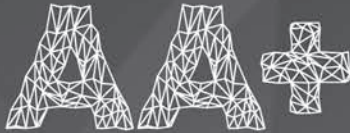


**Advancing
with
Intelligence**

Half Yearly Report
30 June 2018 (Unaudited)

Jubilee General Insurance Company Limited



JCR-VIS



PACRA

MAP

Top Position in Financial Category
33rd MAP Corporate Excellence
Award

ICAP & ICMAP

Top Position in NBFCs
Best Corporate Report & Sustainability
Award

Lloyd's Register LRQA

ISO 9001:2015
(All Functions including Enterprise
Risk Management)

FPCI

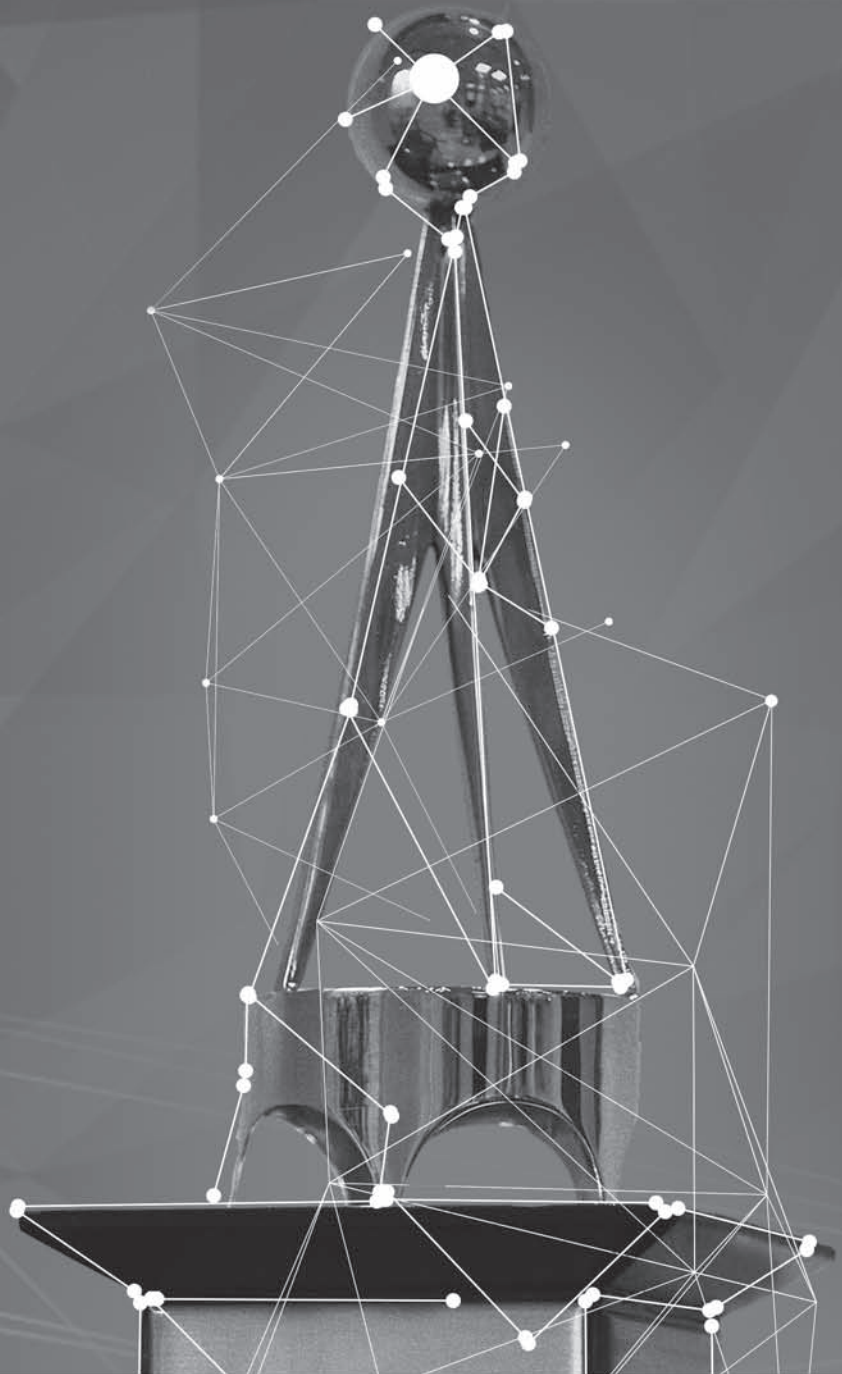
Outstanding Service in Insurance

Insurance Journal

Corporate Social Responsibility
Highest Donation (2013-2015)

SAFA

Certificate of Merit
(Insurance Sector)



LIGHTING THE WAY TO LEADERSHIP

At Jubilee General, making a difference defines us. On every corporate landscape, we believe in driving excellence, delivering results and demonstrating passion. Our awards are a testament to this commitment.

ABLE. WILLING. STRONG.

Contents

03	Corporate Information
04	Directors' Review
05	Directors' Review in Urdu Language

Financial Statements

07	Auditors' Review Report
08	Condensed Interim Statement of Financial Position
10	Condensed Interim Profit and Loss Account
11	Condensed Interim Statement of Comprehensive Income
12	Condensed Interim Cash Flow Statement
14	Condensed Interim Statement of Changes in Equity
15	Notes to the Condensed Interim Financial Information

Financial Statements - Window Takaful Operations

32	Auditors' Review Report
33	Condensed Interim Statement of Financial Position
34	Condensed Interim Profit and Loss Account
35	Condensed Interim Statement of Comprehensive Income
36	Condensed Interim Cash Flow Statement
37	Condensed Interim Statement of Changes in Funds
39	Notes to the Condensed Interim Financial Information

Corporate Information

Chairman of the Board of Directors

Towfiq H. Chinoy

Directors

Sadrudin Hashwani

Akbarali Pesnani

John Joseph Metcalf

R. Zakir Mahmood

Amin A. Hashwani

Amyr Currimbhoy

Farhan Talib

Managing Director and Chief Executive

Tahir Ahmed

Chief Financial Officer

Nawaid Jamal

Company Secretary

Fahad Alam

Auditors

KPMG Taseer Hadi & Co.

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Legal Advisor

Surrige & Beecheno

Bankers

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
Soneri Bank Limited
Bank Alfalah Limited
Bankislami Pakistan Limited
Dubai Islamic Bank

Share Registrar

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.,
Karachi

UAN: (92-21) 111 - 000 - 322
Tel: (92-21) 34168266, 68, 70

Head Office / Registered Office

2nd Floor, Jubilee Insurance House
I.I. Chundrigar Road, Karachi, Pakistan.

UAN: (92-21) 111 - 654 - 111
Toll Free: 0800-03786
Tel: (92-21) 32416022-26
Fax: (92-21) 32416728, 32438738

Email: info@jubileegeneral.com.pk
Website: www.jubileegeneral.com.pk

National Tax Number

0711347-1

Sales Tax Registration Number

1600980500182

Director's Review

The Board of Directors present before you the unaudited financial statements of the Company for the half year ended 30th June 2018.

Business Overview

By the grace of Allah, your Company posted a robust increase of 26% in the gross premium (including Contribution Written in Takaful Operations) to Rs 5.730 billion (2017: Rs 4.536 billion) in the period under review. Company's combined net premium / contribution too increased by a healthy 12% to Rs 2.724 billion (2017: Rs 2.433 billion). Almost all classes of business supported the overall growth.

In the three years preceding 2018, insurance industry enjoyed the luxury of less than average fire claims. However, in 2018 the industry is challenged with huge fire losses. Jubilee General too has been hit by few major fire claims and we are reporting a technical loss of Rs 44 million. The management has taken corrective measures and is hopeful of turning positive in the upcoming quarter.

We are pleased to report that Company's investment income recorded a growth of 12% mainly due to realised capital gains to reach Rs 721 million (2017: Rs 642 million).

Insurance

The summarised results of the Company's insurance business for the period ended 30th June 2018 are as under:

	30 June 2018	30 June 2017 (Restated)
	(Rupees in '000)	
Gross Premium	5,257,293	4,238,071
Net Premium Revenue	2,502,865	2,292,368
Underwriting Result	(130,171)	176,099
Investment Income including Capital Gains & Rent	713,011	639,340
Profit Before Tax	743,603	932,642
Profit After Tax	467,450	610,708
Earnings Per Share of Rs 10 each	2.59	3.38

Takaful

Alhamdulillah! Window Takaful Operations continue to post strong growth of 59% in gross written contribution to reach Rs 473 million (2017: Rs 298 million). Net contribution too posted matching growth of 57% to Rs 221 million (2017: Rs 141 million). It is pertinent to note that growth in Takaful Operations is supported by almost all classes of business.

The Participants' Takaful Fund Surplus is Rs 50 million (2017: Rs 29 million) in the period under review resulting in Operator's profit of Rs 32 million (2017: Rs 20 million).

The summarised results of Company's Takaful Operations for the period ended 30th June 2018 are as follows:

	30 June 2018	30 June 2017
	(Rupees in '000)	
Gross Contribution	472,766	297,762
Net Contribution	221,345	141,089
PTF Surplus before Investment Income	44,368	26,083
Investment Income	7,506	3,089
PTF Surplus for the period	50,373	28,554
Operator's Fund – Revenue Account	41,869	25,637
Operator's Profit before Tax	45,150	28,523
Operator's Profit after Tax	32,056	19,966

Outlook

Country has seen off largely peaceful national elections. It is expected that the new government will usher in a period of political stability. We expect CPEC activity to pick up pulling the cement and auto sectors with it. Hence, we hope to improve our result during the second half of this year.



Tahir Ahmed
Chief Executive

Karachi: 16 August 2018



Amyn Currimbhoy
Director

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز آپ کے سامنے 30 جون 2018 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہیں۔

کاروباری جائزہ

خداوند تعالیٰ کے فضل و کرم سے، زیر جائزہ عرصے کے دوران آپ کی کمپنی کا مجموعی پربیم 26 فیصد کے شاندار اضافے کے ساتھ (بشمول تکافل کنٹری بیوشن کے) 5.730 بلین روپے (2017 میں 4.536 بلین روپے) رہا۔ کمپنی کا مشترکہ خالص پربیم/کنٹری بیوشن بھی 12 فیصد کے قابل قدر اضافہ کے ساتھ 2.724 بلین روپے (2017 میں 2.433 بلین روپے) رہا۔ کاروبار میں مجموعی اضافہ کاروبار کے تمام شعبہ جات میں ترقی کی بدولت ہوا۔ پچھلے تین سالوں میں انشورنس کی صنعت نے مجموعی طور پر کم فائز کمپنیز کے سبب بھرپور فائدہ اٹھایا البتہ 2018 میں آگ کے بڑے حادثات کے باعث صنعت کو بہت بھاری نقصانات کا سامنا رہا۔ یہاں تک کہ جوہلی جزل بھی کچھ بڑے فائز کمپنیز کے سبب متاثر ہوئی، نتیجتاً کمپنی نے 44 بلین روپے کا ٹیکنیکل نقصان رپورٹ کیا۔ انتظامیہ نے اصلاحی اقدامات اٹھائے ہیں اور آنے والی سہ ماہی میں مثبت رجحان کے لیے پرامید ہے۔ ہم یہ بیان کرتے ہوئے خوشی محسوس کر رہے ہیں کہ کمپنی کی سرمایہ کاری سے آمدنی، کیپٹل گین کی بدولت 12 فیصد اضافہ کے ساتھ 721 بلین روپے (2017 میں 642 بلین روپے) تک پہنچ گئی ہے۔

انشورنس

کمپنی کے انشورنس کاروبار کے مختصر نتائج برائے 30 جون 2018 پر ختم ہونے والی مدت کے لیے درج ذیل ہیں:

30 June 2017 (Restated)	30 June 2018	
(Rupees in '000)		
4,238,071	5,257,293	مجموعی پربیم
2,292,368	2,502,865	خالص پربیم
176,099	(130,171)	انڈر رائٹنگ رزلٹ
639,340	713,011	سرمایہ کاری کی آمدنی (بشمول کیپٹل گین اور کراریہ آمدنی کے)
932,642	743,603	قبل از ٹیکس منافع
610,708	467,450	بعد از ٹیکس منافع
3.38	2.59	ٹی شیئر آمدنی

تکافل

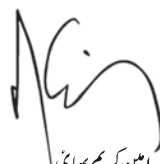
الحمد للہ! وندو تکافل آپریشن میں 59 فیصد کی شاندار ترقی سے مجموعی طور پر جمع ہونے والا کنٹری بیوشن 473 بلین روپے (2017 میں 298 بلین روپے) تک پہنچ گیا۔ خالص کنٹری بیوشن بھی 57 فیصد کی قابل ذکر اضافے کے ساتھ 221 بلین روپے (2017 میں 141 بلین روپے) تک پہنچ گیا۔ یہ بات قابل ذکر ہے کہ تکافل آپریشن کی ترقی میں تقریباً تمام شعبہ جات کا تعاون شامل رہا ہے۔ زیر جائزہ عرصے کے دوران شراکت دارانہ تکافل فنڈ سرپلس 32 بلین روپے کے آپریٹنگ منافع کی بدولت 50 بلین روپے (2017 میں 29 بلین روپے) تک پہنچ گیا ہے۔

کمپنی کے تکافل آپریشنز کے مختصر نتائج 30 جون 2018 پر ختم ہونے والی مدت کے لیے درج ذیل ہیں:

30 June 2017	30 June 2018	
(Rupees in '000)		
297,762	472,766	مجموعی کنٹری بیوشن
141,089	221,345	خالص کنٹری بیوشن
26,083	44,368	انو-سٹنٹ انکم سے قبل PTF سرپلس
3,089	7,506	سرمایہ کاری کی آمدنی
28,554	50,373	اس مدت میں PTF سرپلس
25,637	41,869	آپریٹنگ فنڈ: ریونیو کاؤنٹ
28,523	45,150	قبل از ٹیکس آپریٹنگ منافع
19,966	32,056	بعد از ٹیکس آپریٹنگ منافع

مستقبل پر نظر

ملک میں پرامن انتخابات کا مرحلہ مکمل ہو چکا ہے۔ توقع کی جارہی ہے کہ کئی حکومت کا آغاز مستحکم سیاسی حالات میں ہوگا۔ ہم امید کرتے ہیں کہ سی پیک کی سرگرمی سے سینٹ اور آٹو ریگولیشنز میں تیزی آئے گی۔ تاہم ہم سال کی دوسری ششماہی کے دوران بہتر نتائج کے لیے پرامید ہیں۔


امین کریم بھائی
ڈائریکٹر


طاہر احمد

مینجنگ ڈائریکٹر ایگزیکٹو چیف ایگزیکٹو
کراچی 16 اگست 2018

FINANCIAL STATEMENTS





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Independent auditors' review report to the members of Jubilee General Insurance Company Limited

Report on review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Jubilee General Insurance Company Limited** ("the Company") and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity and notes to the financial information for the six-month period then ended 30 June 2018 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the three months period ended 30 June 2018 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' report is Muhammad Nadeem.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 16 August 2018
Karachi

Condensed Interim Statement of Financial Position

As at 30 June 2018

	Note	30 June 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
(Rupees in '000)			
Assets			
Property and equipment	8	176,910	178,179
Computer software		53,444	20,417
Investment properties	9	660,072	658,873
Investments in associates	10	752,509	705,694
Investments			
Equity securities	11	5,008,134	5,466,732
Debt securities	12	5,825,532	4,992,394
Term deposits	13	119,838	242,180
Loans and other receivables	14	140,357	126,806
Insurance / reinsurance receivables	15	3,066,958	1,782,824
Reinsurance recoveries against outstanding claims		2,926,442	1,987,502
Salvage recoveries accrued		25,045	26,505
Deferred commission expense / acquisition cost	26	298,138	269,685
Prepayments	16	2,251,376	1,145,945
Cash & bank	17	1,169,945	1,893,276
Total assets of Window Takaful Operations - Operator's Fund	18	303,675	266,591
Total Assets		22,778,375	19,763,603

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



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director

	Note	30 June 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
(Rupees in '000)			
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital: 250,000,000 (2017: 250,000,000) Ordinary shares of Rs.10 each		2,500,000	2,500,000
Issued, subscribed and paid-up share capital [180,446,583 (2017: 180,446,583) Ordinary shares of Rs.10 each]		1,804,465	1,804,465
Reserves		5,714,691	5,490,226
Unappropriated profit		504,747	1,069,922
Total Equity		8,023,903	8,364,613
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	25	4,498,550	3,431,665
Unearned premium reserves	24	4,093,720	2,947,608
Unearned reinsurance commission	26	148,262	124,063
Deferred taxation	19	495,001	548,816
Premium received in advance		109,443	150,931
Insurance / reinsurance payables	20	1,978,873	1,144,001
Other creditors and accruals	21	1,402,963	1,032,519
Deposits and other payables	22	1,642,012	1,665,900
Taxation-provision less payments		212,614	227,839
Total Liabilities		14,581,438	11,273,342
Total liabilities of Window Takaful Operations - Operator's Fund	18	173,034	125,648
Total Equity and Liabilities		22,778,375	19,763,603
Contingencies	23		

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



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For the three months and six months period ended 30 June 2018

	Note	Three months period ended		Six months period ended	
		2018	2017 (Restated)	2018	2017 (Restated)
(Rupees in '000)					
Net insurance premium	24	1,196,160	1,162,888	2,502,864	2,292,368
Net Insurance claims	25	834,291	657,205	1,582,157	1,200,042
Net commission and other acquisition costs	26	112,387	102,768	214,163	208,517
Insurance claims and acquisition expenses		946,678	759,973	1,796,320	1,408,559
Management expenses		419,751	366,031	836,715	707,710
Underwriting results		(170,269)	36,884	(130,171)	176,099
Investment income	27	227,850	359,389	667,894	595,949
Rental Income		22,539	23,057	45,117	43,391
Other income	28	22,647	20,570	49,015	34,778
Other expenses		(25,441)	(27,720)	(41,512)	(44,692)
Results of operating activities		77,326	412,180	590,343	805,525
Share in profit of associates		43,570	43,467	108,110	98,594
Profit from Window Takaful Operations	18	25,074	16,498	45,150	28,523
Profit before tax		145,970	472,145	743,603	932,642
Income tax expense - current		(117,799)	(219,305)	(271,683)	(340,683)
- deferred		21,074	12,467	(4,470)	18,749
		(96,725)	(206,838)	(276,153)	(321,934)
Profit after tax		49,245	265,307	467,450	610,708
Earnings per share - Rupees	30	0.27	1.47	2.59	3.38

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



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months and six months period ended 30 June 2018

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017 (Restated)	2018	2017 (Restated)
	(Rupees in '000)			
Profit after tax	49,245	265,307	467,450	610,708
Other comprehensive income				
Item to be reclassified to profit and loss account in subsequent period				
Foreign currency translation difference-net off tax	2,130	(413)	5,594	358
Unrealised appreciation / (diminution) 'available for sale' investments - net off tax	(390,263)	(6,196)	87,298	114,006
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net off tax	(43,543)	(74,109)	(183,263)	(115,690)
	(433,806)	(80,305)	(95,965)	(1,684)
Unrealised appreciation / (diminution) 'available for sale' investments of Window Takaful Operations -net off tax	(1,112)	(1,471)	582	(2,679)
Reclassification adjustment for net loss /(gain) on available for sale investments included in profit and loss account Window Takaful Operations - net off tax	(384)	58	(2)	(137)
	(1,496)	(1,413)	580	(2,816)
Share in other comprehensive income of an associate				
Net Unrealised appreciation / (diminution) 'available for sale' investments - net off tax	3,091	(1,246)	3,091	(1,246)
Foreign currency translation difference-net off tax	287	49	326	49
	3,378	(1,197)	3,417	(1,197)
Total comprehensive income for the period	(380,549)	181,979	381,076	605,369

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

Tahir Ahmed
Chief Executive

Aryn Currimbhoy
Director

Nawaid Jamal
Chief Financial Officer

Farhan Talib
Director

Towfiq H. Chinoy
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended 30 June 2018

	2018	2017
	(Rupees in '000)	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	4,010,094	3,080,345
Reinsurance premium paid	(1,872,531)	(1,486,903)
Claims paid	(2,225,390)	(1,537,101)
Reinsurance and other recoveries received	694,215	521,927
Commissions paid	(372,283)	(285,181)
Commissions received	185,326	167,113
Management expenses paid	(698,297)	(578,626)
Net cash (outflow) from underwriting activities	(278,866)	(118,426)
(b) Other operating activities		
Income tax paid	(273,814)	(223,345)
General and administration expenses paid	(27,514)	(26,846)
Other operating payments	(477,169)	(464,739)
Other operating receipts	654,036	502,972
Loans advanced	(399)	(908)
Loans repayment received	516	752
Net cash (outflow) from other operating activities	(124,344)	(212,114)
Total cash (outflow) from all operating activities	(403,210)	(330,540)
Investment activities		
Profit / return received	218,781	194,142
Dividends received	125,207	230,147
Rentals received - net of expenses	66,871	31,074
Payments for investments / investment property	(10,847,725)	(3,862,149)
Proceeds from investments	10,735,770	3,613,761
Fixed capital expenditure	(62,152)	(31,127)
Proceeds from sale of property and equipment	1,286	394
Total cash inflow from investing activities	238,038	176,242
Total cash (outflow) from financing activities- Dividends paid	(692,481)	(537,633)
Net cash (outflow) from all activities	(857,653)	(691,931)
Cash at beginning of six months period	2,054,306	2,014,101
Cash at end of six months period	1,196,653	1,322,170

2018

2017

(Restated)

(Rupees in '000)

Reconciliation to profit and loss account

Operating cash flows	(403,210)	(330,540)
Depreciation / amortisation expense	(29,095)	(23,786)
(Loss) on sale of property and equipment	(13)	(155)
(loss) on remeasurement of investments at fair value through profit or loss	(29,379)	(30,164)
Profit on disposal of investments	415,570	262,023
Dividend income	131,242	227,774
Rental income	45,117	43,391
Other investment income	299,340	269,557
Profit for the period from Window Takaful Operations	32,056	19,966
Increase in assets other than cash	3,322,275	1,451,274
(Increase) in liabilities other than borrowings	(3,316,453)	(1,278,632)
Profit after taxation	467,450	610,708

Cash for the purposes of the Statement of Cash Flows consists of:**Cash and bank deposits****Cash and other equivalents**

Cash	1,252	1,153
Policy stamps and bond papers in hand	5,931	3,636
Balance with State Bank of Pakistan	-	99,435
	7,183	104,224

Current and other accounts

Current accounts	82,484	154,523
Profit and Loss savings accounts	1,080,278	967,809
	1,162,762	1,122,332

Deposits having maturity within 3 months (encashable on demand)

Term deposits - Local Currency	-	76,750
Term deposits - Foreign Currency	26,708	18,864
	26,708	95,614
	1,196,653	1,322,170

Reconciliation of liabilities arising out of financing activities

Unclaimed dividend as at 01 January	82,950	72,707
Changes from financing activities		
Dividend paid	(692,481)	(537,633)
Others		
Final cash dividend for the year ended 31 December 2017 @ 40% (2016: 35%)	721,786	549,185
Unclaimed dividend as at 30 June	112,255	84,259

Definition of cash

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

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

Tahir Ahmed
Chief Executive

Aryn Currimbhoy
Director

Nawaid Jamal
Chief Financial Officer

Farhan Talib
Director

Towfiq H. Chinoy
Chairman

Condensed Interim Statement of Changes In Equity (Unaudited)

For the six months period ended 30 June 2018

Share capital	Reserves								Total	
	Capital reserve	Revenue reserves						Company's share of Retained earnings arising from business other than participating business attributable to shareholder Ledger D of an associate		Company's share of capital contributed to the statutory fund by an associate
		Reserve for exceptional losses	General reserve	Special reserve	Exchange translation reserve on investment in foreign associate	Unrealised appreciation / (diminution) 'available for sale' investments	Unappropriated profit			
Issued, subscribed and paid-up										
(Rupees in '000)										
Balance as at 01 January 2017 - as previously reported	1,569,100	9,384	3,150,000	700,000	(5,852)	-	1,193,316	-	(16,091)	6,599,857
Net effect of changes in accounting policies (refer note 3.1)										
- Unrealised appreciation / (diminution) available for sale' investments	-	-	-	-	-	2,055,832	-	-	-	2,055,832
- of an associate	-	-	-	-	-	25,690	-	116,864	16,091	158,645
	-	-	-	-	-	2,081,522	-	116,864	16,091	2,214,477
Balance as at 01 January 2017 as restated	1,569,100	9,384	3,150,000	700,000	(5,852)	2,081,522	1,193,316	116,864	-	8,814,334
Changes in equity for the six months period ended 30 June 2017										
Total comprehensive income										
Profit after tax for the six months period	-	-	-	-	-	-	610,708	-	-	610,708
Other comprehensive income										
Foreign currency translation difference Net off tax	-	-	-	-	358	-	-	-	-	358
Share in other comprehensive income of an associate	-	-	-	-	49	(1,246)	(8,114)	8,114	-	(1,197)
Net unrealised gain arising during the period on revaluation of available for sale investments (including WTO) net off tax	-	-	-	-	-	111,327	-	-	-	111,327
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) Net off tax	-	-	-	-	-	(115,827)	-	-	-	(115,827)
	-	-	-	-	407	(5,746)	602,594	8,114	-	605,369
Transactions with owners recorded directly in equity										
Final cash dividend at Rs.3.5 (35%) per share for the year 2016	-	-	-	-	-	-	(549,185)	-	-	(549,185)
Issuance of bonus share @ 15% for the year 2016	235,365	-	-	-	-	-	(235,365)	-	-	-
Transfer to general reserve	-	-	300,000	-	-	-	(300,000)	-	-	-
Transfer to special reserve	-	-	-	100,000	-	-	(100,000)	-	-	-
	235,365	-	300,000	100,000	-	-	(1,184,550)	-	-	(549,185)
Balance as at 30 June 2017 as restated	1,804,465	9,384	3,450,000	800,000	(5,445)	2,075,776	611,360	124,978	-	8,870,518
Balance as at 01 January 2018 - as previously reported	1,804,465	9,384	3,450,000	800,000	(2,375)	-	1,069,922	-	(9,661)	7,121,735
Net effect of changes in accounting policies (refer note 3.1)										
- Unrealised appreciation / (diminution) available for sale' investments	-	-	-	-	-	1,069,765	-	-	-	1,069,765
- of an associate	-	-	-	-	-	2,549	-	160,903	9,661	173,113
	-	-	-	-	-	1,072,314	-	160,903	9,661	1,242,878
Balance as at 01 January 2018 as restated	1,804,465	9,384	3,450,000	800,000	(2,375)	1,072,314	1,069,922	160,903	-	8,364,613
Changes in equity for the six months period ended 30 June 2018										
Total comprehensive income										
Profit after tax for the six months period	-	-	-	-	-	-	467,450	-	-	467,450
Other comprehensive income										
Foreign currency translation difference Net off tax	-	-	-	-	5,594	-	-	-	-	5,594
Share in other comprehensive income of an associate	-	-	-	-	326	3,091	(10,839)	10,839	-	3,417
Net unrealised gain arising during the period on revaluation of available for sale investments (including WTO)-Net off tax	-	-	-	-	-	87,880	-	-	-	87,880
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) Net off tax	-	-	-	-	-	(183,265)	-	-	-	(183,265)
	-	-	-	-	5,920	(92,294)	456,611	10,839	-	381,076
Transactions with owners recorded directly in equity										
Final cash dividend at Rs.4 (40%) per share for the year 2017	-	-	-	-	-	-	(721,786)	-	-	(721,786)
Transfer to general reserve	-	-	100,000	-	-	-	(100,000)	-	-	-
Transfer to special reserve	-	-	-	200,000	-	-	(200,000)	-	-	-
	-	-	100,000	200,000	-	-	(1,021,786)	-	-	(721,786)
Balance as at 30 June 2018	1,804,465	9,384	3,550,000	1,000,000	3,545	980,020	504,747	171,742	-	8,023,903

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



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 30 June 2018

1. STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on 16 May 1953. The Company is listed in the Pakistan Stock exchange and is engaged in general insurance business. The registered office of the Company is situated at 2nd Floor, Jubilee Insurance House, I. I. Chundrigar Road, Karachi.

The Company was granted authorisation on 10 March 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 7 May 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These 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, 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, have been followed.

2.2 The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated 9th February, 2017 has prescribed format of the presentation of annual financial statements for general insurance companies. These condensed interim financial statements have been prepared in accordance with the format prescribed by the SECP (note 3.1).

2.3 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 information in accordance with the requirements of Circular 25 of 2015 dated 9 July 2015.

2.4 These condensed interim financial information do not include all the information required in the full annual financial statements. Accordingly, these condensed interim financial information should be read in conjunction with annual financial statements of the Company as at and for the year ended 31 December 2017.

2.5 These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional currency of the Company.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these condensed interim financial information are same as compared with the annual financial statements of the Company as at and for the year ended 31 December 2017, except as stated below.

3.1 Change in Accounting Policies

3.1.1 Application of Insurance Rules 2017 and Insurance Accounting Regulation 2017

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated 9 February 2017 has issued the and Insurance Rules, 2017 Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations 2017). The application of these Rules and Accounting Regulations, 2017 for the purpose of preparation and presentation of the financial statements was effective from 1 April 2017. SECP vide letter ID /OSM /Jubilee General /2017 /10483, dated 4 August 2017 has granted exemption from application of Rules and Accounting Regulations 2017 to the Company till 31 December 2017. Therefore, the application of Rules and Accounting Regulations 2017 became effective from the accounting year commencing from 01 January 2018.

The Rules and Accounting Regulations 2017 require significant disclosures / requirements, which are relevant to the Company includes but not limited to: Presentation and disclosure of financial statements prescribed in Annexure II of the Insurance Rules, 2017, recognition of available-for-sale investments at fair value as per IAS 39 "Financial Instruments: Recognition and Measurement, recognition of premium receivable under an insurance policy / cover note as written from the date of attachment of risk to the policy / cover note.

The Company has adopted these Rules and Accounting Regulations 2017 and accordingly has changed its accounting policies as follows:

3.1.1.1 Available for sale investments

Up to 31 December 2017, the available for sale investments subsequent to initial recognition had been stated at the lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) as the application of International Accounting Standard-39 (IAS-39) Financial Instruments: Recognition and Measurement in respect of valuation of available for sale investments was deferred in accordance with repealed SEC (Insurance) Rules 2002.

According to the Rules and Accounting Regulations 2017, the Company has changed its accounting policy for subsequent measurement of investments classified as available for sale from lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) to fair value as per the requirements of IAS 39 and any unrealised gains or losses arising on re-measurement on of available-for-sale investments are taken to revaluation reserve through other comprehensive income. On de-recognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to profit and loss account for the period.

3.1.1.2 Premium income

Up to 31 December 2017, premium had been recognized as written at the time of insurance policy (policy written) in accordance with the SEC (Insurance) Rules, 2002. Accordingly to the Rules and Accounting Regulations 2017, the Company has changes its accounting policy for recognition of premium under an insurance policy / cover note as written from date of issuance to the date of attachment of risk to the policy / cover note.

3.1.1.3 Investment in associate – Jubilee Life Insurance Company Limited

Rules and Accounting Regulations 2017 referred to in note 3.1 introduced single Balance sheet, Profit and Loss Account, Cash Flow, done away with the separate presentation of Revenue account of the statutory funds, incorporated ledger account D balances (retained earnings on other than reserves attributable to Company's equity holders, and require all investment to be valued in accordance with the requirements of the International Financial Reporting Standards and introduced the concept of other comprehensive income for life insurance companies.

In line with the adoption of the Rules and Accounting Regulations 2017, Jubilee Life Insurance Company - an associate has changed its accounting policies and applied these changes retrospectively in their financial statements in accordance with the requirements of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error'. Accordingly the Company has incorporated these changes in line with the aforesaid requirements.

3.1.1.4 Presentation of Financial Statements

The Company has adopted format for preparation and presentation of its condensed interim financial information in line with the requirements of the Rules and Accounting Regulations 2017. Significant changes in presentation are rearrangements in sequence of assets / liabilities in the statement of financial position; presentation of single profit or loss account instead of segment wise (classes of business) presentation and discontinuation of separate statements of Premiums, Claims, Expense and investment Income. The segment wise and premiums, claims and expenses and investment income is now included in notes to the interim condensed financial information (note 24, 25, 26, 27 and 31).

3.1.1.5 Financial Impact of change in accounting policy

The significant effects of ` changes in accounting policies as stated above has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated to conform to the changed policies. The summary of the effects are as follows:

	31 December 2017			1 January 2017		
	As previously reported	As re-stated	Re-statement	As previously reported	As re-stated	Re-statement
	(Rupees in '000)					
Effect on Statement of financial position						
Assets						
Investments in associates	462,530	705,694	243,164	357,176	576,916	219,740
Investments in Equity Securities	3,935,647	5,466,732	1,531,085	4,323,496	7,259,500	2,936,004
Total assets from takaful operations - OTF	269,441	266,591	(2,850)	185,071	185,970	899
Liability						
Deferred taxation	19,440	548,816	529,376	64,676	1,006,573	941,897
Total liabilities from takaful operations - OTF	126,503	125,648	(855)	84,209	84,478	269
Equity						
Unappropriated profit and reserves	5,317,270	6,560,148	1,242,878	5,030,757	7,245,234	2,214,477

	30 June 2017		
	As previously reported	As re-stated	Re-statement
	(Rupees in '000)		
Effect of profit and loss account			
Share of profit of associates	87,003	98,594	11,591
Profit Before tax	921,051	932,642	11,591
Taxation	318,457	321,934	(3,477)
Profit after tax	602,594	610,708	8,114
Effect of other comprehensive income			
Item to be reclassified to profit and loss account in subsequent period			
Share in other comprehensive income of an associate			
Net unrealised (loss) / gain arising during the period on revaluation of available for sale investments-net off tax	-	(1,246)	(1,246)
Foreign currency translation difference-net off tax	358	407	49
	358	(839)	(1,197)
Net unrealised (loss) / gain arising during the period on revaluation of available for sale investments-net off tax			
	-	114,006	114,006
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net off tax	-	(115,690)	(115,690)
		(1,684)	(1,684)
Net unrealised (loss) / gain arising during the period on revaluation of available for sale investments of Window Takaful Operations -net off tax			
	-	(2,679)	(2,679)
Reclassification adjustment for net loss /(gain) on available for sale investments included in profit and loss account Window Takaful Operations - net off tax	-	(137)	(137)
		(2,816)	(2,816)
Other comprehensive income, net of tax	358	(5,339)	(5,697)
Total comprehensive income	602,952	605,369	2,417
Effect on earnings per share			(Rupees)
Increase in earning per share			0.04

3.1.2 Adoption of Companies Act 2017

During the period the Companies Act, 2017 has been effective from 1 January 2018, however there is no impact on the condensed interim financial information of the Company.

3.1.3 NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

There are new and amended standards and interpretations as notified under the Companies Act, 2017 that are mandatory for accounting periods beginning 1 July 2017 but are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

4. Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit and loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on the Company's condensed interim financial information.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Company's condensed interim financial information.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). 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. The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model. Based on initial assessment the management considered that there is no significant change in the classification or carrying value of the financial assets or liabilities and no additional significant impairment is expected.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in process of analyzing the potential impact of changes required on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's condensed interim financial information.

- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after 1 July 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 The overlay approach allows an entity applying IFRS 9 from 1 July 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.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on the Company's condensed interim financial information.

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2017 except that during the period, the estimated residual value of the traktor equipment has been reviewed and based on experience the estimated residual value has been revised from 20% to 15% of its cost. This change has been accounted for as change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS -8) "Accounting policies, Changes in Estimates and Errors" whereby the effect of the changes are recognised prospectively by including the same in determination of profit and loss in the period of the change, this is, during the current and future periods. Had the Company's accounting estimate not been changed, property and equipment of the Company and profit after tax for the period would have been higher by Rs. 4,727 thousands and Rs. 3,356 thousands respectively.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2017.

7. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business at 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 policies in force at the reporting date.

8. PROPERTY AND EQUIPMENT

During the six months period ended 30 June 2018, additions amounted to Rs. 62,152 thousands (30 June 2017: Rs. 31,127 thousands) and disposals had a cost of Rs. 31,608 thousands (30 June 2017: Rs. 1,607 thousands) and written down value of Rs. 1,299 thousands (30 June 2017: Rs.594 thousands) were made.

9. INVESTMENT PROPERTIES

The market value of the investment properties as per valuations carried out by professional valuers in 2017 and as ascertained by the management is Rs. 2,988,078 thousands (31 December 2017 : Rs. 2,988,078 thousands).

	Note	30 June 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
(Rupees in '000)			
Beginning of period / year		705,694	576,916
Share of profit		108,110	177,183
Dividend Received		(73,970)	(71,635)
Foreign currency translation		7,878	4,967
Share in other comprehensive income		4,797	18,263
End of the period / year	10.1	<u>752,509</u>	<u>705,694</u>

10.1 This includes investment in Jubilee Life Insurance Company Limited Rs. 643,256 thousands (31 December 2017 : Rs. 608,752 thousands) having market value amounting to Rs 3,494,492 thousands (31 December 2017 : Rs. 3,596,521 thousands) and in Jubilee Kyrgyzstan Insurance Company (CJSC) Rs. 109,253 thousands (31 December 2017: Rs. 96,942 thousands).

11. INVESTMENTS IN EQUITY SECURITIES

	Note	2018 (Unaudited)		2017 (Audited)	
		Cost	Carrying value	Cost	Carrying value (Restated)
(Rupees in '000)					
Available for sale					
Related parties					
Listed shares		620,975	710,699	649,411	746,147
Mutual Funds		1,268	8,291	1,489	6,260
		<u>622,243</u>	<u>718,990</u>	<u>650,900</u>	<u>752,407</u>
Others					
Listed Shares		2,640,713	3,860,818	2,829,507	4,156,019
Unlisted Shares		2,500	2,500	2,500	2,500
Mutual Funds		143,075	200,581	286,151	389,217
		<u>2,786,288</u>	<u>4,063,899</u>	<u>3,118,158</u>	<u>4,547,736</u>
Investment at fair value through profit and Loss					
Listed Shares		254,626	225,245	218,339	166,589
		<u>3,663,157</u>	<u>5,008,134</u>	<u>3,987,397</u>	<u>5,466,732</u>

12. INVESTMENTS IN DEBT SECURITIES

Government securities

Held to maturity

Pakistan Investment Bonds		54,133	54,133	155,383	155,383
Treasury Bills		395,818	395,818	4,837,011	4,837,011

	12.1	<u>449,951</u>	<u>449,951</u>	<u>4,992,394</u>	<u>4,992,394</u>
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Available for sale

Treasury Bills		5,376,769	5,375,581	-	-
		<u>5,826,720</u>	<u>5,825,532</u>	<u>4,992,394</u>	<u>4,992,394</u>

12.1 Pakistan Investment Bonds with face value of Rs. 50,000 thousands (2017: Rs. 50,000 thousands) and Treasury Bills with face value of Rs. 140,000 thousands (2017: Rs. 140,000 thousands) are placed with State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

13. INVESTMENTS IN TERM DEPOSITS	Note	30 June 2018 (Unaudited)	31 December 2017 (Audited)
		(Rupees in '000)	
Deposits maturing within 12 months			
Term deposits - local currency	13.1 & 13.2	26,360	176,000
Term deposits - foreign currency		93,478	66,180
		119,838	242,180
13.1	This includes sum of Rs.1,360 thousands (2017: Rs.1,000 thousands) placed under lien with commercial banks against bank guarantees.		
13.2	This includes an amount of Rs. 25,000 thousands (2017: Rs. Nil) due from a related party.		
14. LOANS AND OTHER RECEIVABLES - Considered good			
Rent receivable	14.1	2,891	691
Accrued Investment income		13,082	11,446
Security deposit		6,155	5,261
Advance to supplier		72,267	75,528
Sales tax recoverable		4,334	6,486
Loans to employees		658	775
Medical claims recoverable		16,688	9,864
Other receivable		24,282	16,755
		140,357	126,806
14.1	This includes an amount of Rs. 2,200 thousands (2017: Nil) held with a related party.		
15. INSURANCE / RE-INSURANCE RECEIVABLES			
Due from Insurance contract holders	15.1	3,076,644	1,870,933
Less provision for impairment of receivables from Insurance contract holders		(158,961)	(158,961)
Due from other Insurers / reinsurers	15.2	166,275	87,852
Less provision for impairment of receivables from other Insurance / re-insurance		(17,000)	(17,000)
		3,066,958	1,782,824
15.1	Due from Insurance contract holders includes an amount of Rs. 34,671 thousands (2017: Rs. 89,083 thousands) due from related parties.		
15.2	Amount due from other insurer / reinsurer includes an amount of Rs. 20,765 thousands (2017: Rs. 27,043 thousands) due from a related party.		
16. PREPAYMENTS			
Prepaid reinsurance premium ceded		2,218,029	1,128,635
Prepaid rent		5,680	11,964
Prepaid miscellaneous expenses		27,667	5,346
		2,251,376	1,145,945
17. CASH & BANK			
Cash and cash equivalents			
- Cash in hand		1,252	205
- Policy and revenue stamps and Bond papers		5,931	3,659
Cash at bank	17.1		
- Current accounts		82,484	147,755
- Savings accounts		1,080,278	1,741,657
		1,169,945	1,893,276
17.1	Cash at bank includes amount of Rs. 189,485 thousands (2017: Rs. 235,445 thousands) held with a related party.		

18. WINDOW TAKAFUL OPERATIONS

	30 June 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
	(Rupees in '000)	
Assets		
Cash and bank deposits	157,752	148,538
Investments	33,964	30,601
Current assets - others	101,251	75,209
Fixed assets	10,708	12,243
Total Assets	303,675	266,591
Total Liabilities - Current	173,034	125,648

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
	(Rupees in '000)			
Profit before tax for the period	25,074	16,498	45,150	28,523

Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed condensed interim financial information.

19. DEFERRED TAXATION - NET

	30 June 2018 (Unaudited)	31 December 2017 (Audited) (Restated)
	(Rupees in '000)	
Deferred tax debits / (credits) arising in respect of:		
Provision for doubtful debts	(51,029)	(52,788)
Unrealised loss on investments	(9,344)	(11,758)
Accelerated depreciation	9,847	11,275
Share of profit from associates	119,939	115,087
Other provisions	(31,107)	(27,980)
	38,306	33,836
Provision for employees' benefits plan	(13,378)	(13,378)
Foreign currency translation	(1,315)	(1,018)
Unrealised appreciation / (diminution) 'available for sale' investments	397,986	459,325
Share in net effect of change in accounting policy of an associate	73,402	70,051
	495,001	548,816

20. INSURANCE/ REINSURANCE PAYABLES

Due to insurance contract holders	31,199	21,507
Due to other insurers / reinsurers	1,947,674	1,122,494
	1,978,873	1,144,001

21. OTHER CREDITORS AND ACCRUALS

Commission payable	633,687	602,227
Federal excise duty and sales tax	250,281	95,932
Federal insurance fee	13,565	2,744
Sindh Workers' Welfare Fund	141,476	127,478
Tax deducted at source	3,951	3,854
Accrued expenses	204,633	79,273
Claims payable	29,584	22,776
Unclaimed dividend	112,255	82,950
others	13,531	15,285
	1,402,963	1,032,519

		30 June 2018 (Unaudited)	31 December 2017 (Audited)
22. DEPOSITS AND OTHER PAYABLES		(Rupees in '000)	
Advance rent	22.1	58,499	37,876
Security deposits against bond insurance		1,581,920	1,627,932
Other deposits		1,593	92
		<u>1,642,012</u>	<u>1,665,900</u>

22.1 This includes an amount of Rs. Nil (31 December 2017 : Rs. 16,658 thousands) received from a related party.

23. CONTINGENCIES

The status of contingencies remain unchanged as disclosed in the annual financial statements as of 31 December 2017 except that during the period the ACIR has passed assessment order under section 122(5A) for the tax year 2017 and made certain disallowances mainly on WWF, capital gain, property related expenses, un-paid commission, thereby creating a tax demand of Rs.25.47 million. Subsequent to period end, the Company has filed an appeal before the CIRA against the ACIR order. The Company has sufficient provision in the books of accounts as at 30 June 2018.

24. NET INSURANCE PREMIUM

Note	Three months period ended 30 June		Six months period ended 30 June		
	2018	2017	2018	2017	
	(Rupees in '000)				
Written gross premium	31	2,357,432	1,707,585	5,257,293	4,238,071
Add: Unearned premium reserve opening		3,800,315	3,440,832	2,947,608	2,835,155
Less: Unearned premium reserve closing		4,093,720	3,249,353	4,093,720	3,249,353
Premium earned		2,064,027	1,899,064	4,111,181	3,823,873
Less: Reinsurance premium ceded		1,510,846	656,049	2,697,711	1,675,904
Add: Prepaid reinsurance premium opening		1,575,050	1,470,696	1,128,635	1,246,170
Less: Prepaid reinsurance premium closing		2,218,029	1,390,569	2,218,029	1,390,569
Reinsurance expense		867,867	736,176	1,608,317	1,531,505
		<u>1,196,160</u>	<u>1,162,888</u>	<u>2,502,864</u>	<u>2,292,368</u>
25. NET INSURANCE CLAIMS EXPENSE					
Claims paid		1,152,556	939,720	2,225,390	1,537,101
Add: Outstanding claims including IBNR Closing		4,498,550	3,610,780	4,498,550	3,610,780
Less: Outstanding claims including IBNR Opening		4,053,265	3,458,656	3,431,665	3,337,432
Claims expense		1,597,841	1,091,844	3,292,275	1,810,449
Reinsurance and other recoveries received		380,555	361,079	772,638	496,540
Add: Reinsurance and other recoveries received in respect of outstanding claims closing		2,951,487	2,080,732	2,951,487	2,080,732
Less: Reinsurance and other recoveries received in respect of outstanding claims opening		2,568,492	2,007,172	2,014,007	1,966,865
Reinsurance and other recoveries revenue		763,550	434,639	1,710,118	610,407
		<u>834,291</u>	<u>657,205</u>	<u>1,582,157</u>	<u>1,200,042</u>
26. NET COMMISSION EXPENSE / ACQUISITION COSTS					
Commission paid or payable		153,880	148,745	403,743	367,961
Add: Deferred commission expense Opening		337,742	288,063	269,685	243,958
Less: Deferred commission expense closing		298,138	266,408	298,138	266,408
Net Commission		193,484	170,400	375,290	345,511
Less: Commission received or receivables		59,640	90,797	185,326	167,113
Add: Unearned reinsurance commission opening		169,719	124,059	124,063	117,105
Less: Unearned reinsurance commission closing		148,262	147,224	148,262	147,224
Commission from reinsurers		81,097	67,632	161,127	136,994
		<u>112,387</u>	<u>102,768</u>	<u>214,163</u>	<u>208,517</u>

27. INVESTMENT INCOME

Note	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
(Rupees in '000)				
Income from equity securities Available for sale				
Dividend Income				
- Related parties	8,540	15,840	8,540	32,554
- Others	59,349	131,106	120,148	184,471
	67,889	146,946	128,688	217,025
Held for trading				
Dividend Income - others	2,054	4,450	2,554	10,749
Income from debt securities				
Held for maturity				
- Return on government securities	91,464	84,141	125,153	154,145
- Amortisation of (premium) and discount	(145)	(7,933)	(1,250)	(16,594)
	91,319	76,208	123,903	137,551
Income from term deposits				
Return on term deposits	27.1 1,240	946	4,710	4,319
Net realised gains / (losses) on investments Available for sale				
- Gain on sale of equity securities	113,784	140,742	387,953	216,569
- Loss on sale of equity securities	(287)	-	(711)	-
- Return on government securities	266	-	48,633	-
	113,763	140,742	435,875	216,569
Held for trading				
- Gain on sale of equity securities	9,389	31,313	28,335	57,015
- Loss on sale of equity securities	-	(9,826)	(7)	(11,561)
	9,389	21,487	28,328	45,454
Net Unrealised gains / (losses) on investments at fair value through profit and loss (Held for trading purposes)				
	(33,417)	(28,700)	(29,379)	(30,164)
Total investment income				
Less: Impairment in value of available for sale securities	(21,902)	-	(21,902)	-
Less: Investment related expenses	(2,485)	(2,690)	(4,883)	(5,554)
	227,850	359,389	667,894	595,949

27.1 This includes Rs. 868 thousands (30 June 2017: Rs. 1,940 thousands) return on term deposits held with related parties.

28. OTHER INCOME

Income from financial assets / liabilities				
Return on bank balances	28.1 17,816	20,444	40,769	34,647
Exchange gain	4,800	261	8,250	271
Return on loans to employees	3	6	5	15
Others	4	-	4	-
Income from non-financial assets				
Gain / (loss) on sale of fixed assets	24	(141)	(13)	(155)
	22,647	20,570	49,015	34,778

28.1 This includes of Rs. 2,621 thousands (30 June 2017: Rs. 2,010 thousands) return on bank balances held with related parties.

29. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

Related parties / associated undertakings comprise of associated companies, directors, key management personnel and employees' funds. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these condensed interim financial information, are as follows:

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
	(Rupees in '000)			
Associated companies				
Insurance premium written (including government levies administrative surcharge and policy stamps)	45,857	20,247	136,222	86,880
Insurance premium received / adjusted during the period	186,767	64,778	281,412	95,633
Insurance claims paid	51,624	40,249	86,752	74,378
Commission paid	5,236	6,977	9,367	10,680
Purchases of goods and services	274	195	15,634	15,549
Dividend income	8,540	15,839	8,540	32,554
Dividend received from associate under equity method	73,971	56,331	73,971	56,331
Dividend paid	521,596	388,829	521,596	388,829
Rent income	9,430	8,572	18,859	17,144
Reimbursement of expenses *	9,501	4,500	17,609	10,800
Investment in shares / mutual funds	-	-	-	8,453
Disposal of shares / mutual funds	11,335	92,416	42,408	102,868
Director's fee	75	150	75	300
Donations	-	5,000	-	10,000
Key management personnel				
Remuneration	24,763	30,524	42,959	47,438
Dividend paid	1,261	1,167	1,261	1,167
Employees' funds				
Contribution to provident fund	6,128	5,001	12,262	10,092
Provision for gratuity fund	5,265	3,750	10,530	8,250
Others				
Insurance premium written (including government levies administrative surcharge and policy stamps)	33	169	55	203
Insurance premium received / adjusted during the period	12	189	16	193
Expense allocated to Window Takaful Operations	3,118	989	6,100	1,978
Claims paid	98	-	98	-
Rent income	473	442	930	862
Directors' fee	1,350	900	2,250	1,800
Dividend paid	14,120	10,743	14,120	10,743

* The expenses pertain to Accident and Health business Common Back Office operations jointly shared with Jubilee Life Insurance Company Limited, an associated company.

30. EARNINGS PER SHARE

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

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017 (Restated)	2018	2017 (Restated)
	(Rupees in '000)			
Profit for the period	49,245	265,307	467,450	610,708
	----- (Numbers in '000) -----			
Weighted average number of shares of Rs.10 each	180,447	180,447	180,447	180,447
	----- (Rupees) -----			
Basic earnings per share of Rs.10 each - basic and diluted	0.27	1.47	2.59	3.38

30.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

30.2 The number of shares for the prior period has also been adjusted for the effect of bonus shares issued subsequently.

31. SEGMENT INFORMATION

Following segment information prepared in accordance with the requirements of Insurance Ordinance, 2000 and the Insurance Rules, 2017 for Class of business wise revenues, results, assets and liabilities:

The class wise revenues and results are as follows:

Three months period ended 30 June 2018 (Unaudited)							
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
(Rupees in '000)							
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	1,063,841	209,017	366,980	26,505	278,659	749,132	2,694,134
Less: Federal Excise Duty / Sales Tax	137,865	23,202	43,689	3,669	-	96,258	304,683
- Federal Insurance Fee	9,237	1,793	3,170	259	2,758	6,532	23,749
- Others	(424)	4,666	2,883	3	122	1,020	8,270
Gross written premium (inclusive of Administrative Surcharge)	<u>917,163</u>	<u>179,356</u>	<u>317,238</u>	<u>22,574</u>	<u>275,779</u>	<u>645,322</u>	<u>2,357,432</u>
- Gross direct premium	915,153	174,286	306,861	22,392	275,779	626,582	2,321,053
- Facultative inward premium	59	-	-	-	-	15,794	15,853
- Administrative surcharge	1,951	5,070	10,377	182	-	2,946	20,526
	<u>917,163</u>	<u>179,356</u>	<u>317,238</u>	<u>22,574</u>	<u>275,779</u>	<u>645,322</u>	<u>2,357,432</u>
Insurance premium earned	522,697	193,932	353,978	100,659	404,256	488,505	2,064,027
Insurance premium ceded to reinsurers	377,749	34,311	13,797	100,923	-	341,086	867,866
Net Insurance premium	144,948	159,621	340,181	(264)	404,256	147,419	1,196,161
Commission income	30,423	908	932	5,164	-	43,669	81,096
Net underwriting income	175,371	160,529	341,113	4,900	404,256	191,088	1,277,257
Insurance claims	643,309	61,230	144,022	18,811	326,230	404,238	1,597,840
Insurance claims recovered from reinsurer	389,056	10,061	9,423	18,078	-	336,930	763,548
	254,253	51,169	134,599	733	326,230	67,308	834,292
Commission expense	62,809	28,455	34,835	2,358	18,178	46,848	193,483
Management expense	52,011	55,828	118,930	14	141,511	51,457	419,751
Net Insurance Claims and expenses	369,073	135,452	288,364	3,105	485,919	165,613	1,447,526
Underwriting result	(193,702)	25,077	52,749	1,795	(81,663)	25,475	(170,269)
Net investment income							227,850
Rental income							22,539
Other income							22,647
Other expenses							(25,441)
Share in profit of associates							43,570
Profit from window takaful operations							25,074
Profit before tax							<u>145,970</u>

Six months period ended 30 June 2018 (Unaudited)							
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
(Rupees in '000)							
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	1,819,025	489,315	897,452	381,669	782,591	1,592,973	5,963,025
Less: Federal Excise Duty / Sales Tax	229,881	54,013	106,419	44,103	-	195,466	629,882
- Federal Insurance Fee	15,694	4,168	7,736	3,338	7,746	13,643	52,325
- Others	3	14,120	6,584	6	276	2,536	23,525
Gross written premium (inclusive of Administrative Surcharge)	<u>1,573,447</u>	<u>417,014</u>	<u>776,713</u>	<u>334,222</u>	<u>774,569</u>	<u>1,381,328</u>	<u>5,257,293</u>
- Gross direct premium	1,568,807	406,598	755,058	333,740	774,569	1,359,127	5,197,899
- Facultative inward premium	(62)	-	-	-	-	15,794	15,732
- Administrative surcharge	4,702	10,416	21,655	482	-	6,407	43,662
	<u>1,573,447</u>	<u>417,014</u>	<u>776,713</u>	<u>334,222</u>	<u>774,569</u>	<u>1,381,328</u>	<u>5,257,293</u>
Insurance premium earned	1,019,942	384,710	708,018	197,597	822,964	977,950	4,111,181
Insurance premium ceded to reinsurers	641,273	62,923	25,463	191,083	-	687,574	1,608,316
Net Insurance premium	378,669	321,787	682,555	6,514	822,964	290,376	2,502,865
Commission income	62,668	1,601	1,867	10,031	-	84,960	161,127
Net underwriting income	441,337	323,388	684,422	16,545	822,964	375,336	2,663,992
Insurance claims	740,660	156,548	289,302	279,662	650,627	1,175,475	3,292,274
Insurance claims recovered from reinsurer	324,610	31,048	3,145	276,656	-	1,074,657	1,710,116
	416,050	125,500	286,157	3,006	650,627	100,818	1,582,158
Commission expense	120,999	55,963	67,608	3,934	35,914	90,872	375,290
Management expense	126,590	107,574	228,180	2,178	275,119	97,074	836,715
Net Insurance Claims and expenses	663,639	289,037	581,945	9,118	961,660	288,764	2,794,163
Underwriting result	(222,302)	34,351	102,477	7,427	(138,696)	86,572	(130,171)
Net investment income							667,894
Rental income							45,117
Other income							49,015
Other expenses							(41,512)
Share in profit of associates							108,110
Profit from window takaful operations							45,150
Profit before tax							<u>743,603</u>

Three months period ended 30 June 2017 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
(Rupees in '000)							
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	352,770	207,005	367,596	16,302	379,959	589,489	1,913,121
Less: Federal Excise Duty / Sales Tax	44,405	22,789	44,207	1,922	-	70,095	183,418
- Federal Insurance Fee	3,045	1,772	3,204	142	3,761	4,960	16,884
- Others	(283)	5,021	(117)	1	89	523	5,234
Gross written premium (inclusive of Administrative Surcharge)	<u>305,603</u>	<u>177,423</u>	<u>320,302</u>	<u>14,237</u>	<u>376,109</u>	<u>513,911</u>	<u>1,707,585</u>
- Gross direct premium	303,196	173,043	310,904	14,127	376,109	493,474	1,670,853
- Facultative inward premium	547	-	-	-	-	17,935	18,482
- Administrative surcharge	1,860	4,380	9,398	110	-	2,502	18,250
	<u>305,603</u>	<u>177,423</u>	<u>320,302</u>	<u>14,237</u>	<u>376,109</u>	<u>513,911</u>	<u>1,707,585</u>
Insurance premium earned	522,555	164,758	334,978	87,938	307,309	481,526	1,899,064
Insurance premium ceded to reinsurers	302,688	23,237	8,999	84,630	6	316,616	736,176
Net Insurance premium	219,867	141,521	325,979	3,308	307,303	164,910	1,162,888
Commission income	19,408	515	934	4,021	-	42,754	67,632
Net underwriting income	239,275	142,036	326,913	7,329	307,303	207,664	1,230,520
Insurance claims	454,142	55,259	126,268	(843)	196,054	260,964	1,091,844
Insurance claims recovered from reinsurer	289,754	8,880	1,194	(696)	-	135,507	434,639
	164,388	46,379	125,074	(147)	196,054	125,457	657,205
Commission expense	52,195	25,295	33,480	916	14,734	43,780	170,400
Management expense	69,337	44,490	102,699	1,042	96,564	51,899	366,031
Net Insurance Claims and expenses	285,920	116,164	261,253	1,811	307,352	221,136	1,193,636
Underwriting result	(46,645)	25,872	65,660	5,518	(49)	(13,472)	36,884
Net investment income							359,389
Rental income							23,057
Other income							20,570
Other expenses							(27,720)
Share in profit of associates							43,467
Profit from window takaful operations							16,498
Profit before tax							<u>472,145</u>

Six months period ended 30 June 2017 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
(Rupees in '000)							
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	1,027,101	406,404	862,264	357,764	752,536	1,367,992	4,774,061
Less: Federal Excise Duty / Sales Tax	128,543	44,729	103,407	41,105	-	164,052	481,836
- Federal Insurance Fee	8,896	3,464	7,512	3,135	7,449	11,732	42,188
- Others	(855)	11,312	185	3	155	1,166	11,966
Gross written premium (inclusive of Administrative Surcharge)	<u>890,517</u>	<u>346,899</u>	<u>751,160</u>	<u>313,521</u>	<u>744,932</u>	<u>1,191,042</u>	<u>4,238,071</u>
- Gross direct premium	885,610	337,858	731,126	313,186	744,932	1,167,865	4,180,577
- Facultative inward premium	607	-	-	-	-	17,936	18,543
- Administrative surcharge	4,300	9,041	20,034	335	-	5,241	38,951
	<u>890,517</u>	<u>346,899</u>	<u>751,160</u>	<u>313,521</u>	<u>744,932</u>	<u>1,191,042</u>	<u>4,238,071</u>
Insurance premium earned	1,064,753	317,292	674,213	182,406	579,594	1,005,615	3,823,873
Insurance premium ceded to reinsurers	610,177	47,247	16,566	175,718	12	681,785	1,531,505
Net Insurance premium	454,576	270,045	657,647	6,688	579,582	323,830	2,292,368
Commission income	38,879	1,373	1,891	8,207	-	86,644	136,994
Net underwriting income	493,455	271,418	659,538	14,895	579,582	410,474	2,429,362
Insurance claims	498,984	87,939	287,777	(208)	412,260	523,697	1,810,449
Insurance claims recovered from reinsurer	280,957	10,046	8,168	(132)	-	311,368	610,407
	218,027	77,893	279,609	(76)	412,260	212,329	1,200,042
Commission expense	107,179	47,643	68,102	2,471	28,123	91,993	345,511
Management expense	140,339	83,370	203,032	2,065	178,931	99,973	707,710
Net Insurance Claims and expenses	465,545	208,906	550,743	4,460	619,314	404,295	2,253,263
Underwriting result	27,910	62,512	108,795	10,435	(39,732)	6,179	176,099
Net investment income							595,949
Rental income							43,391
Other income							34,778
Other expenses							(44,692)
Share in profit of associates							98,594
Profit from window takaful operations							28,523
Profit before tax							<u>932,642</u>

The class wise assets and liabilities are as follows:

Six months period ended 30 June 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Segment assets	2,433,737	399,344	654,405	1,178,687	637,497	3,230,942	8,534,612
Unallocated assets	-	-	-	-	-	-	14,243,763
Total assets	2,433,737	399,344	654,405	1,178,687	637,497	3,230,942	22,778,375
Segment liabilities	3,470,153	788,767	1,541,795	1,234,193	1,451,800	3,941,616	12,428,324
Unallocated liabilities	-	-	-	-	-	-	2,326,148
Total liabilities	3,470,153	788,767	1,541,795	1,234,193	1,451,800	3,941,616	14,754,472

31 December 2017 (Audited) (Restated)

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Segment assets	1,791,768	221,713	441,103	705,413	326,015	1,709,139	5,195,151
Unallocated assets	-	-	-	-	-	-	14,568,452
Total assets	1,791,768	221,713	441,103	705,413	326,015	1,709,139	19,763,603
Segment liabilities	2,704,149	503,440	1,258,222	744,770	1,141,871	2,395,385	8,747,837
Unallocated liabilities	-	-	-	-	-	-	2,651,153
Total liabilities	2,704,149	503,440	1,258,222	744,770	1,141,871	2,395,385	11,398,990

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

30 June 2018 (Unaudited)

	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associates	Other financial liabilities	Total	Level 1	Level 2	Total
(Rupees in '000)										
Financial assets measured at fair value										
Investments										
- Investment in equity securities	254,626	4,780,389	-	-	-	-	5,035,015	4,796,762	208,872	5,005,634
- Debt securities	-	5,375,581	-	-	-	-	5,375,581	-	5,375,581	5,375,581
Assets of Window Takaful										
Operations - Operator's Fund*	-	33,964	-	-	-	-	33,964	33,964	-	33,964
Financial assets not measured at fair value										
Cash and bank deposits*	-	-	-	1,169,945	-	-	1,169,945	-	-	-
Investments										
- In associates -	-	-	-	-	752,509	-	752,509	3,494,482	-	3,494,482
- Debt securities	-	-	449,951	-	-	-	449,951	-	447,728	447,728
- Unquoted equity shares*	-	2,500	-	-	-	-	2,500	-	-	-
- Term Deposits*	-	-	119,838	-	-	-	119,838	-	-	-
Insurance / reinsurance receivables*	-	-	-	3,066,958	-	-	3,066,958	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	2,926,442	-	-	2,926,442	-	-	-
Loans and other receivables*	-	-	-	63,756	-	-	63,756	-	-	-
Assets of Window Takaful										
Operations - Operator's Fund*	-	-	-	225,385	-	-	225,385	-	-	-
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	-	(4,498,550)	(4,498,550)	-	-	-
Insurance/Reinsurance Payables	-	-	-	-	-	(1,978,873)	(1,978,873)	-	-	-
Other creditors and accruals*	-	-	-	-	-	(993,690)	(993,690)	-	-	-
Deposits and other payables*	-	-	-	-	-	(1,583,513)	(1,583,513)	-	-	-
Total liabilities of Window Takaful										
Operations - Operator's Fund*	-	-	-	-	-	(30,025)	(30,025)	-	-	-
	254,626	10,192,434	569,789	7,452,486	752,509	(9,084,651)	10,137,193	8,325,208	6,032,181	14,357,389

31 December 2017 (Audited) (Restated)

	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associates	Other financial liabilities	Total	Level 1	Level 2	Total
(Rupees in '000)										
Financial assets measured at fair value										
Investments										
- Investment in equity securities	166,589	5,297,643	-	-	-	-	5,464,232	5,068,755	395,477	5,464,232
Assets of Window Takaful										
Operations - Operator's Fund*	-	30,601	-	-	-	-	30,601	30,601	-	30,601
Financial assets not measured at fair value										
Cash and bank deposits*	-	-	-	1,893,276	-	-	1,893,276	-	-	-
Investments										
- In associates	-	-	-	-	705,694	-	705,694	3,596,521	-	3,596,521
- Debt securities	-	-	4,992,394	-	-	-	4,992,394	-	4,991,091	4,991,091
- Unquoted equity shares*	-	2,500	-	-	-	-	2,500	-	-	-
- Term Deposits*	-	-	242,180	242,180	-	-	-	-	-	-
Insurance receivables*	-	-	-	1,782,824	-	-	1,782,824	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	1,987,502	-	-	1,987,502	-	-	-
Loans and other receivables*	-	-	-	44,792	-	-	44,792	-	-	-
Assets of Window Takaful										
Operations - Operator's Fund*	-	-	-	194,889	-	-	194,889	-	-	-
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	-	(3,431,665)	(3,431,665)	-	-	-
Insurance/Reinsurance Payables	-	-	-	-	-	(1,122,494)	(1,122,494)	-	-	-
Other creditors and accruals*	-	-	-	-	-	(806,581)	(806,581)	-	-	-
Deposits and other payables*	-	-	-	-	-	(1,628,024)	(1,628,024)	-	-	-
Total liabilities of Window Takaful										
Operations - Operator's Fund*	-	-	-	-	-	(24,976)	(24,976)	-	-	-
	166,589	5,330,744	5,234,574	5,903,283	705,694	(7,013,740)	10,327,144	8,695,877	5,386,568	14,082,445

* 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).

33. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary in line with the requirements of the Rules and Accounting Regulations 2017 (refer note 3.1)

34. GENERAL

Figures in these condensed interim financial information have been rounded off to the nearest thousand of rupees, unless otherwise stated.

35. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue in accordance with a resolution of the Board of Directors on 16 August 2018.



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

WINDOW TAKAFUL OPERATIONS FINANCIAL STATEMENTS





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Independent auditors' review report to the members of Jubilee General Insurance Company Limited

Report on review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Jubilee General Insurance Company Limited - Window Takaful Operations** ("the Operations") and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in funds and notes to the financial information for the six-month period then ended 30 June 2018 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the three months period ended 30 June 2018 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' report is Muhammad Nadeem.

Date: 16 August 2018
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Statement of Financial Position (Unaudited)

As at 30 June 2018

	Note	30 June 2018 (Unaudited)			(Audited)
		Operator's Fund	Participants' Fund	Aggregate	31 December 2017 Aggregate (Restated)
(Rupees in '000)					
Assets					
Property and equipment	8	8,571	-	8,571	9,742
Computer software		2,137	-	2,137	2,501
Investments					
Equity securities	9	33,964	9,981	43,945	30,601
Term deposit	10	-	-	-	20,000
Loans and other receivables	11	2,735	2,972	5,707	4,885
Takaful / Re-takaful receivables	12	-	183,031	183,031	94,864
Wakala and mudarib fee receivable		64,898	-	64,898	45,694
Re-takaful recoveries against outstanding claims		-	4,993	4,993	4,520
Salvage recoveries accrued		-	2,850	2,850	8,500
Deferred commission expense / acquisition cost	22	33,618	-	33,618	28,085
Prepayments	13	-	39,405	39,405	38,924
Cash and bank	14	157,752	347,173	504,925	412,254
Total Assets		303,675	590,405	894,080	700,570
Funds and Liabilities					
Funds attributable to:					
Operator's Fund					
Statutory fund		100,000	-	100,000	100,000
Reserves		(1,415)	-	(1,415)	(1,995)
Accumulated profit		32,056	-	32,056	42,938
Participants' Fund					
Ceded Money		-	500	500	500
Reserves		-	(1,076)	(1,076)	-
Accumulated surplus		-	87,104	87,104	36,731
Total Funds		130,641	86,528	217,169	178,174
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	19	-	100,327	100,327	94,875
Unearned contribution reserves	18	-	266,304	266,304	200,250
Unearned re-takaful rebate	20	-	731	731	621
Unearned wakala fee	21	109,811	-	109,811	85,399
Contribution received in advance		-	8,833	8,833	2,552
Wakala and mudarib fee payable		-	64,898	64,898	45,694
Takaful / Re-takaful payables	15	-	50,498	50,498	43,036
Other creditors and accruals	16	35,477	12,286	47,763	35,061
Taxation		27,746	-	27,746	14,908
Total Liabilities		173,034	503,877	676,911	522,396
Total Funds and Liabilities		303,675	590,405	894,080	700,570
Contingency and commitment	17				

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For the three months and six months period ended 30 June 2018

Note	Three months period ended 30 June		Six months period ended 30 June		
	2018	2017	2018	2017	
(Rupees in '000)					
Participants' Fund - revenue account					
Net takaful contribution	18	120,487	75,338	221,345	141,089
Net takaful claims	19	(84,130)	(62,273)	(177,086)	(125,134)
Reversal of contribution deficiency expense		-	-	-	9,037
Re-takaful rebate earned	20	383	599	588	1,316
Direct expenses		(313)	(158)	(479)	(225)
		(84,060)	(61,832)	(176,977)	(115,006)
Surplus before investment income		36,427	13,506	44,368	26,083
Investment income / (loss)	23	(81)	225	80	428
Profit on bank balances		3,910	1,273	7,426	2,661
Mudarib fee		(766)	(300)	(1,501)	(618)
Surplus for the period		39,490	14,704	50,373	28,554
Operator's Fund - revenue account					
Wakala fee income	21	59,496	39,103	111,034	74,531
Commission and other acquisition costs	22	(19,214)	(13,375)	(36,533)	(25,217)
Management expenses		(16,395)	(10,578)	(32,632)	(23,677)
		(35,609)	(23,953)	(69,165)	(48,894)
Investment income / (loss)	24	23,887	15,150	41,869	25,637
Other income		(586)	627	105	1,385
Other expenses	25	2,623	1,354	4,776	2,782
		(850)	(633)	(1,600)	(1,281)
Profit before tax		25,074	16,498	45,150	28,523
Taxation		(6,985)	(4,950)	(13,094)	(8,557)
Profit after tax		18,089	11,548	32,056	19,966

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months and six months period ended 30 June 2018

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017 (Restated)	2018	2017 (Restated)
	(Rupees in '000)			
Participants' Fund				
Surplus for the period	39,490	14,704	50,373	28,554
Other comprehensive income for the period				
Item to be reclassified to profit and loss account in subsequent period				
- Net unrealised loss arising during the period on revaluation of available-for-sale investments	(113)	-	(1,076)	-
Total comprehensive income for the period	39,377	14,704	49,297	28,554

	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017 (Restated)	2018	2017 (Restated)
	(Rupees in '000)			
Operator's Fund				
Net Profit for the period	18,089	11,548	32,056	19,966
Other comprehensive income for the period				
Item to be reclassified to profit and loss account in subsequent period				
- Net unrealised gain / (loss) arising during the period on revaluation of available-for-sale investments - net of tax	(1,112)	(1,471)	582	(2,679)
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account	(384)	-	(2)	(137)
Other comprehensive income / (loss) for the period	(1,496)	(1,471)	580	(2,816)
Total comprehensive income for the period	16,593	10,077	32,636	17,150

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended 30 June 2018

	2018			2017
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
(Rupees in '000)				
Operating Cashflows				
(a) Takaful activities				
Takaful Contribution received	-	391,172	391,172	219,659
Re-takaful contributions paid	-	(42,940)	(42,940)	(35,720)
Wakala fee received / (paid)	116,360	(116,360)	-	-
Claims paid	-	(165,560)	(165,560)	(113,195)
Re-takaful and other recoveries received	-	(1,189)	(1,189)	558
Commission paid	(35,749)	-	(35,749)	(25,893)
Re-takaful rebate received	-	698	698	313
Management expenses paid	(27,122)	(437)	(27,559)	(21,731)
Net cashflow inflows from takaful activities	53,489	65,384	118,873	23,991
(b) Other operating activities				
Income tax paid	(533)	(793)	(1,326)	(772)
General and administration expenses paid	(1,805)	-	(1,805)	(979)
Other operating payments	(1,704)	(50,252)	(51,956)	(34,460)
Other operating receipts - net	347	53,740	54,087	37,144
Net cash (outflows) / inflows from other operating activities	(3,695)	2,695	(1,000)	933
Total cash inflows from all operating activities	49,794	68,079	117,873	24,924
Investment activities				
Profit / return received	3,436	7,782	11,218	5,303
Dividend received	740	36	776	626
Payment for investments	(10,898)	(11,057)	(21,955)	(12,490)
Proceeds from investments	7,757	-	7,757	5,337
Mudarib fee received / (paid)	1,383	(1,383)	-	-
Fixed capital expenditure	(60)	-	(60)	(166)
Total cash inflows / (outflows) from investing activities	2,358	(4,622)	(2,264)	(1,390)
Financing activities - Profit paid to the Operator	(42,938)	-	(42,938)	-
Net cash inflows from all activities	9,214	63,457	72,671	23,534
Cash and cash equivalents at beginning of six months period	148,538	283,716	432,254	253,988
Cash and cash equivalents at end of six months period	157,752	347,173	504,925	277,522
Reconciliation to Profit and Loss Account				
Operating cash flows	49,794	68,079	117,873	24,924
Depreciation expense	(1,595)	-	(1,595)	(1,541)
Impairment in value of available for sale securities	(1,494)	-	(1,494)	-
Increase in assets other than cash	32,460	89,423	121,883	92,542
(Increase) in liabilities other than borrowings	(47,109)	(107,129)	(154,238)	(67,405)
Net profit / surplus for the period	32,056	50,373	82,429	48,520

Definition of cash

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

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

Condensed Interim Statement of Changes in Fund (Unaudited)

For the six months period ended 30 June 2018

	Operator's Fund			Total
	Statutory Fund	Revenue reserve Available for sale Investment revaluation reserve	Accumulated surplus	
	(Rupees in '000)			
Balance as at 01 January 2017 as reported previously	100,000	-	862	100,862
Net effect of change in accounting policy (Refer Note 3.1)	-	629	-	629
Balance as at 01 January 2017 as restated	100,000	629	862	101,491
Changes in fund for the six months period ended 30 June 2017				
Profit after tax for the six months period	-	-	19,966	19,966
Other comprehensive income Unrealised (loss) on available for sale investments - Net of tax	-	(2,816)	-	(2,816)
	-	(2,816)	19,966	17,150
Balance as at 30 June 2017 as restated	100,000	(2,187)	20,828	118,641
Balance as at 01 January 2018 as reported previously	100,000	-	42,938	142,938
Net effect of change in accounting policy (Refer Note 3.1)	-	(1,995)	-	(1,995)
Balance as at 01 January 2018 as restated	100,000	(1,995)	42,938	140,943
Changes in fund for the six months period ended 30 June 2018				
Profit after tax for the six months period	-	-	32,056	32,056
Transfer of profit to the Company	-	-	(42,938)	(42,938)
Other comprehensive income Unrealised gains on available for sale investments (Net of tax)	-	580	-	580
	-	580	(10,882)	(10,302)
Balance as at 30 June 2018	100,000	(1,415)	32,056	130,641

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.

Tahir Ahmed
Chief Executive

Aryn Currimbhoy
Director

Nawaid Jamal
Chief Financial Officer

Farhan Talib
Director

Towfiq H. Chinoy
Chairman

Condensed Interim Statement of Changes in Fund (Unaudited)

For the six months period ended 30 June 2018

	Participants' Takaful Fund			Total
	Ceded money	Revenue reserve Available for sale Investment revaluation reserve	Accumulated surplus	
	(Rupees in '000)			
Balance as at 01 January 2017	500	-	(7,935)	(7,435)
Changes in fund for the six months period ended 30 June 2017				
Surplus for the period	-	-	14,704	14,704
Balance as at 30 June 2017	500	-	6,769	7,269
Balance as at 01 January 2018	500	-	36,731	37,231
Changes in fund for the six months period ended 30 June 2018				
Surplus for the period	-	-	50,373	50,373
Other comprehensive income				
Unrealised (loss) on available for sale investments	-	(1,076)	-	(1,076)
	-	(1,076)	50,373	49,297
Balance as at 30 June 2018	500	(1,076)	87,104	86,528

The annexed notes 1 to 31 form an integral part of these condensed interim financial information.



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director



Towfiq H. Chinoy
Chairman

Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 30 June 2018

1. STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited ("the Operator") is a public limited company incorporated in Pakistan on 16 May 1953. The Operator is listed on Pakistan Stock Exchange and is engaged in general insurance business. The registered office of the Operator is situated at 2nd Floor, Jubilee Insurance House, I. I. Chundrigar Road, Karachi.

The Operator was granted authorisation on 10 March 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations ("the operations") by Securities and Exchange Commission of Pakistan ("SECP") under Takaful Rules, 2012 to carry on General takaful operations in Pakistan. The Waqf deed was executed on 30 April 2015 and the Operator commenced activities of the operations on 7 May 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These 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 and Insurance Accounting Regulations 2017 differ with the requirements of IAS 34, 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, have been followed.

2.2 The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated 09 February, 2017 and Circular 25 of 2015 dated 09 July 2015 has prescribed format of the presentation of annual financial statements for general insurance companies. These condensed interim financial statements have been prepared in accordance with the format prescribed by the SECP.

2.3 These condensed interim financial information do not include all the information required in the full annual financial statements. Accordingly, these condensed interim financial information should be read in conjunction with annual financial statements of the Company as at and for the year ended 31 December 2017.

2.4 These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional currency of the Operator.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the audited financial statements for the year ended 31 December 2017, except as stated below.

3.1 Change in Accounting Policies

3.1.1 Application of Insurance Rules 2017 and Insurance Accounting regulation 2017

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated 9 February 2017 has issued the Insurance Rules, 2017 Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations 2017). The application of these Rules and Accounting Regulations 2017 for the purpose of preparation and presentation of the financial statements was effective from 1 April 2017. SECP vide letter ID /OSM /Jubilee General /2017 /10483, dated 4 August 2017 has granted exemption from application of Rules and Accounting Regulations 2017 to the Company till 31 December 2017. Therefore, the application of Rules and Accounting Regulations 2017 became effective from the accounting year commencing from 01 January 2018.

The Rules and Accounting Regulations 2017 require significant disclosures / requirements, which are relevant to the Operator includes but not limited to: Presentation and disclosure of financial statements prescribed in Annexure II of the Insurance Rules, 2017, recognition of available-for-sale investments at fair value as per IAS 39 "Financial Instruments: Recognition and Measurement", recognition of premium receivable under an insurance policy / cover note as written from the date of attachment of risk to the policy / cover note.

The Operator has adopted these Rules and Accounting Regulations 2017 and accordingly has changed its accounting policy as follows:

3.1.1.1 Available for sale investments

Up to 31 December 2017, the available for sale investments subsequent to initial recognition had been stated at the lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) as the application of International Accounting Standard-39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of available for sale investments was deferred in accordance with repealed SEC (Insurance) Rules 2002.

According to the Rules and Accounting Regulations 2017, the Operator has changed its accounting policy for subsequent measurement of investments classified as available for sale from lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) to fair value as per the requirements of IAS 39 and any unrealised gains or losses arising on re-measurement on of available-for-sale investments are taken to Other Comprehensive Income. On de-recognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss account for the period.

3.1.1.2 Takaful contribution

Up to 31 December 2017, contribution had been recognized as written at the time of insurance takaful contract (contribution written) in accordance with the SEC (Insurance) Rules, 2002. Accordingly to the Rules and Accounting Regulations 2017, the Operator has changed its accounting policy for recognition of contribution under takfaul contract / cover note as written from date of issuance to the date of attachment of risk to the contract / cover note.

3.1.1.3 Presentation of Financial Statements

The Operator has adopted format for preparation and presentation of its condensed interim financial information in line with the requirements of the Rules and Accounting Regulations 2017. Significant changes in presentation are Rearrangements in sequence of assets / liabilities in the statement of financial position; presentation of single profit or loss account instead of segment wise (classes of business) presentation and discontinuation of separate statements of Contribution, Claims, Expense and Investment Income. The segment wise and contribution, claims and expenses and investment income is now included in notes to the interim condensed financial information (note 18, 19, 20, 21, 22, 23, 24 and 27).

3.1.1.4 Financial Impact of change in accounting policy

The significant effects of `changes in accounting policies as stated above has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated to conform to the changed policy. The summary of the effects are as follows:

	31 December 2017			1 January 2017		
	As previously reported	As re-stated	Re-statement	As previously reported	As re-stated	Re-statement
	(Rupees in '000)					
Effect on Statement of financial position						
Assets						
Investments in Equity Securities	33,451	30,601	(2,850)	22,445	23,344	899
Liability						
Taxation - provision less payments	15,763	14,908	855	326	596	(270)
Funds						
Accumulated surplus and reserves	-	1,995	(1,995)	-	629	629

	30 June 2017		
	As previously reported	As re-stated	Re-statement
	(Rupees in '000)		
Effect of other comprehensive income			
Item to be reclassified to profit and loss account in subsequent period			
Net unrealised (loss) / gain arising during the period on revaluation of available for sale investments - net off tax	-	(2,679)	(2,679)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net off tax	-	(137)	(137)
Other comprehensive income, net of tax	-	(2,816)	(2,816)

3.1.2 Adoption of Companies Act 2017

During the period the Companies Act, 2017 has been effective from 1 January 2018, however there is no impact on the condensed interim financial information of the Operations.

4. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

4.1 There are new and amended standards and interpretations as notified under the Companies Act, 2017 that are mandatory for accounting periods beginning 1 July 2017 but are considered not to be relevant or do not have any significant effect on the financials statements of the operation and are therefore not stated in these financial statements.

4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on the condensed interim financial statements of the Operations.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on the condensed interim financial statements of the Operations.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit and loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the condensed interim financial statements of the Operations.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on the condensed interim financial statements of the Operations.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the condensed interim financial statements of the Operations.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The amendments are not likely to have an impact on the condensed interim financial statements of the Operations.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). 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. The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model. The amendments are not likely to have an impact on the condensed interim financial statements of the Operations.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The amendments are not likely to have an impact on the condensed interim financial statements of the Operations.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the condensed interim financial statements of the Operations.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the condensed interim financial statements of the Operations.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. The amendments are not likely to have an impact on the condensed interim financial statements of the Operations.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on the financial statements of the operations.

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2017.

6. TAKAFUL AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2017.

7. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made as the unearned contribution reserve for each class of business at period end is adequate to meet the expected future liability after re-takaful from claims and other expenses expected to be increased after the reporting date in respect of policies in force at reporting date.

8. PROPERTY AND EQUIPMENT

During the six months period ended 30 June 2018, additions amounting to Rs. 60 thousands (30 June 2017: Rs. 150 thousands) were made.

9. INVESTMENT IN EQUITY SECURITIES - AFS

Note	30 June 2018 (Unaudited)		31 December 2017 (Audited)	
	Cost	Carrying value	Cost	Carrying value (Restated)
	(Rupees in '000)			
Operator's Fund				
Available-for-sale				
Quoted equity securities	35,957	33,964	33,451	30,601
Participants' Fund				
Available-for-sale				
Quoted equity securities	11,057	9,981	-	-

10. INVESTMENTS IN TERM DEPOSITS - PTF

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
	(Rupees in '000)	
Held to maturity		
Deposits maturing within 12 months	-	20,000

11. LOANS AND OTHER RECEIVABLES -
Considered good

	30 June 2018 (Unaudited)			31 December 2017 (Audited)
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
	(Rupees in '000)			
Accrued Investment income	496	375	871	1,344
Advance to supplier	21	-	21	21
Sales tax recoverable	5	866	871	1,187
Medical claims recoverable	-	274	274	1,438
Other receivable	2,213	1,457	3,670	895
	2,735	2,972	5,707	4,885

12. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
	(Rupees in '000)	
Due from Takaful contract holders	180,406	92,531
Due from other Takaful / Re-takaful operators	2,625	2,333
	183,031	94,864

13. PREPAYMENTS - PTF

Prepaid re-takaful contribution ceded	39,405	38,924
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14. CASH AND BANK

Note	30 June 2018 (Unaudited)			31 December 2017 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	(Rupees in '000)			
Cash and cash equivalents policy, revenue stamps and bond papers	2	-	2	253
Cash at bank				
- Current accounts	-	8,611	8,611	17,115
- Savings accounts	157,750	338,562	496,312	394,886
	157,750	347,173	504,923	412,001
14.1 & 14.2	<u>157,752</u>	<u>347,173</u>	<u>504,925</u>	<u>412,254</u>

14.1 Cash and bank balances of Operator's Fund include Rs. 137,253 thousands (2017: Rs. 148,538 thousands) held with a related party.

14.2 Cash and bank balances of Participants' Takaful Fund include Rs. 46,603 thousands (2017: Rs. 67,019 thousands) held with a related party.

15. TAKAFUL / RE-TAKAFUL PAYABLES - PTF

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
	(Rupees in '000)	
Due to other takaful / re-takaful operators	50,498	43,036

16. OTHER CREDITORS AND ACCRUALS

	30 June 2018 (Unaudited)			31 December 2017 (Audited)
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
	(Rupees in '000)			
Agents' commissions payable	29,812	-	29,812	23,495
Federal excise duty and sales tax	-	6,850	6,850	5,331
Federal insurance fee	-	684	684	401
Accrued expenses	5,450	-	5,450	1,742
Contribution payable	-	1,851	1,851	1,695
Other tax payables	-	1,728	1,728	1,617
Charity payable	2	-	2	1
Miscellaneous	213	1,173	1,386	779
	<u>35,477</u>	<u>12,286</u>	<u>47,763</u>	<u>35,061</u>

17. CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at 30 June 2018 (31 December 2017: Nil).

18. NET TAKAFUL CONTRIBUTION - PTF

	Note	Three months period ended 30 June		Six months period ended 30 June	
		2018	2017	2018	2017
(Rupees in '000)					
Written gross contribution	27	226,721	138,834	472,766	297,762
Wakala fee		(64,071)	(40,348)	(135,446)	(86,566)
Written net contribution		162,650	98,486	337,320	211,196
Add: Unearned contribution reserve - opening		250,055	180,243	200,250	156,473
Less: Unearned contribution reserve - closing		(266,304)	(181,761)	(266,304)	(181,761)
Contribution earned		146,401	96,968	271,266	185,908
Less:					
Re-takaful contribution ceded		19,460	18,696	50,402	35,429
Add: Prepaid re-takaful contribution - opening		45,859	37,558	38,924	44,014
Less: Prepaid re-takaful contribution - closing		(39,405)	(34,624)	(39,405)	(34,624)
Re-takaful expense		25,914	21,630	49,921	44,819
		120,487	75,338	221,345	141,089

19. NET TAKAFUL CLAIMS EXPENSE - PTF

Claim paid		95,124	65,905	165,560	113,195
Less: Outstanding claims including IBNR - opening		(116,489)	(65,382)	(94,875)	(46,377)
Add: Outstanding claims including IBNR - closing		100,327	70,452	100,327	70,452
Claims expense		78,962	70,975	171,012	137,270
Less:					
Re-takaful and other recoveries received		(1,323)	(307)	(897)	762
Less: Re-takaful and other recoveries against outstanding claims - opening		(11,688)	(2,615)	(13,020)	(250)
Add: Re-takaful and other recoveries against outstanding claims - closing		7,843	11,624	7,843	11,624
Re-takaful and other recoveries revenue / (loss)		(5,168)	8,702	(6,074)	12,136
		84,130	62,273	177,086	125,134

20. REBATE ON RE-TAKAFUL - PTF

Re-takaful rebate received or recoverable		640	538	698	312
Add: Unearned re-takaful rebate - opening		474	1,039	621	1,982
Less: Unearned re-takaful rebate - closing		(731)	(978)	(731)	(978)
		383	599	588	1,316

21. Wakala fee income - OTF

Gross Wakala fee		64,071	40,348	135,446	86,566
Add: Unearned Wakala fee income - opening		105,236	74,826	85,399	64,036
Less: Unearned Wakala fee income - closing		(109,811)	(76,071)	(109,811)	(76,071)
		59,496	39,103	111,034	74,531

22. COMMISSION AND OTHER ACQUISITION COSTS - OTF

	Note	Three months period ended 30 June		Six months period ended 30 June	
		2018	2017	2018	2017
(Rupees in '000)					
Commission paid or payable		18,574	12,212	42,066	27,986
Add: Deferred commission expense - opening		34,258	26,280	28,085	22,348
Less: Deferred commission expense - closing		(33,618)	(25,117)	(33,618)	(25,117)
		19,214	13,375	36,533	25,217

23. INVESTMENT INCOME - PTF

Income / (loss) from equity securities

Available for sale investments

Dividend income		36	-	36	-
Profit / (loss) on term deposits		(117)	225	44	428
		(81)	225	80	428

24. INVESTMENT INCOME - OTF

Income from equity securities

Available for sale investments

Dividend income		177	498	740	626
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Income from term deposits

Return on term deposits		-	129	-	263
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Net realised gains / (losses) on investments

Available for sale

Realised gain on sale of equity securities		731	-	1,517	496
Realised loss on sale of equity securities		-	-	(658)	-
		731	-	859	496

Total Investment Income		908	627	1,599	1,385
Impairment in value of available for sale equity securities		(1,494)	-	(1,494)	-
		(586)	627	105	1,385

25. OTHER INCOME - OTF

Profit on bank balances	25.1	1,857	1,054	3,275	2,164
Mudarib's share of PTF investment income		766	300	1,501	618
		2,623	1,354	4,776	2,782

25.1 This includes Rs. 3,084 thousands (30 June 2017 Rs. 2,164 thousands) profit on bank balances held with a related party.

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 Operator. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in the condensed interim financial information, are as follows:

Note	Three months period ended 30 June		Six months period ended 30 June	
	2018	2017	2018	2017
	(Rupees in '000)			
Contribution written (including government levies, administrative surcharge and policy stamps)	-	5	-	30
Contribution received	-	11	-	36
Rent	473	442	930	862
Reimbursement of expenses	4,304	1,489	8,276	3,178
Remuneration of key management personnel	1,876	1,432	4,105	3,126
Contributions to provident fund	180	132	359	259
Profit on bank balances - PTF	578	969	1,508	2,072

26.1 This represents rent paid to the operator.

26.2 These expenses pertain to Accident and Health business Common Back Office operations jointly shared with Jubilee Life Insurance Company Limited, an associated company and allocation of personnel expenses of the employees who invested their efforts in takaful business, by the Operator.

27 SEGMENT INFORMATION

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and Insurance Rules, 2017 for class of business wise revenues, results, assets and liabilities.

The class wise revenues and results are as follows:

	Three months period ended 30 June 2018 (Unaudited)					Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	
	(Rupees in '000)					
Contribution receivable (inclusive of FED, FIF and Administrative surcharge)	19,115	18,570	122,901	82,576	7,197	250,359
Less: Federal Excise duty	2,260	1,938	14,599	-	844	19,641
- Federal Insurance Fee	160	156	1,041	817	64	2,238
- Others	4	914	790	36	15	1,759
	<u>16,691</u>	<u>15,562</u>	<u>106,471</u>	<u>81,723</u>	<u>6,274</u>	<u>226,721</u>
Gross written contribution (inclusive of Administrative surcharge)	16,487	14,954	102,944	81,723	6,171	222,279
- Gross direct contribution	204	608	3,527	-	103	4,442
- Administrative surcharge	<u>16,691</u>	<u>15,562</u>	<u>106,471</u>	<u>81,723</u>	<u>6,274</u>	<u>226,721</u>
Participants' Fund - revenue account						
Takaful contribution earned	15,829	10,207	74,461	37,551	8,354	146,402
Takaful contribution ceded to re-takaful operators	(10,720)	(6,083)	(3,809)	-	(5,303)	(25,915)
Net takaful contribution	5,109	4,124	70,652	37,551	3,051	120,487
Re-takaful rebate	254	-	1	-	128	383
Net revenue	<u>5,363</u>	<u>4,124</u>	<u>70,653</u>	<u>37,551</u>	<u>3,179</u>	<u>120,870</u>
Takaful claims	(187)	(714)	(42,019)	(33,970)	(2,072)	(78,962)
Takaful claims recovered from re-takaful operators	(1,000)	-	(4,428)	-	260	(5,168)
Net claims	<u>(1,187)</u>	<u>(714)</u>	<u>(46,447)</u>	<u>(33,970)</u>	<u>(1,812)</u>	<u>(84,130)</u>
Direct expenses	-	-	(313)	-	-	(313)
Surplus before investment income	<u>4,176</u>	<u>3,410</u>	<u>23,893</u>	<u>3,581</u>	<u>1,367</u>	<u>36,427</u>
Investment income						(81)
Profit on bank balances						3,910
Mudarib fee						(766)
Surplus for the period						<u>39,490</u>
Operator's Fund - revenue account						
Wakala fee income	8,011	5,473	30,330	12,517	3,165	59,496
Commission and other acquisition costs	(3,624)	(2,667)	(9,052)	(2,743)	(1,128)	(19,214)
Management expenses	(2,179)	(1,506)	(8,320)	(3,523)	(867)	(16,395)
	<u>2,208</u>	<u>1,300</u>	<u>12,958</u>	<u>6,251</u>	<u>1,170</u>	<u>23,887</u>
Investment income						(586)
Other income						2,623
Other expenses						(850)
Profit before tax						<u>25,074</u>

Six months period ended 30 June 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Contribution receivable (inclusive of FED, FIF and Administrative surcharge)	53,129	36,139	281,884	132,978	23,158	527,288
Less: Federal Excise duty	6,414	3,666	33,615	-	2,714	46,409
- Federal Insurance Fee	456	305	2,416	1,316	203	4,696
- Others	15	1,668	1,657	54	23	3,417
	<u>46,244</u>	<u>30,500</u>	<u>244,196</u>	<u>131,608</u>	<u>20,218</u>	<u>472,766</u>
Gross written contribution (inclusive of Administrative surcharge)						
- Gross direct contribution	45,736	29,368	236,941	131,608	19,984	463,637
- Administrative surcharge	508	1,132	7,255	-	234	9,129
	<u>46,244</u>	<u>30,500</u>	<u>244,196</u>	<u>131,608</u>	<u>20,218</u>	<u>472,766</u>
Participants' Fund - revenue account						
Takaful contribution earned	32,314	19,110	143,921	59,606	16,315	271,266
Takaful contribution ceded to re-takaful operators	(21,575)	(11,831)	(7,130)	-	(9,385)	(49,921)
Net takaful contribution	10,739	7,279	136,791	59,606	6,930	221,345
Re-takaful rebate	433	-	3	-	152	588
	<u>11,172</u>	<u>7,279</u>	<u>136,794</u>	<u>59,606</u>	<u>7,082</u>	<u>221,933</u>
Net revenue	<u>11,172</u>	<u>7,279</u>	<u>136,794</u>	<u>59,606</u>	<u>7,082</u>	<u>221,933</u>
Takaful claims	(21,815)	(1,160)	(88,324)	(62,341)	2,627	(171,013)
Takaful claims recovered from re-takaful operators	-	-	(5,602)	-	(471)	(6,073)
Net claims	(21,815)	(1,160)	(93,926)	(62,341)	2,156	(177,086)
Direct expenses	-	-	(479)	-	-	(479)
(Deficit) / surplus before investment income	<u>(10,643)</u>	<u>6,119</u>	<u>42,389</u>	<u>(2,735)</u>	<u>9,238</u>	<u>44,368</u>
Investment income						80
Profit on bank balances						7,426
Mudarib fee						(1,501)
Surplus for the period						<u>50,373</u>
Operator's Fund - revenue account						
Wakala fee income	16,303	10,254	58,436	19,869	6,172	111,034
Commission and other acquisition costs	(7,430)	(4,978)	(17,742)	(4,339)	(2,044)	(36,533)
Management expenses	(4,791)	(3,013)	(17,175)	(5,839)	(1,814)	(32,632)
	<u>4,082</u>	<u>2,263</u>	<u>23,519</u>	<u>9,691</u>	<u>2,314</u>	<u>41,869</u>
Investment income						105
Other income						4,776
Other expenses						(1,600)
Profit before tax						<u>45,150</u>

Three months period ended 30 June 2017 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Contribution receivable (inclusive of FED, FIF and Administrative surcharge)	20,698	7,293	95,506	24,602	8,898	156,997
Less: Federal Excise duty	2,436	849	11,359	-	1,027	15,671
- Federal Insurance Fee	181	60	825	243	78	1,387
- Others	4	313	780	5	3	1,105
	<u>18,077</u>	<u>6,071</u>	<u>82,542</u>	<u>24,354</u>	<u>7,790</u>	<u>138,834</u>
Gross written contribution (inclusive of Administrative surcharge)	17,891	5,838	79,982	24,354	7,747	135,812
- Gross direct contribution	186	233	2,560	-	43	3,022
- Administrative surcharge						
	<u>18,077</u>	<u>6,071</u>	<u>82,542</u>	<u>24,354</u>	<u>7,790</u>	<u>138,834</u>
Participants' Fund - revenue account						
Takaful contribution earned	12,200	4,370	47,503	25,804	7,091	96,968
Takaful contribution ceded to re-takaful operators	(11,789)	(2,722)	(2,148)	-	(4,971)	(21,630)
Net takaful contribution	411	1,648	45,355	25,804	2,120	75,338
Re-takaful rebate	310	-	16	-	273	599
Net revenue	<u>721</u>	<u>1,648</u>	<u>45,371</u>	<u>25,804</u>	<u>2,393</u>	<u>75,937</u>
Takaful claims	4,946	(6,964)	(45,112)	(23,670)	(175)	(70,975)
Takaful claims recovered from re-takaful operators	-	-	8,702	-	-	8,702
Net claims	4,946	(6,964)	(36,410)	(23,670)	(175)	(62,273)
Direct expenses	-	-	(158)	-	-	(158)
Surplus before investment income	<u>5,667</u>	<u>(5,316)</u>	<u>8,803</u>	<u>2,134</u>	<u>2,218</u>	<u>13,506</u>
Investment income						225
Profit on bank balances						1,273
Mudarib fee						(300)
Surplus for the period						<u>14,704</u>
Operator's Fund - revenue account						
Wakala fee income	6,147	2,385	19,272	8,601	2,698	39,103
Commission and other acquisition costs	(2,862)	(1,054)	(6,446)	(2,144)	(869)	(13,375)
Management expenses	(1,670)	(636)	(5,250)	(2,298)	(724)	(10,578)
Net underwriting result	<u>1,615</u>	<u>695</u>	<u>7,576</u>	<u>4,159</u>	<u>1,105</u>	<u>15,150</u>
Investment income						627
Other income						1,354
Other expenses						(633)
Profit before tax						<u>16,498</u>

Six months period ended 30 June 2017 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Contribution receivable (inclusive of FED, FIF and Administrative surcharge)	50,548	16,501	190,966	59,350	18,257	335,622
Less: Federal Excise duty	6,096	1,910	22,786	-	2,154	32,946
- Federal Insurance Fee	440	137	1,654	587	160	2,978
- Others	20	722	1,171	15	8	1,936
	<u>43,992</u>	<u>13,732</u>	<u>165,355</u>	<u>58,748</u>	<u>15,935</u>	<u>297,762</u>
Gross written contribution (inclusive of Administrative surcharge)						
- Gross direct contribution	43,524	13,147	159,948	58,748	15,771	291,138
- Administrative surcharge	468	585	5,407	-	164	6,624
	<u>43,992</u>	<u>13,732</u>	<u>165,355</u>	<u>58,748</u>	<u>15,935</u>	<u>297,762</u>
Participants' Fund - revenue account						
Takaful contribution earned	23,234	8,771	89,303	50,744	13,856	185,908
Takaful contribution ceded to re-takaful operators	(24,704)	(5,575)	(3,872)	-	(10,668)	(44,819)
Net takaful contribution	(1,470)	3,196	85,431	50,744	3,188	141,089
Reversal of contribution deficiency expense	8,763	274	-	-	-	9,037
Re-takaful Rebate	633	-	32	-	651	1,316
	<u>7,926</u>	<u>3,470</u>	<u>85,463</u>	<u>50,744</u>	<u>3,839</u>	<u>151,442</u>
Net revenue						
Takaful claims	179	(5,718)	(82,349)	(48,449)	(933)	(137,270)
Takaful claims recovered from re-takaful operators	-	-	12,136	-	-	12,136
Net claims	179	(5,718)	(70,213)	(48,449)	(933)	(125,134)
Direct expenses	-	-	(225)	-	-	(225)
(Deficift) / surplus before investment income	<u>8,105</u>	<u>(2,248)</u>	<u>15,025</u>	<u>2,295</u>	<u>2,906</u>	<u>26,083</u>
Investment income						428
Profit on bank balances						2,661
Mudarib fee						(618)
Surplus for the period						<u>28,554</u>
Operator's Fund - revenue account						
Wakala fee income	11,649	4,728	35,995	16,914	5,245	74,531
Commission and other acquisition costs	(5,158)	(2,094)	(12,040)	(4,255)	(1,670)	(25,217)
Management expenses	(3,704)	(1,502)	(11,433)	(5,372)	(1,666)	(23,677)
	<u>2,787</u>	<u>1,132</u>	<u>12,522</u>	<u>7,287</u>	<u>1,909</u>	<u>25,637</u>
Investment income						1,385
Other income						2,782
Other expenses						(1,281)
Profit before tax						<u>28,523</u>

The classwise assets and liabilities are as follows:

30 June 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Segment assets	40,267	15,991	110,211	40,492	23,592	230,553
Unallocated assets						
Participants' Takaful Fund						359,852
Operator's Fund						303,675
Consolidated total assets						<u>894,080</u>
Segment liabilities	47,973	19,283	283,890	121,669	31,062	503,877
Unallocated liabilities - Operator's Fund						173,034
Consolidated total liabilities						<u>676,911</u>

31 December 2017 (Audited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Segment assets	33,013	8,695	62,043	24,774	19,721	148,246
Unallocated assets						285,733
Participants' Takaful Fund						266,591
Operator's Fund						
Consolidated total assets						700,570
Segment liabilities	47,176	16,551	221,911	76,220	34,890	396,748
Unallocated liabilities - Operator's Fund						125,648
Consolidated total liabilities						522,396

28. FAIR VALUE 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.

30 June 2018 (Unaudited)

	Carrying amount				Total	Fair value		
	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities		Level 1	Level 2	Total
	(Rupees in '000)							
Financial assets measured at fair value								
Investments in equity securities	43,945	-	-	-	43,945	43,945	-	43,945
Financial assets not measured at fair value								
Cash and bank*	-	-	504,925	-	504,925	-	-	-
Takaful / Re-takaful receivables*	-	-	183,031	-	183,031	-	-	-
Wakala and mudarib fee receivable*	-	-	64,898	-	64,898	-	-	-
Loans and receivables*	-	-	4,836	-	4,836	-	-	-
Salvage recoveries accrued*	-	-	2,850	-	2,850	-	-	-
Re-takaful recoveries against outstanding claims*	-	-	4,993	-	4,993	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	(100,327)	(100,327)	-	-	-
Takaful / Re-takaful payables*	-	-	-	(50,498)	(50,498)	-	-	-
Wakala and mudarib fee payable*	-	-	-	(64,898)	(64,898)	-	-	-
Other creditors and accruals*	-	-	-	(37,834)	(37,834)	-	-	-
	43,945	-	765,533	(253,557)	555,921	43,945	-	43,945

31 December 2017 (Audited) (Restated)

	Carrying amount				Total	Fair value		
	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities		Level 1	Level 2	Total
	(Rupees in '000)							
Financial assets measured at fair value								
Investments in equity securities	30,601	-	-	-	30,601	30,601	-	30,601
Financial assets not measured at fair value								
Cash and bank*	-	-	412,254	-	412,254	-	-	-
Investments in term deposits*	-	20,000	-	-	20,000	-	-	-
Takaful / Re-takaful receivables*	-	-	94,864	-	94,864	-	-	-
Wakala and mudarib fee receivable*	-	-	45,694	-	45,694	-	-	-
Loans and receivables*	-	-	3,124	-	3,124	-	-	-
Salvage recoveries accrued*	-	-	8,500	-	8,500	-	-	-
Re-takaful recoveries against outstanding claims*	-	-	4,520	4,520	-	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	(94,875)	(94,875)	-	-	-
Takaful / Re-takaful payables*	-	-	-	(43,036)	(43,036)	-	-	-
Wakala and mudarib fee payable*	-	-	-	(45,694)	(45,694)	-	-	-
Other creditors and accruals*	-	-	-	(27,410)	(27,410)	-	-	-
	30,601	20,000	568,956	(211,015)	408,542	30,601	-	30,601

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

28.1 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 operations 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).

29. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary in line with the requirements of the Rules and Accounting Regulations 2017 (refer note 3.1)

30. GENERAL

All figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

31. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information have been authorised for issue in accordance with a resolution of the Board of Directors on 16 August 2018.



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Farhan Talib
Director











Towfiq H. Chinoy
Chairman









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