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CHAIRMAN'S REVIEW REPORT

It is of great pleasure for me to announce that your Company has completed yet another successful year, 2018. It's combined gross premium and contribution income decreased by Rs. 122.94 million representing 18% decrease from previous year. The profit after tax has decreased by Rs. 56.48 million representing 74% decrease from previous year. The profit before tax has decreased by Rs. 69.21 million representing 82% decrease from previous year. I am happy to mention that our journey of progress and accomplishments is continuing despite economic challenges faced by the country in 2018. This continued sustainability and improvement in business and operations of the Company would not have been possible without the untiring hard work of the field force, back office staff and professional management of the Company. I am confident that the Company's spirited manpower will continue their hard work to increase the market share of your Company to a well-deserved level commensurate with its peers. The new business strategy for 2019 approved by your Board of Directors is aimed at growth and expansion in leaps and bounds. The continued sustainability will be sustained to encourage all stake holders of the Company including its employees, management, shareholders and its valued client. Under the able guidance of its illustrious Board of Directors, the management and staff of Asia Insurance Company will continue to remain committed to their vision, mission and core values. Your Company will continue to capitalize the new opportunities and the development of new products and services to achieve the fulfillment of its insurance potential. In addition to our dedicated staff and management, I would like to also thank Securities and Exchange Commission of Pakistan, State Bank of Pakistan, Members of Pakistan Banking Council, our Auditors, brokers and above all our valued clients for their continued support and confidence in us.

Chairman
Khalid Rashid

Our Vision

Asia Insurance Company Limited aims to be an ideal Insurance company with a large equity base; to provide more opportunities and options for utilization of funds and to increase profitability through economies of scale, better resource mobilization and reduction in operational cost; to achieve this while providing better service to our clients and stakeholders.

Our Mission

Provide excellent services by way of best risk management and hassle-free settlement of claims through a nation-wide network of branches manned by a sound and dynamic team to ensure good governance.

Core Value

Dedication towards customer services, motivated personnel, reward them and enhance their skills, Contribute towards Company's financial goals and focus on achieving results, Commitment towards excellence in quality of work.

COMPANY INFORMATION

Chairman	Mr. Khalid Rashid (Over 40 Year Experience in Insurance Industry)
Chief Executive	Mr. Ihtsham ul Haq Qureshi (Prince Henrik Medal of Honour by Royal Kingdom of Denmark)
Directors	Mr. Khawaja Suhail Iftikhar (Former General Manager of PIA) Mr. Ihtsham ul Haq Qureshi (Prince Henrik Medal of Honour by Royal Kingdom of Denmark) Mrs. Nosheen Ihtsham Qureshi (Tamgha-e-Imtiaz by Government of Pakistan) Mr. Zain ul Haq Qureshi Mr. Khalid Rashid (Over 40 Year Experience in Insurance Industry) Mr. Hassan Ahmed Khan Mr. Thibaud Ponchon (Nominee Director of InsuResilience Investment Fund SICAV RAIF, Luxembourg)
Audit Committee	Mr. Hassan Ahmed Khan (Chairman) Mr. Khalid Rashid (Member) Mr. Zain ul Haq Qureshi (Member) Mr. Khawaja Suhail Iftikhar (Member) Mr. Thibaud Ponchon (Member) Mr. Iftikhar Ahmed (Secretary)
Legal Advisor	Barister Munawar-us-Salam Cornelius, Lane & Mufti, Advocates and Solicitors, Nawa-e-Waqt Building, 4-Shahra-e-Fatima Jinnah, Lahore.
Sharia Advisor	Mufti Muhammad Akhlaq
Share Registrar	Corplink (Pvt.) Limited, Wings Arcade, 1-K, Model Town, Lahore.
CFO	Mr. Muhammad Ali Raza (ACA)
Company Secretary/ Compliance Officer	Ms. Shazia Hafeez (B.Sc.) (LL.B.)
Internal Auditor	Mr. Iftikhar Ahmed (CICA) (CAF)
Auditors	Ilyas Saeed & Company Chartered Accountants.
Actuary	Anwar Associates

The company has formulated following committees as required by the code of corporate Governance for listed companies and insurers.

BOARD COMMITTEES

AUDIT COMMITTEE:
Mr. Hassan Ahmed Khan (Chairman)
Mr. Khalid Rashid (Member)
Mr. Zain ul Haq Qureshi (Member)
Mr. Khawaja Suhail Iftikhar (Member)
Mr. Thibaud Ponchon (Member)
Mr. Iftikhar Ahmed (Secretary)

ETHIC, HUMAN RESOURCE & REMUNERATION COMMITTEE
Mr. Hassan Ahmed Khan (Chairman)
Mr. Ihtisham ul Haq Qureshi
Mrs. Nosheen Ihtsham Qureshi
Mr. Shahbaz Hameed (Secretary)

INVESTMENT COMMITTEE
Mr. Ihtsham ul Haq Qureshi (Chairman)
Mr. Zain ul Haq Qureshi
Mrs. Nosheen Ihtsham Qureshi
Mr. Hassan Ahmed Khan
Mr. Muhammad Ali Raza (Secretary)

MANAGEMENT COMMITTEES

UNDERWRITING COMMITTEE
Mr. Khalid Rashid (Chairman)
Mr. Zain ul Haq Qureshi
Mr. Mustajab Ahmed
Mr. Amjad Rao (Secretary)

CLAIM SETTLEMENT COMMITTEE
Mr. Khawaja Suhail Iftikhar (Chairman)
Mr. Hassan Ahmed Khan
Mr. Shahbaz Hameed
Mr. Asif Ali Mughal (Secretary)

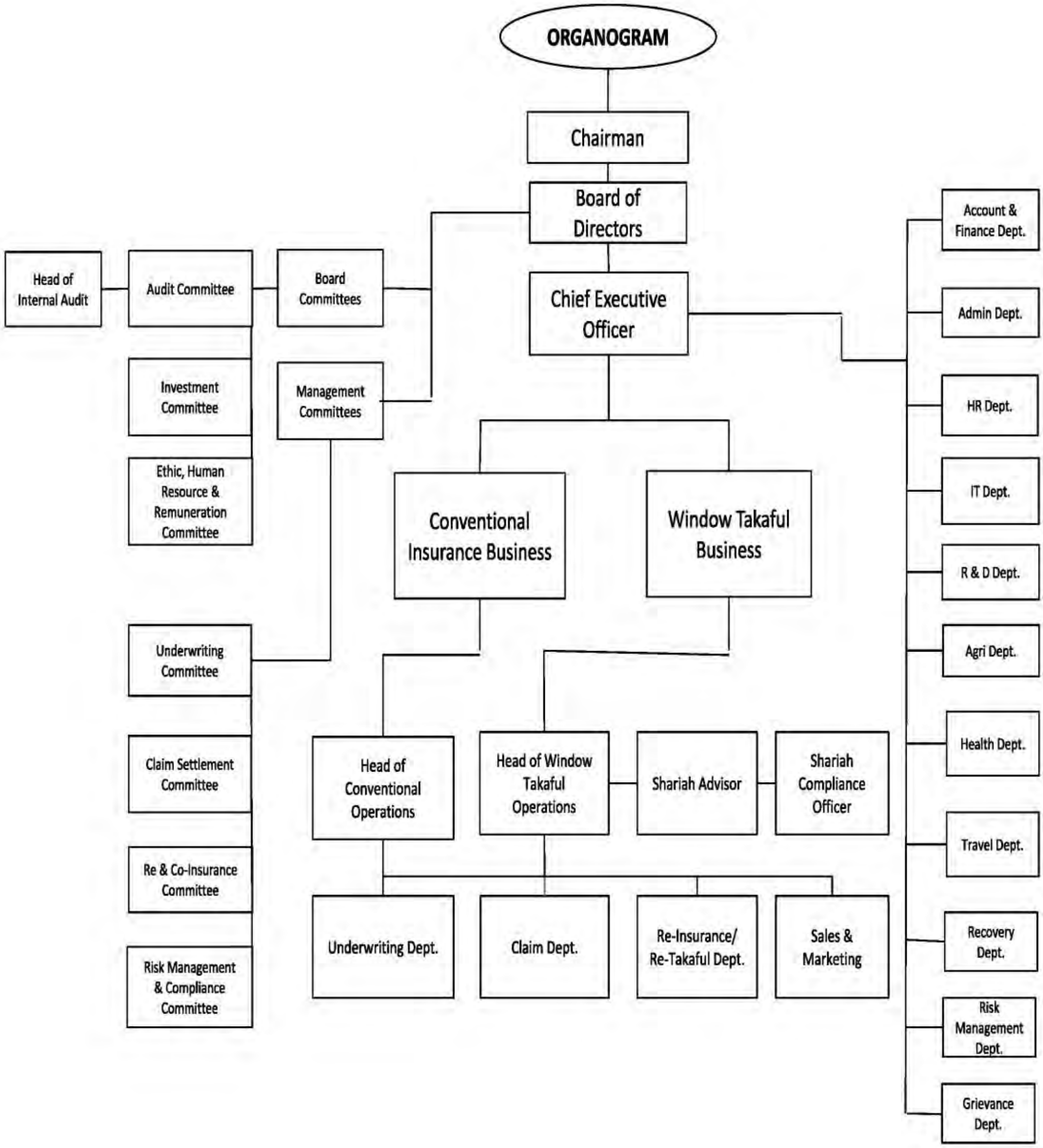
REINSURANCE & CO-INSURANCE COMMITTEE
Mr. Khalid Rashid (Chairman)
Mr. Zain ul Haq Qureshi
Mr. Muhammad Ali Raza
Mr. Muhammad Masood (Secretary)

RISK MANAGEMENT & COMPLIANCE COMMITTEE
Mr. Zain ul Haq Qureshi (Chairman)
Mr. Shahbaz Hameed
Mr. Muhammad Masood
Ms. Shazia Hafeez (Secretary)

MANAGEMENT

Mr. Ihtsham ul Haq Qureshi	Chief Executive Officer
Mr. Zain ul Haq Qureshi	Executive Director
Mr. Muhammad Ali Raza	Chief Financial Officer
Ms. Shazia Hafeez	Company Secretary & Compliance Officer
Mr. Riaz Hussain Shah	Deputy Managing Director
Mr. Shahbaz Hameed	Assistant General Manager HR/Admin & Legal
Mr. Gulfaraz Anis	Assistant General Manager MIS
Mr. M. Amjad Rao	Head of Takaful
Mr. Abdul Hamid	AGM Window Takaful Operations
Mr. M. Imran Qureshi	Agri & Corporate Head
Dr. Asrar Hussain Ch.	VP Live Stock Projects.
Mr. Muhammad Ahmad Chauhan	Head of Corporate Health
Mr. Iftikhar Ahmad	Head of Internal Audit
Mr. Omer Yousaf	Senior Manager Accounts
Mr. Mustjab Ahmed	Manager Underwriting
Mr. Muhammad Masood	Manager Reinsurance
Mr. Asif Ali Mughal	Manager Claims
Mr. Amjad Hussain	Manager Special Assignments

Registered & Head Office:	Asia House, 19 C/D Block-L, Gulberg III, Main Ferozpur Road, Lahore, Pakistan.
Phone:	+92-42-35865575-78
Fax:	+92-42-35865579
UAN:	+92-311-111-ASIA (2742)


ORGANOGRAM
Chairman
Board of Directors
Chief Executive Officer
Head of Internal Audit
Audit Committee
Board Committees
Investment Committee
Management Committees
Ethic, Human Resource & Remuneration Committee
Underwriting Committee
Claim Settlement Committee
Re & Co-Insurance Committee
Risk Management & Compliance Committee
Conventional Insurance Business
Window Takaful Business
Head of Conventional Operations
Head of Window Takaful Operations
Shariah Advisor
Shariah Compliance Officer
Underwriting Dept.
Claim Dept.
Re-Insurance/ Re-Takaful Dept.
Sales & Marketing
Account & Finance Dept.
Admin Dept.
HR Dept.
IT Dept.
R & D Dept.
Agri Dept.
Health Dept.
Travel Dept.
Recovery Dept.
Risk Management Dept.
Grievance Dept.

Statement Of Ethics:

All Directors and staff are required to:

- Act with integrity, dignity and in an ethical manner when dealing with the public, clients and peers.
- Protect the confidentiality of client information at all times except where required by law to disclose it.
- Protect the confidentiality of information relating to the Company both during the course of Directorship or employment (as the case may be) and after its' termination (regardless of reason).
- Obtain written permission from the Company's Compliance Officer (or the Chief Executive Officer in the event that the Compliance Officer is Unavailable) to hold any position (paid or unpaid) with any outside party, firm or organization. For clarity, positions covered include but are not limited to consultant, employee, Director, representative and agent. Directors are exempt from the requirement.
- Maintain accurate records of business transactions related to the Company or its clients.
- Report any business or professional activity that may result in a conflict with or be competitive with the interest of the Company.
- Report any person or activity to the Compliance Officer or their opinion is in violation of this statement.
- Disclose their shareholding in the Company's securities upon agreement and any changes in shareholding within 24 hours of any such change.
- Every Director and employee who has knowledge of confidential material information of the Company's affairs is prohibited from trading in shares of the Company.

Statement Of Business Practices

- **Uncompromising Integrity:**

Our business is founded on trust and we manage it ethically, lawfully and fairly. It is our objective to conduct business with reputable clients and business partners who are involved in lawful business activities. We do not facilitate money laundering.

- **Clients' Interest:**

Nothing we do is more important than shielding and preserving our clients' lawful interests. We hold responsibilities towards our clients in the highest regard.

- **Entrepreneurship:**

We work hard every day to hire the best people, stimulate them, reward them and endorse them to innovate. We are an equal opportunity employer.

- **Zeal for Performance:**

We contribute towards our Company's financial goals and focus on achieving better results.

- **A Culture of Distinction:**

We measure our performance on every task we undertake not just by the results but also by the quality of our work.

- **A Tradition of Success:**

While we are fair and ethical at all times, we compete fairly with the quality and the price of our innovative products and services, not by offering improper benefits to others. Employees are not permitted to use their jobs to solicit, to demand, accept, obtain or be promised advantages.

PRODUCTS AND SERVICES

a. <u>CONVENTIONAL INSURANCE BUSINESS:</u>

- **Motor Insurance**

  We offer complete Auto Insurance plans for both individuals and corporate clients, covering theft, snatching, armed hold up, accidental damage, third party liability and terrorism. This is backed up with the liberty to have your vehicle repaired at the workshop of your own choice.

- **Property Insurance**

  This covers insurance for factories, offices and homes and coverage against fire/lightning and allied perils like Impact damage, Storms, Earthquakes Rain/Flood damage, Riot & Strike damage, Burglary and Malicious damage.

- **Marine Insurance**

  Covers imports exports of consignments, loss or damage of cargo during transit by air, sea and rail/road. It also covers dispatch of finished goods from the insured's factory to anywhere within and outside Pakistan.

- **Agriculture Insurance**

  We provide insurance coverage against agriculture loans disbursed by banks, which cover insurance of crops and livestock, as well as farm implements like tractors and harvesters.

- **Travel Insurance**

  We provide bank guarantees for travel agents and travel insurance service for our corporate clients, individuals, students and special packages for Hajj and Ummrah tour operators and groups. Our travel insurance policies are approved for travel around the world, including the Schengen States.

- **Miscellaneous Insurance**

  We also provide customized insurance solutions for our corporate clients, the covers range from the insurance of engineering projects to electrical equipment and machinery breakdown, contractor all risks, erection all risk, bonds and guarantees.

- **Health Insurance**

  We provide health insurance services to corporate employees and their family to safe guard against injuries and accidents in the course of daily life. We are also providing personal accident insurance for individuals and special policy for school going children.

PRODUCTS AND SERVICES

b. TAKAFUL BUSINESS:

- **Motor Takaful**

  We offer complete Auto Takaful plans for both individuals and corporate clients, covering theft, snatching, armed hold up, accidental damage, third party liability and terrorism. This is backed up with the liberty to have your vehicle repaired at the workshop of your own choice.

- **Property Takaful**

  Property Takaful covers factories, offices and homes and provide coverage against fire & lightning and allied perils like Riot & Strike Damage, Malicious Damages, Atmospheric Disturbance, Earthquakes Rain/Flood damage, Burglary, Impact damage, Standard Explosion, Aircraft damage.

- **Marine Takaful**

  Covers imports exports of consignments, loss or damage of cargo during transit by air, sea and rail/road. It also covers dispatch of finished goods from the participant's factory to anywhere within and outside Pakistan.

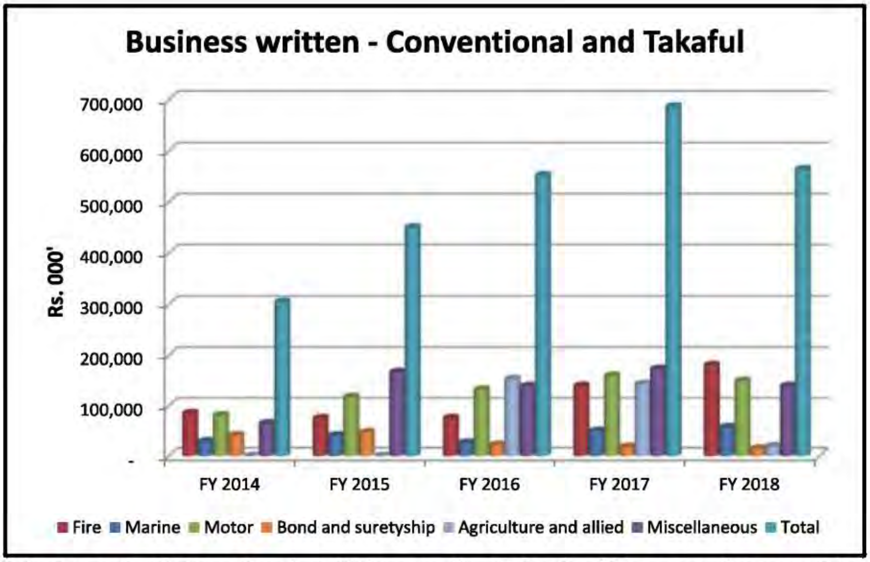
- **Miscellaneous Takaful**

  We also provide customized takaful solutions for our corporate clients, the covers range from the takaful of engineering projects to electrical equipment and machinery breakdown, contractor all risks, erection all risk, money takaful, plate glass.

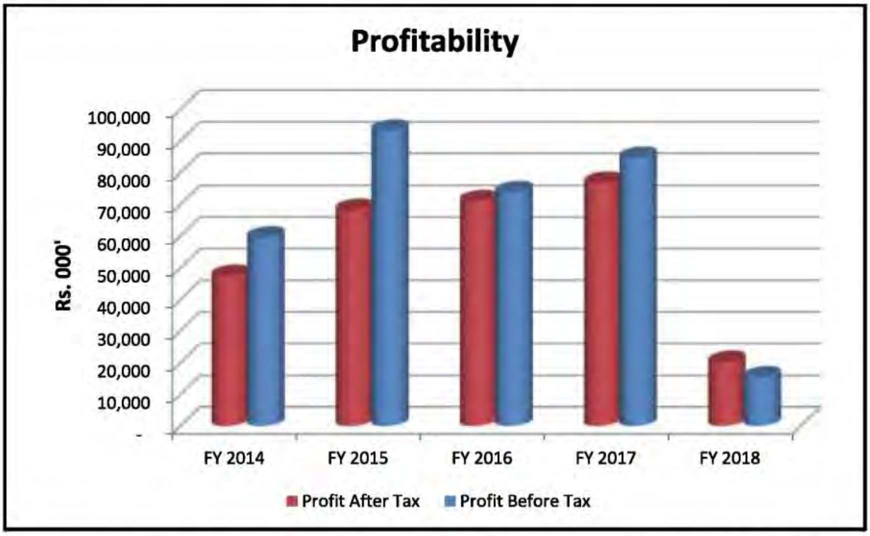
- **Health Takaful**

  We provide health takaful services to corporate employees and their family to safe guard against injuries and accidents in the course of daily life. We are also providing personal accident takaful for individuals.

Financial Highlights - Performance at a glance
(Graphical Presentation)
(Rupees in Thousand)

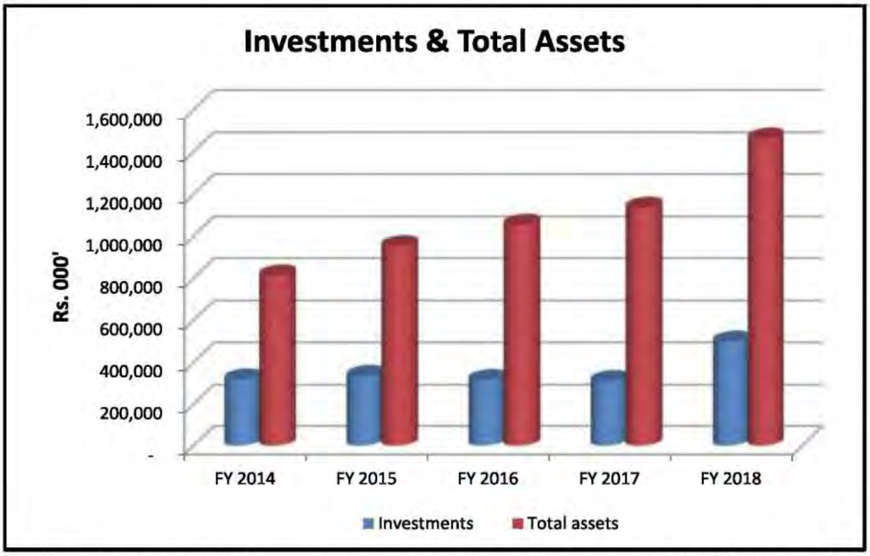


Robust growth of Gross Premium Written continued for the fifth consecutive year. The company's consistent growth stamps the credibility of the Company among its customers and shows the bright future of the Company.

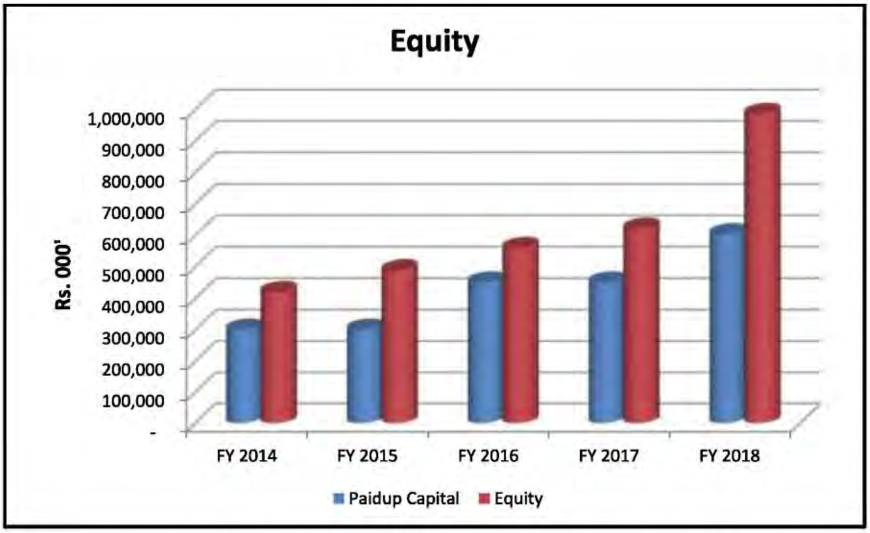


Consistent growth in profitability despite the fact that company has expanded its branch network reflects management's best utilization of resources to generate benefits for all stakeholders specially shareholders.

Financial Highlights - Performance at glance
(Graphical Presentation)
(Rupees in Thousand)



Healthier increase in total assets over 5 years shows company's prudent policies regarding safety of shareholders' investments along with growth.



Consistent hard work and diligent business strategy adopted by the Company's management resulted in persistent growth in the value of shareholder's wealth.

Financial Highlights - Performance at glance
(Graphical Presentation)
(Rupees in Thousand)

Key operating and financial data for the last six years are as follows:

Particulars	2018	2017	2016	2015	2014	2013
			Rupees in Thousands			
			CONVENTIONAL			
Paidup Capital	603,373	450,000	450,000	300,000	300,000	300,000
Total Assets	1,464,002	1,136,324	1,039,241	952,688	812,950	666,687
Equity	985,919	621,087	543,829	488,142	419,817	372,304
Cash and Bank Deposits	316,248	243,196	116,140	70,721	31,813	29,162
Gross Premium	521,370	659,319	540,234	450,173	304,784	154,004
Net Premium Revenue	480,215	527,728	420,122	347,054	190,975	70,332
Gross Claim Paid	194,584	188,544	124,004	87,142	57,654	37,229
Net Claim Expense	136,964	179,238	95,338	64,193	41,954	24,625
Under Writing Profit/(Loss)	(19,527)	(17,495)	15,394	80,341	28,113	(15,456)
Profit/(Loss) Before Tax	15,457	84,669	73,955	93,261	59,581	20,830
Profit/(Loss) After Tax	20,315	76,795	71,099	68,325	47,513	19,541
Investment Income/(Loss)	10,778	(30,084)	51,676	12,926	33,354	37,794
Earnings Per Share(Rs.)	0.36	1.71	1.58	1.52	1.06	0.43
			TAKAFUL			
			PTF			
Gross Contribution	42,584	27,579	11,801	-	-	-
Net Contribution Revenue	8,433	(1,490)	(6,967)	-	-	-
Gross Claim Paid	5,039	2,751	1,585	-	-	-
Net Claim Expense	5,662	4,055	1,976	-	-	-
Under Writing Profit/(Loss)	2,754	(5,563)	(9,024)	-	-	-
Investment Income	-	-	-	-	-	-
			OPF			
Investment Income	-	79	318	-	-	-

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that 38th Annual General Meeting "AGM" of the members of the Asia Insurance Company Limited (the **"Company"**) shall be held on Monday, the April 29, 2019, at 2:00 PM at 19 C/D, Block L, Gulberg III, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of 37th Annual General Meeting held on April 28, 2018.
2. To receive, consider, and adopt the Audited Annual Accounts of the Company for the year ended December 31, 2018 together with Directors' and Auditors' report thereon.
3. To appoint M/s BDO Ebrahim & Co., Chartered Accountant as auditors of the Company and fix their remuneration for the year ending December 31, 2019.
4. To consider any other business of the Company with the permission of the Chair.

SPECIAL BUSINESS

5. To consider and, if through fit, pass the following resolution as Special Resolution with or without modification:

   "**RESOLVED THAT** the transaction carried out by the Company with related parties in 2018, wherein majority of directors were interested be and hereby ratified, approved and confirmed"

   "**RESOLVED FURTHER THAT** the contract to be entered into by the Company in the normal course of business with Zee Que Track Solutions (Private) Limited (related party by way of common directors) be and hereby, approved and confirmed."

   "**RESOLVED FURTHER THAT** the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out in the normal course of business with Zee Que Track Solutions (Private) Limited and hereby authorized to enter into/execute the Contract with Zee Que on behalf of the Company".

   "**RESOVED FURTHER THAT** Chief Executive and the Secretary of the Company be and is hereby authorized to take necessary steps and execute documents as may be necessary or expedient for the purpose of giving effect to the spirit and intent of above resolutions and take steps necessary for filing of documents with Registrar Concerned"

6. **Amendment in Article 41 of Articles of Association of the Company**

   "**RESOVED THAT** the Articles of Association of the Company, be and is hereby amended. The following paragraph be added in Article 41 of Articles of Association of the Company in the end of existing Article 41:

   On a poll votes may be given either personally or through video-link, by proxy or through postal ballot:

   Provided that no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of applicable law in force."

"FURTHER RESOLVED THAT the Chief Executive Officer be and hereby authorized to appoint e-service provider as required under Companies (Postal Ballot) Regulations, 2018."

7. Any other business to conduct with the permission of the Chair.

Attached to this notice of meeting being sent to the members is a statement under Section 134 (3) of the Companies Act, 2017 setting forth all material facts concerning the resolutions contained in items 5 and 6 of the notice.

Lahore
April 06, 2019

By order of the Board

Shazia Hafeez
Company Secretary

NOTES:

1. The financial statements and reports have been placed on the website of the Company www.asiainsurance.com.pk

2. The Share Transfer Books of the Company will remain closed from April 22, 2019 to April 28, 2019 (both days inclusive). Transfers received to our Shares Registrar M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Model Town, Lahore, by the close of business on April 21, 2019 will be treated as being in time for the purpose and to attend the meeting.

3. A Member entitled to attend and vote at the meeting may appoint another Member as his/her proxy to attend the meeting and vote for him/her. Instruments appointing proxies, in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the meeting, duly signed / notarized certified copy, as the case may be.

4. Shareholders are required to immediately notify the company of any change to their postal addresses.

5. CDC Account Holders are required to follow guidelines provided in Circular 1, dated January 26, 2000 (issued by the Securities and Exchange Commission of Pakistan):

Attending the Meeting

- **i.** In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate their identity by showing their original CNIC or original passport at the time of attending the meeting.
- **ii.** In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (along with CNIC) shall be produced at the time of the meeting.

Appointing Proxies

- **i.** In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as provided above.
- **ii.** The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- **iii.** Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- **iv.** The proxy shall produce his original CNIC or original passport at the time of the meeting.

v. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature (and attested copy of CNIC of nominee) shall be submitted along with proxy form to the Company.

6. Members are requested to notify/submit the following in case of book entry securities in CDC to respective CDC participants and in case of physical shares to the Company's Share Registrar, if not earlier provided/notified:

   a. Change in their addresses
   b. Valid and legible photocopies of CNIC, for individual and NTN both for individual & Corporate entities.

7. The members holding in aggregate 10% or more shareholding residing in the city, can also avail video conference facility under the provisions of section 134 (1) (b) of the Act to participate in the meeting. The consent of such members must reach at the registered office of the Company at least 10 days before the meeting.

8. Pursuant to Notification vide SRO 787, 10/2014 dated September 8, 2014, the Securities and Exchange Commission of Pakistan has directed all the companies to facilitate their members receiving annual financial statements and notice of AGM through electronic mail system. The Company is pleased to offer this facility to its valued members who desire to receive annual financial statements and notices through email in future.

   In this regard, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available on the Company's website.

9. Pursuant to SECP directives vide Circular No.19/2014 dated October 24, 2014 SECP has directed all companies to inform shareholders about changes made in the section 150 of the Income Tax Ordinance, we hereby advise shareholder as under;

   (i) The Government of Pakistan through Finance Act has made certain amendments in section 150 of the Income Tax Ordinance, 200I whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

   a. for filers of income tax returns: 15 %
   b. for non-filers of income tax returns: 20 %

   To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%,all the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @20% instead @15%.

   (ii) In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint-holder shall be presumed to have an equal number of shares.

   (iii) For any query / problem / information, the investors may contact the Company and / or the Share Registrar at the following phone numbers & email address. The contact number of Company Secretary is 042-35865574-78 & email (as given above) and the contact numbers of Shares Registrar M/s Corplink (Pvt.) Limited, is (042) 35916714, 35916719, 35839182 and email: corplink786@gmail.com/shares@corplink.com.pk.

   (iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

10. Members can exercise their right to demand a poll subject to meeting requirements under Sections 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.
11. In compliance of Section 244 of the Act, the Company uploaded the details of unclaimed dividend on its website and submitted a statement to the Commission through eServices portal, stating the amount of dividend, which remained unclaimed for a period of 3 years from the date it was due. A Final Notice in this regard was also published in the newspapers on January 12, 2018

Statement under Section 134(3) of the Companies Act, 2017.

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on April 28, 2019.

Item 5 of the Notice

The transaction carried out with related parties during the year ended December 31, 2018 are approved by the Board as recommended by the Audit Committee on quarterly basis. However, in case of lease agreements of 4th, 5th and 6th floors of the Company, the majority of directors are interested being the related parties, therefore, approval of shareholders is to be sought for such transactions.

Furthermore, in case of contract to be entered into by and between Zee Que Track Solutions (Private) Limited (related party by way of common directors) in the normal course of business, the majority of Directors of the Company are interested, therefore, in accordance with provisions of Section 208 of the Companies Act, 2017, such transactions are being placed before the shareholders for the approval through special resolution proposed to be passed in the Annual General Meeting.

Item 6 of the Notice

To give effect to the Companies (Postal Ballot) Regulations, 2018, Shareholders' approval is being sought to amend the Articles of the Company.

9. مؤرخہ 24 اکتوبر، 2014ء کے SECP مراسلہ نمبر 19/2014 کی پیروی میں تمام کمپنیوں کو ہدایت کی جاتی ہے کہ وہ انکم ٹیکس آرڈیننس میں سیکشن 150 میں ترمیم سے متعلق آگاہ کریں لہٰذا ہم اپنے شیئر ہولڈرز کو حسب ذیل تجویز کرتے ہیں:

(i) بذریعہ فائننس ایکٹ حکومت پاکستان نے انکم آرڈیننس 2001ء کے سیکشن 150 میں کچھ ترامیم کی ہیں جس کے تحت کمپنیوں کی جانب اداشدہ منافع منقسمہ پر ودہولڈنگ ٹیکس کی مختلف شرح بیان کی گئی ہیں۔ٹیکس کی یہ شرح حسب ذیل ہے:

a. انکم ٹیکس ریٹرنز فائلرز کے لئے: 15 فی صد

b. انکم ٹیکس ریٹرنز نان فائلز کے لئے: 20 فی صد

منافع منقسمہ پر کمپنی کو 20 فی صد کی بجائے 15 فی صد کی شرح سے ٹیکس کٹوتی کا اہل بنانے کے لئے تمام شیئر ہولڈرز جن کے نام FBR کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس پیئر لسٹ (ATL) میں فائلر ہونے کے باوجود درج نہ ہیں انہیں تجویز کیا جاتا ہے کہ منافع منقسمہ کی وصولی سے قبل اپنا نام ATL میں درج کروائیں بصورت دیگر نقد منافع منقسمہ پر 15 فی صد کی بجائے 20 فی صد کی شرح سے ٹیکس کٹوتی ہوگی۔

(ii) دو یا زائد شیئر ہولڈرز کے نام پر شیئر رجسٹر ہونے کی صورت میں، ہر مشترکہ ہولڈر کو انفرادی حیثیت میں فائلر یا نان فائلر کے طور پر زیر غور لایا جائے گا اور کمپنی ہر شریک ہولڈر کے ٹیکس کی کٹوتی اس کے حصہ کی شیئر ہولڈنگ کی بنا پر کرے گی۔جیسا کہ کمپنی کو تحریری طور پر آگاہ کیا ہو۔لہٰذا مشترکہ ہولڈرز سے درخواست کی جاتی ہے کہ اپنی شیئر ہولڈنگ کی تفصیل جمع کرائیں بصورت دیگر مشترکہ ہولڈر کو حصص کی مساوی تعداد کا حامل سمجھا جائے گا۔

(iii) کسی بھی سوال/مسئلہ/معلومات کے لئے، سرمایہ داران کمپنی اور/ یا شیئر رجسٹرا سے مندرجہ ذیل نمبر یا ای میل پر رابطہ کر سکتے ہیں۔کمپنی سیکریٹری کا رابطہ نمبر 042-35865574-78 اور ای میل (درج بالا) اور شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ (042) 35916714، 35916719، 3589182 اور ای میل corplink786@gmail.com/shares@corplink.com.pk ہے۔

(iv) CDC اکاؤنٹ کے حامل کارپوریٹ شیئر ہولڈرز سے درخواست ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) اپنے متعلقہ شراکاء سے اپ ڈیٹ کریں جب کہ کارورپوریٹ فزیکل شیئر ہولڈرز کمپنی یا اس کے شیئر رجسٹرار کو اپنے NTN سرٹیفکیٹ کی نقل ارسال کریں گے۔

NTN یا NTN سرٹیفکیٹ (کوئی بھی معاملہ ہو) ارسال کرنے والے شیئر ہولڈرز کمپنی کا نام اور ان کے متعلقہ فولیو نمبر درج کریں گے۔

10. اراکین کمپنیز ایکٹ 2017ء کے سیکشن 145-143 اور کمپنیز (پوسٹل بیلٹ) قواعد، 2018ء کی لاگو شقوں کے تحت اراکین اجلاس کی ضروریات سے مشروط رائے شماری طلب کرنے کا حق استعمال کر سکتے ہیں۔

11. ایکٹ کے سیکشن 244 کی تعمیل میں، کمپنی نے لادعویٰ منافع منقسمہ کی تفصیلات اپنی ویب سائٹ پر اپ لوڈ کردی ہیں اور بذریعہ ای سروسز پورٹل کمیشن کو بیان جمع کرادیا ہے جس میں مقررہ تاریخ سے 3 سال تک لادعویٰ منافع منقسمہ کی رقم بیان کی گئی ہے۔اس تناظر میں 12 جنوری، 2018ء کو اخبار میں ایک حتمی نوٹس بھی شائع کیا گیا تھا۔

کمپنیز ایکٹ 2017ء کے سیکشن (3)134 کے تحت بیان

یہ بیان 28 اپریل 2019ء کو کمپنی کے سالانہ اجلاس عام میں خصوصی امور پر بحث سے متعلق مادی حقائق پر مشتمل ہے۔

نوٹس کا آئٹم نمبر 5

31 دسمبر 2018ء کو اختتام پذیر سال کے دوران سہ ماہی بنیادوں پر آڈٹ کمیٹی کی سفارشات پر بورڈ کی جانب سے متعلقہ فریقین کے ساتھ طے شدہ معاملات کی منظوری دینا۔

تاہم کمپنی کی چوتھی، پانچویں اور چھٹی منزل کے لیز معاہدہ کی صورت میں اکثر ڈائریکٹر متعلقہ فریقین بننا چاہتے ہیں لہٰذا ان معاملات پر عمل درآمد کے لئے حصص داران سے منظوری پر لی جائے۔

مزید برآں، عمومی کاروباری امور میں زری کیوٹریک سالیوشنز (پرائیویٹ) لمیٹڈ (عمومی ڈائریکٹرز کی وساطت سے متعلقہ فریق) کے ساتھ طے شدہ معاہدہ کی صورت میں کمپنی کے اکثر ڈائریکٹرز دلچسپی لے رہے ہیں لہٰذا کمپنیز ایکٹ 2017ء کے سیکشن 208ء کے قواعد کی روشنی میں، یہ معاملات بذریعہ خصوصی قرارداد منظوری کے لئے حصص داران کے سامنے رکھے جائیں گے۔ یہ قرارداد سالانہ اجلاس عام میں منظوری کے لئے تجویز کی گئی ہے۔

نوٹس کا آئٹم نمبر 6

کمپنیز (پوسٹل بیلٹ) قواعد 2018ء کو مؤثر کرنے کے لئے کمپنی کے آرٹیکلز میں ترمیم کی غرض سے حصص داران کی منظوری طلب کی گئی ہے۔

مندرجات:

1. کمپنی کی ویب سائٹ www.asiainsurance.com.pk پر مالیاتی اسٹیٹمنٹس اور رپورٹ درج کردی گئی ہیں۔

2. کمپنی کی شیئرز ٹرانسفر بکس 22 اپریل، 2019ء تا 28 اپریل، 2019ء (بشمول دونوں ایام) بند رہیں گی۔ 21 اپریل 2019ء کو کاروباری اوقات کار بند ہونے تک ہمارے شیئرز رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1 ماڈل ٹاؤن، لاہور کو موصول ٹرانسفرز اجلاس اور اس میں شرکت کی غرض سے بروقت تصور کی جائیں گی۔

3. اجلاس میں شرکت اور ووٹ کرنے کا/کی اہل رکن اپنی اجلاس میں شرکت اور ووٹ کرنے کی غرض سے کسی اور رکن کو اپنا پراکسی مقرر کرسکتا/سکتی ہے۔ مؤثر کرنے کی غرض سے پراکسی کی تقرری کے باضابطہ دستخط شدہ/نوٹری سے تصدیق شدہ، کوئی بھی معاملہ ہو، دستاویزات اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ پتہ پر پہنچ جانے چاہئیں۔

4. شیئرز ہولڈرز سے التماس ہے کہ اپنے ڈاک کے پتہ میں تبدیلی کی صورت میں کمپنی کو فوری آگاہ کریں۔

5. 26 جنوری، 2000ء کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ مراسلہ نمبر 1 میں فراہم کردہ ہدایات کی پیروی میں CDC اکاؤنٹ ہولڈرز سے حسب ذیل التماس ہے:

i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/ یا ایسا شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات CDC ضوابط کے تحت اپ لوڈ کی گئی ہوں، ان کو اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کے لئے اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔

ii. کاروباری اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد کے نمونہ کے دستخط (بمع CNIC) اجلاس کے وقت پیش کئے جائیں گے۔

پراکسی کا تقرر

i. فرد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/ یا ایسا شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں موجود ہوں اور ان کی رجسٹریشن کی تفصیلات CDC ضوابط کے تحت اپ لوڈ کی گئی ہوں، ان کو مذکورہ بالا ہدایت کے مطابق پراکسی فارم جمع کرانا ہوگا۔

ii. پراکسی فارم کی گواہی دو افراد دیں گے جن کے نام، پتے اور CNIC نمبر فارم پر تحریر کئے جائیں گے۔

iii. بینی فیشل اونرز اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں گی۔

iv. پراکسی اجلاس کے موقع پر اپنا اصلی CNIC یا پاسپورٹ پیش کریں گے۔

v. کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمونہ کے دستخط (اور نامزدہ کے CNIC کی تصدیق شدہ نقل) پراکسی فارم کے ہمراہ کمپنی کو جمع کرائے جائیں گے۔

6. اراکین سے درخواست ہے کہ متعلقہ CDC شراکاء کے CDC میں بک انٹری سیکیورٹیز کی صورت میں مندرجہ ذیل دستاویزات کمپنی کو جمع کرائیں یا انہیں آگاہ کریں۔ اگر قبل ازیں مطلع یا جمع نہ کرائے گئے ہوں:

a. اپنے پتا میں تبدیلی

b. CNIC کی جائز اور قابل قبول نقول برائے افراد اور NTN افراد اور کاروباری اداروں کے لئے۔

7. کسی شہر میں مقیم 10 فی صد یا زائد شیئرز ہولڈنگ کے حامل اراکین اجلاس میں شرکت کے لئے ایکٹ کے سیکشن (b)(1)134 کے قواعد کے تحت ویڈیو کانفرنس کی سہولت حاصل کرسکتے ہیں۔ ایسے اراکین کا حلف اجلاس کے انعقاد سے کم از کم 10 یوم قبل کمپنی کے رجسٹرڈ دفتر میں پہنچ جانا چاہئے۔

8. سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مؤرخہ 8 ستمبر 2014ء کے مراسلہ نمبر SRO 787,10/2014 کی پیروی میں تمام کمپنیوں کو ہدایت کی جاتی ہے کہ وہ اپنے اراکین کو سالانہ مالیاتی اسٹیٹمنٹس اور AGM نوٹس بذریعہ برقی میل سسٹم ارسال کریں۔ کمپنی اپنے گراں قدر اراکین کو یہ سہولت فراہم کرنے میں فخر محسوس کرتی ہے جو مستقبل میں بذریعہ ای میل سالانہ مالیاتی اسٹیٹمنٹس اور نوٹس وصول کرنے کے خواہش مند ہیں۔

اس تناظر میں، ایسے اراکین جو اس سہولت سے مستفید ہونا چاہتے ہیں انہیں درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم پر اپنے حلف نامے بذریعہ ای میل ارسال کریں۔

نوٹس | 38واں سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ ایشیا انشورنس کمپنی (''کمپنی'') کے اراکین کا 38واں سالانہ اجلاس عام 29 اپریل، 2019ء بروز پیر دو پہر 02:00 بجے 19 سی/ڈی، بلاک L گلبرگ III، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا۔

عمومی امور

1. 28 اپریل، 2018ء کو منعقدہ 37ویں سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 31 دسمبر 2018ء کو اختتام پذیر سال کے لئے کمپنی کے پڑتال شدہ سالانہ کھاتوں کو وصول کرنا، مدنظر رکھنا اور انہیں اپنانا۔
3. 31 دسمبر 2019ء کو اختتام پذیر سال کے لئے میسرز BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی کمپنی کے آڈیٹرز تقرری کو عمل میں لانا اور ان کا معاوضہ طے کرنا۔
4. چیئر کی اجازت سے کمپنی کے دیگر امور کو زیر غور لانا۔

خصوصی امور

5. مندرجہ ذیل قرارداد کو بمعہ/علاوہ ترمیم خصوصی قرارداد کے طور پر پاس کرنا اور حسب ضرورت زیر غور لانا۔

''قرار پایا کہ ڈائریکٹرز کی کثرت سے دلچسپی کے پیش نظر 2018ء میں متعلقہ فریقین کے ساتھ کمپنی کے لین دین کی تصحیح، منظوری اور توثیق کرنا۔''

''**مزید یہ بھی قرار پایا** کہ زی کیوٹریک سالیوشنز (پرائیویٹ) لمیٹڈ (عمومی ڈائریکٹرز کے توسط سے متعلقہ فریق) کے ساتھ کمپنی کے طے شدہ معاملات کی تصحیح، منظوری اور توثیق کرنا۔''

''**مزید یہ بھی قرار پایا** کہ کمپنی کا چیف ایگزیکٹو آفیسر زی کیوٹریک سالیوشنز (پرائیویٹ) لمیٹڈ سے طے معاملات کی توثیق کا باضابطہ اختیار رکھتا ہے۔ لہٰذا وہ کمپنی کی جانب سے زی کیو کے ساتھ معاہدہ طے کرنے کا مجاز ہے۔''

''**مزید یہ بھی قرار پایا** کہ کمپنی کا چیف ایگزیکٹو آفیسر اور سیکریٹری مذکورہ بالا قرارداد کے من وعن نفاذ کے لئے حسب ضرورت اقدامات کرنے اور متعلقہ رجسٹرار کو دستاویزات درج کرانے کے مجاز ہیں۔''

6. **کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 41 میں ترمیم**

''**قرار پایا** کہ کمپنی کے آرٹیکل آف ایسوسی ایشن میں حسب ضابطہ ترمیم کی جاتی ہے۔ کمپنی کے آرٹیکل آف ایسوسی ایشن کے موجودہ آرٹیکل 41 کے اختتام پر مندرجہ ذیل پیرا گراف کا اضافہ کیا جائے:

''ذاتی طور پر یا بذریعہ ویڈیو لنک، بذریعہ پراکسی یا پوسٹل بیلٹ دیئے گئے پول رائے شماری پر:

بشرطیکہ جب تک لاگو قوانین کے قواعد کے تحت اس کے ڈائریکٹر اس کی قرارداد پاس نہ کرلیں کوئی بھی کاروباری ادارہ بذریعہ پراکسی ووٹ نہیں کرے گا۔

''**مزید یہ قرار پایا** کہ کمپنیز (پوسٹل بیلٹ) قواعد، 2018ء کے تحت چیف ایگزیکٹو آفیسر ای سروس فراہم کنندہ کی تقرری کا حسب ضابطہ مجاز ہے۔

7. چیئر کی اجازت سے دیگر امور کو بروئے کار لانا۔

کمپنیز ایکٹ 2017ء کے سیکشن (3)134 کے تحت اس نوٹس کے آئٹم 5 اور 6 میں موجود قرارداد سے متعلقہ تمام مادی حقائق پر مشتمل بیان اجلاس عام کے اس نوٹس کے ہمراہ اراکین کو ارسال کیا جا رہا ہے۔

لاہور

06 اپریل، 2019ء

منجانب بورڈ

شازیہ حفیظ

کمپنی سیکریٹری

Directors' Report
For the year ended December 31, 2018

Dear Shareholders!

The Directors of Asia Insurance Company Limited ("the Company") take pleasure in presenting the annual report of your company, together with the audited financial statements for the year ended December 31, 2018.

The Director's Report prepared under Section 227 of the Companies Act, 2017 and Code of Corporate Governance, will be put forward to the members at the 38th Annual General Meeting of the Company to be held on April 29, 2019.

Business Overview

During the period under review, despite the deteriorating situation of Pakistani economy, the Company has managed to do well. The Stock Exchange Index has been substantially volatile, the Company has been able to maintain its operational performance. Consequent to higher business volumes, the outgoings on claims and expenses have also recorded increase, but overall claim expense ratios are at satisfactory level

The Company posted a healthy profit before tax of Rs. 15.46 Million which shows a decrease of 82% as compared to last year.

Window Takaful Operations

The written contribution for the year was Rs. 42.58 million; while net contribution revenue was Rs. 8.43 million. Participants' Takaful Fund surplus for the year was Rs. 3.78 million and profit from Operator's Funds (for shareholders) for the year was Rs. 8.43 million.

Financial Results

Following is the overall performance of the Company for the year ended December 31, 2018.

	2018	2017
Gross Premium	521,370,460	659,318,726
Profit for the year before tax	15,456,886	84,669,190
Taxation:		
Current	6,327,776	8,465,649
Deferred	(11,186,046)	(813,228)
Prior years	-	221,742
	(4,858,270)	7,874,163
Profit for the year after tax	20,315,156	76,795,027
Un-appropriated profit brought forward	168,124,154	91,329,127
Qard-e-Hasna	(5,000,000)	-
Issue of fully paid bonus shares	-	-
Un-appropriated profit carried forward	**183,439,310**	**168,124,154**

Dividend

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any dividend for the Year ended December 31, 2018.

Earnings per Share

Earnings per share is Rs. 0.36. Earnings per share has decreased by 79% as compared to the previous year.

Election of Directors and Composition of Board

The Election of Directors held on January 9, 2018 after the completion of the term of Directors and seven (7) directors (one Female and six male directors) elected in Extraordinary General Meeting. Composition of Board is as under:

Category	Names of Directors
Independent Directors	Mr. Khalid Rashid
	Mr. Hassan Ahmed Khan
Non-Executive Director	Mr. Khawaja Suhail Iftikhar
	Mrs. Nosheen Ihtsham (Female Director)
	Mr. Thibaud Ponchon (Nominee Director)
Executive Director	Mr. Ihtsham ul Haq Qureshi
	Mr. Zain ul Haq Qureshi

Increase in Paid up Capital and Foreign Investment

We are pleased to inform you that the Company has issued 15,337,391 (Fifteen Million Three Hundred and Thirty-Seven Thousand Three Hundred and Ninety-One only) ordinary shares other than right to InsuResilience Investment Fund, SICAV RAIF ("IIF") at a premium of Rs. 12.82 i.e. at the subscription price of Rs. 22.82/- per ordinary share aggregating to a sum of Rs. 350,000,000/- (Pakistani Rupees Three Hundred and Fifty Million only) (the "Capitalisation").

Pursuant to the aforesaid Capitalisation, IIF holds 25.42% of the issued and paid-up capital of the Company and paid up capital of the Company has increased upto Rs. 603,373,910/- divided into 60,337,391 ordinary shares of Rs. 10/- each..

Casual Vacancy and Nominee Director

Due to the resignation of Mr. Aisam ul Haq Qureshi, a casual vacancy occurred at the Board of Directors of the Company which was filled by the Board within 30 days by appointing Mr. Thibaud Ponchon as Nominee Director of IIF.

Equity Investment

The investment made by IIF will provide equity capital to the Company so that the latter is able to support its risk capital and grow its business further by increasing its insurance underwriting activity. This shows the willingness, commitment and interest of your Company's Directors for the growth, development and prosperity of the company.

Insurer Financial Rating Strength

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the IFS rating of the Company as "A" (Single A) with positive outlook. This rating denotes a strong capacity to meet policyholders' and contractual obligations and reflects the gains achieved by the management in core insurance business.

Related Party Transactions

At each board meeting the Board of Directors approves Company's transactions with Associated Companies / Related parties. All the transactions executed with related parties are on arm's length basis.

The Company has entered into Lease Agreements with related parties in respect of 4th, 5th and 6th floors of Asia House.

Risk Management Policy and Know Your Customer Policy

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. Our Company's Risk Management approach is made for qualitative evaluation of risk and minimizing its hazards. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been formulated and clearly spelled out in the said guidelines.

In addition to the Risk Management Policy, the Board has approved Know Your Customer Policy as formulated and recommended by the Risk Management and Compliance Committee.

A Compliance Program is also in place, which ensure and provide guidelines that relevant Laws are complied with in letter and spirit.

Internal Control

The system of internal controls is sound and is being implemented and monitored by the Internal Audit Department. This is a continuing process and any weaknesses are identified and removed. Further, same is regularly reviewed by the board.

Committees

The Board in compliance with the Code of Corporate Governance has established following committees;

Management Committees

Risk Management & Compliance Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Zain ul Haq Qureshi	Chairman	4	4
Mr. Shahbaz Hameed	Member	4	4
Mr. Muhammad Masood	Member	4	4
Ms. Shazia Hafeez	Secretary	4	4

Underwriting committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Khalid Rasheed	Chairman	4	4
Mr. Zain ul Haq Qureshi	Member	4	4
Mr. Mustajab Ahmed	Member	4	4
Mr. Amjad Rao	Secretary	4	4

Claim settlement Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Khawaja Suhail Iftikhar	Chairman	4	4
Mr. Shahbaz Hameed	Member	4	4
Mr. Hassan Ahmad Khan	Member	4	4
Mr. Asif Ali Mughal	Secretary	4	4

Reinsurance & Co-insurance Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Khalid Rasheed	Chairman	4	4
Mr. Zain ul Haq Qureshi	Member	4	4
Mr. Mohammad Ali Raza	Member	4	4
Mr. Muhammad Masood	Secretary	4	4

Board Committees

Ethic, Human Resource & Remuneration Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Hassan Ahmad Khan	Chairman	4	4
Mrs. Nosheen Ihtsham	Member	4	4
Mr. Ihtisham ul Haq Qureshi	Member	4	4
Mr. Shahbaz Hameed	Secretary	4	4

Investment Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Ihtisham ul Haq Qureshi	Chairman	4	4
Mr. Zain ul Haq Qureshi	Member	4	4
Mrs. Nosheen Ihtsham	Member	4	4
Mr. Hassan Ahmed Khan	Member	4	4
Mr. Mohammad Ali Raza	Secretary	4	4

Audit Committee

Name of the Member	Category	Meetings Held	Meetings Attended
Mr. Hassan Ahmed Khan (appointed as Chairman by the Board on October 26, 2018)	Chairman	5	5
Mr. Zain ul Haq Qureshi	Member	5	5
Mr. Khalid Rashid	Member	5	5
Mr. Thibaud Ponchon	Member	5	1
Mr. Khawaja Suhail Iftikhar (former chairman of audit committee)	Member	5	5
Mr. Iftikhar Ahmed	Secretary	5	5

Branch Network

Your company is fully aware of the fact that the network of feasible and profitable branches must be established in as many cities of Pakistan as possible. Our aims and objectives of opening branches are to provide excellent services to our esteemed clients and prompt settlement of claims besides ensuring ultimate profitability for the shareholders through prudent underwriting and cost efficiency.

Statement of Investment of Provident Fund

The company operates approved provident fund scheme covering all its permanent employees. The investment balances are as follows:

Particulars	December 31, 2018 Rupees	December 31, 2017 Rupees
Investment	21,093,294	15,678,940

Annual Evaluation of Board's Performance

The Board has placed a mechanism to evaluate its performance annually as required by the Code of Corporate Governance. The mechanism devised is based on the emerging and leading trends on the functioning of the Board and improving its effectiveness. The placement and functioning of evaluation mechanism is out sourced to Pakistan Institute of Corporate Governance

Principal Risks and Uncertainties

The principal risk the Company faces under insurance contracts is the possibility that the insured event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimise insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Company underwrites mainly property, motor, marine cargo and transportation and other miscellaneous general Insurance business. These classes of insurance are generally regarded as short term insurance contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

Risk Management Function

Your Company established Risk Management Function. It is overseen by Risk Management and Compliance Committee to identify and monitor risks associated with various operations of the Company.

Asia Insurance Company is committed to enhancing its overall profitability through optimization of value added activities, while maintaining a strong risk-adjusted capitalization.

Statement of Ethics and Business Practices

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations

Corporate and Financial Reporting Framework

(a) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity,
(b) Proper books of accounts have been maintained by the Company,
(c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments,
(d) The International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statement and any departure from there has been adequately disclosed,
(e) The system of internal control is sound in design and has been effectively implemented and monitored,
(f) There are no significant doubts upon the Company's ability to continue as a going concern,
(g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations,
(h) The key operating and financial data for the last six years is annexed,
(i) The value of investments of provident based on their audited accounts as on December 31, 2018 was Rs. 21,093,294.
(j) The statement of pattern of shareholding in the Company as at 31 December 2018 is included with the Report.

Key Financial Data

Key operational and financial data for the last 6 years is as follows;

Particulars	2018	2017	2016	2015	2014	2013
			Rupees in Thousands			
			CONVENTIONAL			
Paidup Capital	603,373	450,000	450,000	300,000	300,000	300,000
Total Assets	1,464,002	1,136,324	1,039,241	952,688	812,950	666,687
Equity	985,919	621,087	543,829	488,142	419,817	372,304
Cash and Bank Deposits	316,248	243,196	116,140	70,721	31,813	29,162
Gross Premium	521,370	659,319	540,234	450,173	304,784	154,004
Net Premium Revenue	480,215	527,728	420,122	347,054	190,975	70,332
Gross Claim Paid	194,584	188,544	124,004	87,142	57,654	37,229
Net Claim Expense	136,964	179,238	95,338	64,193	41,954	24,625
Under Writing Profit/(Loss)	(19,527)	(17,495)	15,394	80,341	28,113	(15,456)
Profit/(Loss) Before Tax	15,457	84,669	73,955	93,261	59,581	20,830
Profit/(Loss) After Tax	20,315	76,795	71,099	68,325	47,513	19,541
Investment Income/(Loss)	10,778	(30,084)	51,676	12,926	33,354	37,794
Earnings Per Share(Rs.)	0.36	1.71	1.58	1.52	1.06	0.43
			TAKAFUL			
			PTF			
Gross Contribution	42,584	27,579	11,801	-	-	-
Net Contribution Revenue	8,433	(1,490)	(6,967)	-	-	-
Gross Claim Paid	5,039	2,751	1,585	-	-	-
Net Claim Expense	5,662	4,055	1,976	-	-	-
Under Writing Profit/(Loss)	2,754	(5,563)	(9,024)	-	-	-
Investment Income	-	-	-	-	-	-
			OPF			
Investment Income	-	79	318	-	-	-

Board Meetings

During the year 2018 following meetings of the Board of Directors were held and attended by the Directors as below:

Name of Directors	Meetings Held	Meetings Attended
Mr. Khalid Rasheed	5	5
Mr. Ihtisham ul Haq Qureshi	5	5
Mr. Khawaja Suhail Iftikhar	5	5
Mr. Zain ul Haq Qureshi	5	4
Mr. Thibaud Ponchon	5	3
Mrs. Nosheen Ihtisham	5	3
Mr. Hassan Ahmad Khan	5	4

Leave of absence was granted to those Directors who could not attend the Board Meeting.

Company's relations with stakeholders

We have very positive and practical approach towards relations with various stakeholders particularly with regulatory authorities i.e. Securities and Exchange Commission of Pakistan (SECP), Federal Board of Revenue (FBR), State Bank of Pakistan (SBP), other Insurance Companies, the Reinsurers and the Insurance Association of Pakistan (IAP). The Company Secretary is responsible for adhering and implementing all the applicable laws, regulations and conventions in order to keep the organization at its highest

FUTURE OUTLOOK

With the CPEC taking shape and a possible end to the power crisis, economic outlook is positive, major gains are already being witnessed by the service industry, construction sector and the auto industry with global players entering the Pakistani market. The insurance sector is also confident of growth being spurred by rising customer needs and confidence.

Moreover, the equity investment will strengthen Company's capital base, lead to further growth of its insurance underwriting activity as well as further product development - especially in the area of agriculture insurance – using IIF' technical expertise and knowledge of the sector.

The Company will continue to focus its momentum of growth in premium while at the same time maintaining profitability of decent standard.

Auditors

The present Auditors M/s. Ilyas Saeed & Company, Chartered Accountants, have completed their assignment for the year ended December 31, 2018, and shall retire on the conclusion of 38th Annual General Meeting.

The retiring Auditors have completed their allowed term of five years, therefore, In accordance with the Code of Corporate Governance, the Audit Committee considered and recommended the appointment of BDO Ebrahim & Co., Chartered Accountants, as auditors for the year ending December 31, 2019 and the Board of Directors also endorsed the recommendations of the Audit Committee.

Pattern of shareholding is attached with this report.

We would like to thank our valued customers for their continued patronage and support and to Pakistan Reinsurance Company Limited, Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance.

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

Chief Executive Officer	Director

PATTERN OF SHAREHOTDING AS ON DECEMBER 31, 2018

No. of Shareholders	Shareholdings		Total shares held
	From	To	
41	1	100	385
7	101	500	1,697
8	501	1,000	5,352
8	1,001	5,000	19,237
1	30,001	35,000	33,104
1	360,001	365,000	362,265
1	820,001	825,000	821,202
1	920,001	925,000	924,808
1	1,765,001	1,770,000	1,767,150
1	2,290,001	2,295,000	2,292,137
1	13,315,001	13,320,000	13,318,269
1	15,335,001	15,340,000	15,337,391
1	25,450,001	25,455,000	25,454,394
73			**60,337,391**

Categories of shareholders	Holding	%age
Directors, Chief Executive Officer, and their spouse and minor children	40,908,696	67.7999%
Insurance Companies	33,104	0.0549%
Shareholders holding 10% or more	54,110,054	89.6791%
General Public		
- Local	3,236,998	5.3648%
- Foreign	-	-
Government Holding	821,202	1.3610%
Foreign Companies	15,337,391	25.4194%

Sr. No.	Name	Holding	%age
1	MR. IHTSHAM UL HAQ QURESHI	38,772,663	64.2598%
2	MRS. NOSHEEN IHTSHAM	362,265	0.6004%
3	MR. KHALID RASHEED	736	0.0012%
4	MR. ZAIN UL HAQ QURESHI	1,770,275	2.9340%
5	KHAWAJA SUHAIL IFTIKHAR	1,654	0.0027%
6	MR. THIBAUD PONCHON (NOMINEE)	0	0.0000%
7	MR. HASSAN AHMAD KHAN	1,654	0.0018%
		40,908,696	**67.7999%**

PATTERN OF SHAREHOTDING AS ON DECEMBER 31, 2018

Insurance Companies

Sr. No.	Name	Holding	%age
1	Pakistan Reinsurance Company Limited	33,104	0.0549%

Government Holding

Sr. No.	Name	Holding	%age
1	Federal Board of Revenue	821,202	1.3610%

General Public

Sr. No.	Name	Holding	%age
1	Shares held by the General Public - Local	3,236,998	5.3648%

Shareholders Holding 5% or More of Total Capital

Sr. No.	Name	Holding	%age
1	Mr. Ihtsham ul Haq Qureshi	38,772,663	64.2598%
2	Insuresilience Investment Fund	15,337,391	25.4194%
		54,110,054	**89.6791%**

During the financial year there has been no trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children

تکافل						
PTF						
مجموعی حصہ	42,584	27,579	11,801	-	-	-
خالص کنٹری بیوشن آمدنی	8,433	(1,490)	(6,967)	-	-	-
مجموعی ادا شدہ کلیم	5,039	2,751	1,585	-	-	-
خالص کلیم اخراجات	5,662	4,055	1,976	-	-	-
انڈر رائٹنگ نفع/(نقصان)	2,754	(5,563)	(9,024)	-	-	-
سرمایہ داری آمدنی	-	-	-	-	-	-
OTF						
سرمایہ داری آمدنی	-	79	318	-	-	-

بورڈ کے اجلاس

سال 2018ء کے دوران بورڈ کے منعقدہ اجلاسوں کی تعداد اور حاضری حسب ذیل ہے:

ڈائریکٹرز کے نام	منعقدہ اجلاس	اجلاس میں حاضری
محترم خالد رشید	5	5
محترم احتشام الحق قریشی	5	5
محترم خواجہ سہیل افتخار	5	5
محترم زین الحق قریشی	5	4
محترم تصبیہ پونچو	5	3
محترمہ نوشین احتشام	5	3
محترم حسن احمد خان	5	4

جو ڈائریکٹرز بورڈ کے اجلاس میں حاضر نہ ہو سکے انہیں غیر حاضری کی رخصت عنایت کی گئی۔

سٹیک ہولڈرز کے ساتھ کمپنی کے تعلقات

متعدد سٹیک ہولڈرز خصوصاً ریگولیٹری اتھارٹیز یعنی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، فیڈرل بورڈ آف ریونیو (FBR)، سٹیٹ بینک آف پاکستان (SBP)، دیگر انشورنس کمپنیاں، ری انشوررز اینڈ انشورنس ایسوسی ایشن آف پاکستان (IAP) کے ساتھ ہم اپنے تعلقات میں مثبت اور عملی رویہ رکھتے ہیں۔ کمپنی سیکریٹری تمام لاگو قوانین وضوابط اور روایات پر عمل درآمد کے لئے ذمہ دار ہے تاکہ ادارے کو اعلیٰ مقام تک برقرار رکھا جا سکے۔

مستقبل کا نقطہ نظر

CPEC واضح ہونے اور توانائی بحران کے ممکنہ خاتمہ، مثبت معیشت، سروس، آٹو اور کنسٹرکشن انڈسٹری کی وجہ سے بھاری آمدنی اور عالمی کمپنیوں کی پاکستانی منڈی میں دلچسپی کی وجہ سے انشورنس کا شعبہ بھی صارفین کی ضروریات اور اعتماد بڑھا کر نمو کے لئے پرعزم ہے۔

مزید برآں، ایکویٹی انویسٹمنٹ کمپنی کے سرمایہ کو مستحکم کرے گی، جس سے انشورنس انڈر رائٹنگ سرگرمیوں اور پروڈکٹ ڈیولپمنٹ میں اضافہ ہوگا۔ IIF کی تکنیکی مہارت اور شعبہ کے علم کو استعمال کرتے ہوئے خصوصاً زرعی انشورنس کے شعبہ میں۔

کمپنی پریمیم میں اضافہ کی رفتار اور معقول منافع کو برقرار رکھنے پر بھی بھرپور توجہ دے رہی ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز الیاس سعید اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے 31 دسمبر 2018ء کو اختتام پذیر سال تک اپنی مدت مکمل کرلی ہے اور اٹھائیسویں سالانہ اجلاس کے اختتام پر وہ ریٹائر ہو جائیں گے۔

ریٹائر ہونے والے آڈیٹرز نے اپنی پانچ سالہ مدت مکمل کرلی ہے لہٰذا کوڈ آف کارپوریٹ گورننس کے مطابق، آڈٹ کمیٹی نے BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔ جو 31 دسمبر 2019ء تک آڈیٹرز کی حیثیت سے اپنے فرائض سرانجام دیں گے۔ اور بورڈ آف ڈائریکٹرز نے بھی آڈٹ کمیٹی کی سفارشات کو قبول کیا ہے۔

شیئر ہولڈنگ کی وضع

شیئر ہولڈنگ کی وضع رپورٹ کے ساتھ منسلک ہے۔

اعتراف

ہم اپنے معزز صارفین کی مسلسل حمایت اور پاکستان ری انشورنس کمپنی لمیٹڈ، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی ہدایات اور رہنمائی کا شکریہ ادا کرتے ہیں۔

یہ آپ کے ڈائریکٹرز کے لئے باعث فخر ہے کہ وہ افسران، فیلڈ فورس اور عملہ کی کاوشوں کو سراہتے ہیں جن کے کردار کی وجہ سے کمپنی ترقی کی منازل طے کر رہی ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

بنیادی خطرات اور بے یقینی

انشورنس معاہدوں سے متعلقہ کمپنی کو لاحق بنیادی خدشات میں انشور کیا گیا واقعہ رونما ہونا، حاصل دعووں کی رقم میں بے یقینی یعنی دعووں کا تعداد اور شدت اور حقیقی دعووں اور فوائد کی ادائیگی جو انشورنس واجبات کی رقم سے تجاوز کرتے ہوں شامل ہیں۔ انشورنس معاہدہ کی نوعیت کے مطابق یہ خدشہ عارضی ہے لہٰذا اس کا تعین نہیں کیا جاسکتا۔ کمپنی کا مقصد یہ یقینی بنانا ہے کہ ان واجبات کو کور کرنے کے لئے مناسب وسائل دستیاب ہوں۔

کمپنی ان خدشات کا انتظام انڈر رائٹنگ حکمت عملی، مناسب ری انشورنس انتظامات اور کلیمز سے متعلق بروقت کارروائی کے ذریعے کرتی ہے۔ انڈر رائٹنگ حکمت عملی کا مقصد متوازن اشتراک اور کاروباری درجوں کی وسعت اور انڈر رائٹنگ ہدایات اور حدود پر نظر ثانی کے ذریعے انشورنس خدشات کو کم کرنا ہے۔ کمپنی عموماً پراپرٹی، موٹر، میرین کارگو اور ٹرانسپورٹیشن اور دیگر عمومی انشورنس کاروبار میں انڈر رائٹ کرتی ہے۔ انشورنس کے یہ درجے عموماً قلیل مدتی انشورنس معاہدے کہلاتے ہیں جہاں کلیمز عموماً ایک سال تک کے کم عرصہ میں ادا کئے جاتے ہیں۔ اس طرح انشورنس خدشات سے نپٹا جاسکتا ہے۔

رسک مینجمنٹ فنکشن

آپ کی کمپنی نے رسک مینجمنٹ فنکشن قائم کیا ہے۔ اس پر رسک مینجمنٹ اور کمپلائنس کمیٹی نظر رکھتی ہے تاکہ کمپنی کے مختلف افعال سے منسلک خطرات کی نشاندہی اور نگرانی کی جاسکے۔

ایشیا انشورنس کمپنی اپنی اضافی سرگرمیوں میں پیش رفت کے ذریعے مجموعی منافع کو بڑھانے کے لئے پرعزم ہے۔ اس میں خطرات کو منظم کرکے سرمایہ داری کو برقرار بھی رکھا جاتا ہے۔

اخلاقیات اور کاروباری عمل داری کا بیان

بورڈ نے اخلاقیات اور کاروباری عمل داری کے بیان کو اپنایا ہے۔ تمام ملازمین کو اس بیان سے متعلق آگاہ کیا گیا ہے اور کاروباری ضوابط سے متعلقہ اس کے تمام اصولوں پر عمل درآمد کے پابند ہیں۔

کاروباری اور مالیاتی رپورٹنگ فریم ورک

(a) کمپنی کی انتظامیہ کی جانب سے تیار کی گئی مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی درست تصویر پیش کرتی ہیں۔

(b) کمپنی نے کھاتوں کی باقاعدہ کتابیں مرتب کی ہیں۔

(c) مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا باقاعدگی سے اطلاق کیا گیا ہے اور مالیاتی تخمینہ جات مناسب اور قابل قبول فیصلوں کی بنیاد پر لگائے جاتے ہیں۔

(d) پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) مالیاتی اسٹیٹمنٹ کی تیاری میں بروئے کار لائے گئے ہیں اور ان میں کی گئی ترامیم یا حذف کو مناسب انداز میں بیان کیا گیا ہے۔

(e) اندرونی نظم وضبط کا سسٹم انتہائی مربوط ہے اور اس کو مؤثر انداز میں نافذ اور مانیٹر کیا جاتا ہے۔

(f) کاروبار جاری رکھنے کے لئے کمپنی کی صلاحیت میں کوئی ابہام موجود نہ ہے۔

(g) لسٹنگ ریگولیشنز میں موجود کارپوریٹ گورننس کی بہترین عمل داری میں کوئی تاخیر نہ ہے۔

(h) گذشتہ چھے سال کا فعالی اور مالیاتی ڈیٹا ساتھ منسلک ہے۔

(i) 31 دسمبر 2018ء کو پڑتال شدہ کھاتوں کی بنیاد پر پراویڈنٹ فنڈ کی سرمایہ داری قدر 21,093,294 روپے ہے۔

(j) 31 دسمبر 2018ء تک کمپنی کی شیئر ہولڈنگ کی وضع کا بیان رپورٹ میں شامل ہے۔

بنیادی مالیاتی اعداد وشمار

گذشتہ چھے سال کے اہم فعالی اور مالیاتی اعداد وشمار حسب ذیل ہیں:

تفصیلات	2018ء	2017ء	2016ء	2015ء	2014ء	2013ء
روپے ہزاروں میں						
روایتی						
اداشدہ سرمایہ	603,373	450,000	450,000	300,000	300,000	300,000
کل اثاثہ جات	1,464,002	1,136,324	1,039,241	952,688	812,950	666,687
ایکویٹی	985,919	621,087	543,829	488,142	419,817	372,304
کیش اور بینک ڈیپازٹ	316,248	243,196	116,140	70,721	31,813	29,162
مجموعی پریمیم	521,370	659,319	540,234	450,173	304,784	154,004
خالص پریمیم آمدنی	480,215	527,728	420,122	347,054	190,975	70,332
مجموعی اداشدہ دعوئی	194,584	188,544	124,004	87,142	57,654	37,229
خالص کلیم اخراجات	136,964	179,238	95,338	64,193	41,954	24,625
انڈر رائٹنگ نفع/(نقصان)	(19,527)	(17,495)	15,394	80,341	28,113	(15,456)
نفع/(نقصان) بمعہ ٹیکس	15,457	84,669	73,955	93,261	59,581	20,830
نفع/(نقصان) علاوہ ٹیکس	20,315	76,795	71,099	68,325	47,513	19,541
سرمایہ داری آمدنی/(خسارہ)	10,778	30,084	51,676	12,926	33,354	37,794
فی حصص آمدنی	0.36	1.71	1.58	1.52	1.06	0.43

محترم آصف علی مغل	سیکریٹری	4	4

ری انشورنس اور کوانشورنس کمیٹی

رکن کا نام	عہدہ	منعقد اجلاس	حاضری
محترم خالد رشید	چیئرمین	4	4
محترم زین الحق قریشی	رکن	4	4
محترم محمد علی رضا	رکن	4	4
محترم محمد مسعود	سیکریٹری	4	4

بورڈ کمیٹیاں

اخلاقیات، ہیومن ریسورس اینڈ ریمونریشن کمیٹی

رکن کا نام	عہدہ	منعقد اجلاس	حاضری
محترم حسن احمد خان	چیئرمین	4	4
محترمہ نوشین احتشام	رکن	4	4
محترم احتشام الحق قریشی	رکن	4	4
محترم شہباز حمید	سیکریٹری	4	4

انویسٹمنٹ کمیٹی

رکن کا نام	عہدہ	منعقد اجلاس	حاضری
محترم احتشام الحق قریشی	چیئرمین	4	4
محترم زین الحق قریشی	رکن	4	4
محترمہ نوشین احتشام	رکن	4	4
محترم حسن احمد خان	رکن	4	4
محترم محمد علی رضا	سیکریٹری	4	4

آڈٹ کمیٹی

رکن کا نام	عہدہ	منعقد اجلاس	حاضری
محترم حسن احمد خان (بورڈ نے 26 اکتوبر 2018ء کو چیئرمین کی حیثیت سے مقرر کیا)	چیئرمین	5	5
محترم زین الحق قریشی	رکن	5	5
محترم خالد رشید	رکن	5	5
محترم تصیبو پونچو	رکن	5	1
محترم خواجہ سہیل افتخار (آڈٹ کمیٹی کے سابقہ چیئرمین)	رکن	5	5
محترم افتخار احمد	سیکریٹری	5	5

برانچ نیٹ ورک

آپ کی کمپنی اس حقیقت سے مکمل طور پر آگاہ ہے کہ قابل بھروسہ اور منافع بخش برانچوں کا نیٹ ورک پاکستان کے شہروں میں بکثرت قائم کیا جائے۔ اپنے کلائنٹس کو معیاری خدمات فراہم کرنا اور شیئر ہولڈرز کو بذریعہ کاسٹ ایفی شنسی اور انڈر رائٹنگ حتمی منافع کو یقینی بنانے کے علاوہ کلیمز کی فوری ادائیگی ہی شاخیں کھولنے کا ہمارا اولین مقصد ہے۔

پراویڈنٹ فنڈ میں سرمایہ داری کا بیان

کمپنی اپنے تمام مستقل ملازمین کے لئے منظور شدہ پراویڈنٹ فنڈ سکیم کو آپریٹ کرتی ہے۔ انویسٹمنٹ بیلنس حسب ذیل ہے:

تفصیلات	31 دسمبر 2018ء روپے	31 دسمبر 2017ء روپے
سرمایہ داری	21,093,294	15,678,940

بورڈ کی کارکردگی کا سالانہ تخمینہ

بورڈ نے کوڈ آف کارپوریٹ گورنس کے تحت کارکردگی کا سالانہ تخمینہ لگانے کے لئے ایک نظام قائم کیا ہے۔ بورڈ کے اہم اور ابھرتے ہوئے رجحانات کی بنیاد پر یہ نظام مرتب کیا گیا ہے تا کہ اس کی اثر پذیری میں اضافہ ہو۔ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورنس کو اس کی ترکیب اور افعال کے لئے یہ نظام تفویض کیا گیا ہے۔

ہے کے 15,337,391 (پندرہ ملین تین سو سینتیس ہزار تین سو اکانوے صرف) عمومی حصص انشورنس ریلائنس انویسٹمنٹ فنڈ، ("IIF") کو جاری کئے ہیں ("سرمایہ کاری")۔

مذکورہ بالا سرمایہ داری کی پیروی میں، IIF کمپنی کے 25.42 فی صد جاری کردہ اور ادا شدہ سرمایہ کا مالک ہے اور کمپنی کا ادا شدہ سرمایہ میں بحساب 10 روپے فی حصص 60,337,391 حصص میں قابل تقسیم 603,373,910 روپے اضافہ ہوا ہے۔

بے قاعدہ نشست اور نامزد ڈائریکٹر

محترم اعصام الحق قریشی کے استعفیٰ پر کمپنی کے بورڈ آف ڈائریکٹرز میں ایک نشست خالی ہوئی جس پر بورڈ نے 30 یوم کے اندر IIF کے نامزد ڈائریکٹر کی حیثیت سے تصیبو پونچو کی تقرری کی۔

ایکویٹی سرمایہ داری

IIF کی جانب سے کی گئی سرمایہ داری کمپنی کو ایکویٹی سرمایہ فراہم کرے گی تا کہ کمپنی اپنے رسک سرمایہ کو سپورٹ کر سکے اور اپنی انشورنس انڈر رائٹنگ سرگرمی میں اضافہ کر کے اپنے کاروبار کو ترقی دے سکے۔ اس سے کمپنی کی ترقی وخوشحالی کے لئے آپ کی کمپنی کے ڈائریکٹرز کی دلچسپی ظاہر ہوتی ہے۔

انشورر مالیاتی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے کمپنی کی IFS ریٹنگ کو "A" (واحد A) میں اپ گریڈ کیا ہے۔ اس درجہ بندی سے ظاہر ہوتا ہے کہ کمپنی پالیسی ہولڈرز اور معاہداتی فرائض کو پورا کرنے کی صلاحیت رکھتی ہے اور بنیادی انشورنس امور میں مینجمنٹ اپنے اہداف حاصل کرے گی۔

فریق متعلقہ سے لین دین

کمپنی کے بورڈ آف ڈائریکٹرز اپنے ہر اجلاس میں منسلک کمپنیوں/ فریق متعلقہ سے لین دین پر بحث کرتے ہیں۔ متعلقہ فریقین سے تمام لین دین قریبی تعلق کی بنا پر زیر غور لائے جاتے ہیں۔

کمپنی نے ایشیا ہاؤس کی چوتھی، پانچویں اور چھٹی منزل کو لیز پر دینے کے فریق متعلقہ سے معاہدہ کیا ہے۔

خطرات سے نپٹنے کی پالیسی اور اپنے صارف کو جاننے کی پالیسی

کمپنی نے ایک رسک مینجمنٹ پالیسی مرتب کی ہے جس سے کمپنی کی ساکھ کو ممکنہ طور پر لاحق بڑے خطرات کی نشاندہی کی جاتی ہے۔ ہماری کمپنی کا رسک مینجمنٹ نقطہ نظر خطرات اور ان کے نتائج کے تعین پر مبنی ہے۔ اس پالیسی کو بورڈ نے بھی اپنایا ہے اور یہ ہمہ وقت نظر ثانی سے مشروط ہے۔ خطرات پر قابو پانے کا عمل اور اقدامات کو وضع کیا گیا ہے اور مذکورہ ہدایات میں اس کو مربوط انداز میں واضح کیا گیا ہے۔

رسک مینجمنٹ پالیسی کے علاوہ بورڈ نے "اپنے صارف کو جانئیں" کی پالیسی کی بھی منظوری دی ہے جسے رسک مینجمنٹ اور کمپلائنس کمیٹی نے وضع اور تجویز کیا ہے۔

تعلیمی پروگرام بھی زیر غور ہے، جس کے تحت متعلقہ قوانین کی من وعن تعمیل سے متعلق ہدایات فراہم کی گئی ہیں۔

اندرونی نظم وضبط

اندرونی نظم وضبط کا سسٹم مربوط ہے اور اسے انٹرنل آڈٹ ڈیپارٹمنٹ نافذ کرتا ہے اور اس کی نگرانی کرتا ہے۔ یہ جاری عمل ہے اور اس میں نقائص کی نشاندہی کر کے انہیں ختم کیا جاتا ہے۔ مزید اس سسٹم کو بورڈ باقاعدہ سے نظر ثانی کرتا ہے۔

کمیٹیاں

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ نے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں:

انتظامی کمیٹیاں

رسک مینجمنٹ اینڈ کمپلائنس کمیٹی

رکن کا نام	عہدہ	منعقد اجلاس	حاضری
محترم زین الحق قریشی	چیئرمین	4	4
محترم شہباز حمید	رکن	4	4
محترم محمد مسعود	رکن	4	4
محترمہ شازیہ حفیظ	سیکریٹری	4	4

انڈر رائٹنگ کمیٹی

رکن کا نام	عہدہ	منعقد اجلاس	حاضری
محترم خالد رشید	چیئرمین	4	4
محترم زین الحق قریشی	رکن	4	4
محترم مستجاب احمد	رکن	4	4
محترم امجد راؤ	سیکریٹری	4	4

کلیم سیٹلمنٹ کمیٹی

رکن کا نام	عہدہ	منعقد اجلاس	حاضری
محترم خواجہ سہیل افتخار	چیئرمین	4	4
محترم شہباز حمید	رکن	4	4
محترم حسن احمد خان	رکن	4	4

ڈائریکٹرز رپورٹ

31دسمبر2018ء کواختتام پذیر سال کے لئے

معزز حصص داران!

31دسمبر2018ء کواختتام پذیرسال کے لئے ایشیاانشورنس کمپنی لمیٹڈ (''کمپنی'') کے ڈائریکٹرز پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ سالانہ رپورٹ پیش کرنے میں فخرمحسوس کرتے ہیں۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ 2017ء کے سیکشن 227اورضابطہ کاروباری عمل داری کے تحت مرتب کی گئی ہے۔جو29اپریل2019ء کومنعقد ہونے والے کمپنی کے38ویں سالانہ اجلاس عام میں اراکین کوپیش کی جائے گی۔

کاروباری جائزہ

زیرجائزہ مدت کے دوران، پاکستانی معیشت کی زبوں حالی کے باوجود کمپنی نے اچھی کارکردگی دکھائی ہے۔سٹاک ایکسچینج انڈیکس عدم استحکام کا شکار رہی اور کمپنی اپنی فعالی کارکردگی کو برقرار رکھنے میں کامیاب ہوئی ہے۔بھاری کاروباری حجم کے نتیجہ میں دعووں اوراخراجات کی ادائیگی میں بھی ریکارڈ اضافہ ہوا ہے لیکن مجموعی طور پردعووں پراخراجات کی شرح تسلی بخش رہی۔

کمپنی نے15.46ملین روپے کابھاری منافع بمعہ ٹیکس درج کیا ہے جوگذشتہ سال کے مقابلہ میں 82فی صدکم ہوا۔

ونڈوتکافل سرگرمیاں

زیرجائزہ سال کے دوران تحریری حصہ 42.58ملین روپے تھا لیکن خالص کنٹری بیوشن آمدنی 8.43ملین روپے تھی۔زیرجائزہ سال کے لئے شرکا کا تکافل فنڈسرپلس 3.78ملین روپے اورآپریٹر (برائے حصص داران) کے فنڈ سے منافع 8.43ملین روپے تھا۔

مالیاتی نتائج

31دسمبر2018ء کواختتام پذیرسال کے لئے کمپنی کی مجموعی کارکردگی حسب ذیل ہے:

	2018ء	2017ء
مجموعی پریمیم	521,370,460	659,318,726
زیرجائزہ سال کے لئے منافع بمعہ ٹیکس	15,456,886	84,669,190
ٹیکسیشن:		
رواں	6,327,776	8,465,649
زیرالتوا	(11,186,046)	(813,228)
پیشترسال	-	221,742
	(4,858,270)	7,874,163
زیرجائزہ سال کے لئے نفع علاوہ ٹیکس	20,315,156	76,795,027
لاحاصل منافع براٹ فارورڈ	168,124,154	91,329,127
قرض حسنہ	(5,000,000)	-
کلی طورپراداشدہ بونس شیئرزکااجرا	-	-
لاحاصل منافع کیریڈ فارورڈ	183,439,310	168,124,154

منافع منقسمہ

آپ کے ڈائریکٹرزکوادراک ہے کہ کمپنی کی بہتری کے لئے منافع کوروکنا ہوگالہذا31دسمبر2018ء کواختتام پذیرسال کے لئے ڈائریکٹرز نے منافع منقسمہ کی سفارش نہ کی ہے۔

فی حصص آمدنی

گذشتہ سال کے مقابلہ میں79فی صدکمی کے ساتھ فی حصص آمدنی0.36روپے فی حصص ہے۔

ڈائریکٹرزکاانتخاب اوربورڈ کی تشکیل

9جنوری2018ء کومنعقدہ کمپنی کے غیرمعمولی اجلاس عام میں ڈائریکٹرز کی مدت مکمل ہونے پرنئے ڈائریکٹرزکاانتخاب کیاگیا۔بورڈ7ڈائریکٹرز(ایک خاتون اورچھ مردڈائریکٹرز) پرمشتمل ہے۔بورڈ کی تشکیل حسب ذیل ہے:

درجہ	ڈائریکٹرز کے نام
آزادڈائریکٹرز	محترم خالدرشید محترم حسن احمدخان
نان ایگزیکٹوڈائریکٹرز	محترم خواجہ سہیل افتخار محترمہ نوشین احتشام (خاتون ڈائریکٹر) محترم تھیبو پونچو (نامزدڈائریکٹر)
ایگزیکٹوڈائریکٹرز	محترم احتشام الحق قریشی محترم زین الحق قریشی

اداشدہ سرمایہ میں اضافہ اورغیرملکی سرمایہ داری

ہم بصدمسرت آپ کوآگاہ کرتے ہیں کہ کمپنی نے رائٹ حصص کے علاوہ12.82روپے پریمیم یعنی22.82روپے فی عومی حصص سبسکرپشن پرائس پرجس کامیزان350,000,000روپے (تین سوپچاس ملین روپے صرف) بنتا

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Statement Under Section 46 (6) of the Insurance Ordinance, 2000

The incharge of the management of the business was Mr. Ihtsham ul Haq Qureshi, Chief Executive Officer and the report on the affairs of business during the year 2018 signed by a CEO, Mr. Ihtsham ul Haq Qureshi and a Director, Mr. Khwaja Suhail Iftikhar and approved by the Board of Directors is part of the Annual Report 2018 under the title of "Directors' Report to Members" and

a. in our opinion the annual statutory accounts of the Asia Insurance Co. Ltd. set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, 2000 (Ordinance) and any rules made thereunder.

b. Asia Insurance Co. Ltd. has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and re-insurance arrangements and;

c. as at the date of the statement, the Asia Insurance Co. Ltd. continues to be in compliance with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and re-insurance arrangements.

Chairman	Director	Director	Chief Executive Officer

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2017

Asia Insurance Company Limited

For the Year Ended December 31, 2018

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016, (the Code) and Listed Companies (Code of Corporate Governance) Regulations, 2017, (the Regulations) for the purpose of establishing a framework of good governance, whereby the company is managed in compliance with the best practices of corporate governance.

The company has applied principles in the Code and has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:
   a) Male: Six (6)
   b) Female: One (1)

2. The company encourages representation of independent non-executive directors and directors representing minority on its Board of Directors (the Board). At present the composition of the Board is as follows:

Category	Names
a) Independent Directors	Mr. Khalid Rashid Mr. Hassan Ahmed Khan
b) Other Non-Executive Directors	Mr. Khawaja Suhail Iftikhar Mrs. Nosheen Ihtsham Mr. Thibaud Ponchon (Nominee Director)
c) Executive Directors	Mr. Ihtsham ul Haq Qureshi Mr. Zain ul Haq Qureshi

The independent directors meet the criteria of independence as laid down under the Code.

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies).

4. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by a stock exchange.

5. A casual vacancy occurring on the Board on February 14, 2018 was filled up by the directors' within 30 days thereof.

6. The company has prepared a Code of Conduct and has ensured the appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

7. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers have been taken by the Board of the relevant provisions of the Companies Act, 2017, (the Act) and the Regulations.

9. The meeting of the Board was presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notice of the Board meetings, along with the agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.

10. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

11. Out of seven, three directors have earlier obtained certificate of Directors. While one is exempted from the requirement, one Director is in the process of completion. The remaining directors will undertake the Directors Training Program within the stipulated time.

12. The Board has established a system of sound internal control, which is effectively implemented at all levels with the company. The company has adopted and complied with all the necessary aspects of internal controls given in the Code.
13. There was no new appointment of Chief Financial Officer, Head of Internal Audit and Company Secretary during the year. The Board approved their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
14. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
15. The financial statements of the company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
16. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the company other than disclosed in the pattern of shareholding.
17. The company has complied with all the corporate and financial reporting requirements of the Code.
18. The Board has formed the following Management Committees:

Underwriting Committee:

Name of Member	Category
Mr. Khalid Rashid	Chairman
Mr. Zain ul Haq Qureshi	Member
Mr. Mustajab Ahmed	Member
Mr. Amjad Rao	Secretary

Claims Settlement Committee:

Name of Member	Category
Mr. Khawaja Suhail iftikhar	Chairman
Mr. Hassan Ahmed Khan	Member
Mr. Shahbaz Hameed	Member
Mr. Asif Ali Mughal	Secretary

Reinsurance & Co-insurance Committee:

Name of Member	Category
Mr. Khalid Rashid	Chairman
Mr. Zain ul Haq Qureshi	Member
Mr. Ali Raza (CFO)	Member
Mr. Muhammad Masood	Secretary

Risk Management & Compliance Committee:

Name of Member	Category
Mr. Zain ul Haq Qureshi	Chairman
Mr. Shahbaz Hameed	Member
Mr. Muhammad Masood	Member
Ms. Shazia Hafeez	Secretary

19. The Board has formed the following Board Committees:

Ethics, Human Resource & Remuneration Committee:

Name of Member	Category
Mr. Hassan Ahmed Khan	Chairman
Mrs. Nosheen Ihtsham	Member
Mr. Ihtisham ul Haq Qureshi	Member
Mr. Shahbaz Hameed	Secretary

Investment Committee:

Name of Member	Category
Mr. Ihtisham ul Haq Qureshi	Chairman
Mr. Zain ul Haq Qureshi	Member
Mrs. Nosheen Ihtsham	Member
Mr. Hassan Ahmed Khan	Member
Mr. Mohammad Ali Raza	Secretary

20. The Board has formed an Audit Committee. It comprises of Five (5) members, of whom two (2) are independent directors, one (1) is executive directors and two (2) are non-executive directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

Audit Committee:

Name of Member	Category
Mr. Hassan Ahmed Khan	Chairman
Mr. Khalid Rashid	Member
Mr. Zain ul Haq Qureshi	Member
Mr. Thibaud Ponchon	Member
Mr. Khawaja Suhail Iftikhar	Member
Mr. Iftikhar Ahmed	Secretary

21. The meetings of the Underwritng, Claims, Re-insurance & Co-insurance, Risk Management, Investment and Audit Committees were held at every quarter prior to approval of interim and final results of the company and as required by the Code.

22. The terms of references of the aforesaid Committees have been formed and advised to the Committees for compliance.

23. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

    a) Audit Committee: Five (5) meetings
    b) Ethics, Human Resource & Remuneration Committee: Four (4) meetings

24. The Board has set up an effective internal audit function, the staff is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company and they are involved in the internal audit function on a regular basis.

25. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit are competent and qualified as per the Code. Moreover, the persons who are handling the underwriting, claims, reinsurance, risk management and grievance functions/department are competent, experience and qualified, as required under section 12 of the Insurance Ordinance, 2000.

Name of the Person	Designation
Mr. Ihtisham ul Haq Qureshi	Chief Executive Officer
Mr. Mohammad Ali Raza	Chief Financial Officer
Ms. Shazia Hafeez	Company Secretary
Ms. Shazia Hafeez	Head of Compliance
Mr. Iftikhar Ahmed	Head of Internal Audit
Mr. Mustajab Ahmed	Head of Underwriting
Mr. Asif Ali Mughal	Head of Claims and Head of Grievance Department
Mr. Muhammad Masood	Head of Reinsurance and Head of Risk Management Department

26. The statutory auditors of the company have been appointed from the panel of auditors approved by the Commission in terms of sections 48 of the Insurance Ordinance, 2000. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and

registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

27. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.

28. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code.

29. The Board ensures that the investment policy of the company has been drawn up in accordance with the provision of the Code.

30. The Board ensures that the risk management system of the company is in place as per the requirements of the Code.

31. The company has set up a risk management department, which carries out its tasks as covered under the Code.

32. The Board ensures that as part of the risk management system, the company gets itself rated from Pakistan Credit Rating Agency (the PACRA), which is being used by its risk management department and the respective Committee as a risk monitoring tool. The rating assigned by the PACRA on 12-12-2018 is A with positive outlook

33. The Board has set up a grievance department, which fully complies with the requirements of the Code.

34. The company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan in respect of the requirement of the Code.

35. We confirm that all other material principles contained in the Code and all other requirements of the Regulations have been complied with.

Chairman
Date: March 27, 2019

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Asia Insurance Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Code of Corporate Governance for Insurers, 2016 (the Regulations), prepared by the Board of Directors of **Asia Insurance Company Limited** (the Company) for the year ended **December 31, 2018** in accordance with the requirements of regulation 40 of the (Code of Corporate Governance) Regulations, 2017 and provision (lxxvii) of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended **December 31, 2018**.

ILYAS SAEED & CO.
Chartered Accountants

Place: Lahore
Date: 27 MAR 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Asia Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ASIA INSURANCE COMPANY LIMITED (the Company),** which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2018, and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
Following is the Key Audit Matter:

Key Audit Matter	How the matter was addressed in our audit
Ordinary share capital	Our response
Refer to Note 15 and the Statement of financial Position. The Company's Ordinary share capital and share premium have been increased by Rs. 153.3 million and Rs. 196.6 million which constitutes 36.5% in aggregate of the total equity as at December 31, 2018. Increase in Ordinary share capital and Share premium required compliance with Section 83(1)(b) of the Companies Act, 2017 (the Act). This increase represents significant transaction during the year. The matter is therefore considered as a key audit matter.	Our audit procedures to ensure compliance with the requirements of the Companies Act, 2017 included the following: • checked that the Company has complied with the applicable laws and regulations with regards to the increase in paid-up capital. Also checked that the Company has obtained the necessary approvals from SECP. The SBP since issued the approval " in-Principle" subject to fulfillment of statutory requirements in this regard. • ensured the presentation and disclosure requirements of accounting and reporting framework relating to increase in the capital of the Company; • assessed the adequacy and appropriateness of the disclosures provided in the annexed financial statements based on the requirements of the Act and Rules.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability of going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Ilyas.**

ILYAS SAEED & CO.
Chartered Accountants
Date: 27 MAR 2019
Place: LAHORE

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	Notes	2018 RUPEES	2017 RUPEES
Assets			
Property and equipment	5	81,188,744	99,281,744
Investments			
Equity securities	6	101,856,787	161,040,582
Debt securities	7	61,515,022	26,397,472
Term deposits	8	335,000,000	125,000,000
Total assets of window takaful operations - OPF	9	49,846,736	44,395,767
Loans and other receivables	10	44,018,098	54,788,933
Insurance / Reinsurance receivables	11	284,560,274	229,459,744
Reinsurance recoveries against outstanding claims	23	49,401,986	36,192,756
Deferred commission expense / acquisition cost	24	52,334,737	46,793,366
Deferred taxation	18	14,411,329	3,037,643
Taxation - payments less provision	12	26,740,770	15,636,171
Prepayments	13	46,879,546	51,103,150
Cash & Bank	14	316,248,002	243,196,263
Total Assets		1,464,002,031	1,136,323,591
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	15	603,373,910	450,000,000
Share premium	15.3	196,626,090	-
Reserves	16	2,500,000	2,500,000
Unappropriated profit		183,439,310	168,124,154
Available for sale reserve		(19,992)	462,510
Total equity		985,919,318	621,086,664
Liabilities			
Total liabilities of window takaful operations - OPF	9	2,995,812	972,879
Underwriting Provisions			
Outstanding claims including IBNR	23	126,110,519	113,121,068
Unearned premium reserves	22	252,509,416	292,730,189
Premium deficiency reserve		-	7,575,862
Unearned Reinsurance Commission	24	8,031,216	6,477,419
Retirement benefit obligations	17	579,172	488,113
Premiums received in advance		2,026,600	3,422,615
Insurance / Reinsurance Payables	19	34,400,219	36,808,865
Other Creditors and Accruals	20	51,429,759	53,639,917
Total Liabilities		478,082,713	515,236,927
Total Equity and Liabilities		1,464,002,031	1,136,323,591
Contingency(ies) and commitment(s)	21	-	-

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive Officer	Director	Director	Chairman	Chief Financial Officer

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ASIA INSURANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	2018 RUPEES	2017 RUPEES
Net insurance premium	22	480,215,322	527,727,754
Net insurance claims	23	(136,964,809)	(179,238,162)
Premium deficiency		7,575,862	(7,246,775)
Net commission and other acquisition costs	24	(90,067,721)	(92,107,966)
Insurance Claims and acquisition expenses		(219,456,668)	(278,592,903)
Management Expenses	25	(280,286,635)	(266,630,223)
Underwriting results		(19,527,981)	(17,495,372)
Investment income / (loss)	26	10,778,118	(30,084,338)
Other income	27	25,658,990	129,312,550
Other expenses	28	(9,878,577)	(2,584,137)
Results of operating activities		7,030,550	79,148,703
Finance cost	29	(1,700)	(44,155)
Profit from Window Takaful Operations	9	8,428,036	5,564,642
Profit before tax		15,456,886	84,669,190
Income tax gain / (expense)	30	4,858,270	(7,874,163)
Profit after tax		20,315,156	76,795,027
Other comprehensive income:			
Item to be re-classified to profit and loss account in subsequent period:			
Unrealized gains/(losses) on available for sale investments			
- Re-measurement of investment - available for sale		(670,142)	660,728
- Related tax thereon		187,640	(198,218)
Other comprehensive (loss)/income for the year		(482,502)	462,510
Total comprehensive income for the year		19,832,654	77,257,537
Earnings per share - Basic & Diluted	31	0.36	1.71

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive Officer	Director	Director	Chairman	Chief Financial Officer

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ASIA INSURANCE COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 RUPEES	2017 RUPEES
Operating Cash Flows		
a) Underwriting activities		
Insurance premium received	480,933,630	597,829,978
Reinsurance premiums paid	(96,365,793)	(68,723,025)
Claims paid	(194,584,242)	(188,543,753)
Reinsurance and other recoveries received	57,399,654	38,658,905
Commission paid	(113,849,293)	(108,882,709)
Commission received	15,037,508	14,037,460
Management expenses paid	(267,625,546)	(252,286,281)
Other underwriting receipts / (payments)	14,135,008	(15,913,477)
Net cash flow from underwriting activities	(104,919,074)	16,177,098
b) Other operating activities		
Income tax paid	(17,620,015)	(26,244,748)
Other operating receipts / (payments)	745,125	(6,190,125)
Other receipts in respect of operating assets	23,816,090	16,465,096
Net cash flow from other operating activities	6,941,200	(15,969,777)
Total cash flow from all operating activities	(97,977,874)	207,321
Investment activities		
Profit / return received	25,152,733	18,914,496
Dividends received	2,275,963	12,807,033
Decrease in net assets in window takaful operations	(8,428,036)	(5,564,642)
Payments for investments / investment properties	(325,044,765)	(628,372,136)
Proceeds from investments / investment properties	125,198,891	577,980,535
Fixed capital expenditure	(530,682)	(52,219,964)
Proceeds from sale of property and equipment	2,407,209	204,701,878
Total cash flow from investing activities	(178,968,687)	128,247,200
Financing activities		
Proceeds from issuance of shares	350,000,000	-
Financing repayments	-	(1,354,013)
Financial charges paid	(1,700)	(44,155)
Total cash flow from financing activities	349,998,300	(1,398,168)
Net cash flow from all activities	73,051,739	127,056,353
Cash and cash equivalents at the beginning of the year	243,196,263	116,139,910
Cash and cash equivalents at the end of the year	316,248,002	243,196,263

ASIA INSURANCE COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 RUPEES	2017 RUPEES
Reconciliation to Profit and Loss Account		
Operating cash flows	**(97,977,874)**	207,321
Depreciation expense	**(18,059,373)**	(20,300,012)
Financial charges expense	**(1,700)**	(44,155)
Profit on disposal of investments / investment properties	**1,842,900**	112,847,454
Dividend income	**2,275,963**	12,807,033
Other investment income / (loss)	**8,502,155**	(42,891,371)
Profit from window takaful operations	**8,428,036**	5,564,642
Increase in assets other than cash	**76,127,902**	121,415,930
Decrease / (increase) in liabilities other than borrowings	**39,177,147**	(112,811,815)
Profit after taxation for the year	**20,315,156**	76,795,027

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive Officer	Director	Director	Chairman	Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

	Attributable to equity holders of the Company								
	Share Capital	Share Premium reserve	Capital reserves	Revenue reserves	Un-appropriated profit	Available for sale reserve	Total share capital and reserves	Surplus on revaluation of fixed assets	Total
	RUPEES								
Balance as at January 1, 2017	450,000,000	-	-	2,500,000	91,329,127	-	543,829,127	91,060,170	634,889,297
Total comprehensive income for the year	-	-	-	-	76,795,027	462,510	77,257,537	-	77,257,537
(Reversal) of revaluation surplus	-	-	-	-	-	-	-	(91,060,170)	(91,060,170)
Balance as at December 31, 2017	450,000,000	-	-	2,500,000	168,124,154	462,510	621,086,664	-	621,086,664
Balance as at January 1, 2018	**450,000,000**	**-**	**-**	**2,500,000**	**168,124,154**	**462,510**	**621,086,664**	**-**	**621,086,664**
Issue of shares other than right	**153,373,910**	**196,626,090**	**-**	**-**	**-**	**-**	**350,000,000**	**-**	**350,000,000**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**20,315,156**	**(482,502)**	**19,832,654**	**-**	**19,832,654**
Qard e hasna payment to PTF	**-**	**-**	**-**	**-**	**(5,000,000)**	**-**	**(5,000,000)**	**-**	**(5,000,000)**
Balance as at December 31, 2018	**603,373,910**	**196,626,090**	**-**	**2,500,000**	**183,439,310**	**(19,992)**	**985,919,318**	**-**	**985,919,318**

The annexed notes 1 to 43 form an integral part of these financial statements.

Chief Executive Officer	Director	Director	Chairman	Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Asia Insurance Company Limited ('the Company') is a quoted public limited company which was incorporated in Pakistan on December 06, 1979 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is engaged in non-life insurance business mainly comprising of fire, marine, motor, bond and suretyship, agriculture and allied and miscellaneous. The Company commenced its commercial operations in 1980. The registered and principal office of the Company is situated at 19 C/D, Block L, Gulberg III, Main Ferozpur Road, Lahore-Pakistan. Shares of the Company are quoted on Pakistan Stock Exchange.

The Company has been allowed to work as Window Takaful Operator through License No.10 on August 13, 2015 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Insurance in Pakistan. It has not transacted any business outside Pakistan.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board, as are notified under the Companies Act, 2017, provisions and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012 shall prevail.

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 General Takaful operations of the Company have been presented as a single line item in the statement of financial position and statement of comprehensive income of the Company respectively.

A separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012.

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation except for land which is shown at revalued amount and certain investments which are stated at fair value. The financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional currency and presentation currency. All figures have been rounded to the nearest rupee, unless otherwise stated.

2.3 Standards, interpretations and amendments effective in (current year)

2.3.1 The Company has adopted the following amendments in accounting standards and interpretations of IFRSs which became effective for the current year:

IAS 28	Investments in Associates and Joint Ventures – Annual Improvements to IFRS Standards 2014–2016 Cycle.
IAS 40	Investment Property – Transfers of Investment Property (Amendments).

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

IFRS 2	Share-based Payment – Classification and Measurement of Share-based Payments Transactions (Amendments).
IFRS 4	Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments).
IFRS 12	Disclosure of Interests in Other Entities – Annual Improvement to IFRS Standards 2014–2016 Cycle.
IFRIC 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments, and improvement to accounting standards and interpretations did not have any effect on the financial statements.

2.4 Standards, interpretations and amendments not effective at year end

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan have not become effective during current year:

Standards, amendments or interpretation		**Effective date (annual periods beginning on**
IFRS 9	Financial Instruments – Classification and Measurement	01-Jul-18
IFRS 15	Revenue from Contracts with Customers	01-Jul-18
IFRS 16	Leases	01-Jan-19
IFRIC 23	Uncertainty over Income Tax Treatments	01-Jan-19
IFRS 9	Financial Instruments – Prepayment Features with Negative Compensation (Amendments)	01-Jan-19
1AS 19	Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)	01-Jan-19
IAS 28	Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures (Amendments)	01-Jan-19

Annual Improvements 2015-2017 Cycle		**Effective date (annual periods beginning on or after)**
IFRS 3	Business Combinations	01-Jan-19
IFRS 11	Joint Arrangements	01-Jan-19
IAS 12	Income Taxes	01-Jan-19
IAS 23	Borrowing Costs	01-Jan-19
Conceptual Framework for Financial Reporting		01-Jan-20

2.5 In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Standards, amendments or interpretation		
IFRS 14	Regulatory Deferral Accounts	01-Jan-16
IFRS 17	Insurance Contracts	01-Jan-21

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, except for the IFRS 17 of which management is in the preocess of evaluating the impact of application of the standard, in the period of initial application.

2.6 Standards, interpretations and amendments becoming effective in future period but not relevant:

There are certain new standards, amendments to standards and interpretations that are effective for different future periods but are considered not to be relevant to Company's operations, therefore not disclosed in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are set out below.

3.1 Property and equipment

3.1.1 Operating assets

3.1.1.1 Owned assets

Fixed assets, except land which is valued at revalued amount, are stated at cost less accumulated depreciation calculated on reducing balance method using the rates given in note 5 and impairment losses, if any. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact of depreciation is significant.

Depreciation on additions to tangible fixed assets is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month of disposal.

Gains and losses on disposal of fixed assets are included in income currently. Normal repairs and maintenance is charged to income currently.

3.1.1.2 Lease assets

The Company accounts for fixed assets acquired under finance lease by recording the asset and the related liability. These amounts are determined on the basis of discounted value of minimum lease payments or fair value whichever is lower. Financial charges are allocated to the lease term in a manner so as to provide a constant periodic rate of interest on the outstanding liability. Depreciation is charged to income applying the rates stated in fixed assets schedule.

- **Ijarah contracts**

Ijarah rentals (Ujrah) under Ijarah contracts are recognized as an expense in the profit and loss on a straight-line basis over the Ijarah term.

3.1.1.3 Capital work in progress

Capital work in progress is stated at cost accumulated up to the statement of financial position date.

3.2 Intangible

Intangible assets cost are capitalized only to the extent that future economic benefits are expected to flow to the entity. Intangible assets with finite useful lives are stated at cost less accumulated amortization and impairment losses, if any. Intangible assets with indefinite useful lives are stated at cost less impairment losses, if any.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3.3 Insurance Contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. The Company enters into fire and property damage, marine, motor, health, agriculture crops and live stock, burglary, cash in transit, engineering losses and other insurance contracts with group companies, corporate clients and individuals residing or located in Pakistan.

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedent) for losses on one or more contracts issued by the cedents are reinsurance contracts. The Company enters into reinsurance contracts with both foreign and local reinsurers. The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising form certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The Company neither issues investment contracts nor does it issue insurance contracts with discretionary participation features.

3.4 Deferred Commission expense / Acquisition cost

Commission due on direct, facultative and treaty business and on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue. Commission expenses and other acquisition costs are spread over the tenure of the policies, it is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017. Commission income from re-insurance is spread over the tenure of the policies ceded, it is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017. The deferred commission expenses and other acquisition costs and unearned portion of commission income from re-insurance is set aside as a reserve. Such reserve is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017.

3.5 Unearned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage.

The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. The liability is calculated by applying 1/24 method as specified in the Insurance Accounting Regulations, 2017.

3.6 Premium deficiency

According to the requirements of the Insurance Rules, 2017, a premium deficiency reserve needs to be created where the unearned premium for any class of business is not sufficient to cover the liability after re-insurance from claims, and other supplementary expenses expected to be incurred after the statement of financial position date in respect of the policies in that class of business. Any movement in the reserve is to be charged to the statement of comprehensive income.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

For this purpose, loss ratios for each class, excluding health are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined. The liability of premium deficiency in relation to health and personal accident is calculated in accordance with the advice of actuary.

As at year end, a provision is created in respect of premium deficiency reserve for those classes of business where it is estimated that the unearned premium for that class will not be sufficient to provide for the expected losses and expenses attributable to the unexpired periods of policies in force at the statement of financial position date.

3.7 Reinsurance contracts held

Insurance contracts entered into by the Company with reinsurers for compensation of losses suffered on insurance contracts issued are reinsurance contracts. These reinsurance contracts include both facultative and treaty arrangement contracts.

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balance due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contracts. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurance companies are estimated in a manner consistent with the provisions for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contracts are not offset against expenses or income from related insurance assets.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired.

The Company assesses its reinsurance assets for impairment on statement of financial position date. If there is objective evidence that reinsurance assets are impaired, the Company reduces the carrying amount of the reinsurance assets to its recoverable amount and recognizes impairment loss in the statement of comprehensive income.

3.8 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any.

3.8.1 Insurance / reinsurance receivables

Amounts due to / from other insurers/reinsurers are carried at cost which is the fair value of the consideration to be received/paid in the future for the services. However, an assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3.8.2 Reinsurance recoveries against outstanding claims

Claims recoveries recoverable from the reinsurance operators are recognized as an asset at the same time as the claims which gives rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

3.9 Segment Reporting

Primary segments

The company's operating business is organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and serves different markets. The company accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017.

Fire and property damage insurance segment provides cover against damages by fire, riot and strike, explosion, earthquake, burglary, atmospheric damage, flood, electric fluctuation and impact.

Marine, aviation and transport insurance segment provides cover against cargo risk, war risk and damages occurring in sea water, on Board, at ports and during inland transit.

Motor insurance provides indemnity against third party loss and other comprehensive car coverage of motor vehicles.

Bond and suretyship insurance acts as coverage for the loss of an obligee when a principal fails to perform according to the terms agreed upon between the obligee and the principal.

Crop insurance provides financial protection against natural disasters, fire and lightening and insect/ pest attack on standing crop.

Miscellaneous insurance provides cover against Engineering, Health, Cash in safe, Cash in transit, ATM withdrawals snatching, Fidelity Guarantee, Personal Accident, Workmen's Compensation, Terrorism, Third party liability, Plate Glass, Home, Travel and Haj Umrah.

Investment income, other income, other expenses and income taxes are managed on an overall basis and are therefore, not allocated to any segment. The accounting policies of operating segment are the same as those described in the summary of significant accounting policies.

Assets, liabilities and capital expenditure that are directly attributable to segments have been assigned to them. Those assets and liabilities which can not be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

3.10 Financial Instruments

Financial assets and financial liabilities within the scope of IAS-39 are recognized at the time when entity becomes a party to the contractual provisions of the instrument and de-recognized when the entity loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and financial liabilities is included in the statement of comprehensive income for the year.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Financial instruments carried on the statement of financial position include cash and bank deposits, investments, accrued investment income, sundry receivables, provision for outstanding claims (including IBNR), premium due but unpaid, amounts due from/due to other insurers/reinsurers, reinsurance recoveries against outstanding claims, other creditors and accruals, accrued expenses and unclaimed dividend. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash, cheques in hand, balances with banks on current and deposit accounts.

3.12 Revenue recognition

3.12.1 Premium

Premium receivable/received under a policy is recognized at the time of issuance of policy. Similarly reinsurance premium is recorded at the time reinsurance is ceded.

Premium written under a policy is recognized as income over the period of insurance from the date of issuance of the policy to which it relates to its expiry. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. This liability is calculated by applying 1/24 method as specified in the Insurance Accounting Regulations, 2017.

3.12.2 Commission income

Commission income from reinsurers is recognized at the time of issuance of the underlying insurance policy by the Company. This income is deferred and recognized as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission. Profit/ commission, if any, which the Company may be entitled to under the terms of reinsurance is recognized on accrual basis.

3.12.3 Investment income

Return on investments and fixed deposits are recognized using the effective interest rate method. Profit or loss on sale of investments is recognized at the time of sale.

3.12.4 Dividend Income and other income

Dividend income and entitlement of bonus shares are recognized when the right to receive such dividend and bonus share is established.

3.13 Investments

3.13.1 Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for held for trading investments in which case transaction costs are charged to statement of comprehensive income. These are recognized and classified into the following categories:

- In equity securities
- In debt securities
- In term deposits

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3.13.2 Measurement

In equity securities

Investment at fair value through profit or loss-held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the statement of comprehensive income.

Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity.

Subsequent to initial recognition at cost including the transaction cost, these are measured at fair value, Changes in fair value are recognized as other comprehensive income until the investment is derecognized or impaired. Gains and losses on derecognition and impairment losses are recognized in statement of comprehensive income.

Return on fixed income securities classified as available for sale is recognized on a time proportion basis.

In debt security

Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequent to initial recognition at cost, these investments are measured at amortized cost, less provision for impairment in value, if any. Amortized cost is calculated taking into account any discount or premium on acquisition, which is deferred and included in the income for the period on a straight line basis, over the term of the investments.

Investment at fair value through profit or loss-held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the statement of comprehensive income.

In Term deposits

Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequent to initial recognition at cost, these investments are measured at amortized cost, less provision for impairment in value, if any. Amortized cost is calculated taking into account any discount or premium on acquisition, which is deferred and included in the income for the period on a straight line basis, over the term of the investments.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3.14 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.15 Provisions

Claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

The Company recognizes liability in respect of all claims incurred up to the statement of financial position date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of incident giving rise to the claims except as otherwise expressly indicated in an insurance contract. The liability for claims include amounts relating to unpaid reported claims, claims Incurred But Not Reported (IBNR) and expected claims settlement costs.

Provision for liability in respect of claims reported but not settled at the statement of financial position date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognized outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

The provision for claims incurred but not reported (IBNR) is consistently made at the statement of financial position date in accordance with the SECP Circular no. 9 of 2016. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

IBNR for all classes is determined and recognized in accordance with valuation carried out by an appointed actuary which is also based on Chain Ladder (CL) method.

Claims recoveries receivable from the reinsurer are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

As a general policy of the company, being followed consistently over the years, no provision of claims has been made where the quantum of loss is unknown.

3.16 Taxation

3.16.1 Current

Provision for taxation is based on taxable income at current rates of taxation after taking into account rebates or tax credits available, if any, for the year.

3.16.2 Deferred

The company accounts for deferred taxation, if any, on all temporary differences at the statement of financial position date between the tax basis of assets and liabilities and their carrying amounts using the statement of financial position liability method.

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent if it is no longer probable that the related tax benefits will be realized.

3.17 Staff retirement benefits

3.17.1 Defined contribution

The company operates a funded Provident Fund Scheme for its employees and contributions are made monthly equal to employees contribution @ 8.33% (2017: 8.33%) of basic salary and cost of living allowance.

3.18 Leases

The policy relating to leased assets is given under note 3.1.1.2 to the financial statements.

3.19 Impairment of assets

The carrying amount of assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in statement of comprehensive income.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognized for the assets in prior years. A reversal of an impairment loss is recognized immediately in statement of comprehensive income.

In addition, impairment on available for sale investments and reinsurance assets are recognized as follows:

3.19.1 Available for sale

The Company determines that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

3.19.2 Reinsurance assets

The Company determines the impairment of the reinsurance assets by looking at objective evidence, as a result of an event that occurred after initial recognition of the reinsurance assets, which indicates that the Company may not be able to recover amount due from reinsurer under the terms of reinsurance contract. In addition the Company also monitors the financial ratings of its reinsurers on each reporting date.

3.20 Dividend distribution

Dividend to shareholders is recognized as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognized in the year in which such issue is approved.

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3.21 Management expenses

Management expenses include expenses incurred for the purpose of business and are recorded in the financial statements as and when accrued.

3.22 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is fair value of the consideration to be paid in future for goods and / or services received, whether or not billed to the Company.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.23 Claims expense

Claims are considered to be incurred at the time when claims are lodged with the Company. However, claims incurred but not reported at year end are determined from subsequent to year end.

General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

3.24 Loans and other receivables

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

3.25 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Foreign exchange gains and losses on transactions are recognized in the statement of comprehensive income. All non monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

3.26 Related party transactions

Party is said to be related if they are able to influence the operating and financial decisions of the company and vice versa. The company in the normal course of business carries out transactions with related parties. Transactions with related parties are priced at comparable uncontrolled market price and are carried out at arm's length prices.

3.27 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat and Ushr Ordinance, 1980.

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3.28 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires 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, including expectations of future events that are believed to be reasonable under the circumstances. These 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. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Useful lives and residual value of fixed assets. (Note 3.1)
b) Unearned premium. (Note 3.5)
c) Premium deficiency. (Note 3.6)
d) Classification of investments. (Note 3.13)
e) Outstanding claims including IBNR. (Note 3.15)
f) Provision for taxation and deferred tax. (Note 3.16)

Other areas involving estimates and judgments are disclosed in respective notes to the financial statements.

5 PROPERTY AND EQUIPMENT	NOTE	2018 RUPEES	2017 RUPEES
Operating assets	5.1	81,188,744	99,281,744
Capital work-in-progress		-	-
		81,188,744	99,281,744

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5.1 OPERATING ASSETS

PARTICULARS	2018											
	COST / REVALUATION					DEPRECIATION						W.D.V.
	As at 1 January 2018	Additions	(Deletions)	Adjustment	As at 31 December 2018	Rate %	As at 1 January 2018	For the year	(Deletions)	Adjustment	As at 31 December 2018	As at 31 December 2018
	RUPEES						RUPEES					
OWNED												
Land - Free hold												
Cost	-	-	-	-	-		-	-	-	-	-	-
Revaluation	-	-	-	-	-		-	-	-	-	-	-
	-	-	-	-	-		-	-	-	-	-	-
Building - on freehold land	564,200	-	-	-	564,200	10	341,033	22,317	-	-	363,350	200,850
Furniture and fixtures	10,760,216	28,000	-	-	10,788,216	10	2,252,832	851,205	-	-	3,104,037	7,684,179
Office equipment	18,566,558	246,680	-	-	18,813,238	10	4,657,662	1,403,815	-	-	6,061,477	12,751,761
Motor vehicles	126,753,839	214,002	(4,069,500)	-	122,898,341	20	55,185,707	14,248,111	(3,505,191)	-	65,928,627	56,969,714
Computers and accessories	10,920,085	42,000	-	-	10,962,085	30	5,845,920	1,533,925	-	-	7,379,845	3,582,240
	167,564,898	530,682	(4,069,500)	-	164,026,080		68,283,154	18,059,373	(3,505,191)	-	82,837,336	81,188,744
MUSHARIKA VEHICLES												
Musharika vehicles	-	-	-	-	-	20	-	-	-	-	-	-
	167,564,898	530,682	(4,069,500)	-	164,026,080		68,283,154	18,059,373	(3,505,191)	-	82,837,336	81,188,744

5.1 OPERATING ASSETS

PARTICULARS	2017											
	COST / REVALUATION					DEPRECIATION						W.D.V.
	As at 1 January 2017	Additions	(Deletions)	Adjustment	As at 31 December 2017	Rate %	As at 1 January 2017	For the year	(Deletions)	Adjustment	As at 31 December 2017	As at 31 December 2017
	RUPEES						RUPEES					
OWNED												
Land - free hold												
Cost	23,939,830	-	(23,939,830)	-	-	-	-	-	-	-	-	-
Revaluation	91,060,170	-	(91,060,170)	-	-	-	-	-	-	-	-	-
	115,000,000	-	(115,000,000)	-	-	-	-	-	-	-	-	-
Building - on freehold land	68,462,520	863,551	(68,761,871)	-	564,200	10	2,003,920	2,798,811	(4,461,698)	-	341,033	223,167
Furniture and fixtures	9,410,772	1,349,444	-	-	10,760,216	10	1,386,118	866,714	-	-	2,252,832	8,507,384
Office equipment	16,919,511	1,647,047	-	-	18,566,558	10	3,179,754	1,477,908	-	-	4,657,662	13,908,896
Motor vehicles	75,317,910	47,071,802	(6,059,670)	10,423,797	126,753,839	20	39,709,603	12,945,492	(2,445,249)	4,975,861.00	55,185,707	71,568,132
Computers and accessories	9,631,965	1,288,120	-	-	10,920,085	30	3,928,001	1,917,919	-	-	5,845,920	5,074,165
	294,742,678	52,219,964	(189,821,541)	10,423,797	167,564,898		50,207,396	20,006,844	(6,906,947)	4,975,861	68,283,154	99,281,744
MUSHARIKA VEHICLES												
Musharika vehicles	10,423,797	-	-	(10,423,797)	-	20	4,682,693	293,168	-	(4,975,861)	-	-
	305,166,475	52,219,964	(189,821,541)	-	167,564,898		54,890,089	20,300,012	(6,906,947)	-	68,283,154	99,281,744

5.1.1 Disposal of fixed assets

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain/(loss)	Mode of disposal	Sold To	Status
	Rupees							
Vehicles								
Suzuki Cultus LEB - 7609	735,000	(482,782)	252,218	440,000	187,782	Negotiation	Mr. Zahid Ameen	Outsider
Toyota Corolla LED - 2297	1,369,000	(1,212,409)	156,591	795,826	639,235	Negotiation	Mr. Naeem Anjum	Outsider
Honda Civic LEC - 9097	1,370,500	(1,249,914)	120,586	831,818	711,232	Negotiation	Mr. Kakous Nazir	Outsider
Sub-Total	**3,474,500**	**(2,945,105)**	**529,395**	**2,067,644**	**1,538,249**			

The following assets with book value below Rs. 50,000/- were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain/(loss)	Mode of disposal	Sold To	Status
	Rupees							
Vehicles	595,000	(560,086)	34,914	339,565	304,651	Negotiation	Various	Outsider
Sub-Total	**595,000**	**(560,086)**	**34,914**	**339,565**	**304,651**			
Grand Total 2018	**4,069,500**	**(3,505,191)**	**564,309**	**2,407,209**	**1,842,900**			
Grand Total 2017	189,821,541	(6,906,945)	182,914,596	204,701,880	112,847,454			

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		2018 RUPEES	2017 RUPEES
6 INVESTMENTS IN EQUITY SECURITIES			
Investments in equity securities	6.1 & 6.2	**101,856,787**	161,040,582
6.1 Available for sale			
Listed shares			
Cost		**109,120**	109,120
Less: unrealized loss on revaluation of investment		**(88,669)**	(86,867)
Carrying value	6.1.1	**20,451**	22,253
Mutual funds			
Cost		-	513,896
Less: unrealized loss on revaluation of investment		-	668,341
Carrying value	6.1.2	-	1,182,237
		20,451	1,204,490

6.1.1 Listed shares

2018 Number of Shares	2017 Number of Shares	2018 Market value per share	2017 Market value per share	Name of investee company	2018 Rupees	2017 Rupees
5,843	5,843	**3.50**	3.42	First IBL Modaraba	**20,451**	19,983
-	200	-	11.35	Suhail Jute Mills Ltd.	-	2,270
5,843	6,043				**20,451**	22,253

6.1.2 Mutual funds

2018 Number of Shares	2017 Number of Shares	2018 Market value per share	2017 Market value per share	Name of entity	2018 Rupees	2017 Rupees
-	16,753	-	70.57	N.I.T. Units	-	1,182,237

		2018 RUPEES	2017 RUPEES
6.2 Held for trading			
Listed shares			
Cost		**11,359,911**	79,929,729
Less: unrelized loss on revaluation of investment		**(2,168,851)**	(16,776,472)
Carrying value	6.2.1	**9,191,060**	63,153,257
Mutual funds			
Cost		**117,604,015**	116,656,593
Less: unrelized loss on revaluation of investment		**(24,958,739)**	(19,973,758)
Carrying value	6.2.2	**92,645,276**	96,682,835
		101,836,336	159,836,092

6.2.1 Listed shares

2018 Number of shares	2017 Number of shares	2018 Market value per shares	2017 Market value per shares	Name of investee company	2018 Rupees	2017 Rupees
-	1,150,000	-	8.74	Power Cement Limited	-	10,051,000
-	299,500	-	25.01	Fauji Cement Company Limited	-	7,490,495
-	10,000	-	167.09	Habib Bank Limited	-	1,670,900
-	150,000	-	12.80	Byco Petroleum Pakistan Limited	-	1,920,000
-	6,200	-	512.41	Honda Atlas Cars (Pakistan) Limited	-	3,176,942
-	1,100	-	1680.17	Indus Motor Company	-	1,848,187
-	36,200	-	517.41	Lucky Cement Limited	-	18,730,242
-	72,000	-	133.72	D.G. Khan Cement Company Limited	-	9,627,840
-	50,000	-	53.90	Kot Addu Power Company Limited	-	2,695,000
-	1,320	-	314.86	Searle Company Limited	-	415,615
-	25,000	-	35.54	Fauji Fertilizer Bin Qasim Limited	-	888,500
-	54,400	-	68.44	Maple Leaf Cement Factory Limited	-	3,723,136
-	20,000	-	45.77	Nishat Chunian Limited	-	915,400
10,900	-	**498.20**	-	Jubilee Life Insurance Company Limited	**5,430,380**	-
16,500	-	**227.92**	-	EFU Life Assurance Limited	**3,760,680**	-
27,400	1,875,720				**9,191,060**	63,153,257

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						2018 RUPEES	2017 RUPEES
6.2.2 Mutual funds							
2018 Number of units	2017	**2018** Market value per unit	2017	**Name of fund**			
244	234	**104.06**	102.85	UBL Money Market Fund		**25,411**	24,069
1,275,566	1,275,566	**12.31**	13.90	ABL Stock Fund		**15,696,224**	17,732,282
316,887	316,887	**15.10**	15.36	NAFA Asset Alloction Fund		**4,785,762**	4,866,790
1,349,792	1,349,792	**12.98**	14.05	NAFA Stock Fund		**17,514,498**	18,968,089
447,311	429,974	**55.72**	54.90	Pakistan Income Fund		**24,923,524**	23,606,834
73,468	73,468	**84.51**	91.02	MCB Pakistan Stock Market Fund		**6,209,074**	6,687,191
449,852	402,540	**51.43**	60.77	Alfalah GHP Value Fund B		**23,137,606**	24,463,267
3,342	3,205	**105.67**	104.32	HBL Money Market Fund		**353,177**	334,313
3,916,462	3,851,666					**92,645,276**	96,682,835

7 INVESTMENTS IN DEBT SECURITIES

		2018	2017
Held to maturity			
Defence Saving Certificates (DSCs)	7.1	-	525,000
Pakistan Investment Bonds (10 years)	7.2	**61,515,022**	25,872,472
		61,515,022	26,397,472

7.1 Defence Saving Certificates carry effective profit @ 10.15% (2017: 10.15%) per annum and have matured during the year.

7.2 Pakistan Investments Bonds (PIBs) having face value of Rs. 61.5 million, carry interest rate ranging from 7.75% to 12% (2017: 12%) per annum. Profit is paid semi annually and these will mature latest by April 2021.

7.3 Company has deposited following securities with State Bank of Pakistan against statutory deposits under the Insurance Ordinance, 2000:

	2018	2017
Pakistan investment bonds	**61,515,022**	25,872,472
Cash deposit (included in Loans and other receivables)	**394,079**	115,000
Pakistan income fund	-	23,606,834
	61,909,101	49,594,306

8 INVESTMENTS IN TERM DEPOSITS

	2018	2017
Held to maturity		
Deposits maturing within 12 months	**335,000,000**	125,000,000

8.1 The rate of return on Term Deposit Certificates maintained at various banks ranges from 6.15% to 11.8% per annum (2017 : 6.15% to 8.5% per annum). These Term Deposit Certificates have maturity upto November 2019.

9 TOTAL ASSETS OF WINDOW TAKAFUL OPERATIONS - OPF

	2018	2017
Total liabilities in window takaful	**2,995,812**	972,879
Total assets in window takaful operations	**49,846,736**	44,395,767
Profit for the year	**8,428,036**	5,564,642

9.1 The financial statements of window takaful operations are separately prepared under the provisions of clause 11(b) of Takaful Rules, 2012 read with Circular No. 25 of 2015 issued dated July 9, 2015.

10 LOANS AND OTHER RECEIVABLES - Considered good

		2018	2017
Accrued investment income		**10,732,785**	5,525,710
Security deposits	10.1	**10,577,216**	11,303,216
Income tax refunds due		**402,745**	402,745
Balance with brokers		**233,452**	22,152,227
Other receivable		**22,071,900**	15,405,035
Less: provision for impairment of loans and receivables		-	-
		44,018,098	54,788,933

10.1 This includes security deposit with related parties and their relatives\ amounting to Rs. 3,712,500/- (2017: Rs. 3,712,500/-).

11 INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good

	2018	2017
Due from insurance contract holders	**100,649,651**	86,450,219
Less : Provision for impairment of receivables from insurance contract holders	-	-
Due from other insurers / reinsurers	**183,910,623**	143,009,525
Less : Provision for impairment of due from other insurers / reinsurers	-	-
	284,560,274	229,459,744

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			2018 RUPEES	2017 RUPEES
12	**TAXATION - PAYMENTS LESS PROVISION**			
	Opening		**15,636,171**	(2,119,404)
	Income tax deducted at source / payments		**28,017,429**	28,340,629
	Provision for tax payable		**(16,912,830)**	(10,585,054)
			26,740,770	15,636,171
13	**PREPAYMENTS**			
	Prepaid reinsurance premium ceded		**41,434,546**	44,913,025
	Prepaid rent	13.1	**5,445,000**	6,190,125
			46,879,546	51,103,150

13.1 Prepaid rent includes rent for the office building paid to the related parties and their relatives amounting to Rs. 5,445,000/- (2017: Rs. 6,187,500/-).

			2018 RUPEES	2017 RUPEES
14	**CASH & BANK**			
	Cash and Cash Equivalent			
	Cash in hand		**1,313,733**	209,891
	Cash at bank			
	- Current accounts		**45,654,290**	42,898,622
	- Saving accounts	14.1	**269,279,979**	200,087,750
			316,248,002	243,196,263

14.1 The rate of return on PLS saving accounts maintained at various banks ranges from 3.75% to 9.00% per annum (2017: 3.75% to 6.00% per annum).

14.2 Cash and short term borrowing include the following for the purpose of the cash flow statement.

	2018 RUPEES	2017 RUPEES
Cash and cash equivalents	**316,248,002**	243,196,263
Short term borrowings of upto three months including running finance, if any	**-**	-
	316,248,002	243,196,263

15 SHARE CAPITAL

15.1 Authorized share capital

2018 No. of Shares	2017 No. of Shares			2018 RUPEES	2017 RUPEES
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each fully paid in cash		**1,000,000,000**	1,000,000,000

15.2 Issued, subscribed and paid-up share capital

2018 No. of Shares	2017 No. of Shares			2018 RUPEES	2017 RUPEES
40,337,391	25,000,000	Ordinary shares of Rs. 10/- each fully paid in cash		**403,373,910**	250,000,000
15,000,000	15,000,000	Paid up capital for general insurance fully paid bonus issue		**150,000,000**	150,000,000
5,000,000	5,000,000	Statutory fund for window takaful operations	15.2.1	**50,000,000**	50,000,000
60,337,391	45,000,000			**603,373,910**	450,000,000

15.2.1 Amount of Rs. 50 million is deposited as statutory reserves to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of Takaful Rules, 2012 issued by Securities and Exchange Commission of Pakistan.

15.3 During the period the company has issued 15,337,391 shares to InsuResilience Investment Fund SICAV RAIF, Luxembourg for an aggregate amount of Rs. 350 million bearing a premium of Rs. 12.82 per shares and total amounting to Rs. 196,626,090/-.

			2018 RUPEES	2017 RUPEES
16	**RESERVES**			
	Revenue reserve			
	General reserves	16.1	**2,500,000**	2,500,000

16.1 These represent general reserves utilizable at the discretion of the board of directors.

			2018 RUPEES	2017 RUPEES
17	**RETIREMENT BENEFIT OBLIGATIONS**			
	Staff provident fund		**579,172**	488,113

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			2018 RUPEES	2017 RUPEES
18	**DEFERRED TAXATION**			
	Deferred tax (liability) / asset arising in respect of:			
	Accelerated depreciation on property and equipment		(1,983,905)	(3,360,736)
	Unrealised gain on premeasurement of investment - P&L		7,595,725	-
	Unrealised gain on premeasurement of investment - OCI		187,640	(198,218)
	Minimum taxation		8,611,869	6,596,597
	Deferred tax asset		14,411,329	3,037,643
19	**INSURANCE / REINSURANCE PAYABLES**			
	Due to insurance contract holders		-	-
	Due to other insurers / reinsurers		34,400,219	36,808,865
			34,400,219	36,808,865
20	**OTHER CREDITORS AND ACCRUALS**			
	Outstanding agency commissions		6,373,670	11,130,160
	Sales tax		5,567,423	7,298,346
	Federal insurance fee		411,605	523,584
	Tax deducted at source		2,548,043	1,468,704
	EOBI payable		142,047	179,889
	Accrued expenses		25,000	-
	Receipts from foreign reinsurers	20.1	7,133,952	7,133,952
	Auditors' remuneration		518,750	498,750
	Unpaid and unclaimed dividend		59,962	59,962
	Others		28,649,307	25,346,570
			51,429,759	53,639,917

20.1 It represents receipts from foreign reinsurers against settlement of treaty agreements in 2011 after adjustment of receivable balances from the reinsurers.

21 CONTINGENCY(IES) AND COMMITMENT(S)

21.1 Contingencies

21.1.1 Suits for recovery of approximate Rs. 122.314 million (2017: Rs. 77.199 million) have been lodged but are not accepted by the Company and the cases are pending adjudication before different courts. As per the Company's legal advisor, such claims are untenable and accordingly management has not provided any liability in respect thereof.

21.1.2 The Company has filed suit for recovery of Rs 20.026 million (2017: Rs. 18.027 million) against insurer/reinsurer for amount due. The management of the Company on the basis of the facts of the case and advice of the legal advisor believe that they have strong case and has not, therefore, made provision in the financial statements against the aforesaid claim.

21.2 Commitments

21.2.1 Ijarah Disclosure:

The Company has entered into a Vehicle Ijarah agreements with Mezaan Bank Limited and Sindh Bank Limited. The company has made payment of Rs. 14,567,075/- till the year end.

	2018	2017
Future Ijarah Rental Payment:		
Payable not later than 1 year	9,556,683	13,811,873
Payable later than 1 year and not later than 5 years	11,733,626	20,614,995
	21,290,309	34,426,868

21.2.2 There is no known commitment as at December 31, 2018 except as stated above (2017: Nil).

		2018	2017
22	**NET INSURANCE PREMIUM**		
	Written Gross Premium	521,370,460	659,318,726
	Add: Unearned premium reserve - Opening	292,730,189	246,062,718
	Less: Unearned premium reserve - Closing	(252,509,416)	(292,730,189)
	Premium earned	561,591,233	612,651,255
	Less: Reinsurance premium ceded	77,897,432	94,962,071
	Add: Prepaid reinsurance premium - Opening	44,913,025	34,874,455
	Less: Prepaid reinsurance premium - Closing	(41,434,546)	(44,913,025)
	Reinsurance expense	81,375,911	84,923,501
		480,215,322	527,727,754

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		2018 RUPEES	2017 RUPEES
23	**NET INSURANCE CLAIMS**		
	Claims Paid	**194,584,242**	188,543,753
	Add: Outstanding claims including IBNR - Closing	**126,110,519**	113,121,068
	Less: Outstanding claims including IBNR - Opening	**(113,121,068)**	(75,038,239)
	Claims expense	**207,573,693**	226,626,582
	Less: Reinsurance and other recoveries received	**57,399,654**	38,658,905
	Add: Reinsurance and other recoveries in respect of outstanding claims - Closing	**49,401,986**	36,192,756
	Less: Reinsurance and other recoveries in respect of outstanding claims - Opening	**(36,192,756)**	(27,463,241)
	Reinsurance and other recoveries revenue	**70,608,884**	47,388,420
		136,964,809	179,238,162

23.1 Claim development

Accident year	2014	2015	2016	2017	**2018**
			Rs. in '000'		
Estimate of ultimate claims costs:					
At end of accident year	31,768	69,354	104,700	159,029	**233,801**
One year later	65,663	110,855	153,214	141,637	-
Two years later	81,039	118,160	149,558	-	-
Three years later	92,768	123,262	-	-	-
Four years later	90,651	-	-	-	-
Current estimate of cumulative claims	90,651	123,262	149,558	141,637	**233,801**
Cumulative payments to date	(85,643)	(108,847)	(139,453)	(104,520)	**(166,028)**
Liability recognised in the statement of financial position	5,008	14,415	10,105	37,117	**67,773**

		2018 RUPEES	2017 RUPEES
24	**NET COMMISSION AND OTHER ACQUISITION COSTS**		
	Commission paid or payable	**109,092,803**	104,823,858
	Add: Deferred commission expense - Opening	**46,793,366**	49,026,189
	Less: Deferred commission expense - Closing	**(52,334,737)**	(46,793,366)
	Net Commission	**103,551,432**	107,056,681
	Less: Commission received or recoverable	**15,037,508**	14,037,460
	Add: Unearned re-insurance commission - Opening	**6,477,419**	7,388,674
	Less: Unearned re-insurance commission - Closing	**(8,031,216)**	(6,477,419)
	Commission from reinsurers	**13,483,711**	14,948,715
		90,067,721	92,107,966

		Note	2018 RUPEES	2017 RUPEES
25	**MANAGEMENT EXPENSES**			
	Employee benefit cost	**25.1**	**149,978,734**	136,557,378
	Travelling and conveyance		**4,679,045**	4,012,645
	Advertisement and sales promotion		**4,669,957**	5,468,968
	Printing and stationery		**4,846,526**	5,638,191
	Depreciation		**18,059,373**	20,300,012
	Rent, rates and taxes		**24,608,853**	16,481,886
	Legal and professional charges - business related		**1,275,304**	4,310,016
	Electricity, gas and water		**3,134,599**	3,508,309
	Petrol, oil and lubricants		**11,486,547**	11,180,845
	Repairs and maintenance		**8,273,526**	9,670,146
	Postages, telegram and telephone		**7,328,990**	7,239,311
	Annual Supervision fee SECP		**1,026,628**	778,533
	Service charges		**7,204,636**	14,285,468
	Ijarah rentals		**14,567,075**	14,275,643
	Entertainment		**4,322,375**	4,734,392
	Miscellaneous		**14,824,467**	8,188,480
			280,286,635	266,630,223

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			2018 RUPEES	2017 RUPEES
25.1	**Employee benefit cost**			
	Salaries, allowance and other benefits		**146,639,622**	133,892,107
	Charges for post employment benefit		**3,339,112**	2,665,271
			149,978,734	136,557,378
26	**INVESTMENT INCOME / (LOSS)**			
	Income from equity securities			
	Held for trading			
	- Dividend income on listed securities		**1,161,350**	2,187,666
	- Dividend income on mutual funds		**1,114,613**	10,545,073
	Available for sale			
	- Dividend income on listed securities		**-**	2,086
	- Dividend income on mutual funds		**-**	72,208
	Income from debt securities			
	Held to maturity			
	- Return on Debt securities		**5,210,915**	3,270,718
	Income from term deposits			
	Held to maturity			
	- Return on term deposits		**16,671,211**	9,466,057
			24,158,089	25,543,808
	Net realised fair value gains/(losses) on investments			
	Held for trading			
	- Listed securities		**(23,203,046)**	(8,945,964)
	- Mutual funds		**-**	22,170
	Available for sale			
	- Listed securities		**720,945**	(15,786)
	Net unrealised fair value gains/(losses) on investments			
	Held for trading			
	- Listed securities		**14,607,622**	(22,417,705)
	- Mutual funds		**(4,984,981)**	(21,716,433)
	Held to maturity			
	- Debt securities		**49,646**	72,872
	Total investment income / (loss)		**11,348,275**	(27,457,038)
	Less: (Impairment)/Reversal in value of Available for sale			
	- Listed securities		**-**	-
	Less: Investment related expenses		**(570,157)**	(2,627,300)
	Net Investment Income / (loss)		**10,778,118**	(30,084,338)
27	**OTHER INCOME**			
	Income from financial assets			
	Return on bank balances		**23,816,090**	9,359,763
	Miscellaneous Income		**-**	7,105,333
	Income from non financial assets			
	Gain on disposal of fixed assets		**1,842,900**	112,847,454
			25,658,990	129,312,550
28	**OTHER EXPENSES**			
	Legal and professional fee other than business related		**6,442,000**	-
	Auditors' remuneration	**28.1**	**679,500**	829,750
	Fees and subscriptions		**2,757,077**	1,754,387
			9,878,577	2,584,137
28.1	**Auditor's remuneration:**			
	Audit fee		**440,000**	420,000
	Review Fee		**73,500**	73,500
	Special certificates and sundry advisory services		**126,000**	262,500
	Out of pocket expenses		**40,000**	73,750
			679,500	829,750

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		2018 RUPEES	2017 RUPEES
29	**FINANCE COST**		
	Mark-up on musharika vehicles	**1,700**	44,155
30	**INCOME TAX GAIN / (EXPENSE)**		
	For the year		
	Current	**6,327,776**	8,465,649
	Deferred	**(11,186,046)**	(813,228)
		(4,858,270)	7,652,421
	For the prior year(s)		
	Current	**-**	221,742
	Deferred	**-**	-
		(4,858,270)	7,874,163

30.1 Reconciliation between effective and applicable tax rate

- The effective rate reconciliation for the current year is not provided, as the company is calculating tax on minimum tax regime.

31 EARNINGS PER SHARE - BASIC AND DILUTED

31.1 Basic earnings per share

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

	2018	2017
Profit after tax for the year	**20,315,156**	76,795,027
	Number of shares	
Weighted average number of ordinary shares of Rs. 10/- each	**45,000,000**	45,000,000
	------Rupees------	
Earnings per share - basic and diluted	**0.36**	1.71

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

32 COMPENSATION OF DIRECTORS AND EXECUTIVES

	2018				2017			
	Chief Executive	**Directors**	**Executives**	**Total**	Chief Executive	Directors	Executives	Total
	-Rupees-				--Rupees--			
Managerial remuneration	**8,712,000**	**1,089,000**	**30,326,136**	**40,127,136**	2,178,000	1,002,000	25,210,476	28,390,476
Fees	**-**	**160,000**	**-**					
Bonus	**-**	**113,850**	**1,478,705**	**1,592,555**	-	215,000	13,764,408	13,979,408
Rent and house maintenance	**3,288,000**	**411,000**	**10,727,548**	**14,426,548**	822,000	378,000	13,227,208	14,427,208
Commission paid	**-**	**-**	**-**	**-**	-	-	-	-
Contribution to defined contribution plan	**-**	**82,463**	**1,211,484**	**1,293,947**	-	75,870	927,144	1,003,014
	12,000,000	**1,856,313**	**43,743,873**	**57,440,186**	3,000,000	1,670,870	53,129,236	57,800,106
Executive Directors	**12,000,000**	**1,696,313**	**-**	**13,696,313**	3,000,000	1,670,870	-	4,670,870
Non-Executive Director	**-**	**160,000**	**-**	**160,000**	-	-	-	-
	12,000,000	**1,856,313**	**-**	**13,856,313**	3,000,000	1,670,870	-	4,670,870
Number of persons	**1**	**3**	**30**	**34**	1	1	32	34

32.1 The chief executive officer, directors and certain executives are also provided with Company's maintained cars for official purposes.

32.2 Total remuneration includes remuneration paid to related parties amounting to Rs. 19,660,324 (2017: Rs. 8,439,247)

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33 RELATED PARTY TRANSACTIONS

Related parties comprise of chief executive officer, directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related partie s are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsew here in these financial statements are as follows:

Nature of relationship / transaction	2018 RUPEES	2017 RUPEES
Balances at year end:		
Retirement Benefit Plan		
Contribution payable to provident fund	579,172	488,113
Transaction during the year:		
Directors \ Key Management Personnel		
Remuneration - Directors	13,856,313	4,670,870
Rent paid - Directors and their spouse	15,517,750	14,774,100
Sale of land and building	-	200,000,000
Commission paid - Directors \ Key Management Personnel and Relatives	12,695,654	38,912,440
Retirement Benefit Plan		
Contribution to provident fund	3,339,112	2,665,271

- The comparative figures have been restated due to application of the Companies Act, 2017.

34 SEGMENT INFORMATION

2018	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	CREDIT AND SURETY SHIP	AGRICULTURE AND ALLIED	MISCELLANEOUS	TOTAL
	Rupees						
Premium received (inclusive of FED, FIF and Admin surcharge)	181,654,162	56,901,757	158,769,430	16,915,785	19,976,605	152,566,739	586,784,478
Less: Federal Excise Duty / Sales Tax	(19,732,077)	(5,242,175)	(21,051,556)	(1,847,670)	-	(12,749,341)	(60,622,819)
Federal Insurance Fee	(1,298,894)	(494,838)	(1,337,068)	(136,239)	(197,890)	(1,326,270)	(4,791,199)
Gross Written Premium (inclusive of Admin surcharge)	160,623,191	51,164,744	136,380,806	14,931,876	19,778,715	138,491,128	521,370,460
Gross direct Premium	125,944,784	47,417,160	131,442,092	13,062,594	18,986,966	130,015,535	466,869,131
Facultative inward Premium	30,755,465	1,661,109	2,682,046	1,306,524	-	5,918,356	42,323,500
Administrative surcharge	3,922,942	2,086,475	2,256,668	562,758	791,749	2,557,237	12,177,829
Insurance Premium earned	142,886,024	49,097,300	148,140,982	18,574,898	54,596,773	148,295,256	561,591,233
Insurance Premium ceded to reinsurers	(49,421,415)	(10,374,847)	(5,250,004)	(2,153,183)	(2,490,000)	(11,686,462)	(81,375,911)
Net Insurance Premium	93,464,609	38,722,453	142,890,978	16,421,715	52,106,773	136,608,794	480,215,322
Commission income	9,730,310	2,487,552	-	517,451	-	748,398	13,483,711
Net underwriting income	103,194,919	41,210,005	142,890,978	16,939,166	52,106,773	137,357,192	493,699,033
Insurance claims	(39,593,362)	(56,706,106)	(61,817,302)	2,034,009	(11,023,326)	(40,467,606)	(207,573,693)
Insurance claims recovered from reinsurers	30,792,421	52,912,395	(7,790,064)	-	-	(5,305,868)	70,608,884
Net claims	(8,800,941)	(3,793,711)	(69,607,366)	2,034,009	(11,023,326)	(45,773,474)	(136,964,809)
Commission expenses	(32,661,402)	(11,770,008)	(26,093,657)	(4,554,158)	(10,105,650)	(18,366,557)	(103,551,432)
Management expenses	(71,304,920)	(24,497,052)	(73,939,614)	(9,277,488)	(27,243,861)	(74,023,700)	(280,286,635)
Premium deficiency expense	1,573,424	-	6,002,438	-	-	-	7,575,862
Net Insurance claims and expenses	(111,193,839)	(40,060,771)	(163,638,199)	(11,797,637)	(48,372,837)	(138,163,731)	(513,227,014)
Underwriting results	(7,998,920)	1,149,234	(20,747,221)	5,141,529	3,733,936	(806,539)	(19,527,981)
Net investment income							10,778,118
Other income							25,658,990
Other expenses							(9,878,577)
Finance cost							(1,700)
Profit from WTO Operations							8,428,036
Profit before tax							15,456,886
Segment assets	137,720,693	54,388,636	92,501,315	13,060,757	31,636,030	98,424,112	427,731,543
Unallocated assets							1,036,270,488
Total assets							1,464,002,031
Segment liabilities	147,373,712	46,732,572	129,687,783	10,246,792	24,583,288	115,883,582	474,507,729
Unallocated liabilities							3,574,984
Total liabilities							478,082,713

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34.1 SEGMENT INFORMATION

2017	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	CREDIT AND SURETY SHIP	AGRICULTURE AND ALLIED	MISCELLANEOUS	TOTAL
	---------- Rupees ----------						
Premium received (inclusive of FED, FIF and Admin surcharge)	148,558,601	53,181,300	169,610,335	20,902,444	145,730,212	193,681,915	731,664,807
Less: Federal Excise Duty / Sales Tax	(16,727,127)	(5,456,175)	(21,609,379)	(2,351,816)	-	(19,925,373)	(66,069,870)
Federal Insurance Fee	(1,085,424)	(469,387)	(1,402,631)	(166,127)	(1,443,073)	(1,709,569)	(6,276,211)
Gross Written Premium (inclusive of Admin surcharge)	130,746,050	47,255,738	146,598,325	18,384,501	144,287,139	172,046,973	659,318,726
Gross direct Premium	105,998,028	45,375,129	137,480,277	16,094,160	142,424,692	166,227,757	613,600,043
Facultative inward Premium	22,206,401	328,612	6,341,007	1,763,203	-	1,168,893	31,808,116
Administrative surcharge	2,541,621	1,551,997	2,777,041	527,138	1,862,447	4,650,323	13,910,567
Insurance Premium earned	95,296,684	46,404,201	128,187,324	17,013,459	156,973,267	168,776,320	612,651,255
Insurance Premium ceded to reinsurers	(45,340,845)	(19,648,879)	(5,250,000)	(1,987,195)	(2,145,000)	(10,551,582)	(84,923,501)
Net Insurance Premium	49,955,839	26,755,322	122,937,324	15,026,264	154,828,267	158,224,738	527,727,754
Commission income	10,144,015	3,188,142	-	484,223	-	1,132,335	14,948,715
Net underwriting income	60,099,854	29,943,464	122,937,324	15,510,487	154,828,267	159,357,073	542,676,469
Insurance claims	(35,084,205)	(12,266,654)	(63,601,531)	(8,546,126)	(9,065,920)	(98,062,146)	(226,626,582)
Insurance claims recovered from reinsurers	25,173,422	8,451,969	9,275,745	(30,776)	-	4,518,060	47,388,420
Net claims	(9,910,783)	(3,814,685)	(54,325,786)	(8,576,902)	(9,065,920)	(93,544,086)	(179,238,162)
Commission expenses	(21,748,864)	(9,466,766)	(21,373,196)	(3,371,834)	(26,036,968)	(25,059,053)	(107,056,681)
Management expenses	(52,874,046)	(19,110,344)	(59,284,747)	(7,434,740)	(58,350,098)	(69,576,248)	(266,630,223)
Premium deficiency expense	(1,573,424)	329,087	(6,002,438)	-	-	-	(7,246,775)
Net Insurance claims and expenses	(86,107,117)	(32,062,708)	(140,986,167)	(19,383,476)	(93,452,986)	(188,179,387)	(560,171,841)
Underwriting results	(26,007,263)	(2,119,244)	(18,048,843)	(3,872,989)	61,375,281	(28,822,314)	(17,495,372)
Net investment income							(30,084,338)
Other income							129,312,550
Other expenses							(2,584,137)
Finance cost							(44,155)
Profit from WTO Operations							5,564,642
Profit before tax							84,669,190
Segment assets	92,281,789	26,732,405	72,496,187	8,781,511	66,674,569	90,392,430	357,358,891
Unallocated assets							778,964,700
Total assets							1,136,323,591
Segment liabilities	111,647,450	25,056,811	142,440,942	14,735,026	71,715,453	148,180,254	513,775,935
Unallocated liabilities							1,460,992
Total liabilities							515,236,927

35 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through P&L	Total
At beginning of previous year	26,324,600	553,392	192,306,969	219,184,961
Additions	-	59,170	589,643,797	589,702,967
Disposals (sale and redemption)	-	(68,800)	(577,980,536)	(578,049,336)
Fair value net gains (excluding net realized gains)	72,872	660,728	(44,134,138)	(43,400,538)
Designated at fair value through profit or loss upon initial recognition	-	-	-	-
Classified as held for trading	-	-	-	-
Impairment (losses) / reversal	-	-	-	-
At beginning of current year	**26,397,472**	**1,204,490**	**159,836,092**	**187,438,054**
Additions	35,592,904	-	109,878,358	145,471,262
Disposals (sale and redemption)	(525,000)	(513,897)	(177,500,754)	(178,539,651)
Fair value net loss (excluding net realized gains)	49,646	(670,142)	9,622,641	9,002,145
Designated at fair value through profit or loss upon initial recognition	-	-	-	-
Classified as held for trading	-	-	-	-
Impairment losses	-	-	-	-
At end of current year	**61,515,022**	**20,451**	**101,836,336**	**163,371,809**

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36 MANAGEMENT OF INSURNACE RISK AND FINANCIAL RISK

36.1 Insurance risks

36.1.1 Risk management framework

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risks without any material change from previous period in the manner described in notes below. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework and is also responsible for development of the Company's risk management policies.

Insurance risk

The company accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policy holder, within a geographical location or to types of commercial business. The company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

Further the Company adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

Geographical concentration of insurance risk

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial/industrial/residential occupation of the insurers. Details regarding the fire separation/segregation with respect to the manufacturing processes, storage, utilities etc. are extracted from the layout plan of the insured facility. Such details form part of the reports which are made available to the underwriters/reinsurance personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan) for instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors, physical separation between the buildings within an insured's premises. It is basically that the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

Address look up and geocoding is the essential field of the policy data interphase of IT systems. It provides instant location which is dependent on data collection provided under the policy schedule. All critical underwriting information is punched into the IT system/application through which a number of MIS reports can be generated to assess the concentration of risk.

For Marine risk, complete underwriting details, besides sums insured and premiums, like vessel identification, voyage input (sea/air/inland transit), sailing dates, origin and destination of the shipments, per carry limits etc. are fed into the IT system. The reinsurance module of the IT system is designed to satisfy the requirements as laid down in the proportional treaty agreement. Shipment declarations are also endorsed on the policies. Respective reinsurance cessions are automatically made upon the posting of policy documents.

Reinsurance arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non proportional reinsurance arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non proportional treaty which is very much in line with the risk management philosophy of the Company.

In compliance with the regulatory requirement, the reinsurance agreements are duly submitted with Securities and Exchange Commission of Pakistan on an annual basis.

The concentration of risk by type of contracts is summarized below by reference to liabilities.

	Gross sum insured		Reinsurance		Net	
Direct and Facultative	2018	2017	2018	2017	2018	2017
Fire and property damage	130,617,768,878	177,206,097,448	36,781,963,716	75,068,047,001	93,835,805,162	102,138,050,447
Marine, aviation and transport	49,242,112,785	72,696,754,345	10,247,283,671	28,137,278,769	38,994,829,114	44,559,475,576
Motor	7,516,707,272	7,612,435,793	293,903,254	277,853,906	7,222,804,018	7,334,581,887
Credit and suretyship	5,287,926,936	9,040,405,955	809,052,821	1,252,277,033	4,478,874,115	7,788,128,922
Agriculture and allied	2,214,007,141	16,806,694,484	111,364,559	405,209,404	2,102,642,582	16,401,485,080
Miscellaneous	27,454,231,131	10,398,251,990	3,196,078,809	2,614,432,498	24,258,152,322	7,783,819,492
	222,332,754,143	293,760,640,015	51,439,646,830	107,755,098,611	170,893,107,313	186,005,541,404

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36.1.2 Sources of Uncertainty in estimation of future claim payments

Claims on general insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contract.

An estimated amount of the claim is recorded immediately on intimation to the Company. The estimation of the amount is based on the amount notified by the policy holder, management or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. Incurred But Not Reported (IBNR) claims have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level. IBNR for all classes is determined and recognized in accordance with valuation carried out by an appointed actuary which is also based on Chain Ladder (CL) method.

There are several variable factors which affect the amount and timing of recognized claim liabilities. However, the management considers that uncertainty about the amount and timing of claim payments is generally resolved within a year. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities. It is likely that final settlement of these liabilities may be different from recognized amounts.

36.1.3 Changes in assumptions

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserve is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

a) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or liability will fluctuate due to changes in foreign currency rates. Foreign exchange risk arises mainly where receivables and payables exists due to transactions in foreign currencies. As of the balance sheet date, the Company does not have material assets or liabilities which are exposed to foreign currency risk except for amount due from and due to reinsurers.

b) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 9,211,511/- (2017: Rs. 63,175,510/-) at the balance sheet date.

The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by relative quantity of the security being sold. The Company has no significant concentration of price risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. To guard against the risk, the Company maintains balance of cash and other equivalents and readily marketable securities. The maturity profile of assets and liabilities are also monitored to ensure adequate liquidity is maintained.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

On the balance sheet date the Company has cash and bank balance of Rs. 316,248,002/- (2017: Rs. 243,196,263/-).

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date on an undiscounted cash flow basis.

	2018			
	Carrying amount	**Contractual cash flows**	**Up to one year**	**More than one year**
	Rupees			
Financial liabilities				
Outstanding claims including IBNR	**126,110,519**	**126,110,519**	**126,110,519**	-
Insurance / Reinsurance payables	**34,400,219**	**34,400,219**	**34,400,219**	-
Other Creditors and Accruals	**51,429,759**	**51,429,759**	**51,429,759**	-
Borrowings	-	-	-	-
	211,940,497	**211,940,497**	**211,940,497**	-

	2017			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees			
Financial liabilities				
Outstanding claims including IBNR	113,121,068	113,121,068	113,121,068	-
Amount due to other insurers/ reinsurers	36,808,865	36,808,865	36,808,865	-
Other Creditors and Accruals	53,639,917	53,639,917	53,639,917	-
Borrowings	-	-	-	-
	203,569,850	203,569,850	203,569,850	-

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36.1.4 Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The sensitivity analysis is performed on the same basis as that of last year. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognised in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

As the company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of reinsurance.

	Pre tax Profit		Shareholders' equity	
	2018	2017	**2018**	2017
	Rupees			
10% decrease in Loss				
Fire And Property Damage	**(880,094)**	(991,078)	**(616,066)**	(693,755)
Marine Aviation And Transport	**(379,371)**	(381,469)	**(265,560)**	(267,028)
Motor	**(6,960,737)**	(5,432,579)	**(4,872,516)**	(3,802,805)
Agriculture And Allied	**203,401**	(857,690)	**142,381**	(600,383)
Credit And Surety Ship	**(1,102,333)**	(906,592)	**(771,633)**	(634,614)
Miscellaneous	**(4,577,347)**	(9,354,409)	**(3,204,143)**	(6,548,086)
	(13,696,481)	(17,923,816)	**(9,587,537)**	(12,546,671)

10% increase in loss would have the same but opposite impact on above analysis.

36.2 Financial Risk

FINANCIAL ASSETS AND LIABILITIES	2018						
	Interest/ mark-up bearing			Non-interest/ non mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	
	Rupees						
FINANCIAL ASSETS							
Investments							
Equity securities	-	-	-	101,856,787	-	101,856,787	101,856,787
Debt securities	25,945,344	35,569,678	61,515,022	-	-	-	61,515,022
Term deposits	335,000,000	-	335,000,000	-	-	-	335,000,000
Loans and other receivables	-	-	-	44,018,098	-	44,018,098	44,018,098
Insurance / Reinsurance receivables	-	-	-	284,560,274	-	284,560,274	284,560,274
Reinsurance recoveries against outstanding claims	-	-	-	49,401,986	-	49,401,986	49,401,986
Cash & Bank	269,279,979	-	269,279,979	46,968,023	-	46,968,023	316,248,002
December 31, 2018	630,225,323	35,569,678	665,795,001	526,805,168	-	526,805,168	1,192,600,169
FINANCIAL LIABILITIES							
Premiums received in advance	-	-	-	2,026,600	-	2,026,600	2,026,600
Outstanding claims including IBNR	-	-	-	126,110,519	-	126,110,519	126,110,519
Insurance / Reinsurance Payables	-	-	-	34,400,219	-	34,400,219	34,400,219
Other Creditors and Accruals	-	-	-	51,429,759	-	51,429,759	51,429,759
December 31, 2018	-	-	-	213,967,097	-	213,967,097	213,967,097
OFF BALANCE SHEET ITEMS							
Financial Commitments:							
For future Ijarah rentals payable	-	-	-	9,556,683	11,733,626	21,290,309	21,290,309
December 31, 2018	-	-	-	9,556,683	11,733,626	21,290,309	21,290,309

FINANCIAL ASSETS AND LIABILITIES	2017						
	Interest/ mark-up bearing			Non-interest/ mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	
	Rupees						
FINANCIAL ASSETS							
Investments							
Equity securities			-	161,040,582	-	161,040,582	161,040,582
Debt securities	525,000	25,872,472	26,397,472	-	-	-	26,397,472
Term deposits	125,000,000	-	125,000,000	-	-	-	125,000,000
Loans and other receivables	-	-	-	54,788,933	-	54,788,933	54,788,933
Insurance / Reinsurance receivables	-	-	-	229,459,744	-	229,459,744	229,459,744
Reinsurance recoveries against outstanding claims	-	-	-	36,192,756	-	36,192,756	36,192,756
Cash & Bank	200,087,750	-	200,087,750	43,108,513	-	43,108,513	243,196,263
December 31, 2017	325,612,750	25,872,472	351,485,222	524,590,528	-	524,590,528	876,075,750
FINANCIAL LIABILITIES							
Premiums received in advance	-	-	-	3,422,615	-	3,422,615	3,422,615
Outstanding claims including IBNR	-	-	-	113,121,068	-	113,121,068	113,121,068
Insurance / Reinsurance Payables	-	-	-	36,808,865		36,808,865	36,808,865
Other Creditors and Accruals	-	-	-	53,639,917		53,639,917	53,639,917
December 31, 2017	-	-	-	206,992,465	-	206,992,465	206,992,465

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FINANCIAL ASSETS AND LIABILITIES	2017						
	Interest/ mark-up bearing			Non-interest/ mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	
	Rupees						
OFF BALANCE SHEET ITEMS							
Financial Commitments:							
For future Ijarah rentals payable	-	-	-	13,811,873	20,614,995	34,426,868	34,426,868
December 31, 2017	-	-	-	13,811,873	20,614,995	34,426,868	34,426,868

36.2.1 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are interest/mark up rate risk and price risk. The Company is not exposed to material currency risk.

a) Interest/mark up rate risk

Interest/mark up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark up rates. Sensitivity to interest/mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The company manages these mismatches through risk management strategies.

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

Financial assets

	2018	2017	2018	2017
	Effective interest rate (in %)		Rupees	Rupees
Saving accounts	3.75% to 9%	3.75% to 6%	269,279,979	200,087,750
Deposits maturing within 12 months - Fixed rate	6.15% to 11.8%	6.15% to 8.5%	335,000,000	125,000,000
Investments				
- Interest bearing - Fixed rate	7.75% to 12%	10.15% to 12%	61,515,022	26,397,472
			665,795,001	351,485,222

Sensitivity analysis

For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates at the reporting date would have decreased/(increased) profit for the year by the amounts shown below.

	2018 Rupees	2017 Rupees
Cash flow sensitivity - Variable rate financial assets	6,657,950	3,514,852

It is assumed, for the purpose of sensitivity analysis, that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details. The analysis assumes that all other variables remain constant.

b) Equity / price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities Rs. 9,211,511/- (2017: 63,175,510/-) at the balance sheet date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. The Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. The Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are based on quoted market prices as of the balance sheet date and available for sale equity instruments which are stated at fair value.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarizes company's equity price risk as of December 31, 2018 and 2017 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios, results could be worse because of the nature of equity markets.

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	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/(decrease) in profit before tax
31-Dec-18	**9,211,511**	**10% increase**	**10,132,662**	**921,151**	**921,151**
		10% decrease	**8,290,360**	**(921,151)**	**(921,151)**
31-Dec-17	63,175,510	10% increase	69,493,061	6,317,551	6,317,551
		10% decrease	56,857,959	(6,317,551)	(6,317,551)

36.2.2 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for equity and debt instruments whose fair values have been disclosed in their respective notes to these financial statements. Fair value is determined on the basis of objective evidence at each reporting date. The company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in active market for identical instrument.
Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Valuation techniques using significant unobservable inputs.

	Level-1	Level-2	Level-3	Total
		Rupees		
As at 31 December 2018				
At fair value through profit or loss - Held for trading	**101,836,336**	**-**	**-**	**101,836,336**
At fair value through OCI - Avilable for sale	**20,451**	**-**	**-**	**20,451**
As at 31 December 2017				
At fair value through profit or loss - Held for trading	159,836,092	-	-	159,836,092
At fair value through OCI - Avilable for sale	1,204,490	-	-	1,204,490

36.2.3 Age-wise Breakup of Unclaimed Insurance Benefits

Particulars	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
Other unclaimed benefits	**3,421,916**	**2,391,522**	**523,757**	**279,485**	**142,916**	**84,236**

36.3 CREDIT RISK

Credit risk is the risk that arises from the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in diverse industries and by continually assessing the credit worthiness of industries/counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	Category of financial assets	2018 Rupees	2017 Rupees
Bank	Loans & Receivables	**314,934,269**	242,986,372
Investments	Equity securities	**101,856,787**	161,040,582
Investments	Debt securities	**61,515,022**	26,397,472
Investments	Term deposits	**335,000,000**	125,000,000
Loans and other receivables	Loans & Receivables	**44,018,098**	54,788,933
Insurance / Reinsurance receivables	Loans & Receivables	**284,560,274**	229,459,744
Reinsurance recoveries against outstanding claims	Loans & Receivables	**49,401,986**	36,192,756
		1,191,286,436	875,865,859

The company did not hold any collateral against the above during the year. General provision is made for receivables according to the Company's policy. This impairment provision is utilized to write off a financial asset when it is determined that Company cannot recover the balance due.

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The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2018	2017
	Short term	Long term		Rupees	Rupees
JS Bank Limited	A1+	AA-	PACRA	**16,818,754**	8,700,047
Bank Islami Pakistan Limited	A1	A+	PACRA	**-**	6,366
United Bank Limited	A-1+	AAA	JCR-VIS	**2,369,555**	158,127
Summit Bank Limited	A-3	BBB-	JCR-VIS	**7,271,210**	11,655,055
Silk Bank Limited	A-2	A-	JCR-VIS	**70,492**	68,044
MCB	A1+	AAA	PACRA	**200,000**	210,000
Askari Bank Limited	A1+	AA+	PACRA	**905,552**	850,743
Faysal Bank Limited	A1+	AA	PACRA/JCR-VIS	**7,347,820**	14,059,614
Habib Bank Limited	A-1+	AAA	JCR-VIS	**5,784,368**	1,423,398
The Bank of Khyber	A1	A	JCR-VIS	**1,405,068**	414,333
SME Bank Limited	B	CCC	PACRA	**5,094,784**	2,452,829
Soneri bank Limited	A1+	AA-	PACRA	**900,295**	2,081,295
Bank of Azad Jammu Kashmir*				**1,253,678**	14,804
Punjab Provincial Co-operative Bank*				**15,215**	15,417
The Bank of Punjab	A1+	AA	PACRA	**172,819**	350,001
Bank Al - Habib Limited	A1+	AA+	PACRA	**4,214,876**	5,394,688
Zarai Taraqiyati Bank Limited	A-1+	AAA	JCR-VIS	**42,126,064**	40,149,560
National Bank of Pakistan	A-1+	AAA	PACRA/JCR-VIS	**6,876,451**	808,081
Khushhali Microfinance Bank Limited	A-1	A+	JCR-VIS	**821,650**	1,000
Dubai Islamic Bank Ltd.	A-1	AA-	JCR-VIS	**85,981**	4,681
Samba Bank Limited	A-1	AA	JCR-VIS	**66,215**	102,272
Sindh Bank Limited	A-1+	AA	JCR-VIS	**1,116,249**	100,531
NRSP Microfinance Bank Limited	A-1	A	JCR-VIS	**199,413,134**	153,965,486
U Microfinance Bank Limited	A-2	A	JCR-VIS	**10,241,379**	-
Bank Alfalah Limited	A1+	AA+	PACRA/JCR-VIS	**362,660**	-
** Credit ratings are not available*				**314,934,269**	242,986,372

The following are the contractual maturities of financial liabilities on an undiscounted cash flow basis:

Financial liabilities 2018	**Carrying Amount**	**Up to One Year**	**More Than One Year**
Outstanding claims including IBNR	**126,110,519**	**126,110,519**	-
Insurance / Reinsurance Payables	**34,400,219**	**34,400,219**	-
Retirement benefit obligations	**579,172**	**579,172**	-
Other Creditors and Accruals	**51,429,759**	**51,429,759**	-
	212,519,669	**212,519,669**	-

Financial liabilities: 2017	Carrying Amount	Up to One Year	More Than One Year
Outstanding claims including IBNR	113,121,068	113,121,068	-
Insurance / Reinsurance Payables	36,808,865	36,808,865	-
Retirement benefit obligations	488,113	488,113	-
Other Creditors and Accruals	53,639,917	53,639,917	-
	204,057,963	204,057,963	-

Age analysis of financial assets is as under:

Financial Assets 2018	**Carrying Amount**	**Up to One Year**	**From 1 - 2 years**	**More than 2 years**
Insurance / Reinsurance receivables	**284,560,274**	**134,681,510**	**50,859,076**	**99,019,688**
Reinsurance recoveries against outstanding claims	**49,401,986**	**37,824,546**	**2,752,388**	**8,825,052**
Accrued investment income	**10,732,785**	**10,732,785**	-	-
Balance with brokers	**233,452**	**233,452**	-	-
Taxation - provision less payments	**26,740,770**	**26,740,770**	-	-
Security deposits	**10,577,216**	**1,359,000**	**6,047,000**	**3,171,216**
Other receivable	**22,071,900**	**15,008,892**	**5,517,975**	**1,545,033**
	404,318,383	**226,580,955**	**65,176,439**	**112,560,989**

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	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
Financial Assets: 2017				
Insurance / Reinsurance receivables	229,459,744	153,738,028	71,132,521	4,589,195
Reinsurance recoveries against outstanding claims	36,192,756	7,579,755	8,435,250	20,177,751
Accrued investment income	5,525,710	5,525,710	-	-
Balance with brokers	22,152,227	22,152,227	-	-
Taxation - Provision less payments	15,636,171	15,636,171	-	-
Security deposits	11,303,216	5,290,000	4,715,616	1,297,600
Other receivable	15,405,035	10,167,323	4,621,511	616,201
	335,674,859	220,089,215	88,904,897	26,680,747

The credit quality of amount due from other insurers/ reinsurers and reinsurance recoveries against outstanding claims can be assessed with reference to external credit ratings as follows:

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	2018	2017
			----Rupees----	
A or above (including PRCL)	**176,452,908**	**23,141,147**	**199,594,055**	157,063,723
Below A	**3,308,238**	**5,461,098**	**8,769,336**	13,095,503
Others	**4,149,477**	**20,799,742**	**24,949,219**	9,043,055
Total	**183,910,623**	**49,401,986**	**233,312,609**	179,202,281

36.4 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. The Company's overall strategy remains unchanged from 2012. The company has not obtained long term finance and short term borrowings, therefore gearing ratio of the company is not applicable. In accordance with S.R.O. 89(I)/2017 of Securities and Exchange Commission of Pakistan (SECP), minimum paid up capital requirement to be complied with by Insurance Companies at the end of each year are as follows:

	2018	2017	2016
	(Rupees in Thousands)		
Minimum paid up capital	**500,000**	500,000	400,000

37 PROVIDENT FUND

The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the rules formulated for this purpose. The salient information of the fund is as follows:

	2018 Audited	2017 Audited
Size of the fund - total assets - Rupees	**23,163,216**	16,419,094
Cost of investments made - Rupees	**21,093,294**	15,678,940
Percentage of investments made- %	**91.06%**	95.49%
Fair value of investments- Rupees	**21,093,294**	15,678,940

The break-up of cost of investments is:	2018		2017	
	%	(Rs.)	%	(Rs.)
Saving account	**29%**	**6,093,294**	36%	5,678,940
Term Deposit Receipts	**71%**	**15,000,000**	64%	10,000,000
	100%	**21,093,294**	100%	15,678,940

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38 STATEMENT OF SOLVENCY

			2018 RUPEES
Assets			
Property and equipment			81,188,744
Investments			
Equity securities			101,856,787
Debt securities			61,515,022
Term deposits			335,000,000
Total assets of window takaful operations - OPF			49,846,736
Loans and other receivables			44,018,098
Insurance / Reinsurance receivables			284,560,274
Reinsurance recoveries against outstanding claims			49,401,986
Deferred commission expense / acquisition cost			52,334,737
Deferred taxation			14,411,329
Taxation - payments less provision			26,740,770
Prepayments			46,879,546
Cash & Bank			316,248,002
Total assets (A)			1,464,002,031
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000			
(h)	Insurance / Reinsurance receivables		205,049,976
(j)	Deferred taxation		14,411,329
(k)	Amounts available to the insurer under guarantees		28,657,852
(u)	i. Vehicle, ii. Office Equipment and iii. Furniture and fittings		77,405,654
Total of Inadmissible assets (B)			325,524,811
Total Admissible assets (C=A-B)			1,138,477,220
Total Liabilities			
Total liabilities of window takaful operations - OPF			2,995,812
Underwriting Provisions			-
Outstanding claims including IBNR			126,110,519
Unearned premium reserves			252,509,416
Premium deficiency reserve			-
Unearned Reinsurance Commission			8,031,216
Retirement benefit obligations			579,172
Premiums received in advance			2,026,600
Insurance / Reinsurance Payables			34,400,219
Other Creditors and Accruals			51,429,759
Taxation - provision less payment			-
Total liabilities (D)			478,082,713
Total net Admissible assets (E=C-D)			660,394,507
Minimum Solvency Requirement (higher of following)			
Method A - U/s 36(3)(a)		150,000,000	
Method B - U/s 36(3)(b)		96,043,064	
Method C - U/s 36(3)(c)		27,392,962	150,000,000
Excess /(Deficit)in Net Admissible Assets over Minimum Requirements			510,394,507

ASIA INSURANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018

	2018	2017
39 NUMBER OF EMPLOYEES	*---Numbers---*	
As at December 31	**233**	268
Average number of employees during the year	**249**	253

40 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

No significant reclassifications made during the current year .

41 SUBSEQUENT EVENTS - NON ADJUSTING EVENTS

There is no event causing adjustment to or disclosure in financial statements.

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on March 27, 2019 by the Board of Directors of the Company.

43 GENERAL

The figures in the financial statements has been rounded off to the nearest Rupee.

Chief Executive Officer | **Director** | **Director** | **Chairman** | **Chief Financial Officer**

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Asia Insurance Company Limited - Window Takaful Operations

Statement Of Financial Position As At December 31, 2018

Shari'ah Advisor's Report to the Board of Directors
For the Period 1st January 2018 to 31st December 2018

نحمده و نصلي علي رسوله الكريم اما بعد

The year 2018 was the third year of Asia Insurance Company Limited Window Takaful Operations. By launching Window Takaful Operations, Asia Insurance Company has taken a step in the direction of promotion the Islamic Economic System and has provided the most awaited Shari'ah Compliant Takaful facilities to the Muslim Society.

Being a Shari'ah Advisor of Asia Insurance Company Limited Window Takaful Operations (hereafter referred to as "AI WTO") it is my responsibility to ensure that the participant membership documents, underwriting procedures, Re-Takaful Arrangements, and financial activities related to the Participants and stakeholders should be compliant as per Shari'ah rulings.

On the other hand it is the responsibility of AI WTO's management to follow the Takaful rules and guidelines set by the Shari'ah Advisor and to take prior approval of Shari'ah Advisor for all contracts and services being offered by the "AI WTO".

In my opinion, and the best of my understanding based on Shari'ah compliance review, explanations provided by "AI WTO" and audit report of the External auditors, below are the findings:

- Financial transactions, underwriting and investments undertaken by the "AI WTO" for the year ended 31st December 2018, were in accordance with Takaful Rules 2012 and guidelines issued by Shari'ah Advisor.
- Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. AI WTO has kept all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues separate from its conventional insurance business, as per requirement of Shari'ah.
- Appropriate accounting policies and basis of measurement have been consistently applied in preparation of the financial statements of "Participant Takaful Fund (Waqf Fund)" and "Operator Fund".
- Conducting Training and Development is an imperative for understanding the principles of Takaful and its practical outline. For this purpose "AI WTO" planned training map to fulfill its responsibility.

I am grateful to the Board of Directors of Asia Insurance Company, Management, Head of Window Takaful Operations, Divisional & Branch Heads and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shari'ah Compliance in our Takaful practices. I concluded my report with the words that Allah Almighty grant "AI WTO" remarkable success and help the entire team at every step and keep away from every hindrance and difficulty.

"And Allah Knows Best"

Akhlaq

Mufti Muhammad Akhlaq
Shariah Advisor,
Asia Insurance Company Ltd,
Window Takaful Operations
Date: March 26, 2019

Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Shari'ah Principles

We were engaged by the Board of Directors of **Asia Insurance Company Limited ("the Company")** to report on the management's assessment of compliance of the Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the year December 31, 2018, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects.

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules 2012.

Responsibilities of the Management

The Board of Directors / management of the Company are responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012. The Board of Directors / management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed included:

– Evaluate the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;

– Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shari'ah Advisor and the board of directors;

– Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and

– Review the statement of management's assessment of compliance of the Takaful transactions during the year ended December 31, 2018, with the Takaful Rules, 2012.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the year ended December 31, 2018, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

ILYAS SAEED & CO.
Chartered Accountants
Engagement Partner: Muhammad Ilyas
LAHORE
Date: 27 MAR 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Asia Insurance Company Limited - Window Takaful Operations

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ASIA INSURANCE COMPANY LIMITED WINDOW TAKAFUL OPERATIONS (the Operator),** which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Operator's affairs as at December 31, 2018, and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Operator in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Operator's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Operator or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Operator's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Operator's ability of going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Ilyas.**

ILYAS SAEED & CO.
Chartered Accountants
LAHORE
Date: 27 MAR 2019

ASIA INSURANCE COMPANY LIMITED
WINDOW TAKAFUL OPERATIONS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	Note	Participants' Takaful Fund	Operator's Fund	2018 Aggregate	2017 Aggregate
		Rupees			
Assets					
Investments					
Term deposits		-	-	-	-
Loans and other receivables	5	-	4,248,681	4,248,681	28,000,788
Takaful / re-takaful receivables	6	14,077,180	-	14,077,180	4,985,897
Retakaful recoveries against outstanding claims	15	-	-	-	-
Deferred commission expense	20	-	3,875,426	3,875,426	1,981,404
Prepayments	7	4,851,787	-	4,851,787	4,862,750
Cash & bank	8	12,291,782	41,722,629	54,014,411	45,677,719
Total Assets		31,220,749	49,846,736	81,067,485	85,508,558
Fund and Liabilities					
Waqf / Participants' Takaful Fund (PTF)					
Ceded money	9	500,000	-	500,000	500,000
Qard-e-hasna		20,411,000	-	20,411,000	15,411,000
Accumulated deficit		(10,294,169)	-	(10,294,169)	(14,078,532)
Total Waqf / Participants' Takaful Funds		10,616,831	-	10,616,831	1,832,468
Operators' Fund (OPF)					
Statutory fund	10	-	50,000,000	50,000,000	50,000,000
Qard-e-hasna		-	(20,411,000)	(20,411,000)	(15,411,000)
Accumulated profit		-	17,261,924	17,261,924	8,833,888
Total Operator's funds		-	46,850,924	46,850,924	43,422,888
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	15	2,317,314	-	2,317,314	1,694,604
Unearned contribution reserve	14	12,541,332	-	12,541,332	8,501,680
Unearned retakaful rebate	16	2,732	-	2,732	-
Retirement benefit obligations		-	2,638	2,638	17,402
Contributions received in advance		532,300	-	532,300	282,068
Takaful / retakaful payables	11	291,968	-	291,968	87,250
Other creditors and accruals	12	4,918,272	2,993,174	7,911,446	29,670,198
Total liabilities		20,603,918	2,995,812	23,599,730	40,253,202
Total fund and liabilities		31,220,749	49,846,736	81,067,485	85,508,558
Contingency(ies) and commitment(s)	13	-	-	-	-

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

Chief Executive Officer	Director	Director	Chairman	Chief Financial Officer

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ASIA INSURANCE COMPANY LIMITED
WINDOW TAKAFUL OPERATIONS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees	2017 Rupees
Participants' Takaful Fund Revenue Account			
Net takaful contribution	14	8,432,650	(1,490,146)
Net takaful claims	15	(5,661,848)	(4,055,446)
Net rebate on retakaful	16	13,660	-
Takaful claims and acquisition expenses		(5,648,188)	(4,055,446)
Direct expenses	17	(30,761)	(17,548)
Underwriting results		2,753,701	(5,563,140)
Investment income		-	-
Other income	18	1,030,662	439,056
Result of operating activities - PTF		3,784,363	(5,124,084)
Other comprehensive income:			
Item to be re-classified to profit and loss account in subsequent period:			
Items that may be subsequently reclassified to profit or loss		-	-
Items that may not be subsequently reclassified to profit or loss		-	-
Other comprehensive income for the year		-	-
Total comprehensive surplus/(deficit) for the year		3,784,363	(5,124,084)
Operator's Revenue Account			
Wakala fee	19	17,033,489	11,031,756
Net Commission and other acquisition costs	20	(6,173,432)	(2,799,906)
Management expenses	21	(2,196,805)	(2,645,256)
		8,663,252	5,586,594
Other income	22	822,284	1,291,775
Investment income	23	-	78,773
Other expenses	24	(1,057,500)	(1,392,500)
Profit for the year		8,428,036	5,564,642
Other comprehensive income:			
Item to be re-classified to profit and loss account in subsequent period:			
Items that may be subsequently reclassified to profit or loss		-	-
Items that may not be subsequently reclassified to profit or loss		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		8,428,036	5,564,642

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

Chief Executive Officer **Director** **Director** **Chairman** **Chief Financial Officer**

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ASIA INSURANCE COMPANY LIMITED
WINDOW TAKAFUL OPERATIONS
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

	Participants' Takaful Fund	Operator's Fund	2018 Aggregate	2017 Aggregate
	----------	---------- Rupees	----------	----------
Operating cash flows				
a) Takaful activities				
Contribution received	22,593,363	-	**22,593,363**	14,546,122
Wakala fee received	-	17,033,489	**17,033,489**	11,031,756
Retakaful ceded	(18,746,431)	-	**(18,746,431)**	(11,724,465)
Claims paid	(5,039,138)	-	**(5,039,138)**	(2,751,478)
Retakaful and other recoveries received	-	-	-	-
Commissions paid	-	(6,022,060)	**(6,022,060)**	(3,638,000)
Rebate on retakaful	16,392	-	**16,392**	-
Direct, management and other expenses (paid)/receipt	(24,040,212)	(3,276,766)	**(27,316,978)**	19,176,846
Other takaful receipts/(payments)	213,002	23,752,107	**23,965,109**	(22,726,280)
Net cash flow from underwriting activities	(25,003,024)	31,486,770	**6,483,746**	3,914,501
b) Other operating activities				
Income tax paid	-	-	-	-
Other operating payments	-	-	-	(367,649)
Other operating receipts	1,030,662	822,284	**1,852,946**	1,730,831
Net cash flow from other operating activities	1,030,662	822,284	**1,852,946**	1,363,182
Total cash flow from all operating activities	(23,972,362)	32,309,054	**8,336,692**	5,277,683
Investment activities				
Profit/ return received	-	-	-	112,361
Qard-e-Hasna	5,000,000	(5,000,000)	-	-
Payments for investments	-	-	-	-
Fixed capital expenditure	-	-	-	-
Total cash flow from investing activities	5,000,000	(5,000,000)	-	112,361
Financing activities				
Contribution to the operator's fund	-	-	-	-
Ceded money	-	-	-	-
Total cash inflow from financing activities	-	-	-	-
Net cash flow from all activities	(18,972,362)	27,309,054	**8,336,692**	5,390,044
Cash and cash equivalents at beginning of the year	31,264,144	14,413,575	**45,677,719**	40,287,675
Cash and cash equivalents at end of the year	12,291,782	41,722,629	**54,014,411**	45,677,719

ASIA INSURANCE COMPANY LIMITED
WINDOW TAKAFUL OPERATIONS
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

	Participants' Takaful Fund	Operator's Fund	2018 Aggregate	2017 Aggregate
	----------	---------- Rupees	----------	----------
RECONCILIATION TO PROFIT AND LOSS ACCOUNT				
Operating cash flows	(23,972,362)	32,309,054	**8,336,692**	5,277,683
Increase / (decrease) in assets other than cash	9,080,320	(21,858,085)	**(12,777,765)**	23,725,788
(Increase) / decrease in liabilities	18,676,405	(2,022,933)	**16,653,472**	(28,641,686)
Return on fixed income deposits	-	-	-	78,773
Profit for the year	3,784,363	8,428,036	**12,212,399**	440,558
Attributed to				
Participants' Takaful Fund	3,784,363	-	**3,784,363**	(5,124,084)
Operator's Fund	-	8,428,036	**8,428,036**	5,564,642
	3,784,363	8,428,036	**12,212,399**	440,558

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

Chief Executive Officer	Director	Director	Chairman	Chief Financial Officer

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ASIA INSURANCE COMPANY LIMITED
WINDOW TAKAFUL OPERATIONS
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Participants' Takaful Fund	Ceded money	Qard-e-Hasna	Accumulated Surplus/ (Deficit)	Total
	Rupees			
Balance as at January 1, 2017	500,000	15,411,000	(8,954,448)	6,956,552
(Deficit) for the year	-	-	(5,124,084)	(5,124,084)
Qard-e-hasna from Operator's fund (OPF)	-	-	-	-
	-	-	(5,124,084)	(5,124,084)
Balance as at December 31, 2017	500,000	15,411,000	(14,078,532)	1,832,468
Balance as at January 1, 2018	**500,000**	**15,411,000**	**(14,078,532)**	**1,832,468**
Surplus for the period	**-**	**-**	**3,784,363**	**3,784,363**
Qard-e-hasna from Operator's fund (OPF)	**-**	**5,000,000**	**-**	**5,000,000**
	-	**-**	**3,784,363**	**3,784,363**
Balance as at December 31, 2018	**500,000**	**20,411,000**	**(10,294,169)**	**5,616,831**

Operator's fund	Statutory fund	Qard-e-Hasna	Accumulated Surplus	Total
	Rupees			
Balance as at January 1, 2017	50,000,000	(15,411,000)	3,269,246	37,858,246
Profit for the year	-	-	5,564,642	5,564,642
Qard-e-hasna to Participants' takaful fund (PTF)	-	-	-	-
	-	-	5,564,642	5,564,642
Balance as at December 31, 2017	50,000,000	(15,411,000)	8,833,888	43,422,888
Balance as at January 1, 2018	**50,000,000**	**(15,411,000)**	**8,833,888**	**43,422,888**
Profit for the year	**-**	**-**	**8,428,036**	**8,428,036**
Qard-e-hasna to Participants' takaful fund (PTF)	**-**	**(5,000,000)**	**-**	**(5,000,000)**
	-	**(5,000,000)**	**8,428,036**	**3,428,036**
Balance as at December 31, 2018	**50,000,000**	**(20,411,000)**	**17,261,924**	**46,850,924**

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

Chief Executive Officer | Director | Director | Chairman | Chief Financial Officer

ASIA INSURANCE COMPANY LIMITED
WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Asia Insurance Company Limited ('the Company'), a quoted public limited company, was incorporated in Pakistan on December 06, 1979 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is engaged in non-life insurance business mainly comprising of fire, marine, motor and miscellaneous. The Company commenced its commercial operations in 1980. The registered and principal office of the Company is situated at 19 C/D, Block L, Gulberg III, Main Ferozpur Road, Lahore. Shares of the Company are quoted on Pakistan Stock Exchange.

The Company has been allowed to work as Window Takaful Operator ('the Operator) through License No.10 on August 13, 2015 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Takaful in Pakistan. It has not transacted any business outside Pakistan.

For the purpose of carrying on the takaful business, the Company has formed a waqf for participants' equity fund. The Waqf namely Asia Insurance Company Limited (Window Takaful Operations) -Waqf Fund (hereafter referred to as participant takaful fund (PTF)) was created on August 20, 2015 under a trust deed executed by the Company with a ceded money of Rs.500,000/- . Waqf deed also governs the relationship of Operators and policy holders for management of takaful operations, investment policy holders funds and investment of Operators' funds approved by shariah advisor of the company.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012 . In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012, shall prevail.

These financial statements reflect the financial position and results of Window Takaful Operations of both the Operators' Fund (OPF) and the Participants' Takaful Fund (PTF) in a manner that assets, liabilities, income and expenses of the Operator and PTF remains separately identifiable.

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation except where disclosed. The financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Operator's functional currency and presentation currency. All figures have been rounded to the nearest rupee, unless otherwise stated.

2.3 Standards, interpretations and amendments effective in (current year)

2.3.1 The Company has adopted the following amendments in accounting standards and interpretations of IFRSs which became effective for the current year:

IAS 28	Investments in Associates and Joint Ventures – Annual Improvements to IFRS Standards 2014–2016 Cycle.
IAS 40	Investment Property – Transfers of Investment Property (Amendments).
IFRS 2	Share-based Payment – Classification and Measurement of Share-based Payments Transactions (Amendments).
IFRS 4	Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments).
IFRS 12	Disclosure of Interests in Other Entities – Annual Improvement to IFRS Standards 2014–2016 Cycle.
IFRIC 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments, and improvement to accounting standards and interpretations did not have any effect on the financial statements.

2.4 Standards, interpretations and amendments not effective at year end

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan have not become effective during current year:

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Standards, amendments or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments – Classification and Measurement	01-Jul-18
IFRS 15	Revenue from Contracts with Customers	01-Jul-18
IFRS 16	Leases	01-Jan-19
IFRIC 23	Uncertainty over Income Tax Treatments	01-Jan-19
IFRS 9	Financial Instruments – Prepayment Features with Negative Compensation (Amendments)	01-Jan-19
IAS 19	Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)	01-Jan-19
IAS 28	Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures (Amendments)	01-Jan-19

Annual Improvements 2015-2017 Cycle		Effective date (annual periods beginning on or after)
IFRS 3	Business Combinations	01-Jan-19
IFRS 11	Joint Arrangements	01-Jan-19
IAS 12	Income Taxes	01-Jan-19
IAS 23	Borrowing Costs	01-Jan-19
Conceptual Framework for Financial Reporting		01-Jan-20

2.5 In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards, amendments or Interpretation		Effective date (annual periods beginning on or after)
IFRS 14	Regulatory Deferral Accounts	01-Jan-16
IFRS 17	Insurance Contracts	01-Jan-21

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, except for the IFRS 17 of which management is in the preocess of evaluating the impact of application of the standard, in the period of initial application.

2.6 Standards, interpretations and amendments becoming effective in future period but not relevant:

There are certain new standards, amendments to standards and interpretations that are effective for different future periods but are considered not to be relevant to Company's operations, therefore not disclosed in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are set out below.

3.1 Property and equipment

3.1.1 Operating assets - Owned

These are stated at cost less accumulated depreciation except for freehold land, which is stated at cost, and certain buildings which are stated at revalued amount so as to keep the carrying value equal to the fair market value of the asset.

Depreciation on all fixed assets is charged to statement of comprehensive income on the reducing balance method so as to write off depreciable amount of an asset over its useful life at the rates stated in note. Depreciation on additions to fixed assets is charged on "number of months basis".

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The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Operator and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.2 Takaful contracts

The Takaful contracts are based on the principles of wakala. The takaful contracts so agreed usually inspire concept of tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty. Contracts under which the Participant Takaful Fund (PTF) accepts significant takaful risk from another party (the policy holder) by agreeing to compensate the policyholder if a specified uncertain future event (the takaful event) adversely affects the policyholder are classified as takaful contracts. Takaful risk is significant if a takaful event could cause the PTF to pay significant benefits due to the happening of the takaful event compared to its non happening. Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The PTF underwrites non-life takaful contracts that can be categorized into fire and property, marine, aviation and transport, motor, health and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the PTF under which the contract holder is another takaful operator/ insurer of a facultative nature are included within the individual category of takaful contracts, other than those which fall under the treaty.

Fire and property damage takaful provides coverage against damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and other related perils.

Marine, aviation and transport takaful provides coverage against cargo risk, terminals, damage occurred in between the points of origin and final destination and other related perils.

Motor takaful provides comprehensive car coverage, indemnity against third party loss and other related covers.

Health takaful provides basic hospital care including maternity care and outpatient care.

Miscellaneous takaful provides cover against Engineering, Health, Cash in safe, Cash in transit, ATM withdrawals snatching, Personal Accident Takaful, Workmen's Compensation Takaful, Terrorism Takaful, Third party liability Takaful, Plate Glass Takaful and Home Takaful.

3.3 Deferred commission expense / Acquisition cost

Commission expenses and other acquisition costs are spread over the tenure of the contract, it is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017. Rebate from re-takaful is spread over the tenure of the contract ceded, it is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017. The deferred commission expenses and other acquisition costs and unearned portion of rebate from re-takaful is set aside as a reserve. Such reserve is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017.

3.4 Unearned contribution

The unearned portion of contribution written net of wakala is set aside as a reserve and is recognized as a liability. The reserve for unearned contribution is calculated by applying 1/24 method in accordance with the provisions of the Insurance Accounting Regulations, 2017.

3.5 Contribution deficiency reserve

According to the requirements of the Insurance Rules, 2017, a contribution deficiency reserve needs to be created where the unearned contribution for any class of business is not sufficient to cover the liability after re-takaful from claims, and other supplementary expenses expected to be incurred after the statement of financial position date in respect of the policies in that class of business. Any movement in the reserve is to be charged to the statement of comprehensive income.

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For this purpose, loss ratios for each class, excluding health are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, contribution deficiency is determined. The liability of contribution deficiency in relation to Health Takaful is calculated in accordance with the advice of actuary.

As at year end, a provision is created in respect of contribution deficiency reserve for those classes of business where it is estimated that the unearned contribution for that class will not be sufficient to provide for the expected losses and expenses attributable to the unexpired periods of policies in force at the statement of financial position date.

3.6 Re-takaful ceded

The Operator enters in to retakaful contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward retakaful contributions are accounted for in the same period as the related contribution for the direct or accepted retakaful business.

Retakaful liabilities represent balance due to retakaful companies. Amounts payable are estimated in a manner consistent with the related retakaful contract. Retakaful assets represent balances due from retakaful companies. Amounts recoverable from retakaful are estimated in a manner consistent with the provisions for outstanding claims or settled claims associated with the retakaful policies and are in accordance with the related retakaful contract.

Retakaful assets are not offset against related takaful liabilities. Income or expenses from retakaful contracts are not offset against expenses or income from related takaful assets.

Retakaful assets or liabilities are derecognized when the contractual rights are extinguished or expired.

The Operator assesses its retakaful assets for impairment on statement of financial position date. If there is objective evidence that retakaful assets are impaired, the Operator reduces the carrying amount of the retakaful assets to its recoverable amount and recognizes that impairment loss in the statement of comprehensive income.

3.7 Receivables and payables related to takaful contracts

Receivables and payables related to takaful contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any.

3.7.1 Takaful / Re-takaful receivables

Contributions due from takaful / retakaful represents the amount due from participants and other takaful insurers on account of takaful contracts. These are recognized at cost, which is the fair value of the contribution to be received less provision for impairment, if any.

3.7.2 Retakaful recoveries against outstanding claims

Claims recoveries recoverable from the retakaful operators are recognized as an asset at the same time as the claims which gives rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

3.8 Segment reporting

A business segment is a distinguishable component of the Operator that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Operator accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017 as the primary reporting format.

Based on its classification of takaful contracts issued, the Operator has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in respective notes to the Financial Statements.

Assets and liabilities are allocated to particular segments on the basis of contribution written. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortization are allocated to a particular segment on the basis of contribution written.

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3.9 Financial instruments

Financial assets and financial liabilities within the scope of IAS - 39 are recognized at the time when the Operator becomes a party to the contractual provisions of the instrument and de-recognized when the Operator loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is included in the statement of comprehensive income for the year.

Financial instruments carried on the statement of financial position include cash and bank deposits, investments, takaful / re-takaful receivables, loan and other receivables, contribution and claim reserves detained by cedants, retakaful recoveries against outstanding claims, provision for outstanding claims, takaful / re-takaful payable, other creditors and accruals, liabilities against assets subject to finance lease.

3.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash, cheques, pay orders, demand drafts and balances with banks.

3.11 Revenue recognition

a) Contribution - PTF

Contribution income under a policy is recognized over the period of takaful net off wakala fee. Administrative surcharge recovered from insurer is recognized as part of contribution in the case of co-takaful policies (Leader Follower Case) on proportionate basis.

Wakala fee - OPF

The operator manages the general takaful operations for the participants and charges 40% on gross contribution for all classes as wakala fee against the services. It is recognized upfront on the issue of Takaful Policy.

b) Commission income - PTF

Rebate from retakaful operators is recognized at the time of issuance of the underlying takaful policy by the Operator. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates.

c) Investment Income - PTF / OPF

Profit on Islamic investment products is recognized on accrual basis.

d) Dividend Income - PTF / OPF

Dividend income is recognized when the right to receive the dividend is established.

3.12 Investments

a) In equity securities

Available for sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates etc. are classified as available for sale.

Subsequent to initial recognition at cost including the transaction cost, these are measured at fair value. Changes in fair value are recognized as other comprehensive income until the investment is derecognized or impaired. Gains and losses on derecognition and impairment losses are recognized in statement of comprehensive income.

Return on fixed income securities classified as available for sale is recognized on a time proportion basis.

Held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the statement of comprehensive income.

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b) In debt securities

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Operator's has a positive intent and ability to hold to maturity. These are initially measured at cost including acquisition charges associated with the investments. Subsequent to initial recognition, these investments are measured at amortized cost less any accumulated impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition by using the effective yield method. These are reviewed for impairment and any losses arising from impairment in values are charged to the statement of comprehensive income.

Held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the statement of comprehensive income.

c) In term deposits

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Operator's has a positive intent and ability to hold to maturity. These are initially measured at cost including acquisition charges associated with the investments. Subsequent to initial recognition, these investments are measured at amortized cost less any accumulated impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition by using the effective yield method. These are reviewed for impairment and any losses arising from impairment in values are charged to the statement of comprehensive income.

3.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Operator intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.14 Provisions

Claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

The Operator recognizes liability in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of incident giving rise to the claims except as otherwise expressly indicated in an insurance contract. The liability for claims include amounts relating to unpaid reported claims, claims Incurred But Not Reported (IBNR) and expected claims settlement costs.

Provision for liability in respect of claims reported but not settled at the balance sheet date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognized outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

The provision for claims incurred but not reported (IBNR) is consistently made at the balance sheet date in accordance with the SECP Circular no. 9 of 2016. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level. Provision for IBNR is based on the management best estimate.

As a general policy of the Operator, being followed consistently over the years, no provision of claims has been made where the quantum of loss is unknown.

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3.15 Staff retirement benefits

Defined contribution plan

The Company operates a funded Provident Fund Scheme for its employees and contributions are made monthly equal to employees contribution @ 8.33% (2017: 8.33%) of basic salary and cost of living allowance.

3.16 Impairment of assets

The carrying amount of assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in statement of comprehensive income.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognized for the assets in prior years. A reversal of an impairment loss is recognized immediately in statement of comprehensive income.

In addition, impairment on available for sale investments and retakaful assets are recognized as follows:

i) Available for sale

The operator determines that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the operator evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

ii) Re-takaful assets

The operator determines the impairment of the re-takaful assets by looking at objective evidence, as a result of an event that occurred after initial recognition of the re-takaful assets, which indicates that the operator may not be able to recover amount due from re-takaful under the terms of re-takaful contract. In addition the operator also monitors the financial ratings of its re-takaful operators on each reporting date.

3.17 Management expenses

3.17.1 Direct expense

Expenses allocated to the "PTF" represents directly attributable expenses. Expenses not directly allocable to "PTF" are charged to Operator's Fund.

3.17.2 Management expense

Expenses not allocable to the underwriting business are charged as management expenses. Management expenses of takaful business are allocated to revenue account of operator as per requirements of Takaful Rules, 2012.

3.17.3 Claims expense

General takaful claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

3.18 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is fair value of the consideration to be paid in future for goods and / or services received, whether or not billed to the Operator.

Provisions are recognized when the Operator has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.19 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

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3.20 Takaful surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves and charity. Allocation to participants, if applicable, is made after deducting the claims paid to them during the year. Further, surplus will be distributed to participants after payment of qard-e-hasna to operator .

3.21 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat & Ushr Ordinance, 1980.

3.22 Qarz-e-hasna

Qarz-e-hasna is provided by Operators' Fund (OPF) to Participants' Takaful Fund (PTF) in case of deficit in Participants' Takaful Fund (PTF).

3.23 Related party transactions

Party is said to be related if they are able to influence the operating and financial decisions of the Operator and vice versa. The Operator in the normal course of business carries out transactions with related parties. Transactions with related parties are priced at comparable uncontrolled market price and are carried out at arm's length prices.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires 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, including expectations of future events that are believed to be reasonable under the circumstances. These 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. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Useful lives and residual value of property and equipment (Note 3.1)
b) Unearned contribution. (Note 3.4)
c) Contribution deficiency reserve. (Note 3.5)
d) Classification of investments. (Note 3.12)
e) Outstanding claims including IBNR. (Note 3.14)

Other areas involving estimates and judgments are disclosed in respective notes to the financial statements.

		NOTE	2018 RUPEES	2017 RUPEES
5	**LOANS AND OTHER RECEIVABLES**			
5.1	**Participants' takaful fund - considered good**			
	Inter fund balance		-	-
5.2	**Operators' fund - considered good**			
	Advances to staff		-	17,500
	Advance against Commission		12,645	-
	Accrued investment income		-	-
	Inter fund balance		4,236,036	27,983,288
	Less: provision for impairment of loans and receivable		-	-
	Others		-	-
			4,248,681	28,000,788

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		NOTE	2018 RUPEES	2017 RUPEES
6	**TAKAFUL / RE-TAKAFUL RECEIVABLES**			
6.1	**Participants' takaful fund -Unsecured and considered good**			
	Due from takaful contract holders		5,517,196	2,310,095
	Less: Provision for impairment of receivables from takaful contract holders		-	-
	Due from insurers / reinsureres		8,559,984	2,675,802
	Less: Provision for impairment of receivables from takaful / retakafuls		-	-
			14,077,180	4,985,897
7	**PREPAYMENTS**			
7.1	**Participants' takaful fund**			
	Prepaid re-takaful contribution ceded		4,851,787	4,862,750
8	**CASH & BANK**			
8.1	**Participants' takaful fund**			
	Cash in hand		1,027	5,247
	Cash at bank			
	- Current accounts		-	-
	- Saving accounts	8.3	12,290,755	31,258,897
			12,291,782	31,264,144
8.2	**Operators' fund**			
	Cash at bank			
	- Current accounts		-	-
	- Saving accounts	8.3	41,722,629	14,413,575
			41,722,629	14,413,575

8.3 The rate of return on PLS saving accounts maintained at various banks range from 2.40% to 6.00% (2017: 2.90% to 5.20%) per annum.

		NOTE	2018 RUPEES	2017 RUPEES
9	**CEDED MONEY**			
	Waqf money	9.1	500,000	500,000

9.1 The amount of Rs. 500,000/- has been set apart for Waqf Fund / Participant Takaful Fund as Waqf money according to the Waqf deed prepared for the purpose of creation of Waqf Fund / Participant Takaful Fund.

		NOTE	2018 RUPEES	2017 RUPEES
10	**STATUTORY FUND**			
	Statutory reserve	10.1	50,000,000	50,000,000

10.1 It represents amount of Rs. 50 million deposited as statutory fund to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of Takaful Rules, 2012 issued by Securities and Exchange Commission which states that *"Every insurer who is interested to commence window takaful business shall transfer an amount of not less than 50 million rupees to be deposited in a separate bank account for window takaful business duly maintained in a scheduled bank"*.

		NOTE	2018 RUPEES	2017 RUPEES
11	**TAKAFUL / RETAKAFUL PAYABLES**			
11.1	**Participants' takaful fund**			
	Takaful / re-takaful payables		291,968	87,250
12	**OTHER CREDITORS AND ACCRUALS**			
12.1	**Participants' takaful fund**			
	Inter fund balance		4,236,036	27,983,288
	Sales tax payable		601,823	379,236
	Federal takaful fee payable		44,519	8,000
	Tax deducted at source		2,160	11,904
	Others		33,734	332,293
			4,918,272	28,714,721
12.2	**Operator's fund**			
	Salaries and wages		-	-
	Shariah advisor fee		-	-
	Tax deducted at source		72,903	76,440
	EOBI payable		2,080	-
	Outstanding agency commissions		2,813,191	767,797
	Auditors' remunaration		105,000	105,000
	Others		-	6,240
			2,993,174	955,477

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		NOTE	2018 RUPEES	2017 RUPEES
13	**CONTINGENCY(IES) AND COMMITMENT(S)**			
13.1	**Contingencies**			
	There is no known contigency as at December 31, 2018 (2017: Maximum Rs. 1 million).			
13.2	**Commitments**			
	There is no known commitment as at December 31, 2018 (2017: Nil).			
14	**NET TAKAFUL CONTRIBUTION**			
	Written gross contribution		**42,583,721**	27,579,389
	Less: Wakala fee		**(17,033,489)**	(11,031,756)
			25,550,232	16,547,633
	Add: Provision for unearned contribution - Opening		**8,501,680**	4,686,902
	Less: Provision for unearned contribution - Closing		**(12,541,332)**	(8,501,680)
	Contribution earned		**21,510,580**	12,732,855
	Less: Re-takaful contribution ceded		**(13,066,967)**	(13,035,002)
	Add: Prepaid re-takaful contribution - Opening		**(4,862,750)**	(6,050,749)
	Less: Prepaid re-takaful contribution - Closing		**4,851,787**	4,862,750
	Re-takaful expense		**(13,077,930)**	(14,223,001)
			8,432,650	(1,490,146)
15	**NET TAKAFUL CLAIMS**			
	Claims Paid		**5,039,138**	2,751,478
	Add: Outstanding claims including IBNR - Closing	15.1	**2,317,314**	1,694,604
	Less: Outstanding claims including IBNR - Opening		**(1,694,604)**	(390,636)
	Claims expense		**5,661,848**	4,055,446
	Less: Re-takaful and other recoveries received		-	-
	Add: Re-takaful and other recoveries in respect of outstanding claims - Closing		-	-
	Less: Re-takaful and other recoveries in respect of outstanding claims - Opening		-	-
	Re-takaful and other recoveries revenue		-	-
			5,661,848	4,055,446
15.1	**Claim development**			
	There is no claim for which there is uncertainty about the amount and timing of the claim payment and will be paid within 1 year.			
16	**NET REBATE ON RETAKAFUL**			
	Rebate received or recoverable		**16,392**	-
	Add: Unearned re-takaful rebate - opening		-	-
	Less: Unearned re-takaful rebate - closing		**(2,732)**	-
	Rebate from reinsurers		**13,660**	-
17	**DIRECT EXPENSES**			
	Bank charges		**5,938**	7,043
	Others		**24,823**	10,505
			30,761	17,548
18	**OTHER INCOME**			
	Return on bank balances		**805,719**	256,646
	Other income		**224,943**	182,410
			1,030,662	439,056
19	**WAKALA FEE**			
	Wakala fee		**17,033,489**	11,031,756
20	**NET COMMISSION AND OTHER ACQUISITION COSTS**			
	Commission paid or payable		**8,067,454**	3,758,350
	Add: Deferred commission expense - opening		**1,981,404**	1,022,960
	Less: Deferred commission expense - closing		**(3,875,426)**	(1,981,404)
	Net Commission		**6,173,432**	2,799,906

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		NOTE	2018 RUPEES	2017 RUPEES
21	**MANAGEMENT EXPENSES**			
	Employee benefit cost	21.1	1,892,683	2,259,245
	Travelling and conveyance		139,349	152,322
	Repairs and maintenance		47,906	56,352
	Printing and stationery		68,000	102,223
	Bank charges		4,649	114
	Others		44,218	75,000
			2,196,805	2,645,256
21.1	**Employee benefit cost**			
	Salaries, allowance and other benefits		1,840,079	2,118,104
	Charges for post employment benefit		52,604	141,141
			1,892,683	2,259,245
22	**OTHER INCOME**			
	Return on bank balances		822,284	1,291,775
23	**INVESTMENT INCOME**			
	Income from term deposits			
	Held to maturity			
	Return on term deposits	23.1	-	78,773
	Less: Investment related expenses		-	-
			-	78,773

23.1 The rate of return on term deposit is Nil (2017 : 3.90% to 4.79%).

		NOTE	2018 RUPEES	2017 RUPEES
24	**OTHER EXPENSES**			
	Shariah advisor fee		900,000	1,200,000
	Legal and professional charges		-	30,000
	Auditors' remuneration	24.1	157,500	162,500
			1,057,500	1,392,500
24.1	**AUDITORS' REMUNERATION**			
	Audit fee		105,000	105,000
	Half yearly review		52,500	57,500
	Special certification and sundry advisory services		-	-
	Out-of-pocket expenses		-	-
			157,500	162,500

25 REMUNERATION OF EXECUTIVES

	Chief Executive		Directors		Executives	
	2018 Rupees	2017 Rupees	**2018 Rupees**	2017 Rupees	**2018 Rupees**	2017 Rupees
Managerial remuneration	-	-	-	-	2,520,000	2,520,000
Leave encashment	-	-	-	-	-	-
Bonus	-	-	-	-	220,000	220,000
Ex-gratia allowance	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	130,287	130,287
	-	-	-	-	2,870,287	2,870,287
Number of persons	-	-	-	-	2	2

26 RELATED PARTY TRANSACTION

Related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relation with undertaking	Nature and transaction	2018	2017
Balances at year end:			
Staff retirement benefits plan	(Payable) to defined benefit plan	(2,638)	(17,402)
Transactions during the year:			
Key management personnel	Remuneration of key management personnel	2,520,000	2,520,000
Staff retirement benefits plan	Provision for Provident fund during the year	51,561	140,098

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27 SEGMENT INFORMATION

The operator has four primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor and miscellaneous.

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of contribution written by each segment.

2018	Rupees					
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	MISCELLANEOUS	TREATY	TOTAL
Contribution received (inclusive of FED, FIF and Admin Surcharge)	22,702,613	7,967,416	14,946,372	2,041,880	-	47,658,281
Less: Federal Excise Duty/Sales Tax	(2,321,341)	(1,027,286)	(1,197,314)	(214,328)	-	(4,760,269)
Federal Takaful Fee	(151,425)	(67,586)	(79,580)	(15,700)	-	(314,291)
Gross written contribution (inclusive of Admin surcharge)	20,229,847	6,872,544	13,669,478	1,811,852	-	42,583,721
Gross direct contribution	14,657,198	6,459,088	7,719,441	1,538,013	-	30,373,740
Facultative inward contribution	5,085,426	114,423	5,710,608	241,715	-	11,152,172
Administrative surcharge	487,223	299,033	239,429	32,124	-	1,057,809
Takaful contribution earned	8,871,586	3,780,664	7,830,214	1,028,116	-	21,510,580
Takaful contribution ceded to retakaful	(4,412,168)	(4,480,094)	(1,477,500)	(2,708,168)	-	(13,077,930)
Net Takaful contribution	4,459,418	(699,430)	6,352,714	(1,680,052)	-	8,432,650
Rebate income	-	13,660	-	-	-	13,660
Net underwriting income	4,459,418	(685,770)	6,352,714	(1,680,052)	-	8,446,310
Takaful claims	177,108	(382,129)	(4,800,830)	(655,997)	-	(5,661,848)
Takaful claims recovered from retakaful	-	-	-	-	-	-
Net claims	177,108	(382,129)	(4,800,830)	(655,997)	-	(5,661,848)
Direct expenses	(12,687)	(5,407)	(11,198)	(1,469)	-	(30,761)
Contribution deficiency expense	-	-	-	-	-	-
Net Takaful claims and expenses	164,421	(387,536)	(4,812,028)	(657,466)	-	(5,692,609)
Underwriting results	4,294,997	(298,234)	11,164,742	(1,022,586)	-	2,753,701
Other income						1,030,662
Other expenses						-
Result of operating activities-PTF						3,784,363
Operators' fund account						
Wakala fee						17,033,489
Net Commission and other acquisition costs						(6,173,432)
Management expenses						(2,196,805)
Other income						822,284
Investment income						-
Other expenses						(1,057,500)
Profit for the period						8,428,036
Segment assets - (PTF)	8,893,347	2,837,021	5,246,309	1,952,290	-	18,928,967
Unallocated assets - (PTF)						12,291,782
Total assets - (PTF)						31,220,749
Segment assets - (OPF)	2,835,421	252,751	692,718	94,536	-	3,875,426
Unallocated assets - (OPF)						45,971,310
Total assets - (OPF)						49,846,736
Segment liabilities - (PTF)	7,578,900	1,103,717	6,057,480	942,817	-	15,682,914
Unallocated liabilities - (PTF)						4,921,004
Total liabilities - (PTF)						20,603,918
Segment liabilities - (OPF)	1,336,436	454,018	903,041	119,696	-	2,813,191
Unallocated liabilities - (OPF)						182,621
Total liabilities - (OPF)						2,995,812

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27.1 SEGMENT INFORMATION

The operator has four primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor and miscellaneous.

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of contribution written by each segment.

2017	Rupees					
	FIRE AND PROPERTY DAMAGE	MARINE AVIATION AND TRANSPORT	MOTOR	MISCELLANEOUS	TREATY	TOTAL
Contribution received (inclusive of FED, FIF and Admin Surcharge)	10,799,046	3,541,803	14,718,304	1,353,994	-	30,413,147
Less: Federal Excise Duty/Sales Tax	(963,328)	(461,863)	(1,196,963)	(29,111)	-	(2,651,265)
Federal Takaful Fee	(62,525)	(29,795)	(80,822)	(9,321)	-	(182,463)
Gross written contribution (inclusive of Admin surcharge)	9,773,163	3,050,145	13,440,519	1,315,562	-	27,579,389
Gross direct contribution	6,022,601	2,843,852	7,836,439	918,857	-	17,621,749
Facultative inward contribution	3,515,646	71,761	5,359,926	383,467	-	9,330,800
Administrative surcharge	234,916	134,532	244,154	13,238	-	626,840
Takaful contribution earned	3,654,161	1,694,087	7,084,306	300,301	-	12,732,855
Takaful contribution ceded to retakaful	(5,600,666)	(4,412,667)	(1,500,000)	(2,709,668)	-	(14,223,001)
Net Takaful contribution	(1,946,505)	(2,718,580)	5,584,306	(2,409,367)	-	(1,490,146)
Rebate income	-	-	-	-	-	-
Net underwriting income	(1,946,505)	(2,718,580)	5,584,306	(2,409,367)	-	(1,490,146)
Takaful claims	(400,000)	(691,242)	(2,506,365)	(457,839)	-	(4,055,446)
Takaful claims recovered from retakaful	-	-	-	-	-	-
Net claims	(400,000)	(691,242)	(2,506,365)	(457,839)	-	(4,055,446)
Direct expenses	(6,218)	(1,941)	(8,552)	(837)	-	(17,548)
Contribution deficiency expense	-	-	-	-	-	-
Net Takaful claims and expenses	(406,218)	(693,183)	(2,514,917)	(458,676)	-	(4,072,994)
Underwriting results	(2,352,723)	(3,411,763)	3,069,389	(2,868,043)	-	(5,563,140)
Other income						439,056
Other expenses						-
Result of operating activities-PTF						(5,124,084)
Operators' fund account						
Wakala fee						11,031,756
Net Commission and other acquisition costs						(2,799,906)
Management expenses						(2,645,256)
Other income						1,291,775
Investment income						78,773
Other expenses						(1,392,500)
Profit for the year						5,564,642
Segment assets - (PTF)	3,973,160	1,102,999	3,179,823	1,592,665	-	9,848,647
Unallocated assets - (PTF)						31,264,144
Total assets - (PTF)						41,112,791
Segment assets - (OPF)	1,204,589	69,628	629,206	77,981	-	1,981,404
Unallocated assets - (OPF)						42,414,363
Total assets - (OPF)						44,395,767
Segment liabilities - (PTF)	4,232,175	421,787	4,980,482	931,158	-	10,565,602
Unallocated liabilities - (PTF)						28,714,721
Total liabilities - (PTF)						39,280,323
Segment liabilities - (OPF)	338,587	105,671	465,641	45,577	-	955,476
Unallocated liabilities - (OPF)						17,403
Total liabilities - (OPF)						972,879

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28 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through P&L	Total
At beginning of previous year				-
Additions	-	-	-	-
Disposals (sale and redemption)	-	-	-	-
Fair value net gains (excluding net realised gains)	-	-	-	-
Designated at fair value through profit or loss upon initial recognition	-	-	-	-
Classified as held for trading	-	-	-	-
Impairment losses	-	-	-	-
At beginning of current year	-	-	-	-
Additions	-	-	-	-
Disposals (sale and redemption)	-	-	-	-
Fair value net gains (excluding net realised gains)	-	-	-	-
Designated at fair value through profit or loss upon initial recognition	-	-	-	-
Classified as held for trading	-	-	-	-
Impairment losses	-	-	-	-
At end of current year	-	-	-	-

29 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

29.1 Risk management framework

The Company is exposed to a variety of financial risks: credit risk, liquidity risk, market risk (comprising currency risk, interest rate risk and other price risk) that could result in a reduction in Company's net assets or a reduction in the profits. The Company's overall risk management program focuses on unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall risks arising from the company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risks without any material change from previous year in the manner described in the notes below. The Board of Directors has the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policy.

29.2 Takaful risks

29.2.1 Takaful risk

The company accepts the takaful risk through its takaful contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The company manages its risk via its underwriting and retakaful strategy within an overall risk management framework. Exposures are managed by having documented underwriting limits and criteria. Retakaful is purchased to mitigate the effect of potential loss to the company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Retakaful policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

A concentration of risk may also arise from a single takaful contract issued to a particular demographic type of policy holder, within a geographical location or to types of commercial business. The company minimizes its exposure to significant losses by obtaining retakaful from a number of retakaful, who are dispersed over several geographical regions.

Geographical concentration of takaful risk

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial/industrial/residential occupation of the insurers. Details regarding the fire separation/segregation with respect to the manufacturing processes, storage, utilities etc. are extracted from the layout plan of the insured facility. Such details form part of the reports which are made available to the underwriters/retakaful personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan) for instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors, physical separation between the buildings within an insured's premises. It is basically that the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

Address look up and geocoding is the essential field of the policy data interphase of IT systems. It provides instant location which is dependent on data collection provided under the policy schedule. All critical underwriting information is punched into the IT system/application through which a number of MIS reports can be generated to assess the concentration of risk.

For Marine risk, complete underwriting details, besides sums covered and contribution, like vessel identification, voyage input (sea/air/inland transit), sailing dates, origin and destination of the shipments, per carry limits etc. are fed into the IT system. The retakaful module of the IT system is designed to satisfy the requirements as laid down in the proportional treaty agreement. Shipment declarations are also endorsed on the policies. Respective retakaful cessions are automatically made upon the posting of policy documents.

29.2.2 Retakaful arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non proportional retakaful arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, any loss over and above the said limit would be recovered from the non proportional treaty which is very much in line with the risk management philosophy of the Company.

In compliance with the regulatory requirement, the retakaful agreements are duly submitted with Securities and Exchange Commission of Pakistan on an annual basis.

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The concentration of risk by type of contracts is summarized below by reference to liabilities.

	Gross sum covered		Retakaful Cover		Net Liability	
	2018	2017	2018	2017	2018	2017
	Rupees					
Fire and property damage	**23,004,399,472**	12,264,120,063	**5,060,967,884**	5,673,381,941	**17,943,431,588**	6,590,738,122
Marine aviation and transport	**7,656,942,943**	2,655,039,916	**1,684,527,447**	1,486,822,353	**5,972,415,496**	1,168,217,563
Motor	**1,046,079,495**	736,821,732	**115,068,744**	83,776,631	**931,010,751**	653,045,101
Miscellaneous	**249,724,928**	49,360,100	**105,954,964**	13,031,359	**143,769,964**	36,328,741
	31,957,146,838	15,705,341,811	**6,966,519,039**	7,257,012,284	**24,990,627,799**	8,448,329,527

29.2.3 Uncertainty in the estimation of future claims payment

Claims on general takaful contracts are payable on a claim occurrence basis. The operator is liable for all insured events that occur during the term of the takaful contract.

An estimated amount of the claim is recorded immediately on intimation to the Company. The estimation of the amount is based on the amount notified by the policy holder, management or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. Incurred But Not Reported (IBNR) claims have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level. IBNR for all classes is determined and recognized in accordance with valuation carried out by an appointed actuary which is also based on Chain Ladder (CL) method.

There are several variable factors which affect the amount and timing of recognized claim liabilities. However, the management considers that uncertainty about the amount and timing of claim payments is generally resolved within a year. The operator takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from recognised amounts.

29.2.4 Key assumptions

The principal assumption underlying the liability estimation of IBNR and contribution deficiency reserve is that the operator's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

29.2.5 Sensitivity analysis

The risks associated with the takaful contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The sensitivity analysis is performed on the same basis as that of last year. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for takaful claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

As the company enters into short term takaful contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of retakaful.

	Pre tax Profit		Participants' Takaful Fund	
	2018	2017	2018	2017
	Rupees			
10% decrease in profit				
Fire and property damage	**(17,711)**	4,000	**(17,711)**	2,640
Marine aviation and transport	**38,213**	6,912	**38,213**	4,562
Motor	**480,083**	25,064	**480,083**	16,542
Miscellaneous	**65,600**	45,784	**65,600**	30,217
	566,185	81,760	**566,185**	53,962

10% increase in loss would have the same but opposite impact on above analysis.

29.3 Credit risk and concentration of credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the Company's exposure to credit risk through monitoring of clients exposure and conservative estimates of provision for doubtful assets, if any. The management is of the view that it is not exposed to the significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	Category of financial assets	2018	2017
		Rupees	Rupees
Current and other accounts	Loans & Receivables	**54,013,384**	45,667,225
Term deposits	Loans & Receivables	-	-
Takaful / re-takaful receivables	Loans & Receivables	**14,077,180**	4,985,897
Loan and other receivables	Loans & Receivables	**4,248,681**	28,000,788
		72,339,245	78,653,910

The company did not hold any collateral against the above during the year. General provision is made for receivables according to the Company's policy. This impairment provision is utilized to write off a financial asset when it is determined that Company cannot recover the balance due.

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The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2018	2017
	Short term	Long term		Rupees	Rupees
Sindh Bank Limited	A-1+	AA	JCR-VIS	14,284,540	25,282,754
Meezan Bank Limited	A-1+	AA	JCR-VIS	35,933,124	10,389,619
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	103	99
Bank Islami Pakistan Ltd.	A1	A+	PACRA	3,795,617	10,000,000
				54,013,384	45,672,472

The following are the contractual maturities of financial liabilities on an undiscounted cash flow basis:

Financial liabilities: 2018	Carrying Amount	Up to One Year	More Than One Year
Provision for outstanding claims (including IBNR)	2,317,314	2,317,314	-
Takaful / re-takaful payables	291,968	291,968	-
Other creditors and accruals	7,911,446	7,911,446	-
	10,520,728	10,520,728	-

Financial liabilities: 2017	Carrying Amount	Up to One Year	More Than One Year
Provision for outstanding claims (including IBNR)	1,694,604	1,694,604	-
Takaful / re-takaful payables	87,250	87,250	-
Other creditors and accruals	29,670,198	29,670,198	-
	31,452,052	31,452,052	-

Age analysis of financial assets is as under:

Financial assets: 2018	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
Takaful / re-takaful receivables	14,077,180	11,954,388	2,122,792	-
Loan and other receivables	4,248,681	4,248,681	-	-
	18,325,861	16,203,069	2,122,792	-

Financial assets: 2017	Carrying Amount	Up to One Year	From 1 - 2 years	More than 2 years
Takaful / re-takaful receivables	4,985,897	4,985,897	-	-
Loan and other receivables	28,000,788	28,000,788	-	-
	32,986,685	32,986,685	-	-

The credit quality of amount due from other takaful/ retakaful and retakaful recoveries against outstanding claims can be assessed with reference to external credit ratings as follows:

	Amount due from other takaful / retakaful	Retakaful recoveries against outstanding claims	2018	2017
			Rupees	
A or above (including PRCL)	8,559,984	-	8,559,984	2,675,802
Others	-	-	-	-
Total	8,559,984	-	8,559,984	2,675,802

29.4 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company finances its operations through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

On the statement of financial position date, company has cash and bank balances of Rs. 54,014,411/- (2017: Rs. 45,677,719/-).

29.5 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are interest/mark up rate risk and price risk. The Company is not exposed to material currency risk.

a) Interest/mark up rate risk

Interest/mark up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark up rates. Sensitivity to interest/mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The company manages these mismatches through risk management strategies.

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At the statement of financial position date, the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

Financial assets	**2018**	2017	**2018**	2017
	Effective interest rate (in %)		**Rupees**	Rupees
Saving accounts	**2.40% to 6.00%**	2.90% to 5.20%	**54,013,384**	45,672,472
Term deposit	**Nil**	3.90% to 4.79%	**-**	-
			54,013,384	45,672,472

Sensitivity analysis

For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates at the reporting date would have decreased/(increased) profit for the year by the amounts shown below.

	2018	2017
	Rupees	Rupees
Cash flow sensitivity - Variable rate financial assets	**540,134**	456,725

It is assumed, for the purpose of sensitivity analysis, that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details. The analysis assumes that all other variables remain constant.

b) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is not exposed to equity price risk since it has no significant investments in quoted equity securities at the statement of financial position date. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. Nil/- (2017: Nil/-) at the statement of financial position date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. The Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. The Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are based on quoted market prices as of the statement of financial position date and available for sale equity instruments which are based on quoted market prices as of the statement of financial position date in accordance with the requirements of the Insurance Accounting Rules and Regulations issued by the Securities and Exchange Commission of Pakistan (SECP), dated February 09, 2017.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarizes company's equity price risk as of December 31, 2018 and December 31, 2017 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios, results could be worse because of the nature of equity markets.

Equity investments have been measured at fair values as required by IAS 39 "Financial Instruments: Recognition and Measurement", the impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/(decrease) in profit before tax
31-Dec-18	**-**	**10% increase**	**-**	**-**	**-**
		10% decrease	**-**	**-**	**-**
31-Dec-17	-	10% increase	-	-	-
		10% decrease	-	-	-

29.6 FUND MANAGEMENT

The operator's objectives when managing capital or to safeguard operator's ability to continue as going concern in order to provide returns for operator or participants and to offer benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the amount of return paid to operators or to participants may be adjusted.

29.7 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for equity and debt instruments whose fair values have been disclosed in their respective notes to these financial statements. Fair value is determined on the basis of objective evidence at each reporting date. The company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in active market for identical instrument.
Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Valuation techniques using significant unobservable inputs.

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	Level-1	Level-2	Level-3	Total
		Rupees		
As at December 31, 2018				
At fair value through profit or loss-Held for trading	-	-	-	-
At fair value through OCI - Available for sale	-	-	-	-
As at December 31, 2017				
At fair value through profit or loss-Held for trading	-	-	-	-
At fair value through OCI - Available for sale	-	-	-	-

30 FINANCIAL ASSETS AND LIABILITIES

2018										
FINANCIAL ASSETS AND LIABILITIES	Effective Yield/ Mark-up rate per annum	Interest/mark-up bearing				Non-Interest/mark-up bearing				Total
		Maturity upto one year	Maturity over one year to five years	Maturity over five years	Sub Total	Maturity upto one year	Maturity over one year to five years	Maturity over five years	Sub Total	
	%	Rupees								
FINANCIAL ASSETS										
Investments	Nil	-	-	-	-	-	-	-	-	-
Loans and others receivables	-	-	-	-	-	4,248,681	-	-	4,248,681	4,248,681
Takaful / Re-takaful receivables	-	-	-	-	-	14,077,180	-	-	14,077,180	14,077,180
Retakaful recoveries against outstanding claims	-	-	-	-	-	-	-	-	-	-
Cash and bank deposits	2.40% to 6.00%	54,013,384	-	-	54,013,384	1,027	-	-	1,027	54,014,411
		54,013,384	-	-	54,013,384	18,326,888	-	-	18,326,888	72,340,272
FINANCIAL LIABILITIES										
Provision for outstanding claims (including IBNR)	-	-	-	-	-	2,317,314	-	-	2,317,314	2,317,314
Contribution received in advance	-	-	-	-	-	532,300	-	-	532,300	532,300
Takaful / Re-takaful payables	-	-	-	-	-	291,968	-	-	291,968	291,968
Other creditors and accruals	-	-	-	-	-	7,911,446	-	-	7,911,446	7,911,446
		-	-	-	-	11,053,028	-	-	11,053,028	11,053,028

2017										
FINANCIAL ASSETS AND LIABILITIES	Effective Yield/ Mark-up rate per annum	Interest/mark-up bearing				Non-Interest/mark-up bearing				Total
		Maturity upto one year	Maturity over one year to five years	Maturity over five years	Sub Total	Maturity upto one year	Maturity over one year to five years	Maturity over five years	Sub Total	
	%	Rupees								
FINANCIAL ASSETS										
Investments	3.90% to 4.79%	-	-	-	-	-	-	-	-	-
Loans and others receivables	-	-	-	-	-	28,000,788	-	-	28,000,788	28,000,788
Takaful / Re-takaful receivables	-	-	-	-	-	4,985,897	-	-	4,985,897	4,985,897
Retakaful recoveries against outstanding claims	-	-	-	-	-	-	-	-	-	-
Cash and bank deposits	2.90% to 5.20%	45,672,472	-	-	45,672,472	-	-	-	-	45,672,472
		45,672,472	-	-	45,672,472	32,986,685	-	-	32,986,685	78,659,157
FINANCIAL LIABILITIES										
Provision for outstanding claims (including IBNR)	-	-	-	-	-	1,694,604	-	-	1,694,604	1,694,604
Contribution received in advance	-	-	-	-	-	282,068	-	-	282,068	282,068
Takaful / Re-takaful payables	-	-	-	-	-	87,250	-	-	87,250	87,250
Other creditors and accruals	-	-	-	-	-	29,670,198	-	-	29,670,198	29,670,198
		-	-	-	-	31,734,120	-	-	31,734,120	31,734,120

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31 STATEMENT OF SOLVENCY

	2018 Rupees
Assets	
Property and equipment	-
Investments	
Equity Securities	-
Debt Securities	-
Term deposits	-
Loans and others receivables	-
Takaful / Re-takaful receivables	14,077,180
Retakaful recoveries against outstanding claims	-
Prepayments	4,851,787
Cash & bank	12,291,782
Total assets (A)	31,220,749
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordianance, 2000.	
(h) Takaful / Re-takaful receivables	9,057,312
(q)	-
(u)	-
(v)	-
Total of Inadmissible assets (B)	9,057,312
Total Admissible assets (C=A-B)	22,163,437
Total Liabilities	
Underwriting provisions	
Provision for outstanding claims (including IBNR)	2,317,314
Contribution deficiency reserve	-
Reserve for unearned contribution	12,541,332
Reserve for unearned retakaful rebate	2,732
Contributions received in advance	532,300
Takaful / Re-takaful payables	291,968
Other creditors and accruals	4,918,272
Total liabilities (D)	20,603,918
Total net Admissible assets (E=C-D)	1,559,519

Minimum Solvency Requirment

As per requirement of section 10(k) of Takaful Rules, 2012 An Operator shall ensure that in case of General takaful each participant takaful fund,at all times, has admissible assets in excess of its liabilities.

32 CORRESPONDING FIGURES

- Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons. No significant reclassifications made during the current year.

33 SUBSEQUENT EVENTS - NON ADJUSTING EVENTS

There is no event causing adjustment to or disclosure in financial statements.

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on March 27, 2019 by the Board of Directors of the company.

35 GENERAL

- The figures are rounded off to the nearest rupee.

Chief Executive Officer	Director	Director	Chairman	Chief Financial Officer

BRANCHES NETWORK

Detail of Branches/Sub Offices across the Country

Head Office

Asia House 19 C/D, Block-L, Gulberg-III Main Ferozepur Road, Lahore
Ph: 042-35865574-78 Fax: 042-35865579
Info@asiainsurance.com.pk
www.asiainsurance.com.pk

Health/Agri/Travel Division

Asia House 19 C/D, Block-L, Gulberg-III Main Ferozepur Road, Lahore
Ph: 042-35865574-78 Fax: 042-35865579
Info@asiainsurance.com.pk
www.asiainsurance.com.pk

Window Takaful Operation

Asia House 19 C/D, Block-L, Gulberg-III Main Ferozepur Road, Lahore
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takaful@asiainsurance.com.pk
info@asiatakaful.com.pk

LAHORE

Taj Arcade Office

Suite No. 33-34, 1st Floor, Taj Arcade, Opposite Service Hospital, Jail Road, Lahore.
Ph: 042-35408325-27-29
lhr.tajarcade@asiainsurance.com.pk

Barkat Market Office

Flat No. 5, 5th Floor 24, Civic Center, Shan Arcade,Barkat Market, Lahore.
Ph: 042-35941822 Fax: 042-35941823
barkat.market@asiainsurance.com.pk

Mumtaz Centre Office

Suit No. 7, Ist Floor, Mumtaz Centre, 15-A, Shahrah-e-Fatima Jinnah, Lahore.
Ph: 042-36299472-3, Fax:042-36299471
mumtazcentre@asiainsurance.com.pk

Land Mark PlazaOffice

330 3rd floor, land mark plaza, Jail Road, Lahore.Ph:04235764121
Land.mark@asiainsurance.com.pk

Abbot Road Office

2nd **Floor**, **Asif Center**, 19 – A Abbot **Road**, Lahore.
Ph:04236308070 Fax: 04236308066
Abbot@asiainsurance.com.pk

Faisalabad Kutchery Bazar Office

Office No. 08, 4th Floor, Sidiq Plaza, Outside Kutchery Bazar, Circular Road, Faisalabad.
Ph: 041-2605557-58 Fax: 041-2605559
fsd@asiainsurance.com.pk

Faisalabad Kotwali Road Office

Taj Plaza, 3rd Floor, Opposite Shell Petrol Pump Kotwali Road, Faisalabad.
Ph : 041-2648291 , 041-2412192
fsd3@asiainsurance.com.pk

KARACHI Offices

Karachi I

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Ph: 021-32461834-5
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Karachi III+IV

Room No. 604, 6th Floor, Business Plaza Plot No. 8/2 Mumtaz Hussain Road, I.I Chundrigar Road, Karachi.
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Karachi V

801, 8th Floor, Business Plaza, Mumtaz Hussan Road, I.I. Chundrigar Road, Karachi.
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BRANCHES NETWORK

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Bohra Street, Multan Cantt
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mnt@asiainsurance.com.pk

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Sialkot Defence Road Office
Al-Rehman Center Defence Road, Sialkot.
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Sialkot Paris Road Office
Obrai Building, Paris Road,
Sialkot.
Ph: 052-4591023-24-25 Fax:052-4593022
skt@asiainsurance.com.pk

Peshawar Office
Deans Trade Centre,
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Peshawar Cantt
Ph: 091-5603040,
psw@asiainsurance.com.pk

Abbotabad Office
Representative Office
abbt@asiainsurance.com.pk

Rawalpindi Bank Road Office
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Ph: 051-5582116-7Fax: 051-5582118
rwp@asiainsurance.com.pk

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C-09 3rd Floor Masood Arcade,IJP Road,
Rawalpindi.
Ph # 051-4844001-2
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Gojra Muzaffarabad,AJK
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muz@asiainsurance.com.pk

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Office No. 1, Ist Floor, United Center,
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Bus Terminal, Bahawalpur
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bwp@asiainsurance.com.pk

D. G Khan Office
First Floor Shop No.55, Block A,
Bank Road, Dera Ghazi Khan
Contact # 03154008229
dgk@asiainsurance.com.pk

We've got You covered

Investor's Awareness

With reference to SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been added for investor's awareness:

PROXY FORM

Option 1
Appointing other person a Proxy

I/We _______________ of _______________ being a member of Asia Insurance Company Limited and holder of _______________ (number of shares) Ordinary Shares as per Registered Folio No. _______________ hereby appoint Mr./Ms. _______________ of _______________ or failing whom Mr./Ms. _______________ of _______________ as my/our proxy to vote for me/us and on my/our behalf at the (annual, extraordinary general meeting as the case may be) of the Company to be held on _______________ and at any adjourned thereof.

Signed under my/our this _______________ day of _______________, 20____.

Sign Across
Revenue Stamp
Rs. 5/-

____
Signature should agree
With the specimen signature
Registered with the Company

Signed in presence of:

____
Signature of Witness

____
Signature of Witness

Option 2
E-voting as per The Companies (E-voting) Regulations, 2016

I/We, _______________ of _______________ being a member of Asia Insurance Company Limited and holder of, _______________ (number of shares) Ordinary Shares as per Registered Folio No. _______________, hereby appoint for e-voting through intermediary and hereby consent the appointment of execution officer _______________ as proxy and will exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolution.

My secured email address is _______________________. Please send login details, password and electronic signature through email.

Sign Across
Revenue Stamp
Rs. 5/-

____
Signature should agree
With the specimen signature
Registered with the Company

Signed in presence of:

____
Signature of Witness

____
Signature of Witness

Important:

- This form of Proxy, duly completed, must be deposited at the Company's Registered Office at Asia House, 19 C/D, Block-L, Gulberg III, Main Ferozpur Road, Lahore, not later than 48 hours before the time appointed for the meeting.
- CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
- CDC Shareholders or their Proxies are requested to bring with them their Original Computerized National Identity Card or Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

2. کمپنی کے (ای۔ووٹنگ) ضوابط 2016ء کے تحت ای۔ووٹنگ

ایشیا انشورنس کمپنی لمیٹڈ کے رکن اور رجسٹرڈ فولیو نمبر.................................... کے تحت ....
(حصص کی تعداد) کے عمومی حصص کا مالک ہونے کی حیثیت سے میں/ہم ....
رہائش ....
ای ووٹنگ کے کئے تقرر کرتے ہیں بذریعہ ثالث اور عمل کرنے والے افسر.............................. کی ایک پراکسی/نمائندہ کی حیثیت سے تقرری پر رضامندی ظاہر کرتے ہیں اور کمپنی کے (ای۔ووٹنگ) ضوابط 2016ء کے تحت ای۔ووٹنگ پر عمل کریں گے، پس قرارداد پر پولنگ کی استدعا کرتے ہیں۔

میرا محفوظ ای میل ایڈریس.................................... ہے۔ برائے مہربانی لاگ ان تفصیلات، پاس ورڈ اور الیکٹرانک دستخط ای میل کے ذریعے بھیج دیں۔

5 روپے کاریونیو سٹیمپ

(دستخط کمپنی کے رجسٹرڈ نمونہ کے دستخط کے مطابق ہونے چاہئیں)

کی موجودگی میں دستخط کیئے گئے:

گواہ کے دستخط

گواہ کے دستخط

ہدایات:

- ✓ مکمل پُر شدہ یہ پراکسی فارم کمپنی کے رجسٹرڈ آفس ایشیا ہاؤس C/D، 19 بلاک۔L، گلبرگ III، مین فیروز پور روڈ، لاہور، میں اجلاس کے آغاز سے 48 گھنٹے پہلے پہنچ جانا چاہئے۔
- ✓ CDC حصص داران اور ان کے نمائندے/ پراکسی کو درخواست کی جاتی ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) اور پاسپورٹ کی تصدیق شدہ نقول اس پراکسی فارم کے ساتھ منسلک کریں۔
- ✓ CDC حصص داران اور ان کے نمائندے/ پراکسی کو درخواست کی جاتی ہے کہ سالانہ اجلاس عام میں شمولیت کے موقع پر اپنی شناخت ثابت کرنے کے لئے وہ اپنا اصلی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ بمع شامل ہونے کا آئی ڈی نمبر اور اپنا اکاؤنٹ نمبر ہمراہ لائیں۔

1. کسی شخص کا اپنا نمائندہ/ پراکسی مقرر کرنا

ایشیا انشورنس کمپنی لمیٹڈ کے رکن اور رجسٹرڈ فولیو نمبر.................... کے تحت....................

(حصص کی تعداد) کے عمومی حصص کا مالک ہونے کی حیثیت سے میں/ ہم....................

رہائش....................،

میرے/ ہمارے لئے ووٹ کرنے اور میری/ ہماری جگہ پر کمپنی کے سالانہ/ غیر معمولی اجلاس عام، جو بھی معاملہ ہو منعقدہ....................

میں شرکت کرنے کے لئے اور اس کی معطلی کی صورت میں محترم/ محترمہ....................

رہائش.................... کو یا نا کامی کی صورت میں،

محترم/ محترمہ.................... رہائش....................

کو اپنا پراکسی/ نمائندہ مقرر کرتے ہیں۔

.... ، 20__ کو دستخط کئے گئے۔

5 روپے کاریونیو سٹیمپ

____

(دستخط کمپنی کے رجسٹرڈ نمونہ کے دستخط کے مطابق ہونے چاہئیں)

کی موجودگی میں دستخط کئے گئے: ____________________

گواہ کے دستخط

گواہ کے دستخط