORPORATE COMPLIANCE

Ali Hassan Bhatti

SR. GENERAL MANAGER RE-INSURANCE

Abbar Ahmed Minhas

CHIEF INFORMATION SECURITY OFFICER

Munir Ahmed

GENERAL MANAGER HR & R

Wakeel Ahmed Mirza

GENERAL MANAGER HEALTH/ TRAVEL

Kashif Shafique

GENERAL MANAGER ADMINISTRATION

Maj.(R) Nadeem Iqbal Naz

DEPUTY GENERAL MANAGER CLAIMS

Kamran Zaman

A.G.M UNDERWRITING

Manzoor Hussain Mirza

A.G.M REINSURANCE

Naeem Ahmed Babar

CHIEF MANAGER (WEB)

Muhammad Arshad

CHIEF MANAGER (AGRI)

Zulfiqar Ahmed

SR. MANAGER COORDINATION

Tahira Ashar

WINDOW TAKAFUL OPERATIONS

HEAD OF TAKAFUL OPERATIONS

Shakeel Ahmed

SHARIAH ADVISOR

Mufti Farhan Farooq

SHARIAH COMPLIANCE OFFICER

Saad Munir Malik

EXECUTIVE DIRECTORS (MARKETING)

Muhammad Rafique Khan

Zarar Ahmed Butt

Mian Kashif Rasheed

Ch. Aslam Feroze

Rizwan-UL-Haq

Shafaqat Ali Goraya

Hassan Nadeem

Ch. Shamas-ul-Haq

Kh. Adnan Hassan

Muhammad Mazhar Shah

Malik Khurram Mansoor

Nauman-ul-Haq

Tanveer Ahmed Bhatti

JOINT DIRECTORS (MARKETING)

Aslam Rajpoot

Malik Zafar Yousaf

Mian Muhammad Rafi

Faisal Javaid

Muhammad Mohsin ullah

Chaudhary Iqbal Tahir

Zafar Mahmood

Hassan Bin Dawood

Malik Azhar Ahmed

Mujeeb-ur-Rehman Khokhar

Zahid Mukhtar Paracha

Mian Muhammad Asif

Raheel Zia

Rana Muhammad Ashraf

Shahid Hussain Chishti

Junaid Akhtar Samoo

Mumtaz Ahmed Kahlon

BANKS & LEASING COMPANIES

BANKS

State Bank of Pakistan
National Bank of Pakistan
Bank Al-Habib Limited
Soneri Bank Limited
Bank Alfalah Limited
Meezan Bank Limited
SME Bank Limited
The Bank of Khyber
Summit Bank Limited
Silk Bank Limited
Samba Bank Limited
Zarai Taraqiati Bank Limited
Sindh Bank Limited
The Bank of Punjab
First Women Bank Limited
The Punjab Provincial Cooperative Bank Limited
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Standard Chartered Bank (Pakistan) Limited
Barclays Bank PLC, Pakistan
Habib Metropolitan Bank Limited
Karakoram Cooperative Bank Limited
JS Bank Limited
Bank Islami Pakistan Limited
Bank of Azad Jammu and Kashmir
MIB Islamic Bank Limited

LEASING COMPANIES

Orix Leasing Company Limited
Crescent Standard Modaraba

MICRO FINANCE BANKS

APNA Microfinance Bank Limited
Khushhali Microfinance Bank Limited
Pak-Oman Microfinance Bank Limited
The First Microfinance Bank Limited
Waseela Microfinance Bank Limited
U Microfinance Bank Limited
Tameer Microfinance Bank Limited
NRSP Microfinance Bank Limited
Telenor Microfinance Bank Limited

DIRECTORS' REVIEW REPORT TO THE MEMBERS

Dear Fellow Members!

We are pleased to present the unaudited condensed interim financial statement for the six months period ended June 30, 2020. The directors of "The United Insurance Company of Pakistan Limited" are pleased to announce the financial results for the six months period ended June 30, 2020 along with the figures for the same period ended June 30, 2019.

Performance Overview Conventional – (Six Months Period Ended June 30, 2020)

The company's gross premium income and net premium income for the six months ended June 30, 2020 stands at Rs. 1,958.788 million and Rs. 1,171.747 million, respectively. Whereas during the comparative period of six months ended June 30, 2019, gross premium income was Rs. 1,829.518 million and net premium income was Rs. 1,306.746 million. These figures reflect the commitment of our team members. The business of our company is increasing day by day due to our concerted efforts and by the grace of God.

Underwriting results for the six months ended June 30, 2020 are being reported as Rs. 395.027 million, whereas for the same period in the previous year 2019 it was reported as Rs. 377.769 million. This is commendable achievement of our staff and the field force due to which the underwriting results improved further.

The company's profit before tax has increased during the first six months of 2020 by 2.20% from Rs. 423.771 million in 2019 to Rs. 433.100 million in 2020. Similarly, Profit after Tax being reported amounts to Rs. 333.299 million in six months ended June 30, 2020. Whereas profit after tax for the same period in 2019 was Rs. 329.686 million.

The earnings per share (EPS) of the company which includes both basic and diluted stands at Rs. 1.13/- per share for six months ended June 30, 2020 as compared to Rs. 1.12/- per share in 2019 reflecting a slight improvement.

Investment income has decreased to Rs. 26.598 million for the first six months ended June 30, 2020 compared to Rs. 29.109 million during first six months ended June 30, 2019 due to investment in associate companies/Bank for long term benefit. Management expense increased slightly by 6.66% as compared to 2019.

Performance Overview Takaful Operations - (Six Months Period Ended June 30, 2020)

The following financial data reflects the performance of Window Takaful Operations during the six months ended June 30, 2020.

There was a slight decrease of contribution of 0.21% in the gross written contribution, compared to the six months ended June 30, 2019. The gross written contribution for the six months ended June 30, 2020 decreased from Rs. 330.001 million in 2019 compared to Rs. 329.313 in 2020 due to Covid19 crises. Securing contribution of a same level as previous year is the evidence of staff hardworking and efficient performance of company's employees and management.

Investments of operators fund are increased by Rs. 12.580/- million during the six months ending June 30, 2020 and stands at Rs.109.653/-.

General and management expenses of the operator increased from Rs. 49.503 million in 2019 to Rs. 58.910 million in 2020.

State of Company's Business affairs

Directors of the Company:

Following are the names of persons who were/are Directors at any time during the financial period being reported:

- Mr. Javaid Sadiq,
- Mr. Muhammad Rahat Sadiq,
- Mr. Khawas Khan Niazi,
- Miss. Huma Waheed,
- Mr. Agha Ali Imam,
- Mr. Jamil A. Khan and
- Mr. Syed Rahat Ali Shah

Risks and Uncertainties Facing the Business:

Pandemic adversely affected the whole economy of our country, similarly Insurance business was also effected by covid-19. Companies were not able to underwrite motor insurance of new motor vehicles business due to closure of motor industry during covid-19. However, opening of construction industry by Govt of Pakistan was a great step to slowly rotate the industrial cycle during pandemic.

Changes in interest rates have reduced the interest income on TDRs and other secured investments which will result in change in investment policies by insurance sector to improve investment income.

Finally, there will be a relatively high risk of digitalization and new technology related issues to be addressed in the post

corona crises as much of the business sectors and specifically insurers will adopt the digital and financial technology to digitalize service. Technology will be more of both an opportunity as well as risk from customers and compliance perspective. Fundamental economic and technological changes call for new types of coverage, revamped policies, and alternative distribution platforms. Yet adaptation has been slow going for the insurance industry.

Future Outlook

In 2020 Pakistan has taken significant steps towards improving the ease of doing business climate and CPEC has shifted in next gear. Various construction related activities are started which will give rise to sales, employment opportunities and growing of businesses.

We continue to have a positive outlook on the long term growth potential of the business, however we do foresee certain headwinds in the short term owing to coronavirus crises in the form of Rupee depreciation, higher inflation which might have an impact on the future results. The management remains fully committed towards managing these challenges and delivering sustainable profitable growth capitalizing on our strong brands, management capabilities and operational excellence. The United Insurance Company of Pakistan Limited relies on innovation to grow its business. We continue to develop innovative products, efficient delivery channels, on-line retail systems and state-of-the-art contact center.

CSR and Company's Business Impact on Environment:

The vision of CSR at UIC outlines our role as a socially responsible corporate citizen that will endeavor to participate in programs that benefit the society at a large and also those who need special assistance. Our objective, which we have been positively fulfilling for decades, is to operate our business in an economically, socially, and environmentally sustainable manner, to introduce and participate in programs that benefit the community. To enhance the quality of life for those in need and to create a community goodwill is how we aim to enhance our company as a socially responsible corporate citizen.

We comply with the law, ethical standards, and international norms for implementing CSR in our business activities. Being accountable for our actions is what we embrace here at UIC.

Adequacy of Internal Control:

The management of UIC is responsible for the establishment and maintenance of the system of internal control in order to identify and manage risks faced by the company. We have designed sound system of internal controls to adequately provide reasonable reassurance that the assets are safeguarded against unauthorized disposition. A proper and reliable accounting records are available for use which is safeguarded through adequate control mechanisms. There is complete and significant internal control system is rooting up for the progress and prosperity of company so that there could not be any kind of mismanagement can happen and if there is any question raise then due to quick and efficient internal control solution will dissolve all the negative matter.

Acknowledgement

We wish to thank our valued customers for their faith in our products and services and sincerely hope that they will continue their support, care and confidence in our leadership. We also take this opportunity to thank our bankers and regulatory bodies for providing us with their valuable support throughout this period.

Due to the great and strong reassurance of our customers, banks, and clients the rating agency PACRA has maintained the rating of AA which shows and raised the professional commitment of our company therefore The United Insurance Company Of Pakistan Limited enrich with spectacular confidence and reputed commitment to meet the every desire of our stakeholders.

Finally, we wish to thank our staff whose dedication and commitment has been a source of strength for the company. For and on behalf of the Board

Finally, we wish to thank our staff whose dedication and commitment has been a source of strength for the company. For and on behalf of the Board



Muhammad Rahat Sadiq
Chief Executive Officer

Date: August 26, 2020



Javid Sadiq
Chairman

شرح سود میں کمی سے ٹرم ڈپوزٹ سرٹیفکیٹس اور دوسری محفوظ سرمایہ کاری پر منافع میں کمی ہوگی جس سے کمپنی کو اپنی سرمایہ کاری پالیسی میں تبدیلی کرنا ہوگی۔ تمام کمپنیوں کو ڈیجیٹل بزنس سے متعلق رسک پر توجہ دینی ہوگی اور کو روٹا وائرس کے اختتام پر نئی ٹیکنالوجی کے استعمال اور ڈیجیٹل مالیاتی ٹیکنالوجی پر کام کرنا ہوگا۔ قوانین کی تعمیل اور کسٹمرز کو سروس دینے کے لحاظ سے ٹیکنالوجی ایک رسک بھی ہے اور ایک نیا موقع بھی ہے۔ مالیاتی اور ٹیکنالوجی میں بنیادی تبدیلیوں نے نئی قسم کی انشورنس پالیسیوں کی ضرورت کو بڑھا دیا ہے۔ تاہم انشورنس انڈسٹری کے لئے یہ تبدیلیاں ستر رفتار عمل ہے اور اس پر بتدریج عمل پیرا ہو جائے گا۔

مستقبل کا جائزہ:

2020 میں پاکستان نے بزنس میں آسانی پیدا کرنے کے لئے کافی اقدامات کئے ہیں اور CPEC اپنے اگلے مرحلے میں داخل ہو چکا ہے۔ تعمیراتی شعبے سے متعلق کافی اقدامات کئے جا رہے ہیں جس سے کمپنیوں میں روزگار میں اضافہ ہوگا سیکڑ بڑھیں گی اور کاروبار ترقی کرے گا۔ ہم بزنس کی مسلسل کامیاب ترقی کے لئے بہت پر امید ہیں تاہم کو روٹا وائرس کی وجہ سے روپے کی قدر میں قلیل مدتی گراؤ، بڑھتی ہوئی مہنگائی اور مجموعی معاشی سستی خطرے کا باعث ہیں۔ کمپنی کی انتظامیہ ان حالات کے دوران بھی مجموعی گروتھ کو حاصل کرنے میں کوشاں ہے۔ یونائیٹڈ انشورنس کمپنی آف پاکستان نئی پراڈکٹس کے ذریعے گروتھ کی پالیسی پر عمل پیرا ہے جو کہ ہمارا خاصہ ہے۔ ہم نئی پراڈکٹس کی تیاری، ان لائن فروخت کے نظام اور بہترین رابطہ نظام دینے کیلئے کوششیں جاری رکھیں گے جس میں جلد کامیابی حاصل ہوگی۔

سی۔ ایس۔ آر اور کمپنی کے کاروبار کا ماحول پر اثر:

یو۔ آئی۔ سی۔ ایس۔ ایس۔ آر کا اولین مقصد ایسے پروگرام مرتب کرنا ہے جس سے سوسائٹی کو مثبت فوائد حاصل ہو سکیں، خاص طور پر ایسے لوگوں کو فوائد پہنچانا ہے جو اس کے مستحق ہیں۔ ہمارا مقصد جس پر ہم پھیلنے والے کوششوں سے عمل کر رہے ہیں وہ مستحق افراد کی مدد کر کے معاشرے کو مثبت فوائد پہنچانا ہے۔ مستحق افراد کے معیار زندگی کو بہتر کر کے ہم معاشرے میں ذمہ دار شہری کا بھرپور کردار ادا کر رہے ہیں۔

سی۔ ایس۔ آر کو نافذ کرنے کیلئے ہم بین الاقوامی روایات، اخلاقی اقدار اور قوانین کا بھرپور احترام کرتے ہیں۔

اندرونی احتسابی نظام کی مضبوطی:

UIC کی انتظامیہ کمپنی میں اندرونی احتساب کا مضبوط نظام مرتب کرنے کی ذمہ دار ہے۔ ہم نے مضبوط اندرونی احتسابی نظام بنایا ہوا ہے تاکہ گناہ جات کی حفاظت کو یقینی بنایا جاسکے۔ مکمل اور بااعتماد مالیاتی کوشاں رہے استعمال کے لیے موجود ہیں اور اندرونی کنٹرول میں باحفاظت ہیں۔

اعتراف:

ہم اپنے کسٹمرز کے شکر گزار ہیں کہ انہوں نے ہماری خدمات پر بھرپور اعتماد کا اظہار کیا ہے۔ ہم اپنے ٹیکنیکل اور ریگولیٹری اداروں کا بھی شکریہ ادا کرتے ہیں جنہوں نے ہمیں اس عرصے میں اپنا قیمتی ساتھ مہیا کیا۔ کسٹمرز کے تعاون سے پیکرمانے ہماری ایف ایف ایس ریٹنگ AA کردی ہے جو ہماری کمپنی کی پروفیشنل کمینٹ اور کسٹمر کی ضروریات کو پورا کرنے سے حاصل ہوئی ہے۔

آخر میں ہم اپنے شاف کی بھی بھرپور کاوشوں کے شکر گزار ہیں جو کمپنی کے لئے بھرپور طاقت کا باعث ہے۔

بورڈ کی جانب سے

جاوید صادق

جاوید صادق

چیرمین

محمد راحت صادق

کمپنی کا سربراہ

مورخہ 26 اگست 2020

ممبرز کو ڈائریکٹرز رپورٹ

محترم اراکین!

ہم 2020 پہلی ششماہی کی مالیاتی رپورٹ کو پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ دی یونائیٹڈ انشورنس کمپنی آف پاکستان لمیٹڈ کے ڈائریکٹرز 30 جون، 2020 کو ختم ہونے والی ششماہی کے مالیاتی نتائج کا اعلان کرتے ہوئے خوش محسوس کرتے ہیں۔

2020 ششماہی رپورٹ میں روایتی کاروباری کارکردگی کا جائزہ:

کمپنی کا خام بیمہ اور خالص بیمہ ششماہی 2020 کے اختتام پر بالترتیب 1,958.788 ملین روپے اور 1,171.747 ملین روپے ریکارڈ کیا گیا ہے جبکہ 2019 میں خام بیمہ 1,829.518 ملین روپے اور خالص بیمہ 1,306.746 ملین روپے رہا تھا۔ یہ اعداد و شمار ٹیم ممبرز کی کمینٹس کو ظاہر کرتے ہیں۔ کمپنی کا کاروبار خدا کی مہربانی سے ترقی کر رہا ہے۔

30 جون، 2020 کے ذمہ داریوں کے نتائج 395.027 ملین روپے رہے جو کہ 2019 میں 377.769 ملین روپے رپورٹ ہوئے تھے۔ ذمہ داریوں کے نتائج میں بہتری رہی ہے۔ یہ انتظامی اور مارکیٹنگ سٹاف کی بہتری کا مہیا ہے۔

2020 کی ششماہی میں قبل از ٹیکس منافع 2.20 فیصد اضافہ سے 433.100 ملین روپے رہا جو کہ 2019 میں 423.771 ملین روپے تھا۔ اسی طرح بعد از ٹیکس منافع 333.299 ملین روپے رہا جو کہ 2019 میں 329.686 ملین روپے تھا۔

کمپنی کی فی حصص آمدنی 1.13 روپے ریکارڈ کی گئی جو کہ 2019 میں 1.12 روپے فی حصص تھی۔ جو کہ بہتری کے بارے میں بتاتی ہے۔
دواں ششماہی میں سرمایہ کاری آمدنی کی کے ساتھ 26.598 ملین روپے ریکارڈ ہوئی جبکہ 2019 میں سرمایہ کاری آمدنی 29.109 ملین روپے تھی۔ اس کی وجہ ایسوی ایٹ کمپنی میں زیادہ سرمایہ کاری ہے جس سے مستقبل بعید کے فوائد متوقع ہیں۔
کمپنی کے انتظامی اخراجات میں 2019 کی نسبت 6.66 فیصد اضافہ دیکھنے میں آیا۔

نکافل کاروباری کارکردگی کا جائزہ:

درج ذیل شماریات نکافل آپریشنز کی پہلی ششماہی کی کارکردگی پر روشنی ڈالتے ہیں:

کمپنی کے خام عطیات میں 2019 کی نسبت 0.21 فی صد معمولی کمی واقع ہوئی۔ کرونا وائرس کے پیش نظر کمپنی کے خام عطیات 2019 میں 330.001 ملین روپے سے کم ہو کر 2020 میں 329.313 ملین روپے رہے۔

نکافل آپریشنز کی مجموعی سرمایہ کاری 30 جون، 2020 کو ختم ہونے والی ششماہی میں 12.58 ملین روپے اضافہ کے ساتھ 109.653 ملین روپے رہی۔ کمپنی کے انتظامی اخراجات 2019 میں 49.503 ملین روپے سے بڑھ کر 2020 میں 58.910 ملین روپے ہو گئے ہیں۔

کمپنی کے کاروباری معاملات کا جائزہ:

کمپنی کا بورڈ آف ڈائریکٹرز درج ذیل اشخاص پر مشتمل ہے:

- ☆ جناب چاوید صادق صاحب
- ☆ جناب راحت صادق صاحب
- ☆ جناب خواص خان نیازی صاحب
- ☆ محترمہ ہما وحید صاحبہ
- ☆ جناب آغا علی امام صاحب
- ☆ جناب جمیل اے۔ خان صاحب
- ☆ جناب سید راحت علی شاہ صاحب

کاروبار کو درپیش رکئی اور غیر یقینی عوامل:

کرونا وائرس نے پورے ملک کی معیشت کو نقصان پہنچایا ہے اور اسی طرح انشورنس بزنس بھی کووڈ-19 سے متاثر ہوا ہے۔ موٹر انڈسٹری بند ہونے کی وجہ سے انشورنس کمپنیوں کی گاڑیوں کی ذمہ داریوں میں کمی ہے تاہم تقریباً 70 فی صد شعبہ کی بحالی معیشت کے سپہ کو چلانے کے لئے موزوں قدم ثابت ہوا ہے۔

The United Insurance Company of Pakistan Limited

Condensed Interim Financial Information

For The Six Months Period Ended June 30, 2020

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

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

Scope of Review

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

Conclusion

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

Other Matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three month period ended June 30, 2020, have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2020.

Engagement partner on the audit resulting in this independent auditor's report is **Muhammad Ilyas**.



ILYAS SAEED & CO.

Chartered Accountants
Engagement Partner: Muhammad Ilyas
Place: Lahore

Date: August 26, 2020

In case of any discrepancy on the company's website and the published material, the auditors shall only be responsible in respect of the information contained in the hard copies of the reviewed financial statements available at the company's registered office.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2020 (Un-Audited)

	Note	Un-Audited	Audited
		June 30, 2020	December 31, 2019
----- Rupees -----			
ASSETS			
Property and equipment	5	1,221,197,370	1,245,611,799
Intangible assets	6	2,308,185	2,636,894
Investment property	7	5,139,255	5,270,660
Investment in subsidiary and associate	8	1,730,521,690	1,567,352,894
Investments			
Equity securities	9	45,257,863	57,369,264
Debt securities	10	413,655,462	296,004,052
Term deposits	11	372,585,628	377,887,755
Loans and other receivables	12	146,851,018	126,656,853
Total assets in window takaful operations	12 A	705,205,470	708,353,645
Insurance / Reinsurance receivables	13	966,202,421	881,519,739
Reinsurance recoveries against outstanding claims	24	1,162,501,204	1,413,623,096
Salvage recoveries accrued		-	-
Deferred commission expense/ acquisition cost	25	221,575,220	240,000,231
Deferred taxation	14	-	-
Taxation-payment less provisions		-	-
Prepayments	15	958,227,510	994,650,033
Cash & bank	16	211,754,549	266,125,644
Total Assets		8,162,982,845	8,183,062,559
EQUITY AND LIABILITIES			
Capital and reserve attributable to Company's equity holders			
Ordinary share capital	17	2,950,000,000	2,601,016,820
Share premium		-	-
Reserves	18	32,292,809	49,898,833
Unappropriated profit		798,553,009	786,630,047
Total Equity		3,780,845,818	3,437,545,700
Surplus on revaluation of fixed assets		406,688,114	434,295,629
LIABILITIES			
Total liabilities in window takaful operations	12 A	654,908	1,994,399
Underwriting provisions			
Outstanding claims including IBNR	24	1,692,613,509	1,891,240,875
Unearned premium reserves	23	1,320,589,278	1,550,169,310
Premium deficiency reserves		31,657,750	37,161,886
Unearned reinsurance commission	25	169,110,738	187,662,197
Retirement benefit obligations		-	-
Deferred taxation	14	156,326,807	175,738,714
Borrowings	19	54,393,470	77,823,296
Premium received in advance		-	-
Insurance / Reinsurance payables	20	270,403,024	165,321,214
Other creditors and accruals	21	52,019,218	67,739,837
Taxation - provision less payment		227,680,209	156,369,502
Total Liabilities		3,975,448,912	4,311,221,230
Total Equity and Liabilities		8,162,982,845	8,183,062,559
CONTINGENCY(IES) AND COMMITMENT(S)	22	-	-

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

CONDENSED INTERIM PROFIT & LOSS ACCOUNT

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Note	Un-Audited		Un-Audited	
		Quarter Ended		Six Months Ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
		Aggregate	Aggregate	Aggregate	Aggregate
----- Rupees -----					
Net insurance premium	23	533,781,532	632,156,196	1,171,747,113	1,306,746,408
Net insurance claims	24	(153,042,517)	(342,224,978)	(315,340,987)	(590,381,832)
Premium deficiency		(31,657,750)	-	5,504,136	35,997,061
Net Commission and other acquisition costs	25	(8,946,796)	33,770,138	(48,788,853)	17,395,102
Insurance claims and acquisition expenses		(193,647,063)	(308,454,840)	(358,625,704)	(536,989,669)
Management expenses	26	(230,286,029)	(208,621,086)	(418,094,207)	(391,987,907)
Underwriting results		109,848,440	115,080,270	395,027,202	377,768,832
Investment income	27	12,841,292	14,098,400	26,597,708	29,108,699
Rental income	28	684,000	573,000	1,368,000	1,146,000
Other income	29	8,752,688	8,555,573	15,612,678	15,463,449
Other expenses	30	(5,658,255)	(603,187)	(15,771,751)	(15,354,768)
		16,619,725	22,623,786	27,806,635	30,363,380
Results of operating activities		126,468,165	137,704,056	422,833,837	408,132,212
Finance cost	31	(2,553,662)	(4,336,040)	(7,107,144)	(8,499,695)
Share of profit from associate		6,711,862	5,080,475	13,168,796	18,188,279
Profit from window takaful operations		587,571	2,127,231	4,204,359	5,949,795
Profit before tax for the period		131,213,936	140,575,722	433,099,848	423,770,591
Income tax expense	32	(23,053,657)	(29,000,268)	(99,801,221)	(94,085,038)
Profit after tax for the period		108,160,279	111,575,454	333,298,627	329,685,553
Earnings (after tax) per share - basic and diluted (Restated)	33	0.37	0.38	1.13	1.12

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited		Un-Audited	
	Quarter Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Aggregate	Aggregate	Aggregate	Aggregate
----- Rupees -----				
Profit after tax	108,160,279	111,575,454	333,298,627	329,685,553
Other comprehensive income/ (loss) for the year:				
Items to be re-classified to profit and loss account in subsequent period:				
Unrealized (loss) / gain on revaluation of available for sale investments net of deferred tax	6,971,242	(8,219,549)	(13,284,491)	(8,219,549)
Realized (gain) / loss on revaluation of available for sale investments net of deferred tax	81,492	(2,300,561)	61,541	(2,300,561)
Unrealized gain / (loss) on revaluation of available for sale mutual fund net of deferred tax	(113,813)	(5,390)	(113,813)	(5,390)
Share of other comprehensive (loss)/income from takaful:	-	-	-	-
Unrealized (loss) / gain on revaluation of available for sale investments net of deferred tax	1,521,672	(9,528,482)	(10,943,290)	(9,528,482)
Realized (gain) / loss on revaluation of available for sale investments net of deferred tax	-	7,387,760	6,674,029	7,387,760
	8,460,592	(12,666,222)	(17,606,024)	(12,666,222)
Items not to be re-classified to profit and loss account in subsequent period:				
Actuarial gain on defined benefit plan	-	-	-	-
Incremental depreciation net of deferred tax	15,866,553	122,698	27,339,909	245,396
Incremental depreciation net of deferred tax - WTO	133,435	-	267,605	-
Realized gain / (loss) on available for sale investments net of deferred tax	-	-	-	-
	15,999,988	122,698	27,607,515	245,396
Share of other comprehensive loss from associate	-	-	-	-
Total comprehensive income for the period	132,620,859	99,031,930	343,300,118	317,264,727

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT

For The Six Months Period Ended June 30, 2020 (Un-Audited)

Un-Audited	Un-Audited
June 30, 2020	June 30, 2019
----- Rupees -----	

OPERATING CASH FLOWS

a) Underwriting activities

Insurance premium received	1,890,375,632	1,747,839,323
Reinsurance premium paid	(873,338,035)	(808,503,348)
Claims paid	(937,636,387)	(849,295,182)
Reinsurance and other recoveries received	658,519,531	455,099,514
Commission paid	(215,089,502)	(223,108,390)
Commission received	166,174,201	169,814,581
Management expenses paid	(476,045,549)	(343,544,938)
Total cash flow from underwriting activities	212,959,891	148,301,561

b) Other operating activities

Income tax paid	(33,520,034)	(42,763,481)
General expenses paid	(15,771,751)	(15,354,768)
Other operating receipts/(payments)	(40,359,772)	(23,611,711)
Loans to employees and agents	(906,040)	(1,134,643)
Net cash flow from other operating activities	(90,557,597)	(82,864,603)
Total cash flows from all operating activities	122,402,294	65,436,958

INVESTMENT ACTIVITIES

Investment income received	29,718,090	23,451,532
Rental income received	1,368,000	1,146,000
Net assets in window takaful operations	1,808,684	(5,949,795)
Sale/(purchase) of investment & fixed deposits	(129,814,302)	(171,386,730)
Fixed capital expenditure	(56,346,585)	(8,463,093)
Proceeds from disposal of property and equipment	7,029,694	10,362,244
Net cash flow from investing activities	(146,236,418)	(150,839,843)

FINANCING ACTIVITIES

Finance lease charges paid	(7,107,145)	(8,499,696)
Payments on finance lease	(23,429,826)	(14,693,120)
Dividends paid	-	-
Net cash flow from financing activities	(30,536,971)	(23,192,816)
Net cash (outflow)/ inflow from all activities	(54,371,095)	(108,595,700)
Cash and cash equivalents at the beginning of the period	266,125,644	542,588,730

Cash and cash equivalents at the end of the period	211,754,549	433,993,030
---	--------------------	--------------------

CONDENSED INTERIM CASH FLOW STATEMENT

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited June 30, 2020	Un-Audited June 30, 2019
	----- Rupees -----	
Reconciliation of Profit and Loss Account		
Operating cash flows	122,402,293	65,436,957
Depreciation / amortization	(73,209,326)	(41,431,175)
Lease finance charges	(7,107,144)	(8,499,695)
Car Ijarah expense	-	(5,292,777)
Profit on disposal of property and equipment	(817,803)	8,451,655
Dividend income	564,168	416,520
Gain & other investment income	26,033,540	28,692,179
Reversal/(provision) for impairment in value of investments	-	-
Share of profit / (loss) from associate	13,168,796	18,188,279
Income from window takaful operations	4,204,359	5,949,795
Increase/(decrease) in assets other than cash	(85,968,792)	109,376,008
(Increase) / decrease in liabilities other than borrowings	334,028,536	148,397,807
Profit after Taxation for the period	333,298,627	329,685,553

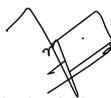
The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Attributable to Equity Holders of the Company						Total
	Share capital	Capital reserve	Reserve for issue of bonus shares	General reserve	Available for sale reserve	Unappropriated profit	
	----- Rupees -----						
Balance as at January 01, 2019	2,261,753,760	-	-	75,115,917	(16,911,458)	723,538,082	3,043,496,301
Transfer to reserve for issue of final bonus shares	-	-	339,263,060	-	-	(339,263,060)	-
Bonus shares reserve capitalized	339,263,060	-	(339,263,060)	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-
Final cash dividend paid @ Rs. 1.0/- per share for the year - 2018	-	-	-	-	-	-	-
Total comprehensive income for the period							
Profit after tax for the six months period ended June 30, 2019	-	-	-	-	-	329,685,553	329,685,553
Other comprehensive income	-	-	-	-	(12,666,222)	245,396	(12,420,826)
	-	-	-	-	(12,666,222)	329,930,949	317,264,727
Balance as at June 30, 2019 (Un-audited)	2,601,016,820	-	-	75,115,917	(29,577,680)	714,205,971	3,360,761,028
Balance as at January 01, 2020 (Audited)	2,601,016,820	-	-	75,115,917	(25,217,084)	786,630,047	3,437,545,700
Transfer to reserve for issue of bonus shares	-	-	348,983,180	-	-	(348,983,180)	-
Bonus share reserve capitalized	348,983,180	-	(348,983,180)	-	-	-	-
Cash Dividend paid relating to 2019	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-
Total comprehensive income for the period							
Profit after tax for the six months period ended June 30, 2020	-	-	-	-	-	333,298,627	333,298,627
Other comprehensive income	-	-	-	-	(17,606,024)	27,607,515	10,001,491
	-	-	-	-	(17,606,024)	360,906,142	343,300,118
Balance as at June 30, 2020 (Un-audited)	2,950,000,000	-	-	75,115,917	(42,823,108)	798,553,009	3,780,845,818

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

The United Insurance Company of Pakistan Limited (hereinafter called "the company") was incorporated on October 20, 1959, as a Public Limited Company under the Defunct Companies Act, 1913, now the Companies Act, 2017, and its shares are quoted on Pakistan Stock Exchange Limited. The Registered Office of the company is situated at 204, 2nd floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi, in the province of Sindh, and its Head Office is located in Lahore, in the province of Punjab. The principal activity of the company is General Insurance Business and it qualifies as a domestic insurance company under Insurance Ordinance, 2000 and undertakes Fire, Marine, Motor, Crop and Miscellaneous General insurance. The company has been allowed to work as Window Takaful Operator on August 18, 2014 by Securities and Exchange Commission of Pakistan under Takaful Rules, 2012 to carry on Islamic General Takaful in Pakistan. It has not transacted any insurance business outside Pakistan.

For the purpose of carrying on the takaful business, the company has formed a Waqf/Participants' Takaful Fund (PTF) on June 09, 2014 under a trust deed. The trust deed governs the relationship of shareholders and policy holders for management of takaful operations.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2019 read with Circular No. 25 of 2015 issued on July 9, 2015 and the directives issued by SECP. Wherever the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 read with Circular No. 25 of 2015 issued on July 9, 2015 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of the standard, the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 read with Circular No. 25 of 2015 issued on July 9, 2015 and the requirements of the said directives take precedence.

These condensed interim financial statements does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019.

2.1 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except that certain financial instruments are carried at fair value, freehold land and building is stated at revalued amount and staff retirement benefits are stated at present value.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani rupees which is the Company's functional currency and presentation currency. All financial information presented in Pakistani rupees are rounded off to nearest rupees unless otherwise stated.

2.3 Standards, interpretations, and amendments effective in 2020

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

Standards, Amendments and Interpretations		IASB effective date (Annual periods beginning on or after)
IAS-1	First - Adoption of International Financial Reporting Standards	01 January, 2020
IFRS-9	Financial Instrument – Pre-replacement issues in the context of the IBOR reform (Amendment)	01 January, 2020
IFRS-9	Financial Instruments – Annual Improvements to IFRS Standards 2018–2020 (Amended)	01 January, 2020
IFRS-16	Leases – Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.	01 January, 2020
IFRS 7	Financial Instrument (Disclosure) – Pre-replacement issues in the context of the IBOR reform (Amendment)	01 January, 2020
IFRS-3	Business Combination – Amendments to clarify the definition of a business	01 January, 2020
IFRS-3	Business Combination – Amendments to clarify reference to the Conceptual Framework	01 January, 2020
IAS-8	Accounting policies, Change in Accounting Estimates and Error amendments.	01 January, 2020
IFRS-3	Business Combinations – Amendments	01 January, 2020

2.4 Standards, interpretations, and amendments not effective at year end

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.

IFRS -1	First-time Adoption of International Financial Reporting Standards – Annual Improvements to IFRS Standards 2018–2020).	01 January, 2022
IFRS-4	Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (Amended)	01 January, 2023
IAS 16	Property, Plant and Equipment – Prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. (Amendments).	01 January, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets – costs to include when assessing whether a contract is onerous (Amendments)	01 January, 2022
IFRS-17	Insurance Contracts	01 January, 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's condensed interim financial statements.

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements as at June 30, 2020 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2019.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements at and for the year ended December 31, 2019.

	Note	Un-Audited	Audited	
		June 30, 2020	December 31, 2019	
----- Rupees -----				
5	PROPERTY AND EQUIPMENT			
	Operating assets at net book value - Owned	5.1	1,140,307,762	1,107,761,799
	Operating assets at net book value - Right-of-use assets	5.2	80,889,608	137,850,000
			1,221,197,370	1,245,611,799
5.1	Opening net book value		1,107,761,799	706,678,243
	Add: Additions made during the period at cost		56,346,585	34,435,554
	Add: Revaluation surplus made during the period at cost		-	439,178,644
	Add: Transfers made during the period at cost		68,523,280	17,000,000
	Add: Accumulated depreciation reversed on disposals made during the period		12,119,048	32,492,293
	Less: Disposals made during the period at cost		(20,130,851)	(41,759,903)
	Less: Accumulated depreciation reversed on matured assets made during the period		(22,923,387)	(10,111,110)
	Less: Depreciation for the period		(61,388,712)	(70,151,922)
			32,545,963	401,083,556
	Closing net book value		1,140,307,762	1,107,761,799
5.2	Opening net book value		137,850,000	67,963,077
	Add: Additions made during the period at cost		-	74,544,575
	Add: Revaluation surplus made during the period at cost		-	23,249,565
	Less: Transfers made during the period at cost		(68,523,280)	(17,000,000)
	Add: Accumulated depreciation reversed on matured assets made during the period		22,923,388	10,111,110
	Less: Depreciation for the period		(11,360,500)	(21,018,327)
			(56,960,392)	69,886,923
	Closing net book value		80,889,608	137,850,000

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Note	Un-Audited	Audited	
		June 30, 2020	December 31, 2019	
		----- Rupees -----		
6	INTANGIBLE ASSETS			
	Opening net book value	2,636,894	3,515,859	
	Add: Additions made during the period at cost	-	-	
	Less: Amortization for the period	(328,709)	878,965	
		(328,709)	(878,965)	
	Net book value	2,308,185	2,636,894	
7	INVESTMENT PROPERTY			
	Opening net book value	5,270,660	2,447,702	
	Add: Additions made during the period at cost	-	3,000,000	
	Less: Depreciation for the period	(131,405)	177,042	
		(131,405)	2,822,958	
	Net book value	5,139,255	5,270,660	
8	INVESTMENT IN SUBSIDIARY AND ASSOCIATE			
	Investment in associate	8.1	705,352,474	692,183,678
	Share deposit money		763,015,264	613,015,264
	Advance for purchase of shares	8.2	262,153,952	262,153,952
			1,730,521,690	1,567,352,894

8.1 Particulars of investment in associate

	June 30, 2020	December 31, 2019	Face value per share (Rupees)			
	Number of shares					
	153,073,308	153,073,308	10	8.1.1	705,352,474	692,183,678

- 8.1.1 Market value of investment and percentage of holding in associate are Rs.2,761,442,476/- and 44.50% respectively (2019: Rs.3,721,212,117/- and 44.50%). 153,073,308/- (2019: 153,073,308/-) number of shares in associate are frozen with CDC under the provision of section 10 (2) of Micro finance Institutions Ordinance, 2001.

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited		Audited	
	June 30, 2020		December 31, 2019	
Note	----- Rupees -----			
8.1.2 Movement of investment in associate				
Beginning of the year		692,183,678		421,189,277
Add: Purchased during the year		-		247,175,750
		692,183,678		668,365,027
Share of profit of associate		13,168,796		23,818,651
Share of other comprehensive income/ (loss) of associate		-		-
Closing balance		705,352,474		692,183,678

8.1.3 Summarized financial information extracted from the financial statements of the associate as at June 30, 2020 and 2019 is given below:

Total assets	24,060,294,188	18,744,516,674
Total liabilities	(22,007,749,926)	(17,131,498,683)
Net assets	2,052,544,262	1,613,017,991
Company's share of net asset of associate	913,382,197	717,793,006
Total revenue	1,687,984,307	1,379,348,554
Company's share of total revenue	751,153,017	613,810,107
Profit / (loss) after taxation	29,592,801	40,872,538

8.2 These advances have been given to the United Track System (Private) Limited (shareholder of M/s. Apna Microfinance Bank Limited) for the purchase of shares of M/s. Apna Microfinance Bank Limited.

9 EQUITY SECURITIES

Available for sale		45,257,863	57,369,264
Listed shares	9.1	79,182,979	72,740,304
Less: unrealized loss on revaluation of investment		(37,093,397)	(18,382,847)
Carrying value		42,089,582	54,357,457
Mutual Funds		3,164,293	2,847,519
Add: unrealized gain on revaluation of investment		3,988	164,288
Carrying value		3,168,281	3,011,807
Carrying value		45,257,863	57,369,264

9.1 Cost of ordinary shares of quoted companies as at June 30, 2020 is Rs. 79,182,979/- (2019: Rs. 72,740,304/-)

10 DEBT SECURITIES

Pakistan Investment Bonds - Held to maturity	10.1	312,497,662	296,004,052
Treasury Bills		101,157,800	-
		413,655,462	296,004,052

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

- 10.1** The Pakistan Investment Bonds amounting to Rs. 298,600,000/- (2019: Rs. 283,700,000/-) are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of clause (a) of the sub-section 2 of section 29 of the Insurance Ordinance, 2000.

Note	Un-Audited	Audited	
	June 30, 2020	December 31, 2019	
----- Rupees -----			
11	TERM DEPOSITS		
	The term deposits comprise of the following:		
	Deposits maturing within 12 months	372,585,628	377,887,755
	Deposits maturing after 12 months	-	-
		372,585,628	377,887,755

12 LOANS AND OTHER RECEIVABLES

Considered good

Receivable from related parties	12.1	39,269,367	20,176,103
Rent receivable		2,179,750	1,053,500
Accrued investment income		19,240,775	22,361,157
Lease security deposits		5,235,400	5,235,400
Other security deposits		32,399,475	40,895,348
Loans to employees		15,803,464	14,897,424
Branch balance receivable		13,832,165	8,697,793
Other receivable		18,890,622	13,340,128
Less: provision for impairment of loans and receivables		-	-
		146,851,018	126,656,853

- 12.1** This represents amount due from M/s United Track System (Pvt) Ltd. an associated undertaking. (2019: Rs. 20,176,103/-).

12A Investment in window takaful operations (WTO)

Total assets in operator's fund		705,205,470	708,353,645
Total liabilities in operator's fund		(654,908)	(1,994,399)
Net assets in window takaful operations (WTO)	12A.1	704,550,562	706,359,246

12A.1 Movement of Investment in Window Takaful Operations (WTO)

Balance at beginning of the year		706,359,246	576,098,500
Share of profit from window takaful operations (WTO)		4,204,359	125,476,048
Share of other comprehensive income / (loss) from window takaful operations (WTO)		(6,013,043)	4,784,698
Incremental depreciation net of deferred tax		-	-
Qarz-e-hasna to participant's takaful fund		-	-
		704,550,562	706,359,246

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Note	Un-Audited	Audited
		June 30, 2020	December 31, 2019
		----- Rupees -----	
13	INSURANCE / REINSURANCE RECEIVABLES		
	- Unsecured and considered good		
	Due from insurance contract holders	637,531,664	569,119,377
	Less : Provision for impairment of receivables from insurance contract holders	-	-
	Due from other insurers / reinsurers	328,670,757	312,400,362
	Less : Provision for impairment of due from other insurers / reinsurers	-	-
		966,202,421	881,519,739
14	DEFERRED TAXATION		
	Deferred tax liability	156,326,807	175,738,714
15	PREPAYMENTS		
	Prepaid reinsurance premium ceded	23 951,510,045	989,711,038
	Prepaid rent	6,717,465	4,938,995
	Prepaid miscellaneous expenses	-	-
		958,227,510	994,650,033
16	CASH & BANK		
	Cash and cash equivalents		
	- Cash in hand	153,843	233,755
	Policy & revenue stamps, bond papers	-	-
	Cash at bank		
	- Current accounts	151,547,680	166,480,752
	- Saving accounts	60,053,026	99,411,137
		211,600,706	265,891,889
		211,754,549	266,125,644

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

17 SHARE CAPITAL

17.1 Authorized share capital

June 30, 2020	December 31, 2019	Note	Un-Audited	Audited
			June 30, 2020	December 31, 2019
(Number of shares)			----- Rupees -----	
300,000,000	300,000,000	Ordinary shares of Rs. 10/- each	3,000,000,000	3,000,000,000

17.2 Issued, subscribed and paid-up share capital

10,963,475	10,963,475	Ordinary shares of Rs. 10/- each fully paid in cash	109,634,750	109,634,750
284,036,525	249,138,207	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	2,840,365,250	2,491,382,070
295,000,000	260,101,682		2,950,000,000	2,601,016,820

Reconciliation of issued, subscribed and paid up share capital

260,101,682	226,175,376	At the beginning of the period	2,601,016,820	2,261,753,760
34,898,318	33,926,306	Bonus shares issued during the period	348,983,180	339,263,060
295,000,000	260,101,682		2,950,000,000	2,601,016,820

18 RESERVES

General reserves	75,115,917	75,115,917
Available for sale reserve	(42,823,108)	(25,217,084)
	32,292,809	49,898,833

19 BORROWINGS

Liabilities against assets subject to finance lease	19.1	54,393,470	77,823,296
---	------	------------	------------

19.1 Opening Balance

Add: Disbursement during the period	-	83,249,172
Less: Repaid during the period	(23,429,826)	(57,624,751)
	(23,429,826)	25,624,421
Closing Balance	54,393,470	77,823,296

20 INSURANCE / REINSURANCE PAYABLES

Due to insurance contract holders	-	-
Due to other insurers / reinsurers	270,403,024	165,321,214
	270,403,024	165,321,214

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Note	Un-Audited	Audited
		June 30, 2020	December 31, 2019
		----- Rupees -----	
21	OTHER CREDITORS AND ACCRUALS		
	Federal excise duty/sales tax	119,399	16,800,000
	Federal insurance fee	7,941,830	2,875,321
	Accrued expenses	4,709,213	4,987,011
	Other tax payables	24,576,157	19,149,353
	Unpaid and unclaimed dividend	1,501,813	1,501,813
	Provident fund contribution	5,294,452	1,320,409
	Auditors' remuneration	605,000	3,075,000
	Others	7,271,354	18,030,930
		52,019,218	67,739,837
22	CONTINGENCY(IES) AND COMMITMENT(S)		
22.1	Contingencies		
	There is no change in the status of contingent liabilities since the end of last annual reporting period December 31, 2019.		
22.2	Commitments in respect of operating Ijarah		
	There are following commitments on balance sheet date		
	For future Ijarah rentals payable	22.2.1	14,849,812
			20,266,546
22.2.1	Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
	Not later than one year	8,289,864	8,389,625
	Later than one year and not later than five years	6,559,948	11,876,921
	Later than five years	-	-
		14,849,812	20,266,546

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

Note	Un-Audited		Un-Audited	
	Quarter Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- Rupees -----		----- Rupees -----	
23	NET INSURANCE PREMIUM			
Written Gross Premium	845,960,314	735,048,228	1,958,787,919	1,829,518,308
Add: Unearned premium reserve - Opening	1,553,772,290	1,545,154,813	1,550,169,310	1,535,651,678
Less: Unearned premium reserve - Closing	1,320,589,278	1,215,427,959	1,320,589,278	1,215,427,959
Premium earned	1,079,143,326	1,064,775,082	2,188,367,951	2,149,742,027
Reinsurance premium ceded	478,476,397	429,194,993	978,419,845	889,971,251
Add: Prepaid reinsurance premium - Opening	1,018,395,442	732,983,622	989,711,038	682,584,097
Less: Prepaid reinsurance premium - Closing	951,510,045	729,559,729	951,510,045	729,559,729
Reinsurance expense	545,361,794	432,618,886	1,016,620,838	842,995,619
	533,781,532	632,156,196	1,171,747,113	1,306,746,408

24 NET INSURANCE CLAIMS EXPENSE

Claims Paid	451,987,420	359,555,501	937,636,387	849,295,182
Add: Outstanding claims including IBNR - Closing	24.1 1,692,613,509	1,836,866,056	1,692,613,509	1,836,866,056
Less: Outstanding claims including IBNR - Opening	1,752,409,839	1,721,593,981	1,891,240,875	1,719,012,008
Claims expense	392,191,090	474,827,576	739,009,021	967,149,230
Reinsurance and other recoveries received	384,369,409	219,125,504	674,789,926	466,834,093
Add: Reinsurance and other recoveries in respect of outstanding claims - Closing	1,162,501,204	1,289,201,245	1,162,501,204	1,289,201,245
Less: Reinsurance and other recoveries in respect of outstanding claims - Opening	1,307,722,040	1,375,724,151	1,413,623,096	1,379,267,940
Reinsurance and other recoveries revenue	239,148,573	132,602,598	423,668,034	376,767,398
	153,042,517	342,224,978	315,340,987	590,381,832

24.1 The aforesaid includes outstanding claims of Rs. 439,803,954/- (2019: 434,806,235/-) which are payable to a related party.

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited		Un-Audited		
	Quarter Ended		Six Months Ended		
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	
Note	----- Rupees -----		----- Rupees -----		
25	NET COMMISSION AND OTHER ACQUISITION COSTS				
	Commission paid or payable	144,085,777	107,937,487	215,089,502	223,108,390
	Add: Deferred commission expense - Opening	183,621,994	172,207,495	240,000,231	174,654,726
	Less: Deferred commission expense - Closing	221,575,221	191,741,949	221,575,220	191,741,949
	Net Commission	106,132,550	88,403,033	233,514,513	206,021,167
	Commission received or recoverable	70,644,656	81,275,304	166,174,201	169,814,581
	Add: Unearned re-insurance commission -Opening	195,651,836	116,140,776	187,662,197	128,844,597
	Less: Unearned re-insurance commission -Closing	169,110,738	75,242,909	169,110,738	75,242,909
	Commission from reinsurers	97,185,754	122,173,171	184,725,660	223,416,269
		8,946,796	33,770,138	48,788,853	(17,395,102)
26	MANAGEMENT EXPENSES	230,286,029	208,621,086	418,094,207	391,987,907
27	INVESTMENT INCOME				
	Income from non-trading investments				
	Available for sale	637,241	2,716,415	1,337,896	6,740,237
	Held to maturity	12,239,657	11,411,578	25,345,963	22,538,285
		12,876,898	14,127,993	26,683,859	29,278,522
	(Provision) / Reversal for impairment in value of investment	-	-	-	-
	Investment related expenses	(35,606)	(29,593)	(86,151)	(169,823)
	Net Investment Income	12,841,292	14,098,400	26,597,708	29,108,699
28	RENTAL INCOME	684,000	573,000	1,368,000	1,146,000
29	OTHER INCOME	8,752,688	8,555,573	15,612,678	15,463,449
30	OTHER EXPENSES	5,658,255	(603,187)	15,771,751	15,354,768
31	FINANCE COST				
	Mark-up on finance lease	2,553,662	4,336,040	7,107,144	8,499,695

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited		Un-Audited	
	Quarter Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- Rupees -----		----- Rupees -----	
32 TAXATION				
For the period				
-Current	40,919,599	18,699,898	112,021,934	80,845,058
-Prior period's	-	-	-	5,102,386
-Deferred	(17,865,942)	10,300,370	(12,220,713)	8,137,594
	23,053,657	29,000,268	99,801,221	94,085,038

33 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares at the period end as follows:

Basic earnings per share

Profit after tax for the period	108,160,279	111,575,453	333,298,627	329,685,553
	Number of shares		Number of shares	
Weighted average number of shares of Rs. 10/- each	295,000,000	260,101,682	295,000,000	260,101,682
Earnings per share of Rs. 10/- each- basic and diluted (Restated)	0.37	0.38	1.13	1.12

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.

34 COMPENSATION OF DIRECTORS & EXECUTIVES

Remuneration of Chief executive & Directors during the period	3,203,900	8,646,600	6,407,800	14,784,600
Remuneration of key management personnel during the period	37,150,023	38,837,589	74,300,046	71,661,396

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

35 RELATED PARTY TRANSACTIONS

Related parties comprise of chief executive officer, directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

Nature of relationship	Nature of transaction	As at	
		Un-Audited June 30, 2020	Audited December 31, 2019
		----- Rupees -----	
Balances at period end:			
Associated undertakings	(Payable) / receivable at period end	41,973,654	22,607,376
	Investment through equity shares at period end	705,352,474	692,183,678
	Investment through fixed deposits at period end	-	-
	Share deposit money at period end	763,015,264	613,015,264
	Bank deposits at period end	4,378,041	4,511,200
	Claims lodged /payable	439,803,954	434,806,235
Associated persons	Advance for purchase of shares at period end	262,153,952	262,153,952
Key management personnel	Loan to key management personnel period end	15,945,850	14,831,024
Employees' Provident Fund	Payable to defined benefit plan period end	5,294,452	1,320,409
		----- Rupees -----	
Transactions during the period:		Un-Audited	
		Quarter Ended June 30, 2020	June 30, 2019
		Un-Audited	
		Six Months Ended June 30, 2020	June 30, 2019
		----- Rupees -----	
Associated undertakings			
	Motor tracking devices purchased during the period	2,176,000	2,354,500
	Motor tracking device charges paid during the period	8,275,375	11,719,780
	Device monitoring charges paid during the period	3,219,000	4,469,000
	Rental income received during the period	652,750	958,500
	Health service charges during the period	2,493,750	-
	Interest received on bank deposits during the period	62,901	212,404
	Cash deposited in bank deposits during the period	139,710,641	520,697,082
	Cash withdrawals in bank deposits during the period	370,105,038	499,788,118
	Claims paid during the period	25,000,000	50,000,000
	Share Deposit money paid during the period	-	-
		150,000,000	255,024,369
Associated persons			
	Advance for purchase of shares paid during the period	-	-
Key management personnel			
	Remuneration of key management personnel during the period	40,353,923	47,484,189
		80,707,846	86,445,996
Employees' Provident Fund			
	Employer contribution made during the period	5,035,097	6,638,784
		10,103,922	13,898,559

36 SEGMENT REPORTING

The Company has five primary business segments for reporting purposes namely Fire, Marine, Motor, Crop and Miscellaneous. Assets and liabilities, wherever possible, have been assigned to the following segments based on identification or allocation on the basis of gross premium written by the respective segment.

Assets and liabilities of window takatuf operations have been disclosed separately as the requirement of Circular No. 25 of 2015 issued dated July 09, 2015.

June 2020 (Un-audited)

	FIRE		MARINE		MOTOR		CROP		MISCELLANEOUS		TOTAL	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019								
Gross premium	265,216,144	290,889,235	151,381,945	165,983,773	241,628,436	311,015,970	676,579,690	454,391,752	603,760,104	607,237,578	1,958,787,919	1,829,518,308
Premium earned	344,894,959	432,463,108	156,589,160	166,301,944	310,352,445	328,082,207	520,099,885	335,629,132	856,431,802	887,265,635	2,188,367,951	2,147,742,026
Premium ceded expense	218,959,202	153,259,019	57,240,899	48,383,433	201,257,815	220,179,050	105,063,668	215,564,695	434,099,254	205,609,423	1,016,620,838	846,995,620
Net premium	125,935,757	279,204,089	99,348,261	117,918,511	109,094,630	107,903,157	415,035,917	120,064,437	422,332,548	681,656,212	1,171,747,113	1,300,746,406
Commission income	15,209,472	20,017,255	7,126,204	5,419,918	45,138,574	71,203,013	24,017,174	59,537,359	93,234,236	67,238,723	184,725,660	223,416,268
Net underwriting income	141,145,229	299,221,344	106,474,465	123,338,429	154,233,204	179,106,170	439,053,091	179,601,796	515,566,784	748,894,935	1,356,472,773	1,530,627,571
Claims expense	40,147,851	114,971,819	33,209,117	34,550,952	61,956,819	274,802,241	214,579,712	193,300,193	389,115,522	345,524,025	729,009,021	967,149,230
Reinsurance and other recoveries revenue	11,930,631	28,157,163	24,352,026	15,154,416	8,072,480	130,232,857	127,882,503	132,481,678	251,430,194	70,741,284	423,668,034	376,767,398
Net claims	28,217,220	86,814,656	8,857,091	21,396,536	53,884,139	146,569,384	86,697,209	60,818,515	137,685,328	274,782,741	315,340,987	590,381,832
Commission expense	48,611,420	48,525,506	10,015,451	10,746,917	35,480,548	27,458,522	41,763,204	56,612,219	97,643,170	62,478,002	233,514,513	204,021,166
Management expenses	44,935,473	80,905,944	35,448,718	19,830,759	38,926,345	70,540,737	148,090,071	67,049,789	150,693,601	153,640,459	418,094,207	391,987,907
Premium deficiency charge							21,618,331	27,588,977	116,114,195	8,398,084	5,504,136	35,987,061
Net claims & expenses	121,764,113	216,246,126	54,321,240	51,974,212	128,291,062	244,568,643	254,932,853	156,881,566	402,136,294	483,723,318	961,445,571	1,152,393,844
Underwriting results	19,381,116	82,975,218	52,153,205	71,364,217	25,942,152	65,462,473	184,120,238	22,720,230	113,430,490	266,171,617	395,027,202	377,768,831
Investment income											26,977,708	29,108,699
Rental income											1,368,000	1,146,000
Other income											15,612,678	15,463,449
Other expenses											(15,771,751)	(15,354,768)
Finance costs											(7,107,144)	(8,499,695)
Share of profit from associate											13,168,796	18,188,279
Profit from window takatuf operations											4,204,359	5,949,795
Profit before tax for the period											433,079,848	423,770,591

3a.1 Segment assets and liabilities

	FIRE		MARINE		MOTOR		CROP		MISCELLANEOUS		TOTAL	
	June 30, 2020	Dec 31, 2019	June 30, 2020	Dec 31, 2019								
Segment assets - Conventional	699,834,056	879,179,887	124,070,902	89,953,641	392,615,260	513,386,903	771,099,451	308,753,240	1,314,169,221	1,681,242,400	3,301,788,890	3,472,516,071
Segment assets - Operator	155,861,700	129,677,172	76,527,099	73,175,678	140,467,673	204,570,775	-	-	83,374,818	154,046,669	456,233,291	561,470,294
Unallocated assets - Conventional											4,155,988,484	4,002,192,843
Unallocated assets - Operator											248,972,179	144,883,351
Consolidated total assets											8,142,982,845	8,183,042,559
Segment liabilities - Conventional	701,867,948	936,210,502	116,011,199	86,112,994	316,764,089	397,597,669	858,936,770	439,920,094	1,459,136,542	1,936,552,337	3,452,716,549	3,794,393,595
Segment liabilities - Operator												
Unallocated liabilities - Conventional											522,077,455	514,833,236
Unallocated liabilities - Operator											654,908	1,994,399
Consolidated total liabilities											3,975,448,912	4,311,221,230

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

37 CORRESPONDING FIGURES

No significant reclassifications have been made during the current period.

38 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on August 26, 2020 by the Board of Directors of the Company.

39 GENERAL

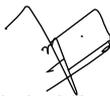
The figures in the financial statements have been rounded off to the nearest rupees.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

**United
Window Takaful
Operations**

United Window Takaful Operations

Condensed Interim Financial Information

For The Six Months Period Ended June 30, 2020

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED – WINDOW TAKAFUL OPERATIONS REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

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

Scope of Review

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

Conclusion

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

Other Matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three month period ended June 30, 2020, have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2020.

Engagement partner on the audit resulting in this independent auditor's report is **Muhammad Ilyas**.



ILYAS SAEED & CO.

Chartered Accountants
Engagement Partner: Muhammad Ilyas
Place: Lahore

Date: August 26, 2020

In case of any discrepancy on the company's website and the published material, the auditors shall only be responsible in respect of the information contained in the hard copies of the reviewed financial statements available at the company's registered office.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2020 (Un-Audited)

	Note	Un-Audited	Audited	Un-Audited	Audited
		June 30, 2020	Dec 31, 2019	June 30, 2020	Dec 31, 2019
		Operator's Fund		Participants' Takaful Fund	
----- Rupees -----					
ASSETS					
Property and equipment	5	24,397,815	26,353,040	20,770,624	24,499,629
Intangible assets		-	-	-	-
Investment property		-	-	-	-
Investment in subsidiary and associate		-	-	-	-
Investments					
Equity securities	6	33,190,628	32,949,806	62,991,884	66,198,121
Debt securities	7	10,340,000	-	21,403,800	21,137,973
Term deposits	8	66,000,000	64,000,000	-	-
Loans and other receivables	9	413,216,264	466,714,382	36,015,344	27,530,552
Takaful / Re-takaful receivables	10	-	-	157,414,906	383,814,502
Salvage recoveries accrued		-	-	-	-
Deferred taxation		-	-	-	-
Accrued investment income		-	-	-	-
Taxation-payments less provision		-	-	-	-
Re-takaful recoveries against outstanding claims		-	-	165,135,097	132,447,203
Deferred commission expense		153,633,786	103,585,065	-	-
Prepayments	11	-	-	243,159,662	263,204,768
Cash & Bank	12	4,426,977	14,751,352	15,353,278	18,955,176
TOTAL ASSETS		705,205,470	708,353,645	722,244,594	937,787,924

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2020 (Un-Audited)

Note	Un-Audited	Audited	Un-Audited	Audited
	June 30, 2020	Dec 31, 2019	June 30, 2020	Dec 31, 2019
	Operator's Fund		Participants' Takaful Fund	
	----- Rupees -----			
EQUITY AND LIABILITIES				
Operator's Fund (OPF)				
Share capital	13	50,000,000	50,000,000	-
Retained earnings		666,561,112	661,979,844	-
Available for sale reserve		(15,413,084)	(9,400,041)	-
Total Shareholders Equity		701,148,028	702,579,803	-
Surplus on revaluation of fixed assets		3,402,534	3,779,443	-
PARTICIPANTS' TAKAFUL FUND (PTF)				
Ceded money	14	-	-	500,000
Accumulated surplus / (deficit)		-	-	(27,143,158)
Available for sale reserve		-	-	(34,701,895)
Total Waqf/ Participants' Takaful Funds		-	-	(61,345,053)
Qard-e-Hasna		-	-	-
LIABILITIES				
Underwriting provisions				
Provision for outstanding claims (including IBNR)		-	-	203,973,390
Contribution deficiency reserve		-	-	7,924,944
Reserve for unearned contribution		-	-	171,565,087
Reserve for unearned retakaful rebate		-	-	59,353,157
		-	-	442,816,577
Retirement benefit obligations		-	-	-
Deferred taxation		-	-	-
Borrowings		-	-	-
Contribution received in advance		-	-	-
Takaful / Re-takaful payables	15	-	-	24,877,581
Other creditors and accruals	16	654,908	1,994,399	315,895,489
Taxation - provision less payment		-	-	-
Accrued expenses		-	-	-
Income tax liabilities		-	-	-
		654,908	1,994,399	340,773,070
TOTAL LIABILITIES		654,908	1,994,399	783,589,647
TOTAL EQUITY AND LIABILITIES		705,205,470	708,353,645	722,244,594
CONTINGENCY(IES) & COMMITMENT(S)	17	-	-	-

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.

Muhammad Rahat Sadiq
Chief Executive Officer

Huma Waheed
Director

Maqbool Ahmad
Chief Financial Officer

Khawas Khan Niazi
Director

Javaid Sadiq
Chairman

CONDENSED INTERIM PROFIT & LOSS ACCOUNT

For The Six Months Period Ended June 30, 2020 (Un-Audited)

Note	Un-Audited		Un-Audited		
	Quarter Ended		Six Months Ended		
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	
----- Rupees -----					
Participants' Takaful Fund Revenue Account					
Contributions earned	18	121,356,022	105,129,670	292,540,261	301,796,771
Less: Contributions ceded to retakaful		161,918,145	93,324,052	222,022,498	207,304,292
Net contributions revenue		(40,562,123)	11,805,618	70,517,763	94,492,479
Retakaful rebate earned	19	21,007,580	18,997,150	38,893,042	42,539,176
Net underwriting income		(19,554,543)	30,802,768	109,410,805	137,031,655
Net takaful claims reported/settled including IBNR	20	24,182,541	(22,266,270)	(98,145,665)	(117,255,992)
Reversal / (charge) of contribution deficiency reserve		-	-	-	-
Insurance claims and acquisition expenses		24,182,541	(22,266,270)	(98,145,665)	(117,255,992)
Direct expenses	21	(5,056,702)	(14,344,054)	(9,123,376)	(18,734,684)
Surplus / (Deficit) before investment income		(428,704)	(5,807,556)	2,141,764	1,040,979
Investment Income	22	1,017,361	(319,556)	1,319,906	515,756
Other income	23	765,006	15,502	1,715,912	182,366
Provisions for doubtful contributions (net of Wakala fee)		-	-	-	-
Surplus / (Deficit) transferred to accumulated surplus / (deficit)		1,353,664	(6,111,610)	5,177,582	1,739,101
Operator's Fund Revenue Account					
Wakala fee	25	47,937,243	59,213,529	115,060,870	112,345,035
Commission expense	24	(27,934,528)	(31,140,202)	(52,754,800)	(54,135,038)
General, administrative and management expenses	26	(19,978,082)	(24,434,999)	(58,910,463)	(49,502,678)
		24,633	3,638,328	3,395,607	8,707,319
Direct expenses		-	-	-	-
Other expenses	27	(627,903)	(3,566,811)	(2,740,145)	(5,133,941)
Other income	28	18,877	14,262	57,682	56,951
Investment income	29	1,171,964	2,041,452	3,491,214	2,319,466
Profit after taxation attributable to shareholders		587,571	2,127,231	4,204,359	5,949,795
Taxation		-	-	-	-
Profit for the year		587,571	2,127,231	4,204,359	5,949,795

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited		Un-Audited	
	Quarter ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- Rupees -----		----- Rupees -----	
PARTICIPANTS' TAKAFUL FUND (PTF)				
Surplus / (Deficit) transferred to accumulated surplus / (deficit)	1,353,664	(6,111,610)	5,177,582	1,739,101
Other comprehensive income for the year				
Item to be re-classified to profit and loss account in subsequent period:				
Unrealized loss on revaluation of available for sale investments	9,312,273	(40,938,849)	(34,701,895)	(41,487,049)
Realized loss on revaluation of available for sale investments	-	11,715,691	30,713,913	16,817,260
Item not to be re-classified to profit and loss account in subsequent period	-	-	-	-
	9,312,273	(29,223,158)	(3,987,982)	(24,669,789)
Total comprehensive income / (loss) for the year	10,665,937	(35,334,768)	1,189,600	(22,930,688)
OPERATOR'S FUND (OPF)				
Profit for the year	587,571	2,127,231	4,204,359	5,949,795
Other comprehensive income for the year				
Item to be re-classified to profit and loss account in subsequent period:				
Unrealized loss on revaluation of available for sale investments	2,143,199	(12,957,785)	(15,413,084)	(13,420,397)
Realized loss on revaluation of available for sale investments	-	6,791,992	9,400,041	10,405,296
	2,143,199	(6,165,793)	(6,013,043)	(3,015,101)
Item not to be re-classified to profit and loss account in subsequent period Incremental depreciation	242,739	-	376,909	-
Total comprehensive income / (loss) for the year	2,973,509	(4,038,562)	(1,431,775)	2,934,694

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

CONDENSED INTERIM STATEMENT OF SHAREHOLDERS EQUITY AND PARTICIPANTS' TAKAFUL FUND

As at June 30, 2020 (Un-Audited)

Operator's fund (OPF)	Attributable to Shareholders of the Company			
	Statutory fund	Accumulated profit	Available sale reserve	Total
----- Rupees -----				
Balance as at January 01, 2019 (Audited)	50,000,000	536,503,796	(10,405,296)	576,098,500
Total comprehensive income				
Profit after tax	-	5,949,795	-	5,949,795
Other comprehensive loss	-	-	(3,015,101)	(3,015,101)
	-	5,949,795	(3,015,101)	2,934,694
Qarz-e-hasna to Participants' Takaful Fund	-	-	-	-
Balance as at June 30, 2019 (Un-Audited)	50,000,000	542,453,591	(13,420,397)	579,033,194
Balance as at January 01, 2020 (Audited)	50,000,000	661,979,844	(9,400,041)	702,579,803
Total comprehensive income				
Profit after tax	-	4,204,359	-	4,204,359
Other comprehensive income for the period	-	376,909	(6,013,043)	(5,636,134)
	-	4,581,268	(6,013,043)	(1,431,775)
Balance as at June 30, 2020 (Un-Audited)	50,000,000	666,561,112	(15,413,084)	701,148,028

Participants' Takaful Fund	Attributable to Participants' of the PTF			
	Ceded money	Accumulated deficit	Available sale reserve	Total
----- Rupees -----				
Balance as at January 01, 2019 (Audited)	500,000	(47,337,278)	(16,817,260)	(63,654,538)
Total comprehensive income				
Surplus for the year	-	1,739,101	-	1,739,101
Other comprehensive loss	-	-	(24,669,789)	(24,669,789)
	-	1,739,101	(24,669,789)	(22,930,688)
Balance as at June 30, 2019 (Un-Audited)	500,000	(45,598,177)	(41,487,049)	(86,585,227)
Balance as at January 01, 2020 (Audited)	500,000	(32,320,740)	(30,713,913)	(62,534,655)
Total comprehensive income				
Surplus for the year	-	5,177,582	-	5,177,582
Other comprehensive loss	-	-	(3,987,982)	(3,987,982)
	-	5,177,582	(3,987,982)	1,189,600
Balance as at June 30, 2020 (Un-Audited)	500,000	(27,143,158)	(34,701,895)	(61,345,055)

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited		Un-Audited	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Operator's Fund		Participants' Takaful Fund	
	----- Rupees -----			
OPERATING CASH FLOWS				
a) Underwriting activities				
Contribution received	-	-	470,366,432	488,955,814
Wakala fee (paid)/ received	115,060,870	112,345,035	(115,060,870)	(112,345,035)
Retakaful contribution (paid) / received	-	(20,117,789)	(216,619,459)	(206,903,855)
Claims / Benefits paid	-	-	(269,142,056)	(272,041,242)
Retakaful and other recoveries received	-	-	226,686,688	165,000,438
Commission paid	(52,754,800)	(30,780,465)	-	-
Commission received	-	-	-	-
Retakaful rebate received	-	-	43,279,434	42,539,176
Net cash flow from takaful activities	62,306,070	61,446,781	139,510,169	105,205,296
b) Other operating activities				
Management and other expenses paid	(59,564,816)	(52,949,703)	(3,286,459)	(18,734,684)
Other operating (payments)/ receipts	2,487,673	45,588,049	(132,932,705)	(126,914,460)
Advances and deposits	(377,767)	(56,930)	(6,773,237)	-
Net cash flow from other operating activities	(57,454,910)	(7,418,584)	(142,992,401)	(145,649,143)
Total cash flow from all operating activities	4,851,160	54,028,197	(3,482,232)	(40,443,847)
INVESTMENT ACTIVITIES				
Investment income received	3,491,214	2,194,761	1,319,906	1,057,273
Purchase / sales for investment / Investment properties	(18,593,864)	(42,608,044)	(1,047,572)	37,863,945
Fixed capital expenditure	(72,885)	(6,160,486)	(392,000)	(1,370,000)
Total cash flow from investing activities	(15,175,535)	(46,573,769)	(119,666)	37,551,219
FINANCING ACTIVITIES				
Advances against issue of share capital	-	-	-	-
Dividends paid	-	-	-	-
Net cash flow from financing activities	-	-	-	-
Net cash flow from all activities	(10,324,374)	7,454,428	(3,601,898)	(2,892,628)
Cash and cash equivalents at the beginning of the period	14,751,352	3,753,621	18,955,176	29,223,041
Cash and cash equivalents at the end of the year	4,426,977	11,208,049	15,353,278	26,330,413

CONDENSED INTERIM CASH FLOW STATEMENT

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited		Un-Audited	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Operator's Fund		Participants' Takaful Fund	
	----- Rupees -----			
Reconciliation of Profit and Loss Account				
Net cash flow from underwriting activities	4,851,160	54,028,197	(3,482,232)	(40,443,847)
Depreciation expense	(2,028,110)	(1,629,965)	(4,121,005)	(5,666,073)
Rentals on Car Ijarah	(3,339,028)	(2,450,379)	-	-
Increase/ (decrease) in assets other than cash	(110,369)	(73,335,554)	(205,272,016)	(164,828,174)
(Increase)/ decrease in liabilities other than borrowings	1,339,491	27,018,030	216,732,930	212,161,439
Investment income	3,491,214	2,319,466	1,319,906	515,756
Profit for the year	4,204,359	5,949,795	5,177,582	1,739,101
Attributed to				
Operator's fund	4,204,359	5,949,795	-	-
Participants' takaful fund	-	-	5,177,582	1,739,101
	4,204,359	5,949,795	5,177,582	1,739,101

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

The United Insurance Company of Pakistan Limited (hereinafter called 'the Company') was incorporated in Pakistan on October 20, 1959, as a Public Limited Company under the Defunct Companies Act, 1913, now the Companies Act, 2017, and its shares are quoted on Pakistan Stock Exchange Limited. The Registered Office of the Company is situated at 204, 2nd floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi, and its Head Office is located in Lahore. The principal activity of the Company is General Insurance Business and it qualifies as a domestic insurance company under the Insurance Ordinance, 2000 and undertakes Fire & Property Damage, Marine aviation & Transport, Motor and Miscellaneous General Insurance.

The United Insurance Company of Pakistan Limited has been allowed to work as Window Takaful Operator (WTO) (hereinafter called "the Operator") through License No. 1 on August 18, 2014 by Securities and Exchange Commission of Pakistan under the Takaful Rules, 2012, to carry on Islamic General Insurance in Pakistan. For the purpose of carrying on takaful business, the Company has formed a Waqf/Participants' Takaful Fund (PTF) on June 09, 2014 under a trust deed. The trust deed governs the relationship of shareholders and policy holders for management of takaful operations. The Operator has not transacted any business outside Pakistan.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

-International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017; and

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

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

These financial statements reflect the financial position and results of Window Takaful Operations of both the Operators' Fund (OPF) and the Participants' Takaful Fund (PTF) in a manner that assets, liabilities, income and expenses of the Operator and PTF remains separately identifiable.

2.1 BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention except for certain obligations under employee retirement benefits which are measured at present value and certain financial instruments which are measured at fair value.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistani Rupees which is the Company's functional currency and presentation currency. All figures have been rounded to the nearest rupee, unless otherwise stated.

2.4 Standards, interpretations, and amendments effective in 2020

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

Standards, Amendments and Interpretations		IASB effective date (Annual periods beginning on or after)
IAS-1	First - Adoption of International Financial Reporting Standards	01 January, 2020
IFRS-9	Financial Instrument – Pre-replacement issues in the context of the IBOR reform (Amendment)	01 January, 2020
IFRS-9	Financial Instruments – Annual Improvements to IFRS Standards 2018–2020 (Amended)	01 January, 2020
IFRS-16	Leases – Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	01 January, 2020
IFRS 7	Financial Instrument (Disclosure) – Pre-replacement issues in the context of the IBOR reform (Amendment)	01 January, 2020
IFRS-3	Business Combination – Amendments to clarify the definition of a business	01 January, 2020
IFRS-3	Business Combination – Amendments to clarify reference to the Conceptual Framework	01 January, 2020
IAS-8	Accounting policies, Change in Accounting Estimates and Error amendments.	01 January, 2020
IFRS-3	Business Combinations – Amendments	01 January, 2020

2.4 Standards, interpretations, and amendments not effective at year end

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.

IFRS -1	First-time Adoption of International Financial Reporting Standards –Annual Improvements to IFRS Standards 2018–2020).	01 January, 2022
IFRS-4	Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (Amended)	01 January, 2023
IAS 16	Property, Plant and Equipment – Prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. (Amendments).	01 January, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets – costs to include when assessing whether a contract is onerous (Amendments)	01 January, 2022
IFRS-17	Insurance Contracts	01 January, 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's condensed interim financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements as at June 30, 2020 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2019.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements at and for the year ended December 31, 2019.

NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS
For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Note	Un-Audited	Audited	
		June 30, 2020	Dec 31, 2019	
		----- Rupees -----		
5	PROPERTY AND EQUIPMENT			
5.1	Operator's fund			
	Operating assets	5.1.1	24,397,815	26,353,040
			24,397,815	26,353,040
5.1.1	Opening net book value - owned		26,353,040	19,845,588
	Add: Additions/transfers/revaluation surplus made during the period at cost		72,885	10,100,632
	Add: Accumulated depreciation reversed on disposals made during the period		-	-
	Less: Accumulated depreciation reversed on matured assets made during the period		-	-
	Less: Disposals made during the period at cost		-	-
	Less: Depreciation for the period		(2,028,110)	(3,593,180)
			(1,955,225)	6,507,452
	Closing net book value		24,397,815	26,353,040
5.2	Participants' takaful fund			
	Operating assets	5.2.1	20,770,624	24,499,629
			20,770,624	24,499,629
5.2.1	Opening net book value - owned		24,499,629	33,943,376
	Add: Additions/transfers/revaluation surplus made during the period at cost		392,000	2,507,500
	Add: Accumulated depreciation reversed on disposals made during the period		-	35,968
	Less: Accumulated depreciation reversed on matured assets made during the period		-	-
	Less: Disposals made during the period at cost		-	(301,500)
	Less: Depreciation for the period		(4,121,005)	(11,685,715)
			(3,729,005)	(9,443,747)
	Closing net book value		20,770,624	24,499,629

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

Un-Audited	Audited
June 30, 2020	December 31, 2019
----- Rupees -----	

6 INVESTMENT IN EQUITY SECURITIES		
6.1 Operator's fund		
Listed shares at cost	42,532,025	36,732,779
Less: unrealized loss on revaluation of investment	(15,413,084)	(9,045,239)
Carrying value	27,118,941	27,687,540
Mutual Funds at cost	6,071,688	5,617,068
Less: unrealized loss on revaluation of investment	-	(354,802)
Carrying value	6,071,688	5,262,266
	33,190,628	32,949,806
6.2 Participants' takaful fund		
Listed shares at cost	87,097,729	87,097,729
Less: unrealized loss on revaluation of investment	(34,701,895)	(30,458,942)
Carrying value	52,395,834	56,638,787
Mutual Funds at cost	10,596,050	9,814,305
Less: unrealized loss on revaluation of investment	-	(254,971)
Carrying value	10,596,050	9,559,334
	62,991,884	66,198,121
7 INVESTMENT IN DEBT SECURITIES		
7.1 Operator's fund		
Held-to maturity		
Sukuk bonds	10,340,000	-
7.2 Participants' takaful fund		
Held-to maturity		
Sukuk bonds	21,403,800	21,137,973
8 INVESTMENT IN TERM DEPOSITS		
8.1 Operator's fund		
Short term deposits	66,000,000	64,000,000

NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS
 For The Six Months Period Ended June 30, 2020 (Un-Audited)

Un-Audited	Audited
June 30, 2020	December 31, 2019
----- Rupees -----	

9 LOANS AND OTHER RECEIVABLES

**9.1 Participant's takaful fund
 - Considered good**

Accrued investment income	672,913	594,683
Security deposits	4,332,199	4,332,199
Loan to employees	1,663,619	1,285,852
Advance tax	670,597	847,920
Other receivables	103,277,431	1,768,500
Wakala fee receivable	302,599,505	457,885,229
	413,216,264	466,714,382

**9.2 Operator's fund
 - Considered good**

Receivable from related parties	-	-
Accrued investment income	54,399	-
Security deposits	32,968,819	27,194,948
Taxes paid	999,366	-
Other receivables	1,992,760	335,604
	36,015,344	27,530,552

**10 TAKAFUL / RE-TAKAFUL RECEIVABLES
 - Unsecured and considered good**

Due from Takaful contract holders	87,443,375	228,496,452
Less: Provision for impairment of receivables from takaful contract holders	-	-
Due from takaful / re-takaful operators	73,109,526	158,349,722
Less: Provision for impairment of receivables from takaful/ retakaful	(3,137,995)	(3,031,672)
	157,414,906	383,814,502

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Note	Un-Audited	Audited	
		June 30, 2020	December 31, 2019	
		----- Rupees -----		
11	PREPAYMENTS			
11.1	Participants' takaful fund			
	Prepaid re-takaful contribution ceded	243,159,662	263,204,768	
12	CASH & BANK			
12.1	Operator's fund			
	Cash in hand	46,672	54,260	
	Cash at bank			
	- Current accounts	1,408,320	13,844,377	
	- Saving accounts	2,971,985	852,715	
		4,426,977	14,751,352	
12.2	Participants' takaful fund			
	Cash at bank			
	- Current accounts	7,744,492	4,130,050	
	- Saving accounts	7,608,786	14,825,126	
		15,353,278	18,955,176	
13	STATUTORY FUND			
	Statutory reserves	13.1	50,000,000	50,000,000
13.1	Amount of Rs. 50 million is deposited as statutory reserves to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of the Takaful Rules, 2012 issued by Securities and Exchange Commission of Pakistan which states that "Every insurer who is interested to commence window takaful business shall transfer an amount of not less than 50 million Rupees to be deposited in a separate bank account for window takaful business duly maintained in a scheduled bank" .			
14	CEDED MONEY			
	Waqf money	14.1	500,000	500,000
14.1	The amount of Rs. 500,000/- has been set apart for Waqf Fund/ Participant Takaful Fund as Waqf money according to the Waqf Deed prepared for the purpose of creation of Waqf Fund/ Participant Takaful Fund.			

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Note	Un-Audited	Audited
		June 30, 2020	December 31, 2019
		----- Rupees -----	
15	TAKAFUL / RETAKAFUL PAYABLES		
15.1	Participant's takaful fund		
	Takaful / re-takaful participants payables	24,877,581	39,519,648
16	OTHER CREDITORS AND ACCRUALS		
16.1	Operator's fund		
	Commission payable	-	-
	Provident fund contribution	-	-
	Auditors' remuneration	165,000	850,000
	Other taxes payable	489,908	1,144,399
	Other payables	-	-
		654,908	1,994,399
16.2	Participants' takaful fund		
	Federal Excise Duty / Sales tax	7,808,078	3,261,225
	Federal Takaful Fee	232,309	195,635
	Other taxes payable	2,558,098	2,687,175
	Wakala fee payable	302,599,504	457,885,229
	Other payables	2,697,500	642,210
		315,895,489	464,671,474
17	CONTINGENCY(IES) AND COMMITMENT(S)		
17.1	Contingency(ies)		
	There are no contingencies at the statement of financial position date.		
17.2	Commitments		
	There are following commitments on statement of financial position date:		
	Future Ijarah rentals payable	17.2.1	13,118,854
			14,617,664
17.2.1	Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
	Due within one year		6,586,476
	Due after one year but not later than five year		6,002,278
			6,532,378
			8,615,385
		13,118,854	14,617,664

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited		Un-Audited	
	Quarter Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- Rupees -----		----- Rupees -----	
18 NET TAKAFUL CONTRIBUTION				
Written gross contribution	131,744,919	152,824,886	329,313,355	330,001,333
Less: Wakala fee	(47,937,243)	(59,213,529)	(115,060,870)	(112,345,035)
Contribution Net of Wakala Fee	83,807,676	93,611,357	214,252,485	217,656,298
Add: Provision for unearned contribution - Opening	209,113,433	226,120,392	249,852,862	298,742,552
Less: Provision for unearned contribution - Closing	(171,565,087)	(214,602,079)	(171,565,087)	(214,602,079)
Contribution earned	121,356,022	105,129,670	292,540,261	301,796,771
Re-takaful contribution ceded	167,466,497	41,504,686	201,977,392	211,039,440
Add: Prepaid re-takaful contribution - Opening	237,611,310	300,868,871	263,204,768	245,314,358
Less: Prepaid re-takaful contribution - Closing	(243,159,662)	(249,049,505)	(243,159,662)	(249,049,506)
Re-takaful expense	161,918,145	93,324,052	222,022,498	207,304,292
Net contribution	(40,562,123)	11,805,618	70,517,763	94,492,479
19 NET REBATE ON RETAKAFUL				
Rebate received or recoverable	36,590,928	9,196,516	43,279,434	46,796,885
Add: Unearned ReTakaful rebate - opening	43,769,809	63,325,141	54,966,764	49,266,798
Less: Unearned ReTakaful rebate - closing	(59,353,157)	(53,524,507)	(59,353,157)	(53,524,507)
Rebate from reinsurers	21,007,580	18,997,150	38,893,042	42,539,176
20 NET TAKAFUL CLAIMS				
Claims Paid	121,142,306	170,965,936	248,555,551	272,041,242
Add: Outstanding claims including IBNR - Closing	203,973,390	186,822,295	203,973,390	186,822,296
Less: Outstanding claims including IBNR - Opening	(187,837,494)	(242,063,010)	(183,386,885)	(215,396,440)
Claims expense	137,278,202	115,725,221	269,142,056	243,467,098
ReTakaful and other recoveries received	124,927,314	87,114,239	138,308,497	119,926,168
Add: ReTakaful and other recoveries in respect of outstanding claims - Closing	165,135,097	90,595,114	165,135,097	90,595,115
Less: ReTakaful and other recoveries in respect of outstanding claims - Opening	(128,601,668)	(84,250,402)	(132,447,203)	(84,310,177)
ReTakaful and other recoveries revenue	161,460,743	93,458,951	170,996,391	126,211,106
	(24,182,541)	22,266,270	98,145,665	117,255,992
21 DIRECT EXPENSES				
PTF	5,056,702	14,344,054	9,123,376	18,734,684

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	Un-Audited Quarter Ended		Un-Audited Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- Rupees -----		----- Rupees -----	
22 INVESTMENT INCOME				
Net Investment Income PTF	1,017,361	(319,556)	1,319,906	515,756
23 OTHER INCOME				
PTF	765,006	15,502	1,715,912	182,366
24 NET COMMISSION AND OTHER ACQUISITION COST				
Commission paid or payable	62,448,980	27,470,103	102,803,521	30,780,465
Add: Deferred commission expense - Opening	119,119,334	46,386,982	103,585,065	66,071,456
Less: Deferred commission expense - Closing	(153,633,786)	(42,716,883)	(153,633,786)	(42,716,883)
Net Commission	27,934,528	31,140,202	52,754,800	54,135,038
25 WAKALA FEE				
The Shareholder of the company manage the General Takful operations for the Participant and charges 35% for Motor, 35% for Fire and property damage and 35% for others etc. of the gross contribution written net off administrative surcharge on co-takaful inward as wakala fee against the services.				
26 GENERAL,ADMINISTRATIVE AND MANAGEMENT EXPENSES				
OPF	19,978,082	24,434,999	58,910,463	49,502,678
27 OTHER EXPENSES				
OPF	627,903	3,566,811	2,740,145	5,133,941
28 OTHER INCOME				
OPF	18,877	14,262	57,682	56,951
29 INVESTMENT INCOME				
Net Investment Income for the period	1,171,964	2,041,452	3,491,214	2,319,466

The operator has four primary business segments for reporting purposes namely fire and Property damage, marine aviation & transport, motor, and health & miscellaneous. Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of contribution written by each segment.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

	FIRE AND PROPERTY DAMAGE		MARINE AVIATION AND TRANSPORT		MOTOR		HEALTH & MISC		TREATY		TOTAL	
	June 30, 2019		June 30, 2019		June 30, 2019		June 30, 2019		June 30, 2019		June 30, 2019	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	----- Rupees -----											
PARTICIPANTS' TAKAFUL FUND (PTF)												
Gross written contribution (inclusive of Admin surcharge)	37,114,391	48,556,835	29,385,612	14,111,980	154,069,912	171,559,643	108,743,440	95,772,875	-	-	329,313,355	330,001,333
Takaful contribution earned	21,597,119	39,419,826	18,128,709	14,156,719	101,398,441	86,461,483	151,415,992	161,758,742	-	-	292,560,261	301,796,770
Takaful contribution ceded to re-takaful	(31,812,554)	(32,434,263)	(14,596,117)	(11,062,747)	(39,969,044)	(20,384,869)	(135,644,782)	(143,422,414)	-	-	(222,022,498)	(207,304,294)
Net Takaful contribution	(10,215,435)	6,985,563	3,532,592	3,093,972	61,429,397	66,076,614	15,771,209	18,336,328	-	-	70,517,763	94,492,477
Net Rebate income	5,347,870	6,403,978	3,499,242	2,542,388	6,917,408	5,510,463	23,128,521	28,082,347	-	-	38,893,041	42,539,176
Net underwriting income	(4,867,565)	13,389,541	7,031,834	5,636,360	68,346,805	71,587,077	38,899,731	46,418,675	-	-	109,410,804	137,031,653
Takaful claims	(163,710,728)	(10,239,883)	(6,198,483)	(8,581,877)	(28,391,348)	(76,226,000)	(170,841,497)	(148,419,338)	-	-	(269,142,056)	(243,467,097)
Takaful claims recovered from re-takaful	50,659,433	6,151,851	7,249,644	6,467,357	17,308,982	13,293,138	95,778,312	100,298,760	-	-	170,994,391	124,211,105
Net claims	(113,051,295)	(4,088,032)	1,051,181	(2,114,520)	(11,082,366)	(62,932,862)	(75,063,185)	(48,120,578)	-	-	(98,145,665)	(117,255,992)
Direct expenses	(1,028,226)	(2,756,448)	(814,106)	(801,159)	(4,248,390)	(9,739,706)	(3,012,654)	(5,437,170)	-	-	(9,123,376)	(18,734,483)
contribution deficiency expense	-	-	-	-	-	-	-	-	-	-	-	-
Net Takaful claims and expenses	(14,079,521)	(6,844,680)	237,075	(2,915,679)	(15,350,756)	(72,672,568)	(78,075,839)	(53,557,748)	-	-	(107,269,041)	(135,990,675)
Underwriting results	(18,547,085)	6,544,860	7,268,909	2,720,681	52,996,049	(1,085,491)	(39,176,108)	(7,139,073)	-	-	2,141,764	1,040,978
Net investment income	-	-	-	-	-	-	-	-	-	-	1,319,906	515,756
Rental income	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	1,715,912	182,366
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-
Result of operating activities - PTF												5,177,580
OPERATOR'S FUND (OPF)												
Wakala fee	12,984,721	14,561,878	10,262,222	4,227,911	53,771,440	60,041,525	38,062,487	33,513,721	-	-	115,060,870	112,345,035
Net Commission and other acquisition costs	(16,483,076)	(10,236,483)	(9,908,098)	(2,802,521)	(14,592,100)	(13,936,596)	(11,771,526)	(27,159,439)	-	-	(62,754,800)	(54,135,038)
Management expenses	-	-	-	-	-	-	-	-	-	-	(68,910,463)	(49,502,678)
Other expenses	-	-	-	-	-	-	-	-	-	-	(2,740,145)	(5,133,941)
Other income	-	-	-	-	-	-	-	-	-	-	57,682	56,951
Investment income	-	-	-	-	-	-	-	-	-	-	3,491,214	2,319,466
Profit for the year												4,204,359

NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS
 For The Six Months Period Ended June 30, 2020 (Un-Audited)

30.1 Segment assets and liabilities

	FIRE AND PROPERTY DAMAGE		MARINE AVIATION AND TRANSPORT		MOTOR		HEALTH & MISC		TREATY		TOTAL	
	June 30, 2020	Dec 31, 2019	June 30, 2020	Dec 31, 2019	June 30, 2020	Dec 31, 2019	June 30, 2020	Dec 31, 2019	June 30, 2020	Dec 31, 2019	Un-Audited June 30, 2020	Audited Dec 31, 2019
	As at											
	Rupees in thousand											
Segment assets - (OPF)	155,861,701	129,677,172	76,527,100	73,175,678	140,467,673	204,570,775	83,376,817	154,046,669	-	-	456,233,291	561,470,293
Unallocated assets - (OPF)											248,972,179	146,883,352
Total assets - (OPF)											705,205,470	708,353,645
Segment assets - (PTF)	108,960,957	126,267,585	15,728,977	18,988,050	174,879,491	160,100,129	287,017,287	474,110,708	-	-	586,586,612	779,466,472
Unallocated assets - (PTF)											135,657,982	159,321,452
Total assets - (PTF)											722,244,594	937,787,924
Segment liabilities - (OPF)												
Unallocated liabilities - (OPF)											654,908	1,994,399
Total liabilities - (OPF)											654,908	1,994,399
Segment liabilities - (PTF)	206,204,973	176,007,445	88,561,769	83,214,386	233,777,981	323,135,948	241,748,940	402,704,824	-	-	770,293,663	985,062,603
Unallocated liabilities - (PTF)											13,295,984	15,259,973
Total liabilities - (PTF)											783,589,647	1,000,322,576

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended June 30, 2020 (Un-Audited)

31 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relation with undertaking	Nature of transaction	Un-Audited	Audited
		June 30, 2020	Dec 31, 2019
		----- Rupees -----	
Balances at year end:			
Associated undertakings	Receivable/ (payable) at year end	(2,697,500)	-
Key management personnel	Loan to key management personnel	1,143,188	818,687
Staff retirement benefits plan	(Payable) to defined benefit plan	-	-
	(Payable) to defined contribution plan	-	-

		Un-Audited			
		Quarter Ended		Six Months	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Transactions during the year					
Associated undertakings	Motor tracking devices purchased	144,500	1,259,500	504,500	1,370,000
	Device monitoring charges paid	1,512,278	8,917,955	2,285,532	10,351,820
	Health service charges paid	1,200,000	600,000	2,400,000	1,200,000
Key management personnel	Remuneration of key management personnel	20,808,312	5,779,044	27,730,710	10,479,126
Employees' Provident Fund	Employer's Contributions made during the period	1,054,427	1,938,368	1,964,663	2,305,007

32 CORRESPONDING FIGURES

Comparative figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons. No significant reclassifications were made during the current year.

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on August 26, 2020 by the Board of Directors of the Company.

34 GENERAL

The figures in the financial statements have been rounded off to the nearest rupees.



Muhammad Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Maqbool Ahmad
Chief Financial Officer



Khawas Khan Niazi
Director



Javaid Sadiq
Chairman



theunitedinsurance.com

UIG HOUSE

1st Floor, 6-D, Upper Mall, Lahore

UAN: (92-42) 111-000-014

T: (92-42) 35776475-85

F: (92-42) 35776486-87

E: uicpl@theunitedinsurance.com