

Your Trust Our Assurance



Quarterly Report March 2019
(Un-audited)



Century Insurance
A Lakson Group Company



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. 1.8 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
Ms. Anushka Zulfiqar Lakhani
Mr. Bilal Ali Lakhani (from April 12, 2018)
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 first quarter ended March 31, 2019.

General Review

The overall operational performance of the Company has improved in the first quarter of 2019 as compared to the same period in 2018. Gross Written Premium (inclusive of Takaful Contribution) has increased by Rs. 37.5 million (17%) to Rs. 263.1 million. Net premium (inclusive of Takaful Contribution) has increased by Rs. 46.2 million (28%) to Rs. 210.1 million. Underwriting profit stood at Rs. 36.3 million, up by Rs. 9.1 million (33%). Investment & other income has decreased by Rs. 5.8 million (20%). Earnings per share stood at Rs. 0.92.

Operating Results

The comparative financial highlights for the first quarter ended March 31, 2019 and 2018 are presented below:-

Rs. In million (except for EPS)	March 31, 2019	March 31, 2018	Increase / (Decrease)	
			Amount	%
Gross Written Premium (including Takaful Contribution)	263	226	37	16
Net Premium (including Takaful Contribution)	210	164	46	28
Underwriting results	36	27	9	33
Investment & other income	24	30	(6)	(20)
Profit before tax	61	56	5	9
Profit after tax	46	38	8	21
Earnings per share (Rs.)	0.92	0.75	0.17	23
Total assets	2827	2,830	(3)	0
Paid-up capital	503	503	-	-
Total equity	1793	1,720	73	4

As compared to the first quarter of 2018, the gross written premium (inclusive of Takaful Contribution) for Fire class of business has increased by Rs. 7.0 million (16%), Marine by Rs. 18.6 million (42%), Motor by Rs. 7.5 (7%), Accident and Health by Rs. 3.7 million (45%) and Miscellaneous by Rs. 0.7 million (5%).

Window Takaful Operations

Participant Takaful Fund (PTF)

The Gross Written Contribution for the first quarter 2019 is Rs. 12.4 million as Compared to Rs. 5.1 million for the same period last year. Net contribution revenue is Rs. 13.2 million and the surplus for the period for PTF is Rs. 4.0 million.

Operator's Fund (OPF)

Gross wakala fee for the first quarter 2019 is Rs. 4.5 million. Net Wakala fee income is Rs. 6.0 million. Profit before tax is Rs. 2.9 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 in the future.

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. We 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 April 2019

پہلی سہ ماہی 2018 کے مقابلے میں مجموعی پریئم (شول کفائل کنٹریوشن) برائے بیمہ آتش زدگی میں 7.0 ملین روپے (16 فیصد)، بحری بیمہ میں 18.6 ملین روپے (42 فیصد)، بیمہ موٹر میں 7.5 ملین روپے (7 فیصد)، حادثہ وصحت میں 3.7 ملین روپے (45 فیصد) اور 4.6 ملین روپے (5 فیصد) کا اضافہ ہوا ہے۔

وئڈ کفائل آپریشنز

شراکت داروں کا ایکٹو فنڈ پہلی سہ ماہی 2019 میں شراکت داروں کی مجموعی کنٹریوشن کا فنڈ 12.4 ملین روپے جبکہ اسی مدت کے دوران گزشتہ سال 5.1 ملین روپے رہا۔ خالص کنٹریوشن 13.2 ملین روپے اور سرپلس فنڈ 4.0 ملین روپے رہا۔

پریئم فنڈ

مجموعی وکلائس برائے پہلی سہ ماہی 2019ء 4.5 ملین روپے ہے۔ خالص وکلائس کی آمدنی 6.0 ملین روپے۔ قبل از ٹیکس منافع 2.9 ملین روپے ہے۔

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 کرائے 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۔

Muhammad Hussain Mirji

محمد حسین میرجی

ڈائریکٹر اور چیف ایگزیکٹو

Muhammad Ali

اقبال علی لاکھانی

چیئر مین

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے ہم سرت کے ساتھ 31 مارچ 2019 کو ختم ہونے والی پہلی سہ ماہی غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ

مجموعی طور پر پہلی سہ ماہی 2019 میں کمپنی کی آپریشنل کارکردگی میں 2018 کے مقابلے میں اضافہ ہوا ہے۔ مجموعی پریہیمیم (بشمول ہیکافل کنٹریوشن) میں 37.5 ملین روپے (17 فیصد) کا اضافہ جو کہ 263.1 ملین ہوا اور خالص پریہیمیم (بشمول ہیکافل کنٹریوشن) میں 46.2 ملین روپے (28 فیصد) کا اضافہ جو کہ 210.1 ملین ہوا۔ انڈر رائٹنگ آمدنی میں 36.3 ملین روپے سے مستحکم رہی جو کہ 9.1 ملین روپے (33 فیصد) ہے سرمایہ کاری اور دیگر آمدنی میں 5.8 ملین روپے (20 فیصد) کی کمی ہوئی۔ فی شیئر آمدنی 0.92 روپے سے مستحکم رہی۔

کاروباری امور کے نتائج

پہلی سہ ماہی 31 مارچ 2019 اور 2018 کے تقابلی مالیاتی جھلکیاں درج ذیل ہیں:

روپے ملین میں (EPS کے علاوہ)	31 مارچ 2019 (رقم)	31 مارچ 2018 (رقم)	اضافہ / (کمی) (%)	
مجموعی پریہیمیم (بشمول ہیکافل کنٹریوشن)	263	226	37	16
خالص پریہیمیم (بشمول ہیکافل کنٹریوشن)	210	164	46	28
انڈر رائٹنگ آمدنی	36	27	9	33
سرمایہ کاری اور دیگر آمدنی	24	30	(6)	(20)
آمدنی قبل از ٹیکس	61	56	5	9
آمدنی بعد از ٹیکس	46	38	8	21
فی حصص آمدنی (EPS) روپے	0.92	0.75	0.17	23
کل اثاثہ جات	2,827	2,830	(3)	-
اداشدہ سرمایہ	503	503	-	-
کل ایکویٹی	1,793	1,720	73	4

Condensed Interim Statement of Financial Position

As at March 31, 2019

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	------(Rupees) -----	
Assets			
Property and equipment	8	71,058,923	72,325,607
Intangible assets		22,237	26,407
Investment in associates	9	45,963,492	45,144,162
Investments			
Equity securities	10.1	1,129,270,065	1,097,049,399
Debt securities	10.2	258,287,384	138,997,352
Term deposit		-	123,000,000
Loan and other receivable	11	19,896,158	20,585,208
Insurance / reinsurance receivable	12	436,857,922	452,631,626
Reinsurance recoveries against outstanding claims	21	97,673,428	100,016,385
Salvage recoveries accrued		5,130,000	3,975,000
Deferred commission expense	22	29,711,355	33,060,770
Deferred taxation	16	43,227,741	53,228,969
Prepayments	13	143,274,630	179,614,482
Cash and bank	14	473,863,833	440,366,476
Total assets of Window Takaful Operations - Operator's fund	15	72,883,542	69,721,881
Total assets		2,827,120,710	2,829,743,724

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	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		115,648,921	89,518,648
Unappropriated profit		920,340,869	873,893,357
Total Equity		1,792,982,080	1,720,404,295
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	21	187,140,372	192,759,004
Unearned premium reserve	20	376,483,232	439,281,123
Unearned reinsurance commission	22	33,123,657	39,191,757
Premiums received in advance		804,710	573,295
Insurance / reinsurance payables	17	249,462,391	232,154,530
Other creditors and accruals	18	136,176,208	160,938,338
Taxation - provision less payments		35,157,984	29,269,328
Total Liabilities		1,018,348,554	1,094,167,375
Total liabilities of Window Takaful Operations - Operator's fund	15	15,790,076	15,172,054
Total equity and liabilities		2,827,120,710	2,829,743,724
Contingencies and commitments	19		

The annexed notes from 1 to 30 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 period ended March 31, 2019

	Note	Three month period ended	
		2019	2018
		------(Rupees)-----	
Net insurance premium	20	196,883,012	161,784,196
Net insurance claims	21	(83,428,910)	(69,643,372)
Net commission and other acquisition costs	22	1,214,649	1,789,937
Insurance claims and acquisition expenses		(82,214,261)	(67,853,435)
Management Expenses		(78,394,871)	(66,745,434)
Underwriting results		36,273,880	27,185,327
Investment income	23	10,395,571	27,637,117
Other income	24	12,298,873	2,045,851
Other expenses		(2,254,423)	(1,192,087)
Results of operating activities		56,713,901	55,676,208
Share of profit of associates		1,168,569	-
Profit / (loss) from Window Takaful Operations	15	2,850,130	(163,622)
Profit before tax		60,732,600	55,512,586
Income tax expense - current		(17,043,770)	(11,097,376)
- prior		2,789,293	-
- deferred		(30,611)	(6,567,346)
		(14,285,088)	(17,664,722)
Profit after tax		46,447,512	37,847,864
Earnings per share of Rs.10 each - basic and diluted	25	0.92	0.75

The annexed notes from 1 to 30 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 months period ended March 31, 2019

	(Un-audited)	
	Three month period ended	
	2019	2018
	------(Rupees) -----	
Profit after tax	46,447,512	37,847,864
Other comprehensive income		
Item to be reclassified to profit and loss account in subsequent period:		
Unrealised appreciation 'available for sale' investments - net of tax	25,638,728	102,631,166
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	-	(30,789,350)
	25,638,728	71,841,816
Unrealised appreciation 'available for sale' investments of Window Takaful Operations - net of tax	491,545	186,882
Total comprehensive income for the period	72,577,785	109,876,562

The annexed notes from 1 to 30 form an integral part of these condensed interim financial information.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Battlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended March 31, 2019

	March 31, 2019	March 31, 2018
	------(Rupees)-----	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	246,323,187	211,359,481
Reinsurance premium paid	(59,616,151)	(98,394,759)
Claims paid	(108,075,669)	(104,228,259)
Reinsurance and other recoveries received	22,105,481	18,598,525
Commissions paid	(41,036,150)	(17,926,352)
Commissions received	28,725,280	12,836,494
Management expenses paid	(85,405,369)	(62,905,281)
Net cash inflow / (outflow) from underwriting activities	3,020,608	(40,660,152)
(b) Other operating activities		
Income tax paid	11,155,114	(5,683,543)
Other operating payments	(9,372,576)	(6,448,299)
Net cash inflow / (outflow) from other operating activities	1,782,538	(12,131,842)
Total cash inflow / (outflow) from operating activities	4,803,146	(52,791,994)
Investment activities		
Profit / return received	18,896,846	6,594,388
Dividends received	1,669,169	970,864
Payments for investments	(137,135,252)	(287,587,096)
Proceeds from disposal of investments	147,226,839	560,896,305
Fixed capital expenditure	(2,119,330)	(9,060,437)
Proceeds from sale of property and equipment	13,419	813,564
Total cash inflow from investing activities	28,551,691	272,627,589
Financing activities - Dividends paid	142,520	-
Net cash inflow / (outflow) from all activities	33,497,357	219,835,595
Cash at beginning of the period	439,566,476	115,981,242
Cash at end of the six months period	473,063,833	335,816,837
Reconciliation to profit and loss account		
Operating cash flows	4,803,146	(52,791,994)
Depreciation / amortization expense	(3,390,176)	(3,020,591)
Profit / (loss) on disposal of fixed assets	34,242	(491,919)
Profit on disposal of investments	1,881,984	3,887,834
Dividend income	3,053,166	2,704,063
Investment and other income	19,377,985	21,561,518
(Decrease) / increase in assets other than cash	(63,870,442)	38,649,276
Decrease in liabilities other than running finance	81,707,477	27,513,299
Profit from Window Takaful Operations	2,850,130	(163,622)
Profit after tax	46,447,512	37,847,864

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

	March 31, 2019	March 31, 2018
Cash and bank deposits	------(Rupees)-----	
Cash and other equivalents		
- Cash	237,736	240,000
- Policy stamps and bond papers in hand	801,960	1,307,628
- Cash deposit with SBP	5,153,258	-
	6,192,954	1,547,628
Current and other accounts		
- Current accounts *	6,981,269	3,290,033
- Savings accounts	459,889,610	330,979,176
	466,870,879	334,269,209
	473,063,833	335,816,837

* This does not include local currency account with a lien amounting to Rs.0.8 million (March 31, 2018: Rs.0.8 million), with a commercial bank for letters of credit arranged through the bank for securing claims arising outside Pakistan.

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 30 form an integral part of these condensed interim financial information.


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Battlay
Director


Mohammad Hussain Hirji
Director & Chief Executive


Sabza Ali Pirani
Chief Financial Officer

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

For the three months period ended March 31, 2019

	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 1, 2018	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 three months period	-	-	-	-	37,847,864	37,847,864
Other comprehensive income						
Net unrealised gain arising during the period on revaluation of available for sale investments net of tax	-	-	-	102,631,166	-	102,631,166
Reclassification adjustment for net gain on available for sale investments included in profit and loss account net of tax	-	-	-	(30,789,350)	-	(30,789,350)
Total comprehensive income	-	-	-	71,841,816	37,847,864	109,689,680
Balance as at March 31, 2018	<u>502,968,030</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>34,660,650</u>	<u>929,570,613</u>	<u>1,840,223,553</u>
Balance as at January 01, 2019	502,968,030	254,024,260	119,000,000	(29,481,352)	873,893,357	1,720,404,295
Total comprehensive income						
Profit after tax for the three months period	-	-	-	-	46,447,512	46,447,512
Net unrealised gain arising during the period on revaluation of available for sale investments (including WTO) net of tax	-	-	-	26,130,273	-	26,130,273
Total comprehensive income	-	-	-	26,130,273	46,447,512	72,577,785
Balance as at March 31, 2019	<u>502,968,030</u>	<u>254,024,260</u>	<u>119,000,000</u>	<u>(3,351,079)</u>	<u>920,340,869</u>	<u>1,792,982,080</u>


The annexed notes from 1 to 30 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 three months period ended March 31, 2019

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 condensed interim financial information do not include all the information required in the full annual financial statement. Accordingly, these condensed interim financial information should be read in conjunction with annual financial statement of the Company for the year ended December 31, 2018.

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

3. BASIS OF MEASUREMENT

These condensed interim financial information have been prepared under historical cost except for certain investment which are stated at their fair value.

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

For the three months period ended March 31, 2019

4. 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, 2018.

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, 2018.

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, 2018.

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) March 31, 2019	(Audited) December 31, 2018
	Note	------(Rupees)-----	-----
Operating assets	8.1	69,314,453	67,519,107
Capital work in progress	8.2	1,744,470	4,806,500
		<u>71,058,923</u>	<u>72,325,607</u>

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
Note	------(Rupees) -----	
8.1 Operating assets		
Opening written down value	67,519,107	62,203,019
Add: Additions during the period / year - at cost		
- Motor vehicles	4,517,970	20,250,300
- Computers and related accessories	14,000	436,897
- Office equipment	138,706	1,861,966
- Furniture and fixtures	474,537	214,244
- Office improvement	40,317	-
	5,185,530	22,763,407
Less: Written down value of deletions	8	4,683,473
Depreciation for the period / year	3,390,176	12,763,846
	3,390,184	17,447,319
	<u>69,314,453</u>	<u>67,519,107</u>
8.2 Capital work in progress		
Advance against renovation of office	1,744,470	974,000
Advance against purchase of vehicles	-	3,832,500
	<u>1,744,470</u>	<u>4,806,500</u>
9. INVESTMENT IN ASSOCIATES		
Beginning of the period / year	45,144,162	42,137,247
Share of profit from associates	1,168,569	4,212,621
Dividend received from associates	(349,239)	(1,089,485)
Share in other comprehensive income / (loss)	-	(116,221)
End of the period / year	9.1 <u>45,963,492</u>	<u>45,144,162</u>
9.1 This includes investment in Colgate - Palmolive (Pakistan) Limited Rs. 9,915,456 (December 31, 2018: Rs. 10,264,695 and Century Board & Paper Mills Limited of Rs. 36,048,036 (December 31, 2018: Rs 34,879,467).		

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

For the three months period ended March 31, 2019

10. INVESTMENTS

10.1	Investments in equity securities	Unaudited		Audited	
		March 31, 2019		December 31, 2018	
		Cost	Carrying value	Cost	Carrying value
----- (Rupees) -----					
	Available for sale	1,043,113,873	1,037,625,442	1,042,190,347	1,001,046,791
	Held for trading	90,624,743	91,644,623	110,234,745	96,002,608
		1,133,738,616	1,129,270,065	1,152,425,092	1,097,049,399
10.1.1	Available for sale				
	Related parties				
	Mutual funds	578,374,605	578,614,221	578,374,605	564,185,431
	Others				
	Listed shares	53,025,970	49,686,115	53,025,970	50,359,876
	Unlisted shares	75,200	75,200	75,200	75,283
	Mutual funds	411,638,098	409,249,906	410,714,572	386,426,201
		464,739,268	459,011,221	463,815,742	436,861,360
		1,043,113,873	1,037,625,442	1,042,190,347	1,001,046,791
10.2	Investments in debt securities				
	Held for trading				
	Government securities	93,961,279	93,542,402	-	-
	Held to maturity				
	Government securities	79,790,482	79,790,482	53,997,072	53,997,072
	Commercial paper	293,292	-	293,292	-
	Term finance certificate	80,083,774	79,790,482	54,290,364	53,997,072
	Available for sale				
	Sukuk	40,000,000	39,954,500	40,000,000	40,000,280
	Term finance certificate	45,000,000	45,000,000	45,000,000	45,000,000
		85,000,000	84,954,500	85,000,000	85,000,280
		259,045,053	258,287,384	139,290,364	138,997,352

10.2.1 This includes securities which 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. 79.776 million (2018: Rs. 53.975 million).

11. LOAN AND OTHERS RECEIVABLE	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	------(Rupees) -----	
Accrued investment income	7,773,771	7,741,360
Security deposits	6,154,003	6,154,003
Advance to employees	2,678,743	3,200,999
Advance against expenses	116,350	1,488,500
Receivable against sale of shares	407,210	109,875
Window Takaful Operations	1,622,687	748,801
Others	1,143,394	1,141,670
	<u>19,896,158</u>	<u>20,585,208</u>
12. INSURANCE / RE-INSURANCE RECEIVABLE		
Due from insurance contract holders	335,795,116	351,685,552
Amounts due from other insurers / reinsurers	49,553,853	50,506,654
Reinsurance recoveries due but unpaid	51,508,953	50,439,420
	<u>436,857,922</u>	<u>452,631,626</u>
13. PREPAYMENTS		
Prepaid reinsurance premium ceded	133,417,470	171,056,110
Prepayments	9,857,160	8,558,372
	<u>143,274,630</u>	<u>179,614,482</u>
14. CASH AND BANK		
Cash and cash equivalents		
Cash in hand	237,736	240,711
Policy stamps and bond papers in hand	801,960	1,336,699
Deposit with SBP	5,153,258	25,000,000
	<u>6,192,954</u>	<u>26,577,410</u>
Current and other accounts		
Current accounts	7,781,269	10,194,688
Saving accounts	459,889,610	403,594,378
	<u>467,670,879</u>	<u>413,789,066</u>
	<u>473,863,833</u>	<u>440,366,476</u>
15. WINDOW TAKAFUL OPERATIONS		
Assets		
Investments	43,720,188	43,037,487
Cash and bank deposits	7,347,007	8,976,046
Current assets - others	21,816,347	17,708,348
Total Assets	<u>72,883,542</u>	<u>69,721,881</u>
Total Liabilities - Current	<u>15,790,076</u>	<u>15,172,054</u>

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

For the three months period ended March 31, 2019

	(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	------(Rupees) -----	
Profit before tax for the period	<u>2,850,130</u>	<u>(163,622)</u>
Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed condensed interim financial information.		
16. DEFERRED TAXATION - NET	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	------(Rupees) -----	
Deferred tax asset / (liability) arising in respect of:		
Accelerated depreciation on operating fixed assets	(369,182)	(567,983)
Unrealised loss / (gain) on remeasurement of securities to fair value - net	4,594,022	4,594,022
Provision for claims incurred but not reported (IBNR)	769,385	769,385
Provision for compensated absences	1,971,786	1,971,786
Share of profit from associates	(2,375,810)	(2,146,398)
Provision against receivables	15,228,516	15,228,516
Provision against impairment on available for sales investment	21,805,468	21,805,468
	<u>41,624,185</u>	<u>41,654,796</u>
Unrealised appreciation 'available for sale' investments	1,549,501	11,520,118
Share in associates' reserves	54,055	54,055
	<u>43,227,741</u>	<u>53,228,969</u>
17. INSURANCE AND REINSURANCE PAYABLES		
Foreign reinsurers	43,483,437	34,091,052
Local reinsurers	183,837,149	169,079,193
Co-insurers	22,141,805	28,984,285
	<u>249,462,391</u>	<u>232,154,530</u>
18. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	92,177,373	101,484,098
Federal excise duty	5,654,352	14,324,920
Federal insurance fees	625,428	1,258,015
Creditors	2,788,756	2,735,725
Retention money	112,458	51,983
Margin deposits	4,435,088	5,093,883
Staff retirement benefits	1,238,455	5,162,059
Withholding tax payable	1,562,024	725,118
Accrued expenses	12,095,377	15,833,660
Deposits from employees against car scheme	9,597,855	9,103,463
Unclaimed dividend	4,546,017	4,688,537
Others	1,343,025	476,877
	<u>136,176,208</u>	<u>160,938,338</u>

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The status of contingencies remain unchanged as disclosed in annual financial statements for the year ended December 31, 2018.

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	------(Rupees) -----	
19.2 Commitments		
Renovation of office	<u>1,688,094</u>	<u>2,458,564</u>

20. NET INSURANCE PREMIUM

	(Un-audited)	
	Three month period ended	
	March 31 2019	March 31 2018
	------(Rupees) -----	
Written Gross premium	250,721,272	220,518,665
Add : Unearned premium reserve opening	439,281,123	383,008,819
Less: Unearned premium reserve closing	376,483,232	334,882,202
Premium earned	<u>313,519,163</u>	268,645,282
Less: Reinsurance premium ceded	78,997,511	65,471,317
Add: Prepaid reinsurance premium opening	171,056,110	162,210,966
Less: Prepaid reinsurance premium closing	133,417,470	120,821,197
Reinsurance expense	<u>116,636,151</u>	106,861,086
	<u>196,883,012</u>	<u>161,784,196</u>

21. NET INSURANCE CLAIMS EXPENSE

Claim paid	108,075,669	104,228,259
Add : Outstanding claims including IBNR closing	187,140,372	198,842,313
Less: Outstanding claims including IBNR opening	192,759,004	165,560,979
Claims expense	<u>102,457,037</u>	137,509,593
Less: Reinsurance and others recoveries received	21,371,084	34,193,881
Add: Reinsurance and others recoveries in respect of outstanding claims closing	97,673,428	108,585,161
Less: Reinsurance and others recoveries in respect of outstanding claims opening	100,016,385	74,912,821
Reinsurance and other recoveries revenue	<u>19,028,127</u>	67,866,221
	<u>83,428,910</u>	<u>69,643,372</u>

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

For the three months period ended March 31, 2019

	(Un-audited)	
	Three month period ended March 31 2019	March 31 2018
	------(Rupees) -----	
22. NET COMMISSION EXPENSE		
Commission paid or payable	25,979,929	22,090,433
Add : Deferred commission expense opening	33,060,770	32,232,773
Less: Deferred commission expense closing	29,711,355	28,826,551
Net commission	29,329,344	25,496,655
Less: Commission received or recoverable	24,475,893	18,784,918
Add: Unearned Reinsurance commission opening	39,191,757	38,529,301
Less: Unearned Reinsurance commission closing	33,123,657	30,027,627
Commission from reinsurers	30,543,993	27,286,592
	(1,214,649)	(1,789,937)

23. INVESTMENT INCOME

	(Un-audited)	
	Three month period ended March 31 2019	March 31 2018
	------(Rupees) -----	
Income from equity securities		
Available-for-sale		
Dividend income	1,783,641	719,400
Held for trading		
Dividend income	1,269,525	1,984,663
Income from debt securities		
Held to maturity		
Return on government securities	1,838,610	1,570,939
Return on other fixed income securities and deposits	4,825	959,557
	1,843,435	2,530,496
Available-for-sale		
Return on other fixed income securities and deposits	2,486,020	152,864
Income from term deposits		
Return on term deposits	1,014,328	1,387,974
Fair value through profit or loss		
- Gain on sale of equity securities	1,881,984	2,860,578
- Gain on sale of debt securities	-	1,027,256
	1,881,984	3,887,834
Net unrealised gain / (loss) on investments at fair value through profit and loss (Held for trading purposes)		
- Equity securities	1,019,880	17,490,184
- Debt securities	(418,878)	-
	601,002	17,490,184
Total investment income	10,879,935	28,153,415
Less: Investment related expenses	(484,364)	(516,298)
Investment income	10,395,571	27,637,117

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

For the three months period ended March 31, 2019

		(Un-audited)	
		Three month period ended	
		March 31 2019	March 31 2018
		------(Rupees) -----	
24.	OTHER INCOME		
	Income from financial assets / liabilities		
	Return on bank balances	12,194,631	2,491,915
	Others	70,000	45,855
	Income from non-financial assets		
	Gain / (loss) on sale of fixed assets	34,242	(491,919)
		<u>12,298,873</u>	<u>2,045,851</u>
25.	EARNINGS PER SHARE - BASIC AND DILUTED		
	Profit after tax for the period	<u>46,447,512</u>	<u>37,847,864</u>
		----- (Numbers) -----	
	Weighted average number of ordinary shares	<u>50,296,803</u>	<u>50,296,803</u>
		------(Rupees) -----	
	Earnings per share - basic and diluted	<u>0.92</u>	<u>0.75</u>

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. 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.

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 month period ended March 31 2019	March 31 2018
	------(Rupees) -----	
Transactions with related parties		
Premium written	<u>93,994,161</u>	<u>74,345,661</u>
Commission expense	<u>11,791,485</u>	<u>9,042,081</u>
Claims paid	<u>38,764,490</u>	<u>32,679,821</u>
Dividend received	<u>349,239</u>	<u>264,585</u>
Purchase of equipments	<u>-</u>	<u>-</u>
Expenses	<u>7,526,347</u>	<u>6,731,989</u>
Contribution to / provision for staff benefit plans	<u>2,893,555</u>	<u>2,464,822</u>
Remuneration to key management personnel	<u>15,870,417</u>	<u>12,531,618</u>

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

For the three months period ended March 31, 2019

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.

	March 31, 2019 (Un-audited)									
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associate	Other financial liabilities	Total	Level 1	Level 2	Total
	(Rupees)									
Financial assets measured at fair value										
Investments										
- Equity securities	91,644,623	894,550,159	-	-	-	-	986,194,782	141,255,455	844,864,127	986,119,582
- Debt securities	90,542,402	39,954,500	-	-	-	-	133,496,902	-	133,496,902	133,496,902
Assets of Window Takatful Operations - Operator's fund	-	43,720,188	-	-	-	-	43,720,188	-	43,720,188	43,720,188
Financial assets not measured at fair value										
Cash and bank*	-	-	-	473,863,833	-	-	473,863,833	-	-	-
Investments										
- In associates	-	-	-	-	45,963,492	-	45,963,492	74,121,498	-	74,121,498
- Debt securities	-	45,000,000	79,790,482	-	-	-	124,790,482	-	79,776,395	79,776,395
- Unquoted equity shares*	-	143,075,283	-	-	-	-	143,075,283	-	-	-
- Term Deposits	-	-	-	-	-	-	-	-	-	-
Insurance / reinsurance receivable*	-	-	-	436,857,922	-	-	436,857,922	-	-	-
Loan and other receivable*	-	-	-	17,101,065	-	-	17,101,065	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	97,673,428	-	-	97,673,428	-	-	-
Assets of Window Takatful Operations - Operator's fund*	-	-	-	43,720,188	-	-	43,720,188	-	25,678,516	25,678,516
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*	-	-	-	-	-	(187,140,372)	(187,140,372)	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(249,462,391)	(249,462,391)	-	-	-
Other creditors and accruals*	-	-	-	-	-	(128,334,404)	(128,334,404)	-	-	-
Total liabilities of Window Takatful Operations - Operator's fund*	-	-	-	-	-	(5,007,970)	(5,007,970)	-	-	-
	185,187,025	166,300,130	79,790,482	1,069,216,436	45,963,492	(569,945,137)	1,976,512,428	215,376,953	1,127,536,128	1,342,913,081

December 31, 2018 (Audited)										
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associate	Other financial liabilities	Total	Level 1	Level 2	Total
(Rupees)										
Financial assets measured at fair value										
Investments										
- Equity securities	96,002,608	857,971,508	-	-	-	-	953,974,116	146,267,201	807,611,632	953,898,833
- Debt securities	-	40,000,280	-	-	-	-	40,000,280	-	40,000,280	40,000,280
Assets of Window Takatful Operations										
- Operator's fund	-	43,037,487	-	-	-	-	43,037,487	-	43,037,487	43,037,487
Financial assets not measured at fair value										
Cash and bank*	-	-	-	440,366,476	-	-	440,366,476	-	-	-
Investments										
- In associates	-	-	-	-	45,144,162	-	45,144,162	83,287,720	-	83,287,720
- Debt securities	-	45,000,000	53,997,072	-	-	-	98,997,072	-	53,975,000	53,975,000
- Unquoted equity shares*	-	143,075,283	-	-	-	-	143,075,283	-	-	-
- Term Deposits	-	-	123,000,000	-	-	-	123,000,000	-	-	-
Insurance / reinsurance receivable*	-	-	-	452,631,626	-	-	452,631,626	-	-	-
Loan and other receivables	-	-	-	15,895,709	-	-	15,895,709	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	100,016,385	-	-	100,016,385	-	-	-
Total assets of Window takatful Operations	-	-	-	24,175,150	-	-	24,175,150	-	-	-
Financial liabilities not measured at fair value										
Outstanding claims including IBNR	-	-	-	-	-	(192,759,004)	(192,759,004)	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(232,154,530)	(232,154,530)	-	-	-
Other creditors and accruals*	-	-	-	-	-	(1,330,364,763)	(1,330,364,763)	-	-	-
Total liabilities of Window Takatful Operations - Operator's fund	-	-	-	-	-	(3,732,073)	(3,732,073)	-	-	-
	96,002,608	1,129,084,558	176,997,072	1,033,065,346	45,144,162	(1,759,010,370)	721,303,376	229,574,921	944,624,399	1,174,199,320

* 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).

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

For the three months period ended March 31, 2019

28. SEGMENT INFORMATION

	Three months period ended March 31, 2019 (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)	55,877,424	73,791,751	131,578,788	12,541,349	16,187,422	289,976,734
Less: Federal Excise Duty / Sales Tax	7,093,122	8,063,600	15,607,267	591,119	2,032,956	33,388,064
- Federal Insurance Fee	483,153	620,655	1,149,719	161,238	139,758	2,554,523
- Others	13,540	3,065,335	196,550	1,400	36,050	3,312,875
Gross written premium (inclusive of Administrative Surcharge)	48,287,609	62,042,161	114,625,252	11,787,592	13,978,658	250,721,272
- Gross direct premium	47,707,366	60,632,339	100,906,003	11,776,571	13,810,549	234,832,828
- Facultative inward premium	233,232	-	-	-	-	233,232
- Administrative surcharge	347,011	1,409,822	13,719,249	11,021	168,109	15,655,212
	48,287,609	62,042,161	114,625,252	11,787,592	13,978,658	250,721,272
Insurance premium earned	100,222,071	62,320,786	78,405,227	56,612,148	15,958,931	313,519,163
Insurance premium ceded to reinsurers	(82,466,177)	(21,880,431)	(2,196,300)	(113,872)	(9,979,371)	(116,636,151)
Net Insurance premium	17,755,894	40,440,355	76,208,927	56,498,276	5,979,560	196,883,012
Commission income	19,293,886	8,401,800	55,593	39,439	2,753,274	30,543,992
Net underwriting income	37,049,780	48,842,155	76,264,520	56,537,715	8,732,834	227,427,004
Insurance claims	(6,868,411)	(5,414,431)	(38,563,402)	(45,318,908)	(6,291,885)	(102,457,037)
Insurance claims recovered from reinsurers	6,756,134	1,633,373	5,549,076	-	5,089,544	19,028,127
Net claims	(112,277)	(3,781,058)	(33,014,326)	(45,318,908)	(1,202,341)	(83,428,910)
Commission expense	(12,877,219)	(9,164,235)	(5,299,282)	(725,123)	(1,263,485)	(29,329,344)
Management expense	(15,098,443)	(19,399,180)	(35,840,724)	(3,685,713)	(4,370,810)	(78,394,870)
Net insurance claims and expenses	(28,087,939)	(32,344,473)	(74,154,332)	(49,729,744)	(6,836,636)	(191,153,124)
Underwriting results	8,961,841	16,497,682	2,110,188	6,807,971	1,896,198	36,273,880
Investment income						10,395,571
Other income						10,298,873
Other expenses						(2,254,423)
Share of profit of associates						1,168,569
Profit before tax from Window Takaful Operations						2,850,130
Profit before tax for the period						60,732,600

Three months period ended March 31, 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)	47,929,873	52,595,282	126,539,349	9,545,398	16,496,311	253,106,213
Less: Federal Excise Duty / Sales Tax	6,188,192	5,655,231	14,315,681	1,140,254	1,981,705	29,281,063
- Federal Insurance Fee	420,941	445,147	1,063,589	110,706	143,600	2,183,983
- Others	7,240	2,059,212	147,630	570	10,540	2,225,192
Gross written premium (inclusive of Administrative Surcharge)	41,313,500	44,435,692	111,012,449	8,293,868	14,360,466	219,415,975
- Gross direct premium	41,575,296	43,290,854	98,373,393	8,282,559	14,179,677	205,701,779
- Facultative inward premium	551,345	-	-	-	-	551,345
- Administrative surcharge	289,549	1,144,838	12,639,056	11,309	180,789	14,265,541
	42,416,190	44,435,692	111,012,449	8,293,868	14,360,466	220,518,665
Insurance premium earned	83,613,491	46,544,474	72,360,628	49,801,631	16,325,058	268,645,282
Insurance premium ceded to reinsurers	(77,146,384)	(15,438,258)	(1,811,996)	(75,218)	(12,389,230)	(106,861,086)
Net Insurance premium	6,467,107	31,106,216	70,548,632	49,726,413	3,935,828	161,784,196
Commission income	17,767,161	5,886,340	41,279	23,693	3,568,119	27,286,592
Net underwriting income	24,234,268	36,992,556	70,589,911	49,750,106	7,503,947	189,070,788
Insurance claims	(50,541,122)	(12,946,653)	(33,426,457)	(38,425,212)	(2,170,149)	(137,509,593)
Insurance claims recovered from reinsurers	50,569,656	9,767,483	6,070,773	-	1,458,309	67,866,221
Net claims	28,534	(3,179,170)	(27,355,684)	(38,425,212)	(711,840)	(69,643,372)
Commission expense	(11,512,329)	(6,762,687)	(5,243,221)	(630,875)	(1,347,543)	(25,496,655)
Management expense	(12,838,310)	(13,449,562)	(33,600,666)	(2,510,345)	(4,346,551)	(66,745,434)
Net insurance claims and expenses	(24,322,105)	(23,391,419)	(66,199,571)	(41,566,432)	(6,405,934)	(161,885,461)
Underwriting results	(87,837)	13,601,137	4,390,340	8,183,674	1,098,013	27,185,327
Investment income						27,637,117
Other income						2,045,851
Other expenses						(1,192,087)
Share of profit of associates						-
Loss before tax from Window Takaful Operations						(163,622)
Profit before tax for the period						<u>55,512,586</u>

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

For the three months period ended March 31, 2019

The class wise assets and liabilities are as follows:

	Three months period ended March 31, 2019 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees) -----					
Segment assets	268,052,361	138,048,698	224,931,105	23,298,643	73,082,687	727,413,494
Unallocated assets	-	-	-	-	-	2,026,823,674
Unallocated assets of Window Takaful Operation - Operator's Fund						72,883,542
Total assets	268,052,361	138,048,698	224,931,105	23,298,643	73,082,687	2,827,120,710
Segment liabilities	275,280,905	140,416,089	370,021,221	109,924,847	82,196,781	977,839,843
Unallocated liabilities	-	-	-	-	-	40,508,711
Unallocated liabilities of Window Takaful Operation - Operator's Fund						15,790,076
Total liabilities	275,280,905	140,416,089	370,021,221	109,924,847	82,196,781	1,034,138,630
	----- (Rupees) -----					
	December 31, 2018 (Audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees) -----					
Segment assets	367,258,686	104,912,024	128,800,239	88,070,189	71,698,753	760,739,891
Unallocated assets	-	-	-	-	-	1,999,281,952
Unallocated assets of Window Takaful Operation - Operator's Fund						69,721,881
Total assets	367,258,686	104,912,024	128,800,239	88,070,189	71,698,753	2,829,743,724
Segment liabilities	336,765,429	87,707,307	214,541,647	188,973,641	75,971,685	903,959,709
Unallocated liabilities	-	-	-	-	-	190,207,666
Unallocated liabilities of Window Takaful Operation - Operator's Fund						15,172,054
Total liabilities	336,765,429	87,707,307	214,541,647	188,973,641	75,971,685	1,094,167,375

29. GENERAL

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

30. 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 April 26, 2019.

Window TAKAFUL Operations

Financial Statements

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2019

	Note	(Un-audited) March 31, 2019		Aggregate	(Audited) December 31, 2018
		Operator's Fund	Participants' Takaful Fund		Aggregate
----- (Rupees) -----					
Assets					
Investments	9				
Equity securities		43,720,188	20,287,993	64,008,181	58,045,258
Debt securities		-	500,000	500,000	500,000
Loan and other receivables	10	32,547	101,845	134,392	207,946
Takaful / Re-takaful receivables	11	-	14,035,158	14,035,158	13,703,244
Retakaful recoveries against outstanding claims		-	9,687,600	9,687,600	9,687,600
Deferred commission expense	18	2,125,783	-	2,125,783	2,509,244
Wakala and mudarib fee receivable		19,658,017	-	19,658,017	15,101,225
Deferred wakala fee	20	-	8,564,409	8,564,409	10,039,727
Prepaid re-takaful contribution ceded		-	6,210,028	6,210,028	4,958,997
Cash and bank	12	7,347,007	14,705,260	22,052,267	24,705,981
Total Assets		72,883,542	74,092,293	146,975,835	139,459,222

	Note	(Un-audited) March 31, 2019			(Audited) December 31, 2018
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Rupees) -----					
Funds and Liabilities					
Funds attributable to:					
Operator's Fund					
Statutory fund		50,000,000	-	50,000,000	50,000,000
Reserves		633,351	-	633,351	141,806
Accumulated gain		6,460,115	-	6,460,115	4,408,021
Participants' Takaful Fund					
Ceded Money		-	500,000	500,000	500,000
Accumulated surplus		-	4,196,993	4,196,993	98,359
Total Funds		57,093,466	4,696,993	61,790,459	55,148,186
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	17	-	16,477,007	16,477,007	20,916,014
Unearned contribution reserve	16	-	23,054,506	23,054,506	27,096,213
Unearned re-takaful rebate	19	-	881,384	881,384	730,503
Unearned Wakala fee	20	8,564,409	-	8,564,409	10,039,727
Wakala and mudarib fee payable		-	19,658,017	19,658,017	15,101,225
Deferred taxation		246,302	-	246,302	55,146
Contribution received in advance		-	278,832	278,832	170,233
Takaful / Re-takaful payables	13	-	8,270,195	8,270,195	4,536,090
Other creditors and accruals	14	4,900,000	775,359	5,675,359	4,367,599
Taxation - provision less payment		2,079,365	-	2,079,365	1,298,286
Total Liabilities		15,790,076	69,395,300	85,185,376	84,311,036
Total Funds and Liabilities		72,883,542	74,092,293	146,975,835	139,459,222
Contingency and Commitment	15				

The annexed notes from 1 to 27 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

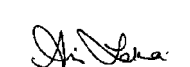
Condensed Interim Profit and Loss Account (Un-audited)

For the three months period ended March 31, 2019

		Three months period ended		
		March 31, 2019	March 31, 2018	
		------(Rupees) -----		
Participants' Takaful Fund - revenue account				
	Net takaful contribution	16	13,176,724	2,083,474
	Wakala expense	20	(5,957,302)	(983,967)
	Net takaful claims	17	(3,924,827)	(263,998)
	Direct expenses		(157,003)	(113,670)
	Re-takaful rebate earned	19	535,184	90,381
			(9,503,948)	(1,271,254)
	Surplus before investment income		3,672,776	812,220
	Investment income	21	159,566	5,625
	Profit on bank balances		214,474	20,764
	Mudarib fee		(74,808)	(5,278)
	Surplus for the period		3,972,008	833,331
Operator's Fund - revenue account				
	Wakala fee income	20	5,957,302	983,967
	Commission expense	18	(1,615,750)	(298,913)
	Management expenses		(1,630,609)	(985,757)
			(3,246,359)	(1,284,670)
			2,710,943	(300,703)
	Other income	22	179,046	172,781
	Other expenses		(39,859)	(35,700)
	Profit / (loss) before tax		2,850,130	(163,622)
	Taxation		(798,036)	49,087
	Profit / (loss) after tax		2,052,094	(114,535)

The annexed notes from 1 to 27 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 months period ended March 31, 2019

Three months period ended
March 31, 2019 March 31, 2018
 -----(Rupees) -----

Participants' Fund

Surplus for the period	3,972,008	833,331
Other Comprehensive Income for the period		
- Unrealized gain on available for sale investments	131,807	-
- Reclassification adjustment for net (gain) on available for sale investments included in profit and loss account	(5,181)	-
	126,626	
Total Comprehensive Income for the period	4,098,634	833,331

Operator's Fund

Profit after tax	2,052,094	(114,535)
Other Comprehensive Income for the period		
Items that will be reclassified to profit and loss account		
- Unrealized gain on available for sale investments - net of tax	491,545	186,882
Total comprehensive income for the period	2,543,639	72,347

The annexed notes from 1 to 27 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 months period ended March 31, 2019

Note	March 31, 2019			March 31, 2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	
Operating Cash flows				
----- (Rupees) -----				
(a) Takaful activities				
Takaful Contribution received	-	12,114,424	12,114,424	5,299,594
Re-takaful contributions paid	-	-	-	(538,634)
Claims paid	-	(8,402,234)	(8,402,234)	(65,940)
Re-takaful and other recoveries received	-	-	-	86,104
Commission paid	(1,205,217)	-	(1,205,217)	(421,268)
Re-takaful rebate received	-	-	-	85,191
Direct expenses paid	-	(157,003)	(157,003)	(90,381)
Net cash inflows from takaful activities	(1,205,217)	3,555,187	2,349,970	4,354,666
(b) Other operating activities				
Income tax paid	(16,957)	-	(16,957)	(17,680)
General, administration and management expenses paid	(639,700)	-	(639,700)	(158,200)
Other operating receipts - net	-	191,472	191,472	122,333
Net cash (outflows) / inflows from other operating activities	(656,657)	191,472	(465,185)	(53,547)
Total cash (outflows) / inflows from operating activities	(1,861,874)	3,746,659	1,884,785	4,301,119
Investment activities				
Profit / return received	232,835	228,666	461,501	170,014
Dividend received	-	-	-	-
Payment for investments	-	(15,000,000)	(15,000,000)	-
Proceed from redemption or sale of investment	-	10,000,000	10,000,000	-
Total cash inflow/ (outflows) from investing activities	232,835	(4,771,334)	(4,538,499)	170,014
Net cash (outflows) / inflow from all activities	(1,629,039)	(1,024,675)	(2,653,714)	4,471,133
Cash and cash equivalents at beginning of period	8,976,046	15,729,935	24,705,981	27,157,800
Cash and cash equivalents at the end of period	7,347,007	14,705,260	22,052,267	31,628,933

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.

The annexed notes from 1 to 27 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 Funds (Un-audited)

For the three months period ended March 31, 2019

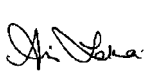
	Operator's Fund			Total
	Statutory fund ¹	Revenue reserve Available for sale Investment revaluation reserve	Accumulated surplus	
	----- (Rupees) -----			
Balance as at January 01, 2018	50,000,000	85,449	(862,273)	49,223,176
Changes in fund for the three months period ended March 31, 2018				
Profit after tax for the three months period	-	-	(114,535)	(114,535)
Other comprehensive income				
Unrealised gains on available for sale investments - net of tax	-	186,882	-	186,882
Balance as at March 31, 2018	50,000,000	272,331	(976,808)	49,295,523
Balance as at January 01, 2019	50,000,000	141,806	4,408,021	54,549,827
Changes in fund for the three months period ended March 31 2019				
Profit after tax for the three months period	-	-	2,052,094	2,052,094
Other comprehensive income				
Unrealised gains on available for sale investments - net of tax	-	491,545	-	491,545
Balance as at March 31,2019	50,000,000	633,351	6,460,115	57,093,466

	Participants' Takaful Fund		
	Ceded money	Accumulated surplus	Total
	----- (Rupees) -----		
Balances as at January 01, 2018	500,000	(174,543)	325,457
Changes in fund for the three months period ended March 31,2019			
Surplus for the three months period ended	-	833,331	833,331
Balance as at March 31, 2018	500,000	658,788	1,158,788
Balances as at January 01, 2019	500,000	98,359	598,359
Changes in fund for the three months period ended March 31, 2019			
Surplus for the three months period ended	-	3,972,008	3,972,008
Other comprehensive income			
Unrealised gains on available for sale investments	-	126,626	126,626
Balance as at March 31, 2019	500,000	4,196,993	4,696,993

The annexed notes from 1 to 27 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 and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the three months period ended March 31, 2019

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 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 .

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 year ended December 31, 2018.

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 annual financial statements as at December 31, 2018.

6. 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 year ended December 31, 2018.

7. 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.

8. INVESTMENTS

8.1 Investments In Securities - Available For Sale

		March 31, 2019 (Un-audited)		December 31, 2018 (Audited)	
		Cost	Carrying Value	Cost	Carrying Value
----- Rupees -----					
Operator's Fund					
Mutual funds	9.1	42,840,535	43,720,188	42,840,535	43,037,487
Participants' Fund					
Mutual funds	9.2	20,153,596	20,287,993	15,000,000	15,007,771

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the three months period ended March 31, 2019

	March 31, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Cost	Carrying Value	Cost	Carrying Value

----- Rupees -----

8.2 Investment in debt securities

Held to maturity

Certificate of Islamic Investment

	500,000	500,000	500,000	500,000
--	---------	---------	---------	---------

	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)
	OPF	PTF	Aggregate	Aggregate

----- Rupees -----

9. LOAN AND OTHER RECEIVABLE

Accrued investment income

	32,547	101,845	134,392	207,946
	32,547	101,845	134,392	207,946

10. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF

Due from Takaful contract holders

Due from other Takaful / Re-takaful operators

	March 31, 2019 (Un-audited)	December 31, 2018 (Audited)
--	--------------------------------	--------------------------------

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

	7,268,908	7,271,107
	6,766,250	6,432,137
	14,035,158	13,703,244

11. CASH AND BANK

Cash and cash equivalents

Cash in hand

	10,000	-	10,000	10,000
--	--------	---	--------	--------

Current and other accounts

Saving accounts

11.1

	7,337,007	14,705,260	22,042,267	24,695,981
	7,347,007	14,705,260	22,052,267	24,705,981

11.1 Saving accounts carry expected profit rates ranging from 3.5% to 7% (2018: 3.5% to 5.3%) per annum.

	March 31, 2019 (Un-audited)	December 31, 2018 (Audited)
	------(Rupees) -----	
12. TAKAFUL / RE-TAKAFUL PAYABLES - PTF		
Due to other takaful / re-takaful operators	8,270,195	4,536,090

	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)
	OPF	PTF	Aggregate	Aggregate
	----- Rupees -----			
13. OTHER CREDITORS AND ACCRUALS				
Commission payable	2,777,944	-	2,777,944	2,750,872
Federal excise duty and sales tax	-	606,544	606,544	543,732
Federal insurance fee payable	-	48,600	48,600	40,481
Accrued expense	2,082,687	109,839	2,192,526	831,201
Audit fee payable	37,500	-	37,500	150,000
Tax deducted at source	1,869	10,376	12,245	51,313
	4,900,000	775,359	5,675,359	4,367,599

14. CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at March 31, 2019 (December 31, 2018: Nil).

	(Un-audited)	
	Three month period ended March 31, 2019	March 31, 2018
	------(Rupees) -----	
15. NET TAKAFUL CONTRIBUTION - PTF		
Written Gross contribution	12,406,859	5,118,404
Add : Unearned contribution reserve opening	27,096,213	4,050,516
Less: Unearned contribution reserve closing	(23,054,506)	(6,303,736)
Contribution earned	16,448,566	2,865,184
Less: Re-takaful Contribution ceded	4,522,873	2,006,852
Add: Prepaid re-takaful contribution ceded opening	4,958,997	740,562
Less: Prepaid re-takaful contribution ceded closing	(6,210,028)	(1,965,704)
Re-takaful expense	3,271,842	781,710
	13,176,724	2,083,474

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the three months period ended March 31, 2019

	(Un-audited)	
	Three month period ended	
	March 31, 2019	March 31, 2018
	------(Rupees) -----	
16. NET TAKAFUL CLAIMS EXPENSE - PTF		
Claim paid	8,402,234	65,940
Add : Outstanding claims including IBNR closing	16,477,007	198,058
Less: Outstanding claims including IBNR opening	(20,916,014)	-
Claims expense	3,963,227	263,998
Less: Re-takaful and others recoveries received	38,400	-
Add: Re-takaful and others recoveries against outstanding claims closing	9,687,600	-
Less: Re-takaful and others recoveries against outstanding claims opening	(9,687,600)	-
Re-takaful and recoveries revenue	38,400	-
	3,924,827	263,998
17. COMMISSION EXPENSE - OPF		
Commission paid or payable	1,232,289	542,083
Add : Deferred commission expense opening	2,509,244	442,992
Less: Deferred commission expense closing	(2,125,783)	(686,162)
Net commission	1,615,750	298,913
18. REBATE FROM RE-TAKAFUL - PTF		
Retakaful Rebate received or receivable	686,065	313,859
Add: Unearned Re-takaful opening	730,503	134,362
Less: Unearned Re-takaful closing	(881,384)	(357,840)
	535,184	90,381
19. NET WAKALA FEE		
Gross Wakala Fee	4,481,984	1,810,761
Add: Deferred Wakala Fee - Opening	10,039,727	1,527,297
Less: Deferred Wakala Fee - Closing	(8,564,409)	(2,354,091)
	1,475,318	(826,794)
	5,957,302	983,967

		(Un-audited)	
		Three month period ended	
		March 31, 2019	March 31, 2018
		------(Rupees) -----	
20. INVESTMENT INCOME			
	Participants' Takaful Fund		
	Capital Gain	153,596	-
	Return on Certificate of Islamic Investment	5,970	5,625
		<u>159,566</u>	<u>5,625</u>
21. OTHER INCOME - OPF			
	Operator's Fund		
	Profit on bank balances	104,238	167,503
	Mudarib's share of PTF investment income	74,808	5,278
		<u>179,046</u>	<u>172,781</u>
22. 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. There are no transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these financial information.		
23. 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.		

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the three months period ended March 31, 2019

The class wise revenues and results are as follows:

	Three months period ended March 31, 2019 (Un-audited)					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	
	----- (Rupees) -----					
Participant's Takaful Fund						
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	3,171,693	1,414,796	8,237,460	196,868	1,322,641	14,343,458
Less: Federal Excise Duty / Sales Tax	392,237	146,220	957,431	26,383	180,218	1,702,489
Federal Insurance Fee	27,499	11,557	72,218	1,688	11,309	124,271
Others	2,300	102,139	5,200	-	200	109,839
Facultative inward premium						-
	<u>2,749,657</u>	<u>1,154,880</u>	<u>7,202,611</u>	<u>168,797</u>	<u>1,130,914</u>	<u>12,406,859</u>
Gross written Contribution (inclusive of Administrative Surcharge)						
Gross direct Contribution	2,705,206	1,099,144	6,986,821	168,797	1,130,336	12,090,304
Facultative inward premium	-	-	-	-	-	-
Administrative surcharge	44,451	55,736	215,790	-	578	316,555
	<u>2,749,657</u>	<u>1,154,880</u>	<u>7,202,611</u>	<u>168,797</u>	<u>1,130,914</u>	<u>12,406,859</u>
Takaful contribution earned	2,531,595	1,136,343	10,743,349	1,023,105	1,014,174	16,448,566
Takaful contribution ceded to re-takaful operators	(1,372,552)	(1,012,218)	(514,925)	-	(372,147)	(3,271,842)
Net Takaful contribution	1,159,043	124,125	10,228,424	1,023,105	642,027	13,176,724
Rebate earned	182,774	154,531	5,014	-	192,865	535,184
Net revenue	<u>1,341,817</u>	<u>278,656</u>	<u>10,233,438</u>	<u>1,023,105</u>	<u>834,892</u>	<u>13,711,908</u>
Takaful claims	(1,500)	-	(2,999,565)	(936,662)	(25,500)	(3,963,227)
Takaful claims recovered from re-takaful operators	-	-	-	-	38,400	38,400
Net claims	(1,500)	-	(2,999,565)	(936,662)	12,900	(3,924,827)
Wakala fee expense	(759,478)	(340,903)	(4,297,339)	(204,621)	(354,961)	(5,957,302)
Direct expenses	(34,796)	(14,614)	(91,146)	(2,136)	(14,311)	(157,003)
Surplus before investment income	<u>546,043</u>	<u>(76,861)</u>	<u>2,845,388</u>	<u>(120,314)</u>	<u>478,520</u>	<u>3,672,776</u>
Investment income						159,566
Profit on bank balances						214,474
Mudarib fee						(74,808)
Surplus for the period						<u>3,972,008</u>
Operator's Fund						
Wakala fee income	759,478	340,903	4,297,339	204,621	354,961	5,957,302
Commission expense	(295,345)	(108,617)	(1,060,684)	(39,506)	(111,598)	(1,615,750)
Management expense	(361,382)	(151,784)	(946,624)	(22,185)	(148,634)	(1,630,609)
	<u>102,751</u>	<u>80,502</u>	<u>2,290,031</u>	<u>142,930</u>	<u>94,729</u>	<u>2,710,943</u>
Investment income						-
Other Income						179,046
Other expenses						(39,859)
Profit before tax						<u>2,850,130</u>

	Three months period ended March 31, 2018 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	----- (Rupees) -----					
Participant's Takaful Fund						
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	1,900,713	203,962	3,740,305	-	28,237	5,873,217
Less: Federal Excise Duty / Sales Tax	226,550	20,684	435,172	-	3,236	685,642
Federal Insurance Fee	16,592	1,667	32,758	-	246	51,263
Others	1,060	14,718	2,010	-	120	17,908
Facultative inward premium	-	-	-	-	-	-
	<u>1,656,511</u>	<u>166,893</u>	<u>3,270,365</u>	<u>-</u>	<u>24,635</u>	<u>5,118,404</u>
Gross written Contribution (inclusive of Administrative Surcharge)						
Gross direct Contribution	1,633,398	158,940	3,162,121	-	23,462	4,977,921
Facultative inward premium	-	-	-	-	-	-
Administrative surcharge	23,113	7,953	108,244	-	1,173	140,483
	<u>1,656,511</u>	<u>166,893</u>	<u>3,270,365</u>	<u>-</u>	<u>24,635</u>	<u>5,118,404</u>
Takaful contribution earned	873,729	207,984	1,765,345	-	18,126	2,865,184
Takaful contribution ceded to re-takaful operators	(389,159)	(102,546)	(283,961)	-	(6,044)	(781,710)
Net Takaful contribution	484,570	105,438	1,481,384	-	12,082	2,083,474
Rebate earned	74,050	15,382	-	-	949	90,381
Net revenue	<u>558,620</u>	<u>120,820</u>	<u>1,481,384</u>	<u>-</u>	<u>13,031</u>	<u>2,173,855</u>
Takaful claims	-	-	(263,998)	-	-	(263,998)
Takaful claims recovered from re-takaful operators	-	-	-	-	-	-
Net claims	-	-	(263,998)	-	-	(263,998)
Wakala fee expense	(255,184)	(60,010)	(662,840)	-	(5,934)	(983,967)
Direct expenses	(36,788)	(3,706)	(72,629)	-	(547)	(113,670)
Surplus before investment income	<u>266,648</u>	<u>57,104</u>	<u>481,917</u>	<u>-</u>	<u>6,550</u>	<u>812,220</u>
Investment income						5,625
Profit on bank balances						20,764
Mudarib fee						(5,278)
Surplus for the period						<u>833,331</u>
Operator's Fund						
Wakala fee income	255,184	60,010	662,840	-	5,934	983,967
Commission expense	(85,203)	(20,549)	(190,468)	-	(2,693)	(298,913)
Management expense	(319,029)	(32,142)	(629,842)	-	(4,744)	(985,757)
	<u>(149,047)</u>	<u>7,319</u>	<u>(157,470)</u>	<u>-</u>	<u>(1,504)</u>	<u>(300,703)</u>
Other Income						172,781
Other expenses						(35,700)
Profit before tax						<u>(163,622)</u>

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the three months period ended March 31, 2019

The classwise assets and liabilities are as follows:

	March 31, 2019 (Un-audited)					Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Miscellaneous	
	(Rupees)					
Segment assets	16,847,017	1,479,740	17,791,141	530,555	3,974,523	40,622,977
Unallocated assets						
Participants' Takaful Fund						33,469,316
Operator's Fund						72,883,542
Consolidated total assets						146,975,835
Segment liabilities	21,377,373	2,933,548	37,594,320	2,229,893	4,981,333	69,116,468
Unallocated liabilities - Operator's Fund						
Participants' Takaful Fund						278,832
Operator's Fund						15,790,076
Consolidated total liabilities						85,185,376

	December 31, 2018 (Audited)					Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Miscellaneous	
	(Rupees)					
Segment assets	14,932,984	1,643,860	18,168,776	647,400	2,996,548	38,389,568
Unallocated assets						
Participants' Takaful Fund						31,347,773
Operator's Fund						69,721,881
Consolidated total assets						139,459,222
Segment liabilities	18,333,499	2,282,462	41,948,957	2,834,683	3,630,414	69,030,015
Unallocated liabilities						
Participants' Takaful Fund						108,967
Operator's Fund						15,172,054
Consolidated total liabilities						84,311,036

Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the three months period ended March 31, 2019

- 24.1 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).

25. GENERAL

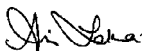
Figures in these interim condensed financial information have been rounded off to the nearest rupee, unless otherwise stated.

26. 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 April 26, 2019.



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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