

**UIG**  
Group of Companies



## 3rd Quarter Report

# AA

Rated by: PACRA & VIS



*The* United Insurance  
Company of Pakistan Ltd.



# KEY INFORMATION

For the Nine Months Period Ended September 30, 2021

# AA

Rated by: PACRA & VIS

Rupees in Millions

<b>4,707</b> Premium 2021 <small>(Including Takaful Contribution)</small>	<b>3,812</b> Premium 2020 <small>(Including Takaful Contribution)</small>	<b>971</b> Gross Claims
<b>10,029</b> Total Assets	<b>909</b> Profit Before Tax	<b>686</b> Profit After Tax
<b>781</b> Underwriting Results	<b>2,379</b> Total Investment	<b>4,182</b> Shareholders Equity

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### CHAIRMAN

Jamil Ahmed Khan

### CHIEF EXECUTIVE OFFICER

Muhammad Akram Shahid

### DIRECTORS

Khawas Khan Niazi

Muhammad Rahat Sadiq

Huma Waheed

Agha Ali Imam

Syed Rahat Ali Shah

### ADVISORS

Major General (R) Asif Duraiz  
Akhtar

Sardar Khan  
(Former Managing Director  
Universal  
Insurance Company Limited)

### COMPANY SECRETARY

Athar A. Khan

### CHIEF FINANCIAL OFFICER

Maqbool Ahmad

### CHIEF INTERNAL AUDITOR

Abdul Mannan Munir

### AUDITORS

M/S. Ilyas Saeed & Co.  
Chartered Accountants

### LEGAL ADVISORS

Mohammed Farooq Sheikh  
(Advocate)

Mian Asghar Ali  
(Advocate)

### TAX ADVISOR

M/S. Sarwars Chartered  
Accountants

### CREDIT RATING AGENCIES

PACRA & VIS

### INSURER FINANCIAL STRENGTH

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

### COMPANY'S SHARE REGISTRAR

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

### WEB PRESENCE

[www.theunitedinsurance.com](http://www.theunitedinsurance.com)



### REGISTERED OFFICE

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

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

FAX: 021-35621459

Email:  
[info@theunitedinsurance.com](mailto:info@theunitedinsurance.com)

### HEAD OFFICE

UIG House, 1, Upper Mall,  
Lahore

TEL: 042-35776475

UAN: 92-42-111-000-014

FAX: 92-42-35776486, 35776487

Email:  
[uicp@theunitedinsurance.com](mailto:uicp@theunitedinsurance.com)

# COMMITTEES COMPOSITION

## Ethics, Human Resource & Remuneration Committee:

Name of Member	Category
Mr. Jamil Ahmed Khan	Chairman
Mr. Muhammad Akram Shahid	Member
Mr. Muhammad Rahat Sadiq	Member
Mr. Wakeel Ahmed Mirza	Secretary

## Underwriting Committee:

Name of Member	Category
Mr. Khawas Khan Niazi	Chairman
Mr. S. M. Qaiser Imam	Member
Mr. Amir Hameed	Member
Mr. Tayyab Bashir	Secretary

## Risk Management & Compliance Committee:

Name of Member	Category
Mr. Muhammad Akram Shahid	Chairman
Ms. Huma Waheed	Member
Syed Rahat Ali Shah	Member
Mr. Ali Hassan Bhatti	Secretary

## Investment Committee:

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

## Claims Settlement Committee:

Name of Member	Category
Ms. Huma Waheed	Chairperson
Mr. Tajammal Iqbal	Member
Mr. Raja Naeem Tariq	Member
Mr. Rizwan Safdar	Secretary

## Audit Committee:

Name of Member	Category
Mr. Agha Ali Imam	Chairman
Mr. Khawas Khan Niazi	Member
Syed Rahat Ali Shah	Member
Mr. Maqbool Ahmad	Member
Mr. Abdul Mannan Munir	Secretary

## Reinsurance & Co-insurance Committee:

Name of Member	Category
Mr. Muhammad Rahat Sadiq	Chairman
Mr. Amir Hameed	Member
Mr. Raja Naeem Tariq	Member
Mr. Tayyab Bashir	Member
Mr. Abrar Ahmed Khan Minhas	Secretary

# KEY MANAGEMENT PERSONNEL

## CONVENTIONAL BUSINESS

### HEAD OF CONVENTIONAL BUSINESS

Tajammal Iqbal

### CHIEF OPERATING OFFICER/ EXECUTIVE DIRECTOR

Amir Hameed

### SR. EXECUTIVE DIRECTOR UNDERWRITING

S.M. Qaiser Imam

### SR. EXECUTIVE DIRECTOR/ GROUP COUNTRY MANAGER

Dr. Murtaza Mughal

### JOINT DIRECTOR OPERATIONS - UNDERWRITING

Tayyab Bashir

### SR. GENERAL MANAGER RE-INSURANCE

Abrar Ahmed Khan Minhas

### GENERAL MANAGER HR & R

Wakeel Ahmed Mirza

### GENERAL MANAGER HEALTH/ TRAVEL

Kashif Shafique

### CHIEF COMPLIANCE OFFICER

Ali Hassan Bhatti

### CHIEF INFORMATION SECURITY OFFICER

Munir Ahmad

### GENERAL MANAGER ADMINISTRATION

Maj.(R) Nadeem Iqbal Naz

### DEPUTY GENERAL MANAGER- CLAIMS

Kamran Zaman

### DEPUTY GENERAL MANAGER UNDERWRITING (CO-INSURANCE)

Manzoor Hussain Mirza

### A.G.M REINSURANCE

Naeem Ahmed Babar

### CHIEF MANAGER (WEB)

Mohammed Arshad

### HEAD OF AGRICULTURE

Zulfiqar Ahmed

### SR. MANAGER COORDINATION

Tahira Ashar

### WINDOW TAKAFUL OPERATIONS

### JOINT DIRECTOR - FINANCE/ HEAD OF TAKAFUL OPERATIONS

Raja Naeem Tariq

### HEAD OF TAKAFUL BUSINESS/ DEPUTY MANAGING DIRECTOR

Shakeel Ahmed

### SHARIAH ADVISOR

Mufti Farhan Farooq

### SHARIAH COMPLIANCE OFFICER

Saad Munir Malik

## EXECUTIVE DIRECTORS (MARKETING)

Mian Muhammad Anwar Zahid

Zarrar Ahmed Butt

Mian Kashif Rasheed

Ch. Aslam Feroze

Rizwan-UL-Haq

Shafaqat Ali Goraya

Syed Hassan Nadeem

Ch. Shams-ul-Haq

Kh. Adnan Hassan

Muhammad Mazhar Shah

Malik Khurram Mansoor

Nauman-ul-Haq

Tanveer Ahmad Bhatti

## JOINT DIRECTORS (MARKETING)

Aslam Rajpoot

Mian Muhammad Rafi

Faisal Javaid

Muhammad Mohsin ullah

Chaudhry Iqbal Tahir

Zafar Mahmood

Hassan Bin Daud

Malik Azhar Ahmad

Mujeeb-ur-Rehman Khokhar

Zahid Mukhtar Paracha

Mian Muhammad Asif

Raheel Zia

Rana Muhammad Ashraf

Shahid Hussain Chishti

Junaid Akhtar Samoo

Mumtaz Ahmad Kahlon

Jamshed Mir

Rizwan Masoom Ali

Junaid Memon

Brig.(R) M. Aslam Khan

Muhammad Saif-ud-din Sheikh

Muhammad Ashraf Kharl

# BANKS & LEASING COMPANIES

## BANKS

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

## LEASING COMPANIES

Orix Leasing Company Limited  
 Crescent Standard Modaraba

## MICRO FINANCE BANKS

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

# DIRECTORS' REVIEW REPORT TO THE MEMBERS

## Dear Fellow Members

We are pleased to present the unaudited condensed interim financial statements for the nine months period ended September 30, 2021. The directors of **The United Insurance Company of Pakistan Limited** are pleased to announce the financial results for the Nine months period ended September 30, 2021 along with the figures for the same period ended September 30, 2020.

## Performance Overview Conventional –

### (Nine Months Period Ended September 30, 2021)

The Company's written gross premium and net premium income for the nine months ended September 30, 2021 stands at Rs.3,722/- million and Rs.1,997/- million, respectively. Whereas during the comparative period of nine months ended September 30, 2020, written gross premium was Rs.3,137/- million and net premium income was Rs.1,752/- million. These figures reflect the commitment of our team members in tough economic environment prevailing in the country. Our Company's business is sound and stable due to our concerted efforts and by the grace of God.

Underwriting results for the nine months ended September 30, 2021 are being reported as Rs.780/- million, whereas for the same period in the previous year 2020 it was reported as Rs.628/- million. This is commendable achievement of our staff and the field force due to which the underwriting results improved further.

The Company's profit before tax has increased during the nine months of 2021 by 25% from Rs.686/- million in 2020 to Rs.910/- million in 2021. Similarly, profit after tax being reported amounting to Rs.687/- million during the nine months ended September 30, 2021. Whereas profit after tax for the same period in 2020 was Rs.514/- million.

The earnings per share (EPS) of the company which includes both basic and diluted stands at Rs.2.33/- per share for nine months ended September 30, 2021 as compared to Rs.1.74/- per share in 2020 reflecting a slight improvement.

## Performance Overview Takaful Operations –

### (Nine Months Period Ended September 30, 2021)

The following financial data reflects the performance of Window Takaful Operations during the nine months ended September 30, 2021.

There was a major increase of written gross contribution for the nine months period ended September 30, 2021. The gross written contribution for the nine months ended September 30, 2021 increase to Rs.985/- million as compared to Rs.675/- million in 2020.

Due to management's specific attention to increase investment income of Window Takaful Operations, Investment income of both Participant Takaful Fund (PTF) and Operators Fund (OPF) has been increased. Investment income of PTF is increased by 4.9 times as compared to the same period of 2020. Similarly investment income of OPF is also increased by 3.05 times as compared to 2020. Investment income of Participant Takaful Fund stood at Rs.8.65/-million and investment income of Operators Fund stood at Rs.16.82/- million during the nine months period ending September 30, 2021.

## State of Company's Business Affairs

### Directors of the Company:

Election of Directors of the company was held on April 30, 2021 in 61st Annual General Meeting of the company. However one of the Directors Mr. Javaid Sadiq resigned on September 25, 2021. Mr. Muhammad Rahat Sadiq is appointed as the new member of Board.

New composition of Board of Directors is hereunder;

### New composition of Board of Directors is hereunder;

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

## Merger Scheme

The Board of Directors of the Company in their 219<sup>th</sup> meeting held on July 08, 2021, has approved the merger scheme of The United Insurance Company of Pakistan Limited with SPI Insurance Company Limited. Further, the Company has obtained Swap Computation Certificate from M/S RSM Avais Hyder Liaquat Nauman, Chartered Accountants. Based on break-up value, 0.90 shares of the Company shall be issued for every 1 share of SPI Insurance Company Limited. The Company is required to issue 51,750,000 shares to the shareholder of SPI in total as consideration of merger. The swap ratio computation is based on the standalone valuation of both companies by applying Net Assets Valuation (NAV) and fair valuation (FV) methodologies under the Asset approach and discounted cash flows (DCF) methodology under the income approach. Merger scheme along with other relevant documents are submitted to the relevant authorities for further approvals and process. Both companies applied to Lahore High Court through writ petition to take relevant legal approvals from court of law to proceed further. Lahore High Court instructed to conduct shareholders meeting of both companies under the supervision of law officers (assigned by Court) to take approvals of merger from relevant stakeholders within month of October 2021. Extra Ordinary General Meeting of shareholders was held on October 16, 2021 in which shareholders approved the merger scheme.

## Future Outlook

Aggressive vaccination drive for public at large by Federal and Provincial Governments brought positive results. Business and social activities had started in full swing in last quarter. Various construction related activities are started which will give rise to sales, employment opportunities and growing of businesses in short term period.

We continue to have a positive outlook on the long term growth potential of the business, however we do foresee certain headwinds in the short term owing to coronavirus crises in the form of higher inflation which might have an impact on the future results. The management remains fully committed towards managing these challenges and delivering sustainable profitable growth capitalizing on our strong brands, management capabilities and operational excellence.

## Acknowledgement

Directors of the Company would like to express their sincere appreciation for the assistance and co- operation received from the SECP, Bankers, Government authorities, and Business associates at all levels. We also thank our shareholders for posing their trust and confidence in the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

## For and on behalf of the Board,



**Muhammad Akram Shahid**  
Chief Executive Officer



**Jamil Ahmad Khan**  
Chairman

Date: September 30, 2021

## کمپنیوں کے انضمام کی پالیسی:

کمپنی کے بورڈ آف ڈائریکٹرز نے 08 جولائی، 2021 کو ہونے والی ۲۱۹ ویں بورڈ آف ڈائریکٹرز کی میٹنگ میں SPI انشورنس کمپنی اور یونائیٹڈ انشورنس کمپنی کے انضمام کی پالیسی کو منظور کر دیا ہے۔ کمپنی نے RSM اولیس حیدر لیاقت نعمان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سے Swap Computation سرٹیفکیٹ حاصل کیا ہے۔ جس کی بنیاد پر انضمام کو مکمل کرنے کے لئے SPI انشورنس کے ہر ایک حصص کے بدلے میں یونائیٹڈ انشورنس کے 0.90 حصص دیے جائیں گے۔ کمپنی اس انضمام کی قیمت کے طور پر SPI انشورنس کے شیئر ہولڈرز کو اپنے 51,750,000 حصص دے گی۔ Swap Ratio Computation کی بنیاد دونوں کمپنیوں کی Net Asset Valuation اور Fair Valuation کے طریقہ کار کو استعمال کرتے ہوئے رکھی گئی ہے۔ انضمام کی پالیسی سے متعلقہ دستاویزات تمام متعلقہ حکاموں کو منظوری کے لئے ارسال کر دی ہیں۔ دونوں کمپنیوں نے قانونی معاملات کو مکمل کرنے کے لئے لاہور ہائی کورٹ میں رٹ دائر کی تاکہ تمام متعلقہ قانونی منظوری کورٹ سے حاصل کی جاسکے۔ لاہور ہائی کورٹ نے دونوں کمپنیوں کو حکم دیا کہ اپنے شیئر ہولڈرز کی میٹنگ منعقد کرے جس کی صدارت لاہور ہائی کورٹ سے منظور شدہ قانونی ماہرین کریں گے تاکہ انضمام سے متعلق منظوری شیئر ہولڈرز سے لی جاسکے۔ کمپنی کا غیر معمولی اجلاس 16 اکتوبر، 2021 کو منعقد ہوا جس میں شیئر ہولڈرز نے انضمام کی منظوری دے دی۔

## مستقبل کا جائزہ:

صوبائی اور وفاقی حکومتوں نے COVID-19 کے اثرات سے بچنے کے لئے دیکھتے ہوئے مہم شروع کی جس کے بہت سے مثبت نتائج سامنے آئے۔ پچھلی سہ ماہی میں کاروباری اور معاشرتی سرگرمیوں کا آغاز ہو چکا ہے، تعمیراتی سیکٹر سے منسلک بہت سی سرگرمیاں شروع ہو چکی ہیں، جس سے کاروبار میں اضافہ ہوگا اور نوکریوں کی مواقع پیدا ہوں گے۔ ہم بزنس کی مسلسل کامیابی ترقی کے لئے بہت پر امید ہیں تاہم کوورونا وائرس کی وجہ سے روپے کی قدر میں قلیل مدتی گراؤ، بڑھتی ہوئی مہنگائی اور مجموعی معاشی سستی خطرے کا باعث ہیں۔ کمپنی کی انتظامیہ ان حالات کے دوران بھی مجموعی گرتھ کو حاصل کرنے میں کوشاں ہے۔ یونائیٹڈ انشورنس کمپنی آف پاکستان نئی پراڈاکٹس کے ذریعے گرتھ کی پالیسی پر عمل پیرا ہے جو کہ ہمارا خاصہ ہے۔ ہم نئی پراڈاکٹس کی تیاری، ان لائن فروخت کے نظام اور بہترین رابطہ نظام دینے کیلئے کوششیں جاری رکھیں گے جس میں جلد کامیابی حاصل ہوگی۔

## اعتراف:

ہم اپنے کسٹمرز کے شکرگزار ہیں کہ انہوں نے ہماری خدمات پر بھرپور اعتماد کا اظہار کیا ہے۔ ہم اپنے مینیجرز اور ریگولیٹری اداروں کا بھی شکریہ ادا کرتے ہیں جنہوں نے ہمیں اس عرصے میں اپنا قیمتی ساتھ مہیا کیا۔ کسٹمر اور بزنس کے تعاون سے بیکرانے ہماری ای ایف ایس ریٹنگ AA کر دی ہے جو ہماری کمپنی کی پرفیشنل کمنٹ اور کسٹمر کی ضروریات کو پورا کرنے سے حاصل ہوئی ہے۔ آخر میں ہم اپنے سٹاف کی بھی بھرپور کاوشوں کے شکرگزار ہیں جو کمپنی کے لئے بھرپور طاقت کا باعث ہے۔

بورڈ کی جانب سے



محمد اکرم شاہد

چیف ایگزیکٹو آفیسر



جلیل احمد خان

چیئر مین

30 اکتوبر، 2021

## ممبرز کو ڈائریکٹرز رپورٹ

محترم اراکین!

ہم 2021 کے نو ماہ کی غیر آڈٹ شدہ مالیاتی رپورٹ کو پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ دی یونائیٹڈ انشورنس کمپنی آف پاکستان لمیٹڈ کے ڈائریکٹرز 2021 اور 2020 کے نو ماہ کے مالیاتی نتائج کا اعلان کرتے ہوئے خوشی محسوس کرتے ہیں۔

**2021 کے نو ماہ میں روایتی کاروباری کارکردگی کا جائزہ:**

کمپنی کا خام بیمہ اور خالص بیمہ 30 ستمبر، 2021 پر بالترتیب 3,722 ملین روپے اور 1,997 ملین روپے ریکارڈ کیا گیا ہے جبکہ 2020 کے نو ماہ میں خام بیمہ 3,137 ملین روپے اور خالص بیمہ 1,752 ملین روپے رہا تھا۔ یہ اعداد و شمار مشکل معاشی حالات میں ٹیم ممبرز کی کمنٹ کو ظاہر کرتے ہیں۔ کمپنی کا کاروبار خدا کی مہربانی اور ہماری محنت کی وجہ سے مستحکم اور ترقی کر رہا ہے۔ 30 ستمبر، 2021 کے ذمہ دہ ٹوٹے نتائج 780 ملین روپے رہے جو کہ 2020 کے اسی عرصہ میں 628 ملین روپے رپورٹ ہوئے تھے۔ ذمہ دہ ٹوٹے نتائج میں بہتری رہی ہے۔ یہ انتظامی اور مارکیٹنگ سٹاف کی بہترین کامیابی ہے۔

2021 کے نو ماہ میں قبل از ٹیکس منافع 25 فیصد اضافہ سے 910 ملین روپے رہا جو کہ 2020 میں 686 ملین روپے تھا۔ اسی طرح بعد از ٹیکس منافع 687 ملین روپے رہا۔ جبکہ 2020 کے اسی عرصہ میں قبل از ٹیکس منافع 514 ملین روپے رہا تھا۔

کمپنی کی فی شخص آمدنی 2.33 روپے ریکارڈ کی گئی جو کہ 2020 میں 1.74 روپے فی شخص تھی۔ جو کہ بہتری کے بارے میں بتاتی ہے۔

**2021 کے نو ماہ میں نکال کاروباری کارکردگی کا جائزہ:**

درج ذیل اعداد و شمار 30 ستمبر، 2021 پر نکال کاروباری کارکردگی کے بارے میں بتاتے ہیں:

کمپنی کے خام عطیات میں 30 ستمبر، 2021 میں خاطر خواہ اضافہ دیکھنے میں آیا ہے۔ کمپنی کے خام عطیات 2021 میں 985 ملین روپے رہے جو کہ 2020 میں 675 ملین روپے ریکارڈ کئے گئے۔

سرمایہ کاری آمدن میں اضافہ حاصل کرنے کے لئے کمپنی کی انتظامیہ نے سرمایہ کاری بڑھانے کے لئے خاص توجہ دی ہے جس کی وجہ سے شرکاء کے نکال فنڈ اور آپریٹنگ فنڈ کی سرمایہ کاری آمدن میں خاطر خواہ اضافہ ہوا ہے۔ شرکاء کے نکال فنڈ کی سرمایہ کاری آمدن 2020 کے نو ماہ کی نسبت 2021 کے نو ماہ میں 3.05 گنا بڑھ گئی ہے۔ شرکاء کے نکال فنڈ کی سرمایہ کاری آمدن 30 ستمبر، 2021 پر 8.65 ملین روپے رہی اور آپریٹنگ فنڈ کی سرمایہ کاری آمدن 30 ستمبر، 2021 پر 16.82 روپے رہی۔

کمپنی کے کاروباری معاملات کا جائزہ:

کمپنی کے ڈائریکٹرز:

کمپنی کے بورڈ آف ڈائریکٹرز کا الیکشن 30 اپریل، 2021 کو منعقد کردہ کھیٹھ ویں سالانہ اجلاس میں ہوا، تاہم بورڈ آف ڈائریکٹرز میں سے ایک ڈائریکٹر جناب جاوید صادق صاحب نے ذاتی وجوہات کی بنا پر 25 ستمبر، 2021 کو استعفیٰ دے دیان کی جگہ جناب محمد راحت صادق صاحب بورڈ کے ممبر منتخب ہوئے۔ بورڈ آف ڈائریکٹرز کے نئے ممبران درج ذیل ہیں:

- ☆ جناب جمیل اے۔ خان صاحب،
- ☆ جناب محمد اکرم شاہد صاحب،
- ☆ جناب خواص خان نیازی صاحب،
- ☆ جناب محمد راحت صادق صاحب،
- ☆ محترمہ مہما جدید صاحبہ،
- ☆ جناب آغا علی امام صاحب، اور
- ☆ جناب سید راحت علی شاہ صاحب،

The United Insurance Company of Pakistan Limited

# Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2021

	Note	Un-Audited	Audited
		September 30, 2021	December 31, 2020
----- Rupees -----			
<b>ASSETS</b>			
Property and equipment	5	1,205,060,317	1,209,975,221
Intangible assets	6	1,607,873	1,977,670
Investment property	7	30,957,492	31,181,171
Investments in subsidiary and associate	8	1,789,679,874	1,933,915,396
Investments			
Equity securities	9	43,514,062	48,163,076
Debt securities	10	376,492,881	379,351,873
Term deposits	11	170,097,872	170,097,872
Total Assets in Window Takaful Operations	11A	795,102,064	754,035,663
Loans and other receivables	12	147,376,653	129,665,096
Insurance / reinsurance receivables	13	2,034,113,133	1,509,586,735
Reinsurance recoveries against outstanding claims	24	1,626,714,295	1,349,738,271
Salvage recoveries accrued		-	-
Deferred commission expense / acquisition cost	25	216,577,205	212,908,956
Deferred taxation	14	-	-
Taxation - payment less provision		-	-
Prepayments	15	815,905,316	1,672,850,841
Cash & bank	16	776,217,036	457,296,874
<b>Total Assets</b>		<b>10,029,416,073</b>	<b>9,860,744,715</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserve attributable to Company's equity holders</b>			
Ordinary share capital	17	2,950,000,000	2,950,000,000
Share premium		-	-
Reserves	18	46,569,600	52,845,811
Unappropriated profit		1,185,713,337	751,251,334
<b>Total Equity</b>		<b>4,182,282,937</b>	<b>3,754,097,145</b>
<b>Surplus on revaluation of fixed assets</b>		<b>349,819,104</b>	<b>380,300,236</b>
<b>LIABILITIES</b>			
<b>Total liabilities in window takaful operations</b>	11 A	<b>123,882,007</b>	<b>44,645,972</b>
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	24	2,113,503,543	1,758,414,109
Unearned premium reserves	23	2,061,190,096	2,322,406,326
Premium deficiency reserves		-	-
Unearned reinsurance commission	25	124,424,078	196,587,940
Retirement benefit obligations		-	-
Deferred taxation	14	135,322,579	151,341,783
Borrowings	19	81,941,228	91,484,644
Premium received in advance		-	-
Insurance / Reinsurance payables	20	255,101,133	862,236,702
Other creditors and accruals	21	315,374,390	113,786,352
Taxation - provision less payment		286,574,978	185,443,506
<b>Total Liabilities</b>		<b>5,373,432,025</b>	<b>5,681,701,362</b>
<b>Total Equity and Liabilities</b>		<b>10,029,416,073</b>	<b>9,860,744,715</b>
<b>CONTINGENCY(IES) AND COMMITMENT(S)</b>	22	-	-

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.



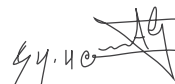
**Muhammad Akram Shahid**  
Chief Executive Officer



**Huma Waheed**  
Director



**Maqbool Ahmad**  
Chief Financial Officer



**Syed Rahat Ali Shah**  
Director



**Jamil Ahmad Khan**  
Chairman

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the Nine Months Period Ended September 30, 2021

Note	Un-Audited		Un-Audited		
	Three months ended		Nine months ended		
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	
----- Rupees -----					
Net insurance premium	23	694,450,535	580,694,430	1,997,594,255	1,752,441,544
Net insurance claims	24	(71,503,975)	(109,898,694)	(309,172,472)	(425,239,668)
Premium deficiency		22,426,039	25,526,912	-	31,031,048
Net commission and other acquisition costs	25	(49,051,200)	(20,572,707)	(112,791,304)	(69,361,560)
Insurance claims and acquisition expenses		(98,129,136)	(104,944,489)	(421,963,776)	(463,570,180)
Management expenses	26	(265,677,959)	(242,807,977)	(795,130,451)	(660,902,184)
Underwriting results		330,643,440	232,941,964	780,500,028	627,969,180
Investment income	27	10,682,854	14,325,223	28,193,378	40,922,931
Rental income	28	472,725	684,000	1,977,525	2,052,000
Other income	29	6,579,541	5,533,868	21,535,389	21,146,546
Other expenses	30	(1,772,577)	(3,677,483)	(12,771,357)	(19,449,234)
Results of operating activities		346,605,983	249,807,572	819,434,963	672,641,423
Finance cost	31	(1,302,108)	(3,658,500)	(4,757,303)	(10,765,644)
Share of profit from associate		828,370	2,597,464	4,342,476	15,766,260
Profit from window takaful operations		65,438,224	3,050,242	90,899,134	7,254,601
<b>Profit before tax</b>		<b>411,570,469</b>	<b>251,796,778</b>	<b>909,919,270</b>	<b>684,896,640</b>
Income tax expense	32	(108,773,506)	(70,952,076)	(223,388,438)	(170,753,297)
<b>Profit after tax</b>		<b>302,796,963</b>	<b>180,844,702</b>	<b>686,530,832</b>	<b>514,143,343</b>
Earnings (after tax) per share - basic and diluted (Restated)	33	1.03	0.61	2.33	1.74

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.



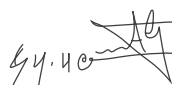
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Chief Executive Officer



**Huma Waheed**  
Director



**Maqbool Ahmad**  
Chief Financial Officer



**Syed Rahat Ali Shah**  
Director



**Jamil Ahmad Khan**  
Chairman

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Nine Months Period Ended September 30, 2021

	Un-Audited		Un-Audited	
	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees -----			
<b>Profit after tax</b>	<b>302,796,963</b>	<b>180,844,702</b>	<b>686,530,832</b>	<b>514,143,343</b>
<b>Other comprehensive income/ (loss):</b>				
<i>Items to be re-classified to profit and loss account in subsequent period:</i>				
Unrealized gain (loss) on revaluation of available-for-sale investments - net off deferred tax	(3,711,891)	13,752,888	(4,540,833)	468,397
Reclassification adjustments relating to available-for-sale investments disposed off during the period - net off deferred tax	-	8,106,784	1,153,445	8,168,325
Unrealized (loss) on revaluation of available-for-sale mutual funds - net off deferred tax	-	(2,831)	-	(116,644)
<b>Share of other comprehensive (loss)/income from takaful:</b>				
Unrealized gains (loss) on revaluation of available-for-sale investments - net off deferred tax	(1,101,525)	5,661,604	(891,978)	(5,281,686)
Reclassification adjustments relating to available-for-sale investments disposed off during the period - net off deferred tax	-	-	(1,996,845)	6,674,029
	<b>(4,813,416)</b>	<b>27,518,445</b>	<b>(6,276,211)</b>	<b>9,912,421</b>
<i>Items not to be re-classified to profit and loss account in subsequent period:</i>				
Share of other comprehensive income / (loss) from takaful:	-	-	-	-
Share of other comprehensive income/ (loss) from associate	-	-	-	-
Other comprehensive income for the period	<b>(4,813,416)</b>	<b>27,518,445</b>	<b>(6,276,211)</b>	<b>9,912,421</b>
<b>Total comprehensive income for the period</b>	<b>297,983,547</b>	<b>208,363,147</b>	<b>680,254,621</b>	<b>524,055,764</b>

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.



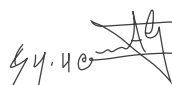
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Chairman

## CONDENSED INTERIM CASH FLOW STATEMENT

For the Nine Months Period Ended September 30, 2021

Un-Audited September 30, 2021	Un-Audited September 30, 2020
-------------------------------------	-------------------------------------

----- Rupees -----

<b>OPERATING CASH FLOWS</b>		
<b>a) Underwriting activities</b>		
Insurance premium received	3,197,825,409	2,978,933,706
Reinsurance premium paid	(1,744,851,907)	(1,248,301,603)
Claims paid	(971,118,189)	(1,150,897,011)
Reinsurance and other recoveries received	740,059,127	741,374,037
Commission paid	(293,645,909)	(294,785,180)
Commission received	181,620,853	291,315,813
Management expenses paid	(690,991,617)	(526,777,403)
<b>Net cash flow from underwriting activities</b>	<b>418,897,767</b>	<b>790,862,359</b>
<b>b) Other operating activities</b>		
Income tax paid	(122,256,966)	(68,811,930)
General expenses paid	(12,771,357)	(19,449,234)
Other operating receipts/(payments)	128,915,273	(70,101,426)
Loans advanced	(14,931,073)	(1,395,694)
Loan repayments received	10,406,382	-
<b>Net cash flow from other operating activities</b>	<b>(10,637,741)</b>	<b>(159,758,283)</b>
<b>Total cash flow from all operating activities</b>	<b>408,260,026</b>	<b>631,104,076</b>
<b>INVESTMENT ACTIVITIES:</b>		
Profit/ return received	26,464,274	39,468,681
Dividend received	1,391,250	-
Rental received	1,977,525	2,052,000
Payment for investment/ investment properties	151,315,036	(297,411,827)
Fixed capital expenditure	(82,204,316)	(103,677,271)
Proceeds from sale of property and equipment	9,192,839	12,781,000
Assets in Window Takaful Operations	125,000,000	(9,215,648)
<b>Total cash flow from investing activities</b>	<b>233,136,608</b>	<b>(356,003,066)</b>
<b>FINANCING ACTIVITIES:</b>		
Interest paid	(4,081,363)	(10,765,645)
Dividends paid	(285,867,693)	-
Lease liability paid	(32,527,416)	8,301,567
<b>Total cash flow from financing activities</b>	<b>(322,476,472)</b>	<b>(2,464,078)</b>
<b>Net cash flow from all activities</b>	<b>318,920,162</b>	<b>272,636,933</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>457,296,874</b>	<b>266,125,644</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>776,217,036</b>	<b>538,762,577</b>

## CONDENSED INTERIM CASH FLOW STATEMENT

For the Nine Months Period Ended September 30, 2021

	Un-Audited September 30, 2021	Un-Audited September 30, 2020
	----- Rupees -----	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	408,260,026	631,104,076
Depreciation & amortization expense	(104,138,834)	(113,462,355)
Lease finance charges	(4,757,303)	(10,765,644)
Car Ijarah charges	-	-
Profit on disposal of property and equipment	2,634,977	(1,307,315)
Rental income	1,977,525	-
Dividend income	1,391,250	564,168
Share of profit from associate	4,342,476	15,766,260
Increase / (decrease) in assets other than cash	(61,501,905)	358,550,771
(Increase) / decrease in Liabilities other than borrowings	320,621,358	(413,919,981)
Gain and other investment income	26,802,128	40,358,763
Income from Window Takaful Operations	90,899,134	7,254,601
<b>Profit after Taxation</b>	<b>686,530,832</b>	<b>514,143,343</b>

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.



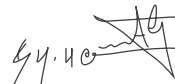
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Director



**Jamil Ahmad Khan**  
Chairman

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Nine Months Period Ended September 30, 2021

	Attributable to Equity Holders of the Company						
	Share capital	Capital reserve	Revenue reserves			Unappropriated profit	Total
			Reserve for issue of bonus shares	General reserve	Available for sale reserve		
----- Rupees -----							
<b>Balance as at January 01, 2020 (Audited)</b>	2,601,016,820	-	-	75,115,917	(25,217,084)	786,630,047	3,437,545,700
Transfer to reserve for issue of bonus shares	-	-	348,983,180	-	-	(348,983,180)	-
Bonus share reserve capitalized on issuance of shares	348,983,180	-	(348,983,180)	-	-	-	-
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	-	-	-	-	-	42,807,383	42,807,383
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	514,143,343	514,143,343
Other comprehensive income	-	-	-	-	9,912,421	-	9,912,421
	-	-	-	-	9,912,421	514,143,343	524,055,764
<b>Balance as at September 30, 2020 (Un-Audited)</b>	2,950,000,000	-	-	75,115,917	(15,304,663)	994,597,593	4,004,408,847
<b>Balance as at January 01, 2021 (Audited)</b>	2,950,000,000	-	-	75,115,917	(22,270,106)	751,251,334	3,754,097,145
Transfer to reserve for issue of bonus shares	-	-	-	-	-	-	-
Bonus share reserve capitalized on issuance of shares	-	-	-	-	-	-	-
Interim cash dividend at Rs. 1 per share relating to 2021	-	-	-	-	-	(295,000,000)	-
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	-	-	-	-	-	42,931,171	42,931,171
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	686,530,832	686,530,832
Other comprehensive income	-	-	-	-	(6,276,211)	-	(6,276,211)
	-	-	-	-	(6,276,211)	686,530,832	680,254,621
<b>Balance as at September 30, 2021 (Un-Audited)</b>	2,950,000,000	-	-	75,115,917	(28,546,317)	1,185,713,337	4,182,282,937

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.



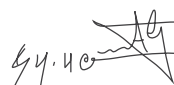
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Director



**Jamil Ahmad Khan**  
Chairman

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021 (Un-Audited)

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

## 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

These condensed interim financial statements does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2020.

### 2.1 Basis of measurement

The condensed interim financial statements have been prepared under the historical cost convention except for certain property and equipment which are measured at revalued amount and certain financial instruments which are measured at fair value.

### 2.2 Functional and presentation currency

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

### 2.3 Standards, interpretations and amendments effective in (current period)

The Company has adopted the following amendments in accounting standards and interpretations of IFRS which became effective for the current period:

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021 (Un-Audited)

Standards, Amendments and Interpretations		Effective date (Annual periods beginning on or after)
IFRS 4	Amendments to IFRS 4 - Insurance Contracts - Amended by Interest Rate Benchmark Reform — Phase 2	1-Jan-2021
IFRS 7	Amendments to IFRS 7 - Financial Instruments: Disclosures - Interest Rate Benchmark Reform Phase 2	1-Jan-2021
IFRS 16	Leases - Amended by Interest Rate Benchmark Reform — Phase 2	1-Jan-2021

The adoption of the above amendments, and improvement to accounting standards and interpretations did not have any significant effect on the financial statements.

## 2.4 Standards, interpretations, and amendments not effective at period end

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan have not become effective during current period:

IFRS-3	Amendments to IFRS 3 - Business Combinations - Amended by reference to the Conceptual Framework.	1-Jan-2022
IFRS-9	Financial Instruments - Amended by Annual Improvements to IFRS Standards 2018-2020	1-Jan-2022
IAS 1	Presentation of Financial Statements - Amended by Classification of Liabilities as Current or Non-current.	1-Jan-2023
IAS 16	Amendments to IAS 16 - Property, Plant and Equipment - Amendments relating prohibition of deducting any proceeds from selling items produced from the cost of an item of property, plant and equipment while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.	1-Jan-2022
IAS 37	Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets - Amended by Onerous Contracts — Cost of Fulfilling a Contract.	1-Jan-2022
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amended by Annual Improvements to IFRS Standards 2018-2020	1-Jan-2022
IFRS 17	Insurance Contracts - Amended by Amendments to IFRS 17	1-Jan-2023
IAS 12	Income Taxes – Amended by Deferred Tax related to Assets and Liabilities arising from a Single Transaction.	1-Jan-2023

## 2.5 Standards, interpretations and amendments becoming effective in future period but not relevant:

There are certain new standards, amendments to standards and interpretations that are effective for different future periods but are considered not to be relevant to Company's operations, therefore not disclosed in these financial statements.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements as at September 30, 2021 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2020.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2020.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Note	Un-Audited	Audited
		September 30, 2021	December 31, 2020
		----- Rupees -----	
<b>5</b>	<b>PROPERTY AND EQUIPMENT</b>		
Operating assets at net book value - Owned	5.1	<b>1,031,867,480</b>	1,068,718,779
Operating assets at net book value - Right-of-use assets	5.2	<b>102,607,026</b>	120,075,733
Capital work-in-progress	5.3	<b>70,585,811</b>	21,180,709
		<b>1,205,060,317</b>	1,209,975,221
<b>5.1</b>	<b>Opening net book value</b>	<b>1,068,718,779</b>	1,107,761,799
Add: Additions made during the period at cost		<b>32,799,214</b>	57,000,181
Add: Transfers made during the period at cost		<b>41,269,139</b>	68,523,280
Add: Accumulated depreciation reversed on disposals made during the period		<b>15,084,618</b>	22,604,869
Less: Disposals made during the period at cost		<b>(21,642,480)</b>	(37,196,998)
Less: Accumulated depreciation reversed on matured assets made during the period		<b>(17,945,708)</b>	(22,916,832)
Less: Depreciation for the period		<b>(86,416,082)</b>	(127,057,520)
<b>Closing net book value</b>		<b>1,031,867,480</b>	1,068,718,779
<b>5.2</b>	<b>Opening net book value</b>	<b>120,075,733</b>	137,850,000
Add: Additions made during the period at cost		<b>22,984,000</b>	51,743,000
Less: Transfers made during the period at cost		<b>(41,269,139)</b>	(68,523,280)
Add: Accumulated depreciation reversed on matured assets made during the period		<b>17,945,708</b>	22,916,832
Less: Depreciation for the period		<b>(17,129,276)</b>	(23,910,819)
<b>Closing net book value</b>		<b>102,607,026</b>	120,075,733
<b>5.3</b>	<b>Opening net book value</b>	<b>21,180,709</b>	-
Additions made during the period		<b>49,405,102</b>	21,180,709
<b>Closing net book value</b>		<b>70,585,811</b>	21,180,709

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Note	Un-Audited	Audited
		September 30, 2021	December 31, 2020
		----- Rupees -----	
<b>6</b>	<b>INTANGIBLE ASSETS</b>		
	Opening net book value	1,977,670	2,636,894
	Add: Additions made during the period at cost	-	-
	Less: Amortization for the period	(369,797)	(659,224)
	<b>Net book value</b>	<b>1,607,873</b>	<b>1,977,670</b>
<b>7</b>	<b>INVESTMENT PROPERTY</b>		
	Opening net book value	31,181,171	5,270,660
	Add: Additions made during the period at cost	-	26,200,000
	Less: Depreciation for the period	(223,679)	(289,489)
	<b>Net book value</b>	<b>30,957,492</b>	<b>31,181,171</b>
<b>8</b>	<b>INVESTMENT IN SUBSIDIARY AND ASSOCIATE</b>		
	Investment in associate	8.1 1,177,135,646	708,746,180
	Share deposit money	8.2 350,390,276	963,015,264
	Advance for purchase of shares	8.3 262,153,952	262,153,952
		<b>1,789,679,874</b>	<b>1,933,915,396</b>
<b>8.1</b>	<b>Investment in associate - Apna Microfinance Bank Limited</b>		
<b>8.1.1</b>	<b>Movement of investment in associate</b>		
	Beginning of the year	708,746,180	692,183,678
	Acquisition/ (Disposal) of investment in associate	464,046,990	-
		<b>1,172,793,170</b>	<b>692,183,678</b>
	Share of profit during the period	4,342,476	16,562,502
	Less: Dividend received	-	-
	Change in comprehensive income	-	-
	<b>End of the period</b>	<b>1,177,135,646</b>	<b>708,746,180</b>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

Note	Un-Audited	Audited
	September 30, 2021	December 31, 2020
----- Rupees -----		

The Company's interests in its associate are as follows:

### 8.1.2 Particulars of investment in associate

September 30, 2021	December 31, 2020	Face value per share (Rupees)	Name of Associate	September 30, 2021	December 31, 2020
Number of shares				----- Rupees -----	
199,478,007	153,073,308	10	Apna Microfinance Bank Limited	1,177,135,646	708,746,180

Market value of investment and percentage of holding in associate are Rs. 4,083,314,803/- and 46.50% respectively (2020: Rs. 3,535,993,415/- and 44.50%). 199,478,007 (2020: 153,073,308) number of shares in associate are frozen with CDC under the provision of section 10(2) of the Microfinance Institutions Ordinance, 2001.

### 8.1.3 Summarised financial information of APNA Microfinance Bank Limited is disclosed hereunder:

Total assets	24,757,470,561	28,831,387,482
Total liabilities	22,334,770,891	26,572,139,525
Total equity	2,422,699,670	2,259,247,957
Revenue	2,500,532,223	2,513,186,396
Profit before tax	18,612,714	52,474,965
Profit after tax	9,338,659	35,429,797

### 8.2 Share deposit money

Apna Microfinance Bank Limited	350,390,276	963,015,264
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### 8.3 Advance for purchase of shares

Advance for purchase of shares	8.3.1	262,153,952	262,153,952
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8.3.1 These advances have been given for the purchase of shares of M/s. Apna Microfinance Bank Limited to the other sponsors / shareholders of M/s. Apna Microfinance Bank Limited.

## 9 INVESTMENTS IN EQUITY SECURITIES

Available for sale	9.1	43,514,062	48,163,076
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### 9.1 Available for sale

Listed shares	9.2	63,674,702	63,552,747
Less: unrealized (loss) on revaluation of investment		(20,160,640)	(15,389,671)
Carrying value		43,514,062	48,163,076
		43,514,062	48,163,076

9.2 Cost of ordinary shares of quoted companies as at September 30, 2021 is Rs. 63,674,702/- (2020: Rs. 63,552,747/-).

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Note	Un-Audited	Audited
		September 30, 2021	December 31, 2020
		----- Rupees -----	
<b>10</b>	<b>INVESTMENTS IN DEBT SECURITIES</b>		
	<b>Held to maturity</b>		
	Government securities	10.1 326,494,722	311,856,927
	Treasury Bills	49,998,159	67,494,946
		<b>376,492,881</b>	<b>379,351,873</b>
10.1	The Pakistan Investment Bonds amounting to Rs. 298,600,000/- (2020: Rs. 298,600,000/-) are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of clause (a) of the sub-section 2 of section 29 of the Insurance Ordinance, 2000.		
<b>11</b>	<b>INVESTMENTS IN TERM DEPOSITS</b>		
	<b>Held to maturity</b>		
	Deposits maturing within 12 months	170,097,872	170,097,872
	Deposits maturing after 12 months	-	-
		<b>170,097,872</b>	<b>170,097,872</b>
<b>11A</b>	<b>TOTAL ASSETS IN WINDOW TAKAFUL OPERATIONS</b>		
	<b>Assets</b>		
	Cash and bank deposits	3,699,500	78,942,602
	Investments	224,123,210	208,289,603
	Property and equipment	20,420,534	22,486,641
	Current assets - others	546,858,820	444,316,817
	<b>Total assets</b>	<b>795,102,064</b>	<b>754,035,663</b>
	<b>Total liabilities</b>	<b>123,882,007</b>	<b>44,645,972</b>
<b>12</b>	<b>LOANS AND OTHER RECEIVABLES</b>		
	<b>Unsecured and considered good</b>		
	Receivable from related parties	12.1 2,083,582	2,834,805
	Accrued investment income	25,059,175	26,112,571
	Lease security deposits	16,450,250	15,672,650
	Other security deposits	46,912,735	36,990,881
	Loans to employees	22,311,629	17,786,938
	Branch balance receivable	16,366,658	8,551,217
	Other receivable	18,192,624	21,716,034
		<b>147,376,653</b>	<b>129,665,096</b>

- 12.1 Represents amount due from M/s United Track System (Pvt) Ltd. and Tawasal Healthcare TPA (Private) Ltd., associated undertakings, amounting to Rs. 279,082/- (2020 Rs. 1,574,805/-) and Rs. 1,804,500/- (2020: Rs. 1,260,000/-) respectively.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

Note	Un-Audited	Audited
	September 30, 2021	December 31, 2020
----- Rupees -----		
<b>13</b>	<b>INSURANCE / REINSURANCE RECEIVABLES</b>	
	<i>- Unsecured and considered good</i>	
	Due from insurance contract holders	1,697,290,122
	Less : Provision for impairment of receivables from insurance contract holders	-
	Due from other insurers / reinsurers	336,823,011
	Less : Provision for impairment of due from other insurers / reinsurers	-
		2,034,113,133
		1,509,586,735
<b>14</b>	<b>DEFERRED TAXATION</b>	
	<b>Deferred tax liability</b>	<b>135,322,579</b>
		151,341,783
<b>15</b>	<b>PREPAYMENTS</b>	
	Prepaid reinsurance premium ceded	815,905,316
	Prepaid rent	-
		815,905,316
		1,672,850,841
<b>16</b>	<b>CASH &amp; BANK</b>	
	Cash and cash equivalents	
	- Cash in hand	231,964
	- Policy & revenue stamps, bond papers	-
	Cash at bank	
	- Current accounts	633,078,590
	- Saving accounts	142,906,482
		775,985,072
		457,160,509
		776,217,036
		457,296,874

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

## 17 ORDINARY SHARE CAPITAL

### 17.1 Authorized share capital

September 30, 2021	December 31, 2020	Note	Un-Audited	Audited
			September 30, 2021	December 31, 2020
(Number of shares)			----- Rupees -----	
400,000,000	300,000,000	Ordinary shares of Rs. 10/- each	4,000,000,000	3,000,000,000

### 17.2 Issued, subscribed and paid-up share capital

10,963,475	10,963,475	Ordinary shares of Rs. 10/- each fully paid in cash	109,634,750	109,634,750
284,036,525	284,036,525	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	2,840,365,250	2,840,365,250
295,000,000	295,000,000		2,950,000,000	2,950,000,000

#### Reconciliation of issued, subscribed and paid up share capital

295,000,000	260,101,682	Ordinary shares of Rs. 10/- each fully paid in cash	2,950,000,000	2,601,016,820
-	34,898,318	Bonus shares issued during the period	-	348,983,180
295,000,000	295,000,000		2,950,000,000	2,950,000,000

## 18 RESERVES

General reserve	75,115,917	75,115,917
Available for sale reserve	(28,546,317)	(22,270,106)
	46,569,600	52,845,811

## 19 BORROWINGS

Liabilities against assets subject to finance lease	19.1	81,941,228	91,484,644
19.1 Opening Balance		91,484,644	77,823,296
Add: Disbursement during the period		23,144,222	57,795,368
Less: Repaid during the period		(32,687,638)	(44,134,020)
		81,941,228	91,484,644

## 20 INSURANCE / REINSURANCE PAYABLES

Due to insurance contract holders	-	-
Due to insurers / reinsurers	255,101,133	862,236,702
	255,101,133	862,236,702

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Note	Un-Audited	Audited
		September 30, 2021	December 31, 2020
----- Rupees -----			
<b>21</b>	<b>OTHER CREDITORS AND ACCRUALS</b>		
	Agents commission payable	76,598,359	-
	Federal Excise Duty / Sales Tax	17,680,518	23,818,415
	Federal Insurance Fee	12,243,021	10,953,344
	Payable to related parties	-	-
	Accrued expenses	3,237,527	2,042,527
	Other tax payables	63,618,021	22,396,541
	Unpaid and unclaimed dividend	16,031,219	6,898,912
	Provident fund contribution	7,491,545	3,604,445
	Auditors' remuneration	-	3,575,000
	Others	118,474,180	40,497,168
		<b>315,374,390</b>	<b>113,786,352</b>
<b>22</b>	<b>CONTINGENCY(IES) AND COMMITMENT(S)</b>		
<b>22.1</b>	<b>Contingencies</b>		
	There is no change in the status of contingent liabilities since the end of last annual reporting period December 31, 2020		
<b>22.2</b>	<b>Commitments</b>		
	There are following commitments on balance sheet date		
	For future Ijarah rentals payable	22.2.1	4,728,601
			11,208,152
<b>22.2.1</b>	<b>Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:</b>		
	Not later than one year		4,728,601
	Later than one year and not later than five years		-
			8,389,625
			2,818,527
		<b>4,728,601</b>	<b>11,208,152</b>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

Note	Un-Audited		Un-Audited	
	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- Rupees -----				
<b>23</b>	<b>NET INSURANCE PREMIUM</b>			
Written Gross Premium	1,610,662,613	1,178,446,727	3,722,351,807	3,137,234,646
Add: Unearned premium reserve - Opening	1,779,096,938	1,320,589,278	2,322,406,326	1,550,169,310
Less: Unearned premium reserve - Closing	(2,061,190,096)	(1,452,471,271)	(2,061,190,096)	(1,452,471,271)
Premium earned	1,328,569,455	1,046,564,734	3,983,568,037	3,234,932,685
Less: Reinsurance premium ceded	402,855,564	314,484,917	1,137,716,338	1,292,904,762
Add: Prepaid reinsurance premium - Opening	1,047,168,672	951,510,045	1,664,162,760	989,711,038
Less: Prepaid reinsurance premium - Closing	(815,905,316)	(800,124,658)	(815,905,316)	(800,124,659)
Reinsurance expense	634,118,920	465,870,304	1,985,973,782	1,482,491,141
	694,450,535	580,694,430	1,997,594,255	1,752,441,544
<b>24</b>	<b>NET INSURANCE CLAIMS EXPENSE</b>			
Claims Paid	332,595,846	213,260,637	971,118,189	1,150,897,011
Add: Outstanding claims including IBNR - Closing	24.1 2,113,503,543	2,292,245,005	2,113,503,543	2,292,245,005
Less: Outstanding claims including IBNR - Opening	(1,812,753,910)	(1,692,613,509)	(1,758,414,109)	(1,891,240,875)
Claims expense	633,345,479	812,892,133	1,326,207,623	1,551,901,141
Less: Reinsurance and other recoveries received	258,019,147	150,083,828	740,059,127	824,873,754
Add: Reinsurance and other recoveries in respect of outstanding claims - Closing	1,626,714,295	1,715,410,815	1,626,714,295	1,715,410,815
Less: Reinsurance and other recoveries in respect of outstanding claims - Opening	(1,322,891,938)	(1,162,501,204)	(1,349,738,271)	(1,413,623,096)
Reinsurance and other recoveries revenue	561,841,504	702,993,439	1,017,035,151	1,126,661,473
	71,503,975	109,898,694	309,172,472	425,239,668

24.1 The aforesaid includes outstanding claims of Rs. 442,372,389/- (2020: Rs. 442,372,389/-) which are payable to a related party.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Un-Audited		Un-Audited	
	Three months ended	September 30,	Nine months ended	September 30,
	September 30,	2020	September 30,	2020
	2021		2021	2020
	----- Rupees -----			
<b>25 NET COMMISSION AND OTHER ACQUISITION COSTS</b>				
Commission paid or payable	124,280,915	79,695,678	370,244,268	294,785,180
Add: Deferred commission expense - Opening	221,965,351	221,575,221	212,908,956	240,000,231
Less: Deferred commission expense - Closing	(216,577,205)	(174,108,039)	(216,577,205)	(174,108,038)
Net Commission	129,669,061	127,162,860	366,576,019	360,677,373
Less: Commission received or recoverable	67,439,463	50,281,920	181,620,853	216,456,121
Add: Unearned re-insurance commission - Opening	137,602,476	169,110,738	196,587,940	187,662,197
Less: Unearned re-insurance commission - Closing	(124,424,078)	(112,802,505)	(124,424,078)	(112,802,505)
Commission from reinsurers	80,617,861	106,590,153	253,784,715	291,315,813
	49,051,200	20,572,707	112,791,304	69,361,560
<b>26 MANAGEMENT EXPENSES</b>	265,677,959	242,807,977	795,130,451	660,902,184
<b>27 INVESTMENT INCOME</b>				
<b>Income from equity securities</b>				
<i>Available for sale</i>				
Dividend income on shares	306,000	-	1,391,250	191,493
Dividend income on mutual fund	-	-	-	372,675
<b>Income from debt securities</b>				
<i>Held to maturity</i>				
Return on Government securities - T-bills	815,463	2,751,347	1,370,707	2,771,281
Return on Government securities - PIBs	6,748,807	6,677,523	19,487,851	18,865,471
<b>Income from term deposits</b>				
Return on term deposits	2,277,832	2,185,567	6,297,555	15,323,648
	10,148,102	11,614,437	28,547,363	37,524,568
<b>Net realized gains / (loss) on investments</b>				
<i>Available for sale financial assets</i>				
-Equity securities	829,644	3,051,690	951,091	3,825,418
Total investment income	10,977,746	14,666,127	29,498,454	41,349,986
Less: Investment related expenses	(294,892)	(340,904)	(1,305,076)	(427,055)
<b>Net Investment Income</b>	10,682,854	14,325,223	28,193,378	40,922,931
<b>28 RENTAL INCOME</b>	472,725	684,000	1,977,525	2,052,000
<b>29 OTHER INCOME</b>	6,579,541	5,533,868	21,535,389	21,146,546
<b>30 OTHER EXPENSES</b>	1,772,577	3,677,483	12,771,357	19,449,234

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Un-Audited		Un-Audited	
	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020

----- Rupees -----

## 31 FINANCE COST

Financing cost	1,302,108	3,658,500	4,081,363	10,765,644
Exchange loss	-	-	675,940	-
	<b>1,302,108</b>	<b>3,658,500</b>	<b>4,757,303</b>	<b>10,765,644</b>

## 32 INCOME TAX EXPENSE

### For the period

-Current	108,708,859	52,052,145	218,380,625	164,074,079
-Deferred	64,647	-	(1,005,642)	-

### For the prior year(s)

-Current	-	18,899,931	6,013,455	6,679,218
-Deferred	-	-	-	-

	<b>108,773,506</b>	<b>70,952,076</b>	<b>223,388,438</b>	<b>170,753,297</b>
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## 33 EARNINGS PER SHARE

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

Profit after tax for the period	302,796,963	180,844,702	686,530,832	514,143,343
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	Number of shares		Number of shares	
Weighted average number of ordinary shares of Rs. 10/- each	295,000,000	295,000,000	295,000,000	295,000,000

----- Rupees -----

<b>Earnings per share - basic and diluted (Restated)</b>	<b>1.03</b>	<b>0.61</b>	<b>2.33</b>	<b>1.74</b>
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No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

## 34 COMPENSATION OF DIRECTORS AND EXECUTIVES

Remuneration of chief executive & directors during the period	4,026,365	3,203,300	21,034,659	9,611,100
Remuneration of key management personnel during the period	47,129,493	52,552,470	162,702,276	126,852,516

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

### 35 RELATED PARTY TRANSACTIONS

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

Nature of relationship	Nature of transaction	Un-Audited	Audited
		September 30, 2021	December 31, 2020
----- Rupees -----			
<b>Balances at period end:</b>			
<b>Associated undertakings</b>	Receivable at period end	2,083,582	2,834,805
	Investment through equity shares at period end	1,177,135,646	708,746,180
	Share deposit money at period end	350,390,276	963,015,264
	Bank deposits at period end	109,439,987	8,607,578
	Claims lodged / payable	442,372,389	442,372,389
<b>Associated persons</b>	Advance for purchase of shares at period end	262,153,952	262,153,952
<b>Key management personnel</b>	Loan to key management personnel at period end	22,311,629	9,509,384
<b>Employees' Provident Fund</b>	Payable to defined contribution plan at period end	2,562,956	3,246,410
Transactions during the period:		Un-Audited	Un-Audited
		Three months ended	Nine months ended
		September 30, 2021	September 30, 2021
		September 30, 2020	September 30, 2020
----- Rupees -----			
Motor tracking devices purchased during the period		7,964,500	6,774,500
Motor tracking device charges paid during the period		7,601,835	20,151,740
Device monitoring charges paid during the period		2,660,000	9,521,000
Rental income received during the period		472,725	1,289,250
Health service charges during the period		1,520,180	4,322,160
Interest received on bank deposits during the period		120,577	222,781
Cash deposited in bank deposits during the period		1,163,492,947	403,942,451
Cash withdrawals in bank deposits during the period		1,195,140,945	395,357,571
Claims paid during the period		-	25,000,000
Share deposit money paid during the period		-	150,000,000
<b>Key management personnel</b>			
Professional fee/ remuneration of key management personnel		51,155,858	136,463,616
<b>Employees' provident fund</b>			
Employer's Contributions made during the period		6,387,180	15,333,466

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

## 36 SEGMENT INFORMATION

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

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of Premium written by each segment.

2021 (Un-audited)	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	CROP	MISCELLANEOUS	TREATY	Total
----- Rupees -----							
<b>Gross Written Premium (Inclusive of Admin surcharge)</b>	596,535,886	223,648,894	522,126,269	646,180,452	1,733,860,306	-	3,722,351,807
<b>Insurance premium earned</b>	649,332,589	219,685,853	580,879,540	600,071,648	1,933,598,407	-	3,983,568,037
Insurance premium ceded to Reinsurance	(330,233,531)	(107,323,203)	(235,637,413)	(196,704,927)	(1,116,074,708)	-	(1,985,973,782)
Net insurance premium	319,099,058	112,362,650	345,242,127	403,366,721	817,523,699	-	1,997,594,255
Commission income	20,640,095	12,401,004	52,660,625	42,638,112	125,444,879	-	253,784,715
<b>Net underwriting income</b>	339,739,153	124,763,654	397,902,752	446,004,833	942,968,578	-	2,251,378,970
Insurance claims	(231,770,206)	(47,023,851)	(178,168,055)	(149,452,350)	(719,793,161)	-	(1,326,207,623)
Insurance claims recovered from reinsurance	169,986,117	33,374,945	115,942,779	18,054,726	679,676,584	-	1,017,035,151
Net claims	(61,784,089)	(13,648,906)	(62,225,276)	(131,397,624)	(40,116,577)	-	(309,172,472)
Commission expenses	(99,089,133)	(24,117,928)	(76,344,174)	(67,976,053)	(99,048,731)	-	(366,576,019)
Management expenses	(127,015,472)	(44,725,281)	(137,421,565)	(160,557,712)	(325,410,421)	-	(795,130,451)
Premium deficiency expense	-	-	-	-	-	-	-
<b>Net insurance claims and expenses</b>	<b>(287,888,694)</b>	<b>(82,492,115)</b>	<b>(275,991,015)</b>	<b>(359,931,389)</b>	<b>(464,575,729)</b>	-	<b>(1,470,878,942)</b>
Underwriting results	51,850,459	42,271,539	121,911,737	86,073,444	478,392,849	-	780,500,028
Net investment income							28,193,378
Rental income							1,977,525
Other income							21,535,389
Other expenses							(12,771,357)
Finance cost							(4,757,303)
Profit from Window Takaful Operations							90,899,134
Share of profit from associates							4,342,476
<b>Profit before tax</b>							<b>909,919,270</b>
							Un-audited September 30, 2021
Segment assets - Conventional	872,485,441	156,710,925	549,947,549	533,590,645	2,488,422,261		4,601,156,821
Segment assets - Takaful OPF	60,780,983	80,630,944	39,146,278	-	247,845,736		428,403,941
Unallocated assets - Conventional							4,633,157,187
Unallocated assets - Takaful OPF							366,698,123
<b>Total assets</b>							<b>10,029,416,073</b>
Segment liabilities - Conventional	839,518,018	99,670,692	546,242,952	565,971,239	2,502,815,948		4,554,218,849
Segment liabilities - Takaful OPF	13,193,870	3,221,268	32,516,983	-	55,386,771		104,318,892
Unallocated liabilities - Conventional							819,213,176
<b>Total liabilities</b>							<b>5,477,750,917</b>
Unallocated liabilities - Takaful OPF							19,563,115
<b>Total liabilities including liabilities in Window Takaful Operations</b>							<b>5,497,314,032</b>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

## 36.1 SEGMENT INFORMATION

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

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of Premium written by each segment.

2020 (Un-audited)	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	CROP	MISCELLANEOUS	TREATY	Total
----- Rupees -----							
<b>Gross Written Premium (Inclusive of Admin surcharge)</b>	530,621,979	213,055,926	471,724,149	786,112,055	1,135,720,537	-	3,137,234,646
<b>Insurance premium earned</b>	563,614,764	229,799,390	400,761,794	787,192,354	1,253,564,383	-	3,234,932,685
Insurance premium ceded to Reinsurance	(305,861,147)	(78,927,904)	(262,881,274)	(250,280,280)	(584,540,516)	-	(1,482,491,141)
Net insurance premium	257,753,597	150,871,486	137,880,520	536,912,074	669,023,867	-	1,752,441,544
Commission income	23,348,395	10,688,962	61,612,291	55,302,738	140,363,427	-	291,315,813
<b>Net underwriting income</b>	281,101,992	161,560,448	199,492,811	592,214,812	809,387,294	-	2,043,757,357
Insurance claims	(789,792,065)	(38,064,178)	(73,294,896)	(223,682,719)	(427,067,283)	-	(1,551,901,141)
Insurance claims recovered from reinsurance	675,608,856	25,650,737	15,555,208	132,769,245	277,077,427	-	1,126,661,473
Net claims	(114,183,209)	(12,413,441)	(57,739,688)	(90,913,474)	(149,989,856)	-	(425,239,668)
Commission expenses	(72,560,723)	(14,831,792)	(51,407,987)	(85,864,174)	(136,012,697)	-	(360,677,373)
Management expenses	(86,969,879)	(57,383,787)	(89,658,650)	(181,162,082)	(245,727,786)	-	(660,902,184)
Premium deficiency expense	-	(6,130,838)	28,763,802	8,398,084	-	-	31,031,048
<b>Net insurance claims and expenses</b>	(273,713,811)	(90,759,858)	(170,042,523)	(349,541,646)	(531,730,339)	-	(1,415,788,177)
Underwriting results	7,388,181	70,800,590	29,450,288	242,673,166	277,656,955	-	627,969,180
Net investment income							40,922,931
Rental income							2,052,000
Other income							21,146,546
Other expenses							(19,449,234)
Finance cost							(10,765,644)
Profit from Window Takaful Operations							7,254,601
Share of profit from associates							15,766,260
<b>Profit before tax</b>							684,896,640
							Audited December 31, 2020
Segment assets - Conventional	862,670,416	129,899,420	544,477,855	652,372,471	2,530,655,543		4,720,075,705
Segment assets - Takaful OPF	84,363,097	84,468,540	138,192,066	-	78,077,610		385,101,313
Unallocated assets - Conventional							4,386,633,347
Unallocated assets - Takaful OPF							368,934,350
<b>Total assets</b>							9,860,744,715
Segment liabilities - Conventional	1,007,147,491	122,871,879	677,988,556	621,144,964	2,710,492,187		5,139,645,077
Segment liabilities - Takaful OPF	-	-	-	-	-		-
Unallocated liabilities - Conventional							542,056,285
<b>Total liabilities</b>							5,681,701,362
Unallocated liabilities - Takaful OPF							44,645,972
<b>Total liabilities including liabilities in Window Takaful Operations</b>							5,726,347,334

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

## 37 IMPACT OF COVID - 19

The pandemic of COVID-19 rapidly spread all across the world, which not only cost many human lives but also adversely impacted the global economy in last Financial Year. However, during the current period, as a result of relaxation of lockdown in the country. The company has implemented all the necessary Standard Operating Procedures (SOPs) to ensure health and safety of the staff, labour and customers i.e. screening of any visitor at the time of entrance, guiding the staff to wear masks and maintain social distancing etc. The management of the Company has been regularly conducting in depth analysis and has assessed that there is no material impact of Covid-19 on these financial statements. Going forward, the management is taking all the required actions and will continue to monitor the potential impact and take all steps possible to mitigate any effects. Company's management has assessed the possible accounting implications arising from Covid-19 for these financial statements, including but not limited to impairment of financial and non-financial assets, and concluded that there has been no material accounting impact of Covid-19 on these financial statements. From the very outset of Covid-19, the management has adopted various policies and practices to minimise adverse impact of Covid-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

## 38 SUBSEQUENT EVENTS-NON ADJUSTING

The Board of Directors of the Company in their 219th meeting held on July 08, 2021, has approved the merger scheme of The United Insurance Company of Pakistan Limited with SPI Insurance Company Limited. Further, the Company has obtained Swap Computation Certificate from M/S RSM Avais Hyder Liaquat Nauman, Chartered Accountants. Based on break-up value, 0.90 shares of the Company shall be issued for every 1 share of SPI Insurance Company Limited. The Company is required to issue 51,750,000 shares to the shareholder of SPI in total as consideration of merger. The swap ratio computation is based on the standalone valuation of both companies by applying Net Assets Valuation (NAV) and fair valuation (FV) methodologies under the Asset approach and discounted cash flows (DCF) methodology under the income approach. Merger scheme along with other relevant documents are submitted to the relevant authorities for further approvals and process. Both companies applied to Lahore High Court through writ petition to take relevant legal approvals from court of law to proceed further. Lahore High Court instructed to conduct shareholders meeting of both companies under the supervision of law officers (assigned by Court) to take approvals of merger from relevant stakeholders within month of October 2021. Extra Ordinary General Meeting of shareholders was held on October 16, 2021 in which shareholders approved the merger scheme.

## 39 CORRESPONDING FIGURES

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

## 40 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on October 30, 2021 by the Board of Directors of the Company.

## 41 GENERAL

The figures in these condensed interim financial statements have been rounded off to the nearest Rupee.



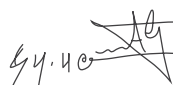
**Muhammad Akram Shahid**  
Chief Executive Officer



**Huma Waheed**  
Director



**Maqbool Ahmad**  
Chief Financial Officer



**Syed Rahat Ali Shah**  
Director



**Jamil Ahmad Khan**  
Chairman

The United Insurance Company of Pakistan Limited

# Window Takaful Operations Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021



UNITED  
WINDOW TAKAFUL  
OPERATOR

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2021

	Note	Operator's Fund		Participants' Takaful Fund	
		Un-Audited	Audited	Un-Audited	Audited
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
----- Rupees -----					
<b>ASSETS</b>					
Property and equipment	5	20,420,534	22,486,641	14,936,919	17,438,901
Investments					
Equity securities	6	25,513,210	40,509,603	21,897,260	81,359,988
Debt securities	7	168,610,000	101,780,000	144,740,000	59,493,800
Term deposits	8	30,000,000	66,000,000	-	-
Loans and other receivables	9	112,834,613	12,958,569	61,782,510	54,743,721
Takaful / re-takaful receivables	10	-	-	327,357,193	111,873,472
Deferred wakala fee	23	-	-	104,318,892	42,088,931
Receivable from OPF / PTF	11	374,096,144	364,698,792	-	-
Accrued investment income		3,456,067	4,682,636	2,058,676	1,362,186
Retakaful recoveries against outstanding claims		-	-	168,329,308	167,061,743
Deferred commission expense		56,471,997	61,976,820	-	-
Prepayments	12	-	-	43,355,468	146,211,598
Cash & Bank	13	3,699,500	78,942,602	15,434,961	86,548,092
<b>TOTAL ASSETS</b>		<b>795,102,064</b>	<b>754,035,663</b>	<b>904,211,187</b>	<b>768,182,432</b>
<b>Operator's Fund (OPF)</b>					
Statutory fund	14	50,000,000	50,000,000	-	-
Accumulated profit		630,795,817	664,444,392	-	-
Available for sale reserve		(12,147,021)	(8,078,256)	-	-
<b>Total Operator's Fund</b>		<b>668,648,796</b>	<b>706,366,136</b>	<b>-</b>	<b>-</b>
<b>Surplus on revaluation of fixed assets</b>		<b>2,571,262</b>	<b>3,023,555</b>	<b>-</b>	<b>-</b>
<b>Participants' Takaful Fund (PTF)</b>					
Ceded money	15	-	-	500,000	500,000
Accumulated surplus/ (deficit)		-	-	(3,524,556)	(46,072,285)
Available for sale reserve		-	-	(17,309,965)	(14,223,592)
<b>Balance of Participants' Takaful Fund</b>		<b>-</b>	<b>-</b>	<b>(20,334,521)</b>	<b>(59,795,877)</b>
<b>Liabilities</b>					
<b>PTF underwriting provisions</b>					
Outstanding claims including IBNR		-	-	315,675,668	254,896,316
Unearned contribution reserves		-	-	162,559,364	132,798,788
Contribution deficiency reserves		-	-	8,699,168	-
Reserve for unearned retakaful rebate		-	-	8,452,657	31,145,028
		-	-	495,386,858	418,840,132
Unearned wakala fee	23	104,318,892	42,088,931	-	-
Takaful / re-takaful payables	16	-	-	43,484,493	37,965,103
Other creditors and accruals	17	19,563,115	2,557,041	11,578,213	6,474,282
Payable to OPF / PTF	11	-	-	374,096,144	364,698,792
<b>Total Liabilities</b>		<b>123,882,007</b>	<b>44,645,972</b>	<b>924,545,708</b>	<b>827,978,309</b>
<b>Total fund and liabilities</b>		<b>795,102,064</b>	<b>754,035,663</b>	<b>904,211,187</b>	<b>768,182,432</b>
<b>Contingency(ies) and commitment(s)</b>	18	-	-	-	-

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.



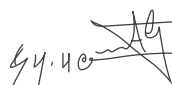
**Muhammad Akram Shahid**  
Chief Executive Officer



**Huma Waheed**  
Director



**Maqbool Ahmad**  
Chief Financial Officer



**Syed Rahat Ali Shah**  
Director



**Jamil Ahmad Khan**  
Chairman

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the Nine Months Period Ended September 30, 2021

	Note	Un-Audited		Un-Audited	
		Three months ended		Nine months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- Rupees -----					
<b>Participants' Takaful Fund</b>					
Contribution earned	19	173,125,780	237,652,075	626,100,686	530,192,335
Less: Contribution ceded to re-takaful		(36,357,186)	(105,098,960)	(173,617,370)	(327,121,457)
Net contributions revenue		136,768,594	132,553,115	452,483,316	203,070,878
Retakaful rebate earned	20	7,328,895	33,452,135	37,196,141	72,345,177
Net underwriting income		144,097,490	166,005,250	489,679,456	275,416,055
Net claims	21	(147,795,621)	(93,137,578)	(438,835,765)	(191,283,243)
Reversal / (charge) of contribution deficiency reserve		(2,033,654)	-	(8,699,168)	-
		(149,829,275)	(93,137,578)	(447,534,933)	(191,283,243)
Other direct expenses		(2,946,299)	(5,942,729)	(8,315,904)	(15,066,105)
Surplus/ (deficit) before investment income		(8,678,084)	66,924,943	33,828,620	69,066,708
Investment Income	25	2,955,870	451,057	8,656,795	1,770,963
Other income	26	1,238,367	170,567	2,226,512	1,886,478
Modarib's share of investment income	27	(738,968)	(442,741)	(2,164,199)	(442,741)
Provisions for doubtful contributions (net of Wakala fee)		-	-	-	-
<b>Surplus transferred to accumulated surplus / (deficit)</b>		<b>(5,222,814)</b>	<b>67,103,827</b>	<b>42,547,729</b>	<b>72,281,408</b>
<b>Operator's Fund</b>					
Wakala fee	23	174,981,013	120,544,528	328,741,510	235,605,398
Commission expense	22	(34,047,918)	(93,760,666)	(109,547,185)	(146,515,466)
General, administrative and management expenses	24	(81,349,785)	(25,904,562)	(145,219,136)	(84,815,025)
		59,583,311	879,300	73,975,188	4,274,907
Modarib's share of PTF investment income	27	738,968	442,741	2,164,199	442,741
Investment income	25	5,208,289	2,013,071	16,825,015	5,504,282
Direct expenses	28	(324,975)	(313,153)	(2,713,680)	(3,053,298)
Other income	26	232,630	28,287	648,412	85,969
<b>Profit before taxation</b>		<b>65,438,224</b>	<b>3,050,246</b>	<b>90,899,134</b>	<b>7,254,601</b>
Taxation		-	-	-	-
<b>Profit after taxation</b>		<b>65,438,224</b>	<b>3,050,246</b>	<b>90,899,134</b>	<b>7,254,601</b>

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.



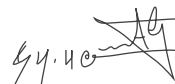
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Director



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Chief Financial Officer



**Syed Rahat Ali Shah**  
Director



**Jamil Ahmad Khan**  
Chairman

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Nine Months Period Ended September 30, 2021

	Un-Audited		Un-Audited	
	Three months ended	September 30,	Nine months ended	September 30,
	September 30,	2020	September 30,	2020
	----- Rupees -----			
<b>PARTICIPANTS' TAKAFUL FUND (PTF)</b>				
Surplus / (deficit) during the period	(5,222,814)	67,103,827	42,547,729	72,281,408
<b>Other comprehensive income:</b>				
Item to be re-classified to profit and loss account in subsequent period:				
Unrealized gain / (loss) on revaluation of available for sale investments	(588,040)	16,810,726	(2,629,310)	(17,891,169)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	-	-	(457,063)	30,713,913
Item not to be re-classified to profit and loss account in subsequent period	-	-	-	-
<b>Other comprehensive income/(loss) for the period</b>	<b>(588,040)</b>	<b>16,810,726</b>	<b>(3,086,373)</b>	<b>12,822,744</b>
<b>Total comprehensive income /(loss) for the period</b>	<b>(5,810,854)</b>	<b>83,914,553</b>	<b>39,461,356</b>	<b>85,104,152</b>
<b>OPERATOR'S FUND (OPF)</b>				
Profit after taxation for the period	65,438,224	3,050,245	90,899,134	7,254,601
<b>Other comprehensive income</b>				
Item to be re-classified to profit and loss account in subsequent period:				
Unrealized gain/ (loss) on revaluation of available for sale investments	(1,551,444)	7,974,090	(1,256,307)	(7,438,994)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	-	-	(2,812,458)	9,400,041
Item not to be re-classified to profit and loss account in subsequent period	-	-	-	-
<b>Other comprehensive income /(loss) for the period</b>	<b>(1,551,444)</b>	<b>7,974,090</b>	<b>(4,068,765)</b>	<b>1,961,047</b>
<b>Total comprehensive income for the period</b>	<b>63,886,779</b>	<b>11,024,335</b>	<b>86,830,369</b>	<b>9,215,648</b>

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.



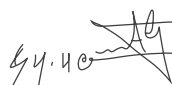
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Director



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Chief Financial Officer



**Syed Rahat Ali Shah**  
Director



**Jamil Ahmad Khan**  
Chairman

## CONDENSED INTERIM CASH FLOW STATEMENT

For the Nine Months Period Ended September 30, 2021

	Operator's Fund		Participants' Takaful Fund	
	Un-Audited September 30, 2021	Un-Audited September 30, 2020	Un-Audited September 30, 2021	Un-Audited September 30, 2020
----- Rupees -----				
<b>Operating Cash Flows</b>				
<b>a) Underwriting activities</b>				
Takaful Contribution received	-	-	769,119,051	737,276,692
Retakaful contribution (paid) / received	-	-	(65,241,850)	(258,706,556)
Claims paid	-	-	(409,973,135)	(354,923,740)
Retakaful and other recoveries received	-	-	30,649,157	245,309,394
Commission paid	(85,732,989)	(120,737,466)	-	-
Management and other expenses paid	(142,671,994)	(84,272,596)	(3,744,543)	(8,405,766)
Wakala fee received / (paid)	382,571,817	235,605,398	(382,571,817)	(235,605,398)
Modarib fee received / (paid)	1,166,501	-	(1,166,501)	-
Retakaful rebate received	-	-	14,503,770	51,340,546
Net cash flow from underwriting activities	155,333,335	30,595,336	(48,425,868)	176,285,172
<b>b) Other operating activities</b>				
Other operating (payments)/ receipts	(104,424,731)	17,462,721	77,742	(214,438,393)
Loans advanced	(1,000,706)	-	-	-
Loan repayments received	1,767,790	-	-	-
Net cash flow from other operating activities	(103,657,647)	17,462,721	77,742	(214,438,393)
<b>Total cash flow from all operating activities</b>	<b>51,675,688</b>	<b>48,058,057</b>	<b>(48,348,126)</b>	<b>(38,153,221)</b>
<b>Investment Activities:</b>				
Investment income/ (loss) received	18,464,616	5,504,282	8,174,218	1,770,963
(Payments) for investment / Investment properties	(261,412,943)	(47,569,374)	(162,439,865)	21,279,150
Investment disposed of during the period	241,510,570	-	133,570,021	-
Fixed capital expenditure	(481,035)	(218,425)	(2,157,052)	(617,104)
Proceeds from disposal of property, plant and equipment	-	-	87,673	-
<b>Total cash flow from investing activities</b>	<b>(1,918,791)</b>	<b>(42,283,517)</b>	<b>(22,765,005)</b>	<b>22,433,009</b>
<b>Financing Activities:</b>				
Surplus appropriated to Shareholders' fund	(125,000,000)	-	-	-
Ceded money	-	-	-	-
Qard-e-Hasna	-	-	-	-
<b>Total cash flow financing activities</b>	<b>(125,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash flow from all activities</b>	<b>(75,243,103)</b>	<b>5,774,540</b>	<b>(71,113,131)</b>	<b>(15,720,212)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>78,942,602</b>	<b>14,751,352</b>	<b>86,548,092</b>	<b>18,955,176</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,699,500</b>	<b>20,525,892</b>	<b>15,434,961</b>	<b>3,234,964</b>

## CONDENSED INTERIM CASH FLOW STATEMENT

For the Nine Months Period Ended September 30, 2021

	Operator's Fund		Participants' Takaful Fund	
	Un-Audited September 30, 2021	Un-Audited September 30, 2020	Un-Audited September 30, 2021	Un-Audited September 30, 2020
----- Rupees -----				
<b>Reconciliation of Profit and Loss Account</b>				
Operating cash flows	51,675,688	48,058,057	(48,348,126)	(38,153,221)
Depreciation expense	(2,547,142)	(3,067,017)	(4,571,361)	(5,216,601)
Rentals on Car Ijarah	-	-	-	-
Increase/ (decrease) in assets other than cash	100,112,842	(43,152,967)	180,291,447	(180,043,812)
(Increase)/ decrease in liabilities other than borrowings	(79,236,035)	(87,754)	(96,567,399)	293,924,079
Unrealized gain / (loss) on revaluation of available for sale investments	4,068,765	-	3,086,373	-
Investment income	16,825,015	5,504,282	8,656,795	1,770,963
<b>Profit for the period</b>	<b>90,899,134</b>	<b>7,254,601</b>	<b>42,547,729</b>	<b>72,281,408</b>
<b>Attributed to</b>				
Operator's fund	90,899,134	7,254,601	-	-
Participants' takaful fund	-	-	42,547,729	72,281,408
	<b>90,899,134</b>	<b>7,254,601</b>	<b>42,547,729</b>	<b>72,281,408</b>

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.



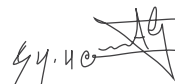
**Muhammad Akram Shahid**  
Chief Executive Officer



**Huma Waheed**  
Director



**Maqbool Ahmad**  
Chief Financial Officer



**Syed Rahat Ali Shah**  
Director



**Jamil Ahmad Khan**  
Chairman

## CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY AND PARTICIPANTS' TAKAFUL FUNDS

For the Nine Months Period Ended September 30, 2021

Operator's fund	Attributable to Shareholders (Operator) of the Fund			
	Statutory fund	Accumulated profit	Available for sale reserve	Total
----- Rupees -----				
Balance as at January 01, 2020 (Audited)	50,000,000	661,979,844	(9,400,041)	702,579,803
Profit after taxation for the period	-	7,254,601	-	7,254,601
Other comprehensive income for the period	-	-	1,961,047	1,961,047
Total comprehensive income for the period	-	7,254,601	1,961,047	9,215,648
Incremental depreciation on revaluation of fixed assets	-	567,434	-	567,434
Balance as at September 30, 2020 (Un-Audited)	50,000,000	669,801,879	(7,438,994)	712,362,885
<b>Balance as at January 01, 2021 (Audited)</b>	<b>50,000,000</b>	<b>664,444,392</b>	<b>(8,078,256)</b>	<b>706,366,136</b>
Profit after taxation for the period	-	90,899,134	-	90,899,134
Transfer of profit to the company	-	(125,000,000)	-	(125,000,000)
Other comprehensive income for the period	-	-	(4,068,765)	(4,068,765)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(34,100,866)</b>	<b>(4,068,765)</b>	<b>(38,169,631)</b>
Incremental depreciation on revaluation of fixed assets	-	452,290	-	452,290
<b>Balance as at September 30, 2021 (Un-Audited)</b>	<b>50,000,000</b>	<b>630,795,817</b>	<b>(12,147,021)</b>	<b>668,648,796</b>

Participants' Takaful Fund	Attributable to Participants of the PTF			
	Ceded money	Accumulated surplus / deficit	Available for sale reserve	Total
----- Rupees -----				
Balance as at January 01, 2020 (Audited)	500,000	(32,320,740)	(30,713,913)	(62,534,653)
Surplus for the period	-	72,281,408	-	72,281,408
Other comprehensive income for the period	-	-	12,822,744	12,822,744
Total comprehensive income for the period	-	72,281,408	12,822,744	85,104,152
Balance as at September 30, 2020 (Un-Audited)	500,000	39,960,668	(17,891,169)	22,569,499
<b>Balance as at January 01, 2021 (Audited)</b>	<b>500,000</b>	<b>(46,072,285)</b>	<b>(14,223,592)</b>	<b>(59,795,877)</b>
Surplus for the period	-	42,547,729	-	42,547,729
Other comprehensive income for the period	-	-	(3,086,373)	(3,086,373)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>42,547,729</b>	<b>(3,086,373)</b>	<b>39,461,356</b>
<b>Balance as at September 30, 2021 (Un-Audited)</b>	<b>500,000</b>	<b>(3,524,556)</b>	<b>(17,309,965)</b>	<b>(20,334,521)</b>

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.



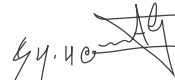
Muhammad Akram Shahid  
Chief Executive Officer



Huma Waheed  
Director



Maqbool Ahmad  
Chief Financial Officer



Syed Rahat Ali Shah  
Director



Jamil Ahmad Khan  
Chairman

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021 (Un-Audited)

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

## 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements are prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

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

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

### 2.1 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except for certain property and equipment which are measured at revalued amount and certain financial instruments which are measured at fair value.

### 2.2 FUNCTIONAL AND PRESENTATION CURRENCY

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

### 2.3 Standards, interpretations and amendments effective in (current period)

- 2.3.1 The Operator has adopted the following amendments in accounting standards and interpretations of IFRS which became effective for the current period:

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021 (Un-Audited)

Standards, Amendments and Interpretations		Effective date (Annual periods beginning on or after)
IFRS 4	Amendments to IFRS 4 - Insurance Contracts - Amended by Interest Rate Benchmark Reform — Phase 2	1-Jan-21
IFRS-7	Amendments to IFRS 7 - Financial Instruments: Disclosures - Interest Rate Benchmark Reform Phase 2	1-Jan-21
IFRS-16	Leases - Amended by Interest Rate Benchmark Reform — Phase 2	1-Jan-21
The adoption of the above amendments, and improvement to accounting standards and interpretations did not have any significant effect on the financial statements.		

### 2.4 Standards, interpretations, and amendments not effective at period end

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan have not become effective during current period:

IFRS -3	Amendments to IFRS 3 - Business Combinations - Amended by reference to the Conceptual Framework.	1-Jan-22
IFRS-9	Financial Instruments - Amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9.	1-Jan-22
IAS-1	Presentation of Financial Statements - Amended by Classification of Liabilities as Current or Non-current.	1-Jan-23
IAS 16	Amendments to IAS 16 - Property, Plant and Equipment - Amendments relating prohibition of deducting any proceeds from selling items produced from the cost of an item of property, plant and equipment while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.	1-Jan-22
IAS 37	Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets- Amended by Onerous Contracts — Cost of Fulfilling a Contract.	1-Jan-22
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amended by Annual Improvements to IFRS Standards 2018–2020	1-Jan-22
IFRS 17	Insurance Contracts - Amended by Amendments to IFRS 17	1-Jan-23
IAS 12	Income Taxes – Amended by Deferred Tax related to Assets and Liabilities arising from a Single Transaction.	1-Jan-23

### 2.5 Standards, interpretations and amendments becoming effective in future period but not relevant:

There are certain new standards, amendments to standards and interpretations that are effective for different future periods but are considered not to be relevant to Operator's operations, therefore not disclosed in these condensed interim financial statements.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements as at September 30, 2021 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2020.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as well as income and expenses.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as applied to the financial statements for the year ended December 31, 2020.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Note	OPF		PTF		
		Un-Audited	Audited	Un-Audited	Audited	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	
		----- Rupees -----				
<b>5</b>	<b>PROPERTY AND EQUIPMENT</b>					
	<b>Operating assets</b>	5.1	20,420,534	22,486,641	14,936,919	17,438,901
5.1	Opening net book value -owned		22,486,641	26,353,040	17,438,901	24,499,629
	Add: Additions/transfers/revaluation surplus made during the period at cost		481,035	221,575	2,157,052	1,575,500
	Add: Accumulated depreciation reversed on disposals made during the period		-	-	731,627	2,478,157
	Less: Disposals made during the period at cost		-	-	(819,300)	(2,915,400)
	Less: Depreciation for the period		(2,547,142)	(4,087,974)	(4,571,361)	(8,198,985)
			(2,066,107)	(3,866,399)	(2,501,982)	(7,060,728)
	<b>Closing net book value</b>		20,420,534	22,486,641	14,936,919	17,438,901
<b>6</b>	<b>INVESTMENT IN EQUITY SECURITIES</b>					
	<b>Available for sale</b>					
	Listed shares at cost		37,660,231	42,516,172	39,207,225	86,679,397
	Less: unrealized loss on revaluation of investment		(12,147,021)	(8,020,452)	(17,309,965)	(14,275,249)
	Carrying value		25,513,210	34,495,720	21,897,260	72,404,148
	Mutual Funds at cost		-	6,071,687	-	8,904,183
	Less: unrealized (loss)/ gain on revaluation of investment		-	(57,804)	-	51,657
	Carrying value		-	6,013,883	-	8,955,840
			25,513,210	40,509,603	21,897,260	81,359,988
<b>7</b>	<b>INVESTMENT IN DEBT SECURITIES</b>					
	<b>Held to maturity</b>					
	Sukuk bonds		168,610,000	101,780,000	144,740,000	59,493,800

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

OPF	
Un-Audited	Audited
September 30, 2021	December 31, 2020
----- Rupees -----	

Note

### 8 INVESTMENT IN TERM DEPOSITS

Short term deposits	8.1	30,000,000	66,000,000
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- 8.1 The rate of return on Certificate of Islamic Investment issued by Soneri Bank Limited for the period is 6.10% (2020: 6.30%) per annum.

OPF		PTF	
Un-Audited	Audited	Un-Audited	Audited
September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
----- Rupees -----			

### 9 LOANS AND OTHER RECEIVABLES

<i>Unsecured and considered good</i>				
Security deposits	14,268,095	4,332,199	35,211,281	42,902,025
Loan to employees	534,916	1,302,000	-	-
Advance tax	-	1,452,783	2,274,980	11,581,462
Other receivable	98,031,602	5,871,587	24,296,249	260,234
	112,834,613	12,958,569	61,782,510	54,743,721

PTF	
Un-Audited	Audited
September 30, 2021	December 31, 2020
----- Rupees -----	

### 10 TAKAFUL / RETAKAFUL RECEIVABLES

<i>Unsecured and considered good</i>			
Due from Takaful contract holders		256,522,154	64,337,114
Less: Provision for impairment of receivables from takaful contract holders		-	-
Due from takaful / re-takaful operators		73,866,711	50,568,030
Less: Provision for impairment of receivables from takaful/retakafuls		(3,031,672)	(3,031,672)
		327,357,193	111,873,472

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	OPF		PTF	
	Un-Audited September 30, 2021	Audited Dec 31, 2020	Un-Audited September 30, 2021	Audited Dec 31, 2020
----- Rupees -----				
<b>11</b>	<b>RECEIVABLE (OPF) / PAYABLE (PTF)</b>			
Wakala fee	371,931,945	363,532,291	371,931,945	363,532,291
Modarib's fee	2,164,199	1,166,501	2,164,199	1,166,501
	<b>374,096,144</b>	<b>364,698,792</b>	<b>374,096,144</b>	<b>364,698,792</b>
<b>12</b>	<b>PREPAYMENTS</b>			
Prepaid re-takaful contribution ceded			43,355,468	146,211,598
<b>13</b>	<b>CASH &amp; BANK</b>			
Cash in hand	60,847	86,630	-	-
Cash at bank				
-Current accounts	957,055	2,310,654	8,473,876	69,946,224
-Saving accounts	2,681,598	76,545,318	6,961,085	16,601,868
	<b>3,699,500</b>	<b>78,942,602</b>	<b>15,434,961</b>	<b>86,548,092</b>
			OPF	
			Un-Audited	Audited
			September 30, 2021	December 31, 2020
			----- Rupees -----	
		Note		
<b>14</b>	<b>STATUTORY FUND</b>			
Statutory reserves		14.1	50,000,000	50,000,000

- 14.1** Amount of Rs. 50 million is deposited as statutory reserves to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of the Takaful Rules, 2012 issued by Securities and Exchange Commission of Pakistan which states that "Every insurer who is interested to commence window takaful business shall transfer an amount of not less than 50 million Rupees to be deposited in a separate bank account for window takaful business duly maintained in a scheduled bank".

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Note	PTF	
		Un-Audited	Audited
		September 30, 2021	December 31, 2020
		----- Rupees -----	

### 15 CEDED MONEY

Waqf money	15.1	500,000	500,000
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- 15.1 The amount of Rs. 500,000/- has been set apart for Waqf Fund/ Participants' Takaful Fund as Waqf money according to the Waqf Deed prepared for the purpose of creation of Waqf Fund/ Participants' Takaful Fund.

### 16 TAKAFUL / RETAKAFUL PAYABLES

Due to Takaful participants/ re-takaful payable		43,484,493	37,965,103
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	OPF		PTF	
	Un-Audited	Audited	Un-Audited	Audited
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	----- Rupees -----			

### 17 OTHER CREDITORS AND ACCRUALS

Federal excise duty / sales tax	-	-	9,874,451	2,692,253
Federal takaful fee	-	-	524,644	391,235
Payable to related parties	-	-	118,500	334,766
Commission payable	18,309,373	-	-	-
Other tax payables	1,225,792	1,505,561	633,142	2,396,309
Auditors' remuneration	-	1,000,000	-	-
Other payables	27,950	51,480	427,477	659,719
	19,563,115	2,557,041	11,578,213	6,474,282

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

		OPF	
		Un-Audited	Audited
		September 30, 2021	December 31, 2020
Note		----- Rupees -----	
<b>18</b>	<b>CONTINGENCY(IES) AND COMMITMENT(S)</b>		
<b>18.1</b>	<b>Contingencies</b>		
	There are no contingencies at the statement of financial position date.		
<b>18.2</b>	<b>Commitments</b>		
	As of the end of the period, there are no commitments except the following:		
	Future Ijarah rentals payable	18.2.1 <b>36,473,085</b>	9,680,732
<b>18.2.1</b>	Commitments for rentals under Ijarah contracts are as follows:		
	Not later than one year	<b>16,480,752</b>	6,528,058
	Later than one year but not later than five year	<b>19,992,333</b>	3,152,674
		<b>36,473,085</b>	9,680,732

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Un-Audited		Un-Audited	
	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- Rupees -----				
<b>19 NET CONTRIBUTIONS REVENUE</b>				
Written gross contribution	217,397,180	345,997,970	984,602,772	675,311,325
Less: Wakala fee	(174,981,013)	(120,544,528)	(328,741,510)	(235,605,398)
Contribution net of wakala fee	42,416,167	225,453,442	655,861,262	439,705,927
Add: Provision for unearned contribution- Opening	293,268,978	171,565,087	132,798,788	249,852,862
Less: Provision for unearned contribution - Closing	(162,559,364)	(159,366,454)	(162,559,364)	(159,366,454)
Contribution earned	173,125,780	237,652,075	626,100,686	530,192,335
Re-takaful contribution ceded	30,339,025	33,085,376	70,761,240	235,062,768
Add: Prepaid re-takaful contribution - Opening	49,373,629	243,159,662	146,211,598	263,204,768
Less: Prepaid re-takaful contribution - Closing	(43,355,468)	(171,146,078)	(43,355,468)	(171,146,078)
Re-takaful expense	36,357,186	105,098,960	173,617,370	327,121,457
<b>Net contributions revenue</b>	<b>136,768,594</b>	<b>132,553,115</b>	<b>452,483,316</b>	<b>203,070,878</b>
<b>20 RETAKAFUL REBATE EARNED</b>				
Rebate received or recoverable	5,767,267	8,061,112	14,503,770	51,340,546
Add: Unearned re-takaful rebate - Opening	10,014,285	59,353,157	31,145,028	54,966,764
Less: Unearned re-takaful rebate - Closing	(8,452,657)	(33,962,134)	(8,452,657)	(33,962,134)
<b>Retakaful rebate earned</b>	<b>7,328,895</b>	<b>33,452,135</b>	<b>37,196,141</b>	<b>72,345,177</b>
<b>21 NET TAKAFUL CLAIMS</b>				
Benefits/ Claims Paid	98,097,497	106,368,189	409,973,135	354,923,740
Add: Outstanding benefits/ claims including IBNR - Closing	315,675,668	180,631,363	315,675,668	180,631,363
Less: Outstanding benefits/ claims including IBNR - Opening	(262,168,543)	(203,973,390)	(254,896,316)	(183,386,885)
Claims expense	151,604,622	83,026,162	470,752,487	352,168,218
Re-takaful and other recoveries received	2,331,162	23,777,628	30,649,157	162,086,125
Add: Re-takaful and other recoveries in respect of outstanding claims - Closing	168,329,308	131,246,053	168,329,308	131,246,053
Less: Re-takaful and other recoveries in respect of outstanding claims - Opening	(166,851,469)	(165,135,097)	(167,061,743)	(132,447,203)
Re-takaful and other recoveries revenue	3,809,001	(10,111,416)	31,916,722	160,884,975
<b>Net claims</b>	<b>147,795,621</b>	<b>93,137,578</b>	<b>438,835,765</b>	<b>191,283,243</b>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Un-Audited		Un-Audited	
	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- Rupees -----				
<b>22</b>	<b>COMMISSION EXPENSE</b>			
Commission paid or payable	32,911,821	17,933,945	104,042,362	120,737,466
Add: Deferred commission expense - Opening	57,608,093	153,633,786	61,976,820	103,585,065
Less: Deferred commission expense - Closing	(56,471,997)	(77,807,064)	(56,471,997)	(77,807,064)
<b>Net Commission</b>	<b>34,047,918</b>	<b>93,760,666</b>	<b>109,547,185</b>	<b>146,515,466</b>
<b>23</b>	<b>WAKALA FEE</b>			
Gross wakala fee	85,633,838	120,544,528	390,971,471	235,605,398
Add: Deferred wakala expense / unearned wakala fee - Opening	193,666,067	-	42,088,931	-
Less: Deferred wakala expense / unearned wakala fee - Closing	(104,318,892)	-	(104,318,892)	-
<b>Net wakala fee</b>	<b>174,981,013</b>	<b>120,544,528</b>	<b>328,741,510</b>	<b>235,605,398</b>
<b>24</b>	<b>GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES</b>			
<b>Operators' Fund</b>	<b>81,349,785</b>	<b>25,904,562</b>	<b>145,219,136</b>	<b>84,815,025</b>
<b>25</b>	<b>INVESTMENT INCOME</b>			
<b>Participants' Takaful Fund</b>				
<b>Income from equity securities</b>				
<b>Available for sale</b>				
Dividend income on listed shares	-	-	900,000	-
Dividend income on mutual fund	-	-	-	919,700
<b>Income from debt securities</b>				
<b>Held to maturity</b>				
Return on Government securities	2,955,870	369,632	4,438,116	752,716
<b>Income from term deposits</b>				
Return on term deposits	-	-	-	-
	2,955,870	369,632	5,338,116	1,672,416
<b>Net realized gains on investments</b>				
<b>Available for sale financial assets</b>				
-Equity securities	-	-	3,220,044	32,076
-Mutual funds	-	138,909	312,548	138,909
	-	138,909	3,532,592	170,985
<b>Total investment income</b>	<b>2,955,870</b>	<b>508,541</b>	<b>8,870,708</b>	<b>1,843,401</b>
Less: (Provision) / Reversal for impairment in value of available for sale securities				
-Equity securities	-	-	-	-
-Debt securities	-	-	-	-
Less: Investment related expenses	-	(57,484)	(213,913)	(72,438)
<b>Participants' Takaful Fund</b>	<b>2,955,870</b>	<b>451,057</b>	<b>8,656,795</b>	<b>1,770,963</b>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

	Un-Audited		Un-Audited	
	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees -----			
<b>Operator's Fund</b>				
<b>Income from equity securities</b>				
<b>Available for sale</b>				
Dividend income on listed shares	884,000	700,000	1,370,500	700,000
Dividend income on mutual fund	-	-	-	534,846
<b>Income from debt securities</b>				
<b>Held to maturity</b>				
Return on Government securities	3,441,561	699,317	9,449,686	2,853,123
<b>Income from term deposits</b>				
Return on term deposits	461,260	421,496	1,434,626	421,496
	4,786,821	1,820,813	12,254,812	4,509,465
<b>Net realized gains on investments</b>				
Available for sale financial assets				
-Equity securities	454,003	146,780	4,808,703	965,190
-Mutual funds	-	166,482	174,532	166,482
	454,003	313,262	4,983,236	1,131,672
<b>Total investment income</b>	5,240,824	2,134,075	17,238,047	5,641,137
Less: (Provision) / Reversal for impairment in value of available for sale securities				
-Equity securities	-	-	-	-
-Debt securities	-	-	-	-
Less: Investment related expenses	(32,534)	(121,004)	(413,032)	(136,855)
<b>Operator's Fund</b>	5,208,289	2,013,071	16,825,015	5,504,282
<b>26 OTHER INCOME</b>				
<b>Participants' Takaful Fund</b>	1,238,367	170,567	2,226,512	1,886,478
<b>Operator's Fund</b>	232,630	28,287	648,412	85,969
<b>27 MODARIB'S FEE</b>				
	738,968	442,741	2,164,199	442,741
27.1 The Operator manages the Participants' investments as a Modarib and charges 25% Modarib's share of net investment income.				
<b>28 DIRECT EXPENSES</b>				
<b>Operator's Fund</b>	324,978	313,153	2,713,680	3,053,298

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

## 29 SEGMENT INFORMATION

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

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of contribution written by each segment.

Participants' Takaful Fund	SEPTEMBER 30, 2021 (Un-Audited)					Total
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	HEALTH & MISCELLANEOUS	TREATY	
----- Rupees -----						
<b>Gross written contribution (inclusive of admin surcharge)</b>	65,604,984	66,926,141	176,026,569	676,045,078	-	984,602,772
<b>Wakala fee</b>	19,155,581	26,427,586	50,741,876	232,416,467	-	328,741,510
Takaful contribution earned	46,188,156	39,764,055	132,051,281	408,097,193	-	626,100,686
Takaful contribution ceded to retakaful	(39,542,986)	(26,330,203)	(24,130,978)	(83,613,203)	-	(173,617,370)
<b>Net Contribution revenue</b>	6,645,170	13,433,852	107,920,303	324,483,991	-	452,483,316
<b>Re-takaful rebate</b>	6,896,083	6,424,361	5,130,240	18,745,458	-	37,196,141
<b>Net underwriting income</b>	13,541,253	19,858,212	113,050,543	343,229,449	-	489,679,456
Takaful claims	(29,003,506)	(22,543,518)	(72,479,983)	(346,725,480)	-	(470,752,487)
Takaful claims recovered from retakaful	6,155,342	12,770,057	6,109,623	6,881,700	-	31,916,722
<b>Net claims</b>	(22,848,164)	(9,773,461)	(66,370,360)	(339,843,780)	-	(438,835,765)
Contribution deficiency expense	(8,699,168)	-	-	-	-	(8,699,168)
Other direct expenses	(554,096)	(565,255)	(1,486,711)	(5,709,842)	-	(8,315,904)
<b>Net Takaful claims and expenses</b>	(32,101,428)	(10,338,716)	(67,857,071)	(345,553,622)	-	(455,850,837)
<b>Surplus before investment income</b>	(18,560,176)	9,519,497	45,193,472	(2,324,173)	-	33,828,620
Net investment income						8,656,795
Other income						2,226,512
Modarib's share of investment income						(2,164,199)
<b>Surplus transferred to balance of PTF</b>						42,547,729
<b>Corporate segment assets</b>	130,890,183	31,788,220	107,576,515	373,059,940	-	643,314,858
Corporate unallocated assets						260,896,329
<b>Total assets</b>						904,211,187
<b>Corporate segment liabilities</b>	177,490,097	111,204,765	145,227,362	439,227,606	-	873,149,829
Corporate unallocated liabilities						51,395,879
<b>Total liabilities</b>						924,545,708
<b>Operator's Fund</b>						
Wakala fee	19,155,581	26,427,586	50,741,876	232,416,467	-	328,741,510
Commission expense	(10,133,242)	(9,040,616)	(25,536,616)	(64,836,711)	-	(109,547,185)
General, administrative and management expenses						(145,219,136)
Modarib's share of PTF investment income						73,975,188
Investment income						2,164,199
Direct expenses						16,825,015
Other income						(2,713,680)
<b>Profit before taxation</b>						648,412
<b>Corporate segment assets</b>	60,780,983	80,630,944	39,146,278	247,845,736	-	428,403,942
Corporate unallocated assets						366,698,122
<b>Total assets</b>						795,102,064
<b>Corporate segment liabilities</b>	13,193,870	3,221,268	32,516,983	55,386,771	-	104,318,892
Corporate unallocated liabilities						19,563,115
<b>Total liabilities</b>						123,882,007

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

## 29.1 SEGMENT INFORMATION

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

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of contribution written by each segment.

Participants' Takaful Fund	SEPTEMBER 30, 2020 (Un-Audited)					Total
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	HEALTH & MISCELLANEOUS	TREATY	
----- Rupees -----						
Gross written contribution (inclusive of admin surcharge)	54,204,143	44,793,348	195,820,233	380,493,601	-	675,311,325
Wakala fee	18,886,813	15,504,599	68,054,537	133,159,449	-	235,605,398
Takaful contribution earned	47,308,572	27,087,035	114,569,077	341,227,651	-	530,192,335
Takaful contribution ceded to retakaful	(46,411,608)	(22,119,256)	(52,441,366)	(206,149,227)	-	(327,121,457)
Net Contribution revenue	896,964	4,967,779	62,127,711	135,078,425	-	203,070,878
Re-takaful rebate	8,615,786	5,880,958	11,950,439	45,897,994	-	72,345,177
Net underwriting income	9,512,750	10,848,736	74,078,150	180,976,419	-	275,416,055
Takaful claims	(70,007,391)	(11,002,904)	(40,659,596)	(230,498,327)	-	(352,168,218)
Takaful claims recovered from retakaful	55,143,976	10,301,832	10,059,496	85,379,672	-	160,884,975
Net claims	(14,863,415)	(701,072)	(30,600,100)	(145,118,656)	-	(191,283,243)
Contribution deficiency expense	-	-	-	-	-	-
Other direct expenses	(5,356,093)	(1,674,356)	(5,281,395)	(2,754,261)	-	(15,066,105)
Net Takaful claims and expenses	(20,219,508)	(2,375,428)	(35,881,495)	(147,872,917)	-	(206,349,347)
(Deficit)/ surplus before investment income	(10,706,758)	8,473,308	38,196,655	33,103,502	-	69,066,708
Net investment income						1,770,963
Other income						1,886,478
Modarib's share of investment income						(442,741)
Surplus transferred to balance of PTF						72,281,408
-----						
DECEMBER 31, 2020 (Audited)						
Corporate segment assets	110,644,796	19,137,797	87,394,783	207,969,436	-	425,146,812
Corporate unallocated assets						343,035,620
Total assets						768,182,432
Corporate segment liabilities	184,207,571	102,492,212	241,658,430	292,180,831	-	820,539,044
Corporate unallocated liabilities						7,439,265
Total assets						827,978,309
-----						
September 30, 2020 (Un-Audited)						
Operator's Fund						
Wakala fee	18,886,813	15,504,599	68,054,537	133,159,449	-	235,605,398
Commission expense	(38,451,183)	(13,554,994)	(46,203,641)	(48,305,649)	-	(146,515,466)
General, administrative and management expenses						(84,815,025)
Modarib's share of PTF investment income						4,274,907
Investment income						442,741
Direct expenses						5,504,282
Other income						(3,053,298)
Profit before taxation						85,969
						7,254,601
-----						
DECEMBER 31, 2020 (Audited)						
Corporate segment assets	84,363,097	84,468,540	138,192,066	78,077,610	-	385,101,313
Corporate unallocated assets						368,934,350
Total assets						754,035,663
Corporate segment liabilities	-	-	-	-	-	-
Corporate unallocated liabilities						44,645,972
Total liabilities						44,645,972

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

## 30 RELATED PARTY TRANSACTIONS

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

Relation with undertaking	Nature of transaction	OPF		PTF	
		Un-Audited September 30, 2021	Audited December 31, 2020	Un-Audited September 30, 2021	Audited December 31, 2020
----- Rupees -----					
<b>Balances at period end:</b>					
<b>Associated undertakings</b>	Receivable/ (payable) at period end	-	-	<b>(118,500)</b>	<b>(334,766)</b>
<b>Key management personnel</b>	Loan to key management personnel	<b>35,000</b>	580,000	-	-
<b>Staff retirement benefits plan</b>	(Payable) to defined contribution plan	-	-	-	-
<b>Un-Audited</b>					
		<b>Three months ended</b>		<b>Nine months ended</b>	
		<b>September 30, 2021</b>	September 30, 2020	<b>September 30, 2021</b>	September 30, 2020
<b>Transactions during the period:</b>					
<b>Participants' Takaful Fund</b>					
<b>Associated undertakings</b>	Motor tracking devices purchased	<b>569,500</b>	348,500	<b>2,157,052</b>	853,000
	Device monitoring charges paid	<b>1,333,935</b>	768,368	<b>3,377,964</b>	3,053,900
<b>Operator's Fund</b>					
<b>Associated undertakings</b>	Health service charges paid	<b>1,825,908</b>	400,000	<b>4,500,908</b>	2,000,000
<b>Key management personnel</b>	Remuneration of key management personnel	<b>39,331,365</b>	11,451,330	<b>51,484,946</b>	39,182,040
<b>Employees' Provident Fund</b>	Employer's Contributions made during the period	<b>2,055,186</b>	781,002	<b>3,994,300</b>	2,745,665

## 31 IMPACT OF COVID - 19

The pandemic of COVID-19 rapidly spread all across the world, which not only cost many human lives but also adversely impacted the global economy in last Financial Year. However, during the current period, as a result of relaxation of lockdown in the country, the company has implemented all the necessary Standard Operating Procedures (SOPs) to ensure health and safety of the staff, labor and customers i.e. screening of any visitor at the time of entrance, guiding the staff to wear masks and maintain social distancing etc. The management of the Company has been regularly conducting in depth analysis and has assessed that there is no material impact of Covid-19 on these financial statements. Going forward, the management is taking all the required actions and will continue to monitor the potential impact and take all steps possible to mitigate any effects. Company's management has assessed the possible accounting implications arising from Covid-19 for these financial statements, including but not limited to impairment of financial and non-financial assets, and concluded that there has been no material accounting impact of Covid-19 on these financial statements. From the very outset of Covid-19, the management has adopted various policies and practices to minimize adverse impact of Covid-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Period Ended September 30, 2021

### 32 CORRESPONDING FIGURES

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

### 33 SUBSEQUENT EVENTS-NON ADJUSTING

The Board of Directors of the Company in their 219th meeting held on July 08, 2021, has approved the merger scheme of The United Insurance Company of Pakistan Limited with SPI Insurance Company Limited. Further, the Company has obtained Swap Computation Certificate from M/S RSM Avais Hyder Liaquat Nauman, Chartered Accountants. Based on break-up value, 0.90 shares of the Company shall be issued for every 1 share of SPI Insurance Company Limited. The Company is required to issue 51,750,000 shares to the shareholder of SPI in total as consideration of merger. The swap ratio computation is based on the standalone valuation of both companies by applying Net Assets Valuation (NAV) and fair valuation (FV) methodologies under the Asset approach and discounted cash flows (DCF) methodology under the income approach. Merger scheme along with other relevant documents are submitted to the relevant authorities for further approvals and process. Both companies applied to Lahore High Court through writ petition to take relevant legal approvals from court of law to proceed further. Lahore High Court instructed to conduct shareholders meeting of both companies under the supervision of law officers (assigned by Court) to take approvals of merger from relevant stakeholders within month of October 2021. Extra Ordinary General Meeting of shareholders was held on October 16, 2021 in which shareholders approved the merger scheme.

### 34 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on October 30, 2021 by the Board of Directors of the Company.

### 35 GENERAL

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



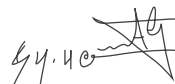
**Muhammad Akram Shahid**  
Chief Executive Officer



**Huma Waheed**  
Director



**Maqbool Ahmad**  
Chief Financial Officer



**Syed Rahat Ali Shah**  
Director



**Jamil Ahmad Khan**  
Chairman



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