



Quarterly Report
30 September 2020

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Company Information

BOARD OF DIRECTORS

Mr. Jameel Yusuf (S.St.)
Mr. Muhammad Ali Jameel
Ms. Naila Kassim
Mr. Andrew Borda
Mr. Rana Assad Amin
Mr. Ali Asgher
Syed Nadir Shah

Chairman
Director
Director
Director
Director
Director
Director

Mr. Muhammad Aminuddin

Chief Executive Officer

BOARD COMMITTEES

Ethics, Human Resources, Remuneration & Nomination Committee

Syed Nadir Shah
Mr. Muhammad Ali Jameel
Mr. Rana Assad Amin
Mr. Nader Nawaz

Chairman
Member
Member
Secretary

Investment Committee

Mr. Muhammad Ali Jameel
Mr. Andrew Borda
Mr. Muhammad Aminuddin
Mr. Ali Asgher
Mr. Yousuf Zohaib Ali

Chairman
Member
Member
Member
Secretary

Audit Committee

Syed Nadir Shah
Mr. Rana Assad Amin
Mr. Andrew Borda
Syed Muhammad Ali

Chairman
Member
Member
Secretary

MANAGEMENT COMMITTEES:

Risk Management and Compliance Committee

Mr. Andrew Borda
Mr. Muhammad Aminuddin
Syed Kazim Hasan
Ms. Shayan Mufti

Chairman
Member
Member
Secretary

Underwriting Committee

Mr. Andrew Borda
Syed Kazim Hasan
Mr. Altaf Ahmed Siddiqi
Mr. Shumail Iqbal

Chairman
Member
Member
Secretary

Claim Settlement Committee

Mr. Muhammad Aminuddin
Syed Ali Hassan Zaidi
Mr. Yousuf Zohaib Ali
Mr. Ovais Alam

Chairman
Member
Member
Secretary

Reinsurance & Co-insurance Committee

Mr. Andrew Borda
Syed Kazim Hasan
Mr. Altaf Ahmed Siddiqi
Ms. Shadab Khan

Chairman
Member
Member
Secretary

BANKERS

Al-Baraka Bank Pakistan Ltd.
Bank Al Habib Ltd.
Bank Islami Pakistan Ltd.
Dubai Islamic Bank Pakistan Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
Mobilink Micro Finance Bank Ltd.
National Bank of Pakistan
Silk Bank Ltd.
Summit Bank Ltd.
Telenor Micro Finance Bank Ltd.
United Bank Ltd.
Samba Bank Ltd.
MCB Islamic Bank Ltd.

AUDITORS

EY Ford Rhodes
Chartered Accountants

LEGAL ADVISOR

Lari & Co.
Maritime & Insurance Advocates

SHARE REGISTRAR

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.
Karachi-75400, Pakistan.
Tel: 021.34168270
UAN: 021.111.000.322
Fax: 021.34168271

REGISTERED OFFICE

11th & 12th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Adjacent KPT Interchange Flyover,
Karachi, Postal Code: 74900
Fax: 021.35316032
UAN: 021.111.000.301
Tel: 021.37130223

WEB PRESENCE

www.tplinsurance.com



Geographical Presence

KARACHI OFFICE

Head Office

TPL Insurance Ltd.
11th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Adjacent K.P.T. Interchange, Karachi - 74900
Tel: 021.37130223
Fax: 021.35316031-2
UAN: 021.111.000.301

LAHORE

Branch Office Lahore
Tower 75, 4th Floor
Near Honda City Sales &
Hondai Central Motors,
Kalma Chowk Lahore.
Tel: 042-35209000
UAN: 042.111.000.301
Fax: 042.35157233

ISLAMABAD

Branch Office Islamabad
55-B, 10th Floor (South) ISE Tower,
Jinnah Avenue, Blue Area, Islamabad.
UAN: 051.111.000.301
Fax: 051.2895073

FAISALABAD

Branch Office Faisalabad
Office No. 4-02, 4th floor,
Meezan Executive Tower,
Civil Lines, Faisalabad.
UAN: 051.111.000.301
Tel: 041.8501471-3
Fax: 041.8501470

MULTAN

Branch Office Multan
Haider Street, Shalimar Colony
Northern Bypass-Boson Road
Multan.
UAN: 061.111.000.301
Fax: 061.44243451

HYDERABAD

Branch Office Hyderabad
A-8, District Council Complex,
Hyderabad.
Tel: 022.2728676
Fax: 022.2783154

EXPORT PROCESSING ZONE (EPZ)

Branch Office EPZ Landhi, Karachi
Plot # N-4, Sector B-III, Phase-1,
Export Processing Zone. Landhi.

Directors' Report

For The nine months period ended September 30, 2020

On behalf of the Board of Directors, I am pleased to present the condensed interim financial statements of the Company for the nine months period ended September 30, 2020.

During the period, the Company reported Gross Written Premium of Rs. 2,075 million Vs Rs. 1,875 million at Q3 2019 (including Window Takaful Operations), registering an increase of Rs. 200 million compared to prior year. This represents growth of 10.7% YoY despite COVID 19 related lockdowns and is mainly attributed to signing up of some large blue-chip accounts under property and health segments.

During the first nine months, vehicle sales declined by 49% at 69,229 units (Q3 2019: 134,609 units) owing to country wide lockdowns due to COVID 19 with no motor sales recorded in the month of April 2020. Despite this, motor portfolio reported GWP at Rs. 1,564 million compared to Q3 2019 of Rs. 1,615 million. Health and Property business supported the top-line by contributing Rs. 247 million and Rs. 197 million respectively compared to Rs. 73 million and Rs. 110 million in the same period last year. The Company reported robust growth in bottom-line at profit before tax of Rs. 66 million (Q3 2019: Rs. 15 million), including results of Window Takaful operations, mainly attributed to improvements in acquisition cost and investment income.

Despite current challenging economic environment due to COVID 19 pandemic, our operations continued at optimum level and our customer services remained top of the mark. Our investments in digitization initiatives are paying off and we are able to serve our customer through digital channels. Though pandemic has impacted our top-line growth during the period, we are confident to close the year with a positive growth trajectory.

Following reduction in interest rates, the financial institutions have recorded extended auto financing. This has greatly assisted us in making up for the deficit that occurred during the peak COVID period. Further, we expect that the softening of the interest rates would go a long way in supporting the industry generally and would be a consequence of creating new insurance avenues predominantly in the manufacturing and house building projects.

Further, based on recommendation of HR Committee, the Board has agreed in principal to the issuance of Employee Share Option Plan upto 10% of the paid up capital of the Company. Legal formalities in this respect are in progress.

We would like to thank all our stakeholders, business partners, Pakistan Stock Exchange, SECP and staff for their continued support.

For and on behalf of the Board of Directors



Muhammad Aminuddin
Chief Executive Officer
October 20, 2020

FINANCIAL

STATEMENTS

Condensed Interim Statement of Financial Position

As at 30 September 2020

		Unaudited 30 September 2020	Audited 31 December 2019
	Note	----- (Rupees) -----	
ASSETS			
Property and equipment	6	415,561,624	419,574,248
Intangible assets		9,662,180	9,565,236
Investments			
Equity securities and mutual fund units	7	140,598,741	88,701,696
Government Securities	8	96,585,640	95,677,804
Debt securities	9	-	125,000,000
Term deposits	10	477,500,000	420,000,000
Loans and other receivables	11	226,868,092	287,866,809
Insurance / reinsurance receivables		602,429,740	308,341,598
Reinsurance recoveries against outstanding claims		184,577,371	34,249,686
Salvage recoveries accrued		161,505,798	55,541,409
Deferred commission expense		144,632,150	156,754,128
Deferred taxation		36,925,052	44,064,267
Prepayments		285,900,826	218,325,462
Cash and bank balances		776,022,058	702,441,602
Total assets		3,558,769,272	2,966,103,945
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital		938,662,610	938,662,610
Share premium - net of share issuance cost		8,033,837	8,033,837
Accumulated losses		(190,174,488)	(114,008,588)
Other comprehensive income reserve		(2,854,002)	-
Available-for-sale reserve		-	(29,742,761)
Total Shareholders' fund		753,667,957	802,945,098
Participant's Takaful Fund			
Ceded Money		2,000,000	2,000,000
Accumulated surplus / (deficit)		58,517,007	(50,891,618)
Total Participant's Takaful Fund		60,517,007	(48,891,618)
Total Equity		814,184,964	754,053,480
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		551,803,082	252,522,221
Unearned premium reserves		1,387,622,947	1,211,232,507
Unearned reinsurance commission		56,455,795	41,427,063
Premium received in advance		15,963,877	15,653,265
Insurance / reinsurance payables		199,526,916	206,886,319
Other creditors and accruals	12	215,464,209	193,713,970
Lease liability against right-of-use asset		301,340,494	276,621,459
Taxation - provision less payment		16,406,988	13,993,661
Total Liabilities		2,744,584,308	2,212,050,465
Total equity and liabilities		3,558,769,272	2,966,103,945
Contingencies and commitment			
	13		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Nine Months Period Ended 30 September 2020

Note	For the three months period ended		For the nine months period ended		
	30 September 2020	30 September 2019	30 September 2020	30 September 2019	
	(Restated - Note 2.3)		(Restated - Note 2.3)		
----- (Rupees) -----					
Net insurance premium	14	548,997,141	528,738,212	1,639,426,431	1,571,212,030
Net Insurance claims	15	(285,555,354)	(253,873,262)	(724,930,322)	(675,896,220)
Net commission expense	16	(47,260,548)	(68,425,238)	(156,016,024)	(206,344,649)
Insurance claims and commission expense		(332,815,902)	(322,298,500)	(880,946,346)	(882,240,869)
Management expenses		(209,260,759)	(208,490,416)	(641,455,787)	(616,725,922)
Underwriting results		6,920,480	(2,050,704)	117,024,298	72,245,239
Investment income	17	12,449,521	28,600,559	64,140,530	45,126,952
Net unrealized fair value gains on financials assets at fair value through profit or loss		5,846,642	-	8,030,892	-
Net fair value gain on derecognition of financials assets at fair value through profit or loss		-	-	994,662	-
Other income		18,075,853	19,228,458	57,839,435	51,702,132
Other expenses		(44,443,480)	(44,336,560)	(153,054,680)	(133,875,734)
Results of operating activities		(1150,984)	1,441,753	94,975,137	35,198,589
Financial charges		(9,840,431)	(7,841,399)	(28,743,636)	(19,991,318)
Profit / (loss) before tax for the period		(10,991,415)	(6,399,646)	66,231,501	15,207,271
Income tax expense		(14,140,070)	(5,350,519)	(32,988,776)	(14,173,195)
Profit / (loss) after tax		(25,131,485)	(11,750,165)	33,242,725	1,034,076
Other comprehensive income:					
Items that will be reclassified to income statement:					
Net unrealized diminution on remeasurement of investments classified as 'available for sale'		-	1,361,274	-	20,040,433
Items that will be not reclassified to income statement:					
Changes in fair value of investments classified as financial assets at 'FVOCI'		45,753,226	-	37,871,491	-
Related tax impact		(13,268,442)	(1,103,282)	(10,982,732)	(6,354,572)
Other comprehensive income for the period		32,484,784	257,992	26,888,759	13,685,861
Total comprehensive income / (loss) for the period		7,353,299	(11,492,173)	60,131,484	14,719,937
Loss after tax per share - Rupees		(0.29)	(0.37)	(0.81)	(0.81)
Net loss attributable to shareholders' Fund		(26,828,083)	(35,162,835)	(76,165,900)	(76,043,047)
Net surplus attributable to Participants' Takaful Fund		1,696,598	23,412,670	109,408,625	77,077,123
		(25,131,485)	(11,750,165)	33,242,725	1,034,076
Other comprehensive income attributable to Shareholders' Fund		32,484,784	2,837,122	26,888,759	14,997,394
Other comprehensive loss attributable to Participants' Takaful Fund		-	(2,579,130)	-	(1,311,533)
		32,484,784	257,992	26,888,759	13,685,861

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Condensed Interim Statement of Changes in Equity (Unaudited)

For the Nine Months Period Ended 30 September 2020

	Reserves						Total
	Capital reserve			Revenue reserves			
	Share premium	Share issuance cost	Net share premium	Unappropriated profit / (accumulated loss)	Revaluation gain / (loss) on available-for-sale investments	Unrealized appreciation / (diminution) - fair value through other comprehensive income statements	
Share capital							
Balance as at January 1, 2019 as reported	938,662,610	16,936,998	(8,903,161)	8,033,837	16,898,950	-	936,897,833
Restatement due to change in accounting policy	-	-	-	(23,809,962)	(26,697,564)	-	(23,809,962)
Balance as at January 1, 2019 as restated	938,662,610	16,936,998	(8,903,161)	8,033,837	(6,911,072)	-	913,087,871
Net loss for the period	-	-	-	(76,043,047)	-	-	(76,043,047)
Change in fair value of available for sale investments	-	-	-	-	14,997,394	-	14,997,394
Total comprehensive income / (loss) for the period	-	-	-	(76,043,047)	14,997,394	-	(61,045,653)
Balance as at September 30, 2019	938,662,610	16,936,998	(8,903,161)	8,033,837	(82,954,059)	-	852,042,218
Balance as at January 1, 2020	938,662,610	16,936,998	(8,903,161)	8,033,837	(114,008,588)	-	802,945,098
Effect of change in accounting policy on adoption of IFRS 9 - note 3.2	-	-	-	-	29,742,761	(29,742,761)	-
Restated balance as at January 1, 2020	938,662,610	16,936,998	(8,903,161)	8,033,837	(114,008,588)	-	802,945,098
Net loss for the period	-	-	-	(76,165,900)	-	-	(76,165,900)
Change in fair value of other comprehensive income investment	-	-	-	-	26,888,759	26,888,759	26,888,759
Total comprehensive gain / (loss) for the period	-	-	-	(76,165,900)	26,888,759	26,888,759	(49,277,141)
Balance as at September 30, 2020	938,662,610	16,936,998	(8,903,161)	8,033,837	(190,174,488)	(2,854,002)	753,667,957

(Rupees)

Shareholders' Equity:

Balance as at January 1, 2019 as reported
 Restatement due to change in accounting policy
 Balance as at January 1, 2019 as restated
 Net loss for the period
 Change in fair value of available for sale investments
 Total comprehensive income / (loss) for the period
 Balance as at September 30, 2019
 Balance as at January 1, 2020
 Effect of change in accounting policy on adoption of IFRS 9 - note 3.2
 Restated balance as at January 1, 2020
 Net loss for the period
 Change in fair value of other comprehensive income investment
 Total comprehensive gain / (loss) for the period
 Balance as at September 30, 2020

Condensed Interim Statement of Changes in Equity (Unaudited) - Continued

For the Nine Months Period Ended 30 September 2020

	Ceded money	Accumulated surplus / (deficit)	Unrealized gain / (loss) on revaluation of available for sale investments - net of tax	Total
----- (Rupees) -----				
Participants' Takaful Fund:				
Balance as at January 1, 2019 as reported	2,000,000	(173,589,343)	1,311,533	(170,277,810)
Restatement due to change in accounting policy	-	(12,474,594)	-	(12,474,594)
Balance as at January 1, 2019 as restated	2,000,000	(186,063,937)	1,311,533	(182,752,404)
Surplus for the period	-	77,077,123	-	77,077,123
Change in fair value of available for sale investments	-	-	(1,311,533)	(1,311,533)
Total comprehensive surplus for the period	-	77,077,123	(1,311,533)	75,765,590
Balance as at September 30, 2019	2,000,000	(108,986,814)	-	(106,986,814)
Balance as at January 1, 2020	2,000,000	(50,891,618)	-	(48,891,618)
Surplus for the period	-	109,408,625	-	109,408,625
Balance as at September 30, 2020	2,000,000	58,517,007	-	60,517,007

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Chief Executive Officer


Chairman

Condensed Interim Statement of Cash Flow (Unaudited)

For the Nine Months Period Ended 30 September 2020

	30 September 2020	30 September 2019
	----- (Rupees) -----	
Operating cash flow		
(a) Underwriting activities		
Insurance premium received	1,778,283,635	1,789,895,363
Reinsurance premium paid	(346,342,026)	(182,621,460)
Claims paid	(897,693,223)	(860,249,499)
Reinsurance and other recoveries received	215,751,688	257,157,599
Commission paid	(184,928,965)	(263,664,196)
Commission received	81,782,627	58,334,991
Management and other expenses paid	(597,523,164)	(588,171,557)
Net cash flow from underwriting activities	49,330,572	210,681,241
(b) Other operating activities		
Income tax paid	(37,017,054)	(46,032,042)
Other operating receipts / (payments)	(22,397,473)	65,915,147
Loans advanced	(1,498,335)	(3,418,651)
Loan repayment received	1,589,181	5,432,342
Net cash generated from / (used in) other operating activities	(59,323,681)	21,896,796
Total cash generated from / (used in) all operating activities	(9,993,109)	232,578,037
Investment activities		
Profit / return received	72,492,156	68,177,111
Dividend received	12,256	64,798
Payment for investments	(145,000,000)	(496,614,300)
Proceeds from investments	389,636,758	851,009,905
Proceeds from sale of property and equipment	4,719,639	9,000
Fixed capital expenditure	(12,864,128)	(25,635,896)
Total cash generated from investing activities	308,996,681	397,010,618
Financing activities		
Cash Dividend Paid	-	(1,584,005)
Lease obligation paid	(138,911,166)	(199,564,241)
Payment of financial charges under Lease obligation	(28,169,966)	(10,613,579)
Financial charges paid	(841,984)	(521,109)
Total cash used in financing activities	(167,923,116)	(212,282,934)
Net cash generated from all activities	131,080,456	417,305,721
Cash and cash equivalents at beginning of period	1,122,441,602	601,924,040
Cash and cash equivalents at end of period	1,253,522,058	1,019,229,761

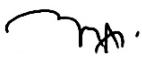
Condensed Interim Statement of Cash Flow (Unaudited)

For the Nine Months Period Ended 30 September 2020

	30 September 2020	30 September 2019
	----- (Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	(9,993,109)	232,578,035
Depreciation / amortization / bad debt expense	(188,104,125)	(203,628,836)
Income tax paid	37,017,054	46,032,042
Provision for taxation	(32,988,776)	(14,173,195)
Financial charges	(28,743,636)	(19,991,318)
Investment Income	64,140,530	45,126,952
Net unrealized fair value gains on financials assets at fair value through profit or loss	8,030,892	-
Net fair value gain on derecognition of financials assets at fair value through profit or loss	994,662	-
Increase in assets other than cash	663,308,336	90,890,047
Increase in liabilities other than borrowings	(480,419,103)	(175,799,652)
Profit after taxation	33,242,725	1,034,076

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

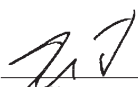
The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Director



Chief Executive Officer



Chairman

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

TPL Insurance Limited (the Company) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Company was allowed to work as Window Takaful Operator on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Company is listed at Pakistan Stock Exchange Limited. The principal office of the Company is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan. The Company is owned 73.38% by TPL Corp Limited.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The approved 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 Companies Act 2017; and
- Provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017.

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

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

2.3 In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's Fund of the Window Takaful Operations (WTO) of the Company are required to be presented as a single line item in the balance sheet and profit and loss account of the Company. Further, the PTF is not required to be consolidated with the conventional insurance business. The similar requirements have been prescribed by General Takaful Accounting Regulations 2019 issued by SECP. However, as per SECP letter number ID/MDPR/GTAR/2020/760 dated 19 February 2020, the Company has been granted relaxation from the above requirements and has been allowed line by line consolidation of financial statements of conventional and WTO (including PTF) upto the period ending 31 December 2020. Accordingly, these condensed interim financial statements represent the consolidated condensed interim financial position, results of operations and cashflows of the conventional business and WTO (including PTF) for the period ended 30 September 2020. Comparative figures have also been restated to correspond to current period's presentation.

2.4 A separate set of condensed interim financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated annual audited financial statements for the year ended 31 December 2019 except for the adoption of the following new amendments to International Financial Reporting Standards (IFRSs) by the Company, which became effective for the current period and adoption of IFRS 9 as fully explained in note 3.2.

IFRS 3 - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

IAS 1 / IAS 8 - Definition of Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the above amendments to accounting standards and revised Conceptual Framework did not have any material effect on the Company's unconsolidated condensed interim financial statements.

3.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period:

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	01 January 2022
IFRS 10/ IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

* The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

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Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41 Agriculture – Taxation in fair value measurements	01 January 2022

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRSs	01 January 2004
IFRS 17 Insurance Contracts	01 January 2023

3.2 IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The company initially elected to apply temporary exemption from IFRS 9, subsequent to it, the company applied IFRS 9 with application date of 01 January 2020.

Upon adoption of IFRS 9, the Company has not restated comparative information and impact from the adoption of IFRS 9 have been recognised directly in unappropriated profit as of January 01, 2020.

(a) Changes to Classification and measurement of financial assets

The IFRS 9 has replaced current categories of financial assets (Held For Trading (HFT), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of financial assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to statement of profit or loss on derecognition.
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to statement of profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

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Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Company's business model was made as at the date of initial application i.e. January 01, 2020, and then applied retrospectively to those financial assets that were not derecognised before January 01, 2020. As a result of the above assessment, the management has concluded as under:

- i) All the investments in units of mutual funds previously classified as 'Available for Sale' will be re-classified as 'at Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Company. The impact has been disclosed in table below. Further, return on Mutual funds is not considered as solely payments of principal and interest.
- ii) The investment in term finance certificates previously classified as "Available for sale" will be reclassified as 'Fair Value through other comprehensive income' as per the business model of the company and characteristics of the financial instrument.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9:

	As at 31 December 2019	Impact of adoption of IFRS 9	As at 01 January 2020
	----- (Rupees) -----		
Impact on statement of assets and liabilities			
Investments - 'available for sale'	213,701,696	(213,701,696)	-
Investments - 'at fair value through profit or loss'	-	30,000,000	30,000,000
Investments - 'at fair value through other comprehensive income'	-	183,701,696	183,701,696
Investment- 'at held to maturity'	515,677,804	(515,677,804)	-
Investment- held at amortized cost	-	515,677,804	515,677,804
Impact on statement of changes in equity			
Revaluation loss on available-for- sale investments	(29,742,761)	29,742,761	-
Unrealized appreciation / (diminution) - fair value through other comprehensive income statements	-	(29,742,761)	(29,742,761)

There are no other material impacts on these financial statements upon adoption of IFRS 9 other than as stated above. However, the Company will continue to assess the related impacts and will make appropriate adjustments, if needed.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The financial assets subject to ECL in the case of the Company are:

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- i) Insurance receivables/ reinsurance receivables
- ii) Investment in debt securities
- iii) Term deposit receipts
- iv) Bank balances
- v) Loans and advances
- vi) Other receivables

Considering the nature of the financial assets, the Company has applied the simplified approach allowed under IFRS 9 and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using credit rating of the counterparties/instruments and the related probability of default factors.

Based on the above approach, the impact of ECL is not considered as material to the consolidated interim financial statements.

Summary of new accounting policies in respect of adoption of IFRS 9 "Financial instruments"

In the current period, the Company has adopted IFRS 9 "Financial Instruments". See above for an explanation of the impact. Comparative figures for the year ended December 31, 2019 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 "Financial Instruments Recognition and Measurement".

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

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- i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity's business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

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For the Nine Months Period Ended 30 September 2020

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the condensed interim financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5 FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements as at and for the year ended 31 December 2019.

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
6 PROPERTY AND EQUIPMENT	Note	----- (Rupees) -----	
Operating Assets	6.1	93,885,983	110,855,162
Capital work-in-progress		640,000	2,609,412
Right of use Assets	6.2	321,035,641	306,109,674
		415,561,624	419,574,248
6.1 Operating Assets			
Written down value at the beginning of the period / year		110,855,162	112,939,896
Additions and transfers during the period / year - at cost			
- Leasehold improvements		1,935,733	6,095,685
- Furniture and fixtures		1,895,960	1,561,912
- Computer equipments		6,001,688	24,425,514
- Office equipments		620,928	36,300
- Motor vehicles		1,400,000	1,855,000
		11,854,309	33,974,411
Written down value of disposals / write-offs during the period / year		(2,425,167)	(217,990)
Depreciation for the period / year		(26,398,321)	(35,841,155)
		(28,823,488)	(36,059,145)
Written down value at the end of the period / year		93,885,983	110,855,162
6.2 Right of use Assets			
Written down value at the beginning of the period		306,109,674	195,957,178
Additions and transfers during the period - at cost			
- Building		-	197,964,281
- Tracking devices		163,949,483	129,580,800
		163,949,483	327,545,081
Depreciation for the period		(149,023,516)	(217,392,585)
Written down value at the end of the period		321,035,641	306,109,674

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

7 INVESTMENT IN EQUITY SECURITIES AND MUTUAL FUNDS

	----- (Unaudited) -----			----- (Audited) -----		
	30 September 2020			31 December 2019		
	Cost	Impairment / Revaluation	Carrying Value	Cost	Impairment / Revaluation	Carrying Value
	----- (Rupees) -----					
-Classified as 'available-for-sale'						
Related party						
Listed shares						
TPL Properties Limited (3% holding)	-	-	-	100,000,000	(42,544,000)	57,456,000
	-	-	-	100,000,000	(42,544,000)	57,456,000
Others						
Listed shares						
Business Industrial Insurance Company Limited	-	-	-	251,260	(251,260)	-
Bank of Punjab Limited	-	-	-	357,727	(270,135)	87,592
Hub Power Company Limited	-	-	-	357,000	576,500	933,500
Bank of Khyber	-	-	-	162,975	43,069	206,044
Summit Bank Limited	-	-	-	514,765	(496,205)	18,560
	-	-	-	1,643,727	(398,031)	1,245,696
Mutual funds						
Askari Sovereign Yield Enhance	-	-	-	30,000,000	-	30,000,000
	-	-	-	30,000,000	-	30,000,000
-Classified as 'At fair value through other comprehensive income'						
Related party						
Listed shares						
TPL Properties Limited (3% holding)	100,000,000	(4,527,280)	95,472,720	-	-	-
	100,000,000	(4,527,280)	95,472,720	-	-	-
Others						
Listed shares						
Business Industrial Insurance Company Limited	251,260	(251,260)	-	-	-	-
Bank of Punjab Limited	357,727	(281,345)	76,382	-	-	-
Hub Power Company Limited	357,000	427,600	784,600	-	-	-
Bank of Khyber	162,975	46,260	209,235	-	-	-
Summit Bank Limited	514,765	(484,525)	30,240	-	-	-
	1,643,727	(543,270)	1,100,457	-	-	-
-Classified as 'at fair value through profit or loss'						
Mutual funds						
Askari Sovereign Yield Enhance	15,994,666	919,178	16,913,844	-	-	-
AKD Opportunity Fund	10,000,000	2,394,192	12,394,192	-	-	-
AKD Islamic Stock Fund	10,000,000	4,717,528	14,717,528	-	-	-
	35,994,666	8,030,898	44,025,564	-	-	-
	137,638,393	2,960,348	140,598,741	131,643,727	(42,942,031)	88,701,696

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
		----- (Rupees) -----	
8	INVESTMENT IN GOVERNMENT SECURITIES		
	Classified as 'At amortized cost' (2019: "Held to Maturity")		
	Pakistan Investment Bonds (PIBs)	8.1 96,585,640	95,677,804
		96,585,640	95,677,804
8.1	These represent five and ten years Pakistan Investment Bonds having face value of Rs. 100 million (market value of Rs. 101.805 million) [31 December 2019: Rs. 101 million (market value of Rs. 95.763 million)]. These carry mark-up ranging from 7.75% to 12% (31 December 2019: 7.75% to 12%) per annum and will mature between 18 August 2021 to 12 July 2023. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance 2000 and circular No. 15 of 2008 dated 7 July 2008 issued by the Securities and Exchange Commission of Pakistan.		
9	INVESTMENT IN DEBT SECURITIES		
	Classified as 'At fair value through other comprehensive income' (2019: "Available for sale")		
	Sukuks		
	- Dubai Islamic Bank Pakistan Limited	-	50,000,000
	Term Finance Certificates		
	- JS Bank Limited	-	25,000,000
	- Habib Bank Limited	-	50,000,000
		-	75,000,000
		-	125,000,000
10	TERM DEPOSITS		
	Classified as 'At amortized cost' (2019: "Held to Maturity")		
	Deposits maturing within 12 months	10.1 477,500,000	420,000,000
10.1	These carry profit rate ranging from 5% to 6.65% per annum (2019: 12% to 12.75% per annum).		

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

		(Unaudited)	(Audited)
		30 September 2020	31 December 2019
11	LOANS AND OTHER RECEIVABLES	----- (Rupees) -----	
	Considered good		
	Advance to a related party	145,000,000	70,000,000
	Receivable from related parties	14,912,635	36,149,399
	Deposit for hospital enlistment	5,290,000	5,290,000
	Accrued investment income	5,308,676	12,666,006
	Loan and advance to employees	1,978,556	2,158,328
	Placement with a company	25,000,000	25,000,000
	Advance Ijara Rentals	7,600,000	7,600,000
	Security Deposit	6,062,195	3,048,920
	Receivable from broker	-	124,636,758
	Other receivable	15,716,030	1,317,398
		226,868,092	287,866,809
11.1	This represents advance to a related party. A special resolution of the shareholders authorising the Company to extend advance upto Rs.300 million was passed in Annual General Meeting of the Company held on 24 April 2019. The balance carries interest at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.		
11.2	This represents receivable from following related parties.		
	TPL Trakker Limited	965,620	287,376
	TPL Properties Limited	-	6,169,128
	TPL Life Insurance Limited	1,012,388	-
	TPL Security Services (Private) Limited	99,845	794,655
	TPL Corp Limited	12,745,625	28,809,083
	TPL E-Venture (Private) Limited	89,157	89,157
		14,912,635	36,149,399
11.3	This represents placements with Pearl Securities Limited and carries mark up at the rate of 8.28% per annum (2019: 11%) and will mature by 10 January 2020.		
12	OTHER CREDITORS AND ACCRUALS		
	Commission payable	60,835,493	35,116,516
	Creditors	18,905,572	26,537,573
	Federal Insurance Fee	2,559,865	2,429,958
	Federal Excise Duty (FED) - net	49,710,363	29,530,489
	Margin deposit from customers	1,379,911	1,379,911
	Security deposit from customers	-	3,000,000
	Withholding tax payable	13,440,663	24,100,662
	Advance tax on premium	654,052	3,734,315
	Accrued Expenses	51,191,906	56,636,544
	Dividend Payable	1,527,468	1,527,468
	Payable to Provident Fund	2,171,814	1,581,599
	Payable to a related party	159,157	213,612
	Others	12,927,945	7,925,323
		215,464,209	193,713,970

Notes to the Condensed Interim Financial Statements (Unaudited)

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13 CONTINGENCIES AND COMMITMENT

There is no change in the status of the contingencies and commitments and is same as disclosed in the financial statements of the Company as at and for the year ended 31 December 2019.

	(Unaudited)		(Unaudited)	
	For the three months period ended	For the three months period ended	For the nine months period ended	For the nine months period ended
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	----- (Rupees) -----		----- (Rupees) -----	
14 NET INSURANCE PREMIUM				
Written net premium	866,781,772	638,387,971	2,075,722,525	1,874,677,147
Add: Unearned premium reserve opening	1,161,297,666	1,190,795,180	1,211,232,507	1,147,809,592
Less: Unearned premium reserve closing	(1,387,622,947)	(1,214,176,904)	(1,387,622,947)	(1,214,176,904)
Premium earned	640,456,491	615,006,247	1,899,332,085	1,808,309,835
Less: Reinsurance premium ceded	207,309,424	107,089,196	342,643,980	275,444,983
Add: Prepaid reinsurance premium opening	125,084,219	144,830,719	158,195,967	127,304,702
Less: Prepaid reinsurance premium closing	(240,934,293)	(165,651,880)	(240,934,293)	(165,651,880)
Reinsurance expense	91,459,350	86,268,035	259,905,654	237,097,805
Net insurance Premium	548,997,141	528,738,212	1,639,426,431	1,571,212,030
15 NET INSURANCE CLAIMS EXPENSE				
Claims paid/ payable	398,851,947	299,752,224	897,693,223	860,249,499
Add: Outstanding claims including IBNR closing	551,803,082	318,623,961	551,803,082	318,623,961
Less: Outstanding claims including IBNR opening	(423,774,342)	(292,775,963)	(252,522,221)	(275,414,335)
Claims expense	526,880,687	325,600,222	1,196,974,084	903,459,125
Less: Reinsurance and other recoveries received	92,917,762	81,408,442	215,751,688	246,443,076
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	346,083,169	107,894,198	346,083,169	107,894,198
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(197,675,598)	(117,575,680)	(89,791,095)	(126,774,369)
Reinsurance and other recoveries revenue	241,325,333	71,726,960	472,043,762	227,562,905
Net insurance claims expense	285,555,354	253,873,262	724,930,322	675,896,220
16 NET COMMISSION EXPENSE				
Commissions paid or payable	94,302,463	76,569,104	210,647,942	245,707,961
Add: Deferred commission - opening	121,156,815	169,248,562	156,754,128	164,770,392
Less: Deferred commission - closing	(144,632,150)	(160,070,035)	(144,632,150)	(160,070,035)
Commission expense	70,827,128	85,747,631	222,769,920	250,408,318
Less: Commission from reinsurers				
Commission received or receivable	44,015,826	26,242,190	81,782,628	58,334,991
Add: Deferred commission - opening	36,006,548	29,585,308	41,427,063	24,233,783
Less: Deferred commission - closing	(56,455,795)	(38,505,105)	(56,455,795)	(38,505,105)
Commission from reinsurance	23,566,579	17,322,393	66,753,896	44,063,669
Net Commission expense	47,260,548	68,425,238	156,016,024	206,344,649

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For the Nine Months Period Ended 30 September 2020

	(Unaudited) For the nine months period ended 30 September 2020	(Unaudited) For the nine months period ended 30 September 2019
17 INVESTMENT INCOME		
Dividend and Mark-Up Income		
Dividend Income	12,256	64,798
Return on Debt Securities	23,656,305	29,028,078
Return on Term Deposits	41,324,821	34,298,156
	64,993,382	63,391,032
Net realized gains on investments - Available-for-sale		
Gain on disposal/redemption of mutual funds	-	(14,683,631)
Total investment income	64,993,382	48,707,401
Impairment in value of available-for-sale securities		
- Mutual Funds	-	(3,237,682)
- Equities	-	(4,000)
less: Investment related Expenses	(852,852)	(338,767)
	64,140,530	45,126,952

18 TRANSACTIONS WITH RELATED PARTIES

18.1 The related parties comprise Parent Company, associated undertakings, common directorships, employees provident fund, directors and key management personnel. The balances with / due from and transactions with related parties are as follows:

18.2 Balances and transactions with related parties

	(Unaudited) 30 September 2020	(Unaudited) 30 September 2019
TPL Trakker Limited - (associated company)		
Opening balance - receivable	287,376	69,336,860
Interest charged during the period	44,125,650	37,684,916
Net expenses charged - group shared costs	(28,560,100)	(33,714,812)
Rent and other services on tracking units	(158,294,587)	(216,714,389)
Net payments made by the Company	143,407,281	203,998,457
Closing balance - receivable	965,620	60,591,032
Advance to TPL Trakker Limited - (associated company)		
Opening balance - receivable	70,000,000	200,000,000
Payments received during the period	-	(60,000,000)
Payments made during the period	75,000,000	-
Closing balance - receivable	145,000,000	140,000,000

This represents advance to a related party. A special resolution of the shareholders authorising the Company to extend advance upto Rs.300 million was passed in Annual General Meeting of the Company held on 21 April, 2019. The balance carries interest at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

18.2 Balances and transactions with related parties (continued)

	(Unaudited) 30 September 2020	(Unaudited) 30 September 2019
	----- (Rupees) -----	
TPL Properties Limited- common directorship		
Opening balance - receivable	6,169,128	5,215,569
Rent invoices received during the period	(46,351,782)	(61,134,684)
Net payments made during the period	41,282,571	61,134,684
Transferred from Centrepont Management Services (Private) Limited on amalgamation	(1,282,984)	-
Expenses incurred by the company	23,910	5,892,489
Closing balance - payable	(159,157)	11,108,058
Virtual World (Private) Limited - common directorship		
Opening accrued outsourcing expenses	(10,198,176)	(10,000,000)
Services received during the period	(22,350,775)	(16,262,999)
Expenses incurred by the company	81,945	-
Payments made during the period	26,651,485	19,814,823
Closing accrued outsourcing expenses	(5,815,521)	(6,448,176)
TRG Pakistan Limited		
Balance at the beginning and end of the period - receivable	-	884,936
Provision for doubtful debt	-	(884,936)
Centrepont Management Services (Private) Limited - common directorship		
Opening balance - payable	5,838,687	660,043
Maintenance charges expensed during the period	10,570,541	14,757,471
Maintenance charges paid during the period	(10,570,541)	(11,741,423)
Other movement during the period	(118,724)	-
Transferred to TPL Properties Limited on amalgamation	(1,282,984)	-
Services received during the period	4,971,099	4,703,925
Net payments made during the period	(9,408,078)	(6,391,344)
Closing balance - payable	-	1,988,672
TPL Security Services (Private) Limited - common directorship		
Opening balance - receivable	794,655	1,934,239
Expenses incurred by the company	734,090	958,846
Services received during the period	(1,428,900)	(1,556,728)
Closing balance - receivable	99,845	1,336,357
TPL Direct Insurance Limited Employees Provident Fund		
Opening balance - payable	1,581,599	4,770,815
Charge for the period	25,034,703	20,966,703
Contribution made during the period	(24,444,488)	(24,219,342)
Closing balance - payable	2,171,814	1,518,176

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

18.2 Balances and transactions with related parties (continued)

	(Unaudited) 30 September 2020	(Unaudited) 30 September 2019
----- (Rupees) -----		
TPL Life Insurance Limited - common directorship		
Opening balance - payable	(213,612)	(896,108)
Expenses incurred by the company	5,296,654	2,214,176
Services received from the company	(2,069,324)	(5,195,056)
Other movement during the period	(70,000)	-
Net payments made during the period	(1,931,330)	3,740,025
Closing balance - receivable / (payable)	1,012,388	
TPL Maps - common directorship (Amalgamated with TPL Trakker Limited w.e.f. 1 July 2019)		
Opening balance - receivable	-	1,186,671
Expenses incurred by the company	-	81,637
Closing balance - receivable	-	
TPL Rupiya - common directorship (Amalgamated with TPL Trakker Limited w.e.f. 1 July 2019)		
Balance at the beginning and end of the period - receivable	-	43,662
TPL Corp Limited - parent company		
Opening balance - receivable	28,809,083	129,577
Expenses incurred by the company / (by TPL Corp)	(20,963,458)	28,599,937
Net payments made during the period	4,900,000	-
Closing balance - receivable	12,745,625	28,729,514
TPL e-Venture Pvt. Limited - common directorship		
Opening balance - receivable	89,157	-
Expenses incurred by the company	-	89,157
Closing balance - receivable	89,157	89,157

18.3 Remuneration to the key management personnel are in accordance with the terms of their employment. Contribution to the provident fund is in accordance with the Company's staff services rules and other transactions with the related parties are in accordance with the agreed terms.

18.4 The Company has signed up consultancy contract with one of the directors, Mr. Andrew Borda, to assist the Company in underwriting and reinsurance placements. The remuneration agreed during the period amounts to Rs. 12,229,580 (2019: Rs. 11,733,212).

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

19 SEGMENT REPORTING

	(Unaudited)					
	For the nine months period ended 30 September 2020					
	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Premium						
(inclusive of Administrative Surcharge)	196,837,828	28,247,981	1,564,344,753	246,879,874	39,412,089	2,075,722,525
Gross Direct Premium	180,176,226	26,964,249	1,509,731,849	246,765,196	36,580,771	2,000,218,291
Facultative Inward Premium	16,009,257	559,695	4,482,730	-	530,442	21,582,124
Administrative Surcharge	652,345	724,038	501,301,713	114,678	2,300,876	53,922,110
Insurance premium earned	113,762,106	29,758,616	1,579,548,882	141,361,229	34,901,252	1,899,332,085
Insurance premium ceded to reinsurers	(94,511,041)	(16,465,976)	(133,124,611)	-	(15,804,025)	(259,905,654)
Net insurance premium	19,251,065	13,292,640	1,446,424,271	141,361,229	19,097,227	1,639,426,431
Commission income	19,304,170	4,089,191	36,387,701	-	6,972,834	66,753,896
Net underwriting income	38,555,235	17,381,831	1,482,811,972	141,361,229	26,070,061	1,706,180,327
Insurance claims	(155,469,431)	(17,231,861)	(880,288,202)	(125,746,625)	(18,237,965)	(1,196,974,084)
Insurance claims recovered from reinsurers / salvage	144,120,394	10,351,655	308,302,197	-	9,269,516	472,043,762
Net Claims	(11,349,037)	(6,880,206)	(571,986,005)	(125,746,625)	(8,968,449)	(724,930,322)
Commission expense	(17,298,177)	(4,816,067)	(178,532,670)	(15,968,756)	(6,154,250)	(222,769,920)
Management expenses	(37,125,112)	(5,779,429)	(549,122,421)	(42,527,145)	(6,901,680)	(641,455,787)
Net insurance claims and expenses	(65,772,326)	(17,475,702)	(1,299,641,096)	(184,242,526)	(22,024,379)	(1,589,156,029)
Underwriting result	(27,217,091)	(93,871)	183,170,876	(42,881,297)	4,045,682	117,024,298
Investment income						64,140,530
Net unrealized fair value gains on financials assets at fair value through profit or loss						8,030,892
Net fair value gain on derecognition of financials assets at fair value through profit or loss						994,662
Other income						57,839,435
Other expenses						(153,054,680)
Results of operating activities						94,975,137
Financial charges						(28,743,636)
Profit before tax for the period						66,231,501
Corporate segment assets	287,211,152	15,693,724	599,064,521	11,448,297	18,757,579	932,175,273
Corporate unallocated assets						2,626,593,999
Total assets						3,558,769,272
Corporate segment liabilities	314,591,143	25,404,309	1,550,901,829	188,945,242	39,119,153	2,118,961,676
Corporate unallocated liabilities						625,622,632
Total liabilities						2,744,584,308

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

	(Unaudited)					
	For the nine months period ended 30 September 2019					
	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Premium						
(inclusive of Administrative Surcharge)	109,534,111	49,614,459	1,615,347,071	72,828,866	27,352,640	1,874,677,147
Gross Direct Premium	108,924,760	48,953,594	1,561,085,754	71,129,007	25,784,483	1,815,877,598
Facultative Inward Premium	-	-	-	-	-	-
Administrative Surcharge	609,351	660,865	54,261,317	1,699,859	1,568,157	58,799,549
Insurance premium earned	72,054,162	50,219,228	1,548,466,428	114,864,920	22,705,097	1,808,309,835
Insurance premium ceded to reinsurers	(62,606,564)	(14,094,373)	(150,269,255)	-	(10,127,613)	(237,097,805)
Net insurance premium	9,447,598	36,124,855	1,398,197,173	114,864,920	12,577,484	1,571,212,030
Commission income	10,631,680	2,452,531	29,715,088	-	1,264,370	44,063,669
Net underwriting income	20,079,278	38,577,386	1,427,912,261	114,864,920	13,841,854	1,615,275,699
Insurance claims	(30,367,955)	(29,893,748)	(806,820,441)	(34,930,829)	(1,446,912)	(903,459,125)
Insurance claims recovered from reinsurers / salvage	28,243,676	7,030,997	191,507,431	-	780,801	227,562,905
Net Claims	(2,123,519)	(22,862,751)	(615,313,010)	(34,930,829)	(666,111)	(675,896,220)
Commission expense	(11,698,570)	(6,993,430)	(183,083,472)	(43,484,207)	(5,148,639)	(250,408,318)
Management expenses	(30,918,423)	(14,408,530)	(543,590,001)	(19,516,834)	(8,292,134)	(616,725,922)
Net insurance claims and expenses	(44,740,512)	(44,264,711)	(1,341,986,483)	(97,931,870)	(14,106,884)	(1,543,030,460)
Underwriting result	(24,661,234)	(5,687,325)	85,925,778	16,933,050	(265,030)	72,245,239
Investment income						45,126,952
Other income						51,702,132
Other expenses						(133,875,734)
Results of operating activities						35,198,589
Financial charges						(19,991,318)
Profit before tax for the period						15,207,271
Corporate segment assets	84,537,880	9,954,258	558,021,670	15,908,977	12,676,918	681,099,702
Corporate unallocated assets						2,463,785,479
Total assets						3,825,984,883
Corporate segment liabilities	101,456,136	19,223,625	1,622,056,887	63,601,278	21,959,173	1,828,297,099
Corporate unallocated liabilities						571,532,677
Total liabilities						2,399,829,776

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

20 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

Following are the assets which are either measured at fair value or for which fair value is only disclosed and is different from their carrying value:

As of September 30, 2020			
Fair value measurement using			
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
Fair value through profit and loss			
Open end mutual funds	-	44,025,564	-
	-	44,025,564	-
Fair value through other comprehensive income			
Quoted Shares	96,573,177	-	-
	96,573,177	-	-
As of December 31, 2019			
Fair value measurement using			
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
Available for sale			
Quoted Shares	58,701,696	-	-
Open end mutual funds	-	30,000,000	-
	58,701,696	30,000,000	-

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

21 GENERAL

21.1 Figures have been rounded off to the nearest thousands.

21.2 Corresponding figures have been re-arranged, where necessary, for the purpose of comparison, however there is no material reclassification to report.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 20 October 2020 by the Board of Directors of the Company.



Chief Financial Officer



Director



Director



Chief Executive Officer



Chairman

ANNEXURE A

WINDOW TAKAFUL OPERATIONS

Window Takaful Operations

Condensed Interim Statement of Financial Position

As at 30 September 2020

Note	Operator's Fund		Participants' Takaful Fund	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Rupees)		(Rupees)	
ASSETS				
Equipment	6	-	73,655,524	74,314,193
Investments				
Mutual Funds	7	-	14,717,528	-
Debt securities	8	-	-	20,000,000
Term deposits	9	-	327,500,000	400,000,000
		-	342,217,528	420,000,000
Other receivables including Qard-e-Hasna to PTF of Rs. 103.9 million (2019: Rs. 203.9 million)	10	153,058,863	213,792,768	-
Accrued Investment Income		-	2,167,348	6,369,609
Takaful/ retakaful receivable		-	216,349,277	152,214,531
Retakaful recoveries against outstanding claims		-	11,281,920	3,197,486
Salvage recoveries accrued		-	77,919,500	31,602,072
Deferred Wakala expense		-	246,809,491	150,405,253
Deferred commission expense		68,530,020	97,920,467	-
Prepayments		-	50,024,498	29,588,678
Bank balances		4,086,803	174,616,868	149,719,050
Total assets		225,675,686	313,473,729	1,017,410,872
EQUITY AND LIABILITIES				
RESERVES ATTRIBUTABLE TO:				
- OPERATOR'S FUND (OF)				
Statutory Fund		50,000,000	50,000,000	-
Accumulated losses		(408,792,245)	(264,072,288)	-
		(358,792,245)	(214,072,288)	-
- WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)				
Ceded money		-	2,000,000	2,000,000
Accumulated surplus / (deficit)		-	58,517,007	(50,891,618)
Balance of WAQF / PTF		-	60,517,007	(48,891,618)
LIABILITIES				
PTF Underwriting provisions				
Outstanding claims (including IBNR)		-	193,224,386	128,760,879
Unearned contribution reserve		-	614,472,984	588,641,251
Unearned retakaful commission		-	5,259,173	2,358,385
Unearned Wakala Fee		246,809,491	150,405,253	-
Qard-e-Hasna	5	-	103,900,000	203,900,000
Contribution received in advance		-	6,306,985	7,552,870
Takaful / retakaful payable		-	77,914,461	57,530,032
Other creditors and accruals	11	59,157,272	18,853,352	76,932,995
Payable to TPL Insurance Limited		274,197,607	356,847,364	702,590
Taxation - provision less payments		4,303,561	1,440,048	-
Total Liabilities		584,467,931	527,546,017	1,066,302,490
Total fund and liabilities		225,675,686	313,473,729	1,017,410,872


The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Window Takaful Operations

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Nine Months Period Ended 30 September 2020

	Note	For the three months period ended		For the nine months period ended	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
(Rupees)					
Participants' Takaful Fund					
Contribution earned net of wakala fee		179,036,365	205,034,628	596,313,778	590,518,040
Less: Contribution ceded to retakaful		(14,989,370)	(21,436,714)	(41,005,820)	(66,542,922)
Net takaful contribution	12	164,046,995	183,597,914	555,307,958	523,975,118
Net claims - reported / settled	13	(143,415,090)	(136,306,127)	(387,879,615)	(359,271,171)
- IBNR		-	(3,000,000)	1,026,839	(3,000,000)
		(143,415,090)	(139,306,127)	(386,852,776)	(362,271,171)
Other direct expenses		(24,248,964)	(32,250,055)	(77,486,828)	(107,461,204)
Surplus before investment income		(3,617,059)	12,041,732	90,968,354	54,242,743
Investment income		6,801,195	17,732,913	31,967,388	35,552,203
Net unrealized fair value gains on financials assets at fair value through profit or loss		3,534,404	-	4,717,528	-
Net fair value gain on derecognition of financials assets at fair value through profit or loss		-	-	-	-
Less: Modarib's share of investment income		(3,100,680)	(5,319,874)	(11,005,475)	(10,665,661)
Financial charges		(1,921,262)	(1,042,101)	(7,239,170)	(2,052,162)
Surplus for the period		1,696,598	23,412,670	109,408,625	77,077,123
Other comprehensive income :					
Items that will be reclassified to income statement:					
Net unrealized diminution on remeasurement of investments classified as 'available for sale'		-	(2,579,130)	-	(1,311,533)
Items that will be not reclassified to income statement:					
Changes in fair value of investments classified as financial assets at 'FVOCI'		-	-	-	-
Total other comprehensive income		-	(2,579,130)	-	(1,311,533)
Total comprehensive income for the period		1,696,598	20,833,540	109,408,625	75,765,590
Operator's Fund					
Wakala fee		109,743,872	75,092,795	285,305,565	215,156,883
Commission expense	14	(36,404,558)	(42,793,589)	(122,386,185)	(114,078,809)
Management expenses		(81,357,368)	(70,831,599)	(242,391,775)	(205,595,485)
		(8,018,054)	(38,532,393)	(79,472,395)	(104,517,411)
Investment income		67,531	39,561	157,570	81,585
Modarib's share of PTF investment income		3,100,680	5,319,874	11,005,475	10,665,661
		(4,849,843)	(33,172,958)	(68,309,350)	(93,770,165)
Other expenses		(20,042,858)	(27,066,103)	(71,963,578)	(57,553,851)
Loss before taxation		(24,892,701)	(60,239,061)	(140,272,928)	(151,324,016)
Taxation - net		(1,693,681)	(1,206,783)	(4,447,029)	(3,388,561)
Loss after tax for the period		(26,586,382)	(61,445,844)	(144,719,957)	(154,712,577)
Other comprehensive income					
		-	-	-	-
Total comprehensive loss for the period		(26,586,382)	(61,445,844)	(144,719,957)	(154,712,577)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Director


Director


Chief Executive Officer


Chairman

Window Takaful Operations
Condensed Interim Statement of Changes In Fund (Unaudited)
For the Nine Months Period Ended 30 September 2020

Attributable to Operator of the Company			
Statutory Fund	Accumulated profit / (loss)	Unrealized gain on revaluation of available for sale investments - net of tax	Total

(Rupees)

Balance as at 1 January 2019	50,000,000	(50,801,948)	-	(801,948)
Net loss for the period	-	(154,712,577)	-	(154,712,577)
Balance as at 30 September 2019	50,000,000	(205,514,525)	-	(155,514,525)
Balance as at 1 January 2020	50,000,000	(264,072,288)	-	(214,072,288)
Net loss for the period	-	(144,719,957)	-	(144,719,957)
Balance as at 30 September 2020	50,000,000	(408,792,245)	-	(358,792,245)

Attributable to Participants of the PTF			
Seed Money	Accumulated surplus / (deficit)	Unrealized gain / (loss) on revaluation of available for sale investments - net of tax	Total

(Rupees)

Balance as at 1 January 2019 as reported	2,000,000	(173,589,343)	1,311,533	(170,277,810)
Restatement due to change in accounting policy	-	(12,474,594)	-	(12,474,594)
Balance as at 1 January 2019 as restated	2,000,000	(186,063,937)	1,311,533	(182,752,404)
Surplus for the period	-	77,077,123	-	77,077,123
Unrealized gain on revaluation of - available-for-sale investments	-	-	(1,311,533)	(1,311,533)
Total comprehensive surplus for the period	-	77,077,123	(1,311,533)	75,765,590
Balance as at 30 September 2019	2,000,000	(108,986,814)	-	(106,986,814)
Balance as at 1 January 2020	2,000,000	(50,891,618)	-	(48,891,618)
Surplus for the period	-	109,408,625	-	109,408,625
Balance as at 30 September 2020	2,000,000	58,517,007	-	60,517,007

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Director



Chief Executive Officer



Chairman

Window Takaful Operations

Condensed Interim Statement of Cash Flow (Unaudited)

For the Nine Months Period Ended 30 September 2020

	Operator's Fund		Participants' Takaful Fund	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	----- (Rupees) -----			
Operating activities				
(a) Takaful activities				
Contributions received	-	-	839,943,685	832,260,503
Retakaful contribution paid	-	-	(37,508,790)	(36,013,379)
Claims paid	-	-	(450,439,838)	(432,465,254)
Retakaful and other recoveries received	-	-	73,648,708	93,722,672
Commission paid	(53,879,562)	(141,443,700)	-	-
Commission received	7,857,937	4,647,785	-	-
Wakala fees paid by PTF	358,400,000	218,812,897	(358,400,000)	(218,812,897)
Mudarib fees paid by PTF	11,100,000	(5,000,000)	(11,100,000)	5,000,000
Net cash inflow from takaful activities	323,478,375	77,016,982	56,143,765	243,691,645
(b) Other operating activities				
Income tax paid	(4,181,606)	(33,966,338)	-	-
Direct expenses paid	-	-	(13,088,557)	(47,450,762)
Management and other expenses paid	(280,654,759)	(194,697,447)	-	-
Other operating receipts / (payments)	(136,473,271)	148,496,489	15,594,961	(60,828,414)
Net cash outflow from other operating activities	(421,309,636)	(80,167,296)	2,506,404	(108,279,175)
Total cash generated from / (used in) all operating activities	(97,831,261)	(3,150,314)	58,650,169	135,412,470
Investment activities				
Profit / return received	157,570	81,585	36,169,649	35,575,953
Payment for investment in Mutual Funds	-	-	(10,000,000)	(25,000,000)
Qard-e-Hasna returned by PTF	100,000,000	-	(100,000,000)	-
Payment for investment in Government Securities	-	-	-	(24,750,000)
Proceeds from Mutual Funds	-	-	-	111,081,063
Proceeds from sale of Term Finance Certificates	-	-	20,000,000	-
Proceeds from Government Securities	-	-	-	122,414,135
Total cash generated from / (used in) investing activities	100,157,570	81,585	(53,830,351)	219,321,151
Financing activities				
Lease obligation paid	-	-	(49,239,713)	(68,635,165)
Financial charges paid	-	-	(3,182,287)	(7,836,835)
Total cash used in financing activities	-	-	(52,422,000)	(76,472,000)
Net cash generated from all activities	2,326,309	(3,068,729)	(47,602,182)	278,261,621
Cash and cash equivalent at beginning of the period	1,760,494	5,046,670	549,719,050	243,824,559
Cash and cash equivalent at end of the period	4,086,803	1,977,941	502,116,868	522,086,180

Window Takaful Operations

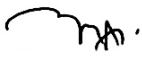
Condensed Interim Statement of Cash Flow (Unaudited)

For the Nine Months Period Ended 30 September 2020

	Operator's Fund		Participants' Takaful Fund	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
----- (Rupees) -----				
Reconciliation to profit and loss account				
Operating cash flows	(97,831,261)	(3,150,314)	58,650,169	135,412,470
Depreciation	(32,075,917)	(34,412,861)	(56,536,782)	(86,395,202)
Amortization	(1,489,498)	-	-	-
Bad debt expense	-	-	(4,000,000)	-
Income tax paid	4,181,606	33,966,338	-	-
Provision for taxation	(4,447,029)	(3,388,561)	-	-
Investment Income	157,570	81,585	31,967,388	35,552,203
Net realized fair value gains on financial assets at fair value through profit or loss	-	-	4,717,528	-
Financial charges expense	-	-	(7,239,170)	(2,052,162)
Increase / (decrease) in assets other than cash	9,875,648	1,295,104	234,901,572	(29,612,977)
(Increase) / decrease in liabilities	(23,091,076)	(149,103,868)	(153,052,080)	24,172,791
Surplus / (Deficit) after taxation	(144,719,957)	(154,712,577)	109,408,625	77,077,123

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

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Director



Director



Chief Executive Officer



Chairman

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

1 STATUS AND NATURE OF BUSINESS

- 1.1 TPL Insurance Limited (the Company or the Operator) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Operator was allowed to work as Window Takaful Operator (the Operator) on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Operator is listed at Pakistan Stock Exchange Limited. The principal office of the Operator is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan.
- 1.2 For the purpose of carrying on the takaful business, the Operator formed a Waqf / Participant Takaful Fund (PTF) on 20 August 2014 under the Waqf deed. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The approved 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 Companies Act 2017; and
 - Provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, SECP Takaful Rules 2012 and SECP General Takaful Accounting Regulations 2019.

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

- 2.2 These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.
- 2.3 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated annual audited financial statements for the year ended December 31, 2019 except for the adoption of IFRS-9 and the following new amendments to International Financial Reporting Standards (IFRSs) by the Company, which became effective for the current period:

IFRS 3 - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

IAS 1 / IAS 8 - Definition of Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the above amendments to accounting standards and revised Conceptual Framework did not have any material effect on the Company's unconsolidated condensed interim financial statements.

3.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period:

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	01 January 2022
IFRS 10/ IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

* The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41 Agriculture - Taxation in fair value measurements	01 January 2022

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRSs	01 January 2004
IFRS 17 Insurance Contracts	01 January 2023

3.2 IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The company initially elected to apply temporary exemption from IFRS 9, subsequent to it, the company applied IFRS 9 with application date of 01 January 2020.

Upon adoption of IFRS 9, the Company has not restated comparative information and impact from the adoption of IFRS 9 have been recognised directly in unappropriated profit as of January 01, 2020.

(a) Changes to Classification and measurement of financial assets

The IFRS 9 has replaced current categories of financial assets (Held For Trading (HFT), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of financial assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to statement of profit or loss on derecognition.
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to statement of profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and profit' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Company's business model was made as at the date of initial application i.e. January 01, 2020, and then applied retrospectively to those financial assets that were not derecognised before January 01, 2020. As a result of the above assessment, the management has concluded as under:

- i) All the investments in units of mutual funds previously classified as 'Available for Sale' will be re-classified as 'at Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Company. The impact has been disclosed in table below. Further, return on Mutual funds is not considered as solely payments of principal and profit.
- ii) The investment in term finance certificates previously classified as "Available for sale" will be reclassified as 'Fair Value through other comprehensive income' as per the business model of the company and characteristics of the financial instrument.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9:

	As at 31 December 2019	Impact of adoption of IFRS 9 (Rupees)	As at 01 January 2020
Impact on statement of assets and liabilities			
Investments - 'available for sale'	-	-	-
Investments - 'at fair value through other comprehensive income'	-	-	-
Investment- 'at held to maturity'	400,000,000	(400,000,000)	-
Investment- held at amortized cost	-	400,000,000	400,000,000
Impact on statement of changes in equity			
Unrealised appreciation on 'available-for-sale' investments	-	-	-
Unappropriated profit		-	-

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The financial assets subject to ECL in the case of the Company are:

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

- i) Takaful receivables/ retakaful receivables
- ii) Investment in debt securities
- iii) Term deposit receipts
- iv) Bank balances
- v) Other receivables

Considering the nature of the financial assets, the Company has applied the simplified approach allowed under IFRS 9 and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using credit rating of the counterparties/instruments and the related probability of default factors.

Based on the above approach, the impact of ECL is not considered as material to the unconsolidated interim financial statements.

Summary of new accounting policies in respect of adoption of IFRS 9

Financial instruments

In the current period, the Company has adopted IFRS 9 "Financial Instruments". See above for an explanation of the impact. Comparative figures for the year ended December 31, 2019 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 "Financial Instruments Recognition and Measurement".

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to counter parties are recognised when funds are transferred to the counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

- i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

- ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity's business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and profit (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Operator's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the condensed interim financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
5 QARD-E-HASNA	----- (Rupees) -----	
Balance as at the beginning of the period / year	203,900,000	246,900,000
Qard-e-Hasna returned by PTF during the period / year	(100,000,000)	(43,000,000)
Balance as at the end of the period / year	103,900,000	203,900,000

In accordance with the Takaful Rules, 2012, if at any point in time, assets in Participants' Takaful Fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasna) from Operator Fund. In the event of future surplus in the Participants' Takaful Fund to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to participants.

The Operator has prepared financial projections of Participants' Takaful Fund and based on such financial projections believes that the Participant Takaful Fund would be able to repay Qard-e-Hasna to Operator's Fund.

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
6 EQUIPMENT - PTF	Note	----- (Rupees) -----	
Right of use Assets	6.1	73,655,524	74,314,193
		73,655,524	74,314,193
6.1 Right of use Assets - Tracking Devices			
Written down value at the beginning of the period / year		74,314,193	88,463,922
Additions and transfers during the period / year - at cost		55,878,113	84,706,556
Depreciation for the period / year		(56,536,782)	(98,856,285)
Written down value at the end of the period / year		73,655,524	74,314,193

7 INVESTMENT IN MUTUAL FUNDS

PTF	30 September 2020			31 December 2019		
	Cost	Unrealized Gain	Carrying Value	Cost	Unrealized Gain	Carrying Value
	----- (Rupees) -----					
-Classified as 'Fair value through profit and loss Mutual funds						
AKD Islamic Stock Fund	10,000,000	4,717,528	14,717,528	-	-	-
	10,000,000	4,717,528	14,717,528	-	-	-

-Classified as 'Fair value through profit and loss Mutual funds

AKD Islamic Stock Fund

8 INVESTMENT IN DEBT SECURITIES

		30 September 2020	31 December 2019
Classified as 'At fair value through other comprehensive income' (2019: "Available for sale")	Note	-----Rupees-----	
PTF			
Sukuk		-	20,000,000

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

30 September
2020

31 December
2019

9 TERM DEPOSITS

-----Rupees-----

Classified as 'At amortized cost'(2019: "Held to Maturity")

Deposits maturing within 12 months

327,500,000

400,000,000

10 OTHER RECEIVABLE

	Operator's Fund		Participants' Takaful Fund	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	----- (Rupees) -----		----- (Rupees) -----	
Wakala fee	23,636,787	326,984	-	-
Mudarib fee	1,039,186	1,133,711	-	-
Taxes and Duties receivable	24,482,890	8,432,073	-	-
Qard e Hasna	103,900,000	203,900,000	-	-
	153,058,863	213,792,768	-	-

11 OTHER CREDITORS AND ACCRUALS

	Operator's Fund		Participants' Takaful Fund	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	----- (Rupees) -----		----- (Rupees) -----	
Creditors	1,939,873	1,954,068	-	-
Wakala fee payable	-	-	23,636,787	326,984
Modarib fee payable	-	-	1,039,186	1,133,711
Federal Insurance Fee	-	-	1,158,487	998,338
Federal Excise Duty (FED) - net	306,971	1,613,465	14,512,548	11,725,008
Commission payable	55,282,741	11,209,416	-	-
Taxes and duties payable	-	-	24,482,890	8,432,073
Lease obligation against right-of-use assets	-	-	53,726,196	41,456,607
Withholding tax payable	310,968	2,909,058	2,785,902	6,265,959
Others	1,316,719	1,167,345	11,402,372	6,594,315
	59,157,272	18,853,352	132,744,368	76,932,995

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

	(Unaudited) For the three months period ended 30 September 2020 ------(Rupees)-----	(Unaudited) 30 September 2019	(Unaudited) For the nine months period ended 30 September 2020 ------(Rupees)-----	(Unaudited) 30 September 2019
12 NET TAKAFUL CONTRIBUTION				
Written Gross contribution	369,508,919	288,901,428	907,451,077	874,313,389
Less: Wakala Fee	(157,331,748)	(86,898,914)	(381,709,803)	(242,696,714)
Contribution Net of Wakala Fee	212,177,171	202,002,514	525,741,274	631,616,675
Add: Unearned contribution reserve opening net of deferred wakala fee	334,522,688	434,712,947	438,235,998	390,582,198
Less: Unearned contribution reserve closing net of deferred wakala fee	(367,663,493)	(431,680,833)	(367,663,493)	(431,680,833)
Contribution Earned	179,036,366	205,034,628	596,313,778	590,518,040
Retakaful contribution ceded	36,129,310	11,692,467	60,019,977	59,344,981
Add: Prepaid retakaful contribution opening	16,932,563	37,057,247	19,058,346	34,510,941
Less: Prepaid retakaful contribution closing	(38,072,503)	(27,313,000)	(38,072,503)	(27,313,000)
Retakaful expense	14,989,370	21,436,714	41,005,820	66,542,922
Net Contribution	164,046,995	183,597,914	555,307,958	523,975,118
13 NET CLAIMS EXPENSE				
Claims paid	189,142,868	152,516,991	450,439,838	432,465,254
Add: Outstanding claims including IBNR closing	193,224,386	152,862,885	193,224,386	152,862,885
Less: Outstanding claims including IBNR opening	(187,833,910)	(142,882,270)	(128,760,879)	(139,070,744)
Claims expense	194,533,344	162,497,606	514,903,345	446,257,395
Retakaful and other recoveries received	22,722,651	24,606,235	73,648,708	92,937,272
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	89,201,420	50,106,315	89,201,420	50,106,315
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	(60,805,817)	(51,521,072)	(34,799,558)	(59,057,363)
Retakaful and other recoveries revenue	51,118,254	23,191,478	128,050,570	83,986,224
Net takaful claims expense	143,415,090	139,306,128	386,852,776	362,271,171
14 COMMISSION EXPENSE				
Commissions paid or payable	38,808,220	45,097,373	97,952,887	143,447,511
Add: Deferred commission - opening	68,063,176	96,273,618	97,920,467	73,685,941
Less: Deferred commission - closing	(68,530,020)	(96,546,384)	(68,530,020)	(96,546,384)
Commission expense	38,341,376	44,824,607	127,343,334	120,587,068
Commission received	5,597,803	1,601,378	7,857,936	4,647,784
Add: Unearned commission - opening	1,598,187	3,296,670	2,358,385	4,727,505
Add: Unearned commission - closing	(5,259,173)	(2,867,030)	(5,259,173)	(2,867,030)
Commission income	1,936,817	2,031,018	4,957,148	6,508,259
Net Commission expense	36,404,558	42,793,589	122,386,185	114,078,809

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

15 SEGMENT INFORMATION

		(Unaudited)					
		For the nine months period ended 30 September 2020					
Fire & property damage		Marine	Motor	Health	Miscellaneous	Aggregate	
		(Rupees)					
15.1	Participants' Takaful Fund						
	Gross Written Contribution (inclusive of Administrative Surcharge)	32,049,987	9,279,902	791,745,659	73,468,766	906,763	907,451,077
	Gross Direct Contribution	31,035,124	8,797,770	762,146,516	73,372,088	489,113	875,840,611
	Facultative Inward Premium	895,795	177,893	3,527,929	-	402,842	5,004,459
	Administrative Surcharge	119,068	304,239	26,071,214	96,678	14,808	26,606,007
	Gross Wakala Fees during the period	(14,235,514)	(4,208,861)	(357,529,167)	(5,337,578)	(398,683)	(381,709,803)
	Takaful contribution earned net of wakala fee expense	16,159,015	5,453,517	518,506,449	55,937,993	256,804	596,313,778
	Takaful contribution ceded to retakaful operators	(16,958,343)	(7,014,640)	(16,989,825)	-	(43,012)	(41,005,820)
	Net takaful contribution	(799,328)	(1,561,123)	501,516,624	55,937,993	213,792	555,307,958
	Net underwriting income	(799,328)	(1,561,123)	501,516,624	55,937,993	213,792	555,307,958
	Takaful claims	(13,325,942)	(2,745,565)	(444,381,434)	(53,958,578)	(491,826)	(514,903,345)
	Retakaful claims and other recoveries	11,393,940	2,469,251	114,047,382	-	139,996	128,050,569
	Net Claims	(1,932,002)	(276,314)	(330,334,052)	(53,958,578)	(351,830)	(386,852,776)
	Direct expenses	-	-	(77,486,828)	-	-	(77,486,828)
	Surplus / (deficit) before investment income	(2,731,330)	(1,837,437)	93,695,744	1,979,415	(138,038)	90,968,354
	Investment income						31,967,388
	Net unrealized fair value gains on financials assets at fair value through profit or loss						4,717,528
	Net fair value gain on derecognition of financials assets at fair value through profit or loss						-
	Less: Modarib's share of investment income						(11,005,475)
	Financial Charges						(7,239,170)
	Surplus transferred to balance of PTF						109,408,625
	Corporate segment assets	40,629,091	4,561,299	409,644,937	4,160,070	695,535	459,690,933
	Corporate unallocated assets						735,351,021
	Total assets	40,629,091	4,561,299	409,644,937	4,160,070	695,535	1,195,041,954
	Corporate segment liabilities	35,059,026	4,887,823	755,032,142	70,849,201	854,547	866,682,739
	Corporate unallocated liabilities						267,842,208
	Total liabilities	35,059,026	4,887,823	755,032,142	70,849,201	854,547	1,134,524,947
15.2	Operator's Fund						
	Wakala fee	7173,149	3,961,867	272,819,653	1,177,508	173,388	285,305,565
	Net Commission expense	(296,981)	(157,483)	(117,409,023)	(4,486,494)	(36,204)	(122,386,185)
	Management expenses	(8,634,006)	(2,499,930)	(213,289,835)	(17,723,730)	(244,275)	(242,391,776)
		(1,757,838)	1,304,454	(57,879,205)	(21,032,716)	(107,091)	(79,472,396)
	Modarib's share of PTF investment income						11,005,475
	Investment income						157,570
	Other expenses						(71,963,578)
	Loss before taxation						(140,272,929)
	Corporate segment assets	3,377,407	296,478	61,373,937	3,421,308	60,890	68,530,020
	Corporate unallocated assets						157,145,666
	Total assets						225,675,686
	Corporate segment liabilities	11,203,912	862,916	230,331,492	4,160,070	251,100	246,809,491
	Corporate unallocated liabilities						337,658,440
	Total liabilities						584,467,931

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

		(Unaudited)					
		For the nine months period ended 30 September 2019					
		Fire & property damage	Marine	Motor (Rupees)	Health	Miscellaneous	Aggregate
15.3	Participants' Takaful Fund						
	Gross Written Contribution (inclusive of Administrative Surcharge)	34,084,040	9,536,540	792,656,177	37,875,827	160,806	874,313,389
	Gross Direct Contribution	33,903,319	9,311,057	765,731,420	37,841,827	149,241	846,936,863
	Facultative Inward Premium	-	-	-	-	-	-
	Administrative Surcharge	180,721	225,483	26,924,757	34,000	11,565	27,376,526
	Gross Wakala Fees during the period	9,698,371	2,726,730	230,222,739	-	48,875	242,696,714
	Takaful contribution earned net of wakala fee expense	17,613,318	7,163,676	532,796,342	32,869,568	85,137	590,518,041
	Takaful contribution ceded to retakaful operators	(22,919,427)	(4,793,643)	(38,829,653)	-	-	(66,542,922)
	Net takaful contribution	(5,306,109)	2,369,833	493,966,690	32,869,568	85,137	523,975,118
	Takaful claims	(13,064,600)	(1,184,149)	(402,923,260)	(28,892,180)	(193,205)	(446,257,394)
	Retakaful claims and other recoveries	12,354,773	38,889	71,579,561	-	13,000	83,986,223
	Net Claims	(709,827)	(1,145,260)	(331,343,699)	(28,892,180)	(180,205)	(362,271,711)
	Direct expenses	-	-	(107,461,204)	-	-	(107,461,204)
	Surplus / (deficit) before investment income	(6,015,936)	1,224,573	55,151,786	3,977,388	(95,068)	54,242,743
	Investment income						35,552,203
	Less: Modarib's share of investment income						(10,665,661)
	Financial Charges						(2,052,162)
	Surplus transferred to balance of PTF						77,077,123
	Corporate segment assets	28,392,156	1,676,120	269,257,003	-	16,086	299,341,366
	Corporate unallocated assets						716,245,613
	Total assets	28,392,156	1,676,120	269,257,003	-	16,086	1,015,586,979
	Corporate segment liabilities	33,855,249	1,886,968	688,201,020	38,998,577	81,445	763,023,259
	Corporate unallocated liabilities						359,550,533
	Total liabilities	33,855,249	1,886,968	688,201,020	38,998,577	81,445	1,122,573,792
15.4	Operator's Fund						
	Wakala fee	6,295,750	2,735,554	206,085,635	-	39,944	215,156,883
	Net Commission expense	(262,550)	(1,486,206)	(109,819,426)	(2,481,245)	(29,381)	(114,078,809)
	Management expenses	(8,014,889)	(2,242,525)	(186,393,727)	(8,906,531)	(37,814)	(205,595,485)
		(1,981,689)	(993,177)	(90,127,519)	(11,387,776)	(27,251)	(104,517,411)
	Modarib's share of PTF investment income						10,665,661
	Investment income						81,585
	Other expenses						(57,553,851)
	Loss before taxation						(151,324,016)
	Corporate segment assets	2,938,756	239,410	91,047,642	2,299,072	21,504	96,546,384
	Corporate unallocated assets						269,087,868
	Total assets						365,634,252
	Corporate segment liabilities	6,925,722	491,090	140,888,636	-	16,086	148,321,535
	Corporate unallocated liabilities						372,827,242
	Total liabilities						521,148,777

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended 30 September 2020

	(Unaudited) 30 September 2020	(Unaudited) 30 September 2019
16 TRANSACTIONS WITH RELATED PARTIES - PTF	------(Rupees)-----	
TPL Insurance Limited		
Opening balance - payable	626,078	18,706,959
Rental and other services charges	69,219,404	95,590,000
Payments made by PTF - net	(69,142,892)	(112,744,330)
Closing balance - payable	702,590	1,552,629
Operator's Fund		
Opening balance - payable (including Qard-e-Hasna)	213,792,768	292,842,057
Wakala fee charged during the period	381,709,803	242,696,714
Qard-e-Hasna repaid during the period	(100,000,000)	-
Modarib Fee charged during the period	11,005,475	10,665,661
Taxes and other movement	110,863,046	136,136,019
Payments made during the period	(464,312,229)	(418,120,551)
Closing balance - payable (including Qard-e-Hasna)	153,058,863	264,219,900

17 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets which are either measured at fair value or for which fair value is only disclosed and is different from their carrying value:

	As of September 30, 2020		
	Fair value measurement using		
	Level 1	Level 2	Level 3
	------(Rupees in '000)-----		
Fair value through profit and loss			
Open end mutual funds	-	14,717,528	-
	-	14,717,528	-
Fair value through other comprehensive income			
Sukuk	-	-	-
	-	-	-
	As of December 31, 2019		
	Fair value measurement using		
	Level 1	Level 2	Level 3
	------(Rupees in '000)-----		
Available for sale			
Sukuk	-	20,000,000	-
	-	20,000,000	-

Window Takaful Operations
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Nine Months Period Ended 30 September 2020

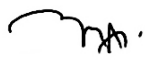
18 GENERAL

18.1 Figures have been rounded off to the nearest thousands.

18.2 Corresponding figures have been re-arranged, where necessary, for the purpose of comparison, however there is no material reclassification to report.

19 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 20 October 2020 by the Board of Directors of the Company.



Chief Financial Officer



Director



Director



Chief Executive Officer



Chairman

OTHER

INFORMATION

PATTERN OF SHAREHOLDING

As at 30 September 2020

No. of Shareholders	From	To	Shares Held	Percentage
220	1	100	1,398	0.0015
40	101	500	11,113	0.0118
97	501	1000	60,755	0.0647
99	1001	5000	194,039	0.2067
17	5001	10000	114,374	0.1218
10	10001	15000	125,710	0.1339
1	15001	20000	16,734	0.0178
4	20001	25000	97,167	0.1035
1	25001	30000	29,905	0.0319
1	30001	35000	33,412	0.0356
2	35001	40000	74,763	0.0796
1	40001	45000	43,307	0.0461
1	45001	50000	46,000	0.049
3	55001	60000	177,213	0.1888
1	60001	65000	60,062	0.064
2	95001	100000	196,500	0.2093
1	120001	125000	124,300	0.1324
1	295001	300000	300,000	0.3196
1	355001	360000	358,641	0.3821
1	370001	375000	373,290	0.3977
1	400001	405000	400,020	0.4262
1	405001	410000	405,919	0.4324
1	450001	455000	453,688	0.4833
1	520001	525000	524,154	0.5584
1	535001	540000	535,620	0.5706
1	650001	655000	654,000	0.6967
1	675001	680000	676,970	0.7212
1	750001	755000	750,483	0.7995
1	990001	995000	991,000	1.0558
1	2495001	2500000	2,500,000	2.6634
1	3000001	3005000	3,000,367	3.1964
1	3125001	3130000	3,128,897	3.3334
1	8830001	8835000	8,830,500	9.4075
1	14795001	14800000	14,800,000	15.7671
1	18240001	18245000	18,240,363	19.4323
1	35535001	35540000	35,535,597	37.8577
520	Company Total		93,866,261	100.00

CATEGORY OF SHAREHOLDING

As at 30 September 2020








Particulars	No of Folio	Balance Shares	Percentage
Directors, CEO & their Spouse and Minor Children	5	16,861	0.018
MR. JAMEEL YOUSUF		620	0.001
MR. ALI JAMEEL		620	0.001
MR. ANDREW BORDA		1	0.000
SYED NADIR SHAH		620	0.001
MUHAMMAD AMINUDDIN		15,000	0.016
Associated Companies	6	69,952,950	74.524
TPL Corp Limited		68,875,960	73.377
TPL Holdings Pvt. Ltd.		1,076,990	1.147
BANKS, DFI & NBFII	1	8,830,500	9.408
NATIONAL BANK OF PAKISTAN		8,830,500	9.408
Mutual Funds	7	8,042,290	8.568
CDC - TRUSTEE PICIC INVESTMENT FUND		535,620	0.571
CDC - TRUSTEE PICIC GROWTH FUND		750,483	0.800
CDC - TRUSTEE AKD OPPORTUNITY FUND		3,128,897	3.333
CDC - TRUSTEE NBP STOCK FUND		2,500,000	2.663
CDC - TRUSTEE HBL - STOCK FUND		654,000	0.697
CDC - TRUSTEE HBL EQUITY FUND		100,000	0.107
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		373,290	0.398
General Public (Local)	480	3,415,944	3.639
General Public (Foreign)	5	1,374	0.001
Others	16	3,606,342	3.842
TOYOTA HYDERABAD MOTORS		33,412	0.036
BONUS FRACTION B-2018		189	0.000
CDC STAY ORDER CASES WITH FRACTON		405,919	0.432
BONUS FRACTION B-2019		168	0.000
SARFRAZ MAHMOOD (PVT.) LTD		500	0.001
HABIB SUGAR MILLS LTD		60,062	0.064
MAPLE LEAF CAPITAL LIMITED		1	0.000
FAWAD YUSUF SECURITIES (PVT.) LIMITED		329	0.000
FEDERAL BOARD OF REVENUE		16,734	0.018
SHERMAN SECURITIES (PRIVATE) LIMITED		3,000,367	3.196
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED		4,000	0.004
FALCON-I (PRIVATE) LIMITED		1	0.000
TOYOTA SAHARA MOTORS (PVT) LTD		38,038	0.041
PARADIGM FACTORS (PRIVATE) LIMITED		122	0.000
PEARL SECURITIES LIMITED - MF		46,000	0.049
ASDA SECURITIES (PVT.) LTD.		500	0.001
Company Total	520	93,866,261	100



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Corporate Office
12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway,
Adjacent KPT Interchange, Karachi - 74900
+9221-111-000-301 | info@tplinsurance.com | tplinsurance.com



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