



Third Quarter Report  
**2020**



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# VISIO





## VISION

The vision of askari general insurance company limited (agico) is to be amongst the leading insurance companies of the country with the clear perception of upholding the principles of corporate governance and making agico a profitable and growth oriented insurance company while creating insurance awareness and culture.









## MISSION

To become a leading insurance company by providing client friendly services through highly motivated team of dedicated professionals and ensuring progressive return to the shareholders.

# Corporate INFORMATION

## Board of Directors

Lt Gen Najib Ullah Khan (Retd)

Chairman

Maj Gen Akhtar Iqbal (Retd)

Member

Maj Gen Imtiaz Hussain Sherazi (Retd)

Member

Brig Kamran Asad (Retd)

Member

Mr. Malik Riffat Mahmood

Member

Mr. M. Munir Malik

Member

Mr. Imran Iqbal

Member

Ms. Saima Akbar Khattak

Member

## President & Chief Executive Officer

Mr. Abdul Waheed

## Chief Financial Officer

Mr. Razi Haider

## Company Secretary

Mr. Usman Nawaz

## Head of Internal Audit

Mr. Ali Noor

## Executive, Risk Management & Compliance Committee

Maj Gen Akhtar Iqbal (Retd)

Chairman

Maj Gen Imtiaz Hussain Sherazi (Retd)

Member

Brig Kamran Asad (Retd)

Member

Mr. Abdul Waheed

Member

## Audit Committee

Mr. M. Munir Malik

Chairman

Mr. Malik Riffat Mahmood

Member

Brig Kamran Asad (Retd)

Member

## Ethics, Human Resource and Remuneration Committee

Mr. Imran Iqbal

Chairman

Brig Kamran Asad (Retd)

Member

Mr. Abdul Waheed

Member

## Underwriting, Reinsurance & Coinsurance Committee

Maj Gen Akhtar Iqbal (Retd)

Chairman

Mrs. Samina Khan

Member

Mr. Sohail Khalid

Member

## Claims Settlement Committee

Mr. Malik Riffat Mahmood

Chairman

Mr. Abdul Waheed

Member

Mr. M. Qasim

Member

## Investment Committee

Mr. Malik Riffat Mahmood

Chairman

Mr. M. Munir Malik

Member

Mr. Abdul Waheed

Member

Mr. Razi Haider

Member

Mr. Shahid Qayyum

Member

## External Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

## Shariah Compliance Auditors

S.M. Suhail & Co.

Chartered Accountants

Islamabad

## Shariah Advisor

Mufti Ehsan Waquar

## Legal Advisors

Hassan Kaunain Nafees

## Bankers

Askari Bank Limited

Askari Islamic Bank Limited

Habib Bank Limited

The Bank of Punjab

Bank Alfalah Limited

Summit Bank Limited

NRSP Microfinance Bank Limited

Silk Bank Limited

Faysal Bank Limited

Bank Al Habib Limited

Meezan Bank Limited

Finca Microfinance Bank Limited

Zarai Taraqiati Bank Limited

Samba Bank Limited

U Microfinance Bank Limited

JS Bank Limited

Sindh Bank Limited

The Bank of Khyber

MCB Islamic Bank Limited

Al Baraka Bank Limited

Punjab Provincial Cooperative Bank Limited

## Registrar & Share Transfer Office

THK Associates (Private) Limited

1st Floor, 40-C, Block-6, P.E.C.H.S.,  
Karachi 75400, Pakistan.

PABX: +92 (021) 111-000-322

Direct: +92 (021) 34168270

Fax: +92 (021) 34168271

## Registered Office/Head Office

3rd Floor, AWT Plaza, The Mall,  
Rawalpindi, Pakistan

Ph: +92-51-9028101-2

Fax: +92-51-9272424

Email: info@agico.com.pk



UNCONSOLIDATED CONDENSED  
**INTERIM FINANCIAL INFORMATION**  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

# DIRECTORS' REPORT

## On Unconsolidated Interim Financial Information

For the nine months period ended 30 September 2020

The Board of Directors are pleased to present the un-audited condensed interim financial information of askari general insurance company limited (the Company) for the nine months period ended 30 September 2020.

A comparison of Key Performance Indicators (KPIs) is as follows;

	Nine months ended 30 September	
	2020	2019
	(Rupees in thousand)	
Gross premium written (Inclusive of Takaful Contribution)	2,274,691	2,353,921
Net premium revenue	1,329,627	1,530,343
Underwriting profit	151,500	198,906
Investment and other income	235,258	133,681
Profit before tax	414,383	361,723
Profit after tax	294,387	255,269
Earnings per share (Rs.)	4.09	3.55

In comparison with corresponding period, the Company observed a slight decline in gross premium written. However, its profit after tax and Earning Per Share (EPS) increased by 15% each. Growth in profit after tax and EPS is primarily driven by exceptional increase of 76% in investment and other income.

### Window Takaful Operations

Gross premium written includes Takaful contribution of Rs. 281.6 million in the nine months period ended 30 September 2020, while the same was Rs. 270.6 million in the similar period of 2019. Profit before tax consists Rs. 46.9 million profit before tax of window

takaful operations in the nine months period ended 30 September 2020, while the same was Rs. 45.1 million in the similar period of 2019.

### Future outlook

In the wake of COVID-19 outbreak, Pakistan is experiencing major economic losses in different sectors. Although recovering from the situation, business development in current scenario is quite challenging. A vigilant approach would be adopted to cater the business risks. We strive to maintain a balance between growth, profitability and liquidity

### Acknowledgements

We would like to take this opportunity to thank our Regulators, the Insurance Association of Pakistan, for their continued support, and our valued reinsurers and other stakeholders for their trust and confidence in us.

For and Behalf of the Board



**Abdul Waheed**

President & Chief Executive

Rawalpindi

October 27, 2020



**Lt Gen Najib Ullah Khan (Retd)**

Chairman – Board of Directors



# ڈائریکٹرز کی رپورٹ

غیر متناسب عبوری مالی معلومات  
نومانی مدت کے لئے جو 30 ستمبر 2020 کو ختم ہوئی

بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2020 کو ختم ہونے والی نومانہ مدت کے لئے عسکری جنرل انشورنس کمپنی لمیٹڈ (کمپنی) کی غیر آڈٹ شدہ ٹھوس عبوری مالی معلومات پیش خدمت ہیں۔

کارکردگی کے اشاریوں کا موازنہ مندرجہ ذیل ہے:-

30 ستمبر			
2019	2020		
ہزار روپے			
2,353,921	2,274,691	(مجموعی پریمیم) بشمول ٹیکس	
1,530,343	1,329,627	خالص پریمیم آمدنی	
198,906	151,500	خالص بیمہ کاری منافع	
133,681	235,258	سرمایہ کاری اور دیگر آمدن	
361,723	414,383	منافع قبل از ٹیکس	
255,269	294,387	منافع بعد از ٹیکس	
3.55	4.09	(فی شیئر آمدنی) (روپے)	

پچھلے سال کے مقابلے میں اس مدت میں کمپنی نے مجموعی پریمیم میں معمولی کمی دیکھی۔ تاہم منافع بعد از ٹیکس اور فی شیئر آمدن (ای پی ایل) میں 15 فیصد اضافہ ہوا ہے۔ بعد از ٹیکس منافع اور ای پی ایل میں اضافہ بالخصوص سرمایہ کاری اور دیگر آمدنی میں 76 فیصد غیر معمولی اضافہ کی وجہ سے ہوا۔

## ونڈو ٹیکافل آپریشنز

ٹیکافل کنٹریبیوشن 30 ستمبر 2020 کو ختم ہونے والی مدت میں مجموعی پریمیم میں 281.6 ملین روپے ہے جبکہ سال 2019 کی اسی مدت میں 270.6 ملین روپے تھے۔ 30 ستمبر 2020 کو ختم ہونے والی مدت میں ونڈو ٹیکافل آپریشنز کا قبل از ٹیکس منافع 46.9 ملین روپے ہے جبکہ سال 2019 کی اسی مدت کا 45.1 ملین روپے تھا۔

## مستقبل کا نقطہ نظر

کورونا وائرس پھیلنے کی وجہ سے پاکستان کو مختلف شعبوں میں بڑے معاشی نقصانات کا سامنا ہے۔ اگرچہ صورتحال بہتری کی طرف گامزن ہے اس کے باوجود موجودہ منظر نامے میں کاروبار کو آگے بڑھانا ایک مشکل کام ہے۔ کاروباری خطرات سے نمٹنے کے لئے ایک محتاط نظریہ اپنایا جائے گا۔ ہماری بھرپور کوشش ہے کہ ہم ترقی، منافع اور لیکویڈیٹی کے مابین توازن برقرار رکھ سکیں۔

## اقتدار

ہم اپنے انضباط کاروں، انشورنس ایجنسیوں، ایجنٹوں اور دیگر اسٹیک ہولڈرز کا ہم پر اعتماد اور بھروسے کے لئے شکریہ ادا کرتے ہیں۔

منجانب بورڈ



لیفٹیننٹ جنرل نجیب اللہ خان (ر)

چیئرمین بورڈ آف ڈائریکٹرز



عبدالوحید

صدر و چیف ایگزیکٹو

راولپنڈی

27 اکتوبر 2020

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 30 SEPTEMBER 2020

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	Rupees in thousand	
<b>ASSETS</b>			
Property and equipment	7	340,496	285,565
Intangible assets	8	335	345
Investment property	9	39,518	40,501
Investment in subsidiary	10	10,000	10,000
Investments			
- Equity securities	11	55,936	314,451
- Debt securities	12	2,404,171	1,640,386
- Term deposits	13	-	252,000
Loans and other receivables		160,567	132,406
Insurance / Reinsurance receivables	14	943,143	1,166,352
Reinsurance recoveries against outstanding claims	18	250,246	331,317
Salvage recoveries accrued		33,177	39,206
Taxation - payments less provision		-	-
Deferred commission expense / Acquisition cost	19	111,885	124,175
Deferred taxation		16,148	15,592
Prepayments		496,063	457,438
Cash and bank		269,525	342,237
<b>Total assets from Window Takaful Operations - OPF</b>			
		290,368	279,427
<b>Total Assets</b>		<b>5,421,578</b>	<b>5,431,398</b>

Razi Haider  
Chief Financial Officer

Abdul Waheed  
President & Chief Executive



		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	Rupees in thousand	
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		719,019	719,019
Share premium		121,161	121,161
Reserves		68,974	70,339
Unappropriated profit		1,170,492	1,055,860
Total Equity		2,079,646	1,966,379
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR	18	573,093	624,125
- Unearned premium reserves	17	1,318,107	1,388,338
- Unearned reinsurance commission	19	86,674	104,849
Retirement benefit obligations		44,745	37,366
Staff compensated absences		33,520	29,715
Lease liabilities		174,866	100,390
Taxation - provision less payment		7,436	295
Premium received in advance		36,538	15,021
Insurance / Reinsurance payables		769,795	853,022
Unclaimed dividends		9,168	7,158
Other creditors and accruals	15	141,394	167,431
Deposits and other payables		53,710	45,610
Total Liabilities		3,249,046	3,373,320
Total liabilities from Window Takaful Operations - OPF		92,886	91,699
Total Equity and Liabilities		5,421,578	5,431,398
Contingencies and commitments	16		

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.

Maj Gen Akhtar Iqbal (Retd)  
Director

Lt Gen Najib Ullah Khan (Retd)  
Chairman

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
Note		Rupees in thousand			
Net insurance premium	17	442,608	464,280	1,329,627	1,530,343
Net insurance claims	18	(266,728)	(290,959)	(755,930)	(936,652)
Net commission and other acquisition costs	19	27,198	16,429	65,385	62,380
Insurance claims and acquisition expenses		(239,530)	(274,530)	(690,545)	(874,272)
Management expenses		(146,572)	(151,671)	(487,582)	(457,165)
Underwriting results		56,506	38,079	151,500	198,906
Investment income	20	60,124	62,326	214,679	114,787
Rental income		1,434	1,372	4,302	3,920
Other income		3,292	5,576	16,277	14,974
Other expenses		(1,760)	(2,725)	(6,303)	(6,579)
Results of operating activities		119,596	104,628	380,455	326,008
Finance costs		(3,994)	(3,018)	(12,944)	(9,342)
<b>Profit before tax from General Operations</b>		<b>115,602</b>	<b>101,610</b>	<b>367,511</b>	<b>316,666</b>
<b>Profit before tax from Window Takaful Operations - OPF</b>		<b>15,643</b>	<b>16,407</b>	<b>46,872</b>	<b>45,057</b>
<b>Profit before tax</b>		<b>131,245</b>	<b>118,017</b>	<b>414,383</b>	<b>361,723</b>
Income tax expense		(37,452)	(35,078)	(119,996)	(106,454)
<b>Profit after tax</b>		<b>93,793</b>	<b>82,939</b>	<b>294,387</b>	<b>255,269</b>
<b>Other comprehensive income:</b>					
<b>Items that will be reclassified subsequently to profit and loss account:</b>					
Unrealised loss on available-for-sale investments - net		(1,240)	(57)	(1,365)	(57)
Reclassification adjustment on available-for-sale investments included in profit and loss account - net		-	2,106	-	18,073
		(1,240)	2,049	(1,365)	18,016
<b>Total comprehensive income for the period</b>		<b>92,553</b>	<b>84,988</b>	<b>293,022</b>	<b>273,285</b>
Earnings (after tax) per share - Rupees	21	1.30	1.15	4.09	3.55

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman



# UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	2020	2019
	Rupees in thousand	
<b>Operating cash flows</b>		
<b>a) Underwriting activities:</b>		
Premium received	2,223,981	2,557,874
Reinsurance premium paid	(1,375,448)	(404,843)
Claims paid	(1,052,388)	(1,069,213)
Reinsurance and other recoveries received	717,549	162,228
Commission paid	(149,688)	(134,822)
Commission received	359,166	123,205
Management expenses paid	(428,487)	(426,994)
Net cash flows generated from underwriting activities	294,685	807,435
<b>b) Other operating activities:</b>		
Income tax paid	(99,431)	(107,789)
Other expenses paid	(7,564)	(5,869)
Other operating receipts / (payments)	465	(61,890)
Advances to employees	(237)	155
Net cash used in other operating activities	(106,767)	(175,393)
<b>Total cash flow generated from all operating activities</b>	<b>187,918</b>	<b>632,042</b>
<b>Investing activities:</b>		
Profit / return received	194,069	113,786
Dividends received	2,071	6,336
Payments for investments	(5,290,340)	(6,874,895)
Proceeds from investments	5,063,592	6,263,495
Fixed capital expenditure	(999)	(11,760)
Proceeds from disposal of fixed assets	2,021	20
<b>Total cash used in investing activities</b>	<b>(29,586)</b>	<b>(503,018)</b>
<b>Financing activities:</b>		
Financial charges paid	(12,944)	(4,899)
Repayment of obligation under finance lease	(40,666)	(22,308)
Dividend paid	(177,745)	(81,405)
Staff house building finance - net	67	(2,704)
Mark-up on staff house building finance received	244	1,196
Equity transactions costs paid	-	(1,330)
<b>Total cash used in financing activities</b>	<b>(231,044)</b>	<b>(111,450)</b>
<b>Net cash (used in) / generated from all activities</b>	<b>(72,712)</b>	<b>17,574</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>342,237</b>	<b>147,175</b>
<b>Cash and cash equivalents at end of the period</b>	<b>269,525</b>	<b>164,749</b>

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

# UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	2020	2019
	Rupees in thousand	
Reconciliation to Profit and Loss Account		
Operating cash flows	187,918	632,042
Depreciation expense	(18,067)	(17,148)
Financial charges	(12,944)	(9,342)
Gain on disposal of fixed assets	1,183	20
Amortization of right of use of assets	(43,214)	(46,697)
(Decrease) / increase in assets other than cash	(810,343)	(153,723)
Decrease / (increase) in liabilities other than running finance	738,071	(324,348)
Unrealized gain on investments - held for trading	245	1,137
Provision for diminution in value of AFS investments	-	45,103
Dividend income	2,071	6,336
Investment income	202,674	34,108
Profit on bank deposits	10,798	13,286
Income tax provision	(119,996)	(106,454)
Gain on trading	9,688	28,103
Tax paid	99,431	107,789
Profit after taxation from General Insurance Operations	247,515	210,212
Profit from Window Takaful Operations - OPF	46,872	45,057
Profit after taxation	294,387	255,269

## Definition of cash :

Cash comprises cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

	2020	2019
Cash for the purpose of cash flow statement consists of:	Rupees in thousand	
Cash and other equivalents		
Cash in hand	1,594	1,034
Stamp in hand	476	419
	2,070	1,453
Current and other accounts		
Current accounts	39,695	15,680
Deposit accounts	227,760	147,616
	267,455	163,296
Total	269,525	164,749

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

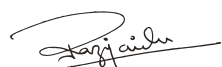
# UNCONSOLIDATED CONDENSED INTERIM

## STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

### FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	Share capital	Reserves				Total reserves	Total equity
	Issued, subscribed and paid up	Capital reserve	Revenue reserve				
		Share premium	General reserve	Available-for-sale investment revaluation reserve	Retained earnings		
Rupees in thousand							
Balance as at 01 January 2019	625,234	121,161	70,000	(17,462)	887,788	1,061,487	1,686,721
Total comprehensive income for the period							
Profit for the period	-	-	-	-	255,269	255,269	255,269
Other comprehensive income for the period	-	-	-	18,016	-	18,016	18,016
Total comprehensive income for the period	-	-	-	18,016	255,269	273,285	273,285
Changes in owners' equity							
Cash dividend (Rupee 1.5 per share)	-	-	-	-	(93,785)	(93,785)	(93,785)
Issuance of 15% bonus shares	93,785	-	-	-	(93,785)	(93,785)	
Equity transaction costs	-	-	-	-	(1,330)	(1,330)	(1,330)
	93,785	-	-	-	(188,900)	(188,900)	(95,115)
Balance as at 30 September 2019	719,019	121,161	70,000	554	954,157	1,145,872	1,864,891
Balance as at 01 January 2020	719,019	121,161	70,000	339	1,055,860	1,247,360	1,966,379
Total comprehensive income / (loss) for the period							
Profit for the period	-	-	-	-	294,387	294,387	294,387
Other comprehensive loss for the period	-	-	-	(1,365)	-	(1,365)	(1,365)
Total comprehensive income / (loss) for the period	-	-	-	(1,365)	294,387	293,022	293,022
Changes in owners' equity							
Cash dividend (Rupees 2.5 per share)	-	-	-	-	(179,755)	(179,755)	(179,755)
Equity transaction costs	-	-	-	-	-	-	-
	-	-	-	-	(179,755)	(179,755)	(179,755)
Balance as at 30 September 2020	719,019	121,161	70,000	(1,026)	1,170,492	1,360,627	2,079,646

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

## 1 LEGAL STATUS AND NATURE OF BUSINESS

askari general insurance company limited ("the Company") was incorporated under the Companies Ordinance, 1984 as a public limited company on 12 April 1995. The Company is engaged in non-life insurance business comprising of fire, marine, motor, health and miscellaneous. The Company commenced its commercial operations on 15 October 1995. Shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office and principal place of business of the Company is located at AWT Plaza, Rawalpindi. The Company has 20 branches in Pakistan. The Company is a subsidiary of Army Welfare Trust.

## 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 shall prevail.

This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2019. Comparative balance sheet is extracted from annual audited financial statements for the year ended 31 December 2019 whereas comparative for condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement, are stated from unaudited condensed interim financial information for the nine months period ended 30 September 2019.

Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in this condensed interim financial information in accordance with the requirements of Circular 25 of 2015 dated 9 July 2015.

A separate set of financial statements of Window Takaful Operations has been reported which is annexed to this condensed interim financial information as per the requirements of the SECP Takaful Rules, 2012.

### 2.1 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments which are carried at their fair values and obligations under certain employee benefits which are measured at their present values. Figures have been rounded off to the nearest rupees in thousand.

### 2.2 Functional and presentation currency

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



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## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation including judgements and estimates used in measurement of fair values for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 31 December 2019.

## 4 FINANCIAL RISK MANAGEMENT

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

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

## 6 PREMIUM DEFICIENCY RESERVE

During the period, management has reviewed the results of each class of business and considers that no additional reserve is required to be created as the unearned premium reserve for each class of business as at the period end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of the policies in force at the balance sheet date.

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	Rupees in thousand	
<b>7</b>	<b>PROPERTY AND EQUIPMENT</b>		
Capital work-in-progress	7.1	2,766	3,310
Operating assets	7.2	337,730	282,255
		<b>340,496</b>	<b>285,565</b>
<b>7.1</b>	<b>Movement in Capital work-in-progress is as follows:</b>		
Opening balance		3,310	2,871
Additions		2,958	4,664
Transfers		(3,502)	(4,225)
Closing balance		2,766	3,310

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7.2 Operating assets

Rupees in thousand											
Note	Cost				Depreciation			Written down value	Useful life (years)		
	Opening balance	Additions / (Disposals)	Adjustments	Closing balance	Opening balance	For the period	(Disposals) / Adjustments			Closing balance	
30 September 2020 (unaudited)											
7.2.1	Building	142,602	-	-	142,602	3,802	2,674	-	6,476	136,126	40
	Furniture and fixtures	29,122	726	-	29,848	19,605	2,333	(639)	21,299	8,549	5
	Computers and office equipment	69,391	145	-	69,536	59,548	4,126	(1,201)	62,473	7,063	3
	Motor vehicles (Owned)	21,047	1,603	-	22,650	14,608	2,605	(3,424)	13,789	8,861	5
	Right of use assets - Motor vehicles	140,407	(10,008)	-	130,399	86,298	18,628	(14,204)	90,722	39,677	5
	Right of use assets - Rental properties	92,725	99,495	-	192,220	38,818	30,733	-	69,551	122,670	1 to 9
	Tracking devices	87,004	(2,051)	3,502	88,455	82,001	2,687	(1,923)	82,765	5,690	3
	Leasehold improvements	23,312	5,187	-	28,499	18,675	2,575	(1,845)	19,405	9,094	3
		605,610	95,097	3,502	704,209	323,355	66,361	(23,236)	366,480	337,730	

Rupees in thousand										
	Cost			Depreciation		Written down value	Useful life (years)			
	Opening balance	Additions / (Disposals)	Adjustments	Closing balance	Opening balance			(Disposals) / Adjustments		
31 December 2019 (audited)										
Building	118,800	23,802	-	142,602	743	3,059	-	3,802	138,800	40
Furniture and fixtures	25,694	3,428	-	29,122	17,760	2,605	(760)	19,605	9,517	5
Computers and office equipment	67,421	1,970	-	69,391	57,076	6,790	(4,318)	59,548	9,843	3
Motor vehicles (Owned)	22,100	(1,053)	-	21,047	12,452	3,087	(931)	14,608	6,439	5
Right of use assets - Motor vehicles	139,368	1,039	-	140,407	68,835	28,469	(11,006)	86,298	54,109	5
Right of use assets - Rental properties	74,498	18,227	-	92,725	-	38,818	-	38,818	53,907	1 to 9
Tracking devices	109,155	(26,376)	4,225	87,004	104,222	3,389	(25,610)	82,001	5,003	3
Leasehold improvements	20,675	2,637	-	23,312	16,162	2,513	-	18,675	4,637	3
	577,711	23,674	4,225	605,610	277,250	88,730	(42,625)	323,355	282,255	

7.2.1 This represents the carrying value of one office located at 8th Floor of Askari Tower, Lahore. The total area of the office is 5,460 square feet.

7.2.2 Additions, disposals and depreciation for the nine months period ended 30 September 2019 were Rs.45,449 thousand, 34,984 thousand and 67,843 thousand respectively.

8 INTANGIBLE ASSETS

	Cost				Depreciation		Written down value	Useful life (years)		
	Opening balance	Additions / (Disposals)	Adjustments	Closing balance	For the period	(Disposals) / Adjustments			Closing balance	
Computer software	5,505	74	-	5,579	5,160	84	-	5,244	335	5
Total - 30 September 2020 (unaudited)	5,505	74	-	5,579	5,160	84	-	5,244	335	
Total - 31 December 2019 (audited)	5,139	366	-	5,505	5,067	93	-	5,160	345	5

8.1 Amortization for the nine months period ended 30 September 2019 was Rs. 73 thousand.

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9	<b>INVESTMENT PROPERTY</b>			
	This represents the carrying amount of two offices in Islamabad Stock Exchange building, classified as investment property based on the management's intention to hold the property for earning rentals and / or capital appreciation.			
			(Unaudited)	(Audited)
			30 September	31 December
			2020	2019
			Rupees in thousand	
	<b>Cost</b>			
	Balance at beginning of the period / year		52,400	52,400
	Balance at end of the period / year		52,400	52,400
	<b>Depreciation</b>			
	Balance at beginning of the period / year		(11,899)	(10,589)
	Depreciation for the period / year		(983)	(1,310)
	Balance at end of the period / year		(12,882)	(11,899)
			39,518	40,501
	Useful life (years)		40	40
	Depreciation for the nine months period ended 30 September 2019 was Rs. 983 thousand.			
			(Unaudited)	(Audited)
			30 September	31 December
			2020	2019
10	<b>INVESTMENT IN SUBSIDIARY</b>	Note	Rupees in thousand	
	AskTech (Private) Limited - At cost	10.1	10,000	10,000
10.1	AskTech (Private) Limited is engaged in establishing, developing, expanding, enhancing, managing and operating information technology services, GPS/GSM based tracking and systems. The Company acquired 100% shareholding in AskTech (Private) Limited in February 2019. The Company holds 99.96% shares of AskTech (Private) Limited whereas the directors nominated by the Company on the Board of Directors of AskTech (Private) Limited hold qualification shares of 0.04%.			
			(Unaudited)	(Audited)
			30 September	31 December
			2020	2019
11	<b>INVESTMENTS IN EQUITY SECURITIES</b>	Note	Rupees in thousand	
	Fair value through profit and loss	11.1	27,354	311,421
	Available-for-sale	11.2	28,582	3,030
	<b>Total equity securities</b>		<b>55,936</b>	<b>314,451</b>

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		30 September 2020 (unaudited)			31 December 2019 (audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		Rupees in thousand					
11.1	Fair value through profit and loss						
	Mutual funds	27,108	-	27,354	311,419	-	311,421
11.2	Available-for-sale						
	Listed shares	27,229	-	27,229	-	-	-
	Mutual funds	2,800	-	2,800	2,554	-	2,554
	Unrealized (deficit) / surplus on revaluation			(1,447)	-	-	476
		30,029	-	28,582	2,554	-	3,030
12	INVESTMENTS IN DEBT SECURITIES						
		30 September 2020 (unaudited)			31 December 2019 (audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		Rupees in thousand					
	HELD TO MATURITY						
	Government Securities						
	Pakistan Investment Bonds	114,116	-	114,116	112,259	-	112,259
	Treasury Bills	1,995,030	-	1,995,030	1,223,102	-	1,223,102
		2,109,146	-	2,109,146	1,335,361	-	1,335,361
	AVAILABLE-FOR-SALE						
	Term Finance Certificates	160,000	-	160,000	160,000	-	160,000
	Sukuks	135,025	-	135,025	145,025	-	145,025
		295,025	-	295,025	305,025	-	305,025
	LOANS AND RECEIVABLES						
	Certificates of Investments	11,128	(11,128)	-	11,128	(11,128)	-
		2,415,299	(11,128)	2,404,171	1,651,514	(11,128)	1,640,386
					(Unaudited)	(Audited)	
					30 September	31 December	
					2020	2019	
					Rupees in thousand		
13	INVESTMENTS IN TERM DEPOSITS						
	Loans and receivables						
	Deposits maturing within 12 months				-		252,000



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	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Rupees in thousand	
<b>14 INSURANCE / REINSURANCE RECEIVABLES</b>		
Due from insurance contract holders	822,390	1,013,864
Less: provision for impairment of receivables from insurance contract holders	(20,760)	(20,760)
	801,630	993,104
Due from other insurers / reinsurers	157,013	188,748
Less: provision for impairment of receivables from other insurers / reinsurers	(15,500)	(15,500)
	141,513	173,248
	943,143	1,166,352
<b>15 OTHER CREDITORS AND ACCRUALS</b>		
Agents' commission payable	69,679	64,947
Tax deducted at source	13,035	13,395
Federal excise duty / federal insurance fee	24,285	39,939
Accrued expenses	3,300	12,269
Fund received against leased vehicle	2,995	2,262
Fund received against vehicle ljarah	368	145
Payable to subsidiary	-	4,853
Others	27,732	29,620
	141,394	167,431

**16 CONTINGENCIES AND COMMITMENTS**

There is no change in contingencies and commitments as reported in the annual financial statements of the Company for the year ended 31 December 2019.

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		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
Rupees in thousand					
<b>17</b>	<b>NET INSURANCE PREMIUM</b>				
	Written gross premium	649,058	549,243	1,993,030	2,083,321
	Add: Unearned premium reserve opening	1,380,824	1,579,217	1,388,337	1,642,458
	Less: Unearned premium reserve closing	1,318,107	1,247,720	1,318,107	1,247,720
	Premium earned	711,775	880,740	2,063,260	2,478,059
	Less: Reinsurance premium ceded	201,891	226,777	766,510	927,078
	Add: Prepaid reinsurance premium opening	554,964	717,018	454,811	547,973
	Less: Prepaid reinsurance premium closing	487,688	527,335	487,688	527,335
	Reinsurance expense	269,167	416,460	733,633	947,716
		442,608	464,280	1,329,627	1,530,343
<b>18</b>	<b>NET INSURANCE CLAIMS</b>				
	Claims paid	303,191	326,342	1,052,388	1,069,213
	Add: Outstanding claims including IBNR closing	573,093	613,865	573,093	613,865
	Less: Outstanding claims including IBNR opening	521,451	531,994	624,126	445,799
	Claims expense	354,833	408,213	1,001,355	1,237,279
	Less: Reinsurance and other recoveries received	75,163	61,173	326,496	179,992
	Add: Reinsurance and other recoveries in respect of outstanding claims closing	250,246	301,615	250,246	301,615
	Less: Reinsurance and other recoveries in respect of outstanding claims opening	237,304	245,534	331,317	180,980
	Reinsurance and other recoveries revenue	88,105	117,254	245,425	300,627
		266,728	290,959	755,930	936,652
<b>19</b>	<b>NET COMMISSION EXPENSE / ACQUISITION COST</b>				
	Commission paid or payable	39,310	56,278	158,132	135,453
	Add: Deferred commission expense opening	121,226	85,773	124,175	97,956
	Less: Deferred commission expense closing	111,885	92,170	111,885	92,170
	Net commission	48,652	49,881	170,422	141,239
	Less: Commission received or recoverable	78,326	46,424	217,632	196,968
	Add: Unearned reinsurance commission opening	84,197	120,572	104,849	107,337
	Less: Unearned reinsurance commission closing	86,674	100,686	86,674	100,686
	Commission from reinsurers	75,850	66,310	235,807	203,619
		(27,198)	(16,429)	(65,385)	(62,380)

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		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
		Rupees in thousand			
<b>20</b>	<b>INVESTMENT INCOME</b>				
	<b>Dividend income on investments</b>				
	Dividend income on securities held for trading	(24)	-	1,781	3,940
	Dividend income on available-for-sale investments	-	-	290	2,396
		(24)	-	2,071	6,336
	<b>Income from debt securities</b>				
	Return on government securities	49,760	43,086	160,860	54,201
	Return on other fixed income securities	8,999	18,708	40,703	84,274
		58,759	61,794	201,563	138,475
	<b>Net realised gains / (losses) on investments</b>				
	Gain on trading of held for trading investments	408	18,312	9,688	28,103
	Gain / (loss) on sale of available-for-sale investments	969	(90,993)	1,551	(104,367)
		1,377	(72,681)	11,239	(76,264)
	Unrealized profit / (loss) on re-measurement of investments held for trading	237	(2,895)	246	1,137
	Reversal of diminution in available-for-sale investments	-	76,108	-	45,103
	Investment related expenses	(225)	-	(440)	-
	<b>Total investment income</b>	<b>60,124</b>	<b>62,326</b>	<b>214,678</b>	<b>114,787</b>
<b>21</b>	<b>EARNINGS PER SHARE</b>				
	Profit after tax (Rupees in thousand)	93,793	82,939	294,387	255,269
	Weighted average number of shares	71,902	71,902	71,902	71,902
	Earnings per share (Rupees)	1.30	1.15	4.09	3.55

**22 RELATED PARTY TRANSACTIONS**

The Company is a subsidiary of Army Welfare Trust ("the parent company") therefore all subsidiaries and associated undertakings of the parent company are related parties of the Company. Other related parties comprise directors, key management personnel, entities with common directorships and entities over which the directors are able to exercise influence. Balances and transactions with related parties are as follows:

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	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Rupees in thousand	
<b>Balances at period / year end</b>		
<b>Parent:</b>		
Premium due:		
Balance receivable at beginning of the period / year	2,358	1,316
Insurance premium written (including government levies, administrative surcharge and policies stamps)	440	6,946
Receipts during the period / year	(1,478)	(5,904)
Balance receivable at end of the period / year	1,320	2,358
<b>Subsidiary:</b>		
Balance payable at beginning of the period / year	(4,853)	-
Services acquired	(24,898)	(22,200)
Paid during the period / year	36,934	17,347
Balance receivable / (payable) at end of the period / year	7,183	(4,853)
<b>Associated undertakings:</b>		
Premium due:		
Balance receivable at beginning of the period / year	80,204	94,261
Insurance premium written (including government levies, administrative surcharge and policies stamps)	66,477	108,957
Receipts during the period / year	(89,907)	(123,014)
Balance receivable at end of the period / year	56,774	80,204



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	(Unaudited)	
	Nine months ended 30 September	
	2020	2019
<b>Transactions during the period:</b>	<b>Rupees in thousand</b>	
<b>With parent:</b>		
Insurance premium written (including government levies, administrative surcharge and policies stamps)	440	1,026
Premium received during the period	1,478	963
Insurance claims paid	2,020	142
Rent paid	18,845	16,823
Dividend paid	106,493	55,578
Bonus shares issued	-	55,578
<b>With subsidiary:</b>		
Investment made during the period	-	10,000
Services acquired	24,898	12,849
Payments made	36,934	7,035
<b>With associates:</b>		
Insurance premium written (including government levies, administrative surcharge and policies stamps)	66,477	58,742
Premium received during the period	89,907	89,189
Insurance claims paid	11,663	12,835
Contribution to staff retirement benefit funds	30,527	27,937
Remuneration of chief executive, directors and executives	59,038	43,834
Dividend paid to directors	1,365	717

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**23 FAIRVALUE OF FINANCIAL INSTRUMENTS**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 September 2020 (unaudited)						
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Level 1
Rupees in thousand						
<b>Financial assets measured at fair value</b>						
Investment at fair value through profit and loss	27,354	-	-	-	-	27,354
Investment at fair value through other comprehensive income	-	28,582	-	-	-	28,582
<b>Financial assets not measured at fair value</b>						
Investment in subsidiary	-	10,000	-	-	-	-
Investments						
- Government securities	-	-	2,109,146	-	-	-
- Certificates of Investment (COIs) / TDRs	-	-	-	-	-	-
- Fixed term deposits	-	295,025	-	-	-	-
Loans to employees	-	-	-	249	-	-
Accrued investment income*	-	-	-	44,922	-	-
Staff house building finance	-	-	-	2,894	-	-
Sundry receivables*	-	-	-	112,502	-	-
Amounts due from insurance contract holders*	-	-	-	801,630	-	-
Amounts due from other insurers / reinsurers*	-	-	-	141,513	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	250,246	-	-
Salvage recoveries accrued*	-	-	-	33,177	-	-
Cash and bank deposits*	-	-	-	269,525	-	-
Total assets of Window Takaful Operations - OPF	-	-	-	290,368	-	-
<b>Financial liabilities not measured at fair value</b>						
Provision for outstanding claims (including IBNR)*	-	-	-	-	573,093	-
Lease liabilities	-	-	-	-	174,866	-
Premium received in advance	-	-	-	-	36,538	-
Amounts due to other insurers / reinsurers*	-	-	-	-	769,795	-
Unclaimed dividend*	-	-	-	-	9,168	-
Accrued expenses*	-	-	-	-	3,300	-
Other creditors and accruals*	-	-	-	-	138,094	-
Deposits and other payables*	-	-	-	-	53,710	-
Total liabilities of Window Takaful Operations - OPF	-	-	-	-	92,886	-
	27,354	333,607	2,109,146	1,947,026	1,851,450	55,936

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	31 December 2019 (audited)					
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Level 1
	Rupees in thousand					
<b>Financial assets measured at fair value</b>						
Investment at fair value through profit and loss	311,421	-	-	-	-	311,421
Investment at fair value through other comprehensive income	-	3,030	-	-	-	3,030
<b>Financial assets not measured at fair value</b>						
Investment in subsidiary	-	10,000	-	-	-	-
Investments						
- Government securities	-	-	1,335,361	-	-	-
- Certificates of Investment (COIs) / TDRs	-	-	-	252,000	-	-
- Fixed term deposits	-	305,025	-	-	-	-
Loans to employees	-	-	-	12	-	-
Accrued investment income*	-	-	-	44,028	-	-
Staff house building finance	-	-	-	2,961	-	-
Sundry receivables*	-	-	-	85,405	-	-
Amounts due from insurance contract holders*	-	-	-	993,104	-	-
Amounts due from other insurers / reinsurers*	-	-	-	173,248	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	331,317	-	-
Salvage recoveries accrued*	-	-	-	39,206	-	-
Cash and bank deposits*	-	-	-	342,237	-	-
Total assets of Window Takaful Operations - OPF	-	-	-	279,427	-	-
<b>Financial liabilities not measured at fair value</b>						
Provision for outstanding claims (including IBNR)*	-	-	-	-	624,125	-
Lease liabilities	-	-	-	-	100,390	-
Premium received in advance	-	-	-	-	15,021	-
Amounts due to other insurers / reinsurers*	-	-	-	-	853,022	-
Unclaimed dividend*	-	-	-	-	7,158	-
Accrued expenses*	-	-	-	-	12,269	-
Other creditors and accruals*	-	-	-	-	155,162	-
Deposits and other payables*	-	-	-	-	45,610	-
Total liabilities of Window Takaful Operations -OPF	-	-	-	-	91,699	-
	311,421	318,055	1,335,361	2,542,945	1,904,456	314,451

\* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

24 SEGMENT INFORMATION  
24.1 Segment Profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Accident and health		Miscellaneous		Total
	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2019
	Rupees in thousand										
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative surcharge)	341,064	299,298	156,657	151,204	671,055	766,285	533,154	354,187	498,709	731,017	2,301,991
Less: Federal Excise Duty	45,374	39,170	18,408	17,702	90,680	103,852	179	2	28,593	32,181	183,234
Federal Insurance Fee	2,877	2,498	1,299	1,382	5,754	6,604	5,254	3,490	4,517	6,806	20,780
Stamp Duty	30	33	4,463	4,706	94	136	4	4	83	104	4,983
Gross written premium (inclusive of administrative surcharge)	292,783	257,597	132,487	127,414	574,527	655,693	527,717	350,691	465,516	691,926	2,083,321
Gross premium	286,428	249,388	127,706	122,143	556,555	632,776	525,241	348,327	461,589	686,606	2,039,239
Administrative surcharge	4,112	4,896	4,903	5,594	17,859	23,258	575	905	3,547	5,267	39,920
Facultative inward premium	2,417	3,965	-	-	288	-	-	-	776	1,033	4,999
Service charges	(174)	(652)	(122)	(323)	(175)	(341)	1,901	1,459	(396)	(980)	(837)
Insurance premium earned	327,905	313,530	132,847	156,099	629,088	715,644	565,128	674,594	408,292	618,192	2,063,260
Insurance premium ceded to reinsurers	(295,575)	(273,503)	(89,897)	(95,217)	(18,069)	(8,169)	(133,726)	(111,961)	(196,366)	(458,866)	(947,716)
Net insurance premium	32,330	40,027	42,950	60,882	611,019	707,475	431,402	562,633	211,926	159,326	1,329,627
Commission income	85,727	65,601	29,801	31,732	1,249	481	21,073	20,073	97,957	85,732	235,807
Net underwriting income	118,057	105,628	72,751	92,614	612,268	707,956	452,475	582,706	309,883	245,058	1,565,434
Insurance claims	(82,388)	(69,200)	(56,006)	(94,141)	(304,962)	(367,484)	(485,033)	(572,303)	(72,966)	(134,151)	(1,237,279)
Insurance claims recovered	62,058	62,278	36,289	74,606	6,560	7,518	109,102	82,076	31,416	74,149	300,627
Net claims	(20,330)	(6,922)	(19,717)	(19,535)	(298,402)	(359,966)	(375,931)	(490,227)	(41,550)	(60,002)	(936,652)
Commission expense	(32,319)	(36,883)	(23,198)	(23,709)	(39,057)	(33,828)	(15,722)	(19,222)	(60,126)	(27,597)	(141,239)
Management expense	(11,164)	(11,279)	(14,832)	(17,155)	(239,423)	(225,289)	(148,978)	(158,545)	(73,185)	(44,897)	(457,165)
Underwriting results	54,244	50,544	15,004	32,215	35,386	88,873	(88,156)	(85,288)	135,022	112,562	198,906
Investment income											
Rental income											
Other income											
Finance costs											
Other expenses											
Profit before tax from Window Takaful Operations - OPF											
Profit before tax											



NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

24.2 Segment Assets and Liabilities

	Fire and property damage			Marine, aviation and transport			Motor			Accident and health			Miscellaneous			Total		
	Unaudited	Audited		Unaudited	Audited		Unaudited	Audited		Unaudited	Audited		Unaudited	Audited		Unaudited	Audited	
	30 September 2020	31 December 2019		30 September 2020	31 December 2019		30 September 2020	31 December 2019		30 September 2020	31 December 2019		30 September 2020	31 December 2019		30 September 2020	31 December 2019	
	Rupees in thousand																	
Corporate Segment assets - Conventional	342,244	341,185		108,852	125,052		670,804	750,071		571,796	630,697		472,939	554,421		2,166,636	2,401,426	
Corporate Segment assets - Takatuf OPF	14,151	10,033		5,518	4,161		36,023	36,929		4,835	2,338		5,717	4,695		66,244	58,156	
Corporate unallocated assets - Conventional																2,964,577	2,749,544	
Corporate unallocated assets - Takatuf OPF																224,121	222,272	
Consolidated total assets																5,421,578	5,431,398	
Corporate Segment liabilities - Conventional	405,147	399,985		138,937	135,018		971,072	1,014,588		794,518	876,409		622,206	709,851		2,931,882	3,135,851	
Corporate Segment liabilities - Takatuf OPF	13,958	11,571		2,423	2,599		45,501	50,746		8,953	5,205		4,663	11,421		75,498	81,542	
Corporate unallocated Segment liabilities - Conventional																317,164	237,597	
Corporate unallocated Segment liabilities - Takatuf OPF																17,388	10,029	
Consolidated total liabilities																3,341,932	3,465,019	

25 IMPACT OF COVID-19

The Company follows the development of the COVID-19 and evaluates the extent to which this may affect the Company's operations in the short term and long term. The management has evaluated and concluded that there are no material implications of COVID-19 that require specific disclosure in the financial statements.

26 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on 27 October 2020.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman



CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION**  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

# DIRECTORS' REPORT

## On Consolidated Interim Financial Information

For the nine months period ended 30 September 2020

The Board of Directors are pleased to present the consolidated unaudited condensed interim financial information of askari general insurance company limited and its subsidiary (the Group) for the nine months period ended 30 September 2020.

A comparison of Key Performance Indicators (KPIs) is as follows;

	Nine months ended 30 September	
	2020	2019
	(Rupees in thousand)	
Gross premium written (Inclusive of Takaful Contribution)	2,274,691	2,353,921
Net premium revenue	1,329,627	1,530,343
Underwriting profit	150,693	198,906
Investment and other income	235,360	134,011
Profit before tax	413,667	362,053
Profit after tax	293,538	255,504
Earnings per share (Rs.)	4.08	3.55

In comparison with corresponding period, the Group observed a slight decline in gross premium written. However, its profit after tax and Earning Per Share (EPS) increased by 15% each. Growth in profit after tax and EPS is primarily driven by exceptional increase of 76% in investment and other income.

### Window Takaful Operations

Gross premium written includes Takaful contribution of Rs. 281.6 million in the nine months period ended 30 September 2020, while the same was Rs. 270.6 million in the similar period of 2019. Profit before tax consists of Rs. 46.9 million profit before tax of window

takaful operations in the nine months period ended 30 September 2020, while the same was Rs. 45.1 million in the similar period of 2019.

### Future outlook

In the wake of COVID-19 outbreak, Pakistan is experiencing major economic losses in different sectors. Although recovering from the situation, business development in current scenario is quite challenging. A vigilant approach would be adopted to cater the business risks. We strive to maintain a balance between growth, profitability and liquidity

### Acknowledgements

We would like to take this opportunity to thank our Regulators, the Insurance Association of Pakistan, for their continued support, and our valued reinsurers and other stakeholders for their trust and confidence in us.

For and Behalf of the Board



**Abdul Waheed**

President & Chief Executive



**Lt Gen Najib Ullah Khan (Retd)**

Chairman – Board of Directors

Rawalpindi

October 27, 2020

# ڈائریکٹرز کی رپورٹ

مستحکم عبوری مالی معلومات

نومانی مدت کے لئے جو 30 ستمبر 2020 کو ختم ہوئی

بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2020 کو ختم ہونے والی نومانہ مدت کے لئے عسکری جنرل انشورنس کمپنی لمیٹڈ اور اس کے ذیلی ادارہ (گروپ) کی مستحکم غیر آڈٹ شدہ ٹھوس عبوری مالی معلومات پیش خدمت ہیں۔

کارکردگی کے اشاریوں کا موازنہ مندرجہ ذیل ہے:-

30 ستمبر			
2019	2020		
ہزار روپے			
2,353,921	2,274,691	(مجموعی پریمیم) بشمول ٹیکس	
1,530,343	1,329,627	خالص پریمیم آمدنی	
198,906	150,693	خالص بیمہ کاری منافع	
134,011	235,360	سرمایہ کاری اور دیگر آمدن	
362,053	413,667	منافع قبل از ٹیکس	
255,504	293,538	منافع بعد از ٹیکس	
3.55	4.08	(فی شیئر آمدنی) (روپے)	

پچھلے سال کے مقابلے میں اس مدت میں گروپ نے مجموعی پریمیم میں معمولی کمی دیکھی۔ تاہم منافع بعد از ٹیکس اور فی شیئر آمدن (ای پی ایس) میں 15 فیصد اضافہ ہوا ہے۔ بعد از ٹیکس منافع اور ای پی ایس میں اضافہ بالخصوص سرمایہ کاری اور دیگر آمدنی میں 76 فیصد غیر معمولی اضافہ کی وجہ سے ہوا۔

## ونڈو ٹیکافل آپریشنز

ٹیکافل کنٹریبیوشن 30 ستمبر 2020 کو ختم ہونے والی مدت میں مجموعی پریمیم میں 281.6 ملین روپے ہے جبکہ سال 2019 کی اسی مدت میں 270.6 ملین روپے تھے۔ 30 ستمبر 2020 کو ختم ہونے والی مدت میں ونڈو ٹیکافل آپریشنز کا قبل از ٹیکس منافع 46.9 ملین روپے ہے جبکہ سال 2019 کی اسی مدت کا 45.1 ملین روپے تھے۔

## مستقبل کا نقطہ نظر

کورونا وائرس پھیلنے کی وجہ سے پاکستان کو مختلف شعبوں میں بڑے معاشی نقصانات کا سامنا ہے۔ اگرچہ صورتحال بہتری کی طرف گامزن ہے اس کے باوجود موجودہ منظر نامے میں کاروبار کو آگے بڑھانا ایک مشکل کام ہے۔ کاروباری خطرات سے نمٹنے کے لئے ایک محتاط نظریہ اپنایا جائے گا۔ ہماری بھرپور کوشش ہے کہ ہم ترقی، منافع اور لیکویڈیٹی کے مابین توازن برقرار رکھ سکیں۔

## امرار

ہم اپنے انضباط کاروں، انشورنس ایجنٹس ایسوسی ایشن آف پاکستان کا ان کی مسلسل حمایت کے لئے اور ہمارے متبادل قدر ری انشورر اور دیگر اسٹیک ہولڈرز کا ہم پر اعتماد اور بھروسے کے لئے شکریہ ادا کرتے ہیں۔

منجانب بورڈ



لیفٹیننٹ جنرل نجیب اللہ خان (ر)

چیرمین بورڈ آف ڈائریکٹرز



عبدالوحید

صدر و چیف ایگزیکٹو

راولپنڈی

27 اکتوبر 2020

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 30 SEPTEMBER 2020

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	Rupees in thousand	
<b>ASSETS</b>			
Property and equipment	7	342,045	287,179
Intangible assets	8	335	345
Investment property	9	39,518	40,501
Investments			
- Equity securities	10	55,936	314,451
- Debt securities	11	2,404,171	1,640,386
- Term deposits	12	-	252,000
Loans and other receivables		167,005	133,334
Insurance / Reinsurance receivables	13	943,143	1,166,352
Reinsurance recoveries against outstanding claims	17	250,246	331,317
Salvage recoveries accrued		33,177	39,206
Taxation - payments less provision		-	-
Deferred commission expense / Acquisition cost	18	111,885	124,175
Deferred taxation		16,148	15,592
Prepayments		497,371	457,470
Cash and bank		270,042	346,798
<b>Total assets from Window Takaful Operations - OPF</b>			
		290,368	279,427
<b>Total Assets</b>		<b>5,421,390</b>	<b>5,428,533</b>

  
Razi Haider  
Chief Financial Officer

  
Abdul Waheed  
President & Chief Executive

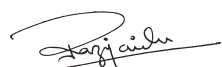
  
Maj Gen Akhtar Iqbal (Retd)  
Director

  
Lt Gen Najib Ullah Khan (Retd)  
**Chairman**



		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	Rupees in thousand	
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		719,019	719,019
Share premium		121,161	121,161
Reserves		68,974	70,339
Unappropriated profit		1,167,994	1,054,211
Total Equity		2,077,148	1,964,730
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR	17	573,093	624,125
- Unearned premium reserves	16	1,318,107	1,388,338
- Unearned reinsurance commission	18	86,674	104,849
Retirement benefit obligations		44,745	37,366
Staff compensated absences		33,520	29,715
Lease liabilities		174,866	100,390
Taxation - provision less payment		7,831	556
Premium received in advance		36,538	15,021
Insurance / Reinsurance payables		769,795	853,023
Unclaimed dividends		9,168	7,158
Other creditors and accruals	14	143,309	165,952
Deposits and other payables		53,710	45,610
Total Liabilities		3,251,356	3,372,104
Total liabilities from Window Takaful Operations - OPF		92,886	91,699
Total Equity and Liabilities		5,421,390	5,428,533
Contingencies and commitments	15		

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director

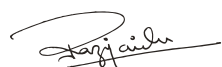


Lt Gen Najib Ullah Khan (Retd)  
Chairman

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
	Note	Rupees in thousand			
Net insurance premium	16	442,608	464,280	1,329,627	1,530,343
Net insurance claims	17	(266,728)	(290,959)	(755,930)	(936,652)
Net commission and other acquisition costs	18	27,198	16,429	65,385	62,380
Insurance claims and acquisition expenses		(239,530)	(274,530)	(690,545)	(874,272)
Management expenses		(147,379)	(151,671)	(488,389)	(457,165)
Underwriting results		55,699	38,079	150,693	198,906
Investment income	19	60,124	62,326	214,679	114,787
Rental income		1,434	1,372	4,302	3,920
Other income		3,394	5,906	16,379	15,304
Other expenses		(1,768)	(2,725)	(6,311)	(6,579)
Results of operating activities		118,883	104,958	379,742	326,338
Finance costs		(3,997)	(3,018)	(12,947)	(9,342)
<b>Profit before tax from General Operations</b>		<b>114,886</b>	<b>101,940</b>	<b>366,795</b>	<b>316,996</b>
<b>Profit before tax from Window Takaful Operations - OPF</b>		<b>15,643</b>	<b>16,407</b>	<b>46,872</b>	<b>45,057</b>
<b>Profit before tax</b>		<b>130,529</b>	<b>118,347</b>	<b>413,667</b>	<b>362,053</b>
Income tax expense		(37,585)	(35,173)	(120,129)	(106,549)
<b>Profit after tax</b>		<b>92,944</b>	<b>83,174</b>	<b>293,538</b>	<b>255,504</b>
<b>Other comprehensive income:</b>					
<b>Items that will be reclassified subsequently to profit and loss account:</b>					
Unrealised loss on available-for-sale investments - net		(1,240)	(57)	(1,365)	(57)
Reclassification adjustment on available-for-sale investments included in profit and loss account - net		-	2,106	-	18,073
		(1,240)	2,049	(1,365)	18,016
<b>Total comprehensive income for the period</b>		<b>91,704</b>	<b>85,223</b>	<b>292,173</b>	<b>273,520</b>
Earnings (after tax) per share - Rupees	20	1.29	1.16	4.08	3.55

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

# CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	2020	2019
	Rupees in thousand	
<b>Operating cash flows</b>		
<b>a) Underwriting activities:</b>		
Premium received	2,223,981	2,557,874
Reinsurance premium paid	(1,375,448)	(404,843)
Claims paid	(1,052,388)	(1,069,213)
Reinsurance and other recoveries received	717,549	162,228
Commission paid	(149,688)	(134,822)
Commission received	359,166	123,205
Management expenses paid	(453,070)	(439,084)
Net cash flows generated from underwriting activities	270,102	795,345
<b>b) Other operating activities:</b>		
Income tax paid	(99,431)	(107,822)
Other expenses paid	(7,573)	(5,869)
Other operating receipts / (payments)	20,972	(56,805)
Advances to employees	(296)	155
<b>Net cash used in other operating activities</b>	<b>(86,328)</b>	<b>(170,341)</b>
<b>Total cash flow generated from all operating activities</b>	<b>183,774</b>	<b>625,004</b>
<b>Investing activities:</b>		
Profit / return received	194,170	114,116
Dividends received	2,071	6,336
Payments for investments	(5,290,338)	(6,864,894)
Proceeds from investments	5,063,592	6,263,495
Fixed capital expenditure	(999)	(11,761)
Proceeds from disposal of fixed assets	2,021	20
<b>Total cash used in investing activities</b>	<b>(29,483)</b>	<b>(492,688)</b>
<b>Financing activities:</b>		
Financial charges paid	(12,947)	(4,899)
Repayment of obligation under finance lease	(40,666)	(22,308)
Dividend paid	(177,745)	(81,405)
Staff house building finance - net	67	(2,704)
Mark-up on staff house building finance received	244	1,196
Equity transactions costs paid	-	(1,330)
<b>Total cash used in financing activities</b>	<b>(231,047)</b>	<b>(111,450)</b>
<b>Net cash (used in) / generated from all activities</b>	<b>(76,756)</b>	<b>20,866</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>346,798</b>	<b>147,175</b>
<b>Cash and cash equivalents at end of the period</b>	<b>270,042</b>	<b>168,041</b>

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

# CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	2020	2019
	Rupees in thousand	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	183,774	625,004
Depreciation expense	(18,434)	(17,211)
Financial charges	(12,947)	(9,342)
Gain on disposal of fixed assets	1,183	20
Amortization of right of use of assets	(43,214)	(46,697)
(Decrease) / increase in assets other than cash	(808,107)	(145,958)
Decrease / (increase) in liabilities other than running finance	739,531	(325,045)
Unrealized gain on investments - held for trading	245	1,137
Provision for diminution in value of AFS investments	-	45,103
Dividend income	2,071	6,336
Investment income	202,674	34,108
Profit on bank deposits	10,900	13,616
Income tax provision	(120,129)	(106,549)
Gain on trading	9,688	28,103
Tax paid	99,431	107,822
<b>Profit after taxation from General Insurance Operations</b>	<b>246,666</b>	<b>210,447</b>
<b>Profit from Window Takaful Operations - OPF</b>	<b>46,872</b>	<b>45,057</b>
<b>Profit after taxation</b>	<b>293,538</b>	<b>255,504</b>

## Definition of cash :

Cash comprises cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

	2020	2019
<b>Cash for the purpose of cash flow statement consists of:</b>	<b>Rupees in thousand</b>	
<b>Cash and other equivalents</b>		
Cash in hand	1,654	1,034
Stamp in hand	476	419
	<b>2,130</b>	<b>1,453</b>
<b>Current and other accounts</b>		
Current accounts	39,728	15,680
Deposit accounts	228,184	150,908
	<b>267,912</b>	<b>166,588</b>
<b>Total</b>	<b>270,042</b>	<b>168,041</b>

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director




Lt Gen Najib Ullah Khan (Retd)  
Chairman

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	Share capital	Reserves				Total reserves	Total equity
	Issued, subscribed and paid up	Capital reserve	Revenue reserve				
		Share premium	General reserve	Availa-ble-for-sale investment revaluation reserve	Retained earnings		
Rupees in thousand							
Balance as at 01 January 2019	625,234	121,161	70,000	(17,462)	887,788	1,061,487	1,686,721
Total comprehensive income for the period							
Profit for the period	-	-	-	-	255,504	255,504	255,504
Other comprehensive income for the period	-	-	-	18,016	-	18,016	18,016
Total comprehensive income for the period	-	-	-	18,016	255,504	273,520	273,520
Changes in owners' equity							
Cash dividend (Rupee 1.5 per share)	-	-	-	-	(93,785)	(93,785)	(93,785)
Issuance of 15% bonus shares	93,785	-	-	-	(93,785)	(93,785)	
Equity transaction costs	-	-	-	-	(1,330)	(1,330)	(1,330)
	93,785	-	-	-	(188,900)	(188,900)	(95,115)
Balance as at 30 September 2019	719,019	121,161	70,000	554	954,392	1,146,107	1,865,126
Balance as at 01 January 2020	719,019	121,161	70,000	339	1,054,211	1,245,711	1,964,730
Total comprehensive income / (loss) for the period							
Profit for the period	-	-	-	-	293,538	293,538	293,538
Other comprehensive loss for the period	-	-	-	(1,365)	-	(1,365)	(1,365)
Total comprehensive income / (loss) for the period	-	-	-	(1,365)	293,538	292,173	292,173
Changes in owners' equity							
Cash dividend (Rupees 2.5 per share)	-	-	-	-	(179,755)	(179,755)	(179,755)
Equity transaction costs	-	-	-	-	-	-	-
	-	-	-	-	(179,755)	(179,755)	(179,755)
Balance as at 30 September 2020	719,019	121,161	70,000	(1,026)	1,167,994	1,358,129	2,077,148

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

## 1 LEGAL STATUS AND NATURE OF BUSINESS

The group consists of:

### **Holding Company**

Askari General Insurance Company Limited

### **Subsidiary Company**

AskTech (Private) Limited

### **Askari General Insurance Company Limited (Holding Company)**

askari general insurance company limited was incorporated under the Companies Ordinance, 1984 as a public limited company on 12 April 1995. The Holding Company is engaged in non-life insurance business comprising of fire, marine, motor, health and miscellaneous. The Holding Company commenced its commercial operations on 15 October 1995. Shares of the Holding Company are quoted on Pakistan Stock Exchange Limited. The registered office and principal place of business of the Holding Company is located at AWT Plaza, Rawalpindi. The Holding Company has 20 branches in Pakistan. The Holding Company is a subsidiary of Army Welfare Trust.

### **AskTech (Private) Limited (Subsidiary Company)**

AskTech (Private) Limited was incorporated in Pakistan on 17 December 2018 as a private limited company under the Companies Act, 2017. AskTech (Private) Limited was acquired by Askari General Insurance Company Limited as a wholly owned subsidiary on 01 February 2019. The registered office and principal place of business of the subsidiary company is located at 1st Floor, Ferozsons Building, Harding Road, Saddar, Rawalpindi. The subsidiary specializes in establishing, developing, expanding, enhancing, managing and operating information technology services, GPS/GSM based tracking and systems.

## 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 shall prevail.

This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2019. Comparative balance sheet is extracted from annual audited financial statements for the year ended 31 December 2019 whereas comparative for condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement, are stated from unaudited condensed interim financial information for the nine months period ended 30 September 2019.

Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in this condensed interim financial information in accordance with the requirements of Circular 25 of 2015 dated 9 July 2015.

A separate set of financial statements of Window Takaful Operations has been reported which is annexed to this condensed interim financial information as per the requirements of the SECP Takaful Rules, 2012.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

## 2.1 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments which are carried at their fair values and obligations under certain employee benefits which are measured at their present values. Figures have been rounded off to the nearest rupees in thousand.

## 2.2 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation including judgements and estimates used in measurement of fair values for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 31 December 2019.

## 4 FINANCIAL RISK MANAGEMENT

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

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

## 6 PREMIUM DEFICIENCY RESERVE

During the period, management has reviewed the results of each class of business and considers that no additional reserve is required to be created as the unearned premium reserve for each class of business as at the period end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of the policies in force at the balance sheet date.

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Note	Rupees in thousand	
<b>7</b>	<b>PROPERTY AND EQUIPMENT</b>		
Capital work-in-progress	7.1	2,977	4,211
Operating assets	7.2	339,068	282,968
		<b>342,045</b>	<b>287,179</b>
<b>7.1</b>	<b>Movement in Capital work-in-progress is as follows:</b>		
Opening balance		4,211	2,871
Additions		2,268	5,565
Transfers		(3,502)	(4,225)
Closing balance		<b>2,977</b>	<b>4,211</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

## 7.2 Operating assets

Rupees in thousand										
Note	Cost				Depreciation		Written down value	Useful life (years)		
	Opening balance	Additions / (Disposals)	Adjustments	Closing balance	Opening balance	For the period			(Disposals) / Adjustments	Closing balance
30 September 2020 (unaudited)										
7.2.1	Building	142,602	-	-	142,602	3,802	2,674	-	6,476	40
	Furniture and fixtures	29,664	760	-	30,424	20,028	2,380	(639)	21,769	5
	Computers and office equipment	71,585	592	-	72,177	61,395	4,260	(1,201)	64,454	3
	Motor vehicles (Owned)	21,778	1,603	-	23,381	15,092	2,674	(3,424)	14,342	5
	Right of use assets - Motor vehicles	140,407	(10,008)	-	130,399	86,298	18,628	(14,204)	90,722	5
	Right of use assets - Rental properties	92,725	99,495	-	192,220	38,818	30,732	-	69,550	1 to 9
	Tracking devices	87,004	(1,624)	3,502	88,882	82,001	2,720	(1,923)	82,798	3
	Leasehold improvements	23,312	5,187	-	28,499	18,675	2,575	(1,845)	19,405	3
		609,077	96,005	3,502	708,584	326,109	66,643	(23,236)	369,516	339,068

Rupees in thousand										
	Cost				Depreciation		Written down value	Useful life (years)		
	Opening balance	Additions / (Disposals)	Adjustments	Closing balance	Opening balance	For the period			(Disposals) / Adjustments	Closing balance
31 December 2019 (audited)										
Building	118,800	23,802	-	142,602	743	3,059	-	3,802	138,800	40
Furniture and fixtures	25,694	3,970	-	29,664	17,760	2,634	(366)	20,028	9,636	5
Computers and office equipment	67,421	4,164	-	71,585	57,076	6,850	(2,531)	61,395	10,190	3
Motor vehicles (Owned)	22,100	(322)	-	21,778	12,452	3,135	(495)	15,092	6,686	5
Right of use assets - Motor vehicles	139,368	1,039	-	140,407	68,835	28,469	(11,006)	86,298	54,109	5
Right of use assets - Rental properties	74,498	18,227	-	92,725	-	38,818	-	38,818	53,907	1 to 9
Tracking devices	109,155	(26,376)	4,225	87,004	104,222	3,389	(25,610)	82,001	5,003	3
Leasehold improvements	20,675	2,637	-	23,312	16,162	2,513	-	18,675	4,637	3
	577,711	27,141	4,225	609,077	277,250	88,867	(40,008)	326,109	282,968	

**7.2.1** This represents the carrying value of one office located at 8th Floor of Askari Tower, Lahore. The total area of the office is 5,460 square feet.

**7.2.2** Additions, disposals and depreciation for the nine months period ended 30 September 2019 were Rs.48,678 thousand, 34,984 thousand and 67,906 thousand respectively.

## 8 INTANGIBLE ASSETS

	Cost					Depreciation		Written down value	Useful life (years)
	Opening balance	Additions / (Disposals)	Adjustments	Closing balance	Opening balance	For the period	(Disposals) / Adjustments		
Computer software	5,505	74	-	5,579	5,160	84	-	5,244	5
<b>Total - 30 September 2020 (unaudited)</b>	5,505	74	-	5,579	5,160	84	-	5,244	
Total - 31 December 2019 (audited)	5,139	366	-	5,505	5,067	93	-	5,160	5

**8.1** Amortization for the nine months period ended 30 September 2019 was Rs. 73 thousand.

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

**9 INVESTMENT PROPERTY**

This represents the carrying amount of two offices in Islamabad Stock Exchange building, classified as investment property based on the management's intention to hold the property for earning rentals and / or capital appreciation.

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
Rupees in thousand		
<b>Cost</b>		
Balance at beginning of the period / year	52,400	52,400
Balance at end of the period / year	52,400	52,400
<b>Depreciation</b>		
Balance at beginning of the period / year	(11,899)	(10,589)
Depreciation for the period / year	(983)	(1,310)
Balance at end of the period / year	(12,882)	(11,899)
	39,518	40,501
Useful life (years)	40	40

Depreciation for the nine months period ended 30 September 2019 was Rs. 983 thousand.

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
Rupees in thousand		
<b>10 INVESTMENTS IN EQUITY SECURITIES</b>		
Fair value through profit and loss	27,354	311,421
Available-for-sale	28,582	3,030
<b>Total equity securities</b>	<b>55,936</b>	<b>314,451</b>

	30 September 2020 (unaudited)			31 December 2019 (audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Rupees in thousand						
<b>10.1 Fair value through profit and loss</b>						
Mutual funds	27,108	-	27,354	311,419	-	311,421
<b>10.2 Available-for-sale</b>						
Listed shares	27,229	-	27,229	-	-	-
Mutual funds	2,800	-	2,800	2,554	-	2,554
Unrealized (deficit) / surplus on revaluation	-	-	(1,447)	-	-	476
	30,029	-	28,582	2,554	-	3,030

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

11	INVESTMENTS IN DEBT SECURITIES	30 September 2020 (unaudited)			31 December 2019 (audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		Rupees in thousand					
	<b>HELD TO MATURITY</b>						
	<b>Government Securities</b>						
	Pakistan Investment Bonds	114,116	-	114,116	112,259	-	112,259
	Treasury Bills	1,995,030	-	1,995,030	1,223,102	-	1,223,102
		2,109,146	-	2,109,146	1,335,361	-	1,335,361
	<b>AVAILABLE-FOR-SALE</b>						
	Term Finance Certificates	160,000	-	160,000	160,000	-	160,000
	Sukuks	135,025	-	135,025	145,025	-	145,025
		295,025	-	295,025	305,025	-	305,025
	<b>LOANS AND RECEIVABLES</b>						
	Certificates of Investments	11,128	(11,128)	-	11,128	(11,128)	-
		2,415,299	(11,128)	2,404,171	1,651,514	(11,128)	1,640,386
					(Unaudited)	(Audited)	
					30 September	31 December	
					2020	2019	
					Rupees in thousand		
12	<b>INVESTMENTS IN TERM DEPOSITS</b>						
	<b>Loans and receivables</b>						
	Deposits maturing within 12 months				-		252,000

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Rupees in thousand	
<b>13 INSURANCE / REINSURANCE RECEIVABLES</b>		
Due from insurance contract holders	822,390	1,013,864
Less: provision for impairment of receivables from insurance contract holders	(20,760)	(20,760)
	801,630	993,104
Due from other insurers / reinsurers	157,013	188,748
Less: provision for impairment of receivables from other insurers / reinsurers	(15,500)	(15,500)
	141,513	173,248
	943,143	1,166,352
<b>14 OTHER CREDITORS AND ACCRUALS</b>		
Agents' commission payable	69,679	64,947
Tax deducted at source	13,093	13,422
Federal excise duty / federal insurance fee	24,228	41,852
Accrued expenses	3,444	12,346
Fund received against leased vehicle	2,995	2,262
Fund received against vehicle ljarah	368	145
Others	29,502	30,978
	143,309	165,952

**15 CONTINGENCIES AND COMMITMENTS**

There is no change in contingencies and commitments as reported in the annual financial statements of the Company for the year ended 31 December 2019.

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
<b>16</b>	<b>NET INSURANCE PREMIUM</b>	Rupees in thousand			
	Written gross premium	649,058	549,243	1,993,030	2,083,321
	Add: Unearned premium reserve opening	1,380,824	1,579,217	1,388,337	1,642,458
	Less: Unearned premium reserve closing	1,318,107	1,247,720	1,318,107	1,247,720
	Premium earned	711,775	880,740	2,063,260	2,478,059
	Less: Reinsurance premium ceded	201,891	226,777	766,510	927,078
	Add: Prepaid reinsurance premium opening	554,964	717,018	454,811	547,973
	Less: Prepaid reinsurance premium closing	487,688	527,335	487,688	527,335
	Reinsurance expense	269,167	416,460	733,633	947,716
		442,608	464,280	1,329,627	1,530,343
<b>17</b>	<b>NET INSURANCE CLAIMS</b>				
	Claims paid	303,191	326,342	1,052,388	1,069,213
	Add: Outstanding claims including IBNR closing	573,093	613,865	573,093	613,865
	Less: Outstanding claims including IBNR opening	521,451	531,994	624,126	445,799
	Claims expense	354,833	408,213	1,001,355	1,237,279
	Less: Reinsurance and other recoveries received	75,163	61,173	326,496	179,992
	Add: Reinsurance and other recoveries in respect of outstanding claims closing	250,246	301,615	250,246	301,615
	Less: Reinsurance and other recoveries in respect of outstanding claims opening	237,304	245,534	331,317	180,980
	Reinsurance and other recoveries revenue	88,105	117,254	245,425	300,627
		266,728	290,959	755,930	936,652
<b>18</b>	<b>NET COMMISSION EXPENSE / ACQUISITION COST</b>				
	Commission paid or payable	39,310	56,278	158,132	135,453
	Add: Deferred commission expense opening	121,227	85,773	124,175	97,956
	Less: Deferred commission expense closing	111,885	92,170	111,885	92,170
	Net commission	48,652	49,881	170,422	141,239
	Less: Commission received or recoverable	78,326	46,424	217,632	196,968
	Add: Unearned reinsurance commission opening	84,198	120,572	104,849	107,337
	Less: Unearned reinsurance commission closing	86,674	100,686	86,674	100,686
	Commission from reinsurers	75,850	66,310	235,807	203,619
		(27,198)	(16,429)	(65,385)	(62,380)



NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	Quarter ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
<b>19 INVESTMENT INCOME</b>	<b>Rupees in thousand</b>			
<b>Dividend income on investments</b>				
Dividend income on securities held for trading	(24)	-	1,781	3,940
Dividend income on available-for-sale investments	-	-	290	2,396
	(24)	-	2,071	6,336
<b>Income from debt securities</b>				
Return on government securities	49,760	43,086	160,860	54,201
Return on other fixed income securities	8,999	18,708	40,703	84,274
	58,759	61,794	201,563	138,475
<b>Net realised gains / (losses) on investments</b>				
Gain on trading of held for trading investments	408	18,312	9,688	28,103
Gain / loss on sale of available-for-sale investments	969	(90,993)	1,551	(104,367)
	1,377	(72,681)	11,239	(76,264)
Unrealized profit / (loss) on re-measurement of investments held for trading	237	(2,895)	245	1,137
Reversal of diminution in available-for-sale investments	-	76,108	-	45,103
Investment related expenses	(225)	-	(440)	-
<b>Total investment income</b>	<b>60,124</b>	<b>62,326</b>	<b>214,679</b>	<b>114,787</b>
<b>20 EARNINGS PER SHARE</b>				
Profit after tax (Rupees in thousand)	92,944	83,174	293,538	255,504
Weighted average number of shares (in thousand)	71,902	71,902	71,902	71,902
Earnings per share (Rupees)	1.29	1.16	4.08	3.55

**21 RELATED PARTY TRANSACTIONS**

The Company is a subsidiary of Army Welfare Trust ("the parent company") therefore all subsidiaries and associated undertakings of the parent company are related parties of the Company. Other related parties comprise directors, key management personnel, entities with common directorships and entities over which the directors are able to exercise influence. Balances and transactions with related parties are as follows:

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Rupees in thousand	
<b>Balances at period / year end</b>		
<b>Parent:</b>		
Premium due:		
Balance receivable at beginning of the period / year	2,358	1,316
Insurance premium written (including government levies, administrative surcharge and policies stamps)	440	6,946
Receipts during the period / year	(1,478)	(5,904)
Balance receivable at end of the period / year	1,320	2,358
<b>Associated undertakings:</b>		
Premium due:		
Balance receivable at beginning of the period / year	80,204	94,261
Insurance premium written (including government levies, administrative surcharge and policies stamps)	66,477	108,957
Receipts during the period / year	(89,907)	(123,014)
Balance receivable at end of the period / year	56,774	80,204

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	(Unaudited)	
	Nine months ended 30 September	
	2020	2019
<b>Transactions during the period:</b>	Rupees in thousand	
<b>With parent:</b>		
Insurance premium written (including government levies, administrative surcharge and policies stamps)	440	1,026
Premium received during the period	1,478	963
Insurance claims paid	2,020	142
Rent paid	18,845	16,823
Dividend paid	106,493	55,578
Bonus shares issued	-	55,578
<b>With associates:</b>		
Insurance premium written (including government levies, administrative surcharge and policies stamps)	66,477	58,742
Premium received during the period	89,907	89,189
Insurance claims paid	11,663	12,835
Contribution to staff retirement benefit funds	30,527	27,937
Remuneration of chief executive, directors and executives	59,038	43,834
Dividend paid to directors	1,365	717

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

## 22 FAIRVALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 September 2020 (unaudited)						
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Level 1
Rupees in thousand						
<b>Financial assets measured at fair value</b>						
Investment at fair value through profit and loss	27,354	-	-	-	-	27,354
Investment at fair value through other comprehensive income	-	28,582	-	-	-	28,582
<b>Financial assets not measured at fair value</b>						
Investments						
- Government securities	-	-	2,109,146	-	-	-
- Certificates of Investment (COIs) / TDRs	-	-	-	-	-	-
- Fixed term deposits	-	295,025	-	-	-	-
Loans to employees	-	-	-	308	-	-
Accrued investment income*	-	-	-	44,922	-	-
Staff house building finance	-	-	-	2,894	-	-
Sundry receivables*	-	-	-	118,881	-	-
Amounts due from insurance contract holders*	-	-	-	801,630	-	-
Amounts due from other insurers / reinsurers*	-	-	-	141,513	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	250,246	-	-
Salvage recoveries accrued*	-	-	-	33,177	-	-
Cash and bank deposits*	-	-	-	270,042	-	-
Total assets of Window Takaful Operations - OPF	-	-	-	290,368	-	-
<b>Financial liabilities not measured at fair value</b>						
Provision for outstanding claims (including IBNR)*	-	-	-	-	573,093	-
Lease liabilities	-	-	-	-	174,866	-
Premium received in advance	-	-	-	-	36,538	-
Amounts due to other insurers / reinsurers*	-	-	-	-	769,795	-
Unclaimed dividend*	-	-	-	-	9,168	-
Accrued expenses*	-	-	-	-	3,300	-
Other creditors and accruals*	-	-	-	-	140,009	-
Deposits and other payables*	-	-	-	-	53,710	-
Total liabilities of Window Takaful Operations - OPF	-	-	-	-	92,886	-
	27,354	323,607	2,109,146	1,953,981	1,853,365	55,936

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	31 December 2019 (audited)					
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Level 1
	Rupees in thousand					
<b>Financial assets measured at fair value</b>						
Investment at fair value through profit and loss	311,421	-	-	-	-	311,421
Investment at fair value through other comprehensive income	-	3,030	-	-	-	3,030
<b>Financial assets not measured at fair value</b>						
Investments						
- Government securities	-	-	1,335,361	-	-	-
- Certificates of Investment (COIs) / TDRs	-	-	-	252,000	-	-
- Fixed term deposits	-	305,025	-	-	-	-
Loans to employees	-	-	-	12	-	-
Accrued investment income*	-	-	-	44,028	-	-
Staff house building finance	-	-	-	2,961	-	-
Sundry receivables*	-	-	-	85,984	-	-
Amounts due from insurance contract holders*	-	-	-	993,104	-	-
Amounts due from other insurers / reinsurers*	-	-	-	173,248	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	331,317	-	-
Salvage recoveries accrued*	-	-	-	39,206	-	-
Cash and bank deposits*	-	-	-	346,798	-	-
Total assets of Window Takaful Operations - OPF	-	-	-	279,427	-	-
<b>Financial liabilities not measured at fair value</b>						
Provision for outstanding claims (including IBNR)*	-	-	-	-	624,125	-
Lease liabilities	-	-	-	-	100,390	-
Premium received in advance	-	-	-	-	15,021	-
Amounts due to other insurers / reinsurers*	-	-	-	-	853,023	-
Unclaimed dividend*	-	-	-	-	7,158	-
Accrued expenses*	-	-	-	-	12,269	-
Other creditors and accruals*	-	-	-	-	153,683	-
Deposits and other payables*	-	-	-	-	45,610	-
Total liabilities of Window Takaful Operations -OPF	-	-	-	-	91,699	-
	311,421	308,055	1,335,361	2,548,085	1,902,978	314,451

\* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

## 23 SEGMENT INFORMATION 23.1 Segment Profit and loss

	Fire and property damage			Marine, aviation and transport			Motor			Accident and health			Miscellaneous			Total		
	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019	Unaudited 30 September 2020	Unaudited 30 September 2019
	Rupees in thousand																	
Premium receivable (Inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative surcharge)	341,064	299,298	156,657	151,204	671,055	766,285	533,154	354,187	498,709	731,017	2,200,639	2,301,991						
Less: Federal Excise Duty	45,374	39,170	18,408	17,702	90,680	103,852	179	2	28,593	32,181	183,234	192,907						
Federal Insurance Fee	2,877	2,498	1,299	1,382	5,754	6,604	5,254	3,490	4,517	6,806	19,701	20,780						
Stamp Duty	30	33	4,463	4,706	94	136	4	4	83	104	4,674	4,983						
Gross written premium (Inclusive of administrative surcharge)	292,783	257,597	132,487	127,414	574,527	655,693	527,717	350,691	485,516	691,926	1,993,030	2,083,321						
Gross premium	286,428	249,388	127,706	122,143	556,555	632,776	525,241	348,327	461,589	686,606	1,957,519	2,039,239						
Administrative surcharge	4,112	4,896	4,903	5,594	17,859	23,258	575	905	3,547	5,267	30,996	39,920						
Facultative inward premium	2,417	3,965	-	-	288	-	-	-	776	1,033	3,481	4,999						
Service charges	(174)	(652)	(122)	(323)	(175)	(341)	1,901	1,459	(396)	(980)	1,034	(837)						
Insurance premium earned	327,905	313,530	132,848	156,099	629,088	715,644	565,128	674,594	408,291	618,192	2,063,260	2,478,059						
Insurance premium ceded to reinsurers	(295,575)	(273,503)	(89,897)	(95,217)	(18,069)	(8,169)	(133,726)	(111,961)	(196,366)	(458,866)	(733,633)	(947,716)						
Net insurance premium	32,330	40,027	42,951	60,882	611,019	707,475	431,402	562,633	211,925	159,326	1,329,627	1,530,343						
Commission income	85,727	65,601	29,801	31,732	1,249	481	21,073	20,073	97,957	85,732	235,807	203,619						
Net underwriting income	118,057	105,628	72,752	92,614	612,268	707,956	452,475	582,706	309,882	245,058	1,565,434	1,733,962						
Insurance claims	(82,388)	(69,200)	(56,006)	(94,141)	(304,962)	(367,484)	(485,033)	(572,303)	(72,966)	(134,151)	(1,001,355)	(1,237,279)						
Insurance claims recovered	62,058	62,278	36,289	74,606	6,560	7,518	109,102	82,076	31,416	74,149	245,425	300,627						
Net claims	(20,330)	(6,922)	(19,717)	(19,535)	(298,402)	(359,966)	(375,931)	(490,227)	(41,550)	(60,002)	(755,930)	(936,652)						
Commission expense	(32,319)	(36,883)	(23,197)	(23,709)	(39,057)	(33,828)	(15,722)	(19,222)	(60,127)	(27,597)	(170,422)	(141,239)						
Management expense	(11,184)	(11,279)	(14,858)	(17,155)	(239,794)	(225,289)	(149,239)	(158,545)	(73,314)	(44,897)	(488,389)	(457,165)						
Underwriting results	54,224	50,544	14,980	32,215	35,015	88,873	(88,417)	(85,288)	134,891	112,562	150,693	198,906						
Investment income											214,679	114,787						
Rental income											4,302	3,920						
Other income											16,379	15,304						
Finance costs											(12,947)	(9,342)						
Other expenses											(6,311)	(6,579)						
Profit before tax from Window Takaful Operations - OPF											366,795	316,996						
Profit before tax											46,872	45,057						
											413,667	362,053						



# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

## 23.2 Segment Assets and Liabilities

	Fire and property damage		Marine, aviation and transport		Motor		Accident and health		Miscellaneous		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	Rupees in thousand											
Corporate Segment assets - Conventional	342,267	341,202	108,884	125,081	671,843	751,297	572,102	630,944	473,089	554,515	2,168,185	2,403,040
Corporate Segment assets - Takaful OPF	12,564	10,033	4,866	4,161	34,782	36,929	4,230	2,338	5,858	4,695	62,300	58,156
Corporate unallocated assets - Conventional											2,965,659	2,745,065
Corporate unallocated assets - Takaful OPF											225,246	222,272
Consolidated total assets											5,421,390	5,428,533
Corporate Segment liabilities - Conventional	405,146	400,032	138,936	135,095	971,045	1,015,461	794,500	877,072	622,196	710,104	2,931,823	3,137,764
Corporate Segment liabilities - Takaful OPF	13,988	11,571	2,785	2,599	49,719	50,746	9,083	5,205	6,769	11,421	82,344	81,542
Corporate unallocated Segment liabilities - Conventional											310,663	234,468
Corporate unallocated Segment liabilities - Takaful OPF											19,412	10,029
Consolidated total liabilities											3,344,242	3,463,803

## 24 IMPACT OF COVID-19

The Company follows the development of the COVID-19 and evaluates the extent to which this may affect the Company's operations in the short term and long term. The management has evaluated and concluded that there are no material implications of COVID-19 that require specific disclosure in the financial statements.

## 25 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on 27 October 2020.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman



CONDENSED INTERIM  
FINANCIAL INFORMATION  
**WINDOW TAKAFUL OPERATIONS**  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF  
**FINANCIAL POSITION OF OPF AND PTF**  
**AS AT 30 SEPTEMBER 2020**

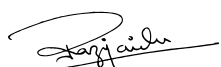
		Operator's Fund		Participants' Takaful Fund	
		30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)
<b>ASSETS</b>	<b>Note</b>	<b>Rupees in thousand</b>			
Property and equipment	5	194	527	-	-
Investments					
- Equity securities	6	130,765	124,060	152,652	115,779
- Debt securities	7	35,000	35,000	25,000	25,000
- Term deposits	8	-	27,500	-	-
Loans and Other Receivables	9	3,221	1,887	1,300	1,903
Takaful / Retakaful receivable	10	1,271	766	86,299	63,655
Salvage recoveries accrued		-	-	3	1
Receivable from PTF	11	39,954	46,202	-	-
Retakaful recoveries against outstanding claims / Benefits		-	-	27,151	16,397
Deferred Commission expense / Acquisition cost		16,085	15,193	-	-
Taxation - provision less payments		3,728	4,306	-	-
Tax deducted at source - PTF		-	-	3,465	1,742
Prepayments	12	380	21	47,655	58,623
Cash & Bank	13	60,770	24,966	54,084	67,328
<b>Total Assets</b>		<b>291,368</b>	<b>280,428</b>	<b>397,609</b>	<b>350,428</b>

	Note	Operator's Fund		Participants' Takaful Fund	
		30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)
<b>FUNDS AND LIABILITIES</b>		<b>Rupees in thousand</b>			
<b>Operator's Fund</b>					
Statutory Fund		50,000	50,000	-	-
Accumulated profit		148,482	138,728	-	-
<b>Total Operator's Fund</b>		<b>198,482</b>	<b>188,728</b>	<b>-</b>	<b>-</b>
<b>Waqf / Participants' Takaful Fund</b>					
Cede money		-	-	1,000	1,000
Accumulated surplus		-	-	32,621	22,978
<b>Balance of Participants' Takaful Fund</b>		<b>-</b>	<b>-</b>	<b>33,621</b>	<b>23,978</b>
<b>PTF Underwriting Provisions</b>					
Outstanding claims including IBNR		-	-	89,344	71,686
Unearned contribution reserves		-	-	113,019	109,469
Unearned retakaful rebate		-	-	10,080	10,790
		-	-	212,443	191,945
<b>Contribution received in advance</b>		<b>-</b>	<b>-</b>	<b>3,638</b>	<b>2,165</b>
<b>Takaful / retakaful payables</b>	14	<b>6,185</b>	<b>3,228</b>	<b>100,510</b>	<b>77,606</b>
<b>Unearned wakala fees</b>		<b>69,313</b>	<b>72,162</b>	<b>-</b>	<b>-</b>
<b>Payable to OPF / PTF</b>	11	<b>-</b>	<b>-</b>	<b>39,954</b>	<b>46,202</b>
<b>Other creditors and accruals</b>	15	<b>17,388</b>	<b>16,310</b>	<b>7,443</b>	<b>8,532</b>
		<b>92,886</b>	<b>91,700</b>	<b>151,545</b>	<b>134,505</b>
<b>Total Liabilities</b>		<b>92,886</b>	<b>91,700</b>	<b>363,988</b>	<b>326,450</b>
<b>Total funds and liabilities</b>		<b>291,368</b>	<b>280,428</b>	<b>397,609</b>	<b>350,428</b>

#### Contingencies and Commitments

16

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



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

# ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

## CONDENSED INTERIM STATEMENT OF

### COMPREHENSIVE INCOME (UNAUDITED)

#### FOR THE PERIOD ENDED 30 SEPTEMBER 2020

		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
Note		Rupees in thousand			
Participants' Takaful Fund					
Contributions earned		57,277	51,701	170,407	149,047
Less: Contribution ceded to retakaful		(28,900)	(25,015)	(92,438)	(61,555)
Net contribution revenue	17	28,377	26,686	77,969	87,492
Retakaful rebate earned	18	6,116	4,530	18,329	11,641
Net underwriting income		34,493	31,216	96,298	99,134
Net claims - reported / settled including IBNR	19	(38,370)	(32,048)	(93,939)	(87,176)
Other direct expenses		(480)	(641)	(1,222)	(2,244)
Surplus before investment income		(4,357)	(1,473)	1,137	9,714
Investment income	23	3,631	2,108	10,621	335
Other income	24	383	1,726	2,133	4,595
Less: Mudarib's share of investment income	25	(1,453)	(824)	(4,248)	(1,972)
Results of operating activities		2,561	3,010	8,506	2,958
Surplus transferred to accumulated surplus		(1,796)	1,537	9,643	12,672
Other comprehensive income:					
Items that will be subsequently reclassified					
to profit and loss account					
Reclassification adjustment relating to available for sale investments disposed off in the period		-	-	-	(101)
Other comprehensive loss for the period		-	-	-	(101)
Total comprehensive surplus for the period		(1,796)	1,537	9,643	12,571
OPF Revenue Account					
Wakala fee	21	36,258	36,746	110,554	102,591
Commission expense	20	(8,994)	(7,247)	(25,804)	(20,972)
General administrative and Management expenses		(17,883)	(19,769)	(57,888)	(51,815)
		9,381	9,730	26,862	29,804
Mudarib's share of PTF investment income	25	1,453	824	4,248	1,972
Investment income	23	3,116	5,245	12,645	11,911
Direct expenses	26	(121)	(116)	(363)	(346)
Other income	24	1,812	724	3,480	1,716
Results of operating activities		6,260	6,677	20,010	15,253
Profit before taxation		15,641	16,407	46,872	45,057
Taxation		(3,954)	-	(13,423)	-
Profit after taxation		11,687	16,407	33,449	45,057
Other comprehensive income					
Other comprehensive loss for the period		-	-	-	-
Total comprehensive income for the period		11,687	16,407	33,449	45,057

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

  
Razi Haider  
Chief Financial Officer

  
Abdul Waheed  
President & Chief Executive

  
Maj Gen Akhtar Iqbal (Retd)  
Director

  
Lt Gen Najib Ullah Khan (Retd)  
Chairman



ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
**CONDENSED INTERIM STATEMENT OF  
 CHANGES IN FUND (UNAUDITED)**  
 FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Operator's Fund			
	Statutory Fund	Available-for-sale investments revaluation reserve	Accumulated Profit	Total
Rupees in thousand				
Balance as at 01 January 2019	50,000	-	84,253	134,253
<b>Total comprehensive income for the period</b>		-		
Profit for the period	-		45,057	45,057
	-	-	45,057	45,057
<b>Balance as at 30 September 2019</b>	<b>50,000</b>	<b>-</b>	<b>129,310</b>	<b>179,310</b>
Balance as at 01 January 2020	50,000	-	138,728	188,728
<b>Total comprehensive income for the period</b>				
Profit for the period	-		33,449	33,449
	-	-	33,449	33,449
<b>Changes in Operator's Fund</b>				
Pay-out in respect of final cash dividend 2019	-	-	(23,695)	(23,695)
<b>Balance as at 30 September 2020</b>	<b>50,000</b>	<b>-</b>	<b>148,482</b>	<b>198,482</b>
	Participants' Takaful Fund			
	Cede Money	Available-for-sale investments revaluation reserve	Accumulated Surplus	Total
Rupees in thousand				
Balance as at 01 January 2019	1,000	101	12,356	13,457
<b>Total comprehensive income for the period</b>				
Surplus for the period	-		12,672	12,672
Other comprehensive income for the period	-	(101)	-	(101)
	-	(101)	12,672	12,571
<b>Balance as at 30 September 2019</b>	<b>1,000</b>	<b>-</b>	<b>25,028</b>	<b>26,028</b>
Balance as at 01 January 2020	1,000	-	22,978	23,978
<b>Total comprehensive income for the period</b>				
Surplus for the period	-		9,643	9,643
	-	-	9,643	9,643
<b>Balance as at 30 September 2020</b>	<b>1,000</b>	<b>-</b>	<b>32,621</b>	<b>33,621</b>

The annexed notes 1 to 32 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



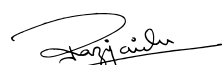
Lt Gen Najib Ullah Khan (Retd)  
Chairman

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM

**CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Operator's Fund		Participants' Takaful Fund	
	Nine months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
<b>Operating Cash Flows</b>	<b>Rupees in thousand</b>			
<b>a) Takaful activities</b>				
Contribution received	-	-	264,779	250,553
Re-takaful Contribution paid	-	-	(48,523)	(7,839)
Claims paid	-	-	(100,784)	(90,231)
Re-takaful and other recoveries received	-	-	9,916	(3,826)
Commission paid	(22,172)	(14,973)	-	-
Re-takaful rebate received	-	-	9,561	1,152
Wakala fee received/ (paid)	112,163	107,347	(112,163)	(107,347)
Modarib's share received / (paid)	6,036	1,107	(6,036)	(1,107)
Management / direct expenses paid	(56,521)	(49,754)	(1,222)	(2,923)
<b>Net cash flows generated from underwriting activities</b>	<b>39,506</b>	<b>43,727</b>	<b>15,528</b>	<b>38,432</b>
<b>b) Other operating activities:</b>				
Income tax paid	(12,845)	(1,867)	(1,724)	(845)
Other expenses paid	(167)	(439)	-	-
Other operating payments	(1,287)	-	(4,978)	(5,601)
Other operating receipts	-	8,982	1,871	29,524
<b>Net cash flow (used in) / generated from other operating activities</b>	<b>(14,299)</b>	<b>6,676</b>	<b>(4,831)</b>	<b>23,078</b>
<b>Total cash flow from all operating activities</b>	<b>25,207</b>	<b>50,403</b>	<b>10,697</b>	<b>61,510</b>
<b>c) Investment activities:</b>				
Profit / return received	3,788	2,183	2,311	4,819
Dividends received	7,199	7,837	5,878	1,207
Payment for investments	-	(67,500)	(60,520)	(80,958)
Proceeds from disposals of investments	24,681	25,814	28,390	6,766
Fixed capital expenditure	-	(439)	-	-
Proceeds from disposals of fixed assets	225	-	-	-
<b>Total cash flow used in investing activities</b>	<b>35,893</b>	<b>(32,105)</b>	<b>(23,941)</b>	<b>(68,166)</b>
<b>d) Financing activities:</b>				
Payment against Ijarah	(1,601)	(1,554)	-	-
Pay-out in respect of Dividend	(23,695)	-	-	-
<b>Total cash flow from financing activities</b>	<b>(25,296)</b>	<b>(1,554)</b>	<b>-</b>	<b>-</b>
<b>Net cash flow from all activities</b>	<b>35,804</b>	<b>16,744</b>	<b>(13,244)</b>	<b>(6,656)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>24,966</b>	<b>3,915</b>	<b>67,328</b>	<b>70,797</b>
<b>Cash and cash equivalents at end of the period</b>	<b>60,770</b>	<b>20,659</b>	<b>54,084</b>	<b>64,141</b>

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



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM

**CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Operator's Fund		Participants' Takaful Fund	
	Nine months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
<b>Reconciliation to Profit and Loss Account:</b>	<b>Rupees in thousand</b>			
Operating cash flows	25,207	50,403	10,697	61,510
Depreciation expense	(107)	(279)	-	-
(Loss) / gain on disposal of investments	-	(2,263)	201	(11,161)
Dividend income	7,199	7,837	5,878	1,207
(Decrease) / increase in assets other than cash	(3,408)	3,228	25,286	52,562
Increase in liabilities other than running finance	(2,189)	(22,235)	(40,820)	(107,176)
Unrealized gain on investments held for trading	586	2,500	2,192	1,658
Investment income	4,860	2,375	2,350	1,730
Other income	3,480	1,716	2,135	4,595
Tax paid	12,845	1,867	1,724	845
Decrease in deposit against vehicle Ijarah	(1,601)	(1,554)	-	-
Reversal of diminution in value of AFS investments	-	1,462	-	6,902
<b>Profit / surplus for the period</b>	<b>46,872</b>	<b>45,057</b>	<b>9,643</b>	<b>12,672</b>
<b>Attributed to</b>				
Participants' Takaful Fund	-	-	9,643	12,672
Operator's Fund	46,872	45,057	-	-
	46,872	45,057	9,643	12,672

**Definition of cash :**

Cash comprises of cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

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

	Operator's Fund		Participants' Takaful Fund	
	Nine months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	<b>Rupees in thousand</b>			
Cash and other equivalents	-	-	648	175
Current and other accounts	60,770	20,659	53,436	63,966
	60,770	20,659	54,084	64,141

The annexed notes 1 to 32 form an integral part of this condensed interim financial information.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
Chairman

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

askari general insurance company limited ("the Operator") was incorporated under the Companies Ordinance, 1984 on 12 April, 1995. The Operator is registered in Pakistan Stock Exchange and is engaged in general insurance business. The registered office and principal place of the Operator is located at AWT Plaza, Rawalpindi.

The Operator has been allowed to undertake Window Takaful Operations (WTO) on 10 August 2015 by Securities and Exchange Commission of Pakistan under SECP Takaful Rules 2012 to carry on General Window Takaful Operations in Pakistan.

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

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

These condensed interim financial statements of the WTO have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards 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 directive issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Takaful Rules, 2012 and the General Takaful Regulations, 2019. In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000 the Takaful Rules, 2012, the General Takaful Accounting Regulations, 2019 shall prevail.

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

Total assets, total liabilities and profit/ (loss) of the Window Takaful Operations of the Company referred to as the Operator's fund has been presented in these condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated July 09, 2015.

These condensed interim financial statements does not include all of the information and disclosures required for annual financials statements and should be read in conjunction with the annual audited financial statement of the WTO for the year ended 31 December, 2019. Comparative statement of financial position is extracted from annual financial statements for the year ended 31 December 2019 whereas comparative for condensed interim statement of comprehensive income, condensed interim cash flow statement and statement of changes in fund are stated from unaudited condensed interim financial statements for the nine months period ended 30 September 2019.

**2.1 Basis of measurement**

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

**2.2 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistani Rupees which is the Operator's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand.

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 31 December 2019

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgements, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

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

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

		30 September 2020 (Unaudited)	31 December 2019 (Audited)
		Rupees in thousand	
	Note		
<b>5</b>	<b>PROPERTY AND EQUIPMENT</b>		
Operating assets	5.1	194	527
		194	527

# FINANCIAL INFORMATION (UNAUDITED)

## FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

### 5.1 OPERATING ASSETS - OPF

30 September 2020 (Unaudited)									
Cost				Depreciation			Written down value as at 30 September	Useful life (years)	
As at 1 January	Additions / (Disposals)	Adjustments	As at 30 September	As at 1 January	For the period	(Disposals) / Adjustments	As at 30 September		
Rupees in thousand									
Furniture & fixtures	754	(250)	-	504	303	74	(25)	352	152
Office equipment	450	-	-	450	374	34	-	408	42
	1,204	(250)	-	954	677	108	(25)	760	194
31 December 2019 (Audited)									
Cost				Depreciation			Written down value as at 31 December	Useful life (years)	
As at 1 January	Additions / (Disposals)	Adjustments	As at 31 December	As at 1 January	For the year	(Disposals) / Adjustments	As at 31 December		
Rupees in thousand									
Furniture & fixtures	490	264	-	754	178	125	-	303	451
Office equipment	275	175	-	450	136	238	-	374	76
	765	439	-	1,204	314	363	-	677	527

### 6 INVESTMENTS IN EQUITY SECURITIES

	30 September 2020 (Unaudited)				31 December 2019 (Audited)			
	Cost / Carrying value		Impairment / provision		Cost / Carrying value		Impairment / provision	
	value	value	value	value	value	value	value	value (Restated)
(a) Operator's Fund	Rupees in thousand							
(i) At fair value through profit and loss								
Others								
Mutual funds	130,179	586	130,765	120,443	3,617	124,060		
	130,179	586	130,765	120,443	3,617	124,060		
(b) Participants' takaful fund								
(i) At fair value through profit and loss								
Others								
Mutual funds	150,459	2,193	152,652	115,779	-	115,779		
	150,459	2,193	152,652	115,779	-	115,779		



## FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

7	INVESTMENTS IN DEBT SECURITIES	30 September 2020 (Unaudited)			31 December 2019 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Rupees in thousand							
(a)	Operator's Fund						
	(i) Available-for-sale						
	Sukuks	35,000	-	35,000	35,000	-	35,000
		35,000	-	35,000	35,000	-	35,000
(b)	Participants' takaful fund						
	(i) Available-for-sale						
	Sukuks	25,000	-	25,000	25,000	-	25,000
		25,000	-	25,000	25,000	-	25,000
8	INVESTMENTS INTERM DEPOSITS						
	Operator's Fund						
	Loans and receivables						
	Deposits maturing within 12 months	-	-	-	27,500	-	27,500
9	LOANS AND OTHER RECEIVABLE - CONSIDERED GOOD						
		Operator's Fund		Participants' Takaful Fund			
		30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)		
Rupees in thousand							
	Receivable against sale of asset	29	76	-	-		
	Deposit against Ijarah - vehicles	929	929	-	-		
	Accrued investment income	325	580	228	405		
	Other receivable	1,938	302	1,072	1,498		
		3,221	1,887	1,300	1,903		

# FINANCIAL INFORMATION (UNAUDITED)

## FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

		Operator's Fund		Participants' Takaful Fund	
		30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Rupees in thousand					
10	TAKAFUL / RETAKAFUL RECEIVABLES				
	Due from takaful contract holders				
	Considered good	-	-	59,028	48,911
	Considered doubtful	-	-	222	222
		-	-	59,250	49,133
	Provision against doubtful balances	-	-	(222)	(222)
		-	-	59,028	48,911
	Due from other Takaful / Retakaful Operators				
	Considered good	1,271	766	27,271	14,744
	Considered doubtful	-	-	1,171	1,171
		1,271	766	28,442	15,915
	Provision against doubtful balances	-	-	(1,171)	(1,171)
		1,271	766	27,271	14,744
		1,271	766	86,299	63,655
11	RECEIVABLE / (PAYABLE) (Current account between OPF and PTF)				
	Wakala fee	38,910	43,370	(38,910)	(43,370)
	Less: Provision for refund of wakala fee against doubtful balances	(408)	(408)	408	408
		38,502	42,962	(38,502)	(42,962)
	Mudarib's fee	1,452	3,240	(1,452)	(3,240)
		39,954	46,202	(39,954)	(46,202)

## FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

		Operator's Fund		Participants' Takaful Fund	
		30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)
		Rupees in thousand			
<b>12</b>	<b>PREPAYMENTS</b>				
	Prepaid Retakaful Contribution ceded - PTF	-	-	47,655	58,623
	Others - OPF	380	21	-	-
		380	21	47,655	58,623
<b>13</b>	<b>CASH AND BANK</b>				
	Cash and Cash Equivalent				
	Stamps in hand	-	-	648	221
	Cash at bank				
	- Savings account	60,770	24,966	53,436	67,107
		60,770	24,966	54,084	67,328
		Operator's Fund		Participants' Takaful Fund	
		30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)
<b>14</b>	<b>TAKAFUL / RETAKAFUL PAYABLES</b>				
	Due to Local takaful/retakaful operators	6,185	3,228	100,510	77,606
		6,185	3,228	100,510	77,606
<b>15</b>	<b>OTHER CREDITORS AND ACCRUALS</b>				
	Agents' commission payable	11,658	9,380	-	-
	Federal takaful fee payable	-	-	448	482
	Federal excise duty payable	100	122	3,879	6,381
	Tax deducted at source	492	404	354	393
	Accrued expenses	677	462	-	-
	Others	4,461	5,942	2,762	1,276
		17,388	16,310	7,443	8,532

## FINANCIAL INFORMATION (UNAUDITED)

### FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

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CONTINGENCIES AND COMMITMENTS

Contingency

There is no contingency as at 30 September 2020 (31 December 2019:Nil)

Commitments

The Operator's commitment under Ijarah arrangement with Meezan Bank Limited is Rs.1.72 million (31 December 2019:Rs.3.03 million). The contracts have a term of five years.

Future Minimum Ijarah (lease) payments are as under:

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
	Rupees in thousand	
Not later than 1 year	1,246	1,720
Later than 1 year but not later than 5 years	481	1,314
	1,727	3,034
Ijarah payments recognized in Expense during the period	1,600	1,250

Participants' Takaful Fund

	Quarter ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	Rupees in thousand			

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NET TAKAFUL CONTRIBUTION

Written Gross Contribution	86,158	77,173	281,661	270,601
Less: Wakala fee	(32,686)	(30,396)	(107,704)	(110,261)
Contribution Net of Wakala Fee	53,472	46,777	173,957	160,340
Add: Unearned contribution reserve opening - net	116,824	105,974	109,469	89,757
Less: Unearned contribution reserve closing - net	(113,019)	(101,050)	(113,019)	(101,050)
Contribution earned	57,277	51,701	170,407	149,047
Less: Retakaful Contribution ceded	28,219	20,017	81,470	81,688
Add: Prepaid retakaful contribution opening	48,336	54,552	58,623	29,421
Less: Prepaid retakaful contribution closing	(47,655)	(49,554)	(47,655)	(49,554)
Retakaful expense	28,900	25,015	92,438	61,555
Net takaful contribution	28,377	26,686	77,969	87,492

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REBATE FROM RETAKAFUL OPERATORS

Retakaful Rebate income	6,206	4,332	17,619	15,087
Add: Unearned retakaful rebate opening	9,990	8,995	10,790	5,352
Less: Unearned retakaful rebate closing	(10,080)	(8,797)	(10,080)	(8,797)
Rebate from retakaful operators	6,116	4,530	18,329	11,642

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM

**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

		Participants' Takaful Fund			
		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
Rupees in thousand					
<b>19</b>	<b>NET TAKAFUL CLAIMS EXPENSE</b>				
	Claim paid	39,821	36,869	100,784	90,231
	Add: Outstanding claims including IBNR closing	89,344	81,473	89,344	81,473
	Less: Outstanding claims including IBNR opening	(78,168)	(81,192)	(71,686)	(68,644)
	Claim expense	50,997	37,150	118,442	103,060
	Less: Retakaful and other recoveries received	4,104	8,261	13,749	12,641
	Add: Retakaful and other recoveries in respect of outstanding claims - closing	27,151	19,321	27,151	19,321
	Less: Retakaful and other recoveries in respect of outstanding claims - opening	(18,628)	(22,480)	(16,397)	(16,078)
	Retakaful and other recoveries revenue	12,627	5,102	24,503	15,884
	<b>Net takaful claim expense</b>	<b>38,370</b>	<b>32,048</b>	<b>93,939</b>	<b>87,176</b>
<b>20</b>	<b>COMMISSION EXPENSE</b>				
	Commission paid or payable	9,264	7,189	26,696	22,991
	Add: Deferred commission expense opening	15,815	12,807	15,193	10,730
	Less: Deferred commission expense closing	(16,085)	(12,749)	(16,085)	(12,749)
	<b>Commission expense</b>	<b>8,994</b>	<b>7,247</b>	<b>25,804</b>	<b>20,972</b>
<b>21</b>	<b>WAKALA FEE</b>				
	The Operator manages the general takaful operations for the participants and charges 35% for fire and property damage, 35% for marine and aviation, 45% for motor, 25% for health and accident and 40% for miscellaneous of the gross contribution written as wakala fee against the services as follows:				
		Operator's Fund			
		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
Rupees in thousand					
	Gross wakala fee	32,685	30,396	107,705	110,261
	Add: Unearned wakala fee opening	72,886	75,808	72,162	61,788
	Less: Unearned wakala fee closing	(69,313)	(69,458)	(69,313)	(69,458)
	<b>Net wakala fee income</b>	<b>36,258</b>	<b>36,746</b>	<b>110,554</b>	<b>102,591</b>
<b>22</b>	<b>DIRECT EXPENSES</b>				
	Tracker installation and monitoring charges	437	615	1,115	2,152
	Inspection charges	32	22	72	54
	Bank Charges	11	4	35	38
		480	641	1,222	2,244

## FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

		Participants' Takaful Fund			
		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
Rupees in thousand					
<b>23</b>	<b>INVESTMENT INCOME</b>				
	<b>Income from equity securities - Available-for-sale</b>				
	- Dividend income	-	-	-	80
	- Loss on sale of investments	-	(11,418)	-	(11,161)
		-	(11,418)	-	(11,081)
	<b>Income from equity securities - Held for trading</b>				
	- Dividend income	1,116	-	5,878	1,127
	- Gain on trading	-	-	201	-
		1,116	-	6,079	1,127
	<b>Income from debt securities - Held to maturity</b>				
	- Return on fixed income securities	-	360	-	783
	<b>Income from debt securities - Available-for-sale</b>				
	- Return on fixed income securities	591	643	2,350	947
		1,707	(10,415)	8,429	(8,225)
	<b>Net unrealized gains on investment</b>				
	- Net unrealized gains on investments at fair value				
	through profit or loss - held for trading	1,924	1,610	2,192	1,658
	<b>Reversal of impairment in value of available-for-sale securities</b>				
	- Equity securities	-	10,914	-	6,902
	<b>Total investment income</b>	<b>3,631</b>	<b>2,109</b>	<b>10,621</b>	<b>335</b>



## FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	Operator's Fund			
	Quarter ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	Rupees in thousand			
Income from equity securities - Available-for-sale				
- Gain on sale of investments	-	(2,152)	-	(2,152)
Income from equity securities - Held for trading				
- Dividend income	72	697	7,199	7,837
- Gain on trading	-	(473)	-	(111)
	72	224	7,199	7,726
Income from debt securities - Held to maturity				
- Return on fixed income securities	207	775	1,560	1,198
Income from debt securities - Available-for-sale				
- Return on fixed income securities	830	873	3,300	1,177
	1,109	(280)	12,059	7,949
Net unrealized loss on investment				
- Net unrealized gain on investments at fair value through profit or gain - held for trading	2,007	3,527	586	2,500
Impairment in value of available-for-sale securities				
- Equity securities	-	1,998	-	1,462
Total investment income	3,116	5,245	12,645	11,911

## FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
Rupees in thousand					
24	OTHER INCOME				
	Return on bank balances - PTF	375	1,726	2,135	4,595
	Miscellaneous	8	-	(2)	-
		383	1,726	2,133	4,595

	Return on bank balances - OPF	308	724	1,973	1,716
	Miscellaneous	1,504	-	1,504	-
		1,812	724	3,477	1,716

<b>25</b>	<b>MODARIB'S FEE</b>				
	The Operator manages the participants' investments as a Modarib's and charge 40% Modarib's share of the investment income earned by PTF.				

		Operator's Fund			
		Quarter ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
Rupees in thousand					
26	DIRECT EXPENSES				
	Auditors' remuneration	75	73	227	217
	Shariah Compliance Auditors' remuneration	46	43	136	129
		121	116	363	346

<b>27</b>	<b>RELATED PARTY TRANSACTIONS</b>				
	The related parties comprise of directors, major shareholders, key management personnel, entities under common control, entities with common directors and employees retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms.				

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Transaction and balances with related parties for the period are as follows:

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
<b>Contribution due:</b>	<b>Rupees in thousand</b>	
Askari Guards (Private) Limited	1,146	1,633
Askari Life Assurance Co. Limited	(44)	-
Mobil Askari Lubricants Pakistan Limited	(12)	-
	<b>1,090</b>	<b>1,633</b>
	30 September 2020 (Unaudited)	30 September 2019 (Unaudited)
<b>Transactions during the period</b>	<b>Rupees in thousand</b>	
<b>Askari Guards (Private) Limited</b>		
Contribution written (including government levies and stamp duties)	1,146	-
Contribution received during the period	1,633	2,192
Takaful benefits paid	83	97
<b>Mobil Askari Lubricants Pakistan Limited</b>		
Contribution written (including government levies and stamp duties)	2,243	2,070
Contribution received during the period	2,255	2,397
Takaful benefits paid	851	1,357
<b>Askari Life Assurance Co. Limited</b>		
Contribution written (including government levies and stamp duties)	500	547
Contribution received during the period	512	496
Takaful benefits paid	87	-
<b>Petrosel Lubricants (Private) Limited</b>		
Contribution written (including government levies and stamp duties)	-	53
Contribution received during the period	-	80
Takaful benefits paid	-	128
<b>Army Welfare Sugar Mills</b>		
Contribution written (including government levies and stamp duties)	1,608	-
Contribution received during the period	1,608	-
<b>Askari Development and Holdings (Pvt) Limited</b>		
Contribution written (including government levies and stamp duties)	260	-
Contribution received during the period	260	-
<b>Others</b>		
Employees' retirement benefits	1,911	1,693

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28 **SEGMENT INFORMATION**

Business class wise revenue and results have been disclosed in the profit and loss account prepared in line with the format issued by SEOP through SEC (Insurance) Rules, 2017. vide SEOP S.R.O. No 89 (1/2017 dated 9 February 2017. The following table presents estimated information regarding certain assets and liabilities of the segments as at 30 September 2020 and 31 December 2019, unallocated capital expenditure and non-cash expenses during the period then ended.

**Period ended 30 September 2020 - OPF & PTF**

**Participants' Takaful Fund**

	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous	TOTAL
	Rupees in thousand					
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and Stamp duty)	59,599	34,586	161,637	49,334	14,459	319,615
Less: Federal Excise Duty	(6,804)	(3,624)	(21,284)	-	(1,786)	(33,498)
Federal Takaful Fee	(465)	(272)	(1,401)	(488)	(127)	(2,753)
Stamp duty	(15)	(1,653)	(33)	(1)	(1)	(1,703)
<b>Gross written contribution</b>	<b>52,315</b>	<b>29,037</b>	<b>138,919</b>	<b>48,845</b>	<b>12,545</b>	<b>281,661</b>
Gross direct contribution	46,913	29,037	138,919	48,845	11,954	275,688
Facultative inward contribution	5,402	-	-	-	591	5,993
<b>Takaful contribution earned</b>	<b>36,613</b>	<b>23,092</b>	<b>143,552</b>	<b>34,762</b>	<b>25,837</b>	<b>263,856</b>
Wakala expense	(7,592)	(4,745)	(63,781)	(8,573)	(8,758)	(93,449)
Retakaful contribution ceded to retakaful operators	(36,850)	(20,252)	(16,886)	-	(18,450)	(92,438)
Net takaful contribution	(7,829)	(1,905)	62,885	26,189	(1,371)	77,969
Retakaful Rebate income	8,058	4,946	2,683	-	2,642	18,329
<b>Net underwriting income</b>	<b>229</b>	<b>3,041</b>	<b>65,568</b>	<b>26,189</b>	<b>1,271</b>	<b>96,298</b>
Takaful claims	(14,752)	(5,067)	(60,734)	(35,282)	(2,606)	(118,441)
Takaful claims recovered from retakaful operators	12,330	3,388	7,357	-	1,428	24,503
Net takaful claims	(2,422)	(1,679)	(53,377)	(35,282)	(1,178)	(93,938)
PTF Direct expense	(7)	(4)	(1,204)	(5)	(4)	(1,224)
<b>Net takaful claims and expenses</b>	<b>(2,429)</b>	<b>(1,683)</b>	<b>(54,581)</b>	<b>(35,287)</b>	<b>(1,182)</b>	<b>(95,162)</b>
<b>Underwriting result</b>	<b>(2,200)</b>	<b>1,358</b>	<b>10,987</b>	<b>(9,098)</b>	<b>89</b>	<b>1,136</b>
Net investment income						10,621
Other income						2,133
Modarib's share						(4,248)
<b>Surplus for the year</b>						<b>9,642</b>
<b>As at 30 September 2020 (Unaudited)</b>						
Segment assets	61,782	12,698	117,052	31,945	6,944	230,421
Unallocated assets						167,188
Total assets						397,609
Segment liabilities	53,366	18,397	201,535	70,264	11,531	355,093
Unallocated liabilities						8,895
Total liabilities						363,988

## FINANCIAL INFORMATION (UNAUDITED)

### FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

Operator's Fund	Rupees in thousand				TOTAL
	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous
Wakala Fee	15,643	9,687	65,260	8,568	11,396
Commission expense	(7,927)	(5,514)	(10,604)	(1,111)	(647)
Management expenses	5,813	1,414	(46,689)	(19,444)	1,018
<b>Segment result</b>	<b>13,529</b>	<b>5,587</b>	<b>7,967</b>	<b>(11,987)</b>	<b>11,767</b>
Mudarib's share of PTF investment income					4,248
Investment income					12,645
<b>Other income</b>					<b>3,480</b>
Other expenses					(363)
Profit for the year					<b>46,873</b>
As at 30 September 2020 (Unaudited)					
Segment assets	14,151	5,518	36,023	4,835	5,717
<b>Unallocated assets</b>					<b>225,124</b>
					<b>291,368</b>
Segment liabilities	13,958	2,423	45,501	8,953	4,663
Unallocated liabilities					17,388
<b>Total liabilities</b>					<b>92,886</b>

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Period ended 30 September 2019 - OPF & PTF						
Participants' Takaful Fund						
	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous	TOTAL
	Rupees in thousand					
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and Stamp duty)	44,651	25,416	190,903	22,250	28,679	311,899
Less: Federal excise duty	(5,737)	(2,754)	(25,519)	-	(3,631)	(37,641)
Federal takaful fee	(385)	(211)	(1,675)	(220)	(248)	(2,739)
Stamp duty	(10)	(870)	(36)	-	(2)	(918)
Gross written contribution	38,519	21,581	163,673	22,030	24,798	270,601
Gross direct contribution	37,504	21,525	163,673	22,030	24,710	269,442
Facultative inward contribution	1,015	56	-	-	88	1,159
Takaful contribution earned	25,868	17,421	160,585	16,336	22,030	242,240
Wakala expense	(5,459)	(3,974)	(72,495)	(3,957)	(7,308)	(93,193)
Takaful contribution ceded to relataful operators	(23,844)	(13,603)	(7,070)	-	(17,038)	(61,555)
Net takaful contribution	(3,435)	(156)	81,020	12,379	(2,316)	87,492
Relataful Rebate income	5,352	3,222	450	-	2,618	11,642
Net underwriting income	1,917	3,066	81,470	12,379	302	99,134
Takaful claims	(11,364)	(6,093)	(67,533)	(16,254)	(1,816)	(103,060)
Takaful claims recovered from relataful operators	8,546	3,374	2,863	-	1,101	15,884
Net takaful claims	(2,818)	(2,719)	(64,670)	(16,254)	(715)	(87,176)
PTF Direct expense	(230)	(150)	(1,574)	(83)	(207)	(2,244)
Net takaful claims and expenses	(3,048)	(2,869)	(66,244)	(16,337)	(922)	(89,420)
Underwriting result	(1,131)	197	15,226	(3,958)	(620)	9,714
Net investment income						335
Other income						4,595
Mudarib's share						(1,972)
Surplus for the period						12,672
As at 31 December 2019 (Audited)						
Segment assets	45,620	13,119	107,839	13,631	30,629	210,838
Unallocated assets						139,590
Total assets						350,428
Segment liabilities	38,020	18,438	198,840	39,156	20,224	314,678
Unallocated liabilities						11,772
Total liabilities						326,450



## FINANCIAL INFORMATION (UNAUDITED)

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Operator's Fund	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous	TOTAL
	Rupees in thousand					
Wakala Fee	10,581	7,046	71,371	3,874	9,719	102,591
Commission expense	(5,236)	(4,048)	(10,860)	(352)	(476)	(20,972)
Management expenses	2,034	92	(47,982)	(7,331)	1,372	(51,815)
Segment result	7,379	3,090	12,529	(3,809)	10,615	29,804
Mudarb's share of PTF investment income						1,972
Investment income						11,911
Other income						1,716
Other expenses						(346)
Profit for the year						45,057
As at 31 December 2019 (Audited)						
Segment assets	10,033	4,161	36,929	2,338	4,695	58,156
Unallocated assets						222,272
						280,428
Segment liabilities	11,571	2,599	50,746	5,205	11,421	81,542
Unallocated liabilities						10,158
Total liabilities						91,700

# FINANCIAL INFORMATION (UNAUDITED)

## FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

### 29 FAIRVALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 September 2020 (Unaudited)				
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities
	Rupees in thousand				
<b>Financial assets measured at fair value - OPF</b>					
Investment at fair value through profit and loss					
- Mutual funds	130,765	-	-	-	130,765
<b>Financial assets not measured at fair value - OPF</b>					
Cash and bank deposits - OPF	-	-	-	60,770	60,770
Term deposits - OPF	-	-	-	-	-
Investments					
- Sukuks	-	35,000	-	-	35,000
Receivable from OPF / PTF	-	-	-	39,954	39,954
Loans and other receivables*	-	-	-	3,221	3,221
<b>Financial assets measured at fair value - PTF</b>					
Investment at fair value through profit and loss					
- Mutual funds	152,652	-	-	-	152,652
<b>Financial assets not measured at fair value - PTF</b>					
Cash and bank deposits - PTF	-	-	-	54,084	54,084
Investments					
- Sukuks	-	25,000	-	-	25,000
Takaful/Retakaful receivable*	-	-	-	86,299	86,299
Retakaful recoveries against outstanding claims*	-	-	-	-	27,151
<b>Financial liabilities not measured at fair value - OPF</b>					
Takaful / Retakaful payables*	-	-	-	-	6,185
Other creditors and accruals*	-	-	-	-	17,388
<b>Financial liabilities not measured at fair value - PTF</b>					
Provision for outstanding claims (including IBNR)*	-	-	-	-	89,344
Takaful / Retakaful payables*	-	-	-	-	100,510
Payable to OPF / PTF	-	-	-	-	39,954
Other creditors and accruals*	-	-	-	-	7,443
	283,417	60,000	-	244,328	287,975
					875,720
					283,417

## FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	31 December 2019 (Audited)				
	Held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Level 1
	Rupees in thousand				
<b>Financial assets not measured at fair value - OPF</b>					
Investment at fair value through profit and loss					
- Mutual funds	124,060	-	-	-	124,060
<b>Financial assets not measured at fair value - OPF</b>					
Cash and bank deposits - OPF	-	-	24,966	-	24,966
Investments					
- Sukuks	-	35,000	-	-	35,000
Wakala fees receivable*	-	-	42,962	-	42,962
Mudarib's fees receivable*	-	-	3,240	-	3,240
Loans and other receivables*	-	-	1,887	-	1,887
<b>Financial assets measured at fair value - PTF</b>					
Investment at fair value through profit and loss					
- Mutual funds	115,779	-	-	-	115,779
<b>Financial assets not measured at fair value - PTF</b>					
Cash and bank deposits - PTF	-	-	67,328	-	67,328
Investments					
- Sukuks	-	25,000	-	-	25,000
Takaful/Retakaful receivable*	-	-	63,655	-	63,655
Retakaful recoveries against outstanding claims*	-	-	16,397	-	16,397
<b>Financial liabilities not measured at fair value - OPF</b>					
Takaful / Retakaful payables*	-	-	-	3,228	3,228
Other creditors and accruals*	-	-	-	16,310	16,310
<b>Financial liabilities not measured at fair value - PTF</b>					
Provision for outstanding claims (including IBNR)*	-	-	-	71,686	71,686
Takaful / Retakaful payables*	-	-	-	77,606	77,606
Wakala fees payable*	-	-	-	42,962	42,962
Mudarib's fees payable*	-	-	-	3,240	3,240
Other creditors and accruals*	-	-	-	8,532	8,532
	239,839	60,000	220,435	223,564	743,838
					264,839

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\* The Operator has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Fair value is an amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

Consequently, differences may arise between the carrying values and the fair values estimates.

The Operator measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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30 MOVEMENT IN INVESTMENTS - OPF

	Held-to-maturity	Available-for-sale	Fair value through P&L	Loans and receivables	Total
Rupees in thousand					
At beginning of previous year	5,000	4,537	138,871	-	148,408
Additions	30,000	-	-	27,500	57,500
Disposals (sales and redemptions)	-	(6,000)	(17,020)	-	(23,020)
Fair value net (loss)/gain					-
(excluding realised gains)	-	-	2,209	-	2,209
Impairment losses	-	1,463	-	-	1,463
At beginning of current year	35,000	-	124,060	27,500	186,560
Additions	-	-	-	-	-
Disposals (sales and redemptions)	-	-	(27,500)	-	(27,500)
Fair value net gain (excluding realised gains)	-	-	9,736	-	9,736
Impairment loss	-	-	(3,031)	-	(3,031)
At end of current period	35,000	-	103,265	27,500	165,765

31 MOVEMENT IN INVESTMENTS - PTF

At beginning of previous year	5,000	10,180	25,028	-	40,208
Additions	20,000	-	252,582	-	272,582
Disposals (sales and redemptions)	-	(10,180)	(161,803)	-	(171,983)
Fair value net loss(excluding realised gains)	-	-	(28)	-	(28)
At beginning of current year	25,000	-	115,779	-	140,779
Additions	-	-	60,520	-	60,520
Disposals (sales and redemptions)	-	-	(25,840)	-	(25,840)
Fair value net gain					
(excluding net realised gain)	-	-	2,193	-	2,193
At end of current period	25,000	-	152,652	-	177,652

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on its meeting held on 27 October 2020.



Razi Haider  
Chief Financial Officer



Abdul Waheed  
President & Chief Executive



Maj Gen Akhtar Iqbal (Retd)  
Director



Lt Gen Najib Ullah Khan (Retd)  
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