



Century Insurance
A Lakson Group Company

Your **Trust**
Our **Assurance**



Nine Months Report September 2018
(Un-audited)



Century Insurance **At a Glance**

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance business.
- One of the premier general insurance companies of Pakistan.
- Rated "A+" with a stable outlook by JCR — VIS, signifying a 'high capacity to meet policyholders' and contractual obligations'.
- Total equity in excess of Rs. 1.7 billion.
- Twice awarded 'Top 25 Companies Award' by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with highly rated international reinsurers.
- Broad client base consisting of individuals as well as some of the most prestigious local and multinational companies.

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Our Vision

To be an organization known for integrity and ethical behavior and fully dedicated to its Clients, Business Partners, Shareholders and Employees, providing exceptional quality service and committed to achieving excellence in all areas of its operations.

Our Mission

- To become a company of choice for its valued Clients, Stockholders and Employees.
- To ensure continued growth of the financial strength and resilience of the company so that it may be able to withstand any unexpected shocks or cyclical economic downturns.
- The Company culture to be known for Integrity and Ethical behavior.
- The Company to be known as one of the best insurance companies of the country.

Corporate Information

Board of Directors

Mr. Iqbal Ali Lakhani - Chairman
Mr. Amin Mohammed Lakhani
Mr. Bilal Ali Lakhani (from April 12, 2018)
Ms. Anushka Zulfiqar Lakhani
Mr. Tasleemuddin Ahmed Batlay
Mr. Mohammad Hussain Hirji - Chief Executive
Mr. Sadrudin Ismail Mohamed

Advisor

Mr. Sultan Ali Lakhani

Chief Financial Officer

Mr. Sabza Ali Pirani

Company Secretary

Mr. Mansoor Ahmed

Shariah Advisor

Mufti Muhammad Shakir Siddiqui

Audit Committee

Mr. Sadrudin Ismail Mohamed - Chairman
Mr. Amin Mohammed Lakhani
Mr. Tasleemuddin Ahmed Batlay

Investment Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. Tasleemuddin Ahmed Batlay
Mr. Mohammad Hussain Hirji
Mr. Sabza Ali Pirani

Ethics, Human Resource & Remuneration Committee

Mr. Sadrudin Ismail Mohamed - Chairman
Mr. Amin Mohammed Lakhani
Mr. Tasleemuddin Ahmed Batlay
Mr. Mohammad Hussain Hirji

External Auditors

M/s. KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

M/s. FAMCO Associates (Pvt) Ltd.
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.
Tel: (021) 34380101-2
Fax: (021) 34380106
Email: info.shares@famco.com.pk
Website: www.famco.com.pk

Bankers

Al Baraka Bank (Pakistan) Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
NRSP Microfinance Bank Limited
Silkbank Limited
Standard Chartered Bank (Pakistan) Limited
Telenor Microfinance Bank Limited
United Bank Limited

Registered & Corporate Office

Lakson Square, Building No. 2,
Sarwar Shaheed Road, Karachi-74200.

Head Office

11th Floor, Lakson Square, Building No. 3,
Sarwar Shaheed Road, Karachi-74200.

Website: www.cicl.com.pk

UAN: 111-111-717

NTN: 0710008-6

Directors' Review

On behalf of the Board of Directors, we are pleased to present to you the un-audited financial statements for the nine-month period ended 30 September 2018.

General Review

The overall operational performance of the Company has improved significantly in the third quarter of 2018 as compared to the same period in 2017. Gross Written Premium (inclusive of Takaful Contribution) has increased by Rs. 132.7 million (15%) to Rs. 992.5 million. Net Premium (inclusive of Takaful Contribution) has increased by Rs. 95.4 million (22%) to Rs. 522 million. Underwriting Profit stood at Rs. 84.4 million, up by Rs. 35.8 million (74%). However, Investment and Other Income has decreased by Rs. 151.4 million. Earnings per share stood at Rs. 1.06.

Operating Results

The comparative financial highlights for the nine-month period ended 30 Sep 2018 and 2017 are presented below:-

Description	Rs. In million (except for EPS)			
	September 30, 2018	September 30, 2017	Increase / (Decrease) Amount	%
Gross Written Premium (including Takaful Contribution)	992	860	132	15
Net Premium (including Takaful Contribution)	522	427	95	22
Underwriting results	84	49	35	71
Investment & other income	(3)	149	(152)	(102)
Profit before tax	78	193	(115)	(60)
Profit after tax	54	109	(55)	(50)
Earnings per share (EPS) Rs.	1.06	2.17	(1.11)	(51)
Total assets	3,011	2,736	275	10
Paid-up capital	503	503	-	-
Total equity	1,712	1,738	(26)	(1)

As compared to the first nine months of 2017, the Gross Written Premium (inclusive of Takaful Contribution) for Fire class has increased by Rs. 33.0 million (12%), Marine by Rs. 32.2 million (26%), Motor by Rs. 45.1 million (20%), Accident & Health by Rs. 21.1 million (12%) and Miscellaneous class by Rs. 1.2 million (2%).

Window Takaful Operations

Keeping in view the fact that 2018 would be the first full year of Window Takaful Operations, the overall Takaful performance was quite satisfactory.

Participant Takaful Fund (PTF)

The Gross Written Contribution for the first nine months of 2018 is Rs. 44 million, Net Contribution revenue is Rs. 13.9 million and the surplus for the period is Rs. 4.9 million.

Operator's Fund (OPF)

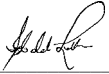
Gross Wakala Fee for the first nine months of 2018 is Rs. 16.4 million, Net Wakala Fee income is Rs. 8.5 million and Profit Before Tax is Rs. 3.1 million.

Future Outlook

The management is making concerted efforts to increase market share and profitability and the business of the Company is expected to continue to grow at a steady pace. We shall continue to strive to identify new and innovative products and distribution channels, expand the branch network to serve clients in new cities and recruit, train and motivate sales staff so as to maintain the momentum of profitable growth. We are hopeful that this will result in improved sustainability and enhanced shareholder equity.

Acknowledgments

On behalf of all the Directors, we would like to thank our shareholders who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum utilization of their investment. I also wish to place on record our appreciation of the devotion, loyalty and hard work of the management and members of the staff that have contributed towards the growth of the Company and success of its operations.



Iqbal Ali Lakhani
Chairman



Mohammad Hussain Hirji
Director & Chief Executive

Karachi: 26 October 2018

وڈ ونڈ کا فل آپریشنز

اس حقیقت کو مد نظر رکھتے ہوئے سال 2018 وڈ ونڈ کا فل آپریشنز کا پہلا مکمل سال ہوا۔ نکافل کی مجموعی کارکردگی تسلی بخش ہے۔

شراکت داروں کا نکافل فنڈ

نومہ 2018 میں شراکت داروں کا مجموعی کنٹری بیوشن فنڈ 44 ملین روپے رہا۔ شراکت داروں کا خالص کنٹری بیوشن 13.9 ملین روپے اور سربلس فنڈ 4.9 ملین روپے رہا۔

آپریٹو فنڈ

مجموعی وکلائیس برائے نومہ 2018 میں 16.4 ملین روپے ہے۔ خالص وکلائیس کی آمدنی 8.5 ملین اور قبل از ٹیکس منافع 3.1 ملین روپے۔

مستقبل کے خدوخال

کمپنی کی انتظامیہ کاروبار میں منافع اور مارکیٹ شیئر میں اضافے کی مستحکم رفتار کو برقرار رکھنے کے لیے ٹھوس اقدامات کر رہی ہے۔ ہم منافع بخش ترقی کی رفتار کو برقرار رکھنے کے لیے نئی اور جدید مصنوعات کی شناخت اور تقسیم کار کے طریقوں، دیگر شہروں میں کلائنٹ کی خدمت کی غرض سے اضافی برانچوں کے قیام اور بیمہ فروخت کے عملے کی حوصلہ افزائی اور تربیت کرتے رہیں گے۔ ہم امید کرتے ہیں کہ مندرجہ بالا اقدامات مستقبل میں حصص یافتگان کی ایکویٹی میں اضافے اور بہتر پائیداری کا باعث ہیں۔

اعترافات

ہم تمام ڈائریکٹرز کی جانب سے اپنے حصص یافتگان کا شکریہ ادا کرتے ہیں جنہوں نے کمپنی پر اپنا بھروسہ اور اعتماد رکھا اور ان کے کمپنی میں سرمایہ کاری کے بہترین استعمال کی یقین دہانی کراتے ہیں۔ اور ہم انتظامیہ اور عملے کے اراکین کی لگن، وفاداری اور انتھک محنت کو سراہتے ہیں جنہوں نے کمپنی کی ترقی اور کاروباری امور کی کامیابی میں اپنا کردار ادا کیا۔

Mohammad Iqbal Mirji

محمد حسین حیرتی

ڈائریکٹر اور چیف ایگزیکٹو

اقبال علی لاکھانی

چیئر مین

کراچی 26 اکتوبر 2018

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ ڈائریکٹرز کی طرف سے ہم مسرت کے ساتھ 30 ستمبر 2018 کو ختم ہونے والے نو ماہ کی مدت کے لئے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ

مجموعی طور پر تیسری سہ ماہی 2018 میں کمپنی کی آپریشنل کارکردگی میں 2017 کے مقابلے میں نمایاں اضافہ ہوا ہے۔ مشترکہ مجموعی پربینیم (بشمول نکافل کنٹریبیوٹن) 132.7 ملین روپے (15 فیصد) کا اضافہ جو کہ 992.5 ملین روپے ہوا۔ مجموعی خالص پربینیم (بشمول نکافل کنٹریبیوٹن) 95.4 ملین روپے (22 فیصد) کا اضافہ جو کہ 522.0 ملین روپے ہوا۔ انڈر رائٹنگ آمدنی 844 ملین روپے رہی ہے جس میں 35.8 ملین روپے کا اضافہ (74 فیصد) ہے۔ سرمایہ کاری اور دیگر آمدنی میں 151.4 ملین روپے (102 فیصد) کی کمی ہوئی۔ فی شیئر آمدنی 1.06 روپے سے رہی۔

کاروباری امور کے نتائج

نو ماہ کی مدت 30 ستمبر 2018 اور 2017 کے تقابلی مالیاتی جھلکیاں درج ذیل ہیں:

روپے ملین میں (EPS کے علاوہ)	30 ستمبر 2018 (رقم)	30 ستمبر 2017 (رقم)	اضافہ / (کمی) (رقم)	اضافہ / (کمی) (%)
مجموعی پربینیم	992	860	132	15
خالص پربینیم	522	427	95	22
انڈر رائٹنگ آمدنی	84	49	35	71
سرمایہ کاری اور دیگر آمدنی	(3)	149	(152)	(102)
آمدنی قبل از ٹیکس	78	193	(115)	(60)
آمدنی بعد از ٹیکس	54	109	(55)	(50)
فی حصص آمدنی (EPS) روپے	1.06	2.17	(1.11)	(51)
کل اثاثہ جات	3,011	2,736	275	10
اداشد اسرما یہ	503	503	-	-
کل ایکویٹی	1,712	1,738	(26)	(1)

نو ماہ 2017 کے مقابلے میں مجموعی پربینیم (بشمول نکافل کنٹریبیوٹن) برائے بیسڈ آتش زدگی میں 33.0 ملین روپے (12 فیصد)، بحری بیہ میں 32.2 ملین روپے (20 فیصد)، بیہ حادثہ و صحت میں 21.1 ملین روپے (12 فیصد) اور بیہ متفرق میں 1.2 ملین روپے (2 فیصد) کا اضافہ ہے۔

Condensed Interim Statement of Financial Position

As at September 30, 2018

		(Un-audited) September 30, 2018	(Audited) December 31 2017 (Restated)
	Note	----- (Rupees) -----	-----
Assets			
Property and equipment	8	72,727,394	65,669,519
Intangible assets		30,570	472,587
Investment in associates	9	43,737,116	42,137,247
Investments			
Equity securities	10.1	1,121,791,539	1,102,099,243
Debt securities	10.2	89,323,070	129,899,296
Term deposit	10.3	50,000,000	245,000,000
Loan and other receivable	11	88,307,143	238,537,198
Insurance / reinsurance receivable	12	551,175,081	426,728,740
Reinsurance recoveries against outstanding claims	21	94,228,986	74,912,821
Salvage recoveries accrued		7,435,000	2,426,000
Deferred commission expense	22	39,766,492	32,232,773
Deferred taxation	16	27,213,155	35,264,815
Prepayments	13	229,967,507	170,714,966
Cash and bank	14	527,777,430	116,781,242
Total assets of Window Takaful Operations - Operator's fund	15	67,184,052	52,755,690
Total assets		3,010,664,535	2,735,632,137

		(Un-audited) September 30, 2018	(Audited) December 31 2017 (Restated)
	Note	-----	(Rupees) -----
Equity and liabilities			
Authorized share capital (70,000,000 Ordinary share of Rs.10 each)		700,000,000	700,000,000
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		502,968,030	502,968,030
Share premium		254,024,260	254,024,260
Reserves		130,842,513	81,818,834
Unappropriated profit		857,223,089	891,722,749
Total Equity		1,745,057,892	1,730,533,873
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	21	188,743,047	165,560,979
Unearned premium reserve	20	502,293,964	383,008,819
Unearned reinsurance commission	22	46,088,171	38,529,301
Premiums received in advance		1,557,954	804,781
Insurance / reinsurance payables	17	298,401,319	225,151,644
Other creditors and accruals	18	147,948,683	140,516,479
Taxation - provision less payments		65,005,987	47,993,747
Total Liabilities		1,250,039,125	1,001,565,750
Total liabilities of Window Takaful Operations - Operator's fund	15	15,567,518	3,532,514
Total equity and liabilities		3,010,664,535	2,735,632,137
Contingencies	19		

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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-audited)

For the three and nine months period ended September 30, 2018

	Note	Three month period ended		Nine month period ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
----- (Rupees) -----					
Net insurance premium	20	185,928,431	156,901,279	508,105,114	426,466,284
Net insurance claims	21	(72,735,956)	(77,231,709)	(215,049,851)	(190,539,339)
Net commission and other acquisition costs	22	2,203,863	4,470,625	4,239,304	14,835,416
Insurance claims and acquisition expenses		(70,532,093)	(72,761,084)	(210,810,547)	(175,703,923)
Management Expenses		(71,791,662)	(68,909,616)	(212,886,459)	(202,119,954)
Underwriting results		43,604,676	15,230,579	84,408,108	48,642,407
Investment income / (loss)	23	4,805,020	(13,142,576)	(23,851,580)	140,913,568
Other income	24	9,939,419	1,237,963	18,334,984	4,619,864
Other expenses		(2,812,215)	(1,102,024)	(6,521,147)	(4,373,798)
Results of operating activities		55,536,900	2,223,942	72,370,365	189,802,041
Share of profit of associates		1,254,125	847,971	2,801,533	3,148,692
Profit / (loss) from Window Takaful Operations	15	2,995,769	(270,056)	3,144,703	(270,056)
Profit before tax		59,786,794	2,801,857	78,316,601	192,680,677
Income tax expense - current		(16,807,777)	(3,037,003)	(37,837,811)	(62,770,242)
- prior		-	-	-	(26,346,857)
- deferred		(3,301,734)	2,646,458	13,041,154	5,416,050
		(20,109,511)	(390,545)	(24,796,657)	(83,701,049)
Profit after tax		39,677,283	2,411,312	53,519,944	108,979,628
Earnings per share of Rs.10 each - basic and diluted	25	0.79	0.05	1.06	2.17

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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabzaan Pirani
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three and nine months period ended September 30, 2018

	(Un-audited)			
	Three month period ended		Nine month period ended	
	September 30, 2018	September 30, 2017 (Restated)	September 30, 2018	September 30, 2017 (Restated)
	----- (Rupees) -----			
Profit after tax	39,677,283	2,411,312	53,519,944	108,979,628
Other comprehensive income				
Item to be reclassified to profit and loss account in subsequent period:				
Unrealised (diminution) / appreciation 'available for sale' investments - net of tax	(5,853,827)	(75,727,771)	48,942,707	(181,356,293)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	-	-	-	30,690,303
	(5,853,827)	(75,727,771)	48,942,707	(150,665,990)
Unrealised (diminution) / appreciation 'available for sale' investments of Window Takaful Operations - net of tax	(235,679)	-	160,619	-
- Share in other comprehensive income of an associate - net of tax	(81,944)	-	(79,647)	18,185
Total comprehensive income / (loss) for the period	33,505,833	(73,316,459)	102,543,623	(41,668,177)


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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-Audited)

For the three and nine months period ended September 30, 2018

	September 30, 2018	September 30, 2017
	----- (Rupees) -----	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	868,577,823	713,216,816
Reinsurance premium paid	(288,564,685)	(364,266,210)
Claims paid	(305,354,853)	(256,300,217)
Reinsurance and other recoveries received	90,718,936	106,929,266
Commissions paid	(83,627,297)	(62,297,946)
Commissions received	64,796,686	68,308,032
Management expenses paid	(210,664,601)	(202,349,816)
Net cash inflow from underwriting activities	135,882,009	3,239,925
(b) Other operating activities		
Income tax paid	(20,825,571)	(45,788,018)
Other operating payments	(6,377,066)	(3,692,165)
Contribution to Window Takaful Operations	-	(50,000,000)
Net cash outflow from other operating activities	(27,202,637)	(99,480,183)
Total cash inflow / (outflow) from operating activities	108,679,372	(96,240,258)
Investment activities		
Profit / return received	26,760,655	18,080,554
Dividends received	9,519,588	100,609,629
Payments for investments	(971,351,248)	(2,134,409,919)
Proceeds from disposal of investments	1,340,449,863	2,162,981,594
Fixed capital expenditure	(17,968,829)	(9,231,490)
Proceeds from sale of property and equipment	1,481,314	2,968,189
Total cash inflow from investing activities	388,891,343	140,998,557
Financing activities - Dividends paid	(86,574,526)	(79,634,273)
Net cash inflow / (outflow) from all activities	410,996,189	(34,875,974)
Cash at beginning of the period	115,981,242	107,820,416
Cash at end of the nine months period	526,977,431	72,944,442
Reconciliation to profit and loss account		
Operating cash flows	108,679,372	(96,240,258)
Depreciation / amortization expense	(9,379,550)	(9,328,373)
(Loss) / profit on disposal of fixed assets	(492,108)	1,028,359
Profit on disposal of investments	10,562,959	47,118,735
Dividend income	9,289,297	101,240,032
Investment and other income	29,849,785	1,174,091
(Increase) / decrease in assets other than cash	(247,136,009)	246,397,452
Increase / (decrease) in liabilities other than running finance	149,913,459	(182,140,354)
Profit / (loss) from Window Takaful Operations	2,232,739	(270,056)
Profit after tax	53,519,944	108,979,628

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

	September 30, 2018	September 30, 2017
	----- (Rupees) -----	
Cash and bank deposits		
Cash and other equivalents		
- Cash	234,540	193,600
- Policy stamps and bond papers in hand	463,217	1,341,032
	697,757	1,534,632
Current and other accounts		
- Current accounts *	6,826,434	4,421,236
- Savings accounts	519,453,240	66,988,974
	526,279,674	71,410,210
	526,977,431	72,944,842

* This does not include local currency account with a lien amounting to Rs.0.8 million (September 30, 2017: Rs.0.8 million), with a commercial bank for letters of credit arranged through the bank for securing claims arising outside Pakistan.

Reconciliation of liabilities arising out of financing activities

Unclaimed dividend as at January 01,	3,938,133	3,559,189
Changes from financing activities		
Dividend paid	(86,574,526)	(79,634,273)
Others		
Final cash dividend for the year ended December 31, 2017 @ 17.5% (2016: 17.5%)	88,019,604	80,017,899
Unclaimed dividend as at September 30,	5,383,211	3,942,815

Definition of cash

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

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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the nine months period ended September 30, 2018

	Attributable to equity holders of the Company					Total
	Share capital Issued, subscribed and paid-up	Capital reserves Share premium	Revenue reserves			
			General reserve	Unrealised appreciation /(diminution) /'available for sale' investments	Retained earnings	
----- (Rupees) -----						
Balance as at January 01, 2017 - as previously reported	457,243,660	254,024,260	119,000,000	-	879,048,427	1,709,316,347
Net effect of changes in accounting policy (refer note 3.1)	-	-	-	147,955,431	-	147,955,431
Balance as at January 01, 2017 as restated	457,243,660	254,024,260	119,000,000	147,955,431	879,048,427	1,857,271,778
Total comprehensive income Profit after tax for the nine months period	-	-	-	-	108,979,628	108,979,628
Other comprehensive income Share in other comprehensive income of an associate	-	-	-	18,185	-	18,185
Net unrealised loss arising during the period on revaluation of available for sale investments net of tax	-	-	-	(181,356,293)	-	(181,356,293)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account net of tax	-	-	-	30,690,303	-	30,690,303
Total comprehensive income	-	-	-	(150,647,805)	108,979,628	(41,668,177)
Transactions with owners recorded directly in equity Final cash dividend of Rs.1.75 (17.5%) per share for the year ended December 31, 2016	-	-	-	-	(80,017,899)	(80,017,899)
Issue of bonus share at 10% per share of Rs. 10 each for the year ended December 31, 2016	45,724,370	-	-	-	(45,724,370)	-
Balance as at September 30, 2017 as restated	502,968,030	254,024,260	119,000,000	(2,692,374)	862,285,786	1,735,585,702
Balance as at January 01, 2018 - as previously reported	502,968,030	254,024,260	119,000,000	-	891,722,749	1,767,715,039
Net effect of changes in accounting policy (refer note 3.1)	-	-	-	(37,181,166)	-	(37,181,166)
Balance as at January 01, 2018 as restated	502,968,030	254,024,260	119,000,000	(37,181,166)	891,722,749	1,730,533,873
Total comprehensive income Profit after tax for the nine months period	-	-	-	-	53,519,944	53,519,944
Other comprehensive income Share in other comprehensive income of an associate	-	-	-	(79,647)	-	(79,647)
Net unrealised gain arising during the period on revaluation of available for sale investments (including WTO) net of tax	-	-	-	49,103,326	-	49,103,326
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (including WTO) net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	49,023,679	53,519,944	102,543,623
Transactions with owners recorded directly in equity Final cash dividend of Rs. 1.75 (17.5%) per share for the year ended December 31, 2017	-	-	-	-	(88,019,604)	(88,019,604)
Balance as at September 30, 2018	502,968,030	254,024,260	119,000,000	11,842,513	857,223,089	1,745,057,892

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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

1. STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on October 10, 1985 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The Company is listed on the Pakistan Stock Exchange Limited and is engaged in general insurance business. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

The Company was granted authorization on August 07, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations by Securities and Exchange Commission of Pakistan (SECP) and under Takaful Rules, 2012 to carry on general takaful operations in Pakistan. The Company has formed a Waqf for Participants' Fund ("PTF") by executing the Waqf deed dated August 17, 2017. The Company commenced its activities of Window Takaful Operations on August 18, 2017.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012, have been followed.

2.2 The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated February 09, 2017 and Circular 25 of 2015 dated July 09, 2015 has prescribed format of the presentation of annual financial statements for general insurance companies. These condensed interim financial statements have been prepared in accordance with the format prescribed by the SECP (note 3.1).

2.3 These condensed interim financial information do not include all the information required in the full annual financial statements. Accordingly, these condensed interim financial information should be read in conjunction with annual financial statements of the Company as at and for the year ended December 31, 2017.

2.4 These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional currency of the Company.

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these condensed interim financial information are same as compared with the annual financial statements of the Company as at and for the year ended December 31, 2017, except as stated below.

3.1 Change in Accounting Policies

3.1.1 Application of Insurance Rules 2017 and Insurance Accounting Regulation 2017

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated February 09, 2017 has issued the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations 2017). The application of these Rules and Accounting Regulations, 2017 for the purpose of preparation and presentation of the financial statements was effective from April 01, 2017. SECP through its letters has granted exemption from application of Rules and Accounting Regulations 2017 to the Company till December 31, 2017. Therefore, the application of Rules and Accounting Regulations 2017 became effective from the accounting year commencing from January 01, 2018.

The Rules and Accounting Regulations 2017 require significant disclosures / requirements, which are relevant to the Company includes but not limited to: Presentation and disclosure of financial statements prescribed in Annexure II of the Insurance Rules, 2017, recognition of available-for-sale investments at fair value as per IAS 39 "Financial Instruments: Recognition and Measurement".

The Company has adopted these Rules and Accounting Regulations 2017 and accordingly has changed its accounting policies as follows:

3.1.1.1 Available for sale investments

Up to December 31, 2017, the available for sale investments subsequent to initial recognition had been stated at the lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) as the application of International Accounting Standard-39 (IAS-39) 'Financial Instruments: Recognition and Measurement' in respect of valuation of available for sale investments was deferred in accordance with repealed SEC (Insurance) Rules 2002.

According to the Rules and Accounting Regulations 2017, the Company has changed its accounting policy for subsequent measurement of investments classified as available for sale from lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) to fair value as per the requirements of IAS 39 and any unrealised gains or losses arising on re-measurement on of available-for-sale investments are taken to revaluation reserve through other comprehensive income. On de-recognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to profit and loss account for the period.

3.1.1.2 Presentation of Financial Statements

The Company has adopted format for preparation and presentation of its condensed interim financial information in line with the requirements of the Rules and Accounting Regulations 2017. Significant changes in presentation are rearrangements in sequence of assets / liabilities in the statement of financial position; presentation of single profit or loss account instead of segment wise (classes of business) presentation and discontinuation of separate statements of Premiums, Claims, Expense and investment Income. The segment wise and premiums, claims and expenses and investment income is now included in notes to the interim condensed financial information (note 20, 21, 22, 23 and 28)

3.1.1.3 Financial Impact of change in accounting policy

The significant effects of changes in accounting policies as stated above has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated to conform to the changed policy. The summary of the effects are as follows:

	December 31, 2017			January 01, 2017		
	As previously reported	As re-stated	Restatement	As previously reported	As re-stated	Restatement
(Rupees)						
Effect on Statement of financial position						
Assets						
Investments in Equity Securities	1,155,337,264	1,102,099,243	(53,238,021)	1,408,006,279	1,622,434,440	214,428,161
Total assets from takaful operations - OTF	52,633,620	52,755,690	122,070	-	-	-
Deferred taxation	19,293,409	35,264,815	15,971,406	1,928,077	(64,544,653)	66,472,730
Liability						
Total liabilities from takaful operations - OTF	3,495,893	3,532,514	36,621	-	-	-
Equity:						
Unappropriated profit and reserves	1,264,747,009	1,227,565,843	(37,181,166)	1,252,072,687	1,104,117,256	147,955,431
30 September 2017						
(Rupees)						
Effect of other comprehensive income						
Profit after tax				108,979,628	108,979,628	-
Item to be reclassified to profit and loss account in subsequent period						
Net unrealised (loss) arising during the period on revaluation of available for sale investments - net of tax	-	(181,356,293)	(181,356,293)			
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	-	30,690,303	30,690,303			
Share in other comprehensive income of an associate	-	18,185	18,185			
Other comprehensive loss, net of tax		(150,647,805)	(150,647,805)			
Total comprehensive income for the period		(41,668,177)	(41,668,177)			

The above restatement does not impact on the Company's profit and loss account and accordingly earnings per share has not been restated.

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

3.1.2 Adoption of Companies Act 2017

During the period the Companies Act, 2017 has been effective from January 01, 2018, however there is no impact on the condensed interim financial information of the Company.

3.1.3 New Or Amendments / Interpretations To Existing Standards, Interpretation And Forthcoming Requirements

There are new and amended standards and interpretations as notified under the Companies Act, 2017 that are mandatory for accounting periods beginning July 01, 2017 but are considered not to be relevant or do not have any significant effect on the Company's condensed interim financial information and are therefore not stated.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after January 01, 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and / or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after January 01, 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after January 01, 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit and loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture

to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the Company's condensed interim financial information.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after January 1, 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on the Company's condensed interim financial information.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Company's condensed interim financial information.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after July 01, 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after July 01, 2018 and January 01, 2019 respectively). 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. The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model. Based on initial assessment the management considered that there is no significant change in the classification or carrying value of the financial assets or liabilities and no additional significant impairment is expected.
- IFRS 16 'Leases' (effective for annual period beginning on or after January 01, 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in process of analyzing the potential impact of changes required on adoption of the standard.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the Company's condensed interim financial information.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 01, 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's condensed interim financial information.
- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after July 01, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options 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. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards 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.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after January 01, 2019 and are not likely to have an impact on the Company's condensed interim financial information.

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information 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 and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial information, the significant judgments made by 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, 2017.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended December 31, 2017.

7. PREMIUM DEFICIENCY RESERVE

No provision has been made 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 balance sheet date in respect of policies in force at the reporting date.

8. PROPERTY AND EQUIPMENT

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
	Note	----- (Rupees) -----	
Operating assets	8.1	67,387,594	62,203,019
Capital work in progress	8.2	5,339,800	3,466,500
		<u>72,727,394</u>	<u>65,669,519</u>

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
Note	-----	----- (Rupees) -----
8.1 Operating assets		
Opening written down value	62,203,019	65,091,484
Add: Additions during the period / year - at cost		
- Motor vehicles	15,011,000	8,876,003
- Computers and related accessories	344,314	388,450
- Office equipment	988,582	2,292,955
- Furniture and fixtures	193,650	317,000
- Office improvement	-	620,190
	16,537,546	12,494,598
Less: Written down value of deletions	1,973,421	3,518,217
Depreciation for the period / year	9,379,550	11,864,846
	11,352,971	15,383,063
	67,387,594	62,203,019
8.2 Capital work in progress		
Advance against purchase of vehicles	5,239,300	3,366,000
Advance against renovation of office	100,500	100,500
	5,339,800	3,466,500
9. INVESTMENT IN ASSOCIATES		
Beginning of the period / year	42,137,247	38,284,477
Share of profit from associates	2,801,533	5,482,214
Dividend received from associates	(1,089,485)	(1,561,607)
Share in other comprehensive loss	(112,179)	(67,837)
End of the period / year	43,737,116	42,137,247
9.1		
9.1 This includes investment in Colgate - Palmolive (Pakistan) Limited Rs. 9,642,039 (December 31, 2017: Rs. 9,694,621 and Century Board & Paper Mills Limited of Rs 34,095,077 (December 31, 2017: Rs 32,442,626).		

10. INVESTMENTS

10.1 Investments in equity securities		(Un-audited)		(Audited)	
		September 30, 2018		December 31, 2017	
		Cost	Carrying value	Cost	Carrying value (Restated)
Note		----- (Rupees) -----			
Available for sale	10.1.1	996,114,285	1,012,554,991	996,869,395	943,631,374
Held for trading		112,149,169	109,236,548	183,670,343	158,467,869
		1,108,263,454	1,121,791,539	1,180,539,738	1,102,099,243
10.1.1 Available for sale					
Related parties					
Mutual funds		511,504,960	529,197,893	538,257,008	511,532,660
Others					
Listed shares		59,354,940	57,188,872	60,460,073	63,612,189
Mutual funds		425,254,385	426,168,226	398,152,314	368,486,525
		484,609,325	483,357,098	458,612,387	432,098,714
		996,114,285	1,012,554,991	996,869,395	943,631,374
10.2 Investments in debt securities		(Un-audited)		(Audited)	
		September 30, 2018		December 31, 2017	
		Cost	Carrying value	Cost	Carrying value
Note		----- (Rupees) -----			
Held for trading					
Government securities		4,913,725	4,988,270	22,711,503	22,980,437
Held to maturity					
Government securities	10.2.1	49,330,305	49,330,305	49,068,199	49,068,199
Commercial paper		-	-	52,850,660	52,850,660
Term finance certificate		293,292	-	293,292	-
	10.2.2	49,623,597	49,330,305	102,212,151	101,918,859
Available for sale					
Sukuk		15,000,000	15,004,495	5,000,000	5,000,000
Term finance certificate		20,000,000	20,000,000	-	-
		35,000,000	35,004,495	5,000,000	5,000,000
		89,537,322	89,323,070	129,923,654	129,899,296

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

10.2.1 These securities are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

10.2.2 The market value of held to maturity debt securities is Rs. 52.064 million (2017: Rs. 107.800 million).

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
10.3	Investment in term deposit	Note	----- (Rupees) -----
	Deposit maturing within 12 months	10.4 <u>50,000,000</u>	<u>245,000,000</u>

10.4 The rate of return on term deposit certificate issued by NRSP Microfinance Bank is 9.5% per annum (2017: 6.7% to 9.5%) depending on tenor. This term deposit certificate will mature in December 2018.

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
11.	LOAN AND OTHERS RECEIVABLE		----- (Rupees) -----
	Accrued investment income	10,161,143	8,370,688
	Security deposits	6,336,167	6,029,167
	Advance to employees	3,173,604	2,670,633
	Advance against expenses	103,000	99,000
	Receivable against sale of shares	65,935,528	218,900,569
	Window Takaful Operations	1,851,454	1,297,833
	Others	746,247	1,169,308
		<u>88,307,143</u>	<u>238,537,198</u>
12.	INSURANCE / RE-INSURANCE RECEIVABLE		
	Due from insurance contract holders	406,850,103	314,279,731
	Amounts due from other insurers / reinsurers	63,957,776	65,764,134
	Reinsurance recoveries due but unpaid	80,367,202	46,684,875
		<u>551,175,081</u>	<u>426,728,740</u>
13.	PREPAYMENTS		
	Prepaid reinsurance premium ceded	216,234,586	162,210,966
	Prepayments	13,732,921	8,504,000
		<u>229,967,507</u>	<u>170,714,966</u>

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
	----- (Rupees) -----	
14. CASH AND BANK		
Cash and cash equivalents		
Cash in hand	234,540	194,627
Policy stamps and bond papers in hand	463,217	1,264,081
	<u>697,757</u>	<u>1,458,708</u>
Current and other accounts		
Current accounts	7,626,434	9,365,911
Saving accounts	519,453,240	105,956,623
	<u>527,079,673</u>	<u>115,322,534</u>
	<u>527,777,430</u>	<u>116,781,242</u>
15 WINDOW TAKAFUL OPERATIONS		
		(Restated)
Assets		
Cash and bank deposits	22,193,807	24,683,106
Investments	25,930,115	25,122,070
Current assets - others	19,060,130	2,950,514
Total Assets	<u>67,184,052</u>	<u>52,755,690</u>
Total Liabilities - Current	<u>15,567,518</u>	<u>3,532,514</u>
	(Un-audited)	
	Three months period ended September 30, 2018	Nine months period ended September 30, 2018
	----- (Rupees) -----	
Profit before tax for the period	<u>2,995,769</u>	<u>3,144,703</u>

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

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

16. DEFERRED TAXATION - NET	(Un-audited) September 30, 2018	(Audited) December 31, 2017 (Restated)
	----- (Rupees) -----	-----
Deferred tax asset / (liability) arising in respect of:		
Accelerated depreciation on operating fixed assets	(781,730)	(1,157,149)
Unrealised loss / (gain) on remeasurement of securities to fair value - net	15,130,712	1,696,320
Provision for claims incurred but not reported (IBNR)	2,239,695	2,316,926
Provision for compensated absences	1,617,633	1,673,414
Share of profit from associates	(1,781,307)	(1,362,771)
Provision against receivables	15,569,441	16,106,318
	<u>31,994,444</u>	<u>19,273,058</u>
Unrealised appreciation 'available for sale' investments	(4,769,108)	15,971,406
Share in 'associates' reserves	(12,181)	20,351
	<u>27,213,155</u>	<u>35,264,815</u>
17. INSURANCE AND REINSURANCE PAYABLES		
Foreign reinsurers	95,851,216	30,073,147
Local reinsurers	169,119,846	165,183,254
Co-insurers	33,430,257	29,895,243
	<u>298,401,319</u>	<u>225,151,644</u>
18. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	99,589,127	93,356,580
Federal excise duty	7,251,616	11,661,916
Federal insurance fees	700,053	953,289
Creditors	2,123,261	2,066,334
Retention money	103,260	103,260
Margin deposits	4,251,470	4,589,134
Staff retirement benefits	3,076,218	5,171,457
Payable against purchase of shares	196,905	251,868
Withholding tax payable	650,481	1,018,897
Accrued expenses	13,379,978	9,055,657
Deposits from employees against car scheme	9,055,286	7,820,421
Unclaimed dividend	5,383,211	3,938,133
Others	2,187,817	529,533
	<u>147,948,683</u>	<u>140,516,479</u>
19. CONTINGENCIES		

The status of contingencies remain unchange as disclosed in annual financial statements for the year ended December 31, 2017.

20. NET INSURANCE PREMIUM

	(Un-audited)		(Un-audited)	
	Three month period ended		Nine month period ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Rupees) ----- -----			
Written Gross premium	320,616,993	292,495,519	948,349,352	858,890,218
Add : Unearned premium reserve opening	478,058,242	428,721,762	383,008,819	337,036,982
Less: Unearned premium reserve closing	502,293,964	461,871,478	502,293,964	461,871,478
Premium earned	296,381,271	259,345,803	829,064,207	734,055,722
Less: Reinsurance premium ceded	122,984,855	103,813,929	374,982,713	345,606,975
Add: Prepaid reinsurance premium opening	203,702,571	202,187,607	162,210,966	165,539,475
Less: Prepaid reinsurance premium closing	216,234,586	203,557,012	216,234,586	203,557,012
Reinsurance expense	110,452,840	102,444,524	320,959,093	307,589,438
	185,928,431	156,901,279	508,105,114	426,466,284

21. NET INSURANCE CLAIMS EXPENSE

Claim paid	82,708,996	108,218,592	305,354,853	256,300,217
Add : Outstanding claims including IBNR closing	188,743,047	208,304,442	188,743,047	208,304,442
Less: Outstanding claims including IBNR opening	190,099,015	196,484,068	165,560,979	164,787,530
Claims expense	81,353,028	120,038,966	328,536,921	299,817,129
Less: Reinsurance and others recoveries received	13,031,288	44,307,752	94,170,905	72,759,527
Add: Reinsurance and others recoveries in respect of outstanding claims closing	94,228,986	97,700,011	94,228,986	97,700,011
Less: Reinsurance and others recoveries in respect of outstanding claims opening	98,643,202	99,200,506	74,912,821	61,181,748
Reinsurance and other recoveries revenue	8,617,072	42,807,257	113,487,070	109,277,790
	72,735,956	77,231,709	215,049,851	190,539,339

22. NET COMMISSION EXPENSE

Commission paid or payable	26,137,030	19,936,694	86,501,462	78,690,169
Add : Deferred commission expense opening	40,682,087	41,718,365	32,232,773	30,829,820
Less: Deferred commission expense closing	39,766,492	39,550,873	39,766,492	39,550,873
Net commission	27,052,625	22,104,186	78,967,743	69,969,116
Less: Commission received or recoverable	31,834,912	31,439,387	90,765,917	89,952,640
Add: Unearned Reinsurance commission opening	43,509,747	43,409,460	38,529,301	43,125,928
Less: Unearned Reinsurance commission closing	46,088,171	48,274,036	46,088,171	48,274,036
Commission from reinsurers	29,256,488	26,574,811	83,207,047	84,804,532
	(2,203,863)	(4,470,625)	(4,239,304)	(14,835,416)

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

23. INVESTMENT INCOME

	(Un-audited)			
	Three months period ended		Nine months period ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Rupees) -----			
Income from equity securities				
Available-for-sale				
Dividend income	1,979,052	4,571,570	3,347,577	95,649,689
Held for trading				
Dividend income	2,231,138	1,471,806	5,941,720	5,590,343
Income from debt securities				
Held to maturity				
Return on government securities	1,316,388	1,600,104	4,478,543	4,740,123
Return on other fixed income securities and deposits	235,152	4,749	2,149,341	9,446
Available-for-sale				
Return on other fixed income securities and deposits	309,977	-	740,039	-
Income from term deposits				
Return on term deposits	1,197,261	4,347,580	4,146,878	12,725,750
	<u>7,268,968</u>	<u>11,995,809</u>	<u>20,804,098</u>	<u>118,715,351</u>
Net realised gains / (losses) on investments				
Available for sale				
- Gain on sale of equity securities	-	-	4,598,268	45,442,065
Held for trading				
- (Loss) / gain on sale of equity securities	(2,613,418)	(6,453,768)	4,176,329	(1,549,766)
- Gain on sale of debt securities	716,354	882,784	1,788,362	3,226,436
	<u>(1,897,064)</u>	<u>(5,570,984)</u>	<u>10,562,959</u>	<u>47,118,735</u>
Net unrealised gains / (losses) on investments at fair value through profit and loss (Held for trading purposes)				
- Equity securities	367,342	(18,717,675)	(3,150,216)	(22,775,622)
- Debt securities	(38,777)	-	74,545	-
	<u>328,565</u>	<u>(18,717,675)</u>	<u>(3,075,671)</u>	<u>(22,775,622)</u>
Total investment income	<u>5,700,469</u>	<u>(12,292,850)</u>	<u>28,291,386</u>	<u>143,058,464</u>
Add: Reversal of impairment in debt securities				
Held to maturity	-	-	-	4,253
Less: Impairment in value of available-for-sale	-	-	(49,277,339)	-
Less: Investment related expenses	(895,449)	(849,726)	(2,865,627)	(2,149,149)
Investment income	<u>4,805,020</u>	<u>(13,142,576)</u>	<u>(23,851,580)</u>	<u>140,913,568</u>

(Un-audited)			
Three months period ended		Nine months period ended	
September 30,	September 30,	September 30,	September 30,
2018	2017	2018	2017
----- (Rupees) -----			

24. OTHER INCOME

Income from financial assets / liabilities

Return on bank balances	9,943,139	1,170,654	18,685,264	3,505,446
Others	-	29,990	141,828	86,059

Income from non-financial assets

(Loss) / gain on sale of fixed assets	(2,720)	37,319	(492,108)	1,028,359
	9,940,419	1,237,963	18,334,984	4,619,864

25. EARNINGS PER SHARE - BASIC AND DILUTED

(Un-audited)				
Three months period ended		Nine months period ended		
September 30,	September 30,	September 30,	September 30,	
2018	2017	2018	2017	
----- (Rupees) -----				
Profit after tax for the period	39,677,283	2,411,312	53,519,944	108,979,628
	----- (Numbers) -----			
Weighted average number of ordinary shares	50,296,803	50,296,803	50,296,803	50,296,803
	----- (Rupees) -----			
Earnings per share - basic and diluted	0.79	0.05	1.06	2.17

25.1 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.

26. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies; directors and their close family members; staff retirement funds; key management personnel and major shareholders of the Company. The associated companies are associated either based on holding in equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions and on an arm's length basis. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes.

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

Balances, including investments in associates, are disclosed in relevant notes to these financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	(Un-audited)			
	Three months period ended September 30, 2018	September 30, 2017	Nine months period ended September 30, 2018	September 30, 2017
	----- (Rupees) -----			
Transactions with related parties				
Premium written	132,196,463	127,745,381	511,152,353	444,756,806
Commission expense	7,472,621	6,432,053	43,901,017	42,089,870
Claims paid	29,926,543	56,363,659	93,723,585	86,453,909
Dividend paid	-	-	67,609,362	61,460,952
Investment in mutual funds	-	-	-	74,723,683
Sale of shares / units of mutual funds	-	-	-	44,653,938
Bonus share issues	-	-	-	3,512,245
Dividend received	824,900	352,780	1,089,485	59,895,376
Purchase of equipments	-	-	-	752,805
Expenses	5,091,191	1,969,869	17,339,859	13,650,686
Donation paid	500,000	500,000	500,000	500,000
Contribution to / provision for staff benefit plans	2,515,485	2,321,813	7,938,599	7,007,504
Remuneration to key management personnel	29,996,075	27,481,639	88,306,280	80,976,459

27. 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.

September 30, 2018 (Un-audited)								
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
(Rupees)								
Financial assets measured at fair value								
Investments								
- Equity securities	109,236,548	1,012,479,708	-	-	1,121,716,256	166,350,137	955,366,119	1,121,716,256
- Debt securities	4,988,270	15,004,495	-	-	19,992,765	-	19,992,765	19,992,765
Assets of Window Takaful Operations -								
Operator's fund	-	25,930,115	-	-	25,930,115	-	25,930,115	25,930,115
Financial assets not measured at fair value								
Cash and bank*								
	-	-	527,777,430	-	527,777,430	-	-	-
Investments								
- In associates	43,737,116	-	-	-	43,737,116	90,135,543	-	90,135,543
- Debt securities	20,000,000	49,330,305	-	-	69,330,305	-	52,064,375	52,064,375
- Unquoted equity shares*	75,283	-	-	-	75,283	-	-	-
- Term Deposits	-	50,000,000	-	-	50,000,000	-	-	-
Insurance / reinsurance receivable*	-	-	551,175,081	-	551,175,081	-	-	-
Loan and other receivable*	-	-	85,030,539	-	85,030,539	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	94,228,986	-	94,228,986	-	-	-
Assets of Window Takaful								
Operations - Operator's fund*	-	-	38,726,280	-	38,726,280	-	-	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*								
	-	-	-	(188,743,047)	(188,743,047)	-	-	-
Insurance / reinsurance payables*	-	-	-	(298,401,319)	(298,401,319)	-	-	-
Other creditors and accruals*	-	-	-	(139,346,533)	(139,346,533)	-	-	-
Total liabilities of Window Takaful								
Operations - Operator's fund*	-	-	-	(5,451,200)	(5,451,200)	-	-	-
114,224,818	1,117,226,717	99,330,305	1,296,938,316	(631,942,099)	1,995,778,057	256,485,680	1,053,353,374	1,309,839,054

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

	December 31, 2017 (Audited)							Level 1	Level 2	Total
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Total			
	(Rupees)									
Financial assets measured at fair value										
Investments										
- Equity securities	158,467,869	943,556,091	-	-	-	1,102,023,960	222,004,775	880,019,165	1,102,023,960	
- Debt securities	22,980,437	5,000,000	-	-	-	27,980,437	-	27,980,437	27,980,437	
Assets of Window Takaful Operations -										
Operator's fund	-	25,122,070	-	-	-	25,122,070	-	25,122,070	25,122,070	
Financial assets not measured at fair value										
Cash and bank*										
	-	-	-	116,781,242	-	116,781,242	-	-	-	
Investments										
- In associates	-	42,137,247	-	-	-	42,137,247	88,499,724	-	88,499,724	
- Debt securities	-	-	101,918,859	-	-	101,918,859	-	54,949,404	54,949,404	
- Unquoted equity shares*	-	75,283	-	-	-	75,283	-	-	-	
- Term Deposits	-	-	245,000,000	-	-	245,000,000	-	-	-	
Insurance / reinsurance receivable*	-	-	-	426,728,740	-	426,728,740	-	-	-	
Loan and other receivable*	-	-	-	235,767,565	-	235,767,565	-	-	-	
Reinsurance recoveries against outstanding claims*	-	-	-	74,912,821	-	74,912,821	-	-	-	
Total assets of Window Takaful Operations	-	-	-	26,706,452	-	26,706,452	-	-	-	
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*										
	-	-	-	-	(165,560,979)	(165,560,979)	-	-	-	
Insurance / reinsurance payables*	-	-	-	-	(225,151,644)	(225,151,644)	-	-	-	
Other creditors and accruals*	-	-	-	-	(121,304,332)	(121,304,332)	-	-	-	
Total liabilities of Window Takaful										
Operations - Operator's fund*	-	-	-	-	(1,959,633)	(1,959,633)	-	-	-	
	181,448,306	1,015,890,691	346,918,859	880,896,820	(513,976,588)	1,911,178,088	310,504,499	988,071,096	1,298,575,595	

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

27.1 Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

SEGMENT INFORMATION

	Three months period ended September 30, 2018 (Un-audited)					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	
	----- (Rupees) -----					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	84,281,569	65,020,219	60,611,644	127,046,533	28,942,893	365,902,858
Less: - Federal Excise Duty / Sales Tax	10,501,410	7,130,842	7,439,277	10,908,236	3,518,977	39,498,742
- Federal Insurance Fee	720,451	551,599	537,386	1,177,962	251,617	3,239,015
- Others	8,170	2,461,668	59,500	7,520	11,250	2,548,108
Gross written premium (inclusive of Administrative Surcharge)	73,051,538	54,876,110	52,575,481	114,952,815	25,161,049	320,616,993
- Gross direct premium	68,481,678	53,578,208	49,355,124	114,717,083	24,885,824	311,017,917
- Facultative inward premium	4,073,429	-	-	-	-	4,073,429
- Administrative surcharge	496,431	1,297,902	3,220,357	235,732	275,225	5,525,647
	73,051,538	54,876,110	52,575,481	114,952,815	25,161,049	320,616,993
Insurance premium earned	91,008,004	52,223,983	73,803,716	62,323,825	17,021,743	296,381,271
Insurance premium ceded to reinsurers	(83,556,238)	(18,176,594)	(1,147,173)	(112,509)	(7,460,326)	(110,452,840)
Net Insurance premium	7,451,766	34,047,389	72,656,543	62,211,316	9,561,417	185,928,431
Commission income	20,005,727	7,046,224	43,850	25,641	2,135,046	29,256,488
Net underwriting income	27,457,493	41,093,613	72,700,393	62,236,957	11,696,463	215,184,919
Insurance claims	2,650,618	(6,726,206)	(31,630,195)	(43,292,604)	(2,354,641)	(81,353,028)
Insurance claims recovered from reinsurers	(3,521,086)	5,289,209	5,263,538	-	1,585,411	8,617,072
Net claims	(870,468)	(1,436,997)	(26,366,657)	(43,292,604)	(769,230)	(72,735,956)
Commission expense	(11,819,893)	(7,705,665)	(5,105,897)	(737,573)	(1,683,597)	(27,052,625)
Management expense	(16,331,557)	(12,289,991)	(11,748,582)	(25,227,987)	(6,193,545)	(71,791,662)
Net insurance claims and expenses	(29,021,918)	(21,432,653)	(43,221,136)	(69,258,164)	(8,646,372)	(171,580,243)
Underwriting results	(1,564,425)	19,660,960	29,479,257	(7,021,207)	3,050,091	43,604,676
Investment Income						4,805,020
Other income						9,939,419
Other expense						(2,812,215)
Share of profit of associates						1,254,125
Profit before tax from Window Takaful Operations						2,995,769
Profit before tax for the period						59,786,794

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

SEGMENT INFORMATION

	Nine months period ended September 30, 2018 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	----- (Rupees) -----					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	351,046,342	182,995,239	274,215,067	213,493,092	58,112,329	1,079,862,069
Less: - Federal Excise Duty / Sales Tax	41,839,971	19,999,271	32,749,241	12,851,103	7,086,576	114,526,162
- Federal Insurance Fee	3,027,487	1,551,857	2,418,620	2,053,424	505,189	9,556,577
- Others	28,330	7,062,528	291,770	9,110	38,240	7,429,978
Gross written premium (inclusive of Administrative Surcharge)	306,150,554	154,381,583	238,755,436	198,579,455	50,482,324	948,349,352
- Gross direct premium	300,043,945	150,680,510	216,585,069	198,295,822	49,847,064	915,452,410
- Facultative inward premium	4,845,041	-	-	-	-	4,845,041
- Administrative surcharge	1,261,568	3,701,073	22,170,367	283,633	635,260	28,051,901
	306,150,554	154,381,583	238,755,436	198,579,455	50,482,324	948,349,352
Insurance premium earned	254,622,057	152,922,404	215,796,909	158,181,650	47,541,187	829,064,207
Insurance premium ceded to reinsurers	(232,595,589)	(50,903,638)	(4,439,541)	(266,495)	(32,753,830)	(320,959,093)
Net Insurance premium	22,026,468	102,018,766	211,357,368	157,915,155	14,787,357	508,105,114
Commission income	54,720,474	19,548,067	118,451	74,146	8,745,909	83,207,047
Net underwriting income	76,746,942	121,566,833	211,475,819	157,989,301	23,533,266	591,312,161
Insurance claims	(64,935,893)	(37,248,902)	(98,517,412)	(119,494,267)	(8,340,447)	(328,536,921)
Insurance claims recovered from reinsurers	62,457,342	23,444,123	21,695,472	-	5,890,133	113,487,070
Net claims	(2,478,551)	(13,804,779)	(76,821,940)	(119,494,267)	(2,450,314)	(215,049,851)
Commission expense	(34,296,226)	(22,388,402)	(15,263,433)	(2,497,045)	(4,522,637)	(78,967,743)
Management expense	(68,724,998)	(34,655,740)	(53,596,071)	(44,024,666)	(11,884,984)	(212,886,459)
Net insurance claims and expenses	(105,499,775)	(70,848,921)	(145,681,444)	(166,015,978)	(18,857,935)	(506,904,053)
Underwriting results	(28,752,833)	50,717,912	65,794,375	(8,026,677)	4,675,331	84,408,108
Investment loss						(23,851,580)
Other income						18,334,984
Other expense						(6,521,147)
Share of profit of associates						2,801,533
Profit before tax from Window Takaful Operations						3,144,703
Profit before tax for the period						78,316,601

SEGMENT INFORMATION

	Three months period ended September 30, 2017 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	----- (Rupees) -----					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	297,829,129	51,974,210	56,292,113	110,054,272	34,662,207	550,811,931
Less: - Federal Excise Duty / Sales Tax	10,158,699	5,692,235	6,821,362	10,890,625	4,504,820	38,067,741
- Federal Insurance Fee	713,554	441,821	494,381	1,035,554	296,924	2,982,234
- Others	8,750	1,852,107	39,020	2,460	13,100	1,915,437
Gross written premium (inclusive of Administrative Surcharge)	286,948,126	43,988,047	48,937,350	98,125,633	29,847,363	507,846,519
- Gross direct premium	70,232,746	42,797,032	47,567,434	97,650,327	29,390,804	287,638,343
- Facultative inward premium	902,078	-	-	-	569,773	1,471,851
- Administrative surcharge	462,302	1,191,015	1,369,916	65,306	296,786	3,385,325
	71,597,126	43,988,047	48,937,350	97,715,633	30,257,363	292,495,519
Insurance premium earned	82,111,566	41,861,769	70,231,089	49,369,524	15,771,855	259,345,803
Insurance premium ceded to reinsurers	(74,501,669)	(15,593,142)	(1,629,680)	(92,425)	(10,627,608)	(102,444,524)
Net Insurance premium	7,609,897	26,268,627	68,601,409	49,277,099	5,144,247	156,901,279
Commission income	17,630,161	5,952,050	59,665	24,318	2,908,617	26,574,811
Net underwriting income	25,240,058	32,220,677	68,661,074	49,301,417	8,052,864	183,476,090
Insurance claims	(19,912,519)	(18,910,568)	(35,467,266)	(37,321,309)	(8,427,304)	(120,038,966)
Insurance claims recovered from reinsurers	19,207,009	14,198,388	5,175,873	-	4,225,987	42,807,257
Net claims	(705,510)	(4,712,180)	(30,291,393)	(37,321,309)	(4,201,317)	(77,231,709)
Commission expense	(8,095,406)	(6,143,833)	(4,952,032)	(1,147,473)	(1,765,442)	(22,104,186)
Management expense	(16,877,353)	(10,362,682)	(11,540,076)	(23,005,857)	(7,123,648)	(68,909,616)
Net insurance claims and expenses	(25,678,269)	(21,218,695)	(46,783,501)	(61,474,639)	(13,090,407)	(168,245,511)
Underwriting results	(438,211)	11,001,982	21,877,573	(12,173,222)	(5,037,543)	15,230,579
Investment loss						(13,142,576)
Other income						1,237,963
Other expense						(1,102,024)
Share of profit of associates						847,971
Loss before tax from Window Takaful Operations						(270,056)
Profit before tax for the period						<u>2,801,857</u>

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

SEGMENT INFORMATION

	Nine months period ended September 30, 2017 (Un-audited)					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	
	----- (Rupees) -----					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	321,756,971	147,953,735	255,635,160	192,536,149	62,083,954	979,965,969
Less: - Federal Excise Duty / Sales Tax	38,284,860	16,304,864	30,389,174	14,530,644	7,322,703	106,832,245
- Federal Insurance Fee	2,800,098	1,275,886	2,248,521	1,843,854	536,137	8,704,496
- Others	28,422	5,232,473	236,960	4,895	36,260	5,539,010
Gross written premium (inclusive of Administrative Surcharge)	280,643,591	125,140,512	222,760,505	176,156,756	54,188,854	858,890,218
- Gross direct premium	278,182,152	121,661,299	203,901,437	176,014,503	52,994,774	832,754,165
- Facultative inward premium	1,303,053	-	-	-	569,773	1,872,826
- Administrative surcharge	1,158,386	3,479,213	18,859,068	142,253	624,307	24,263,227
	280,643,591	125,140,512	222,760,505	176,156,756	54,188,854	858,890,218
Insurance premium earned	239,372,919	127,305,156	208,432,411	112,324,551	46,620,685	734,055,722
Insurance premium ceded to reinsurers	(219,214,831)	(48,522,221)	(5,277,358)	(271,701)	(34,303,327)	(307,589,438)
Net Insurance premium	20,158,088	78,782,935	203,155,053	112,052,850	12,317,358	426,466,284
Commission income	56,700,853	18,648,097	172,339	66,545	9,216,698	84,804,532
Net underwriting income	76,858,941	97,431,032	203,327,392	112,119,395	21,534,056	511,270,816
Insurance claims	(49,024,985)	(22,788,199)	(105,333,537)	(84,376,549)	(38,293,859)	(299,817,129)
Insurance claims recovered from reinsurers	46,555,019	16,736,904	15,325,746	-	30,660,121	109,277,790
Net claims	(2,469,966)	(6,051,295)	(90,007,791)	(84,376,549)	(7,633,738)	(190,539,339)
Commission expense	(29,570,624)	(18,716,360)	(14,797,239)	(2,537,321)	(4,347,572)	(69,969,116)
Management expense	(66,042,980)	(29,448,926)	(52,421,534)	(41,454,420)	(12,752,094)	(202,119,954)
Net insurance claims and expenses	(98,083,570)	(54,216,581)	(157,226,564)	(128,368,290)	(24,733,404)	(462,628,409)
Underwriting results	(21,224,629)	43,214,451	46,100,828	(16,248,895)	(3,199,348)	48,642,407
Investment profit						140,913,568
Other income						4,619,864
Other expense						(4,373,798)
Share of profit of associates						3,148,692
Loss before tax from Window Takaful Operations						(270,056)
Profit before tax for the period						<u>192,680,677</u>

The class wise assets and liabilities are as follows:

Nine months period ended September 30, 2018 (Un-audited)						
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
----- (Rupees) -----						
Segment assets	456,719,779	111,976,161	157,539,667	123,053,857	88,220,218	937,509,682
Unallocated assets	-	-	-	-	-	2,073,154,853
Total assets	456,719,779	111,976,161	157,539,667	123,053,857	88,220,218	3,010,664,535
Segment liabilities	434,307,885	106,001,126	284,489,268	248,288,868	96,205,771	1,169,292,918
Unallocated liabilities	-	-	-	-	-	96,313,725
Total liabilities	434,307,885	106,001,126	284,489,268	248,288,868	96,205,771	1,265,606,643

December 31, 2017 (Audited) (Restated)						
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
----- (Rupees) -----						
Segment assets	326,913,690	91,889,872	128,293,598	70,460,465	78,627,676	696,185,301
Unallocated assets	-	-	-	-	-	2,039,446,836
Total assets	326,913,690	91,889,872	128,293,598	70,460,465	78,627,676	2,735,632,137
Segment liabilities	330,296,408	101,947,815	251,018,550	175,168,084	91,202,112	949,632,969
Unallocated liabilities	-	-	-	-	-	55,465,295
Total liabilities	330,296,408	101,947,815	251,018,550	175,168,084	91,202,112	1,005,098,264

29. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary in line with the requirements of the Rules and Accounting Regulations 2017 (refer note 3.1)

30. GENERAL

Figures in these condensed interim financial information have been rounded off to the nearest rupees, unless otherwise stated.

31. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue in accordance with a resolution of the Board of Directors on October 26, 2018.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Taseemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive









Sabza Ali Pirani
Chief Financial Officer










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WINDOW
TAKAFUL
OPERATIONS

A decorative graphic element consisting of a thick yellow line that curves upwards from the left and then levels off to the right, set against a dark grey background.

Financial Statements

Condensed Interim Statement of Financial Position

As at September 30, 2018

	Note	(Un-audited)			(Audited)
		September 30, 2018			December 31, 2017
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate (Restated)
		(Rupees)			
Assets					
Investments	9				
Equity securities		25,930,115	-	25,930,115	25,122,070
Debt securities		-	500,000	500,000	500,000
		25,930,115	500,000	26,430,115	25,622,070
Loan and other receivables	10	343,768	126,822	470,590	183,022
Takaful / Re-takaful receivables	11	-	15,165,115	15,165,115	2,430,801
Retakaful recoveries against outstanding claims		-	92,000	92,000	-
Deferred commission expense	18	2,239,857	-	2,239,857	442,992
Wakala and mudarib fee receivable		16,476,505	-	16,476,505	1,965,245
Deferred wakala fee	20	-	9,451,711	9,451,711	1,527,297
Prepaid re-takaful contribution ceded		-	5,351,800	5,351,800	740,562
Taxation		-	-	-	369,546
		19,060,130	30,187,448	49,247,578	7,659,465
Cash and bank	12	22,193,807	29,652,756	51,846,563	27,157,800
Total Assets		67,184,052	60,340,204	127,524,256	60,439,335

(Un-audited)			(Audited)
September 30, 2018			December 31, 2017
Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate (Restated)

Note ----- (Rupees) -----

Funds and Liabilities

Funds attributable to:

Operator's Fund

Statutory fund	50,000,000	-	50,000,000	50,000,000
Reserves	246,068	-	246,068	85,449
Accumulated gain / (loss)	1,370,466	-	1,370,466	(862,273)

Participants' Takaful Fund

Ceded Money	-	500,000	500,000	500,000
Accumulated surplus / (deficit)	-	4,701,813	4,701,813	(174,543)

Total Funds	51,616,534	5,201,813	56,818,347	49,548,633
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Liabilities

Underwriting provisions

Outstanding claims including IBNR	17	-	653,000	653,000	-
Unearned contribution reserve	16	-	24,809,408	24,809,408	4,050,516
Unearned re-takaful rebate	19	-	949,645	949,645	134,362
Unearned Wakala fee	20	9,451,711	-	9,451,711	1,527,297
Wakala and mudarib fee payable		-	16,476,505	16,476,505	1,965,245
Deferred taxation		105,458	-	105,458	36,621
Contribution received in advance		-	137,150	137,150	155,243
Takaful / Re-takaful payables	13	-	10,917,135	10,917,135	741,858
Other creditors and accruals	14	5,467,931	1,195,548	6,663,479	2,279,560
Taxation		542,418	-	542,418	-

Total Liabilities		15,567,518	55,138,391	70,705,909	10,890,702
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Total Funds and Liabilities		67,184,052	60,340,204	127,524,256	60,439,335
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Contingency and Commitment 15

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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-Audited)

For the three months and nine months period ended September 30, 2018

	Note	Three months period ended		Nine months period ended	
		September 30,	September 30,	September 30,	September 30,
		2018	2017	2018	2017
(Rupees)					
Participants' Takaful Fund - revenue account					
Net takaful contribution	16	8,207,303	113,527	13,914,253	113,527
Wakala expense	20	(5,179,062)	(38,423)	(8,473,387)	(38,423)
Net takaful claims	17	(393,424)	-	(1,635,152)	-
Direct expenses		(228,823)	-	(448,362)	-
Re-takaful rebate earned	19	748,396	4,128	1,216,179	4,128
		(5,052,913)	(34,295)	(9,340,722)	(34,295)
Surplus before investment income		3,154,390	79,232	4,573,531	79,232
Investment income	21	6,415	-	15,337	-
Profit on bank balances		256,342	448	363,194	448
Mudarib fee		(52,551)	(11)	(75,706)	(11)
Surplus for the period		3,364,596	79,669	4,876,356	79,669
Operator's Fund - revenue account					
Wakala fee income	20	5,179,062	38,423	8,473,387	38,423
Commission expense	18	(1,486,865)	(12,405)	(2,649,733)	(12,405)
Management expenses		(1,564,725)	(1,032,760)	(3,794,201)	(1,032,760)
		(3,051,590)	(1,045,165)	(6,443,934)	(1,045,165)
		2,127,472	(1,006,742)	2,029,453	(1,006,742)
Investment income	21	680,697	-	680,697	-
Other income	22	222,828	736,686	574,781	736,686
Other expenses		(35,228)	-	(140,228)	-
Profit / (loss) before tax		2,995,769	(270,056)	3,144,703	(270,056)
Taxation		(868,773)	-	(911,964)	-
Profit / (loss) after tax		2,126,996	(270,056)	2,232,739	(270,056)

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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three and nine months period ended September 30, 2018

	Three months period ended		Nine months period ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(Rupees)			
Participants' Fund				
Surplus for the period	3,364,596	79,669	4,876,356	79,669
Other Comprehensive Income for the period	-	-	-	-
Total Comprehensive Income for the period	3,364,596	79,669	4,876,356	79,669
Operator's Fund				
Profit / (loss) after tax	2,126,996	(270,056)	2,232,739	(270,056)
Other Comprehensive Income for the period				
Items that will be reclassified to profit and loss account				
- Unrealized (loss) / gain on available for sale investments - net of tax	(235,679)	-	160,619	-
Total comprehensive income / (loss) for the period	1,891,317	(270,056)	2,393,358	(270,056)

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


Iqbal Ali Lakhani
Chairman


Amir Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-Audited)

For the nine months period ended September 30, 2018

Note	September 30, 2018			September 30, 2017
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
----- (Rupees) -----				
Operating Cashflows				
(a) Takaful activities				
	-	31,979,506	31,979,506	565,742
Takaful Contribution received	-	(3,030,679)	(3,030,679)	-
Re-takaful contributions paid	-	(1,108,904)	(1,108,904)	-
Claims paid	-	96,566	96,566	-
Re-takaful and other recoveries received	(1,954,861)	-	(1,954,861)	-
Commission paid	-	464,690	464,690	-
Re-takaful rebate received	1,962,247	(1,962,247)	-	-
Wakala fee received / paid	-	(448,362)	(448,362)	-
Other underwriting payments (management expenses)	7,386	25,990,570	25,997,956	565,742
Net cash inflows from takaful activities				
(b) Other operating activities				
	(173,170)	-	(173,170)	(73,722)
Income tax paid	(2,934,599)	-	(2,934,599)	(922,038)
General, administration and management expenses paid	109,876	-	109,876	-
Other operating receipts - net	(2,997,893)	-	(2,997,893)	(995,760)
Net cash (outflows) / inflows from other operating activities				
Total cash (outflows) / inflows from operating activities	(2,990,507)	25,990,570	23,000,063	(430,018)
Investment activities				
	501,208	378,531	879,739	737,213
Profit / return received	680,697	-	680,697	-
Dividend received	(680,697)	808,961	128,264	(500,000)
Payment for investments	501,208	1,187,492	1,688,700	237,213
Total cash inflows from investing activities				
Financing activities				
	-	-	-	50,000,000
Contribution to operator's fund	-	-	-	500,000
Ceded money	-	-	-	50,500,000
Total cash inflows from financing activities				
Cash at beginning of the period	24,683,106	2,474,694	27,157,800	-
Cash at end of the period - net cash inflows from all activities	22,193,807	29,652,756	51,846,563	50,307,195
Reconciliation to profit and loss account				
	(2,990,507)	25,990,570	23,000,063	(430,018)
Operating cash flows	1,255,478	302,825	1,558,303	737,123
Investment income	15,936,446	25,478,497	41,414,943	1,380,738
Increase in assets other than cash	(11,968,678)	(46,895,536)	(58,864,214)	(1,878,230)
(Increase) in liabilities	2,232,739	4,876,356	7,109,095	(190,387)
Profit / (loss) after tax / surplus for the period				

Definition of cash

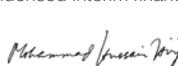
Cash comprises of cash in hand, policy stamps, bond papers, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.


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Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Changes in Funds (Un-Audited)

For the nine months period ended September 30, 2018

	Operator's Fund			Total
	Statutory fund	Revenue reserve	Accumulated surplus	
		Available for sale Investment revaluation reserve		
	----- (Rupees) -----			
Contribution made during the period	50,000,000	-		-
Changes in fund for the nine months period ended September 30, 2017				
Loss after tax for the nine months period	-	-	(270,056)	(270,056)
Balance as at September 30, 2017	50,000,000	-	(270,056)	(270,056)
Balances as at January 01, 2018 as previously reported	50,000,000	-	(862,273)	49,137,727
Net effect of change in accounting policy (Refer Note 4.1)	-	85,449	-	85,449
Balance as at January 01, 2018 as restated	50,000,000	85,449	(862,273)	49,223,176
Changes in fund for the nine months period ended September 30, 2018				
Profit after tax for the nine months period	-	-	2,232,739	2,232,739
Other comprehensive income				
Unrealised gains on available for sale investments - net of tax	-	160,619	-	160,619
Balance as at September 30, 2018	50,000,000	246,068	1,370,466	51,616,534


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Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Changes in Funds (Unaudited)

For the nine months period ended 30 September 2018

	Participants' Takaful Fund		
	Ceded money	Accumulated surplus (Rupees)	Total
Contribution received during the period from Operator	500,000	-	500,000
Changes in fund for the nine months period ended September 30, 2017			
Surplus for the nine months period ended	-	79,669	79,669
Balance as at September 30, 2017	500,000	79,669	579,669

	Participants' Takaful Fund		
	Ceded money	Accumulated surplus (Rupees)	Total
Balances as at January 01, 2018	500,000	(174,543)	325,457
Changes in fund for the nine months period ended September 30, 2018			
Surplus for the nine months period ended	-	4,876,356	4,876,356
Balance as at September 30, 2018	500,000	4,701,813	5,201,813


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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

1. STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited ("the Operator") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act 2017) on October 10, 1985. The Operator is listed on Pakistan Stock Exchange and is engaged in general insurance business. The registered office of the Operator is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

The Operator was granted authorisation on August 07, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations ("the Operations") by Securities and Exchange Commission of Pakistan ("SECP") under Takaful Rules, 2012 to carry on general takaful operations in Pakistan.

The Operator transferred statutory fund of Rs. 50 million in a separate bank account for the Operations as per the requirement of circular 8 of 2014. Thereafter, the Operator has formed a Waqf for Participants' Fund ("PTF") by executing the Waqf deed dated August 17, 2017 by investing a ceded money of Rs. 0.5 million. The ceded money is required to be invested in shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf Deed governs the relationship of Operator and participants for management of takaful operations, investments of participants' funds and investments of the Operator's funds approved by the shariah advisor of the Operator. The Operator commenced activities of the Operations on August 18, 2017.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012, have been followed.

2.2 The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated February 09, 2017 and Circular 25 of 2015 dated July 09, 2015 has prescribed format of the presentation of annual financial statements for general insurance companies. These condensed interim financial statements have been prepared in accordance with the format prescribed by the SECP (refer note 4).

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

2.3 These condensed interim financial information do not include all the information required in the full annual financial statements. Accordingly, these condensed interim financial information should be read in conjunction with annual financial statements as at and for the period from August 17, 2017 to December 31, 2017.

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

3. BASIS OF MEASUREMENT

These condensed financial information have been prepared under the historical cost convention except for certain investment which are stated at their fair value (refer note 4).

4. 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 audited financial statements for the period from August 17, 2017 to December 31, 2017, except as stated below.

4.1 Change in Accounting Policies

4.1.1 Application of Insurance Rules 2017 and Insurance Accounting regulation 2017

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated February 09, 2017 has issued the Insurance Rules, 2017 Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations 2017). The application of these Rules and Accounting Regulations 2017 for the purpose of preparation and presentation of the financial statements was effective from April 01, 2017. SECP vide letter ID /OSM /Century/2017 /12197, dated October 06, 2017 has granted exemption from application of Rules and Accounting Regulations 2017 to the Operator till December 31, 2017. Therefore, the application of Rules and Accounting Regulations 2017 became effective from the accounting year commencing from January 01, 2018.

The Rules and Accounting Regulations 2017 require significant disclosures / requirements, which are relevant to the Operator includes but not limited to: Presentation and disclosure of financial statements prescribed in Annexure II of the Insurance Rules, 2017, recognition of available-for-sale investments at fair value as per IAS 39 "Financial Instruments: Recognition and Measurement".

The Operator has adopted these Rules and Accounting Regulations 2017 and accordingly has changed its accounting policies as follows:

4.1.1.1 Available for sale investments

Up to December 31, 2017, the available for sale investments subsequent to initial recognition had been stated at the lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) as the application of International Accounting Standard-39 (IAS-39) "Financial Instruments:

Recognition and Measurement" in respect of valuation of available for sale investments was deferred in accordance with repealed SEC (Insurance) Rules 2002.

According to the Rules and Accounting Regulations 2017, the Operator has changed its accounting policy for subsequent measurement of investments classified as available for sale from lower of cost or market value (market value on an individual investment basis being taken lower as if the fall is other than temporary) to fair value as per the requirements of IAS 39 and any unrealised gains or losses arising on re-measurement on of available-for-sale investments are taken to Other Comprehensive Income. On de-recognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to Profit and Loss account for the period.

4.1.1.2 Presentation of Financial Statements

The Operator has adopted format for preparation and presentation of its condensed interim financial information in line with the requirements of the Rules and Accounting Regulations 2017. Significant changes in presentation are Rearrangements in sequence of assets / liabilities in the statement of financial position; presentation of single profit or loss account instead of segment wise (classes of business) presentation and discontinuation of separate statements of Contribution, Claims, Expense and investment Income. The segment wise and contribution, claims and expenses and investment income is now included in notes to the condensed interim financial information (note 16, 17, 18, 19, 20, 21 and 24).

4.1.1.3 Financial Impact of change in accounting policy

The significant effects of `changes in accounting policy as stated above has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated to conform to the changed policy. The summary of the effects are as follows:

	December 31, 2017		
	As previously reported	As re-stated	Restatement
	----- (Rupees) -----		
Effect on Statement of financial position - OPF			
Assets			
Investments in Equity Securities	25,000,000	25,122,070	122,070
Liability			
Deferred taxation	-	36,621	36,621
Equity:			
Reserves	-	85,449	85,449

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

4.1.2 Adoption of Companies Act 2017

During the period the Companies Act, 2017 has been effective from January 01, 2018, however there is no impact on the condensed interim financial information of the Operations.

4.1.3 New Or Amendments / Interpretations To Existing Standards, Interpretation And Forthcoming Requirements

There are new and amended standards and interpretations as notified under the Companies Act, 2017 that are mandatory for accounting periods beginning July 01, 2017 but are considered not to be relevant or do not have any significant effect on the condensed interim financial information of the operation and are therefore not stated in these condensed interim financial information.

5. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after October 01, 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after January 01, 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and / or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on the condensed interim financial information of the Operations.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after January 01, 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on the condensed interim financial information of the Operations.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after January 01, 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit and loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment

entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the condensed interim financial information of the Operations.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after January 01, 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on the condensed interim financial information of the Operations.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the condensed interim financial information of the Operations.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after July 01, 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The amendments are not likely to have an impact on the condensed interim financial information of the Operations.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after July 01, 2018 and January 01, 2019 respectively). 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. The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model. The amendments are not likely to have an impact on the condensed interim financial information of the Operations.

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

- IFRS 16 'Leases' (effective for annual period beginning on or after January 01, 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The amendments are not likely to have an impact on the condensed interim financial information of the Operations.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the condensed interim financial information of the Operations.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 01, 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the condensed interim financial information of the Operations.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. The amendments are not likely to have an impact on the condensed interim financial information of the Operations.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after January 01, 2019 and are not likely to have an impact on the financial information of the Operations.

6. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information 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 and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the period from August 17, 2017 to December 31, 2017.

7. TAKAFUL AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the period from August 17, 2017 to December 31, 2017.

8. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made 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 reporting date.

		OPF			
		(Un-audited) September 30, 2018	(Audited) December 31, 2017 (Restated)		
9.	INVESTMENTS	Note	----- (Rupees) -----		
9.1	Investment in securities				
	Available-for-sale				
	Quoted mutual fund	9.1.1	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center;">25,930,115</td> <td style="text-align: center;">25,122,070</td> </tr> </table>	25,930,115	25,122,070
25,930,115	25,122,070				

9.1.1 The cost of available for sale securities is Rs. 25.579 million (December 31, 2017: Rs. 25 million).

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

		PTF			
		(Un-audited) September 30, 2018	(Audited) December 31, 2017		
		----- (Rupees) -----			
9.2	Investment in debt securities				
	Held to maturity				
	Certificate of Islamic Investment	500,000			500,000
		September 30, 2018 (Un-audited)			December 31, 2017 (Audited)
		OPF	PTF	Aggregate	Aggregate
		----- (Rupees) -----			
10.	LOAN AND OTHER RECEIVABLE				
	Accrued investment income	55,968	126,822	182,790	68,392
	Advance tax	287,800	-	287,800	114,630
		343,768	126,822	470,590	183,022
		September 30, 2018 (Un-audited)			December 31, 2017 (Audited)
		OPF	PTF	Aggregate	Aggregate
		----- (Rupees) -----			
		(Un-audited) September 30, 2018			(Audited) December 31, 2017
		----- (Rupees) -----			
11.	TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF				
	Due from Takaful contract holders	8,808,323			1,083,016
	Due from other Takaful / Re-takaful operators	6,332,502			1,261,681
	Re-takaful recoveries due but unpaid	24,290			86,104
		15,165,115			2,430,801
		September 30, 2018 (Un-audited)			December 31, 2017 (Audited)
		OPF	PTF	Aggregate	Aggregate
		----- (Rupees) -----			
12.	CASH AND BANK				
	Cash and cash equivalents				
	Cash in hand	10,000	-	10,000	10,000
	Current and other accounts				
	Saving accounts	22,183,807	29,652,756	51,836,563	27,147,800
		22,193,807	29,652,756	51,846,563	27,157,800
		September 30, 2018 (Un-audited)			December 31, 2017 (Audited)
		OPF	PTF	Aggregate	Aggregate
		----- (Rupees) -----			
12.1	Saving accounts carry expected profit rates ranging from 3.5% to 6.5% (2017: 3.5% to 5.3%) per annum.				

	September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees) -----	
13. TAKAFUL / RE-TAKAFUL PAYABLES - PTF		
Due to other takaful / re-takaful operators	10,917,135	741,858

	September 30, 2018 (Un-audited)			December 31, 2017 (Audited)
	OPF	PTF	Aggregate	Aggregate
	----- (Rupees) -----			
14. OTHER CREDITORS AND ACCRUALS				
Commission payable	3,003,537	-	3,003,537	511,800
Federal excise duty and sales tax	-	1,097,403	1,097,403	283,230
Federal insurance fee payable	-	82,141	82,141	21,843
Accrued expense	2,372,663	-	2,372,663	1,297,833
Audit fee payable	75,000	-	75,000	150,000
Tax deducted at source	16,731	16,004	32,735	14,854
	<u>5,467,931</u>	<u>1,195,548</u>	<u>6,663,479</u>	<u>2,279,560</u>

15. CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at September 30, 2018 (December 31, 2017: Nil).

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

	(Un-audited)		(Un-audited)	
	Three month period ended		Nine month period ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
16. NET TAKAFUL CONTRIBUTION - PTF	----- (Rupees) -----			
Written Gross contribution	22,083,433	903,778	44,104,141	903,778
Add : Unearned contribution reserve opening	16,452,537	-	4,050,516	-
Less: Unearned contribution reserve closing	(24,809,408)	(765,679)	(24,809,408)	(765,679)
Contribution earned	13,726,562	138,099	23,345,249	138,099
Less: Re-takaful Contribution ceded	6,039,999	153,765	14,042,234	153,765
Add: Prepaid re-takaful contribution ceded opening	4,831,060	-	740,562	-
Less: Prepaid re-takaful contribution ceded closing	(5,351,800)	(129,193)	(5,351,800)	(129,193)
Re-takaful expense	5,519,259	24,572	9,430,996	24,572
	8,207,303	113,527	13,914,253	113,527
17. NET TAKAFUL CLAIMS EXPENSE - PTF				
Claim paid	810,460	-	1,108,904	-
Add : Outstanding claims including IBNR closing	653,000	-	653,000	-
Less: Outstanding claims including IBNR opening	(953,606)	-	-	-
Claims expense	509,854	-	1,761,904	-
Less: Re-takaful and others recoveries received	24,430	-	34,752	-
Add: Re-takaful and others recoveries against outstanding claims closing	92,000	-	92,000	-
Less: Re-takaful and others recoveries against outstanding claims opening	-	-	-	-
Re-takaful and recoveries revenue	116,430	-	126,752	-
	393,424	-	1,635,152	-

18. COMMISSION EXPENSE - OPF	(Un-audited)		(Un-audited)	
	Three month period ended		Nine month period ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Rupees) -----			
Commission paid or payable	2,163,763	100,022	4,446,598	100,022
Add: Deferred commission expense opening	1,562,959	-	442,992	-
Less: Deferred commission expense closing	(2,239,857)	(87,617)	(2,239,857)	(87,617)
Net commission	1,486,865	12,405	2,649,733	12,405
19. REBATE FROM RE-TAKAFUL - PTF				
Retakaful Rebate received or receivable	843,826	25,647	2,031,462	25,647
Add: Unearned Re-takaful opening	854,215	-	134,362	-
Less: Unearned Re-takaful closing	(949,645)	(21,519)	(949,645)	(21,519)
	748,396	4,128	1,216,179	4,128
20. NET WAKALA FEE				
Gross Wakala Fee	8,508,363	329,652	16,397,801	329,652
Add: Deferred Wakala Fee - Opening	6,122,410	-	1,527,297	-
Less: Deferred Wakala Fee - Closing	(9,451,711)	(291,229)	(9,451,711)	(291,229)
	(3,329,301)	(291,229)	(7,924,414)	(291,229)
	5,179,062	38,423	8,473,387	38,423
21. INVESTMENT INCOME				
Participants' Takaful Fund				
Return on Certificate of Islamic Investment	6,415	-	15,337	-
Operator's Fund				
Dividend income	680,697	-	680,697	-
22. OTHER INCOME - OPF				
Operator's Fund				
Profit on bank balances	170,277	736,675	499,075	736,675
Mudarib's share of PTF investment income	52,551	11	75,706	11
	222,828	736,686	574,781	736,686

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

23. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise 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 and on an arm's length basis. There are no transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these financial information.

24. 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, 2018 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
----- (Rupees) -----					
Participant's Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	3,622,962	1,920,416	18,518,568	1,413,337	25,475,283
Less: Federal Excise Duty / Sales Tax	423,278	200,108	2,240,159	163,165	3,026,710
Federal Insurance Fee	31,679	15,401	161,359	12,381	220,820
Others	1,480	163,899	5,830	-	171,209
Facultative inward premium	24,389	2,500	-	-	26,889
	<u>3,190,914</u>	<u>1,541,008</u>	<u>16,111,220</u>	<u>1,237,791</u>	<u>22,083,433</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
Gross direct Contribution	3,133,192	1,473,789	15,591,047	1,229,316	21,427,344
Facultative inward premium	24,389	2,500	-	-	26,889
Administrative surcharge	33,333	67,219	520,173	8,475	629,200
	<u>3,190,914</u>	<u>1,543,508</u>	<u>16,111,220</u>	<u>1,237,791</u>	<u>22,083,433</u>
Takaful contribution earned	3,253,864	1,453,478	7,996,231	1,022,989	13,726,562
Takaful contribution ceded to re-takaful operators	(2,498,182)	(1,148,819)	(1,112,038)	(760,220)	(5,519,259)
Net Takaful contribution	755,682	304,659	6,884,193	262,769	8,207,303
Rebate earned	442,385	178,995	687	126,329	748,396
Net revenue	<u>1,198,067</u>	<u>483,654</u>	<u>6,884,880</u>	<u>389,098</u>	<u>8,955,699</u>
Takaful claims	-	-	(364,492)	(145,362)	(509,854)
Takaful claims recovered from re-takaful operators	-	-	140	116,290	116,430
Net claims	-	-	(364,352)	(29,072)	(393,424)
Wakala fee expense	(991,795)	(455,497)	(3,372,071)	(359,699)	(5,179,062)
Direct expenses	(33,318)	(15,963)	(166,478)	(13,064)	(228,823)
Surplus before investment income	<u>172,953</u>	<u>12,194</u>	<u>2,981,979</u>	<u>(12,738)</u>	<u>3,154,390</u>
Investment income					6,415
Profit on bank balances					256,342
Mudarib fee					(52,551)
Surplus for the period					<u>3,364,596</u>
Operator's Fund					
Wakala fee income	991,795	455,497	3,372,071	359,699	5,179,062
Commission expense	(417,125)	(141,726)	(805,683)	(122,331)	(1,486,865)
Management expense	(206,361)	(111,741)	(1,177,377)	(69,246)	(1,564,725)
	<u>368,309</u>	<u>202,030</u>	<u>1,389,011</u>	<u>168,122</u>	<u>2,127,472</u>
Investment income					680,697
Other income					222,828
Other expenses					(35,228)
Profit before tax					<u>2,995,769</u>

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

For the nine months period ended September 30, 2018 (Un-audited)					
Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate	
----- (Rupees) -----					
Participant's Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	8,739,987	3,600,481	34,258,450	4,225,997	50,824,915
Less: Federal Excise Duty / Sales Tax	1,019,868	375,946	4,124,973	503,923	6,024,710
Federal Insurance Fee	76,454	29,234	298,689	36,854	441,231
Others	3,750	271,287	11,730	170	286,937
Facultative inward premium	29,604	2,500	-	-	32,104
	<u>7,669,519</u>	<u>2,926,514</u>	<u>29,823,058</u>	<u>3,685,050</u>	<u>44,104,141</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
Gross direct Contribution	7,554,462	2,791,948	28,868,937	3,671,852	42,887,199
Facultative inward premium	29,604	2,500	-	-	32,104
Administrative surcharge	85,453	132,066	954,121	13,198	1,184,838
	<u>7,669,519</u>	<u>2,926,514</u>	<u>29,823,058</u>	<u>3,685,050</u>	<u>44,104,141</u>
Takaful contribution earned	5,060,311	2,807,212	13,918,518	1,559,208	23,345,249
Takaful contribution ceded to re-takaful operators	(3,987,754)	(2,058,692)	(2,310,756)	(1,073,794)	(9,430,996)
Net Takaful contribution	1,072,557	748,520	11,607,762	485,414	13,914,253
Rebate earned	720,857	320,721	687	173,914	1,216,179
Net revenue	<u>1,793,414</u>	<u>1,069,241</u>	<u>11,608,449</u>	<u>659,328</u>	<u>15,130,432</u>
Takaful claims	-	-	(1,616,542)	(145,362)	(1,761,904)
Takaful claims recovered from re-takaful operators	-	-	10,462	116,290	126,752
Net claims	-	-	(1,606,080)	(29,072)	(1,635,152)
Wakala fee expense	(1,518,093)	(842,164)	(5,567,407)	(545,723)	(8,473,387)
Direct expenses	(77,968)	(29,751)	(303,181)	(37,462)	(448,362)
Surplus before investment income	<u>197,352</u>	<u>197,326</u>	<u>4,131,781</u>	<u>47,070</u>	<u>4,573,531</u>
Investment income					15,337
Profit on bank balances					363,194
Mudarib fee					(75,706)
Surplus for the period					<u>4,876,356</u>
Operator's Fund					
Wakala fee income	1,518,093	842,164	5,567,407	545,723	8,473,387
Commission expense	(593,765)	(272,332)	(1,434,524)	(349,112)	(2,649,733)
Management expense	(659,795)	(251,763)	(2,565,625)	(317,018)	(3,794,201)
	<u>264,533</u>	<u>318,069</u>	<u>1,567,258</u>	<u>(120,407)</u>	<u>2,029,453</u>
Investment income					680,697
Other income					574,781
Other expenses					(140,228)
Profit before tax					<u>3,144,703</u>

The class wise revenues and results are as follows:

	Three months period ended September 30, 2017 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
----- (Rupees) -----					
Participant's Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	211,386	-	807,475	18,481	1,037,342
Less: Federal Excise Duty / Sales Tax	28,877	-	92,745	2,522	124,144
Federal Insurance Fee	1,806	-	7,076	158	9,040
Others	220	-	120	40	380
Facultative inward premium	-	-	-	-	-
	<u>180,483</u>	<u>-</u>	<u>707,534</u>	<u>15,761</u>	<u>903,778</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
Gross direct Contribution	172,650	-	681,509	15,010	869,169
Facultative inward premium	-	-	-	-	-
Administrative surcharge	(15,280)	-	26,025	(422)	10,323
	<u>157,370</u>	<u>-</u>	<u>707,534</u>	<u>14,588</u>	<u>879,492</u>
Takaful contribution earned					
Takaful contribution ceded to re-takaful operators	(22,486)	-	(85)	(2,001)	(24,572)
Net Takaful contribution	13,826	-	98,450	1,251	113,527
Rebate earned	3,828	-	-	300	4,128
Net revenue	<u>17,654</u>	<u>-</u>	<u>98,450</u>	<u>1,551</u>	<u>117,655</u>
Takaful claims					
Takaful claims recovered from re-takaful operators	-	-	-	-	-
Net claims	-	-	-	-	-
Wakala fee expense					
Direct expenses	(8,544)	-	(29,003)	(876)	(38,423)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Surplus before investment income	<u>9,110</u>	<u>-</u>	<u>69,447</u>	<u>675</u>	<u>79,232</u>
Investment income					
Profit on bank balances					448
Mudarib fee					(11)
Surplus for the period					<u>79,669</u>
Operator's Fund					
Wakala fee income	8,544	-	29,003	876	38,423
Commission expense	(3,051)	-	(9,104)	(250)	(12,405)
Management expense	(206,241)	-	(808,509)	(18,010)	(1,032,760)
	<u>(200,748)</u>	<u>-</u>	<u>(788,610)</u>	<u>(17,384)</u>	<u>(1,006,742)</u>
Other income					
Other expenses					736,686
Loss before tax					<u>(270,056)</u>

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

For the nine months period ended September 30, 2017 (Un-audited)

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Participant's Takaful Fund					
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	211,386	-	807,475	18,481	1,037,342
Less: Federal Excise Duty / Sales Tax	28,877	-	92,745	2,522	124,144
Federal Insurance Fee	1,806	-	7,076	158	9,040
Others	220	-	120	40	380
Facultative inward premium	-	-	-	-	-
	<u>180,483</u>	<u>-</u>	<u>707,534</u>	<u>15,761</u>	<u>903,778</u>
Gross written Contribution (inclusive of Administrative Surcharge)					
Gross direct Contribution	172,650	-	681,509	15,010	869,169
Facultative inward premium	-	-	-	-	-
Administrative surcharge	7,833	-	26,025	751	34,609
	<u>180,483</u>	<u>-</u>	<u>707,534</u>	<u>15,761</u>	<u>903,778</u>
Takaful contribution earned	36,312	-	98,535	3,252	138,099
Takaful contribution ceded to re-takaful operators	(22,486)	-	(85)	(2,001)	(24,572)
Net Takaful contribution	13,826	-	98,450	1,251	113,527
Rebate earned	3,828	-	-	300	4,128
Net revenue	<u>17,654</u>	<u>-</u>	<u>98,450</u>	<u>1,551</u>	<u>117,655</u>
Takaful claims	-	-	-	-	-
Takaful claims recovered from re-takaful operators	-	-	-	-	-
Net claims	-	-	-	-	-
Wakala fee expense	(8,544)	-	(29,003)	(876)	(38,423)
Direct expenses	-	-	-	-	-
Surplus before investment income	<u>9,110</u>	<u>-</u>	<u>69,447</u>	<u>675</u>	<u>79,232</u>
Investment income					-
Profit on bank balances					448
Mudarib fee					(11)
Surplus for the period					<u>79,669</u>
Operator's Fund					
Wakala fee income	8,544	-	29,003	876	38,423
Commission expense	(3,051)	-	(9,104)	(250)	(12,405)
Management expense	(206,241)	-	(808,509)	(18,010)	(1,032,760)
	<u>(200,748)</u>	<u>-</u>	<u>(788,610)</u>	<u>(17,384)</u>	<u>(1,006,742)</u>
Other income					736,686
Other expenses					-
Loss before tax					<u>(270,056)</u>

The classwise assets and liabilities are as follows:

	September 30, 2018 (Un-audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	----- (Rupees) -----				
Segment assets	6,892,921	1,194,796	18,010,030	3,962,879	30,060,626
Unallocated assets					
Participants' Takaful Fund					30,279,578
Operator's Fund					67,184,052
Consolidated total assets					127,524,256
Segment liabilities	6,131,718	1,035,898	27,754,014	3,603,107	38,524,737
Unallocated liabilities - Operator's Fund					
Participants' Takaful Fund					16,613,654
Operator's Fund					15,567,518
Consolidated total liabilities					70,705,909
	December 31, 2017 (Audited)				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	----- (Rupees) -----				
Segment assets	1,466,862	282,764	1,717,977	146,752	3,614,355
Unallocated assets					
Participants' Takaful Fund					4,069,290
Operator's Fund					52,755,690
Consolidated total assets					60,439,335
Segment liabilities	1,835,800	324,237	4,790,943	99,595	7,050,575
Unallocated liabilities					
Participants' Takaful Fund					307,613
Operator's Fund					3,532,514
Consolidated total liabilities					10,890,702

Notes to the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2018

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

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, 2018 (Un-audited)							
Carrying amount					Fair value		
Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
----- (Rupees) -----							
Financial assets measured at fair value							
Investments in equity securities	25,930,115	-	-	-	25,930,115	-	25,930,115
Financial assets not measured at fair value							
Investment in Debt securities	-	500,000	-	-	500,000	-	-
Loans and receivables*	-	-	182,790	-	182,790	-	-
Investments in term deposits*	-	-	-	-	-	-	-
Takaful / Re-takaful receivables*	-	-	15,165,115	-	15,165,115	-	-
Retakaful recoveries against outstanding claims	-	-	92,000	-	92,000	-	-
Wakala and mudarib fee receivable*	-	-	16,476,505	-	16,476,505	-	-
Cash and bank*	-	-	51,846,563	-	51,846,563	-	-
Financial liabilities not measured at fair value							
Provision for outstanding claims (including IBNR)*	-	-	-	(653,000)	(653,000)	-	-
Wakala and mudarib fee payable*	-	-	-	(16,476,505)	(16,476,505)	-	-
Takaful / Re-takaful payables*	-	-	-	(10,917,135)	(10,917,135)	-	-
Other creditors and accruals*	-	-	-	(5,451,200)	(5,451,200)	-	-
25,930,115	500,000	83,762,973	(33,497,840)	76,695,248	-	25,930,115	25,930,115
----- (Rupees) -----							
December 31, 2017 (Audited) (Restated)							
Carrying amount					Fair value		
Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
----- (Rupees) -----							
Financial assets measured at fair value							
Investments in equity securities	25,122,070	-	-	-	25,122,070	-	25,122,070
Financial assets not measured at fair value							
Investments in Debt securities*	-	500,000	-	-	500,000	-	-
Loans and receivables*	-	-	68,392	-	68,392	-	-
Takaful / Re-takaful receivables*	-	-	2,430,801	-	2,430,801	-	-
Wakala and mudarib fee receivable*	-	-	1,965,245	-	1,965,245	-	-
Cash and bank*	-	-	27,157,800	-	27,157,800	-	-
Financial liabilities not measured at fair value							
Provision for outstanding claims (including IBNR)*	-	-	-	-	-	-	-
Wakala and mudarib fee payable*	-	-	-	(1,965,245)	(1,965,245)	-	-
Takaful / Re-takaful payables*	-	-	-	(741,858)	(741,858)	-	-
Other creditors and accruals*	-	-	-	(1,959,633)	(1,959,633)	-	-
25,122,070	500,000	31,622,238	(4,666,736)	52,577,572	-	25,122,070	25,122,070

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

- 25.1 Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The operations measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

26. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary in line with the requirements of the Rules and Accounting Regulations 2017 (refer note 4.1).

27. GENERAL

Figures in these interim condensed financial information have been rounded off to the nearest rupee, unless otherwise stated.

28. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorized for issue in accordance with a resolution of the Board of Directors on October 26, 2018.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Network

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