

DIRECTORS' REVIEW REPORT TO THE MEMBERS'

Your Directors are pleased to present their report together with un-audited Nine months Financial Statements for the period ended June 30, 2020 .

The statistic covers the annexed Financial Statements of conventional general insurance and Window Takaful operation comprising:

- 0 Condnsed interim statement of financial position;
- 0 Condnsed interim profit and loss account;
- 0 Condnsed interim statement of comprehensive income;
- 0 Condnsed interim statement of changes and equity;
- 0 Condnsed interim cash flow statement;

We are confident that this information would adequately apprise the valued shareholders about the performance of their Company.

The financial highlight of the company for the period ended June 30, 2020 is as follows:

	(Unaudited)	
Result of operating activites	172,458,552	
Profit before tax from Window Takaful Operations	5,703,204	
Profit before tax	178,161,756	
Income tax expenses	(34,918,208)	
Profit after taxation	143,243,548	
Unappropriated profit at beginning of the year	259,963,814	
Profit for the period	143,243,548	
Transfer to general reserve	(240,000,000)	
Unappropriated at the end of the period	163,207,362	
	June, 30 2020	June, 30 2019
	----- (Unaudited) -----	
Gross premium Net	1,349,752,301	1,505,612,840
Net premium	763,271,114	797,770,246
Underwriting results	190,169,374	170,487,362
Investment income/(Loss)	37,238,795	(19,573,787)
Profit before tax (including Window Takaful Operations)	178,161,756	118,257,253
Profit after tax (including Window Takaful Operations)	143,243,548	81,944,286
Earnings per share - basic and diluted (Rupees)	1.39	0.81

On behalf of the Board of Directors



Naved Yunus

Managing Director & Chief Executive
Karachi : September 10, 2020



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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of EAST WEST INSURANCE COMPANY LIMITED ("the Company") as at June 30, 2020 and condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-months period ended June 30, 2020 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of Interim financial information performed by the Independent Auditor of the Entity". A review of interim financial information 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 the International Standard 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the three months' period ended June 30, 2020 and June 30, 2019 in the accompanying condensed six months' financial information have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting from this independent auditor's report is Zulfiqar Ali Causar.

KARACHI
DATED:

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

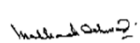
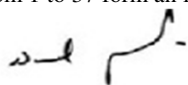
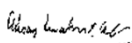


BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

	Note	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
		----- Rupees-----	
ASSETS			
Property and equipment	6	136,445,064	146,135,672
Intangible assets	7	1,123,141	1,196,931
Investment properties	8	47,351,357	48,565,494
Investments			
Equity securities	9	785,530,475	683,476,851
Debt securities	10	160,524,630	213,915,618
Term deposit receipts (TDRs)	11	247,000,000	341,700,000
		1,193,055,105	1,239,092,469
Loans and other receivables	12	269,928,024	150,261,227
Insurance / reinsurance receivables	13	631,514,087	550,313,540
Reinsurance recoveries against outstanding claims	22	424,572,504	465,459,802
Deferred commission expense	23	272,541,776	328,921,034
Deferred taxation		7,149,974	-
Prepayments	14	409,995,936	578,016,129
Cash and bank	15	34,962,376	28,403,383
		3,428,639,344	3,536,365,681
Total assets of window takaful operations			
Operator's fund		108,789,051	103,842,386
TOTAL ASSETS		3,537,428,395	3,640,208,067
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Issued, subscribed and paid-up capital		1,029,007,050	1,029,007,050
Reserves	16	363,426,332	136,329,306
Unappropriated profit		163,207,362	259,963,814
TOTAL EQUITY		1,555,640,744	1,425,300,170
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	22	569,679,636	596,061,338
Unearned premium reserves	21	1,062,479,626	1,252,193,521
Unearned reinsurance commission	23	92,538,047	130,735,976
		1,724,697,309	1,978,990,835
Retirement benefit obligations		3,212,540	2,197,214
Liabilities against right of use assets	17	10,010,724	13,982,999
Deferred taxation		-	3,939,623
Premium received in advance	18	39,819,361	35,554,237
Insurance / reinsurance payables		37,656,090	18,638,127
Other creditors and accruals	19	64,153,036	91,256,061
Unclaimed dividend		31,303	31,303
Taxation - net		68,689,408	31,704,977
TOTAL LIABILITIES		1,948,269,771	2,176,295,376
Total liabilities of window Takaful			
Operations - Operator's Fund		33,517,880	38,612,521
TOTAL EQUITY AND LIABILITIES		3,537,428,395	3,640,208,067
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 37 form an integral part of this condensed interim financial information.

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	Note	Six months period ended		Three months period ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net insurance premium	21	763,271,114	797,770,246	340,691,161	496,291,369
Net insurance claims	22	(320,163,093)	(342,332,471)	(142,946,781)	(215,210,000)
Net commission	23	(142,366,648)	(160,215,388)	(82,163,285)	(116,830,615)
Insurance claims and acquisition expenses		(462,529,741)	(502,547,859)	(225,110,066)	(332,040,614)
Management expenses	24	(110,571,999)	(124,735,025)	(54,985,419)	(87,978,041)
Underwriting results		190,169,374	170,487,362	60,595,676	76,272,714
Investment income / (loss)	25	37,238,795	(19,573,787)	47,292,536	(37,572,207)
Rental income		29,000	4,712,028	29,000	3,794,025
Other income	26	11,511,566	38,594,508	10,016,664	34,987,386
Other expenses	27	(65,449,156)	(74,474,768)	(32,639,775)	(43,429,986)
Finance cost	28	(1,041,027)	(1,415,166)	(461,434)	(730,423)
Results of operating activities		172,458,552	118,330,177	84,832,667	33,321,509
Profit / (loss) before tax from					
Window takaful operations	29	5,703,204	(72,924)	1,608,568	(597,510)
Profit before tax		178,161,756	118,257,253	86,441,235	32,723,999
Income tax expense		(34,918,208)	(36,312,967)	(28,176,752)	(29,086,490)
Profit after taxation		143,243,548	81,944,286	58,264,483	3,637,509
			(Restated)		(Restated)
Earnings per share - basic and diluted	31	1.39	0.81	0.57	0.04

The annexed notes from 1 to 37 form an integral part of this condensed interim financial information.







CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2020

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Note	----- Rupees-----		----- Rupees-----	
Profit after taxation	143,243,548	81,944,286	58,264,483	3,637,509
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss account				
Unrealised (loss) / gain on available for sale investments - net of deferred tax	(14,180,771)	(18,615,584)	(14,180,771)	2,312,575
Reclassification of loss included in profit and loss account	1,277,797	-	1,128,297	-
	(12,902,974)	(18,615,584)	(13,052,474)	2,312,575
Total comprehensive income for the period	<u>130,340,574</u>	<u>63,328,702</u>	<u>45,212,009</u>	<u>5,950,084</u>

The annexed notes from 1 to 37 form an integral part of this condensed interim financial information.





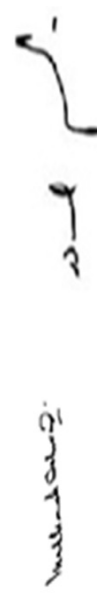


CHAIRMAN **CHIEF EXECUTIVE OFFICER** **DIRECTOR** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

**EAST WEST INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020**

	Share capital Issued subscribed and paid-up	Reserves		Unrealized gain on available for sale investment	Total reserves	Unappropriated profit	Total
		General reserve					
Balance as at January 01, 2019	762,227,450	200,000,000	(66,952,139)	133,047,861	228,563,284	1,123,838,595	
Total comprehensive income for the period	-	-	-	-	81,944,286	81,944,286	
Profit for the period	-	-	(18,615,584)	(18,615,584)	-	(18,615,584)	
Unrealized loss on available for sale investments	-	-	(18,615,584)	(18,615,584)	81,944,286	63,328,702	
Total comprehensive income for the period	762,227,450	200,000,000	(85,567,723)	114,432,277	310,507,570	1,187,167,297	
Balance as at June 30, 2019	1,029,007,050	200,000,000	(63,670,694)	136,329,306	259,963,814	1,425,300,170	
Total comprehensive income for the period	-	-	-	-	143,243,548	143,243,548	
Profit for the period	-	-	(14,180,771)	(14,180,771)	-	(14,180,771)	
Unrealized loss on available for sale investments	-	-	1,277,797	1,277,797	-	1,277,797	
Reclassification of loss included in profit and loss account	-	-	(12,902,974)	(12,902,974)	143,243,548	130,340,574	
Total comprehensive income for the period	-	240,000,000	-	240,000,000	(240,000,000)	-	
Transfer to general reserve	-	-	-	-	-	-	
Balance as at June 30, 2020	1,029,007,050	440,000,000	(76,573,668)	363,426,332	163,207,362	1,555,640,744	

The annexed notes from 1 to 37 form an integral part of this condensed interim financial information.



CHAIRMAN



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

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

	June 30, 2020	June 30, 2019
	----- Rupees-----	
OPERATING CASH FLOWS		
(a) Underwriting activities		
Insurance premium received	1,190,879,694	1,503,729,673
Reinsurance premium paid	(507,328,645)	(759,684,227)
Claims paid	(433,820,364)	(482,806,042)
Reinsurance and other recoveries received	128,162,867	129,522,472
Commission paid	(311,170,338)	(337,940,404)
Commission received	171,033,695	161,836,792
Underwriting payments	(107,532,704)	(92,850,167)
Net cash inflows from underwriting activities	<u>130,224,205</u>	<u>67,288,543</u>
(b) Other operating activities		
Income tax paid	(10,344,146)	(9,442,786)
Other expenses paid	(49,720,115)	(54,519,554)
Other operating payments	(131,582,738)	(19,865,903)
Net cash used in other operating activities	<u>(191,646,999)</u>	<u>(29,308,689)</u>
Total cash (used in) / generated from all operating activities	<u>(61,422,794)</u>	<u>37,979,854</u>
INVESTMENT ACTIVITIES		
Profit / return received	23,791,844	18,666,190
Dividend received	26,323,083	17,889,499
Other income received	10,320,070	8,868,501
Payment for investments	(484,573,875)	(143,327,284)
Proceeds from investment	411,622,765	35,628,684
Fixed capital expenditure	(247,400)	(13,699,140)
Proceeds from sale of property and equipment	1,245,300	34,353,499
Total cash used in all operating activities	<u>(11,518,213)</u>	<u>(41,620,051)</u>
FINANCING ACTIVITIES		
Loan received from director	10,400,000	39,203,000
Loan repaid to director	(25,600,000)	(25,478,000)
Total cash (used in) / generated from all financing activities	<u>(15,200,000)</u>	<u>13,725,000</u>
Net cash (used in) / generated from all activities	<u>(88,141,007)</u>	<u>10,084,803</u>
Cash and cash equivalents at beginning of the period	<u>370,103,383</u>	<u>99,847,917</u>
Cash and cash equivalents at end of the period	<u><u>281,962,376</u></u>	<u><u>109,932,720</u></u>

The annexed notes from 1 to 37 form an integral part of this condensed interim financial information.

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

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

	June 30, 2020	June 30, 2019
	----- Rupees-----	
Reconciliation to profit and loss account		
Operating cash flows	(61,422,794)	37,979,854
Depreciation expense	(9,717,007)	(11,054,572)
Amortization of intangible	(73,790)	(105,414)
Profit on disposal of fixed assets	1,024,299	28,814,272
Investment income	23,791,844	18,666,190
Loss on disposal of investment securities	(16,543,887)	(45,708,353)
Dividend income	26,323,083	17,889,499
Other income	10,320,070	8,868,501
Gain / (loss) on takaful operations	5,703,204	(72,924)
Increase in assets other than cash	(52,322,766)	55,543,518
Decrease in operating liabilities	216,161,292	(28,876,285)
Profit for the period	<u>143,243,548</u>	<u>81,944,286</u>

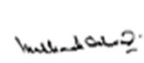
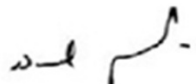
Definition of cash

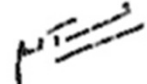
Cash comprises of cash in hand, policy stamps in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of statement of cash flows consist of:

	June 30, 2020	June 30, 2019
	----- Rupees-----	
Cash and other equivalents	268,667	125,008
Current and other accounts	34,693,709	37,807,712
Deposits maturing within 12 months	247,000,000	72,000,000
	<u>281,962,376</u>	<u>109,932,720</u>

The annexed notes from 1 to 37 form an integral part of this condensed interim financial information.



CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Company) was incorporated as a public limited company in the year 1983 under the repealed Companies Act, 1913 (now Companies Act, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange. The Company is engaged in the general insurance business comprising of fire and property, marine, aviation and transport, motor and miscellaneous etc. The company commenced Window Takaful Operations (WTO) from May 08, 2018 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 27, Regal Plaza, Jinnah Road, Quetta. The principal place of business is situated at Sarwar Shaheed Road, Lakson Square Building No. 03, 4th, Floor Karachi. The Company operates through 3 (2019: 3) principal offices and 24 (2019: 24) branches in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information is unaudited but subject to the limited scope review by the auditors as required under Code of Corporate Governance for Insurers, 2016. 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.

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

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

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

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated February 9, 2017 has prescribed the format of the presentation of annual financial statements for the general insurance companies. These condensed interim financial statements have been prepared in accordance with the format prescribed by the SECP.

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 profit and loss account, 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 July 9, 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 condensed interim statement of profit and loss account of the Company respectively.

3.2 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 or amortized cost.

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

3.3 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.

4 USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information in conformity with the requirements of approved accounting standards as applicable in Pakistan requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimate about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Temporary Exemption from Application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for the financial assets with contractual cash flows that meet the 'Solely for Payment of Principal and Interest' (SPPI) criteria excluding those held for trading and for the financial assets that do not meet the SPPI criteria for being eligible to apply the temporary exemption from the application of IFRS 9.

		June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
	Note	----- Rupees -----	
6	PROPERTY AND EQUIPMENT		
Operating fixed assets	6.1	117,923,033	125,555,637
Right-of-use assets	6.2	18,522,031	20,580,035
		<u>136,445,064</u>	<u>146,135,672</u>
6.1	Operating fixed assets		
Opening balance as at January 1		125,555,637	129,298,134
Additions during the period / year			
Furniture and fixtures		-	275,000
Electrical fittings and equipments		32,400	1,013,134
Office equipments			290,500
Motor vehicles		140,000	14,332,410
Computers equipments		75,000	298,200
		247,400	16,209,244
Less:			
Written down value of assets disposed during the period / year		(221,001)	(2,841,552)
Deprecation charge for the period / year		(7,659,003)	(17,110,189)
		<u>117,923,033</u>	<u>125,555,637</u>
6.2	Right-of-use assets		
Balance as at January 01		20,580,035	26,013,850
Additions during the period / year		-	57,580
Depreciation charge during the period / year		(2,058,004)	(5,491,395)
Balance as at June 30 / December 31		<u>18,522,031</u>	<u>20,580,035</u>
7	INTANGIBLE ASSETS		
Computer software	7.1	418,141	491,931
Capital work in progress	7.2	705,000	705,000
		<u>1,123,141</u>	<u>1,196,931</u>
7.1	Net carrying value basis		
Opening net book value		491,931	702,759
Amortization charge		(73,790)	(210,828)
Closing net book value		<u>418,141</u>	<u>491,931</u>
7.2	This represents amount paid to the vendor for the development of computer software.		
8	INVESTMENT PROPERTIES		
Investment properties	8.2	<u>47,351,357</u>	<u>48,565,494</u>
8.1	Balance as at January 01	48,565,494	50,442,445
	Additions / Transfer in during the period / year	-	6,554,355
	Depreciation charge during the period / year	(1,214,137)	(2,809,003)
	Deletion / Transfer out during the period / year	-	(5,622,303)
		<u>47,351,357</u>	<u>48,565,494</u>

8.2 Revaluation was carried out by the Company in the month of July 2, 2020 and July 8, 2020. The exercise was carried out by independent valuers M/s. Al-Shabaz Surveyors (Private) Limited and M/s. Salam Associates (Private) Limited and revalued market values is estimated at Rs. 172.50 million (2019: Rs. 172.50 million).

	Note	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
----- Rupees -----			
9 INVESTMENTS IN EQUITY SECURITIES			
Held For Trading			
Listed shares	9.1	87,956,654	75,258,466
Mutual funds	9.1	482,745,672	393,390,236
Available For Sale			
Listed shares	9.1	214,828,149	214,828,149
		<u>785,530,475</u>	<u>683,476,851</u>

9.1 Detail of investments in equities securities is as follows

	June 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
----- Rupees -----						
Investments - Held for Trading						
Listed securities	101,199,089	(13,242,435)	87,956,654	68,566,178	6,692,288	75,258,466
Mutual funds	486,047,124	(3,301,452)	482,745,672	390,361,631	3,028,605	393,390,236
	<u>587,246,213</u>	<u>(16,543,887)</u>	<u>570,702,326</u>	<u>458,927,809</u>	<u>9,720,893</u>	<u>468,648,702</u>
Investments-Available For Sale						
Related Party						
Listed securities (Note 9.2)	285,830,236	-	285,830,236	285,830,236	(3,816,577)	282,013,659
Others						
Listed securities	10,593,327	-	10,593,327	10,593,327	(142,207)	10,451,120
Deficit on revaluation	-	-	(81,595,414)	-	-	(77,636,629)
	296,423,563	-	214,828,149	296,423,563	(3,958,784)	214,828,149
			<u>785,530,475</u>	-		<u>683,476,851</u>

9.2 This represent investment in associated undertaking.

10 INVESTMENTS IN DEBT SECURITIES

Held To Maturity

Government Securities

Pakistan Investment Bonds
T - Bills

10.1 142,054,630 141,642,159
10.1 - 40,943,459

Available for sale

Term Finance Certificates
Corporate Sukuk

10.1 9,470,000 15,730,000
10.1 9,000,000 15,600,000
160,524,630 213,915,618

10.1 Detail of investments in debt securities is as follows

	June 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
----- Rupees -----						
Held to Maturity						
Government securities						
Pakistan Investment Bonds (Note 10.2 & 10.3)	142,054,630	-	142,054,630	141,642,159	-	141,642,159
T - Bills	-	-	-	40,943,459	-	40,943,459
	<u>142,054,630</u>	<u>-</u>	<u>142,054,630</u>	<u>182,585,618</u>	<u>-</u>	<u>182,585,618</u>
Available for sale						
Others						
Term Finance Certificates	15,730,000	-	15,730,000	13,040,000	2,690,000	15,730,000
Corporate Sukuk	15,600,000	-	15,600,000	12,270,000	3,330,000	15,600,000
	<u>31,330,000</u>	<u>-</u>	<u>31,330,000</u>	<u>25,310,000</u>	<u>6,020,000</u>	<u>31,330,000</u>
Deficit on revaluation	-	-	(12,860,000)	-	-	-
			<u>160,524,630</u>			<u>213,915,618</u>

10.2 This represents Pakistan Investment Bonds (PIBs) carrying interest ranging from 7% to 12% (2019: 7% to 12%).

10.3 The amount of Pakistan Investment Bonds includes Rs. 105 million (2019: Rs. 105 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.

	Note	June 30,	December 31,
		2020 (Unaudited)	2019 (Audited)
----- Rupees -----			
11 INVESTMENTS IN TERM DEPOSITS			
Deposits maturing within 12 months	11.1	<u>247,000,000</u>	<u>341,700,000</u>

11.1 These represent Term Deposit Receipts (TDRs) in local currency carrying interest rates ranging from 7.2% to 11.40% per annum (2019: 7.2% to 13.90% per annum).

12 LOANS AND OTHER RECEIVABLES

(Unsecured - considered good)

Accrued investment income

 Pakistan Investment bonds

 Corporate Sukuks

 Others

4,048,564	4,098,222
94,496	132,493
433,434	2,329,315

4,576,494

12.1

Advances

Deposits

Other receivables

251,848,666	132,359,888
9,904,426	9,528,019
3,598,438	1,813,290
<u>269,928,024</u>	<u>150,261,227</u>

12.1 This represents advances in the normal course of business which do not carry any interest / mark-up.

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Note	----- Rupees -----	
13 INSURANCE / REINSURANCE RECEIVABLES		
(Unsecured - considered good)		
Premium due but unpaid	414,107,891	252,942,667
Less: Provision for impairment of receivables from insurance contract holders	(5,765,134)	(5,765,134)
Premium written off	-	(1,972,507)
	408,342,757	245,205,026
Amount due from other insurers / reinsurers	223,171,330	305,108,514
	<u>631,514,087</u>	<u>550,313,540</u>
14 PREPAYMENTS		
Prepaid reinsurance premium ceded	409,230,150	577,141,443
Prepaid rent	534,367	643,267
Others	231,419	231,419
	<u>409,995,936</u>	<u>578,016,129</u>
15 CASH AND BANK		
Cash and cash equivalents	268,667	127,676
Cash at bank		
Current accounts	16,885,146	17,159,448
Saving accounts	17,808,563	11,116,259
	<u>34,962,376</u>	<u>28,403,383</u>
15.1 These include interest bearing accounts carrying interest rates ranging from 5% to 10% (December 31, 2019: 5% to 10%) per annum.		
16 RESERVES		
General reserve	440,000,000	200,000,000
Unrealized loss on available for sale investments	(76,573,668)	(63,670,694)
	<u>363,426,332</u>	<u>136,329,306</u>
17 LIABILITIES AGAINST RIGHT OF USE ASSET		
Current portion	8,520,658	8,513,271
Non-current portion	1,490,066	5,469,728
	<u>10,010,724</u>	<u>13,982,999</u>
17.1 Finance cost on lease liabilities for the period ended June 30, 2020 was Rs. 0.845 million (June 30, 2019 Rs. 1.181 million) , total cash outflow for lease was Rs. 4.817 million (June 30, 2019 Rs. 4.896 million).		
18 PREMIUM RECEIVED IN ADVANCE		
Premium received in advance	<u>39,819,361</u>	<u>35,554,237</u>
18.1 This includes cash margin (bond) received from policy holders amounting to Rs. 39.28 million (2019: Rs. 34.63 million).		

	Note	June 30,	December 31,
		2020 (Unaudited)	2019 (Audited)
		Rupees	
19 OTHER CREDITORS AND ACCRUALS			
Sundry creditors		18,110,163	18,885,314
Commission payable		-	15,951,322
Federal excise duty		3,857,930	2,739,770
Federal insurance fee		1,535,042	782,287
Workers' welfare fund		29,987,806	29,987,806
Withholding tax		5,877,942	4,949,738
Due to director	19.1	4,784,153	17,959,824
		<u>64,153,036</u>	<u>91,256,061</u>

19.1 The amount of loan is payable to directors which is unsecured and interest free.

20 CONTINGENCIES AND COMMITMENTS

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

	Six months period ended		Three months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Note	(Rupees)		(Rupees)	
21 NET INSURANCE PREMIUM				
Written gross premium	1,349,752,304	1,505,612,840	615,087,463	915,963,701
Add: Unearned premium reserve - opening	1,252,193,521	981,543,116	1,109,487,133	872,405,088
Less: Unearned premium reserve - closing	(1,062,479,626)	(908,190,738)	(1,062,479,626)	(908,190,738)
Premium earned	<u>1,539,466,199</u>	<u>1,578,965,218</u>	<u>662,094,970</u>	<u>880,178,051</u>
Less: Reinsurance premium ceded	608,283,792	746,357,371	270,864,746	471,415,849
Add: Prepaid reinsurance premium - opening	577,141,443	622,853,417	459,769,213	500,486,649
Less: Prepaid reinsurance premium - closing	(409,230,150)	(588,015,816)	(409,230,150)	(588,015,816)
Reinsurance expense	<u>776,195,085</u>	<u>781,194,972</u>	<u>321,403,809</u>	<u>383,886,682</u>
	<u>763,271,114</u>	<u>797,770,246</u>	<u>340,691,161</u>	<u>496,291,369</u>
22 NET INSURANCE CLAIMS EXPENSE				
Claims paid	433,820,364	482,806,042	198,627,577	297,581,180
Add: Outstanding claims (including IBNR) - closing	569,679,636	601,890,360	569,679,636	601,890,360
Less: Outstanding claims (including IBNR) - opening	(596,061,338)	(594,943,384)	(580,157,492)	(567,546,360)
Claims expense	<u>407,438,662</u>	<u>489,753,018</u>	<u>188,149,721</u>	<u>331,925,180</u>
Less: Reinsurance and other recoveries received	128,162,867	129,522,472	58,299,887	82,581,180
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	424,572,504	459,903,708	424,572,504	459,903,708
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(465,459,802)	(442,005,633)	(437,669,451)	(425,769,708)
Reinsurance and other recoveries revenue	<u>87,275,569</u>	<u>147,420,547</u>	<u>45,202,940</u>	<u>116,715,180</u>
	<u>320,163,093</u>	<u>342,332,471</u>	<u>142,946,781</u>	<u>215,210,000</u>

	Note	Six months period ended		Three months period ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
		(Rupees)		(Rupees)	
23 NET COMMISSION					
Commission paid or payable		295,219,016	337,940,404	125,654,177	194,105,936
Add: Deferred commission expense - opening		328,921,034	172,215,623	273,438,109	155,672,660
Less: Deferred commission expense - closing		(272,541,776)	(198,338,807)	(272,541,776)	(198,338,807)
Net commission		351,598,274	311,817,220	126,550,510	151,439,789
Less: Commission received or recoverable		171,033,695	161,836,792	76,788,002	85,091,892
Add: Unearned reinsurance commission - opening		130,735,976	99,090,998	60,137,270	58,843,240
Less: Unearned reinsurance commission - closing		(92,538,047)	(109,325,958)	(92,538,047)	(109,325,958)
Commission from reinsurers		209,231,626	151,601,832	44,387,225	34,609,174
		142,366,648	160,215,388	82,163,285	116,830,615
24 MANAGEMENT EXPENSES					
Employee benefit cost	24.1	61,206,174	57,972,075	28,094,805	30,611,668
Office repairs and maintenance		1,382,017	3,088,794	656,308	1,840,047
Vehicle running expenses		20,142,005	30,448,762	12,260,632	28,599,914
Traveling expenses		12,132,298	18,299,585	5,935,189	16,653,714
Electricity, gas and water		3,193,821	3,231,739	1,757,202	1,952,616
Printing and stationery		3,849,101	3,729,216	1,476,066	3,073,997
Office rent		2,769,803	2,119,036	1,259,724	1,226,866
Entertainment		4,221,788	1,898,066	2,302,904	1,647,386
Postage, telegram and telephone		996,955	2,422,746	818,494	1,930,820
Advertisement and publicity		315,794	1,163,455	204,585	281,071
Rent, rates and taxes		4,800	4,600	-	3,000
Miscellaneous		357,443	356,951	219,510	156,942
		110,571,999	124,735,025	54,985,419	87,978,041
24.1 Employee benefit cost					
Salaries, allowance and other benefits		59,663,686	56,737,222	27,328,261	29,977,416
Charges for post employment benefit		1,542,488	1,234,853	766,544	634,252
		61,206,174	57,972,075	28,094,805	30,611,668
25 INVESTMENT INCOME / (LOSS)					
Income from equity securities					
Held-for-trading					
Gain on sale of investments		5,573,644	-	4,985,161	-
Dividend income		26,323,083	17,889,499	16,135,741	13,211,954
		31,896,727	17,889,499	21,120,902	13,211,954
Income from debt securities					
Held-to-maturity					
Pakistan Investment Bond		7,641,265	-	3,467,978	-
Treasury Bills		77,647	-	-	-
		7,718,912	-	3,467,978	-

	Note	Six months period ended		Three months period ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
		(Rupees)		(Rupees)	
Available for sale					
Pakistan Investment Bond		-	7,298,979	-	4,028,760
Gop Ijara Sukuk		-	178,310	-	(45,618)
Treasury Bills		-	44,578	-	4
Term Finance Certificate		782,214	646,641	389,010	325,107
Corporate Sukuk		693,710	618,187	306,554	315,639
		1,475,924	8,786,695	695,564	4,623,892
Return on term deposits		13,755,869	19,372	6,672,584	(487,534)
Net unrealised (losses) / gain on investments at fair value through profit or loss (held for trading)		(16,543,887)	(45,708,353)	16,106,258	(54,649,019)
		38,303,545	(19,012,787)	48,063,286	(37,300,707)
Less: Investment related expenses		(1,064,750)	(561,000)	(770,750)	(271,500)
		37,238,795	(19,573,787)	47,292,536	(37,572,207)
26 OTHER INCOME					
Return on bank balances		1,367,984	911,735	-	424,210
Profit on disposal of fixed assets		1,024,299	28,814,272	435,816	26,118,885
Reversal of bad debts		-	7,115,351	-	7,115,351
Others		9,119,283	1,753,150	9,580,848	1,753,150
		11,511,566	38,594,508	10,016,664	34,987,386
27 OTHER EXPENSES					
Employee benefit cost	27.1	30,147,493	28,851,641	15,660,244	16,083,027
Office repairs and maintenance		5,834,512	6,663,896	3,386,120	3,493,265
Vehicle running expenses		4,977,122	4,905,274	3,319,779	2,357,196
Auditors' remuneration		822,800	435,300	443,600	319,300
Remuneration of directors and executives		6,360,000	6,145,000	3,260,000	3,145,000
Legal and professional charges		924,490	1,312,934	366,737	797,284
Depreciation and amortization		11,004,934	12,408,561	5,697,173	7,591,867
Subscription and membership		626,206	905,925	88,312	79,414
Annual supervision fee		3,671,535	2,415,782	-	-
Provision for doubtful debt		-	8,961,819	-	8,961,819
Rent, rates and taxes		13,000	27,576	6,000	11,576
Electricity, gas and water		359,530	482,092	73,920	482,092
Postage, telegram and telephone		677,454	763,298	333,106	108,146
Others		30,080	195,670	4,784	-
		65,449,156	74,474,768	32,639,775	43,429,986
27.1 Employee benefit cost					
Salaries, allowance and other benefits		29,210,150	28,121,133	15,195,935	15,726,079
Charges for post employment benefit		937,343	730,508	464,309	356,948
		30,147,493	28,851,641	15,660,244	16,083,027
28 FINANCE COST					
Bank charges		196,197	234,094	120,866	158,763
Lease finance charges		844,830	1,181,072	340,568	571,660
		1,041,027	1,415,166	461,434	730,423

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

29 Window takaful operations - Operator's fund

Wakala fee	39,103,308	11,852,912	15,258,050	5,298,496
General and administrative expenses	(3,501,969)	(2,102,581)	(2,167,453)	(1,246,325)
Net commission expense	(23,796,605)	(7,191,407)	(9,115,272)	(3,724,027)
Modarib's share	11,221	53,201	3,574	14,947
Investment income	5,038	1,998,648	981	1,187,586
Rental income	1,146,000	-	573,000	-
Direct expenses	(7,263,789)	(4,683,697)	(2,944,312)	(2,128,187)
Profit / (loss) for the period	<u>5,703,204</u>	<u>(72,924)</u>	<u>1,608,568</u>	<u>(597,510)</u>

Segment Prior Period	Fire and	Marine, aviation	Motor	Miscellaneous	Treaty	TOTAL
	property damage	and transport				
	-----June 30, 2019-----					
	-----Rupees-----					
Gross written premium	488,955,095	165,547,505	214,562,350	636,547,890	-	1,505,612,840
Unearned-Opening	285,590,099	52,096,814	139,382,310	504,473,893	-	981,543,116
Unearned-Closing	(281,384,935)	(42,689,606)	(123,279,185)	(460,837,012)	-	(908,190,738)
Premium Earned	493,160,259	174,954,713	230,665,475	680,184,771	-	1,578,965,218
Reinsurance-Ceded	(219,008,943)	(87,568,000)	(42,236,427)	(397,544,001)	-	(746,357,371)
Prepaid Reinsurance-Opening	(133,642,032)	(26,410,368)	(47,911,813)	(414,889,204)	-	(622,853,417)
Prepaid Reinsurance-Closing	125,756,025	18,801,089	49,467,172	393,991,530	-	588,015,816
Reinsurance Expenses	(226,894,950)	(95,177,279)	(40,681,068)	(418,441,675)	-	(781,194,972)
Net insurance premium	266,265,309	79,777,434	189,984,407	261,743,096	-	797,770,246
Commission income	60,933,772	20,772,491	9,061,006	60,834,563	-	151,601,832
Net underwriting income	327,199,081	100,549,925	199,045,413	322,577,659	-	949,372,078
Insurance claims paid	(127,101,290)	(42,810,150)	(104,864,413)	(208,030,189)	-	(482,806,042)
Outstanding-opening	119,062,424	23,801,468	35,341,827	416,737,660	-	594,943,379
Outstanding-closing	(129,779,465)	(26,274,750)	(37,901,265)	(407,934,880)	-	(601,890,360)
Insurance claims expenses	(137,818,331)	(45,283,432)	(107,423,851)	(199,227,409)	-	(489,753,023)
Reinsurance Recoveries Received	54,815,250	19,813,082	11,991,080	42,903,060	-	129,522,472
Recovery-opening	(56,040,329)	(4,248,135)	(8,164,044)	(373,553,125)	-	(442,005,633)
Recovery-closing	63,806,197	7,474,756	11,697,950	376,924,805	-	459,903,708
Insurance claims recovered from reinsurers	62,581,118	23,039,703	15,524,986	46,274,740	-	147,420,547
Net claims	(75,237,213)	(22,243,729)	(91,898,865)	(152,952,669)	-	(342,332,476)
Commission expense	(131,962,283)	(32,909,662)	(53,307,475)	(93,637,800)	-	(311,817,220)
Management expense	(41,631,799)	(12,473,567)	(29,704,931)	(40,924,730)	-	(124,735,026)
Net insurance claims and expenses	(248,831,295)	(67,626,958)	(174,911,271)	(287,515,199)	-	(778,884,722)
Underwriting results	78,367,786	32,922,967	24,134,142	35,062,460	-	170,487,356
Net investment income						(18,662,046)
Rental income						4,712,028
Other expenses						(74,474,768)
Finance cost						(1,415,166)
Other income						37,682,773
Window takaful operations						(72,924)
Profit before tax						118,257,253
Segment Assets	598,707,184	179,382,448	427,186,815	588,538,825		1,793,815,272
Unallocated Assets						1,256,925,061
						3,050,740,334
Segment Liabilities	559,237,937	167,556,817	399,024,899	549,739,918		1,675,559,571
Unallocated Liabilities						188,013,466
						1,863,573,037

30.1 Management has allocated indirect management expenses to underwriting business on the basis of net premium revenue under individual business as per the stated accounting policy of the Company.

	Six months period ended		Three months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- (Rupees) -----		----- (Rupees) -----	
31 EARNINGS PER SHARE - basic and diluted				
Profit for the period	143,243,548	81,944,286	58,264,483	3,637,509
	----- (No. of shares) -----		----- (No. of shares) -----	
	(Restated)		(Restated)	
Weighted average number of ordinary shares of Rs. 10 each	102,900,705	101,472,956	102,900,705	101,472,956
	(Restated)		(Restated)	
Earnings per share - rupees	1.39	0.81	0.57	0.04

31.1 There is no dilutive effect on basic earning per share of the Company.

32 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 is carried out on basis of employment terms and conditions. The transactions with related parties are as follows:

Nature of relationship	Nature of transaction	Six months period ended		Three months period ended	
		June 30 2020	June 30 2019	June 30 2020	June 30 2019
		----- Rupees -----		----- Rupees -----	
Directors and Key Management Personnel	Loan received from directors	10,400,000	39,203,000	1,400,000	17,000,000
	Loan repaid to directors	25,600,000	25,478,000	2,600,000	1,000,000
	Remuneration paid	6,480,000	6,265,000	3,000,000	3,145,000
Nature of Transaction	Nature of relationship with the Company	----- Rupees -----		----- Rupees -----	
Loan received from directors					
Javed Yunus	Director	2,000,000	3,953,000	-	2,000,000
Naved Yunus	Director	8,400,000	35,205,000	1,400,000	15,000,000
		10,400,000	39,203,000	1,400,000	17,000,000
Loan repaid to directors					
Javed Yunus	Director	2,000,000	1,653,000	1,000,000	1,000,000
Naved Yunus	Director	23,600,000	23,823,000	1,600,000	-
		25,600,000	25,478,000	2,600,000	1,000,000

33 FAIR VALUE OF FINANCIAL INSTRUMENTS

33.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at June 30, 2020.

	As at June 30, 2020 - (Unaudited)		As at December 31, 2019 - (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
	-----Rupees-----		-----Rupees-----	
Financial Assets				
Investment property	47,351,357	172,500,000	48,565,494	172,500,000
Investments				
Equity securities				
Held for trading				
Ordinary shares - listed	87,956,654	87,956,654	75,258,466	37,967,269
Mutual fund units	482,745,672	482,745,672	393,390,236	584,340,415
Available for sale				
Ordinary shares - listed	296,423,563	214,828,149	296,423,563	214,828,149
Debt securities				
Government securities-PIBs	142,054,630	142,054,630	141,642,159	158,450,922
Others	18,470,000	18,470,000	31,330,000	31,330,000
Loans and other receivables	269,928,024	269,928,024	150,261,227	150,261,227
Insurance / reinsurance receivables	631,514,087	631,514,087	550,313,540	550,313,540
Reinsurance recoveries against outstanding claims	424,572,504	424,572,504	465,459,802	465,459,802
Cash and bank	34,962,376	34,962,376	28,403,383	28,403,383
Financial Liabilities				
Outstanding claims including IBNR	569,679,636	569,679,636	596,061,338	596,061,338
Retirement benefit obligations	3,212,540	3,212,540	2,197,214	2,197,214
Insurance / reinsurance payables	37,656,090	37,656,090	18,638,127	18,638,127
Other creditors and accruals	64,153,036	64,153,036	91,256,061	91,256,061

33.2 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at June 30, 2020	Level 1	Level 2	Level 3
	-----Rupees-----			
Financial assets measured at fair value				
Investments at fair value through profit or loss - held for trading				
Ordinary shares - Listed	87,956,654	87,956,654	-	-
Mutual funds	482,745,672	-	482,745,672	-
Investments-Available For Sale				
Ordinary shares - Listed	296,423,563	296,423,563	-	-
Corporate sukuks	9,000,000	-	9,000,000	-
Term finance certificates	9,470,000	-	9,470,000	-

33.3 Transfers during the period

During the period ended June 30, 2020:

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

33.4 Valuation techniques

Investments at fair value through profit or loss - held for trading

Subsequent to initial recognition, these investments are remeasured at fair value using stock exchange quotation rates in respect of investment in shares of listed companies and on the basis of closing NAV in respect of investment in units of mutual funds.

34 COVID-19 AND ITS IMPACT ON BUSINESS

The COVID-19 pandemic had spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. This crisis continues to have a significant impact on individuals, society, business and the wider economy across the globe. The Company has not escaped its impact but has responded quickly to the crisis by providing the facilities to its employees to work from home, informing employees regularly about the risk of infection, good hygiene standards and ways to manage customer contact at Company offices. Consequently, at this stage, impact on the Company's business and results is limited. Gross premium for the half year ended June 30, 2020 stood at Rs. 1,349.752 million with only a 10.4% decline for the same period last year of Rs. 1,505.613 million. However, an increase is witnessed in profit before tax of Rs. 178.161 million against Rs. 118.257 million in the same period last year. Company believes their current liquidity availability provides them with sufficient financial resources to meet their obligations as they come due and no such indication exists for the Company that triggered impairment of its assets. Further, the Company will continue to follow the policies and advice published by the Government of Pakistan and in parallel will do the utmost to continue its operations in the best and safest way possible without jeopardizing the health of its staff.

35 CORRESPONDING FIGURES

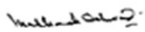
Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and for better presentation.

36 DATE OF AUTHORIZATION FOR ISSUE

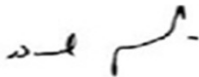
This condensed interim financial information was authorised for issue in the Board of Directors meeting of the Company held on _____.

37 GENERAL

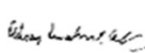
The figures for the quarter and six month period ended June 30, 2020 have been rounded off to the nearest Rupee.



CHAIRMAN



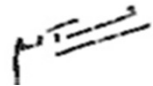
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED
PATTERN OF SHAREHOLDINGS AS AT JUNE 30, 2020

Number of Shareholders	Shareholdings		Share Held	Percentage
	From	To		
31	1	200	4,168	0.0041
167	201	1,000	36,819	0.0358
4	1,001	2,000	5,762	0.0056
2	2,001	4,000	7,556	0.0073
2	4,001	5,000	9,395	0.0091
3	5,001	15,000	24,500	0.0238
8	15,001	20,000	140,957	0.1370
10	20,001	25,000	217,996	0.2119
5	25,001	30,000	132,876	0.1291
1	30,001	35,000	30,464	0.0296
3	35,001	40,000	111,901	0.1087
6	40,001	45,000	253,062	0.2459
5	45,001	95,000	256,024	0.2488
2	95,001	1,500,000	1,596,693	1.5517
1	1,500,001	2,600,000	1,869,215	1.8165
2	2,600,001	4,000,000	6,696,657	6.5079
6	4,000,001	5,000,000	26,387,612	25.6438
2	5,000,001	6,500,000	11,292,583	10.9743
2	6,500,001	7,500,000	14,000,128	13.6055
5	7,500,001	8,500,000	39,826,337	38.7037
267			102,900,705	100.0000

Categories Of Shareholders	Number	Share Held	Percentage
CEO, Directors and their spouses and minor children	14	61,453,993	59.7216
Joint Stock Companies, Insurance Companies, Investment Companies & Modaraba	2	8,501,725	8.2621
Individual	251	32,944,987	32.0163
Total	267	102,900,705	100.0000

Information as required under the Code of Corporate Governance

Categories of Shareholders	Shareholders	Share Held	Percentage
<u>Associated Company</u>			
M/s. Askari Life Assurance Co., Ltd.	1	5,509	0.0054
M/s. East West Holding Company Ltd.	1	8,496,216	8.2567
<u>CEO, Directors, their Spouses and Minor Children</u>			
Chief Justice (R) Mian Mahboob Ahmed	1	3,698	0.0036
Javed Yunus	1	7,941,823	7.7179
Pervez Yunus	1	7,737,441	7.5193
Naved Yunus	1	6,997,456	6.8002
Maheen Yunus	1	7,689,351	7.4726
Umeed Ansari	1	1,376	0.0013
Ahsan Mahmood Alvi	1	1,250	0.0012
Mirza Kazim Raza	1	1,136	0.0011
Ambreen N. Yunus	1	7,925,065	7.7017
Rubina J. Yunus	1	4,531,500	4.4038
Samina P. Yunus	1	4,628,617	4.4981
Shamaila M. Yunus	1	5,872,086	5.7066
Samad M. Yunus	1	4,000,826	3.8880
Anum M. Yunus	1	4,122,368	4.0062
Individual	251	32,944,987	32.0163
Total	267	102,900,705	100.0000



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REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **EAST WEST INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATIONS)** ("the Operator") as at June 30, 2020 and related condensed profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period ended June 30, 2020 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of Interim financial information performed by the Independent Auditor of the Entity". A review of condensed interim financial information 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 the International Standard 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the three months period ended June 30, 2020 and June 30, 2019 in the accompanying condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting from this independent auditor's report is Zulfiqar Ali Causer.

KARACHI

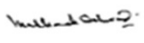
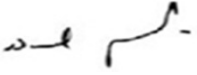
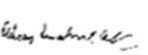

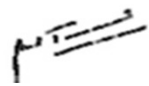
DATED:

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2020

	Note	Operator's Fund		Participant's Takaful Fund	
		June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
		-----Rupees-----		-----Rupees-----	
ASSETS					
Property and equipment	7	11,497,250	11,948,334	-	-
Investment property - at cost	8	36,172,500	37,100,000	-	-
Accrued investment income	9	372	411	2,270	5,226
Qard-e-Hasna to Participants' Takaful Fund (PTF)	10	18,150,000	18,150,000	-	-
Takaful / re-takaful receivables	11	-	-	84,513,356	78,473,619
Receivable from PTF	12	27,044,485	16,232,971	-	-
Taxation - payment less provision	13	394,272	385,917	17,529	14,989
Deferred wakala fee expense		-	-	23,014,972	31,701,100
Deferred commission expense	23	14,477,090	19,571,136	-	-
Prepayments	14	638,276	437,276	37,103,251	44,454,864
Cash and bank	15	414,806	16,341	651,594	811,959
TOTAL ASSETS		108,789,051	103,842,386	145,302,972	155,461,757
FUND AND LIABILITIES					
Operators' Fund					
Statutory Fund		50,000,000	50,000,000	-	-
Accumulated profit		16,792,522	11,089,318	-	-
Total Operators Fund		66,792,522	61,089,318	-	-
Participants' Takaful Fund					
Ceded money		-	-	500,000	500,000
Accumulated surplus		-	-	14,683,188	9,440,023
Balance of Participant Takaful Fund		-	-	15,183,188	9,940,023
Qard-e-Hasna from Operator's Fund	10	-	-	18,150,000	18,150,000
LIABILITIES					
Underwriting provisions					
Outstanding claims		-	-	550,000	-
Unearned contribution reserve		-	-	62,078,937	86,423,643
Unearned Re-takaful rebate		-	-	5,326,652	7,319,085
		-	-	67,955,589	93,742,728
Takaful / Re-takaful payable	16	-	-	15,559,051	15,195,551
Unearned wakala fee		23,014,972	31,701,100	-	-
Contribution received in advance		-	-	1,155,554	2,456,943
Payable to OPF	12	-	-	26,544,485	15,732,971
Other creditors and accruals	17	10,502,904	6,911,421	755,105	243,541
Payable to East West Insurance Company Limited	18	8,478,653	4,140,547	-	-
TOTAL LIABILITIES		41,996,529	42,753,068	111,969,784	127,371,734
TOTAL FUND AND LIABILITIES		108,789,051	103,842,386	145,302,972	155,461,757
CONTINGENCIES AND COMMITMENTS	19				

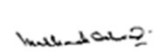
The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.

				
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

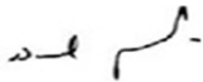
**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020**

	Note	Six months period ended		Three months period ended	
		June 30 2020	June 30 2019	June 30 2020	June 30 2019
		-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund					
Contributions earned	20	66,006,846	20,136,870	22,469,221	10,058,372
Less: Contributions ceded to retakaful	20	(53,926,743)	(13,159,186)	(20,394,710)	(7,528,788)
Net contributions revenue		12,080,103	6,977,684	2,074,511	2,529,584
Retakaful rebate	22	8,263,506	1,373,306	2,698,558	824,086
Net underwriting income		20,343,609	8,350,990	4,773,069	3,353,670
Net claims - reported / settled	21	(15,111,665)	(6,153,381)	(4,919,675)	(2,221,381)
Other direct expenses		-	(2,976)	-	(1,898)
Surplus before investment income		5,231,944	2,194,633	(146,606)	1,130,391
Investment income	26	22,442	106,401	7,148	29,894
Less: Modarib share of investment income	26	(11,221)	(53,201)	(3,574)	(14,947)
Surplus / (deficit) transferred to accumulated surplus		<u>5,243,165</u>	<u>2,247,833</u>	<u>(143,032)</u>	<u>1,145,338</u>
Operator's Fund					
Wakala fee	24	39,103,308	11,852,912	15,258,050	5,298,496
Commission expense	23	(23,796,605)	(7,191,407)	(9,115,272)	(3,724,027)
Management expenses	25	(7,263,789)	(4,683,697)	(2,944,312)	(2,128,187)
		8,042,914	(22,192)	3,198,466	(553,718)
Modarib's share of PTF investment income		11,221	53,201	3,574	14,947
Investment income	26	5,038	1,998,648	981	1,187,586
Rental income		1,146,000	-	573,000	-
Other expenses	27	(3,501,969)	(2,102,581)	(2,167,453)	(1,246,325)
Profit / (loss) for the period		<u>5,703,204</u>	<u>(72,924)</u>	<u>1,608,568</u>	<u>(597,510)</u>

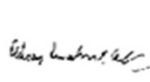
The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.



CHAIRMAN



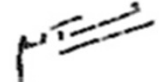
CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020**

	Six months period ended		Three months period ended	
	June 30 2020	June 30 2019	June 30 2020	June 30 2019
	-----Rupees-----		-----Rupees-----	
Participants' Takaful Fund				
Surplus / (deficit) for the period	5,243,165	2,247,833	(143,032)	1,145,338
Other comprehensive income	-	-	-	-
Total comprehensive surplus / (deficit) for the period	<u>5,243,165</u>	<u>2,247,833</u>	<u>(143,032)</u>	<u>1,145,338</u>
Operator's Fund				
Profit / (loss) for the period	5,703,204	(72,924)	1,608,568	(597,510)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>5,703,204</u>	<u>(72,924)</u>	<u>1,608,568</u>	<u>(597,510)</u>

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

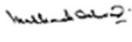
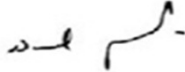
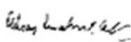

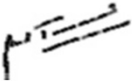
				
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020**

	Operator's Fund		
	Statutory Fund	Accumulated (Losses) / Profit	Total
	----- Rupees -----		
Balance as at January 1, 2019	50,000,000	(920,408)	49,079,592
Total comprehensive income for the period			
Loss for the period	-	(72,924)	(72,924)
Other comprehensive income	-	-	-
	-	(72,924)	(72,924)
Balance as at June 30, 2019	<u>50,000,000</u>	<u>(993,332)</u>	<u>49,006,668</u>
Balance as at January 1, 2020	50,000,000	11,089,318	61,089,318
Total comprehensive income for the period			
Profit for the period	-	5,703,204	5,703,204
Other comprehensive income	-	-	-
	-	5,703,204	5,703,204
Balance as at June 30, 2020	<u>50,000,000</u>	<u>16,792,522</u>	<u>66,792,522</u>

	Participants' Fund		
	Ceded Money	Accumulated (Deficit) / Surplus	Total
	----- Rupees -----		
Balance as at January 1, 2019	500,000	(5,556,429)	(5,056,429)
Total comprehensive income for the period			
Surplus for the period	-	2,247,833	2,247,833
Other comprehensive income	-	-	-
	-	2,247,833	2,247,833
Balance as at June 30, 2019	<u>500,000</u>	<u>(3,308,596)</u>	<u>(2,808,596)</u>
Balance as at January 1, 2020	500,000	9,440,023	9,940,023
Total comprehensive income for the period			
Surplus for the period	-	5,243,165	5,243,165
Other comprehensive income	-	-	-
	-	5,243,165	5,243,165
Balance as at June 30, 2020	<u>500,000</u>	<u>14,683,188</u>	<u>15,183,188</u>

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

				
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020

	Operator's Fund		Participant's Takaful Fund	
	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)
-----Rupees-----				
OPERATING CASH FLOWS				
(a) Takaful activities				
Contribution received	-	-	73,787,822	31,560,115
Retakaful contribution paid	-	-	(46,575,130)	(13,821,871)
Claims paid	-	-	(53,353,810)	(19,540,693)
Retakaful and recoveries received	-	-	38,792,145	13,987,312
Commission paid	(15,403,593)	(8,876,852)	-	-
Retakaful rebate received	-	-	6,271,073	3,228,955
Wakulla fee received	30,417,180	22,877,753	-	-
Wakulla fee paid	-	-	(30,417,180)	(22,877,753)
Net cash flow tactful activities	15,013,587	14,000,901	(11,495,080)	(7,463,935)
(b) Other operating activities				
Income tax paid	(8,354)	(91,902)	(2,540)	(10,786)
Direct expenses paid	-	-	-	(2,976)
Other operating payment	(2,123,386)	(1,947,581)	-	-
Management expenses paid	(6,971,272)	(4,708,715)	-	-
Other operating receipts	(6,674,408)	(8,557,479)	11,323,078	7,162,187
Net cash flow from other operating activities	(15,777,420)	(15,305,677)	11,320,538	7,148,425
Total cash used in all operating activities	(763,833)	(1,304,776)	(174,542)	(315,510)
INVESTMENT ACTIVITIES				
Profit received on investment income	16,298	1,153,413	14,177	107,876
Rental income	1,146,000	-	-	-
Addition to plant and equipment	-	(30,300,000)	-	-
Addition to investment	-	(20,000,000)	-	-
Proceeds from disposal of investments	-	20,000,000	-	-
Total cash flow generated from / (used in) investing activities	1,162,298	(29,146,587)	14,177	107,876
Net cash flow from all activities	398,465	(30,451,363)	(160,365)	(207,634)
Cash and cash equivalents at beginning of the period	16,341	50,699,558	811,959	511,226
Cash and cash equivalents at end of the period	414,806	20,248,195	651,594	303,592
Reconciliation to profit and loss account:				
Operating cash flows	(763,833)	(1,304,776)	(174,542)	(315,510)
Depreciation	(1,378,583)	(155,000)	-	-
Investment income	16,298	1,153,413	14,177	107,876
Rental income	1,146,000	-	-	-
Increase / (decrease) in assets other than cash	5,926,783	17,264,345	(9,998,420)	56,484,450
Increase / (decrease) in liabilities	756,539	(17,030,906)	15,401,950	(54,028,983)
Profit / (loss) / surplus for the period	5,703,204	(72,924)	5,243,165	2,247,833

The annexed notes from 1 to 33 form an integral part of this condensed interim financial

				
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

**EAST WEST INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020**

1 LEGAL STATUS AND NATURE OF BUSINESS

East West Insurance Company Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on May 08, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the Takaful business, the Operator has formed a Participants' Takaful Fund (PTF) on April 06, 2018 under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

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

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

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 audited financial statements of the Operator as at and for the period 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 audited financial statements of the Operator for the period ended December 31, 2019, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in fund is extracted from the unaudited condensed interim financial information for the period ended June 30, 2019.

2.1 Functional and presentation currency

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

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost. Accrual basis of accounting has been used except for cash flow information.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same and are consistent with those followed in the preparation of the audited financial statements of the Operator for the period ended December 31, 2019 except as disclosed below.

4.1 General Takaful Accounting Regulations, 2019

The Securities and Exchange Commission of Pakistan (SECP) issued the General Takaful Accounting Regulations, 2019 (the Regulation), through S.R.O. 1416 (I)/2019 dated November 20, 2019. These Regulations came into force for the accounting period commencing on or after January 1, 2020.

The Regulations provide the principles based on which accounting and reporting of general takaful business of general takaful operators and window general takaful operators shall be made. The Regulations also contain the formats for reporting of published financial information and regulatory returns of general takaful / window takaful operators. As per the Regulations, the provision of Rule 19 of the Insurance Rules, 2017 along with Annexure – II and the provision of the Insurance Accounting Regulations, 2017 shall stand applicable on the Window Takaful Operator to the extent of its conventional insurance business modified to the extent stated at regulation 6 of these Regulations in respect of its Window Takaful business.

In accordance, with directives of SECP, with effect from January 1, 2020 the Operator has adopted these Regulations and changed its accounting policy in respect of the presentation of its financial information, as explained in note 4.2 to this condensed interim financial information.

4.2 Change in presentation and disclosure of financial information

As per General Takaful Accounting Regulations, 2019 ("the Regulations"), the presentation and disclosure requirements of the financial information was changed for general and window takaful operators for accounting periods commencing on or after January 1, 2020. Accordingly, with effect from January 01, 2020 the format prescribed in the Regulation has been adopted, and changes to the presentation and disclosures in this condensed interim financial information have been applied.

Key changes in the prescribed Annexure include a change in the presentation of assets / liabilities in the statement of financial position. Disaggregation of underwriting results and other elements of the profit and loss account. Other than these, there have also been certain changes in the nomenclature of various elements of the financial information. These do not have any financial impact on the profitability and opening retained earnings. Some of the key changes resulting from the change in accounting policy, as aforementioned, on the prior period this condensed interim financial information has been summarized below:

4.2.1 Statement of financial position

Serial no.	New Classification and presentation	Previous classification and presentation	December 31, 2019
1	Taxation - payment less provision	Taxation - net	385,917

4.2.2 Profit and loss account

Serial no.	New Classification and presentation	Previous classification and presentation	June 30, 2019
1	Classified and deducted from "Gross contribution earned" in the notes as Wakala fee	Disclosed separately in the condensed interim profit and loss account for PTF as Wakala expense.	11,852,912
2	Separately disclosed in the condensed interim profit and loss account for PTF, as "Contributions ceded to retakaful".	Deducted from contribution earned under "Net Contribution Revenue" in the condensed interim profit and loss account for PTF, as "Retakaful expense".	13,159,186
3	Separately disclosed in the condensed interim profit and loss account for PTF / OPF, as "Modarib's share of investment income".	Classified under "Investment (loss) / income" in the condensed interim profit and loss account for PTF / OPF.	53,201

4.3 Temporary exemption from application of IFRS 9

As a takaful operator, the management has continued its accounting policy to opt for temporary

exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with takaful. As on reporting dates the fair value of the Operator's financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying the Operators' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Operator as at and for the period ended December 31, 2019.

6 INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in financial statements of the Operator for the period ended December 31, 2019.

7 PROPERTY AND EQUIPMENT (OPF)

June 30, 2020 (Unaudited)										
Cost				Accumulated depreciation				Written down value	Depreciation rate %	
As at January 1, 2020	Additions during the period	Transfer to investment property	As at June 30, 2020	As at January 1, 2020	Depreciation for the period	Transfer to investment property	As at June 30, 2020			
----- Rupees -----				----- Rupees -----						
Office Premises	10,000,000	-	-	10,000,000	83,333	247,917	-	331,250	9,668,750	5%
Vehicles	2,300,000	-	-	2,300,000	268,333	203,167	-	471,500	1,828,500	20%
	<u>12,300,000</u>	<u>-</u>	<u>-</u>	<u>12,300,000</u>	<u>351,666</u>	<u>451,084</u>	<u>-</u>	<u>802,750</u>	<u>11,497,250</u>	
December 31, 2019 - audited	-	50,300,000	(38,000,000)	12,300,000	-	1,051,666	(700,000)	351,666	11,948,334	

8 INVESTMENT PROPERTIES - AT COST (OPF)

June 30, 2020 (Unaudited)										
Cost				Accumulated depreciation				Written down value	Depreciation rate %	
As at January 1, 2020	Additions during the period	Transfer to investment property	As at June 30, 2020	As at January 1, 2020	Depreciation for the period	Transfer to investment property	As at June 30, 2020			
----- Rupees -----				----- Rupees -----						
Office premises	38,000,000	-	-	38,000,000	900,000	927,500	-	1,827,500	36,172,500	5%
	<u>38,000,000</u>	<u>-</u>	<u>-</u>	<u>38,000,000</u>	<u>900,000</u>	<u>927,500</u>	<u>-</u>	<u>1,827,500</u>	<u>36,172,500</u>	
December 31, 2019 - audited	-	-	38,000,000	38,000,000	-	200,000	700,000	900,000	37,100,000	

- 8.1 The fair value of investment is approximately same as the cost, however, we are carrying it at cost model due to the difficulties of identifying sale of the similar type of properties recently.

	Operator's Fund		Participants Takaful Fund	
	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)

Note

-----Rupees-----

9 ACCRUED INVESTMENT INCOME

Income accrued on savings account	372	411	2,270	5,226
	<u>372</u>	<u>411</u>	<u>2,270</u>	<u>5,226</u>

June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
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----- Rupees -----

10 QARD-E-HASNA TO PARTICIPANT'S TAKAFUL FUND (PTF)

Opening as at January 1st		18,150,000	6,000,000
Qard-e-hasna transferred from OPF during the period / year		-	12,150,000
Closing		<u>18,150,000</u>	<u>18,150,000</u>

11 TAKAFUL / RE-TAKAFUL RECEIVABLES (PTF)

Participants' Takaful Fund				
Due from takaful participant holders		53,785,677	44,600,409	
Less: provision for impairment of receivables from takaful participant holders		-	-	
		<u>53,785,677</u>	<u>44,600,409</u>	
Due from other takaful / re-takaful operators		30,727,679	33,873,210	
Less: provision for impairment of receivables from takaful participant holders		-	-	
		<u>84,513,356</u>	<u>78,473,619</u>	

12 RECEIVABLE FROM PTF / PAYABLE TO OPF

Other receivable / payable	27,044,485	16,232,971	(26,544,485)	(15,732,971)
	<u>27,044,485</u>	<u>16,232,971</u>	<u>(26,544,485)</u>	<u>(15,732,971)</u>

13 TAXATION - PAYMENT LESS PROVISION

Tax deducted at source	<u>394,272</u>	<u>385,917</u>	<u>17,529</u>	<u>14,989</u>
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14 PREPAYMENTS

Prepaid retakaful contribution ceded	-	-	37,103,251	44,454,864
Other prepayments	638,276	437,276	-	-
	<u>638,276</u>	<u>437,276</u>	<u>37,103,251</u>	<u>44,454,864</u>

		Operator's Fund		Participants Takaful Fund	
		June 30,	December 31,	June 30,	December 31,
		2020	2019	2020	2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
-----Rupees-----					

15 CASH AND BANK

Cash at bank

Current accounts

PLS savings accounts

		1,337	1,337	75	75
15.1		413,469	15,004	651,519	811,884
		<u>414,806</u>	<u>16,341</u>	<u>651,594</u>	<u>811,959</u>

15.1 These represent profit and loss sharing accounts carrying profit rates ranging from 5% to 10% (2019: 7% to 10%) per annum.

	June 30,	December 31,
	2020	2019
	(Unaudited)	(Audited)
----- Rupees -----		

16 TAKAFUL / RETAKAFUL PAYABLE (PTF)

Participants' Takaful Fund

Due to other takaful / re-takaful

Local

15,559,051	15,195,551
<u>15,559,051</u>	<u>15,195,551</u>

17 OTHER CREDITORS AND ACCRUALS

Salaries payable

Staff provident fund

Commission payable

Withholding tax payable

Accrued expenses

1,064,233	178,757	-	-
319,052	184,600	-	-
7,889,712	4,590,746	-	-
430,400	45,679	-	-
799,507	1,911,639	755,105	243,541
<u>10,502,904</u>	<u>6,911,421</u>	<u>755,105</u>	<u>243,541</u>

18 PAYABLE TO EAST WEST INSURANCE COMPANY LIMITED (OPF)

This represents the amount payable in respect of expenses incurred by East West Insurance Company Limited on behalf of the Operator.

19 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 (December 31, 2019: Nil).

Note	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2020	2019	2020	2019

-----Rupees----- Rupees-----

20 NET TAKAFUL CONTRIBUTION

Participants' Takaful Fund				
Written gross contribution	80,765,448	64,773,315	25,737,508	42,462,066
Wakala fee	(39,103,308)	(11,852,912)	(15,258,050)	(5,298,496)
Contribution net of wakala	41,662,140	52,920,403	10,479,458	37,163,570
Unearned contribution reserve -Opening	86,423,643	10,820,755	74,068,700	16,499,090
Unearned contribution reserve -Closing	(62,078,937)	(43,604,288)	(62,078,937)	(43,604,288)
Contribution earned	66,006,846	20,136,870	22,469,221	10,058,372
Less:				
Re-takaful contribution ceded	46,575,130	25,396,284	15,823,606	15,719,053
Prepaid retakaful contribution ceded-Opening	44,454,864	366,365	41,674,355	4,413,198
Prepaid retakaful contribution ceded -Closing	(37,103,251)	(12,603,463)	(37,103,251)	(12,603,463)
Retakaful expense	53,926,743	13,159,186	20,394,710	7,528,788
	12,080,103	6,977,684	2,074,511	2,529,584

21 NET TAKAFUL CLAIMS

Claims paid	53,353,810	19,540,693	18,135,188	16,208,693
Outstanding claims -Opening	-	-	(550,000)	(600,000)
Outstanding claims -Closing	550,000	600,000	550,000	600,000
Claim expense	53,903,810	20,140,693	18,135,188	16,208,693
Retakaful and other recoveries received	(38,792,145)	(13,987,312)	(13,215,513)	(13,987,312)
	15,111,665	6,153,381	4,919,675	2,221,381

22 RETAKAFUL REBATE

Participants' Takaful Fund				
Retakaful rebate received	6,271,073	3,228,955	1,615,905	2,135,781
Unearned retakaful rebate - opening	7,319,085	36,636	6,409,305	580,590
Unearned retakaful rebate - closing	(5,326,652)	(1,892,285)	(5,326,652)	(1,892,285)
Rebate from takaful operator	8,263,506	1,373,306	2,698,558	824,086

23 COMMISSION EXPENSE

Operators' Fund				
Commission paid	18,702,559	13,994,888	6,308,794	9,294,544
Deferred commission expense - opening	19,571,136	1,672,779	17,283,568	2,905,743
Deferred commission expense - closing	(14,477,090)	(8,476,260)	(14,477,090)	(8,476,260)
	23,796,605	7,191,407	9,115,272	3,724,027

24 WAKALA EXPENSE

Participants' Takaful Fund				
Gross wakala fee	30,417,180	22,877,753	10,961,311	14,910,833
Deferred wakala expense - opening	31,701,100	4,108,655	27,311,711	5,521,159
Deferred wakala expense - closing	(23,014,972)	(15,133,496)	(23,014,972)	(15,133,496)
Deferred wakala expense	39,103,308	11,852,912	15,258,050	5,298,496

The operator manages the general takaful operations for the participants' and charges 40% for fire, 35% for motor, 40% for marine and 35% for miscellaneous classes, of gross contribution including administrative surcharges as wakala fee against the services.

	Six months period ended		Three months period ended	
	June 30 2020	June 30 2019	June 30 2020	June 30 2019

Note -----Rupees-----Rupees-----

25 MANAGEMENT EXPENSES

Operators' Fund					
Salaries, allowances and employee benefit	25.1	5,953,754	4,091,470	2,286,643	1,755,321
Office rent and maintenance		984,934	26,829	479,842	10,780
Motor vehicle running expense		171,117	87,329	87,333	38,519
Printing and stationary		1,570	87,744	1,570	18,179
Postage and telegram		2,500	6,490	2,500	1,640
Utility expenses		127,534	146,537	64,044	73,720
Repair and maintenance		22,380	11,310	22,380	4,040
Service charges		-	225,988	-	225,988
		<u>7,263,789</u>	<u>4,683,697</u>	<u>2,944,312</u>	<u>2,128,187</u>

25.1 These include Rs.0.23 million and Rs. 0.12 million (2019: Rs. nil and Rs. 0.065 million) in respect of bonus and provident fund respectively.

26 INVESTMENT INCOME

Income from equity securities

- Dividend income	-	285,830	-	285,830
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Income from term deposits

- Return on term deposits	-	1,400,922	-	592,905
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Return on bank balances

- Return on PLS saving Accounts	5,038	311,896	981	308851
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Total investment income	5,038	1,998,648	981	1,187,586
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Participants' Fund

Return on bank balances

- Return on PLS saving Accounts	22,442	106,401	7,148	29,894
Less: Investment related expenses	(11,221)	(53,201)	(3,574)	(14,947)
	<u>11,221</u>	<u>53,200</u>	<u>3,574</u>	<u>14,947</u>

Note	Six months period ended		Three months period ended	
	June 30	June 30	June 30	June 30
	2020	2019	2020	2019
	-----Rupees-----		-----Rupees-----	

27 OTHER EXPENSES

Operators' Fund					
Salaries, allowances and employees benefits	27.1	1,133,400	981,882	842,175	417,450
Shariah registrar fees		600,000	576,000	300,000	360,000
Auditor's remuneration		381,908	286,000	327,908	286,000
Depreciation expenses	7	1,378,583	155,000	689,292	155,000
Bank charges		-	971	-	300
Staff welfare expenses		8,078	95,843	8,078	25,235
Newspaper and periodicals		-	6,885	-	2,340
		<u>3,501,969</u>	<u>2,102,581</u>	<u>2,167,453</u>	<u>1,246,325</u>

27.1 These include Rs.0.085 million and Rs. 0.031 million (2019: Nil and Rs. 0.238 million) in respect of bonus and provident fund respectively.

28 RELATED PARTY TRANSACTIONS

The Operator has related party comprise of the associates, subsidiary company, directors, key management personnel and staff retirement funds. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Detail of related parties transactions with balances, other than those which have been disclosed elsewhere in these financial statements are as follows:

Transaction:	Name of related party	Nature of relationship	Nature of transaction	Six months period ended		Three months period ended	
				June 30 2020	June 30 2019	June 30 2020	June 30 2019
				-----Rupees-----		-----Rupees-----	
	East West Insurance Company	Management company	Interest free loan	4,338,106	913,047	5,838,106	1,435,353
	Remuneration Paid	Key Management	Services	1,110,000	4,074,936	555,000	2,037,468
	Staff retirement benefits payable	Key Management	Provident Fund Contribution	-	73,500	-	-
	Takaful Operator -East West Insurance Company Limited	Management company	Purchase/ Transfer in Office Premises	-	16,000,000	-	16,000,000
			Purchase/ Transfer in Office Premises	-	12,000,000	-	12,000,000
			Purchase/ Transfer in Motor Vehicles	-	2,300,000	-	2,300,000
Period end balances						June 30, 2020	December 31, 2019
	Payable to related parties					(Unaudited) Rupees	(Audited) Rupees
	East West Insurance Company Limited					8,478,653	4,140,547
	Staff retirement benefits					319,052	184,600
	Key management personal					285,000	178,757
						<u>9,082,705</u>	<u>4,503,904</u>

29 SEGMENT REPORTING

29.1 Following are the segment assets, liabilities, revenue and expenses of the Operator's Takaful fund:

Operator's Fund	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
-----Six months period ended June 30, 2020 (Unaudited)-----					
-----Rupees-----					
Wakala fee earned	15,339,579	6,177,500	10,528,352	7,057,877	39,103,308
Commission expense	(9,360,008)	(4,240,124)	(6,073,206)	(4,123,267)	(23,796,605)
Management expenses	(2,849,464)	(1,147,526)	(1,955,735)	(1,311,064)	(7,263,789)
	(12,209,472)	(5,387,650)	(8,028,941)	(5,434,331)	(31,060,394)
	3,130,107	789,850	2,499,411	1,623,546	8,042,914
Investment income					5,038
Rental income					1,146,000
Modarib share of PTF investment income					11,221
Other expenses					(3,501,969)
Profit for the period					5,703,204
					As at June 30, 2020 (Unaudited)
Corporate segment assets	5,281,817	1,628,217	4,683,725	2,883,331	14,477,090
Corporate un-allocated assets					94,311,961
Total assets					108,789,051
Corporate segment liabilities	7,919,861	2,378,851	7,899,135	4,817,125	23,014,972
Corporate un-allocated liabilities					18,981,557
Total liabilities					41,996,529
-----Six months period ended June 30, 2019 (Unaudited)-----					
-----Rupees-----					
Wakala fee earned	4,774,787	1,515,882	4,853,266	708,977	11,852,912
Commission expense	(2,741,839)	(901,330)	(3,077,598)	(470,640)	(7,191,407)
Management expenses	(1,886,765)	(599,003)	(1,917,776)	(280,153)	(4,683,697)
	(4,628,604)	(1,500,333)	(4,995,374)	(750,793)	(11,875,104)
	146,183	15,549	(142,108)	(41,816)	(22,192)
Investment income					2,051,849
Other expenses					2,102,581
Loss for the period					(72,924)
					As at December 31, 2019 (Audited)
Corporate segment assets	29,788,539	8,898,190	50,930,617	14,208,700	103,826,045
Corporate un-allocated assets					16,341
Total assets					103,842,386
Corporate segment liabilities	10,283,261	3,071,732	17,581,689	4,904,966	35,841,647
Corporate un-allocated liabilities					6,911,421
Total liabilities					42,753,068

29.2 Following are the segment assets, liabilities, revenue and expenses of the Participants' Takaful fund:

Participants' Takaful Fund	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
-----Six months period ended June 30, 2020 (Unaudited)-----					
-----Rupees-----					
Contribution receivable (inclusive of administrative surcharge, Federal Excise Duty and Federal Insurance Fee)	27,940,662	15,263,473	22,220,236	15,661,442	81,085,813
Less: Federal Excise Duty	(137,924)	(21,573)	(94,712)	-	(254,209)
Federal Insurance Fee	(8,654)	(50,522)	(5,920)	(1,060)	(66,156)
Gross written contribution including administrative surcharge	<u>27,794,084</u>	<u>15,191,378</u>	<u>22,119,604</u>	<u>15,660,382</u>	<u>80,765,448</u>
Direct contribution	8,255,537	4,813,443	4,973,210	6,785,921	24,828,111
Facultative inward contribution	19,158,212	10,145,130	16,903,187	8,540,472	54,747,001
Administrative surcharge	380,335	232,805	243,207	333,989	1,190,336
	<u>27,794,084</u>	<u>15,191,378</u>	<u>22,119,604</u>	<u>15,660,382</u>	<u>80,765,448</u>
Wakala fee	(15,339,579)	(6,177,500)	(10,528,352)	(7,057,877)	(39,103,308)
Takaful Contribution earned	23,009,370	9,266,249	19,552,713	14,178,514	66,006,846
Takaful contribution ceded to re-takaful	(19,992,997)	(9,950,268)	(11,505,444)	(12,478,034)	(53,926,743)
Net takaful contribution	3,016,373	(684,019)	8,047,269	1,700,480	12,080,103
Retakaful rebate	2,988,038	1,969,087	1,773,282	1,533,099	8,263,506
Net underwriting income	<u>6,004,411</u>	<u>1,285,068</u>	<u>9,820,551</u>	<u>3,233,579</u>	<u>20,343,609</u>
Takaful claims	18,954,663	11,882,751	10,888,404	12,177,992	53,903,810
Re-takaful and other recoveries	(15,617,232)	(8,541,468)	(4,464,171)	(10,169,274)	(38,792,145)
Net claims	3,337,431	3,341,283	6,424,233	2,008,718	15,111,665
Direct expenses					-
Surplus / (deficit) before investment income	<u>2,666,980</u>	<u>(2,056,215)</u>	<u>3,396,318</u>	<u>1,224,861</u>	<u>5,231,944</u>
Investment income					22,442
Modarib share of investment income					(11,221)
Surplus transferred to balance of PTF					<u>5,243,165</u>
					As at June 30, 2020 (Unaudited)
Corporate segment assets	52,768,156	21,250,600	41,391,547	29,221,275	144,631,579
Corporate un-allocated assets					671,393
Total assets					<u>145,302,972</u>
Corporate segment liabilities	30,891,525	12,440,522	24,231,433	17,106,714	84,670,194
Corporate un-allocated liabilities					27,299,590
Total liabilities					<u>111,969,784</u>

Participants' Takaful Fund	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
-----Six months period ended June 30, 2019 (Unaudited)-----					
-----Rupees-----					
Contribution receivable (inclusive of administrative surcharge, Federal Excise Duty and Federal Insurance Fee)	18,764,332	5,602,672	32,242,452	8,934,623	65,544,079
Less: Federal Excise Duty	(169,399)	(19,207)	(366,883)	(3,421)	(558,910)
Federal Insurance Fee	(10,941)	(32,206)	(101,799)	(66,908)	(211,854)
Written gross contribution including administrative surcharge	18,583,992	5,551,259	31,773,770	8,864,294	64,773,315
Wakala fee	(4,774,787)	(1,515,882)	(4,853,266)	(708,977)	(11,852,912)
Takaful Contribution earned	7,162,185	2,273,824	9,013,210	1,687,651	20,136,870
Takaful contribution ceded to re-takaful	(5,318,032)	(2,856,183)	(4,463,103)	(521,868)	(13,159,186)
Net takaful contribution	1,844,153	(582,359)	4,550,107	1,165,783	6,977,684
Retakaful rebate	716,389	428,427	150,210	78,280	1,373,306
Net underwriting income	2,560,542	(153,932)	4,700,317	1,244,063	8,350,990
Net claims	(763,890)	(821,819)	(4,445,573)	(122,099)	(6,153,381)
Direct expenses	(854)	(255)	(1,460)	(407)	(2,976)
Surplus / (deficit) before investment income	1,795,798	(976,006)	253,284	1,121,557	2,194,633
Investment income					106,401
Modarib share of investment income					(53,201)
Surplus transferred to balance of PTF					2,247,833
					As at December 31, 2019 (Audited)
Corporate segment assets	44,370,287	13,253,932	75,861,597	21,163,982	154,649,798
Corporate un-allocated assets					811,959
Total assets					<u>155,461,757</u>
Corporate segment liabilities	36,474,115	10,895,251	62,361,205	17,397,622	127,128,193
Corporate un-allocated liabilities					243,541
Total liabilities					<u>127,371,734</u>

29.3 Management has allocated indirect management expenses to underwriting business on the basis of net takaful contribution under individual business as per the stated accounting policy of the Operator.

30 COVID-19 and its impact on business

The COVID-19 pandemic had spread with alarming speed, infecting millions and bringing economic activity to a near-stand still as countries imposed tight restrictions on movement to halt the spread of the virus. This crisis continues to have a significant impact on individuals, society, business and the wider economy across the globe. The Operator has not escaped its impact but has responded quickly to the crisis by providing the facilities to its employees to work from home, informing employees regularly about the risk of infection, good hygiene standards and ways to manage customer contact at Operators office. Consequently, at this stage, impact on the Operator's business and results is limited. Gross Wakala for the half year ended June 30, 2020 stood at Rs. 39.1 million with 230% increase for the same period last year of Rs. 11.9 million. However, an increase is witnessed in profit for the period of Rs. 5.7 million against loss of Rs. 0.07 million in the same period last year. Operator believes their current liquidity availability provides them with sufficient financial resources to meet their obligations as they come due and no such indication exists for the Operator that triggered impairment of its assets. Further, the Operator will continue to follow the policies and advice published by the Government of Pakistan and in parallel will do the utmost to continue its operations in the best and safest way possible without jeopardizing the health of its staff.

31 CORRESPONDING FIGURES

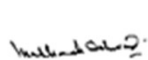
The corresponding figures have been reclassified or re-arranged, wherever considered necessary, to comply with the requirements of General Takaful Accounting, Regulations 2019. Accordingly, no other significant re-classification or re-arrangement have been made during the period, except for those disclosed in notes 4.1 and 4.2.

32 DATE OF AUTHORIZATION FOR ISSUE

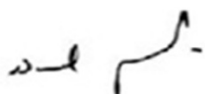
This condensed interim financial information has been authorized for issue on _____ by the Board of Directors of the Operator.

33 GENERAL

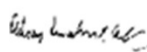
All figures have been rounded off to the nearest rupee, unless otherwise stated.



CHAIRMAN



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER