



Jubilee
GENERAL INSURANCE

level next

1ST QUARTER REPORT 2019
31 MARCH
(Unaudited)

Jubilee General Insurance Company Limited



JCR-VIS



PACRA



A.M. BEST

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)

FPCCI

Outstanding Service in Insurance

Insurance Journal

Corporate Social Responsibility
Highest Donation (2013-2015)

SAFA

Certificate of Merit
(Insurance Sector)



A PREMIUM ACHIEVEMENT

It's customer TRUST we keep growing

At Jubilee General, we believe our success is a reflection of the trust invested in us by our customers and stakeholders. With our premium exceeding Rs. 10 billion, we thank everyone profoundly for this confidence. Thank you!

Our journey of growth over the last 66 years has been defined by this trust which drives us to forge ahead towards new achievements.

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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

A. F. Ferguson & Co. (Chartered Accountants)

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Legal Advisor

Surridge & 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 Pakistan Limited

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) 34168266-70

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

Directors' Review

The Directors are pleased to present before you the unaudited financial statements for the three months period ended 31st March 2019.

Overall Company Performance

Gross Written Premium (GWP) including Contribution Written in Takaful Operations posted a healthy growth of 14% to reach Rs 3.60 billion (2018: Rs 3.15 billion) while the combined Net Premium / Contribution also moved up by 2% to Rs 1.44 billion (2018: Rs 1.41 billion). Growth is balanced and has been achieved with contribution from all portfolios. Consequently, we have posted combined technical profit of Rs 114.37 million up by 73% (2018: Rs 66.02 million).

Uncertain conditions have prevailed over Pakistan Stock Exchange resulting in volatility which has restricted investment earnings. Thus our Company's investment income (including Window Takaful Operations) could achieve Rs 296.49 million (2018: Rs 488.42 million).

Conventional Insurance

Our insurance business (GWP) grew by 13% in the quarter under review to Rs 3.29 billion (2018: Rs 2.90 billion). However, Net Premium was flat at Rs 1.31 billion (2018: Rs 1.31 billion). Nevertheless, underwriting profit climbed up to Rs 78.58 million growing almost 100% (2018: Rs 40.10 million). However, for the reasons mentioned above, Company's investment income was recorded at Rs 290.80 million (2018: Rs 485.58 million).

The summarised results of the Company's insurance business for the quarter ended 31 March 2019 are as under:

	31 March 2019	31 March 2018
	(Rupees in '000)	
Gross Premium	3,286,155	2,899,861
Net Premium	1,305,108	1,306,704
Underwriting Result	78,583	40,098
Investment Income including Capital Gain & Rent	290,803	485,575
Profit before Tax	411,998	561,187
Profit after Tax	293,626	392,328
Earnings per Share of Rs.10 Each	1.63	2.17

Window Takaful Operations

Alhamdulillah! Window Takaful Operations maintained the growth momentum and posted a robust growth of 27% in gross written contribution to achieve Rs 311.22 million (2018: Rs 246.05 million). Net contributions posted a growth of 35% to Rs 136.5 million (2018: Rs 101 million). Investment income for the quarter under review is recorded at Rs 15.85 million (2018: Rs 6.52 million).

The Participant's Takaful Fund Surplus has increased to Rs 21.2 million (2018: Rs 10.8 million) resulting in Operator's Profit of Rs 20 million (2018: Rs 14 million) up by 43%.

The summarised results of Company's Window Takaful Operations for the quarter under review are as follows:

	31 March 2019	31 March 2018
	(Rupees in '000)	
Participants' Fund		
Gross Contribution	311,221	246,045
Net Contribution	136,499	100,858
PTF Surplus before Investment Income	13,070	7,941
Investment Income	10,169	3,677
PTF Surplus for the period	21,205	10,833
Operator's Fund		
Revenue Account	22,713	17,982
Investment Income	5,682	2,844
Operator's Profit before Tax	27,817	20,076
Operator's Profit after Tax	20,028	13,967

Outlook

We are looking at rising inflation and low GDP growth rate for the next three quarters. However, the management has made necessary adjustments in its strategy to maintain growth momentum and improve profitability over the remaining period of the year.

On behalf of Board



Tahir Ahmed
Managing Director &
Chief Executive
Karachi: 23 April 2019



Amyn Currimbhoy
Director

ڈائریکٹرز رپورٹ

ڈائریکٹرز آپ کے سامنے 31 مارچ 2019 کو ختم شدہ سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی کی مجموعی کارکردگی

مجموعی پربیم (GWP) بشمول تکافل آپریشنز کا کنٹریبیوشن 14 فیصد کے صحتمند اضافے کے ساتھ 3.60 بلین روپے (2018 میں 3.15 بلین روپے) تک پہنچا جبکہ کمپنی کا مجموعی خالص پربیم / کنٹریبیوشن بھی 2 فیصد اضافہ کے ساتھ 1.44 بلین روپے (2018 میں 1.41 بلین روپے) رہا۔ مجموعی طور پر کاروبار کے تمام شعبہ جات نے اس ترقی میں اپنا کردار ادا کیا۔ نتیجتاً، ہم نے مجموعی طور پر ٹیکنیکل منافع 73 فیصد اضافے کے ساتھ 114.37 بلین روپے (2018 میں 66.02 بلین روپے) حاصل کیا۔

پاکستان اسٹاک ایکسچینج غیر یقینی کی صورت حال کے سبب اتار چڑھاؤ کا شکار رہی جس کی وجہ سے سرمایہ کاری سے منافع میں کمی واقع ہوئی ہے۔ تاہم ہماری کمپنی سرمایہ کاری سے (بشمول ونڈو تکافل آپریشنز) 296.49 بلین روپے (2018 میں 488.42 بلین روپے) کی آمدنی حاصل کر سکی۔

انٹرنل

زیر جائزہ سہ ماہی کے دوران ہمارا انٹرنل کاروبار 13 فیصد اضافے کے ساتھ 3.29 بلین روپے (2018 میں 2.90 بلین روپے) تک بڑھا۔ تاہم خالص پربیم 1.31 بلین روپے (2018 میں 1.31 بلین روپے) کے ساتھ یکساں رہا۔ اس کے باوجود انڈر رائٹنگ منافع 100 فیصد تک اضافے کے ساتھ 78.58 بلین روپے (2018 میں 40.10 بلین روپے) تک پہنچ گیا۔ تاہم مذکورہ بالا اسباب کی بدولت، کمپنی کی سرمایہ کاری سے آمدنی 290.80 بلین روپے (2018 میں 485.58 بلین روپے) ریکارڈ کی گئی۔

کمپنی کے انٹرنل کاروبار کے مجموعی نتائج برائے سہ ماہی ختم شدہ 31 مارچ 2019 درج ذیل ہیں:

31 مارچ 2018	31 مارچ 2019
	('000 روپے میں)
2,899,861	3,286,155
1,306,704	1,305,108
40,098	78,583
485,575	290,803
561,187	411,998
392,328	293,626
2.17	1.63

مجموعی پربیم

خالص پربیم
انڈر رائٹنگ کے نتائج
سرمایہ کاری سے آمدنی (بشمول کریہ آمدنی اور کپٹل گیمز)
قبل از ٹیکس منافع
بعد از ٹیکس منافع
10 روپے والے ہر ایک شیئر پر منافع

ونڈو تکافل آپریشنز

الحمد للہ ونڈو تکافل آپریشنز میں 27 فیصد کی شاندار ترقی سے مجموعی طور پر حاصل ہونے والا کنٹریبیوشن 311.22 بلین روپے (2018 میں 246.05 بلین روپے) تک پہنچ گیا۔ خالص کنٹریبیوشن بھی 35 فیصد کی قابل ذکر ترقی کے ساتھ 136.5 بلین روپے (2018 میں 101 بلین روپے) تک پہنچ گیا۔ زیر جائزہ سہ ماہی کے لیے سرمایہ کاری کی آمدنی 15.85 بلین روپے (2018 میں 6.52 بلین روپے) ریکارڈ کی گئی۔

پارٹنیشنرز، تکافل فنڈ سرپلس 21.2 بلین (10.8 بلین روپے 2018) روپے تک جا پہنچا نتیجتاً آپریٹنگ منافع 43 فیصد بڑھ کر 20 بلین روپے (14 بلین روپے 2018) ہوا۔

کمپنی کے تکافل آپریشنز کے مجموعی نتائج برائے سہ ماہی درج ذیل ہیں:

31 مارچ 2018	31 مارچ 2019
	('000 روپے میں)
246,045	311,221
100,858	136,499
7,941	13,070
3,677	10,169
10,833	21,205
17,982	22,713
2,844	5,682
20,076	27,817
13,967	20,028

پارٹنیشنرز فنڈ

مجموعی کنٹریبیوشن
خالص کنٹریبیوشن
سرمایہ کاری آمدنی سے قبل PTF سرپلس
سرمایہ کاری سے آمدنی
اس مدت کے لیے PTF سرپلس

آپریٹنگ فنڈ

آمدنی کا اکاؤنٹ
سرمایہ کاری سے آمدنی
قبل از ٹیکس آپریٹنگ منافع
بعد از ٹیکس آپریٹنگ منافع

مستقبل پر نظر

ہم آئندہ تینوں سہ ماہی مدتوں کے دوران ملک میں بڑھتی ہوئی مہنگائی اور جی ڈی پی کی ترقی میں سست روی دیکھ رہے ہیں۔ تاہم انتظامیہ نے سال کی باقی مدت کے لیے کمپنی کی ترقی کی رفتار کو برقرار رکھنے اور منافع میں بہتری کے لیے ضروری اقدامات کر رکھے ہیں۔

بورڈ کی جانب سے



امین کریم بھٹی
ڈائریکٹر



طاہر احمد

مینیجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو

کراچی: 23 اپریل 2019

Condensed Interim Statement of Financial Position

As at 31 March, 2019

	Note	31 March 2019 (Unaudited)	31 December 2018 (Audited)
..... (Rupees in '000)			
Assets			
Property and equipment	7	162,525	173,500
Intangible assets		64,183	68,492
Investment properties	8	655,400	656,871
Investments in associates	9	797,993	769,210
Investments			
Equity securities	10	5,351,132	5,105,119
Debt securities	11	5,689,629	5,521,901
Term deposits	12	136,417	131,696
Loans and other receivables	13	226,165	147,500
Insurance / reinsurance receivables	14	2,334,792	1,718,328
Reinsurance recoveries against outstanding claims		3,421,791	3,029,644
Salvage recoveries accrued		31,315	27,150
Deferred commission expense / acquisition cost	25	327,484	280,970
Prepayments	15	2,245,856	1,691,595
Cash & bank	16	1,288,362	1,669,039
Total assets of Window Takaful Operations - Operator's Fund	17	379,912	322,137
Total Assets		<u>23,112,956</u>	<u>21,313,152</u>

The annexed notes from 1 to 34 form an integral part of these financial information.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive

31 March 2019
(Unaudited)

31 December 2018
(Audited)

Note (Rupees in '000)

Equity and Liabilities

Capital and reserves attributable to Company's equity holders

Authorised share capital:

250,000,000 (2018: 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 (2018: 180,446,583) Ordinary shares of Rs.10 each]

1,804,465

1,804,465

Reserves

5,163,130

5,038,172

Unappropriated profit

1,328,647

1,065,418

Total Equity

8,296,242

7,908,055

Liabilities

Underwriting Provisions

Outstanding claims including IBNR

24

4,776,339

4,362,199

Unearned premium reserves

23

4,462,658

3,533,063

Unearned reinsurance commission

25

147,693

102,536

Deferred taxation

18

245,202

209,388

Premium received in advance

139,551

196,109

Insurance / reinsurance payables

19

1,833,674

1,753,164

Other creditors and accruals

20

1,209,209

1,229,204

Deposits and other payables

21

1,619,042

1,616,174

Taxation-provision less payments

177,708

236,052

Total Liabilities

14,611,076

13,237,889

Total liabilities of Window Takaful Operations - Operator's Fund

17

205,638

167,208

Total Equity and Liabilities

23,112,956

21,313,152

Contingencies

22



Amin A. Hashwani
Director



Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer

Condensed Interim Profit and Loss Account (Unaudited)

For the three months period ended 31 March 2019

		2019	2018
	Note	.....(Rupees in '000).....	
Net insurance premium	23	1,305,107	1,306,704
Net Insurance claims	24	686,562	747,866
Net commission and other acquisition costs	25	90,698	101,776
Insurance claims and acquisition expenses		777,260	849,642
Management expenses		449,264	416,964
Underwriting results		78,583	40,098
Investment income	26	242,604	440,044
Rental Income	27	16,168	22,578
Other income	28	33,193	26,368
Other expenses		(15,335)	(16,071)
Results of operating activities		355,213	513,017
Share of profit of associates	9	28,968	28,094
Profit from Window Takaful Operations	17	27,817	20,076
Profit before tax		411,998	561,187
Income tax expense - Current		(113,169)	(143,315)
- Deferred		(5,203)	(25,544)
		(118,372)	(168,859)
Profit after tax		293,626	392,328
Earnings (after tax) per share - Rupees	32	1.63	2.17

The annexed notes from 1 to 34 form an integral part of these financial information.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Amin A. Hashwani
Director


Aryn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months period ended 31 March 2019

	2019	2018
Note	.....(Rupees in '000).....	
Profit after tax for the period	293,626	392,328
Other comprehensive income		
Item that will never be reclassified to profit and loss account in subsequent period		
- Share in Actuarial gain /(loss) on defined benefit plan of an associate-net off tax	17	(781)
Item to be reclassified to profit and loss account in subsequent period		
- Foreign currency translation difference-net off tax	1,246	3,464
Unrealised appreciation on available for sale investments - net off tax	96,230	477,561
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net off tax	(853)	(139,720)
	95,377	337,841
Unrealised (diminution) /appreciation on available for sale investments of Window Takaful Operations -net off tax	(683)	1,694
Reclassification adjustment for net (gain) on available for sale investments included in profit and loss account Window Takaful Operations - net off tax	-	382
	(683)	2,076
- Share in other comprehensive income of an associate		
Net Unrealised (diminution) on 'available for sale' investments - net off tax	(2,206)	(1,115)
Foreign currency translation difference-net off tax	810	408
	(1,396)	(707)
Total comprehensive income for the period	388,187	734,221

The annexed notes from 1 to 34 form an integral part of these financial information.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Amin A. Hashwani
Director


Aryn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Cash Flow Statement (Unaudited)

For the three months period ended 31 March 2019

	2019	2018
	.....(Rupees in '000).....	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	2,631,966	2,072,055
Reinsurance premium paid	(1,496,853)	(1,093,313)
Claims paid	(826,459)	(1,072,834)
Reinsurance and other recoveries received	138,891	297,817
Commissions paid	(208,713)	(217,318)
Commissions received	140,507	125,686
Management expenses paid	(403,698)	(363,754)
Net cash (outflow) from underwriting activities	(24,359)	(251,661)
(b) Other operating activities		
Income tax paid	(163,724)	(186,206)
General and administration expenses paid	(7,644)	(4,523)
Other operating payments	(422,168)	(283,877)
Other operating receipts	405,600	310,017
Loans advanced	(175)	(226)
Loans repayment received	229	292
Net cash (outflow) from other operating activities	(187,882)	(164,523)
Total cash (outflow) from all operating activities	(212,241)	(416,184)
Investment activities		
Profit / return received	159,332	103,631
Dividends received	14,983	4,052
Rentals received - net of expenses	(1)	(2,620)
Payments for investments / investment property	(7,721,958)	(4,826,961)
Proceeds from investments	7,491,642	4,738,950
Payments against liabilities for purchase of shares	(77,097)	-
Fixed capital expenditure	(5,220)	(13,192)
Proceeds from sale of property and equipment	102	49
Total cash (outflow) / inflow from investing activities	(138,217)	3,909
Financing activities		
Dividends paid	(98)	(73)
Total cash (outflow) from financing activities- Dividends paid	(98)	(73)
Net cash (outflow) from all activities	(350,556)	(412,348)
Cash at beginning of the three months period	1,691,215	2,054,306
Cash at end of the three months period	1,340,659	1,641,958

	2019	2018
	.....(Rupees in '000).....	
Reconciliation to profit and loss account		
Operating cash flows	(212,241)	(416,184)
Depreciation / amortisation expense	(20,299)	(16,198)
(Loss) on sale of property and equipment	(104)	(37)
(Loss) on remeasurement of investments at fair value through profit or loss	21,549	4,038
Profit on disposal of investments	9,437	292,684
Dividend income	73,077	61,299
Rental income	16,168	22,578
Other investment income	199,540	133,070
Profit for the period from Window Takaful Operations	20,028	13,967
Increase in assets other than cash	1,623,548	1,965,178
(Increase) in liabilities other than borrowings	(1,437,077)	(1,668,067)
Profit after taxation	<u>293,626</u>	<u>392,328</u>
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and bank deposits		
Cash and other equivalents		
Cash	651	813
Policy stamps and bond papers in hand	3,684	2,908
	<u>4,335</u>	<u>3,721</u>
Current and other accounts		
Current accounts	79,492	75,148
Profit and Loss savings accounts	1,204,535	1,395,809
	<u>1,284,027</u>	<u>1,470,957</u>
Deposits having maturity within 3 months (encashable on demand)		
Term deposits - Local Currency	26,360	150,000
Term deposits - Foreign Currency	25,937	17,280
	<u>52,297</u>	<u>167,280</u>
	<u>1,340,659</u>	<u>1,641,958</u>
Reconciliation of liabilities arising out of financing activities		
Unclaimed dividend as at 01 January	99,141	82,950
<i>Changes from financing activities</i>		
Dividend paid	(98)	(73)
<i>Others</i>		
Unclaimed dividend as at 31 March	<u>99,043</u>	<u>82,877</u>

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.



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Amin A. Hashwani
Director



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Changes In Equity (Unaudited)

For the three months period ended 31 March 2019

Share capital	Reserves								
	Capital reserve		Revenue reserves						
	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	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 money ceded to waqf fund by an associate	Total

(Rupees in '000)

Balance as at 01 January 2018 1,804,465 9,384 3,450,000 800,000 (2,316) 1,070,444 1,064,999 115,962 32 8,312,970

Changes in equity for the three months period ended 31 March 2018

Total comprehensive income

Profit after taxation

-	-	-	-	-	-	392,328	-	-	392,328
Other comprehensive income									
Foreign currency translation difference net off tax									
-	-	-	-	3,464	-	-	-	-	3,464
Share in other comprehensive income of an associate									
-	-	-	-	408	(1,115)	(781)	-	-	(1,488)
Share in Ledger D balance of an associate									
-	-	-	-	-	-	(9,377)	9,377	-	-
Net unrealised gain arising during the period on revaluation of available for sale investments (including WTO) - net off tax									
-	-	-	-	-	479,255	-	-	-	479,255
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) - net off tax									
-	-	-	-	-	(139,338)	-	-	-	(139,338)
-	-	-	-	3,872	338,802	382,170	9,377	-	734,221

Balance as at 31 March 2018

1,804,465 9,384 3,450,000 800,000 1,556 1,409,246 1,447,169 125,339 32 9,047,191

Balance as at 01 January 2019

1,804,465 9,384 3,550,000 1,000,000 12,956 326,355 1,065,418 139,445 32 7,908,055

Changes in equity for the three months period ended 31 March 2019

Total comprehensive income

Profit after taxation

-	-	-	-	-	-	293,626	-	-	293,626
Other comprehensive income									
Foreign currency translation difference - net off tax									
-	-	-	-	1,246	-	-	-	-	1,246
Share in other comprehensive income of an associate									
-	-	-	-	810	(2,206)	17	-	-	(1,379)
Share in Ledger D balance of an associate									
-	-	-	-	-	-	(30,414)	30,414	-	-
Net unrealised gain arising during the period on revaluation of available for sale investments (including WTO) - net off tax									
-	-	-	-	-	95,547	-	-	-	95,547
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) - net off tax									
-	-	-	-	-	(853)	-	-	-	(853)
-	-	-	-	2,056	92,488	263,229	30,414	-	388,187

Balance as at 31 March 2019

1,804,465 9,384 3,550,000 1,000,000 15,012 418,843 1,328,647 169,859 32 8,296,242



Towfiq H. Chinoy
Chairman




Tahir Ahmed
Chief Executive



Amin A. Hashwani
Director



Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer

Notes to and forming part of the Financial Information (Unaudited)

For the three months period ended 31 March 2019

1. LEGAL 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

These condensed interim financial information has been prepared in accordance with the format prescribed under Insurance Rules, 2017 and these should be read in conjunction with annual financial statements of the Company for the year ended 31 December 2018.

2.1 Statement of Compliance

2.1.1 These condensed interim financial information has been prepared in accordance with 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 International Reporting Standard Board (IASB) as notified under the Companies Act, 2017, and provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulation and SECP Takaful Rules, 2012, have been followed.

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

2.2 Basis of measurement

These financial information have been prepared under the historical cost convention except certain investments which are stated at their fair values.

2.3 Functional and presentation currency

These financial information are presented in Pakistan Rupees which is the Company's functional currency.

2.4 Standards, interpretations and amendments to accounting and reporting standards, as applicable in Pakistan that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 01 January 2019 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not stated in these financial statements.

2.5 Standards, interpretations and amendments to accounting and reporting standards, as applicable in Pakistan that are not yet effective

The following standards, amendments and interpretations of accounting and reporting standards, as applicable in Pakistan will be effective for accounting periods beginning on or after 01 April 2019:

- IFRS 9 'Financial Instruments' and amendment (effective for annual period beginning on or after 01 July 2018) IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.
- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after 01 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 9. The overlay approach allows an entity applying IFRS 9 from 01 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. The Company has adopted the temporary exemption which allows the Company to defer the application of both IFRS 9 and IFRS 17 until 31 December 2021.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The amendment is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

Annual Improvements to IFRS Standards 2015–2017 Cycle. The new cycle of improvements addresses improvements to following reporting standard:

- IFRS 3 Business Combinations - the amendment aims to clarify the definition of the business for the purpose of accounting of interest in a joint operation.

3. ACCOUNTING POLICIES

The accounting policies and method of computation followed in these condensed interim financial information are same as compared to the annual financial statements of the Company as at and for the year ended 31 December 2018.

4. 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 informations as at and for the year ended 31 December 2018.

5. 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 2018.

6. 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.

7. PROPERTY AND EQUIPMENT

During the three months period ended 31 March 2019, additions amounted to Rs. 5,220 thousands (31 March 2018: Rs. 13,192 thousands) and disposals had a cost of Rs. 636 thousands (31 March 2018: Rs. 230 thousands) and written down value of Rs. 205 thousands (31 March 2018: Rs.87 thousands) were made.

8. 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 2018 : Rs. 2,988,078 thousands).

9. INVESTMENT IN ASSOCIATES

2019	2018	Face value per share (Rupees)		31 March 2019	31 December 2018	
Number of shares				(Unaudited)	(Audited)	
			Note.....	(Rupees in '000)		
5,101,448	5,101,448	10	Quoted Jubilee Life Insurance Company Limited (JLICL) (Chief Executive Officer - Javed Ahmed)	9.1	664,970	642,605
29,250,000	29,250,000	(KGS) 1	Unquoted Jubilee Kyrgyzstan Insurance Company Limited (JKIC) (incorporated in Kyrgyzstan) (Chief Executive: Khagai V.I.)	9.2	133,023	126,605
				9.3	<u>797,993</u>	<u>769,210</u>

9.1 JLICL is engaged in life insurance business. Market value of investment and percentage of holding in associate are Rs. 1,989,565 thousands and 6.43% (31 December 2018: Rs. 2,541,541 thousands and 6.43%) respectively.

9.2 Jubilee Kyrgyzstan Insurance Company (JKIC) a Closed Joint Stock Company (CJSC) is engaged in life and non-life insurance business. During the period, the Company holds 19.5% (31 December 2018: 19.5%) shares in JKIC. The break-up value of investment as at 31 March 2019 is Rs. 4.35 per share (31 December 2018: Rs. 4.13).

9.3 Movement of investment in associates is as follows:

	JLICL		JKIC		Total	
	2019 (Unaudited)	2018 (Audited)	2019 (Unaudited)	2018 (Audited)	2019 (Unaudited)	2018 (Audited)
	(Rupees in '000)					
Beginning of year	642,605	542,958	126,605	96,942	769,210	639,900
Share of profit	24,280	190,149	4,688	9,917	28,968	200,066
Less: Dividend received	-	(89,275)	-	(2,659)	-	(91,934)
Foreign currency translation difference	1,125	(896)	1,730	22,405	2,855	21,509
Unrealised appreciation available for sale investment	(3,064)	769	-	-	(3,064)	769
Actuarial gain/(loss) on defined benefit plan	24	(1,100)	-	-	24	(1,100)
End of the period / year	664,970	642,605	133,023	126,605	797,993	769,210

10. INVESTMENTS IN EQUITY SECURITIES

	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
	Cost	Carrying value	Cost	Carrying value
	(Rupees in '000)			
Available for sale				
Related parties				
Listed shares	620,975	565,732	620,975	514,322
Mutual Funds	1,268	5,115	1,268	5,462
	622,243	570,847	622,243	519,784
Others				
Listed Shares	3,418,634	4,013,541	3,363,553	3,894,033
Unlisted Shares	2,500	2,500	2,500	2,500
Mutual Funds	143,075	189,632	143,075	180,233
	3,564,209	4,205,673	3,509,128	4,076,766
Investment at fair value through profit and Loss				
Listed Shares	552,391	574,612	599,418	508,569
	4,738,843	5,351,132	4,730,789	5,105,119

11. INVESTMENTS IN DEBT SECURITIES

	Note	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
		Cost	Carrying value	Cost	Carrying value
		(Rupees in '000)			
Government securities					
Held to maturity					
Pakistan Investment Bonds		198,265	198,265	53,828	53,828
Treasury Bills		245,344	245,344	394,970	394,970
	11.1	443,609	443,609	448,798	448,798
Available for sale					
Treasury Bills		3,280,493	3,279,514	5,075,307	5,073,103
Pakistan Investment Bonds		209,562	209,491	-	-
		3,490,055	3,489,005	5,075,307	5,073,103
Held for trading					
Treasury Bills		1,757,687	1,757,015	-	-
		5,691,351	5,689,629	5,524,105	5,521,901

11.1 Pakistan Investment Bonds with face value of Rs. 50,000 thousands (31 December 2018: Rs. 50,000 thousands) and Treasury Bills with face value of Rs. 140,000 thousands (31 December 2018: Rs. 140,000 thousands) are placed with State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

12. INVESTMENTS IN TERM DEPOSITS

		31 March 2019 (Unaudited)	31 December 2018 (Audited)
	Note	..... (Rupees in '000)	
Held to maturity			
Deposits maturing within 12 months			
Term deposits - local currency	12.1 & 12.2	26,360	26,360
Term deposits - foreign currency		110,057	105,336
		<u>136,417</u>	<u>131,696</u>

12.1 This includes sum of Rs.1,360 thousands (2018: Rs.1,000 thousands) placed under lien with commercial banks against bank guarantees.

12.2 This includes an amount of Rs. 25,000 thousands (2018: Rs. 25,000 thousand) held with a related party.

13. LOANS AND OTHER RECEIVABLES - Considered good

		31 March 2019 (Unaudited)	31 December 2018 (Audited)
	Note	..... (Rupees in '000)	
Rent receivable		1,026	691
Accrued Investment income		79,061	10,728
Security deposit		20,703	23,803
Advance to suppliers		85,066	88,101
Sales tax recoverable		6,008	7,487
Loans to employees		755	809
Medical claims recoverable		9,151	10,579
Other receivables		24,395	5,302
		<u>226,165</u>	<u>147,500</u>

14. INSURANCE / RE-INSURANCE RECEIVABLES

Due from Insurance contract holders	14.1	2,399,961	1,802,331
Less provision for impairment of receivables from Insurance contract holders		(164,961)	(164,961)
Due from other Insurers / reinsurers	14.2	116,792	97,958
Less provision for impairment of receivables from other Insurers / reinsurers		(17,000)	(17,000)
		<u>2,334,792</u>	<u>1,718,328</u>

14.1 Due from Insurance contract holders includes an amount of Rs. 91,518 thousands (2018: Rs. 116,447 thousands) due from related parties.

14.2 Amount due from other insurers / reinsurers includes an amount of Rs. 8,147 thousands (2018: Rs. 8,147 thousands) due from a related party.

15. PREPAYMENTS

		31 March 2019 (Unaudited)	31 December 2018 (Audited)
		..... (Rupees in '000)	
Prepaid reinsurance premium ceded		2,199,372	1,669,551
Prepaid rent		7,772	9,326
Prepaid miscellaneous expenses		38,712	12,718
		<u>2,245,856</u>	<u>1,691,595</u>

16. CASH & BANK		31 March 2019 (Unaudited)	31 December 2018 (Audited)
	Note	..... (Rupees in '000)	
Cash and cash equivalents			
- Cash in hand		651	99
- Policy and revenue stamps and Bond papers		3,684	4,594
Cash at bank	16.1		
- Current accounts		79,492	185,075
- Savings accounts		1,204,535	1,479,271
		1,288,362	1,669,039

16.1 Cash at bank includes amount of Rs. 83,636 thousands (2018: Rs. 166,903 thousands) held with a related party.

17. WINDOW TAKAFUL OPERATIONS

Assets

Cash and bank deposits	156,077	170,203
Investments	66,013	35,944
Current assets - others	148,242	105,543
Fixed assets	9,580	10,447
Total Assets	379,912	322,137

Total Liabilities - Current

205,638	167,208
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Profit before tax for the period

27,817	20,076
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Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed condensed interim financial information.

18. DEFERRED TAXATION - NET		31 March 2019 (Unaudited)	31 December 2018 (Audited)
		..... (Rupees in '000)	
Deferred tax debits / (credits) arising in respect of:			
Provision for doubtful debts		(50,949)	(52,769)
Unrealised loss on investments		(17,743)	(27,022)
Accelerated depreciation		3,999	8,415
Share of profit from associates		198,520	199,106
Other provisions		(37,432)	(36,538)
		96,395	91,192
Provision for employees' benefits plan		(21,799)	(21,799)
Foreign currency translation		5,908	5,220
Unrealised appreciation / (diminution) 'available for sale' investments		164,924	134,262
Share in unrealised (diminution)/ appreciation on 'available for sale' investments of an associate.		(226)	513
		245,202	209,388

19. INSURANCE/ REINSURANCE PAYABLES

Due to insurance contract holders	27,020	30,930
Due to other insurers / reinsurers	1,806,654	1,722,234
	1,833,674	1,753,164

20. OTHER CREDITORS AND ACCRUALS		31 March 2019 (Unaudited)	31 December 2018 (Audited)
	Note	..... (Rupees in '000)	
Agent commission payable		648,988	625,139
Federal excise duty and sales tax		133,391	150,430
Federal Insurance Fee		4,199	3,302
Sindh Workers' Welfare Fund		167,895	160,204
Tax deducted at source		5,549	3,483
Accrued expenses		102,448	52,741
Claims payable		38,676	41,563
Unclaimed dividend		99,043	99,141
Liability against investment in shares		-	77,097
Others		9,020	16,104
		<u>1,209,209</u>	<u>1,229,204</u>

21. DEPOSITS AND OTHER PAYABLES

Advance rent	21.1	25,987	43,293
Security deposits against bond insurance		1,591,463	1,571,289
Other deposits		1,592	1,592
		<u>1,619,042</u>	<u>1,616,174</u>

21.1 This includes an amount of Rs. 7,591 thousands (31 December 2018 : Rs. 17,492 thousands) receivable from a related party.

22. CONTINGENCIES

The status of contingencies remain unchanged as disclosed in the annual financial statements as of 31 December 2018.

23. NET INSURANCE PREMIUM

	Note	31 March 2019 (Unaudited)	31 March 2018 (Unaudited)
		..... (Rupees in '000)	
Written gross premium	30	3,286,154	2,899,861
Add: Unearned premium reserve opening		3,533,063	2,947,608
Less: Unearned premium reserve closing		4,462,658	3,800,315
Premium earned		<u>2,356,559</u>	<u>2,047,154</u>
Less: Reinsurance premium ceded		1,581,273	1,186,865
Add: Prepaid reinsurance premium opening		1,669,551	1,128,635
Less: Prepaid reinsurance premium closing		2,199,372	1,575,050
Reinsurance expense		<u>1,051,452</u>	<u>740,450</u>
		<u>1,305,107</u>	<u>1,306,704</u>

24. NET INSURANCE CLAIMS EXPENSE

31 March 2019
(Unaudited)
..... (Rupees in '000)

31 March 2018
(Unaudited)

Claims paid	826,459	1,072,834
Add: Outstanding claims including IBNR Closing	4,776,339	4,053,265
Less: Outstanding claims including IBNR Opening	4,362,199	3,431,665
Claims expense	1,240,599	1,694,434
Reinsurance and other recoveries received	157,725	392,083
Add: Reinsurance and other recoveries received in respect of outstanding claims closing	3,453,106	2,568,492
Less: Reinsurance and other recoveries received in respect of outstanding claims opening	3,056,794	2,014,007
Reinsurance and other recoveries revenue	554,037	946,568
	686,562	747,866

25. NET COMMISSION EXPENSE / ACQUISITION COSTS

Commission paid or payable	232,562	249,863
Add: Deferred commission expense Opening	280,970	269,685
Less: Deferred commission expense closing	327,484	337,742
Net Commission	186,048	181,806
Less: Commission received or receivables	140,507	125,686
Add: Unearned reinsurance commission opening	102,536	124,063
Less: Unearned reinsurance commission closing	147,693	169,719
Commission from reinsurers	95,350	80,030
	90,698	101,776

26. INVESTMENT INCOME

**Income from equity securities
Available for sale**

Dividend Income		
- Related parties	5,338	-
- Others	63,909	60,799
	69,247	60,799

Fair value through profit or loss

Dividend Income - others	3,830	500
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**Income from debt securities
Held to maturity**

- Return on government securities	10,023	82,056
- Amortisation of discount / (premium)-net	(73)	(1,105)
	9,950	80,951

	31 March 2019 (Unaudited)	31 March 2018 (Unaudited)
	..... (Rupees in '000)	
Available for sale		
- Return on government securities	127,757	-
- Amortisation of discount / (premium) -net	1,074	-
	128,831	-
Held for trading (HFT)		
- Return on government securities	2,024	-
Income from term deposits		
- Return on term deposits	898	3,470
Net realised gains / (losses) on investments		
Available for sale		
- Gain on sale of equity securities	4,445	273,745
Fair value through profit or loss		
- Gain on sale of equity securities	4,992	18,939
Net Unrealised gains / (losses) on investments at fair value through profit and loss (Held for trading purposes)	21,549	4,038
Total investment income	245,766	442,442
Less: Investment related expenses	(3,162)	(2,398)
	<u>242,604</u>	<u>440,044</u>

26.1 This includes Rs. 447 thousands (31 March 2018: Rs. 425 thousands) return on term deposits held with related party.

27. RENTAL INCOME

Rental income	25,740	30,680
Expenses related to investment property	(9,572)	(8,102)
	<u>16,168</u>	<u>22,578</u>

28. OTHER INCOME

Income from financial assets / liabilities

Return on bank balances	32,031	22,953
Exchange gain	1,248	3,450
Return on loans to employees	3	2
Others	15	-

Income from non-financial assets

Loss on sale of fixed assets	(104)	(37)
	<u>33,193</u>	<u>26,368</u>

28.1 This includes Rs. 784 thousands (31 March 2018: Rs. 604 thousands) return on bank balances held with a related party.

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:

	31 March 2019 (Unaudited)	31 March 2018 (Unaudited)
	..... (Rupees in '000)	
Associated companies		
Insurance premium written (including government levies administrative surcharge and policy stamps)	86,567	90,365
Insurance premium received / adjusted during the period	94,057	94,645
Insurance claims paid	73,753	35,128
Commission paid	3,338	4,131
Purchases of goods and services	18,706	15,360
Dividend income	5,338	-
Rent income	9,901	9,429
Reimbursement of expenses *	7,740	8,108
Disposal of shares / mutual funds	-	31,073
Director's fee	150	-
Donation	2,000	-
Key management personnel		
Remuneration	26,135	18,196
Employees' funds		
Contribution to provident fund	7,486	13,903
Provision for gratuity fund	6,000	5,265
Others		
Insurance premium written (including government levies administrative surcharge and policy stamps)	16	22
Insurance premium received / adjusted during the period	117	4
Expense allocated to Window Takaful Operations	5,590	2,982
Claims paid	112	-
Rent income	503	457
Directors' fee	900	900

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

30. 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:

	For the three months period ended 31 March 2019 (Unaudited)						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	991,103	289,694	554,272	467,656	529,964	870,955	3,703,644
Less: Federal Excise Duty / Sales Tax	119,276	31,273	66,399	53,213	-	102,040	372,201
- Federal Insurance Fee	7,691	2,469	4,816	4,055	5,245	6,918	31,194
- Others	(668)	11,035	2,833	76	231	587	14,094
Gross written premium (inclusive of Administrative Surcharge)	864,804	244,917	480,224	410,312	524,488	761,410	3,286,155
- Gross direct premium	861,903	239,727	468,168	410,036	524,488	758,846	3,263,168
- Administrative surcharge	2,901	5,190	12,056	276	-	2,563	22,986
	864,804	244,917	480,224	410,312	524,488	761,409	3,286,154
Insurance premium earned	735,999	199,987	378,392	120,525	363,026	558,630	2,356,559
Insurance premium ceded to reinsurers	446,260	37,811	14,184	115,868	-	437,329	1,051,452
Net Insurance premium	289,739	162,176	364,208	4,657	363,026	121,301	1,305,107
Commission income	23,375	741	154	5,863	-	65,217	95,350
Net underwriting income	313,114	162,917	364,362	10,520	363,026	186,517	1,400,457
Insurance claims	81,216	66,650	173,077	145,874	317,148	456,634	1,240,599
Insurance claims recovered from reinsurers	2,338	20,521	5,350	144,177	-	381,651	554,037
Net claims	78,878	46,129	167,727	1,697	317,148	74,983	686,562
Commission expenses	62,933	28,273	35,321	2,393	16,988	40,140	186,048
Management expense	99,738	55,827	125,373	1,603	124,967	41,756	449,264
Net Insurance Claims and expenses	241,549	130,229	328,421	5,693	459,103	156,879	1,321,874
Underwriting result	71,565	32,688	35,941	4,827	(96,077)	29,638	78,583
Net investment income							242,604
Rental income							16,168
Other income							33,193
Other expenses							(15,335)
Share in profit of associates							28,968
Profit from window takaful operations							27,817
Profit before tax							411,998
Segment assets	2,102,139	370,587	510,773	1,526,197	389,657	3,415,402	8,314,754
Unallocated corporate assets							14,418,290
Unallocated assets of Window Takaful Operation - Operator's Fund							379,912
Consolidated total assets	2,102,139	370,587	510,773	1,526,197	389,657	3,415,402	23,112,956
Segment liabilities	3,174,607	703,658	1,440,580	1,599,165	1,369,986	4,182,085	12,470,081
Unallocated corporate liabilities							2,140,995
Unallocated liabilities of Window Takaful Operation - Operator's Fund							205,638
Consolidated total liabilities	3,174,607	703,658	1,440,580	1,599,165	1,369,986	4,182,085	14,816,714

For the three months period ended 31 March 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	755,184	280,298	530,472	355,164	503,932	843,841	3,268,891
Less: Federal Excise Duty / Sales Tax	92,016	30,811	62,730	40,434	-	99,208	325,199
- Federal Insurance Fee	6,457	2,375	4,566	3,079	4,988	7,111	28,576
- Others	427	9,454	3,701	3	154	1,516	15,255
Gross written premium (inclusive of Administrative Surcharge)	656,284	237,658	459,475	311,648	498,790	736,006	2,899,861
- Gross direct premium	653,654	232,312	448,197	311,348	498,790	732,545	2,876,846
- Facultative inward premium	(121)	-	-	-	-	-	(121)
- Administrative surcharge	2,751	5,346	11,278	300	-	3,461	23,136
	656,284	237,658	459,475	311,648	498,790	736,006	2,899,861
Insurance premium earned	497,245	190,778	354,040	96,938	418,708	489,445	2,047,154
Insurance premium ceded to reinsurers	263,524	28,612	11,666	90,160	-	346,488	740,450
Net Insurance premium	233,721	162,166	342,374	6,778	418,708	142,957	1,306,704
Commission income	32,245	693	935	4,867	-	41,290	80,030
Net underwriting income	265,966	162,859	343,309	11,645	418,708	184,247	1,386,734
Insurance claims	97,351	95,318	145,280	260,851	324,397	771,237	1,694,434
Insurance claims recovered from reinsurers	(64,446)	20,987	(6,278)	258,578	-	737,727	946,568
Net claims	161,797	74,331	151,558	2,273	324,397	33,510	747,866
Commission expense	58,190	27,508	32,773	1,576	17,736	44,024	181,807
Management expenses	74,579	51,747	109,250	2,163	133,608	45,617	416,964
Net Insurance Claims and expenses	294,566	153,586	293,581	6,012	475,741	123,151	1,346,637
Underwriting result	(28,600)	9,273	49,728	5,633	(57,033)	61,096	40,098
Net investment income							440,044
Rental income							22,578
Other income							26,368
Other expenses							(16,071)
Share in profit of associates							28,094
Profit from window takaful operations							20,076
Profit before tax							561,187

31 December 2018 (Audited)

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
Segment assets	1,863,551	277,074	409,805	1,053,210	325,052	2,797,152	6,725,844
Unallocated corporate assets							14,265,171
Unallocated assets of Window Takaful Operation - Operator's Fund							322,137
Consolidated total assets	1,863,551	277,074	409,805	1,053,210	325,052	2,797,152	21,313,152
Segment liabilities	2,969,988	709,764	1,367,907	1,141,468	1,267,530	3,620,477	11,077,134
Unallocated corporate liabilities							2,160,755
Unallocated liabilities of Window Takaful Operation - Operator's Fund							167,208
Consolidated total liabilities	2,969,988	709,764	1,367,907	1,141,468	1,267,530	3,620,477	13,405,097

31. 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.

Three months period ended 31 March 2019 (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
Financial assets measured at fair value										
(Rupees in '000)										
Investments										
- Investment in equity securities	552,391	4,183,952	-	-	-	-	4,736,343	4,592,000	144,343	4,736,343
- Debt securities	1,757,015	3,489,005	-	-	-	-	5,246,020	-	5,246,020	5,246,020
Assets of Window Takaful										
Operations - Operator's Fund*	-	66,013	-	-	-	-	66,013	66,013	-	66,013
Financial assets not measured at fair value										
Cash and bank deposits*	-	-	-	1,288,362	-	-	1,288,362	-	-	-
Investments										
- In associates	-	-	-	-	797,993	-	797,993	2,122,588	-	2,122,588
- Debt securities	-	-	443,609	-	-	-	443,609	-	443,609	443,609
- Unquoted equity shares*	-	2,500	-	-	-	-	2,500	-	-	-
- Term Deposits*	-	-	136,417	-	-	-	136,417	-	-	-
Insurance / reinsurance receivables*	-	-	-	2,334,792	-	-	2,334,792	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	3,421,791	-	-	3,421,791	-	-	-
Loans and other receivables*	-	-	-	135,091	-	-	135,091	-	-	-
Assets of Window Takaful										
Operations - Operator's Fund*	-	-	-	235,896	-	-	235,896	-	-	-
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	-	(4,776,339)	(4,776,339)	-	-	-
Insurance/Reinsurance Payables	-	-	-	-	-	(1,833,674)	(1,833,674)	-	-	-
Other creditors and accruals*	-	-	-	-	-	(898,175)	(898,175)	-	-	-
Deposits and other payables*	-	-	-	-	-	(1,593,055)	(1,593,055)	-	-	-
Total liabilities of Window Takaful										
Operations - Operator's Fund*	-	-	-	-	-	(35,432)	(35,432)	-	-	-
	<u>2,309,406</u>	<u>7,741,470</u>	<u>580,026</u>	<u>7,415,932</u>	<u>797,993</u>	<u>(9,136,675)</u>	<u>9,708,152</u>	<u>6,780,601</u>	<u>5,833,972</u>	<u>12,614,573</u>
31 December 2018 (Audited)										
	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	508,569	4,594,050	-	-	-	-	5,102,619	4,916,924	185,695	5,102,619
- Debt securities	-	5,073,103	-	-	-	-	5,073,103	-	5,073,103	5,073,103
Assets of Window Takaful										
Operations - Operator's Fund*	-	35,944	-	-	-	-	35,944	35,944	-	35,944
Financial assets not measured at fair value										
Cash and bank deposits*	-	-	-	1,669,039	-	-	1,669,039	-	-	-
Investments										
- In associates	-	-	-	-	769,210	-	769,210	2,541,541	-	2,541,541
- Debt securities	-	-	448,798	-	-	-	448,798	-	448,798	448,798
- Unquoted equity shares*	-	2,500	-	-	-	-	2,500	-	-	-
- Term Deposits*	-	-	131,696	-	-	-	131,696	-	-	-
Insurance receivables*	-	-	-	1,718,328	-	-	1,718,328	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	3,029,644	-	-	3,029,644	-	-	-
Loans and other receivables*	-	-	-	51,912	-	-	51,912	-	-	-
Assets of Window Takaful										
Operations - Operator's Fund*	-	-	-	235,896	-	-	235,896	-	-	-
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	-	(4,362,199)	(4,362,199)	-	-	-
Insurance/Reinsurance Payables	-	-	-	-	-	(1,753,164)	(1,753,164)	-	-	-
Other creditors and accruals*	-	-	-	-	-	(834,688)	(834,688)	-	-	-
Deposits and other payables*	-	-	-	-	-	(1,572,881)	(1,572,881)	-	-	-
Total liabilities of Window Takaful										
Operations - Operator's Fund*	-	-	-	-	-	(28,860)	(28,860)	-	-	-
	<u>508,569</u>	<u>9,705,597</u>	<u>580,494</u>	<u>6,704,819</u>	<u>769,210</u>	<u>(8,551,792)</u>	<u>9,716,897</u>	<u>7,494,409</u>	<u>5,707,596</u>	<u>13,202,005</u>

* 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).

32. EARNINGS PER SHARE - BASIC AND DILUTED

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:

	31 March 2019 (Unaudited)	31 March 2018 (Unaudited)
	..... (Rupees in '000)	
Profit after taxation	293,626	392,328
	(Number of shares in '000)	
Weighted average number of shares of Rs.10 each	180,447	180,447
	(Rupees)	
Earnings per share of Rs.10 each - basic and diluted	1.63	2.17

32.1 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.

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 23 April 2019.

34. GENERAL

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



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Amin A. Hashwani
Director

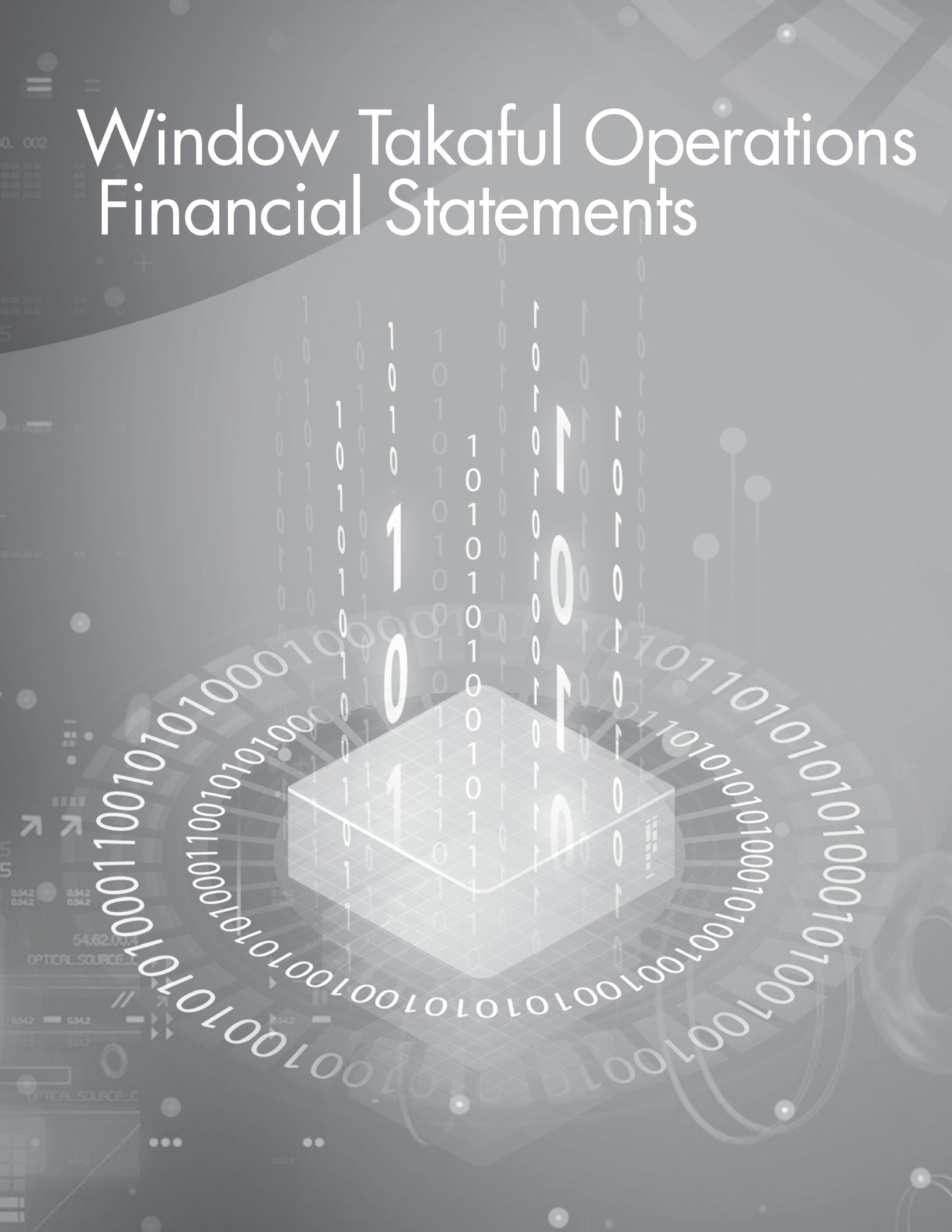


Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer

Window Takaful Operations Financial Statements



Condensed Interim Statement of Financial Position

As at 31 March, 2019

Note	31 March 2019 (Unaudited)			31 December 2018 (Audited)	
	Operator's Fund	Participants' Fund	Aggregate	Aggregate	
(Rupees in '000)					
Assets					
Property and equipment	7	6,775	-	6,775	7,395
Intangible Assets		2,805	-	2,805	3,052
Investments					
Equity securities	8	66,013	65,698	131,711	48,564
Loans and other receivables	9	2,807	4,718	7,525	5,204
Takaful / Re-takaful receivables	10	-	167,471	167,471	96,704
Wakala and mudarib fee receivable		95,641	-	95,641	64,210
Re-takaful recoveries against outstanding claims		-	10,387	10,387	10,344
Salvage recoveries accrued		-	5,720	5,720	5,970
Deferred Commission Expense / Acquisition cost	20	47,635	-	47,635	37,387
Deferred Taxation		1,659	-	1,659	1,464
Prepayments	11	500	59,895	60,395	51,101
Cash & Bank	12	156,077	492,441	648,518	660,715
Total Assets		379,912	806,330	1,186,242	992,110
Funds and Liabilities					
Funds attributable to:					
Operator's Fund					
Statutory fund		100,000	-	100,000	100,000
Reserves		(4,266)	-	(4,266)	(3,583)
Accumulated profit		78,540	-	78,540	58,512
Participants' Fund					
Ceded Money		-	500	500	500
Reserves		-	(2,970)	(2,970)	(1,790)
Accumulated surplus		-	157,061	157,061	135,856
Total Funds		174,274	154,591	328,865	289,495
Liabilities					
Underwriting Provisions					
Outstanding claims including IBNR	17	-	128,686	128,686	114,527
Unearned contribution reserves	16	-	308,496	308,496	257,432
Unearned re-takaful rebate	18	-	2,384	2,384	1,397
Unearned wakala fees	19	137,743	-	137,743	113,999
Contribution received in advance		-	11,418	11,418	11,169
Wakala and mudarib fee payable		-	95,641	95,641	64,210
Takaful / Re-takaful Payables	13	-	92,128	92,128	77,322
Other Creditors and Accruals	14	40,008	12,986	52,994	42,075
Taxation - provision less payments		27,887	-	27,887	20,484
Total Liabilities		205,638	651,739	857,377	702,615
Total Funds and Liabilities		379,912	806,330	1,186,242	992,110
Contingency and commitment	15				

The annexed notes 1 to 28 form an integral part of these financial information.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Amin A. Hashwani
Director


Amyn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Profit and Loss Account (Unaudited)

For the three months period ended 31 March 2019

	Note	Three months period ended 31 March	
		2019	2018
..... (Rupees in '000)			
Participants' Takaful Fund - (PTF) Revenue Account			
Net takaful contribution	16	136,499	100,858
Net takaful claims	17	(123,254)	(92,956)
Re-takaful rebate earned	18	682	205
Direct expenses		(857)	(166)
		(123,429)	(92,917)
Surplus before investment income		13,070	7,941
Investment income	21	195	161
Profit on bank balances		9,974	3,516
Other expenses		(2,034)	(735)
Surplus for the period		21,205	10,883
Operator's Fund - (OTF) Revenue Account			
Wakala fee income	19	69,863	51,538
Commission and other acquisition costs	20	(23,115)	(17,319)
Management expenses		(24,035)	(16,237)
		(47,150)	(33,556)
Investment income	22	22,713	17,982
Other income	23	513	691
Other expenses		(578)	(750)
Profit before tax		27,817	20,076
Income tax expense		(7,789)	(6,109)
Profit after tax		20,028	13,967

The annexed notes 1 to 28 form an integral part of these financial information.



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Amin A. Hashwani
Director



Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months period ended 31 March 2019

	Three months period ended 31 March	
	2019	2018
	..... (Rupees in '000)	
Participants' Takaful Fund - (PTF)		
Surplus for the period	21,205	10,883
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	(1,180)	(963)
Total comprehensive income for the period	<u>20,025</u>	<u>9,920</u>
Operator's Fund - (OTF)		
Profit after tax for the period	20,028	13,967
Other comprehensive income for the period		
Item to be reclassified to profit and loss account in subsequent period		
Net unrealised (losses) / gain arising during the period on revaluation of 'available-for-sale' investments - net off tax	(683)	1,694
Reclassification adjustment for net loss on 'available-for-sale' investments included in profit and loss account - net off tax	-	382
Other comprehensive (loss) / income for the period	<u>(683)</u>	<u>2,076</u>
Total comprehensive income for the period	<u>19,345</u>	<u>16,043</u>

The annexed notes 1 to 28 form an integral part of these financial information.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Amin A. Hashwani
Director


Aryn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Cash Flow Statement (Unaudited)

For the three months period ended 31 March 2019

	2019			2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Rupees in '000)				
Operating Cashflows				
(a) Takaful activities				
Takaful Contribution received	-	241,170	241,170	161,489
Re-takaful contributions paid	-	(26,731)	(26,731)	(32,013)
Wakala fee received / (paid)	62,656	(62,656)	-	-
Claims paid	-	(110,798)	(110,798)	(70,436)
Re-takaful and other recoveries received	-	3,136	3,136	(817)
Commission paid	(26,791)	-	(26,791)	(18,874)
Re-takaful rebate received	-	1,669	1,669	57
Management / Direct expenses paid	(24,659)	(815)	(25,474)	(15,256)
Net cash inflows from takaful activities	11,206	44,975	56,181	24,150
(b) Other operating activities:				
Income tax paid	(386)	(1,002)	(1,388)	(563)
General and administration expenses paid	(426)	-	(426)	(570)
Other operating payments	(1,668)	(32,407)	(34,075)	(29,560)
Other operating receipts	3,079	36,455	39,534	32,565
Net cash inflows from other operating activities	599	3,046	3,645	1,872
Total cash flow from all operating activities	11,805	48,021	59,826	26,022
Investment activities				
Profit / return received	3,062	9,979	13,041	5,188
Dividend received	400	10	410	-
Payment for investments	(30,947)	(54,527)	(85,474)	(30,410)
Proceeds from redemption or sale of investments	-	-	-	5,621
Mudarib fee received / (paid)	1,554	(1,554)	-	-
Fixed capital expenditure	-	-	-	(60)
Total cash (outflows) from investing activities	(25,931)	(46,092)	(72,023)	(19,661)
Net cash (outflows) / inflows from all activities	(14,126)	1,929	(12,197)	6,361
Cash and cash equivalents at beginning of three months period	170,203	490,512	660,715	432,254
Cash and cash equivalents at end of three months period	156,077	492,441	648,518	438,615
Reconciliation to Profit and Loss Account				
Operating cash flows	11,805	48,021	59,826	26,022
Depreciation expense / amortisation expense	(867)	-	(867)	(797)
Profit / return received	3,062	9,979	13,041	5,188
Profit on disposal of investments	-	-	-	128
Dividend income received	400	10	410	-
Mudarib fee received / (paid)	1,554	(1,554)	-	-
Increase in assets other than cash	42,503	81,081	123,584	124,332
(Increase) in liabilities other than borrowings	(38,429)	(116,332)	(154,761)	(130,023)
Net profit / surplus for the period	20,028	21,205	41,233	24,850

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 28 form an integral part of these financial information.



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Amin A. Hashwani
Director



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Changes in Fund (Unaudited)

For the three months period ended 31 March 2019

	Operator's Fund			Total
	Statutory Fund	Available for sale Investment revaluation reserve	Accumulated profit	
	(Rupees in '000)			
Balance as at January 01, 2018	100,000	(1,995)	42,938	140,943
Changes in fund for the three months period ended 31 March 2018				
Profit after tax for the three months period	-	-	13,967	13,967
Other comprehensive income Unrealised gains on available for sale investments - net off tax	-	2,076	-	2,076
	-	2,076	13,967	16,043
Balance as at March 31, 2018	100,000	81	56,905	156,986
Balance as at January 01, 2019	100,000	(3,583)	58,512	154,929
Changes in fund for the three months period ended 31 March 2019				
Profit after tax for the three months period	-	-	20,028	20,028
Other comprehensive income Unrealised (loss) on available for sale investments - net off tax	-	(683)	-	(683)
	-	(683)	20,028	19,345
Balance as at March 31, 2019	100,000	(4,266)	78,540	174,274

The annexed notes 1 to 28 form an integral part of these financial information.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Amin A. Hashwani
Director


Aryn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Statement of Changes in Fund (Unaudited)

For the three months period ended 31 March 2019

	Participants' Takaful Fund			Total
	Statutory Fund	Available for sale Investment revaluation reserve	Accumulated profit	
	(Rupees in '000)			
Balance as at January 01, 2018	500	-	36,731	37,231
Changes in fund for the three months period ended 31 March 2018				
Surplus for the period	-	-	10,883	10,883
Other comprehensive income Unrealised (loss) on available for sale investments	-	(963)	-	(963)
	-	(963)	10,883	9,920
Balance as at March 31, 2018	500	(963)	47,614	47,151
Balance as at January 01, 2019	500	(1,790)	135,856	134,566
Changes in fund for the three months period ended 31 March 2019				
Surplus for the period	-	-	21,205	21,205
Other comprehensive income Unrealised (loss) on available for sale investments	-	(1,180)	-	(1,180)
	-	(1,180)	21,205	20,025
Balance as at March 31, 2019	500	(2,970)	157,061	154,591

The annexed notes 1 to 28 form an integral part of these financial information.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Amin A. Hashwani
Director


Aryn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer



Notes to and Forming Part of the Condensed Interim Financial Statements (Unaudited)

For the three months period ended 31 March 2019

1. LEGAL 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 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 Operator was granted authorisation on 10 March 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations ("the Operator") 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

These condensed interim financial information of the window takaful operations (WTO) has been prepared in accordance with the format prescribed under Insurance Rules, 2017 and these should be read in conjunction with annual financial statements of the Operator for the year ended 31 December 2018.

2.1 Statement of Compliance

2.1.1 These condensed interim financial information has been prepared in accordance with 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 International Reporting Standard Board (IASB) as notified under the Companies Act, 2017, and provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000, and Insurance Rules, 2017, Insurance Accounting Regulation and SECP Takaful Rules, 2012, have been followed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These condensed interim financial information are presented in Pakistan Rupees which is also the functional currency of the Operator.

2.4 Standards, interpretations and amendments to accounting and reporting standards, as applicable in Pakistan that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after 01 January 2019 but are considered not to be relevant or do not have any significant effect on the Operator's operations and therefore not stated in these financial information.

2.5 Standards, interpretations and amendments to accounting and reporting standards, as applicable in Pakistan that are not yet effective

The following standards, amendments and interpretations of accounting and reporting standards, as applicable in Pakistan will be effective for accounting periods beginning on or after 01 April 2019:

- IFRS 9 'Financial Instruments' and amendment (effective for annual period beginning on or after 01 July 2018). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.
- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after 01 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 9. The overlay approach allows an entity applying IFRS 9 from 01 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. The Company has adopted the temporary exemption which allows the Operator to defer the application of both IFRS 9 and IFRS 17 until 31 December 2021.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The amendment is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

Annual Improvement to IFRS Standards 2015–2017 Cycle. The new cycle of improvements addresses improvements to following reporting standard:

- IFRS 3 Business Combinations - the amendment aims to clarify the definition of the business for the purpose of accounting of interest in a joint operation.

3. ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of these condensed interim financial information are same as those applied in the preparation of the audited financial statements for the year ended 31 December 2018.

4. 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 Operator'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 2018.

5. TAKAFUL AND FINANCIAL RISK MANAGEMENT

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

6. 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.

7. PROPERTY AND EQUIPMENT

7.1 OPERATING ASSETS

7.1.1 Operator's Fund

During the three months period ended 31 March 2019, additions amounting to Rs. Nil (31 March 2018 : Rs. 60 thousands) were made.

8. INVESTMENT IN EQUITY SECURITIES - AFS

	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
	Cost	Carrying value	Cost	Carrying value (Restated)
(Rupees in '000)				
Operator's Fund				
Available-for-sale				
Quoted equity securities	71,938	66,013	40,991	35,944
Participants' Fund				
Available-for-sale				
Quoted equity securities	68,668	65,698	14,410	12,620

	31 March 2019 (Unaudited)			31 December 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Rupees in '000)				

9. LOANS AND OTHER RECEIVABLES - Considered good

Accrued Investment income	814	1,956	2,770	2,394
Advance to suppliers	506	-	506	21
Sales tax recoverable	183	811	994	1,387
Medical claims recoverable	-	435	435	453
Other receivables	1,304	1,516	2,820	949
	2,807	4,718	7,525	5,204

	Note	31 March 2019 (Unaudited)	31 December 2018 (Audited)
.....(Rupees in '000).....			
10. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF			
Due from takaful contract holders	10.1	163,020	91,027
Due from other takaful / re-takaful operators	10.2	4,451	5,677
		<u>167,471</u>	<u>96,704</u>

10.1 This includes Rs. 342 thousands (2018 : Rs. 342 thousands) receivable from a related party.

10.2 This includes Rs. 1,574 thousands (2018 : Rs. 2,094 thousands) receivable from a related party.

11. PREPAYMENTS

Operator's Fund

Prepaid miscellaneous expenses

500	1,000
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Participants' Takaful Fund

Prepaid re-takaful contribution ceded

59,895	50,101
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12. CASH & BANK

	Note	31 March 2019 (Unaudited)			31 December 2018 (Audited)
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
.....(Rupees in '000).....					
Cash and Cash Equivalents					
Policy, Revenue stamps & Bond papers		3	509	512	232
Cash at bank					
- Current accounts		-	11,607	11,607	17,375
- Savings accounts		156,074	480,325	636,399	643,108
	12.1 & 12.2	156,074	491,932	648,006	660,483
		<u>156,077</u>	<u>492,441</u>	<u>648,518</u>	<u>660,715</u>

12.1 Cash and bank balances of Operator's Fund include Rs. 116,269 thousands (2018 : Rs. 119,087 thousands) held with a related party.

12.2 Cash and bank balances of Participants' Takaful Fund include Rs. 101,414 thousands (2018 : Rs. 57,171 thousands) held with a related party.

13. TAKAFUL / RE-TAKAFUL PAYABLES - PTF

		31 March 2019 (Unaudited)	31 December 2018 (Audited)
.....(Rupees in '000).....			
Due to takaful contract holders		5,476	3,783
Due to other takaful / re-takaful operators		86,652	73,539
		<u>92,128</u>	<u>77,322</u>

	31 March 2019 (Unaudited)			31 December 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate

(Rupees in '000)

14. OTHER CREDITORS AND ACCRUALS

Commissions payable	35,258	-	35,258	28,686
Federal Excise Duty / Sales Tax	-	8,724	8,724	6,397
Federal Takaful Fee	-	881	881	507
Accrued expenses	2,472	42	2,514	3,853
Other tax payables	-	1,506	1,506	799
Miscellaneous	2,278	1,833	4,111	1,833
	<u>40,008</u>	<u>12,986</u>	<u>52,994</u>	<u>42,075</u>

15. CONTINGENCY AND COMMITMENT

The status of contingency remains unchanged as disclosed in financial statements as of 31 December, 2018.

16. NET TAKAFUL CONTRIBUTION - PTF

	Note	Three months period ended 31 March	
		2019 (Unaudited)	2018 (Unaudited)
		(Rupees in '000)	
Written Gross Contribution	25	311,221	246,045
Wakala Fee		93,608	71,375
Written Net Contribution		217,613	174,670
Add: Unearned contribution reserve - opening		257,432	200,250
Less: Unearned contribution reserve - closing		308,496	250,055
Contribution earned		166,549	124,865
Re-takaful contribution ceded		39,844	30,942
Add: Prepaid re-takaful contribution - opening		50,101	38,924
Less: Prepaid re-takaful contribution - closing		59,895	45,859
Re-takaful expense		30,050	24,007
		<u>136,499</u>	<u>100,858</u>

17. NET TAKAFUL CLAIMS EXPENSE - PTF

Claims Paid	110,798	70,436
Add: Outstanding claims including IBNR - opening	114,527	94,875
Less: Outstanding claims including IBNR - closing	128,686	116,489
Claims expense	124,957	92,050
Re-takaful and other recoveries received	1,910	426
Less: Re-takaful and other recoveries against outstanding claims - opening	16,314	13,020
Add: Re-takaful and other recoveries against outstanding claims - closing	16,107	11,688
Re-takaful and other recoveries revenue	1,703	(906)
	<u>123,254</u>	<u>92,956</u>

		Three months period ended 31 March	
		2019	2018
		(Unaudited)	(Unaudited)
		..... (Rupees in '000)	
18.	REBATE ON RE-TAKAFUL - PTF		
	Re-takaful rebate received or recoverable	1,669	58
	Add: Unearned re-takaful rebate - opening	1,397	621
	Less: Unearned re-takaful rebate - closing	2,384	474
		682	205
19.	WAKALA FEE INCOME - OTF		
	Gross wakala fee	93,607	71,375
	Add: Unearned wakala fee income - opening	113,999	85,399
	Less: Unearned wakala fee income - closing	137,743	105,236
		69,863	51,538
20.	COMMISSION EXPENSE / ACQUISITION COST - OTF		
	Commission paid or payable	33,363	23,492
	Add: Deferred commission expense - opening	37,387	28,085
	Less: Deferred commission expense - closing	47,635	34,258
		23,115	17,319
21.	INVESTMENT INCOME - PTF		
	Income from equity securities Available for sale investments		
	Dividend Income	200	-
	Income from term deposits		
	Return on term deposits	-	161
	Total Investment Income	200	161
	Investment related expenses	(5)	-
		195	161
22.	INVESTMENT INCOME - OTF		
	Income from equity securities Available for sale investments		
	Dividend income	518	563
	Net realised gains / (losses) on investments Available for sale		
	Realised gain on sale of equity securities	-	786
	Realised (loss) on sale of equity securities	-	(658)
		-	128
	Total Investment Income	518	691
	Investment related expenses	(5)	-
		513	691

		Three months period ended 31 March	
		2019 (Unaudited)	2018 (Unaudited)
		..... (Rupees in '000)	
23.	OTHER INCOME - OTF	Note	
	Return on bank balances	23.1	3,135
	Mudarib's share of PTF investment income		2,034
			<u>5,169</u>
			<u>1,418</u>
			<u>735</u>
			<u>2,153</u>

23.1 This includes Rs. 2,195 thousands (31 March 2018: Rs.1,367 thousands) profit on bank balances held with a related party.

24. TRANSACTIONS WITH RELATED PARTIES

The definition of related parties as given in IAS 24 - Related parties has been followed. 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:

		Three months period ended 31 March	
		2019 (Unaudited)	2018 (Unaudited)
		..... (Rupees in '000)	
		Note	
	Rent	24.1	503
	Reimbursement of expenses	24.2	6,850
	Remuneration of key management personnel		2,912
	Contributions to provident fund		226
	Profit on bank balances - PTF		1,096
			<u>457</u>
			<u>3,972</u>
			<u>2,229</u>
			<u>179</u>
			<u>930</u>

24.1 This represents rent paid to the operator.

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

25. 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 31 March 2019 (Unaudited)					Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	
	(Rupees in '000)					
Contribution received / receivable (inclusive of Federal Excise Duty / Sales Tax , Federal Takaful Fee and Administrative surcharge)	39,232	23,211	177,710	79,491	28,525	348,169
Less: Federal Excise Duty / Sales Tax	4,814	2,341	21,520	-	3,305	31,980
Federal Takaful Fee	341	196	1,564	786	249	3,136
Others	36	1,029	701	56	10	1,832
	<u>34,041</u>	<u>19,645</u>	<u>153,925</u>	<u>78,649</u>	<u>24,961</u>	<u>311,221</u>
Gross written contribution (inclusive of Administrative surcharge)	33,646	18,896	149,951	78,649	24,779	305,921
Gross direct contribution	395	749	3,974	-	182	5,300
Administrative surcharge	<u>34,041</u>	<u>19,645</u>	<u>153,925</u>	<u>78,649</u>	<u>24,961</u>	<u>311,221</u>
Less: Wakala fee	11,404	6,876	44,638	23,826	6,864	93,608
	<u>22,637</u>	<u>12,769</u>	<u>109,287</u>	<u>54,823</u>	<u>18,097</u>	<u>217,613</u>
Participants' Takaful Fund - revenue account						
Takaful contribution earned	18,869	11,936	85,119	41,261	9,364	166,549
Takaful contribution ceded to re-takaful operators	(12,693)	(6,844)	(4,795)	-	(5,718)	(30,050)
Net takaful contribution	<u>6,176</u>	<u>5,092</u>	<u>80,324</u>	<u>41,261</u>	<u>3,646</u>	<u>136,499</u>
Re-takaful rebate	354	-	6	-	322	682
	<u>6,530</u>	<u>5,092</u>	<u>80,330</u>	<u>41,261</u>	<u>3,968</u>	<u>137,181</u>
Net revenue	<u>6,530</u>	<u>5,092</u>	<u>80,330</u>	<u>41,261</u>	<u>3,968</u>	<u>137,181</u>
Takaful claims	(6,479)	(11,157)	(53,759)	(50,085)	(3,477)	(124,957)
Takaful claims recovered from re-takaful operators	217	-	950	-	536	1,703
Net claims	<u>(6,262)</u>	<u>(11,157)</u>	<u>(52,809)</u>	<u>(50,085)</u>	<u>(2,941)</u>	<u>(123,254)</u>
Direct expenses	-	-	(857)	-	-	(857)
Surplus / (Deficit) before investment income	<u>268</u>	<u>(6,065)</u>	<u>26,664</u>	<u>(8,824)</u>	<u>1,027</u>	<u>13,070</u>
Investment income						195
Profit on bank balances						9,974
Mudarib fee						(2,034)
Surplus for the period						<u>21,205</u>
Operator's Fund - revenue account						
Wakala fee income	9,463	6,393	34,694	15,786	3,527	69,863
Commission and other acquisition costs	(4,290)	(3,074)	(10,146)	(4,379)	(1,226)	(23,115)
Management expenses	<u>(3,256)</u>	<u>(2,199)</u>	<u>(11,936)</u>	<u>(5,431)</u>	<u>(1,213)</u>	<u>(24,035)</u>
	<u>1,917</u>	<u>1,120</u>	<u>12,612</u>	<u>5,976</u>	<u>1,088</u>	<u>22,713</u>
Investment income						513
Other income						5,169
Other expenses						(578)
Profit before tax						<u>27,817</u>

Three months period ended 31 March 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Contribution received / receivable (inclusive of Federal Excise Duty / Sales Tax , Federal Takaful Fee and Administrative surcharge)	34,014	17,569	158,983	50,402	15,961	276,929
Less: Federal Excise Duty / Sales Tax	4,154	1,728	19,016	-	1,870	26,768
Federal Takaful Fee	296	149	1,375	499	139	2,458
Others	11	754	867	18	8	1,658
	<u>29,553</u>	<u>14,938</u>	<u>137,725</u>	<u>49,885</u>	<u>13,944</u>	<u>246,045</u>
Gross written contribution (inclusive of Administrative surcharge)	29,249	14,414	133,997	49,885	13,813	241,358
Gross direct contribution	304	524	3,728	-	131	4,687
Administrative surcharge	29,553	14,938	137,725	49,885	13,944	246,045
Less: Wakala fee	9,900	5,228	39,940	12,471	3,836	71,375
	<u>19,653</u>	<u>9,710</u>	<u>97,785</u>	<u>37,414</u>	<u>10,108</u>	<u>174,670</u>
Participants' Takaful Fund - revenue account						
Takaful contribution earned	16,485	8,903	69,460	22,055	7,962	124,865
Takaful contribution ceded to re-takaful operators	(10,855)	(5,748)	(3,321)	-	(4,083)	(24,007)
Net takaful contribution	5,630	3,155	66,139	22,055	3,879	100,858
Re-takaful Rebate	179	-	2	-	24	205
	<u>5,809</u>	<u>3,155</u>	<u>66,141</u>	<u>22,055</u>	<u>3,903</u>	<u>101,063</u>
Net revenue						
Takaful claims	(21,628)	(446)	(46,305)	(28,371)	4,699	(92,051)
Takaful claims recovered from re-takaful operators	1,000	-	(1,174)	-	(731)	(905)
Net claims	(20,628)	(446)	(47,479)	(28,371)	3,968	(92,956)
Direct expenses	-	-	(166)	-	-	(166)
(Deficit) / Surplus before investment income	<u>(14,819)</u>	<u>2,709</u>	<u>18,496</u>	<u>(6,316)</u>	<u>7,871</u>	<u>7,941</u>
Investment income						161
Profit on bank balances						3,516
Mudarib fee						(735)
Surplus for the period						<u>10,883</u>
Operator's Fund - revenue account						
Wakala fee income	8,292	4,781	28,106	7,352	3,007	51,538
Commission and other acquisition costs	(3,806)	(2,311)	(8,690)	(1,596)	(916)	(17,319)
Management expenses	(2,612)	(1,507)	(8,855)	(2,316)	(947)	(16,237)
	<u>1,874</u>	<u>963</u>	<u>10,561</u>	<u>3,440</u>	<u>1,144</u>	<u>17,982</u>
Investment income						691
Other income						2,153
Other expenses						(750)
Profit before tax						<u>20,076</u>

The classwise assets and liabilities are as follows:

	31 March 2019 (Unaudited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Segment assets	45,672	15,375	104,991	41,924	35,946	243,908
Unallocated assets						
Participants' Takaful Fund						562,422
Operator's Fund						379,912
Consolidated total assets						1,186,242
Segment liabilities	77,769	35,807	338,684	142,287	57,192	651,739
Unallocated liabilities - Operator's Fund						205,638
Consolidated total liabilities						857,377
	31 December 2018 (Audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Segment assets	37,916	10,902	68,733	22,505	23,516	163,572
Unallocated assets						
Participants' Takaful Fund						506,401
Operator's Fund						322,137
Consolidated total assets						992,110
Segment liabilities	63,168	22,872	293,244	114,905	41,218	535,407
Unallocated liabilities - Operator's Fund						167,208
Consolidated total liabilities						702,615

26. 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.

	31 March 2019 (Unaudited)							
	Carrying amount				Fair value			
	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
	(Rupees in '000)							
Financial assets measured at fair value								
Investments in equity securities	131,711	-	-	-	131,711	131,711	-	131,711
Financial assets not measured at fair value								
Cash and bank*	-	-	648,518	-	648,518	-	-	-
Investments in term deposits*	-	-	-	-	-	-	-	-
Takaful / Retakaful receivables*	-	-	167,471	-	167,471	-	-	-
Wakala and mudarib fee receivable*	-	-	95,641	-	95,641	-	-	-
Loans and receivables*	-	-	6,025	-	6,025	-	-	-
Salvage recoveries accrued*	-	-	5,720	-	5,720	-	-	-
Retakaful recoveries against outstanding claims*	-	-	10,387	-	10,387	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	(128,686)	(128,686)	-	-	-
Takaful / Retakaful payables*	-	-	-	(92,128)	(92,128)	-	-	-
Wakala and mudarib fee payable*	-	-	-	(95,641)	(95,641)	-	-	-
Other creditors and accruals*	-	-	-	(41,558)	(41,558)	-	-	-
	131,711	-	933,762	(358,013)	707,460	131,711	-	131,711

31 December 2018 (Audited)

	Carrying amount				Fair value			
	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
(Rupees in '000)								
Financial assets measured at fair value								
Investments in equity securities	48,564	-	-	-	48,564	48,564	-	48,564
Financial assets not measured at fair value								
Cash and bank*	-	-	660,715	-	660,715	-	-	-
Investments in term deposits*	-	-	-	-	-	-	-	-
Takaful / Retakaful receivables*	-	-	96,704	-	96,704	-	-	-
Wakala and mudarib fee receivable*	-	-	64,210	-	64,210	-	-	-
Loans and receivables*	-	-	3,796	-	3,796	-	-	-
Salvage recoveries accrued*	-	-	5,970	-	5,970	-	-	-
Retakaful recoveries against outstanding claims*	-	-	10,344	10,344	-	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	(114,527)	(114,527)	-	-	-
Takaful / Retakaful payables*	-	-	-	(77,322)	(77,322)	-	-	-
Wakala and mudarib fee payable*	-	-	-	(64,210)	(64,210)	-	-	-
Other creditors and accruals*	-	-	-	(34,047)	(34,047)	-	-	-
	48,564	-	841,739	(290,106)	600,197	48,564	-	48,564

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

26.1 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).

27. 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 23 April 2019.

28. GENERAL

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


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Amin A. Hashwani
Director


Aryn Currimbhoy
Director










Nawaid Jamal
Chief Financial Officer









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