



Jubilee
GENERAL INSURANCE

level next

HALF YEARLY REPORT (Unaudited) **2019**

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 Board of Directors present before you the unaudited financial statements of the Company for the half year ended 30th June 2019.

Company Performance

Although the Gross Written Premium (GWP) including Contribution Written in Window Takaful Operations posted a decline of 4% to Rs 5.50 billion (2018: Rs 5.73 billion). The combined Net Premium / Contribution has posted an increase of 6% to reach Rs 2.89 billion (2018: Rs 2.72 billion). Balanced growth in most portfolios coupled with underwriting measures have allowed the Company to achieve robust technical profit of Rs 231.18 million [2018: Loss Rs 43.93 million].

During the period under review, Pakistan Stock Exchange experienced continuous decline and Company's investment income was recorded at Rs 375.08 million (2018: Rs 758.66 million).

Insurance

The summarised results of the Company's insurance business for the period ended 30th June 2019 are as under:

	June 30, 2019	June 30, 2018
	(Rupees in '000)	
Gross Premium	4,920,337	5,257,293
Net Premium Revenue	2,614,781	2,502,865
Underwriting Result	196,759	(130,171)
Investment Income including Capital Gains & Rent	366,464	753,780
Profit Before Tax	671,198	743,603
Profit After Tax	477,347	467,450
Earnings Per Share of Rs 10 each (Rupees)	2.65	2.59

Takaful

Alhamdulillah! Window Takaful Operation maintained its momentum and posted a strong growth of 22% in Gross Written Contribution to reach Rs 579 million (2018: Rs 473 million), Net Contribution grew more robustly by 26% to reach Rs 280 million (2018: Rs 222 million). We hope to maintain growth momentum in Takaful Operations.

The Participants' Takaful Fund Surplus is Rs 228 thousand (2018: Rs 50 million) in the period under review resulting in Operator's profit of Rs 41 million (2018: Rs 32 million).

The summarised results of Company's Takaful Operations for the period ended 30th June 2019 are as follows:

	June 30, 2019	June 30, 2018
	(Rupees in '000)	
Participants' Fund		
Gross Contribution	578,698	472,766
Net Contribution	279,759	221,345
PTF (Deficit) / Surplus before Investment Income	(16,052)	44,368
Investment Income	20,367	7,506
PTF Surplus for the period	228	50,373
Operator's Fund		
Revenue Account	50,472	41,869
Investment Income	8,619	4,881
Operator's Profit before Tax	57,443	45,150
Operator's Profit after Tax	40,785	32,056

Outlook

Post IMF Agreement, the economy and the investment climate are expected to respond positively. We are optimistic of an improved top line performance in the second half of the year.

On behalf of Board



Tahir Ahmed
Managing Director &
Chief Executive



Amyn Currimbhoy
Director

Karachi: 22 August 2019

ڈائریکٹرز رپورٹ

ڈائریکٹرز آپ کے سامنے 30 جون 2019 کو ختم شدہ ششماہی کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

کاروباری جائزہ

اگرچہ مجموعی پریکٹس (GWP) بشمول نکافل آپریشنز کنٹریبیوشن کے ساتھ 5.50 بلین روپے (2018 میں 5.73 بلین روپے) تک پہنچا۔ لیکن کمپنی کا مشن کہ خالص پریکٹس / کنٹریبیوشن 6 فیصد اضافہ کے ساتھ 2.89 بلین روپے (2018 میں 2.72 بلین روپے) تک جا پہنچا۔ کاروبار کے زیادہ تر شعبہ جات کی متوازن کارکردگی کے ساتھ انڈر رائٹنگ کے اقدامات کے سبب کمپنی نے شاندار ٹیکنیکل منافع 231.18 بلین روپے (2018 میں نقصان 43.93 بلین روپے) حاصل کیا ہے۔

زیر جائزہ مدت کے دوران، پاکستان اسٹاک ایکسچینج میں مسلسل گراؤ رہی اور کمپنی کی سرمایہ کاری سے ہونے والی آمدنی 375.08 بلین روپے (2018 میں 758.66 بلین روپے) ہوئی۔

انٹورنس

کمپنی کے انٹورنس کاروبار کے مجموعی نتائج برائے ششماہی ختم شدہ جون 30، 2019 درج ذیل ہیں:

جون 30 2018	جون 30 2019
('000 روپے میں)	
5,257,293	4,920,337
2,502,865	2,614,781
(130,171)	196,759
753,780	366,464
743,603	671,198
467,450	477,347
2.59	2.65

مجموعی پریکٹس خالص پریکٹس

انڈر رائٹنگ کے نتائج
سرمایہ کاری سے آمدنی (بشمول کرایہ آمدنی اور کمیٹیٹل گین) قبل از ٹیکس منافع
بعد از ٹیکس منافع
10 روپے والے ہر ایک شیئر پر منافع (روپے)

نکافل

انڈیٹڈ انڈو نکافل آپریشن نے ترقی کی رفتار برقرار رکھتے ہوئے 22 فیصد کی شاندار اضافہ کے ساتھ 579 بلین روپے کا کنٹریبیوشن (2018 میں 473 بلین روپے) حاصل کیا۔ خالص کنٹریبیوشن بھی 26 فیصد کے شاندار اضافہ کے ساتھ 280 بلین روپے (2018 میں 222 بلین روپے) تک پہنچ گیا ہے۔ ہم نکافل آپریشنز میں ترقی کی رفتار کو قائم رکھنے کے لیے پرامید ہیں۔

پارٹنیشنرز نکافل فنڈ سرپلس 228 ہزار روپے (2018: 50 بلین روپے) ہو چکے تھے جس میں آپریٹنگ منافع 41 بلین (2018: 32 بلین) روپے ہو۔

جون 30 2018	جون 30 2019
('000 روپے میں)	
472,766	578,698
221,345	279,759
44,368	(16,052)
7,506	20,367
50,373	228
41,869	50,472
4,881	8,619
45,150	57,443
32,056	40,785

کمپنی کے نکافل آپریشنز کے مجموعی نتائج برائے ششماہی ختم شدہ جون 30، 2019 درج ذیل ہیں:

پارٹنیشنرز فنڈ

مجموعی کنٹریبیوشن
خالص کنٹریبیوشن
سرمایہ کاری آمدنی سے قبل PTF (خسارہ) / سرپلس
سرمایہ کاری سے آمدنی
اس مدت کے لیے PTF سرپلس

آپریٹرز فنڈ

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

مستقبل پر نظر

آئی ایم ایف کے ساتھ معاہدے کے بعد، معاشی صورتحال اور سرمایہ کاری کی فضا میں مثبت تبدیلی کی امید کی جا رہی ہے۔ ہم سال کی دوسری ششماہی کے دوران اپنی کارکردگی میں بہتری کے لیے پرامید ہیں۔

بورڈ کی جانب سے

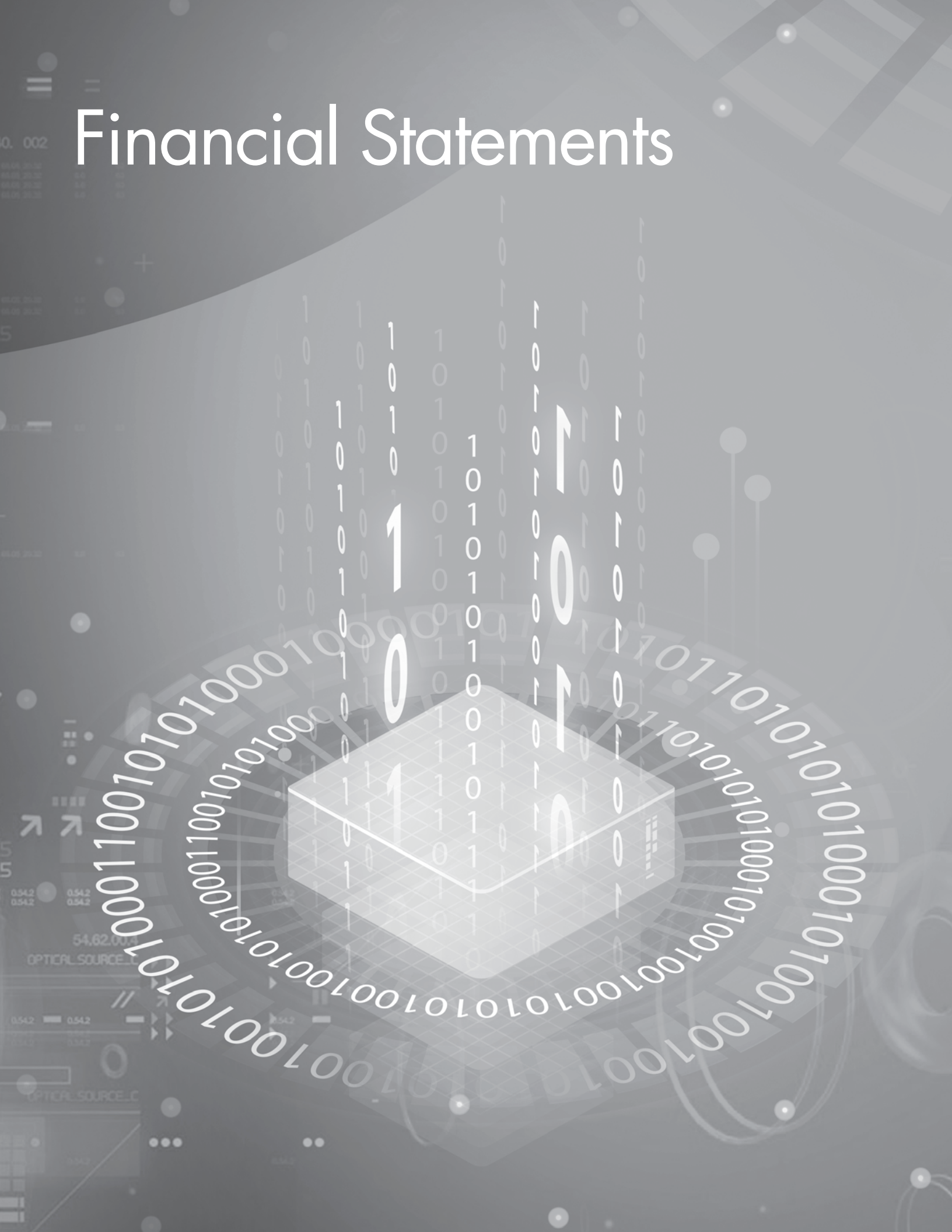


امین کریم بھٹی
ڈائریکٹر



طاہر احمد
مینجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو
کراچی: 22 اگست 2019

Financial Statements





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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Jubilee General Insurance Company Limited ("the Company")** as at June 30, 2019 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 and forming part to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures for the quarters ended June 30, 2019 and June 30, 2018 in the condensed interim profit and loss account, condensed interim statement of comprehensive income and relevant notes have not been reviewed and we do not express a conclusion on them.

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 statements 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 statements are 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 condensed interim financial statements of the Company for the six-month period ended June 30, 2018 and the financial statements for the year ended December 31, 2018 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon vide their reports dated August 16, 2018 and February 05, 2019 respectively.

The engagement partner on the review resulting in this independent auditor's review report is **Noman Abbas Sheikh**.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: August 22, 2019

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5, Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

Condensed Interim Statement of Financial Position

As at June 30, 2019

		June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	Note	..... (Rupees in '000)	
Assets			
Property and equipment	7	207,872	173,500
Intangible assets		59,875	68,492
Investment properties	8	653,929	656,871
Investments in associates	9	765,331	769,210
Investments			
Equity securities	10	4,754,353	5,105,119
Debt securities	11	5,239,351	5,521,901
Term deposits	12	164,120	131,696
Loans and other receivables	13	189,997	147,500
Insurance / reinsurance receivables	14	1,869,476	1,718,328
Reinsurance recoveries against outstanding claims		2,762,078	3,029,644
Salvage recoveries accrued		27,190	27,150
Deferred commission expense / acquisition cost	25	243,792	280,970
Prepayments	15	1,789,224	1,691,595
Cash & bank	16	1,213,058	1,669,039
		19,939,646	20,991,015
Total assets of Window Takaful Operations - Operator's Fund	17	349,029	322,137
Total assets		20,288,675	21,313,152


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Note	..... (Rupees in '000)	.....
Equity and Liabilities		
Capital and reserves attributable to Company's equity holders		
Authorised share capital: 250,000,000 (December 31, 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 (December 31, 2018: 180,446,583) Ordinary shares of Rs.10 each]	1,804,465	1,804,465
Reserves	5,108,618	5,038,172
Unappropriated profit	486,506	1,065,418
Total equity	7,399,589	7,908,055
Liabilities		
Underwriting provisions		
Outstanding claims including IBNR	24 4,126,607	4,362,199
Unearned premium reserves	23 3,692,739	3,533,063
Unearned reinsurance commission	25 128,177	102,536
Deferred taxation	18 71,962	209,388
Premium received in advance	147,067	196,109
Insurance / reinsurance payables	19 1,510,587	1,753,164
Other creditors and accruals	20 1,203,301	1,229,204
Deposits and other payables	21 1,605,989	1,616,174
Taxation - provision less payments	184,922	236,052
	12,671,351	13,237,889
Total liabilities of Window Takaful Operations - Operator's Fund	17 217,735	167,208
Total liabilities	12,889,086	13,405,097
Total equity and liabilities	20,288,675	21,313,152
Contingencies and Commitments	22	

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Akbarali Pesnani
Director



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer

Condensed Interim Profit and Loss Account (Unaudited)

For the three months and six months period ended June 30, 2019

Note	Three months period ended		Six months period ended		
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	
(Rupees in '000)					
Net insurance premium	23	1,309,674	1,196,160	2,614,781	2,502,864
Net insurance claims	24	669,053	834,291	1,355,615	1,582,157
Net commission and other acquisition costs	25	94,242	112,387	184,940	214,163
Insurance claims and acquisition expenses		763,295	946,678	1,540,555	1,796,320
Management expenses		428,203	419,751	877,467	836,715
Underwriting results		118,176	(170,269)	196,759	(130,171)
Investment income	26	39,042	227,850	281,646	667,894
Rental income	27	9,978	22,539	26,146	45,117
Other income	28	49,664	22,647	82,857	49,015
Other expenses		(9,512)	(25,441)	(24,847)	(41,512)
Results of operating activities		207,348	77,326	562,561	590,343
Share of profit of associates	9	22,226	43,570	51,194	108,110
Profit from Window Takaful Operations	17	29,625	25,074	57,443	45,150
Profit before tax		259,199	145,970	671,198	743,603
Income tax expense - Current		(112,680)	(117,799)	(225,849)	(271,683)
- Deferred		37,201	21,074	31,998	(4,470)
		(75,479)	(96,725)	(193,851)	(276,153)
Profit after tax		183,720	49,245	477,347	467,450
Earnings (after tax) per share - Rupees	29	1.02	0.27	2.65	2.59

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Akbarali Pesnani
Director


Aryn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months and six months period ended June 30, 2019

	Three months period ended		Six months period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees in '000)			
Profit after tax for the period	183,720	49,245	477,347	467,450
Other comprehensive income				
Item that will not be reclassified to the profit and loss account in subsequent periods				
Share in actuarial gain / (loss) on defined benefit plan of an associate - net of tax	17	(781)	17	(781)
Item that may be reclassified to the profit and loss account in subsequent periods				
Foreign currency translation difference - net of tax	10,676	2,130	11,922	5,594
Net unrealised diminution on 'available for sale' investments - net of tax	(365,178)	(390,263)	(268,948)	87,298
Reclassification adjustment for net gain on sale of available for sale investments included in the profit and loss account - net of tax	(1,736)	(43,543)	(2,589)	(183,263)
	(366,914)	(433,806)	(271,537)	(95,965)
Net unrealised (diminution) / appreciation on 'available for sale investments of Window Takaful Operations - net of tax	(5,225)	(1,112)	(5,908)	582
Reclassification adjustment for net gain on sale of available for sale investments included in the profit and loss account of Window Takaful Operations - net of tax	-	(384)	-	(2)
	(5,225)	(1,496)	(5,908)	580
Share in other comprehensive income of an associate				
Net unrealised appreciation on 'available for sale' investments - net of tax	2,810	3,091	604	3,091
Foreign currency translation difference - net of tax	65	287	875	326
	2,875	3,378	1,479	3,417
Total comprehensive (loss) / income for the period	(174,851)	(381,330)	213,320	380,295

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Akbarali Pesnani
Director



Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended June 30, 2019

	Six months period ended	
	June 30, 2019	June 30, 2018
	.....(Rupees in '000).....	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	4,721,525	4,010,094
Reinsurance premium paid	(2,456,238)	(1,872,531)
Claims paid	(1,588,748)	(2,225,390)
Reinsurance and other recoveries received	263,689	694,215
Commissions paid	(396,460)	(372,283)
Commissions received	205,061	185,326
Management expenses paid	(774,750)	(698,297)
Net cash outflow on underwriting activities	(25,921)	(278,866)
(b) Other operating activities		
Income taxes paid	(260,031)	(273,814)
General and administration expenses paid	(12,597)	(27,514)
Other operating payments	(569,658)	(477,169)
Other operating receipts	644,091	654,036
Loans advanced	(363)	(399)
Loans repayment received	528	516
Net cash outflow on other operating activities	(198,030)	(124,344)
Total cash outflow on all operating activities	(223,951)	(403,210)
Investment activities		
Profit / return received	293,181	218,781
Dividends received	138,360	125,207
Rentals received - net of expenses	17,392	66,871
Payments for investments / investment property	(13,765,766)	(10,847,725)
Proceeds from investments	13,902,084	10,735,770
Fixed capital expenditure	(65,209)	(62,152)
Proceeds from sale of property and equipment	1,968	1,286
Total cash inflow on investing activities	522,010	238,038
Financing activities		
Dividends paid	(707,549)	(692,481)
Principal repayment of lease liabilities against right of use asset	(2,948)	-
Total cash outflow on financing activities	(710,497)	(692,481)
Net cash outflow on all activities	(412,437)	(857,653)
Cash at beginning of the period	1,691,215	2,054,306
Cash at end of the period	1,278,778	1,196,653

Six months period ended

Reconciliation to the profit and loss account

Operating cash flows	(223,951)	(403,210)
Depreciation / amortisation expense	(37,529)	(29,095)
Gain / (loss) on disposal of property and equipment - net	44	(13)
Loss on remeasurement of investments at fair value through profit or loss	(69,833)	(29,379)
Gain on sale of investments - net	11,411	415,570
Dividend income	134,126	131,242
Rental income	26,146	45,117
Other investment income	315,808	299,340
Profit for the period from Window Takaful Operations	40,785	32,056
(Decrease) / increase in assets other than cash	(108,859)	3,322,275
Decrease / (increase) in liabilities other than borrowings	389,199	(3,316,453)

**June 30,
2019**

**June 30,
2018**

.....(Rupees in '000).....

Profit after taxation

477,347

467,450

Cash for the purposes of the statement of cash flows consists of:

Cash and bank deposits

Cash and other equivalents

Cash	676	1,252
Policy stamps and bond papers in hand	4,585	5,931

5,261

7,183

Current and other accounts

Current accounts	121,856	82,484
Profit and loss savings accounts	1,085,941	1,080,278

1,207,797

1,162,762

Deposits having maturity within 3 months (payable on demand)

Term deposits - local currency	26,360	-
Term deposits - foreign currency	39,360	26,708

65,720

26,708

1,278,778

1,196,653

Reconciliation of liabilities arising out of financing activities

Unclaimed dividend as at January 1	99,141	82,950
<i>Changes from financing activities</i>		
Dividend paid	(707,549)	(692,481)
<i>Others</i>		
Final cash dividend for the year ended December 31, 2018 @ 40% (December 31, 2017: 40%)	721,786	721,786
Unclaimed dividend as at June 30	113,378	112,255

99,141

82,950

(707,549)

(692,481)

721,786

721,786

113,378

112,255

Definition of cash and cash equivalents

Cash and cash equivalents 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 34 form an integral part of these condensed interim financial statements.



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Akbarali Pesnani
Director



Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Changes In Equity (Unaudited)

For the six months period ended June 30, 2019

Share capital	Reserves								Total
	Capital reserve	Revenue reserves							
	Issued, subscribed and paid-up	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

(Rupees in '000)

Balance as at December 31, 2017 (audited) 1,804,465 9,384 3,450,000 800,000 (2,316) 1,070,444 1,064,999 115,962 32 8,312,970

Total comprehensive income

Profit after taxation	-	-	-	-	-	467,450	-	-	467,450
Share in Ledger D balance of an associate	-	-	-	-	-	(10,839)	10,839	-	-
Other comprehensive income									
Foreign currency translation difference - net of tax	-	-	-	-	5,594	-	-	-	5,594
Share in other comprehensive income of an associate - net of tax	-	-	-	-	326	3,091	(781)	-	2,636
Net unrealised gain arising during the period on revaluation of available for sale investments (including WTO) - net of tax	-	-	-	-	-	87,880	-	-	87,880
Reclassification adjustment for net gain on sale of available for sale investments included in the profit and loss account (including WTO) - net of tax	-	-	-	-	-	(183,265)	-	-	(183,265)
	-	-	-	-	5,920	(92,294)	455,830	10,839	380,295

Transactions with owners recorded directly in equity

Final cash dividend at Rs.4 (40%) per share for the year ended December 31, 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 June 30, 2018 (un-audited) 1,804,465 9,384 3,550,000 1,000,000 3,604 978,150 499,043 126,801 32 7,971,479

Balance as at December 31, 2018 (audited) 1,804,465 9,384 3,550,000 1,000,000 12,956 326,355 1,065,418 139,445 32 7,908,055

Total comprehensive income

Profit after taxation	-	-	-	-	-	477,347	-	-	477,347
Share in Ledger D balance of an associate	-	-	-	-	-	(34,490)	34,490	-	-
Other comprehensive income									
Foreign currency translation difference - net of tax	-	-	-	-	11,922	-	-	-	11,922
Share in other comprehensive income of an associate - net of tax	-	-	-	-	875	604	17	-	1,496
Net unrealised diminution arising during the period on revaluation of available for sale investments (including WTO) - net of tax	-	-	-	-	-	(274,856)	-	-	(274,856)
Reclassification adjustment for net gain on sale of available for sale investments included in the profit and loss account (including WTO) - net of tax	-	-	-	-	-	(2,589)	-	-	(2,589)
	-	-	-	-	12,797	(276,841)	442,874	34,490	213,320

Transactions with owners recorded directly in equity

Final cash dividend at Rs.4 (40%) per share for the year ended December 31, 2018	-	-	-	-	-	(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 June 30, 2019 (un-audited) 1,804,465 9,384 3,650,000 1,200,000 25,753 49,514 486,506 173,935 32 7,399,589

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Towfiq H. Chinoy
Chairman



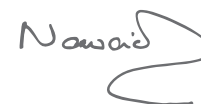
Tahir Ahmed
Chief Executive



Akbarali Pesnani
Director



Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer

Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)

For the six months period ended June 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on May 16, 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 March 10, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations (WTO) in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on May 7, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

2.1 Statement of Compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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, 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 Regulations, 2017 and SECP Takaful Rules, 2012 shall prevail.

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 statements in accordance with the requirements of Circular 25 of 2015 dated July 9, 2015.

2.1.3 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2018.

2.2 Basis of measurement

These condensed interim financial statements 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 statements 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

IFRS 9 'Financial Instruments' and amendment (effective for period ending on or after June 30, 2019). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also has carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 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 the effective date to remove from the profit or loss account the effects of some of the accounting mismatches that may occur by applying IFRS 9 before IFRS 17 is applied. The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9 until December 31, 2021.

For the companies adopting the temporary exemption, the IFRS 4 requires certain disclosures which have been disclosed as follows:

2.4.1 Temporary exemption from the application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 2.4.2 below.

2.4.2 Fair value of financial assets as at June 30, 2019 and change in the fair values during the half year ended June 30, 2019

	(Un-audited) As at June 30, 2019	(Audited) As at December 31, 2018	(Un-audited) Change during the half year ended June 30, 2019
	(Rupees in '000)		
Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading			
Pakistan Investment Bonds - held to maturity (note 11)	188,525	189,463	(938)
Debt securities - available for sale (note 11)	4,337,629	4,259,239	78,390
Financial assets that do not meet the SPPI criteria			
Equity securities - available for sale (note 10)	4,246,004	4,713,199	(467,195)

The fair value of the remaining financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2019 but are considered not to be relevant or do not have any significant effect on the Company's operations and are 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 July 1, 2019:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2020

The management is in the process of assessing the impact of these amendments on the financial statements of the Company.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting period beginning on or after January 1, 2020, but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation followed in these condensed interim financial statements are the same as compared to the annual audited financial statements of the Company as at and for the year ended December 31, 2018, except as stated below:

- 3.1** During the period, IFRS 16 - Leases became applicable on all companies having lease arrangements. This IFRS 16 replaces existing guidance on accounting for leases. IFRS 16 replaces existing guidance on accounting for leases, including IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC-15, 'Operating Leases - Incentive', and SIC-27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces an on balance sheet lease accounting model for long term operating leases (short-term leases and leases where the underlying assets are of low value continue to be treated as off-balance sheet operating leases). A lessee recognises a right-of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as either finance or operating leases.

The Company has adopted IFRS 16 from January 1, 2019 under simplified approach, and has not restated comparatives for 2018 reporting period, as permitted under the specific transitional provisions in the Standard.

On adoption of IFRS 16, the Company has recognised liabilities in respect of leases which had previously been classified as operating leases under IAS 17. These liabilities were measured as the present value of the remaining lease payments, discounted using the Company's incremental weighted average borrowing rate of 13.38% per annum as of January 1, 2019. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

The remeasurements of the lease liabilities as at June 30, 2019 were recognised as an adjustment to the related right-of-use assets immediately after the date of initial application.

	..... (Unaudited)	
	June 30, 2019	01 January 2019
	..... (Rupees in '000)	
Total lease liability recognised of which:		
Current	14,593	10,545
Non-current	18,164	12,932
	32,757	23,477

On adoption of IFRS 16, the associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments. The associated right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognised in the statement of financial position immediately before the date of initial application. Subsequent to the adoption, the right-of-use assets are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets or to restore the underlying assets or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

	..... (Unaudited)	
	June 30, 2019	01 January 2019
	..... (Rupees in '000)	
The recognised right-of-use assets relate to the following type of assets:		
Land and buildings	34,819	29,459
Impact on statement of financial position		
Increase in property and equipment (right-of-use assets)	34,819	29,459
Decrease in prepayments - prepaid rent	(3,067)	(5,982)
Increase in total assets	31,752	23,477
Increase in other creditors - lease liability against right-of-use assets	32,757	23,477
Increase in tax liabilities	(291)	-
Decrease in net assets	(714)	-

Impact on profit and loss account

	(Unaudited) For the six months ended June 30, 2019 (Rupees in '000)
(Increase) in management expense - interest expense (lease liability against right-of-use assets)	(1,766)
(Increase) / decrease in administrative expenses:	
- Depreciation on right-of-use assets	(6,868)
- Rent expense	7,629
Increase / (decrease) in profit before tax	(1,005)
Tax charge @ 29%	291
Decrease in profit after tax	(714)

Earnings per share has decreased by Re 0.003 per share for the six months ended June 30, 2019 as a result of adoption of IFRS 16.

While implementing IFRS 16, the Company has used a single discount rate methodology for a portfolio of leases with similar characteristics and the Company has opted not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and lease of low value assets.

4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial statements, the significant judgments, estimates and assumptions made by the 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 December 31, 2018, except as disclosed in note 4.1 below:

- 4.1** The estimated residual values of the tracker equipment have been reviewed and based on the historical experience, the estimated residual values have been revised from 15% to 10% of its cost. The 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 change has been recognised prospectively. Had the Company's accounting estimate not been changed, the carrying amount of property and equipment of the Company and the profit after tax for the period ended June 30, 2019 would have been higher by Rs. 4,927 thousands and Rs. 3,498 thousands respectively.

5. INSURANCE AND FINANCIAL RISK MANAGEMENT

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

6. PREMIUM DEFICIENCY RESERVE

No provision has been made in the condensed interim financial statements 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 reporting date in respect of policies in force at the reporting date.

7. PROPERTY AND EQUIPMENT	Note	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
		..... (Rupees in '000)	
Operating assets	7.1	207,872	173,500
7.1	The break-up of operating assets as at the period / year end is given below:		
Building		4,615	4,728
Furniture and fixtures		24,805	19,056
Office equipment		39,880	29,242
Tracker equipment		71,162	85,123
Motor vehicles		9,837	9,202
Computers and related accessories		22,754	26,149
Right-of-use assets - land and buildings		34,819	-
		<u>207,872</u>	<u>173,500</u>
7.2	Movement of property and equipment during the period / year is as follows:		
Opening book value		173,500	178,179
Right of use assets recorded on initial application of IFRS 16		29,459	-
Add: additions during the period / year			
- Owned assets		30,389	46,650
- Right-of-use assets		12,228	-
		<u>245,576</u>	<u>224,829</u>
Less: net book value of assets disposed off during the period / year		(1,924)	(5,507)
Less: depreciation for the period / year		(35,780)	(45,822)
		<u>207,872</u>	<u>173,500</u>

8. INVESTMENT PROPERTIES

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

9. INVESTMENT IN ASSOCIATES

2019	2018	Face value per share (Rupees)		Note	June 30, 2019	December 31, 2018	
Number of shares					(Unaudited)	(Audited)	
					(Rupees in '000)		
5,101,448	5,101,448	10	Quoted Jubilee Life Insurance Company Limited (JLICL) (Chief Executive Officer - Javed Ahmed)	9.1	614,154	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	151,177	126,605	
					9.3	<u>765,331</u>	<u>769,210</u>

9.1 Jubilee Life Insurance Company Limited (JLICL) is engaged in life insurance business. Market value of investment and percentage of shareholding in associate are Rs. 1,144,867 thousands and 6.43% (December 31, 2018: Rs. 2,541,541 thousands and 6.43% respectively) respectively.

9.2 Jubilee Kyrgyzstan Insurance Company (JKIC) is a Closed Joint Stock Company (CJSC) engaged in life and non-life insurance business. The Company holds 19.5% (December 31, 2018: 19.5%) shares in JKIC. The break-up value of the investment based on management accounts for the six months period ended June 30, 2019 is Rs. 4.97 per share (December 31, 2018: Rs. 4.13).

9.3 Movement of investment in associates is as follows:

	JLICL		JKIC		Total	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
(Rupees in '000)						
Beginning of period / year	642,605	542,958	126,605	96,942	769,210	639,900
Share of profit during the period / year*	43,414	190,149	7,780	9,917	51,194	200,066
Less: Dividend received during the period / year	(73,971)	(89,275)	-	(2,659)	(73,971)	(91,934)
Foreign currency translation difference	1,232	(896)	16,792	22,405	18,024	21,509
Unrealised appreciation available						-
for sale investment - net	850	769	-	-	850	769
Actuarial gain/(loss) on defined benefit plan	24	(1,100)	-	-	24	(1,100)
End of the period / year	<u>614,154</u>	<u>642,605</u>	<u>151,177</u>	<u>126,605</u>	<u>765,331</u>	<u>769,210</u>

*share of profit is taken from the latest available un-audited financial statements

10. INVESTMENTS IN EQUITY SECURITIES

	June 30, 2019 (Unaudited)		December 31, 2018 (Audited)	
	Cost	Carrying value	Cost	Carrying value
Available for sale				
Related parties				
..... (Rupees in '000)				
Listed shares	620,975	483,620	620,975	514,322
Mutual funds	1,268	5,015	1,268	5,462
	<u>622,243</u>	<u>488,635</u>	<u>622,243</u>	<u>519,784</u>
Others				
Listed shares	3,388,619	3,586,932	3,363,553	3,894,033
Unlisted shares	2,500	2,500	2,500	2,500
Mutual funds	143,075	167,937	143,075	180,233
	<u>3,534,194</u>	<u>3,757,369</u>	<u>3,509,128</u>	<u>4,076,766</u>
Investment at fair value through profit or loss				
Listed shares	578,219	508,349	599,418	508,569
	<u>4,734,656</u>	<u>4,754,353</u>	<u>4,730,789</u>	<u>5,105,119</u>

11. INVESTMENTS IN DEBT SECURITIES

	Note	June 30, 2019 (Unaudited)		December 31, 2018 (Audited)	
		Cost	Carrying value	Cost	Carrying value
Government securities					
Held to maturity					
..... (Rupees in '000)					
Pakistan investment bonds		199,613	199,613	53,828	53,828
Treasury bills		-	-	394,970	394,970
	11.1	<u>199,613</u>	<u>199,613</u>	<u>448,798</u>	<u>448,798</u>
Available for sale					
Treasury bills		3,667,366	3,666,361	5,075,307	5,073,103
Pakistan investment bonds		679,299	671,268	-	-
		<u>4,346,665</u>	<u>4,337,629</u>	<u>5,075,307</u>	<u>5,073,103</u>
Held for trading					
Treasury bills		702,072	702,109	-	-
		<u>5,248,350</u>	<u>5,239,351</u>	<u>5,524,105</u>	<u>5,521,901</u>

11.1 Pakistan investment bonds with face value of Rs. 210,000 thousands (December 31, 2018: Rs. 50,000 thousands) and Treasury bills with face value of Rs. Nil (December 31, 2018: Rs. 140,000 thousands) are placed with the State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

12. INVESTMENTS IN TERM DEPOSITS

	Note	June 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
Held to maturity			
..... (Rupees in '000)			
Deposits maturing within 12 months			
Term deposits - local currency	12.1 & 12.2	26,360	26,360
Term deposits - foreign currency		137,760	105,336
		<u>164,120</u>	<u>131,696</u>

12.1 This includes Rs. 1,360 thousands (December 31, 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 (December 31, 2018: Rs. 25,000 thousands) held with a related party.

13. LOANS AND OTHER RECEIVABLES - Considered good

		June 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
	Note	..... (Rupees in '000)	
Rent receivable	13.1	3,336	691
Accrued investment income		42,054	10,728
Security deposits		22,818	23,803
Advance to suppliers		67,558	88,101
Sales tax recoverable		6,042	7,487
Loans to employees		643	809
Medical claims recoverable		7,911	10,579
Other receivables		39,635	5,302
		<u>189,997</u>	<u>147,500</u>

13.1 This includes an amount of Rs. 2,310 thousands (December 31, 2018: Rs. Nil) receivable from a related party.

14. INSURANCE / RE-INSURANCE RECEIVABLES

Due from insurance contract holders	14.1	1,952,101	1,802,331
Less: provision for impairment of receivables from insurance contract holders		(164,961)	(164,961)
Due from other Insurers / reinsurers	14.2	99,336	97,958
Less: provision for impairment of receivables from other insurance / re-insurance		(17,000)	(17,000)
		<u>1,869,476</u>	<u>1,718,328</u>

14.1 Due from insurance contract holders includes Rs. 59,514 thousands (December 31, 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 (December 31, 2018: Rs. 8,147 thousands) due from a related party.

		June 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
	Note	..... (Rupees in '000)	

15. PREPAYMENTS

Prepaid reinsurance premium ceded		1,741,449	1,669,551
Prepaid rent		5,087	9,326
Prepaid miscellaneous expenses		42,688	12,718
		<u>1,789,224</u>	<u>1,691,595</u>

16. CASH & BANK

Cash and cash equivalents

- Cash in hand		676	99
- Policy and revenue stamps and bond papers		4,585	4,594

Cash at bank

- Current accounts	16.1	121,856	185,075
- Savings accounts		1,085,941	1,479,271
		<u>1,213,058</u>	<u>1,669,039</u>

16.1 Cash at bank includes Rs. 130,737 thousands (December 31, 2018: Rs. 166,903 thousands) held with a related party.

17. WINDOW TAKAFUL OPERATIONS

	June 30, 2019	December 31, 2018
	(Unaudited)	(Audited)
	..... (Rupees in '000)	
Assets		
Cash and bank deposits	136,260	170,203
Investments	64,690	35,944
Current assets - others	139,355	105,543
Fixed assets	8,724	10,447
Total assets	<u>349,029</u>	<u>322,137</u>
Total liabilities - current	<u>217,735</u>	<u>167,208</u>

	Three months period ended June 30, (Un-audited)		Six months period ended June 30, (Un-audited)	
	2019	2018	2019	2018
	..... (Rupees in '000)			
Profit before tax for the period	<u>29,625</u>	<u>25,074</u>	<u>57,443</u>	<u>45,150</u>

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

18. DEFERRED TAXATION - NET

	June 30, 2019	December 31, 2018
	(Unaudited)	(Audited)
	..... (Rupees in '000)	
Deferred tax debits / (credits) arising in respect of:		
Provision for doubtful debts	(52,769)	(52,769)
Unrealised loss on investments	(45,073)	(27,022)
Accelerated depreciation	4,474	8,415
Share of profit from associates	192,500	199,106
Right-of-use assets	498	-
Other provisions	(40,436)	(36,538)
	<u>59,194</u>	<u>91,192</u>
Provision for employees' benefits plan	(21,799)	(21,799)
Foreign currency translation	10,447	5,220
Unrealised appreciation on 'available for sale' investments - net	23,354	134,262
Share in net unrealised appreciation on 'available for sale' investments of an associate	766	513
	<u>71,962</u>	<u>209,388</u>

19. INSURANCE/ REINSURANCE PAYABLES

Due to insurance contract holders	26,813	30,930
Due to other insurers / reinsurers	1,483,774	1,722,234
	<u>1,510,587</u>	<u>1,753,164</u>

20. OTHER CREDITORS AND ACCRUALS

Agent commission payable	555,861	625,139
Federal Excise Duty and Sales Tax	104,325	150,430
Federal insurance fee	5,255	3,302
Sindh Workers' Welfare Fund	172,454	160,204
Tax deducted at source	5,522	3,483
Accrued expenses	141,003	52,741
Claims payable	50,706	41,563
Unclaimed dividend	113,378	99,141
Investment purchases	-	77,097
Lease liability against right-of-use assets	32,757	-
Others	22,040	16,104
	<u>1,203,301</u>	<u>1,229,204</u>

21. DEPOSITS AND OTHER PAYABLES	Note	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
		..... (Rupees in '000)	
Advance rent	21.1	34,242	43,293
Security deposits against bond insurance		1,570,155	1,571,289
Other deposits		1,592	1,592
		1,605,989	1,616,174

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

22. CONTINGENCIES & COMMITMENTS

The status of the contingencies remains unchanged as disclosed in the annual audited financial statements as at December 31, 2018 except for the following:

- In prior years, the Additional Commissioner Inland Revenue (ACIR) had amended the orders under Section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2009 and tax year 2010 on the premise that dividend and rental income is taxable at corporate tax rate instead of reduced rates on account of one basket income concept of the 4th Schedule of the Income Tax Ordinance, 2001. The ACIR in his orders had created tax demand of Rs. 42,920 thousand and Rs. 42,878 thousand respectively. The Company had filed appeal before the Commissioner Inland Revenue (Appeals) (CIRA) for the both tax years and the CIRA had confirmed the additional tax demand created by ACIR in his orders pertaining to the both tax years. Subsequently, the Company had filed appeals with Appellate Tribunal Inland Revenue (ATIR) for both the tax years 2009 and 2010. ATIR decided the appeals and accordingly, CIRA had issued the appellate orders in favour of the Company in both the years. Appeal effect for tax year 2009 had been given by ACIR with a tax refund of Rs. 5,903 thousands in prior year whereas an appeal effect with a tax liability of Rs. 330 thousands for the tax year 2010 was issued in the current period.
- During the prior year, the ACIR passed the order under section 122(5) for the tax year 2017 and made certain disallowances mainly on account of WWF, capital gain, property related expenses, unpaid commission thereby creating a demand of Rs. 25,474 thousands. Subsequently, the Company had filed an appeal with the CIRA who in its appellate order has deleted the addition made by the ACIR on account of commission payable. However the CIRA has confirmed the addition / disallowance made by the ACIR on account of capital gain and property related expenses. The Company has filed an appeal before the ATIR against the order issued by the CIRA. The tax department has also filed an appeal with ATIR against the order of the CIRA on the issue of commission payable which is decided in favour of the Company. Both the appeals are pending at adjudication. Based on the tax advisor's opinion, the management is confident of favorable outcome of both the appeals.
- During the period, the ACIR has passed an order under section 122(5A) for tax year 2018 and made certain disallowances / additions mainly on account of property related expenses, commission payable and super tax, thereby creating a demand of Rs.11,408 thousands. Subsequently, the Company has filed an appeal with the CIRA. The CIRA has issued the appellate order by deleting the addition made by the ACIR on account commission payable. However, the CIRA has confirmed the disallowance / addition made by the ACIR on account of property related expenses and super tax. The Company has filed an appeal before the ATIR against the order issued by the CIRA. The tax department has also filed an appeal with ATIR against the order issued by CIRA on the issue of commission payable which is decided in favour of the Company. Both the appeals are pending at adjudication. Based on the tax advisor's opinion, the management is confident of favorable outcome of both the appeals.
- During the period, the Sindh Board of Revenue vide notifications Nos. SRB 3-4/5/2019 and SRB 3-4/16/2019 dated May 8, 2019 and June 27, 2019 respectively has exempted premium charged on the health insurance policies till June 30, 2020 from the scope of applicability of Sind Sales Tax on Services (SST) under the Sindh Sales Tax Act, 2011. Due to the aforementioned exemption, contingent liability of the Company as at June 30, 2019 is Rs. Nil (December 31, 2018: Rs. 176,389 thousands).
- There are no material commitments outstanding as at June 30, 2019.

23. NET INSURANCE PREMIUM

	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees in '000)			
Written gross premium	1,634,183	2,357,432	4,920,337	5,257,293
Add: Unearned premium reserve opening	4,462,658	3,800,315	3,533,063	2,947,608
Less: Unearned premium reserve closing	3,692,739	4,093,720	3,692,739	4,093,720
Premium earned	2,404,102	2,064,027	4,760,661	4,111,181
Less: Reinsurance premium ceded	636,505	1,510,846	2,217,778	2,697,711
Add: Prepaid reinsurance premium opening	2,199,372	1,575,050	1,669,551	1,128,635
Less: Prepaid reinsurance premium closing	1,741,449	2,218,029	1,741,449	2,218,029
Reinsurance expense	1,094,428	867,867	2,145,880	1,608,317
	1,309,674	1,196,160	2,614,781	2,502,864

24. NET INSURANCE CLAIMS

Claims paid	762,289	1,152,556	1,588,748	2,225,390
Add: Outstanding claims including IBNR closing	4,126,607	4,498,550	4,126,607	4,498,550
Less: Outstanding claims including IBNR opening	4,776,339	4,053,265	4,362,199	3,431,665
Claims expense	112,557	1,597,841	1,353,156	3,292,275
Reinsurance and other recoveries received	107,342	380,555	265,067	772,638
Add: Reinsurance and other recoveries received in respect of outstanding claims closing	2,789,268	2,951,487	2,789,268	2,951,487
Less: Reinsurance and other recoveries received in respect of outstanding claims opening	3,453,106	2,568,492	3,056,794	2,014,007
Reinsurance and other recoveries revenue	(556,496)	763,550	(2,459)	1,710,118
	669,053	834,291	1,355,615	1,582,157

25. NET COMMISSION EXPENSE AND ACQUISITION COSTS

Commission paid or payable	94,620	153,880	327,182	403,743
Add: Deferred commission expense opening	327,484	337,742	280,970	269,685
Less: Deferred commission expense closing	243,792	298,138	243,792	298,138
Net Commission	178,312	193,484	364,360	375,290
Less: Commission received or receivables	64,554	59,640	205,061	185,326
Add: Unearned reinsurance commission opening	147,693	169,719	102,536	124,063
Less: Unearned reinsurance commission closing	128,177	148,262	128,177	148,262
Commission from reinsurers	84,070	81,097	179,420	161,127
	94,242	112,387	184,940	214,163

26.	INVESTMENT INCOME	Note	(Un-audited)			
			Three months period ended		Six months period ended	
			June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Income from equity securities					
	Available for sale					
	Dividend income		5,337	8,540	10,675	8,540
	- Related parties		47,472	59,349	111,381	120,148
	- Others					
			52,809	67,889	122,056	128,688
	Fair value through profit or loss					
	Dividend income - others		8,240	2,054	12,070	2,554
	Income from debt securities					
	Held to maturity					
	- Return on government securities		6,616	43,097	16,639	125,153
	- Amortisation of discount / (premium) - net		1,447	(145)	1,374	(1,250)
			8,063	42,952	18,013	123,903
	Available for sale					
	- Return on government securities		117,701	48,633	245,458	48,633
	- Amortisation of discount - net		2,950	-	4,024	-
			120,651	48,633	249,482	48,633
	Fair value through profit or loss					
	- Return on government securities		11,182	-	13,206	-
	- Loss on sale of government securities		(244)	-	(244)	-
			10,938	-	12,962	-
	Income from term deposits					
	- Return on term deposits	26.1	1,191	1,240	2,089	4,710
	Net realised gains / (losses) on investments					
	Available for sale					
	- Gain on sale of equity securities		2,129	114,208	6,574	387,953
	- Loss on sale of equity securities		-	(711)	-	(711)
			2,129	113,497	6,574	387,242
	Fair value through profit or loss					
	- Gain on sale of equity securities		89	9,396	5,081	28,335
	- Loss on sale of equity securities		-	(7)	-	(7)
			89	9,389	5,081	28,328
	Net unrealised loss on investments at fair value through profit or loss		(91,382)	(33,417)	(69,833)	(29,379)
	Total investment income		112,728	252,237	358,494	694,679
	Less: Impairment in value of available for sale equity securities		(69,525)	(21,902)	(69,525)	(21,902)
	Less: Investment related expenses		(4,161)	(2,485)	(7,323)	(4,883)
			39,042	227,850	281,646	667,894

26.1 This includes Rs. 1,480 thousands (June 30, 2018: Rs. 868 thousands) return on term deposits held with a related party.

27. RENTAL INCOME

Rental income	24,854	31,964	50,594	62,644
Expenses related to investment property	(14,876)	(9,425)	(24,448)	(17,527)
	9,978	22,539	26,146	45,117

28. OTHER INCOME

	Note	(Un-audited)			
		Three months period ended		Six months period ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
(Rupees in '000)					
Income from financial assets					
Return on bank balances	28.1	26,641	17,816	58,672	40,769
Exchange gain		22,418	4,800	23,666	8,250
Return on loans to employees		5	3	8	5
Others		452	4	467	4
Income from non-financial assets					
Gain / (loss) on disposal of fixed assets		148	24	44	(13)
		<u>49,664</u>	<u>22,647</u>	<u>82,857</u>	<u>49,015</u>

28.1 This includes Rs. 3,957 thousands (June 30, 2018: Rs. 604 thousands) return on bank balances held with a related party.

29. 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 outstanding as at the period end as follows:

	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
(Rupees in '000)				
Profit after taxation	<u>183,720</u>	<u>49,245</u>	<u>477,347</u>	<u>467,450</u>
	(Number of shares in '000)			
Weighted average number of shares	<u>180,447</u>	<u>180,447</u>	<u>180,447</u>	<u>180,447</u>
	(Rupees)			
Earnings per share - basic and diluted	<u>1.02</u>	<u>0.27</u>	<u>2.65</u>	<u>2.59</u>

29.1 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. TRANSACTIONS WITH RELATED PARTIES

Related parties include 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 statements, are as follows:

	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
(Rupees in '000)				
Associated companies				
Insurance premium written (including government levies administrative surcharge and policy stamps)	72,608	45,857	159,175	136,222
Insurance premium received / adjusted during the period	97,250	186,767	191,307	281,412
Insurance claims paid	20,802	51,624	94,555	86,752
Commission paid	3,776	5,236	7,114	9,367
Purchases of goods and services	1,501	274	20,207	15,634
Dividend income	5,337	8,540	10,675	8,540
Dividend received from associate	73,971	73,971	73,971	73,971
Dividend paid	521,596	521,596	521,596	521,596
Rent income	9,901	9,430	19,802	18,859
Reimbursement of expenses *	8,206	9,501	15,946	17,609
Disposal of shares / mutual funds	-	11,335	-	42,408
Director's fee	-	75	150	75
Donations	-	-	2,000	-
Key management personnel				
Remuneration	33,876	24,763	60,011	42,959
Dividend paid	1,261	1,261	1,261	1,261
Employees' funds				
Contribution to provident fund	8,407	6,128	15,893	12,262
Provision for gratuity fund	6,000	5,265	12,000	10,530
Others				
Insurance premium written (including government levies administrative surcharge and policy stamps)	78	33	94	55
Insurance premium received / adjusted during the period	75	12	192	16
Expense allocated to Window Takaful Operations	6,330	3,118	11,920	6,100
Claims paid	-	98	112	98
Rent income	534	473	1,037	930
Directors' fee	1,200	1,350	2,100	2,250
Dividend paid	14,120	14,120	14,120	14,120

*The expenses pertain to accident and health business and common back office operations jointly shared with Jubilee Life Insurance Company Limited, an associated company.

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:

	For the three months period ended June 30, 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)	569,908	211,410	328,381	35,868	358,827	325,984	1,830,378
Less: Federal Excise Duty / Sales Tax	67,166	22,218	39,130	4,089	-	37,079	169,682
Federal insurance fee	5,308	1,833	2,843	300	3,551	2,889	16,724
Others	134	6,367	2,412	5	194	678	9,790
Gross written premium (inclusive of administrative surcharge)	497,300	180,992	283,996	31,474	355,082	285,338	1,634,182
- Gross direct premium	495,624	175,981	274,337	31,305	355,082	267,289	1,599,618
- Facultative inward premium	-	-	-	-	-	16,275	16,275
- Administrative surcharge	1,676	5,011	9,659	169	-	1,775	18,290
	497,300	180,992	283,996	31,474	355,082	285,339	1,634,183
Insurance premium earned	731,919	217,879	376,969	132,877	391,039	553,419	2,404,102
Insurance premium ceded to reinsurers	461,829	71,804	(905)	128,791	-	432,909	1,094,428
Net Insurance premium	270,090	146,075	377,874	4,086	391,039	120,510	1,309,674
Commission income	24,054	1,339	146	6,233	-	52,298	84,070
Net underwriting income	294,144	147,414	378,020	10,319	391,039	172,808	1,393,744
Insurance claims	120,100	1,653	150,014	32,030	343,819	(535,059)	112,557
Insurance claims recovered from reinsurer	17,220	(23,835)	(2,145)	31,692	-	(579,428)	(556,496)
Net claims	102,880	25,488	152,159	338	343,819	44,369	669,053
Commission expense	62,015	27,021	35,324	2,060	17,411	34,481	178,312
Management expense	88,129	47,616	123,655	1,331	128,082	39,390	428,203
Net insurance claims and expenses	253,024	100,125	311,138	3,729	489,312	118,240	1,275,568
Underwriting result	41,120	47,289	66,882	6,590	(98,273)	54,568	118,176
Net investment income							39,042
Rental income							9,978
Other income							49,664
Other expenses							(9,512)
Share of profit of associates							22,226
Profit from window takaful operations							29,625
Profit before tax							259,199

For the six months period ended June 30, 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)	1,561,011	501,104	882,653	503,524	888,791	1,196,939	5,534,022
Less: Federal Excise Duty / Sales Tax	186,442	53,491	105,529	57,302	-	139,119	541,883
Federal insurance fee	12,999	4,302	7,659	4,355	8,796	9,807	47,918
Others	(534)	17,402	5,245	81	425	1,265	23,884
Gross written premium (inclusive of administrative surcharge)	1,362,104	425,909	764,220	441,786	879,570	1,046,748	4,920,337
- Gross direct premium	1,357,527	415,708	742,505	441,341	879,570	1,026,135	4,862,786
- Facultative inward premium	-	-	-	-	-	16,275	16,275
- Administrative surcharge	4,577	10,201	21,715	445	-	4,338	41,276
	1,362,104	425,909	764,220	441,786	879,570	1,046,748	4,920,337
Insurance premium earned	1,467,918	417,866	755,361	253,402	754,065	1,112,049	4,760,661
Insurance premium ceded to reinsurers	908,089	109,615	13,279	244,659	-	870,238	2,145,880
Net Insurance premium	559,829	308,251	742,082	8,743	754,065	241,811	2,614,781
Commission income	47,429	2,080	300	12,096	-	117,515	179,420
Net underwriting income	607,258	310,331	742,382	20,839	754,065	359,326	2,794,201
Insurance claims	201,316	68,303	323,091	177,904	660,967	(78,425)	1,353,156
Insurance claims recovered from reinsurer	19,558	(3,314)	3,205	175,869	-	(197,777)	(2,459)
Net claims	181,758	71,617	319,886	2,035	660,967	119,352	1,355,615
Commission expense	124,948	55,294	70,645	4,453	34,399	74,621	364,360
Management expense	187,867	103,443	249,028	2,934	253,049	81,146	877,467
Net insurance claims and expenses	494,573	230,354	639,559	9,422	948,415	275,119	2,597,442
Underwriting result	112,685	79,977	102,823	11,417	(194,350)	84,207	196,759
Net investment income							281,646
Rental income							26,146
Other income							82,857
Other expenses							(24,847)
Share of profit of associates							51,194
Profit from window takaful operations							57,443
Profit before tax							671,198

For the three months period ended June 30, 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)	917,163	179,356	317,238	22,574	275,779	645,322	2,357,432
- 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
	917,163	179,356	317,238	22,574	275,779	645,322	2,357,432
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	100,924	-	341,086	867,867
Net Insurance premium	144,948	159,621	340,181	(265)	404,256	147,419	1,196,160
Commission income	30,423	908	932	5,164	-	43,670	81,097
Net underwriting income	175,371	160,529	341,113	4,899	404,256	191,089	1,277,257

Insurance claims	643,309	61,230	144,022	18,811	326,230	404,239	1,597,841
Insurance claims recovered from reinsurer	389,056	10,061	9,423	18,078	-	336,932	763,550
	254,253	51,169	134,599	733	326,230	67,307	834,291
Commission expense	62,809	28,455	34,835	2,358	18,178	46,849	193,484
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	1,794	(81,663)	25,476	(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							145,970



For the six months period ended June 30, 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	-	687,575	1,608,317
Net Insurance premium	378,669	321,787	682,555	6,514	822,964	290,375	2,502,864
Commission income	62,668	1,601	1,867	10,031	-	84,960	161,127
Net underwriting income	<u>441,337</u>	<u>323,388</u>	<u>684,422</u>	<u>16,545</u>	<u>822,964</u>	<u>375,335</u>	<u>2,663,991</u>
Insurance claims	740,660	156,548	289,302	279,662	650,627	1,175,476	3,292,275
Insurance claims recovered from reinsurer	324,610	31,048	3,145	276,656	-	1,074,659	1,710,118
	416,050	125,500	286,157	3,006	650,627	100,817	1,582,157
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	288,763	2,794,162
Underwriting result	<u>(222,302)</u>	<u>34,351</u>	<u>102,477</u>	<u>7,427</u>	<u>(138,696)</u>	<u>86,572</u>	<u>(130,171)</u>
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>

The class wise assets and liabilities are as follows:

	As at June 30, 2019 (Unaudited)						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Segment assets	1,779,690	249,317	418,402	1,436,685	324,819	2,435,072	6,643,985
Unallocated corporate assets							13,295,661
Unallocated assets of Window Takaful Operation - Operator's Fund							349,029
Consolidated total assets	<u>1,779,690</u>	<u>249,317</u>	<u>418,402</u>	<u>1,436,685</u>	<u>324,819</u>	<u>2,435,072</u>	<u>20,288,675</u>
Segment liabilities	2,783,526	592,318	1,295,915	1,515,014	1,314,783	3,193,544	10,695,100
Unallocated corporate liabilities							1,976,251
Unallocated liabilities of Window Takaful Operation - Operator's Fund							217,735
Consolidated total liabilities	<u>2,783,526</u>	<u>592,318</u>	<u>1,295,915</u>	<u>1,515,014</u>	<u>1,314,783</u>	<u>3,193,544</u>	<u>12,889,086</u>
	As at December 31, 2018 (Audited)						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
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	<u>1,863,551</u>	<u>277,074</u>	<u>409,805</u>	<u>1,053,210</u>	<u>325,052</u>	<u>2,797,152</u>	<u>21,313,152</u>
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	<u>2,969,988</u>	<u>709,764</u>	<u>1,367,907</u>	<u>1,141,468</u>	<u>1,267,530</u>	<u>3,620,477</u>	<u>13,405,097</u>

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, as at June 30, 2019.

All assets and liabilities for which fair value is measured or disclosed in these condensed interim financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements using inputs that are not based on observable market data (i.e. unobservable inputs)

As at June 30, 2019 (Unaudited)

	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associates	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
Investments										
- Investment in equity securities	508,349	4,243,504	-	-	-	4,751,853	4,578,901	172,952	-	4,751,853
- Debt securities	702,109	4,337,629	-	-	-	5,039,738	5,039,738	-	-	5,039,738
Assets of Window Takatful Operations - Operator's Fund*	-	64,690	-	-	-	64,690	64,690	-	-	64,690
Financial assets not measured at fair value										
Cash and bank deposits*	-	-	-	1,213,058	-	1,213,058	-	-	-	-
Investments	-	-	-	-	765,331	765,331	1,296,044	-	-	1,296,044
- In associates	-	-	-	-	765,331	765,331	1,296,044	-	-	1,296,044
- Debt securities	-	199,613	-	-	-	199,613	-	199,613	-	199,613
- Unquoted equity shares*	-	2,500	-	-	-	2,500	-	-	-	2,500
- Term Deposits*	-	-	164,120	-	-	164,120	-	-	-	164,120
Insurance / reinsurance receivables*	-	-	-	1,869,476	-	1,869,476	-	-	-	1,869,476
Reinsurance recoveries against outstanding claims*	-	-	-	2,762,078	-	2,762,078	-	-	-	2,762,078
Loans and other receivables*	-	-	-	116,397	-	116,397	-	-	-	116,397
Assets of Window Takatful Operations - Operator's Fund*	-	-	-	223,664	-	223,664	-	-	-	223,664
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	-	(4,126,607)	-	-	-	(4,126,607)
Insurance/Reinsurance Payables	-	-	-	-	-	(1,510,587)	-	-	-	(1,510,587)
Other creditors and accruals*	-	-	-	-	-	(898,175)	-	-	-	(898,175)
Deposits and other payables*	-	-	-	-	-	(1,593,055)	-	-	-	(1,593,055)
Total liabilities of Window Takatful Operations - Operator's Fund*	-	-	-	-	-	(35,432)	-	-	-	(35,432)
	1,210,458	8,648,323	363,733	6,184,673	765,331	8,163,856	5,939,635	5,412,303	-	11,351,938

As at December 31, 2018 (Audited)

	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associates	Total	Level 1	Level 2	Level 3	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 Takatful Operations - Operator's Fund*	-	35,944	-	-	-	35,944	-	-	35,944	-
Financial assets not measured at fair value										
Cash and bank deposits*	-	-	-	1,669,039	-	1,669,039	-	-	-	-
Investments	-	-	-	-	769,210	769,210	2,541,541	-	-	2,541,541
- 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	-	-	-	2,500
- Term Deposits*	-	-	131,696	-	-	131,696	-	-	-	131,696
Insurance receivables*	-	-	-	1,718,328	-	1,718,328	-	-	-	1,718,328
Reinsurance recoveries against outstanding claims*	-	-	-	3,029,644	-	3,029,644	-	-	-	3,029,644
Loans and other receivables*	-	-	-	51,912	-	51,912	-	-	-	51,912
Assets of Window Takatful Operations - Operator's Fund*	-	-	-	235,896	-	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 Takatful Operations - Operator's Fund*	-	-	-	-	-	(28,860)	-	-	-	(28,860)
	508,569	9,705,597	580,494	6,704,819	769,210	8,551,792	7,494,409	5,707,596	-	13,202,005

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

33. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 22, 2019 by the Board of Directors of the Company.

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



Akbarali Pesnani
Director



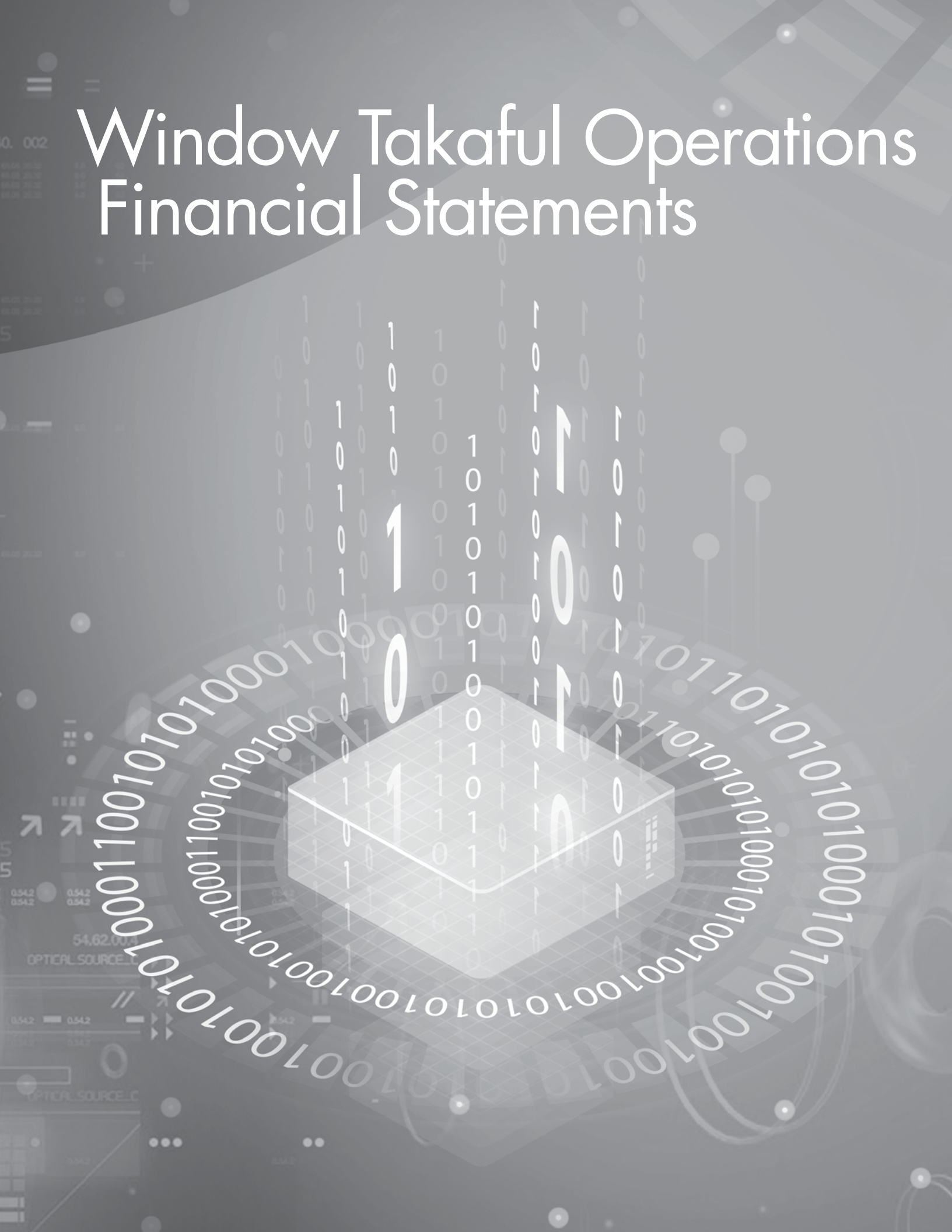
Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Window Takaful Operations Financial Statements





Independent auditor's review report to the members of Jubilee General Insurance Company Limited – Window Takaful Operations

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Jubilee General Insurance Company Limited – Window Takaful Operations (“the Operator”)** as at June 30, 2019 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 fund, and notes to and forming part to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures for the quarters ended June 30, 2019 and June 30, 2018 in the condensed interim profit and loss account, condensed interim statement of comprehensive income and relevant notes have not been reviewed and we do not express a conclusion on them.

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 statements 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 statements are 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 condensed interim financial statements of the Operator for the six-month period ended June 30, 2018 and the financial statements for the year ended December 31, 2018 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon vide their reports dated August 16, 2018 and February 05, 2019 respectively.

The engagement partner on the review resulting in this independent auditor's review report is **Noman Abbas Sheikh**.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: August 22, 2019

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5, Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

Condensed Interim Statement of Financial Position

As at June 30, 2019

Note	June 30, 2019 (Unaudited)			December 31, 2018 (Audited)	
	Operator's Fund	Participants' Fund	Aggregate	Aggregate	
(Rupees in '000)					
Assets					
Property and equipment	7	6,165	-	6,165	7,395
Intangible assets		2,559	-	2,559	3,052
Investments					
Equity securities	8	64,690	87,293	151,983	48,564
Loans and other receivables	9	2,002	6,003	8,005	5,204
Takaful / re-takaful receivables	10	-	175,537	175,537	96,704
Wakala and mudarib fee receivable		85,402	-	85,402	64,210
Re-takaful recoveries against outstanding claims		-	7,748	7,748	10,344
Salvage recoveries accrued		-	3,720	3,720	5,970
Deferred commission expense / acquisition cost	20	48,075	-	48,075	37,387
Deferred taxation		3,876	-	3,876	1,464
Prepayments	11	-	55,896	55,896	51,101
Cash and bank	12	136,260	484,376	620,636	660,715
Total assets		349,029	820,573	1,169,602	992,110
Funds and liabilities					
Funds attributable to operator and participants					
Operator's fund					
Statutory fund		100,000	-	100,000	100,000
Reserves		(9,491)	-	(9,491)	(3,583)
Accumulated profit		40,785	-	40,785	58,512
		131,294	-	131,294	154,929
Participants' fund					
Ceded money		-	500	500	500
Reserves		-	(14,966)	(14,966)	(1,790)
Accumulated surplus		-	136,084	136,084	135,856
		-	121,618	121,618	134,566
Total funds		131,294	121,618	252,912	289,495
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	17	-	174,776	174,776	114,527
Unearned contribution reserves	16	-	318,979	318,979	257,432
Unearned re-takaful rebate	18	-	1,896	1,896	1,397
Unearned wakala fee	19	145,800	-	145,800	113,999
Contribution received in advance		-	14,276	14,276	11,169
Wakala and mudarib fee payable		-	85,402	85,402	64,210
Takaful / re-takaful payables	13	-	91,766	91,766	77,322
Other creditors and accruals	14	35,793	11,860	47,653	42,075
Taxation - provision less payments		36,142	-	36,142	20,484
Total liabilities		217,735	698,955	916,690	702,615
Total funds and liabilities		349,029	820,573	1,169,602	992,110
Contingencies and Commitments 15					

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Akbarali Pesnani
Director


Aryn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Profit and Loss Account (Unaudited)

For the three months and six months period ended June 30, 2019

	Note	Three months period ended June 30,		Six months period ended June 30,	
		2019	2018	2019	2018
(Rupees in '000)					
Participants' Fund - revenue account					
Net takaful contribution	16	141,701	120,487	278,200	221,345
Net takaful claims	17	(170,985)	(84,130)	(294,239)	(177,086)
Re-takaful rebate earned	18	877	383	1,559	588
Direct expenses		(715)	(313)	(1,572)	(479)
		(170,823)	(84,060)	(294,252)	(176,977)
(Deficit) / surplus before investment income		(29,122)	36,427	(16,052)	44,368
Investment income / (loss)	21	798	(81)	993	80
Profit on bank balances		9,400	3,910	19,374	7,426
Other expenses		(2,053)	(766)	(4,087)	(1,501)
(Deficit) / surplus for the period		(20,977)	39,490	228	50,373
Operator's Fund - revenue account					
Wakala fee income	19	75,304	59,496	145,168	111,034
Commission expense and acquisition costs	20	(24,918)	(19,214)	(48,033)	(36,533)
Management expenses		(22,628)	(16,395)	(46,663)	(32,632)
		(47,546)	(35,609)	(94,696)	(69,165)
		27,758	23,887	50,472	41,869
Investment (loss) / income	22	(2,280)	(586)	(1,767)	105
Other income	23	5,217	2,623	10,386	4,776
Other expenses		(1,070)	(850)	(1,648)	(1,600)
Profit before tax		29,625	25,074	57,443	45,150
Income tax expense		(8,869)	(6,985)	(16,658)	(13,094)
Profit after tax		20,756	18,089	40,785	32,056

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Akbarali Pesnani
Director



Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months and six months period ended June 30, 2019

	Three months period ended June 30,		Six months period ended June 30,	
	2019	2018	2019	2018
(Rupees in '000)				
Participants' Fund				
(Deficit) / surplus for the period	(20,977)	39,490	228	50,373
Other comprehensive income for the period				
Item that may be reclassified to the profit and loss account in subsequent periods				
Net unrealised diminution on revaluation of 'available-for-sale' investments	(11,996)	(113)	(13,176)	(1,076)
Total comprehensive (loss) / income for the period	(32,973)	39,377	(12,948)	49,297
Operator's Fund				
Net profit for the period	20,756	18,089	40,785	32,056
Other comprehensive income for the period				
Item that may be reclassified to the profit and loss account in subsequent periods				
Net unrealised (diminution) / appreciation on revaluation of 'available-for-sale' investments - net of tax	(5,225)	(1,112)	(5,908)	582
Reclassification adjustment for net gain on sale of 'available for sale' investments included in the profit and loss account	-	(384)	-	(2)
Other comprehensive (loss) / income for the period	(5,225)	(1,496)	(5,908)	580
Total comprehensive income for the period	15,531	16,593	34,877	32,636

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Akbarali Pesnani
Director


Aryn Currimbhoy
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended June 30, 2019

	2019			2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Rupees in '000)				
Operating Cashflows				
(a) Takaful activities				
Takaful contribution received	-	504,597	504,597	391,172
Re-takaful contributions paid	-	(52,639)	(52,639)	(42,940)
Wakala fee received / (paid)	156,264	(156,264)	-	-
Claims paid	-	(232,056)	(232,056)	(165,560)
Re-takaful and other recoveries received	-	594	594	(1,189)
Commission paid	(56,817)	-	(56,817)	(35,749)
Re-takaful rebate received	-	2,058	2,058	698
Management / direct expenses paid	(46,075)	(515)	(46,590)	(27,559)
Net cash inflows from takaful activities	53,372	65,775	119,147	118,873
(b) Other operating activities				
Income taxes paid	(1,001)	(2,227)	(3,228)	(1,326)
General and administrative expenses paid	(1,289)	-	(1,289)	(1,805)
Other operating payments	(2,029)	(61,788)	(63,817)	(51,956)
Other operating receipts	3,976	62,665	66,641	54,087
Net cash outflows on other operating activities	(343)	(1,350)	(1,693)	(1,000)
Total cash inflows from all operating activities	53,029	64,425	117,454	117,873
Investment activities				
Profit / return received	6,375	19,872	26,247	11,218
Dividend received	1,900	1,379	3,279	776
Payment for investments	(40,323)	(88,224)	(128,547)	(21,955)
Proceeds from investments	-	-	-	7,757
Mudarib fee received / (paid)	3,588	(3,588)	-	-
Fixed capital expenditure	-	-	-	(60)
Total cash outflows on investing activities	(28,460)	(70,561)	(99,021)	(2,264)
Financing activities - profit paid to the Operator	(58,512)	-	(58,512)	(42,938)
Net cash (outflows on) / inflows from all activities	(33,943)	(6,136)	(40,079)	72,671
Cash and cash equivalents at the beginning of the period	170,203	490,512	660,715	432,254
Cash and cash equivalents at the end of the period	136,260	484,376	620,636	504,925
Reconciliation to the profit and loss account				
Operating cash flows	53,029	64,425	117,454	117,873
Depreciation expense / amortisation expense	(1,723)	-	(1,723)	(1,595)
Profit / return received	6,375	19,872	26,247	11,218
Profit on disposal of investments	-	-	-	859
Dividend income received	1,900	1,379	3,279	776
Mudarib fee received / (paid)	3,588	(3,588)	-	-
Impairment in value of available for sale securities	(3,257)	(376)	(3,633)	(1,494)
Increase in assets other than cash	31,400	82,064	113,464	109,030
Increase in liabilities other than borrowings	(50,527)	(163,548)	(214,075)	(154,238)
Net profit / surplus for the period	40,785	228	41,013	82,429

Definition of cash and cash equivalents

Cash and cash equivalents comprise 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 condensed interim financial statements.



Towfiq H. Chinoy
Chairman




Tahir Ahmed
Chief Executive



Akbarali Pesnani
Director



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Changes in Fund (Unaudited)

For the six months period ended June 30, 2019

	Operator's Fund			Total
	Statutory Fund	Revenue reserve Surplus on revaluation of available for sale investments	Accumulated profit	
	(Rupees in '000)			
Balance as at December 31, 2017 (audited)	100,000	(1,995)	42,938	140,943
Profit after tax for the period	-	-	32,056	32,056
Transfer of profit to the Company	-	-	(42,938)	(42,938)
Other comprehensive income				
Net unrealised gain on available for sale investments - net of tax	-	580	-	580
	-	580	(10,882)	(10,302)
Balance as at June 30, 2018 (un-audited)	100,000	(1,415)	32,056	130,641
Balance as at December 31, 2018 (audited)	100,000	(3,583)	58,512	154,929
Profit after tax for the period	-	-	40,785	40,785
Transfer of profit to the Company	-	-	(58,512)	(58,512)
Other comprehensive income / (loss)				
Net unrealised loss on available for sale investments - net of tax	-	(5,908)	-	(5,908)
	-	(5,908)	(17,727)	(23,635)
Balance as at June 30, 2019 (un-audited)	100,000	(9,491)	40,785	131,294

	Participants' Takaful Fund			Total
	Ceded money	Revenue reserve Deficit on revaluation of available for sale investments	Accumulated surplus	
	(Rupees in '000)			
Balance as at December 31, 2017 (audited)	500	-	36,731	37,231
Surplus for the period	-	-	50,373	50,373
Other comprehensive income / (loss)				
Net unrealised loss on available for sale investments	-	(1,076)	-	(1,076)
	-	(1,076)	50,373	49,297
Balance as at June 30, 2018 (un-audited)	500	(1,076)	87,104	86,528
Balance as at December 31, 2018 (audited)	500	(1,790)	135,856	134,566
Surplus for the period	-	-	228	228
Other comprehensive income / (loss)				
Net unrealised loss on available for sale investments	-	(13,176)	-	(13,176)
	-	(13,176)	228	(12,948)
Balance as at June 30, 2019 (un-audited)	500	(14,966)	136,084	121,618

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Akbarali Pesnani
Director



Aryn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer

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

For the six months period ended June 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited ("the Operator") is a public limited company incorporated in Pakistan on May 16, 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 March 10, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations ("the Operations") by the 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 April 30, 2015 and the Operator commenced activities of the operations on May 07, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, 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, 2017 and SECP Takaful Rules, 2012 shall prevail.

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 Fund) have been presented in these condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated July 09, 2015.

2.1.3 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Window Takaful Operations for the year ended December 31, 2018.

2.2 Basis of measurement

These condensed interim financial statements 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 statements have been presented in Pakistani 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

IFRS 9 'Financial Instruments' and amendment (effective for period ending on or after June 30, 2019) 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 has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 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 the effective date to remove from the profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Operator has adopted the temporary exemption which allows the Operator to defer the application of IFRS 9 until December 31, 2021.

For the companies adopting the temporary exemption, the IFRS 4 requires certain disclosures which have been disclosed as follows:

2.4.1 Temporary exemption from application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 2.4.2 below.

2.4.2 Fair value of financial assets as at June 30, 2019 and change in the fair values during the half year ended June 30, 2019.

	(Un-audited) As at June 30, 2019	(Audited) As at December 31, 2018	(Un-audited) Change during the half year ended June 30, 2019
	..... (Rupees in '000)		
Financial assets that do not meet the SPPI criteria			
Equity securities - available for sale - Operator's Fund	64,690	75,591	(10,901)
Equity securities - available for sale - Participants' Takaful Fund	87,293	99,095	(11,802)

The fair value of the remaining financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after January 01, 2019 but are considered not to be relevant or do not have any significant effect on the Operator's operations and are, therefore, not stated in these condensed interim 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 July 1, 2019:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2020

The management is in the process of assessing the impact of these amendments on the condensed interim financial statements of the Operator.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting period beginning on or after January 01, 2020, but are considered not to be relevant or will not have any significant effect on the Operator's operations and are therefore not detailed in these condensed interim financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, 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 annual audited financial statements of the Operator as at and for the year ended December 31, 2018.

5. TAKAFUL AND FINANCIAL RISK MANAGEMENT

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

6. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made in the condensed interim financial statements 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 the reporting date.

	Note	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
.....(Rupees in '000).....			
7. PROPERTY AND EQUIPMENT			
Operating assets	7.1	6,165	7,395
7.1	The break-up of operating assets as at June 30, 2019 is given below:		
Furniture and fixtures		3,574	4,265
Office equipment		2,392	2,850
Computers and related accessories		199	280
		6,165	7,395

7.2 Movement of property and equipment during the six months period ended June 30, 2019 is as follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
.....(Rupees in '000).....		
Opening book value	7,395	9,742
Add: additions during the period	-	122
	7,395	9,864
Less: depreciation for the period	1,230	2,469
	6,165	7,395

8. INVESTMENT IN EQUITY SECURITIES - AFS

	June 30, 2019 (Unaudited)		December 31, 2018 (Audited)	
	Cost	Carrying value	Cost	Carrying value
Operator's Fund	(Rupees in '000)			
Available-for-sale				
Quoted equity securities	78,057	64,690	40,991	35,944
Participants' Fund				
Available-for-sale				
Quoted equity securities	102,259	87,293	14,410	12,620

	June 30, 2019 (Unaudited)		December 31, 2018 (Audited)	
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	(Rupees in '000)			

9. LOANS AND OTHER RECEIVABLES - CONSIDERED GOOD

Accrued investment income	150	1,263	1,413	2,394
Advance to supplier	734	-	734	21
Sales tax recoverable	40	1,379	1,419	1,387
Medical claims recoverable	-	619	619	453
Other receivables	1,078	2,742	3,820	949
	2,002	6,003	8,005	5,204

10. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF

		June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
		(Rupees in '000)	
	Note		
Due from takaful contract holders	10.1	167,541	91,027
Due from other takaful / re-takaful operators	10.2	7,996	5,677
		175,537	96,704

10.1 This includes Rs. 342 thousands (December 31, 2018: Rs. 342 thousands) receivable from a related party.

10.2 This includes Rs. 2,815 thousands (December 31, 2018: Rs. 2,094 thousands) receivable from a related party.

11. PREPAYMENTS - PTF

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	(Rupees in '000)	
Operator's Fund		
Prepaid miscellaneous expenses	-	1,000
Participants' Takaful Fund		
Prepaid re-takaful contribution ceded	55,896	50,101

12. CASH AND BANK

Note	June 30, 2019 (Unaudited)			December 31, 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
Cash and cash equivalents	(Rupees in '000)			
policy, revenue stamps and bond papers	5	250	255	232
Cash at bank				
- Current accounts	-	14,222	14,222	17,375
- Savings accounts	136,255	469,904	606,159	643,108
	136,255	484,126	620,381	660,483
12.1 & 12.2	136,260	484,376	620,636	660,715

12.1 Cash and bank balances of Operator's Fund include Rs. 102,229 thousands (December 31, 2018: Rs. 119,087 thousands) held with a related party.

12.2 Cash and bank balances of Participants' Takaful Fund include Rs. 108,828 thousands (December 31, 2018 : Rs. 57,171 thousands) held with a related party.

13. TAKAFUL / RE-TAKAFUL PAYABLES - PTF

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	(Rupees in '000)	
Due to takaful contract holders	3,089	3,783
Due to other takaful / re-takaful operators	88,677	73,539
	91,766	77,322

14. OTHER CREDITORS AND ACCRUALS

	June 30, 2019 (Unaudited)			December 31, 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	(Rupees in '000)			
Agents commissions payable	30,590	-	30,590	28,686
Federal Excise Duty / Sales Tax	-	6,518	6,518	6,397
Federal Takaful Fee	-	623	623	507
Accrued expenses	3,035	1,134	4,169	3,853
Other taxes payables	-	1,637	1,637	799
Others	2,168	1,948	4,116	1,833
	35,793	11,860	47,653	42,075

15. CONTINGENCIES AND COMMITMENTS

The status of contingencies remains unchanged as disclosed in the annual audited financial statements as at December 31, 2018 except for the following:

During the period, the Sindh Board of Revenue vide notifications Nos. SRB 3-4/5/2019 and SRB 3-4/16/2019 dated May 08, 2019 and June 27, 2019 respectively has exempted premium charged on the health insurance policies till June 30, 2020 from the scope of applicability of Sindh Sales Tax on Services (SST) under the Sindh Sales Tax Act, 2011. Due the aforementioned exemption, the contingent liability of the Operator as at June 30, 2019 is Rs. Nil (December 31, 2018: Rs. 29.9 million).

		(Un-audited)			
		Three months period ended		Six months period ended	
Note		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
16.	NET TAKAFUL CONTRIBUTION - PTF	(Rupees in '000)			
	Written gross contribution	267,477	226,721	578,698	472,766
	Less: Wakala fee	83,361	64,071	176,969	135,446
	Written net contribution	184,116	162,650	401,729	337,320
	Add: Unearned contribution reserve - opening	308,496	250,055	257,432	200,250
	Less: Unearned contribution reserve - closing	318,979	266,304	318,979	266,304
	Contribution earned	173,633	146,401	340,182	271,266
	Less:				
	Re-takaful contribution ceded	27,933	19,460	67,777	50,402
	Add: Prepaid re-takaful contribution - opening	59,895	45,859	50,101	38,924
	Less: Prepaid re-takaful contribution - closing	55,896	39,405	55,896	39,405
	Re-takaful expense	31,932	25,914	61,982	49,921
		141,701	120,487	278,200	221,345
17.	NET TAKAFUL CLAIMS - PTF				
	Claim paid	121,258	95,124	232,056	165,560
	Less: Outstanding claims including IBNR - opening	128,686	116,489	114,527	94,875
	Add : Outstanding claims including IBNR - closing	174,776	100,327	174,776	100,327
	Claims expense	167,348	78,962	292,305	171,012
	Less:				
	Re-takaful and other recoveries received	1,003	(1,323)	2,913	(897)
	Less: Re-takaful and other recoveries against outstanding claims - opening	16,107	11,688	16,314	13,020
	Add: Re-takaful and other recoveries against outstanding claims - closing	11,467	7,843	11,467	7,843
	Re-takaful and other recoveries revenue	(3,637)	(5,168)	(1,934)	(6,074)
		170,985	84,130	294,239	177,086
18.	RE-TAKAFUL REBATE EARNED - PTF				
	Re-takaful rebate received or recoverable	389	640	2,058	698
	Add: Unearned re-takaful rebate - opening	2,384	474	1,397	621
	Less: Unearned re-takaful rebate - closing	1,896	731	1,896	731
		877	383	1,559	588
19.	WAKALA FEE INCOME - OTF				
	Gross wakala fee	83,361	64,071	176,969	135,446
	Add: Unearned Wakala fee income - opening	137,743	105,236	113,999	85,399
	Less: Unearned Wakala fee income - closing	145,800	109,811	145,800	109,811
		75,304	59,496	145,168	111,034

		(Un-audited)				
		Three months period ended		Six months period ended		
20.	COMMISSION EXPENSE AND ACQUISITION COSTS - OTF	Note	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
(Rupees in '000)						
	Commission paid or payable		25,358	18,574	58,721	42,066
	Add: Deferred commission expense - opening		47,635	34,258	37,387	28,085
	Less: Deferred commission expense - closing		48,075	33,618	48,075	33,618
			24,918	19,214	48,033	36,533
21.	INVESTMENT INCOME - PTF					
	Income / (loss) from equity securities					
	Available for sale investments					
	- Dividend income		1,179	36	1,379	36
	Income from term deposits					
	Return on term deposits		-	(117)	-	44
	Total investment income / (loss)		1,179	(81)	1,379	80
	Investment related expenses		(5)	-	(10)	-
	Impairment in value of available for sale - equity securities		(376)	-	(376)	-
			798	(81)	993	80
22.	INVESTMENT INCOME - OTF					
	Income / (loss) from equity securities					
	Available for sale investments					
	- Dividend income		982	177	1,500	740
	Net realised gain / (loss) on investments					
	Available for sale					
	Realised gain on sale of equity securities		-	731	-	1,517
	Realised loss on sale of equity securities		-	-	-	(658)
			-	731	-	859
	Total investment income		982	908	1,500	1,599
	Investment related expenses		(5)	-	(10)	-
	Impairment in value of available for sale - equity securities		(3,257)	(1,494)	(3,257)	(1,494)
			(2,280)	(586)	(1,767)	105
23.	OTHER INCOME - OTF					
	Profit on bank balances	23.1	3,177	1,857	6,312	3,275
	Mudarib's share of PTF investment income		2,040	766	4,074	1,501
			5,217	2,623	10,386	4,776

23.1 This includes Rs. 4,878 thousands (June 30, 2018: Rs. 3,084 thousands) profit on bank balances held with a related party.

24. TRANSACTIONS WITH RELATED PARTIES

Related parties include 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 these condensed interim financial statements, are as follows:

Note	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees in '000)			
Rent	534	473	1,037	930
Reimbursement of expenses	8,848	4,304	15,698	8,276
Remuneration of key management personnel	2,914	1,876	5,826	4,105
Contributions to provident fund	265	180	491	359
Profit on bank balances - PTF	2,265	578	3,361	1,508

24.1 This represents rent paid to the Operator.

24.2 These expenses pertain to the 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.

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 June 30, 2019 (Unaudited)					Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	
	(Rupees in '000)					
Contribution received / receivable (inclusive of FED, FTF and administrative surcharge)	30,972	18,463	134,343	91,815	19,931	295,524
Less: Federal Excise duty / Sales Tax	3,532	1,733	16,171	-	2,096	23,532
Federal Takaful Fee	258	157	1,163	909	160	2,647
Others	116	945	730	35	42	1,868
	<u>27,066</u>	<u>15,628</u>	<u>116,279</u>	<u>90,871</u>	<u>17,633</u>	<u>267,477</u>
Gross written contribution (inclusive of administrative surcharge)						
Gross direct contribution	26,696	15,026	112,707	90,871	17,514	262,814
Administrative surcharge	370	602	3,572	-	119	4,663
	<u>27,066</u>	<u>15,628</u>	<u>116,279</u>	<u>90,871</u>	<u>17,633</u>	<u>267,477</u>

Three months period ended June 30, 2019 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Participants' Takaful Fund - revenue account						
Takaful contribution earned	20,984	11,473	86,148	43,466	11,562	173,633
Takaful contribution ceded to re-takaful operators	13,114	6,055	5,159	-	7,604	31,932
Net takaful contribution	7,870	5,418	80,989	43,466	3,958	141,701
Re-takaful rebate	265	-	6	-	606	877
Net revenue	8,135	5,418	80,995	43,466	4,564	142,578
Takaful claims	10,837	51,553	54,358	50,843	(243)	167,348
Takaful claims recovered from re-takaful operators	(99)	-	(3,316)	-	(222)	(3,637)
Net claims	10,936	51,553	57,674	50,843	(21)	170,985
Direct expenses	-	-	715	-	-	715
(Deficit) / surplus before investment income	(2,801)	(46,135)	22,606	(7,377)	4,585	(29,122)
Investment income						798
Profit on bank balances						9,400
Mudarib fee						(2,053)
Deficit for the period						(20,977)
Operator's Fund - revenue account						
Wakala fee income	10,562	6,220	36,028	18,104	4,390	75,304
Commission and other acquisition costs	4,745	2,909	10,492	5,556	1,216	24,918
Management expenses	3,181	1,855	10,797	5,463	1,332	22,628
	2,636	1,456	14,739	7,085	1,842	27,758
Investment income						(2,280)
Other income						5,217
Other expenses						(1,070)
Profit before tax						29,625

Three months period ended June 30, 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Contribution received / receivable (inclusive of FED, FTF and administrative surcharge)	19,115	18,570	122,901	82,576	7,197	250,359
Less: Federal Excise duty / Sales Tax	2,260	1,938	14,599	-	844	19,641
Federal Takaful Fee	160	156	1,041	817	64	2,238
Others	4	914	790	36	15	1,759
	16,691	15,562	106,471	81,723	6,274	226,721
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	16,691	15,562	106,471	81,723	6,274	226,721
Participants' Takaful Fund - revenue account						
Takaful contribution earned	15,828	10,207	74,461	37,551	8,354	146,401
Takaful contribution ceded to re-takaful operators	(10,719)	(6,083)	(3,809)	-	(5,303)	(25,914)
Net takaful contribution	5,109	4,124	70,652	37,551	3,051	120,487
Re-takaful rebate	254	-	1	-	128	383
Net revenue	5,363	4,124	70,653	37,551	3,179	120,870
Takaful claims	187	714	42,018	33,970	2,072	78,961
Takaful claims recovered from re-takaful operators	(1,000)	-	(4,429)	-	260	(5,169)
Net claims	1,187	714	46,447	33,970	1,812	84,130
Direct expenses	-	-	(313)	-	-	(313)
Surplus before investment income	4,176	3,410	23,893	3,581	1,367	36,427
Investment loss						(81)
Profit on bank balances						3,910
Mudarib fee						(766)
Surplus for the period						39,490

Three months period ended June 30, 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
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 June 30, 2019 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Contribution received / receivable (inclusive of FED, FTF and administrative surcharge)	70,204	41,674	312,053	171,306	48,456	643,693
Less: Federal Excise duty / Sales Tax	8,346	4,074	37,691	-	5,401	55,512
Federal takaful fee	599	353	2,727	1,695	409	5,783
Others	152	1,974	1,431	91	52	3,700
	<u>61,107</u>	<u>35,273</u>	<u>270,204</u>	<u>169,520</u>	<u>42,594</u>	<u>578,698</u>
Gross written contribution (inclusive of administrative surcharge)						
Gross direct contribution	60,342	33,922	262,658	169,520	42,293	568,735
Administrative surcharge	765	1,351	7,546	-	301	9,963
	<u>61,107</u>	<u>35,273</u>	<u>270,204</u>	<u>169,520</u>	<u>42,594</u>	<u>578,698</u>
Participants' Takaful Fund - revenue account						
Takaful contribution earned	39,853	23,409	171,267	84,727	20,926	340,182
Takaful contribution ceded to re-takaful operators	25,807	12,899	9,954	-	13,322	61,982
Net takaful contribution	14,046	10,510	161,313	84,727	7,604	278,200
Re-takaful rebate	619	-	12	-	928	1,559
Net revenue	<u>14,665</u>	<u>10,510</u>	<u>161,325</u>	<u>84,727</u>	<u>8,532</u>	<u>279,759</u>
Takaful claims	17,316	62,710	108,117	100,928	3,234	292,305
Takaful claims recovered from re-takaful operators	118	-	(2,366)	-	314	(1,934)
Net claims	17,198	62,710	110,483	100,928	2,920	294,239
Direct expenses	-	-	1,572	-	-	1,572
(Deficit) / surplus before investment income	<u>(2,533)</u>	<u>(52,200)</u>	<u>49,270</u>	<u>(16,201)</u>	<u>5,612</u>	<u>(16,052)</u>
Investment income						993
Profit on bank balances						19,374
Mudarib fee						(4,087)
Surplus for the period						<u>228</u>
Operator's Fund - revenue account						
Wakala fee income	20,025	12,613	70,722	33,891	7,917	145,168
Commission and other acquisition costs	9,035	5,983	20,638	9,935	2,442	48,033
Management expenses	6,437	4,054	22,733	10,894	2,545	46,663
	<u>4,553</u>	<u>2,576</u>	<u>27,351</u>	<u>13,062</u>	<u>2,930</u>	<u>50,472</u>
Investment income						(1,767)
Other income						10,386
Other expenses						(1,648)
Profit before tax						<u>57,443</u>

Six months period ended June 30, 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
----- (Rupees in '000) -----						
Contribution received / receivable (inclusive of FED, FTF and administrative surcharge)	53,129	36,139	281,884	132,978	23,158	527,288
Less: Federal Excise duty / Sales Tax	6,414	3,666	33,615	-	2,714	46,409
Federal takaful 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)	45,736	29,368	236,941	131,608	19,984	463,637
Gross direct contribution	508	1,132	7,255	-	234	9,129
Administrative surcharge	<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' Takaful 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	<u>(21,575)</u>	<u>(11,831)</u>	<u>(7,130)</u>	<u>-</u>	<u>(9,385)</u>	<u>(49,921)</u>
Net takaful contribution	10,739	7,279	136,791	59,606	6,930	221,345
Re-takaful rebate	433	-	3	-	152	588
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	<u>21,815</u>	<u>1,160</u>	<u>88,323</u>	<u>62,341</u>	<u>(2,627)</u>	<u>171,012</u>
Takaful claims recovered from re-takaful operators	-	-	<u>(5,603)</u>	-	<u>(471)</u>	<u>(6,074)</u>
Net claims	21,815	1,160	93,926	62,341	(2,156)	177,086
Direct expenses	-	-	<u>(479)</u>	-	-	<u>(479)</u>
(Deficitt) / 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						<u>(1,501)</u>
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	<u>(7,430)</u>	<u>(4,978)</u>	<u>(17,742)</u>	<u>(4,339)</u>	<u>(2,044)</u>	<u>(36,533)</u>
Management expenses	<u>(4,791)</u>	<u>(3,013)</u>	<u>(17,175)</u>	<u>(5,839)</u>	<u>(1,814)</u>	<u>(32,632)</u>
	<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						<u>(1,600)</u>
Profit before tax						<u>45,150</u>

The classwise assets and liabilities are as follows:

June 30, 2019 (Unaudited)						
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Segment assets	43,463	14,761	104,132	44,339	36,825	243,520
Unallocated assets						
Participants' Takaful Fund						577,053
Operator's Fund						349,029
Consolidated total assets						1,169,602
Segment liabilities	82,982	64,664	333,579	161,228	56,502	698,955
Unallocated liabilities - Operator's Fund						217,735
Consolidated total liabilities						916,690
December 31, 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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, as at June 30, 2019, the net fair value of all financial assets and financial liabilities are estimated appropriate their carrying values.

All assets and liabilities for which fair value is measured or disclosed in these condensed interim financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements using inputs that are not based on observable market data (i.e. unobservable inputs).

(Rupees in '000)

HALF YEARLY REPORT

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

June 30, 2019 (Unaudited)									
Carrying amount					Fair value				
Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
Financial assets measured at fair value									
Investments in equity securities	151,983	-	-	-	151,983	151,983	-	-	151,983
Financial assets not measured at fair value									
Cash and bank*	-	-	620,636	-	620,636	-	-	-	-
Takaful / Re-takaful receivables*	-	-	175,537	-	175,537	-	-	-	-
Wakala and mudarib fee receivable*	-	-	85,402	-	85,402	-	-	-	-
Loans and receivables*	-	-	5,852	-	5,852	-	-	-	-
Salvage recoveries accrued*	-	-	3,720	-	3,720	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	-	7,748	-	7,748	-	-	-	-
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	-	(174,776)	(174,776)	-	-	-	-
Takaful / Re-takaful payables*	-	-	-	(91,766)	(91,766)	-	-	-	-
Wakala and mudarib fee payable*	-	-	-	(85,402)	(85,402)	-	-	-	-
Other creditors and accruals*	-	-	-	(38,208)	(38,208)	-	-	-	-
	151,983	-	898,895	(390,152)	660,726	151,983	-	-	151,983
December 31, 2018 (Audited)									
Carrying amount					Fair value				
Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	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	-	-	-	-
Takaful / Re-takaful 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	-	-	-	-
Re-takaful 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 / Re-takaful 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 have not disclosed the fair value of these items because their carrying amounts approximate their fair value.

27. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 22, 2019 by the Board of Directors of the Company.

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



Akbarali Pesnani
Director



Amyn Currimbhoy
Director



Nawaid Jamal
Chief Financial Officer



















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