

Jubilee
GENERAL INSURANCE



RISE TO THE
Challenge

HALF YEARLY REPORT (Unaudited)

2020

AA+

VIS

AA+ B+

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 THE 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 67 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

R. Zakir Mahmood

(Non-Executive Director)

Directors

Akbarali Pesnani

(Non-Executive Director)

John Joseph Metcalf

(Non-Executive Director)

Amin A. Hashwani

(Non-Executive Director)

Amyr Currimbhoy

(Independent Director)

Riyaz Ali Towfiq Chinoy

(Independent Director)

Murtaza Hashwani

(Non-Executive Director)

Abrar Ahmed Mir

(Non-Executive Director)

Saba Kamal

(Independent Director)

Managing Director and Chief Executive

Hassan Khan

(Executive Director)

Chief Financial Officer

Nawaid Jamal

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

E-Mail: info@jubileegeneral.com.pk

Website: www.jubileegeneral.com.pk

National Tax Number

0711347-1

Sales Tax Registration Number

1600980500182

THE DIRECTORS' REVIEW

For the six months period ended June 30, 2020

The Directors are pleased to present before you the unaudited financial statements for the half-year ended 30th June 2020.

Overview

The half-year ending June 2020 has been quite challenging in terms of business and economic environment. The lock down by the government to contain the spread of Covid-19 has affected almost all businesses in the Country. The timely intervention by SBP and the Government has provided the much needed support to the businesses and industries.

Company Performance

Under challenging business environment your Company's performance has been reasonably satisfactory. Profit before Tax for the first six months of the year amounted to PKR 793.9 million, primarily due to significant increase in investment income (including Window Takaful Operations). This was achieved through prudent and proactive investment management during the period.

The overall insurance industry's written premium/ contribution declined during first quarter of the year 2020 and this trend is expected to continue in the second quarter as well. While business lines such as marine, motor, and engineering were negatively affected in particular, your Company was able to restrict the decline in Gross Written Premium (GWP), including Contribution written in Takaful Operations to around 3% (PKR 5.33 billion Vs. PKR 5.50 billion in the corresponding period of 2019); correspondingly the combined Net Premium / Contribution reduced by 4% (PKR 2.77 billion; against PKR 2.89 billion). The combined technical profit for the period under review was PKR 143.98 million (2019: PKR 229.97 million). The decline is mainly due to higher claims reported in the conventional business.

Conventional Insurance Operations

The adverse market conditions resulted in GWP contracting by 4% in the half year under review to PKR 4.72 billion (2019: PKR 4.92 billion). Correspondingly, the Net Premium also declined (by 6%) to PKR 2.46 billion (2019: PKR 2.61 billion). The underwriting results for this period declined to PKR 57.35 million (2019: PKR 196.76 million) due to higher than normal claims. The shortfall from the insurance operations was more than offset from the investment side of the business; the investment income increased by 80% to PKR 658.66 million (2019: PKR 366.46 million).

The summarized results of the Company's insurance business for the half year ended 30th June 2020 are as under:

	June 30 2020	June 30 2019
.....(Rupees in '000).....		
Gross Premium	4,715,300	4,920,337
Net Premium Revenue	2,462,585	2,614,781
Underwriting Result	57,350	196,759
Investment Income including		
Capital Gain and Rent	658,658	366,464
Profit Before Tax	793,913	671,198
Profit After Tax for the period	563,362	477,347
Earnings Per Share of PKR 10 each	2.84	2.40

Window Takaful Operations

Window Takaful Operations maintained the growth momentum, although the growth was a modest 6% in Gross Written Contribution, PKR 614 million (2019: PKR 579 million). Net Contribution grew more

robustly by 10% to PKR 305 million (2019: PKR 278 million). We expect the Company to maintain the growth momentum in Takaful Operations during second half of the year.

The Participant's Takaful Fund Surplus increased to PKR 80.37 million (2019: PKR 0.23 million), while the Operator's Profit after tax during the half year under review was PKR 36.82 million (2019: PKR 40.78 million).

The summarized results of Company's Window Takaful Operations for the half year under review are as follows:

	June 30 2020	June 30 2019
.....(Rupees in '000).....		
Participant's Fund		
Gross Contribution	613,831	578,698
Net Contribution	305,199	278,200
Surplus/Deficit before		
Investment Income	55,313	(16,052)
Investment Income	31,349	20,367
Surplus for the period	80,373	228
Operator's Fund		
Revenue Account	31,314	49,259
Investment Income	22,052	8,618
Profit Before Tax	51,865	57,443
Profit after tax for the period	36,824	40,785

Outlook

The COVID-19 pandemic continues to affect economic and business activities; however, Pakistan has done much better than most other countries in containing the spread and we expect reduced impact in the second half of 2020. Partial resumption of economic activities across almost all sectors is already visible, and we remain optimistic of a speedy recovery in economic activities, and a further improvement in the Company's performance.

Acknowledgement

Your Directors wish to place on record their strong appreciation for Mr. Tawfiq H. Chinoy who retired from the Board in June 2020 after 23 years serving as Chairman of the Board. He was the longest serving member of the Board and during his tenure the Company has gone from strength to strength. Your Directors also place on record their appreciation for Mr. Tahir Ahmed who retired from the Board in June 2020 after more than 15 years, he was also the Managing Director and Chief Executive till 31 December 2019.

We would also like to acknowledge all our stakeholders and more so in particular the entire staff of the Company who managed the operations in very trying circumstances brought about by the COVID-19 pandemic.



Hassan Khan
Managing Director &
Chief Executive



Amyn Currimbhoy
Director

Karachi: 20 August 2020

ڈائریکٹرز کا تبصرہ

برائے ختم شدہ ششماہی جون 30، 2020

ڈائریکٹرز آپ کے سامنے 30 جون 2020 کو ختم شدہ ششماہی کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

جائزہ

جون 2020 کو ختم شدہ ششماہی کاروباری اور معاشی اعتبار سے بہت مشکل رہی۔ Covid-19 کے پھیلاؤ کو روکنے کے لیے حکومت کی جانب سے لگائے جانے والے لاک ڈاؤن نے ملک کے تقریباً تمام کاروبار کو شدید نقصان پہنچایا۔ اسٹیٹ بینک آف پاکستان اور حکومت کی جانب سے بروقت مداخلت نے بزنسز اور انڈسٹریز کو شدید مطلوب تعاون فراہم کیا ہے۔

کمپنی کی کارکردگی

مشکل ترین کاروباری ماحول میں آپ کی کمپنی کی کارکردگی کافی حد تک اطمینان بخش رہی۔ سال کی پہلی ششماہی کے لیے قبل از ٹیکس منافع 739.9 ملین روپے رہا جس کی اہم وجہ سرمایہ کاری کی آمدنی (بشمول وندو نکالنے آپریشنز میں قابل ذکر اضافہ ہے۔ یہ نتیجہ زیر جائزہ مدت کے دوران محتاط اور فعال سرمایہ کاری کی بدولت حاصل ہوا۔

سال 2020 کی پہلی سہ ماہی کے دوران انشورنس انڈسٹری کا مجموعی رٹن پرییم / کنٹری بیوشن میں کمی واقع ہوئی اور ہمیں دوسری سہ ماہی میں بھی یہی صورتحال رہنے کی توقع ہے۔ اس دوران کاروبار کے میرین، موٹر اور انجینئرنگ کے شعبہ جات خاص طور پر شدید رجحان کا شکار رہے، آپ کی کمپنی مجموعی پرییم (GWP) بشمول نکالنے آپریشنز کے کنٹری بیوشن میں کمی کو تقریباً 3 فیصد تک روکنے میں کامیاب رہی (2019 کی اسی مدت کے دوران 5.50 ملین روپے کے مقابلے میں 5.33 ملین روپے)؛ اسی طرح مشترکہ نیٹ پرییم / کنٹری بیوشن میں 4 فیصد کمی واقع ہوئی (2.89 ملین روپے کے مقابلے میں 2.77 ملین روپے)۔ زیر جائزہ مدت کے دوران مشترکہ ٹیکنیکل منافع 143.98 ملین روپے (2019 میں 229.97 ملین روپے) حاصل کیا، کمی کی وجہ کنونیٹشل بزنس میں رپورٹ ہونے والے کلیم کے نقصانات ہیں۔

کنونیٹشل انشورنس آپریشنز

زیر جائزہ ششماہی کے دوران مارکیٹ کی مشکل صورتحال کی بدولت GWP میں 4 فیصد گراؤ کے ساتھ 4.72 بلین (2019 میں 4.92 بلین روپے) کا بزنس کیا۔ زیر جائزہ مدت کے لیے خالص پرییم 6 فیصد کمی کے ساتھ 2.46 بلین (2019 میں 2.61 بلین روپے) رہا۔ ششماہی کے لیے عمومی سے زائد کلیم کے نقصانات کی بدولت ہمارے انڈر رائٹنگ نتائج 57.35 ملین روپے (2019 میں 196.76 ملین روپے) رہے۔ انشورنس آپریشنز میں منافع کمی کی کے مقابلے میں سرمایہ کاری سے حاصل ہونے والی آمدنی زائد رہی جو 80 فیصد تک بڑھ کر 658.66 ملین روپے (2019 میں 366.46 ملین روپے) بنتی ہے۔

کمپنی کے انشورنس کاروبار کے مجموعی نتائج برائے ششماہی ختم شدہ 30 جون 2020 درج ذیل ہیں:

30 جون	30 جون
2019	2020
.....(000' روپے میں).....	
4,920,337	4,715,300
2,614,781	2,462,585
196,759	57,350
366,464	658,658
671,198	793,913
477,347	563,362
2.40	2.84

مجموعی پرییم
خالص پرییم آمدنی
انڈر رائٹنگ کے نتائج
سرمایہ کاری سے آمدنی (بشمول کرایہ اور کیپٹل گین)
قبل از ٹیکس منافع
بعد از ٹیکس منافع
فی شیئر منافع ہر 10 روپے کے شیئر پر

نکال

وندو نکالنے آپریشنز نے ترقی کا سفر جاری رکھتے ہوئے 6 فیصد ترقی سے 614 ملین روپے مجموعی کنٹری بیوشن (2019 میں 579 ملین روپے) حاصل کیا۔ خالص کنٹری بیوشن بھی 10 فیصد ترقی کے ساتھ 305 ملین روپے (2019 میں 278 ملین روپے) تک پہنچ گیا۔ ہم سال کی دوسری ششماہی میں بھی نکالنے آپریشنز میں ترقی کی رفتار کو قائم رکھنے کے لیے پرامید ہیں۔

زیر جائزہ مدت کے دوران شرکاء داروں کا نکالنے فنڈ سرپلس بڑھ کر 80.37 ملین روپے (2019 میں 0.23 ملین روپے) تک پہنچا جبکہ بعد از ٹیکس آپریٹنگ منافع 36.82 ملین روپے (2019 میں 40.78 ملین روپے) حاصل ہوا۔

کمپنی کے وندو نکالنے آپریشنز کے مجموعی نتائج برائے زیر جائزہ ششماہی درج ذیل ہیں:

30 جون	30 جون
2019	2020
.....(000' روپے میں).....	
578,698	613,831
278,200	305,199
(16,052)	55,313
20,367	31,349
228	80,373
پار میسپیشنز فنڈ	
مجموعی کنٹری بیوشن	
خالص کنٹری بیوشن	
سرمایہ کاری آمدنی سے قبل سرپلس	
سرمایہ کاری آمدنی	
اس مدت کے لئے مجموعی سرپلس	
آپریٹنگ فنڈ	
ریونیو اکاؤنٹ	
49,259	31,314
8,618	22,052
57,443	51,865
40,785	36,824

مشقبل پر نظر

COVID-19 کی عالمی وباء سے معاشی اور کاروباری سرگرمیاں شدید متاثر ہیں، تاہم پاکستان نے اس کے پھیلاؤ کو روکنے میں دیگر کئی ممالک سے بہتر کارکردگی کا مظاہرہ کیا ہے اور ہم 2020 کی دوسری ششماہی کے دوران اس کے اثرات میں مزید کمی کے لیے پرامید ہیں۔ تمام شعبہ جات میں معاشی سرگرمیوں کی تیزی بحالی ہو رہی ہے اور ہم معاشی سرگرمیوں کی بحالی کے شدت سے منتظر ہیں جس کے نتیجے میں ہماری کمپنی کی کارکردگی میں بھی بہتری آنے کی توقع ہے۔

اظہار تشکر

آپ کے ڈائریکٹرز جناب توینق چنائے کو تہہ دل سے خراج عقیدت پیش کرنا چاہتے ہیں جو بورڈ کے چیئرمین کے طور پر 23 سالہ طویل خدمات انجام دینے کے بعد جون 2020 میں ریٹائر ہوئے ہیں۔ وہ بورڈ کے لیے طویل ترین خدمات دینے والے ممبر تھے اور ان کی مدت میں کمپنی ترقی کی منازل طے کرتی رہی۔ آپ کے ڈائریکٹرز جناب طاہر احمد کو تہہ دل سے خراج عقیدت پیش کرنا چاہتے ہیں جو 15 سالہ طویل خدمات انجام دینے کے بعد جون 2020 میں ریٹائر ہوئے ہیں، وہ 31 دسمبر 2019 تک کمپنی کے مینیجنگ ڈائریکٹر اور چیف ایگزیکٹو بھی رہے۔

ہم اپنے تمام اسٹیک ہولڈرز اور خصوصی طور پر اپنے پورے اسٹاف کا شکریہ ادا کرنا چاہتے ہیں کہ جنہوں نے Covid-19 وباء کے دوران مشکل ترین حالات میں بھی آپریشنز کو جاری رکھا۔

امین کریم بھائی
ڈائریکٹر

حسان خان
مینیجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو
کراچی: 20 اگست 2020

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, 2020 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity, and notes 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, 2020 and June 30, 2019 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.

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 20, 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2020

Assets	Note	June 30,	December 31,
		2020 (Unaudited)	2019 (Audited)
.....(Rupees in '000).....			
Property and equipment	7	161,684	191,199
Intangible assets	8	60,935	51,343
Investment properties	9	648,518	651,142
Investments in associates	10	835,638	826,582
Investments			
Equity securities	11	5,328,536	4,865,054
Debt securities	12	6,575,628	7,337,530
Term deposits	13	127,310	169,596
Loans and other receivables	14	348,294	263,607
Insurance / reinsurance receivables	15	2,141,806	1,304,973
Reinsurance recoveries against outstanding claims		3,758,869	2,948,397
Salvage recoveries accrued		30,140	30,515
Deferred commission expense / acquisition cost	26	210,489	247,849
Prepayments	16	1,993,053	1,642,905
Cash and bank	17	1,086,031	1,148,951
Total assets of Window Takaful Operations - Operator's Fund	18	375,987	409,281
Total assets		23,682,918	22,088,924


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive

		June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Equity and Liabilities	Note	.....(Rupees in '000).....	
Capital and reserves attributable to Company's equity holders			
Authorised share capital: 250,000,000 (December 31, 2019: 250,000,000) Ordinary shares of Rs.10 each		2,500,000	2,500,000
Issued, subscribed and paid-up share capital [198,491,241 (December 31, 2019: 180,446,583) ordinary shares of Rs.10 each]		1,984,912	1,804,465
Reserves		5,646,453	5,721,041
Unappropriated profit		692,079	1,186,555
Total equity		8,323,444	8,712,061
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	25	5,364,829	4,240,397
Unearned premium reserves	24	3,726,861	3,556,851
Unearned reinsurance commission	26	108,974	117,594
Deferred taxation	19	90,074	296,709
Premium received in advance		152,726	386,996
Insurance / reinsurance payables	20	2,508,419	1,691,022
Other creditors and accruals	21	1,365,066	1,032,602
Deposits and other payables	22	1,500,596	1,582,179
Taxation - provision less payments		293,178	250,595
		15,110,723	13,154,945
Total liabilities of Window Takaful Operations - Operator's Fund	18	248,751	221,918
Total liabilities		15,359,474	13,376,863
Total equity and liabilities		23,682,918	22,088,924
Contingencies and commitments	23		

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



Amyn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the six months period ended June 30, 2020

		Three months period ended		Six months period ended	
		June 30,	June 30,	June 30,	June 30,
		2020	2019	2020	2019
Note .....(Rupees in '000).....					
Net insurance premium	24	1,147,148	1,309,674	2,462,585	2,614,781
Net insurance claims	25	618,670	669,053	1,402,463	1,355,615
Net commission and other acquisition costs	26	82,797	94,242	178,023	184,940
Insurance claims and acquisition expenses		701,467	763,295	1,580,486	1,540,555
Management expenses		379,413	428,203	824,749	877,467
Underwriting results		66,268	118,176	57,350	196,759
Net investment income	27	357,058	39,042	571,809	281,646
Rental income	28	18,878	9,978	32,049	26,146
Other income	29	22,265	49,664	68,328	82,857
Other expenses		(19,154)	(9,512)	(29,681)	(24,847)
Results of operating activities		445,315	207,348	699,855	562,561
Share of (loss) / profit of associates	10	(12,422)	22,226	42,193	51,194
Profit from Window Takaful Operations	18	4,054	29,625	51,865	57,443
Profit before tax		436,947	259,199	793,913	671,198
Income tax expense - Current		(127,518)	(112,680)	(272,872)	(225,849)
- Deferred		(4,372)	37,201	42,321	31,998
		(131,890)	(75,479)	(230,551)	(193,851)
Profit after tax		305,057	183,720	563,362	477,347
Earnings (after tax) per share - Rupees	30	1.54	0.93	2.84	2.40

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


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Amyn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the three months and six months period ended June 30, 2020

	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
.....(Rupees in '000).....				
Profit after tax for the period	305,057	183,720	563,362	477,347
Other comprehensive income				
Item that will not be reclassified to the profit and loss account in subsequent periods				
Share in actuarial gain on defined benefit plan of an associate - net of tax	1,068	17	1,068	17
Item that may be reclassified to the profit and loss account in subsequent periods				
Foreign currency translation difference - net of tax	7,454	10,676	(278)	11,922
Unrealised appreciation / (diminution) on revaluation of 'available-for- sale' investments - net of tax	566,144	(365,178)	(369,926)	(268,948)
Reclassification adjustment for net loss / (gain) on sale of available-for-sale investments included in the profit and loss account - net of tax	471	(1,736)	(57,732)	(2,589)
	566,615	(366,914)	(427,658)	(271,537)
Unrealised appreciation / (diminution) on 'available-for-sale' investments of Window Takaful Operations - net of tax	11,105	(5,225)	(7,714)	(5,908)
Reclassification adjustment for net gain on disposal of 'available-for-sale' investments included in profit and loss account of Window Takaful Operations - net of tax	-	-	(637)	-
	11,105	(5,225)	(8,351)	(5,908)
Share in other comprehensive income of an associate				
Net unrealised appreciation on 'available-for- sale' investments - net of tax	16,757	2,810	25,648	604
Foreign currency translation difference - net of tax	(22)	65	(1,068)	875
	16,735	2,875	24,580	1,479
Total comprehensive income / (loss) for the period	908,034	(174,851)	152,723	213,320

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


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Amyn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months period ended June 30, 2020

	Share capital		Capital reserve		Revenue reserves					Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	General reserve	Special reserve	Foreign currency translation difference - net of tax	Unrealised appreciation / (diminution) on revaluation of 'available-for-sale' investments - net of tax	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, 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	-	-	-	-	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
Balance as at December 31, 2019 (audited)	1,804,465	9,384	3,650,000	1,200,000	24,729	627,144	1,186,555	209,752	32	8,712,061
Total comprehensive income										
Profit after taxation	-	-	-	-	-	-	563,362	-	-	563,362
Share in Ledger D balance of an associate	-	-	-	-	-	-	12,881	(12,881)	-	-
Other comprehensive income										
Foreign currency translation difference - net of tax	-	-	-	-	(278)	-	-	-	-	(278)
Share in other comprehensive income of an associate	-	-	-	-	(1,068)	25,648	1,068	-	-	25,648
Net unrealised diminution arising during the period on revaluation of available for sale investments (including WTO) - net of tax	-	-	-	-	-	(377,640)	-	-	-	(377,640)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) - net of tax	-	-	-	-	-	(58,369)	-	-	-	(58,369)
	-	-	-	-	(1,346)	(410,361)	577,311	(12,881)	-	152,723
Transactions with owners recorded directly in equity										
Final cash dividend at Rs.3.00 (30%) per share for the year ended December 31, 2019	-	-	-	-	-	-	(541,340)	-	-	(541,340)
Issuance of bonus shares @ Re. 1.00 (10%) per share for the year ended December 31, 2019	180,447	-	-	-	-	-	(180,447)	-	-	-
Transfer to general reserve	-	-	150,000	-	-	-	(150,000)	-	-	-
Transfer to special reserve	-	-	-	200,000	-	-	(200,000)	-	-	-
	180,447	-	150,000	200,000	-	-	(1,071,787)	-	-	(541,340)
Balance as at June 30, 2020 (un-audited)	1,984,912	9,384	3,800,000	1,400,000	23,383	216,783	692,079	196,871	32	8,323,444


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


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Amyn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six months period ended June 30, 2020

	Six months period ended	
	June 30, 2020	June 30, 2019
	.....(Rupees in '000).....	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	3,651,072	4,721,525
Reinsurance premium paid	(1,590,447)	(2,456,238)
Claims paid	(1,366,983)	(1,588,748)
Reinsurance and other recoveries received	271,980	263,689
Commissions paid	(245,851)	(396,460)
Commissions received	118,597	205,061
Management expenses paid	(652,498)	(774,750)
Net cash generated from / (used in) underwriting activities	185,870	(25,921)
(b) Other operating activities		
Income taxes paid	(215,249)	(260,031)
General and administration expenses paid	(14,810)	(12,597)
Other operating payments	(444,096)	(569,658)
Other operating receipts	534,673	644,091
Loans advanced	(127)	(363)
Loans repayment received	529	528
Net cash used in other operating activities	(139,080)	(198,030)
Total cash generated from / (used in) all operating activities	46,790	(223,951)
Investment activities		
Profit / return received	417,214	293,181
Dividends received	118,948	138,360
Rentals received - net of expenses	20,042	17,392
Payments for investments / investment property	(3,517,488)	(13,765,766)
Proceeds from investments	3,363,312	13,902,084
Fixed capital expenditure	(26,109)	(65,209)
Proceeds from sale of property and equipment	155	1,968
Total cash generated from investing activities	376,074	522,010
Financing activities		
Dividends paid	(531,318)	(707,549)
Principal repayment of lease liabilities against right-of-use asset	(4,792)	(2,948)
Total cash used in financing activities	(536,110)	(710,497)
Net cash used in all activities	(113,246)	(412,437)
Cash and cash equivalents at the beginning of the period	1,199,277	1,691,215
Cash and cash equivalents at the end of the period	1,086,031	1,278,778

Six months period ended	
June 30,	June 30,
2020	2019

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

Reconciliation to profit and loss account

Operating cash flows	46,790	(223,951)
Depreciation / amortisation expense	(45,912)	(37,529)
Gain on sale of property and equipment	35	44
Unrealised diminution on revaluation of investments classified as 'at fair value through profit or loss'	(50,911)	(69,833)
Profit on disposal of investments	121,674	11,411
Dividend income	118,948	134,126
Rental income	32,049	26,146
Other investment income	479,091	315,808
Profit for the period from Window Takaful Operations	36,825	40,785
Increase / (decrease) in assets other than cash	1,944,817	(108,859)
(Increase) / decrease in liabilities other than borrowings	(2,120,044)	389,199
Profit after taxation	563,362	477,347

Cash for the purposes of the Statement of Cash Flows comprises of:

Cash and other equivalents

Cash	1,135	676
Policy and revenue stamps and bond papers in hand	4,288	4,585
	5,423	5,261

Cash at bank

Current accounts	155,029	121,856
Savings accounts	925,579	1,085,941
	1,080,608	1,207,797

Deposits having maturity within 3 months (payable on demand)

Term deposits - local currency	-	26,360
Term deposits - foreign currency	-	39,360
	-	65,720

Reconciliation of liabilities arising out of financing activities

Unclaimed dividend as at January 1	112,070	99,141
<i>Changes from financing activities</i>		
Dividend paid	(531,318)	(707,549)
<i>Others</i>		
Final cash dividend for the year ended December 31, 2019 @ 30% (December 31, 2018: 40%)	541,340	721,786
Unclaimed dividend as at June 30	122,092	113,378


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Aryn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the six months period ended June 30, 2020

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 on the Pakistan Stock Exchange Limited 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, 2019.

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 International Reporting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the SECP Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the SECP Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 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 General Takaful Accounting Regulations, 2019.

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, 2019.

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 and presentation currency.

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

During 2019, the SECP vide its S.R.O. 1416 (I) / 2019 dated November 20, 2019 has issued the General Takaful Accounting Regulations, 2019 (Regulations). These Regulations prescribe the format for the regulatory returns and published financial statements of the Window Takaful Operations applicable from January 1, 2020. The impact of these Regulations has been detailed in the condensed interim financial statements of the Window Takaful Operations for the six months period ended June 30, 2020.

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 do not have any significant effect on the Company's operations and are therefore not detailed 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 standard, amendment and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2021:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments on Classification)	January 1, 2022
- IFRS 16 - 'Leases' (amendments)	June 1, 2020
- IFRS 9 - 'Financial Instruments'	January 1, 2023*

* 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. Further details relating to temporary exemption from the application of IFRS 9 are given in notes 2.5.1 and 2.5.1.1 to these interim condensed financial statements.

The management is in the process of assessing the impact of these standards, amendments and interpretations on the condensed interim financial statements of the Company.

2.5.1 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 the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 2.5.1.1 below.

2.5.1.1 Fair value of financial assets as at June 30, 2020 and change in the fair values during the six months period ended June 30, 2020

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	As at June 30, 2020 (Rupees in '000).
<i>Pakistan Investment Bonds - Held to maturity (note 12)</i>	
Opening fair value	196,528
Increase in fair value	17,145
Closing fair value	<u>213,673</u>
<i>Debt Securities - Available for sale (note 12)</i>	
Opening fair value	7,135,103
Additions / (disposals) during the period - net	(1,103,548)
Increase in fair value	338,690
Closing fair value	<u>6,370,245</u>
Financial assets that do not meet the SPPI criteria	
<i>Equity Securities - Available for sale (note 11)</i>	
Opening fair value	4,571,050
Additions / (disposals) during the period - net	1,170,563
Impairment	(42,483)
Increase in fair value	(941,016)
Closing fair value	<u>4,758,114</u>

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation followed in these condensed interim financial statements are same as compared to the annual audited financial statements of the Company as at and for the year ended December 31, 2019.

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 and income and expense. Actual results may differ from these estimates. Estimates, judgments 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, 2019, 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 10% to 5% 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, 2020 would have been higher by Rs. 4,826 thousands and Rs. 3,426 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, 2019.

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

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	(Rupees in '000).....	
Operating assets	7.1	161,684	191,199

- 7.1** The break-up of operating assets as at the period / year end is given below:

Building	4,387	4,500
Furniture and fixtures	29,429	30,937
Office equipment	38,324	41,533
Tracker equipment	39,909	56,122
Motor vehicles	8,046	8,563
Computers and related accessories	22,489	22,534
Right-of-use asset - building	19,100	26,960
	<u>161,684</u>	<u>191,199</u>

- 7.2** Movement of property and equipment during the period / year is as follows:

Opening book value	191,199	173,500
Add: Additions during the period / year		
Owned assets	6,556	52,269
Right-of-use assets	-	41,688
	<u>197,755</u>	<u>267,457</u>
Less: Net book value of assets disposed off during the period / year	(120)	(8,532)
Less: Depreciation for the period / year	(35,951)	(67,726)
	<u>161,684</u>	<u>191,199</u>

		June 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
8. INTANGIBLE ASSETS	Note	.....(Rupees in '000).....	
Computer Software	8.1	<u>60,935</u>	<u>51,343</u>

8.1 Movement of intangible assets during the period / year is as follows :

Opening book value	51,343	68,492
Add: Additions during the period / year	19,553	-
	<u>70,896</u>	<u>68,492</u>
Less: Amortisation for the period / year	(9,961)	(17,149)
	<u>60,935</u>	<u>51,343</u>

9. INVESTMENT PROPERTIES

The market value of the investment properties as per the valuations carried out by the professional valuers in 2019 and as ascertained by the management is Rs. 3,453,729 thousands. (December 31, 2019 : Rs. 3,453,729 thousands).

10. INVESTMENTS IN ASSOCIATES

		2020	2019	Face value per share (Rupees)			June 30, 2020	December 31, 2019
		Number of shares			Note		(Un-audited)	(Audited)
						..... (Rupees in '000)		
Quoted								
		<u>5,611,593</u>	<u>5,101,448</u>	10	Jubilee Life Insurance Company Limited (JLIC) (Chief Executive Officer - Javed Ahmed)	10.1	<u>676,622</u>	679,026
Unquoted								
		<u>29,250,000</u>	<u>29,250,000</u>	(KGS) 1	Jubilee Kyrgyzstan Insurance Company Limited (JKIC) (incorporated in Kyrgyzstan) (Chief Executive: Khagai V.I.)	10.2	<u>159,016</u>	147,556
						10.3	<u>835,638</u>	<u>826,582</u>

10.1 JLICL is engaged in the business of life insurance. The market value of investment and percentage of holding in associate are Rs. 1,577,138 thousands and 6.43% (December 31, 2019: Rs. 2,040,579 thousands and 6.43% respectively) respectively.

10.2 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, 2019: 19.5%) shares in JKIC. The break-up value of the investment based on management accounts for the six months period ended June 30, 2020 is Rs. 5.26 per share (December 31, 2019: Rs. 4.85).

10.3 Movement of investment in associates is as follows:

	JLICL		JKIC		Total	
	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees in '000)					
Balance at beginning of period / year	679,026	642,605	147,556	126,605	826,582	769,210
Share of profit during the period / year	30,342	124,560	11,851	10,141	42,193	134,701
Less: Dividend received during the period / year	(68,870)	(89,276)	-	(3,197)	(68,870)	(92,473)
Foreign currency translation difference	(1,504)	2,576	(391)	14,007	(1,895)	16,583
Unrealised appreciation / (diminution) on available-for-sale investments	36,124	(1,463)	-	-	36,124	(1,463)
Actuarial gain on defined benefit plan	1,504	24	-	-	1,504	24
Balance at end of the period / year	676,622	679,026	159,016	147,556	835,638	826,582

11. INVESTMENTS IN EQUITY SECURITIES

	June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Carrying value	Market value	Carrying value	Market value
	(Rupees in '000)			
Available for sale				
Related parties				
Listed shares	620,975	413,635	620,975	672,183
Mutual funds	1,268	4,297	1,268	5,761
	622,243	417,932	622,243	677,944
Others				
Listed shares / certificates	4,271,411	4,337,682	3,143,332	3,890,606
Unlisted shares	2,500	2,500	2,500	2,500
	4,273,911	4,340,182	3,145,832	3,893,106
At fair value through profit or loss				
Listed shares	621,333	570,422	282,515	294,004
Total	5,517,487	5,328,536	4,050,590	4,865,054

12. INVESTMENTS IN DEBT SECURITIES

		June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
		Carrying value	Market value	Carrying value	Market value
		(Rupees in '000)			
Government securities					
Held to maturity					
Pakistan Investment Bonds	12.1	205,383	205,383	202,427	202,427
Available-for-sale					
Pakistan Investment Bonds		3,226,040	3,596,774	2,857,477	2,942,566
Treasury Bills		2,723,704	2,773,471	4,195,839	4,192,537
		5,949,744	6,370,245	7,053,316	7,135,103
Total		6,155,127	6,575,628	7,255,743	7,337,530

12.1 Pakistan Investment Bonds with face value of Rs. 210,000 thousands (December 31, 2019: Rs. 210,000 thousands) are placed with the State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

		June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
13.	INVESTMENTS IN TERM DEPOSITS		
	Held to maturity		
	Deposits maturing within 12 months		
	Term deposits - local currency	26,360	26,360
	Term deposits - foreign currency	100,950	143,236
		127,310	169,596
13.1	This includes Rs. 1,360 thousands (2019: Rs. 1,360 thousands) placed under lien with commercial banks against bank guarantees.		
13.2	This includes an amount of Rs. 25,000 thousands (2019: Rs. 25,000 thousands) held with a related party.		
		June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
14.	LOANS AND OTHER RECEIVABLES - CONSIDERED GOOD		
	Rent receivable	4,655	-
	Accrued investment income	124,219	120,052
	Security deposit	67,873	28,928
	Advance to suppliers	78,103	68,378
	Sales tax recoverable	15,774	20,639
	Loans to employees	854	1,256
	Medical claims recoverable	10,124	6,689
	Receivables against sale of investment	17,816	9,985
	Other receivables	28,876	7,680
		348,294	263,607
14.1	This includes an amount of Rs. 2,426 thousands (2019: Rs. Nil) due from a related party.		
15.	INSURANCE / RE-INSURANCE RECEIVABLES		
	Due from insurance contract holders	2,237,102	1,407,144
	Less: provision for impairment of receivables from insurance contract holders	(174,961)	(174,961)
	Due from other insurers / reinsurers	96,665	89,790
	Less: provision for impairment of due from other insurers / re-insurers	(17,000)	(17,000)
		2,141,806	1,304,973
15.1	Due from insurance contract holders includes Rs. 75,255 thousands (December, 31 2019: Rs. 129,663 thousands) due from related parties.		
16.	PREPAYMENTS		
	Prepaid reinsurance premium ceded	1,940,362	1,618,960
	Prepaid rent	9,761	9,100
	Prepaid miscellaneous expenses	42,930	14,845
		1,993,053	1,642,905

		June 30, 2020	December 31, 2019
		(Unaudited)	(Audited)
		.....(Rupees in '000).....	
17.	CASH & BANK		
	Cash and cash equivalents		
	- Cash in hand	1,135	149
	- Policy, revenue stamps and bond papers	4,288	4,784
		5,423	4,933
	Cash at bank		
	- Current accounts	155,029	69,664
	- Savings accounts	925,579	1,074,354
		1,080,608	1,144,018
		17.1	1,148,951

17.1 Cash at bank includes Rs. 126,618 thousands (December 2019: Rs. 787,032 thousands) held with related parties.

		June 30, 2020	December 31, 2019
		(Unaudited)	(Audited)
		.....(Rupees in '000).....	
18.	WINDOW TAKAFUL OPERATIONS		
	Assets		
	Cash and bank deposits	161,396	193,740
	Investments	75,045	71,035
	Current assets - others	134,145	137,449
	Property and equipment	3,818	4,992
	Intangible assets	1,583	2,065
	Total assets	375,987	409,281
	Total liabilities - current	248,751	221,918
		.....(Un-audited).....	
		Three months period ended	Six months period ended
		June 30,	June 30,
		June 30,	June 30,
		2020	2019
		2020	2019
		.....(Rupees in '000).....	
	Profit before tax for the period	4,054	57,443
		29,625	51,865

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

		June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
19. DEFERRED TAXATION - NET	Note	.....(Rupees in '000).....	
Deferred tax (assets) / liabilities arising in respect of:			
Accelerated tax depreciation		(1,551)	2,750
Share of profit of associates		203,067	211,352
Right-of-use assets - net		312	1,576
Provision for doubtful debts		(55,669)	(55,669)
Net unrealised diminution on revaluation of equity securities		(85,645)	(57,174)
Other provisions		(45,877)	(45,877)
		14,637	56,958
Foreign currency translation difference		9,168	9,282
Unrealised appreciation on revaluation of available-for-sale investments		81,272	255,948
Share in other comprehensive income of an associate		10,882	842
Actuarial loss on defined benefit plan		(25,885)	(26,321)
		90,074	296,709
20. INSURANCE/ REINSURANCE PAYABLES			
Due to insurance contract holders		33,630	29,893
Due to other insurers / reinsurers		2,474,789	1,661,129
		2,508,419	1,691,022
21. OTHER CREDITORS AND ACCRUALS			
Agent commission payable		543,212	521,183
Federal Excise Duty and Sales Tax		164,109	58,283
Federal Insurance Fee		8,431	3,981
Sindh Workers' Welfare Fund		207,061	192,190
Tax deducted at source		9,673	15,484
Accrued expenses		176,525	22,690
Claims payable - stale cheques		69,912	58,853
Unpaid and unclaimed dividend		122,092	112,070
Payable against purchase of investments		12,750	2,316
Lease liability against right-of-use assets		18,212	21,753
Others		33,089	23,799
		1,365,066	1,032,602
22. DEPOSITS AND OTHER PAYABLES			
Advance rent	22.1	20,057	30,032
Security deposits against bond insurance	22.2	1,478,947	1,550,555
Other deposits		1,592	1,592
		1,500,596	1,582,179

22.1 This includes an amount of Rs. Nil (December 31, 2019 : Rs. 18,365 thousands) payable to a related party.

22.2 This represents margin deposit on account of performance and other bond policies issued by the Company.

23. CONTINGENCIES

The status of the contingencies remains unchanged as disclosed in the annual audited financial statements as at December 31, 2019 except for the following:

- During the period, the Additional Commissioner Inland Revenue (ACIR) has passed an order under section 122(5A) for tax year 2019 and made certain disallowances / additions mainly on account of property related expenses, commission payable, claims payable and super tax, thereby creating a demand of Rs. 22,858 thousands. Subsequently, the Company has filed an appeal against these disallowances with the Commissioner of Inland Revenue (Appeals) (CIRA) which is pending at adjudication. Based on the tax advisor's opinion, the management is confident of favourable outcome of an appeal. Hence, no provision has been made in these condensed interim financial statements.
- During the period, the Punjab Revenue Authority (PRA) vide notification No. SO(TAX)1-110/2020 (COVID-19) dated April 2, 2020 has revised the rate of sales tax on health insurance to zero percent for the period from April 2, 2020 till June 30, 2020. However, in view of the matter already taken up by the insurance industry with the Punjab Revenue Authority regarding exemption available from the applicability of the sales tax on health insurance in other provinces and in federal territory as well, the Company has not yet billed their customers for health insurance services provided in the province of Punjab for the provincial sales tax for the period from November 1, 2018 to April 1, 2020. The amount not yet billed by the Company would be recoverable from the customers accordingly.

24. NET INSURANCE PREMIUM

	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	(Rupees in '000)			
Written gross premium	1,641,589	1,634,183	4,715,300	4,920,337
Add: Unearned premium reserve opening	4,310,966	4,462,658	3,556,851	3,533,063
Less: Unearned premium reserve closing	3,726,861	3,692,739	3,726,861	3,692,739
Premium earned	2,225,694	2,404,102	4,545,290	4,760,661
Less: Reinsurance premium ceded	892,476	636,505	2,404,107	2,217,778
Add: Prepaid reinsurance premium opening	2,126,432	2,199,372	1,618,960	1,669,551
Less: Prepaid reinsurance premium closing	1,940,362	1,741,449	1,940,362	1,741,449
Reinsurance expense	1,078,546	1,094,428	2,082,705	2,145,880
	1,147,148	1,309,674	2,462,585	2,614,781

25. NET INSURANCE CLAIMS

Claims paid	549,764	762,289	1,366,983	1,588,748
Add: Outstanding claims including IBNR closing	5,364,829	4,126,607	5,364,829	4,126,607
Less: Outstanding claims including IBNR opening	4,656,071	4,776,339	4,240,397	4,362,199
Claims expense	1,258,522	112,557	2,491,415	1,353,156
Reinsurance and other recoveries received	134,324	107,342	278,855	265,067
Add: Reinsurance and other recoveries received in respect of outstanding claims closing	3,789,009	2,789,268	3,789,009	2,789,268
Less: Reinsurance and other recoveries received in respect of outstanding claims opening	3,283,481	3,453,106	2,978,912	3,056,794
Reinsurance and other recoveries revenue	639,852	(556,496)	1,088,952	(2,459)
	618,670	669,053	1,402,463	1,355,615

26. NET COMMISSION AND OTHER ACQUISITION COSTS

	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note	(Rupees in '000)			
Commission paid or payable	95,213	94,620	267,879	327,182
Add: Deferred commission expense opening	259,765	327,484	247,849	280,970
Less: Deferred commission expense closing	210,489	243,792	210,489	243,792
Net commission	144,489	178,312	305,239	364,360
Less: Commission received or receivable	45,863	64,554	118,596	205,061
Add: Unearned reinsurance commission opening	124,803	147,693	117,594	102,536
Less: Unearned reinsurance commission closing	108,974	128,177	108,974	128,177
Commission from reinsurers	61,692	84,070	127,216	179,420
	82,797	94,242	178,023	184,940

27. NET INVESTMENT INCOME

Income from equity securities

Available for sale

- Dividend income
- Related parties
- Others

	5,337	5,337	10,675	10,675
	42,013	47,472	96,789	111,381
	47,350	52,809	107,464	122,056

Fair value through profit or loss

- Dividend income - others

	3,670	8,240	11,484	12,070
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Income from debt securities

Held to maturity

- Return on government securities
- Amortisation of discount - net

	4,127	6,616	8,188	16,639
	1,483	1,447	2,956	1,374
	5,610	8,063	11,144	18,013

Available for sale

- Return on government securities
- Amortisation of discount - net

	156,254	117,701	364,939	245,458
	27,995	2,950	55,044	4,024
	184,249	120,651	419,983	249,482

At fair value through profit and loss

- Return on government securities
- Loss on sale of government securities

	-	11,182	-	13,206
	-	(244)	-	(244)
	-	10,938	-	12,962

Income from term deposits

- Return on term deposits

27.1

	1,189	1,191	3,467	2,089
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	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note	(Rupees in '000)			
Net realised gains / (losses) on investments				
Available for sale				
- Gain on sale of equity securities	507	2,129	125,375	6,574
- Loss on sale of equity securities	-	-	(28,036)	-
- Gain on sale of Government securities	(77)	-	2,715	-
	430	2,129	100,054	6,574
Fair value through profit or loss				
- Gain on sale of equity securities	5,054	89	21,742	5,081
- Loss on sale of equity securities	(122)	-	(122)	-
	4,932	89	21,620	5,081
Net unrealised gain / (losses) on investments at fair value through profit or loss	114,246	(91,382)	(50,911)	(69,833)
Total investment income	361,676	112,728	624,305	358,494
Less: Impairment in value of available for sale equity securities	-	(69,525)	(42,483)	(69,525)
Less: Investment related expenses	(4,618)	(4,161)	(10,013)	(7,323)
	357,058	39,042	571,809	281,646

27.1 This includes Rs. 1,393 thousands (June 30, 2019: Rs. 1,033 thousands) in respect of return on term deposits held with a related party.

28. RENTAL INCOME

Rental income	26,426	24,854	49,307	50,594
Expenses related to investment property	(7,548)	(14,876)	(17,258)	(24,448)
	18,878	9,978	32,049	26,146

29. OTHER INCOME

Return on bank balances	29.1	20,813	26,641	54,800	58,672
Exchange (loss) / gain		(144)	22,418	11,883	23,666
Return on loans to employees		9	5	18	8
Others		1,590	452	1,592	467
(Loss) / gain on sale of fixed assets		(3)	148	35	44
		22,265	49,664	68,328	82,857

29.1 This includes Rs. 26,897 thousands (June 30, 2019: Rs. 3,174 thousands) in respect of return on bank balances held with a related party.

30. EARNINGS PER SHARE - BASIC AND DILUTED

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

	Three months period ended		Six months period ended	
	June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)	June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)
	(Rupees in '000)			
Profit after taxation	305,057	183,720	563,362	477,347
	(Number of shares in '000)			
Weighted average number of shares of Rs.10 each	198,491	198,491	198,491	198,491
	(Rupees)			
Earnings per share of Rs.10 each - basic and diluted	1.54	0.93	2.84	2.40

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

30.2 Weighted average number of shares for comparative figures have been adjusted due to issue of bonus shares during the period.

31. TRANSACTIONS WITH RELATED PARTIES

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

	Three months period ended		Six months period ended	
	June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)	June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)
	(Rupees in '000)			
Associated companies				
Insurance premium written (including government levies, administrative surcharge and policy stamps)	101,349	72,608	208,292	159,175
Insurance premium received / adjusted during the period	141,204	97,250	278,454	191,307
Insurance claims paid	47,003	20,802	74,855	94,555
Commission paid	3,381	3,776	6,469	7,114
Purchases of goods and services	-	1,501	20,450	20,207
Dividend income	5,337	5,337	10,675	10,675
Dividend received from associates under equity method	68,870	73,971	68,870	73,971
Dividend paid	391,197	521,596	391,197	521,596
Rent income	10,395	9,901	20,791	19,802
Reimbursement of expenses *	13,546	8,206	19,337	15,946
Director's fee	150	-	225	150
Donation	-	-	-	2,000

	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	(Rupees in '000)			
Key management personnel				
Remuneration	22,869	33,876	45,747	60,011
Dividend paid	945	1,261	945	1,261
Employees' funds				
Contribution to provident fund	7,683	8,407	15,326	15,893
Provision for gratuity fund	10,500	6,000	16,500	12,000
Others				
Insurance premium written (including government levies, administrative surcharge and policy stamps)	78	78	84	94
Insurance premium received / adjusted during the period	118	75	174	192
Expense allocated to Window Takaful Operations	43,746	6,330	51,075	11,920
Claims paid	-	-	-	112
Rent income	554	534	1,107	1,037
Directors' fee	1,050	1,200	2,100	2,100
Dividend paid	10,590	14,120	10,590	14,120

* These expenses pertain to accident and health business and Common Back Office operations jointly shared with Jubilee Life Insurance Company Limited, an associated company.

32. SEGMENT INFORMATION

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

The class wise revenues, results are as follows:

	For the three months period ended June 30, 2020 (Un-audited)						Total
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	
	(Rupees in '000)						
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	720,696	126,215	300,427	42,621	251,473	414,601	1,856,033
Less: Federal Excise Duty / Sales Tax	87,286	13,692	35,845	4,854	-	50,618	192,295
Federal Insurance Fee	6,286	1,066	2,589	373	2,489	3,591	16,394
Others	(1,265)	4,553	2,035	2	104	326	5,755
Gross written premium (inclusive of Administrative Surcharge)	628,389	106,904	259,958	37,392	248,880	360,066	1,641,589
- Gross direct premium	626,632	103,867	252,154	37,263	248,880	359,064	1,627,860
- Facultative inward premium	-	-	-	-	-	-	-
- Administrative surcharge	1,757	3,037	7,804	129	-	1,002	13,729
	628,389	106,904	259,958	37,392	248,880	360,066	1,641,589
Insurance premium earned	722,997	122,445	338,652	152,495	434,024	455,081	2,225,694
Insurance premium ceded to reinsurers	543,885	23,573	13,760	145,077	750	351,501	1,078,546
Net insurance premium	179,112	98,872	324,892	7,418	433,274	103,580	1,147,148
Commission income	21,604	537	137	7,003	-	32,412	61,693
Net underwriting income	200,716	99,409	325,029	14,421	433,274	135,992	1,208,841
Insurance claims	582,497	61,176	114,647	118,361	278,754	103,087	1,258,522
Insurance claims recovered from reinsurer	400,657	20,328	7,333	116,991	-	94,543	639,852
Net claims	181,840	40,848	107,314	1,370	278,754	8,544	618,670
Commission expense	52,641	17,900	30,475	2,394	18,476	22,603	144,489
Management expense	92,631	47,929	97,446	7,638	45,015	88,754	379,413
Net insurance claims and expenses	327,112	106,677	235,235	11,402	342,245	119,901	1,142,572
Underwriting result	(126,396)	(7,268)	89,794	3,019	91,029	16,091	66,269
Net investment income							357,058
Rental income							18,878
Other income							22,265
Other expenses							(19,154)
Share of loss of associates							(12,422)
Profit from Window Takaful Operations							4,054
Profit before tax							436,948

The class wise revenues, results are as follows:

	For the six months period ended June 30, 2020 (Un-audited)						
	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)	1,599,824	354,784	779,541	551,488	774,558	1,264,956	5,325,151
Less: Federal Excise Duty / Sales Tax	194,300	38,821	93,009	63,466	-	157,708	547,304
Federal Insurance Fee	13,899	3,008	6,753	4,830	7,666	10,903	47,059
Others	(1,450)	11,254	4,357	64	325	938	15,488
Gross written premium (inclusive of Administrative Surcharge)	<u>1,393,075</u>	<u>301,701</u>	<u>675,422</u>	<u>483,128</u>	<u>766,567</u>	<u>1,095,407</u>	<u>4,715,300</u>
- Gross direct premium	1,388,811	293,634	657,399	482,762	766,567	1,079,278	4,668,451
- Facultative inward premium	-	-	-	-	-	13,175	13,175
- Administrative surcharge	4,264	8,067	18,023	366	-	2,954	33,674
	<u>1,393,075</u>	<u>301,701</u>	<u>675,422</u>	<u>483,128</u>	<u>766,567</u>	<u>1,095,407</u>	<u>4,715,300</u>
Insurance premium earned	1,447,164	315,614	693,991	300,490	872,324	915,707	4,545,290
Insurance premium ceded to reinsurers	1,012,513	46,789	27,729	286,669	1,125	707,880	2,082,705
Net insurance premium	434,651	268,825	666,262	13,821	871,199	207,827	2,462,585
Commission income	42,997	1,259	286	13,958	-	68,716	127,216
Net underwriting income	477,648	270,084	666,548	27,779	871,199	276,543	2,589,801
Insurance claims	1,017,952	107,874	250,215	78,314	662,529	374,531	2,491,415
Insurance claims recovered from reinsurer	727,009	21,262	853	77,258	-	262,570	1,088,952
Net claims	290,943	86,612	249,362	1,056	662,529	111,961	1,402,463
Commission expense	107,313	45,177	63,332	4,858	38,215	46,344	305,239
Management expense	201,356	104,185	211,826	16,604	97,851	192,927	824,749
Net insurance claims and expenses	599,612	235,974	524,520	22,518	798,595	351,232	2,532,451
Underwriting result	(121,964)	34,110	142,028	5,261	72,604	(74,689)	57,350
Net investment income							571,809
Rental income							32,049
Other income							68,328
Other expenses							(29,681)
Share of profit of associates							42,193
Profit from Window Takaful Operations							51,865
Profit before tax							793,913

The class wise revenues, results are as follows:

	For the three months period ended June 30, 2019 (Un-audited)						Total
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	
	(Rupees in '000)						
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	569,908	211,410	328,381	35,868	358,827	325,985	1,830,379
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	1,634,183
- 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)
	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	104,542	54,092	109,979	8,621	50,804	100,166	428,203
Net insurance claims and expenses	269,437	106,601	297,462	11,019	412,034	179,016	1,275,568
Underwriting result	24,707	40,813	80,558	(700)	(20,995)	(6,208)	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

The class wise revenues, results are as follows:

For the six months period ended June 30, 2019 (Un-audited)							
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)	1,561,011	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)
	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	214,226	110,845	225,366	17,665	104,106	205,259	877,467
Net insurance claims and expenses	520,932	237,756	615,897	24,153	799,472	399,232	2,597,442
Underwriting result	86,326	72,575	126,485	(3,314)	(45,407)	(39,906)	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

The class wise assets and liabilities are as follows:

As at June 30, 2020 (un-audited)							
Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total	
(Rupees in '000)							
Segment assets	2,637,282	228,188	437,300	1,616,265	438,356	2,724,274	8,081,665
Unallocated corporate assets							15,225,266
Unallocated assets of Window Takaful							375,987
Operation - Operator's Fund							23,682,918
Consolidated total assets							
Segment liabilities	4,022,325	594,661	1,425,183	1,770,616	1,607,545	3,684,453	13,104,783
Unallocated corporate liabilities							2,005,940
Unallocated liabilities of Window Takaful							248,751
Operation - Operator's Fund							15,359,474
Consolidated total liabilities							

As at December 31, 2019 (Audited)							
Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total	
(Rupees in '000)							
Segment assets	1,878,163	168,314	330,673	1,297,794	250,742	2,225,008	6,150,694
Unallocated corporate assets							15,528,949
Unallocated assets of Window Takaful							409,281
Operation - Operator's Fund							22,088,924
Consolidated total assets							
Segment liabilities	3,009,048	507,734	1,256,139	1,414,844	1,446,785	3,087,955	10,722,505
Unallocated corporate liabilities							2,432,440
Unallocated liabilities of Window Takaful							221,918
Operation - Operator's Fund							13,376,863
Consolidated total liabilities							

33. 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

33.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

June 30, 2020 (Un-audited)										
At fair value through profit or loss	Available-for-sale	Held-to-maturity	Loans and receivables	Investments in associates	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
Investments										
- Equity securities	570,422	4,755,614	-	-	-	5,326,036	5,321,739	4,297	-	5,326,036
- Debt securities	-	6,370,245	-	-	-	6,370,245	-	6,370,245	-	6,370,245
Assets of Window Takaful Operations - Operator's Fund	-	75,045	-	-	-	75,045	75,045	-	-	75,045
Financial assets not measured at fair value										
Investments										
- Equity securities*	-	2,500	-	-	-	2,500	-	-	-	-
- Debt securities	-	-	205,383	-	-	205,383	-	-	-	-
- Term deposits*	-	-	127,310	-	-	127,310	-	-	-	-
Loans and other receivables*	-	-	-	254,417	-	254,417	-	-	-	-
Insurance / reinsurance receivables*	-	-	-	2,141,806	-	2,141,806	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	3,758,869	-	3,758,869	-	-	-	-
Salvage recoveries accrued*	-	-	-	30,140	-	30,140	-	-	-	-
Cash and bank*	-	-	-	1,086,031	-	1,086,031	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*	-	-	-	234,362	-	234,362	-	-	-	-
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*										
Insurance / reinsurance payables*	-	-	-	-	(5,364,829)	(5,364,829)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(2,508,419)	(2,508,419)	-	-	-	-
Deposits and other payables*	-	-	-	-	(975,792)	(975,792)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	-	(1,480,539)	(1,480,539)	-	-	-	-
					(47,814)	(47,814)	-	-	-	-
570,422	11,203,404	332,693	7,568,290	-	(10,377,393)	9,297,416	5,396,784	6,374,542	-	11,771,326

	December 31, 2019 (Audited)										
	At fair value through profit or loss	Available-for-sale	Held-to-maturity	Loans and receivables	Investments in associates	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	(Rupees in '000)										
Investments											
- Equity securities	294,004	4,568,550	-	-	-	-	4,862,554	4,856,793	5,761	-	4,862,554
- Debt securities	-	7,135,103	-	-	-	-	7,135,103	-	7,135,103	-	7,135,103
Assets of Window Takaful Operations - Operator's Fund	-	71,035	-	-	-	-	71,035	71,035	-	-	71,035
Financial assets not measured at fair value											
Investments											
- Equity securities*	-	2,500	-	-	-	-	2,500	-	-	-	-
- Debt securities	-	-	202,427	-	-	-	202,427	-	-	-	-
- Term deposits*	-	-	169,596	-	-	-	169,596	-	-	-	-
Loans and other receivables*	-	-	-	174,590	-	-	174,590	-	-	-	-
Insurance / reinsurance receivables*	-	-	-	1,304,973	-	-	1,304,973	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	2,948,397	-	-	2,948,397	-	-	-	-
Salvage recoveries accrued*	-	-	-	30,515	-	-	30,515	-	-	-	-
Cash and bank*	-	-	-	1,148,951	-	-	1,148,951	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*	-	-	-	269,795	-	-	269,795	-	-	-	-
Financial liabilities not measured at fair value											
Provision for outstanding claims (including IBNR)*	-	-	-	-	-	(4,240,397)	(4,240,397)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(1,691,022)	(1,691,022)	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(762,664)	(762,664)	-	-	-	-
Deposits and other payables*	-	-	-	-	-	(1,552,147)	(1,552,147)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	-	-	(40,067)	(40,067)	-	-	-	-
	<u>294,004</u>	<u>11,777,188</u>	<u>372,023</u>	<u>5,945,167</u>	<u>-</u>	<u>(8,286,297)</u>	<u>10,102,085</u>	<u>4,927,828</u>	<u>7,140,864</u>	<u>-</u>	<u>12,068,692</u>

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

34. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on August 20, 2020.

35. GENERAL

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

35.2 Effects of COVID-19 pandemic

On March 11, 2020, the World Health Organisation made an assessment that the outbreak of a coronavirus (COVID-19) can be characterised as a pandemic. As a result, businesses have subsequently been affected amongst others with temporary suspension of travel, and closure of recreation public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the Government of Pakistan, Central Bank and the SECP have taken measures and issued directives to support businesses, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the market.

The Company has made an assessment in order to evaluate the impact of COVID-19 pandemic over the business, operations and profitability of the Company as well as a going concern assessment. As a result of such assessment, the management has not identified any material adverse impact on the business continuity of the Company due to COVID-19 pandemic situation.


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Aryn Currimbhoy
Director


Akbarali Pesnani
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, 2020 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in operator's fund and participants' takaful fund, and notes 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, 2020 and June 30, 2019 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.

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 20, 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION OF OPF AND PTF

As at June 30, 2020

Note	OPF		PTF	
	June 30,	December 31,	June 30,	December 31,
	2020	2019	2020	2019
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
(Rupees in '000)				
Assets				
Property and equipment	7	3,818	4,992	-
Intangible assets		1,583	2,065	-
Investments				
Equity securities	8	75,045	71,035	136,098
Loans and other receivables	9	2,111	1,173	6,852
Takaful / re-takaful receivables	10	-	-	283,745
Salvage recoveries accrued		-	-	7,465
Deferred taxation		3,916	505	-
Deferred wakala fee		-	-	157,628
Receivable from PTF	11	71,826	75,488	-
Re-takaful recoveries against outstanding claims / benefits		-	-	294,504
Deferred commission expense	21	55,174	59,116	-
Prepayments	12	1,118	1,167	74,190
Cash and bank	13	161,396	193,740	522,509
Total assets		375,987	409,281	1,482,991
Funds and Liabilities				
Funds attributable to:				
Operator's Fund (OPF)				
Statutory fund		100,000	100,000	-
Reserves		(9,588)	(1,237)	-
Accumulated profit		36,824	88,600	-
Balance of Operator's Fund		127,236	187,363	-
Participants' Takaful Fund (PTF)				
Seed Money		-	-	500
Reserves		-	-	(15,286)
Accumulated surplus		-	-	209,283
Balance of Participants' Takaful Fund		-	-	194,497
Liabilities				
PTF Underwriting Provisions				
Outstanding claims including IBNR	19	-	-	495,932
Unearned contribution reserves		-	-	491,424
Reserve for unearned re-takaful rebate	18	-	-	3,496
		-	-	990,852
Unearned wakala fee	20	157,628	152,118	-
Contribution received in advance		-	-	16,065
Takaful / re-takaful payables	14	-	-	194,277
Other creditors and accruals	15	50,201	42,348	15,474
Taxation - provision less payments		40,922	27,452	-
Payable to OPF	11	-	-	71,826
Total Liabilities		248,751	221,918	1,288,494
Total Funds and Liabilities		375,987	409,281	1,482,991
Contingencies and commitments	16			


The annexed notes 1 to 29 form an integral part of these financial statements.


 R. Zakir Mahmood
 Chairman


 Hassan Khan
 Chief Executive


 Amyn Currimbhoy
 Director


 Akbarali Pesnani
 Director


 Nawaid Jamal
 Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the three months and six months period ended June 30, 2020

Note	Three months period ended		Six months period ended	
	June 30,	June 30,	June 30,	June 30,
	2020	2019	2020	2019
.....(Rupees in '000).....				
PTF				
Contribution earned	193,141	173,633	393,124	340,182
Less: Contribution ceded to retakaful	(43,934)	(31,932)	(87,925)	(61,982)
Net contribution revenue	17	149,207	141,701	305,199
Re-takaful rebate earned	18	2,330	877	4,616
Net underwriting income		151,537	142,578	309,815
Net claims	19	(115,113)	(170,985)	(254,110)
Other direct expenses		(480)	(715)	(392)
Surplus / (deficit) before investment income		35,944	(29,122)	55,313
Investment income	22	842	798	8,187
Other income	23	10,374	9,386	23,143
Less: Modarib's share of investment income	24	(2,258)	(2,039)	(6,270)
Surplus / (deficit) transferred to accumulated surplus		44,902	(20,977)	80,373
OPF				
Wakala fee	20	89,840	75,304	182,082
Commission expense	21	(32,461)	(24,918)	(65,452)
General, administrative and management expenses		(59,840)	(23,464)	(85,316)
		(2,461)	26,922	31,314
Modarib's share of PTF investment income	24	2,258	2,039	6,270
Investment income	22	500	(2,280)	5,743
Direct expenses		(840)	(233)	(1,542)
Other income	23	4,597	3,177	10,080
Profit before taxation		4,054	29,625	51,865
Taxation		(1,175)	(8,869)	(15,041)
Profit after taxation		2,879	20,756	36,824


The annexed notes 1 to 29 form an integral part of these financial statements.


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Amyn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the three months and six months period ended June 30, 2020

	Three months period ended		Six months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
.....(Rupees in '000).....				
PTF				
Surplus / (deficit) during the period	44,902	(20,977)	80,373	228
Other comprehensive income for the period:				
Item that may be reclassified to the profit and loss account in subsequent period				
- Net unrealised gain / (loss) arising during the period on revaluation of available-for-sale investments	28,421	(11,996)	(13,709)	(13,176)
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account	-	-	(906)	-
Other comprehensive income / (loss) for the period	28,421	(11,996)	(14,615)	(13,176)
Total comprehensive income / (loss) for the period	73,323	(32,973)	65,758	(12,948)
OPF				
Profit after tax for the period	2,879	20,756	36,824	40,785
Other comprehensive income for the period:				
Item that may be reclassified to the profit and loss account in subsequent period				
- Net unrealised gain / (loss) arising during the period on revaluation of available-for-sale investments - net of tax	11,105	(5,225)	(7,714)	(5,908)
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	-	-	(637)	-
Other comprehensive income / (loss) for the period	11,105	(5,225)	(8,351)	(5,908)
Total comprehensive income for the period	13,984	15,531	28,473	34,877


The annexed notes 1 to 29 form an integral part of these financial statements.


 R. Zakir Mahmood
 Chairman


 Hassan Khan
 Chief Executive


 Aryn Currimbhoy
 Director


 Akbarali Pesnani
 Director


 Nawaid Jamal
 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND

For the six months period ended June 30, 2020

	Attributable to Operator's Fund			Total
	Statutory Fund	Available for sale Investment revaluation reserve	Unappropriated profit	
	(Rupees in '000)			
Balance as at January 01, 2019 (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 loss for the period	-	(5,908)	-	(5,908)
Balance as at June 30, 2019 (un-audited)	100,000	(9,491)	40,785	131,294
Balance as at January 01, 2020 (audited)	100,000	(1,237)	88,600	187,363
Profit after tax for the period	-	-	36,824	36,824
Transfer of profit to the Company	-	-	(88,600)	(88,600)
Other comprehensive loss for the period	-	(8,351)	-	(8,351)
Balance as at June 30, 2020 (un-audited)	100,000	(9,588)	36,824	127,236

	Attributable to participants of the PTF			Total
	Seed money	Available for sale Investment revaluation reserve	Accumulated surplus	
	(Rupees in '000)			
Balance as at January 01, 2019 (audited)	500	(1,790)	135,856	134,566
Surplus for the period	-	-	228	228
Other comprehensive loss for the period	-	(13,176)	-	(13,176)
Balance as at June 30, 2019 (un-audited)	500	(14,966)	136,084	121,618
Balance as at January 01, 2020 (audited)	500	(671)	128,910	128,739
Surplus for the period	-	-	80,373	80,373
Other comprehensive loss for the period	-	(14,615)	-	(14,615)
Balance as at June 30, 2020 (un-audited)	500	(15,286)	209,283	194,497


The annexed notes 1 to 29 form an integral part of these financial statements.


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Aryn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six months period ended June 30, 2020

	OPF		PTF	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
..... (Rupees in '000)				
Operating Cash flows				
(a) Takaful activities				
Contribution received	-	-	500,642	504,597
Re-takaful contribution paid	-	-	(24,136)	(52,639)
Claims / benefits paid	-	-	(257,665)	(232,056)
Re-takaful and other recoveries received	-	-	75,308	594
Commission paid	(60,899)	(56,817)	-	-
Commission received	-	-	3,129	2,058
Wakala fee received	190,455	156,264	-	-
Wakala fee paid	-	-	(190,455)	(156,264)
Mudarib share received	7,069	3,588	-	-
Mudarib share paid	-	-	(7,069)	(3,588)
Net cash generated from takaful activities	136,625	103,035	99,754	62,702
(b) Other operating activities				
Income tax paid	(1,569)	(1,001)	(3,321)	(2,227)
General and other expenses paid	(85,097)	(47,364)	(765)	(515)
Other operating payments	(1,057)	(2,029)	(62,088)	(61,788)
Other operating receipts	7,343	3,976	64,064	62,665
Net cash used in other operating activities	(80,380)	(46,418)	(2,110)	(1,865)
Total cash generated from all operating activities	56,245	56,617	97,644	60,837
Investment activities				
Profit / return received	10,040	6,375	22,651	19,872
Dividend received	1,325	1,900	1,818	1,379
Payment for investments	(39,966)	(40,323)	(98,033)	(88,224)
Proceeds from investments	28,612	-	40,492	-
Total cash generated from / (used in) investing activities	11	(32,048)	(33,072)	(66,973)
Financing activities - Profit paid to the Operator	(88,600)	(58,512)	-	-
Net cash (used in) / generated from all activities	(32,344)	(33,943)	64,572	(6,136)
Cash and cash equivalents at the beginning of the period	193,740	170,203	457,937	490,512
Cash and cash equivalents at the end of the period	161,396	136,260	522,509	484,376
Reconciliation to profit and loss account				
Operating cash flows	56,245	56,617	97,644	60,837
Depreciation expense	(1,174)	(1,230)	-	-
Amortisation	(482)	(493)	-	-
Profit / return received	10,040	6,375	22,651	19,872
Profit on disposal of investments	4,418	-	6,369	-
Dividend income	1,325	1,900	1,818	1,379
Impairment in value of available-for-sale securities	-	(3,257)	-	(376)
(Decrease) / increase in assets other than cash	(6,715)	31,400	364,407	82,064
Increase in liabilities other than borrowings	(26,833)	(50,527)	(412,516)	(163,548)
Net profit / surplus for the period	36,824	40,785	80,373	228

The annexed notes 1 to 29 form an integral part of these financial statements.


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Amyn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six months period ended June 30, 2020

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 the 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 SECP Takaful Rules, 2012 to undertake Window Takaful Operations (the Operations) by the Securities and Exchange Commission of Pakistan (SECP) under SECP 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 7, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the SECP Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the SECP Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 shall prevail.

2.1.1 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, 2019.

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

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for 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 and presentation 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

The SECP through its notification SRO 416 (I) / 2019 dated November 20, 2019 has issued General Takaful Accounting Regulations, 2019 (the Regulations) which have come into force from accounting periods beginning on or after January 1, 2020. The impact of these Regulations have been detailed in note 3.1 to these condensed interim financial statements.

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 1, 2020 but are considered not to be relevant or do not have any significant effect on the Operator's operations and are therefore not detailed 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, amendment and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2020:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments on Classification)	January 1, 2022
- IFRS 16 - 'Leases' (amendments)	June 1, 2020
- IFRS 9 - 'Financial Instruments'	January 1, 2023*

* 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. Further details relating to temporary exemption from the application of IFRS 9 are given in notes 2.5.1 and 2.5.1.1 to these interim condensed financial statements.

The management is in the process of assessing the impact of these standards, amendments and interpretations on the condensed financial statements of the Operator.

2.5.1 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 2.5.1.1 below.

2.5.1.1 Fair value of financial assets as at June 30, 2020 and changes in fair values during the six months period ended June 30, 2020

Financial assets that do not meet the SPPI criteria	As at June 30, 2020 (Rupees in '000).
Operator's Fund	
<i>Equity Securities - Available for sale (note 8)</i>	
Opening fair value	71,035
Additions / (disposals) during the period - net	15,772
Increase in fair value	(11,762)
Closing fair value	<u>75,045</u>
Participants' Takaful Fund	
<i>Equity Securities - Available for sale (note 8)</i>	
Opening fair value	86,801
Additions / (disposals) during the period - net	63,912
Increase in fair value	(14,615)
Closing fair value	<u>136,098</u>

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim 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, 2019 except for the following change:

- 3.1** During 2019, the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 1416 (I) / 2019 dated November 20, 2019 has issued the General Takaful Accounting Regulations, 2019 (Regulations). The Regulations prescribe revised formats for the regulatory returns and the published financial statements of the Operator. These Regulations are applicable from January 1, 2020. The Operator has prepared these condensed interim financial statements for the period ended June 30, 2020 based on these revised Regulations. The comparative information in these condensed interim financial statements has been presented in line with the above mentioned Regulations. Further, upon application of General Takaful Accounting Regulations, 2019, the management has carried out a detailed exercise for determination of expenses that relate to Window Takaful Operations. Based on this exercise, the management has revised the basis of expense allocation during the current period and the revised basis will be followed consistently in future periods.

The changes in the statement of financial position, profit and loss account, statement of changes in funds and notes to the condensed interim financial statements due to application of General Takaful Accounting Regulations, 2019 are given below:

1. Statement of financial position

- (a) "Wakala and modarib fee receivable" has been merged and presented as "receivable from PTF"
- (b) "Wakala and modarib fee payable" has been renamed as "payable to OPF"

2. Profit and loss account

- (a) Profit and loss account - PTF
"Other income" and "other expenses" have been merged into "other income".
- (b) Profit and loss account - OPF
"Other income" and "other expenses" have been merged into "other income".

3. "Statement of changes in funds" has been renamed to "statement of changes in operator's fund" and "participants' takaful fund"

4. Statement of cash flows

Modarib share received / paid has been moved to under operating cash flows from takaful activities.

5. Notes to the financial statements

Notes 11 (receivable / payable) and 23 (other income) have been added.

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 and income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the 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, 2019.

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, 2019.

6. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made in these 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.

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
.....(Rupees in '000).....			
7. PROPERTY AND EQUIPMENT			
Operating assets	7.1	3,818	4,992
7.1	The break-up of operating assets as at June 30, 2020 is given below:		
	Furniture and fixtures	2,193	2,884
	Office equipment	1,475	1,933
	Computers and related accessories	150	175
		<u>3,818</u>	<u>4,992</u>
7.2	Movement of property and equipment during the six months period ended June 30, 2020 is as follows:		
	Opening book value	4,992	7,395
	Less: depreciation for the period / year	1,174	2,403
	Closing book value	<u>3,818</u>	<u>4,992</u>

8. INVESTMENT IN EQUITY SECURITIES - AVAILABLE-FOR-SALE

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Cost	Impairment / provision for the period	Carrying value	Cost	Impairment / provision for the year	Carrying value
..... (Rupees in '000).....						
OPF						
Others						
Listed shares	88,549	-	75,045	72,777	4,717	71,035
PTF						
Others						
Listed shares	151,384	-	136,098	87,474	1,782	86,801

9. LOANS AND OTHER RECEIVABLES

	OPF		PTF	
	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees in '000)			
Accrued investment income	-	-	1,207	697
Advance to suppliers	906	506	-	-
Sales tax recoverable	65	100	1,209	1,926
Medical claims recoverable	-	-	598	727
Other receivables	1,140	567	3,838	520
	<u>2,111</u>	<u>1,173</u>	<u>6,852</u>	<u>3,870</u>

10. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF

	Note	June 30,	December 31,
		2020 (Unaudited)	2019 (Audited)
		(Rupees in '000)	
Due from takaful participant holders	10.1	260,731	147,530
Due from other Takaful / Re-takaful operators	10.2	23,014	61,238
		<u>283,745</u>	<u>208,768</u>

10.1 This includes Rs. Nil (December 31, 2019: Rs. 2 thousands) receivable due from a related party.

10.2 This includes Rs. 190 thousands (December 31, 2019: Rs. 740 thousands) due from a related party.

11. RECEIVABLE / PAYABLE (Current account between OPF and PTF)

	OPF		PTF	
	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees in '000)			
Wakala fee	69,568	72,431	(69,568)	(72,431)
Modarib fee	2,258	3,057	(2,258)	(3,057)
	<u>71,826</u>	<u>75,488</u>	<u>(71,826)</u>	<u>(75,488)</u>

12. PREPAYMENTS

Prepaid re-takaful contribution ceded	-	-	74,190	74,947
Prepaid miscellaneous expenses	1,118	1,167	-	-
	<u>1,118</u>	<u>1,167</u>	<u>74,190</u>	<u>74,947</u>

13. CASH & BANK

	OPF		PTF	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	..... (Rupees in '000)			
Cash and cash equivalents				
Policy and revenue stamps	2	5	551	188
Cash at bank				
- Current accounts	-	-	16,247	7,000
- Savings accounts	161,394	193,735	505,711	450,749
	161,394	193,735	521,958	457,749
	161,396	193,740	522,509	457,937

Note

13.1 & 13.2

13.1 Cash and bank balances of OPF include Rs. 84,681 thousands (December 31, 2019: Rs. 131,573 thousands) held with a related party.

13.2 Cash and bank balances of PTF include Rs. 109,730 thousands (December 31, 2019: Rs. 158,648 thousands) held with a related party.

14. TAKAFUL / RE-TAKAFUL PAYABLES - PTF

	PTF	
	June 30, 2020	December 31, 2019
	(Un-audited)	(Audited)
	..... (Rupees in '000)	
Due to takaful participants	6,180	5,107
Due to other takaful / re-takaful operators	188,097	125,064
	194,277	130,171

15. OTHER CREDITORS AND ACCRUALS

	OPF		PTF	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	..... (Rupees in '000)			
Agents commission payable	40,489	39,878	-	-
Federal excise duty / sales tax	-	-	7,683	8,147
Federal Takaful Fee	-	-	747	718
Accrued expenses	2,387	2,281	1,829	2,137
Other tax payables	-	-	1,033	815
Miscellaneous	7,325	189	4,182	2,884
	50,201	42,348	15,474	14,701

16. CONTINGENCIES AND COMMITMENTS

The status of contingencies remains unchanged as disclosed in the annual audited financial statements as at December 31, 2019, except for the following:

During the period, the Punjab Revenue Authority (PRA) vide notification No. SO(TAX)1-110/2020 (COVID-19) dated April 2, 2020 has revised the rate of sales tax on health insurance to zero percent for the period from April 2, 2020 till June 30, 2020. However, in view of the matter already taken up by the insurance industry with the Punjab Revenue Authority regarding exemption available from the applicability of the sales tax on health insurance in other provinces and in federal territory as well, the Operator has not yet billed their customers for health insurance services provided in the province of Punjab for the provincial sales tax for the period from November 1, 2018 to April 1, 2020. The amount not yet billed by the Operator would be recoverable from the customers accordingly.

.....(Un-audited).....

Three months period ended		Six months period ended	
June 30,	June 30,	June 30,	June 30,
2020	2019	2020	2019

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

17. NET CONTRIBUTION REVENUE

PTF				
Written Gross Contribution	224,337	267,477	613,831	578,698
Less: Wakala fee	69,519	83,361	187,592	176,969
Contribution net of Wakala fee	154,818	184,116	426,239	401,729
Add: Unearned contribution reserve - opening	372,119	308,496	300,681	257,432
Less: Unearned contribution reserve - closing	333,796	318,979	333,796	318,979
Contribution earned	193,141	173,633	393,124	340,182
Re-takaful contribution ceded	42,277	27,933	87,168	67,777
Add: Prepaid re-takaful contribution - opening	75,847	59,895	74,947	50,101
Less: Prepaid re-takaful contribution - closing	74,190	55,896	74,190	55,896
Re-takaful expense	43,934	31,932	87,925	61,982
Net contribution	149,207	141,701	305,199	278,200

18. RETAKAFUL REBATE EARNED

PTF				
Retakaful rebate / commission received	1,151	389	3,129	2,058
Add: Unearned retakaful rebate / commission - opening	4,675	2,384	4,983	1,397
Less: Unearned retakaful rebate / commission - closing	3,496	1,896	3,496	1,896
	2,330	877	4,616	1,559

19. NET CLAIMS

PTF				
Benefits / claims paid	130,419	121,258	257,665	232,056
Add: outstanding benefits / claims including IBNR - closing	495,932	174,776	495,932	174,776
Less: outstanding benefits / claims including IBNR - opening	528,271	128,686	180,708	114,527
Claims expense	98,080	167,348	572,889	292,305
Re-takaful and other recoveries received	35,916	1,003	37,084	2,913
Add: Re-takaful and other recoveries in respect of outstanding claims - closing	301,969	11,467	301,969	11,467
Less: Re-takaful and other recoveries against outstanding claims - opening	354,918	16,107	20,274	16,314
Re-takaful and other recoveries revenue	(17,033)	(3,637)	318,779	(1,934)
Net claims expense	115,113	170,985	254,110	294,239

20. WAKALA FEE INCOME

OPF				
Gross Wakala fee	69,519	83,361	187,592	176,969
Add: Unearned Wakala fee income - opening	177,949	137,743	152,118	113,999
Less: Unearned Wakala fee income - closing	157,628	145,800	157,628	145,800
	89,840	75,304	182,082	145,168

21. COMMISSION EXPENSE

OPF				
Commission paid or payable	23,671	25,358	61,510	58,721
Add: Deferred commission expense - opening	63,964	47,635	59,116	37,387
Less: Deferred commission expense - closing	55,174	48,075	55,174	48,075
	32,461	24,918	65,452	48,033

.....(Un-audited).....

	Three months period ended		Six months period ended	
	June 30,	June 30,	June 30,	June 30,
Note	2020	2019	2020	2019

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

OPF

22. INVESTMENT INCOME

Income from equity securities - Available-for-sale

Dividend income	500	982	1,325	1,500
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Net realised gains / (losses) on investments

Available-for-sale

Realised gain on sale of equity securities	-	-	4,542	-
Realised loss on sale of equity securities	-	-	(124)	-
	-	-	4,418	-

Total investment income	500	982	5,743	1,500
Less: Impairment in value of available-for-sale equity securities	-	(3,257)	-	(3,257)
Less: Investment related expenses	-	(5)	-	(10)
	500	(2,280)	5,743	(1,767)

PTF

Income from equity securities - Available-for-sale

Dividend income	842	1,179	1,818	1,379
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Net realised gains / (losses) on investments

Available-for-sale

Realised gain on sale of equity securities	-	-	6,369	-
Realised loss on sale of equity securities	-	-	-	-
	-	-	6,369	-

Total investment income	842	1,179	8,187	1,379
Less: Impairment in value of available-for-sale equity securities	-	(376)	-	(376)
Less: Investment related expenses	-	(5)	-	(10)
	842	798	8,187	993

23. OTHER INCOME

OPF

Return on bank balances	23.1	4,557	3,177	10,040	6,312
Miscellaneous		40	-	40	-
		4,597	3,177	10,080	6,312

PTF

Return on bank balances	23.2	10,448	9,400	23,162	19,374
Miscellaneous		(74)	(14)	(19)	(14)
		10,374	9,386	23,143	19,360

23.1 This includes Rs. 6,493 thousands (June 30, 2019: Rs. 4,878 thousands) in respect of return on bank balances held with a related party.

23.2 This includes Rs. 6,293 thousands (June 30, 2019: Rs. 3,361 thousands) in respect of return on bank balances held with a related party.

24. MODARIB'S FEE

The Operator manages the participants' investments as a Modarib and charges 20% Modarib's share of the investment income earned by PTF.

25. 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, 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,	June 30,	June 30,	June 30,
Note		2020	2019	2020	2019
		.....(Rupees in '000).....			
Rent	25.1	553	534	1,106	1,037
Reimbursement of expenses	25.2	35,745	8,848	44,017	15,698
Remuneration of key management personnel		2,692	2,914	5,372	5,826
Contributions to provident fund		130	265	259	491

25.1 This represents rent paid to the Operator.

25.2 These expenses pertain to accident and health business, common back office operations jointly shared with Jubilee Life Insurance Company Limited (an associated company) and allocation of personnel expenses of the employees who invested their efforts in takaful business.

26. SEGMENT INFORMATION

Segment information is prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the General Takaful Accounting Regulations, 2019 for class wise revenues, results, assets and liabilities:

The class wise revenues and results are as follows:

Three months period ended June 30, 2020 (Un-audited) - PTF						
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
..... (Rupees in '000)						
Contribution received / receivable (inclusive of Federal Excise Duty / Sales Tax , Federal Takaful Fee and Administrative surcharge)	35,602	22,618	93,267	85,278	11,016	247,781
Less: Federal Excise Duty	4,178	2,373	11,132	-	1,262	18,945
Federal Takaful Fee	305	189	800	844	98	2,236
Others	106	1,111	986	56	4	2,263
Gross written contribution (inclusive of administrative surcharge)	31,013	18,945	80,349	84,378	9,652	224,337
Gross direct contribution	30,656	18,312	77,540	84,378	9,549	220,435
Administrative surcharge	357	633	2,809	-	103	3,902
	31,013	18,945	80,349	84,378	9,652	224,337
Less: Wakala fee	10,392	6,631	24,180	25,662	2,654	69,519
	20,621	12,314	56,169	58,716	6,998	154,818
Takaful contribution earned	29,982	11,598	88,160	52,243	11,158	193,141
Takaful contribution ceded to re-takaful	(25,026)	(7,322)	(6,272)	-	(5,314)	(43,934)
Net takaful contribution	4,956	4,276	81,888	52,243	5,844	149,207
Re-takaful rebate	2,022	55	20	-	233	2,330
Net underwriting income	6,978	4,331	81,908	52,243	6,077	151,537
Takaful claims	19,099	(13,386)	(53,098)	(44,090)	(6,605)	(98,080)
Takaful claims recovered from re-takaful	(26,097)	2,800	4,299	-	1,965	(17,033)
Net claims	(6,998)	(10,586)	(48,799)	(44,090)	(4,640)	(115,113)
Other direct expenses	-	-	(480)	-	-	(480)
(Deficit) / surplus before investment income	(20)	(6,255)	32,629	8,153	1,437	35,944
Net investment income						842
Other income						10,374
Modarib share of investment income						(2,258)
Surplus transferred to Balance of PTF						44,902

Three months period ended June 30, 2020 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Wakala fee	15,145	6,256	38,407	25,788	4,244	89,840
Commission expense	(6,855)	(2,989)	(12,222)	(9,555)	(840)	(32,461)
Management expenses	(7,576)	(5,955)	(28,945)	(13,411)	(3,953)	(59,840)
	714	(2,688)	(2,760)	2,822	(549)	(2,461)
Mudarib share of PTF investment income						2,258
Investment income						500
Direct expenses						(840)
Other income						4,597
Profit before taxation						4,054
Taxation						(1,175)
Profit after tax						2,879

Three months period ended June 30, 2019 (Un-audited) - PTF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Contribution received / receivable (inclusive of Federal Excise Duty / Sales Tax , Federal Takaful Fee and Administrative Surcharge)	30,972	18,463	134,343	91,815	19,931	295,524
Less: Federal Excise Duty	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
Gross written contribution (inclusive of administrative surcharge)	27,066	15,628	116,279	90,871	17,633	267,477
Gross direct contribution	26,696	15,026	112,707	90,871	17,514	262,814
Administrative surcharge	370	602	3,572	-	119	4,663
	27,066	15,628	116,279	90,871	17,633	267,477
Less: Wakala fee	9,067	5,470	36,840	27,135	4,849	83,361
	17,999	10,158	79,439	63,736	12,784	184,116
Takaful contribution earned	20,984	11,473	86,148	43,466	11,562	173,633
Takaful contribution ceded to re-takaful	(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 underwriting income	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	(99)	-	(3,316)	-	(222)	(3,637)
Net claims	(10,936)	(51,553)	(57,674)	(50,843)	21	(170,985)
Other direct expenses	-	-	(715)	-	-	(715)
(Deficit) / surplus before investment income	(2,801)	(46,135)	22,606	(7,377)	4,585	(29,122)
Net investment income						798
Other income						9,386
Modarib share of investment income						(2,039)
Surplus transferred to balance of PTF						(20,977)

Three months period ended June 30, 2019 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Wakala fee	10,562	6,220	36,028	18,104	4,390	75,304
Commission expense	(4,745)	(2,909)	(10,492)	(5,556)	(1,216)	(24,918)
Management expenses	(3,291)	(1,938)	(11,226)	(5,641)	(1,368)	(23,464)
	2,526	1,373	14,310	6,907	1,806	26,922
Mudarib share of PTF investment income						2,039
Investment income						(2,280)
Direct expenses						(233)
Other income						3,177
Profit before taxation						29,625
Taxation						(8,869)
Profit after tax						20,756

Six months period ended June 30, 2020 (Un-audited) - PTF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Contribution received / receivable (inclusive of Federal Excise Duty / Sales Tax , Federal Takaful Fee and Administrative surcharge)	84,409	45,686	301,950	211,403	35,593	679,041
Less: Federal Excise Duty	10,030	4,837	36,445	-	4,119	55,431
Federal Takaful Fee	732	383	2,639	2,092	312	6,158
Others	173	2,178	1,146	112	12	3,621
Gross written contribution (inclusive of administrative surcharge)	73,474	38,288	261,720	209,199	31,150	613,831
Gross direct contribution	72,828	36,900	255,285	209,199	30,887	605,099
Administrative surcharge	646	1,388	6,435	-	263	8,732
	73,474	38,288	261,720	209,199	31,150	613,831
Less: Wakala fee	24,616	13,402	77,912	63,096	8,566	187,592
	48,858	24,886	183,808	146,103	22,584	426,239
Takaful contribution earned	60,284	25,323	179,673	104,649	23,195	393,124
Takaful contribution ceded to re-takaful	(48,919)	(14,348)	(12,363)	-	(12,295)	(87,925)
Net takaful contribution	11,365	10,975	167,310	104,649	10,900	305,199
Re-takaful rebate	3,689	62	32	-	833	4,616
Net underwriting income	15,054	11,037	167,342	104,649	11,733	309,815
Takaful claims	(348,799)	(13,146)	(107,967)	(95,793)	(7,184)	(572,889)
Takaful claims recovered from re-takaful	313,294	1,985	2,297	-	1,203	318,779
Net claims	(35,505)	(11,161)	(105,670)	(95,793)	(5,981)	(254,110)
Other direct expenses	-	-	(392)	-	-	(392)
(Deficit) / surplus before investment income	(20,451)	(124)	61,280	8,856	5,752	55,313
Net investment income						8,187
Other income						23,143
Modarib share of investment income						(6,270)
Surplus transferred to Balance of PTF						80,373

Six months period ended June 30, 2020 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Wakala fee	30,500	13,675	77,686	51,415	8,806	182,082
Commission expense	(13,688)	(6,419)	(24,465)	(18,833)	(2,047)	(65,452)
Management expenses	(14,291)	(6,407)	(36,401)	(24,091)	(4,126)	(85,316)
	2,521	849	16,820	8,491	2,633	31,314
Mudarib share of PTF investment income						6,270
Investment income						5,743
Direct expenses						(1,542)
Other income						10,080
Profit before taxation						51,865
Taxation						(15,041)
Profit after tax						36,824

Six months period ended June 30, 2019 (Un-audited) - PTF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Contribution received / receivable (inclusive of Federal Excise Duty / Sales Tax , Federal Takaful Fee and Administrative surcharge)	70,204	41,674	312,053	171,306	48,456	643,693
Less: Federal Excise Duty	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
Gross written contribution (inclusive of administrative surcharge)	61,107	35,273	270,204	169,520	42,594	578,698
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
	61,107	35,273	270,204	169,520	42,594	578,698
Less: Wakala fee	20,471	12,346	81,478	50,961	11,713	176,969
	40,636	22,927	188,726	118,559	30,881	401,729
Takaful contribution earned	39,853	23,409	171,267	84,727	20,926	340,182
Takaful contribution ceded to re-takaful	(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 underwriting income	14,665	10,510	161,325	84,727	8,532	279,759
Takaful claims	(17,316)	(62,710)	(108,117)	(100,928)	(3,234)	(292,305)
Takaful claims recovered from re-takaful	118	-	(2,366)	-	314	(1,934)
Net claims	(17,198)	(62,710)	(110,483)	(100,928)	(2,920)	(294,239)
Other direct expenses	-	-	(1,572)	-	-	(1,572)
(Deficit) / surplus before investment income	(2,533)	(52,200)	49,270	(16,201)	5,612	(16,052)
Net investment income						993
Other income						19,360
Modarib share of investment income						(4,073)
Surplus transferred to Balance of PTF						228

Six months period ended June 30, 2019 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Wakala fee	20,025	12,613	70,722	33,891	7,917	145,168
Commission expense	(9,035)	(5,983)	(20,638)	(9,935)	(2,442)	(48,033)
Management expenses	(6,604)	(4,160)	(23,324)	(11,177)	(2,611)	(47,876)
	4,386	2,470	26,760	12,779	2,864	49,259
Mudarib share of PTF investment income						4,073
Investment income						(1,767)
Direct expenses						(434)
Other income						6,312
Profit before taxation						57,443
Taxation						(16,658)
Profit after tax						40,785

The classwise assets and liabilities are as follows:

June 30, 2020 (Un-audited) - PTF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Corporate segment assets	392,472	34,971	225,251	118,090	47,345	818,129
Corporate unallocated assets						664,862
Total assets						1,482,991
Corporate segment liabilities	437,601	62,385	453,035	269,885	65,588	1,288,494
Corporate unallocated liabilities						-
Total liabilities						1,288,494

(UN-AUDITED)

June 30, 2020 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Corporate segment assets	23,055	7,196	52,801	39,393	4,554	126,999
Corporate unallocated assets						248,988
Total assets						375,987
Corporate segment liabilities	33,645	7,386	92,410	64,481	9,906	207,828
Corporate unallocated liabilities						40,923
Total liabilities						248,751

December 31, 2019 (Audited) - PTF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Corporate segment assets	101,416	31,514	196,438	87,850	39,616	456,834
Corporate unallocated assets						547,881
Total assets						1,004,715
Corporate segment liabilities	145,276	63,140	407,383	198,169	62,008	875,976
Corporate unallocated liabilities						-
Total liabilities						875,976

December 31, 2019 (Audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Corporate segment assets	25,553	8,323	57,641	36,582	6,505	134,604
Corporate Operator's Fund						274,677
Total assets						409,281
Corporate segment liabilities	37,557	7,585	90,381	48,804	10,138	194,466
Corporate unallocated liabilities						27,452
Total liabilities						221,918

27. 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Operator is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Operator to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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, 2020 (Un-audited)							
	Carrying amount			Fair value				
	Available-for-sale	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	211,143	-	-	211,143	211,143	-	-	211,143
Financial assets not measured at fair value								
Cash and bank*	-	683,905	-	683,905	-	-	-	-
Takaful / re-takaful receivables*	-	283,745	-	283,745	-	-	-	-
Receivable from PTF*	-	71,826	-	71,826	-	-	-	-
Loans and other receivables*	-	6,783	-	6,783	-	-	-	-
Salvage recoveries accrued*	-	7,465	-	7,465	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	294,504	-	294,504	-	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	(495,932)	(495,932)	-	-	-	-
Takaful / Re-takaful payables*	-	-	(194,277)	(194,277)	-	-	-	-
Wakala and mudarib fee payable*	-	-	(71,826)	(71,826)	-	-	-	-
Other creditors and accruals*	-	-	(56,212)	(56,212)	-	-	-	-
	211,143	1,348,228	(818,247)	741,124	211,143	-	-	211,143

	December 31, 2019 (Audited)							
	Carrying amount			Fair value				
	Available-for-sale	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	157,836	-	-	157,836	157,836	-	-	157,836
Financial assets not measured at fair value								
Cash and bank*	-	651,677	-	651,677	-	-	-	-
Takaful / Re-takaful receivables*	-	208,768	-	208,768	-	-	-	-
Wakala and mudarib fee receivable*	-	75,488	-	75,488	-	-	-	-
Loans and receivables*	-	2,511	-	2,511	-	-	-	-
Salvage recoveries accrued*	-	5,500	-	5,500	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	14,774	-	14,774	-	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	(180,708)	(180,708)	-	-	-	-
Takaful / Re-takaful payables*	-	-	(130,171)	(130,171)	-	-	-	-
Wakala and mudarib fee payable*	-	-	(75,488)	(75,488)	-	-	-	-
Other creditors and accruals*	-	-	(47,369)	(47,369)	-	-	-	-
	<u>157,836</u>	<u>958,718</u>	<u>(433,736)</u>	<u>682,818</u>	<u>157,836</u>	<u>-</u>	<u>-</u>	<u>157,836</u>

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

28. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on August 20, 2020.

29. GENERAL

29.1 Rounding off

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

29.2 Effects of COVID-19 pandemic

On March 11, 2020, the World Health Organisation made an assessment that the outbreak of a coronavirus (COVID-19) can be characterised as a pandemic. As a result, businesses have subsequently been affected amongst others with temporary suspension of travel, and closure of recreation public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the Government of Pakistan, Central Bank and the SECP have taken measures and issued directives to support businesses, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the market.

The Operator has made an assessment in order to evaluate the impact of COVID-19 pandemic over the business, operations and profitability of the Operator as well as a going concern assessment. As a result of such assessment, the management has not identified any material adverse impact on the business continuity of the Operator due to COVID-19 pandemic situation.


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Amyn Currimbhoy
Director


Akbarali Pesnani
Director









Nawaid Jamal
Chief Financial Officer










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