



Jubilee
GENERAL INSURANCE

level next

NINE MONTHS REPORT (Unaudited) **2019**

Jubilee General Insurance Company Limited



JCR-VIS



PACRA

A.M BEST

MAP

Top Position in Financial Category 33rd MAP
Corporate Excellence Award

ICAP & ICMAP

Top Position in NBFCs
Best Corporate Report &
Sustainability Award

Lloyd's Register LRQA

ISO 9001:2015
(All Functions including Enterprise
Risk Management)

FPCI

Outstanding Service in Insurance

Insurance Journal

Corporate Social Responsibility
Highest Donation (2013-2015)

SAFA

Certificate of Merit
(Insurance Sector)



A PREMIUM ACHIEVEMENT

It's customer TRUST we keep growing

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

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

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Corporate Information

Chairman of the Board of Directors

Towfiq H. Chinoy

Directors

Sadrudin Hashwani

Akbarali Pesnani

John Joseph Metcalf

R. Zakir Mahmood

Amin A. Hashwani

Amyr Currimbhoy

Farhan Talib

Managing Director and Chief Executive

Tahir Ahmed

Chief Financial Officer

Nawaid Jamal

Company Secretary

Fahad Alam

Auditors

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

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Legal Advisor

Surridge & Beechono

Bankers

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
Soneri Bank Limited
Bank Alfalah Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited

Share Registrar

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.,
Karachi
UAN: (92-21) 111 - 000 - 322
Tel: (92-21) 34168266-70

Head Office / Registered Office

2nd Floor, Jubilee Insurance House
I.I. Chundrigar Road, Karachi, Pakistan.

UAN: (92-21) 111 - 654 - 111
Toll Free: 0800-03786
Tel: (92-21) 32416022-26
Fax: (92-21) 32416728, 32438738

Email: info@jubileegeneral.com.pk
Website: www.jubileegeneral.com.pk

National Tax Number

0711347-1

Sales Tax Registration Number

1600980500182

Directors' Review

The Board of Directors is pleased to present the unaudited financial statements of the Company for nine months ended September 30, 2019.

Company Performance

By the grace of Allah, your Company's top line had good growth in the quarter and the Gross Written Premium (GWP) including Contribution Written in Window Takaful Operations grew by 4% to achieve Rs 8.77 billion (2018: Rs 8.45 billion). The combined Net Premium / Contribution maintained its 7% growth to reach Rs 4.37 billion (2018: Rs 4.08 billion). Management's efforts to maintain balanced and diversified business have yielded a healthy technical profit of Rs 365.12 million (2018: Rs 150.28 million).

Unfortunately, the Pakistan Stock Exchange has recorded a decline of 13% since the start of the current year. Nevertheless, Company posted an investment income of Rs 542.06 million (2018: Rs 993 million).

Insurance

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

	September 30, 2019	September 30, 2018
	(Rupees in '000)	
Gross Premium	7,889,084	7,742,749
Net Premium Revenue	3,962,626	3,733,617
Underwriting Result	317,970	20,478
Investment Income including Capital Gains & Rent	527,223	983,712
Profit Before Tax	1,009,448	1,173,898
Profit After Tax	722,747	761,048
Earnings Per Share of Rs 10 each	4.01	4.22

Takaful

Alhamdulillah! Takaful Window Operations maintained its growth momentum and posted a strong growth of 26% in Gross Written Contribution to reach Rs 883 million (2018: Rs 703 million) on the back of Motor and Accident & Health. Net Contribution, too grew by 18% to Rs 407 million (2018: Rs 346 million).

The Participant's Takaful Fund Deficit is Rs 6 million (2018: Surplus of Rs 84 million) in the period under review. Operator's Profit has increased by 47% to Rs 65 million (2018: Rs 44 million).

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

	September 30, 2019	September 30, 2018
	(Rupees in '000)	
Participants' Fund		
Gross Contribution	882,602	702,528
Net Contribution	407,427	345,796
PTF (Deficit)/Surplus before investment income	(32,048)	73,784
PTF (Deficit)/Surplus for the period	(5,984)	83,870
Operator's Fund		
Revenue Account	79,193	56,017
Investment Income	14,839	8,799
Operator's Profit Before Tax	91,539	62,476
Operator's Profit After Tax	64,993	44,358

Outlook

We hope to carry the top line growth momentum to the final quarter of this year as construction activities related to CPEC are gradually increasing. We also expect to continue to grow and improve our performance in Takaful operations.

On behalf of Board



Tahir Ahmed
Managing Director &
Chief Executive



Amyn Currimbhoy
Director

Karachi: October 22, 2019

ڈائریکٹرز رپورٹ

ڈائریکٹرز کا بورڈ آپ کے سامنے 30 ستمبر 2019 کو ختم ہونے والے 9 ماہ کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

کاروباری جائزہ

خداوند تعالیٰ کے فضل و کرم سے سہ ماہی کے دوران کمپنی کی ٹاپ لائن میں اچھا اضافہ ہوا ہے اور مجموعی پریسیم (GWP) بشمول ونڈو تکافل آپریٹرز کنٹریبیوشن 4 فیصد سے بڑھ کر 8.77 بلین روپے (2018 میں 8.45 بلین روپے) تک پہنچ گیا ہے۔ کمپنی کا مشترکہ خالص پریسیم / کنٹریبیوشن اپنا 7 فیصد اضافہ برقرار رکھتے ہوئے 4.37 بلین روپے (2018 میں 4.08 بلین روپے) تک جا پہنچا ہے۔ منجمنت کی متوازن اور متنوع کاروبار رکھنے کی کوششوں کے سبب شاندار ٹیکنیکل منافع 365.12 بلین روپے (2018 میں 150.28 بلین روپے) حاصل ہوا۔

بد قسمتی سے، پاکستان اسٹاک ایکسچینج نے سال کے شروع اب تک 13 فیصد کی کمی ریکارڈ کی ہے۔ بہر حال کمپنی کو سرمایہ کاری سے ہونے والی آمدنی 542.06 بلین روپے (2018 میں 993 بلین روپے) ہوئی۔

انٹرنس

کمپنی کے انٹرنس کاروبار کے مجموعی نتائج برائے مدت ختم شدہ ستمبر 30، 2019 درج ذیل ہیں:

مجموعی پریسیم

خالص پریسیم

انڈر رائٹنگ کے نتائج

سرمایہ کاری سے آمدنی (بشمول کرایہ آمدنی اور کمیٹیٹل گینز)

قبل از ٹیکس منافع

بعد از ٹیکس منافع

10 روپے والے ہر ایک شیئر پر منافع (روپے)

30 ستمبر
2018

30 ستمبر
2019

('000 روپے میں)

7,742,749	7,889,084
3,733,617	3,962,626
20,478	317,970
983,712	527,223
1,173,898	1,009,448
761,048	722,747
4.22	4.01

تکافل

الحمد للہ! ونڈو تکافل آپریٹرز نے ترقی کی رفتار برقرار رکھتے ہوئے 26 فیصد کے شاندار اضافہ کے ساتھ 883 بلین روپے کا کنٹریبیوشن (2018 میں 703 بلین روپے) حاصل کیا۔ یہ اضافہ گاڑیوں، اور ایکسٹرنل ہیلتھ کے شعبوں میں بہترین نتائج کے مرہون بنت ہے۔ خالص کنٹریبیوشن بھی 18 فیصد کے اضافہ کے ساتھ 407 بلین روپے (2018 میں 346 بلین روپے) تک جا پہنچا ہے۔

زیر جائزہ مدت کے دوران پارٹنیشنرز تکافل فنڈ خسارہ 6 بلین روپے (2018 میں 84 بلین روپے سرپلس) رہا۔ آپریٹرز کا منافع 47 فیصد اضافے کے ساتھ 65 بلین (2018 میں 44 بلین روپے) روپے ہوا۔

30 ستمبر
2018

30 ستمبر
2019

('000 روپے میں)

702,528	882,602
345,796	407,427
73,784	(32,048)
83,870	(5,984)

پارٹنیشنرز فنڈ

مجموعی کنٹریبیوشن

خالص کنٹریبیوشن

سرمایہ کاری آمدنی سے قبل PTF (خسارہ) / سرپلس

اس مدت کے لیے PTF (خسارہ) / سرپلس

آپریٹرز فنڈ

آمدنی کا اکاؤنٹ

سرمایہ کاری سے آمدنی

قبل از ٹیکس آپریٹرز کا منافع

بعد از ٹیکس آپریٹرز کا منافع

56,017	79,193
8,799	14,839
62,476	91,539
44,358	64,993

مستقبل پر نظر

اس سال کی حتمی سہ ماہی میں کمپنی اپنی ٹاپ لائن میں اضافے کی رفتار برقرار رکھنے کے لئے پر امید ہے کیونکہ سی بی کے متعلقہ تعمیراتی سرگرمیوں میں بتدریج اضافہ ہو رہا ہے۔ ہم تکافل آپریٹرز میں بہتر کارکردگی اور ترقی کے تسلسل کے جاری رہنے کی بھی امید رکھتے ہیں۔

بورڈ کی جانب سے



امین کریم بھائی
ڈائریکٹر



طاہر احمد

مینجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو

کراچی: 22 اکتوبر 2019

Condensed Interim Statement of Financial Position

As at September 30, 2019

		September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	Note	..... (Rupees in '000)	
Assets			
Property and equipment	7	191,982	173,500
Intangible assets		55,581	68,492
Investment properties	8	652,458	656,871
Investments in associates	9	786,537	769,210
Investments			
Equity securities	10	4,521,874	5,105,119
Debt securities	11	5,992,193	5,521,901
Term deposits	12	156,006	131,696
Loans and other receivables	13	246,417	147,500
Insurance / reinsurance receivables	14	2,508,757	1,718,328
Reinsurance recoveries against outstanding claims		2,930,357	3,029,644
Salvage recoveries accrued		26,005	27,150
Deferred commission expense / acquisition cost	25	290,953	280,970
Prepayments	15	2,072,493	1,691,595
Cash & bank	16	1,221,864	1,669,039
		<u>21,653,477</u>	<u>20,991,015</u>
Total assets of Window Takaful Operations - Operator's Fund	17	402,319	322,137
		<u>22,055,796</u>	<u>21,313,152</u>

Total Assets


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive

		September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	Note	..... (Rupees in '000)	
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital: 250,000,000 (December 31, 2018: 250,000,000) Ordinary shares of Rs.10 each		2,500,000	2,500,000
Issued, subscribed and paid-up share capital [180,446,583 (December 31, 2018: 180,446,583) Ordinary shares of Rs.10 each]		1,804,465	1,804,465
Reserves		5,047,598	5,038,172
Unappropriated profit		730,482	1,065,418
Total Equity		7,582,545	7,908,055
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	24	4,397,312	4,362,199
Unearned premium reserves	23	4,366,816	3,533,063
Unearned reinsurance commission	25	146,269	102,536
Deferred taxation	18	35,572	209,388
Premium received in advance		166,396	196,109
Insurance / reinsurance payables	19	2,255,016	1,753,164
Other creditors and accruals	20	1,121,303	1,229,204
Deposits and other payables	21	1,593,825	1,616,174
Taxation - provision less payments		141,559	236,052
		14,224,068	13,237,889
Total liabilities of Window Takaful Operations - Operator's Fund	17	249,183	167,208
Total Liabilities		14,473,251	13,405,097
Total Equity and Liabilities		22,055,796	21,313,152
Contingencies and commitments	22		

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



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

Condensed Interim Profit and Loss Account (Unaudited)

For the three months and nine months period ended September 30, 2019

	Note	Three months period ended		Nine months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		(Rupees in '000)			
Net insurance premium	23	1,347,845	1,230,753	3,962,626	3,733,617
Net insurance claims	24	732,104	612,171	2,087,719	2,194,328
Net commission and other acquisition costs	25	99,029	103,975	283,969	318,138
Insurance claims and acquisition expenses		831,133	716,146	2,371,688	2,512,466
Management expenses		395,501	363,958	1,272,968	1,200,673
Underwriting results		121,211	150,649	317,970	20,478
Investment income	26	107,384	189,703	389,030	857,597
Rental Income	27	12,113	21,931	38,259	67,048
Other income	28	31,625	20,890	114,482	69,905
Other expenses		(11,965)	(12,650)	(36,812)	(54,162)
Results of operating activities		260,368	370,523	822,929	960,866
Share of profit of associates	9	43,786	42,446	94,980	150,556
Profit from Window Takaful Operations	17	34,096	17,326	91,539	62,476
Profit before tax		338,250	430,295	1,009,448	1,173,898
Income tax expense - Current		(101,527)	(133,497)	(327,376)	(405,180)
- Deferred		8,677	(3,200)	40,675	(7,670)
		(92,850)	(136,697)	(286,701)	(412,850)
Profit after tax		245,400	293,598	722,747	761,048
Earnings (after tax) per share - Rupees	29	1.36	1.63	4.01	4.22

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


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Aryn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months and nine months period ended September 30, 2019

	Three months period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees in '000)			
Profit after tax for the period	245,400	293,598	722,747	761,048
Other comprehensive income				
Item that will not be reclassified to the profit and loss account in subsequent periods				
Share in actuarial gain / (loss) on defined benefit plan of an associate - net of tax	-	-	17	(781)
Item that may be reclassified to the profit and loss account in subsequent periods				
Foreign currency translation difference - net of tax	(1,080)	2,002	10,842	7,596
Net unrealised diminution on 'available for sale' investments - net of tax	(50,355)	(140,077)	(319,303)	(52,779)
Reclassification adjustment for net gain on sale of available for sale investments included in the profit and loss account - net of tax	(6,827)	(10,521)	(9,416)	(193,784)
	(57,182)	(150,598)	(328,719)	(246,563)
Net unrealised (diminution) on 'available for sale' investments of Window Takaful Operations - net of tax	(2,366)	(1,613)	(8,274)	(1,031)
Reclassification adjustment for net gain on sale of available for sale investments included in the profit and loss account of Window Takaful Operations - net of tax	-	12	-	10
	(2,366)	(1,601)	(8,274)	(1,021)
Share in other comprehensive income of an associate				
Net unrealised appreciation on 'available for sale' investments - net of tax	(2,444)	(2,448)	(1,840)	643
Foreign currency translation difference - net of tax	628	179	1,503	505
	(1,816)	(2,269)	(337)	1,148
Total comprehensive income for the period	182,956	141,132	396,276	521,427

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


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Aryn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer



Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended September 30, 2019

	Nine months period ended	
	September 30, 2019	September 30, 2018
	.....(Rupees in '000).....	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	7,075,198	6,116,933
Reinsurance premium paid	(2,945,404)	(2,707,633)
Claims paid	(2,354,895)	(3,129,865)
Reinsurance and other recoveries received	396,465	1,041,800
Commissions paid	(577,391)	(532,958)
Commissions received	293,304	259,181
Management expenses paid	(1,226,065)	(1,189,035)
Net cash inflow / (outflow) from underwriting activities	661,212	(141,577)
(b) Other operating activities		
Income taxes paid	(395,005)	(444,485)
General and administration expenses paid	(18,450)	(31,928)
Other operating payments	(929,461)	(811,785)
Other operating receipts	971,683	1,023,717
Loans advanced	(1,255)	(708)
Loans repayment received	979	861
Net cash outflow from other operating activities	(371,509)	(264,328)
Total cash inflow / (outflow) from all operating activities	289,703	(405,905)
Investment activities		
Profit / return received	489,483	330,275
Dividends received	166,986	150,734
Rentals received - net of expenses	10,046	64,701
Payments for investments / investment property	(22,205,388)	(17,965,690)
Proceeds from investments	21,631,130	17,795,024
Fixed capital expenditure	(70,026)	(65,563)
Proceeds from sale of property and equipment	3,511	1,360
Total cash inflow from investing activities	25,742	310,841
Financing activities		
Dividends paid	(707,886)	(705,504)
Principal repayment of lease liabilities against right of use asset	(14,624)	-
Total cash outflow from financing activities	(722,510)	(705,504)
Net cash outflow from all activities	(407,065)	(800,568)
Cash at beginning of the period	1,691,215	2,054,306
Cash at end of the period	1,284,150	1,253,738

Nine months period ended

September 30, 2019 **September 30, 2018**

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

Reconciliation to profit and loss account

Operating cash flows	289,703	(405,905)
Depreciation / amortisation expense	(64,175)	(42,933)
Loss on sale of property and equipment	(697)	(50)
Loss on remeasurement of investments at fair value through profit or loss	(81,427)	(35,526)
Loss /profit on disposal of investments	(6,962)	437,728
Dividend income	215,455	208,682
Rental income	38,259	67,048
Other investment income	456,878	456,336
Profit for the period from Window Takaful Operations	64,993	44,358
Increase in assets other than cash	1,014,344	3,688,825
(Increase) in liabilities other than borrowings	(1,203,623)	(3,657,515)

Profit after taxation

	722,747	761,048
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Cash for the purposes of the statement of cash flows consists of:**Cash and bank deposits****Cash and other equivalents**

Cash	1,179	2,199
Policy stamps and bond papers in hand	6,011	2,674
	7,190	4,873

Current and other accounts

Current accounts	113,639	110,384
Profit and Loss savings accounts	1,101,035	1,123,589
	1,214,674	1,233,973

Deposits having maturity within 3 months (payable on demand)

Term deposits - local currency	26,360	-
Term deposits - foreign currency	35,926	14,892
	62,286	14,892

	1,284,150	1,253,738
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Reconciliation of liabilities arising out of financing activities

Unclaimed dividend as at January 1, 2019	99,141	82,950
<i>Changes from financing activities</i>		
Dividend paid	(707,886)	(705,504)
<i>Others</i>		
Final cash dividend for the year ended 31 December 2018 @ 40% (2017: 40%)	721,786	721,786
Unclaimed dividend as at September 30, 2019	113,041	99,232

Definition of cash and cash equivalents

Cash and cash equivalents comprises of cash in hand, policy stamps, bond papers, cheques in hand, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.



Tawfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Changes In Equity (Unaudited)

For the nine months period ended September 30, 2019

Share capital	Reserves								Total
	Capital reserve	Revenue reserves							
Issued, subscribed and paid-up	Reserve for exceptional losses	General reserve	Special reserve	Exchange translation reserve on investment in foreign associate	Unrealised appreciation / (diminution) 'available for sale' investments	Unappropriated profit	Company's share of Retained earnings arising from business other than participating business attributable to shareholder Ledger D of an associate	Company's share of money ceded to waqf fund by an associate	

(Rupees in '000)

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

Total comprehensive income

Profit after taxation	-	-	-	-	-	761,048	-	-	-	761,048
Share in Ledger D balance of an associate	-	-	-	-	-	(29,292)	29,292	-	-	-
Other comprehensive income										
Foreign currency translation difference - net of tax	-	-	-	-	7,596	-	-	-	-	7,596
Share in other comprehensive income of an associate	-	-	-	-	505	643	(781)	-	-	367
Net unrealised gain arising during the period on revaluation of available for sale investments (including WTO) - net of tax	-	-	-	-	-	(53,810)	-	-	-	(53,810)
Reclassification adjustment for net gain on disposal of available for sale investments included in profit and loss account (Including WTO) - net of tax	-	-	-	-	-	(193,774)	-	-	-	(193,774)
	-	-	-	-	8,101	(246,941)	730,975	29,292	-	521,427

Transactions with owners recorded directly in equity

Final cash dividend at Rs.4 (40%) per share for the year ended December 31, 2017	-	-	-	-	-	-	(721,786)	-	-	(721,786)
Transfer to general reserve	-	-	100,000	-	-	-	(100,000)	-	-	-
Transfer to special reserve	-	-	-	200,000	-	-	(200,000)	-	-	-
	-	-	100,000	200,000	-	-	(1,021,786)	-	-	(721,786)

Balance as at September 30, 2018 (un-audited) 1,804,465 9,384 3,550,000 1,000,000 5,785 823,503 774,188 145,254 32 8,112,611

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

Total comprehensive income

Profit after taxation	-	-	-	-	-	722,747	-	-	-	722,747
Share in Ledger D balance of an associate	-	-	-	-	-	(35,914)	35,914	-	-	-
Other comprehensive income										
Foreign currency translation difference - net of tax	-	-	-	-	10,842	-	-	-	-	10,842
Share in other comprehensive income of an associate	-	-	-	-	1,503	(1,840)	17	-	-	(320)
Net unrealised diminution arising during the period on revaluation of available for sale investments (including WTO) - net of tax	-	-	-	-	-	(327,577)	-	-	-	(327,577)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) - net of tax	-	-	-	-	-	(9,416)	-	-	-	(9,416)
	-	-	-	-	12,345	(338,833)	686,850	35,914	-	396,276

Transactions with owners recorded directly in equity

Final cash dividend at Rs.4 (40%) per share for the year ended December 31, 2018	-	-	-	-	-	-	(721,786)	-	-	(721,786)
Transfer to general reserve	-	-	100,000	-	-	-	(100,000)	-	-	-
Transfer to special reserve	-	-	-	200,000	-	-	(200,000)	-	-	-
	-	-	100,000	200,000	-	-	(1,021,786)	-	-	(721,786)

Balance as at September 30, 2019 (un-audited) 1,804,465 9,384 3,650,000 1,200,000 25,301 (12,478) 730,482 175,359 32 7,582,545

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



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Amyn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

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

For the nine months period ended September 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on May 16, 1953. The Company is listed in the Pakistan Stock exchange and is engaged in general insurance business. The registered office of the Company is situated at 2nd Floor, Jubilee Insurance House, I. I. Chundrigar Road, Karachi.

The Company was granted authorisation on March 10, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations (WTO) in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on May 7, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

2.1 Statement of Compliance

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

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9 until December 31, 2021.

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

2.4.1 Temporary exemption from application of IFRS 9

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

2.4.2 Fair value of financial assets as at September 30, 2019 and change in the fair values during the nine months ended September 30, 2019

	(Un-audited) As at September 30, 2019	(Audited) As at December 31, 2018	(Un-audited) Change during the nine months ended September 30, 2019
(Rupees in '000)			
Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading			
Pakistan Investment Bonds - Held to maturity (note 11)	191,734	189,463	2,271
Debt Securities Available for sale - Available for sale (note 11)	5,148,160	5,187,680	(39,520)
Financial assets that do not meet the SPPI criteria			
Equity Securities - Available for sale (note 10)	4,020,027	4,522,531	(502,504)

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

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

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

The following standards, amendments and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after October 1, 2019:

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

	..... (Unaudited)	
	September 30, 2019	01 January 2019
	..... (Rupees in '000)	
Total lease liability recognised of which:		
Current	16,193	10,545
Non-current	4,888	12,932
	21,081	23,477

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

	..... (Unaudited)	
	September 30, 2019	01 January 2019
	..... (Rupees in '000)	
The recognised right-of-use assets relate to the following type of asset:		
Buildings	30,890	29,459
Impact on Statement of Financial Position		
Increase in property and equipment - right-of-use assets	30,890	29,459
Decrease in prepayments-prepaid rent	(11,820)	(5,982)
Increase in total assets	19,070	23,477
Increase in other creditors - lease liability against right-of-use assets	21,081	23,477
Increase in tax liabilities	(583)	-
Decrease in net assets	(1,428)	-

(Unaudited)
**For the nine
 months ended
 September 30,
 2019**
 (Rupees in '000)

Impact on profit and loss account

Impact on Profit and Loss account

(Increase) in management expense- Interest expense (lease liability against right-of-use assets)	(2,418)
(Increase) / decrease in administrative expenses:	
- Depreciation on right-of-use assets	(10,797)
- Rent expense	11,204
Increase/(Decrease) in profit before tax	(2,011)
Tax charge @ 29%	583
(Decrease) in profit in profit after tax	(1,428)

Earnings per share decreased by Re 0.007 per share for the nine months ended September 30, 2019 as a result of adoption of IFRS 16.

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

4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial statements, the significant judgments, estimates and assumptions made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2018, except as disclosed in note 4.1 below:

- 4.1** The estimated residual values of the tracker equipment have been reviewed and based on the historical experience, the estimated residual values have been revised from 15% to 10% of its cost. The change has been accounted for as change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS - 8) "Accounting policies, Changes in Estimates and Errors" whereby the effect of the change has been recognised prospectively. Had the Company's accounting estimate not been changed, the carrying amount of property and equipment of the Company and profit after tax for the period ended September 30, 2019 would have been higher by Rs. 5,261 thousands and Rs. 3,735 thousands respectively.

5. INSURANCE AND FINANCIAL RISK MANAGEMENT

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

6. PREMIUM DEFICIENCY RESERVE

No provision has been made in the condensed interim financial statements as the unearned premium reserve for each class of business at period end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at the reporting date.

9.3 Movement of investment in associates is as follows:

	JLICL		JKIC		Total	
	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	(Rupees in '000)					
Beginning of period / year	642,605	542,958	126,605	96,942	769,210	639,900
Share of profit during the period / year	87,313	190,149	7,667	9,917	94,980	200,066
Less: Dividend received during the period / year	(89,275)	(89,275)	(3,197)	(2,659)	(92,472)	(91,934)
Foreign currency translation difference	2,116	(896)	15,271	22,405	17,387	21,509
Unrealised appreciation on available for sale investment	(2,592)	769	-	-	(2,592)	769
Actuarial gain / (loss) on defined benefit plan	24	(1,100)	-	-	24	(1,100)
End of the period / year	640,191	642,605	146,346	126,605	786,537	769,210

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

10. INVESTMENTS IN EQUITY SECURITIES

	September 30, 2019 (Unaudited)		December 31, 2018 (Audited)	
	Carrying value	Market value	Carrying value	Market value
	(Rupees in '000)			
Available for sale				
Related parties				
Listed shares	620,975	504,586	620,975	514,322
Mutual Funds	1,268	4,284	1,268	5,462
	622,243	508,870	622,243	519,784
Others				
Listed Shares	3,289,532	3,351,816	3,363,553	3,894,033
Unlisted Shares	2,500	2,500	2,500	2,500
Mutual Funds	143,075	156,841	143,075	180,233
	3,435,107	3,511,157	3,509,128	4,076,766
Investment at fair value through profit or loss				
Listed Shares	583,274	501,847	599,418	508,569
	4,640,624	4,521,874	4,730,789	5,105,119

11. INVESTMENTS IN DEBT SECURITIES

	Note	September 30, 2019 (Unaudited)		December 31, 2018 (Audited)	
		Cost	Carrying value	Cost	Carrying value
		(Rupees in '000)			
Government securities					
Held to maturity					
Pakistan Investment Bonds		201,017	201,017	53,828	53,828
Treasury Bills		-	-	394,970	394,970
	11.1	201,017	201,017	448,798	448,798
Available for sale					
Treasury Bills		3,116,901	3,116,589	5,075,307	5,073,103
Pakistan Investment Bonds		1,993,944	2,031,571	-	-
		5,110,845	5,148,160	5,075,307	5,073,103
Held for trading					
Treasury Bills		643,016	643,016	-	-
		5,954,878	5,992,193	5,524,105	5,521,901

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

12. INVESTMENTS IN TERM DEPOSITS

		September 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
		..... (Rupees in '000)	
Held to maturity	Note		
Deposits maturing within 12 months			
Term deposits - local currency	12.1 & 12.2	26,360	26,360
Term deposits - foreign currency		129,646	105,336
		<u>156,006</u>	<u>131,696</u>

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

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

13. LOANS AND OTHER RECEIVABLES - CONSIDERED GOOD

		September 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
		..... (Rupees in '000)	
	Note		
Rent receivable	13.1	12,211	691
Accrued Investment income		98,592	10,728
Security deposits		22,784	23,803
Advance to suppliers		78,623	88,101
Sales tax recoverable		13,600	7,487
Loans to employees		1,085	809
Medical claims recoverable		8,555	10,579
Other receivables		10,967	5,302
		<u>246,417</u>	<u>147,500</u>

13.1 This includes an amount of Rs. 12,211 thousands (2018: Rs. Nil) held with a related party.

14. INSURANCE / RE-INSURANCE RECEIVABLES

		September 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
		..... (Rupees in '000)	
	Note		
Due from Insurance contract holders	14.1	2,601,504	1,802,331
Less: provision for impairment of receivables from Insurance contract holders		(179,961)	(164,961)
Due from other Insurers / reinsurers	14.2	104,214	97,958
Less: provision for impairment of receivables from other Insurance / re-insurance		(17,000)	(17,000)
		<u>2,508,757</u>	<u>1,718,328</u>

14.1 Due from Insurance contract holders includes Rs. 128,327 thousands (2018: Rs. 116,447 thousands) due from related parties.

14.2 Amount due from other insurer / reinsurer includes an amount of Rs. Nil (2018: Rs. 8,147 thousands) due from related party

15. PREPAYMENTS

		September 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
	Note	..... (Rupees in '000)	
Prepaid reinsurance premium ceded		2,031,229	1,669,551
Prepaid rent		12,756	9,326
Prepaid miscellaneous expenses		28,508	12,718
		2,072,493	1,691,595

16. CASH & BANK

Cash and cash equivalents

- Cash in hand		1,179	99
- Policy and revenue stamps and Bond papers		6,011	4,594

Cash at bank

- Current accounts	16.1	113,639	185,075
- Savings accounts		1,101,035	1,479,271
		1,221,864	1,669,039

16.1 Cash at bank includes Rs. 838,225 thousands (2018: Rs. 166,903 thousands) held with related parties.

17. WINDOW TAKAFUL OPERATIONS

		September 30, 2019	December 31, 2018
		(Unaudited)	(Audited)
		..... (Rupees in '000)	
Assets			
Cash and bank deposits		167,189	170,203
Investments		59,894	35,944
Current assets - others		167,345	105,543
Property and equipment		5,579	7,395
Intangible assets		2,312	3,052
Total Assets		402,319	322,137
Total Liabilities - Current		249,183	167,208

	Three months period ended September 30, (Un-audited)		Nine months period ended September 30, (Un-audited)	
	2019	2018	2019	2018
	..... (Rupees in '000)			
Profit before tax for the period	34,096	17,326	91,539	62,476

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

18. DEFERRED TAXATION - NET

September 30, 2019 **December 31, 2018**
(Unaudited) (Audited)
..... (Rupees in '000)

Note**Deferred tax debits / (credits) arising in respect of:**

Provision for doubtful debts	(57,119)	(52,769)
Unrealised loss on investments	(44,838)	(27,022)
Accelerated depreciation	(6,963)	8,415
Share of profit from associates	199,834	199,106
Right-of-use assets	498	-
Other provisions	(40,895)	(36,538)
	<u>50,517</u>	<u>91,192</u>
Provision for employees' benefits plan	(21,799)	(21,799)
Foreign currency translation	9,649	5,220
Unrealised appreciation on 'available for sale' investments	(2,566)	134,262
Share in unrealised appreciation on 'available for sale' investments of an associate	(229)	513
	<u>35,572</u>	<u>209,388</u>

19. INSURANCE/ REINSURANCE PAYABLES

Due to insurance contract holders	23,803	30,930
Due to other insurers / reinsurers	2,231,213	1,722,234
	<u>2,255,016</u>	<u>1,753,164</u>

20. OTHER CREDITORS AND ACCRUALS

Agent commission payable	591,271	625,139
Federal Excise Duty and Sales Tax	70,462	150,430
Federal Insurance Fee	5,952	3,302
Sindh Workers' Welfare Fund	178,566	160,204
Tax deducted at source	10,469	3,483
Accrued expenses	47,451	52,741
Claims payable	55,146	41,563
Unclaimed dividend	113,041	99,141
Investment purchases	-	77,097
Lease liability against right-of-use assets	21,081	-
Others	27,864	16,104
	<u>1,121,303</u>	<u>1,229,204</u>

21. DEPOSITS AND OTHER PAYABLES

Advance rent	21.1	22,187	43,293
Security deposits against bond insurance		1,570,046	1,571,289
Other deposits		1,592	1,592
		<u>1,593,825</u>	<u>1,616,174</u>

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

22. CONTINGENCIES

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

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

23. NET INSURANCE PREMIUM

	(Un-audited)			
	Three months period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees in '000)			
Written gross premium	2,968,747	2,485,456	7,889,084	7,742,749
Add: Unearned premium reserve opening	3,692,739	4,093,720	3,533,063	2,947,608
Less: Unearned premium reserve closing	4,366,816	4,346,687	4,366,816	4,346,687
Premium earned	2,294,670	2,232,489	7,055,331	6,343,670
Less: Reinsurance premium ceded	1,236,605	1,010,754	3,454,383	3,708,465
Add: Prepaid reinsurance premium opening	1,741,449	2,218,029	1,669,551	1,128,635
Less: Prepaid reinsurance premium closing	2,031,229	2,227,047	2,031,229	2,227,047
Reinsurance expense	946,825	1,001,736	3,092,705	2,610,053
	1,347,845	1,230,753	3,962,626	3,733,617

24. NET INSURANCE CLAIMS EXPENSE

	(Un-audited)			
	Three months period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees in '000)			
Claims paid	766,147	904,475	2,354,895	3,129,865
Add: Outstanding claims including IBNR closing	4,397,312	4,503,468	4,397,312	4,503,468
Less: Outstanding claims including IBNR opening	4,126,607	4,498,550	4,362,199	3,431,665
Claims expense	1,036,852	909,393	2,390,008	4,201,668
Reinsurance and other recoveries received	137,654	287,360	402,721	1,059,998
Add: Reinsurance and other recoveries received in respect of outstanding claims closing	2,956,362	2,961,349	2,956,362	2,961,349
Less: Reinsurance and other recoveries received in respect of outstanding claims opening	2,789,268	2,951,487	3,056,794	2,014,007
Reinsurance and other recoveries revenue	304,748	297,222	302,289	2,007,340
	732,104	612,171	2,087,719	2,194,328

25. NET COMMISSION EXPENSE / ACQUISITION COSTS

Commission paid or payable	216,341	203,064	543,523	606,807
Add: Deferred commission expense opening	243,792	298,138	280,970	269,685
Less: Deferred commission expense closing	290,953	321,036	290,953	321,036
Net Commission	169,180	180,166	533,540	555,456
Less: Commission received or receivables	88,243	73,855	293,304	259,181
Add: Unearned reinsurance commission opening	128,177	148,262	102,536	124,063
Less: Unearned reinsurance commission closing	146,269	145,926	146,269	145,926
Commission from reinsurers	70,151	76,191	249,571	237,318
	99,029	103,975	283,969	318,138

26. INVESTMENT INCOME**Income from equity securities****Available for sale**

Dividend Income	5,338	4,270	16,013	12,810
- Related parties	67,904	70,954	179,285	191,102
- Others	73,242	75,224	195,298	203,912

Fair value through profit or loss

Dividend Income - others	8,087	2,216	20,157	4,770
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Income from debt securities**Held to maturity**

- Return on government securities	4,252	22,469	20,891	147,622
- Amortisation of discount / (premium) - net	1,405	(152)	2,779	(1,402)
	5,657	22,317	23,670	146,220

Available for sale

- Return on government securities	148,921	77,948	394,379	126,581
- Amortisation of discount - net	15,791	-	19,815	-
	164,712	77,948	414,194	126,581

Held for trading (HFT)

- Return on government securities	10,096	-	23,302	-
- Loss on sale of government securities	(106)	-	(350)	-
	9,990	-	22,952	-

		(Un-audited)			
		Three months period ended		Nine months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		(Rupees in '000)			
Income from term deposits	Note				
- Return on term deposits	26.1	1,247	1,675	3,336	6,385
Net realised gains / (losses) on investments Available for sale					
- Gain on sale of equity securities		8,844	16,010	15,418	403,963
- (Loss) on sale of equity securities		-	-	-	(711)
		8,844	16,010	15,418	403,252
Fair value through profit or loss					
- (Loss) / gain on sale of equity securities		(457)	6,148	4,624	34,483
- (Loss) on sale of equity securities		(26,654)	-	(26,654)	(7)
		(27,111)	6,148	(22,030)	34,476
Net unrealised losses on investments at fair value through profit or loss		(11,594)	(6,147)	(81,427)	(35,526)
Total investment income		233,074	195,391	591,568	890,070
Less: Impairment in value of available for sale equity securities		(120,048)	-	(189,573)	(21,902)
Less: Investment related expenses		(5,642)	(5,688)	(12,965)	(10,571)
		107,384	189,703	389,030	857,597

26.1 This includes Rs. 3,238 thousands (September 30, 2018: Rs. 1,315 thousands) return on term deposits held with related party.

27. RENTAL INCOME

Rental income	22,923	31,768	73,517	94,412
Expenses related to investment property	(10,810)	(9,837)	(35,258)	(27,364)
	12,113	21,931	38,259	67,048

28. OTHER INCOME

Income from financial assets / liabilities

Return on bank balances	28.1	41,262	18,298	99,934	59,067
Exchange gain		(8,999)	2,626	14,667	10,876
Return on loans to employees		8	3	16	8
Others		95	-	562	4

Income from non-financial assets

(Loss) on sale of fixed assets		(741)	(37)	(697)	(50)
		31,625	20,890	114,482	69,905

28.1 This includes Rs. 9,342 thousands (September 30, 2018: Rs. 2,958 thousands) return on bank balances held with a related party.

29. EARNINGS PER SHARE - BASIC AND DILUTED

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

	(Un-audited)			
	Three months period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees in '000)			
Profit after taxation	245,400	293,598	722,747	761,048
	(Number of shares in '000)			
Weighted average number of shares of Rs.10 each	180,447	180,447	180,447	180,447
	(Rupees)			
Earnings per share of Rs.10 each - basic and diluted	1.36	1.63	4.01	4.22

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

30. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

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

	(Un-audited)			
	Three months period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees in '000)			
Associated companies				
Insurance premium written (including government levies administrative surcharge and policy stamps)	404,285	344,762	563,460	480,984
Insurance premium received / adjusted during the period	333,321	234,490	524,628	515,902
Insurance claims paid	36,954	38,323	131,509	125,075
Commission paid	3,806	4,391	10,920	13,758
Purchases of goods and services	257	-	20,464	15,576
Dividend income	5,338	4,270	16,013	12,810
Dividend received from associates	18,501	18,735	92,472	92,706
Dividend paid	-	-	521,596	521,596
Rent income	9,901	9,429	29,703	28,288
Reimbursement of expenses *	10,047	9,344	25,993	26,953
Disposal of shares / mutual funds	-	-	-	42,408
Directors' fee	150	75	300	150
Donations	-	-	2,000	-
Key management personnel				
Remuneration	50,187	50,611	110,198	93,570
Dividend paid	-	-	1,261	1,261
Employees' funds				
Contribution to provident fund	8,029	6,128	23,922	21,709
Provision for gratuity fund	6,000	5,265	18,000	15,795
Others				
Insurance premium written (including government levies administrative surcharge and policy stamps)	250	379	344	434
Insurance premium received / adjusted during the period	161	287	353	303
Expense allocated to Window Takaful Operations	9,765	1,155	21,685	7,255
Claims paid	-	-	112	98
Rent income	553	503	1,590	1,433
Directors' fee	975	375	3,075	2,625
Dividend paid	-	-	14,120	14,120

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

31. SEGMENT INFORMATION

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

The class wise revenues and results are as follows:

	For the three months period ended September 30, 2019 (Unaudited)						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	1,360,128	223,824	454,556	101,145	595,500	598,047	3,333,200
Less: Federal Excise Duty / Sales Tax	163,472	23,995	54,937	11,884	-	71,650	325,938
- Federal Insurance Fee	11,883	1,918	3,939	893	5,893	5,060	29,586
- Others	692	5,758	1,742	11	284	442	8,929
Gross written premium (inclusive of Administrative Surcharge)	1,184,081	192,153	393,938	88,357	589,323	520,895	2,968,747
- Gross direct premium	1,180,942	187,285	384,390	88,104	589,323	518,431	2,948,475
- Administrative surcharge	3,139	4,868	9,548	253	-	2,464	20,272
Insurance premium earned	709,111	194,564	371,865	141,887	413,812	463,431	2,294,670
Insurance premium ceded to reinsurers	411,173	44,467	14,090	137,135	-	339,960	946,825
Net Insurance premium	297,938	150,097	357,775	4,752	413,812	123,471	1,347,845
Commission income	25,383	1,469	151	6,601	-	36,547	70,151
Net underwriting income	323,321	151,566	357,926	11,353	413,812	160,018	1,417,996
Insurance claims	145,328	26,236	150,709	26,196	338,849	349,534	1,036,852
Insurance claims recovered from reinsurer	4,572	11,560	3,240	25,944	-	259,432	304,748
Net claims	140,756	14,676	147,469	252	338,849	90,102	732,104
Commission expense	61,595	24,665	34,990	1,900	17,966	28,064	169,180
Management expense	87,685	43,799	104,294	1,401	122,124	36,198	395,501
Net Insurance Claims and expenses	290,036	83,140	286,753	3,553	478,939	154,364	1,296,785
Underwriting result	33,285	68,426	71,173	7,800	(65,127)	5,654	121,211
Net investment income							107,384
Rental income							12,113
Other income							31,625
Other expenses							(11,965)
Share in profit of associates							43,786
Profit from window takaful operations							34,096
Profit before tax							338,250

	For the nine months period ended September 30, 2019 (Unaudited)						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	2,921,139	724,928	1,337,209	604,669	1,484,291	1,794,986	8,867,222
Less: Federal Excise Duty / Sales Tax	349,914	77,486	160,466	69,186	-	210,769	867,821
- Federal Insurance Fee	24,882	6,220	11,598	5,248	14,689	14,867	77,504
- Others	158	23,160	6,987	92	709	1,707	32,813
Gross written premium (inclusive of Administrative Surcharge)	2,546,185	618,062	1,158,158	530,143	1,468,893	1,567,643	7,889,084
- Gross direct premium	2,538,469	602,993	1,126,895	529,445	1,468,893	1,544,566	7,811,261
- Facultative inward premium	-	-	-	-	-	16,275	16,275
- Administrative surcharge	7,716	15,069	31,263	698	-	6,802	61,548
	2,546,185	618,062	1,158,158	530,143	1,468,893	1,567,643	7,889,084
Insurance premium earned	2,177,029	612,430	1,127,226	395,289	1,167,877	1,575,480	7,055,331
Insurance premium ceded to reinsurers	1,319,262	154,082	27,369	381,794	-	1,210,198	3,092,705
Net Insurance premium	857,767	458,348	1,099,857	13,495	1,167,877	365,282	3,962,626
Commission income	72,812	3,549	451	18,697	-	154,062	249,571
Net underwriting income	930,579	461,897	1,100,308	32,192	1,167,877	519,344	4,212,197
Insurance claims	346,644	94,539	473,800	204,100	999,816	271,109	2,390,008
Insurance claims recovered from reinsurer	24,130	8,246	6,445	201,813	-	61,655	302,289
Net claims	322,514	86,293	467,355	2,287	999,816	209,454	2,087,719
Commission expense	186,543	79,959	105,635	6,353	52,365	102,685	533,540
Management expense	275,552	147,241	353,322	4,335	375,173	117,344	1,272,968
Net Insurance Claims and expenses	784,609	313,493	926,312	12,975	1,427,354	429,483	3,894,227
Underwriting result	145,970	148,404	173,996	19,217	(259,477)	89,861	317,970
Net investment income							389,030
Rental income							38,259
Other income							114,482
Other expenses							(36,812)
Share in profit of associates							94,980
Profit from window takaful operations							91,539
Profit before tax							1,009,448

For the three months period ended September 30, 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	961,986	211,768	471,353	90,073	409,800	658,936	2,803,916
Less: Federal Excise Duty / Sales Tax	116,203	23,316	57,244	10,562	-	77,374	284,699
Federal Insurance Fee	8,377	1,811	4,091	784	4,055	5,682	24,800
Others	(102)	6,074	2,303	29	177	480	8,961
Gross written premium (inclusive of Administrative Surcharge)	837,508	180,567	407,715	78,698	405,568	575,400	2,485,456
Gross direct premium	834,043	175,936	397,378	78,457	405,568	568,304	2,459,686
Facultative inward premium	15	-	-	-	-	4,470	4,485
Administrative surcharge	3,450	4,631	10,337	241	-	2,626	21,285
	837,508	180,567	407,715	78,698	405,568	575,400	2,485,456
Insurance premium earned	669,463	193,883	363,351	98,685	354,384	552,723	2,232,489
Insurance premium ceded to reinsurers	428,192	42,965	16,291	95,314	-	418,974	1,001,736
Net Insurance premium	241,271	150,918	347,060	3,371	354,384	133,749	1,230,753
Commission income	24,831	1,286	948	5,213	-	43,913	76,191
Net underwriting income	266,102	152,204	348,008	8,584	354,384	177,662	1,306,944
Insurance claims	104,388	46,129	139,936	(101)	298,669	320,372	909,393
Insurance claims recovered from reinsurer	3,887	10,406	9,005	(92)	-	274,016	297,222
	100,501	35,723	130,931	(9)	298,669	46,356	612,171
Commission expense	60,169	25,660	32,859	1,764	14,549	45,165	180,166
Management expense	72,773	44,440	102,928	1,001	103,498	39,319	363,958
Net Insurance Claims and expenses	233,443	105,823	266,718	2,756	416,716	130,840	1,156,295
Underwriting result	32,659	46,381	81,290	5,828	(62,332)	46,823	150,649
Net investment income							189,703
Rental income							21,931
Other income							20,890
Other expenses							(12,650)
Share in profit of associates							42,446
Profit from window takaful operations							17,326
Profit before tax							430,295

For the nine months period ended September 30, 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	2,781,011	701,083	1,368,805	471,742	1,192,391	2,251,909	8,766,941
Less: Federal Excise Duty / Sales Tax	346,084	77,329	163,663	54,665	-	272,840	914,581
Federal Insurance Fee	24,071	5,979	11,827	4,122	11,801	19,325	77,125
Others	(99)	20,194	8,887	35	453	3,016	32,486
Gross written premium (inclusive of Administrative Surcharge)	<u>2,410,955</u>	<u>597,581</u>	<u>1,184,428</u>	<u>412,920</u>	<u>1,180,137</u>	<u>1,956,728</u>	<u>7,742,749</u>
Gross direct premium	2,402,850	582,534	1,152,436	412,197	1,180,137	1,927,431	7,657,585
Facultative inward premium	(47)	-	-	-	-	20,264	20,217
Administrative surcharge	8,152	15,047	31,992	723	-	9,033	64,947
	<u>2,410,955</u>	<u>597,581</u>	<u>1,184,428</u>	<u>412,920</u>	<u>1,180,137</u>	<u>1,956,728</u>	<u>7,742,749</u>
Insurance premium earned	1,689,405	578,593	1,071,369	296,282	1,177,348	1,530,674	6,343,671
Insurance premium ceded to reinsurers	1,069,465	105,888	41,754	286,397	-	1,106,550	2,610,054
Net Insurance premium	619,940	472,705	1,029,615	9,885	1,177,348	424,124	3,733,617
Commission income	87,499	2,887	2,815	15,244	-	128,873	237,318
Net underwriting income	<u>707,439</u>	<u>475,592</u>	<u>1,032,430</u>	<u>25,129</u>	<u>1,177,348</u>	<u>552,997</u>	<u>3,970,935</u>
Insurance claims	845,048	202,677	429,238	279,561	949,296	1,495,848	4,201,668
Insurance claims recovered from reinsurer	328,497	41,454	12,150	276,564	-	1,348,675	2,007,340
	516,551	161,223	417,088	2,997	949,296	147,173	2,194,328
Commission expense	181,168	81,623	100,467	5,698	50,463	136,037	555,456
Management expense	199,363	152,015	331,108	3,179	378,617	136,391	1,200,673
Net Insurance Claims and expenses	897,082	394,861	848,663	11,874	1,378,376	419,601	3,950,457
Underwriting result	<u>(189,643)</u>	<u>80,731</u>	<u>183,767</u>	<u>13,255</u>	<u>(201,028)</u>	<u>133,396</u>	<u>20,478</u>
Net investment income							857,597
Rental income							67,048
Other income							69,905
Other expenses							(54,162)
Share in profit of associates							150,556
Profit from window takaful operations							62,476
Profit before tax							<u>1,173,898</u>

The class wise assets and liabilities are as follows:

	As at September 30, 2019 (Unaudited)						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Segment assets	2,309,211	300,067	528,577	1,448,982	449,108	2,751,356	7,787,301
Unallocated corporate assets							13,866,176
Unallocated assets of Window Takaful Operation - Operator's Fund							402,319
Consolidated total assets	<u>2,309,211</u>	<u>300,067</u>	<u>528,577</u>	<u>1,448,982</u>	<u>449,108</u>	<u>2,751,356</u>	<u>22,055,796</u>
Segment liabilities	3,500,058	630,307	1,433,243	1,532,319	1,645,271	3,598,873	12,340,071
Unallocated corporate liabilities							1,883,997
Unallocated liabilities of Window Takaful Operation - Operator's Fund							249,183
Consolidated total liabilities	<u>3,500,058</u>	<u>630,307</u>	<u>1,433,243</u>	<u>1,532,319</u>	<u>1,645,271</u>	<u>3,598,873</u>	<u>14,473,251</u>
	As at December 31, 2018 (Audited)						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Segment assets	1,863,551	277,074	409,805	1,053,210	325,052	2,797,152	6,725,844
Unallocated corporate assets							14,265,171
Unallocated assets of Window Takaful Operation - Operator's Fund							322,137
Consolidated total assets	<u>1,863,551</u>	<u>277,074</u>	<u>409,805</u>	<u>1,053,210</u>	<u>325,052</u>	<u>2,797,152</u>	<u>21,313,152</u>
Segment liabilities	2,969,988	709,764	1,367,907	1,141,468	1,267,530	3,620,477	11,077,134
Unallocated corporate liabilities							2,160,755
Unallocated liabilities of Window Takaful Operation - Operator's Fund							167,208
Consolidated total liabilities	<u>2,969,988</u>	<u>709,764</u>	<u>1,367,907</u>	<u>1,141,468</u>	<u>1,267,530</u>	<u>3,620,477</u>	<u>13,405,097</u>

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

As at September 30, 2019 (Unaudited)

	Held-for-trading	Available-for-sale	Held-for-maturity	Loans and investment receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments										
- Investment in equity securities	501,847	4,017,527	-	-	-	4,519,374	4,358,249	161,125	-	4,519,374
- Debt securities	643,016	5,148,160	-	-	-	5,791,176	-	5,791,176	-	5,791,176
Assets of Window Takaful										
Operations - Operator's Fund*	-	59,894	-	-	-	59,894	59,894	-	-	59,894
Financial assets not measured at fair value										
Cash and bank deposits*	-	-	-	1,221,864	-	1,221,864	-	-	-	-
Investments										
- In associates	-	-	-	-	786,537	786,537	1,753,302	-	-	1,753,302
- Debt securities	-	-	201,017	-	-	201,017	-	201,017	-	201,017
- Unquoted equity shares*	-	2,500	-	-	-	2,500	-	-	-	-
- Term Deposits*	-	-	156,006	-	-	156,006	-	-	-	-
Insurance / reinsurance receivables*	-	-	-	2,508,757	-	2,508,757	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	2,930,357	-	2,930,357	-	-	-	-
Loans and other receivables*	-	-	-	154,194	-	154,194	-	-	-	-
Assets of Window Takaful										
Operations - Operator's Fund*	-	-	-	271,952	-	271,952	-	-	-	-
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	(4,397,312)	(4,397,312)	-	-	-	-
Insurance/Reinsurance Payables	-	-	-	-	(2,255,016)	(2,255,016)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(879,613)	(879,613)	-	-	-	-
Deposits and other payables*	-	-	-	-	(1,568,454)	(1,568,454)	-	-	-	-
Total liabilities of Window Takaful	-	-	-	-	(40,801)	(40,801)	-	-	-	-
Operations - Operator's Fund*	-	-	-	-	(40,801)	(40,801)	-	-	-	-
	1,144,863	9,228,081	357,023	7,087,124	786,537	9,462,432	6,171,445	6,153,318	-	12,324,763

As at December 31, 2018 (Audited)

	Held-for-trading	Available-for-sale	Held-for-maturity	Loans and investment receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments										
- Investment in equity securities	508,569	4,594,050	-	-	-	5,102,619	4,916,924	185,695	-	5,102,619
- Debt securities	-	5,073,103	-	-	-	5,073,103	-	5,073,103	-	5,073,103
Assets of Window Takaful										
Operations - Operator's Fund*	-	35,944	-	-	-	35,944	35,944	-	-	35,944
Financial assets not measured at fair value										
Cash and bank deposits*	-	-	-	1,669,039	-	1,669,039	-	-	-	-
Investments										
- In associates	-	-	-	-	769,210	769,210	2,541,541	-	-	2,541,541
- Debt securities	-	-	448,798	-	-	448,798	-	448,798	-	448,798
- Unquoted equity shares*	-	2,500	-	-	-	2,500	-	-	-	-
- Term Deposits*	-	-	131,696	-	-	131,696	-	-	-	-
Insurance receivables*	-	-	-	1,718,328	-	1,718,328	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	3,029,644	-	3,029,644	-	-	-	-
Loans and other receivables*	-	-	-	51,912	-	51,912	-	-	-	-
Assets of Window Takaful										
Operations - Operator's Fund*	-	-	-	235,896	-	235,896	-	-	-	-
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	(4,362,199)	(4,362,199)	-	-	-	-
Insurance/Reinsurance Payables	-	-	-	-	(1,753,164)	(1,753,164)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(834,688)	(834,688)	-	-	-	-
Deposits and other payables*	-	-	-	-	(1,572,881)	(1,572,881)	-	-	-	-
Total liabilities of Window Takaful	-	-	-	-	(28,860)	(28,860)	-	-	-	-
Operations - Operator's Fund*	-	-	-	-	(28,860)	(28,860)	-	-	-	-
	508,569	9,705,597	580,494	6,704,819	769,210	9,716,897	7,494,409	5,707,596	-	13,202,005



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

32.1 The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments, other than investments in subsidiaries, associates and joint ventures, are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, other assets and other liabilities can not be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

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

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on October 22 , 2019.

34. GENERAL

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



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director

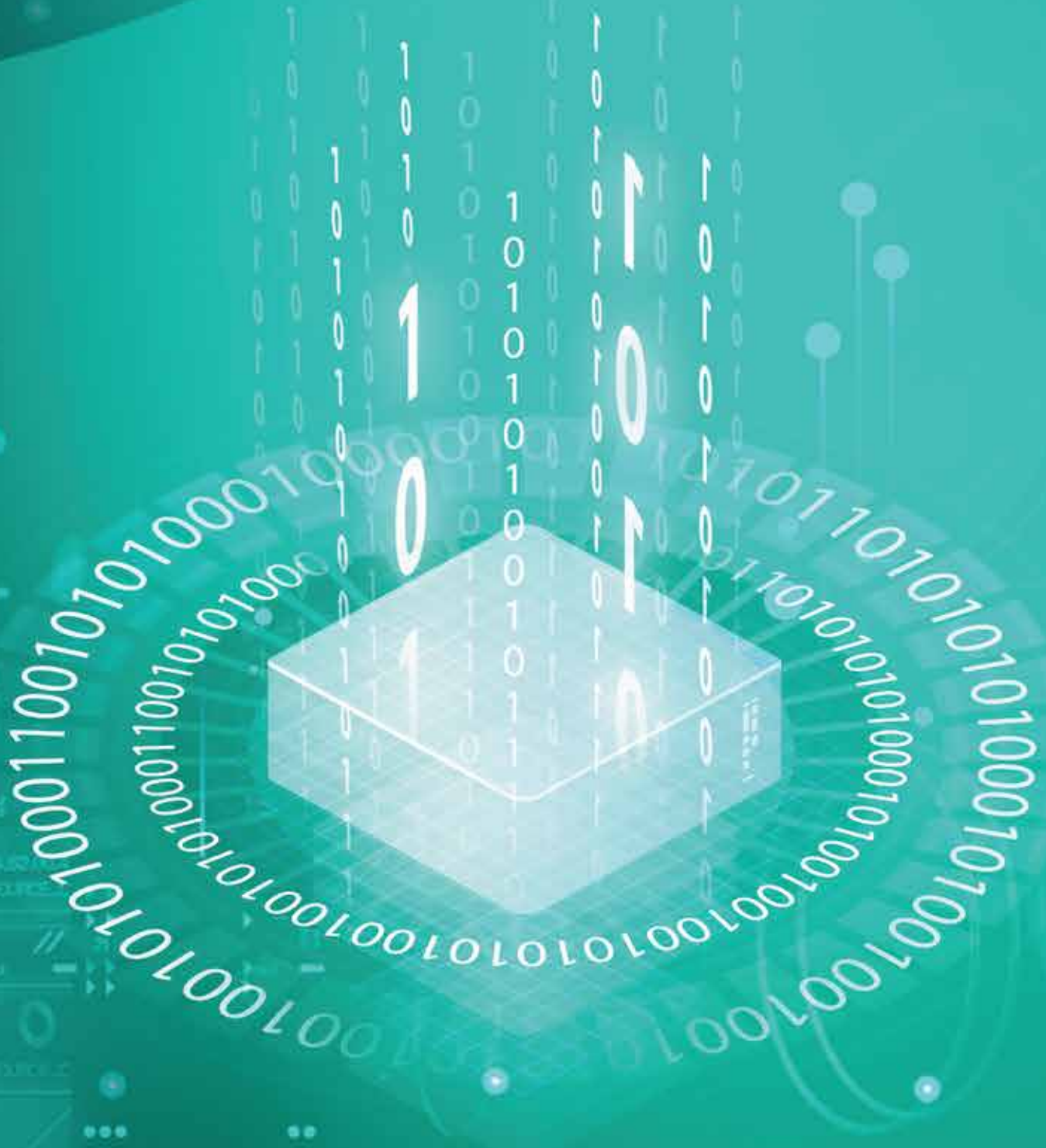


Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

Window Takaful Operations Financial Statements



Condensed Interim Statement of Financial Position

As at September 30, 2019

	Note	September 30, 2019 (Unaudited)			December 31, 2018 (Audited)
		Operator's Fund	Participants' Fund	Aggregate	Aggregate
(Rupees in '000)					
Assets					
Property and equipment	7	5,579	-	5,579	7,395
Intangible assets		2,312	-	2,312	3,052
Investments					
Equity securities	8	59,894	79,679	139,573	48,564
Loans and other receivables	9	2,974	8,902	11,876	5,204
Takaful / re-takaful receivables	10	-	219,748	219,748	96,704
Wakala and mudarib fee receivable		101,789	-	101,789	64,210
Re-takaful recoveries against outstanding claims		-	120,386	120,386	10,344
Salvage recoveries accrued		-	4,220	4,220	5,970
Deferred commission expense / acquisition cost	20	57,739	-	57,739	37,387
Deferred taxation		4,843	-	4,843	1,464
Prepayments	11	-	77,911	77,911	51,101
Cash and bank	12	167,189	510,666	677,855	660,715
Total assets		402,319	1,021,512	1,423,831	992,110
Funds and liabilities					
Funds attributable to operator and participants					
Operator's fund					
Statutory fund		100,000	-	100,000	100,000
Reserves		(11,857)	-	(11,857)	(3,583)
Accumulated profit		64,993	-	64,993	58,512
		153,136	-	153,136	154,929
Participants' fund					
Ceded money		-	500	500	500
Reserves		-	(22,181)	(22,181)	(1,790)
Accumulated surplus		-	129,872	129,872	135,856
		-	108,191	108,191	134,566
Total funds		153,136	108,191	261,327	289,495
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	17	-	297,900	297,900	114,527
Unearned contribution reserves	16	-	339,853	339,853	257,432
Unearned re-takaful rebate	18	-	4,277	4,277	1,397
Unearned wakala fee	19	162,948	-	162,948	113,999
Contribution received in advance		-	12,879	12,879	11,169
Wakala and mudarib fee payable		-	101,789	101,789	64,210
Takaful / re-takaful payables	13	-	144,091	144,091	77,322
Other creditors and accruals	14	40,801	12,532	53,333	42,075
Taxation - provision less payments		45,434	-	45,434	20,484
Total liabilities		249,183	913,321	1,162,504	702,615
Total funds and liabilities		402,319	1,021,512	1,423,831	992,110
Contingencies and Commitments 15					

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


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Aryn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Profit and Loss Account (Unaudited)

For the three months and nine months period ended September 30, 2019

	Note	Three months period ended September 30,		Nine months period ended September 30,	
		2019	2018	2019	2018
(Rupees in '000)					
Participants' Fund - revenue account					
Net takaful contribution	16	129,227	124,451	407,427	345,796
Net takaful claims	17	(146,395)	(94,560)	(440,634)	(271,646)
Re-takaful rebate earned	18	1,387	363	2,946	951
Direct expenses		(215)	(838)	(1,787)	(1,317)
		(145,223)	(95,035)	(439,475)	(272,012)
(Deficit) / surplus before investment income		(15,996)	29,416	(32,048)	73,784
Investment income	21	1,042	425	2,035	505
Profit on bank balances		11,186	4,685	30,560	12,111
Other expenses		(2,444)	(1,029)	(6,531)	(2,530)
(Deficit) / surplus for the period		(6,212)	33,497	(5,984)	83,870
Operator's Fund - revenue account					
Wakala fee income	19	82,196	62,762	227,364	173,796
Commission expense and acquisition costs	20	(29,964)	(23,543)	(77,997)	(60,076)
Management expenses		(23,511)	(25,071)	(70,174)	(57,703)
		(53,475)	(48,614)	(148,171)	(117,779)
		28,721	14,148	79,193	56,017
Investment (loss) / income	22	(98)	1,791	(1,865)	1,896
Other income	23	6,318	2,127	16,704	6,903
Other expenses		(845)	(740)	(2,493)	(2,340)
Profit before tax		34,096	17,326	91,539	62,476
Income tax expense		(9,888)	(5,024)	(26,546)	(18,118)
Profit after tax		24,208	12,302	64,993	44,358

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



Tawfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months and nine months period ended September 30, 2019

	Three months period ended September 30,		Nine months period ended September 30,	
	2019	2018	2019	2018
(Rupees in '000)				
Participants' Fund				
(Deficit) / surplus for the period	(6,212)	33,497	(5,984)	83,870
Other comprehensive income for the period				
Item that may be reclassified to the profit and loss account in subsequent periods				
Net unrealised diminution on revaluation of 'available-for-sale' investments	(7,215)	(918)	(20,391)	(1,994)
Total comprehensive (loss) / income for the period	(13,427)	32,579	(26,375)	81,876
Operator's Fund				
Net profit for the period	24,208	12,302	64,993	44,358
Other comprehensive income for the period				
Item that may be reclassified to the profit and loss account in subsequent periods				
Net unrealised diminution on revaluation of 'available-for-sale' investments - net of tax	(2,366)	(1,613)	(8,274)	(1,031)
Reclassification adjustment for net gain on sale of 'available for sale' investments included in the profit and loss account	-	12	-	10
Other comprehensive loss for the period	(2,366)	(1,601)	(8,274)	(1,021)
Total comprehensive income for the period	21,842	10,701	56,719	43,337

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


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Aryn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended September 30, 2019

	2019			2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Rupees in '000)				
Operating Cashflows				
(a) Takaful activities				
Takaful contribution received	-	774,786	774,786	630,976
Re-takaful contributions paid	-	(76,896)	(76,896)	(74,191)
Wakala fee received / (paid)	239,625	(239,625)	-	-
Claims paid	-	(370,890)	(370,890)	(256,118)
Re-takaful and other recoveries received	-	(8,768)	(8,768)	(1,866)
Commission paid	(88,737)	-	(88,737)	(59,870)
Re-takaful rebate received	-	5,826	5,826	1,132
Management / direct expenses paid	(69,036)	(732)	(69,768)	(56,442)
Net cash inflows from takaful activities	81,852	83,701	165,553	183,621
(b) Other operating activities				
Income taxes paid	(1,598)	(3,794)	(5,392)	(2,219)
General and administrative expenses paid	(2,580)	-	(2,580)	(2,363)
Other operating payments	(1,727)	(96,251)	(97,978)	(80,924)
Other operating receipts	1,944	97,650	99,594	82,569
Net cash outflows on other operating activities	(3,962)	(2,394)	(6,356)	(2,936)
Total cash inflows from all operating activities	77,890	81,307	159,197	180,685
Investment activities				
Profit / return received	10,398	31,318	41,716	17,879
Dividend received	1,900	1,378	3,278	1,676
Payment for investments	(40,323)	(88,224)	(128,547)	(21,955)
Proceeds from investments	4	4	8	12,639
Mudarib fee received / (paid)	5,629	(5,629)	-	-
Fixed capital expenditure	-	-	-	(60)
Total cash (outflows) / inflows on investing activities	(22,392)	(61,153)	(83,545)	10,179
Financing activities - profit paid to the Operator				
	(58,512)	-	(58,512)	(42,938)
Net cash (outflows on) / inflows from all activities	(3,014)	20,154	17,140	147,926
Cash and cash equivalents at the beginning of the period	170,203	490,512	660,715	432,254
Cash and cash equivalents at the end of the period	167,189	510,666	677,855	580,180
Reconciliation to the profit and loss account				
Operating cash flows	77,890	81,307	159,197	180,685
Depreciation expense / amortisation expense	(2,556)	-	(2,556)	(2,394)
Profit / return received	10,398	31,318	41,716	-
Profit on disposal of investments	-	-	-	-
Dividend income received	1,900	1,378	3,278	-
Mudarib fee received / (paid)	5,629	(5,629)	-	-
Impairment in value of available for sale securities	(4,717)	(771)	(5,488)	(1,494)
Increase in assets other than cash	58,424	261,130	319,554	143,773
Increase in liabilities other than borrowings	(81,975)	(374,718)	(456,693)	(192,342)
Net profit / (deficit) / surplus for the period	64,993	(5,985)	59,008	128,228

Definition of cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, policy stamps, bond papers, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

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



Towfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer



Condensed Interim Statement of Changes in Fund (Unaudited)

For the nine months period ended September 30, 2019

	Operator's Fund			Total
	Statutory Fund	Revenue reserve Surplus on revaluation of available for sale investments	Accumulated profit	
	(Rupees in '000)			
Balance as at December 31, 2017 (audited)	100,000	(1,995)	42,938	140,943
Profit after tax for the period	-	-	44,358	44,358
Transfer of profit to the Company	-	-	(42,938)	(42,938)
Other comprehensive income				
Net unrealised gain on available for sale investments - net of tax	-	(1,021)	-	(1,021)
	-	(1,021)	1,420	399
Balance as at September 30, 2018 (un-audited)	100,000	(3,016)	44,358	141,342
Balance as at December 31, 2018 (audited)	100,000	(3,583)	58,512	154,929
Profit after tax for the period	-	-	64,993	64,993
Transfer of profit to the Company	-	-	(58,512)	(58,512)
Other comprehensive income / (loss)				
Net unrealised loss on available for sale investments - net of tax	-	(8,274)	-	(8,274)
	-	(8,274)	6,481	(1,793)
Balance as at September 30, 2019 (un-audited)	100,000	(11,857)	64,993	153,136

	Participants' Takaful Fund			Total
	Ceded money	Revenue reserve Deficit on revaluation of available for sale investments	Accumulated surplus	
	(Rupees in '000)			
Balance as at December 31, 2017 (audited)	500	-	36,731	37,231
Surplus for the period	-	-	83,870	83,870
Other comprehensive income / (loss)				
Net unrealised loss on available for sale investments	-	(1,994)	-	(1,994)
	-	(1,994)	83,870	81,876
Balance as at September 30, 2018 (un-audited)	500	(1,994)	120,601	119,107
Balance as at December 31, 2018 (audited)	500	(1,790)	135,856	134,566
Surplus for the period	-	-	(5,984)	(5,984)
Other comprehensive income / (loss)				
Net unrealised loss on available for sale investments	-	(20,391)	-	(20,391)
	-	(20,391)	(5,984)	(26,375)
Balance as at September 30, 2019 (un-audited)	500	(22,181)	129,872	108,191

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


Towfiq H. Chinoy
Chairman


Tahir Ahmed
Chief Executive


Aryn Currimbhoy
Director


Akbarali Pesnani
Director


Nawaid Jamal
Chief Financial Officer

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

For the nine months period ended September 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited ("the Operator") is a public limited company incorporated in Pakistan on May 16, 1953. The Operator is listed on Pakistan Stock Exchange and is engaged in general insurance business. The registered office of the Operator is situated at 2nd Floor, Jubilee Insurance House, I. I. Chundrigar Road, Karachi.

The Operator was granted authorisation on March 10, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations ("the Operations") by the Securities and Exchange Commission of Pakistan ("SECP") under Takaful Rules, 2012 to carry on general takaful operations in Pakistan. The Waqf deed was executed on April 30, 2015 and the Operator commenced activities of the operations on May 07, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

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

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

2.1.2 Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company (referred to as the Operator's Fund and Participants' Takaful Fund) have been presented in these condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated July 09, 2015.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees which is also the functional currency of the Operator.

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

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

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from the profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Operator has adopted the temporary exemption which allows the Operator to defer the application of IFRS 9 until December 31, 2021.

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

2.4.1 Temporary exemption from application of IFRS 9

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

2.4.2 Fair value of financial assets as at September 30, 2019 and change in the fair values during the nine months ended September 30, 2019.

	(Un-audited) As at September 30, 2019	(Audited) As at December 31, 2018	(Un-audited) Change during the nine months ended September 30, 2019
	(Rupees in '000)		
Financial assets that do not meet the SPPI criteria			
Equity securities - available for sale - Operator's Fund	59,894	71,547	(11,653)
Equity securities - available for sale - Participants' Takaful Fund	79,679	100,070	(20,391)

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

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

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

The following standards, amendments and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after October 1, 2019:

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Operator as at and for the year ended December 31, 2018.

5. TAKAFUL AND FINANCIAL RISK MANAGEMENT

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

6. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made in the condensed interim financial statements as the unearned contribution reserve for each class of business at period end is adequate to meet the expected future liability after re-takaful from claims and other expenses expected to be increased after the reporting date in respect of policies in force at the reporting date.

		September 30, December 31,	
		2019	2018
		(Unaudited)	(Audited)
		.....(Rupees in '000).....	
7.	PROPERTY AND EQUIPMENT	Note	
	Operating assets	7.1	5,579 7,395
7.1	The break-up of operating assets as at September 30, 2019 is given below:		
	Furniture and fixtures		3,229 4,265
	Office equipment		2,163 2,850
	Computers and related accessories		187 280
			<u>5,579</u> <u>7,395</u>
7.2	Movement of property and equipment during the nine months period ended September 30, 2019 is as follows:		

		September 30, December 31,	
		2019	2018
		(Unaudited)	(Audited)
		.....(Rupees in '000).....	
	Opening book value	7,395	9,742
	Add: additions during the period	-	122
		<u>7,395</u>	<u>9,864</u>
	Less: depreciation for the period	1,816	2,469
		<u>5,579</u>	<u>7,395</u>

8. INVESTMENT IN EQUITY SECURITIES - AFS

	September 30, 2019 (Unaudited)		December 31, 2018 (Audited)	
	Cost	Carrying value	Cost	Carrying value
Operator's Fund	(Rupees in '000)			
Available-for-sale				
Quoted equity securities	76,593	59,894	40,991	35,944
Participants' Fund				
Available-for-sale				
Quoted equity securities	101,859	79,679	14,410	12,620

9. LOANS AND OTHER RECEIVABLES - CONSIDERED GOOD

	September 30, 2019 (Unaudited)		December 31, 2018 (Audited)	
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	(Rupees in '000)			
Accrued investment income	1,362	2,441	3,803	2,394
Advance to suppliers	962	-	962	21
Sales tax recoverable	89	1,380	1,469	1,387
Medical claims recoverable	-	771	771	453
Other receivables	561	4,310	4,871	949
	2,974	8,902	11,876	5,204

10. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF

	Note	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
		(Rupees in '000)	
Due from takaful contract holders	10.1	201,846	91,027
Due from other takaful / re-takaful operators	10.2	17,902	5,677
		219,748	96,704

10.1 This includes Rs. 32 thousands (December 31, 2018: Rs. 342 thousands) receivable from a related party.

10.2 This includes Rs. 4,524 thousands (December 31, 2018: Rs. 2,094 thousands) receivable from a related party.

11. PREPAYMENTS

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	(Rupees in '000)	
Operator's Fund		
Prepaid miscellaneous expenses	-	1,000
Participants' Takaful Fund		
Prepaid re-takaful contribution ceded	77,911	50,101

12. CASH AND BANK

	Note	September 30, 2019 (Unaudited)			December 31, 2018 (Audited)
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
Cash and cash equivalents		(Rupees in '000)			
policy, revenue stamps and bond papers		3	-	3	232
Cash at bank					
- Current accounts		-	26,851	26,851	17,375
- Savings accounts		167,186	483,815	651,001	643,108
		167,186	510,666	677,852	660,483
	12.1 & 12.2	167,189	510,666	677,855	660,715

12.1 Cash and bank balances of Operator's Fund include Rs. 115,437 thousands (December 31, 2018: Rs. 119,087 thousands) held with a related party.

12.2 Cash and bank balances of Participants' Takaful Fund include Rs. 138,133 thousands (December 31, 2018 : Rs. 57,171 thousands) held with related parties.

13. TAKAFUL / RE-TAKAFUL PAYABLES - PTF

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
	(Rupees in '000)	
Due to takaful contract holders	5,076	3,783
Due to other takaful / re-takaful operators	139,015	73,539
	144,091	77,322

14. OTHER CREDITORS AND ACCRUALS

	September 30, 2019 (Unaudited)			December 31, 2018 (Audited)
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	(Rupees in '000)			
Agents commissions payable	38,298	-	38,298	28,686
Federal Excise Duty / Sales Tax	-	7,206	7,206	6,397
Federal Takaful Fee	-	596	596	507
Accrued expenses	2,307	1,862	4,169	3,853
Other taxes payables	-	832	832	799
Others	196	2,036	2,232	1,833
	40,801	12,532	53,333	42,075

15. CONTINGENCIES AND COMMITMENTS

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

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

		(Un-audited)			
		Three months period ended		Nine months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		(Rupees in '000)			
16.	NET TAKAFUL CONTRIBUTION - PTF	Note			
			19		
	Written gross contribution	303,904	229,762	882,602	702,528
	Less: Wakala fee	99,344	70,209	276,313	205,655
	Written net contribution	204,560	159,553	606,289	496,873
	Add: Unearned contribution reserve - opening	318,979	266,304	257,432	200,250
	Less: Unearned contribution reserve - closing	339,853	273,721	339,853	273,721
	Contribution earned	183,686	152,136	523,868	423,402
	Less:				
	Re-takaful contribution ceded	76,474	35,650	144,251	86,052
	Add: Prepaid re-takaful contribution - opening	55,896	39,405	50,101	38,924
	Less: Prepaid re-takaful contribution - closing	77,911	47,370	77,911	47,370
	Re-takaful expense	54,459	27,685	116,441	77,606
		129,227	124,451	407,427	345,796
17.	NET TAKAFUL CLAIMS - PTF				
	Claim paid	138,834	90,558	370,890	256,118
	Less: Outstanding claims including IBNR - opening	174,776	100,327	114,527	94,875
	Add : Outstanding claims including IBNR - closing	297,900	107,488	297,900	107,488
	Claims expense	261,958	97,719	554,263	268,731
	Less:				
	Re-takaful and other recoveries received	2,423	416	5,336	(481)
	Less: Re-takaful and other recoveries against outstanding claims - opening	11,467	7,843	16,314	13,020
	Add: Re-takaful and other recoveries against outstanding claims - closing	124,607	10,586	124,607	10,586
	Re-takaful and other recoveries revenue	115,563	3,159	113,629	(2,915)
		146,395	94,560	440,634	271,646
18.	RE-TAKAFUL REBATE EARNED - PTF				
	Re-takaful rebate received or recoverable	3,768	434	5,826	1,132
	Add: Unearned re-takaful rebate - opening	1,896	731	1,397	621
	Less: Unearned re-takaful rebate - closing	4,277	802	4,277	802
		1,387	363	2,946	951
19.	WAKALA FEE INCOME - OTF				
	Gross wakala fee	99,344	70,209	276,313	205,655
	Add: Unearned Wakala fee income - opening	145,800	109,811	113,999	85,399
	Less: Unearned Wakala fee income - closing	162,948	117,258	162,948	117,258
		82,196	62,762	227,364	173,796

		(Un-audited)			
		Three months period ended		Nine months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		(Rupees in '000)			
20.	COMMISSION EXPENSE AND ACQUISITION COSTS - OTF	Note			
	Commission paid or payable	39,628	26,973	98,349	69,039
	Add: Deferred commission expense - opening	48,075	33,618	37,387	28,085
	Less: Deferred commission expense - closing	57,739	37,048	57,739	37,048
		<u>29,964</u>	<u>23,543</u>	<u>77,997</u>	<u>60,076</u>
21.	INVESTMENT INCOME - PTF				
	Income / (loss) from equity securities				
	Available for sale investments				
	- Dividend income	1,437	425	2,816	461
	Income from term deposits				
	Return on term deposits	-	-	-	44
	Total investment income	1,437	425	2,816	505
	Investment related expenses	-	-	(10)	-
	Impairment in value of available for sale - equity securities	(395)	-	(771)	-
		<u>1,042</u>	<u>425</u>	<u>2,035</u>	<u>505</u>
22.	INVESTMENT INCOME - OTF				
	Income / (loss) from equity securities				
	Available for sale investments				
	- Dividend income	1,362	988	2,862	1,728
	Net realised gain / (loss) on investments				
	Available for sale				
	Realised gain on sale of equity securities	-	803	-	2,320
	Realised loss on sale of equity securities	-	-	-	(658)
		-	803	-	1,662
	Total investment income	1,362	1,791	2,862	3,390
	Investment related expenses	-	-	(10)	-
	Impairment in value of available for sale - equity securities	(1,460)	-	(4,717)	(1,494)
		<u>(98)</u>	<u>1,791</u>	<u>(1,865)</u>	<u>1,896</u>
23.	OTHER INCOME - OTF				
	Profit on bank balances	3,873	1,105	10,185	4,380
	Mudarib's share of PTF investment income	2,445	1,022	6,519	2,523
		<u>6,318</u>	<u>2,127</u>	<u>16,704</u>	<u>6,903</u>

23.1 This includes Rs. 7,981 thousands (September 30, 2018: Rs. 4,058 thousands) profit on bank balances held with a related party.

24. TRANSACTIONS WITH RELATED PARTIES

Related parties include the Operator, associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel of the Operator. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	Note	(Un-audited)			
		Three months period ended		Nine months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
(Rupees in '000)					
Rent	24.1	553	503	1,590	1,433
Reimbursement of expenses	24.2	10,218	7,876	25,916	16,152
Remuneration of key management personnel		3,614	4,205	9,440	8,310
Contributions to provident fund		285	290	776	649
Profit on bank balances - PTF		2,984	156	6,345	1,664

24.1 This represents rent paid to the Operator.

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

25. SEGMENT INFORMATION

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and Insurance Rules, 2017 for class of business wise revenues, results, assets and liabilities.

The class wise revenues and results are as follows:

	Three months period ended September 30, 2019 (Unaudited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Contribution received / receivable (inclusive of FED, FTF and administrative surcharge)	96,618	30,101	129,445	63,692	21,521	341,377
Less: Federal Excise duty / Sales Tax	11,222	2,817	15,572	-	2,812	32,423
Federal takaful fee	821	258	1,113	630	212	3,034
Others	42	1,229	705	34	6	2,016
	<u>84,533</u>	<u>25,797</u>	<u>112,055</u>	<u>63,028</u>	<u>18,491</u>	<u>303,904</u>
Gross written contribution (inclusive of administrative surcharge)						
Gross direct contribution	83,691	25,205	108,366	63,028	18,261	298,551
Administrative surcharge	842	592	3,689	-	230	5,353
	<u>84,533</u>	<u>25,797</u>	<u>112,055</u>	<u>63,028</u>	<u>18,491</u>	<u>303,904</u>

Three months period ended September 30, 2019 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Participants' Takaful Fund - revenue account						
Takaful contribution earned	25,834	13,512	87,507	43,563	13,270	183,686
Takaful contribution ceded to re-takaful operators	84,915	32,603	25,329	-	35,576	178,423
Net takaful contribution	110,749	46,115	112,836	43,563	48,846	362,109
Re-takaful rebate	581	73	6	-	727	1,387
Net revenue	111,330	46,188	112,842	43,563	49,573	363,496
Takaful claims	173,676	131,429	268,908	258,290	14,265	846,568
Takaful claims recovered from re-takaful operators	113,355	-	52	-	2,156	115,563
Net claims	287,031	131,429	268,960	258,290	16,421	962,131
Direct expenses	-	-	3,359	-	-	3,359
Surplus before investment income	398,361	177,617	385,161	301,853	65,994	1,328,986
Investment income						1,042
Profit on bank balances						11,186
Mudarib fee						(2,444)
Surplus for the period						1,338,770
Operator's Fund - revenue account						
Wakala fee income	12,931	7,275	37,181	19,813	4,996	82,196
Commission and other acquisition costs	23,911	15,644	53,251	26,857	6,367	126,030
Management expenses	16,609	10,192	56,036	27,469	6,530	116,836
	53,451	33,111	146,468	74,139	17,894	325,062
Investment loss						(98)
Other income						6,318
Other expenses						(845)
Profit before tax						330,437

Three months period ended September 30, 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Contribution received / receivable (inclusive of FED, FTF and administrative surcharge)	50,742	26,029	124,707	44,961	13,081	259,520
Less : Federal Excise duty / Sales Tax	6,146	2,598	15,334	-	1,518	25,596
Federal takaful fee	443	222	1,102	445	113	2,325
Others	41	1,059	697	35	5	1,837
	44,112	22,150	107,574	44,481	11,445	229,762
Gross written contribution (inclusive of administrative surcharge)	43,698	21,549	104,078	44,481	11,318	225,124
Gross direct contribution	414	601	3,496	-	127	4,638
Administrative surcharge	44,112	22,150	107,574	44,481	11,445	229,762
Participants' Takaful Fund - revenue account						
Takaful contribution earned	16,876	13,367	78,734	35,482	7,677	152,136
Takaful contribution ceded to re-takaful operators	(11,341)	(7,316)	(4,143)	-	(4,885)	(27,685)
Net takaful contribution	5,535	6,051	74,591	35,482	2,792	124,451
Re-takaful rebate	238	-	2	-	123	363
Net revenue	5,773	6,051	74,593	35,482	2,915	124,814
Takaful claims	(2,104)	(3,887)	(40,873)	(45,576)	(5,278)	(97,718)
Takaful claims recovered from re-takaful operators	-	-	1,021	-	2,137	3,158
Net claims	(2,104)	(3,887)	(39,852)	(45,576)	(3,141)	(94,560)
Direct expenses	-	-	(838)	-	-	(838)
Surplus / (Deficit) before investment income	3,669	2,164	33,903	(10,094)	(226)	29,416
Investment income						425
Profit on bank balances						4,685
Mudarib fee						(1,029)
Surplus for the period						33,497

Three months period ended September 30, 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Operator's Fund - revenue account						
Wakala fee income	8,437	7,215	32,179	12,029	2,902	62,762
Commission and other acquisition costs	(4,287)	(3,682)	(11,197)	(3,117)	(1,260)	(23,543)
Management expenses	(3,423)	(2,787)	(12,911)	(4,751)	(1,199)	(25,071)
	<u>727</u>	<u>746</u>	<u>8,071</u>	<u>4,161</u>	<u>443</u>	<u>14,148</u>
Investment income						1,791
Other income						2,127
Other expenses						(740)
Profit before tax						<u>17,326</u>

Nine months period ended September 30, 2019 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Contribution received / receivable (inclusive of FED, FTF and administrative surcharge)	166,822	71,775	441,498	234,998	69,977	985,070
Less: Federal Excise duty / Sales Tax	19,568	6,891	53,263	-	8,213	87,935
Federal takaful fee	1,420	611	3,840	2,325	621	8,817
Others	194	3,203	2,136	125	58	5,716
	<u>145,640</u>	<u>61,070</u>	<u>382,259</u>	<u>232,548</u>	<u>61,085</u>	<u>882,602</u>
Gross written contribution (inclusive of administrative surcharge)						
Gross direct contribution	144,033	59,127	371,024	232,548	60,554	867,286
Administrative surcharge	1,607	1,943	11,235	-	531	15,316
	<u>145,640</u>	<u>61,070</u>	<u>382,259</u>	<u>232,548</u>	<u>61,085</u>	<u>882,602</u>
Participants' Takaful Fund - revenue account						
Takaful contribution earned	65,687	36,921	258,774	128,290	34,196	523,868
Takaful contribution ceded to re-takaful operators	(59,108)	(19,704)	(15,375)	-	(22,254)	(116,441)
Net takaful contribution	6,579	17,217	243,399	128,290	11,942	407,427
Re-takaful rebate	1,200	73	18	-	1,655	2,946
Net revenue	<u>7,779</u>	<u>17,290</u>	<u>243,417</u>	<u>128,290</u>	<u>13,597</u>	<u>410,373</u>
Takaful claims	(156,360)	(68,719)	(160,791)	(157,362)	(11,031)	(554,263)
Takaful claims recovered from re-takaful operators	113,473	-	(2,314)	-	2,470	113,629
Net claims	(42,887)	(68,719)	(163,105)	(157,362)	(8,561)	(440,634)
Direct expenses	-	-	(1,787)	-	-	(1,787)
(Deficit) / surplus before investment income	<u>(35,108)</u>	<u>(51,429)</u>	<u>78,525</u>	<u>(29,072)</u>	<u>5,036</u>	<u>(32,048)</u>
Investment income						2,035
Profit on bank balances						30,560
Mudarib fee						(6,531)
Deficit for the period						<u>(5,984)</u>
Operator's Fund - revenue account						
Wakala fee income	32,956	19,888	107,903	53,704	12,913	227,364
Commission and other acquisition costs	(14,876)	(9,661)	(32,613)	(16,922)	(3,925)	(77,997)
Management expenses	(10,172)	(6,138)	(33,303)	(16,575)	(3,985)	(70,174)
	<u>7,908</u>	<u>4,089</u>	<u>41,987</u>	<u>20,207</u>	<u>5,002</u>	<u>79,193</u>
Investment loss						(1,865)
Other income						16,704
Other expenses						(2,493)
Profit before tax						<u>91,539</u>

Nine months period ended September 30, 2018 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
(Rupees in '000)						
Contribution received / receivable (inclusive of FED, FTF and administrative surcharge)	103,871	62,168	406,591	177,939	36,239	786,808
Less: Federal Excise duty / Sales Tax	12,560	6,264	48,949	-	4,232	72,005
Federal takaful fee	899	527	3,518	1,761	316	7,021
Others	56	2,727	2,354	89	28	5,254
	<u>90,356</u>	<u>52,650</u>	<u>351,770</u>	<u>176,089</u>	<u>31,663</u>	<u>702,528</u>
Gross written contribution (inclusive of administrative surcharge)	89,434	50,917	341,019	176,089	31,302	688,761
Gross direct contribution	922	1,733	10,751	-	361	13,767
Administrative surcharge	<u>90,356</u>	<u>52,650</u>	<u>351,770</u>	<u>176,089</u>	<u>31,663</u>	<u>702,528</u>
Participants' Takaful Fund - revenue account						
Takaful contribution earned	49,190	32,477	222,655	95,088	23,992	423,402
Takaful contribution ceded to re-takaful operators	(32,916)	(19,147)	(11,273)	-	(14,270)	(77,606)
Net takaful contribution	16,274	13,330	211,382	95,088	9,722	345,796
Re-takaful rebate	671	-	5	-	275	951
Net revenue	<u>16,945</u>	<u>13,330</u>	<u>211,387</u>	<u>95,088</u>	<u>9,997</u>	<u>346,747</u>
Takaful claims	(23,919)	(5,047)	(129,197)	(107,917)	(2,651)	(268,731)
Takaful claims recovered from re-takaful operators	-	-	(4,581)	-	1,666	(2,915)
Net claims	<u>(23,919)</u>	<u>(5,047)</u>	<u>(133,778)</u>	<u>(107,917)</u>	<u>(985)</u>	<u>(271,646)</u>
Direct expenses	-	-	(1,317)	-	-	(1,317)
(Deficit) / surplus before investment income	<u>(6,974)</u>	<u>8,283</u>	<u>76,292</u>	<u>(12,829)</u>	<u>9,012</u>	<u>73,784</u>
Investment income						505
Profit on bank balances						12,111
Mudarib fee						(2,530)
Surplus for the period						<u>83,870</u>
Operator's Fund - revenue account						
Wakala fee income	24,740	17,469	90,615	31,898	9,074	173,796
Commission and other acquisition costs	(11,717)	(8,660)	(28,939)	(7,456)	(3,304)	(60,076)
Management expenses	(8,214)	(5,800)	(30,086)	(10,590)	(3,013)	(57,703)
	<u>4,809</u>	<u>3,009</u>	<u>31,590</u>	<u>13,852</u>	<u>2,757</u>	<u>56,017</u>
Investment income						1,896
Other income						6,903
Other expenses						(2,340)
Profit before tax						<u>62,476</u>

The classwise assets and liabilities are as follows:

	September 30, 2019 (Unaudited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Segment assets	184,636	19,245	126,595	55,502	37,059	423,036
Unallocated assets						
Participants' Takaful Fund						598,476
Operator's Fund						402,319
Consolidated total assets						1,423,831
Segment liabilities	246,635	71,892	359,262	176,970	58,561	913,321
Unallocated liabilities - Operator's Fund						249,183
Consolidated total liabilities						1,162,504

	December 31, 2018 (Audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Segment assets	37,916	10,902	68,733	22,505	23,516	163,572
Unallocated assets						
Participants' Takaful Fund						506,401
Operator's Fund						322,137
Consolidated total assets						992,110
Segment liabilities	63,168	22,872	293,244	114,905	41,218	535,407
Unallocated liabilities - Operator's Fund						167,208
Consolidated total liabilities						702,615

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

September 30, 2019 (Unaudited)									
Carrying amount					Fair value				
Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
Financial assets measured at fair value									
Investments in equity securities	139,573	-	-	139,573	139,573	-	-	139,573	
Financial assets not measured at fair value									
Cash and bank*	-	677,855	-	677,855	-	-	-	-	
Takaful / Re-takaful receivables*	-	219,748	-	219,748	-	-	-	-	
Wakala and mudarib fee receivable*	-	101,789	-	101,789	-	-	-	-	
Loans and receivables*	-	9,445	-	9,445	-	-	-	-	
Salvage recoveries accrued*	-	4,220	-	4,220	-	-	-	-	
Re-takaful recoveries against outstanding claims*	-	120,386	-	120,386	-	-	-	-	
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	(297,900)	(297,900)	-	-	-	-	
Takaful / Re-takaful payables*	-	-	(144,091)	(144,091)	-	-	-	-	
Wakala and mudarib fee payable*	-	-	(101,789)	(101,789)	-	-	-	-	
Other creditors and accruals*	-	-	(51,905)	(51,905)	-	-	-	-	
139,573	-	1,133,443	(595,685)	677,331	139,573	-	-	139,573	
December 31, 2018 (Audited)									
Carrying amount					Fair value				
Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
Financial assets measured at fair value									
Investments in equity securities	48,564	-	-	48,564	48,564	-	-	48,564	
Financial assets not measured at fair value									
Cash and bank*	-	660,715	-	660,715	-	-	-	-	
Takaful / Re-takaful receivables*	-	96,704	-	96,704	-	-	-	-	
Wakala and mudarib fee receivable*	-	64,210	-	64,210	-	-	-	-	
Loans and receivables*	-	3,796	-	3,796	-	-	-	-	
Salvage recoveries accrued*	-	5,970	-	5,970	-	-	-	-	
Re-takaful recoveries against outstanding claims*	-	10,344	-	10,344	-	-	-	-	
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	(114,527)	(114,527)	-	-	-	-	
Takaful / Re-takaful payables*	-	-	(77,322)	(77,322)	-	-	-	-	
Wakala and mudarib fee payable*	-	-	(64,210)	(64,210)	-	-	-	-	
Other creditors and accruals*	-	-	(34,047)	(34,047)	-	-	-	-	
48,564	-	841,739	(290,106)	600,197	48,564	-	-	48,564	

* The operations have not disclosed the fair value of these items because their carrying amounts approximate their fair value.

27. DATE OF AUTHORISATION FOR ISSUE

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

28. GENERAL

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



Tawfiq H. Chinoy
Chairman



Tahir Ahmed
Chief Executive



Amyn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer



















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