

THE PINNACLE OF SUCCESS

INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2019





PINNACLE OF SUCCESS

At Adamjee Insurance our aspirations reflect the commitment, passion and resilience that goes into our performance for our customers. With our teamwork nothing is unreachable, no matter what the route ahead for us, we are ready to move mountains. It is the mountain that inspires us to go further, for each climb takes us closer to success.



**THE PATHWAY
TO SUCCESS**

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VISION

Our will is to explore, innovate and differentiate.

Our passion is to provide leadership to insurance industry.



CORE VALUES

- Integrity
- Humility
- Fun at the Workplace
- Corporate Social Responsibility

COMPANY INFORMATION

BOARD OF DIRECTORS

Umer Mansha	Chairman
Ibrahim Shamsi	Director
Imran Maqbool	Director
Muhammad Anees	Director
Muhammad Arif Hameed	Director
Sadia Younas Mansha	Director
Shaikh Muhammad Jawed	Director
Muhammad Ali Zeb	Managing Director & CEO

ADVISOR

Mian Muhammad Mansha

AUDIT COMMITTEE

Muhammad Anees	Chairman
Ibrahim Shamsi	Member
Shaikh Muhammad Jawed	Member
Umer Mansha	Member

ETHICS, HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Anees	Chairman
Ibrahim Shamsi	Member
Muhammad Ali Zeb	Member
Umer Mansha	Member

INVESTMENT COMMITTEE

Umer Mansha	Chairman
Imran Maqbool	Member
Muhammad Ali Zeb	Member
Muhammad Asim Nagi	Member

COMPANY SECRETARY

Tameez ul Haque
F.C.A

CHIEF FINANCIAL OFFICER

Muhammad Asim Nagi
A.C.A

EXECUTIVE MANAGEMENT TEAM

Muhammad Ali Zeb
Muhammad Asim Nagi
Adnan Ahmad Chaudhry
Asif Jabbar
Muhammad Salim Iqbal

AUDITORS

Deloitte Yousuf Adil
Chartered Accountants
134-A, Abu Bakar Block
New Garden Town
Lahore, Pakistan

SHARIAH ADVISOR

Mufti Muhammad Hassan Kaleem

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi-74400
Tel: (92) 0800-23275
Fax: (92-21) 34326053

BANKERS

Askari Bank Limited
Bank Alfalah Limited
Abu Dhabi Commercial Bank
Allied Bank Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Emirates Islamic Bank
FINCA Microfinance Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
Khushali Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
Mobilink Microfinance Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Punjab Provincial Cooperative Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited

REGISTERED OFFICE

4th Floor, 27-C-III, Tanveer Building,
M.M. Alam Road, Gulberg-III,
Lahore- 54000, Pakistan
Phone: (92-42) 35772960-79
Fax (92-42) 35772868
Email: info@adamjeeinsurance.com
Web: www.adamjeeinsurance.com

Directors' Review to the Members on Unconsolidated Condensed Interim Financial Information (Un-audited)

For the Half year Ended 30 June 2019

On behalf of the Board, we are pleased to present the unaudited unconsolidated condensed interim financial information of the Company for the half year ended 30 June 2019.

Financial Highlights:

The highlights for the period under review are as follows:

	30 June 2019	30 June 2018
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Gross Premium	12,129,819	9,648,166
Net Premium	7,702,132	6,380,752
Underwriting results	473,457	584,775
Investment Income	381,552	1,078,520
Profit before tax	887,466	1,692,013
Profit after tax	465,963	1,050,321

	30 June 2019	30 June 2018
	Rupees	
	(Unaudited)	(Unaudited)
Earnings per share - Basic and diluted	1.33	3.00

Performance Review:

Gross Premium of the Company increased by 26% and Net Premium increased by 21% over the same period of 2018. There was a drop in profitability of 19% in underwriting results over the last period. Investment income also decreased by 65% in the first half of 2019 as compared to the corresponding figures in the last period due to the continuing underperformance by the stock market. Consequently, profit before tax and profit after tax decreased by 48 % and 56 % respectively.

Window Takaful Operations:

Written contribution and Surplus of Participants' Takaful Fund amounted to Rs. 636,726 thousands (2018: Rs. 546,281 thousands) and Rs. 71,595 (2018: Rs. 10,664 thousands), respectively. Most of the growth in contribution written came from the Motor and Health line of businesses which contributed 62% and 16%, respectively to the total contribution written in first half of 2019. Window Takaful Operations' profit before tax increased by 31% amounting to Rs. 57,859 thousands for the half year ended 30 June 2019 (2018: Rs. 44,281 thousands).

Future Outlook:

Insurance Industry in Pakistan has seen several pinnacle and downfalls in the recent years. Still, the market performance indicators exhibit that insurance industry has kept pace with the economic development of the country and excelling performance of other sectors.

So far 2019 has been a year of consolidation for economy in the country in general and that of Adamjee Insurance in particular where Government of Pakistan took durable steps like rupee devaluation, tax reforms and measures to reduce current account deficit. We shall continue our efforts in delivering financial performance while meeting valuable expectations of our customers.

China Pakistan Economic Corridor (CPEC) will continue to propel growth in insurance business especially during the operational phase of its projects.

Directors' Review to the Members on Unconsolidated Condensed Interim Financial Information (Un-audited)

For the Half year Ended 30 June 2019

Window Takaful Operations are expected to continue capturing promising growth in the second half of CY19 as well. The demand for Shariah compliant products has widely increased in most lines of business, especially, in Motor and Health and is foreseen to increase at robust rates in the upcoming periods.

It is strongly anticipated that Adamjee Insurance is well poised for a perpetual and strong growth to building long-term shareholder value. We shall continue to invest in digital transformation of technology infrastructure, raising skills of human capital and strengthening our compliance and controls environment.

Acknowledgements:

We thank our shareholders, valued customers, employees and development staff for their consistent support during this period for Adamjee Insurance to maintain its position as one of the Pakistan's leading insurance companies. We are also grateful to the Securities and Exchange Commission of Pakistan and the State bank of Pakistan for their continued guidance and assistance.

For and On Behalf of Board of Directors



Shaikh Muhammad Jawed

Director



Muhammad Ali Zeb

Managing Director &
Chief Executive Officer

Lahore: 23 August 2019

غیر مجتمع مختصر عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پر ممبران کوڈائز ٹریڈرز کی جائزہ بابت نصف سال مختتمہ 30 جون 2019ء

بورڈ کی جانب سے 30 جون 2019ء کو ختم ہونے والی ششماہی کیلئے کمیٹی کی غیر آڈٹ شدہ غیر مجتمع عبوری مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کی جھلکیاں درج ذیل ہیں:

30 جون 2018ء	30 جون 2019ء
ہزار روپے میں	
(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)
9,648,166	12,129,819
6,380,752	7,702,132
584,775	473,457
1,078,520	381,552
1,692,013	887,466
1,050,321	465,963
3.00	1.33

مجموعی پریمیئم
خالص پریمیئم
انڈر رائٹنگ رٹس
سرمایہ کاری سے آمدنی
منافع قبل از ٹیکس
منافع بعد از ٹیکس
آمدنی فی شیئر (روپے)

کارکردگی کا جائزہ

کمیٹی کا مجموعی پریمیئم 2018ء کے اسی عرصے پر 26% اور خالص پریمیئم 21% تک بڑھ گیا۔ پچھلے عرصے سے انڈر رائٹنگ نتائج میں منافع میں 19% کی کمی رہی۔ 2019ء کے پہلے نصف میں پچھلے عرصے کے اعداد و شمار کے مقابلے میں سرمایہ کاری سے آمدنی میں بھی 65% تک کمی واقع ہوئی جس کی وجہ اسٹاک مارکیٹ کی جانب سے تسلسل کے ساتھ کارکردگی کا فقدان تھی۔ نتیجتاً منافع قبل از اور بعد از ٹیکس میں علی الترتیب 48% اور 56% تک کمی واقع ہو گئی۔

وئڈو کافل آپریشنز (درپچہ برائے افعال نکافل)

تھری شدہ کنٹری بیوشن (اقساط) اور نکافل فنڈ کے شرکاء کے سرپلس (اضافے) کی مالیت 636,726 ہزار روپے (2018ء: 564,281 ہزار روپے) اور 71,595 ہزار روپے (2018ء: 10,664 ہزار روپے) علی الترتیب تھی۔ تھری شدہ اقساط میں اضافے کا زیادہ تر حصہ موثر اور صحت کے شعبے کے کاروبار سے آیا جس نے علی الترتیب 62% اور 16% کا حصہ 2019ء کے پہلے نصف کی کل اقساط میں ڈالا۔ وئڈو کافل آپریشنز کا منافع قبل از ٹیکس 30 جون 2019ء کو ختم شدہ نصف سال کیلئے 31% تک بڑھا جس کی مالیت 57,859 ہزار روپے تھی (2018ء: 44,281 ہزار روپے)۔

توقعات مستقبل

پاکستان میں صنعت بیر نے حالیہ برسوں میں کئی چڑھاؤ اور اتار دیکھے ہیں۔ اب تک مارکیٹ کی کارکردگی کے اشاریے ظاہر کرتے ہیں کہ صنعت بیر نے ملک کی معاشی ترقی کے ساتھ رفتار کو برقرار رکھا ہے اور دیگر شعبہ جات سے کافی آگے بڑھ گئی ہے۔

اب تک 2019ء عمومی طور پر ملک کے اندر معیشت کیلئے استحکام کا سال رہا ہے اور آدھی انشورنس کیلئے خاص طور پر کہ جب حکومت پاکستان نے پائیدار اقدامات مثلاً روپے کی قدر میں کمی، ٹیکس اصلاحات اور حسابات جاریہ کے خسارے میں کیلئے اقدامات کیے۔ ہم مالیاتی کارکردگی کی فراہمی میں اپنی کاوشوں کو جاری رکھیں گے اور اپنے صارفین کی گراں قدر توقعات کی تکمیل بھی کریں گے۔

پاک چین اقتصادی راہداری (سی بیک) کا روبرو بیر میں ترقی و نشوونما کو خاص طور پر اس کے منصوبوں کے عملی مرحلے کے دوران مسلسل آگے بڑھاتی رہے گی۔

وئڈو کافل آپریشنز متوقع طور پر جاری سال 19ء کے دوسرے نصف میں بھی امید افزا ترقی کے حصول کو جاری رکھیں گے۔ شریعہ موافق پروڈکٹس کیلئے طلب کاروبار کے تمام شعبہ جات میں وسیع طور پر بڑھی ہے خاص طور سے موثر اور صحت کے شعبے میں اور آنے والے عرصے میں اس میں تیز اور مستحکم شرحوں سے اضافے کی پیش گوئی کی جاتی ہے۔

بیر پھوپھو ترقی کی جاتی ہے کہ آدھی انشورنس شیئر ہولڈرز کی طویل المدت قدر و قیمت کی تعمیر کی جانب لگا تار اور مستحکم ترقی کیلئے اچھی طرح آراستہ ہے۔ ہم ٹیکنالوجی انفراسٹرکچر کی ڈیجیٹل ٹرانسفارمیشن، انسائے سرمائے میں مہارت و لیاقت کو بڑھانے اور اپنی کمپلائنس کو مستحکم کرنے اور کنٹرولز انوائزمنٹ کی تقویت کرنے میں مسلسل سرمایہ کاری کریں گے۔

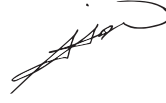
اعتراف

ہم اپنے شیئر ہولڈرز، معزز صارفین، ملازمین اور ترقیاتی عملے کا اُن کی مستقل معاونت پر تہہ و دل سے شکر یہ ادا کرتے ہیں جنہوں نے اس عرصے کے دوران آدھی انشورنس کو پاکستان کی بڑی انشورنس کمپنیوں میں سے ایک کی حیثیت کو برقرار رکھا۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی مستقل معاونت اور فراہم کردہ رہنمائی کو بھی سراہتے ہیں۔

مخانب و برائے بورڈ آف ڈائریکٹرز



محمد علی زبیر
ٹیچنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر



شیخ محمد جاوید
ڈائریکٹر

لاہور، 23 اگست 2019ء

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ADAMJEE INSURANCE COMPANY LIMITED (“THE COMPANY”)

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Adamjee Insurance Company Limited** (the Company) as at June 30, 2019, and the related unconsolidated condensed interim profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the “condensed interim financial information”). Management is responsible for the preparation and presentation of these condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial information based on our review. The figures of the condensed interim profit or loss and the condensed interim statement of comprehensive income for the three months period ended June 30, 2019 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2019.

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 unconsolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as at June 30, 2019 and for the six months period then ended, are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The annual financial statements of the Company for the year ended December 31, 2018 were audited by another firm of Chartered Accountants who vide their report dated April 3, 2019 expressed a modified opinion thereon.

The engagement partner on the review resulting in this independent auditor’s review report is Rana M. Usman Khan.



Chartered Accountants

Lahore

Date: 23 August 2019

UNCONSOLIDATED

Condensed Interim
Financial Information
for the Six Months Ended
30 June 2019
(Unaudited)



Unconsolidated Condensed Interim Statement of Financial Position

As at 30 June 2019

	Note	30 June 2019	31 December 2018
		Rupees in thousand	
		(Unaudited)	(Audited)
ASSETS			
Property and equipment	8	4,103,954	3,514,313
Intangible assets	9	74,850	79,185
Investment in subsidiary	10	694,895	694,895
Investments			
Equity securities	11	17,307,736	18,685,087
Debt securities	12	381,663	378,029
Term deposits	13	5,910,048	4,356,113
Loans and other receivables	14	327,251	275,875
Insurance / reinsurance receivables	15	8,163,828	7,033,977
Reinsurance recoveries against outstanding claims		5,897,373	6,046,905
Salvage recoveries accrued		329,781	350,340
Deferred commission expense / acquisition cost		1,075,282	788,431
Prepayments	16	3,755,106	3,048,306
Cash and bank	17	1,506,325	2,211,444
		49,528,092	47,462,900
Total assets of Window Takaful Operations - Operator's Fund	18	399,838	382,194
TOTAL ASSETS		49,927,930	47,845,094
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		3,500,000	3,500,000
Reserves	19	3,063,291	3,784,200
Unappropriated profit		12,320,121	12,379,158
Total Equity		18,883,412	19,663,358
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		10,669,875	10,461,975
Unearned premium reserves		11,566,014	10,100,901
Unearned reinsurance commission		237,103	221,371
Retirement benefit obligations		222,303	198,981
Deferred taxation		595,930	944,446
Premium received in advance		368,665	407,988
Insurance / reinsurance payables		3,771,020	2,709,714
Other creditors and accruals	20	2,346,272	2,205,732
Lease liability		134,219	-
Deposits and other payables		672,093	692,086
Taxation - provision less payments		254,617	8,723
		30,838,111	27,951,917
Total liabilities of Window Takaful Operations - Operator's Fund	18	206,407	229,819
TOTAL EQUITY AND LIABILITIES		49,927,930	47,845,094
Contingencies and commitments	21		

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)

For six months period ended 30 June 2019

	Note	For three months period ended		For six months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand					
Net insurance premium	22	3,946,935	3,233,557	7,702,132	6,380,752
Net insurance claims	23	(2,457,094)	(2,020,307)	(4,734,885)	(3,831,484)
Net commission and other acquisition costs	24	(412,278)	(323,494)	(781,831)	(602,641)
Insurance claims and acquisition expenses		(2,869,372)	(2,343,801)	(5,516,716)	(4,434,125)
Management expenses	25	(902,275)	(698,489)	(1,711,959)	(1,361,852)
Underwriting results		175,288	191,267	473,457	584,775
Investment income	26	(107,374)	531,933	381,522	1,078,520
Rental income		844	2,515	1,689	5,030
Other income	27	(6,937)	25,909	30,444	46,516
Other expenses	28	(22,105)	(34,996)	(52,847)	(67,109)
Results of operating activities		39,716	716,628	834,265	1,647,732
Finance cost		(2,163)	-	(4,658)	-
Profit from Window Takaful Operations - Operator's Fund	18	31,425	24,471	57,859	44,281
Profit before tax		68,978	741,099	887,466	1,692,013
Income tax expense		(191,361)	(354,177)	(421,503)	(641,692)
Profit after tax for the period		(122,383)	386,922	465,963	1,050,321
Earnings (after tax) per share - Rupees	29	(0.35)	1.11	1.33	3.00

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)

For six months period ended 30 June 2019

Business Underwritten Inside Pakistan					
	Note	For three months period ended		For six months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand					
Net insurance premium	22	1,747,879	1,751,181	3,541,069	3,508,781
Net insurance claims	23	(970,596)	(899,469)	(1,904,740)	(1,763,415)
Net commission and other acquisition costs	24	(101,028)	(147,073)	(214,841)	(244,868)
Insurance claims and acquisition expenses		(1,071,624)	(1,046,542)	(2,119,581)	(2,008,283)
Management expenses		(508,235)	(503,370)	(1,043,036)	(986,224)
Underwriting results		168,020	201,269	378,452	514,274
Investment income	26	(164,838)	513,600	278,936	1,048,461
Rental income		844	2,515	1,689	5,030
Other income		(1,947)	19,031	25,092	32,838
Other expenses		(19,542)	(33,106)	(47,338)	(62,456)
Results of operating activities		(17,463)	703,309	636,831	1,538,147
Finance cost		(1,006)	-	(2,327)	-
Profit from Window Takaful Operations - Operator's Fund	18	31,425	24,471	57,859	44,281
Profit before tax		12,956	727,780	692,363	1,582,428

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)

For six months period ended 30 June 2019

Business Underwritten Outside Pakistan					
	Note	For three months period ended		For six months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand					
Net insurance premium	22	2,199,056	1,482,376	4,161,063	2,871,971
Net insurance claims	23	(1,486,498)	(1,120,838)	(2,830,145)	(2,068,069)
Net commission and other acquisition costs	24	(311,250)	(176,421)	(566,990)	(357,773)
Insurance claims and acquisition expenses		(1,797,748)	(1,297,259)	(3,397,135)	(2,425,842)
Management expenses		(394,040)	(195,119)	(668,923)	(375,628)
Underwriting results		7,268	(10,002)	95,005	70,501
Investment income	26	57,464	18,333	102,586	30,059
Rental income		-	-	-	-
Other income		(4,990)	6,878	5,352	13,678
Other expenses		(2,563)	(1,890)	(5,509)	(4,653)
Results of operating activities		57,179	13,319	197,434	109,585
Finance cost		(1,157)	-	(2,331)	-
Profit before tax		56,022	13,319	195,103	109,585

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




Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For six months period ended 30 June 2019

	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Rupees in thousand			
Profit after tax for the period	(122,383)	386,922	465,963	1,050,321
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss:				
Unrealized diminution on 'available-for-sale' investments - net of tax	(1,031,125)	(1,325,269)	(893,507)	(579,389)
Unrealized diminution on 'available-for-sale' from Window Takaful Operations - net of tax	(441)	(1,201)	(18)	(442)
Effect of currency translation of investment in foreign branches - net	164,279	28,315	172,616	50,708
Total comprehensive (loss) / income for the period	(989,670)	(911,233)	(254,946)	521,198

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



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Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For six months period ended 30 June 2019

	For six months period ended	
	30 June 2019	30 June 2018
Rupees in thousand		
Cash flows from operating activities		
Underwriting activities		
Insurance premium received	11,274,508	9,805,389
Reinsurance premium paid	(3,353,024)	(3,143,166)
Claims paid	(7,207,715)	(7,228,627)
Surrenders paid	(37,034)	(29,961)
Reinsurance and other recoveries received	2,492,697	3,485,396
Commissions paid	(1,213,350)	(809,623)
Commissions received	262,247	257,857
Other underwriting payments	(1,439,065)	(1,468,422)
Net cash generated from underwriting activities	779,264	868,843
Other operating activities		
Income tax paid	(142,392)	(495,905)
Other operating payments	(26,069)	(31,567)
Loans advanced	(35,185)	(30,356)
Loans repayments received	27,751	26,882
Other operating receipts	22,895	10,513
Net cash used in other operating activities	(153,000)	(520,433)
Total cash generated from all operating activities	626,264	348,410
Cash flows from investing activities		
Profit / return received on bank deposits	88,797	39,604
Income from Treasury Bills	16,428	20,050
Dividends received	773,231	709,629
Rentals received	931	6,380
Payments for investments	(4,600,659)	(5,723,397)
Proceeds from disposal of investments	3,428,464	5,004,725
Fixed capital expenditure - operating fixed assets	(489,669)	(409,222)
Fixed capital expenditure - intangible assets	-	(2,468)
Proceeds from disposal of operating fixed assets	15,883	11,812
Total cash used in investing activities	(766,594)	(342,887)
Cash flows from financing activities		
Payments against lease liabilities	(46,506)	-
Dividends paid	(518,283)	(315,785)
Net cash used in financing activities	(564,789)	(315,785)
Net cash used in all activities	(705,119)	(310,262)
Cash at beginning of the period	2,211,444	2,278,614
Cash at end of the period	1,506,325	1,968,352

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For six months period ended 30 June 2019

For six months period ended	
30 June 2019	30 June 2018

Rupees in thousand

Reconciliation to profit and loss account

Operating cash flows	626,264	348,410
Depreciation expense	(115,624)	(62,185)
Provision for gratuity	(23,314)	(16,029)
Finance cost	(4,658)	-
Other income - bank and term deposits	90,575	64,870
(Loss) / gain on disposal of operating fixed assets	(3,909)	4,619
Provision for doubtful balances	(97,352)	-
Rental income	1,689	5,030
Increase / (decrease) in assets other than cash	2,108,934	(111,288)
(Increase) / decrease in liabilities other than running finance	(733,300)	716,736
Profit on sale of investments	2,568	449,506
Amortization expense	(11,436)	(7,881)
Increase in unearned premium	(1,465,113)	(838,962)
Increase in loans and other receivables	7,435	3,474
Income taxes paid	142,392	495,905
Increase in tax liabilities	(421,503)	(641,692)
Provision for impairment in value of 'available-for-sale' investments	(490,685)	(71,686)
Dividend and other income	773,231	651,730
Income from Treasury Bills	21,910	12,767
Income from Term Finance Certificates	-	2,716
Profit from Window Takaful Operations	57,859	44,281
Profit after tax	465,963	1,050,321

For six months period ended	
30 June 2019	30 June 2018

Rupees in thousand

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

Cash and cash equivalents	4,923	5,458
Current and other accounts	1,501,402	1,962,894
Total cash and cash equivalents	1,506,325	1,968,352

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For six months period ended 30 June 2019

Business Underwritten Inside Pakistan

	For six months period ended	
	30 June 2019	30 June 2018
Rupees in thousand		
Cash flows from operating activities		
Underwriting activities		
Insurance premium received	7,043,046	6,699,970
Reinsurance premiums paid	(3,287,244)	(3,004,175)
Claims paid	(3,472,180)	(4,169,425)
Surrenders paid	(37,034)	(29,961)
Reinsurance and other recoveries received	1,454,411	2,363,823
Commissions paid	(553,864)	(457,643)
Commissions received	257,151	254,023
Other underwriting payments	(947,354)	(1,023,134)
Net cash generated from underwriting activities	456,932	633,478
Other operating activities		
Income tax paid	(142,392)	(495,905)
Other operating payments	(20,557)	(26,799)
Loans advanced	(25,594)	(22,067)
Loans repayments received	20,280	20,612
Other operating receipts	17,543	10,513
Net cash used in other operating activities	(150,720)	(513,646)
Total cash generated from all operating activities	306,212	119,832
Cash flows from investing activities		
Profit / return received on bank deposits	17,159	25,161
Income from Treasury Bills	16,428	20,050
Dividends received	744,061	709,629
Rentals received	931	6,380
Payments for investments	(1,732,139)	(2,492,789)
Proceeds from disposal of investments	1,363,406	2,847,009
Fixed capital expenditure - operating fixed assets	(487,489)	(402,750)
Fixed capital expenditure - intangible assets	-	(185)
Proceeds from disposal of operating fixed assets	15,553	11,647
Total cash (used in) / generated from investing activities	(62,090)	724,152
Cash flows from financing activities		
Dividends paid	(36,202)	-
	(518,283)	(315,785)
Net cash used in financing activities	(554,485)	(315,785)
Net cash (used in) / generated from all activities	(310,363)	528,199
Cash at the beginning of the period	1,153,040	1,107,208
Cash at the end of the period	842,677	1,635,407

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For six months period ended 30 June 2019

For six months period ended	
30 June 2019	30 June 2018
Rupees in thousand	

Reconciliation to profit and loss account

Operating cash flows	306,212	119,832
Depreciation expense	(82,436)	(51,245)
Provision for gratuity	(16,821)	(7,625)
Finance cost	(2,327)	-
Other income - bank and term deposits	11,807	20,652
(Loss) / gain on disposal of operating fixed assets	(3,909)	4,985
Rental income	1,689	5,030
Increase / (decrease) in assets other than cash	1,286,258	(560,634)
(Increase) / decrease in liabilities other than running finance	(244,387)	1,266,870
Profit on sale of investments	2,568	449,506
Amortization expense	(3,262)	(4,766)
Increase in unearned premium	(1,042,244)	(797,345)
Increase in loans and other receivables	3,678	1,455
Income taxes paid	142,392	495,905
Provision for impairment in value of 'available-for-sale' investments	(490,685)	(71,686)
Dividend and other income	744,061	651,730
Income from treasury bills	21,910	12,767
Income from Term Finance Certificates	-	2,716
Profit from Window Takaful Operations	57,859	44,281
Profit before tax	692,363	1,582,428

For six months period ended	
30 June 2019	30 June 2018
Rupees in thousand	

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

Cash and cash equivalents	4,268	5,440
Current and other accounts	838,409	1,629,967
Total cash and cash equivalents	842,677	1,635,407

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For six months period ended 30 June 2019

Business Underwritten Outside Pakistan

	For six months period ended	
	30 June 2019	30 June 2018
Rupees in thousand		
Cash flows from operating activities		
Underwriting activities		
Insurance premium received	4,231,462	3,105,419
Reinsurance premiums paid	(65,780)	(138,991)
Claims paid	(3,735,535)	(3,059,202)
Reinsurance and other recoveries received	1,038,286	1,121,573
Commissions paid	(659,486)	(351,980)
Commissions received	5,096	3,834
Other underwriting payments	(491,711)	(445,288)
Net cash generated from underwriting activities	322,332	235,365
Other operating activities		
Other operating payments	(5,512)	(4,768)
Loans advanced	(9,591)	(8,289)
Loans repayments received	7,471	6,270
Other operating receipts	5,352	-
Net cash used in other operating activities	(2,280)	(6,787)
Total cash generated from all operating activities	320,052	228,578
Cash flows from investing activities		
Profit / return received on bank deposits	71,638	14,443
Dividends received	29,170	-
Payments for investments	(2,868,520)	(3,230,608)
Proceeds from disposal of investments	2,065,058	2,157,716
Fixed capital expenditure - operating fixed assets	(2,180)	(6,472)
Fixed capital expenditure - intangible assets	-	(2,283)
Proceeds from disposal of operating fixed assets	330	165
Total cash used in investing activities	(704,504)	(1,067,039)
Cash flows from financing activities		
Payments against lease liabilities	(10,304)	-
Total cash used in financing activities	(10,304)	-
Net cash generated from all activities	(394,756)	(838,461)
Cash at beginning of the period	1,058,404	1,171,406
Cash at end of the period	663,648	332,945

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For six months period ended 30 June 2019

Reconciliation to profit and loss account

Operating cash flows
Depreciation expense
Provision for gratuity
Finance cost
Other income - bank and term deposits
Loss on disposal of operating fixed assets
Provision for doubtful balances
Increase in assets other than cash
Increase in liabilities other than running finance
Amortization expense
Increase in unearned premium
Increase in loans and other receivables
Dividend and other income

For six months period ended	
30 June 2019	30 June 2018

Rupees in thousand

320,052	228,578
(33,188)	(10,940)
(6,493)	(8,404)
(2,331)	-
78,768	44,218
-	(366)
(97,352)	-
822,676	449,346
(488,913)	(550,134)
(8,174)	(3,115)
(422,869)	(41,617)
3,757	2,019
29,170	-
195,103	109,585

Profit before tax

For six months period ended	
30 June 2019	30 June 2018

Rupees in thousand

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

Cash and cash equivalents	655	18
Current and other accounts	662,993	332,927
Total cash and cash equivalents	663,648	332,945

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For six months period ended 30 June 2019

	Share capital	Capital reserves			Revenue reserves		Total	
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve		Unappropriated Profit
Rupees in thousand								
Balance as at 31 December 2017 - (Audited)	3,500,000	22,859	3,764	467,100	3,570,278	936,500	11,863,964	20,364,465
Comprehensive income for the period ended 30 June 2018								
Profit for the period 01 January 2018 to 30 June 2018	-	-	-	-	-	-	1,050,321	1,050,321
Other comprehensive income for the period 01 January 2018 to 30 June 2018	-	-	-	50,708	(579,831)	-	-	(529,123)
Total comprehensive income for the period	-	-	-	50,708	(579,831)	-	1,050,321	521,198
Transactions with owners of the Company								
Final dividend for the year ended 31 December 2017 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	(350,000)	(350,000)
Balance as at 30 June 2018 - (Unaudited)	3,500,000	22,859	3,764	517,808	2,990,447	936,500	12,564,285	20,535,663
Comprehensive income for the period ended 31 December 2018								
Profit for the period 01 July 2018 to 31 December 2018	-	-	-	-	-	-	188,679	188,679
Other comprehensive income for the period 01 July 2018 to 31 December 2018	-	-	-	96,254	(783,432)	-	(23,806)	(710,984)
Total comprehensive income for the period	-	-	-	96,254	(783,432)	-	164,873	(522,305)
Balance as at 31 December 2018 - (Audited)	3,500,000	22,859	3,764	614,062	2,207,015	936,500	12,729,158	20,013,358
Transactions with owners of the Company								
Interim dividend for the year ended 30 June 2018 @ 10% (Rupees 1/- per share)	-	-	-	-	-	-	(350,000)	(350,000)
Balance as at 31 December 2018 - (Audited)	3,500,000	22,859	3,764	614,062	2,207,015	936,500	12,379,158	19,663,358
Comprehensive income for the period ended 30 June 2019								
Profit for the period 01 January 2019 to 30 June 2019	-	-	-	-	-	-	465,963	465,963
Other comprehensive income for the period 01 January 2019 to 30 June 2019	-	-	-	172,616	(893,525)	-	-	(720,909)
Total comprehensive income for the period	-	-	-	172,616	(893,525)	-	465,963	(254,946)
Transactions with owners of the Company								
Final dividend for the year ended 31 December 2018 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	(525,000)	(525,000)
Balance as at 30 June 2019 - (Unaudited)	3,500,000	22,859	3,764	786,678	1,313,490	936,500	12,320,121	18,883,412

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

1 Legal status and nature of business

Adamjee Insurance Company Limited ("the Company") is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited and is engaged in the general insurance business comprising fire & property, marine, motor, accident and health and miscellaneous. The registered office of the Company is situated at Tanveer Building, 27-C-III, MM Alam Road, Gulberg III, Lahore.

The Company also operates through branches in the United Arab Emirates (UAE) and the Export Processing Zone (EPZ).

The Company was granted authorization on 23 December 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and commenced Window Takaful Operations on 01 January 2016.

2 Basis of preparation and statement of compliance

This unconsolidated condensed interim financial information of the Company for the period ended 30 June 2019 has been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

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

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

In terms of the requirements of the Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator Fund of the Window Takaful operations of the Company have been presented as a single line item in the statement of financial position and profit and loss account of the Company respectively. A separate set of condensed interim financial information of the Window Takaful operations has been annexed to this financial information as per the requirements of the Takaful Rules, 2012.

This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Company for the year ended 31 December 2018. Comparative figures for unconsolidated condensed interim statement of financial position are stated from annual audited financial statements of the Company for the year ended 31 December 2018, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in equity and interim cash flow statement and related notes are extracted from unconsolidated condensed interim financial information of the Company for the six months ended 30 June 2018.

This unconsolidated condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

3 Basis of measurement

This unconsolidated condensed interim financial information has been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and defined benefit obligations under employee benefits carried at present value. All transactions reflected in this financial information are on accrual basis except for those reflected in cash flow statement.

4 Accounting policies

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

4.1 Standards, amendments or interpretations

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these condensed interim financial information except the following :

IFRS 16

The Company has adopted IFRS 16 'Leases', issued in January 2016, with the date of initial application on 01 January 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Lease Accounting

The Company initially measures the right-of-use asset at cost (present value of the future lease payments discounted using the discount rate implicit in the lease and initial cost) and subsequently measured at cost less accumulated depreciation and impairment losses adjusted for any remeasurement of the lease liability.

The Company initially measures the lease liability at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The Company has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. The Company recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. The Company has assessed that the impact of IFRS 16 is not material on opening retained earnings and as of reporting date has presented right-of-use assets within 'Property and equipment' and 'Finance lease liabilities' in the condensed interim statement of financial position.

Impacts on condensed interim financial information

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Company has recognized Rs. 132.27 million of right-of-use assets (included in property and equipment) and Rs. 134.22 million of lease liabilities as at 30 June 2019.

Also, in relation to those leases under IFRS 16, the Company has recognized depreciation and interest costs, instead of operating lease expense. During the six months period ended 30 June 2019, the Company recognized Rs. 45.429 million as depreciation expense and Rs. 4.658 million as interest cost.

IFRS 9

The amendments introduce two approaches for entities that apply IFRS 4 to reduce the impact of deferring effective dates with IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments: an overlay approach and a temporary exemption from applying IFRS 9. The Company has adopted for a temporary exemption from application of IFRS 9.

The effective date of the amendments permitting the temporary exemption is for annual periods beginning on or after 01 January 2018. The temporary exemption is available for annual reporting periods beginning before 01 January 2022 and will expire once IFRS 17 becomes effective.

5 Use of estimates and judgments

The preparation of this unconsolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2018.

6 Functional and presentation currency

This unconsolidated condensed interim financial information is presented in Pakistani Rupees, which is also the Company's functional currency.

7 Insurance and Financial risk management

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

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

	Note	30 June 2019	31 December 2018
		(Unaudited)	(Audited)
Rupees in thousand			
8 Property and equipment			
Opening balance - net book value		2,332,540	2,132,353
Additions during the period / year	8.1	53,884	291,109
Right -of- use assets		177,701	-
Less:			
Book value of disposals during the period / year	8.2	(19,793)	(16,733)
Depreciation charged during the period / year		(115,624)	(126,232)
Exchange gain		57,688	52,043
		(77,729)	(90,922)
		2,486,396	2,332,540
Capital work in progress		1,617,558	1,181,773
		4,103,954	3,514,313
8.1 Additions during the period / year - cost			
Buildings		467	170,852
Furniture and fixtures		1,408	37,242
Motor vehicles		46,580	70,594
Machinery and equipments		3,140	4,619
Computer and related accessories		2,289	7,802
		53,884	291,109
8.2 Written down values of property and equipment disposed off during the period / year			
Furniture and fixtures		10,379	-
Motor vehicles		5,144	16,404
Machinery and equipments		4,270	309
Computer and related accessories		-	20
		19,793	16,733
9 Intangible assets			
Opening balance - net book value		79,185	34,242
Additions during the year		-	59,285
Less:			
Amortization charged during the period / year		(11,436)	(22,983)
Exchange difference		7,101	8,641
		(4,335)	(14,342)
		74,850	79,185
10 Investment in a subsidiary			
Adamjee Life Assurance Company Limited - at cost		694,895	694,895
		694,895	694,895

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

	30 June 2019			31 December 2018		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
	Rupees in thousand					
11 Investment in equity securities	(Unaudited)			(Audited)		
Available-for-sale						
Related parties						
Listed shares	8,396,663	(244,154)	8,152,509	8,396,663	(164,863)	8,231,800
Unlisted shared	550,726	-	550,726	300,726	-	300,726
	8,947,389	(244,154)	8,703,235	8,697,389	(164,863)	8,532,526
Unrealized gain			381,033			1,295,559
			9,084,268			9,828,085
Others						
Listed shares	7,345,164	(1,956,921)	5,388,243	7,274,808	(1,545,527)	5,729,281
Unlisted shared	925,360	-	925,360	925,360	-	925,360
NIT Units	161	-	161	161	-	161
Mutual Funds	440,724	-	440,724	389,312	-	389,312
	8,711,409	(1,956,921)	6,754,488	8,589,641	(1,545,527)	7,044,114
Unrealized gain			1,468,980			1,812,888
			8,223,468			8,857,002
Total	17,658,798	(2,201,075)	17,307,736	17,287,030	(1,710,390)	18,685,087

	30 June 2019	31 December 2018
	(Unaudited)	(Audited)
	Rupees in thousand	
12 Investment in debt securities		
Held to maturity		
Treasury Bills	381,663	378,029
	<u>381,663</u>	<u>378,029</u>
13 Investments in Term Deposits		
Held to maturity		
Deposits maturing within 12 months		
Inside Pakistan		
- related parties	6,811	6,811
- others	26,447	25,066
	33,258	31,877
Outside Pakistan		
- related parties	1,307,205	871,396
- others	4,527,894	3,411,149
	5,835,099	4,282,545
	5,868,357	4,314,422
Deposits maturing after 12 months		
Inside Pakistan		
- related parties	2,000	2,000
- others	39,691	39,691
	41,691	41,691
Outside Pakistan		
- related parties	-	-
- others	-	-
	-	-
	41,691	41,691
	<u>5,910,048</u>	<u>4,356,113</u>

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

13.1 These include fixed deposits amounting to Rs. 5,010,953 thousands (AED 115,000 thousands) [2018: Rs. 3,780,460 thousands (AED 100,000 thousands)] kept in accordance with the requirements of Insurance Regulations applicable to the UAE branches for the purpose of carrying on business in United Arab Emirates. These also include liens against cash deposits of Rs. 74,949 thousands (2018: Rs. 73,568 thousands) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Company for claims under litigation filed against the Company and bid bond guarantees.

Note	30 June 2019	31 December 2018
	Rupees in thousand	
	(Unaudited)	(Audited)
14 Loans and other receivables - considered good		
Rent receivable	5,726	4,968
Receivable from related parties	14.1 26,286	16,508
Accrued investment income	63,874	62,096
Security deposits	55,910	53,759
Advances to employees and suppliers	100,728	58,542
Agent commission receivable	2,088	24,085
Loans to employees	53,984	44,913
Other receivables	18,655	11,004
	<u>327,251</u>	<u>275,875</u>
14.1 This represents receivable from Adamjee Life Assurance Company Limited, subsidiary of the Company, in respect of cash value of corporate life policy obtained for key management personnel of the Company. Company is the beneficiary in respect of policies obtained for the employees.		
15 Insurance / reinsurance receivables - unsecured and considered good		
Due from insurance contract holders	8,044,597	6,820,415
Provision for impairment of receivables from insurance contract holders	(798,249)	(629,668)
	<u>7,246,348</u>	<u>6,190,747</u>
Due from other insurers / reinsurers	1,118,782	1,044,532
Provision for impairment of due from other insurers / reinsurers	(201,302)	(201,302)
	<u>917,480</u>	<u>843,230</u>
	<u>8,163,828</u>	<u>7,033,977</u>
16 Prepayments		
Prepaid reinsurance premium ceded	3,543,053	2,866,980
Prepaid rent	4,587	8,367
Prepaid miscellaneous expenses	207,466	172,959
	<u>3,755,106</u>	<u>3,048,306</u>
17 Cash and bank		
Cash and cash equivalents		
Inside Pakistan		
Cash in hand	719	408
Policy & Revenue stamps, Bond papers	3,549	5,895
	<u>4,268</u>	<u>6,303</u>
Outside Pakistan		
Cash in hand	655	-
	<u>4,923</u>	<u>6,303</u>
Cash at bank	17.1	
Inside Pakistan		
Current accounts	370,613	819,697
Saving accounts	467,796	327,040
	<u>838,409</u>	<u>1,146,737</u>
Outside Pakistan		
Current accounts	657,299	1,053,464
Saving accounts	5,694	4,940
	<u>662,993</u>	<u>1,058,404</u>
	<u>1,501,402</u>	<u>2,205,141</u>
	<u>1,506,325</u>	<u>2,211,444</u>

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

17.1 Cash at bank includes an amount of Rs. 567,323 thousand (31 December 2018: Rs. 401,990 thousand) held with MCB Bank Limited, a related party of the Company.

18 Window takaful operations - operator's fund

Assets

Qard-e-Hasna
Cash and bank deposits
Investments
Current assets - others
Property and equipment
Intangible assets

Total Assets

Total liabilities

Wakala fee
Commission expense
Management expenses
Other income
Investment income
Other Expenses
Profit before tax
Provision for tax
Profit from Window Takaful Operations

	30 June 2019	31 December 2018
	Rupees in thousand	
	(Unaudited)	(Audited)
	146,460	146,804
	141,882	101,695
	31,048	29,930
	45,400	66,947
	14,565	16,185
	20,483	20,633
Total Assets	399,838	382,194
Total liabilities	206,407	229,819
	30 June 2019	30 June 2018
	Rupees in thousand	
	(Unaudited)	(Unaudited)
	155,995	112,717
	(46,721)	(25,702)
	(59,394)	(42,932)
	8,363	1,770
	1,345	166
	(1,729)	(1,738)
	57,859	44,281
	(16,785)	(15,362)
Profit from Window Takaful Operations	41,074	28,919

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed condensed interim financial information.

19 Reserves

Capital reserves

Reserves for exceptional losses
Investment fluctuation reserves
Exchange translation reserves
Fair value reserve

Revenue reserves

General reserves

20 Other creditors and accruals

Agents commission payable
Federal Excise Duty / Sales Tax / VAT
Federal Insurance Fee
Workers' welfare fund
Tax deducted at source
Accrued expenses
Unpaid and Unclaimed Dividend
Payable to Employees' Provident Fund
Sundry creditors

	30 June 2019	31 December 2018
	Rupees in thousand	
	(Unaudited)	(Audited)
	22,859	22,859
	3,764	3,764
	786,678	614,062
	1,313,490	2,207,015
Revenue reserves	936,500	936,500
	3,063,291	3,784,200
	753,674	708,645
	260,484	200,803
	85,745	37,729
	459,024	432,246
	79,776	58,052
	128,811	191,541
	128,067	121,350
	2,639	2,449
	448,052	452,917
	2,346,272	2,205,732

21 Contingencies and commitments

There has been no significant change in the contingencies and commitments since the date of preceding published annual financial statements for the year ended 31 December 2018.

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
22 Net insurance premium				
Written gross premium	5,873,553	5,954,000	12,129,819	9,648,166
Unearned premium reserve opening	10,802,642	8,136,283	10,100,901	8,912,498
Unearned premium reserve closing	(11,566,014)	(9,751,460)	(11,566,014)	(9,751,460)
Currency translation effect	606,309	205,164	671,251	354,680
Premium earned	5,716,490	4,543,987	11,335,957	9,163,884
Reinsurance premium ceded	(2,051,234)	(2,194,005)	(4,302,427)	(3,071,924)
Prepaid reinsurance premium opening	(3,254,355)	(1,759,176)	(2,866,980)	(2,349,147)
Prepaid reinsurance premium closing	3,543,053	2,648,778	3,543,053	2,648,778
Currency translation effect	(7,019)	(6,027)	(7,471)	(10,839)
Reinsurance expense	(1,769,555)	(1,310,430)	(3,633,825)	(2,783,132)
	3,946,935	3,233,557	7,702,132	6,380,752

22.1 Net insurance premium - Business underwritten inside Pakistan

Written gross premium	4,009,414	4,189,933	8,129,229	6,696,459
Unearned premium reserve opening	6,030,336	4,740,133	5,508,453	5,186,518
Unearned premium reserve closing	(6,550,695)	(5,983,865)	(6,550,695)	(5,983,865)
Premium earned	3,489,055	2,946,201	7,086,987	5,899,112
Reinsurance premium ceded	(2,000,953)	(2,112,473)	(4,187,650)	(2,932,933)
Prepaid reinsurance premium opening	(3,220,928)	(1,705,069)	(2,838,973)	(2,079,920)
Prepaid reinsurance premium closing	3,480,705	2,622,522	3,480,705	2,622,522
Reinsurance expense	(1,741,176)	(1,195,020)	(3,545,918)	(2,390,331)
	1,747,879	1,751,181	3,541,069	3,508,781

22.2 Net insurance premium - Business underwritten outside Pakistan

Written gross premium	1,864,139	1,764,067	4,000,590	2,951,707
Unearned premium reserve opening	4,772,306	3,396,150	4,592,448	3,725,980
Unearned premium reserve closing	(5,015,319)	(3,767,595)	(5,015,319)	(3,767,595)
Currency translation effect	606,309	205,164	671,251	354,680
Premium earned	2,227,435	1,597,786	4,248,970	3,264,772
Reinsurance premium ceded	(50,281)	(81,532)	(114,777)	(138,991)
Prepaid reinsurance premium opening	(33,427)	(54,107)	(28,007)	(269,227)
Prepaid reinsurance premium closing	62,348	26,256	62,348	26,256
Currency translation effect	(7,019)	(6,027)	(7,471)	(10,839)
Reinsurance expense	(28,379)	(115,410)	(87,907)	(392,801)
	2,199,056	1,482,376	4,161,063	2,871,971

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
23 Net insurance claims expenses				
Claims paid	3,489,494	4,421,197	7,207,715	7,228,627
Outstanding claims including IBNR closing	10,669,875	10,636,120	10,669,875	10,636,120
Outstanding claims including IBNR opening	(10,193,465)	(11,426,866)	(10,461,975)	(11,485,744)
Currency translation effect	(727,786)	(253,776)	(800,778)	(454,985)
Claim expense	3,238,118	3,376,675	6,614,837	5,924,018
Reinsurance and other recoveries received	(1,110,205)	(2,565,556)	(2,467,176)	(3,554,402)
Reinsurance and other recoveries in respect of outstanding claims closing	(6,227,154)	(6,844,083)	(6,227,154)	(6,844,083)
Reinsurance and other recoveries in respect of outstanding claims opening	6,178,315	7,917,116	6,397,245	8,056,450
Currency translation effect	378,020	136,155	417,133	249,501
Reinsurance and other recoveries revenue	(781,024)	(1,356,368)	(1,879,952)	(2,092,534)
	2,457,094	2,020,307	4,734,885	3,831,484

23.1 Net insurance claims expenses - Business underwritten inside Pakistan

Claims paid	1,441,677	2,738,453	3,472,180	4,169,425
Outstanding claims including IBNR closing	4,572,871	5,586,679	4,572,871	5,586,679
Outstanding claims including IBNR opening	(4,823,914)	(6,630,290)	(5,386,215)	(7,084,282)
Claim expense	1,190,634	1,694,842	2,658,836	2,671,822
Reinsurance and other recoveries received	(468,627)	(1,902,964)	(1,477,221)	(2,413,220)
Reinsurance and other recoveries in respect of outstanding claims closing	(3,046,533)	(4,097,999)	(3,046,533)	(4,097,999)
Reinsurance and other recoveries in respect of outstanding claims opening	3,295,122	5,205,590	3,769,658	5,602,812
Reinsurance and other recoveries revenue	(220,038)	(795,373)	(754,096)	(908,407)
	970,596	899,469	1,904,740	1,763,415

23.2 Net insurance claims expenses - Business underwritten outside Pakistan

Claims paid	2,047,817	1,682,744	3,735,535	3,059,202
Outstanding claims including IBNR closing	6,097,004	5,049,441	6,097,004	5,049,441
Outstanding claims including IBNR opening	(5,369,551)	(4,796,576)	(5,075,760)	(4,401,462)
Currency translation effect	(727,786)	(253,776)	(800,778)	(454,985)
Claim expense	2,047,484	1,681,833	3,956,001	3,252,196
Reinsurance and other recoveries received	(641,578)	(662,592)	(989,955)	(1,141,182)
Reinsurance and other recoveries in respect of outstanding claims closing	(3,180,621)	(2,746,084)	(3,180,621)	(2,746,084)
Reinsurance and other recoveries in respect of outstanding claims opening	2,883,193	2,711,526	2,627,587	2,453,638
Currency translation effect	378,020	136,155	417,133	249,501
Reinsurance and other recoveries revenue	(560,986)	(560,995)	(1,125,856)	(1,184,127)
	1,486,498	1,120,838	2,830,145	2,068,069

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

	Three months period ended		Six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
24 Net commission and other acquisition costs				
Commission paid or payable	742,775	664,386	1,231,140	943,783
Deferred commission expense opening	799,779	614,722	788,431	733,631
Deferred commission expense closing	(1,075,282)	(855,030)	(1,075,282)	(855,030)
Currency translation effect	77,457	21,072	84,718	37,059
Net commission	544,729	445,150	1,029,007	859,443
Commission received or recoverable	(173,192)	(167,526)	(262,247)	(257,857)
Unearned reinsurance commission opening	(195,759)	(195,862)	(221,371)	(240,306)
Unearned reinsurance commission closing	237,103	242,026	237,103	242,026
Currency translation effect	(603)	(294)	(661)	(665)
Commission from reinsurance	(132,451)	(121,656)	(247,176)	(256,802)
	412,278	323,494	781,831	602,641

24.1 Net commission and other acquisition costs - Business underwritten inside Pakistan

Commission paid or payable	384,847	480,235	578,880	633,748
Deferred commission expense opening	264,800	254,852	297,403	326,325
Deferred commission expense closing	(417,247)	(471,649)	(417,247)	(471,649)
Net commission	232,400	263,438	459,036	488,424
Commission received or recoverable	(171,507)	(165,838)	(257,151)	(254,023)
Unearned reinsurance commission opening	(191,511)	(188,720)	(218,690)	(227,726)
Unearned reinsurance commission closing	231,646	238,193	231,646	238,193
Commission from reinsurance	(131,372)	(116,365)	(244,195)	(243,556)
	101,028	147,073	214,841	244,868

24.2 Net commission and other acquisition costs - Business underwritten outside Pakistan

Commission paid or payable	357,928	184,151	652,260	310,035
Deferred commission expense opening	534,979	359,870	491,028	407,306
Deferred commission expense closing	(658,035)	(383,381)	(658,035)	(383,381)
Currency translation effect	77,457	21,072	84,718	37,059
Net Commission	312,329	181,712	569,971	371,019
Commission received or recoverable	(1,685)	(1,688)	(5,096)	(3,834)
Unearned reinsurance commission opening	(4,248)	(7,142)	(2,681)	(12,580)
Unearned reinsurance commission closing	5,457	3,833	5,457	3,833
Currency translation effect	(603)	(294)	(661)	(665)
Commission from reinsurance	(1,079)	(5,291)	(2,981)	(13,246)
	311,250	176,421	566,990	357,773

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
25 Management Expenses				
Employee benefit cost	436,520	416,320	887,789	830,275
Travelling expenses	17,720	19,185	33,506	31,462
Advertisement & sales promotion	12,503	17,576	34,161	30,570
Printing & stationary	7,118	8,432	14,723	15,506
Depreciation	59,044	33,126	115,624	65,300
Amortization	5,941	2,376	11,436	4,766
Rent, rates & taxes	1,274	23,325	14,488	45,210
Legal & professional charges	37,129	13,715	62,343	29,942
Electricity, gas & water	11,418	10,613	21,586	18,951
Entertainment	7,160	4,930	13,811	11,039
Vehicle running expenses	25,571	4,342	49,614	8,463
Office repairs & maintenance	9,870	10,277	22,107	18,529
Bank charges	20,090	15,623	28,399	22,145
Postages, telegrams & telephone	9,554	7,433	19,558	19,979
Supervision fee	15,260	14,093	32,002	25,297
IT related costs	24,017	20,512	45,361	40,193
Tracking and monitoring charges	51,795	52,076	113,244	105,574
Provision for doubtful balances	97,352	-	97,352	-
Regulatory Fee	38,868	14,969	72,787	22,394
Miscellaneous	14,071	9,566	22,068	16,257
	902,275	698,489	1,711,959	1,361,852
26 Investment Income				
Business underwritten Inside Pakistan				
Available-for-sale				
Income from equity securities				
Dividend income				
- associated undertakings	191,309	191,508	382,618	382,619
- others	134,428	76,699	361,443	269,111
	325,737	268,207	744,061	651,730
Income from debt securities - Held to maturity				
Return on Term Finance Certificates	-	1,365	-	2,716
Profit on Treasury Bills	11,620	5,940	21,910	12,767
	11,620	7,305	21,910	15,483
Income from Term Deposits				
Return on Term Deposits	1,082	1,495	1,082	3,428
	1,082	1,495	1,082	3,428
Net realized gains on investments				
Realized gains on				
- associated undertakings	-	-	-	-
- others	2,108	345,291	2,568	449,506
	2,108	345,291	2,568	449,506
	340,547	622,298	769,621	1,120,147
Provision of impairment in value of 'available-for-sale' investments	(505,385)	(108,698)	(490,685)	(71,686)
	(164,838)	513,600	278,936	1,048,461
Business underwritten Outside Pakistan				
Available-for-sale				
Income from equity securities				
Dividend income				
- associated undertakings	-	-	-	-
- others	15,427	-	29,170	-
	15,427	-	29,170	-
Return on Term Deposits	42,037	18,333	73,416	30,059
	57,464	18,333	102,586	30,059
Net investment income	(107,374)	531,933	381,522	1,078,520

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
27 Other income				
Return on bank balances	1,632	18,650	16,077	31,383
(Loss) / gain on sale of fixed assets	(8,101)	3,250	(3,909)	4,619
Return on loans to employee	67	88	140	179
Miscellaneous	(535)	2,531	18,136	10,335
	(6,937)	24,519	30,444	46,516

28 Other expenses				
Legal & professional charges - Other	6,697	13,613	14,021	21,179
Auditors' remuneration	2,654	1,211	5,531	3,157
Subscription Fee	1,184	1,215	2,519	2,782
Donations	-	300	-	800
Workers welfare fund	10,073	16,135	26,778	35,542
Others	1,497	2,522	3,998	3,649
	22,105	34,996	52,847	67,109

	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
29 Earnings per share - basic and diluted				
There is no dilutive effect on the basic earnings per share which is based on:				
Net profit after tax for the period	(122,383)	386,922	465,963	1,050,321
Number of shares				
Weighted average number of shares	350,000,000	350,000,000	350,000,000	350,000,000
Rupees				
Earnings (after tax) per share	(0.35)	1.11	1.33	3.00

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

30 Transactions with related parties

The Company has related party relationships with its associates, subsidiary company, employee retirement benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than those specified in their terms of employment.

Investment in related parties have been disclosed in note 10, 11 and 13 to the unconsolidated condensed interim financial information. Other transactions with related parties are summarized as follows:

		For six months period ended	
		30 June 2019	30 June 2018
		Rupees in thousand	
		(Unaudited)	(Unaudited)
i) Transactions			
	Subsidiary company		
	Premiums underwritten	13,753	12,372
	Premiums received	11,707	12,199
	Claims paid	5,490	3,391
	Claims received	2,500	2,500
	Premium paid	2,543	2,445
	Rent paid	750	-
	Rent / service charges received	517	-
	Other related parties		
	Premiums underwritten	787,145	845,012
	Premiums received	725,376	769,300
	Claims paid	314,925	397,584
	Commission paid	52,015	26,907
	Rent paid	4,930	2,413
	Dividends received	391,050	191,309
	Dividends paid	106,292	98,193
	Income on bank deposits	20,803	13,332
	Investments made	250,000	293,093
	Fee / service charges paid	1,604	3,001
	Charge in respect of gratuity expense	23,314	16,457
	Contribution to Employees' Provident Fund	16,805	15,439
	Compensation paid to Key management personnel	656,890	557,260
ii) Period end balances			
	Subsidiary company		
	Balances receivable	28,722	16,892
	Balances payable	1,881	2,085
	Other related parties		
	Balances receivable	332,393	349,502
	Balances payable	396,421	761,866
	Cash and bank balances including		
	Term Deposit Receipts	1,883,339	1,282,197
	Payable to Staff Gratuity Fund	139,947	133,127
	Payable to Employees' Provident Fund	2,639	2,449

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

31 Segment Information

	Six month period ended 30 June 2019												
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	
	Rupees in thousand												
Premium receivable (inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	4,773,039	28,338	485,939	13,103	1,726,037	4,130,514	1,123,021	19,798	1,057,558	11,283	9,165,594	4,203,036	13,368,630
Federal excise duty	(590,141)	(1,850)	(53,315)	(260)	(206,060)	(198,723)	(21,338)	(943)	(84,404)	(665)	(955,258)	(202,341)	(1,157,599)
Federal insurance fee	(41,020)	(73)	(4,298)	(27)	(15,210)	(15,210)	(10,976)	(5)	(9,593)	(6)	(81,107)	(105)	(61,212)
	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819
Gross written premium (inclusive of administrative surcharge)	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819
Gross direct premium	4,130,334	26,282	417,387	12,775	1,455,921	3,926,283	1,091,405	18,855	957,537	10,671	8,052,684	3,994,866	12,047,550
Facultative inward premium	2,730	-	328	-	-	-	-	-	-	-	3,058	-	3,058
Administrative surcharge	8,804	133	10,611	41	48,846	5,508	(698)	-	5,924	42	73,487	5,724	79,211
	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	12,129,819
Insurance premium earned	3,473,207	22,848	408,997	18,443	1,433,739	4,174,081	873,920	25,551	897,124	8,047	7,086,987	4,248,970	11,395,957
Insurance premium ceded to reinsurers	(3,027,656)	(15,735)	(52,487)	-	(25,917)	(49,848)	-	(18,102)	(439,858)	(4,222)	(3,545,918)	(87,907)	(3,633,825)
Net insurance premium	445,551	7,113	356,510	18,443	1,407,822	4,124,233	873,920	7,449	457,266	3,825	3,541,069	4,161,063	7,702,132
Gross commission	176,778	2,897	383	-	1,744	(964)	-	-	65,230	1,048	244,195	2,881	247,176
Net underwriting income	622,329	10,010	356,893	18,443	1,409,566	4,123,269	873,920	7,449	522,556	4,873	3,785,254	4,164,044	7,949,308
Insurance claims	(571,549)	(14,066)	(256,627)	(7,017)	(735,508)	(3,911,649)	(740,059)	(20,388)	(955,093)	(2,881)	(2,658,836)	(3,996,001)	(6,614,837)
Insurance claim recoveries from reinsurers	521,372	18,463	53,423	-	(7,007)	1,088,723	-	16,887	186,308	1,983	754,096	1,125,856	1,879,952
Net claims	(50,177)	4,397	(203,204)	(7,017)	(742,515)	(2,822,926)	(740,059)	(3,701)	(168,785)	(898)	(1,904,740)	(2,830,145)	(4,734,885)
Commission expense	(213,180)	(2,969)	(55,194)	(3,287)	(96,888)	(563,436)	(28,982)	(34)	(64,792)	(245)	(459,036)	(569,971)	(1,029,007)
Management expenses	(190,459)	(826)	(129,377)	(6,071)	(521,057)	(653,778)	(69,001)	(7,804)	(133,142)	(444)	(1,043,036)	(668,923)	(1,711,959)
Net insurance claims and expenses	(453,816)	602	(387,775)	(16,375)	(1,360,460)	(4,040,140)	(838,042)	(11,539)	(966,719)	(1,587)	(3,406,812)	(4,089,039)	(7,475,851)
Underwriting result	168,513	10,612	(30,882)	2,068	49,106	83,129	35,878	(4,090)	155,837	3,286	378,452	95,005	473,457
Net investment income											278,936	102,586	381,522
Rental income											1,689	-	1,689
Other income											25,092	5,352	30,444
Other expenses											(47,338)	(15,509)	(62,847)
Finance cost											(2,327)	(2,331)	(4,658)
Profit from Window Takeful Operations											57,859	-	57,859
Profit before tax											692,363	195,103	887,466
Segment Assets	8,100,300	107,336	536,497	8,791	1,295,348	5,958,461	8,119,57	52,991	2,119,305	18,332	12,863,407	6,145,911	19,009,318
Unallocated Assets											23,612,244	7,306,368	30,918,612
											36,475,651	13,452,279	49,927,930
Segment Liabilities	7,712,778	118,703	692,017	26,961	2,775,803	11,065,001	1,638,407	53,389	2,508,800	20,817	15,327,805	11,284,871	26,612,676
Unallocated Liabilities											3,627,337	804,505	4,431,842
											18,955,142	12,089,376	31,044,518

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

31.1 Segment Information

	Six month period ended 30 June 2018													
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
Premium receivable (inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,499,304	18,454	533,639	15,190	1,689,147	3,048,405	9,472	794,597	8,022	753,725	3,099,543	10,632,268		
Federal excise duty	(651,277)	(937)	(60,734)	(417)	(201,631)	(145,577)	(451)	(55,751)	(418)	(769,393)	(147,800)	(917,193)		
Federal insurance fee	(30,233)	(20)	(4,711)	(12)	(14,721)	(10,060)	-	(7,138)	(4)	(66,873)	(66)	(66,909)		
	3,017,794	17,497	468,194	14,761	1,472,785	2,902,828	9,021	731,708	7,600	6,696,459	2,951,707	9,648,166		
Gross written premium (inclusive of administrative surcharge)	3,017,794	17,497	468,194	14,761	1,472,785	2,902,828	9,021	731,708	7,600	6,696,459	2,951,707	9,648,166		
Gross direct premium	3,010,078	17,448	457,434	14,659	1,425,360	2,901,544	9,021	694,361	7,578	6,592,835	2,950,290	9,543,125		
Facultative inward premium	(322)	-	65	-	-	-	-	30,999	-	30,999	-	30,742		
Administrative surcharge	8,038	49	10,695	62	47,425	1,284	376	6,348	22	72,882	1,417	74,299		
	3,017,794	17,497	468,194	14,761	1,472,785	2,902,828	9,021	731,708	7,600	6,696,459	2,951,707	9,648,166		
Insurance premium earned	2,401,610	20,097	432,922	15,038	1,342,899	3,218,210	928,738	792,943	5,836	5,899,112	3,264,772	9,163,884		
Insurance premium ceded to reinsurers	(1,964,566)	(12,694)	(67,334)	-	(20,156)	(971,591)	-	(5,428)	(3,088)	(3,902,275)	(32,801)	(2,783,132)		
Net insurance premium	437,044	7,403	375,588	15,038	1,322,743	2,846,619	928,738	163	444,668	2,748	3,508,781	6,380,752		
Commission income	176,229	3673	363	-	8	8,446	-	66,956	1,127	243,556	13,246	256,802		
	613,273	11,076	375,951	15,038	1,322,751	2,855,065	928,738	163	511,624	3,875	3,762,337	6,637,554		
Net underwriting income	(902,801)	340	(97,703)	(592)	(666,612)	(3,247,100)	(602,647)	(202,059)	249	(2,671,822)	(3,252,196)	(5,924,018)		
Insurance claims	793,543	(2,229)	(25,081)	-	52,870	1,181,619	-	49,23	(186)	908,407	1,184,127	2,092,534		
Insurance claim recoveries from reinsurers	(109,288)	(1,889)	(122,784)	(592)	(613,742)	(2,065,481)	(170)	(114,984)	63	(1,763,415)	(2,068,069)	(3,831,484)		
Commission expense	(212,692)	(2,530)	(60,406)	(2,466)	(103,070)	(964,700)	(28,228)	(749)	(84,028)	(574)	(488,424)	(859,443)		
Management expenses	(186,391)	(415)	(124,822)	(3,012)	(480,097)	(667,089)	(70,037)	(2,783)	(124,877)	(2,329)	(986,224)	(1,361,852)		
Net insurance claims and expenses	(508,341)	(4,634)	(308,012)	(6,070)	(1,196,969)	(2,797,270)	(900,912)	(3,702)	(323,899)	(2,840)	(3,238,063)	(2,814,716)	(6,052,779)	
Underwriting result	104,932	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-	-	-	-	-	-	-	-	-		
Other income	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-		
Profit from Window Tailored Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Profit before tax	1,049,264	6,242	67,939	8,968	125,842	57,795	27,826	187,735	1,035	514,274	70,501	584,775		
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-		
Rental income	-	-	-	-</										

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

32 Fair value measurement 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.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements in fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value. It has the following levels:

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

Note	30 June 2019									
	Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousand										
Financial assets - measured at fair value										
Investment										
Equity securities- quoted	11	14,830,126	-	-	-	14,830,126	14,830,126	-	-	14,830,126
Equity securities- unquoted	11	3,172,505	-	-	-	3,172,505	-	-	3,172,505	3,172,505
Debt securities	12	-	381,663	-	-	381,663	-	381,663	-	381,663
Investments of Window Takaful Operations - Operator's Fund	18	31,048	-	-	-	31,048	31,048	-	-	31,048
Financial assets - not measured at fair value										
Loans and other receivables *	14	-	-	327,251	-	327,251	-	-	-	-
Investment - Term Deposits*	13	-	5,910,048	-	-	5,910,048	-	-	-	-
Insurance / reinsurance receivables										
- unsecured and considered good *	15	-	-	8,163,828	-	8,163,828	-	-	-	-
Reinsurance recoveries against outstanding claims *				5,897,373	-	5,897,373	-	-	-	-
Salvage recoveries accrued *				329,781	-	329,781	-	-	-	-
Prepayments	16	-	-	3,755,106	-	3,755,106	-	-	-	-
Cash and bank *	17	-	-	-	1,506,325	1,506,325	-	-	-	-
Other Assets of Window Takaful Operations - Operator's Fund*	18	-	-	226,908	141,882	368,790	-	-	-	-
		18,033,679	6,291,711	18,700,247	1,648,207	44,673,844	14,861,174	381,663	3,172,505	18,415,342
Financial liabilities - not measured at fair value										
Underwriting provisions:										
Outstanding claims (including IBNR)*		-	-	-	10,669,875	10,669,875	-	-	-	-
Insurance / reinsurance payables *		-	-	-	3,771,020	3,771,020	-	-	-	-
Other creditors and accruals*	20	-	-	-	2,213,112	2,213,112	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*	18	-	-	-	206,407	206,407	-	-	-	-
		-	-	-	16,860,414	16,860,414	-	-	-	-

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

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

32.1 Fair value measurement 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.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements in fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value. It has the following levels:

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

31 December 2018										
Note	Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in thousand										

Financial assets - measured at fair value

Investment										
Equity securities- quoted	11	16,457,477	-	-	-	16,457,477	16,457,477	-	-	16,457,477
Equity securities- unquoted	11	2,922,505	-	-	-	2,922,505	-	-	2,922,505	2,922,505
Debt securities	12	-	378,029	-	-	378,029	-	378,029	-	378,029
Investments of Window Takaful Operations - Operator's Fund	18	29,930	-	-	-	29,930	29,930	-	-	29,930

Financial assets - not measured at fair value

Loans and other receivables *	14	-	-	275,875	-	275,875	-	-	-	-
Investment - Term Deposits*	13	-	4,356,113	-	-	4,356,113	-	-	-	-
Insurance / reinsurance receivables										
- unsecured and considered good *	15	-	-	7,033,977	-	7,033,977	-	-	-	-
Reinsurance recoveries against outstanding claims *				6,046,905	-	6,046,905	-	-	-	-
Salvage recoveries accrued *				350,340	-	350,340	-	-	-	-
Prepayments *	16	-	-	3,048,306	-	3,048,306	-	-	-	-
Cash and bank *	17	-	-	-	2,211,444	2,211,444	-	-	-	-
Other Assets of Window Takaful Operations - Operator's Fund*	18	-	-	250,569	101,695	352,264	-	-	-	-
		19,409,912	4,734,142	17,005,972	2,313,139	43,463,165	16,487,407	378,029	2,922,505	19,787,941

Financial liabilities - not measured at fair value

Underwriting provisions:										
Outstanding claims (including IBNR)*		-	-	-	10,461,975	10,461,975	-	-	-	-
Insurance / reinsurance payables *		-	-	-	2,709,714	2,709,714	-	-	-	-
Other creditors and accruals*	20	-	-	-	2,227,040	2,227,040	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*	18	-	-	-	229,819	229,819	-	-	-	-
		-	-	-	15,628,548	15,628,548	-	-	-	-

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

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

33 Date of authorization for issue

This unconsolidated condensed interim financial information was approved for issue on 23 August 2019 by the Board of Directors of the Company.

34 Non-adjusting events after statement of financial position date

The Board of Directors of the Company in their meeting held on 23 August 2019 proposed an interim cash dividend for the six month period ended 30 June 2019 @ 10% i.e. Rupee 1/- per share (30 June 2018 @ 10 % i.e. Rupee 1/- per share). This unconsolidated condensed interim financial information for the six month period ended 30 June 2019 does not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending 31 December 2019.

35 General

- 35.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.
- 35.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Directors' Review to the members on Consolidated Condensed Interim Financial Information

For six months period ended 30 June 2019

On behalf of the Board, We are pleased to present the consolidated condensed interim financial information of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited, for six months period ended 30 June 2019.

The following appropriation of profit has been recommended by the Board of Directors:

	30 June 2019	30 June 2018
	Rupees in thousand	
		Restated
	(Unaudited)	(Unaudited)
Profit before tax	1,015,171	1,749,805
Taxation	(465,194)	(641,061)
Profit after tax	549,977	1,108,744
Less: Profit attributable to non-controlling interest	(21,608)	(15,026)
Profit attributable to ordinary shares	528,369	1,093,718
Unappropriated profit brought forward	12,521,272	11,955,927
Profit available for appropriation	13,049,641	13,049,645
Final dividend for the year ended 31 December 2018 @ 15% (Rupees 1.5/- per share) 31 December 2017 @ 10% (Rupee 1/- per share)	(525,000)	(350,000)
Profit after appropriation	12,524,641	12,699,645

	30 June 2019	30 June 2018
	Rupees	
	(Unaudited)	(Unaudited) Restated
Earnings per share - Basic and diluted	1.51	3.13

On Behalf of Board of Directors



Shaikh Muhammad Jawed
Director



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Lahore: 23 August 2019

CONSOLIDATED

Condensed Interim
Financial Information
for the Six Months Ended
30 June 2019
(Unaudited)



Consolidated Condensed Interim Statement of Financial Position

As at 30 June 2019

	Note	30 June 2019	31 December 2018
		Rupees in thousand	
		(Unaudited)	(Audited)
ASSETS			
Property and equipment	8	4,432,983	3,673,804
Intangible assets	9	143,796	160,602
Investment property		876,394	855,394
Investments			
Equity securities	10	30,027,066	32,359,408
Debt securities	11	4,352,703	4,416,804
Term deposits	12	13,878,048	15,426,113
Loan secured against life insurance policies		39,943	34,556
Loans and other receivables	13	682,387	552,070
Insurance / reinsurance receivables	14	8,243,527	7,162,077
Reinsurance recoveries against outstanding claims		5,897,373	6,046,905
Salvage recoveries accrued		329,781	350,340
Deferred commission expense / acquisition cost		1,075,282	788,431
Taxation - payment less provisions		-	172,124
Prepayments	15	3,815,261	3,116,455
Cash and bank	16	8,622,181	5,523,097
		<u>82,416,725</u>	<u>80,638,180</u>
Total assets of Window Takaful Operations - Operator's Fund (Holding Company)	17	<u>399,838</u>	<u>382,194</u>
TOTAL ASSETS		<u><u>82,816,563</u></u>	<u><u>81,020,374</u></u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		3,500,000	3,500,000
Reserves	18	3,061,543	3,781,282
Unappropriated Profit		12,524,641	12,521,272
Equity attributable to equity holders of the parent		<u>19,086,184</u>	<u>19,802,554</u>
Non-controlling interest		310,810	288,797
Total Equity		<u>19,396,994</u>	<u>20,091,351</u>
Liabilities			
Insurance liabilities		31,637,615	31,730,169
Underwriting provisions:			
Outstanding claims including IBNR		10,669,875	10,461,975
Unearned premium reserve		11,566,014	10,100,901
Unearned reinsurance commission		237,103	221,371
Retirement benefits obligations		222,303	184,560
Deferred taxation		680,857	985,157
Premium received in advance		715,864	801,168
Insurance / reinsurance payables		3,771,020	2,709,714
Other creditors and accruals	19	2,730,278	2,812,103
Lease liability		289,198	-
Deposits and other payables		672,093	692,086
Taxation - payment less provisions		20,942	-
		<u>31,575,547</u>	<u>28,969,035</u>
Total Liabilities of Window Takaful Operations - Operator's Fund (Holding Company)	17	<u>206,407</u>	<u>229,819</u>
TOTAL EQUITY AND LIABILITIES		<u><u>82,816,563</u></u>	<u><u>81,020,374</u></u>
Contingencies and commitments	20		

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Consolidated Condensed Interim Profit and Loss Account (Unaudited)

For six months period ended 30 June 2019

	Note	For three months period ended		For six months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand					
		Restated		Restated	
Net insurance premium	21	6,570,287	6,537,261	12,832,970	12,168,397
Net insurance claims	22	(3,645,101)	(3,445,836)	(7,690,332)	(6,705,724)
Net commission and other acquisition costs	23	(1,008,438)	(875,431)	(1,955,646)	(1,524,430)
Insurance claims and acquisition expenses		(4,653,539)	(4,321,267)	(9,645,978)	(8,230,154)
Management expenses		(1,136,500)	(850,020)	(2,208,494)	(1,757,600)
Net change in insurance liabilities (other than outstanding claims)		729,640	(305,645)	(267,489)	(2,519,289)
Underwriting results		1,509,888	1,060,329	711,009	(338,646)
Investment income	24	363,005	1,084,282	1,765,985	2,554,059
Net fair value loss on financial assets at fair value through profit or loss		(1,823,246)	(1,493,438)	(1,631,530)	(566,807)
Net unrealized gains on investment property		-	-	21,000	47,019
Rental income		1,611	2,515	3,189	5,030
Other income		86,144	50,301	174,041	89,144
Other expenses		(32,517)	(39,175)	(73,495)	(84,275)
Results of operating activities		104,885	664,814	970,199	1,705,524
Finance cost		(12,887)	-	(12,887)	-
Profit from 'Window Takaful Operations'	17	31,425	24,471	57,859	44,281
Profit before tax		123,423	689,285	1,015,171	1,749,805
Income tax expense		(234,963)	(353,447)	(465,194)	(641,061)
(Loss) / profit after tax		(111,540)	335,838	549,977	1,108,744
(Loss) / profit attributable to:					
Equity holders of the parent		(114,328)	348,978	528,369	1,093,718
Non-controlling interest		2,788	(13,140)	21,608	15,026
		(111,540)	335,838	549,977	1,108,744
Rupees					
		Restated		Restated	
(Loss) / earnings (after tax) per share	25	(0.33)	1.00	1.51	3.13

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For six months period ended 30 June 2019

	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Rupees in thousand			
		Restated		Restated
(Loss) / profit after tax	(111,540)	335,838	549,977	1,108,744
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss:				
Unrealized diminution on 'available for sale' - net of tax	(1,031,446)	(1,366,472)	(891,932)	(582,277)
Unrealized diminution on 'available for sale' of window takaful operations - net of tax	(441)	(982)	(18)	(442)
Effect of currency translation of investment in foreign branches - net	164,279	28,315	172,616	50,708
Total comprehensive (loss) / income for the period	(979,148)	(1,003,301)	(169,357)	576,733
Total comprehensive (loss) / income attributable to:				
Equity holders of the parent	(981,853)	(985,719)	(191,370)	562,449
Non-controlling interest	2,705	(17,582)	22,013	14,284
	(979,148)	(1,003,301)	(169,357)	576,733

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




Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Consolidated Condensed Interim Cash Flow Statement (Unaudited)

For six months period ended 30 June 2019

	For six months period ended	
	30 June 2019	30 June 2018
	Rupees in thousand	
Cash flows from operating activities		
Underwriting activities		Restated
Insurance premium received	16,590,784	15,826,241
Reinsurance premiums paid	(3,367,443)	(3,155,277)
Claims paid	(10,683,986)	(10,346,900)
Surrenders paid	(37,034)	(29,961)
Reinsurance and other recoveries received	2,492,697	3,485,396
Commissions paid	(2,334,625)	(1,790,505)
Commissions received	262,247	257,857
Other underwriting payments	(1,439,066)	(1,468,423)
Net cash flow from underwriting activities	1,483,574	2,778,428
Other operating activities		
Income tax paid	(186,780)	(569,080)
Other operating payments	(750,687)	(737,333)
Loans advanced	(35,185)	(30,356)
Loans repayments received	27,751	26,882
Other operating receipts	22,895	10,513
Net cash used in other operating activities	(922,006)	(1,299,374)
Total cash flow from all operating activities	561,568	1,479,054
Cash flows from investing activities		
Profit / return received on bank deposits	1,047,087	612,314
Income from treasury bills	16,428	20,050
Dividends received	1,040,693	925,201
Rentals received	2,431	6,380
Payment for investments/ investment properties	(107,834,741)	(50,525,513)
Loan to / from policy holder	(3,665)	69
Proceeds from investments/ investment properties	106,287,799	50,062,098
Fixed capital expenditure - operating fixed assets	(522,431)	(457,046)
Fixed capital expenditure - intangible assets	-	(2,468)
Proceeds from disposal of operating fixed assets	16,704	16,466
Total cash flow from investing activities	50,305	657,551
Cash flows from financing activities		
Payments against lease liabilities	(46,506)	-
Dividends paid	(518,283)	(315,785)
Total cash used in financing activities	(564,789)	(315,785)
Net cash flow from all activities	47,084	1,820,820
Cash and cash equivalents at beginning of period	16,543,097	12,740,248
Cash and cash equivalents at end of period	16,590,181	14,561,068

Consolidated Condensed Interim Cash Flow Statement (Unaudited)

For six months period ended 30 June 2019

For six months period ended	
30 June 2019	30 June 2018
Rupees in thousand	

Reconciliation to profit and loss account

		Restated
Operating cash flows	561,568	1,479,055
Depreciation expense	(168,678)	(92,930)
Provision for gratuity	(23,314)	(16,029)
Finance cost	(12,887)	-
Other income - bank and term deposits	90,575	64,870
(Loss) / gain on disposal of operating fixed assets	(3,955)	7,493
Provision for doubtful balances	(97,352)	-
Rental income	3,189	5,030
Decrease in assets other than cash	2,337,598	105,777
Increase in liabilities other than running finance	(670,955)	(1,581,032)
Increase in tax liabilities	(421,503)	(641,692)
Profit on sale of investments	284,626	1,260,749
Amortization expense	(11,436)	(7,881)
Increase in unearned premium	(1,465,113)	(838,962)
Decrease in loans and other receivables	7,435	3,474
Income taxes paid	142,392	495,905
Provision for impairment in value of 'available-for-sale' investments	(490,685)	(71,686)
Dividend and other income	407,128	1,355,779
Income from treasury bills	21,910	12,767
Income from TFCs	-	2,716
Revaluation / devaluation of investment	1,575	(478,940)
Profit from liabilities Window Takaful Operations	57,859	44,281
Profit after tax	549,977	1,108,744

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

Cash and other equivalents	10,856	12,919
Current and other accounts	8,611,325	3,178,293
Term deposits	7,968,000	11,369,856
Total cash and cash equivalents	16,590,181	14,561,068

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For six months period ended 30 June 2019

	Share capital	Capital reserve				Revenue reserve		Equity attributable to equity holders of the parent	Non-controlling interest	Total
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	Fair Value Reserve	General reserve	Retained earnings			
Rupees in thousand										
Balance as at 31 December 2017 - (Audited)	3,500,000	22,859	3,764	467,100	3,573,724	936,500	11,955,927	20,459,874	273,635	20,733,509
Profit for the period 01 January 2018 to 30 June 2018	-	-	-	-	-	-	1,093,718	1,093,718	15,026	1,108,744
Other comprehensive income for the period 01 January 2018 to 30 June 2018	-	-	-	50,708	(581,977)	-	-	(531,269)	(742)	(532,011)
Total comprehensive income for the period	-	-	-	50,708	(581,977)	-	1,093,718	562,449	14,284	576,733
Transactions with owners of the Company										
Final dividend for the year ended 31 December 2017 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	(350,000)	(350,000)	-	(350,000)
Balance as at 30 June 2018 - (Unaudited) - Restated	3,500,000	22,859	3,764	517,808	2,991,747	936,500	12,699,645	20,672,323	287,919	20,960,242
Profit for the period 01 July 2018 to 31 December 2018	-	-	-	-	-	-	186,944	186,944	(600)	186,344
Other comprehensive income for the period 01 July 2018 to 31 December 2018	-	-	-	96,254	(787,650)	-	(15,317)	(706,713)	1,478	(705,235)
Total comprehensive income for the period	-	-	-	96,254	(787,650)	-	171,627	(519,769)	878	(518,891)
Transactions with owners of the Company										
Interim dividend for the year ended 30 June 2018 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	(350,000)	(350,000)	-	(350,000)
Balance as at 31 December 2018 - (Audited)	3,500,000	22,859	3,764	614,062	2,204,097	936,500	12,521,272	19,802,554	288,797	20,091,351
Profit for the period 01 January 2019 to 30 June 2019	-	-	-	-	-	-	528,369	528,369	21,608	549,977
Other comprehensive income for the period 01 January 2019 to 30 June 2019	-	-	-	172,616	(892,355)	-	-	(719,739)	405	(719,334)
Total comprehensive income for the period	-	-	-	172,616	(892,355)	-	528,369	(191,370)	22,013	(169,357)
Transactions with owners of the Company										
Final dividend for the year ended 31 December 2018 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	(525,000)	(525,000)	-	(525,000)
Balance as at 30 June 2019 - (Unaudited)	3,500,000	22,859	3,764	786,678	1,311,742	936,500	12,524,641	19,086,184	310,810	19,396,994

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



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

1 The group and its operations:

1.1 The group comprises of:

	2019 (Holding percentage)	2018
Holding Company		
Adamjee Insurance Company Limited	100%	100%
Subsidiary Company		
Adamjee Life Assurance Company Limited	74.28%	74.28%

Adamjee Insurance Company Limited (Holding Company)

Adamjee Insurance Company Limited is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Act, 2017). The Holding Company is listed on Pakistan Stock Exchange and is engaged in the general insurance business. The registered office of the Holding Company is situated at Tanveer Building, 27-C-III, MM Alam Road, Gulberg III, Lahore.

The Holding Company also operates branches in the United Arab Emirates (UAE) and the Export Processing Zone (EPZ).

The Holding Company was granted authorization on 23 December 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and commenced Window Takaful Operations on 01 January 2016.

Adamjee Life Assurance Company Limited (Subsidiary Company)

Adamjee Life Assurance Company Limited was incorporated in Pakistan on 4 August 2008 as a public unlisted company under the Companies Act, 2017. The Subsidiary Company started its operations from 24 April 2009. Registered office of the Subsidiary Company is at 1st floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at 3rd Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. Adamjee Life Assurance Company Limited is a subsidiary of Adamjee Insurance Company Limited and an associate of IVM Intersurer B.V. each having a holding of 74.28% and 25.72% (2018: 74.28% and 25.72%) respectively in the share capital of the Subsidiary Company. IVM Intersurer B.V. has nominated Hollard Life Assurance Company Limited ("HLA"), an associate company of IVM Intersurer B.V. to act on its behalf in respect of matters relating to the Subsidiary Company. HLA is South Africa's largest private sector insurance company.

The Subsidiary Company is engaged in life assurance business carrying on non-participating business only. In accordance with the requirements of the Insurance Ordinance, 2000, the Subsidiary Company has established a shareholders' fund and the following statutory funds in respect of each class of its life assurance business:

- Conventional Business
- Accident and Health Business
- Individual Life Non-unitized Investment Linked Business
- Individual Life Unit Linked Business
- Individual Family Takaful Business

The Subsidiary Company was granted authorization on 4 May 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Subsidiary Company commenced Window Takaful Operations from 14 July 2016. The Subsidiary Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF)) on 22 December 2015 under a Waqf deed executed by the Subsidiary Company with the cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Subsidiary Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Subsidiary Company.

IVM Intersurer B.V is in the process of selling its holding in the Subsidiary company to Holding Company after relevant legal formalities.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

2 Basis of preparation and statement of compliance

This consolidated condensed interim financial information of the Group for the period ended 30 June 2019 has been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

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

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

In terms of the requirements of the Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator Fund of the Window Takaful operations of the Holding Company have been presented as a single line item in the statement of financial position and profit and loss account of the Holding Company respectively. A separate set of condensed interim financial information of the Window Takaful operations has been annexed to this financial information as per the requirements of the Takaful Rules, 2012.

This consolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Group for the year ended 31 December 2018. Comparative figures for consolidated condensed interim statement of financial position are stated from annual audited financial statements of the Group for the year ended 31 December 2018, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in equity and interim cash flow statement and related notes are extracted from consolidated condensed interim financial information of the Group for the six months ended 30 June 2018.

This consolidated condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

3 Basis of measurement

This consolidated condensed interim financial information has been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and defined benefit obligations under employee benefits carried at present value. All transactions reflected in this financial information are on accrual basis except for those reflected in cash flow statement.

4 Accounting policies

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

4.1 Standards, amendments or interpretations

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these condensed interim financial information except the following:

IFRS 16

The Group has adopted IFRS 16 'Leases', issued in January 2016, with the date of initial application on 01 January 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

Lease Accounting

The Group initially measures the right-of-use asset at cost (present value of the future lease payments discounted using the

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

discount rate implicit in the lease and initial cost) and subsequently measured at cost less accumulated depreciation and impairment losses adjusted for any remeasurement of the lease liability.

The Group initially measures the lease liability at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The Group has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. The Group recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. The Group has assessed that the impact of IFRS 16 is not material on opening retained earnings and as of reporting date has presented right-of-use assets within 'Property and equipment' and 'Finance lease liabilities' in the condensed interim statement of financial position.

Impacts on condensed interim financial information

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group has recognized Rs. 295.23 million of right-of-use assets (included in property and equipment) and Rs. 289.20 million of lease liabilities as at 30 June 2019.

Also, in relation to those leases under IFRS 16, the Group has recognized depreciation and interest costs, instead of operating lease expense. During the six months period ended 30 June 2019, the Group recognized Rs. 60.69 million as depreciation expense and Rs. 8.99 million as interest cost.

IFRS 9

The amendments introduce two approaches for entities that apply IFRS 4 to reduce the impact of deferring effective dates with IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments: an overlay approach and a temporary exemption from applying IFRS 9. The Group has adopted for a temporary exemption from application of IFRS 9.

The effective date of the amendments permitting the temporary exemption is for annual periods beginning on or after 01 January 2018. The temporary exemption is available for annual reporting periods beginning before 01 January 2022 and will expire once IFRS 17 becomes effective.

5 Use of estimates and judgments

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 31 December 2018.

6 Functional and presentation currency

This consolidated condensed interim financial information is presented in Pakistani Rupees, which is also the Group's functional currency.

7 Insurance and Financial risk management

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

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	30 June 2019	31 December 2018
	Rupees in thousand	
	(Unaudited)	(Audited)
8 Property and equipment		
Opening balance - net book value	2,481,588	2,273,084
Additions during the period / year	8.1 71,811	348,751
Right -of- use assets	355,923	-
Less:		
Book value of disposals during the period / year	8.2 (20,658)	(18,654)
Depreciation charged during the period / year	(156,205)	(173,636)
Exchange gain	57,688	52,043
	(119,175)	(140,247)
	2,790,147	2,481,588
Capital work in progress	1,642,836	1,192,216
	<u>4,432,983</u>	<u>3,673,804</u>
8.1 Additions during the period / year - cost		
Buildings	467	170,852
Furniture and fixtures	4,779	38,889
Motor vehicles	53,937	70,594
Machinery and equipment	6,332	6,171
Computer and related accessories	3,543	59,474
Leasehold Improvements	2,753	2,771
	<u>71,811</u>	<u>348,751</u>
8.2 Written down values of property and equipment disposed off during the period / year		
Furniture and fixtures	10,398	39
Motor vehicles	5,990	18,060
Machinery and equipment	4,270	371
Computer and related accessories	-	184
	<u>20,658</u>	<u>18,654</u>
9 Intangible assets		
Opening balance - net book value	160,602	97,760
Additions during the year	-	95,327
Less:		
Amortization charged during the period / year	(23,907)	(41,126)
Exchange gain	7,101	8,641
	(16,806)	(32,485)
	<u>143,796</u>	<u>160,602</u>

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

10 Investment in equity securities

Available-for-sale

30 June 2019 (Unaudited)			31 December 2018 (Audited)		
Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
Rupees in thousand					

Related parties

Listed shares	8,859,290	(261,128)	8,598,162	8,423,580	(164,863)	8,258,717
Unlisted shares	550,726	-	550,726	300,726	-	300,726
	9,410,016	(261,128)	9,148,888	8,724,306	(164,863)	8,559,443
Unrealized gain			972,487			1,294,754
			10,121,375			9,854,197

Others

Listed shares	6,900,463	(1,939,947)	4,960,516	7,268,843	(1,545,527)	5,723,316
Unlisted shares	925,360	-	925,360	925,360	-	925,360
NIT Units	161	-	161	161	-	161
Mutual Funds	440,724	-	440,724	389,312	-	389,312
	8,266,708	(1,939,947)	6,326,761	8,583,676	(1,545,527)	7,038,149
Unrealized gain			878,122			1,813,201
			7,204,883			8,851,350
Total - available for sale	17,676,724	(2,201,075)	17,326,258	17,307,982	(1,710,390)	18,705,547

Fair value through profit and loss

Related parties

Listed shares	1,634,941	-	1,634,941	1,250,208	-	1,250,208
Mutual Funds	4,182,896	-	4,182,896	3,651,823	-	3,651,823
	5,817,837	-	5,817,837	4,902,031	-	4,902,031
Unrealized loss			(271,627)			(374,786)
			5,546,210			4,527,245

Others

Listed shares	10,014,321	-	10,014,321	10,864,063	-	10,864,063
Mutual Funds	847,371	-	847,371	286,805	-	286,805
	10,861,692	-	10,861,692	11,150,868	-	11,150,868
Unrealized loss			(3,707,094)			(2,024,252)
			7,154,598			9,126,616
Total - fair value through profit and loss	16,679,529	-	12,700,808	16,052,899	-	13,653,861
Grand Total	34,356,253	(2,201,075)	30,027,066	33,360,881	(1,710,390)	32,359,408

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	30 June 2019	31 December 2018
	Rupees in thousand	
	(Unaudited)	(Audited)
11 Investments in debt securities		
Held to maturity		
Treasury Bills	381,663	378,029
	381,663	378,029
Available for sale		
Treasury Bills	261,952	189,911
Pakistan Investment Bonds	179,447	244,884
	441,399	434,795
Deficit on revaluation	(2,451)	(7,535)
	438,948	427,260
Fair value through profit and loss		
Term Finance Certificate	1,508,730	1,441,778
Advance against purchase of term finance certificate	-	350,000
Corporate sukuks	1,516,143	1,032,170
Ijarah sukuks	-	32,053
Treasury Bills	457,673	411,254
Pakistan Investment Bonds	50,464	352,204
	3,533,010	3,619,459
Deficit on revaluation	(918)	(7,944)
	3,532,092	3,611,515
	4,352,703	4,416,804
12 Investments in Term Deposits		
Held to maturity		
Deposits maturing within 12 months		
Inside Pakistan		
- related parties	26,811	366,811
- others	7,974,447	10,735,066
	8,001,258	11,101,877
Outside Pakistan		
- related parties	1,307,205	871,396
- others	4,527,894	3,411,149
	5,835,099	4,282,545
Deposits maturing after 12 months	13,836,357	15,384,422
Inside Pakistan		
- related parties	2,000	2,000
- others	39,691	39,691
	41,691	41,691
Outside Pakistan		
- related parties	-	-
- others	-	-
	-	-
	41,691	41,691
12.1	13,878,048	15,426,113

12.1 These include fixed deposits amounting to Rs. 5,010,953 thousands (AED 115,000 thousands) [2018: Rs. 3,780,460 thousands (AED 100,000 thousands)] kept in accordance with the requirements of Insurance Regulations applicable to the UAE branches of the Holding Company for the purpose of carrying on business in United Arab Emirates. These also include liens against cash deposits of Rs. 74,949 thousands (2018: Rs. 73,568 thousands) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Holding Company for claims under litigation filed against the Holding Company and bid bond guarantees.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	30 June 2019	31 December 2018
	Rupees in thousand	
13 Loans and other receivables - considered good	(Unaudited)	(Audited)
Rent receivable	5,726	4,968
Receivable from related parties	802	2,500
Accrued investment income	216,815	205,130
Security deposits	86,598	79,222
Advances to employees and suppliers	111,239	70,835
Agent commission receivable	2,088	24,085
Loans to employees	61,201	55,724
Receivable against the sale of investment	152,859	98,754
Other receivables	45,059	10,852
	682,387	552,070
14 Insurance / reinsurance receivables - unsecured and considered good		
Due from insurance contract holders	8,085,440	6,854,237
Provision for impairment of receivables from insurance contract holders	(798,249)	(629,668)
	7,287,191	6,224,569
Due from other insurers / other reinsurers	1,157,638	1,138,810
Provision for impairment of due from other insurers / reinsurers	(201,302)	(201,302)
	956,336	937,508
	8,243,527	7,162,077
15 Prepayments		
Prepaid reinsurance premium ceded	3,543,053	2,866,980
Prepaid rent	22,698	56,540
Prepaid miscellaneous expenses	249,510	192,935
	3,815,261	3,116,455
16 Cash and bank		
Cash and cash equivalents		
Inside Pakistan		
Cash in hand	1,023	693
Policy & Revenue stamps, Bond papers	9,178	15,713
	10,201	16,406
Outside Pakistan		
Cash in hand	655	-
	10,856	16,406
Cash at bank		
Inside Pakistan	16.1	
Current accounts	413,491	929,837
Savings accounts	7,534,841	3,518,450
	7,948,332	4,448,287
Outside Pakistan		
Current accounts	657,299	1,053,464
Savings accounts	5,694	4,940
	662,993	1,058,404
	8,611,325	5,506,691
	8,622,181	5,523,097

16.1 Cash at bank includes an amount of Rs. 1,491,592 thousands (31 December 2018: Rs. 2,203,566 thousands) held with MCB Bank Limited, a related party of the Group.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

	30 June 2019	31 December 2018
	Rupees in thousand	
	(Unaudited)	(Audited)
17 Window takaful operations - operator's fund (Holding Company)		
Assets		
Qard-e-Hasna	146,460	146,804
Cash and bank deposits	141,882	101,695
Investments	31,048	29,930
Current assets - others	45,400	66,947
Property and equipment	14,565	16,185
Intangible assets	20,483	20,633
Total Assets	399,838	382,194
Total Liabilities	206,407	229,819
	For six months period ended	
	30 June 2019	30 June 2018
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Wakala fee	155,995	112,717
Commission expense	(46,721)	(25,702)
Management expenses	(59,394)	(42,932)
Other income	8,363	1,770
Investment income	1,345	166
Other Expenses	(1,729)	(1,738)
Profit before tax	57,859	44,281
Provision for tax	(16,785)	(15,362)
Profit from Window Takaful Operations	41,074	28,919
	Details of total assets, total liabilities and segment disclosure of window takaful operations of the Holding Company are stated in the annexed condensed interim financial information.	
18 Reserves		
Capital reserves		
Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	786,678	614,062
Fair value reserve	1,311,742	2,204,097
	2,125,043	2,844,782
Revenue reserves		
General reserves	936,500	936,500
	3,061,543	3,781,282
19 Other creditors and accruals		
Agents commission payable	1,000,091	1,066,503
Payable against the purchase of investment	6,063	138,863
Federal Excise Duty / Sales Tax / VAT	260,484	200,803
Federal Insurance Fee	85,745	37,729
Workers' welfare fund	459,024	432,246
Tax deducted at source	83,010	66,492
Accrued expenses	255,138	283,375
Unpaid and Unclaimed Dividend	128,067	121,350
Payable to Employees' Provident Fund	2,639	2,449
Payable to related parties	2,241	6,833
Sundry creditors	447,776	455,460
	2,730,278	2,812,103

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

20 Contingencies and commitments

Holding Company

Contingencies and commitments

There has been no significant change in the contingencies and commitments since the date of preceding published annual financial statements of the Holding Company for the year ended 31 December 2018.

Subsidiary Company

Contingencies

Claims against the Subsidiary Company not acknowledged as debt

Number of cases

30 June 2019	31 December 2018
Rupees in thousand	
(Unaudited)	(Audited)
<u>25,186</u>	<u>26,014</u>
<u>44</u>	<u>43</u>

This represents various cases initiated against the Subsidiary Company concerning policyholder claims referred to Court, Federal Insurance Mohtasib and Small Dispute Resolution Committee rejected by the Subsidiary Company on different grounds. However, the management believes that no significant liability is likely to occur in these cases.

Sales tax imposed on premium from life insurance business was exempt up to 30 June 2018. However further exemption on this had not been given and the matter was also raised with Sindh Revenue Board (SRB). The matter for the renewal of the exemption was taken up at the collective level of the Insurance Association of Pakistan with the SRB through its consultants. The discussions on the matter has been conducive and the management is hopeful based on the consultant's positive feedback, that it will be concluded in favor of the industry. Representation from the SECP Commissioner level has also been made to Chairman, Sindh Board of Revenue, to help enable a favorable outcome. In view of the fact that the matter is still under the process of review, the Subsidiary Company and other life insurance companies carrying out life insurance business have not yet billed their customers for SST for the period from 01 July 2018 to 30 June 2019 on premium from life insurance coverage.

There is also an ambiguity in the Sind Sales Tax on Services Act, 2011 and the Rules framed there under about whether the sales tax is intended to be charged on total gross premium or on the premium charged on the actual risk covered.

The aggregate amount of sales tax not yet billed based on the total gross amount of premium collected during the period from July 1, 2018 to June 30, 2019 is Rs. 952 million whereas sales tax not yet billed based on premium charged only on risk covered (in the shape of mortality charges) during the same period works out to Rs. 99 million.

Commitments

Commitments in respect of ljarah rentals payable in future period as at June 30, 2019 amounted to Rs. 60.49 million (Dec 31, 2018: Rs. 40.61 million) for vehicles.

Not later than one year
Later than one year and not later than five years

30 June 2019	31 December 2018
Rupees in thousand	
(Unaudited)	(Audited)
16,505	12,071
<u>43,986</u>	<u>28,542</u>
<u>60,491</u>	<u>40,613</u>

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
21 Net insurance premium		Restated		Restated
Holding Company				
Written gross premium	5,873,553	5,954,000	12,129,819	9,648,166
Unearned premium reserve opening	10,802,642	8,136,283	10,100,901	8,912,498
Unearned premium reserve closing	(11,566,014)	(9,751,460)	(11,566,014)	(9,751,460)
Currency translation effect	606,309	205,164	671,251	354,680
Premium earned	<u>5,716,490</u>	<u>4,543,987</u>	<u>11,335,957</u>	<u>9,163,884</u>
Reinsurance premium ceded	(2,051,234)	(2,194,005)	(4,302,427)	(3,071,924)
Prepaid reinsurance premium opening	(3,254,355)	(1,759,176)	(2,866,980)	(2,349,147)
Prepaid reinsurance premium closing	3,543,053	2,648,778	3,543,053	2,648,778
Currency translation effect	(7,019)	(6,027)	(7,471)	(10,839)
Reinsurance expense	<u>(1,769,555)</u>	<u>(1,310,430)</u>	<u>(3,633,825)</u>	<u>(2,783,132)</u>
21.1 & 21.2	<u>3,946,935</u>	<u>3,233,557</u>	<u>7,702,132</u>	<u>6,380,752</u>
Subsidiary Company				
Regular premium / contributions individual policies				
21.3 - first year	814,841	603,882	1,546,577	1,159,137
- second year renewal	472,941	395,368	951,288	867,629
- subsequent years renewal	1,132,601	959,667	2,119,718	1,663,319
21.3 Single premium / contributions individual policies	196,796	1,323,223	506,186	2,049,620
Group policies without cash values	106,102	83,686	247,468	243,566
	<u>2,723,281</u>	<u>3,365,826</u>	<u>5,371,237</u>	<u>5,983,271</u>
Less: reinsurance premiums / retakaful contributions ceded				
On individual life first year business	(14,909)	(8,630)	(23,382)	(20,467)
On individual life second year business	(12,112)	(13,154)	(28,387)	(24,531)
On individual life subsequent renewal business	(40,599)	(24,700)	(70,267)	(44,630)
On single premium individual policies	-	-	-	-
On group policies	(32,309)	(15,638)	(118,363)	(105,998)
	<u>(99,929)</u>	<u>(62,122)</u>	<u>(240,399)</u>	<u>(195,626)</u>
	<u>2,623,352</u>	<u>3,303,704</u>	<u>5,130,838</u>	<u>5,787,645</u>
	<u>6,570,287</u>	<u>6,537,261</u>	<u>12,832,970</u>	<u>12,168,397</u>
21.1 Net insurance premium - Business underwritten inside Pakistan				
Written gross premium	4,009,414	4,189,933	8,129,229	6,696,459
Unearned premium reserve opening	6,030,336	4,740,133	5,508,453	5,186,518
Unearned premium reserve closing	(6,550,695)	(5,983,865)	(6,550,695)	(5,983,865)
Premium earned	<u>3,489,055</u>	<u>2,946,201</u>	<u>7,086,987</u>	<u>5,899,112</u>
Reinsurance premium ceded	(2,000,953)	(2,112,473)	(4,187,650)	(2,932,933)
Prepaid reinsurance premium opening	(3,220,928)	(1,705,069)	(2,838,973)	(2,079,920)
Prepaid reinsurance premium closing	3,480,705	2,622,522	3,480,705	2,622,522
Reinsurance expense	<u>(1,741,176)</u>	<u>(1,195,020)</u>	<u>(3,545,918)</u>	<u>(2,390,331)</u>
	<u>1,747,879</u>	<u>1,751,181</u>	<u>3,541,069</u>	<u>3,508,781</u>

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
		Restated		Restated
21.2 Net insurance premium - Business underwritten outside Pakistan				
Written gross premium	1,864,139	1,764,067	4,000,590	2,951,707
Unearned premium reserve opening	4,772,306	3,396,150	4,592,448	3,725,980
Unearned premium reserve closing	(5,015,319)	(3,767,595)	(5,015,319)	(3,767,595)
Currency translation effect	606,309	205,164	671,251	354,680
Premium earned	2,227,435	1,597,786	4,248,970	3,264,772
Reinsurance premium ceded	(50,281)	(81,532)	(114,777)	(138,991)
Prepaid reinsurance premium opening	(33,427)	(54,107)	(28,007)	(269,227)
Prepaid reinsurance premium closing	62,348	26,256	62,348	26,256
Currency translation effect	(7,019)	(6,027)	(7,471)	(10,839)
Reinsurance expense	(28,379)	(115,410)	(87,907)	(392,801)
	2,199,056	1,482,376	4,161,063	2,871,971
21.3 Individual policies are those underwritten on an individual basis.				
22 Net insurance claims expense				
Holding Company				
Claims paid	3,489,494	4,421,197	7,207,715	7,228,627
Outstanding claims including IBNR closing	10,669,875	10,636,120	10,669,875	10,636,120
Outstanding claims including IBNR opening	(10,193,465)	(11,426,866)	(10,461,975)	(11,485,744)
Currency translation effect	(727,786)	(253,776)	(800,778)	(454,985)
Claims expense	3,238,118	3,376,675	6,614,837	5,924,018
Reinsurance and other recoveries received	(1,110,205)	(2,565,556)	(2,467,176)	(3,554,402)
Reinsurance and other recoveries in respect of outstanding claims closing	(6,227,154)	(6,844,083)	(6,227,154)	(6,844,083)
Reinsurance and other recoveries in respect of outstanding claims opening	6,178,315	7,917,116	6,397,245	8,056,450
Currency translation effect	378,020	136,155	417,133	249,501
Reinsurance and other recoveries revenue	(781,024)	(1,356,368)	(1,879,952)	(2,092,534)
	2,457,094	2,020,307	4,734,885	3,831,484
	22.1 & 22.2			
Subsidiary Company				
Gross claims				
Claims under individual policies				
- by death	60,051	17,671	133,475	124,289
- by insured event other than death	(800)	900	6,275	900
- by maturity	90,962	280,981	423,523	547,835
- by surrender	1,054,951	1,087,326	2,338,202	2,123,993
Total gross individual policy claims	1,205,164	1,386,878	2,901,475	2,797,017
Claims under group policies				
- by death	76,230	118,522	232,824	256,065
- by insured event other than death	(6,500)	17,832	(22,671)	25,301
- experience refund	827	-	10,492	4,291
Total gross group policy claims	70,557	136,354	220,645	285,657
Claim investigation fees	1,919	3,285	3,885	6,414
Total gross claims	1,277,640	1,526,517	3,126,005	3,089,088
Less: Reinsurance recoveries				
- on individual claims	36,086	798	20,122	36,057
- on group claims	53,547	100,190	150,436	178,791
	89,633	100,988	170,558	214,848
	1,188,007	1,425,529	2,955,447	2,874,240
	3,645,101	3,445,836	7,690,332	6,705,724

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
		Restated		Restated

22.1 Net insurance claims expense - Business underwritten inside Pakistan

Claim paid	1,441,677	2,738,453	3,472,180	4,169,425
Outstanding claims including IBNR closing	4,572,871	5,586,679	4,572,871	5,586,679
Outstanding claims including IBNR opening	(4,823,914)	(6,630,290)	(5,386,215)	(7,084,282)
Claim expense	1,190,634	1,694,842	2,658,836	2,671,822
Reinsurance and other recoveries received	(468,627)	(1,902,964)	(1,477,221)	(2,413,220)
Reinsurance and other recoveries in respect of outstanding claims closing	(3,046,533)	(4,097,999)	(3,046,533)	(4,097,999)
Reinsurance and other recoveries in respect of outstanding claims opening	3,295,122	5,205,590	3,769,658	5,602,812
Reinsurance and other recoveries revenue	(220,038)	(795,373)	(754,096)	(908,407)
	970,596	899,469	1,904,740	1,763,415

22.2 Net insurance claims expense - Business underwritten outside Pakistan

Claim Paid	2,047,817	1,682,744	3,735,535	3,059,202
Outstanding claims including IBNR closing	6,097,004	5,049,441	6,097,004	5,049,441
Outstanding claims including IBNR opening	(5,369,551)	(4,796,576)	(5,075,760)	(4,401,462)
Currency translation effect	(727,786)	(253,776)	(800,778)	(454,985)
Claim expense	2,047,484	1,681,833	3,956,001	3,252,196
Reinsurance and other recoveries received	(641,578)	(662,592)	(989,955)	(1,141,182)
Reinsurance and other recoveries in respect of outstanding claims closing	(3,180,621)	(2,746,084)	(3,180,621)	(2,746,084)
Reinsurance and other recoveries in respect of outstanding claims opening	2,883,193	2,711,526	2,627,587	2,453,638
Currency translation effect	378,020	136,155	417,133	249,501
Reinsurance and other recoveries revenue	(560,986)	(560,995)	(1,125,856)	(1,184,127)
	1,486,498	1,120,838	2,830,145	2,068,069

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Rupees in thousand			
		Restated		Restated
23 Net commission and other acquisition costs				
Holding Company				
Commission paid or payable	742,775	664,386	1,231,140	943,783
Deferred commission expense opening	799,779	614,722	788,431	733,631
Deferred commission expense closing	(1,075,282)	(855,030)	(1,075,282)	(855,030)
Currency translation effect	77,457	21,072	84,718	37,059
Net commission	544,729	445,150	1,029,007	859,443
Commission received or recoverable	(173,192)	(167,526)	(262,247)	(257,857)
Unearned reinsurance commission opening	(195,759)	(195,862)	(221,371)	(240,306)
Unearned reinsurance commission closing	237,103	242,026	237,103	242,026
Currency translation effect	(603)	(294)	(661)	(665)
Commission from reinsurance	(132,451)	(121,656)	(247,176)	(256,802)
23.1 & 23.2	412,278	323,494	781,831	602,641

Subsidiary Company

Remuneration to insurance / takaful intermediaries on individual policies:

- Commission on first year contribution / premium	355,476	271,229	695,630	522,676
- Commission on second year contribution / premium	29,615	20,713	56,353	45,311
- Commission on subsequent years renewal contribution / premium	30,725	21,870	55,175	38,190
- Commission on single contribution / premium	4,691	26,418	11,168	42,978
- Other benefits to insurance intermediaries	79,491	138,142	158,182	137,562
	499,998	478,372	976,508	786,717

Remuneration to insurance intermediaries on group policies:

- Commission	7,454	9,362	17,652	16,046
- Other benefits to insurance intermediaries	1,215	3,904	2,673	3,904
	8,669	13,266	20,325	19,950

Other acquisition costs

	87,493	60,299	176,982	115,122
	596,160	551,937	1,173,815	921,789
	1,008,438	875,431	1,955,646	1,524,430

23.1 Net commission and other acquisition costs - Business underwritten inside Pakistan

Commission paid or payable	384,847	480,235	578,880	633,748
Deferred commission expense opening	264,800	254,852	297,403	326,325
Deferred commission expense closing	(417,247)	(471,649)	(417,247)	(471,649)
Net commission	232,400	263,438	459,036	488,424
Commission received or recoverable	(171,507)	(165,838)	(257,151)	(254,023)
Unearned reinsurance commission opening	(191,511)	(188,720)	(218,690)	(227,726)
Unearned reinsurance commission closing	231,646	238,193	231,646	238,193
Commission from reinsurance	(131,372)	(116,365)	(244,195)	(243,556)
	101,028	147,073	214,841	244,868

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
	Restated		Restated	

23.2 Net commission and other acquisition costs - Business underwritten outside Pakistan

Commission paid or payable	357,928	184,151	652,260	310,035
Deferred commission expense opening	534,979	359,870	491,028	407,306
Deferred commission expense closing	(658,035)	(383,381)	(658,035)	(383,381)
Currency translation effect	77,457	21,072	84,718	37,059
Net commission	312,329	181,712	569,971	371,019
Commission received or recoverable	(1,685)	(1,688)	(5,096)	(3,834)
Unearned reinsurance commission opening	(4,248)	(7,142)	(2,681)	(12,580)
Unearned reinsurance commission closing	5,457	3,833	5,457	3,833
Currency translation effect	(603)	(294)	(661)	(665)
Commission from reinsurance	(1,079)	(5,291)	(2,981)	(13,246)
	311,250	176,421	566,990	357,773

24 Investment income

24.1 Business underwritten Inside Pakistan

24.1.1 Income from equity securities

Available for sale

Dividend income

- associated undertakings
- others

	191,175	191,508	382,618	382,619
	134,936	86,891	361,809	269,610
	326,111	278,399	744,427	652,229

Held for trading

Listed equity shares

	1128,775	45,093	248,627	130,178
	454,886	323,492	993,054	782,047

24.1.2 Income from debt securities

Held to maturity

- Return on Term Finance Certificates
- Return on Pakistan Investment Bonds
- Return on government securities
- Profit on Treasury Bills

	-	1,365	-	2,716
	-	-	-	-
	182,492	99,786	322,957	235,261
	11,620	5,940	21,910	12,767
	194,112	107,091	344,867	250,744

Fair value through profit & loss

- Return on government securities
- Return on other fixed income securities

	-	-	-	-
	89,073	44,559	171,169	75,714
	89,073	44,559	171,169	75,714

Available for sale

- Return on government securities

	1,853	7,595	10,903	11,572
	285,038	159,245	526,939	338,030

24.1.3 Income from term deposits

Held to maturity

	147,930	123,407	349,465	214,500
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Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Note	For three months period ended		For six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
	Restated		Restated	
24.1.4 Net realized gains / (losses) on investments				
Available for sale				
Realized gains on				
- Equity securities	2,108	348,290	2,568	455,691
- Government securities	2,669	(19)	2,645	(19)
	4,777	348,271	5,213	455,672
Held for trading				
Realized gains/(losses) on:				
- Equity securities	(56,684)	220,588	305,398	807,062
- Fixed income securities	-	2,047	-	832
- Government securities	(25,021)	(2,306)	(25,985)	(2,817)
	(81,705)	220,329	279,413	805,077
	810,926	1,174,744	2,154,084	2,595,686
Provision of impairment in 'available-for-sale' investments	(505,385)	(108,698)	(490,685)	(71,686)
	305,541	1,066,046	1,663,399	2,524,000
24.2 Business underwritten Outside Pakistan				
24.2.1 Income from equity securities				
Available for sale				
Dividend income				
- associated undertakings	-	-	-	-
- others	15,427	-	29,170	-
	15,427	-	29,170	-
24.2.2 Income from term deposits				
Held to maturity	42,037	18,236	73,416	30,059
	57,464	18,236	102,586	30,059
Total investment income	363,005	1,084,282	1,765,985	2,554,059
25 Earnings per share - basic and diluted				
	Rupees			
There is no dilutive effect on the basic earnings per share which is based on:		Restated		Restated
(Loss) profit after tax for the period attributable to ordinary shareholders	(114,328)	348,978	528,369	1,093,718
	Number of shares			
Weighted average number of ordinary shares outstanding	350,000,000	350,000,000	350,000,000	350,000,000
	Rupees			
(Loss) earnings per share - basic and diluted	(0.33)	1.00	1.51	3.13

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

26 Transactions with related parties

The Group has related party relationships with its associates, employee retirement benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than those specified in their terms of employment.

Investment in related parties have been disclosed in note 10 & 12 to the consolidated condensed interim financial information. Other transactions with related parties are summarized as follows:

	For six months period ended	
	30 June 2019	30 June 2018
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Holding Company		
i) Transactions		
Premiums underwritten	787,145	845,012
Premiums received	725,376	769,300
Claims paid	314,925	397,584
Commission Paid	52,015	26,907
Rent paid	4,930	2,413
Dividends received	391,050	191,309
Dividends paid	106,292	98,193
Income on bank deposits	20,803	13,332
Investments made	250,000	293,093
Fee / service charges paid	1,604	3,001
Charge in respect of gratuity expense	23,314	16,457
Contribution to Employees' Provident Fund	16,805	15,439
Compensation paid to Key management personnel	656,890	557,260
ii) Period end balances		
Balances receivable	332,393	349,502
Balances payable	396,421	761,866
Cash and bank balances including Term Deposit Receipts	1,883,339	1,282,197
Payable to Staff Gratuity Fund	139,947	133,127
Payable to Employees' Provident Fund	2,639	2,449

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

Subsidiary Company

i) Transactions

Associated undertakings

	For six months period ended	
	30 June 2019	30 June 2018
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Premium written	25,597	25,748
Claims expense	21,044	29,910
Commission and other incentives in respect of Bancassurance	708,838	452,397
Profit on bank deposits	81,856	27,222
Bank charges	815	884
Investments purchased	499,531	921,171
Investments sold	169,933	666,291
Dividend income	54,669	15,148
Reinsurance claim recoveries	7,594	1,996
Reinsurance premium ceded	1,889	-

Other related parties

Premium written	30,952	7,583
Claims expense	8,559	11,012
Commission and other incentives in respect of Bancassurance	42,203	-
Profit on bank deposits	37,228	-
Investment advisor fee	9,665	8,807
Trustee fee	4,920	5,234
Investments purchased	2,977,450	755,130
Investments sold	2,448,655	408,269
Dividend income	71,440	2,220

Transactions with key management personnel

Sale Proceeds from sale of fixed assets	1,021	4,476
Loss on sale of fixed assets	46	2,532
Premium written	50	50

Salary and other short term benefits- key management personnel

Executives *	144,394	106,617
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ii) Period end balances

Associated undertakings

	For six months period ended	
	30 June 2019	31 December 2018
	Rupees in thousand	
	(Unaudited)	(Audited)
Premium due but unpaid	1,521	1,911
Premium received in advance	12,938	1,638
Bank deposits	924,269	1,801,576
Investments held	1,298,092	1,234,532
Dividend receivables	54,669	-
Accrued Income	-	61,049
Commission payable	166,801	282,856
Claims payable	4,717	7,157
Reinsurance expense payable	1,212	6,916

Other related parties

Premium due but unpaid	3,194	2,779
Premium received in advance	2,279	11,340
Bank deposits	9,115	-
Investments held	4,269,216	3,653,798
Accrued income	618	1,854
Commission payable	6,094	11,354
Claims payable	-	41
Remuneration payable for the management of discretionary investment portfolio	1,766	1,719
Remuneration payable to Trustee	475	512
Other (payables)/ receivables	(15)	2,500

Staff Retirement Benefit Plan (Gratuity Fund)

Charge for the period	(10,885)	8,327
(Payable to)/ receivable from gratuity fund	(3,536)	39,833

* The chief executive does not draw any remuneration

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

27 Segment Information

For general insurance, each class of business has been identified as reportable segment whereas, for life insurance the statutory funds are treated as reportable segments. The Group conducts general insurance business both inside and outside Pakistan while life assurance is conducted only in Pakistan.

	For six months period ended 30 June 2019													
	General Insurance						Life Insurance							
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance	Life Insurance
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan			
Premium receivable (inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	4,773,039	28,338	489,939	13,103	4,130,514	1,123,021	19,798	1,057,558	11,283	9,165,594	4,203,036	13,368,630	5,371,237	18,739,867
Less: Federal excise duty / VAT	(590,141)	(1,850)	(53,315)	(260)	(206,060)	(21,338)	(9,43)	(84,404)	(565)	(955,258)	(202,341)	(1,157,598)	-	(1,157,598)
Federal insurance fee	(61,030)	(73)	(4,298)	(27)	(15,210)	(10,976)	-	(9,593)	(5)	(81,107)	(105)	(81,212)	-	(81,212)
	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	5,371,237	17,501,056
Gross written premium (inclusive of administrative surcharge)	4,141,868	26,415	428,326	12,816	1,504,767	3,931,791	1,090,707	18,855	963,561	10,713	8,129,229	4,000,590	5,371,237	17,501,056
Gross direct premium	4,130,334	26,282	417,387	12,775	1,455,921	3,826,283	1,091,405	18,855	957,637	10,671	8,052,684	3,994,866	5,371,237	17,418,787
Facultative inward premium	2,730	-	328	-	-	-	-	-	3,058	-	-	-	3,058	-
Administrative surcharge	8,804	133	10,611	41	48,846	5,508	(698)	-	5,924	42	73,487	5,724	-	79,211
Insurance premium earned	3,473,207	22,848	408,997	18,443	1,433,739	4,174,081	873,920	25,551	897,124	8,047	7,086,987	4,248,970	5,371,237	16,707,194
Insurance premium ceded to reinsurers	(3,027,656)	(15,735)	(52,487)	(6,071)	(25,917)	(49,848)	-	(18,102)	(439,858)	(4,222)	(3,545,918)	(87,907)	(3,633,825)	(240,399)
Net insurance premium	445,551	7,113	356,510	18,443	1,407,822	4,124,233	873,920	7,449	457,266	3,825	3,541,069	4,161,063	7,002,132	12,832,970
Commission income	176,778	2,887	383	(6,071)	1,744	(954)	-	-	65,290	10,48	244,195	2,981	247,176	247,176
Net underwriting income	622,329	10,010	356,893	18,443	1,409,566	4,123,289	873,920	7,449	522,556	4,873	3,785,264	4,164,044	7,949,308	5,130,838
Insurance claims	(571,549)	(14,066)	(256,627)	(7,017)	(735,508)	(3,911,649)	(740,059)	(20,388)	(355,093)	(2,881)	(2,658,836)	(3,956,001)	(6,614,837)	(9,740,842)
Insurance claim recoveries from reinsurer	521,372	18,463	53,423	-	(7,007)	(1,088,723)	(740,059)	16,687	186,308	1,993	754,096	1,125,856	1,879,952	2,050,510
Net claims	(50,177)	4,397	(203,204)	(7,017)	(742,515)	(2,822,926)	(740,059)	(3,701)	(168,785)	(888)	(1,904,740)	(2,830,145)	(4,734,885)	(7,690,332)
Commission expense	(213,180)	(2,968)	(65,194)	(3,287)	(66,888)	(563,436)	(28,982)	(34)	(64,782)	(245)	(469,036)	(669,971)	(1,029,007)	(1,173,815)
Management expense	(190,459)	(826)	(123,377)	(6,071)	(521,057)	(653,778)	(69,001)	(7,804)	(133,142)	(444)	(1,043,036)	(669,923)	(1,711,959)	(4,965,535)
Net change in insurance liabilities (other than outstanding claims)	(453,816)	602	(387,775)	(16,375)	(1,380,460)	(4,040,140)	(838,042)	(11,539)	(366,719)	(1,387)	(3,406,812)	(4,069,039)	(4,825,797)	(12,101,948)
Underwriting result	168,513	10,612	(30,882)	2,068	49,106	83,129	35,878	(4,090)	155,837	3,286	378,452	95,005	473,457	237,552
Net investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net fair value loss on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unrealized gains on investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit from Window Takeful Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit before tax	692,363	195,103	887,466	127,705	1,015,171	3,102,140	837,756	7,449	1,614,130	10,671	2,372,637	2,372,637	2,372,637	2,372,637
Segment Assets	8,100,300	107,336	536,497	8,791	1,295,348	5,958,461	81,195	52,991	2,119,305	18,332	12,863,407	6,145,911	19,009,318	52,621,568
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment Liabilities	7,712,778	118,703	692,017	26,961	2,775,803	11,065,001	1,638,407	53,389	2,508,800	20,817	15,327,805	11,284,871	26,612,676	98,989,608
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	18,953,261	12,089,376	31,042,637	32,376,932	63,419,565	18,953,261	12,089,376	31,042,637	32,376,932	63,419,565	18,953,261	12,089,376	31,042,637	63,419,565

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

28 Fair value measurement 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.

Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Group to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

30 June 2019											
Note	Carrying Amount							Fair value			
	Available for sale	Held to maturity	Fair Value through P@L	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

(Rupees in thousand)

Financial assets - measured at fair value

Investment												
Equity securities- quoted	10	14,153,753	-	12,700,808	-	-	-	26,854,561	26,854,561	-	-	26,854,561
Equity securities- unquoted	10	3,172,505	-	-	-	-	-	3,172,505	-	-	3,172,505	3,172,505
Debt securities	11	-	4,352,703	-	-	-	-	4,352,703	-	4,352,703	-	4,352,703
Investments of Window Takaful Operations - Operator's Fund	17	31,048	-	-	-	-	-	31,048	-	-	-	-

Financial assets - not measured at fair value

Loans and other receivables *	13	-	-	-	682,387	-	-	682,387	-	-	-	-
Loan secured against life insurance policies*		-	-	-	39,943	-	-	39,943	-	-	-	-
Investment - Term deposits*	12	-	13,878,048	-	-	-	-	13,878,048	-	-	-	-
Insurance / reinsurance receivables - unsecured and considered good *	14	-	-	-	8,243,527	-	-	8,243,527	-	-	-	-
Reinsurance recoveries against outstanding claims *		-	-	-	5,897,373	-	-	5,897,373	-	-	-	-
Salvage recoveries accrued *		-	-	-	329,781	-	-	329,781	-	-	-	-
Prepayments *	15	-	-	-	3,815,261	-	-	3,815,261	-	-	-	-
Cash and bank *	16	-	-	-	-	8,622,181	-	8,622,181	-	-	-	-
Other Assets of Window Takaful Operations - Operator's Fund*	17	-	-	-	222,330	146,460	-	368,790	-	-	-	-
		17,357,306	18,230,751	12,700,808	19,230,602	8,768,641	-	76,288,108	26,854,561	4,352,703	3,172,505	34,379,769

Financial liabilities - not measured at fair value

Underwriting provisions:												
Outstanding claims (including IBNR)*	22	-	-	-	-	-	10,669,875	10,669,875	-	-	-	-
Insurance / reinsurance payables *		-	-	-	-	-	3,771,020	3,771,020	-	-	-	-
Other creditors and accruals*	19	-	-	-	-	-	2,597,118	2,597,118	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*	17	-	-	-	-	-	206,407	206,407	-	-	-	-
		-	-	-	-	-	17,244,420	17,244,420	-	-	-	-

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

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

28.1 Fair value measurement 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.

Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Group to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

31 December 2018													
Note	Carrying Amount							Fair value					
	Available for sale	Held to maturity	Fair Value through P@L	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total		
(Rupees in thousand)													
Financial assets - measured at fair value													
Investment													
	Equity securities- quoted	10	16,477,936	-	13,653,862	-	-	-	30,131,798	30,131,798	-	-	30,131,798
	Equity securities- unquoted	10	2,227,610	-	-	-	-	-	2,227,610	-	2,227,610	-	2,227,610
	Debt securities	11	-	4,416,804	-	-	-	-	4,416,804	-	4,416,804	-	4,416,804
	Investments of Window Takaful Operations - Operator's Fund	17	29,930	-	-	-	-	-	29,930	-	-	-	-
Financial assets - not measured at fair value													
	Loans and other receivables *	13	-	-	-	552,070	-	-	552,070	-	-	-	-
	Loan secured against life insurance policies*		-	-	-	34,556	-	-	34,556	-	-	-	-
	Investment - Term deposits*	12	-	15,426,113	-	-	-	-	15,426,113	-	-	-	-
	Insurance / reinsurance receivables												
	- unsecured and considered good *	14	-	-	-	7,162,077	-	-	7,162,077	-	-	-	-
	Reinsurance recoveries against outstanding claims *		-	-	-	6,046,905	-	-	6,046,905	-	-	-	-
	Salvage recoveries accrued *		-	-	-	350,340	-	-	350,340	-	-	-	-
	Prepayments *	15	-	-	-	3,116,455	-	-	3,116,455	-	-	-	-
	Cash and bank *	16	-	-	-	-	5,523,097	-	5,523,097	-	-	-	-
	Other Assets of Window Takaful Operations - Operator's Fund*	17	-	-	-	250,569	101,695	-	352,264	-	-	-	-
			18,735,476	19,842,917	13,653,862	17,512,972	5,624,792	-	75,370,019	30,131,798	4,416,804	2,227,610	36,776,212
Financial liabilities - not measured at fair value													
Underwriting provisions:													
	Outstanding claims (including IBNR)*	22	-	-	-	-	10,461,975	10,461,975	-	-	-	-	-
	Insurance / reinsurance payables *		-	-	-	-	2,709,714	2,709,714	-	-	-	-	-
	Other creditors and accruals*	19	-	-	-	-	2,687,715	2,687,715	-	-	-	-	-
	Total liabilities of Window Takaful Operations- Operator's Fund*	17	-	-	-	-	229,819	229,819	-	-	-	-	-
			-	-	-	-	16,089,223	16,089,223	-	-	-	-	-

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

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For six months period ended 30 June 2019

29 Date of authorization for issue

This consolidated condensed interim financial information was authorized for issue on 23 August 2019 by the Board of Directors of the Holding Company.

30 Non - adjusting events after balance sheet date

The Board of Directors of the Holding Company in their meeting held on 23 August 2019 proposed an interim cash dividend for the six month period ended 30 June 2019 @ 10% i.e. Rupee 1/- per share (30 June 2018 @ 10 % i.e. Rupee 1/- per share). This consolidated condensed interim financial information for the six month period ended 30 June 2019 does not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending 31 December 2019.

31 General

31.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.

31.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

WINDOW TAKAFUL OPERATIONS

Condensed Interim
Financial Information
for the Six Months Period Ended
30 June 2019
(Unaudited)



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ADAMJEE INSURANCE COMPANY LIMITED

WINDOW TAKAFUL OPERATIONS ("THE OPERATOR") REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Adamjee Insurance Company Limited – Window Takaful Operations (the Operator) as at June 30, 2019, and the related condensed interim profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of these condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial information based on our review. The figures of the condensed interim profit or loss and the condensed interim statement of comprehensive income for the three months period ended June 30, 2019 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2019.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at June 30, 2019 and for the six months period then ended, are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The annual financial statements of the Operator for the year ended December 31, 2018 were audited by another firm of Chartered Accountants who vide their report dated April 3, 2019 expressed a modified opinion thereon.

The engagement partner on the review resulting in this independent auditor's review report is Rana M. Usman Khan.



Chartered Accountants

Lahore

Date: 23 August 2019

Condensed Interim Statement of Financial position

As at 30 June 2019

	Note	30 June 2019			31 December 2018
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
Rupees in thousand					
		(Unaudited)			(Audited)
ASSETS					
Qard-e-Hasna to Participants' Takaful Fund					
		146,460	-	146,460	146,460
Property and equipment	7	14,565	-	14,565	16,185
Intangible assets	8	20,483	-	20,483	20,633
Investments					
Equity securities	9	31,048	-	31,048	29,930
Debt securities	10	-	50,000	50,000	-
Loans and other receivables	11	3,702	21,200	24,902	13,008
Takaful / re-takaful receivables	12	-	326,569	326,569	230,423
Re-takaful recoveries against outstanding claims		-	53,527	53,527	46,654
Salvage recoveries accrued		-	21,809	21,809	15,881
Wakala and mudarib fee receivable		-	-	-	23,342
Deferred wakala fee		-	151,095	151,095	134,721
Deferred commission expense		40,809	-	40,809	39,148
Prepayments	13	889	97,972	98,861	83,260
Cash and bank	14	141,882	378,313	520,195	534,528
		253,378	1,100,485	1,353,863	1,187,713
TOTAL ASSETS		<u>399,838</u>	<u>1,100,485</u>	<u>1,500,323</u>	<u>1,334,173</u>
FUNDS AND LIABILITIES					
Operator's Fund					
Statutory fund		50,000	-	50,000	50,000
Reserves		-	-	-	18
Unappropriated profit		143,431	-	143,431	102,357
		193,431	-	193,431	152,375
Waqf / Participants' Takaful Fund					
Ceded money		-	500	500	500
Accumulated surplus / (deficit)		-	42,746	42,746	(28,849)
		-	43,246	43,246	(28,349)
Qard-e-Hasna from Operator's Fund					
		-	146,460	146,460	146,460
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR		-	217,448	217,448	220,606
Unearned contribution reserve		-	552,757	552,757	500,111
Unearned re-takaful rebate		-	14,200	14,200	12,735
Contribution deficiency reserve		-	28,396	28,396	24,103
Retirement benefit obligations		1,883	-	1,883	1,883
Deferred taxation		493	-	493	530
Contribution received in advance		-	10,196	10,196	10,158
Takaful / re-takaful payables	15	-	65,737	65,737	24,303
Wakala and mudarib fee payable		-	-	-	23,342
Unearned wakala fee		151,095	-	151,095	134,721
Other creditors and accruals	16	37,213	22,045	59,258	111,195
Taxation - provision less payments		15,723	-	15,723	-
Total Liabilities		206,407	910,779	1,117,186	1,063,687
TOTAL FUND AND LIABILITIES		<u>399,838</u>	<u>1,100,485</u>	<u>1,500,323</u>	<u>1,334,173</u>

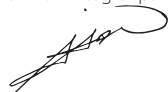
Contingencies and commitments

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The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.



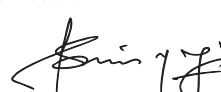
Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer
ADAMJEE INSURANCE

Window Takaful Operations

Condensed Interim Profit and Loss Account (Unaudited)

For the Six Months Period Ended 30 June 2019

	Note	Three months period ended		Six months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand					
Participant Takaful Fund - Revenue Account					
Net contribution revenue	18	245,390	155,608	469,332	289,039
Net takaful claims	19	(135,857)	(79,674)	(250,082)	(167,195)
Wakala fee	20	(82,078)	(59,855)	(155,995)	(112,717)
Direct expenses		(13,312)	(12,070)	(25,320)	(20,744)
Re-takaful rebate	21	10,141	9,259	20,441	16,860
Contribution deficiency		(4,294)	-	(4,294)	-
Takaful claims and acquisition expenses		(225,400)	(142,340)	(415,250)	(283,796)
Underwriting results		19,990	13,268	54,082	5,243
Other income	23	8,655	3,012	15,038	5,421
Investment income	24	1,279	-	2,475	-
Surplus for the period		29,924	16,280	71,595	10,664
Operator Takaful Fund - Revenue Account					
Wakala fee	20	82,078	59,855	155,995	112,717
Commission expense	22	(24,226)	(12,646)	(46,721)	(25,702)
Management expenses	25	(30,112)	(22,652)	(59,394)	(42,932)
		27,740	24,557	49,880	44,083
Other income	23	3,116	881	8,363	1,770
Investment income	24	1,345	-	1,345	166
Other expenses	26	(776)	(968)	(1,729)	(1,738)
Profit before tax		31,425	24,470	57,859	44,281
Income tax expense		(9,383)	(8,909)	(16,785)	(15,362)
Profit after tax for the period		22,042	15,561	41,074	28,919

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.




Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Six Months Period Ended 30 June 2019

Note	Three months period ended		Six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
Participant's Takaful Fund				
Surplus for the period	29,924	16,280	71,595	10,664
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	29,924	16,280	71,595	10,664
Operator's Fund				
Profit after tax for the period	22,042	15,562	41,074	28,919
Other comprehensive income	-	-	-	-
Unrealized losses on available for sale investment- net of tax	(441)	(1,201)	(18)	(442)
Total comprehensive income for the period	21,601	14,361	41,056	28,477

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Condensed Interim Cash Flow Statement (Unaudited)

For the Six Months Period Ended 30 June 2019

	Six Months period ended 30 June 2019			Six Months period ended 30 June 2018		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
Rupees in thousand						
Operating cash flows						
(a) Takaful activities						
Takaful contributions received	-	566,846	566,846	-	415,142	415,142
Wakala fee received / (paid)	195,712	(195,712)	-	79,957	(79,957)	-
Re-takaful / co-takaful contribution paid	-	(72,581)	(72,581)	-	(71,982)	(71,982)
Claims paid	-	(314,066)	(314,066)	-	(193,164)	(193,164)
Re-takaful and other recoveries received	-	11,306	11,306	-	925	925
Commissions paid	(53,216)	-	(53,216)	(27,032)	-	(27,032)
Commissions received	-	21,906	21,906	-	20,678	20,678
Other underwriting payments	-	(28,065)	(28,065)	-	(21,398)	(21,398)
Net cash generated from / (used in) from takaful activities	142,496	(10,366)	132,130	52,925	70,244	123,169
(b) Other operating activities						
Income tax paid	(1,092)	-	(1,092)	(192)	(494)	(686)
General, administration and management expenses paid	(108,967)	-	(108,967)	(43,748)	-	(43,748)
Other (Payments) / Receipts	-	(9,693)	(9,693)	-	4,494	4,494
Net cash (used in) / generated from other operating activities	(110,059)	(9,693)	(119,752)	(43,940)	4,000	(39,940)
Total cash generated from / (used in) from operating activities	32,437	(20,059)	12,378	8,985	74,244	83,229
Investment activities						
Profit received on investments	10,211	15,883	26,094	1,883	4,918	6,801
Qard-e-Hasna paid to Participants' Takaful Fund - net	-	-	-	(5,000)	-	(5,000)
Payment for investments	(1,144)	(50,000)	(51,144)	(30,381)	-	(30,381)
Proceeds from disposal of investments	-	-	-	30,381	-	30,381
Fixed capital expenditures	(1,661)	-	(1,661)	(1,101)	-	(1,101)
Total cash generated from / (used in) from investing activities	7,406	(34,117)	(26,711)	(4,218)	4,918	700
Financing activities						
Qard-e-Hasna paid from Operator's Fund	-	-	-	-	5,000	5,000
Total cash generated from financing activities	-	-	-	-	5,000	5,000
Net Cash generated from / (used in) from all activities	39,843	(54,176)	(14,333)	4,767	84,162	88,929
Cash and cash equivalent at beginning of the period	102,039	432,489	534,528	41,119	230,872	271,991
Cash and cash equivalent at end of the period	141,882	378,313	520,195	45,886	315,034	360,920
Reconciliation to profit and loss account						
Operating cash flows	32,437	(20,059)	12,378	8,985	74,244	83,229
Depreciation	(3,431)	-	(3,431)	(995)	-	(995)
(Decrease) / Increase in assets other than cash	(21,044)	151,015	129,971	73,157	164,995	238,152
Decrease / (Increase) in liabilities other than cash	23,406	(76,874)	(53,468)	(54,164)	(233,996)	(288,160)
Investment income	1,345	-	1,345	166	-	166
Return on bank deposits	8,361	17,513	25,874	1,770	5,421	7,191
Profit / surplus for the period	41,074	71,595	112,669	28,919	10,664	39,583
Attributed to:						
Operator's Fund	41,074	-	41,074	28,919	-	28,919
Participants' Takaful Fund	-	71,595	71,595	-	10,664	10,664
	41,074	71,595	112,669	28,919	10,664	39,583

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.

				
Umer Mansha	Shaikh Muhammad Jawed	Muhammad Arif Hameed	Muhammad Asim Nagi	Muhammad Ali Zeb
Chairman	Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer

Condensed Interim Statement of Changes in Funds (Unaudited)

For the Six Months Period Ended 30 June 2019

	Operator's Fund			
	Statutory Fund	Unappropriated Profit	Fair value Reserve	Total
Rupees in thousand				
Balance as at 31 December 2017 - (Audited)	50,000	49,809	90	99,899
Profit after tax for the period 01 Jan 2018 to 30 June 2018	-	28,919	-	28,919
Other comprehensive loss for the period 01 Jan 2018 to 30 June 2018	-	-	(442)	(442)
Total comprehensive income for the period	-	28,919	(442)	28,477
Balance as at 30 June 2018 - (Unaudited)	50,000	78,728	(352)	128,376
Profit after tax for the period 01 July 2018 to 31 December 2018	-	23,629	-	23,629
Other comprehensive income for the period 01 July 2018 to 31 December 2018	-	-	370	370
Total comprehensive income for the period	-	23,629	370	23,999
Balance as at 31 December 2018 - (Audited)	50,000	102,357	18	152,375
Profit after tax for the period 01 Jan 2019 to 30 June 2019	-	41,074	-	41,074
Other comprehensive loss for the period 01 Jan 2019 to 30 June 2019	-	-	(18)	(18)
Total comprehensive income for the period	-	41,074	(18)	41,056
Balance as at 30 June 2019 - (Unaudited)	50,000	143,431	-	193,431

	Participants' Takaful Fund			
	Ceded Money	Accumulated surplus / (deficit)	Fair value Reserve	Total
Rupees in thousand				
Balance as at 31 December 2017 - (Audited)	500	(36,179)	-	(35,679)
Surplus for the period 01 Jan 2018 to 30 June 2018	-	10,664	-	10,664
Other comprehensive income for the period 01 Jan 2018 to 30 June 2018	-	-	-	-
Total comprehensive surplus for the period	-	10,664	-	10,664
Balance as at 30 June 2018 - (Unaudited)	500	(25,515)	-	(25,015)
(Deficit) for the period 01 July 2018 to 31 December 2018	-	(3,334)	-	(3,334)
Other comprehensive income for period the 01 July 2018 to 31 December 2018	-	-	-	-
Total comprehensive deficit for the period	-	(3,334)	-	(3,334)
Balance as at 31 December 2018 - (Audited)	500	(28,849)	-	(28,349)
Surplus for the period 01 Jan 2019 to 30 June 2019	-	71,595	-	71,595
Other comprehensive income for the period 01 Jan 2019 to 30 June 2019	-	-	-	-
Total comprehensive surplus for the period	-	71,595	-	71,595
Balance as at 30 June 2019 - (Unaudited)	500	42,746	-	43,246

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.




Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

1 Legal status and nature of business

Adamjee Insurance Company Limited ("the Operator") is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Act, 2017). The Operator is listed on Pakistan Stock Exchange Limited and is engaged in general takaful business comprising fire and property, marine, motor, accident, health and miscellaneous. The registered office of the Operator is situated at Tanveer Building, 27-C-III, M.M. Alam Road, Gulberg III, Lahore.

The Operator was granted authorization on 23 December 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations ("WTO") in respect of general takaful products by the Securities and Exchange Commission of Pakistan ("SECP").

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on 01 January, 2016 under the Waqf deed with a ceded money of Rs.500,000. The Waqf deed govern the relationship of Operator and Participants for management of Takaful operations.

2 Basis of preparation and statement of compliance

This condensed interim financial information for the six months period ended 30 June 2019 has been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting and the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 shall prevail.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Operator for the year ended 31 December 2018. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2018, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in funds and interim cash flow statement and related notes are extracted from condensed interim financial information of the Operator for the six months period ended 30 June 2018.

The condensed interim financial information reflect the financial position and result of operations of both Operator's Fund ("OPF") and PTF in a manner that the assets, liabilities, income and expenses of the OPF and PTF remain separately identifiable.

This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

This condensed interim financial information is presented in Pakistan Rupees which is the Operator's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

3 Basis of measurement

This condensed interim financial information has been prepared under historical cost convention except certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value. All transactions reflected in this financial information are on accrual basis except for those reflected in cash flow statement.

4 Accounting policies

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

The Operator has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2019, as mentioned in the financial statement for

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

the year ended 31 December 2018. Furthermore, the Company has adopted the temporary exemption which allows the Company to defer the application of both IFRS 9 and IFRS 17 until 31 December, 2021.

There is no significant impact of such changes on this condensed interim financial information of the Operator.

5 Use of estimates and judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Operator's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Operator's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Operator for the year ended 31 December 2018.

6 Takaful and Financial risk management

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

Note	(Unaudited)			(Audited)
	30 June 2019			31 December 2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
Rupees in thousand				
7 Property and equipment				
Operating assets	12,506	-	12,506	12,182
Additions during the period / year	7.1 3,291	-	3,291	2,365
Depreciation charged during the period / year	(1,232)	-	(1,232)	(2,041)
	<u>14,565</u>	<u>-</u>	<u>14,565</u>	<u>12,506</u>
7.1 Additions during the period / year				
Furniture and fixture	534	-	534	202
Motor vehicles	2,445	-	2,445	1,743
Office equipment	260	-	260	22
Computer and related accessories	52	-	52	398
	<u>3,291</u>	<u>-</u>	<u>3,291</u>	<u>2,365</u>
8 Intangible assets				
Operating Assets-Intangible	8.1 18,433	-	18,433	20,633
Capital work in progress	8.2 2,050	-	2,050	-
	<u>20,483</u>	<u>-</u>	<u>20,483</u>	<u>20,633</u>
8.1 Operating Assets-Intangible				
Opening balance- net book value	20,633	-	20,633	-
Transfer from Capital work in progress	-	-	-	22,000
Amortization charged during the period / year	(2,200)	-	(2,200)	(1,367)
	<u>18,433</u>	<u>-</u>	<u>18,433</u>	<u>20,633</u>

8.2 This includes as advance of Rs. 1.30 million for the development of web portal for takaful operations.

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

	(Unaudited)			(Audited)		
	30 June 2019			31 December 2018		
	Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
Rupees in thousand						
9 Investments in equity securities						
Available-for-sale-Mutual Fund						
Meezan Islamic Income Fund	31,048	-	31,048	29,904	-	29,904
<i>[604,139 units (2018: 563,675 units)]</i>						
Unrealized gain on revaluation			-			26
			<u>31,048</u>			<u>29,930</u>

	(Unaudited)		Face Value	(Audited)	
	No. of Certificates			Value of Certificates	
	30 June 2019	31 December 2018		30 June 2019	31 December 2018
Rupees in thousand					
10 Investments in debt securities					
Held-to-maturity					
Sukuk certificates	500	-	100,000	50,000	-
<i>[Engro Polymer and Chemicals Limited]</i>					
	<u>500</u>	<u>-</u>	<u>100,000</u>	<u>50,000</u>	<u>-</u>

	30 June 2019			31 December 2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
Rupees in thousand				
	(Unaudited)			(Audited)
11 Loans and other receivables - considered good				
Sales tax recoverable	769	-	769	658
Advance taxes	-	-	-	-
Accrued income	1,113	4,141	5,254	4,127
Loan to employees	746	-	746	505
Security deposits	525	-	525	1,125
Bid money for tenders	-	17,059	17,059	6,040
Advances	549	-	549	553
	<u>3,702</u>	<u>21,200</u>	<u>24,902</u>	<u>13,008</u>

	Note	30 June 2019	31 December 2018
	Rupees in thousand		
		(Unaudited)	(Audited)
12 Takaful/ Re-takaful receivables- unsecured and considered good			
Contribution due from takaful contract holders		278,306	208,389
Less: provision for impairment of contribution due but unpaid		-	-
		<u>278,306</u>	<u>208,389</u>
Amount due from other takaful/ re-takaful operators		48,263	22,034
Less: provision for impairment of due from other takaful/ re-takaful operators		-	-
		<u>48,263</u>	<u>22,034</u>
		<u>326,569</u>	<u>230,423</u>

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

	Note	30 June 2019			31 December 2018 Aggregate
		Operator's Fund	Participants' Takaful Fund	Aggregate	
Rupees in thousand					
13	Prepayments	(Unaudited)			(Audited)
	Prepaid re-takaful contribution ceded	-	74,250	74,250	64,493
	Prepaid monitoring charges (Tracking device)	-	23,722	23,722	18,767
	Others	889	-	889	-
		<u>889</u>	<u>97,972</u>	<u>98,861</u>	<u>83,260</u>
14	Cash and bank				
	Cash and cash equivalents:				
	Cash in hand	154	-	154	154
	Policy and revenue stamps	-	176	176	-
	Cash at bank				
	Saving accounts	14.1 141,728	378,137	519,865	534,374
		<u>141,882</u>	<u>378,313</u>	<u>520,195</u>	<u>534,528</u>
	14.1 Saving accounts carry expected profit rates ranging from 5% to 9% (2018: 3.5% to 7%).				
15	Takaful/re-takaful payables				
	Due to takaful contract holders	-	1,821	1,821	263
	Due to other takaful / re-takaful operators	-	63,916	63,916	24,040
		<u>-</u>	<u>65,737</u>	<u>65,737</u>	<u>24,303</u>
16	Other creditors and accruals				
	Agents commission payable	21,067	-	21,067	25,901
	Federal excise duty	-	5,235	5,235	5,145
	Federal insurance fee	-	3,078	3,078	2,845
	Income tax deducted at source	4,598	10,588	15,186	12,006
	Accrued expenses	1,826	-	1,826	5,341
	Others	9,722	3,144	12,866	59,958
		<u>37,213</u>	<u>22,045</u>	<u>59,258</u>	<u>111,196</u>
17	Contingencies and commitments				
	There has been no change in the contingencies and commitments since the date of last published annual financial statements.				
		Three months period ended		Six months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand					
18	Net contribution revenue				
	Gross contribution written	307,197	283,869	636,726	546,281
	Unearned contribution revenue opening	548,119	371,949	500,111	284,406
	Unearned contribution revenue closing	(552,757)	(450,655)	(552,757)	(450,655)
	Contribution earned	302,559	205,163	584,080	380,032
	Re-takaful contribution ceded	(56,155)	(64,556)	(124,504)	(108,664)
	Prepaid re-takaful contribution ceded opening	(75,264)	(54,914)	(64,494)	(52,244)
	Prepaid re-takaful contribution ceded closing	74,250	69,915	74,250	69,915
	Re-takaful expense	(57,169)	(49,555)	(114,748)	(90,993)
		<u>245,390</u>	<u>155,608</u>	<u>469,332</u>	<u>289,039</u>

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

	Three months period ended		Six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
19 Net takaful claims				
Claims Paid	179,511	88,402	314,066	193,164
Outstanding claims including IBNR closing	217,448	167,547	217,448	167,547
Outstanding claims including IBNR opening	(229,570)	(156,637)	(220,606)	(153,116)
Claim expense	167,389	99,312	310,908	207,595
Re-takaful and other recoveries received	(32,592)	(23,243)	(48,024)	(27,409)
Re-takaful and other recoveries in respect of outstanding claims closing	(75,336)	(54,002)	(75,336)	(54,002)
Re-takaful and other recoveries in respect of outstanding claims opening	76,396	57,607	62,534	41,011
Re-takaful and other recoveries revenue	(31,532)	(19,638)	(60,826)	(40,400)
Net claim expense	135,857	79,674	250,082	167,195
20 Wakala fee				
Gross Wakala fee	82,436	76,565	172,369	147,706
Deferred Wakala fee opening	150,737	107,731	134,721	89,452
Deferred Wakala fee closing	(151,095)	(124,441)	(151,095)	(124,441)
	82,078	59,855	155,995	112,717
21 Re-takaful rebate				
Re-takaful rebate received	10,314	12,331	21,906	20,678
Re-takaful rebate opening	14,027	10,902	12,735	10,156
Re-takaful rebate closing	(14,200)	(13,974)	(14,200)	(13,974)
Net re-takaful rebate	10,141	9,259	20,441	16,860
22 Commission expense				
Commission paid or payable	25,011	9,924	48,382	30,122
Deferred commission opening	40,024	27,355	39,148	20,213
Deferred commission closing	(40,809)	(24,633)	(40,809)	(24,633)
	24,226	12,646	46,721	25,702
Rupees in thousand				
Six Months ended 30 June 2019				30 June 2018 Aggregate
	Operator's Fund	Participants' Takaful Fund	Aggregate	
23 Other income				
Profit on bank deposits	8,358	15,038	23,396	7,191
Other income	5	-	5	-
	8,363	15,038	23,401	7,191
24 Investment income				
Profit on mutual funds	-	-	-	166
Profit on sukuks	-	2,475	2,475	-
Profit on mutual funds-dividend income	1,345	-	1,345	-
	1,345	2,475	3,820	166

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

	Three months period ended		Six months period ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Rupees in thousand				
25 Management expenses				
Salaries, allowances and other benefits	17,493	15,886	35,564	29,551
Depreciation and amortization	1,790	501	3,431	995
Printing, stationery and postage	162	51	345	195
Communication	323	33	690	65
Bank charges	15	7	24	10
Legal and professional expense	-	500	123	640
Travelling and conveyance expenses	698	1,044	1,270	1,399
Rent and accommodation charges	700	960	1,468	1,860
Others	8,931	3,670	16,479	8,217
	<u>30,112</u>	<u>22,652</u>	<u>59,394</u>	<u>42,932</u>
26 Other expenses				
Shariah advisor's fee	770	770	1,540	1,540
Auditors' remuneration	-	138	183	138
Others	6	60	6	60
	<u>776</u>	<u>968</u>	<u>1,729</u>	<u>1,738</u>

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

27 Segment Information

Each class of business has been identified as reportable segment. Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000. The following is a schedule of class of business wise assets and liabilities.

Participants' Takaful Fund					
30 June 2019 (Unaudited)					
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total
Rupees in thousand					

Participants' Takaful Fund

Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)

	75,903	15,974	461,054	121,846	68,960	743,737
Less : Federal Excise Duty	(10,380)	(2,184)	(63,050)	(16,663)	(9,430)	(101,707)
Federal Insurance Fee	(649)	(137)	(3,941)	(1,041)	(589)	(6,357)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	64,874	13,653	394,063	104,142	58,941	635,673
Facultative inward contribution	525	108	-	-	420	1,053
Gross Contribution Written	65,399	13,761	394,063	104,142	59,361	636,726

Contribution earned	74,357	14,265	344,218	112,303	38,937	584,080
Re-takaful expense	(61,214)	(11,076)	(8,677)	-	(33,781)	(114,748)
Net contribution revenue	13,143	3,189	335,541	112,303	5,156	469,332
Net rebate on re-takaful	12,163	2,356	-	-	5,922	20,441
Net underwriting income	25,306	5,545	335,541	112,303	11,078	489,773

Takaful claims	(19,039)	(5,699)	(173,594)	(103,359)	(9,217)	(310,908)
Re-takaful and other recoveries	15,994	4,565	31,972	-	8,295	60,826
Net claims	(3,045)	(1,134)	(141,622)	(103,359)	(922)	(250,082)
Wakala fee	(20,820)	(4,993)	(92,395)	(28,074)	(9,713)	(155,995)
Direct expense	(308)	(40)	(24,537)	(276)	(159)	(25,320)
Contribution deficiency reserve	-	-	-	(4,294)	-	(4,294)
Net takaful claims and expenses	(24,173)	(6,167)	(258,554)	(136,003)	(10,794)	(435,691)

Underwriting results	1,133	(622)	76,987	(23,700)	284	54,082
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Other Income						15,038
Investment income						2,475

Surplus for the period						71,595
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Segment assets	106,566	10,072	328,433	77,618	104,562	627,251
Unallocated assets						473,234
Total assets						1,100,485

Segment liabilities	89,187	5,290	532,811	176,642	84,802	888,732
Unallocated liabilities						168,507
Total liabilities						1,057,239

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

30 June 2018 (Unaudited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident @ Health	Miscellaneous	Total	
Rupees in thousand						
Participants' Takaful Fund						
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	64,444	11,319	398,287	99,934	64,909	638,893
Less : Federal Excise Duty	(8,813)	(1,548)	(54,467)	(13,666)	(8,876)	(87,370)
Federal Insurance Fee	(551)	(97)	(3,404)	(854)	(555)	(5,461)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	55,080	9,674	340,416	85,414	55,478	546,062
Facultative inward contribution	146	-	73	-	-	219
Gross Contribution Written	55,226	9,674	340,489	85,414	55,478	546,281
Contribution earned	52,718	9,292	216,571	62,088	39,363	380,032
Re-takaful expense	(42,624)	(7,027)	(6,363)	-	(34,979)	(90,993)
Net contribution revenue	10,094	2,265	210,208	62,088	4,384	289,039
Net rebate on re-takaful	8,648	1,502	-	-	6,710	16,860
Net underwriting income	18,742	3,767	210,208	62,088	11,094	305,899
Takaful claims	(3,268)	2,800	(121,757)	(56,086)	(29,284)	(207,595)
Re-takaful and other recoveries	3,485	(2,188)	12,399	-	26,704	40,400
Net claims	217	612	(109,358)	(56,086)	(2,580)	(167,195)
Wakala fee	(16,104)	(3,252)	(66,011)	(16,438)	(10,912)	(112,717)
Direct expense	31	(5)	(20,490)	(18)	(262)	(20,744)
Contribution deficiency reserve	-	-	-	-	-	-
Net takaful claims and expenses	(15,856)	(2,645)	(195,859)	(72,542)	(13,754)	(300,656)
Underwriting results	2,886	1,122	14,349	(10,454)	(2,660)	5,243
Other Income	-	-	-	-	-	5,421
Investment income	-	-	-	-	-	-
Surplus for the period	-	-	-	-	-	10,664

31 December 2018 (Audited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident @ Health	Miscellaneous	Total	
Rupees in thousand						
Segment assets	107,033	8,886	236,843	68,175	69,368	490,305
Unallocated assets	-	-	-	-	-	461,674
Total assets	-	-	-	-	-	951,979
Segment liabilities	91,054	5,907	488,533	170,589	59,356	815,439
Unallocated liabilities	-	-	-	-	-	164,889
Total liabilities	-	-	-	-	-	980,328

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

Operator's Fund						
30 June 2019 (Unaudited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident @ Health	Miscellaneous	Total	
Rupees in thousand						
Wakala fee income	20,820	4,993	92,395	28,074	9,713	155,995
Less : Commission expense	(10,037)	(2,295)	(25,018)	(5,963)	(3,408)	(46,721)
Management expenses	(12,759)	(2,918)	(31,804)	(7,580)	(4,333)	(59,394)
	(1,976)	(220)	35,573	14,531	1,972	49,880
Other Income	-	-	-	-	-	8,363
Investment income	-	-	-	-	-	1,345
Other expenses	-	-	-	-	-	(1,729)
Profit before tax						57,859
Segment assets	6,832	67	24,777	5,299	3,834	40,809
Unallocated assets						359,029
Total assets						399,838
Segment liabilities	12,795	161	103,508	24,205	10,426	151,095
Unallocated liabilities						55,312
Total liabilities						206,407

30 June 2018 (Unaudited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident @ Health	Miscellaneous	Total	
Rupees in thousand						
Wakala fee income	16,104	3,252	66,011	16,438	10,912	112,717
Less : Commission expense	(7,279)	(1,425)	(10,455)	(3,876)	(2,667)	(25,702)
Management expenses	(12,159)	(2,380)	(17,464)	(6,474)	(4,455)	(42,932)
	(3,334)	(553)	38,092	6,088	3,790	44,083
Other Income						1,770
Investment income						166
Other expenses						(1,738)
Profit before tax						44,281

31 December 2018 (Audited)						
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident @ Health	Miscellaneous	Total	
Rupees in thousand						
Segment assets	10,478	663	37,012	9,690	4,647	62,490
Unallocated assets						319,704
Total assets						382,194
Segment liabilities	15,303	338	87,536	26,244	5,300	134,721
Unallocated liabilities						95,098
Total liabilities						229,819

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

28 Fair values 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.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

Note	Participants' Takaful Fund								
	30 June 2019 (Unaudited)								
Carrying amount					Fair value				
Available for sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Rupees in thousand									

Financial assets not measured at fair value

Investments - Debt Securities	10	50,000	-	-	-	50,000	-	-	-	-
Loan and other receivables	11	-	24,902	-	-	24,902	-	-	-	-
Takaful / re-takaful receivables	12	-	326,569	-	-	326,569	-	-	-	-
Re-takaful recoveries against outstanding claims		-	53,527	-	-	53,527	-	-	-	-
Salvage recoveries accrued		-	21,810	-	-	21,810	-	-	-	-
Cash and bank	14	-	-	520,195	-	520,195	-	-	-	-
		<u>50,000</u>	<u>426,808</u>	<u>520,195</u>	<u>-</u>	<u>997,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial assets not measured at fair value

Outstanding claims including IBNR	19	-	-	-	217,448	217,448	-	-	-	-
Takaful / re-takaful payables		-	-	-	65,737	65,737	-	-	-	-
Wakala and mudarib fee payable		-	-	-	-	-	-	-	-	-
Other creditors and accruals	16	-	-	-	3,144	3,144	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>286,329</u>	<u>286,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

Note	Participants' Takaful Fund							
	31 December 2018 (Audited)							
Carrying amount					Fair value			
Available for sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

Rupees in thousand

Financial assets measured at fair value

Investments - Debt Securities	10	-	-	-	-	-	-	-
Loan and other receivables	11	-	8,551	-	-	8,551	-	-
Takaful / re-takaful receivables	12	-	230,423	-	-	230,423	-	-
Re-takaful recoveries against outstanding claims		-	46,654	-	-	46,654	-	-
Salvage recoveries accrued		-	15,881	-	-	15,881	-	-
Cash and bank	14	-	-	432,489	-	-	-	432,489
		-	-	-	-	-	-	-
		-	301,509	432,489	-	-	-	733,998

Financial assets measured at fair value

Outstanding claims including IBNR	19	-	-	-	220,606	220,606	-	-	-
Takaful / re-takaful payables		-	-	-	24,303	24,303	-	-	-
Wakala and mudarib fee payable		-	-	-	23,342	23,342	-	-	-
Other creditors and accruals	16	-	-	-	937	937	-	-	-
		-	-	-	269,188	269,188	-	-	-

Note	Operator's Takaful Fund							
	30 June 2019 (Unaudited)							
Carrying amount					Fair value			
Available for sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

Rupees in thousand

Financial assets measured at fair value

Investments - Equity Securities	9	31,048	-	-	-	31,048	31,048	-	-	31,048
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Financial assets measured at fair value

Loan and other receivables	11	-	2,384	-	-	2,384	-	-	-	-
Wakala and mudarib fee receivable		-	-	-	-	-	-	-	-	-
Cash and bank	14	-	-	141,882	-	141,882	-	-	-	-
		31,048	2,384	141,882	-	175,314	31,048	-	-	31,048

Financial assets measured at fair value

Other creditors and accruals	16	-	-	-	32,615	32,615	-	-	-	-
		-	-	-	32,615	32,615	-	-	-	-

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

Note	Operator's Takaful Fund								
	31 December 2018 (Audited)								
Carrying amount					Fair value				Total
Available for sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	

Rupees in thousand

Financial assets measured at fair value

Investments - Equity Securities	9	29,930	-	-	-	29,930	29,930	-	-	29,930
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Financial assets measured at fair value

Loan and other receivables	11	-	3,246	-	-	3,246	-	-	-	-
Wakala and mudarib fee receivable		-	23,342	-	-	23,342	-	-	-	-
Cash and bank	14	-	-	102,039	-	102,039	-	-	-	-
		-	-	-	-	-	-	-	-	-
		<u>29,930</u>	<u>26,588</u>	<u>102,039</u>	<u>-</u>	<u>158,557</u>	<u>29,930</u>	<u>-</u>	<u>-</u>	<u>29,930</u>

Financial assets measured at fair value

Other creditors and accruals	16	-	-	-	90,262	90,262	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>90,262</u>	<u>90,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note	Six months period ended 30 June 2019	31 December 2018
	(Unaudited)	(Audited)

Rupees in thousand

29 Movement in Investment - Available for sale

Opening balance	29,930	30,343
Additions	1,144	119,195
Disposals (sales and redemptions)	-	(119,506)
Fair value on gains (excluding net realized gain)	(26)	(102)
Closing balance	31,048	29,930

Notes to the Condensed Interim Financial Information (Unaudited)

For the Six Months Period Ended 30 June 2019

30 Transactions with related parties

The Operator has related party relationship with its associates, subsidiary company, employee retirement benefit plans, key management personnel and other parties. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Balances and transactions with related party are disclosed in relevant notes to this financial statements.

	Six months period ended 30 June 2019	Six months period ended 30 June 2018
Rupees in thousand		
i) Transactions		
Subsidiary Company		
Contribution underwritten	1,113	135
Contribution received	943	135
Claims paid	181	-
Other related parties		
Contribution underwritten	77,283	59,477
Contribution received	84,164	48,750
Claims paid	26,216	7,537
Income on bank deposits	1,504	959
ii) Period end balances		
Subsidiary Company		
Balances payable	25	19
Balances receivable	170	-
Contribution received in advance	178	-
Other related parties		
Balances receivable	9,731	40,333
Balances payable	10,690	3,092
Cash and bank balances	16,561	61,850

31 Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the six months period ended 30 June, 2019.

32 Date of authorization for issue

This condensed financial information was approved and authorized for issue on 23 August 2019 by the Board of Directors of the Operator.

33 General

33.1 Corresponding figures have been rearranged and reclassified for better presentation, where considered necessary.

33.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.



Umer Mansha
Chairman



Shaikh Muhammad Jawed
Director



Muhammad Arif Hameed
Director



Muhammad Asim Nagi
Chief Financial Officer



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

