

SINDH INSURANCE LIMITED

CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE NINE MONTH
PERIOD ENDED SEPTEMBER 30, 2019

Directors' Review

On behalf of the Board of Directors, I am pleased to present the results of your Company for the nine month period ended September 30, 2019.

COMPANY PERFORMANCE REVIEW

During the nine month period ended September 30, 2019, the company underwrote risk assets which generated gross premium of Rs. 904.608 million as compared to the corresponding period of Rs. 408.628 million. The increase in revenue was due to procurement of M/s Sindh Engro Coal Mining Company business. The investment income generated was Rs. 267.385 million during the period under review as compared to the Rs. 201.280 million in corresponding period in last year. The increase in investment income was due to increase in profit rates. Profit before tax stood at Rs. 351.792 million as on September 30, 2019 as compared to Rs. 167.217 million of the corresponding period last year. The Company posted a profit after tax of Rs. 249.009 million for the nine month period ended September 30, 2019 as compared with profit of Rs. 117.237 million in corresponding period. Retained earnings increased from Rs. 479.355 million as at the year ended December 31, 2018 to Rs. 728.365 million for the nine month period ended September 30, 2019.

The total assets of the company reached at Rs. 4,996.218 million. Total equity of the Company stands over Rs. 1728.365 million.

INDUSTRY OVERVIEW

With stabilization policies in place and the economy moving along the reforms agenda, the country's macroeconomic indicators are expected to slowly revert to a stable trajectory. In this process the real GDP growth is likely to remain continued.

Despite monetary tightening, the government is projecting CPI inflation to be higher in FY20. This outlook is largely explained by supply-side factors, such as the upward adjustments in domestic energy prices and recent episodes of PKR depreciation along with their second-round impact, which are likely to increase the cost of production and doing business. Additional impact is likely to come from various taxation measures taken in the FY20 Federal Budget and the risk arising from any volatility in the international oil prices.

FUTURE OUTLOOK

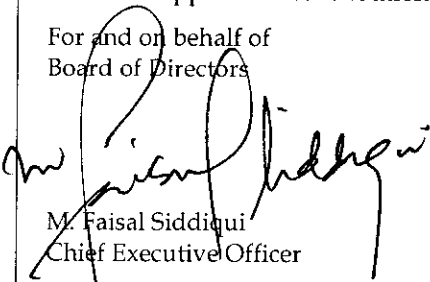
Our strategy for future is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain a growing position in the industry. We continue to invest in our people and making Sindh Insurance Limited a great place to build their career. The Company achieved to spread its network in the Sindh by appointing coordinators in each district of Sindh. Our business module is to focus to increase captive business of government to make the company's footing stronger. Your Company, due to a strong balance sheet, liquidity and above all a competent and proactive management will be able to explore and write any business that meets its criteria for safe and sustainable growth without compromising our high standards in future.

ACKNOWLEDGEMENT

The Board would like to thank its shareholder for the confidence reposed in the company and expresses its sincere thanks to the strategic partners, vendors, suppliers and customers. As always the support and guidance provided by the Securities and Exchange Commission of Pakistan and the commitment and dedication of our staff is appreciated.

Further, the Board also wishes to record its appreciation for the Insurance Association of Pakistan (IAP) for its valuable support and contribution to the insurance industry.

For and on behalf of
Board of Directors



M. Faisal Siddiqui
Chief Executive Officer

Karachi.

October 22, 2019

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

		(Unaudited) 30 September 2018 Rupees	(Audited) 31 December 2018 Rupees
Assets			
Property and equipment	6	20,332,467	18,229,032
Intangible assets		859,900	1,070,781
Investments			
Equity securities		-	-
Debt securities	7	567,019,268	279,915,200
Term deposits	8	2,337,101,841	2,827,101,841
Loans and other receivable	9	251,867,701	63,316,123
Insurance / reinsurance receivable	10	1,011,844,043	409,851,141
Re-insurance recoveries against outstanding claims		49,270,088	56,158,251
Deferred commission expense		50,207	119,779
Deferred taxation		2,301,384	8,231,479
Prepayments	11	379,105,751	79,910,167
Cash and bank	12	313,360,516	53,916,001
		<u>4,933,113,166</u>	<u>3,797,819,795</u>
Total assets of Window Takaful Operations - Operator's Fund		63,105,246	62,187,100
Total Assets		<u>4,996,218,412</u>	<u>3,860,006,895</u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital (100,000,000 shares of Rupees 10 each)		1,000,000,000	1,000,000,000
Available for sale investment fair value reserve		-	-
Unappropriate profit		728,365,173	479,355,722
Total Equity		<u>1,728,365,173</u>	<u>1,479,355,722</u>
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		1,859,143,923	1,935,311,565
Unearned premium reserves		700,116,819	271,787,924
Premium deficiency reserves		52,609,712	29,176,346
Unearned reinsurance commission		6,490,769	7,157,807
Premium received in advance		14,381,900	1,851,899
Insurance / reinsurance payables	13	555,902,043	88,486,754
Other creditors and accruals	14	11,041,028	27,341,591
Taxation - provision less payment		60,777,310	10,725,322
Total liabilities		<u>3,260,463,504</u>	<u>2,371,839,208</u>
Total liabilities of Window Takaful Operations - Operator's Fund		7,389,735	8,811,965
Total Equity and Liabilities		<u>4,996,218,412</u>	<u>3,860,006,895</u>

Contingencies and commitments

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The annexed notes from 1 to 27 form an integral part of this condensed interim financial information.



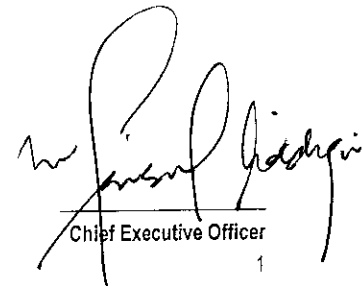
 Chairman



 Director



 Director



 Chief Executive Officer

SINDH INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	Note	Three months period ended 30 September		Nine months period ended 30 September	
		2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Net insurance premium	16	96,436,284	88,745,233	279,413,400	268,230,780
Net insurance claims	17	94,277,647	(58,893,420)	8,578,841	(66,555,889)
Premium deficiency		(44,631,900)	(21,935,841)	(23,433,366)	(34,772,347)
Net commission and other acquisition cost	18	(123,501,956)	(13,859,070)	(171,396,588)	(147,592,306)
Insurance claims and acquisition expenses		(73,856,210)	(94,688,331)	(186,251,113)	(248,920,542)
Management expenses	19	(14,892,899)	(16,448,506)	(40,810,542)	(57,472,817)
Underwriting results		7,687,176	(22,391,604)	52,351,745	(38,162,579)
Investment income	20	90,888,062	75,602,055	267,385,467	201,280,147
Other income	21	6,149,084	2,038,838	32,203,660	4,148,899
Other expenses		(1,285,218)	(598,202)	(2,488,406)	(1,153,202)
Results of operating activities		103,439,105	54,651,087	349,452,466	166,113,265
Profit from Window Takaful Operations		880,908	(11,570)	2,340,376	1,104,720
Profit before tax		104,320,013	54,639,517	351,792,842	167,217,985
Income tax expense		(30,024,744)	(16,437,106)	(102,783,391)	(49,980,298)
Profit after tax		74,295,269	38,202,411	249,009,451	117,237,687

Other comprehensive income:

Items that will be reclassified subsequently to profit and loss account

- Fair value adjustment on remeasurement of available for sale investments - net of deferred tax
- Fair value reserve reclassified to profit and loss account on disposal of available for sale investments - net of deferred tax
- Other comprehensive income from Window Takaful Operations

- Fair value adjustment on remeasurement of available for sale investments - net of deferred tax	-	-	-	-
- Fair value reserve reclassified to profit and loss account on disposal of available for sale investments - net of deferred tax	-	-	-	-
- Other comprehensive income from Window Takaful Operations	-	-	-	(552,888)
Items that will not be reclassified subsequently to profit and loss account	-	-	-	-
	-	-	-	(552,888)

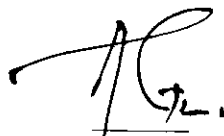
Total comprehensive income for the period


Earnings per share - basic & diluted

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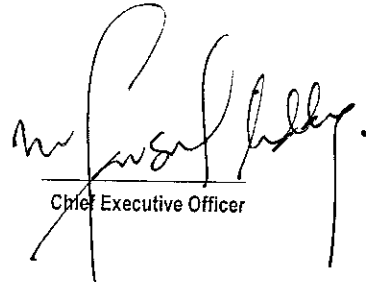
Total comprehensive income for the period	74,295,269	38,202,411	249,009,451	116,684,799
Earnings per share - basic & diluted	0.74	0.38	2.49	1.17

The annexed notes from 1 to 27 form an integral part of this condensed interim financial information.


 Chairman


 Director

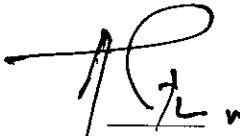

 Director



 Chief Executive Officer


SINDH INSURANCE LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

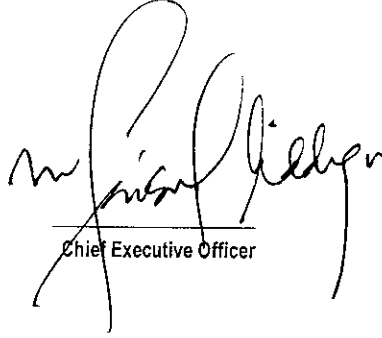
	Attributable to equity holders of the Company			Total
	Share capital	Capital reserve	Revenue reserve	
		Available for sale investment revaluation reserve	Unappropriated profit	
Rupees	Rupees	Rupees	Rupees	
Balance as at 31 December 2017 (Audited) - restated	1,000,000,000	552,888	280,926,295	1,281,479,183
Profit for the six month period ended 30 June 2018	-	-	79,035,276	79,035,276
Other comprehensive income	-	(552,888)	-	(552,888)
Total comprehensive income	-	(552,888)	79,035,276	78,482,388
Balance as at 30 June 2018 (Unaudited) - restated	1,000,000,000	-	359,961,571	1,359,961,571
Profit for the six month period ended 31 December 2018	-	-	119,394,151	119,394,151
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	119,394,151	119,394,151
Balance as at 31 December 2018 (Audited)	1,000,000,000	-	479,355,722	1,479,355,722
Profit for the nine months period ended 30 September 2019	-	-	249,009,451	249,009,451
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	249,009,451	249,009,451
Balance as at 30 September 2019 (Unaudited)	1,000,000,000	-	728,365,173	1,728,365,173

The annexed notes from 1 to 27 form an integral part of this condensed interim financial information.


 Chairman


 Director


 Director


 Chief Executive Officer

SINDH INSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	30 September 2019	30 September 2018
	Rupees	Rupees
OPERATING ACTIVITIES		
<i>a) Underwriting activities</i>		
Insurance premiums received	170,885,476	408,724,967
Reinsurance premiums paid	(45,935,917)	(41,084,893)
Claims paid	(91,277,009)	(81,296,631)
Reinsurance and other recoveries received	30,576,370	8,361,685
Commissions paid	(484,146)	(300,601,639)
Commissions received	10,179,020	12,882,451
Other underwriting payments	(2,488,406)	(1,060,110)
Net cash flows from underwriting activities	<u>71,455,389</u>	<u>5,925,830</u>
<i>b) Other operating activities</i>		
Income tax paid	(46,801,308)	(43,742,245)
Management and administrative expenses paid	(52,589,257)	(48,914,962)
Compensated absences paid	(63,928)	(770,682)
Other operating payments	(1,319,078)	(10,148,448)
Net cash used in other operating activities	<u>(100,773,571)</u>	<u>(103,576,337)</u>
Net cash used in operating activities	<u>(29,318,182)</u>	<u>(97,650,507)</u>
INVESTMENT ACTIVITIES		
Profit / return received on investment	77,695,972	64,024,985
Other income received	10,282,503	3,777,199
Payments for investments	(1,517,481,943)	(652,969,125)
Proceeds from disposal of investments	1,232,834,870	674,949,463
Proceeds from disposal of fixed assets	1,508,400	760,000
Fixed capital expenditure	(6,077,105)	(901,495)
Net cash used in / flows from investing activities	<u>(201,237,303)</u>	<u>89,641,027</u>
FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net cash (used in) / flows from all activities	-	-
Cash and cash equivalents at the beginning of period	(230,555,485)	(8,009,480)
Cash and cash equivalents at end of the period	<u>2,881,017,842</u>	<u>52,347,229</u>
	<u>2,650,462,357</u>	<u>44,337,749</u>
Reconciliation to profit and loss account		
Operating cash flows	(29,318,182)	(97,650,507)
Depreciation on fixed assets	(3,212,873)	(2,327,661)
Amortization of intangibles	(459,049)	(929,183)
Bad and doubtful debts	(224,776)	(17,960,079)
Income tax paid	46,801,308	43,742,245
Decrease / increase in assets other than cash	873,426,989	20,652,057
Decrease / increase in liabilities	(837,150,078)	15,157,346
Investment income	267,385,467	201,280,147
Profit from Window Takaful Operations	2,340,376	1,104,720
Other income	32,203,660	4,148,899
Profit before taxation	<u>351,792,842</u>	<u>167,217,984</u>

The annexed notes from 1 to 27 form an integral part of this condensed interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Insurance Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as an unlisted public company on December 20, 2013 and obtained the certificate of commencement of business on September 22, 2014. All shares of the Company are held beneficially by Government of Sindh, directly and through nominee directors. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation, accidental and health etc.
- 1.2 The Company was granted authorization on September 22, 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and, subsequently, the Company commenced Window Takaful Operations.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi..

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information is unaudited but subject to the limited scope review by the auditors as required under Code of Corporate Governance for Insurers, 2016. This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2018 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan.

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

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

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

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

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2018, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for nine months period ended September 30, 2018.

In terms of the requirement of the Takaful Rules 2012, read with SECP circular 25 of 2015 dated July 9, 2015, the assets, liabilities and profit and loss of the Operator's fund of the General Takaful Operations of the Company have been presented as single line item in the condensed interim statement of financial position and statement of profit and loss account of the Company respectively.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention.

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

3.3 Functional and presentation currency

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

4 USE OF ESTIMATES AND JUDGMENTS

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

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

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the financial statements of the Company for the year ended December 31, 2018.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial information are same as those applied in the preparation of the preceding annual audited financial statements for the year ended December 31, 2018 except as disclosed below.

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2018 and January 01, 2019. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 5.1 below.

5.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

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

Temporary Exemption from Application of IFRS 9

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

As at reporting date, the fair value of the financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

When adopted IFRS 9 replaces the existing IAS 39, 'Financial Instruments - Recognition and Measurement' and will affect the following two areas:

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 (Rupees)	New carrying amount under IFRS 9 (Rupees)
Financial Assets				
Investments				
Debt securities	Held to maturity	Amortised cost	154,973,369	154,973,369
Debt securities	Available for sale	Amortised cost	412,045,899	412,045,899
Term deposit receipts	Loans and receivables	Amortised cost	2,337,101,841	2,337,101,841
Other receivables	Loans and receivables	Amortised cost	250,967,506	250,967,506
Insurance / reinsurance receivables	Loans and receivables	Amortised cost	1,011,844,043	1,011,844,043
Reinsurance recoveries against outstanding claims	Loans and receivables	Amortised cost	49,270,088	49,270,088
Cash at bank	Loans and receivables	Amortised cost	313,360,516	313,360,516
Financial Liabilities				
Outstanding claims including IBNR	Other financial liabilities	Amortised cost	1,859,143,923	1,859,143,923
Insurance / reinsurance payables	Other financial liabilities	Amortised cost	555,902,043	555,902,043
Other creditors and accruals	Other financial liabilities	Amortised cost	11,041,028	11,041,028

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized. The ECL model involve significant judgments and estimation processes. The Company is currently in the process of analyzing the potential impact of expected credit loss model upon adoption of IFRS 9.

6. PROPERTY AND EQUIPMENT

Details of operating assets that have been acquired and disposed of during the nine months period are as follows:

	Unaudited			Unaudited		
	30 September 2019			30 September 2018		
	Additions	Disposals		Additions	Disposals	
Cost	Cost	Written down value	Cost	Cost	Written down value	
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Tangibles						
Furniture & fixtures	-	-	-	37,000	-	-
Office equipment	276,980	-	-	98,100	-	-
Computers	1,945,125	-	-	125,750	-	-
Vehicle	3,705,000	3,878,513	705,297	-	1,059,000	388,300
	<u>5,927,105</u>	<u>3,878,513</u>	<u>705,297</u>	<u>260,850</u>	<u>1,059,000</u>	<u>388,300</u>

7. INVESTMENTS IN DEBT SECURITIES

	Note	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
		Amortized cost	Impairment / provision	Carrying value	Amortized cost	Impairment / provision	Carrying value
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Held To Maturity							
Government securities:	7.1						
Pakistan Investment Bonds		110,583,069	-	110,583,069	-	-	
Treasury Bills		19,390,300	-	19,390,300	254,915,200	-	
						254,915,200	
Others:							
Sukuk		25,000,000	-	25,000,000	25,000,000	-	
						25,000,000	
Available for sale							
Pakistan Investment Bonds		412,045,899	-	412,045,899	-	-	
		<u>567,019,268</u>	<u>-</u>	<u>567,019,268</u>	<u>279,915,200</u>	<u>-</u>	
						279,915,200	

7.1 Of these securities, Pakistan Investment Bonds having carrying value of Rupees 110,583,069 (2018: 108,514,285) are pledged with State Bank of Pakistan under provisions of the Insurance Ordinance, 2000 (XXXIX of 2000).

	(Unaudited)	(Audited)
	30 September 2019	31 December 2018
	Rupees	Rupees
8. INVESTMENT IN TERM DEPOSITS		
Deposits maturing within 12 months - local currency	<u>2,337,101,841</u>	<u>2,827,101,841</u>

These represents term deposits with different microfinance banks and carry markup ranging from 9.50% to 13.00% (2018: 8% to 9.90%).

9. LOANS AND OTHER RECEIVABLES - CONSIDERED GOOD

Accrued investment income	241,573,721	52,000,845
Loans to employees	900,195	329,423
Other receivable	9,393,785	10,985,855
	<u>251,867,701</u>	<u>63,316,123</u>

10. INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good

Due from insurance contract holders	964,550,266	400,285,275
Less: provision for impairment of receivables from Insurance contract holders	(9,565,388)	(31,486,545)
Due from other Insurers / reinsurers	56,859,165	41,052,411
Less: provision for impairment of due from other Insurers / reinsurers	-	-
	<u>1,011,844,043</u>	<u>409,851,141</u>

10.1 Due from insurance contract holders includes Rupees 10,844,787 due from related parties.

	(Unaudited) 30 September 2019 Rupees	(Audited) 31 December 2018 Rupees
11. PREPAYMENTS		
Prepaid reinsurance premium ceded	378,462,897	77,784,627
Prepaid rent	301,052	811,153
Prepaid insurance expense	271,997	885,606
Prepaid miscellaneous expense	69,805	428,781
	<u>379,105,751</u>	<u>79,910,167</u>
12. CASH AND BANK DEPOSITS		
Cash and other equivalents		
Cash in hand	42,999	26,451
Policy stamps	772,338	832,619
Cash at bank		
Current accounts	-	-
Saving accounts	-	-
	<u>312,545,179</u>	<u>53,056,931</u>
	<u>313,360,516</u>	<u>53,916,001</u>

The rate of return on these accounts ranges from 8.00% to 10.25%.

13. INSURANCE / REINSURANCE PAYABLES		
Due to insurance contract holders	-	-
Due to other insurers / reinsurers	555,902,043	88,486,754
	<u>555,902,043</u>	<u>88,486,754</u>
Due to other insurers / reinsurers		
Considered good		
- Foreign	476,844,938	34,086,240
- Local	79,057,105	54,400,514
	<u>555,902,043</u>	<u>88,486,754</u>
14. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	301,655	600,738
Federal excise duty / sales tax	2,182,268	17,116,673
Federal insurance fee	181,617	61,972
Accrued expenses	4,913,672	6,627,269
Other tax payables	486,132	433,272
Provision for compensated leave absences	2,745,528	2,000,592
Auditors' remuneration	230,156	501,075
	<u>11,041,028</u>	<u>27,341,591</u>
15. CONTINGENCIES AND COMMITMENTS		

There were no contingencies or commitments as at the reporting date.

	Three months period ended 30 September		Nine months period ended 30 September	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
16. NET INSURANCE PREMIUM				
Written gross premium	690,729,036	371,262,524	904,608,477	408,628,919
Add: Unearned premium reserve opening	196,387,735	145,607,770	271,787,924	360,660,322
Less: Unearned premium reserve closing	(700,116,819)	(386,181,124)	(700,116,819)	(386,181,124)
Premium earned	186,999,952	130,689,170	476,279,582	383,108,117
Less :Reinsurance premium ceded	(316,499,880)	(51,094,644)	(497,544,452)	(67,428,928)
Less:Prepaid reinsurance premium opening	(152,526,685)	(102,644,966)	(77,784,627)	(159,244,082)
Add:Prepaid reinsurance premium closing	378,462,897	111,795,672	378,462,897	111,795,672
Reinsurance expense	(90,563,668)	(41,943,938)	(196,866,182)	(114,877,338)
	<u>96,436,284</u>	<u>88,745,233</u>	<u>279,413,400</u>	<u>268,230,779</u>

17. NET INSURANCE CLAIMS EXPENSE	Three months period ended 30 September		Nine months period ended 30 September	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Claim paid	30,738,044	22,505,801	91,277,009	81,296,631
Add: Outstanding claims including IBNR closing	1,859,143,923	1,235,814,585	1,859,143,923	1,235,814,585
Less: Outstanding claims including IBNR opening	(1,944,115,517)	(1,198,699,500)	(1,935,311,565)	(1,191,759,126)
Claim expense	(54,233,550)	59,620,886	15,109,367	125,352,090
Reinsurance and other recoveries received	(5,353,442)	(811,993)	(30,576,370)	(8,361,685)
Add: Reinsurance and other recoveries in respect of outstanding claims (opening)	14,579,434	67,451,867	56,158,251	16,932,824
Less: Reinsurance and other recoveries in respect of outstanding claims (closing)	(49,270,089)	(67,367,340)	(49,270,089)	(67,367,340)
Reinsurance and other recoveries revenue	(40,044,097)	(727,466)	(23,688,208)	(58,796,201)
	(94,277,647)	58,893,420	(8,578,841)	66,555,889

17.1 This includes Provision for incurred but not reported (IBNR) amounting to Rupees 1,764,188,655 (2018: 113,9378,493).

18. NET COMMISSION EXPENSE / ACQUISITION COST

Commission paid or payable	126,216,119	17,131,359	182,173,074	156,189,168
Add: Deferred commission expense opening	93,565	822,694	119,779	1,980,048
Less: Deferred commission expense closing	(50,207)	(225,245)	(50,207)	(225,245)
Net commission	126,259,477	17,728,808	182,242,646	157,943,971
Less: Commission received or recoverable	(2,757,521)	(3,869,738)	(10,179,020)	(12,882,451)
Add: Unearned reinsurance commission	7,157,807	6,496,730	6,490,769	9,027,516
Less: Unearned reinsurance commission	(7,157,807)	(6,496,730)	(7,157,807)	(6,496,730)
Commission from reinsurers	(2,757,521)	(3,869,738)	(10,846,058)	(10,351,665)
	123,501,956	13,859,070	171,396,588	147,592,306

19. MANAGEMENT EXPENSES

Salaries, allowance and other benefits	7,196,228	6,847,118	21,937,192	20,890,558
Travelling expense	397,941	86,101	682,266	144,243
Advertisement and sales promotion	48,264	472,054	186,988	692,455
Printing and stationery	253,939	287,979	632,110	634,907
Depreciation	1,081,827	809,872	3,212,873	2,327,661
Amortization	115,889	163,560	459,049	929,183
Rent, rates and taxes	2,577,446	872,123	3,684,913	3,033,840
Legal and professional charges	145,201	408,324	836,043	1,401,799
Electricity, gas and water	528,621	420,630	1,067,881	1,112,801
Entertainment	265,115	158,735	690,644	587,131
Vehicle running expense	20,556	6,260	103,478	10,990
Office repair, maintenance and Insurance	858,274	437,273	1,970,876	1,378,879
Office expense	180,924	184,454	383,872	409,238
Bank charges	27,030	13,279	44,795	64,353
Postage, telegrams and telephones	180,304	285,491	680,212	772,188
Annual supervision fee SECP	210,099	138,815	630,294	576,664
Bad and doubtful debts	224,776	3,473,615	224,776	17,960,079
Service charges (Health Econnex)	300,526	1,212,792	2,446,673	3,990,510
Miscellaneous	279,939	170,030	935,608	555,337
	14,892,898	16,448,506	40,810,542	57,472,817

	Three months period ended 30 September		Nine months period ended 30 September	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
20. INVESTMENT INCOME				
Income from equity securities				
Available for sale				
- Dividend income	-	-	-	-
- Capital gain	-	-	-	-
	-	-	-	-
Income from debt securities				
Available for sale				
- Return on debt securities	6,712,132	-	6,712,132	-
- Amortisation of premium on PIBs	-	-	-	-
	6,712,132	-	6,712,132	-
Held to maturity				
- Return on debt securities	11,803,468	2,615,546	25,980,282	8,384,797
- Discount on purchase of PIBs	-	18,065	-	197,063
	11,803,468	2,633,611	25,980,282	8,581,860
Income from term deposits				
- Return on deposit	72,372,462	72,968,444	234,693,053	192,698,287
Total investment income	90,888,062	75,602,055	267,385,467	201,280,147
Less: Impairment in value of available for sale securities				
- Equity securities	-	-	-	-
	90,888,062	75,602,055	267,385,467	201,280,147

21. OTHER INCOME

Profit on bank deposit	5,891,958	1,187,317	8,453,530	2,971,033
Income on generator sharing	109,215	109,215	327,645	327,645
Other	147,911	56,815	23,422,485	850,221
	6,149,084	1,353,347	32,203,660	4,148,899

22. EARNINGS (AFTER TAX) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

Net profit after tax for the period - Rupees	74,295,269	38,202,411	249,009,451	117,237,687
Weighted average number of ordinary shares-Number	100,000,000	100,000,000	100,000,000	100,000,000
Basic earnings per share - Rupees	0.74	0.38	2.49	1.17

23. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common Directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices determined under "Comparable controlled price method". Transactions and balances with related parties have been disclosed in relevant notes to the financial statements. Other transactions and balances not elsewhere disclosed are summarized as follows:

Companies having common directorship

Sindh Bank Limited (SBL)

Income on saving accounts	5,891,958	1,782,377	8,344,653	2,971,033
Premium written	53,109,199	71,066,707	53,808,904	71,988,178
Claim paid	9,818,682	7,277,433	28,862,966	23,608,988

Sindh Modarba Management Limited (SMML)

Premium written	361,136	312,624	384,243	312,624
Claim paid	52,786	-	52,786	40,779
Income on sharing of generator	109,215	109,215	327,645	327,645

	Three months period ended 30 September		Nine months period ended 30 September	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Sindh Leasing Company Limited (SLCL)				
Premium written	210,045	250,279	1,052,570	1,562,910
Claim paid	22,630	54,066	199,052	430,010
Sindh Microfinance Bank Limited				
Premium written	8,428	424,899	3,027,825	2,050,385
Claim paid	924,929	77,455	1,618,235	253,647
Directors				
Premium written	42,834	186,513	429,195	283,649
Claim paid	13,365	-	102,979	141,306
Meeting Fee	1,150,000	175,000	2,150,000	725,000
Employees' fund				
Contribution to provident fund	291,026	268,948	894,260	948,234
Government of Sindh				
Premium written	263,157,851	263,157,851	263,157,851	263,157,851
Claim paid	13,155,000	18,143,528	28,965,500	45,010,195
Balances			Balance as on 30 September 2019	Balance as on 31 December 2018
Companies having common directorship				
Sindh Bank Limited (SBL)				
Bank accounts			310,479,013	51,088,754
Due from insurance contract holder			10,776,446	30,514,149
Claim payable			9,769,573	15,157,481
Payable to Sindh Bank Limited			-	143,734
Sindh Modarba Management Limited (SMML)				
Premium received in advance			-	-
Claim payable			238,274	-
Amount receivable for sharing of generator			327,645	218,430
Sindh Leasing Company Limited (SLCL)				
Due from insurance contract holder			88,229	219
Claim payable			83,000	90,130
Payable to Sindh Leasing Company Limited			-	-
Sindh Micro Finance Bank Limited				
Due from insurance contract holder			(19,888)	1,354,836
Claim (receivable) / payable			163,851	32,802
Directors				
Claim payable			25,000	60,000
Receivable From Sindh Insurance Limited - Window Takaful Operations			5,430,831	5,981,116

24. OPERATING SEGMENTS

	Fire and Property Damage		Marine, Aviation & Transport		Motor		Accident and health		Miscellaneous		Treaty		Total
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	
Segment results													
Premium receivable	45,048,382	11,977,340	54,057,820	7,835,602	43,447,563	35,714,480	351,359,551	299,998,950	1,718,538	104,611,174	997,712,775	460,138,656	
Less: Federal exercise duty	3,692,635	1,279,419	632,306	951,495	4,956,660	4,051,301	34,675,825	34,210,520	40,085,391	6,921,040	84,042,818	47,413,775	
Federal insurance fee	409,460	96,479	529,562	68,160	381,278	311,136	3,150,542	2,631,579	4,991,238	988,508	9,061,480	4,095,862	
Gross written premium	40,946,286	10,601,442	52,896,252	6,815,947	38,109,625	31,352,053	313,533,184	263,157,851	459,123,130	96,701,626	904,608,477	498,628,919	
Direct premium earned	14,624,455	15,837,728	22,763,809	22,082,894	36,282,961	29,220,224	233,546,201	229,534,522	168,145,762	82,152,430	475,362,988	378,827,798	
Facultative inward premium earned	26,732	2,891,249	-	-	27,179	327,912	-	-	-	82,635	53,911	3,301,796	
Administrative surcharge earned	60,238	82,979	22,009	122,132	560,236	487,636	13,917	17,708	206,283	289,058	862,583	978,523	
Insurance premium earned	14,711,425	18,811,856	22,785,618	22,205,026	36,870,376	30,035,772	233,560,118	229,552,230	168,352,045	82,503,133	476,279,582	383,108,117	
Insurance premium ceded to reinsurers	14,360,360	15,908,182	19,273,092	18,981,069	19,419,337	12,833,207	-	-	143,819,393	66,154,880	196,865,182	114,877,337	
Net insurance premium	351,065	1,903,774	3,512,526	3,223,957	17,457,039	17,202,565	233,560,118	229,552,230	24,532,652	16,348,253	279,413,400	268,230,780	
Commission income	1,551,110	3,243,231	493,616	651,661	5,419,449	4,288,487	3,381,883	2,188,286	3,381,883	2,188,286	10,846,058	10,351,665	
Net underwriting income	1,902,175	5,147,005	4,006,142	3,875,618	22,876,488	21,491,052	233,560,118	229,552,230	27,914,535	18,516,539	290,259,458	278,582,445	
Insurance claims	2,445,512	11,713,128	(14,270,400)	32,676,342	38,141,381	13,742,103	(31,166,033)	46,515,159	19,558,907	20,705,358	15,109,367	125,352,080	
Insurance claims recovered from	796,733	10,867,508	(16,486,312)	31,208,769	30,524,312	3,921,289	46,515,159	8,553,475	12,798,635	-	23,688,208	58,796,201	
Net claims	1,648,779	845,620	2,215,912	1,467,573	7,617,069	9,820,814	(31,166,033)	46,515,159	11,105,432	7,906,723	(8,576,841)	66,555,889	
Commission expense	187,482	1,743,082	29,857	299,196	35,865	207,216	181,988,011	155,579,698	1,431	114,779	182,242,646	157,943,971	
Management expense	1,737,395	1,397,745	2,244,446	898,648	1,617,033	4,133,604	15,730,577	43,883,270	19,481,093	7,159,551	40,810,544	57,472,818	
Premium deficiency expense	1,300,815	(1,342,774)	-	-	-	-	(10,584,121)	36,115,121	32,716,672	-	23,433,366	34,772,347	
Net insurance claims and expenses	4,874,471	2,643,673	4,490,245	2,665,417	9,269,967	14,161,634	155,968,434	282,093,248	63,304,628	15,181,053	237,907,715	316,745,025	
Underwriting result	(2,972,296)	2,503,332	(484,073)	1,210,201	13,606,521	7,329,419	77,591,684	(52,541,018)	(35,390,092)	3,335,485	52,351,744	(98,162,580)	
Net investment income													
Other income													
Other expenses													
Profit from Window Takaful Operation													
Profit before tax													
Segment assets	76,571,759	12,858,559	98,918,838	8,267,107	71,267,050	38,027,113	586,323,929	370,611,613	859,584,963	65,864,334	1,691,666,539	495,628,727	
Un-allocated assets													
Segment liabilities	144,714,498	55,145,761	185,948,690	35,454,666	134,689,023	163,084,696	1,108,105,318	1,589,420,644	1,622,656,891	282,468,567	3,304,551,873	3,102,623,155	
Un-allocated liabilities													
Total													

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

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

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	As at 30 September 2019 (Unaudited)								
	Carrying amount					Fair Value			
	Held-to-maturity	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)					(Rupees)				
Financial Assets Measured At Fair Value									
Investments									
- Debt securities	567,019,268	-	-	-	567,019,268	-	129,973,369	25,000,000	154,973,369
- Term deposits	2,337,101,841	-	-	-	2,337,101,841	-	-	-	-
Financial assets not measured at fair value									
Loans and other receivable*	-	251,867,701	-	-	251,867,701	-	-	-	-
Insurance / reinsurance receivable*	-	1,011,844,043	-	-	1,011,844,043	-	-	-	-
Re-insurance recoveries- outstanding claims*	-	49,270,088	-	-	49,270,088	-	-	-	-
Deferred commission expense*	-	50,207	-	-	50,207	-	-	-	-
Prepayments*	-	379,105,751	-	-	379,105,751	-	-	-	-
Cash and bank*	-	-	313,360,516	-	313,360,516	-	-	-	-
Window Takaful Operations - Operator's Fund*	-	63,105,246	-	-	63,105,246	-	-	-	-
	2,904,121,109	1,755,243,035	313,360,516	-	4,972,724,661	-	129,973,369	25,000,000	154,973,369
Financial Liabilities Not Measured At Fair Value									
Outstanding claims including IBNR*	-	-	-	(1,859,143,923)	(1,859,143,923)	-	-	-	-
Unearned premium reserves*	-	-	-	(700,116,819)	(700,116,819)	-	-	-	-
Premium deficiency reserves*	-	-	-	(52,609,712)	(52,609,712)	-	-	-	-
Unearned reinsurance commission*	-	-	-	(6,490,769)	(6,490,769)	-	-	-	-
Premium received in advance*	-	-	-	(14,381,900)	(14,381,900)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	(555,902,043)	(555,902,043)	-	-	-	-
Other creditors and accruals*	-	-	-	(11,041,028)	(11,041,028)	-	-	-	-
Window Takaful Operations - Operator's Fund*	-	-	-	7,389,735	7,389,735	-	-	-	-
	2,904,121,109	1,755,243,035	313,360,516	(3,192,296,459)	1,780,428,202	-	129,973,369	25,000,000	154,973,369
As at 31 December 2018 (Audited)									
	Carrying Amount					Fair Value			
	Held-to-maturity	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)					(Rupees)			
Financial Assets Measured At Fair Value									
Investments									
- Debt securities	279,915,200	-	-	-	279,915,200	-	254,915,200	25,000,000	279,915,200
- Term deposits	2,827,101,841	-	-	-	2,827,101,841	-	-	-	-
Financial assets not measured at fair value									
Loans and other receivable*	-	63,316,123	-	-	63,316,123	-	-	-	-
Insurance / reinsurance receivable*	-	406,988,648	-	-	406,988,648	-	-	-	-
Re-insurance recoveries - outstanding claims*	-	56,158,251	-	-	56,158,251	-	-	-	-
Deferred commission expense*	-	119,779	-	-	119,779	-	-	-	-
Prepayments*	-	79,910,167	-	-	79,910,167	-	-	-	-
Cash and bank*	-	-	53,916,001	-	53,916,001	-	-	-	-
Window Takaful Operations - Operator's Fund*	-	62,187,100	-	-	62,187,100	51,859,447	-	-	51,859,447
	3,107,017,041	668,680,068	53,916,001	-	3,829,613,110	51,859,447	254,915,200	25,000,000	331,774,647
Financial Liabilities Not Measured At Fair Value									
Outstanding claims including IBNR*	-	-	-	(1,932,449,072)	(1,932,449,072)	-	-	-	-
Unearned premium reserves*	-	-	-	(271,787,924)	(271,787,924)	-	-	-	-
Premium deficiency reserves*	-	-	-	(29,176,346)	(29,176,346)	-	-	-	-
Unearned reinsurance commission*	-	-	-	(7,157,807)	(7,157,807)	-	-	-	-
Premium received in advance*	-	-	-	(1,851,899)	(1,851,899)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	(88,486,754)	(88,486,754)	-	-	-	-
Other creditors and accruals*	-	-	-	(27,341,591)	(27,341,591)	-	-	-	-
Window Takaful Operations - Operator's Fund*	-	-	-	(8,811,965)	(8,811,965)	-	-	-	-
	3,107,017,041	668,680,068	53,916,001	(2,367,063,358)	1,462,549,752	51,859,447	254,915,200	25,000,000	331,774,647

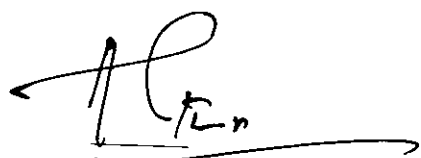
* The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of their fair values. Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences may arise between the carrying values and the fair value estimates.

26. DATE OF AUTHORIZATION FOR ISSUE


This condensed interim financial information was approved and authorized for issue on 22 OCT 2019 by the Board of Directors of the Company.

27. GENERAL

27.1 Figures in this condensed interim financial information have been rounded to the nearest Rupees, unless otherwise stated.



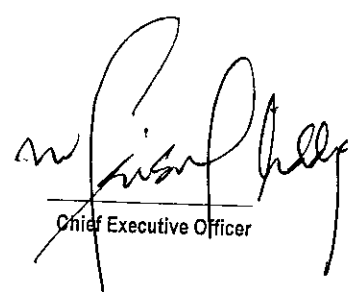
Chairman



Director



Director



Chief Executive Officer

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



SINDH INSURANCE

POWER TO THE PEOPLE
PATTERN OF SHAREHOLDINGS

HELD BY THE SHAREHOLDERS OF
SINDH INSURANCE LIMITED

AS AT SEPTEMBER 30, 2019

Number of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
1	From 1	To 49,999,993	49,999,993	49.999993
7	From 49,999,994	To 50,000,000	7	0.000007
1	From 50,000,001	To 100,000,000	50,000,000	50.000000
8			100,000,000	100.0000

Categories of Shareholders	Shareholders	Shares Held	Percentage
<u>Associated Company</u>	-	-	-
<u>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful Companies and Modarabas</u>	-	-	-
<u>Mutual Funds</u>	-	-	-
<u>Other Companies</u>	-	-	-
<u>Shareholding Above 5%</u>			
Governamet of Sindh	1	99,999,993	99.999993
<u>Directors, CEO, Executives and their Spouses and Minor Childrens</u>			
Muhammad Bilal Sheikh	1	1	0.000001
Syed Hassan Naqvi	1	1	0.000001
Mushtaq Malik	1	1	0.000001
Syed Akhtar Ul Islam	1	1	0.000001
Muhammad Aley Abid	1	1	0.000001
Zahid Hussain	1	1	0.000001
Raja Muhammad Abbas	1	1	0.000001
Individuals	-	-	-
Total	8	100,000,000	100.000000

Sindh Insurance Limited

Sindh Insurance Ltd.
Head Office: 1st Floor, Imperial Court,
Dr. Ziauddin Ahmed Road,
Karachi - Pakistan.

Tel : +92-21-3564 0715 - 17
Nadeem Akhter : +92-21-3564 0714
Company Secretary : www.sindhinsuranceltd.com

**SINDH INSURANCE
LIMITED**

—

**WINDOW TAKAFUL
OPERATIONS**

**CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE NINE MONTH
PERIOD ENDED SEPTEMBER 30, 2019**

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

30 September 2019			31 DECEMBER 2018
Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
Rupees			Rupees

Note Restated

ASSETS

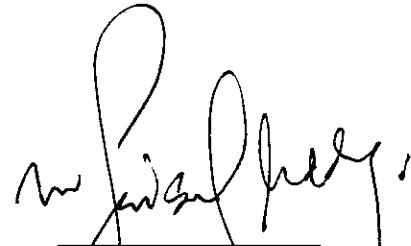
Qard-e-hasna to Participant Takaful Fund		11,000,000	-	11,000,000	11,000,000
Property and equipment	7	43,909	-	43,909	58,228
Intangible assets	8	922,194	-	922,194	1,388,944
Investments					
Equity securities	9	40,272,763	1,646,472	41,919,235	1,551,927
Debt Securities		-	-	-	-
Term Deposits	10	-	14,900,000	14,900,000	59,900,000
Loans and other receivable	11	778,916	410,409	1,189,325	2,542,161
Takaful / retakaful receivable	12	-	1,764,937	1,764,937	1,328,310
Deferred commission expense	20	-	-	-	19,569
Deferred taxation		69,480	-	69,480	-
Wakala and modarib fee receivable		6,013,214	-	6,013,214	4,397,296
Deferred wakala fee expense		-	874,309	874,309	2,830,891
Taxation - payment less provision		-	379,702	379,702	24,622
Prepayments	13	6,402	77,756	84,158	598,469
Cash and bank	14	3,998,368	1,692,849	5,691,217	4,815,676
		52,105,246	21,746,434	73,851,680	79,456,093
TOTAL ASSETS		63,105,246	21,746,434	84,851,680	90,456,093

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


 Chairman


 Director


 Director


 Chief Executive Officer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

Note	30 September 2019			31 December 2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees			Rupees

EQUITY AND LIABILITIES

OPERATOR'S FUND

Statutory fund	50,000,000	-	50,000,000	50,000,000
Revenue reserve - Accumulated profit	5,442,748	-	5,442,748	3,375,135
	55,715,511	-	55,715,511	53,375,135

WAQF / PARTICIPANTS' TAKAFUL FUND

Ceded money	-	500,000	500,000	500,000
Capital reserve-Available for sale				
investment revaluation reserve	-	19,273	19,273	30,074
Revenue reserve - Accumulated deficit	-	(950,310)	(950,310)	(3,543,480)
	-	(431,037)	(431,037)	(3,013,406)

LIABILITIES

Qard-e-hasna from Operator's Fund	-	5,000,000	5,000,000	11,000,000
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Underwriting provisions

Outstanding claims including IBNR	19	-	2,124,730	2,124,730	907,918
Unearned contribution reserve	18	-	2,936,917	2,936,917	8,619,640
Unearned re-takaful rebate	20	-	17,884	17,884	104,883
Provision for unearned wakala fee	21	874,309	-	874,309	2,830,891
Deferred taxation		-	12,284	12,284	18,061
Contribution received in advance		-	4,943	4,943	-
Takaful / re-takaful payables	15	-	5,294,691	5,294,691	3,355,782
Wakala and modarib fee payable		-	6,013,214	6,013,214	4,397,296
Other creditors and accruals	16	5,450,339	772,808	6,223,147	8,239,242
Taxation - provision less payment		1,065,087	-	1,065,087	620,651
		7,389,735	17,177,471	24,567,206	29,094,364

TOTAL LIABILITIES

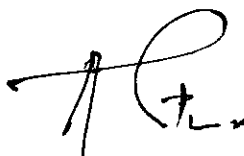
	7,389,735	22,177,471	29,567,206	40,094,364
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TOTAL FUND AND LIABILITIES

	63,105,246	21,746,434	84,851,680	90,456,093
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CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


Chairman


Director



Director



Chief Executive Officer

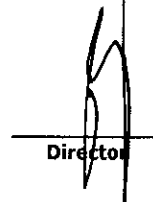
**SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

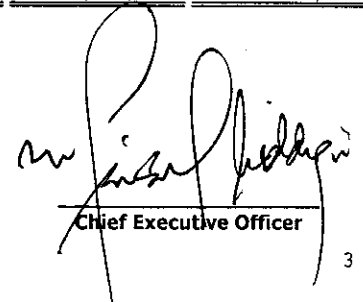
	Note	Three months period ended 30 September		Nine months period ended 30 September	
		2019	2018	2019 Rupees	2018 Rupees Restated
Participants' Takaful Fund - revenue account					
Net contribution revenue	18	2,266,465	5,228	7,453,615	(2,834,993)
Wakala fee expense	21	(986,884)	(417,505)	(3,202,820)	(1,274,197)
Net claims	19	(512,509)	(465,353)	(2,927,103)	(903,732)
Rebate on retakaful	20	19,895	145,965	133,121	469,413
		(1,479,498)	(736,893)	(5,996,802)	(1,708,516)
Underwriting results					
Direct expenses		(317,569)	-	(434,298)	-
Investment Income	22	456,957	-	1,478,722	-
Other Income		6,995	110,921	91,933	148,648
(Deficit) / surplus for the period		933,350	(620,744)	2,593,170	(4,394,861)
Other comprehensive income:					
Items that will be reclassified subsequently to revenue account					
Fair value adjustment on remeasurement of 'available for sale' investments		45,211	-	(10,801)	-
Total comprehensive (loss) / income for the period		978,561	(620,744)	2,582,369	(4,394,861)
Operator's Fund - revenue account					
Wakala fee	21	986,884	417,505	3,202,820	1,274,197
Commission expense	20	3,410	(130,743)	(36,879)	(410,629)
Management expenses	23	(1,002,640)	(675,674)	(2,773,581)	(1,796,610)
		(12,346)	(388,912)	392,360	(933,042)
Modarib's share of PTF investment income	22.1	124,332	23,804	369,680	34,711
Net investment income	22.2	592,366	871,202	2,758,745	2,646,203
Other income		-	-	7,000	500
		704,352	506,094	3,527,785	1,748,372
Other expenses	24	(314,783)	(44,215)	(314,783)	(170,203)
Profit before tax		389,569	461,879	3,213,002	1,578,169
Taxation	25	2,946	(138,564)	(1,145,389)	(473,451)
Profit after tax		392,515	323,315	2,067,613	1,104,718
Other comprehensive income:					
Items that will be reclassified subsequently to revenue account					
Fair value adjustment on remeasurement of 'available for sale' investments - net of deferred tax		-	-	-	-
Fair value reserve reclassified to profit and loss account on disposal of available for sale investments - net of deferred tax		272,763	-	272,763	-
		-	-	-	(552,888)
		272,763	-	272,763	(552,888)
Total comprehensive income for the year		665,278	323,315	2,340,376	551,830

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN FUND
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

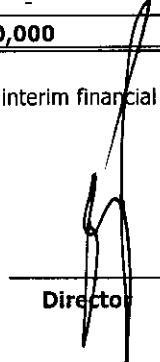
	Operator's Funds			Total
	Statutory fund	Capital reserve Available for sale investment revaluation reserve	Revenue reserve Accumulated losses	
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 January 2018	50,000,000	552,888	625,584	51,178,472
Profit for the year ended 31 December 2018	-	-	2,749,551	2,749,551
Other comprehensive income	-	(552,888)	-	(552,888)
Total comprehensive income	-	(552,888)	2,749,551	2,196,663
Balance as at 31 December 2018 (Audited)	50,000,000	-	3,375,135	53,375,135
Profit/(Deficit) for the period ended 30 September 2019	-	272,763	2,067,613	2,340,376
Other comprehensive income	-	-	-	-
Total comprehensive income	-	272,763	2,067,613	2,340,376
Balance as at 30 September 2019 (Unaudited)	50,000,000	272,763	5,442,748	55,715,511


	Participants' Takaful Fund			Total
	Ceded Money	Capital reserve Available for sale investment revaluation reserve	Revenue reserve Accumulated profit	
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 January 2018	500,000	-	(57,353)	442,647
Deficit for the year ended 31 December 2018	-	-	(3,486,127)	(3,486,127)
Other comprehensive income	-	30,074	-	30,074
Balance as at 31 December 2018 (Audited)	500,000	30,074	(3,543,480)	(3,013,406)
Surplus for the period ended 30 September 2019	-	-	2,593,170	2,593,170
Other comprehensive income	-	(10,801)	-	(10,801)
Balance as at 30 September 2019 (Unaudited)	500,000	19,273	(950,310)	(431,037)

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


 Chairman


 Director


 Director


 Chief Executive Officer

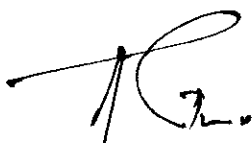
SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)


	30 September 2019			2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees	Rupees	Rupees	Rupees
OPERATING CASH FLOWS				
a) Takaful activities				
Contribution received	-	3,434,095	3,434,095	12,120,555
Retakaful contribution paid	-	(121,347)	(121,347)	(4,442,233)
Wakala fee received / (paid)	(369,680)	369,680	-	-
Claims paid	-	(1,789,905)	(1,789,905)	(871,616)
Commissions paid	(17,310)	-	(17,310)	(147,282)
Rebate received	-	46,122	46,122	251,432
Retakaful and other recoveries in respect of outstanding claims	-	-	-	-
Other underwriting payments	(566,804)	-	(566,804)	(7,830,230)
Net cash flows from / (used in) takaful activities	(953,794)	1,938,645	984,851	(919,375)
b) Other operating activities				
Income tax paid	(776,210)	(355,080)	(1,131,290)	(143,167)
General, administration and management expenses paid	-	-	-	-
Ceded money to participants' takaful fund	-	-	-	-
Direct Expense	-	(434,298)	(434,298)	-
Other operating payment	(314,785)	162,362	(152,423)	(494,937)
Other operating receipts	-	(1,727,699)	(1,727,699)	5,829,741
Net cash (used in) / flows from other operating activities	(1,090,995)	(2,354,715)	(3,445,710)	5,191,637
Net cash used in operating activities	(2,044,789)	(416,070)	(2,460,859)	4,272,262
INVESTMENT ACTIVITIES				
Profit / return received on investment	2,765,745	1,570,655	4,336,400	2,009,728
Other income receipt	-	-	-	-
Payment for investment	(40,000,000)	-	(40,000,000)	(53,500,000)
Proceeds from disposal of investments	-	-	-	51,889,940
Modarib fee received / (paid)	-	-	-	-
Fixed capital expenditure	-	-	-	(1,830,000)
Net cash flows from investing activities	(37,234,255)	1,570,655	(35,663,600)	(1,430,332)
FINANCING ACTIVITIES				
Contribution to operator's fund	-	-	-	-
Ceded money	-	-	-	-
Inter fund Qarz-e-Hasna Transfer	-	(6,000,000)	-	-
Net cash flows from financing activities	-	(6,000,000)	-	-
Net cash (used in) / flows from all activities	(39,279,044)	(4,845,415)	(38,124,459)	2,841,931
Cash and cash equivalents at the beginning of period	43,277,412	21,438,264	64,715,676	2,383,608
Cash and cash equivalents at end of the period	14.2 3,998,368	16,592,849	26,591,217	5,225,539


Reconciliation to profit and loss account

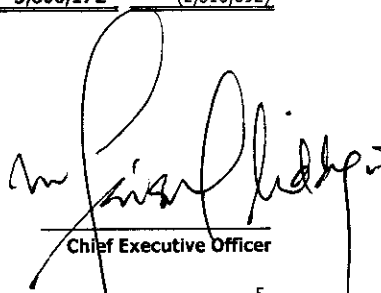
Operating cash flows	(2,044,789)	(416,070)	(2,460,859)	4,272,263
Depreciation	(14,322)	-	(14,322)	(7,191)
Amortization	(466,749)	-	(466,749)	(157,296)
Income tax paid	776,210	355,080	1,131,290	143,167
Other income	376,680	91,933	468,613	183,859
Increase/(decrease) in assets other than cash	(33,926)	(1,964,510)	(1,998,436)	22,646,379
(Increase) / decrease in liabilities	1,861,153	3,008,015	4,909,168	(32,544,076)
Investment income	2,758,745	1,478,722	4,237,467	2,646,203
Loss / deficit before taxation for the year	3,213,002	2,593,170	5,806,172	(2,816,692)

The annexed notes from 1 to 29 form an integral part of this condensed interim financial information.


Chairman


Director


Director


Chief Executive Officer

SINDH INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

Sindh Insurance Limited (the Company) was incorporated under the Companies Ordinance, 1984, (now Companies Act, 2017) as a Public Limited Company on 20 December 2013 and obtained the certificate of commencement of business on 22 September 2014. All shares of the Company are held beneficially by Government of Sindh, directly and through nominee directors. The Company is engaged in the non-life insurance business comprising of fire, marine, motor, aviation, engineering, transportation, accidental and health etc. The registered office and principal place of business of the Company is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

The Company was granted authorization on 22 September 2016 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for nine months period ended 30 September 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. In case requirements differ, the provisions of or directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

2.2 This condensed interim financial information reflects the financial position and results of operations of both the Operator's Fund and Participants' Takaful Fund in a manner that the assets, liabilities, income and expenses of the Operator's Fund and Participants' Takaful Fund remain separately identifiable. This condensed interim financial information does not include all the information and disclosures required in the full financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2018.

2.3 This condensed interim financial information is being prepared and submitted to shareholders in accordance with the requirements of Code of Corporate Governance for Insurers, 2016.

3. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost basis except for certain investments that have been measured at fair value. Accrual basis of accounting has been used except for cash flow information.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same and are consistent with those followed in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2018 except as disclosed below.

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Operator's accounting period beginning on or after July 01, 2018 and January 01, 2019. These standards, interpretations and amendments are either not relevant to the Operator's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 4.1 below.

4.1 IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 'Financial Instruments with IFRS 4

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

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

Temporary Exemption from Application of IFRS 9

As an insurance Operator, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance.

When adopted IFRS 9 replaces the existing IAS 39, 'Financial Instruments - Recognition and Measurement' and will affect the following two areas.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized. The ECL model involve significant judgments and estimation processes. The Operator is currently in the process of analyzing the potential impact of expected credit loss model upon adoption of IFRS 9.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying the Operators' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Operator as at and for the year ended 31 December 2018.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Operator for the year ended 31 December 2018.

7. PROPERTY AND EQUIPMENT

	2019							Depreciation rate %
	Cost		Depreciation				Written down value	
	As at 1 Jan	Addition/ (disposals)	As at 30 Sep	As at 1 Jul	For the period/ (disposals)	As at 30 Sep		
Tangible								
Furniture & Fixture	56,062	-	56,062	15,301	1,406	16,706	39,356	10.00%
Computer equipments	39,500	-	39,500	31,579	3,368	34,947	4,553	33.33%
Total	95,562	-	95,562	46,880	4,773	51,653	43,909	

	2018							Depreciation rate %
	Cost		Depreciation				Written down value	
	As at 1 January	Addition/ (disposals)	As at 31 December	As at 1 January	For the year/ (disposals)	As at 31 December		
Tangible								
Furniture & Fixture	56,062	-	56,062	6,868	5,622	12,490	43,572	10.00%
Computer equipments	39,500	-	39,500	11,374	13,470	24,844	14,656	33.33%
Total	95,562	-	95,562	18,242	19,092	37,334	58,228	

8. INTANGIBLE ASSETS

Particulars	2019							Depreciation rate %
	Cost		Amortization				Written down value	
	As at 1 Jan	Addition/ (disposals)	As at 30 Sep	As at 1 Jul	For the period/ (disposals)	As at 30 Sep		
Computer Software	1,867,000	-	1,867,000	789,222	155,583	944,806	922,194	33.33%
2018	37,000.00	1,830,000	1,867,000	8,222	469,834	478,056	1,388,944	

9. INVESTMENTS IN EQUITY SECURITIES

30 September 2019 (Unaudited)			31 December 2018 (Audited)		
Cost	Fair value adjustment	Carrying market value	Cost	Fair value adjustment	Carrying market value
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees

AVAILABLE FOR SALE

Operator's Fund

Others - mutual fund
Fund

40,000,000	272,763	40,272,763			
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Participants' Takaful Fund

Others - mutual fund

Meezan Sovereign
Fund

1,509,569	136,903	1,646,472	1,509,569	42,358	1,551,927
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10. INVESTMENTS IN TERM DEPOSITS

	30 September 2019 (Unaudited)			31 December 2018 (Audited)
	Cost	Impairment/ Provision Rupees	Carrying value	Carrying value Rupees
Held to maturity				
Operator's Fund				
Deposits maturing within 12 months - local currency		-		40,000,000
Participants' Takaful Fund				
Deposits maturing within 12 months - local currency	14,900,000	-	14,900,000	19,900,000

10.1 These represents term deposits with different microfinance banks and carry mark-up ranging from 10.24% to 10.97%.

11. LOANS AND OTHER RECEIVABLES-Considered good

	30 September 2019 (Unaudited)			31 December 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees			Rupees
Advance salary	7,832	-	7,832	-
Advances	-	-	-	-
Advance against bonus	219,235	-	219,235	3,031
Accrued investment income	-	409,717	409,717	2,352,595
Sales tax on services refund	80,541	692	81,233	52,131
Receivable from Sindh Insurance Limited	-	-	-	-
Receivable from Participant Takaful Fund	462,523	-	462,523	119,282
Receivable from Shareholder Fund	-	-	-	-
Other receivable	8,785	-	8,785	15,122
	778,916	410,409	1,189,325	2,542,161

12. TAKAFUL / RE-TAKAFUL RECEIVABLES - Unsecured and considered good

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
	Rupees	Rupees
Due from Takaful contract holders	2,447,348	1,722,247
Less: provision for impairment of receivables from Takaful contract holders	(946,538)	(536,717)
	1,500,810	1,185,530
Due from other takaful / re-takaful companies	264,127	142,780
Less: provision for impairment of due from other takaful / re-takaful companies	-	-
	264,127	142,780
	1,764,937	1,328,310

12.1 Due from takaful contract holders includes Rupees 207,305 due from related parties (2018: Rupees 894,750).

13. PREPAYMENTS

	30 September 2019 (Unaudited)			31 December 2018 (Audited)
Prepaid expenses	6,402	-	6,402	76,261
Prepaid re-takaful contribution ceded	-	77,756	77,756	522,208
	6,402	77,756	84,158	598,469

	30 September 2019 (Unaudited)			31 December 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	Rupees			Rupees
14. CASH AND BANK				
Cash at bank				
Saving accounts	3,998,368	1,692,849	5,691,217	4,815,676
14.1 Saving accounts carry expected profit ranging from 3.53% to 5.51% per annum (2018: 2.25% to 5.91%) per annum.				
14.2 Cash and cash equivalent include the following for the purpose of Cash Flow Statement:				
Cash at bank	3,998,368	1,692,849	5,691,217	4,815,676
Term Deposits	-	14,900,000	14,900,000	59,900,000
	3,998,368	16,592,849	20,591,217	64,715,676
15. TAKAFUL / RETAKAFUL PAYABLE				
Due to takaful contract holders	-	-	-	-
Due to other takaful / re-takaful	-	5,294,691	5,294,691	3,355,782
	-	5,294,691	5,294,691	3,355,782
16. OTHER CREDITORS AND ACCRUALS				
Provincial sales tax on services	5,682	47,663	53,345	1,128,473
Federal insurance fee	-	19,851	19,851	13,537
Tax deducted / collected at source	12,441	68,478	80,919	-
Commission payable	213,281	-	213,281	229,648
Payable to Sindh Insurance Limited	4,864,361	566,971	5,431,332	5,981,117
Payable to Shareholders' Fund	-	-	-	119,282
Payable to Participant Takaful Fund	-	-	-	-
Sundry creditors	8,427	69,845	78,272	377,721
Accrued expenses	346,147	-	346,147	389,464
	5,450,339	772,808	6,223,147	8,239,242
17. CONTINGENCIES AND COMMITMENTS				
There were no contingencies or commitments as at the reporting date. (2018: NIL)				
	Three months period ended 30 September		Nine months period ended 30 September	
18. NET CONTRIBUTION REVENUE	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees
Written Gross Contribution	1,781,162	2,497,713	4,154,253	5,136,621
Add: Unearned Contribution reserve oper	4,157,455	2,124,986	8,619,640	2,553,329
Less: Unearned Contribution reserve closi	(2,936,917)	(3,098,282)	(2,936,917)	(3,098,282)
Contribution Earned	3,001,700	1,524,417	9,836,976	4,591,668
Less :Re-takaful contribution ceded	(723,450)	(1,323,229)	(1,938,909)	(6,593,890)
Less: Prepaid Re-takaful contribution cede	(89,541)	(913,339)	(522,208)	(1,550,150)
Add: Prepaid Re-takaful contribution cede	77,756	717,379	77,756	717,379
Re-takaful contribution expense	(735,235)	(1,519,189)	(2,383,361)	(7,426,661)
	2,266,465	5,228	7,453,615	(2,834,993)
19. NET TAKAFUL CLAIMS EXPENSE				
Claim paid	(219,800)	584,923	1,789,905	871,616
Add: Outstanding claims including IBNR c	2,124,730	231,286	2,124,730	231,286
Less: Outstanding claims including IBNR	(1,313,446)	(350,856)	(907,918)	(199,170)
Claim expense	591,484	465,353	3,006,717	903,732
Re-takaful and other recoveries received	-	-	(4,389)	-
Add: Re-takaful and other recoveries in respect of outstanding claims (Opening)	-	-	3,750	-
Less: Re-takaful and other recoveries in respect of outstanding claims (closing)	(78,975)	-	(78,975)	-
Re-takaful and other recoveries revenue	(78,975)	-	(79,614)	-
	512,509	465,353	2,927,103	903,732

19.1 This includes Provision for incurred but not reported (IBNR) amounting to Rupees 745,362 (2018: 394,418).

	Three months period ended 30 September		Nine months period ended 30 September	
	2019	2018	2019 Rupees	2018 Rupees
20. NET COMMISSION EXPENSE / ACQUISITION COST				
Commission paid or payable	-	-	17,310	147,282
Add: Deferred Commission expense opening	3,410	190,633	19,569	323,237
Less: Deferred Commission expense closing	-	(59,890)	-	(59,890)
Net commission	3,410	130,743	36,879	410,629
Retakaful rebate received or recoverable	19,643	193,844	220,120	687,394
Add: Unearned retakaful rebate closing	17,884	149,118	17,884	149,118
Less: Unearned retakaful rebate opening	(17,632)	(196,997)	(104,883)	(367,099)
Rebate on retakaful	19,895	145,965	133,121	469,413
	<u>(16,485)</u>	<u>(15,222)</u>	<u>(96,242)</u>	<u>(58,784)</u>
21. WAKALA FEE EXPENSE/INCOME				
Gross wakala fee	445,626	1,374,909	1,246,238	1,374,909
Add: Deferred/unearned wakala fee opening	1,415,567	627,743	2,830,891	709,798
Add: Deferred/unearned wakala fee closing	(874,309)	(840,070)	(874,309)	(840,070)
Net Wakala Expense/ Income	<u>986,884</u>	<u>1,162,582</u>	<u>3,202,820</u>	<u>1,244,637</u>
22. INVESTMENT INCOME				
22.1 Participants' Takaful fund				
Income from equity securities-Available for Sale				
Dividend Income on Meezan Sovereign	-	-	105,346	-
Income from term deposits				
Return on term deposits	459,742	37,763	1,499,678	37,763
Profit on bank deposit	121,547	81,257	243,378	135,790
	<u>581,289</u>	<u>119,020</u>	<u>1,848,402</u>	<u>173,553</u>
Less: modarib's fee	124,332	(23,804)	369,680	(34,711)
Less: Impairment	-	-	-	-
	<u>456,957</u>	<u>142,824</u>	<u>1,478,722</u>	<u>138,842</u>
22.2 Operator's Fund				
Income from equity securities-Available for Sale				
Realized Gain on Equity Securities	-	-	-	-
Income from term deposits				
Profit on bank deposit	130,292	341,231	206,348	1,295,899
Income on term deposit	462,074	529,972	2,552,397	529,972
Capital Gain	-	-	-	820,333
Total Investment Income	<u>592,366</u>	<u>871,203</u>	<u>2,758,745</u>	<u>2,646,204</u>
Less: Impairment	-	-	-	-
	<u>592,366</u>	<u>871,203</u>	<u>2,758,745</u>	<u>2,646,204</u>
23. MANAGEMENT EXPENSES				
Employee benefit cost 23.1	638,529	1,362,163	1,917,241	1,966,013
Depreciation	4,774	10,786	14,322	10,786
Amortization	155,583	312,194	466,749	312,194
Miscellaneous	203,754	111,467	375,269	110,667
	<u>1,002,640</u>	<u>1,796,610</u>	<u>2,773,581</u>	<u>2,399,660</u>
23.1 Employee Benefit cost				
Salaries, allowance and other benefits	615,981	1,285,823	1,849,593	1,889,673
Charges for post employment benefit	22,548	76,340	67,648	76,340
	<u>638,529</u>	<u>1,362,163</u>	<u>1,917,241</u>	<u>1,966,013</u>
24. OTHER EXPENSES				
Auditors' Remuneration 24.1	65,406	170,203	159,469	170,203
Employee Health Insurance	19,202	-	70,408	-
Compensated leave absences	7,725	-	84,906	-
	<u>92,333</u>	<u>170,203</u>	<u>314,783</u>	<u>170,203</u>

	Three months period ended 30 September		Nine months period ended 30 September	
	2019	2018	2019 Rupees	2018 Rupees
24.1 Auditor's Remuneration				
Annual audit fee	65,406	170,203	159,469	170,203
	65,406	170,203	159,469	170,203
25. TAXATION				
Current	(256,598)	603,067	964,049	(473,451)
Deferred	(2,947)	-	(75,259)	-
	(259,545)	603,067	888,790	(473,451)

26. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise the Operator, associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel of the management. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Balances and transaction with related party are disclosed in relevant notes to these condensed financial information.

	Three months period ended 30 September		Nine months period ended 30 September	
	2019	2018	2019 Rupees	2018 Rupees
Transactions				
Common Directorship				
Sindh Bank Limited (SBL)				
Income on saving accounts	281,177	81,787	346,016	1,059,809
Net Contribution	37,145	2,341,982	52,288	3,158,349
Gross Contribution	37,145		52,288	
Claim paid	168,720	510,854	341,902	597,808
Sindh Modarba				
Net Contribution	193,396	94,476	238,966	217,474
Gross Contribution	185,137		228,537	-
Claim	-	47,930	23,050	67,761
			30 September	31 December
			2019	2018
Balances				
Common Directorship				
Sindh Bank Limited (SBL)				
Bank accounts			5,597,877	2,542,161
Due from takaful contract holder			1,809,790	889,702
Claim payable			92,868	148,000
Sindh Modarba				
Due from takaful contract holder			6,411	5,048
Claim payable			100,000	25,000

27. OPERATING SEGMENTS

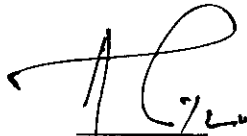
	Fire and Property Damage		Marine, Aviation & Transport		Motor		Accident and health		Miscellaneous		Treaty		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment results														
Contribution receivable	187,792	627,696	-	118,628	2,585,189	1,459,923	1,578,413	815,901	651,418	21,034	-	-	5,002,812	2,943,082
Less: Federal exercise duty	8,256	9,529	-	272	295,165	178,080	3,219	93,041	14,439	2,398	-	-	321,079	283,320
Federal insurance fee	637	736	-	20	22,706	12,757	288	7,157	503,849	184	-	-	527,480	20,854
Gross written contribution	178,899	517,331	-	118,336	2,267,318	1,269,086	1,574,906	715,703	133,130	18,452	-	-	4,154,253	2,638,908
Direct contribution earned	350,473	1,200,169	316	57,813	7,694,298	1,034,884	1,315,769	558,409	251,059	176,594	-	-	9,611,915	3,027,869
Facultative inward contribution earned	96,108	-	11,975	-	-	-	-	-	-	-	-	-	108,083	-
Administrative surcharge earned	11,060	5,194	120	584	95,265	27,106	8,750	3,929	1,783	2,569	-	-	116,978	39,382
Contribution earned	457,641	1,205,363	12,411	58,397	7,789,563	1,061,990	1,324,519	562,338	252,842	179,163	-	-	9,836,976	3,067,251
Re-takaful expense	(400,922)	(1,624,504)	(11,152)	(83,495)	(1,811,544)	(5,508,904)	-	-	(159,743)	(209,758)	-	-	(2,383,361)	(7,426,661)
Net contribution earned	56,719	(419,141)	1,259	(25,098)	5,978,019	(4,446,914)	1,324,519	562,338	93,099	(30,595)	-	-	7,453,615	(4,359,410)
Rebate from re-takaful operators	86,152	362,507	2,564	19,204	7,666	39,463	-	-	36,739	48,239	-	-	133,121	469,413
Net underwriting income	142,871	(56,634)	3,823	(5,894)	5,985,685	(4,407,451)	1,324,519	562,338	129,838	17,644	-	-	7,586,736	(3,889,997)
Takaful claims	3,277	-	1,201	-	(2,631,384)	(295,664)	(278,413)	(10,260)	(101,398)	(597,808)	-	-	(3,006,717)	(903,732)
Re-takaful and other recoveries	-	-	-	-	(4,614)	-	-	-	(75,000)	-	-	-	(79,614)	-
Net claims	3,277	-	1,201	-	(2,626,770)	(295,664)	(278,413)	(10,260)	(26,398)	(597,808)	-	-	(2,927,103)	(903,732)
Wakala expense	(112,529)	(129,333)	(3,098)	(29,584)	(2,699,761)	(514,698)	-	(178,926)	(339,863)	(4,152)	-	-	(3,202,820)	(1,274,197)
Underwriting result	33,619	(185,967)	1,926	(35,478)	659,154	(5,217,813)	1,046,106	373,152	(236,423)	(584,316)	-	-	1,456,813	(6,067,926)
Direct expenses													(434,298)	-
Investment Income													1,478,722	-
Other Income													91,933	148,648
(Deficit) / surplus for the period													2,593,170	(5,919,278)
Segment assets	863,589	2,747,266	-	421,117	10,944,893	5,095,432	7,602,452	2,546,942	642,651	7,468,720	-	-	20,053,585	18,279,478
Un-allocated assets														
- Participant Takaful fund													1,692,849	1,108,765
- Operator's Fund													63,105,246	71,674,074
													84,851,680	91,062,317
Segment liabilities	955,052	3,507,893	-	537,711	12,104,072	6,506,188	8,407,632	3,252,106	710,714	9,536,560	-	-	22,177,471	23,340,457
Un-allocated liabilities														
- Operator's Fund													7,389,735	19,943,772
													29,567,206	43,284,229


28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue on 22 OCT 2019 by the Board of Directors of the Company.

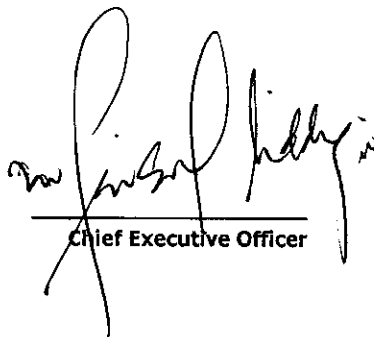
29. GENERAL

Figures have been rounded to the nearest Rupees.


Chairman


Director


Director


Chief Executive Officer