

Travel



Health



Marine



Engineering



Motor



Fire



Agriculture



Livestock



CONDENSED INTERIM  
FINANCIAL STATEMENTS  
HALF YEAR ENDED  
JUNE 30, 2020  
(UN-AUDITED)



**asiaINSURANCE**

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## **Window Takaful Operations**

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## COMPANY INFORMATION

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|--|--|
| <b>Chairman</b>                                  | Mr. Khalid Rashid<br>(Over 40 Year Experience in Insurance Industry)   |
| <b>Chief Executive</b>                           | Mr. Ihtsham ul Haq Qureshi<br>(Prince Henrik Medal of Honour by Royal Kingdom of Denmark)  |
| <b>Directors</b>                                 | Mr. Khawaja Suhail Iftikhar<br>(Former General Manager of PIA)<br>Mr. Ihtsham ul Haq Qureshi<br>(Prince Henrik Medal of Honour by Royal Kingdom of Denmark)<br>Mrs. Nosheen Ihtsham Qureshi<br>(Tamgha-e-Imtiaz by Government of Pakistan)<br>Mr. Zain ul Haq Qureshi<br>Mr. Khalid Rashid<br>(Over 40 Year Experience in Insurance Industry)<br>Mr. Hassan Ahmed Khan<br>Mr. Thibaud Ponchon<br>(Nominee Director of InsuResilience Investment Fund SICAV RAIF, Luxembourg) |
| <b>Audit Committee</b>                           | Mr. Hassan Ahmed Khan (Chairman)<br>Mr. Khalid Rashid (Member)<br>Mr. Thibaud Ponchon (Member)<br>Mr. Khawaja Suhail Iftikhar (Member)<br>Mr. Iftikhar Ahmed (Secretary)   |
| <b>Legal Advisor</b>                             | Barister Munawar-us-Salam<br>Cornelius, Lane & Mufti,<br>Advocates and Solicitors,<br>Nawa-e-Waqt Building,<br>4-Shahra-e-Fatima Jinnah, Lahore.   |
| <b>Sharia Advisor</b>                            | Mufti Muhammad Akhlaq  |
| <b>Share Registrar</b>                           | Corplink (Pvt.) Limited,<br>Wings Arcade, 1-K,<br>Model Town, Lahore.  |
| <b>CFO</b>                                       | Mr. Muhammad Ali Raza (ACA)  |
| <b>Company Secretary/<br/>Compliance Officer</b> | Ms. Shazia Hafeez (B.Sc.) (LL.B.)  |
| <b>Internal Auditor</b>                          | Mr. Iftikhar Ahmed (CICA) (CAF)  |
| <b>Auditors</b>                                  | BDO Ebrahim & Company<br>Chartered Accountants.  |
| <b>Actuary</b>                                   | Anwar Associates   |

## **Management**

|                                   |  |
|-----------------------------------|--|
| <b>Mr. Ihtsham ul Haq Qureshi</b> | Chief Executive Officer                    |
| <b>Mr. Zain ul Haq Qureshi</b>    | Executive Director                         |
| <b>Mr. Muhammad Ali Raza</b>      | Chief Financial Officer                    |
| <b>Ms. Shazia Hafeez</b>          | Company Secretary & Compliance Officer     |
| <b>Mr. Riaz Hussain Shah</b>      | Deputy Managing Director                   |
| <b>Mr. Shahbaz Hameed</b>         | Assistant General Manager HR/Admin & Legal |
| <b>Mr. Gulfaraz Anis</b>          | Assistant General Manager MIS              |
| <b>Mr. M. Amjad Rao</b>           | Controller of Branches                     |
| <b>Mr. Abdul Hamid</b>            | Head of Takaful                            |
| <b>Mr. M. Imran Qureshi</b>       | Agri & Corporate Head                      |
| <b>Dr. Asrar Hussain Ch.</b>      | VP Live Stock Projects.                    |
| <b>Mr. Muhammad Ahmad Chauhan</b> | Head of Corporate Health                   |
| <b>Mr. Iftikhar Ahmad</b>         | Head of Internal Audit                     |
| <b>Mr. Omer Yousaf</b>            | Senior Manager Accounts                    |
| <b>Mr. Mustjab Ahmed</b>          | Manager Underwriting                       |
| <b>Mr. Muhammad Masood</b>        | Manager Reinsurance                        |
| <b>Mr. Asif Ali Mughal</b>        | Manager Claims                             |
| <b>Mr. Amjad Hussain</b>          | Manager Travel & Recovery                  |
| <b>Mr. Asif Masood Bhatti</b>     | General Manager South                      |

|                                      |   |
|--------------------------------------|---|
| <b>Registered &amp; Head Office:</b> | Asia House, 19 C/D, Block-L, Gulberg III, Main Ferozpur Road, Lahore, Pakistan. |
| <b>Phone:</b>                        | +92-42-35865575-78  |
| <b>Fax:</b>                          | +92-42-35865579   |
| <b>UAN:</b>                          | +92-311-111-ASIA (2742)   |

## DIRECTORS' REVIEW REPORT For the Half year ended June 30, 2020



Your directors are pleased to present a concise review of the Company's operational and financial performance accompanied with the limited scope review of Company's half yearly accounts by the Statutory Auditors for the period ended June 30, 2020.

### State of Company's affairs and Business Overview

During the period under review, when COVID-19 continues to spread rapidly around the world which led to a volatile economy all over the world. Investors fear the spread of the coronavirus will destroy the economic growth and that government action may not be enough to stop the decline. Like many other sectors of the economy, coronavirus is also hitting the insurance industry with the subsectors of life, group, health, travel, logistics, crop and marine etc. coming under stress. The Company has also considerable economic impact due to this crisis in the first quarter of the year 2020. With reference business volumes, the overall claim expense and management expense ratios are at satisfactory level. The Company posted a healthy profit before tax of Rs. 53.61 Million.

### SUMMARY OF OPERATIONAL AND FINANCIAL HIGHLIGHTS

Your company has underwritten premium of Rs. 289.61 million and contribution of Rs. 30.64 million for Window Takaful Operations (WTO) during the period ended June 30, 2020 of current year. Department wise break up of which is as under:

| <i>Amount in Rupees</i> |            |            |            |             |           |            |
|-------------------------|------------|------------|------------|-------------|-----------|------------|
| Particular              | Fire       | Marine     | Motor      | Health & PA | Agri      | Misc.      |
| Conventional            | 91,785,224 | 59,269,252 | 62,630,700 | 44,761,586  | 6,454,434 | 24,704,545 |
| Takaful                 | 12,222,625 | 6,338,102  | 8,370,550  | -           | -         | 3,705,142  |

An overview of the financial statement reveals that the company has earned net premium revenue of Rs. 239.42 million and net contribution revenue was Rs. 11.01 million, and there has been a growth of 10% in net premium revenue and 39% in net contribution revenue, respectively. The Company has declared an after tax profit of Rs. 35.77 million for the period ended June 30, 2020.

### Dividend

No dividend issued in the period under review.

### Earnings per Share

Earnings per Share is Rs. 0.59 per share.



## FUTURE OUTLOOK

The economy is facing with new and bigger challenges in fiscal year 2020. The World Bank states that Pakistan's inflation is expected to rise in fiscal year 2020. A crisis such as Covid-19 affects all business sectors - but it especially puts a spotlight on insurers who can expect to be inundated with general inquiries and claims across multiple different lines, whether that be for health or non-life cover.

Insurance industry plays an important role in the overall development of the economy by managing and indemnifying financial risk and by serving as a major institutional investor for the capital and money market instruments. The demand for insurance mainly depends on the real disposable income, individual preference for financial security and insurance premium rates. Moreover, economic environment of a country, interest rates, inflation, cultural and religious beliefs, level of awareness about insurance and individual ability to plan for future also play a crucial role in creating demand for insurance. Your company is well positioned to face new challenges and take advantage, whenever the developments may take place in the economy.

We would like to thank our valued customers for their continued patronage and support and to Pakistan Reinsurance Company Limited, Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance.

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

Chairman

Chief Executive Officer

Director

Director

## مستقبل کا نقطہ نظر

مالی سال 2020ء میں معیشت کو مزید مسائل کا سامنا متوقع ہے۔ عالمی بینک کے مطابق پاکستان میں افراط زر کی شرح مالی سال 2020ء میں بڑھنے کا اندیشہ ہے اور مالی سال 2020ء تک یہ بڑھتی رہے گی۔ COVID-19 جیسے بحران تمام کاروباری حلقوں کو متاثر کرتا ہے، یہ خاص طور پر انشورنس انڈسٹری کو متاثر کرتا ہے، خواہ وہ عام پوچھ گچھ ہو یا مختلف اقسام کے کلیم خصوصاً صحت ہو یا غیر زندگی ہو۔

انشورنس انڈسٹری ملک کی مجموعی معاشی صورتحال میں مالیاتی مسائل کے انتظام اور ازالہ نقصان کی صورت میں بڑے سرمایہ داروں اور منی مارکیٹ انفراسٹرکچر کو خدمات فراہم کرتی ہے۔ انشورنس کی طلب عموماً حقیقی قابل استعمال آمدنی، مالی تحفظ کے لئے انفرادی ترجیح اور انشورنس پر بیمہ کی شرح پر منحصر ہوتی ہے۔ مزید برآں، کسی ملک کا معاشی ماحول، شرح سود، افراط زر، ثقافتی اور مذہبی اعتقادات، انشورنس سے متعلق آگاہی کی سطح اور مستقبل کی منصوبہ بندی کی انفرادی صلاحیت بھی انشورنس کی طلب پیدا کرنے میں اہم کردار ادا کرتی ہیں۔ جونہی معیشت میں بہتری واقع ہوگی تو آپ کی کمپنی نئے چیلنجز سے نبرد آزما ہونے اور آمدنی بڑھانے کے لئے مکمل طور پر تیار ہے۔

ہم اپنے معزز صارفین کی مسلسل معاونت اور حمایت اور پاکستان ری انشورنس کمپنی لمیٹڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور بینک دولت پاکستان کی رہنمائی اور تعاون کے تہہ دل سے شکریہ ادا کرنا چاہتے ہیں۔

ہمارے ڈائریکٹرز کے لئے باعث مسرت معاملہ ہے کہ وہ کمپنی کی ترقی اور اس کے آپریشنز کی مسلسل کامیابی میں اہم کردار ادا کرنے والے اپنے افسران، فیلڈ فورس اور عملہ کی کاوشوں کو قدر کی نگاہ سے دیکھتے ہیں۔



ڈائریکٹر



ڈائریکٹر



چیف ایگزیکٹو آفیسر



چیئر مین

## ڈائریکٹر کی جائزہ رپورٹ 30 جون 2020ء کو اختتام پذیر شش ماہی کے لئے

30 جون 2020ء کو اختتام پذیر شش ماہی کے لئے آپ کے ڈائریکٹر کمپنی کی فعلی اور مالیاتی کارکردگی کے ہمراہ قانونی آڈیٹر کی جانب سے محدود جائزے پر مشتمل شدہ منجملہ عبوری مالیاتی گوشواروں کا جامع تجزیہ پیش کرتے ہیں۔

### کمپنی کے امور اور کاروباری جائزہ

زیر جائزہ اس مدت کے دوران، جب COVID-19 پوری دنیا میں تیزی سے پھیل رہا ہے جس کی وجہ سے پوری دنیا میں غیر مستحکم معیشت پیدا ہوئی۔ سرمایہ کاروں کو خوف ہے کہ کورونا وائرس کے پھیلاؤ سے معاشی نمو کو نقصان پہنچے گا اور حکومت کی کارروائی اس زوال کو روکنے کے لئے کافی نہیں ہوگی۔ معیشت کے بہت سے دوسرے شعبوں کی طرح، کورونا وائرس بھی انشورنس انڈسٹری کو نشانہ بنا رہا ہے جس کے تحت زندگی، گروپ، صحت، سفر، رسد، زراعت اور میرین وغیرہ سب دباؤ میں آ رہے ہیں۔ سال 2020 کی پہلی ششماہی میں اس بحران کی وجہ سے کمپنی کو کافی معاشی اثر پڑا ہے۔ زیر جائزہ مدت کے دوران، پاکستانی معیشت کی ابتر صورت حال کے باوجود کمپنی نے بہترین کارکردگی دکھائی۔ کاروباری حجم کے لحاظ سے، مجموعی کلیم اور انتظامی اخراجات کا تناسب تسلی بخش سطح پر ہے۔ کمپنی نے 53.61 ملین روپے کا بھاری منافع علاوہ ٹیکس درج کیا۔

### آپریٹنگ اور مالیاتی نتائج کا خلاصہ

رواں سال کی 30 جون 2020ء کو اختتام پذیر مدت کے دوران آپ کی کمپنی نے 289.61 ملین روپے کے تحریری پریمیم اور ونڈو تکافل آپریٹنگ (WTO) کے لئے 30.64 ملین روپے تقسیم کی حامل ہے۔

| تفصیلات | فائر       | میرین      | موٹر       | صحت اور ذاتی حادثہ | زراعت     | مترقات     |
|---------|------------|------------|------------|--------------------|-----------|------------|
| روایتی  | 91,785,224 | 59,269,252 | 62,630,700 | 44,761,586         | 6,454,434 | 24,704,545 |
| تکافل   | 12,222,625 | 6,338,102  | 8,370,550  | -                  | -         | 3,705,142  |

مالیاتی گوشوارے کے جائزے سے معلوم ہوا کہ کمپنی نے 239.42 ملین روپے کا خالص پریمیم ریونیو اور 11.01 ملین روپے کا خالص کنٹری بیوشن ریونیو حاصل کیا۔ اور خالص پریمیم ریونیو میں 10 فی صد کا اضافہ اور خالص کنٹری بیوشن ریونیو میں 39 فی صد کا اضافہ واقع ہوا۔ کمپنی نے 30 جون 2020ء کو اختتام پذیر مدت کے لئے 35.77 ملین روپے کا منافع علاوہ ٹیکس کا اعلان کیا۔

### منافع مختصر

زیر جائزہ مدت میں کوئی منافع مختصر جاری نہ کیا گیا۔

### فی حص آمدنی

فی حص آمدنی 0.59 روپے فی حص ہے۔



## **Report on review of interim financial statements**

### **Introduction**

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

### **Other matter**

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

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Imran.

**LAHORE**

**DATED:** August 25, 2020

**BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS**


**ASIA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT JUNE 30, 2020**



|  |      | June 30,<br>2020<br>(Un-audited) | December 31,<br>2019<br>(Audited) |
|--|------|----------------------------------|-----------------------------------|
|  | Note | Rupees                           |                                   |
| <b>ASSETS</b>  |      |                                  |                                   |
| Property and equipment   | 7    | 177,239,696                      | 192,591,881                       |
| Investments  |      |                                  |                                   |
| Equity securities  | 8    | 136,297,626                      | 76,263,007                        |
| Debt securities  | 9    | 63,019,195                       | 62,727,995                        |
| Term deposits  | 10   | 435,000,000                      | 435,000,000                       |
|  |      | 634,316,821                      | 573,991,002                       |
| Loans and other receivables  |      | 79,584,031                       | 103,815,529                       |
| Insurance / reinsurance receivables                                  | 11   | 396,232,262                      | 269,530,720                       |
| Reinsurance recoveries against outstanding claims                    |      | 102,347,134                      | 43,521,203                        |
| Deferred commission expense  |      | 64,887,589                       | 53,439,780                        |
| Deferred taxation  | 12   | 32,929,223                       | 33,684,873                        |
| Taxation - payments less provision                                   |      | 16,788,725                       | 28,937,298                        |
| Prepayments  |      | 43,582,927                       | 36,937,331                        |
| Cash and bank balances   | 13   | 111,913,378                      | 202,789,977                       |
|  |      | 1,659,821,786                    | 1,539,239,594                     |
| Total assets of General Takaful                                      |      |                                  |                                   |
| Operations - Operator's Fund   | 14   | 73,047,110                       | 64,740,352                        |
| <b>TOTAL ASSETS</b>  |      | 1,732,868,896                    | 1,603,979,946                     |
| <b>EQUITY AND LIABILITIES</b>  |      |                                  |                                   |
| <b>Capital and reserves attributable to Company's equity holders</b> |      |                                  |                                   |
| Ordinary share capital   | 15.2 | 603,373,910                      | 603,373,910                       |
| Share premium  |      | 196,626,090                      | 196,626,090                       |
| Reserves   |      | 2,500,000                        | 2,500,000                         |
| Unappropriated profit  |      | 209,095,494                      | 173,326,929                       |
| <b>TOTAL EQUITY</b>  |      | 1,011,595,494                    | 975,826,929                       |
| <b>LIABILITIES</b>   |      |                                  |                                   |
| Underwriting provisions  |      |                                  |                                   |
| Outstanding claims including IBNR                                    | 19   | 174,919,983                      | 108,865,952                       |
| Unearned premium reserves  | 18   | 278,032,574                      | 262,243,543                       |
| Premium deficiency reserve   |      | 3,453,183                        | 3,453,183                         |
| Unearned reinsurance commission                                      | 20   | 9,437,466                        | 7,765,517                         |
|  |      | 465,843,206                      | 382,328,195                       |
| Retirement benefit obligations                                       |      | 626,704                          | 613,051                           |
| Premium received in advance  |      | 1,171,558                        | 726,520                           |
| Insurance / reinsurance payables                                     |      | 37,865,239                       | 34,933,909                        |
| Lease liabilities  | 16   | 131,512,964                      | 143,209,055                       |
| Other creditors and accruals   |      | 74,935,991                       | 60,085,969                        |
| <b>TOTAL LIABILITIES</b>   |      | 711,955,662                      | 621,896,699                       |
| Total liabilities of General Takaful                                 |      |                                  |                                   |
| Operations - Operator's Fund   | 14   | 9,317,740                        | 6,256,318                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  |      | 1,732,868,896                    | 1,603,979,946                     |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 |      |                                  |                                   |
|  | 17   |                                  |                                   |

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

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer




**ASIA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**



|  | Note | Six months period ended |                  | Three months period ended |                  |
|--|------|-------------------------|------------------|---------------------------|------------------|
|  |      | June 30,<br>2020        | June 30,<br>2019 | June 30,<br>2020          | June 30,<br>2019 |
| Net insurance premium  | 18   | 239,421,268             | 218,413,010      | 117,655,043               | 108,228,506      |
| Net insurance claims   | 19   | (70,858,374)            | (61,450,111)     | (41,265,632)              | (37,988,866)     |
| Premium deficiency   |      | -                       | (144,137)        | -                         | 36,452           |
| Net commission   | 20   | (54,306,254)            | (45,395,608)     | (24,939,866)              | (22,740,536)     |
| Insurance claims and acquisition expenses                    |      | (125,164,628)           | (106,989,856)    | (66,205,498)              | (60,692,950)     |
| Management expenses  | 26   | (112,033,035)           | (148,535,246)    | (56,784,374)              | (81,283,514)     |
| Underwriting results   |      | 2,223,605               | (37,112,092)     | (5,334,829)               | (33,747,958)     |
| Investment income  | 21   | 49,277,359              | 16,331,144       | 27,733,702                | 3,048,395        |
| Other income   |      | 6,100,148               | 13,492,247       | 2,665,262                 | 6,315,243        |
| Other expenses   |      | (1,415,642)             | (1,033,692)      | (1,007,274)               | (905,685)        |
| Profit / (loss) before tax from general insurance operations |      | 56,185,470              | (8,322,393)      | 24,056,861                | (25,290,005)     |
| Finance cost   | 16   | (7,819,161)             | (9,439,106)      | (3,833,380)               | (9,439,106)      |
| Window Takaful Operations                                    |      | 5,245,336               | 2,995,942        | 2,694,383                 | 1,160,348        |
| Profit / (loss) before tax                                   |      | 53,611,645              | (14,765,557)     | 22,917,864                | (33,568,763)     |
| Income tax expense   | 23   | (17,843,080)            | (3,024,892)      | (9,923,793)               | (2,941,046)      |
| Profit / (loss) after taxation                               |      | 35,768,565              | (17,790,449)     | 12,994,071                | (36,509,809)     |
| Earnings / (loss) per share - basic and diluted              | 22   | 0.59                    | (0.29)           | 0.22                      | (0.61)           |

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

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer


**ASIA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**



|   | Six months period<br>ended June 30 |                     | Three months period<br>ended June 30 |                     |
|---|------------------------------------|---------------------|--------------------------------------|---------------------|
|   | 2020<br>Rupees                     | 2019<br>Rupees      | 2020<br>Rupees                       | 2019<br>Rupees      |
| Profit / (loss) for the period  | 35,768,565                         | (17,790,449)        | 12,994,071                           | (36,509,809)        |
| <b>Other comprehensive income</b>   |                                    |                     |                                      |                     |
| <b>Items that may be reclassified subsequently to<br/>profit and loss account</b> |                                    |                     |                                      |                     |
| Unrealized loss on available for sale investments                                 |                                    |                     |                                      |                     |
| Remeasurement of investment related to<br>available for sale                      | -                                  | (5,843)             | -                                    | (2,921)             |
| Related tax   | -                                  | 1,694               | -                                    | 905                 |
| Other comprehensive loss for the period   | -                                  | (4,149)             | -                                    | (2,016)             |
| Total comprehensive income  |                                    |                     |                                      |                     |
| / (loss) for the period   | <u>35,768,565</u>                  | <u>(17,794,598)</u> | <u>12,994,071</u>                    | <u>(36,511,825)</u> |

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

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

**ASIA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**



|  | Note | June 30,<br>2020  | June 30,<br>2019 |
|--|------|-------------------|------------------|
|  |      | ----- Rupees----- |                  |
| <b>OPERATING CASH FLOWS</b>                          |      |                   |                  |
| (a) Underwriting activities                          |      |                   |                  |
| Insurance premium received                           |      | 162,755,925       | 190,652,115      |
| Reinsurance premium paid                             |      | (38,439,244)      | (10,361,592)     |
| Claims paid  |      | (82,763,314)      | (63,876,693)     |
| Reinsurance and other recoveries received            |      | 19,133,040        | 10,231,839       |
| Commission paid                                      |      | (61,768,857)      | (47,903,757)     |
| Commission received                                  |      | 9,164,029         | 5,742,123        |
| Management expenses paid                             |      | (97,394,015)      | (131,123,151)    |
| Underwriting payments                                |      | 32,606,214        | (3,583,536)      |
| Net cash inflows from underwriting activities        |      | (56,706,222)      | (50,222,652)     |
| (b) Other operating activities                       |      |                   |                  |
| Income tax paid                                      |      | (4,938,857)       | (7,226,172)      |
| Financial charges paid                               |      | (7,819,161)       | -                |
| Other operating payments                             |      | 312,180           | (8,030,880)      |
| Other receipts in respect of operating assets        |      | 6,095,809         | 12,332,277       |
| Net cash used in other operating activities          |      | (6,350,029)       | (2,924,775)      |
| Total cash flow from all operating activities        |      | (63,056,251)      | (53,147,427)     |
| <b>INVESTMENT ACTIVITIES</b>                         |      |                   |                  |
| Profit / return received                             |      | 31,934,834        | 28,189,123       |
| Dividend received                                    |      | 3,503,409         | 1,964,855        |
| Decrease in net assets in window takaful operations  |      | (5,245,336)       | (3,048,442)      |
| Payment for investments                              |      | (114,111,050)     | (1,690,551)      |
| Proceeds from investment                             |      | 67,789,186        | -                |
| Fixed capital expenditure                            |      | -                 | (17,528,063)     |
| Proceeds from sale of property and equipment         |      | 4,700             | 1,591,819        |
| Total cash flow from investing activities            |      | (16,124,257)      | 9,478,741        |
| <b>FINANCING ACTIVITIES</b>                          |      |                   |                  |
| Proceeds from issuance of shares                     |      | -                 | -                |
| Financing repayments                                 |      | (11,696,091)      | -                |
| Total cash flow from financing activities            |      | (11,696,091)      | -                |
| Net cash used in all activities                      |      | (90,876,599)      | (43,668,686)     |
| Cash and cash equivalents at beginning of the period |      | 202,789,977       | 316,248,002      |
| Cash and cash equivalents at end of the period       |      | 111,913,378       | 272,579,316      |


**ASIA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**



|   | June 30,<br>2020      | June 30,<br>2019        |
|---|-----------------------|-------------------------|
|   | ----- Rupees -----    |                         |
| <b>Reconciliation to statement of profit or loss</b>      |                       |                         |
| Operating cash flows                                      | (63,056,251)          | (53,147,427)            |
| Depreciation expense                                      | (15,351,823)          | (15,834,906)            |
| Financial charges expense                                 | -                     | (9,439,106)             |
| Profit on disposal of investments / investment properties | 4,339                 | 1,159,216               |
| Dividend income   | 3,503,409             | 1,964,855               |
| Other investment income                                   | 45,773,950            | 14,366,289              |
| Profit from window takaful operations                     | 5,245,336             | 2,995,942               |
| Increase in assets other than cash                        | 161,404,658           | 53,672,704              |
| (Increase) in liabilities other than borrowings           | (101,755,053)         | (13,528,016)            |
| <br>Profit / (loss) after taxation for the period         | <br><u>35,768,565</u> | <br><u>(17,790,449)</u> |

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

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

**ASIA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**



|   | Share Capital | Share Premium reserve | Revenue reserves | Available for sale reserve | Total share capital and reserves | Un-appropriated profit | Total         |
|---|---------------|-----------------------|------------------|----------------------------|----------------------------------|------------------------|---------------|
| <b>RUPEES</b>                             |               |                       |                  |                            |                                  |                        |               |
| Balance as at January 1, 2019             | 603,373,910   | 196,626,090           | 2,500,000        | (19,992)                   | 802,480,008                      | 167,161,726            | 969,641,734   |
| Total comprehensive loss for the period   |               |                       |                  |                            |                                  |                        |               |
| Loss after tax                            | -             | -                     | -                | -                          | -                                | (17,790,449)           | (17,790,449)  |
| Other comprehensive loss for the period   | -             | -                     | -                | (4,149)                    | (4,149)                          | -                      | (4,149)       |
| Balance as at June 30, 2019               | 603,373,910   | 196,626,090           | 2,500,000        | (4,149)                    | 802,475,859                      | (17,790,449)           | (17,794,598)  |
| Balance as at January 1, 2020             | 603,373,910   | 196,626,090           | 2,500,000        | (24,141)                   | 802,475,859                      | 149,371,277            | 951,847,136   |
| Total comprehensive Income for the period |               |                       |                  |                            |                                  |                        |               |
| Profit after tax                          | -             | -                     | -                | -                          | -                                | 35,768,565             | 35,768,565    |
| Other comprehensive loss for the period   | -             | -                     | -                | -                          | -                                | -                      | -             |
| Balance as at June 30, 2020               | 603,373,910   | 196,626,090           | 2,500,000        | -                          | 802,500,000                      | 209,095,494            | 1,011,595,494 |

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

  
**Chairman**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chief Financial Officer**



## **1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Asia Insurance Company Limited ("the Company") is a quoted public limited company, which was incorporated in Pakistan on December 06, 1979 under the repealed Companies Act, 1913 (now "the Companies Act, 2017"). The Company is engaged in non-life insurance business mainly comprising of fire, marine, motor, bond and suretyship, agriculture and allied and miscellaneous. The Company commenced its commercial operations in 1980. The registered and principal office of company is situated at 19 C/D, Block L, Gulberg III, Main Ferozpur Road, Lahore-Pakistan. Shares of the Company are quoted on Pakistan Stock Exchange.

The Company has been allowed to work as Window Takaful Operator through License No.10 on August 13, 2015 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Takaful in Pakistan. It has not transacted any business outside Pakistan.

- 1.2 The SECP has issued investigation order dated March 21, 2019 against the Company for matters pertaining to claims paid/payable and property valuation and appointed an investigation team. The Company has submitted a response to SECP and is confident, based on the confirmation from the legal advisors that no adverse inference is expected in respect of these matters.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

This condensed interim financial statements of the company for the six months period ended June 30, 2020 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

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

This condensed interim financial information is unaudited but subject to the limited scope review by the auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2019 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan.



The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2019, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended June 30, 2019.

In terms of the requirement of the Takaful Rules 2012, read with SECP circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's fund of the General Takaful Operations of the Company have been presented as single line item in the condensed interim statement of financial position and statement of profit and loss account of the Company respectively.

## **2.2 Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention except for certain financial assets which are stated at fair value.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

## **2.3 Functional and presentation currency**

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Company's functional and presentation currency.

## **3 STANDARDS INTERPRETATIONS AND AMENDMENTS**

### **3.1 Standards, interpretations and amendments effective during the current period**

There are certain new and amended standards, interpretations and amendments that are mandatory for the companies accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or do not have any significant effect on companies operations and therefore not detailed in the condensed interim financial statements. During the period, certain new standards and amendments to existing standards became effective.

### **3.2 Standards or interpretations not yet effective**

IFRS 9 'Financial Instruments' is effective for reporting period / year ended on or after June 30, 2019. It replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.



The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

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

IFRS 9 defines the terms 'principal' as being the fair value of the financial asset at initial recognition, and the 'interest' as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

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

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

- b) all other financial assets:

| Financial assets                 | June 30, 2020      |   |                    |                      |   |
|----------------------------------|--------------------|---|--------------------|----------------------|---|
|                                  | Fail the SPPI test |   | Pass the SPPI test |                      |   |
|                                  | Fair value         | Change in unrealized gain or (loss) during the year | Carrying value     | Cost less Impairment | Change in unrealized gain or (loss) during the year |
|                                  | Rupees             | Rupees  | Rupees             | Rupees               | Rupees  |
| Cash and bank *                  | 111,913,378        | -   | -                  | -                    | -   |
| Investments in equity securities |                    |   |                    |                      |   |
| Held for trading                 | 136,297,626        | 215,263   | -                  | -                    | -   |
| Investments in debt securities   |                    |   |                    |                      |   |
| Held to maturity                 | -                  | -   | 63,019,195         | -                    | 291,200   |
| Term Deposits *                  | -                  | -   | 435,000,000        | -                    | -   |
| Loans and other receivables *    | 79,584,031         | -   | -                  | -                    | -   |
| Total                            | 327,795,035        | 215,263   | 498,019,195        | -                    | 291,200   |

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





|                                | June 30, 2020  |            |             |            |
|--------------------------------|--|------------|-------------|------------|
|                                | Gross carrying amounts of debt instruments that pass the SPPI test |            |             |            |
|                                | A  | AA-        | A+          | Unrated    |
|                                | Rupees   | Rupees     | Rupees      | Rupees     |
| Investments in debt securities |  |            |             |            |
| Held to maturity               | -  | -          | -           | 63,019,195 |
| Term deposits                  | 200,000,000  | 35,000,000 | 200,000,000 | -          |
| Total                          | 200,000,000  | 35,000,000 | 200,000,000 | 62,727,995 |

- 3.3 The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

#### 4 USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended December 31, 2019.

#### 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of this condensed interim financial statement are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 2019.

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after January 01, 2020. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial information.

#### 6 TAXATION

The provisions for taxation for the half year and quarter ended June 30, 2020, have been made using the estimated effective tax rate applicable to expected total annual earnings.

|  | June 30,<br>2020<br>(Unaudited) | December 31,<br>2019<br>(Audited) |
|--|---------------------------------|-----------------------------------|
|  | Rupees                          |                                   |

#### 7 PROPERTY AND EQUIPMENT

|                                |     |                    |                    |
|--------------------------------|-----|--------------------|--------------------|
| Operating fixed assets         | 7.1 | 72,888,568         | 80,053,845         |
| Right-of-use assets - Building | 7.2 | 104,351,128        | 112,538,036        |
|                                |     | <u>177,239,696</u> | <u>192,591,881</u> |



|  | June 30,<br>2020<br>(Unaudited) | December 31,<br>2019<br>(Audited) |
|--|---------------------------------|-----------------------------------|
|  | Rupees                          |                                   |
| <b>7.1 Operating fixed assets</b>  |                                 |                                   |
| Opening balance as at  | 80,053,845                      | 81,188,744                        |
| Additions during the period / year   |                                 |                                   |
| Furniture and fixtures   | -                               | 292,300                           |
| Office equipments  | -                               | 476,341                           |
| Vehicles   | -                               | 17,301,827                        |
|  | -                               | 18,070,468                        |
| Less:  |                                 |                                   |
| Written down value of assets disposed during the period / year   | (361)                           | (2,449,679)                       |
| Depreciation charge for the period / year  | (7,164,916)                     | (16,755,688)                      |
|  | <u>72,888,568</u>               | <u>80,053,845</u>                 |
| <b>7.2 Right-of-use assets - Building</b>  |                                 |                                   |
| The recognised right-of-use assets relate to the following types of assets:  |                                 |                                   |
| Building   | <u>104,351,128</u>              | <u>-</u>                          |
| Opening balance as at  | 112,538,036                     | 128,254,208                       |
| Additions during the period / year   | -                               | -                                 |
| Depreciation charge during the period / year   | (8,186,908)                     | (15,716,172)                      |
|  | <u>104,351,128</u>              | <u>112,538,036</u>                |
| <b>8 INVESTMENT IN EQUITY SECURITIES</b>   |                                 |                                   |
| Available for sale   | 8.1                             | -                                 |
| Held for trading   | 8.2                             | -                                 |
|  | <u>136,297,626</u>              | <u>76,263,007</u>                 |
|  | <u>136,297,626</u>              | <u>76,263,007</u>                 |
| <b>8.1 Available for sale</b>  |                                 |                                   |
| Investment in ordinary shares  | <u>-</u>                        | <u>-</u>                          |
| <b>8.2 Held for trading</b>  |                                 |                                   |
| Investment in ordinary shares  | 107,091,530                     | 48,451,550                        |
| Investment in mutual funds   | 29,206,096                      | 27,811,457                        |
|  | <u>136,297,626</u>              | <u>76,263,007</u>                 |
|  | <u>136,297,626</u>              | <u>76,263,007</u>                 |
| <b>9 DEBT SECURITIES</b>   |                                 |                                   |
| Held to maturity   |                                 |                                   |
| Pakistan Investment Bonds (10 years)   | 9.1                             | -                                 |
|  | <u>63,019,195</u>               | <u>62,727,995</u>                 |
| 9.1 Pakistan Investment Bond (PIBs) having Face Values Rs. 64.500 million (December 31, 2019: Rs. 61.50 million), carrying interest ranging from 7.75% to 9% (December 31, 2019: 7.75% to 12%) per annum. Profits are paid semi annually and these will be matured latest by September 2022. |                                 |                                   |



|  |  | June 30,<br>2020<br>(Unaudited) | December 31,<br>2019<br>(Audited) |
|--|--|---------------------------------|-----------------------------------|
|  |  | Rupees                          |                                   |
| <b>10 TERM DEPOSIT RECEIPT</b>   | <b>Note</b>  |                                 |                                   |
| Held to maturity   |  |                                 |                                   |
| Deposits maturing within 12 months   | 10.1   | 435,000,000                     | 435,000,000                       |
| 10.1   | The rate of return on Term Deposit Certificates maintained at various banks ranges from 8.50% to 14.40% per annum (December 31, 2019 : 11.69% to 14.40% per annum). These Term Deposits Certificates have maturity upto December 2020.   |                                 |                                   |
| <b>11 INSURANCE / REINSURANCE RECEIVABLES</b>                                  |  |                                 |                                   |
| (Unsecured - considered good)  |  |                                 |                                   |
| Due from insurance contract holders  |  | 176,271,079                     | 97,414,767                        |
| Less : Provision for impairment of receivables from insurance contract holders |  | (3,567,819)                     | (3,303,412)                       |
|  |  | 172,703,260                     | 94,111,355                        |
| Due from other insurers / reinsurers   |  | 230,840,753                     | 182,384,855                       |
| Less : Provision for impairment of due from other insurers / reinsurers        |  | (7,311,751)                     | (6,965,490)                       |
|  |  | 223,529,002                     | 175,419,365                       |
|  |  | 396,232,262                     | 269,530,720                       |
| 11.1   | Movement of provision for doubtful insurers / reinsurers receivables is as follows:  |                                 |                                   |
| Opening  |  | (10,268,902)                    | -                                 |
| Adjustment on account of:  |  |                                 |                                   |
| Provision for doubtful   |  |                                 |                                   |
| Due from insurance contract holders  |  | (264,407)                       | (3,303,412)                       |
| Due from other insurers / reinsurers   |  | (346,261)                       | (6,965,490)                       |
| Net adjustment   |  | (610,668)                       | (10,268,902)                      |
| Closing balance  |  | (10,879,570)                    | (10,268,902)                      |
| <b>12 DEFERRED TAXATION</b>  |  |                                 |                                   |
| Deferred tax (liability) / asset arising in respect of:                        |  |                                 |                                   |
| Accelerated depreciation on property and equipment                             |  | (992,345)                       | (1,399,934)                       |
| Unrealised gain on premeasurement of investment - P&L                          |  | 208,982                         | 910,372                           |
| Unrealised gain on premeasurement of investment - OCI                          |  | -                               | (1,694)                           |
| Leases   |  | 8,148,551                       | 8,894,595                         |
| Provisions   |  | 3,260,483                       | 2,977,982                         |
| Minimum taxation   |  | 22,303,552                      | 22,303,552                        |
| Deferred tax asset   |  | 32,929,223                      | 33,684,873                        |
| 12.1   | The deferred tax asset has been recognized on the basis of future projections indicating the quantum of profits available for utilization of losses carried forward. In the event that future profits are not available, the tax losses and minimum tax would not be utilized and may lapse. |                                 |                                   |



|   |   | June 30,<br>2020<br>(Unaudited) | December 31,<br>2019<br>(Audited)  |
|---|---|---------------------------------|--|
|   | Note  | Rupees                          |  |
| <b>13 CASH AND BANK BALANCES</b>                          |   |                                 |  |
| Cash and cash equivalents                                 |   | 1,200,987                       | 16,396   |
| Cash at bank  |   |                                 |  |
| Current accounts  |   | 49,737,265                      | 54,596,860   |
| Saving accounts   | 13.1  | 60,975,126                      | 148,176,721  |
|   |   | <u>111,913,378</u>              | <u>202,789,977</u>   |
| 13.1  | The rate of return on PLS saving accounts maintained at various banks ranges from 3% to 9.00% per annum (2019: 11.25% to 14.00% per annum).   |                                 |  |
| <b>14 TOTAL ASSETS OF WINDOW TAKAFUL OPERATIONS - OPF</b> |   |                                 |  |
| Total assets of window takaful operations - OPF           |   | <u>73,047,110</u>               | <u>64,740,352</u>  |
| Total liabilities of window takaful operations - OPF      |   | <u>9,317,740</u>                | <u>6,256,318</u>   |
| Profit for the Period                                     |   | <u>5,245,336</u>                | <u>11,633,110</u>  |
| 14.1  | The condense interim financial statements of window takaful operations are separately prepared under the provisions of the class 11(b) of Takaful Rules 2012 read with circular No. 25 of July 9,   |                                 |  |
| <b>15 SHARE CAPITAL</b>                                   |   |                                 |  |
| <b>15.1 Authorized share capital</b>                      |   |                                 |  |
|   | 2020  | 2019                            |  |
|   | No. of shares   | No. of shares                   | Ordinary Shares of Rs. 10 each   |
|   | <u>100,000,000</u>  | <u>100,000,000</u>              | <u>1,000,000,000</u> <u>1,000,000,000</u>                                      |
| <b>15.2 Issued, subscribed and paid-up share capital</b>  |   |                                 |  |
|   | 2020  | 2019                            |  |
|   | No. of shares   | No. of shares                   | Ordinary shares of Rs. 10/-  |
|   | 40,337,391  | 40,337,391                      | each fully paid in cash 403,373,910 403,373,910                                |
|   | 15,000,000  | 15,000,000                      | Paid up capital for general insurance fully paid bonus 150,000,000 150,000,000 |
|   | 5,000,000   | 5,000,000                       | Statutory fund for window takaful operations 50,000,000 50,000,000             |
|   | <u>60,337,391</u>   | <u>60,337,391</u>               | <u>603,373,910</u> <u>603,373,910</u>  |
| 15.2.1  | 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 Takaful Rules, 2012 issued by Securities and Exchange Commission of Pakistan.                               |                                 |  |
| 15.2.2  | During the financial year 2017 the company has issued 15,337,391 shares to InsuResilience Investment Fund SICAV RAIF, Luxembourg for an aggregate amount of Rs. 350 million bearing a premium of Rs. 12.82 per shares and total amounting to Rs. 196,626,090/-. |                                 |  |



|   |      | June 30,<br>2020<br>(Unaudited) | December 31,<br>2019<br>(Audited) |
|---|------|---------------------------------|-----------------------------------|
|   | Note | ----- Rupees -----              |                                   |
| <b>16 LEASE LIABILITIES</b>                         |      |                                 |                                   |
| Lease liabilities as at                             |      | 143,209,055                     | 151,180,382                       |
| Less: Payment made during the period                |      | (19,515,252)                    | (23,871,785)                      |
| Add: Interest expense for the period / year         | 16.1 | 7,819,161                       | 15,900,458                        |
| Lease liabilities                                   |      | <u>131,512,964</u>              | <u>143,209,055</u>                |
| Maturity analysis-contractual undiscounted cashflow |      |                                 |                                   |
| Less than one year                                  |      | 23,422,189                      | 20,976,464                        |
| One to five year                                    |      | 131,097,937                     | 126,399,015                       |
| More than five year                                 |      | 58,651,001                      | 67,404,882                        |
| Total undiscounted lease liability                  |      | <u>213,171,127</u>              | <u>214,780,361</u>                |

16.1 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate.

## 17 CONTINGENCIES AND COMMITMENTS

### 17.1 CONTINGENCIES

17.1.1 Suits for recovery of approximate Rs. 80.713 million (December 31, 2019: Rs. 80.713 million) have been lodged but are not accepted by the Company and the cases are pending adjudication before different courts. As per the Company's legal advisor, such claims are untenable and accordingly management has not provided any liability in respect thereof.

17.1.2 The Company has filed suit for recovery of Rs. 56.369 million (December 31, 2019: Rs. 56.369 million) against insurer/reinsurer for amount due. The management of the Company on the basis of the facts of the case and advice of the legal advisor believe that they have strong case and has not, therefore, made provision in the financial statements against the aforesaid claim.

17.1.3 The Company filed a writ petition before the Honourable Lahore High Court, Lahore against the levy of both Federal Excise Duty and Sales Tax on Services for tax year 2012 to 2014, and impugned inter alia, the show cause notices and orders passed by deputy commissioner inland revenue dated June 01, 2016 and demanding an amount of Rs. 77.556 million. The honourable court while issuing notices to the respondents has ordered that no coercive measures shall be adopted against the Company. The matter is pending adjudication before the Honourable High Court, Lahore. As per the Company's legal advisor, such claims are untenable and accordingly management has not provided any liability in respect thereof.



## 17.2 Commitments

### 17.2.1 Ijarah Disclosure:

The Company has entered into a Vehicle Ijarah agreements with Meezan Bank Limited and Sindh Bank Limited. The company has made payment of Rs. 3,405,660/- till the period end.

|  | June 30,<br>2020<br>(Unaudited) | December 31,<br>2019<br>(Audited) |
|--|---------------------------------|-----------------------------------|
|  | ----- Rupees -----              |                                   |
| Payable not later than 1 year                        | 4,702,125                       | 5,618,381                         |
| Payable later than 1 year and not later than 5 years | 4,702,577                       | 6,920,315                         |
|  | <u>9,404,702</u>                | <u>12,538,696</u>                 |

17.2.3 There is no known commitment as at June 30, 2020 except as stated above (2019: Nil). However, commitment against lease liabilities has been disclosed in the relevant note to these financial statements.

|   | Six months period ended    |                            | Three months period ended  |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | June 30,<br>2020<br>Rupees | June 30,<br>2019<br>Rupees | June 30,<br>2020<br>Rupees | June 30,<br>2019<br>Rupees |
| Written gross premium                       | 289,605,741                | 257,690,093                | 178,726,833                | 160,895,760                |
| Add: Unearned premium reserve - opening     | 262,243,543                | 252,509,416                | 234,705,502                | 219,896,343                |
| Less: Unearned premium reserve - closing    | (278,032,574)              | (253,940,888)              | (278,032,574)              | (253,940,888)              |
| Premium earned                              | <u>273,816,710</u>         | <u>256,258,621</u>         | <u>135,399,761</u>         | <u>126,851,215</u>         |
| Less: Reinsurance premium ceded             | 41,353,218                 | 28,446,385                 | 27,041,333                 | 14,076,781                 |
| Add: Prepaid reinsurance premium - opening  | 36,555,316                 | 41,434,546                 | 34,216,477                 | 36,581,248                 |
| Less: Prepaid reinsurance premium - closing | (43,513,092)               | (32,035,320)               | (43,513,092)               | (32,035,320)               |
| Reinsurance expense                         | <u>34,395,442</u>          | <u>37,845,611</u>          | <u>17,744,718</u>          | <u>18,622,709</u>          |
|   | <u>239,421,268</u>         | <u>218,413,010</u>         | <u>117,655,043</u>         | <u>108,228,506</u>         |

## 18 NET INSURANCE PREMIUM

## 19 NET INSURANCE CLAIMS EXPENSE

|   |                    |                   |                    |                   |
|---|--------------------|-------------------|--------------------|-------------------|
| Claims paid   | 82,763,314         | 63,876,693        | 45,600,191         | 30,546,768        |
| Add: Outstanding claims (including IBNR)  |                    |                   |                    |                   |
| - closing   | 174,919,983        | 141,038,919       | 174,919,983        | 141,038,919       |
| Less: Outstanding claims (including IBNR)   |                    |                   |                    |                   |
| - opening   | (108,865,952)      | (126,110,519)     | (108,345,506)      | (125,196,113)     |
| Claims expense  | <u>148,817,345</u> | <u>78,805,093</u> | <u>112,174,668</u> | <u>46,389,574</u> |
| Less: Reinsurance and other recoveries received                                   | 19,133,040         | 10,231,839        | 13,694,926         | 4,464,579         |
| Add: Reinsurance and other recoveries in respect of outstanding claims - closing  | 102,347,134        | 56,525,129        | 102,347,134        | 56,525,129        |
| Less: Reinsurance and other recoveries in respect of outstanding claims - opening | (43,521,203)       | (49,401,986)      | (45,133,024)       | (52,589,000)      |
| Reinsurance and other recoveries revenue  | <u>77,958,971</u>  | <u>17,354,982</u> | <u>70,909,036</u>  | <u>8,400,708</u>  |
|   | <u>70,858,374</u>  | <u>61,450,111</u> | <u>41,265,632</u>  | <u>37,988,866</u> |

**ASIA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**



|  | Six months period ended |                         | Three months period ended |                         |
|--|-------------------------|-------------------------|---------------------------|-------------------------|
|  | June 30, 2020<br>Rupees | June 30, 2019<br>Rupees | June 30, 2020<br>Rupees   | June 30, 2019<br>Rupees |
| <b>20 NET COMMISSION</b>   |                         |                         |                           |                         |
| Commission paid or payable   | 73,246,143              | 49,267,858              | 40,838,380                | 27,540,720              |
| Add: Deferred commission expense                                       |                         |                         |                           |                         |
| - opening  | 53,439,780              | 52,334,737              | 52,865,090                | 47,609,854              |
| Less: Deferred commission expense                                      |                         |                         |                           |                         |
| - closing  | (64,887,589)            | (48,449,165)            | (64,887,590)              | (48,449,165)            |
| Net commission   | 61,798,334              | 53,153,430              | 28,815,880                | 26,701,409              |
| Less: Commission received or recoverable                               | 9,164,029               | 5,742,123               | 6,112,733                 | 2,842,439               |
| Add: Unearned reinsurance commission                                   |                         |                         |                           |                         |
| - opening  | 7,765,517               | 8,031,216               | 7,200,747                 | 7,133,951               |
| Less: Unearned reinsurance commission                                  |                         |                         |                           |                         |
| - closing  | (9,437,466)             | (6,015,517)             | (9,437,466)               | (6,015,517)             |
| Commission from reinsurers   | 7,492,080               | 7,757,822               | 3,876,014                 | 3,960,873               |
|  | <u>54,306,254</u>       | <u>45,395,608</u>       | <u>24,939,866</u>         | <u>22,740,536</u>       |
| <b>21 INVESTMENT INCOME</b>  |                         |                         |                           |                         |
| Income from equity securities  |                         |                         |                           |                         |
| Through profit or loss   |                         |                         |                           |                         |
| - Dividend income on listed securities                                 | 45,900                  | -                       | 45,900                    | -                       |
| - Dividend income on mutual funds                                      | 3,457,509               | 1,964,855               | 3,457,509                 | 1,964,855               |
| Income from debt securities  |                         |                         |                           |                         |
| Amortised cost - Return on debt securities                             | 2,717,346               | 2,920,340               | 1,358,866                 | 1,461,194               |
| Income from term deposits  |                         |                         |                           |                         |
| Amortised cost - Return on term deposits                               | 28,761,449              | 18,143,623              | 13,464,166                | 9,432,185               |
|  | <u>34,982,204</u>       | <u>23,028,818</u>       | <u>18,326,441</u>         | <u>12,858,234</u>       |
| Net realized fair value gain /(loss) on investments                    |                         |                         |                           |                         |
| Through profit or loss - Listed securities                             | 14,363,145              | -                       | 3,956,990                 | -                       |
| Net unrealized fair value gain / (loss) on investments                 |                         |                         |                           |                         |
| Through profit or loss   |                         |                         |                           |                         |
| Listed securities  | 1,759,507               | (2,949,883)             | 8,277,120                 | (1,820,992)             |
| Mutual funds   | (1,544,244)             | (3,767,576)             | (2,598,419)               | (7,998,258)             |
| Amortised cost - Debt securities                                       | 291,200                 | 20,952                  | 154,559                   | 10,476                  |
|  | <u>14,869,608</u>       | <u>(6,696,507)</u>      | <u>9,790,250</u>          | <u>(9,808,774)</u>      |
| Less: Investment related expenses                                      | (574,453)               | (1,167)                 | (382,989)                 | (1,065)                 |
| Net investment income  | <u>49,277,359</u>       | <u>16,331,144</u>       | <u>27,733,702</u>         | <u>3,048,395</u>        |
| <b>22 EARNINGS / (LOSS) PER SHARE - basic and diluted</b>              |                         |                         |                           |                         |
| Profit / (loss) for the period (Rs.)                                   | <u>35,768,565</u>       | <u>(17,790,449)</u>     | <u>12,994,071</u>         | <u>(36,509,809)</u>     |
| Weighted average number of ordinary shares of Rs. 10 each              | <u>60,337,391</u>       | <u>53,511,447</u>       | <u>60,337,391</u>         | <u>53,511,447</u>       |
| Earnings / (loss) per share - rupees                                   | <u>0.59</u>             | <u>(0.29)</u>           | <u>0.22</u>               | <u>(0.61)</u>           |
| There is no dilutive effect on basic earning per share of the Company. |                         |                         |                           |                         |
| <b>23 TAXATION</b>   |                         |                         |                           |                         |
| Current  | 17,087,430              | 3,024,892               | 9,168,143                 | 1,298,742               |
| Prior year   | -                       | -                       | -                         | -                       |
| Deferred   | 755,650                 | -                       | 755,650                   | 1,642,304               |
|  | <u>17,843,080</u>       | <u>3,024,892</u>        | <u>9,923,793</u>          | <u>2,941,046</u>        |

**ASIA INSURANCE COMPANY LIMITED**  
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**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**



**24 SEGMENT INFORMATION**

| As at June 30, 2020   | Rupees                         |                                     |              |                                     |                           | TOTAL             |
|---|--------------------------------|-------------------------------------|--------------|-------------------------------------|---------------------------|-------------------|
|   | FIRE AND<br>PROPERTY<br>DAMAGE | MARINE<br>AVIATION AND<br>TRANSPORT | MOTOR        | HEALTH AND<br>PERSONAL<br>ACCIDENTS | AGRICULTURE<br>AND ALLIED | MISCELLANEO<br>US |
| Premium received (inclusive of FED, FIF and Admin<br>surcharge) | 99,989,187                     | 65,954,123                          | 69,674,011   | 45,121,932                          | 6,516,140                 | 27,376,543        |
| Less: Federal Excise Duty / Sales Tax                           | (7,698,815)                    | (6,131,325)                         | (6,621,856)  | 78,705                              | -                         | (2,514,134)       |
| Federal Insurance Fee   | (505,148)                      | (553,546)                           | (421,455)    | (439,051)                           | (61,706)                  | (157,864)         |
| Gross Written Premium (inclusive of Admin<br>surcharge)         | 91,785,224                     | 59,269,252                          | 62,630,700   | 44,761,586                          | 6,454,434                 | 24,704,545        |
| Gross direct Premium  | 49,233,313                     | 54,106,432                          | 41,485,554   | 44,748,206                          | 6,184,989                 | 14,137,082        |
| Facultative inward Premium                                      | 41,257,145                     | 3,925,675                           | 20,486,495   | -                                   | -                         | 10,067,233        |
| Administrative surcharge  | 1,294,766                      | 1,237,145                           | 658,651      | 13,380                              | 269,445                   | 500,230           |
| Insurance Premium earned  | 99,030,894                     | 39,892,384                          | 62,426,377   | 27,716,659                          | 8,332,836                 | 36,417,560        |
| Insurance Premium ceded to reinsurers                           | (22,485,181)                   | (2,833,405)                         | (2,625,000)  | -                                   | (1,045,500)               | (5,406,356)       |
| Net Insurance Premium   | 76,545,713                     | 37,058,979                          | 59,801,377   | 27,716,659                          | 7,287,336                 | 31,011,204        |
| Commission income   | 5,809,006                      | 665,484                             | 1            | -                                   | -                         | 1,017,589         |
| Net underwriting income   | 82,354,719                     | 37,724,463                          | 59,801,378   | 27,716,659                          | 7,287,336                 | 32,028,793        |
| Insurance claims  | (82,930,838)                   | (6,845,540)                         | (21,641,659) | (26,438,815)                        | (869,360)                 | (10,091,133)      |
| Insurance claims recovered from reinsurers                      | 72,874,988                     | 3,931,499                           | 859,867      | -                                   | -                         | 292,617           |
| Net claims  | (10,055,850)                   | (2,914,041)                         | (20,781,792) | (26,438,815)                        | (869,360)                 | (9,798,516)       |
| Commission expenses   | (26,821,989)                   | (12,346,946)                        | (12,323,016) | (1,385,396)                         | (2,579,719)               | (6,341,268)       |
| Management expenses   | (40,301,469)                   | (16,234,239)                        | (25,404,299) | (11,275,943)                        | (3,387,240)               | (15,429,845)      |
| Premium deficiency expense                                      | -                              | -                                   | -            | -                                   | -                         | -                 |
| Net Insurance claims and expenses                               | (77,179,308)                   | (31,495,226)                        | (58,509,107) | (39,100,154)                        | (6,836,319)               | (31,569,629)      |
| Underwriting results  | 5,175,411                      | 6,229,237                           | 1,292,271    | (11,383,495)                        | 451,017                   | 2,223,605         |
| Net investment income   | -                              | -                                   | -            | -                                   | -                         | -                 |
| Other income  | -                              | -                                   | -            | -                                   | -                         | -                 |
| Other expenses  | -                              | -                                   | -            | -                                   | -                         | -                 |
| Finance cost  | -                              | -                                   | -            | -                                   | -                         | -                 |
| Profit from WTO Operations                                      | -                              | -                                   | -            | -                                   | -                         | -                 |
| Profit before tax   | -                              | -                                   | -            | -                                   | -                         | -                 |
| Segment assets  | 274,744,436                    | 95,715,051                          | 107,158,262  | 42,247,642                          | 14,316,870                | 72,797,817        |
| Unallocated assets  | -                              | -                                   | -            | -                                   | -                         | -                 |
| Total assets  | -                              | -                                   | -            | -                                   | -                         | -                 |
| Segment liabilities   | 235,265,747                    | 80,576,348                          | 120,644,397  | 61,931,193                          | 13,881,997                | 67,516,313        |
| Unallocated liabilities   | -                              | -                                   | -            | -                                   | -                         | -                 |
| Total liabilities   | -                              | -                                   | -            | -                                   | -                         | -                 |



**ASIA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
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**SEGMENT INFORMATION**

| As at December 31, 2019                                      |                          | Rupees                        |               |                               |                        |                |               |
|--|--------------------------|-------------------------------|---------------|-------------------------------|------------------------|----------------|---------------|
|  | FIRE AND PROPERTY DAMAGE | MARINE AVIATION AND TRANSPORT | MOTOR         | HEALTH AND PERSONAL ACCIDENTS | AGRICULTURE AND ALLIED | MISCELLANEO US | TOTAL         |
| Premium received (inclusive of FED, FIF and Admin surcharge) | 205,805,478              | 74,468,284                    | 146,706,384   | 64,763,284                    | 13,573,377             | 89,609,440     | 594,926,247   |
| Less: Federal Excise Duty / Sales Tax                        | (21,011,907)             | (6,316,935)                   | (19,157,313)  | (8,532,633)                   | -                      | (11,600,106)   | (66,618,894)  |
| Federal Insurance Fee  | (1,389,228)              | (639,177)                     | (1,213,839)   | (556,807)                     | (116,498)              | (735,533)      | (4,651,082)   |
| Gross Written Premium (inclusive of Admin surcharge)         | 183,404,343              | 67,512,172                    | 126,335,232   | 55,673,844                    | 13,456,879             | 77,273,801     | 523,656,271   |
| Gross direct Premium   | 135,119,403              | 61,207,262                    | 119,599,931   | 55,631,804                    | 11,137,619             | 70,873,408     | 453,569,427   |
| Facultative inward Premium                                   | 44,495,456               | 3,614,904                     | 4,953,080     | -                             | 1,811,151              | 3,790,835      | 58,665,426    |
| Administrative surcharge                                     | 3,789,484                | 2,690,006                     | 1,782,221     | 42,040                        | 508,109                | 2,609,558      | 11,421,418    |
| Insurance Premium earned                                     | 169,478,044              | 63,319,629                    | 128,453,101   | 50,435,323                    | 15,060,600             | 87,175,447     | 513,922,144   |
| Insurance Premium ceded to reinsurers                        | (40,961,428)             | (11,465,162)                  | (5,250,004)   | -                             | (1,020,000)            | (17,332,578)   | (76,029,172)  |
| Net Insurance Premium  | 128,516,616              | 51,854,467                    | 123,203,097   | 50,435,323                    | 14,040,600             | 69,842,869     | 437,892,972   |
| Commission income  | 9,926,099                | 2,794,819                     | -             | -                             | -                      | 1,590,853      | 14,311,771    |
| Net underwriting income                                      | 138,442,715              | 54,649,286                    | 123,203,097   | 50,435,323                    | 14,040,600             | 71,433,722     | 452,204,743   |
| Insurance claims   | (25,076,972)             | (3,924,117)                   | (42,527,829)  | (54,415,539)                  | (1,224,319)            | (26,493,519)   | (153,662,295) |
| Insurance claims recovered from reinsurers                   | 19,365,211               | 1,817,698                     | (1,159,236)   | -                             | -                      | 1,961,205      | 21,984,878    |
| Net claims   | (5,711,761)              | (2,106,419)                   | (43,687,065)  | (54,415,539)                  | (1,224,319)            | (24,532,314)   | (131,677,417) |
| Commission expenses  | (41,383,240)             | (15,196,694)                  | (25,289,768)  | (2,609,783)                   | (4,437,582)            | (16,973,763)   | (105,890,830) |
| Management expenses  | (92,071,293)             | (34,394,128)                  | (69,765,361)  | (27,386,882)                  | (8,179,772)            | (47,375,677)   | (279,173,113) |
| Premium deficiency expense                                   | -                        | -                             | -             | (3,453,183)                   | -                      | -              | (3,453,183)   |
| Net Insurance claims and expenses                            | (139,166,294)            | (51,697,241)                  | (138,742,194) | (87,865,387)                  | (13,841,673)           | (88,881,754)   | (520,194,543) |
| Underwriting results   | (723,579)                | 2,952,045                     | (15,539,097)  | (37,430,064)                  | 198,927                | (17,448,032)   | (67,989,800)  |
| Net investment income  | -                        | -                             | -             | -                             | -                      | -              | 52,854,555    |
| Other income   | -                        | -                             | -             | -                             | -                      | -              | 26,600,427    |
| Other expenses   | -                        | -                             | -             | -                             | -                      | -              | (2,721,438)   |
| Finance cost   | -                        | -                             | -             | -                             | -                      | -              | (15,902,673)  |
| Profit from WTO Operations                                   | -                        | -                             | -             | -                             | -                      | -              | 11,633,110    |
| Profit before tax  | -                        | -                             | -             | -                             | -                      | -              | 4,474,181     |
| Segment assets   | 157,043,572              | 59,635,533                    | 83,251,639    | 27,798,330                    | 10,302,532             | 65,015,413     | 403,047,019   |
| Unallocated assets   | -                        | -                             | -             | -                             | -                      | -              | 1,200,932,927 |
| Total assets   | 157,043,572              | 59,635,533                    | 83,251,639    | 27,798,330                    | 10,302,532             | 65,015,413     | 1,603,979,946 |
| Segment liabilities  | 169,771,327              | 50,147,243                    | 120,713,630   | 43,865,892                    | 12,647,276             | 80,929,224     | 478,074,593   |
| Unallocated liabilities                                      | -                        | -                             | -             | -                             | -                      | -              | 150,078,424   |
| Total liabilities  | 169,771,327              | 50,147,243                    | 120,713,630   | 43,865,892                    | 12,647,276             | 80,929,224     | 628,153,017   |



## 25 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common Directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices except for compensation to key management personnel which

| Note                                     | Six months period ended |                  | Three months period ended |                  |
|--|-------------------------|------------------|---------------------------|------------------|
|  | June 30,<br>2020        | June 30,<br>2019 | June 30,<br>2020          | June 30,<br>2019 |
| <b>Transaction with:</b>                 |                         |                  |                           |                  |
| <b>Relationship with the Company</b>     |                         |                  |                           |                  |
| <b>Nature of transaction</b>             |                         |                  |                           |                  |
| Retirement benefit plans                 |                         |                  |                           |                  |
| Contribution to staff                    | 1,607,652               | 1,631,627        | 804,679                   | 870,738          |
| Key management personnel /Directors      |                         |                  |                           |                  |
| Remuneration and other                   | 7,472,500               | 8,577,500        | 4,097,500                 | 5,062,500        |
| Rent / lease rental paid -               |                         |                  |                           |                  |
| Directors and their spouse               | 18,249,572              | 16,590,520       | 18,183,572                | 12,405,616       |
| Commission paid -                        |                         |                  |                           |                  |
| Directors / Key management               | 5,727,395               | 6,506,265        | 5,727,395                 | 4,104,532        |
| <b>Balances as at period / year end:</b> |                         |                  |                           |                  |
| Retirement benefit plans                 | 626,703                 | 754,234          | 626,703                   | 754,234          |
| Lease payable (directors and spouses)    | 126,008,886             | 185,919,909      | 126,008,886               | 185,919,909      |

- 25.1 Rent paid to directors and their spouse includes prepaid rent amounting Rs. Nil (June 30, 2019: 13,476 million). The balance of security deposit against rent paid to director as at June 30, 2020 is amounting to Rs. 3.713 million (2019: Rs. 3.713 million).

## 26 MANAGEMENT EXPENSES

The management expenses includes an amount of nil (June 30, 2019: 0.050 million) against penalty imposed by Securities and Exchange Commission of Pakistan against various show cause notices. Further, it also includes Ijarah rentals amounting to Rs. 3.406 million (June 30, 2019: Rs. 6.196 million).

## 27 INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2019.

## 28 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.

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



- 28.2 All assets and liabilities for which fair value is measured or disclosed in the condensed interim financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## 29 COVID - 19

On March 11, 2020, the World Health Organization has declared COVID-19 (the virus) a global 'pandemic'. With the growing number of cases in Pakistan the Provincial Governments and the Federal Government of Pakistan have provided various directions and are taking measures to respond to the virus. The events and conditions are resulting in disruption to business operations particularly to business in highly exposed sectors and significant increase in economic uncertainty. The ongoing situation may have an impact on the operations and financial condition of the Company. The management had analysed the events as these are indicative of conditions for a review of recoverable amounts of assets of the Company and consequently concluded that there is no change in recoverable amounts of Company's assets at the reporting date. The extent of the spread of the virus and its potential impact on the Company is undeterminable at the date of these financial statements were approved and authorised for issue. However, the management and the Board of Directors of the Company continue to monitor the developing situation and any impact will be accounted for in the financial statements for the subsequent periods. Further, as per relaxation given by Authorities, the Company has resumed its operations with all precautionary measures

## 30 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the


## 31 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on August 25, 2020 by the Board of Directors of the Company.

## 32 GENERAL

Amounts have been rounded off to the nearest rupees unless otherwise stated.

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer





# **Asia Insurance Company Limited**

## **Window Takaful Operations**

**Condensed Interim  
Financial Statements  
For the Half Year  
Ended June 30,  
2020**



**INDEPENDENT AUDITORS' REVIEW REPORT  
TO THE MEMBERS OF ASIA INSURANCE COMPANY LIMITED -  
WINDOW TAKAFUL OPERATIONS**



**Report on review of interim financial statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS** as at June 30, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these 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 are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other matter**

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

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Imran.

**LAHORE**

**DATED:** August 25, 2020

*Bdo Ebrahim & Co.*

**BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS**

ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION OF  
OPF AND PTF (UNAUDITED)  
AS AT JUNE 30, 2020




|  | Note | Operators' Fund                |                                 | Participants' Takaful Fund     |                                 |
|--|------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
|  |      | Un-audited<br>June 30,<br>2020 | Audited<br>December 31,<br>2019 | Un-audited<br>June 30,<br>2020 | Audited<br>December 31,<br>2019 |
|  |      | ----- Rupees -----             |                                 |                                |                                 |
| <b>ASSETS</b>                                      |      |                                |                                 |                                |                                 |
| Loans and other receivables                        | 6    | 1,016,916                      | 306,944                         | -                              | -                               |
| Takaful / re-takaful receivables                   | 7    | -                              | -                               | 41,264,066                     | 27,068,445                      |
| Retakaful recoveries against outstanding claims    |      | -                              | -                               | 1,030,437                      | 1,365,437                       |
| Receivable from PTF                                |      | 16,546,546                     | 14,416,114                      | -                              | -                               |
| Deferred commission expense                        | 15   | 5,128,750                      | 5,565,632                       | -                              | -                               |
| Prepayments  |      | -                              | -                               | 6,133,751                      | 4,838,127                       |
| Cash and bank balance                              | 8    | 50,354,898                     | 44,451,662                      | 35,988,549                     | 30,930,784                      |
| <b>TOTAL ASSETS</b>                                |      | <b>73,047,110</b>              | <b>64,740,352</b>               | <b>84,416,803</b>              | <b>64,202,793</b>               |
| <b>FUND AND LIABILITIES</b>                        |      |                                |                                 |                                |                                 |
| <b>Operators' Fund (OPF)</b>                       |      |                                |                                 |                                |                                 |
| Statutory Fund                                     | 10   | 50,000,000                     | 50,000,000                      | -                              | -                               |
| Accumulated profit                                 |      | 34,140,370                     | 28,895,034                      | -                              | -                               |
| <b>Total Operator's funds</b>                      |      | <b>84,140,370</b>              | <b>78,895,034</b>               | <b>-</b>                       | <b>-</b>                        |
| <b>Participants' Takaful Fund (PTF)</b>            |      |                                |                                 |                                |                                 |
| Seed money   | 9    | -                              | -                               | 500,000                        | 500,000                         |
| Accumulated surplus/(deficit)                      |      | -                              | -                               | 7,990,562                      | (3,852,623)                     |
| <b>Balance of Participants' Takaful Fund (PTF)</b> |      | <b>-</b>                       | <b>-</b>                        | <b>8,490,562</b>               | <b>(3,352,623)</b>              |
| <b>Qard-e-Hasna</b>                                |      | <b>(20,411,000)</b>            | <b>(20,411,000)</b>             | <b>20,411,000</b>              | <b>20,411,000</b>               |
| <b>Liabilities</b>                                 |      |                                |                                 |                                |                                 |
| <b>PTF Underwriting provisions</b>                 |      |                                |                                 |                                |                                 |
| Outstanding claims including IBNR                  | 14   | -                              | -                               | 9,932,161                      | 12,085,665                      |
| Unearned contribution reserve                      | 13   | -                              | -                               | 17,847,664                     | 18,335,128                      |
| Contribution deficiency reserves                   |      | -                              | -                               | -                              | 452,484                         |
| Reserve for unearned retakaful rebate              |      | -                              | -                               | -                              | 2,732                           |
|  |      | -                              | -                               | 27,779,825                     | 30,876,009                      |
| Retirement benefit obligations                     |      | 47,115                         | 47,115                          | -                              | -                               |
| Contribution received in advance                   |      | -                              | -                               | 1,486,676                      | 692,797                         |
| Takaful / retakaful payables                       |      | -                              | -                               | 6,493,195                      | 182,534                         |
| Other creditors and accruals                       | 11   | 9,270,625                      | 6,209,203                       | 3,208,999                      | 976,962                         |
| Payable to OPF                                     |      | -                              | -                               | 16,546,546                     | 14,416,114                      |
|  |      | 9,317,740                      | 6,256,318                       | 27,735,416                     | 16,268,407                      |
| <b>TOTAL FUND AND LIABILITIES</b>                  |      | <b>73,047,110</b>              | <b>64,740,352</b>               | <b>84,416,803</b>              | <b>64,202,793</b>               |

CONTINGENCIES AND COMMITMENTS 12

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer




**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**



|   |      | For the quarter ended<br>Un-Audited |                            | For the half year ended<br>Un-Audited |                            |
|---|------|-------------------------------------|----------------------------|---------------------------------------|----------------------------|
|   | Note | June 30,<br>2020<br>Rupees          | June 30,<br>2019<br>Rupees | June 30,<br>2020<br>Rupees            | June 30,<br>2019<br>Rupees |
| <b>Participants' Takaful Fund</b>                       |      |                                     |                            |                                       |                            |
| Contributions earned                                    | 13   | 9,127,646                           | 7,490,060                  | 18,869,315                            | 14,416,180                 |
| Less: Contributions ceded to retakaful                  |      | (4,180,470)                         | (3,246,249)                | (7,854,376)                           | (6,506,158)                |
| Net contribution revenue                                |      | 4,947,176                           | 4,243,811                  | 11,014,939                            | 7,910,022                  |
| Retakaful rebate earned                                 |      | -                                   | -                          | 2,732                                 | 2,732                      |
| Net underwriting income                                 |      | 4,947,176                           | 4,243,811                  | 11,017,671                            | 7,912,754                  |
| Net claims - reported/settled - including IBNR          | 14   | (1,361,198)                         | (1,973,185)                | (756,262)                             | (3,850,268)                |
| Reversal / (charge) of contribution deficiency reserve  |      | 428,059                             | -                          | 452,484                               | -                          |
|   |      | (933,139)                           | (1,973,185)                | (303,778)                             | (3,850,268)                |
| Other direct expenses                                   |      | (16,531)                            | (9,470)                    | (19,656)                              | (11,628)                   |
| <b>Surplus before investment income</b>                 |      | 3,997,506                           | 2,261,156                  | 10,694,237                            | 4,050,858                  |
| Investment income                                       |      | -                                   | -                          | -                                     | -                          |
| Other income  |      | 554,390                             | 407,132                    | 1,148,948                             | 746,041                    |
| <b>Surplus to be transferred to accumulated surplus</b> |      | 4,551,896                           | 2,668,288                  | 11,843,185                            | 4,796,899                  |
| <b>Operators' Fund</b>                                  |      |                                     |                            |                                       |                            |
| Wakala fee  |      | 6,113,635                           | 4,591,513                  | 12,254,568                            | 9,414,311                  |
| Commission expense                                      | 15   | (2,826,057)                         | (2,474,530)                | (6,011,611)                           | (4,681,674)                |
| General administrative and management expenses          |      | (1,496,119)                         | (1,381,046)                | (2,628,887)                           | (2,373,922)                |
|   |      | 1,791,459                           | 735,937                    | 3,614,070                             | 2,358,715                  |
| Investment income                                       |      | 339,068                             | -                          | 678,137                               | -                          |
| Direct expenses   |      | 48,825                              | (102,500)                  | (86,083)                              | (202,500)                  |
| Other income  |      | 515,031                             | 474,411                    | 1,039,212                             | 839,727                    |
|   |      | 902,924                             | 371,911                    | 1,631,266                             | 637,227                    |
| <b>Profit for the period</b>                            |      | 2,694,383                           | 1,107,848                  | 5,245,336                             | 2,995,942                  |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer


**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**



|   | For the quarter ended<br>Un-Audited |                            | For the half year ended<br>Un-Audited |                            |
|---|-------------------------------------|----------------------------|---------------------------------------|----------------------------|
|   | June 30,<br>2020<br>Rupees          | June 30,<br>2019<br>Rupees | June 30,<br>2020<br>Rupees            | June 30,<br>2019<br>Rupees |
| Notes   |                                     |                            |                                       |                            |
| <b>Participants' Takaful Fund</b>                             |                                     |                            |                                       |                            |
| Surplus for the period  | 4,551,896                           | 2,668,288                  | 11,843,185                            | 4,796,899                  |
| Other comprehensive income                                    |                                     |                            |                                       |                            |
| Unrealised gains / (losses) on available-for-sale investments | -                                   | -                          | -                                     | -                          |
| Others  | -                                   | -                          | -                                     | -                          |
| Other comprehensive income for the period                     | -                                   | -                          | -                                     | -                          |
| Total comprehensive income for the period                     | 4,551,896                           | 2,668,288                  | 11,843,185                            | 4,796,899                  |
| <b>Operators' Fund</b>  |                                     |                            |                                       |                            |
| Profit for the period   | 2,694,383                           | 1,107,848                  | 5,245,336                             | 2,995,942                  |
| Other comprehensive income                                    |                                     |                            |                                       |                            |
| Unrealised gains / (losses) on available-for-sale investments | -                                   | -                          | -                                     | -                          |
| Others  | -                                   | -                          | -                                     | -                          |
| Other comprehensive income for the period                     | -                                   | -                          | -                                     | -                          |
| Total comprehensive income for the period                     | 2,694,383                           | 1,107,848                  | 5,245,336                             | 2,995,942                  |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer


**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**



|   | Operators' Fund            |              |                    |            |
|---|----------------------------|--------------|--------------------|------------|
|   | Statutory Fund             | Qard-e-Hasna | Accumulated profit | Total      |
|   | Rupees                     |              |                    |            |
| Balance as at January 1, 2019             | 50,000,000                 | (20,411,000) | 17,261,924         | 46,850,924 |
| Total comprehensive income for the period |                            |              |                    |            |
| Profit for the period                     | -                          | -            | 2,995,942          | 2,995,942  |
| Other comprehensive income for the period | -                          | -            | -                  | -          |
|   | -                          | -            | 2,995,942          | 2,995,942  |
| Balance as at June 30, 2019               | 50,000,000                 | (20,411,000) | 20,257,866         | 49,846,866 |
| Balance as at January 1, 2020             | 50,000,000                 | (20,411,000) | 28,895,034         | 58,484,034 |
| Total comprehensive income for the period |                            |              |                    |            |
| Profit for the period                     | -                          | -            | 5,245,336          | 5,245,336  |
| Other comprehensive income for the period | -                          | -            | -                  | -          |
|   | -                          | -            | 5,245,336          | 5,245,336  |
| Balance as at June 30, 2020               | 50,000,000                 | (20,411,000) | 34,140,370         | 63,729,370 |
|   | Participants' Takaful Fund |              |                    |            |
|   | Ceded Money                | Qard-e-Hasna | Accumulated Profit | Total      |
|   | Rupees                     |              |                    |            |
| Balance as at January 1, 2019             | 500,000                    | 20,411,000   | (10,294,169)       | 10,616,831 |
| Total comprehensive income for the period |                            |              |                    |            |
| Surplus for the period                    | -                          | -            | 4,796,899          | 4,796,899  |
| Other comprehensive income for the period | -                          | -            | -                  | -          |
|   | -                          | -            | 4,796,899          | 4,796,899  |
| Balance as at June 30, 2019               | 500,000                    | 20,411,000   | (5,497,270)        | 15,413,730 |
| Balance as at January 1, 2020             | 500,000                    | 20,411,000   | (3,852,623)        | 17,058,377 |
| Total comprehensive income for the period |                            |              |                    |            |
| Surplus for the period                    | -                          | -            | 11,843,185         | 11,843,185 |
| Other comprehensive income for the period | -                          | -            | -                  | -          |
|   | -                          | -            | 11,843,185         | 11,843,185 |
| Balance as at June 30, 2020               | 500,000                    | 20,411,000   | 7,990,562          | 28,901,562 |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer


**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**



|  | <b>Operator's Fund</b>                  |   | <b>Participants' Takaful Fund</b>       |   |
|--|---|---|---|---|
|  | <b>Un-Audited<br/>June 30,<br/>2020</b> | <b>Un-Audited<br/>June 30,<br/>2019</b> | <b>Un-Audited<br/>June 30,<br/>2020</b> | <b>Un-Audited<br/>June 30,<br/>2019</b> |
|  | <b>-----Rupees-----</b>                 |   |   |   |
| <b>Operating cash flows</b>                                |   |   |   |   |
| <b>(a) Takaful activities:-</b>                            |   |   |   |   |
| Contribution received                                      | -                                       | -                                       | 16,051,895                              | 14,251,648                              |
| Wakala fee received  | 12,254,568                              | 9,414,311                               | -                                       | -                                       |
| Retakaful ceded  | -                                       | -                                       | (13,911,125)                            | (4,099,869)                             |
| Claims paid  | -                                       | -                                       | (2,574,766)                             | (1,615,310)                             |
| Retakaful and other recoveries received                    | -                                       | -                                       | -                                       | -                                       |
| Commissions paid   | 1,696,617                               | (1,581,911)                             | -                                       | -                                       |
| Management expenses  | (6,924,894)                             | (4,108,422)                             | 4,035,457                               | 9,689,423                               |
| Other takaful payments                                     | <u>(2,162,267)</u>                      | <u>(9,352,598)</u>                      | <u>307,356</u>                          | <u>(327,290)</u>                        |
| Net cash used in takaful activities                        | 4,864,024                               | (5,628,620)                             | 3,908,817                               | 17,898,602                              |
| <b>(b) Other operating activities</b>                      |   |   |   |   |
| Income tax paid  | -                                       | -                                       | -                                       | -                                       |
| Other operating receipts                                   | 1,039,212                               | 839,727                                 | 1,148,948                               | 746,041                                 |
| Advances and deposits                                      | -                                       | -                                       | -                                       | -                                       |
| Net cash inflows from other operating activities           | <u>1,039,212</u>                        | <u>839,727</u>                          | <u>1,148,948</u>                        | <u>746,041</u>                          |
| Total cash inflow from all operating activities            | 5,903,236                               | (4,788,893)                             | 5,057,765                               | 18,644,643                              |
| <b>(c) Investment activities</b>                           |   |   |   |   |
| Profit/return received                                     | -                                       | -                                       | -                                       | -                                       |
| Fixed capital expenditure                                  | -                                       | -                                       | -                                       | -                                       |
| Proceeds from disposal of property, plant and equipment    | -                                       | -                                       | -                                       | -                                       |
| Total cash outflow from investing activities               | -                                       | -                                       | -                                       | -                                       |
| <b>(d) Financing activities</b>                            |   |   |   |   |
| Contribution to the Operator's Fund                        | -                                       | -                                       | -                                       | -                                       |
| Seed money   | -                                       | -                                       | -                                       | -                                       |
| Total cash flow from financing activities                  | -                                       | -                                       | -                                       | -                                       |
| Net cash inflow from all activities                        | 5,903,236                               | (4,788,893)                             | 5,057,765                               | 18,644,643                              |
| Cash and cash equivalents at beginning of the period       | 44,451,662                              | 41,722,629                              | 30,930,784                              | 12,291,782                              |
| <b>Cash and cash equivalents at end of year</b>            | <u>50,354,898</u>                       | <u>36,933,736</u>                       | <u>35,988,549</u>                       | <u>30,936,425</u>                       |
| <b>Reconciliation to profit and loss account</b>           |   |   |   |   |
| Operating cash flows                                       | 5,903,236                               | (4,788,893)                             | 5,057,765                               | 18,644,643                              |
| Other investment income                                    | 678,137                                 | -                                       | -                                       | -                                       |
| Increase in assets other than cash                         | 1,725,385                               | 9,478,582                               | 15,156,245                              | 4,466,028                               |
| Increase / (decrease) in liabilities other than borrowings | <u>(3,061,422)</u>                      | <u>(1,693,747)</u>                      | <u>(8,370,825)</u>                      | <u>(18,313,772)</u>                     |
| <b>Profit for the period</b>                               | <u>5,245,336</u>                        | <u>2,995,942</u>                        | <u>11,843,185</u>                       | <u>4,796,899</u>                        |
| <b>Attributed to</b>                                       |   |   |   |   |
| Operators' Fund  | 5,245,336                               | 2,995,942                               | -                                       | -                                       |
| Participants' Takaful Fund                                 | -                                       | -                                       | 11,843,185                              | 4,796,899                               |
|  | <u>5,245,336</u>                        | <u>2,995,942</u>                        | <u>11,843,185</u>                       | <u>4,796,899</u>                        |
|  | <u>5,245,336</u>                        | <u>2,995,942</u>                        | <u>11,843,185</u>                       | <u>4,796,899</u>                        |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer



## **1 LEGAL STATUS AND NATURE OF BUSINESS**

Asia Insurance Company Limited ("the Company") is a quoted public limited company, which was incorporated in Pakistan on December 06, 1979 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is engaged in non-life insurance business mainly comprising of fire, marine, motor bond and suretyship, agriculture and allied and miscellaneous. The Company commenced its commercial operations in 1980. The registered and principal office of company is situated at 19 C/D, Block L, Gulberg III, Main Ferozpur Road, Lahore-Pakistan. Shares of the Company are quoted on Pakistan Stock Exchange.

The Company has been allowed to work as Window Takaful Operator through License No.10 on August 13, 2015, by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Insurance in Pakistan. It has not transacted any business outside Pakistan.

For the purpose of carrying on the takaful business, the Company has formed a waqf for participants' equity fund. The Waqf namely Asia Insurance Company Limited (Window Takaful Operations) - Waqf Fund (hereafter referred to as participant takaful fund (PTF)) was created on August 20, 2015 under a trust deed executed by the Company with a ceded money of Rs. 500,000/-. Waqf deed also governs the relationship of Operators and policy holders for management of takaful operations, investment policy holders funds and investment of Operators' funds approved by shariah advisor of the Company.

## **2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

### **2.1 Statement of compliance**

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

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

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

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2019, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended June 30, 2019.



In prior year, SECP issued General Takaful Accounting Regulations, 2019, which were applicable with effect from January 01, 2020. The financial statements for the period ended June 30, 2020 are prepared in accordance with General Takaful Accounting Regulations, 2019.

## **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention except for certain investments which are stated at fair value.

This condensed interim financial information have been prepared in line with the format issued by the SECP through Insurance Rules, 2017, and SECP circular no 25 of 2015 dated July 09, 2015.

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

## **2.3 Functional and presentation currency**

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistan rupees are rounded off to nearest rupees unless otherwise stated.

## **3 STANDARDS INTERPRETATIONS AND AMENDMENTS**

### **3.1 Standards, interpretations and amendments effective during the current period**

There are certain new and amended standards, interpretations and amendments that are mandatory for the companies accounting periods beginning on or after January 01, 2020 but are considered not to be relevant or do not have any significant effect on companies operations and therefore not detailed in the unconsolidated condensed interim financial statements. During the period, certain new standards and amendments to existing standards became effective.

### **3.2 Standards or interpretations not yet effective**

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after June 30, 2019. It replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.



The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

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

IFRS 9 defines the terms 'principal' as being the fair value of the financial asset at initial recognition, and the 'interest' as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

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

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

| Financial assets                 | June 30, 2020      |   |                    |                      |   |
|----------------------------------|--------------------|---|--------------------|----------------------|---|
|                                  | Fail the SPPI test |   | Pass the SPPI test |                      |   |
|                                  | Fair value         | Change in unrealized gain or (loss) during the year | Carrying value     | Cost less Impairment | Change in unrealized gain or (loss) during the year |
|                                  | Rupees             | Rupees  | Rupees             | Rupees               | Rupees  |
| Cash and bank *                  | 40,329,953         | -   | -                  | -                    | -   |
| Investments in equity securities |                    |   |                    |                      |   |
| Held for trading                 | -                  | -   | -                  | -                    | -   |
| Investments in debt securities   |                    |   |                    |                      |   |
| Held to maturity                 | -                  | -   | -                  | -                    | -   |
| Term Deposits *                  | -                  | -   | 10,000,000         | -                    | -   |
| Loans and other receivables *    | 1,016,916          | -   | -                  | -                    | -   |
| Total                            | 41,346,869         | -   | 10,000,000         | -                    | -   |

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

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|                                  | June 30, 2020  |        |        |         |
|----------------------------------|--|--------|--------|---------|
|                                  | Gross carrying amounts of debt instruments that pass the SPPI test |        |        |         |
|                                  | A  | AA-    | A+     | Unrated |
|                                  | Rupees   | Rupees | Rupees | Rupees  |
| Investments in debt securities - |  |        |        |         |
| Hold to maturity                 | -  | -      | -      | -       |
| Term deposits                    | 10,000,000   | -      | -      | -       |
| Total                            | 10,000,000   | -      | -      | -       |

- 3.3 The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

#### 4 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim financial statement 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.

The significant judgments made by management and the key sources of estimating uncertainty in preparation of these condensed interim financial statements were same as those applied to the annual financial statements for the year ended December 31, 2019.

#### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 2019 except as described below.

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on January 01, 2020. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial statements.

| Note   | Operators' Fund |              | Participants' Takaful Fund |              |
|--|-----------------|--------------|----------------------------|--------------|
|  | Un-audited      | Audited      | Un-audited                 | Audited      |
|  | June 30,        | December 31, | June 30,                   | December 31, |
|  | 2020            | 2019         | 2020                       | 2019         |
|  | Rupees          |              | Rupees                     |              |
| 6 LOANS AND OTHER RECEIVABLES                          |                 |              |                            |              |
| Accrued investment income                              | 968,767         | 290,630      | -                          | -            |
| Advance against Commission                             | 48,149          | 16,314       | -                          | -            |
| Less: provision for impairment of loans and receivable | -               | -            | -                          | -            |
|  | 1,016,916       | 306,944      | -                          | -            |

#### 7 TAKAFUL / RE-TAKAFUL RECEIVABLES

|  |   |   |            |            |
|--|---|---|------------|------------|
| Due from takaful contract holders  | - | - | 9,978,927  | 6,855,092  |
| Less: Provision for impairment of receivable from takaful participants holders | - | - | -          | -          |
| Due from other insurers / retakaful operators                                  | - | - | 31,285,139 | 20,213,353 |
| Less: Provision of impairment of receivable from takaful / retakafuls          | - | - | -          | -          |
|  | - | - | 41,264,066 | 27,068,445 |



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| Note                                  | Operators' Fund                          |   | Participants' Takaful Fund               |   |
|---------------------------------------|--|---|--|---|
|                                       | Un-audited<br>June 30,<br>2020<br>Rupees | Audited<br>December 31,<br>2019<br>Rupees | Un-audited<br>June 30,<br>2020<br>Rupees | Audited<br>December 31,<br>2019<br>Rupees |
| <b>8 CASH AND BANK BALANCE</b>        |  |   |  |   |
| Cash and cash equivalents             |  |   |  |   |
| Cash in hand                          | 24,945                                   | -   | -  | -   |
| Cash at bank                          |  |   |  |   |
| Current account                       | -  | -   | -  | -   |
| Savings account                       | 8.2 40,329,953                           | 34,451,662                                | 35,988,549                               | 30,930,784                                |
| Deposits maturing<br>within 12 months |  |   |  |   |
| Term deposits receipts                | 8.1 10,000,000                           | 10,000,000                                | -  | -   |
|                                       | <b>50,354,898</b>                        | <b>44,451,662</b>                         | <b>35,988,549</b>                        | <b>30,930,784</b>                         |

8.1 These represent term deposits in local currency carrying profit rate 13.60% (2019: 13.60%) per annum.

8.2 The rate of return on PLS saving accounts maintained at various banks ranges from 3% to 7% per annum (2019: 7% to 10% per annum).

**9 SEED MONEY**

|            |   |   |         |         |
|------------|---|---|---------|---------|
| Waqf money | - | - | 500,000 | 500,000 |
|------------|---|---|---------|---------|

9.1 The amount of Rs. 500,000/- has been set a part 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.

**10 STATUTORY FUND**

|                |            |            |   |   |
|----------------|------------|------------|---|---|
| Statutory fund | 50,000,000 | 50,000,000 | - | - |
|----------------|------------|------------|---|---|

10.1 Amount of Rs. 50 million is deposited as statutory fund to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of 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 Rs. 50 million to be deposited in a separate bank account for Window Takaful business duly maintained in a scheduled bank'.

**11 OTHER CREDITORS AND ACCRUALS**

|                                |                  |                  |                  |                |
|--------------------------------|------------------|------------------|------------------|----------------|
| Outstanding agency commissions | 8,039,143        | 5,434,578        | -                | -              |
| Sales tax payable              | -                | -                | 653,321          | -              |
| Federal takaful fee payable    | -                | -                | 47,103           | -              |
| Salaries and wages             | 10               | 10               | -                | -              |
| Shariah advisor fee            | -                | -                | -                | 776,825        |
| Auditors' remuneration         | 56,175           | 105,000          | -                | -              |
| Tax deducted at source         | 71,890           | 66,781           | 24,049           | 52,287         |
| EOBI payable                   | 52,780           | 34,060           | -                | 19,929         |
| Others                         | 1,050,627        | 568,774          | 2,484,526        | 127,921        |
|                                | <b>9,270,625</b> | <b>6,209,203</b> | <b>3,208,999</b> | <b>976,962</b> |

**12 CONTINGENCIES AND COMMITMENTS**

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

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| Note  | For the quarter ended                   |  | For the half year ended                  |  |
|---|---|--|--|--|
|   | Un-audited<br>June 30<br>2020<br>Rupees | Un-audited<br>June 30,<br>2019<br>Rupees | Un-audited<br>June 30,<br>2020<br>Rupees | Un-audited<br>June 30,<br>2019<br>Rupees |
| <b>13 NET CONTRIBUTION</b>  |   |  |  |  |
| Written gross contribution  | 15,284,085                              | 11,478,785                               | 30,636,419                               | 23,535,778                               |
| Less: Wakala fee  | (6,113,635)                             | (4,591,513)                              | (12,254,568)                             | (9,414,311)                              |
| Add: Unearned Contribution<br>reserve - opening                                 | 17,804,860                              | 12,849,407                               | 18,335,128                               | 12,541,332                               |
| Less: Unearned Contribution<br>reserve - closing                                | (17,847,664)                            | (12,246,619)                             | (17,847,664)                             | (12,246,619)                             |
| Contribution earned   | 9,127,646                               | 7,490,060                                | 18,869,315                               | 14,416,180                               |
| Less :Retakaful contribution ceded  | (4,575,000)                             | (3,246,249)                              | (9,150,000)                              | (6,492,498)                              |
| Less: Prepaid Retakaful<br>contribution - opening                               | (5,739,221)                             | (4,838,127)                              | (4,838,127)                              | (4,851,787)                              |
| Add: Prepaid Retakaful<br>contribution - closing                                | 6,133,751                               | 4,838,127                                | 6,133,751                                | 4,838,127                                |
| Retakaful expense   | (4,180,470)                             | (3,246,249)                              | (7,854,376)                              | (6,506,158)                              |
| Net contribution  | 4,947,176                               | 4,243,811                                | 11,014,939                               | 7,910,022                                |
| <b>14 TAKAFUL BENEFITS / CLAIMS EXPENSE</b>                                     |   |  |  |  |
| Benefits / claims paid  | 684,156                                 | 570,501                                  | 2,574,766                                | 1,615,310                                |
| Add: Outstanding claims including<br>IBNR - closing                             | 9,932,161                               | 4,552,272                                | 9,932,161                                | 4,552,272                                |
| Less: Outstanding claims including<br>IBNR - opening                            | (9,255,119)                             | (3,149,588)                              | (12,085,665)                             | (2,317,314)                              |
| Claims expense  | 1,361,198                               | 1,973,185                                | 421,262                                  | 3,850,268                                |
| Less: Retakaful and other<br>recoveries received                                | -                                       | -  | -  | -  |
| Add: Retakaful and other recoveries in<br>respect of outstanding claims net of  | 1,030,437                               | -  | 1,030,437                                | -  |
| Less: Retakaful and other recoveries in<br>respect of outstanding claims net of | (1,030,437)                             | -  | (1,365,437)                              | -  |
| Retakaful and other recoveries revenue  | -                                       | -  | (335,000)                                | -  |
| Net Takaful expense   | 1,361,198                               | 1,973,185                                | 756,262                                  | 3,850,268                                |
| <b>15 COMMISSION EXPENSE</b>  |   |  |  |  |
| Commission paid or payable  | 2,564,572                               | 2,382,605                                | 5,574,729                                | 4,807,658                                |
| Add: Deferred commission<br>expense - opening                                   | 5,390,235                               | 4,093,335                                | 5,565,632                                | 3,875,426                                |
| Less: Deferred commission<br>expense - closing                                  | (5,128,750)                             | (4,001,410)                              | (5,128,750)                              | (4,001,410)                              |
| Commission expense  | 2,826,057                               | 2,474,530                                | 6,011,611                                | 4,681,674                                |
| Rebate received or recoverable  | -                                       | -  | -  | -  |
| Add: Unearned re-takaful rebate - opening                                       | -                                       | -  | -  | 2,732                                    |
| Less: Unearned re-takaful rebate - closing                                      | -                                       | -  | -  | -  |
| Rebate from reinsurers  | 2,826,057                               | 2,474,530                                | 6,011,611                                | 4,678,942                                |

**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
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**16 SEGMENT INFORMATION**

The operator has four primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor and 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.

| As at June 30, 2020  | Rupees                         |  |                   |                  |          |                   |
|--|--------------------------------|--|-------------------|------------------|----------|-------------------|
|  | FIRE AND<br>PROPERTY<br>DAMAGE | MARINE<br>AVIATION<br>AND<br>TRANSPORT | MOTOR             | MISCELLANEOUS    | TREATY   | TOTAL             |
| Contribution receivable (inclusive of FED, FF and Admin Surcharge) | 13,223,217                     | 7,313,014                              | 8,921,153         | 3,900,305        | -        | 33,357,689        |
| Less: Federal Excise Duty/Sales Tax                                | (941,486)                      | (915,195)                              | (516,668)         | (159,810)        | -        | (2,533,159)       |
| Federal Takaful Fee  | (59,106)                       | (59,717)                               | (33,935)          | (35,353)         | -        | (188,111)         |
| <b>Gross written contribution (inclusive of Admin surcharge)</b>   | <b>12,222,625</b>              | <b>6,338,102</b>                       | <b>8,370,550</b>  | <b>3,705,142</b> | <b>-</b> | <b>30,636,419</b> |
| Gross direct contribution  | 5,700,231                      | 5,693,323                              | 3,291,893         | 3,489,889        | -        | 18,175,336        |
| Facultative inward contribution                                    | 6,312,717                      | 365,756                                | 4,976,644         | 169,920          | -        | 11,825,037        |
| Administrative surcharge   | 209,677                        | 279,023                                | 102,013           | 45,333           | -        | 636,046           |
| Wakala fees  | (4,889,050)                    | (2,535,241)                            | (3,348,220)       | (1,482,057)      | -        | (12,254,568)      |
| Takaful contribution earned  | 8,228,193                      | 4,045,161                              | 5,527,506         | 1,068,455        | -        | 18,869,315        |
| Takaful contribution ceded to retakaful                            | (2,554,584)                    | (3,252,084)                            | (733,125)         | (1,314,583)      | -        | (7,854,376)       |
| <b>Net Takaful contribution</b>                                    | <b>5,673,609</b>               | <b>793,077</b>                         | <b>4,794,381</b>  | <b>(246,128)</b> | <b>-</b> | <b>11,014,939</b> |
| Retakaful rebate   | -                              | 2,732                                  | -                 | -                | -        | 2,732             |
| <b>Net underwriting income</b>                                     | <b>5,673,609</b>               | <b>795,809</b>                         | <b>4,794,381</b>  | <b>(246,128)</b> | <b>-</b> | <b>11,017,671</b> |
| Takaful claims   | 403,588                        | 52,011                                 | (658,660)         | (218,201)        | -        | (421,262)         |
| Takaful claims recovered from retakaful                            | -                              | -                                      | (335,000)         | -                | -        | (335,000)         |
| <b>Net claims</b>  | <b>403,588</b>                 | <b>52,011</b>                          | <b>(993,660)</b>  | <b>(218,201)</b> | <b>-</b> | <b>(756,262)</b>  |
| Contribution deficiency expense                                    | -                              | -                                      | -                 | 452,484          | -        | 452,484           |
| Other direct expenses  | (8,571)                        | (4,214)                                | (5,758)           | (1,113)          | -        | (19,656)          |
| <b>Surplus / (Deficit) before investment income</b>                | <b>6,068,626</b>               | <b>843,606</b>                         | <b>3,794,963</b>  | <b>(12,958)</b>  | <b>-</b> | <b>10,694,237</b> |
| Net investment income  | -                              | -                                      | -                 | -                | -        | -                 |
| Other income   | 501,013                        | 246,309                                | 336,568           | 65,058           | -        | 1,148,948         |
| <b>Surplus / (Deficit) transferred to Balance of PTF</b>           | <b>6,569,639</b>               | <b>1,089,915</b>                       | <b>4,131,531</b>  | <b>52,100</b>    | <b>-</b> | <b>11,843,185</b> |
| <b>Segment assets - (PTF)</b>                                      | <b>19,714,687</b>              | <b>9,436,972</b>                       | <b>13,049,071</b> | <b>6,227,523</b> | <b>-</b> | <b>48,428,253</b> |
| Unallocated assets - (PTF)   | -                              | -                                      | -                 | -                | -        | 35,988,550        |
| <b>Total assets - (PTF)</b>  | <b>19,714,687</b>              | <b>9,436,972</b>                       | <b>13,049,071</b> | <b>6,227,523</b> | <b>-</b> | <b>84,416,803</b> |
| <b>Segment liabilities - (PTF)</b>                                 | <b>15,117,410</b>              | <b>4,261,745</b>                       | <b>12,820,430</b> | <b>3,560,111</b> | <b>-</b> | <b>35,759,696</b> |
| Unallocated liabilities - (PTF)                                    | -                              | -                                      | -                 | -                | -        | 19,755,545        |
| <b>Total liabilities - (PTF)</b>                                   | <b>15,117,410</b>              | <b>4,261,745</b>                       | <b>12,820,430</b> | <b>3,560,111</b> | <b>-</b> | <b>55,515,241</b> |
| <b>Operators' fund account</b>                                     |                                |  |                   |                  |          |                   |
| Wakala fee   | -                              | -                                      | -                 | -                | -        | 12,254,568        |
| Commission expenses  | -                              | -                                      | -                 | -                | -        | (6,011,611)       |
| Management expenses  | -                              | -                                      | -                 | -                | -        | (2,628,887)       |
| Other income   | -                              | -                                      | -                 | -                | -        | 1,039,212         |
| Investment income  | -                              | -                                      | -                 | -                | -        | 678,137           |
| Other expenses   | -                              | -                                      | -                 | -                | -        | (86,083)          |
| <b>Profit for the period</b>                                       | <b>-</b>                       | <b>-</b>                               | <b>-</b>          | <b>-</b>         | <b>-</b> | <b>5,245,336</b>  |
| <b>Segment assets - (OPF)</b>                                      | <b>3,403,885</b>               | <b>474,268</b>                         | <b>1,026,796</b>  | <b>223,801</b>   | <b>-</b> | <b>5,128,750</b>  |
| Unallocated assets - (OPF)   | -                              | -                                      | -                 | -                | -        | 67,918,360        |
| <b>Total assets - (OPF)</b>  | <b>3,403,885</b>               | <b>474,268</b>                         | <b>1,026,796</b>  | <b>223,801</b>   | <b>-</b> | <b>73,047,110</b> |
| <b>Segment liabilities - (OPF)</b>                                 | <b>3,207,275</b>               | <b>1,663,148</b>                       | <b>2,196,472</b>  | <b>972,247</b>   | <b>-</b> | <b>8,039,142</b>  |
| Unallocated liabilities - (OPF)                                    | -                              | -                                      | -                 | -                | -        | 1,278,598         |
| <b>Total liabilities - (OPF)</b>                                   | <b>3,207,275</b>               | <b>1,663,148</b>                       | <b>2,196,472</b>  | <b>972,247</b>   | <b>-</b> | <b>9,317,740</b>  |

**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**



| As at December 31, 2019   | Rupees                   |                               |                    |                    |          |                     |
|---|--------------------------|-------------------------------|--------------------|--------------------|----------|---------------------|
|   | FIRE AND PROPERTY DAMAGE | MARINE AVIATION AND TRANSPORT | MOTOR              | MISCELLANEOUS      | TREATY   | TOTAL               |
| Contribution receivable (inclusive of FED, FIF and Admin Surcharge) | 29,928,392               | 15,109,270                    | 18,958,685         | 3,361,493.00       | -        | 67,357,840          |
| Less: Federal Excise Duty/Sales Tax                                 | (3,015,979)              | (1,961,365)                   | (1,500,023)        | (318,651)          | -        | (6,796,018)         |
| Federal Takaful Fee   | (195,147)                | (129,874)                     | (96,531)           | (20,348)           | -        | (441,900)           |
| <b>Gross written contribution (inclusive of Admin surcharge)</b>    | <b>26,717,266</b>        | <b>13,018,031</b>             | <b>17,362,131</b>  | <b>3,022,494</b>   | <b>-</b> | <b>60,119,922</b>   |
| Gross direct contribution   | 18,890,268               | 12,387,725                    | 9,404,918          | 1,998,043          | -        | 42,680,954          |
| Facultative inward contribution                                     | 7,204,240                | 27,525                        | 7,708,492          | 987,451            | -        | 15,927,708          |
| Administrative surcharge  | 622,758                  | 602,781                       | 248,721            | 37,000             | -        | 1,511,260           |
| Takaful contribution earned   | 13,792,317               | 7,016,155                     | 7,911,104          | 1,558,582          | -        | 30,278,158          |
| Takaful contribution ceded to retakaful                             | (4,411,664)              | (4,425,324)                   | (1,455,000)        | (2,706,668)        | -        | (12,998,656)        |
| <b>Net Takaful contribution</b>                                     | <b>9,380,653</b>         | <b>2,590,831</b>              | <b>6,456,104</b>   | <b>(1,148,086)</b> | <b>-</b> | <b>17,279,502</b>   |
| Rebate income   | -                        | -                             | -                  | -                  | -        | -                   |
| <b>Net underwriting income</b>                                      | <b>9,380,653</b>         | <b>2,590,831</b>              | <b>6,456,104</b>   | <b>(1,148,086)</b> | <b>-</b> | <b>17,279,502</b>   |
| Takaful claims  | (4,461,545)              | (1,915,255)                   | (6,071,290)        | (1,135,143)        | -        | (13,583,233)        |
| Takaful claims recovered from retakaful                             | -                        | -                             | 1,365,437          | -                  | -        | 1,365,437           |
| <b>Net claims</b>   | <b>(4,461,545)</b>       | <b>(1,915,255)</b>            | <b>(4,705,853)</b> | <b>(1,135,143)</b> | <b>-</b> | <b>(12,217,796)</b> |
| Direct expenses   | (3,124)                  | (1,589)                       | (1,792)            | (352)              | -        | (6,857)             |
| Contribution deficiency expense                                     | -                        | -                             | -                  | (452,484)          | -        | (452,484)           |
| <b>Net Takaful claims and expenses</b>                              | <b>(4,464,669)</b>       | <b>(1,916,844)</b>            | <b>(4,707,645)</b> | <b>(1,587,979)</b> | <b>-</b> | <b>(12,677,137)</b> |
| <b>Underwriting results</b>   | <b>4,915,984</b>         | <b>673,987</b>                | <b>1,748,459</b>   | <b>(2,736,065)</b> | <b>-</b> | <b>4,602,365</b>    |
| Other income  | -                        | -                             | -                  | -                  | -        | 1,839,181           |
| Other expenses  | -                        | -                             | -                  | -                  | -        | -                   |
| <b>Result of operating activities-PTF</b>                           | -                        | -                             | -                  | -                  | -        | <b>6,441,546</b>    |
| <b>Segment assets - (PTF)</b>                                       | <b>14,235,039</b>        | <b>6,412,708</b>              | <b>9,910,078</b>   | <b>2,714,184</b>   | <b>-</b> | <b>33,272,009</b>   |
| Unallocated assets - (PTF)  | -                        | -                             | -                  | -                  | -        | 30,930,784          |
| Total assets - (PTF)  | -                        | -                             | -                  | -                  | -        | <b>64,202,793</b>   |
| <b>Segment liabilities - (PTF)</b>                                  | <b>11,639,022</b>        | <b>2,574,184</b>              | <b>9,865,341</b>   | <b>1,423,781</b>   | <b>-</b> | <b>25,502,328</b>   |
| Unallocated liabilities - (PTF)                                     | -                        | -                             | -                  | -                  | -        | 21,642,088          |
| Total liabilities - (PTF)   | -                        | -                             | -                  | -                  | -        | <b>47,144,416</b>   |
| <b>Operators' fund account</b>                                      | <b>10,686,906</b>        | <b>5,207,212</b>              | <b>6,944,852</b>   | <b>1,208,998</b>   | <b>-</b> | <b>24,047,969</b>   |
| Wakala fee  | (5,600,600)              | (2,788,760)                   | (1,295,836)        | (218,720)          | -        | (9,903,916)         |
| Commission expenses   | (2,010,501)              | (1,022,742)                   | (1,153,199)        | (227,194)          | -        | (4,413,636)         |
| Net Commission and expenses   | (7,611,101)              | (3,811,502)                   | (2,449,035)        | (445,914)          | -        | (14,317,552)        |
|   | <b>3,075,805</b>         | <b>1,395,710</b>              | <b>4,495,817</b>   | <b>763,084</b>     | <b>-</b> | <b>9,730,417</b>    |
| Other income  | -                        | -                             | -                  | -                  | -        | 1,930,863           |
| Investment income   | -                        | -                             | -                  | -                  | -        | 290,630             |
| Other expenses  | -                        | -                             | -                  | -                  | -        | (318,800)           |
| <b>Profit for the year</b>  | -                        | -                             | -                  | -                  | -        | <b>11,633,110</b>   |
| <b>Segment assets - (OPF)</b>                                       | <b>3,758,448</b>         | <b>567,804</b>                | <b>1,108,223</b>   | <b>131,157</b>     | <b>-</b> | <b>5,565,632</b>    |
| Unallocated assets - (OPF)  | -                        | -                             | -                  | -                  | -        | 59,174,720          |
| Total assets - (OPF)  | -                        | -                             | -                  | -                  | -        | <b>64,740,352</b>   |
| <b>Segment liabilities - (OPF)</b>                                  | <b>2,415,124</b>         | <b>1,176,773</b>              | <b>1,569,461</b>   | <b>273,220</b>     | <b>-</b> | <b>5,434,578</b>    |
| Unallocated liabilities - (OPF)                                     | -                        | -                             | -                  | -                  | -        | 821,740             |
| Total liabilities - (OPF)   | -                        | -                             | -                  | -                  | -        | <b>6,256,318</b>    |

**17 RELATED PARTY TRANSACTION**

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:

| Party name/description         | Basis       | Relation |
|--------------------------------|-------------|----------|
| Directors                      | Shareholder | -        |
| Key management personnel       | -           | -        |
| Staff retirement benefits plan | -           | -        |

**ASIA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**



|  |   | Un-audited<br>June 30,<br>2020<br>(Rupees) | Audited<br>December 31,<br>2019<br>(Rupees) |
|--|---|--|---|
| <b>Relation with undertaking</b>         | <b>Nature and transaction</b>                         |  |   |
| <b>Balances at year end: OPF</b>         |   |  |   |
| Staff retirement benefits plan           | (Payable) to defined benefit plan                     | <u>(47,114)</u>                            | <u>(47,115)</u>                             |
|  |   | Un-audited<br>June 30,<br>2020<br>(Rupees) | Un-audited<br>June 30,<br>2019<br>(Rupees)  |
| <b>Transactions during the year: OPF</b> |   |  |   |
| Key management personnel                 | Remuneration of key management personnel              | <u>2,520,000</u>                           | <u>2,520,000</u>                            |
|  | Commission  | <u>-</u>                                   | <u>-</u>                                    |
| Staff retirement benefits plan           | Contribution to provident fund during the period/year | <u>42,366</u>                              | <u>140,098</u>                              |

**18 FINANCIAL RISK AND CAPITAL MANAGEMENT**

The Company's financial risk management and capital management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2019.

**19 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, whenever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant reclassification has been made during the period except in accordance with S.R.O. 1416 (I)/ 2019 "General Takaful Accounting Regulations, 2019" which is as follows:

| Reclassification from                     | Reclassification to   | Amount<br>Rupees |
|---|-----------------------|------------------|
| Investment- TDR maturing within 12 months | Cash and bank balance | 10,000,000       |
| Loans and other receivables               | Receivable from PTF   | 14,416,114       |
| Other creditors and accruals              | Payable to OPF        | 14,416,114       |

**20 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.



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## 21 COVID - 19

On March 11, 2020, the World Health Organization has declared COVID-19 (the virus) a global pandemic. With the growing number of cases in Pakistan the Provincial Governments and the Federal Government of Pakistan have provided various directions and are taking measures to respond to the virus. The events and conditions are resulting in disruption to business operations particularly to business in highly exposed sectors and significant increase in economic uncertainty. The ongoing situation may have an impact on the operations and financial condition of the Company. The management had analysed the events as these are indicative of conditions for a review of recoverable amounts of assets of the Company and consequently concluded that there is no change in recoverable amounts of Company's assets at the reporting date. The extent of the spread of the virus and its potential impact on the Company is undeterminable at the date of these financial statements were approved and authorised for issue. However, the management and the Board of Directors of the Company continue to monitor the developing situation and any impact will be accounted for in the financial statements for the subsequent periods. Further, as per relaxation given by Authorities, the Company has resumed its operations with all precautionary measures to prevent the pandemic spread.

## 22 DATE OF AUTHORIZATION FOR ISSUE


This condensed interim financial information has been authorized for issue on August 25, 2020 by the Board of Directors of the Company.

## 23 GENERAL

Figures have been rounded off to the nearest rupee for better presentation.



Chairman



Chief Executive Officer



Director



Director



Chief Financial Officer



## BRANCHES NETWORK



### Detail of Branches / Sub Offices across the Country

#### HEAD OFFICE

Asia House, 19 C/D, Block-L, Gulberg-III Main  
Ferozepur Road, Lahore  
Ph: 042-35865574-78 Fax: 042-35865579  
Info@asiainsurance.com.pk  
www.asiainsurance.com.pk

#### HEALTH/AGRI/TRAVEL DIVISION

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Info@asiainsurance.com.pk  
www.asiainsurance.com.pk

#### WINDOW TAKAFUL OPERATION

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takaful@asiainsurance.com.pk  
info@asiatakaful.com.pk

#### LAHORE REGION

##### Taj Arcade Office

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lhr.tajarcade@asiainsurance.com.pk

##### Barkat Market Office

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Arcade, Barkat Market, Lahore.  
Ph: 042-35941822 Fax: 042-35941823  
barkat.market@asiainsurance.com.pk

##### Mumtaz Centre Office

Suit No. 4, 3rd Floor, Mumtaz Centre, 15-A,  
Shahrah-e-Fatima Jinnah, Lahore.  
Ph: 042-36299472-3, Fax: 042-36299471  
mumtazcentre@asiainsurance.com.pk

##### Land Mark Plaza Office

330 3rd floor, land mark plaza, Jail Road, Lahore  
Ph: 042-35764121  
Land.mark@asiainsurance.com.pk

##### Abbot Road Office

2nd Floor, Asif Center, 19 – A, Abbot Road,  
Lahore.  
Ph: 042-36308070 Fax: 042-36308066  
Abbot@asiainsurance.com.pk

#### Al Hafeez View Office

Aprt No.14 First floor, Al-Hafeez View, 67-D/1  
Sir Syed Road, Gulberg-III, Lahore.  
Ph: 042-35774622

#### Bilal Center Branch

Room No. 213, 2nd Floor, Hassan Centre,  
83-Brandreth Road, Lahore.  
Ph: 04237672619

#### FAISALABAD REGION

##### Faisalabad Kutchery Bazar Office

Office No. 08, 4th Floor, Sidiq Plaza, Outside  
Kutchery Bazar, Circular Road, Faisalabad.  
Ph: 041-2605557-58 Fax: 041-2605559  
fsd@asiainsurance.com.pk

##### Faisalabad Pakistan Market Office

Room # 4 3rd Floor Pakistan Market  
Kutchery Bazar Faisalabad.  
Ph # 041-2628225

##### Faisalabad Kotwali Road Office

Taj Plaza, 3rd Floor, Opposite Shell Petrol Pump  
Kotwali Road, Faisalabad.  
Ph: 041-2648291, 041-2412192  
fsd3@asiainsurance.com.pk

##### Sargodha Office

Khan Arcade, Kutchery Road, Sargodha  
Ph: 048-3721286  
sgd@asiainsurance.com.pk

#### MULTAN REGION

##### Multan Corporate Office

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Cantt  
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mnt@asiainsurance.com.pk

##### Multan Nusrat Road Office

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Nusrat Road, Multan Cantt.  
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mnt2@asiainsurance.com.pk



## BRANCHES NETWORK



### **Bahawalpur Office**

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### **Sadiqabad Office**

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### **D. G Khan Office**

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Ph: 03346781253/03006781253  
m.javeed@asiainsurance.com.pk

### **KARACHI REGION**

Karachi I  
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Sindh Madarsa, Shahrae-Liaquat, Karachi.  
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021-32433569  
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### **Karachi II**

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Chundrigar Road, Karachi.  
Ph: 021-32461834-5  
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### **Karachi Regional Office**

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Ph: 021-32469584-6 Fax: 021-32469587  
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### **Karachi V**

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### **Hyderabad Office**

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### **SIALKOT REGION**

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### **Sialkot Paris Road Office**

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skt@asiainsurance.com.pk

### **PESHAWAR REGION**

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Peshawar Cantt  
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psw@asiainsurance.com.pk

### **RAWALPINDI REGION**

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### **Islamabad Corporate Office**

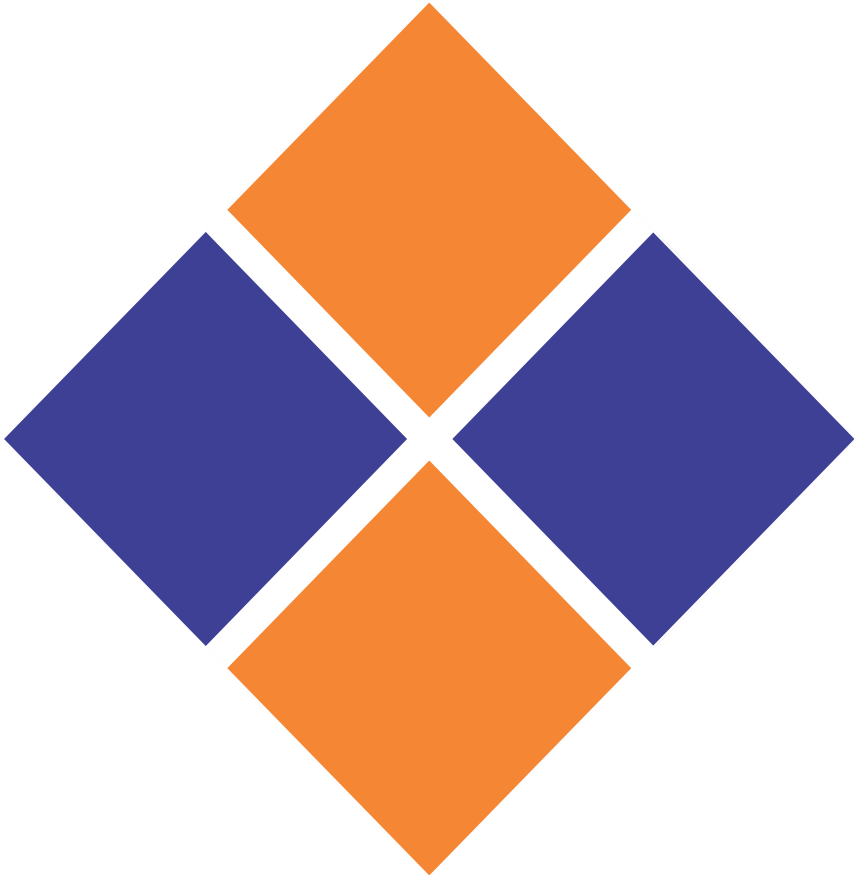
Flat No.9,3rd floor, Shah Nawaz Plaza,G-11  
Markaz, Islamabad  
Abbottabad Office  
Representative Office  
abbt@asiainsurance.com.pk

### **Muzaffarabad Office**

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**We've got You covered**





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