

Your Trust Our Assurance



Nine Months Report September 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. 1.7 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
Ms. Anushka Zulfiqar Lakhani
Mr. Bilal Ali Lakhani (upto May 28, 2019)
Mr. Tasleemuddin Ahmed Batlay
Mr. Mohammad Hussain Hirji - Chief Executive
Mr. Sadrudin Ismail Mohamed
Mr. Aftab Ahmed (from August 19, 2019)

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., Shakra-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 September 30, 2019.

General Review

The performance of the Company with respect to insurance operations for the nine-month period ended September 30, 2019 has improved as compared to the same period last year. Gross Written Premium (inclusive of Takaful Contribution) has increased by Rs. 84.4 million (9%) to Rs. 1,076.8 million. Net premium (inclusive of Takaful Contribution) has increased by Rs. 95.8 million (18%) to Rs. 617.8 million. Underwriting profit stood at Rs. 92.7 million, up by Rs. 8.3 million (10%).

However, the Company has recorded a loss of Rs. 29.6 million in its Investment portfolio. This was mainly due to realization of loss upon sale of investments in equity funds and shares of Rs. 67.9 million and impairment in the equity portfolio of Rs. 49.1 million. These losses were partly offset by profit on bank deposits of Rs. 37.3 million and profit on debt securities of Rs. 48.5 million.

Earnings per share (EPS) for the nine-month period ended September 30, 2019 is Rs. 0.76 as against Rs. 1.06 for the same period last year.

Operating Results

The comparative financial highlights for the nine-month period ended September 30, 2019 and September 30, 2018 are presented below:-

	September 30, 2019	September 30, 2018	Rs. In million (except for EPS)	
			Increase / (Decrease) Amount	%
Gross Written Premium (including Takaful Contribution)	1,076.8	992.5	84.4	9
Net Premium (including Takaful Contribution)	617.8	522.0	95.8	18
Underwriting results	92.7	84.4	8.3	10
Investment & other income	(29.6)	(2.7)	(26.9)	(990)
Profit before tax	61.0	78.3	(17.3)	(22)
Profit after tax	38.3	53.5	(15.2)	(28)
Earnings per share (Rs.)	0.76	1.06	(0.30)	(28)
Total assets	2,987.2	2,829.7	157.5	6
Paid-up capital	503.0	503.0	-	-
Total equity	1,710.4	1,720.4	(10.0)	(1)

As compared to the nine-month period of 2018, the gross written premium (inclusive of Takaful Contribution) for Fire class of business has increased by Rs. 36.8 million (12%), Marine by Rs. 26.3 million (17%), Motor by Rs. 9.3 million (3%), Accident & Health by Rs. 11.6 million (6%) and Miscellaneous by Rs. 0.5 million (1%).

Window Takaful Operations

Participant Takaful Fund (PTF)

The Gross Written Contribution for the first nine months of 2019 is Rs. 54.2 million as compared to Rs. 44.1 million for the same period last year. Net contribution revenue is Rs. 38.8 million and the surplus for the period is Rs. 8.9 million.

Operator's Fund (OPF)

Gross Wakala Fee income for the first nine months is Rs. 19.7 million. Net Wakala fee income is Rs. 19.4 million. Profit before tax is Rs. 6.2 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 deployment 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: 25 October 2019

نومہ 2018ء کے مقابلے میں مجموعی پریسیم (بشمول نکافل کنٹریبوشن) برائے بیمہ آتش زدگی میں 6.83 ملین روپے (12 فیصد) بحری بیمہ میں 26.3 ملین روپے (17 فیصد)، موٹر بیمہ میں 9.3 ملین روپے (3 فیصد)، بیمہ حادثہ و صحت میں 11.6 ملین روپے (6 فیصد) اور بیمہ متفرق میں 0.5 ملین روپے (1 فیصد) کا اضافہ ہوا ہے۔

ونڈو نکافل آپریشنز

شراکت داروں کا نکافل فنڈ

2019 کے ابتدائی نو ماہ میں شراکت داروں تحریر شدہ مجموعی کنٹریبوشن 54.2 ملین روپے رہا جبکہ اسی مدت میں گزشتہ سال 44.1 ملین روپے رہا۔ خالص کنٹریبوشن 38.8 ملین روپے اور سرپلس فنڈ 8.9 ملین روپے رہا۔

آپریٹر فنڈ

مجموعی وکالہ فیس برائے ابتدائی نو ماہ میں 19.7 ملین روپے ہے۔ خالص وکالہ فیس کی آمدنی 19.4 ملین روپے ہے۔ قبل از ٹیکس منافع 6.2 ملین روپے رہا۔

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، دیگر شہروں میں کلائنٹ کی خدمات 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 حصص یافتگان کی ایکویٹی میں اضافے اور بہتر پائیداری کا باعث بنیں گے۔

اعترافات

ہم تمام ڈائریکٹرز کی جانب سے 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 کاروبار کی امور کی کامیابی میں اپنا کردار ادا کیا۔

Muhammad Hussain Kirji

محمد حسین کیریجی
ڈائریکٹر اور چیف ایگزیکٹو

Abul Kalam

اقبال علی لاکھانی
چیئرمین

کراچی : 25 اکتوبر 2019

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم مسرت کے ساتھ 30 ستمبر 2019ء کو ختم ہونے والی نو ماہ کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ

30 ستمبر 2019 کو ختم ہونے والی نو ماہ کی مدت میں ادارے کی انشورنس آپریشن کا رکردگی میں گذشتہ سال کی اسی مدت کے مقابلے بہتر آئی ہے۔ مشترکہ مجموعی پریمیئم (بشمول ہیکافل کنٹریوشن) 84.4 ملین روپے 9 فیصد اضافہ جو کہ 1076.8 ملین روپے ہوا۔ مجموعی خالص پریمیئم (بشمول ہیکافل کنٹریوشن) 95.8 ملین روپے 18 فیصد اضافہ جو کہ 617.8 ملین روپے ہوا۔ انڈر رائٹنگ آمدنی 92.7 ملین روپے رہی ہے جس میں 8.3 ملین روپے کا اضافہ جو کہ 10 فیصد ہے۔

البتہ ادارے نے انوسٹمنٹ پورٹ فولیو میں 29.6 ملین روپے کا نقصان ظاہر کیا ہے۔ جسکی بنیادی وجہ ایکویٹی فنڈ اور شیئرز میں سرمایہ کی فروخت سے نقصان جو کہ 67.9 ملین روپے اور ایکویٹی پورٹ فولیو میں لیمپریمنٹ 49.1 ملین روپے رہی ہے۔ ان نقصانات کو جزوی طور پر بینک ڈپازٹس 37.3 ملین روپے اور ڈیبٹ سیکیورٹیز 48.5 ملین روپے کے منافع سے آفسٹ کیا گیا ہے۔

30 ستمبر 2019 کو ختم ہونے والی نو ماہ کی مدت میں فی حصص آمدنی 0.76 ملین روپے جو کہ گزشتہ سال اسی مدت میں 1.06 ملین روپے تھی۔

کاروباری امور کے نتائج

نو ماہ کی مدت 30 ستمبر 2019 اور 30 ستمبر 2018 کی تقابلی مالیاتی جھلکیاں درج ذیل ہیں۔

(روپے ملین میں) رقم اضافہ/(کمی) فیصد		2018	2019	بیان
9	84.4	992.5	1,076.8	تحریر شدہ مجموعی پریمیئم (بشمول ہیکافل کنٹریوشن)
18	95.8	522	617.8	خالص پریمیئم (بشمول ہیکافل کنٹریوشن)
10	8.3	84.4	92.7	انڈر رائٹنگ نتائج
(990)	(26.9)	(2.7)	(29.6)	سرمایہ کاری و دیگر آمدنی
(22)	(17.3)	78.3	61.0	منافع قبل از ٹیکس
(28)	(15.2)	53.5	38.3	منافع بعد از ٹیکس
(28)	(0.30)	1.06	0.76	آمدنی فی حصص (روپے)
6	157.5	2,829.7	2,987.2	کل اثاثہ جات
-	-	503.0	503.0	ادا شدہ سرمایہ
(1)	(10.0)	1,720.4	1,710.4	کل ایکویٹی

Condensed Interim Statement of Financial Position

As at September 30, 2019

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
	Note	------(Rupees) -----	
Assets			
Property and equipment	11	129,186,830	72,325,607
Intangible assets		13,904	26,407
Investment in associates	12	30,734,698	45,144,162
Investments			
Equity securities	13.1	409,425,599	1,097,049,399
Debt securities	13.2	824,428,923	138,997,352
Term deposit		361,200,000	123,000,000
Loan and other receivable	14	31,958,361	20,585,208
Insurance / reinsurance receivable	15	562,309,035	452,631,626
Reinsurance recoveries against outstanding claims	23	83,605,837	100,016,385
Salvage recoveries accrued		4,005,000	3,975,000
Deferred commission expense	24	40,744,819	33,060,770
Deferred taxation		54,913,725	53,228,969
Prepayments	16	223,634,529	179,614,482
Cash and bank	17	145,458,767	440,366,476
Total assets of Window Takaful Operations - Operator's fund	18	85,626,511	69,721,881
Total assets		2,987,246,538	2,829,743,724

		(Un-audited) September 30, 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		104,017,118	89,518,648
Unappropriated profit		849,370,385	873,893,357
Total Equity		1,710,379,793	1,720,404,295
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	23	197,907,404	192,759,004
Unearned premium reserve	22	523,806,408	439,281,123
Unearned reinsurance commission	24	47,550,750	39,191,757
Premiums received in advance		1,017,147	573,295
Insurance / reinsurance payables	19	262,339,763	232,154,530
Other creditors and accruals	20	188,809,059	160,938,338
Taxation - provision less payments		28,621,704	29,269,328
Total Liabilities		1,250,052,235	1,094,167,375
Total liabilities of Window Takaful Operations - Operator's fund	18	26,814,510	15,172,054
Total equity and liabilities		2,987,246,538	2,829,743,724
Contingencies and commitments	21		

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


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, 2019

	Note	Three month period ended		Nine month period ended	
		2019	2018	2019	2018
		------(Rupees) -----		------(Rupees) -----	
Net insurance premium	22	192,295,265	185,928,431	579,045,208	508,105,114
Net insurance claims	23	(93,311,564)	(72,735,956)	(260,974,908)	(215,049,851)
Net commission and other acquisition costs	24	1,233,220	2,203,863	3,610,558	4,239,304
Insurance claims and acquisition expenses		(92,078,344)	(70,532,093)	(257,364,350)	(210,810,547)
Management Expenses		(74,779,530)	(71,791,662)	(228,995,825)	(212,886,459)
Underwriting results		25,437,391	43,604,676	92,685,033	84,408,108
Investment (loss) / income	25	(25,265,597)	4,805,020	(53,487,592)	(23,851,580)
Other income	26	13,593,937	9,939,419	37,777,001	18,334,984
Other expenses		(4,060,889)	(2,812,215)	(8,326,640)	(6,521,147)
Results of operating activities		9,704,842	55,536,900	68,647,802	72,370,365
Share of profit of associates		1,059,465	1,254,125	3,530,687	2,801,533
Impairment in associates		-	-	(17,412,640)	-
Profit from Window Takaful Operations	18	1,426,201	2,995,769	6,207,591	3,144,703
Profit before tax		12,190,508	59,786,794	60,973,440	78,316,601
Income tax expense					
- current		(5,495,887)	(16,807,777)	(32,543,272)	(37,837,811)
- prior		-	-	2,789,293	-
- deferred		(2,322,372)	(3,301,734)	7,128,731	13,041,154
		(7,818,259)	(20,109,511)	(22,625,248)	(24,796,657)
Profit after tax		4,372,249	39,677,283	38,348,192	53,519,944
Earnings per share of Rs.10 each - basic and diluted	27	0.09	0.79	0.76	1.06

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

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, 2019

	Three month period ended		Nine month period ended	
	2019	2018	2019	2018
	------(Rupees)-----		------(Rupees)-----	
Profit after tax	4,372,249	39,677,283	38,348,192	53,519,944
Other comprehensive income				
Item to be reclassified to profit and loss account in subsequent period:				
Unrealised appreciation / (diminution) 'available for sale' investments - net of tax	11,856,240	(5,853,827)	1,071,617	48,942,707
Reclassification adjustment for net loss on available for sale investments included in profit and loss account - net of tax	8,391,260	-	13,802,040	-
	20,247,500	(5,853,827)	14,873,657	48,942,707
Unrealised appreciation/ (diminution) 'available for sale' investments of Window Takaful Operations - net of tax	916,918	(235,679)	(145,216)	160,619
- Share in other comprehensive income of an associate - net of tax	(230,348)	(81,944)	(229,971)	(79,647)
Total comprehensive income for the period	25,306,319	33,505,833	52,846,662	102,543,623

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

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 nine months period ended September 30, 2019

	September 30, 2019	September 30, 2018
	------(Rupees)-----	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	914,734,220	868,577,823
Reinsurance premium paid	(375,870,727)	(288,564,685)
Claims paid	(341,995,913)	(305,354,853)
Reinsurance and other recoveries received	100,042,022	90,718,936
Commissions paid	(109,096,293)	(83,627,297)
Commissions received	110,033,432	64,796,686
Management expenses paid	(233,050,858)	(210,664,601)
Net cash inflow from underwriting activities	64,795,883	135,882,009
(b) Other operating activities		
Income tax paid	(28,601,402)	(20,825,571)
Other operating payments	(13,730,526)	(6,377,066)
Net cash outflow from other operating activities	(42,331,928)	(27,202,637)
Total cash inflow from operating activities	22,463,955	108,679,372
Investment activities		
Profit / return received	56,456,430	26,760,655
Dividends received	8,397,880	9,519,588
Payments for investments	(2,803,516,753)	(971,351,248)
Proceeds from disposal of investments	2,506,453,324	1,340,449,863
Fixed capital expenditure	(22,951,103)	(17,968,829)
Proceeds from sale of property and equipment	743,216	1,481,314
Total cash (outflow) / inflow from investing activities	(254,417,006)	388,891,343
Financing activities - Dividends paid	(62,954,658)	(86,574,526)
Net cash (outflow) / inflow from all activities	(294,907,709)	410,996,189
Cash at beginning of the period	439,566,476	115,981,242
Cash at end of the nine months period	144,658,767	526,977,431
Reconciliation to profit and loss account		
Operating cash flows	22,463,955	108,679,372
Depreciation / amortization expense	(10,815,333)	(9,379,550)
Profit / (loss) on disposal of fixed assets	205,436	(492,108)
(Loss) / Profit on disposal of investments	(57,525,244)	10,562,959
Dividend income	9,008,864	9,289,297
Investment and other income	20,427,476	29,849,785
Increase / (decrease) in assets other than cash	158,058,866	(247,136,009)
(Increase) / decrease in liabilities other than running finance	(109,683,419)	149,913,459
Profit from Window Takaful Operations	6,207,591	2,232,739
Profit after tax	38,348,192	53,519,944

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

	September 30, 2019	September 30, 2018
	------(Rupees) -----	
Cash and bank deposits		
Cash and other equivalents		
- Cash	266,305	234,540
- Policy stamps and bond papers in hand	2,430,917	463,217
- Cash deposit with SBP	5,153,258	-
	7,850,480	697,757
Current and other accounts		
- Current accounts *	30,907,478	6,826,434
- Savings accounts	105,900,809	519,453,240
	136,808,287	526,279,674
	144,658,767	526,977,431

* This does not include local currency account with a lien amounting to Rs.0.8 million (September 30 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 32 form an integral part of these condensed interim financial statements.


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 nine months period ended September 30, 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 01, 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 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 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 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
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 nine months period	-	-	-	-	38,348,192	38,348,192
Other comprehensive income						
Share in other comprehensive income of an associate	-	-	-	(229,971)	-	(229,971)
Net unrealised loss arising during the period on revaluation of available for sale investments (including WTO) net of tax	-	-	-	926,401	-	926,401
Reclassification adjustment for net loss on available for sale investments included in profit and loss account (including WTO) net of tax	-	-	-	13,802,040	-	13,802,040
Total comprehensive income	-	-	-	14,498,470	38,348,192	52,846,662
Transactions with owners recorded directly in equity						
Final cash dividend of Rs.1.25 (12.5%) per share for the year ended December 31, 2018	-	-	-	-	(62,871,164)	(62,871,164)
Balance as at September 30, 2019	502,968,030	254,024,260	119,000,000	14,982,882	849,370,385	1,710,379,793

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


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 Statements (Unaudited)

For the nine months period ended September 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 statements 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 statements do not include all the information required in the full annual financial statement. Accordingly, these condensed interim financial statements 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 statements have been presented in Pakistani Rupees, which is also the functional currency of the Company.

3. BASIS OF MEASUREMENT

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

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended December 31, 2018 except as disclosed in note 4.1 below:

4.1 Changes in accounting policies

4.1.1 IFRS 16 'Leases'

The Company has adopted IFRS 16 'Leases' from January 01, 2019 which is effective from annual periods beginning on or after January 01, 2019.

IFRS 16 introduced a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The details of new accounting policies and effect of change to previous accounting policies are stated below:

Up to December 31, 2018, assets held under property leases, not equivalent to ownership rights, were classified as operating leases and were not recognized as asset in the statement of financial position. Payments under operating leases were recognized in profit and loss on a straight line basis over term of the lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life . The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The company applied the following practical expedients when applying the IFRS 16 leases previously classified as operating leases under IAS 17:

- Applied a single discount rate to all leases with similar characteristics.

- Applied the exemption not to recognize right of use asset and liabilities for leases with less than 12 months of expected remaining lease term.
- Excluded initial direct costs from measuring the right of use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The significant judgments in the implementation were determining if a contract contained a lease, and the determination of whether the Company is reasonably certain that it will exercise extension options present in lease contracts. The significant estimates were the determination of incremental borrowing rates. The discount rate applied to lease liabilities on the transition date January 01, 2019 is based on the 3 year applicable KIBOR plus 100 basis points i.e 13.41%.

The Company has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The lease payments associated with these leases are recognized as an expenses on a straight-line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

The impact of IFRS 16 on the Company is primarily where the Company is a lessee in property lease contracts. The Company has elected to adopt simplified approach on transition and has not restated comparative information. On January 01, 2019, the Company recognized a lease liability, being the remaining lease payments, including extension options where the renewal is reasonably certain, discounted using the applicable discount rate as disclosed above at the date of initial application. The corresponding right-of-use asset recognized is the amount of the lease liability adjusted by prepaid or accrued lease payments related to those leases. The balance sheet increase, as a result of the recognition of lease liability and right-to-use assets as of January 01, 2019, was Rs. 53.587 million, with no adjustment to retained earnings. The asset is presented in 'Property and equipment' and the liability is presented in 'Other Creditors and accruals'. Also in relation to those leases under IFRS 16, the company has recognized depreciation and interest costs, instead of operating lease expenses. During the nine months period to September 30, 2019, the Company recognized depreciation expense of Rs. 8.363 million and interest expense of Rs. 4.197 million on these leases.

4.1.2 IFRS 9 Financial Instruments

As mentioned in note 6.4, the Company has adopted temporary exemption from IFRS 9 and accordingly, additional disclosures about the temporary exemption from IFRS 9 have been presented in note 10 to these condensed interim financial statements.

5. 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 January 01, 2019 but are considered not to be relevant or do not have any significant effect on the Company's condensed interim financial statements and are therefore not stated except that are disclosed in note 4.1.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

6. 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, 2019:

- 6.1 Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- 6.2 Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.
- 6.3 On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.
- 6.4 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.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses 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 9. 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. Under the temporary exemption option, the company can defer the application of IFRS 9 until the application IFRS 17.

The Company has determined that it is eligible for the temporary exemption option. The determination is based on an analysis of the percentage of the total carrying amount of liabilities connected with insurance activities relative to the total carrying amount of all liabilities, which indicates that the Company's activities are predominately connected with insurance. Further, the Company does not engage in significant activities unconnected with insurance based on historical available information. Accordingly, the Company has adopted temporary exemption and defer the implementation of IFRS 9 until the effective date of the new insurance contracts standard. Additional disclosures about the temporary exemption from IFRS 9 have been presented in note 10 to these condensed interim financial statements.

7. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial statements, the significant judgments 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 year ended December 31, 2018.

8. 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.

9. 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.

10. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit and loss.

The tables below set out the fair values on gross basis as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately.

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets.

	September 30, 2019 (Un-audited)				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in Unrealized gain or (loss) during the period	Carrying value	Cost less impairment	Change in Unrealized gain or (loss) during the period
----- Rupees -----					
Financial assets					
Investment in associates	59,352,081	-	-	-	-
Investments	-	-	-	-	-
- Equity securities - Available for Sale	333,604,206	20,826,136	-	-	-
- Equity securities - Held for trading	75,821,393	(11,071,776)	-	-	-
- Debt securities - Held for trading	103,927,444	6,229,970	-	-	-
- Debt securities - available for sale	-	-	197,707,240	-	(52,190)
- Debt securities - held to maturity	-	-	522,794,239	-	-
Insurance / reinsurance receivable*	562,309,035	-	-	-	-
Loan and other receivables*	29,049,046	-	-	-	-
Reinsurance recoveries against outstanding claims*	83,605,837	-	-	-	-
Cash and Bank	145,458,767	-	-	-	-
Total assets of Window takaful Operations	83,074,053	-	-	-	-
TOTAL	1,476,201,862	15,984,330	720,501,479	-	(52,190)

Gross Carrying amount of debt instruments that pass the SPPI test					
AA	A+	A	Unrated	Total	
----- Rupees -----					
Investment in debt securities - Available for sale	38,437,230	24,995,000	20,000,000	114,275,010	197,707,240
Investment in debt securities - Held to Maturity	23,351,174	-	-	499,443,065	522,794,239
61,788,404	24,995,000	20,000,000	613,718,075	720,501,479	

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of the fair values.

11. PROPERTY AND EQUIPMENT

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees) -----	
Operating assets	11.1	80,101,332	67,519,107
Right of use assets	11.2	47,392,046	-
Capital work in progress	11.3	1,693,452	4,806,500
		129,186,830	72,325,607
11.1 Operating assets			
Opening written down value		67,519,107	62,203,019
Add: Additions during the period / year - at cost			
- Motor vehicles		20,665,249	20,250,300
- Computers and related accessories		405,500	436,897
- Office equipment		1,252,744	1,861,966
- Furniture and fixtures		2,336,774	214,244
- Office improvement		1,416,387	-
		26,076,654	22,763,407
Less: Written down value of deletions		2,679,096	4,683,473
Depreciation for the period / year		10,815,333	12,763,846
		13,494,429	17,447,319
		80,101,332	67,519,107
11.2 Right of use assets			
Opening written down value as at January 01, 2019		55,755,349	-
Additions during the period / year		-	-
Depreciation for the period / year		(8,363,303)	-
Closing written down value as at September 30,2019		47,392,046	-

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
Note	----- (Rupees) -----	

11.3 Capital work in progress

Advance against renovation of office	-	974,000
Advance against purchase of vehicles	1,693,452	3,832,500
	<u>1,693,452</u>	<u>4,806,500</u>

12. INVESTMENT IN ASSOCIATES

Beginning of the period / year	45,144,162	42,137,247
Share of profit from associates	3,530,687	4,212,621
Dividend received from associates	(349,239)	(1,089,485)
Share in other comprehensive loss	(178,272)	(116,221)
Provision for impairment	(17,412,640)	-
End of the period / year	12.1 <u>30,734,698</u>	<u>45,144,162</u>

12.1 This includes investment in Colgate - Palmolive (Pakistan) Limited Rs. 10,568,552 (December 31, 2018: Rs. 10,264,695 and Century Paper & Board Mills Limited of Rs. 20,166,146 (December 31, 2018: Rs 34,879,467). and the market values of these investment is Rs. 43,919,450 and Rs 19,608,769 respectively.

13. INVESTMENTS

13.1 Investments in equity securities

	(Un-audited)		Audited	
	September 30, 2019		December 31, 2018	
	Cost	Carrying value	Cost	Carrying value
Note	----- (Rupees) -----			
Available for sale	358,861,380	338,035,244	1,042,190,347	1,001,046,791
Held for trading	82,462,131	71,390,355	110,234,745	96,002,608
	<u>441,323,511</u>	<u>409,425,599</u>	<u>1,152,425,092</u>	<u>1,097,049,399</u>
13.1.1 Available for sale				
Related parties				
Open end mutual funds	118,665,665	103,952,304	435,374,605	421,185,431
Lakson Private equity fund	143,000,000	143,000,000	143,000,000	143,000,000
Others				
Listed shares	44,242,450	37,985,199	53,025,970	50,359,876
Unlisted shares	75,200	75,283	75,200	75,283
Mutual funds	52,878,065	53,022,458	410,714,572	386,426,201
	97,195,715	91,082,940	463,815,742	436,861,360
	<u>358,861,380</u>	<u>338,035,244</u>	<u>1,042,190,347</u>	<u>1,001,046,791</u>

13.2 Investments in debt securities	(Un-audited)		Audited	
	September 30, 2019		December 31, 2018	
	Cost	Carrying value	Cost	Carrying value
Note	----- (Rupees) -----			
Held for trading				
Government securities	97,697,474	103,927,444	-	-
Held to maturity				
Government securities	499,443,065	499,443,065	53,997,072	53,997,072
Commercial paper	23,351,174	23,351,174	-	-
Term finance certificate	293,292	-	293,292	-
	523,087,531	522,794,239	54,290,364	53,997,072
Available for sale				
Sukuk	38,500,000	38,437,230	40,000,000	40,000,280
Term finance certificate	44,995,000	44,995,000	45,000,000	45,000,000
Government securities	114,160,050	114,275,010	-	-
	197,655,050	197,707,240	85,000,000	85,000,280
	818,440,055	824,428,923	139,290,364	138,997,352

13.2.1 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.

13.2.2 The market value of held to maturity debt securities is Rs. 499.655 million (2018: Rs. 53.975 million).

14. LOAN AND OTHERS RECEIVABLE	(Un-audited) September 30, 2019	(Audited) December 31, 2018
	----- (Rupees) -----	
Accrued investment income	10,170,068	7,741,360
Security deposits	6,404,003	6,154,003
Advance to employees	2,571,065	3,200,999
Advance against expenses	338,250	1,488,500
Receivable against sale of shares	510,675	109,875
Window Takaful Operations	11,165,184	748,801
Others	799,116	1,141,670
	31,958,361	20,585,208
15. INSURANCE / RE-INSURANCE RECEIVABLE		
Due from insurance contract holders	458,233,188	351,685,552
Amounts due from other insurers / reinsurers	57,804,956	50,506,654
Reinsurance recoveries due but unpaid	46,270,891	50,439,420
	562,309,035	452,631,626

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
	------(Rupees) -----	
16. PREPAYMENTS		
Prepaid reinsurance premium ceded	214,865,147	171,056,110
Prepayments	8,769,382	8,558,372
	223,634,529	179,614,482
17. CASH AND BANK		
Cash and cash equivalents		
Cash in hand	266,305	240,711
Policy stamps and bond papers in hand	2,430,917	1,336,699
Deposit with SBP	5,153,258	25,000,000
	7,850,480	26,577,410
Current and other accounts		
Current accounts	31,707,478	10,194,688
Saving accounts	105,900,809	403,594,378
	137,608,287	413,789,066
	145,458,767	440,366,476
18. WINDOW TAKAFUL OPERATIONS		
Assets		
Investments	59,995,198	43,037,487
Cash and bank deposits	2,963,822	8,976,046
Current assets - others	22,667,491	17,708,348
Total assets	85,626,511	69,721,881
Total Liabilities - Current	26,814,510	15,172,054

	(Un-audited)			
	Three month period ended		Nine month period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Profit before tax for the period	1,426,201	2,995,769	6,207,591	3,144,703

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

	September 30, 2019	September 30, 2018
Note	------(Rupees) -----	
19. INSURANCE AND REINSURANCE PAYABLES		
Foreign reinsurers	65,672,648	34,091,052
Local reinsurers	172,200,187	169,079,193
Co-insurers	24,466,928	28,984,285
	<u>262,339,763</u>	<u>232,154,530</u>
20. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	93,718,712	101,484,098
Federal excise duty	6,926,809	14,324,920
Federal insurance fees	629,806	1,258,015
Creditors	3,492,451	2,735,725
Retention money	141,073	51,983
Margin deposits	4,197,222	5,093,883
Staff retirement benefits	3,715,365	5,162,059
Payable against purchase of shares	306,195	-
Withholding tax payable	951,599	725,118
Accrued expenses	12,983,706	15,833,660
Deposits from employees against car scheme	11,200,596	9,103,463
Unclaimed dividend	4,605,043	4,688,537
Lease liability	44,896,935	-
Others	1,043,547	476,877
	<u>188,809,059</u>	<u>160,938,338</u>
20.1 Maturity analysis of lease liability		
Less than one year	10,855,255	-
one to five year	34,041,680	-
	<u>44,896,935</u>	<u>-</u>
21. CONTINGENCIES AND COMMITMENTS		
21.1 Contingencies		
<p>The status of contingencies remain unchanged as disclosed in annual financial statements for the year ended December 31, 2018 and there are no commitments as at September 30, 2019.</p>		

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

22. NET INSURANCE PREMIUM

	(Un-audited)			
	Three month period ended		Nine month period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees) -----			
Written Gross premium	248,050,897	320,616,993	1,022,607,821	948,349,352
Add : Unearned premium reserve opening	589,124,414	478,058,242	439,281,123	383,008,819
Less: Unearned premium reserve closing	523,806,408	502,293,964	523,806,408	502,293,964
Premium earned	313,368,903	296,381,271	938,082,536	829,064,207
Less: Reinsurance premium ceded	109,186,914	122,984,855	402,846,365	374,982,713
Add: Prepaid reinsurance premium opening	226,751,871	203,702,571	171,056,110	162,210,966
Less: Prepaid reinsurance premium closing	214,865,147	216,234,586	214,865,147	216,234,586
Reinsurance expense	121,073,638	110,452,840	359,037,328	320,959,093
	192,295,265	185,928,431	579,045,208	508,105,114

23. NET INSURANCE CLAIMS EXPENSE

Claim paid	127,453,559	82,708,996	341,995,913	305,354,853
Add : Outstanding claims including IBNR closing	197,907,404	188,743,047	197,907,404	188,743,047
Less: Outstanding claims including IBNR opening	173,890,780	190,099,015	192,759,004	165,560,979
Claims expense	151,470,183	81,353,028	347,144,313	328,536,921
Less: Reinsurance and others recoveries received	52,032,757	13,031,288	102,579,953	94,170,905
Add: Reinsurance and others recoveries in respect of outstanding claims closing	83,605,837	94,228,986	83,605,837	94,228,986
Less: Reinsurance and others recoveries in respect of outstanding claims opening	77,479,975	98,643,202	100,016,385	74,912,821
Reinsurance and other recoveries revenue	58,158,619	8,617,072	86,169,405	113,487,070
	93,311,564	72,735,956	260,974,908	215,049,851

24. NET COMMISSION EXPENSE

Commission paid or payable	28,085,540	26,137,030	95,231,679	86,501,462
Add : Deferred commission expense opening	41,870,514	40,682,087	33,060,770	32,232,773
Less: Deferred commission expense closing	40,744,819	39,766,492	40,744,819	39,766,492
Net commission	29,211,235	27,052,625	87,547,630	78,967,743
Less: Commission received or recoverable	34,097,675	31,834,912	99,517,181	90,765,917
Add: Unearned Reinsurance commission opening	43,897,530	43,509,747	39,191,757	38,529,301
Less: Unearned Reinsurance commission closing	47,550,750	46,088,171	47,550,750	46,088,171
Commission from reinsurers	30,444,455	29,256,488	91,158,188	83,207,047
	(1,233,220)	(2,203,863)	(3,610,558)	(4,239,304)

25. INVESTMENT INCOME

	(Un-audited)			
	Three month period ended		Nine months period ended	
	September 30 , 2019	September 30 , 2018	September 30 , 2019	September 30 , 2018
----- (Rupees) -----				
Income from equity securities Available-for-sale				
Dividend income	2,070,397	1,979,052	5,662,390	3,347,577
Held for trading				
Dividend income	1,407,028	2,231,138	3,346,474	5,941,720
Income from debt securities Held to maturity				
Return on government securities	10,607,194	1,316,388	17,319,747	4,478,543
Return on other fixed income securities and deposits	115,707	235,152	120,532	2,149,341
	10,722,901	1,551,540	17,440,279	6,627,884
Available-for-sale				
Return on government securities	2,547,622	-	4,795,909	-
Return on other fixed income securities and deposits	2,725,064	309,977	7,886,760	740,039
	5,272,686	309,977	12,682,669	740,039
Held -for-trading				
Return on government securities	119,964	-	1,721,233	-
Income from term deposits				
Return on term deposits	380,847	1,197,261	1,395,175	4,146,878
Net realised (loss) / gains on investments				
Available for sale				
- (Loss) / gain on sale of equity securities	(55,489,888)	-	(62,043,608)	4,598,268
Fair value through profit or loss				
- (Loss) / gain on sale of equity securities	(3,493,437)	(2,613,418)	(5,898,707)	4,176,329
- Gain on sale of debt securities	7,660,875	716,354	10,417,071	1,788,362
	4,167,438	(1,897,064)	4,518,364	5,964,691
Net unrealised gain / (loss) on investments at fair value through profit and loss (Held for trading purposes)				
- Equity securities	(773,309)	367,342	(11,071,776)	(3,150,216)
- Debt securities	7,446,628	(38,777)	6,229,970	74,545
	6,673,319	328,565	(4,841,806)	(3,075,671)
Total investment (loss) / income	(24,675,308)	5,700,469	(20,118,830)	28,291,386
Less: Impairment in value of available-for-sale	-	-	(31,659,686)	(49,277,339)
Less: Investment related expenses	(590,289)	(895,449)	(1,709,076)	(2,865,627)
Investment (loss) / income	(25,265,597)	4,805,020	(53,487,592)	(23,851,580)

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

	(Un-audited)			
	Three month period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees) -----			
26. OTHER INCOME				
Income from financial assets / liabilities				
Return on bank balances	13,287,341	9,942,139	37,313,566	18,685,264
Others	143,003	-	257,999	141,828
Income from non-financial assets				
Gain / (loss) on sale of fixed assets	163,593	(2,720)	205,436	(492,108)
	13,593,937	9,939,419	37,777,001	18,334,984

27. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited)			
	Three month period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Numbers) -----			
Profit after tax for the period	4,372,249	39,677,283	38,348,192	53,519,944
	----- (Numbers) -----			
Weighted average number of ordinary shares	50,296,803	50,296,803	50,296,803	50,296,803
	----- (Numbers) -----			
Earnings per share - basic and diluted	0.09	0.79	0.76	1.06

27.1 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.

28. 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:

Transactions with related parties

	(Un-audited)			
	Three month period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees) -----			
Premium written	66,362,593	132,196,463	563,236,704	511,152,353
Commission expense	8,965,342	7,472,621	49,580,615	43,901,017
Claims paid	51,815,548	29,926,543	140,311,258	93,723,585
Dividend paid	-	-	38,612,048	67,609,362
Sale of shares / units of mutual funds	172,000,000	-	272,000,000	-
Dividend received	-	824,900	349,239	1,089,485
Expenses	9,521,920	5,091,191	20,977,243	17,339,859
Donation Paid	500,000	500,000	500,000	500,000
Contribution to / provision for staff benefit plans	2,983,491	2,515,485	8,989,747	7,938,599
Remuneration to key management personnel	22,696,847	29,996,075	60,508,507	88,306,280

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

29. 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, 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	Level 3	Total
	(Rupees)										
Financial assets measured at fair value											
Investments											
- Equity securities	71,390,355	337,959,961	-	-	-	-	409,350,316	109,375,554	156,974,762	143,000,000	409,350,316
- Debt securities	103,927,444	197,707,240	-	-	-	-	301,634,684	-	301,634,684	-	301,634,684
Assets of Window Takatful Operations											
- Operator's fund	-	59,995,198	-	-	-	-	59,995,198	-	59,995,198	-	59,995,198
Financial assets not measured at fair value											
Cash and bank*	-	-	-	145,458,767	-	-	145,458,767	-	-	-	-
Investments											
- In associates	-	-	-	-	30,734,698	-	30,734,698	59,352,081	-	-	59,352,081
- Debt securities	-	-	522,794,239	-	-	-	522,794,239	-	523,006,574	-	523,006,574
- Unquoted equity shares*	-	75,283	-	-	-	-	75,283	-	-	-	-
- Term Deposits	-	-	361,200,000	-	-	-	361,200,000	-	-	-	-
Insurance / reinsurance receivable*	-	-	-	562,309,035	-	-	562,309,035	-	-	-	-
Loan and other receivable*	-	-	-	29,049,046	-	-	29,049,046	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	83,605,837	-	-	83,605,837	-	-	-	-
Assets of Window Takatful Operations - Operator's fund*	-	-	500,000	92,630,884	-	-	93,130,884	-	-	-	-
Financial liabilities not measured at fair value											
Outstanding claims including IBNR*	-	-	-	-	-	(197,907,404)	(197,907,404)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(262,339,763)	(262,339,763)	-	-	-	-
Lease liability	-	-	-	-	-	-	-	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(165,384,884)	(165,384,884)	-	-	-	-
Total liabilities of Window Takatful Operations - Operator's fund*	-	-	-	-	-	(66,588,313)	(66,588,313)	-	-	-	-
	175,317,799	595,737,682	884,494,239	913,053,569	30,734,698	(692,220,364)	1,907,117,623	168,727,635	1,041,611,218	143,000,000	1,353,338,853

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	Level 3	Total
(Rupees)										
Financial assets measured at fair value										
Investments										
- Equity securities	96,002,608	857,971,508	-	-	-	953,974,116	146,362,485	807,611,632	-	953,974,117
- Debt securities	-	85,000,280	-	-	-	85,000,280	-	85,000,280	-	85,000,280
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	-	53,997,072	-	-	-	53,997,072	-	53,975,000	-	53,975,000
- Unquoted equity shares*	143,075,283	-	-	-	-	143,075,283	-	-	143,000,000	143,000,000
- 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*										
	-	-	-	-	(130,364,763)	(130,364,763)	-	-	-	-
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	1,033,085,346	45,144,162	(559,010,370)	1,921,303,376	229,650,205	989,624,399	143,000,000	1,219,274,604

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

29.1 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).

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For the nine months period ended September 2019

30. SEGMENT INFORMATION

	Three months period ended September 30, 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)	92,252,388	72,394,809	59,272,871	34,270,126	26,351,472	284,541,666
Less: Federal Excise Duty / Sales Tax	11,376,380	7,997,969	7,167,902	1,301,578	3,250,277	31,094,106
- Federal Insurance Fee	800,996	618,818	528,089	348,642	228,539	2,525,084
- Others	20,600	2,743,679	80,800	3,750	22,750	2,871,579
Gross written premium (inclusive of Administrative Surcharge)	80,054,412	61,034,343	51,496,080	32,616,156	22,849,906	248,050,897
- Gross direct premium	79,019,767	59,600,543	48,571,459	32,523,290	22,593,274	242,308,333
- Facultative inward premium	483,650	-	-	-	-	483,650
- Administrative surcharge	550,995	1,433,800	2,924,621	92,866	256,632	5,258,914
	80,054,412	61,034,343	51,496,080	32,616,156	22,849,906	248,050,897
Insurance premium earned	100,341,142	57,808,080	76,870,303	62,564,895	15,784,483	313,368,903
Insurance premium ceded to reinsurers	(88,450,684)	(20,549,509)	(1,171,419)	(129,991)	(10,772,035)	(121,073,638)
Net Insurance premium	11,890,458	37,258,571	75,698,884	62,434,904	5,012,448	192,295,265
Commission income	19,745,120	7,899,126	40,822	37,680	2,721,707	30,444,455
Net underwriting income	31,635,578	45,157,697	75,739,706	62,472,584	7,734,155	222,739,720
Insurance claims	(51,274,732)	(5,701,731)	(36,639,048)	(50,953,373)	(6,901,299)	(151,470,183)
Insurance claims recovered from reinsurers	48,556,349	2,684,233	2,654,882	-	4,263,155	58,158,619
Net claims	(2,718,383)	(3,017,498)	(33,984,166)	(50,953,373)	(2,638,144)	(93,311,564)
Commission expense	(12,543,037)	(8,516,633)	(4,949,189)	(1,458,605)	(1,743,771)	(29,211,235)
Management expense	34,877,568	(13,550,698)	(52,440,292)	(46,829,092)	3,162,984	(74,779,530)
Net insurance claims and expenses	19,616,148	(25,084,829)	(91,373,647)	(99,241,070)	(1,218,931)	(197,302,329)
Underwriting results	51,251,726	20,072,868	(15,633,941)	(36,768,486)	6,515,224	25,437,391
Investment loss						(25,265,597)
Other income						13,593,937
Other expenses						(4,080,889)
Share of profit of associates						1,059,465
Impairment in associates						-
Profit before tax from Window Takaful Operations						1,426,201
Profit before tax for the period						12,190,508

Nine months period ended September 30, 2019 (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)	387,399,717	212,860,522	281,933,882	218,391,981	58,356,452	1,158,942,554
Less: Federal Excise Duty / Sales Tax	46,679,633	23,419,801	33,542,405	6,373,325	7,130,883	117,146,047
- Federal Insurance Fee	3,372,617	1,801,764	2,479,884	2,185,083	506,346	10,345,694
- Others	53,710	8,333,632	357,650	6,850	91,150	8,842,992
Gross written premium (inclusive of Administrative Surcharge)	337,293,757	179,305,325	245,553,943	209,826,723	50,628,073	1,022,607,821
- Gross direct premium	335,207,734	175,181,219	225,579,900	209,664,445	50,008,762	995,642,060
- Facultative inward premium	716,882	-	-	-	-	716,882
- Administrative surcharge	1,369,141	4,124,106	19,974,043	162,278	619,311	26,248,879
	337,293,757	179,305,325	245,553,943	209,826,723	50,628,073	1,022,607,821
Insurance premium earned	295,503,085	180,067,542	239,473,150	176,907,739	46,131,020	938,082,536
Insurance premium ceded to reinsurers	(258,817,203)	(61,597,324)	(5,102,164)	(373,907)	(33,146,730)	(359,037,328)
Net Insurance premium	36,685,882	118,470,218	234,370,986	176,533,832	12,984,290	579,045,208
Commission income	58,425,955	23,674,101	147,102	114,832	8,796,198	91,158,188
Net underwriting income	95,111,837	142,144,319	234,518,088	176,648,664	21,780,488	670,203,396
Insurance claims	(53,554,323)	(20,355,795)	(112,874,801)	(142,030,749)	(18,328,645)	(347,144,313)
Insurance claims recovered from reinsurers	50,594,889	9,642,490	13,059,864	-	12,872,162	86,169,405
Net claims	(2,959,434)	(10,713,305)	(99,814,937)	(142,030,749)	(5,456,483)	(260,974,908)
Commission expense	(37,509,211)	(26,547,750)	(16,305,976)	(2,830,920)	(4,353,773)	(87,547,630)
Management expense	(75,531,265)	(40,152,412)	(54,987,676)	(46,987,166)	(11,337,306)	(228,995,825)
Net insurance claims and expenses	(115,999,910)	(77,413,467)	(171,108,589)	(191,848,835)	(21,147,562)	(577,518,363)
Underwriting results	(20,888,073)	64,730,852	63,409,499	(15,200,171)	632,926	92,685,033
Investment loss						(53,487,592)
Other income						37,777,001
Other expenses						(8,326,640)
Share of profit of associates						3,530,687
Impairment in associates						(17,412,640)
Profit before tax from Window Takaful Operations						6,207,591
Profit before tax for the period						60,973,440

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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 expenses						(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

nine months period ended 30 September 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
	<u>306,150,554</u>	<u>154,381,583</u>	<u>238,755,436</u>	<u>198,579,455</u>	<u>50,482,324</u>	<u>948,349,352</u>
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	<u>(28,752,833)</u>	<u>50,717,912</u>	<u>65,794,375</u>	<u>(8,026,677)</u>	<u>4,675,331</u>	<u>84,408,108</u>
Investment income						(23,851,580)
Other income						18,334,984
Other expenses						(6,521,147)
Share of profit of associates						2,801,533
Profit before tax from Window Takaful Operations						<u>3,144,703</u>
Profit before tax for the period						<u>78,316,601</u>

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months period ended September 2019

The class wise assets and liabilities are as follows:

	Nine months period ended September 30, 2019 (Un-audited)					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
Segment assets	464,080,587	118,132,193	154,495,107	125,762,796	79,781,897	942,252,581
Unallocated assets	-	-	-	-	-	1,959,367,446
Unallocated assets of Window Takaful Operation - Operator's Fund	-	-	-	-	-	85,626,511
Total assets	464,080,587	118,132,193	154,495,107	125,762,796	79,781,897	2,987,246,538
Segment liabilities	452,813,601	111,932,026	297,903,977	264,585,579	93,178,202	1,169,185,114
Unallocated liabilities	-	-	-	-	-	80,867,121
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	26,814,510
Total liabilities	452,813,601	111,932,026	297,903,977	264,585,579	93,178,202	1,276,866,745
	31 December 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	1,109,339,429

31. GENERAL

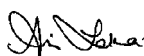
Figures in these condensed interim financial statements have been rounded off to the nearest rupees, unless otherwise stated.

32. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue in accordance with a resolution of the Board of Directors on October 25, 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

Window
TAKAFUL
Operations

Financial Statements

Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2019

	Note	(Un-audited) September 30, 2019			(Audited) December 31, 2018
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
		(Rupees)			
Assets					
Investments	11				
Equity securities		59,995,198	-	59,995,198	58,045,258
Debt securities		-	500,000	500,000	500,000
Loan and other receivables	12	79,887	176,970	256,857	207,946
Takaful / Re-takaful receivables	13	-	24,632,571	24,632,571	13,703,244
Retakaful recoveries against outstanding claims		-	798,800	798,800	9,687,600
Deferred commission expense	20	2,551,065	-	2,551,065	2,509,244
Wakala and mudarib fee receivable		20,035,146	-	20,035,146	15,101,225
Deferred wakala fee	22	-	10,333,161	10,333,161	10,039,727
Prepaid re-takaful contribution ceded		-	10,087,786	10,087,786	4,958,997
Deferred taxation		1,393	-	1,393	-
Cash and bank	14	2,963,822	44,742,488	47,706,310	24,705,981
Total Assets		85,626,511	91,271,776	176,898,287	139,459,222

	Note	(Un-audited) September 30, 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		(3,410)	-	(3,410)	141,806
Accumulated gain		8,815,411	-	8,815,411	4,408,021
Participants' Takaful Fund					
Ceded Money		-	500,000	500,000	500,000
Accumulated surplus		-	9,001,048	9,001,048	98,359
Total Funds		58,812,001	9,501,048	68,313,049	55,148,186
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	19	-	12,269,265	12,269,265	20,916,014
Unearned contribution reserve	18	-	28,020,334	28,020,334	27,096,213
Unearned re-takaful rebate	21	-	1,445,762	1,445,762	730,503
Unearned Wakala fee	22	10,333,161	-	10,333,161	10,039,727
Wakala and mudarib fee payable		-	20,035,146	20,035,146	15,101,225
Deferred taxation		-	-	-	55,146
Contribution received in advance		-	125,147	125,147	170,233
Takaful / Re-takaful payables	15	-	18,870,147	18,870,147	4,536,090
Other creditors and accruals	16	15,414,508	1,004,927	16,419,435	4,367,599
Taxation - provision less payment		1,066,841	-	1,066,841	1,298,286
Total Liabilities		26,814,510	81,770,728	108,585,238	84,311,036
Total Funds and Liabilities		85,626,511	91,271,776	176,898,287	139,459,222
Contingency and Commitment	17				

The annexed notes from 1 to 29 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

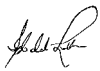
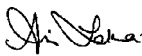
Sabza Ali Pirani
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-audited)

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

	Note	Three months period ended		Nine months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		------(Rupees)-----		------(Rupees)-----	
Participants' Takaful Fund - revenue account					
Net takaful contribution	18	11,867,327	8,207,303	38,796,906	13,914,253
Wakala expense	22	(6,785,912)	(5,179,062)	(19,383,187)	(8,473,387)
Net takaful claims	19	(6,048,879)	(393,424)	(13,848,421)	(1,635,152)
Direct expenses		(232,874)	(228,823)	(534,589)	(448,362)
Re-takaful rebate earned	21	1,003,493	748,396	2,027,746	1,216,179
		(12,064,172)	(5,052,913)	(31,738,451)	(9,340,722)
Surplus before investment income		(196,845)	3,154,390	7,058,455	4,573,531
Investment income	23	211,946	6,415	1,420,626	15,337
Profit on bank balances		438,261	256,342	894,380	363,194
Mudarib fee		(130,041)	(52,551)	(463,001)	(75,706)
Surplus for the period		323,321	3,364,596	8,910,460	4,876,356
Operator's Fund - revenue account					
Wakala fee income	22	6,785,912	5,179,062	19,383,187	8,473,387
Commission expense	20	(1,752,700)	(1,486,865)	(5,294,518)	(2,649,733)
Management expenses		(3,831,068)	(1,564,725)	(11,749,353)	(3,794,201)
		(5,583,768)	(3,051,590)	(17,043,871)	(6,443,934)
		1,202,144	2,127,472	2,339,316	2,029,453
Investment Income	23	170,965	680,697	3,406,511	680,697
Other income	24	295,745	222,828	844,276	574,781
Other expenses		(242,653)	(35,228)	(382,512)	(140,228)
Profit before tax		1,426,201	2,995,769	6,207,591	3,144,703
Taxation		(413,598)	(868,773)	(1,800,201)	(911,964)
Profit after tax		1,012,603	2,126,996	4,407,390	2,232,739

The annexed notes from 1 to 29 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, 2019

	Three months period ended		Nine months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	------(Rupees)-----		------(Rupees)-----	
Participants' Fund				
Surplus for the period	323,321	3,364,596	8,910,460	4,876,356
Other Comprehensive Income for the period				
- Reclassification adjustment for net (gain) on available for sale investments included in profit and loss account	(5,181)	-	(7,771)	-
	(5,181)	-	(7,771)	-
Total Comprehensive Income for the period	318,140	3,364,596	8,902,689	4,876,356
Operator's Fund				
Profit after tax	1,012,603	2,126,996	4,407,390	2,232,739
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	(3,410)	(235,679)	(3,410)	160,619
- Reclassification adjustment for net (gain) on available for sale investments included in profit and loss account	(141,806)	-	(141,806)	-
	(145,216)	(235,679)	(145,216)	160,619
Total comprehensive income for the period	867,387	1,891,317	4,262,174	2,393,358

The annexed notes from 1 to 29 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 nine months period ended September 30, 2019

Note	September 30, 2019			September 30, 2018
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
Operating Cash flows				
----- (Rupees) -----				
(a) Takaful activities				
Takaful Contribution received	-	46,140,275	46,140,275	31,979,506
Re-takaful contributions paid	-	(5,535,310)	(5,535,310)	(3,030,679)
Claims paid	-	(14,999,593)	(14,999,593)	(1,108,904)
Re-takaful and other recoveries received	-	550,000	550,000	96,566
Commission paid	(4,197,780)	2,596	(4,195,184)	(1,954,861)
Re-takaful rebate received	-	907,919	907,919	464,690
Wakala fee received / paid	15,205,701	(15,205,701)	-	-
Direct expenses paid	-	(534,589)	(534,589)	(448,362)
Net cash inflows from takaful activities	11,007,921	11,325,597	22,333,518	25,997,956
(b) Other operating activities				
Income tax paid	(2,031,646)	-	(2,031,646)	(173,170)
General, administration and management expenses paid	(1,591,632)	-	(1,591,632)	(2,934,599)
Other operating receipts - net	187,758	333,000	520,758	109,876
Net cash (outflows) / inflows from other operating activities	(3,435,520)	333,000	(3,102,520)	(2,997,893)
Total cash inflows from operating activities	7,572,401	11,658,597	19,230,998	23,000,063
Investment activities				
Profit / return received	399,267	850,851	1,250,118	879,739
Dividend received	3,235,546	1,271,747	4,507,293	680,697
Payment for investments	(72,977,478)	(16,544,522)	(89,522,000)	128,264
Proceed from redemption or sale of investment	55,758,040	31,775,880	87,533,920	-
Total cash (outflows) / inflow from investing activities	(13,584,625)	17,353,956	3,769,331	1,688,700
Net cash (outflows) / inflow from all activities	(6,012,224)	29,012,553	23,000,329	24,688,763
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	2,963,822	44,742,488	47,706,310	51,846,563
Reconciliation to profit and loss account				
Operating cash flows	7,572,401	11,658,597	19,230,998	23,000,063
Profit on disposal of investments	170,965	125,505	296,470	-
Investment and other income	844,276	917,754	1,762,030	1,558,303
Dividend income	3,235,546	1,271,747	4,507,293	-
Increase in assets other than cash	4,959,143	7,529,653	12,488,796	41,414,943
Increase in liabilities other than borrowings	(12,374,941)	(12,592,796)	(24,967,737)	(58,864,214)
Profit after tax / surplus for the period	4,407,390	8,910,460	13,317,850	7,109,095

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


Iqbal Ali Lakhani
Chairman


Amin Mohammed Lakhani
Director


Tasleemuddin Ahmed Batlay
Director


Mohammed 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, 2019

	Operator's Fund			Total
	Statutory fund	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 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
Balance as at January 01, 2019	50,000,000	141,806	4,408,021	54,549,827
Changes in fund for the nine months period ended September 30, 2019				
Profit after tax for the nine months period	-	-	4,407,390	4,407,390
Other comprehensive income				
Unrealised loss on available for sale investments - net of tax	-	(3,410)	-	(3,410)
Realised gains on available for sale investments - net of tax	-	(141,806)	-	(141,806)
	-	(145,216)	-	(145,216)
Balance as at September 30, 2019	50,000,000	(3,410)	8,815,411	58,812,001

	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 nine months period ended September 30, 2018			
Surplus for the three months period ended	-	4,876,356	4,876,356
Balance as at September 30, 2018	500,000	4,701,813	5,201,813
Balances as at January 01, 2019	500,000	98,359	598,359
Changes in fund for the nine months period ended September 30, 2019			
Surplus for the three months period ended	-	8,910,460	8,910,460
Other comprehensive income			
Unrealised loss on available for sale investments	-	(7,771)	(7,771)
Balance as at September 30, 2019	500,000	9,001,048	9,501,048

The annexed notes from 1 to 29 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 Statements (Un-audited)

For the nine months period ended September 30, 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 statements have 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 statements do not include all the statements required in the full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with annual financial statements as at and for the year ended December 31, 2018.

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

3. BASIS OF MEASUREMENT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended December 31, 2018 except for additional disclosures about the temporary exemption from IFRS 9 (refer note 6.4) have been presented in note 10 to these condensed interim financial statements.

5. 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 January 01, 2019 but are considered not to be relevant or do not have any significant effect on the Operations' condensed interim financial statements and are therefore not stated except additional disclosures stated in note 10.

6. 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, 2019:

- 6.1 Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- 6.2 Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.
- 6.3 On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual

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Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.

- 6.4** 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.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses 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 9. 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. Under the temporary exemption option, the Operations can defer the application of IFRS 9 until the application IFRS 17.

The Operations has determined that it is eligible for the temporary exemption option. The determination is based on an analysis of the percentage of the total carrying amount of liabilities connected with insurance activities relative to the total carrying amount of all liabilities, which indicates that the Operations' activities are predominately connected with insurance. Further, the Operations does not engage in significant activities unconnected with insurance based on historical available information. Accordingly, the Operations has adopted temporary exemption and defer the implementation of IFRS 9 until the effective date of the new insurance contracts standard. Additional disclosures about the temporary exemption from IFRS 9 have been presented in note 10 to these condensed interim financial statements.

7. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operations' 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.

8. 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.

9. 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.

10. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit and loss.

The tables below set out the fair values on gross basis as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately.

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

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b) all other financial assets.

Operator's Fund

September 30, 2019 (Un-audited)				
Fail the SPPI Test		Pass the SPPI Test		
Fair value	Change in Unrealized gain or (loss) during the period	Carrying value	Cost less impairment	Change in Unrealized gain or (loss) during the period
----- Rupees -----				

Financial assets

Investments in equity securities - Available for sale	59,995,198	(145,216)	-	-	-
Loans and Other receivables	79,887	-	-	-	-
Wakala and Mudarib Fee receivable	20,035,146	-	-	-	-
Cash and Bank	2,963,822	-	-	-	-
TOTAL	83,074,053	(145,216)	-	-	-

Participants' Fund

September 30, 2019 (Un-audited)				
Fail the SPPI Test		Pass the SPPI Test		
Fair value	Change in Unrealized gain or (loss) during the period	Carrying value	Cost less impairment	Change in Unrealized gain or (loss) during the period
----- Rupees -----				

Financial assets

Investments in equity securities - Available for sale	-	(7,771)	-	-	-
Investments in debt securities - Held to maturity	-	-	500,000	-	-
Loans and Other receivables	176,970	-	-	-	-
Takaful / Re-takaful receivables	24,632,571	-	-	-	-
Retakaful recoveries against outstanding claims	798,800	-	-	-	-
Cash and Bank	44,742,488	-	-	-	-
TOTAL	70,350,829	(7,771)	500,000	-	-

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of the fair values.

The investment in debt securities of the participants' fund which pass the SPPI test are rated AA.

11. INVESTMENTS

11.1 Investments in Equity Securities - Available For Sale

	September 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Cost	Carrying value	Cost	Carrying value
----- (Rupees) -----				
Operator's Fund				
Mutual funds	60,000,000	59,995,198	42,840,535	43,037,487
Participants' Fund				
Mutual funds	-	-	15,000,000	15,007,771
11.2 Investment in debt securities				
Held to maturity				
Certificate of Islamic Investment	500,000	500,000	500,000	500,000

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)
	OPF	PTF	Aggregate	Aggregate
----- (Rupees) -----				
12. LOAN AND OTHER RECEIVABLE				
Accrued investment income	79,887	176,970	256,857	207,946
	<u>79,887</u>	<u>176,970</u>	<u>256,857</u>	<u>207,946</u>

	September 30, 2019 (Un-audited)		December 31, 2018 (Audited)
----- (Rupees) -----			
13. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF			
Due from Takaful contract holders		10,754,542	7,271,107
Due from other Takaful / Re-takaful operators*		13,878,029	6,432,137
		<u>24,632,571</u>	<u>13,703,244</u>

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)
	OPF	PTF	Aggregate	Aggregate
----- (Rupees) -----				
14. CASH AND BANK				
Cash and cash equivalents				
Cash in hand	10,000	-	10,000	10,000
Current and other accounts				
Saving accounts 14.1	2,953,822	44,742,488	47,696,310	24,695,981
	<u>2,963,822</u>	<u>44,742,488</u>	<u>47,706,310</u>	<u>24,705,981</u>

14.1 Saving accounts carry expected profit rates ranging from 3.75% to 7% (2018: 3.5% to 5.3%) per annum.

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For the nine months period ended September 30, 2019

15. TAKAFUL / RE-TAKAFUL PAYABLES - PTF

September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
----- (Rupees) -----	

Due to other takaful / re-takaful operators	18,870,147	4,536,090
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16. OTHER CREDITORS AND ACCRUALS

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)		
	OPF	PTF	Aggregate	Aggregate
	----- (Rupees) -----			

Commission payable	3,889,431	-	3,889,431	2,750,872
Federal excise duty and sales tax	-	921,908	921,908	543,732
Federal insurance fee payable	-	68,005	68,005	40,481
Accrued expense	11,315,184	2,890	11,318,074	831,201
Audit fee payable	206,250	-	206,250	150,000
Tax deducted at source	3,643	12,124	15,767	51,313
	15,414,508	1,004,927	16,419,435	4,367,599

17. CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at September 30, 2019 (December 31, 2018: Nil).

18. NET TAKAFUL CONTRIBUTION - PTF

	(Un-audited)		(Un-audited)	
	Three month period ended		Nine month period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees) -----			

Written Gross contribution	22,275,693	22,083,433	54,222,228	44,104,141
Add : Unearned contribution reserve opening	24,267,105	16,452,537	27,096,213	4,050,516
Less: Unearned contribution reserve closing	(28,020,334)	(24,809,408)	(28,020,334)	(24,809,408)
Contribution earned	18,522,464	13,726,562	53,298,107	23,345,249
Less: Re-takaful Contribution ceded	7,557,564	6,039,999	19,629,990	14,042,234
Add: Prepaid re-takaful contribution ceded opening	9,185,359	4,831,060	4,958,997	740,562
Less: Prepaid re-takaful contribution ceded closing	(10,087,786)	(5,351,800)	(10,087,786)	(5,351,800)
Re-takaful expense	6,655,137	5,519,259	14,501,201	9,430,996
	11,867,327	8,207,303	38,796,906	13,914,253

(Un-audited)		(Un-audited)	
Three month period ended		Nine month period ended	
September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018

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

19. NET TAKAFUL CLAIMS EXPENSE - PTF

Claim paid	4,169,209	810,460	14,999,593	1,108,904
Add : Outstanding claims including IBNR closing	12,269,265	653,000	12,269,265	653,000
Less: Outstanding claims including IBNR opening	(10,228,772)	(953,606)	(20,916,014)	-
Claims expense	6,209,702	509,854	6,352,844	1,761,904
Less: Re-takaful and others recoveries received	804,823	24,430	1,393,223	34,752
Add: Re-takaful and others recoveries against outstanding claims closing	798,800	92,000	798,800	92,000
Less: Re-takaful and others recoveries against outstanding claims opening	(1,442,800)	-	(9,687,600)	-
Re-takaful and recoveries revenue	160,823	116,430	(7,495,577)	126,752
	6,048,879	393,424	13,848,421	1,635,152

20. COMMISSION EXPENSE - OPF

Commission paid or payable	2,402,606	2,163,763	5,336,339	4,446,598
Add : Deferred commission expense opening	1,901,159	1,562,959	2,509,244	442,992
Less: Deferred commission expense closing	(2,551,065)	(2,239,857)	(2,551,065)	(2,239,857)
Net commission	1,752,700	1,486,865	5,294,518	2,649,733

21. REBATE FROM RE-TAKAFUL - PTF

Retakaful Rebate received or receivable	984,287	843,826	2,743,005	2,031,462
Add: Unearned Re-takaful opening	1,464,968	854,215	730,503	134,362
Less: Unearned Re-takaful closing	(1,445,762)	(949,645)	(1,445,762)	(949,645)
	1,003,493	748,396	2,027,746	1,216,179

22. NET WAKALA FEE

Gross Wakala Fee	8,141,204	8,508,363	19,676,621	16,397,801
Add: Deferred Wakala Fee - Opening	8,977,869	6,122,410	10,039,727	1,527,297
Less: Deferred Wakala Fee - Closing	(10,333,161)	(9,451,711)	(10,333,161)	(9,451,711)
	(1,355,292)	(3,329,301)	(293,434)	(7,924,414)
	6,785,912	5,179,062	19,383,187	8,473,387

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	(Un-audited)		(Un-audited)	
	Three month period ended		Nine month period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees) -----			
23. INVESTMENT INCOME				
Participants' Takaful Fund				
Income from equity securities - Available for sale				
Realised (loss) / gain on sale of equity securities	(28,091)	-	125,505	-
Dividend income	227,225	-	1,271,747	-
Income from debt securities - Held to maturity				
Return on Certificate of Islamic Investment	12,812	6,415	23,374	15,337
	211,946	6,415	1,420,626	15,337
Operator's Fund				
Realised gain on sale of equity securities	170,965	-	170,965	-
Dividend Income	-	-	3,235,546	680,697
	170,965	-	3,406,511	680,697
24. OTHER INCOME - OPF				
Operator's Fund				
Profit on bank balances	165,704	170,277	381,275	499,075
Mudarib's share of PTF investment income	130,041	52,551	463,001	75,706
	295,745	222,828	844,276	574,781

25. 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. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these financial information, are as follows:

	(Un-audited)		(Un-audited)	
	Three month period ended		Nine month period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees) -----			
Associated companies / undertakings				
Takaful contribution written	1,353,221	2,867,855	8,529,418	6,417,227
Managerial remuneration	-	2,043,590	-	2,043,590

26. 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:

For the three months period ended September 30, 2019 (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)	7,558,913	1,114,759	16,616,460	504	126,759	25,417,395
Less: Federal Excise Duty / Sales Tax	895,551	114,329	1,933,673	69	16,860	2,960,482
Federal Insurance Fee	65,955	9,139	145,637	4	1,092	221,827
Others	1,950	77,435	6,150	-	-	85,535
Facultative inward contribution	126,142	-	-	-	-	126,142
	<u>6,721,599</u>	<u>913,856</u>	<u>14,531,000</u>	<u>431</u>	<u>108,807</u>	<u>22,275,693</u>
Gross written Contribution (inclusive of Administrative Surcharge)						
Gross direct Contribution	6,552,900	865,403	14,146,247	431	107,932	21,672,913
Facultative inward premium	126,142	-	-	-	-	126,142
Administrative surcharge	42,557	48,453	384,753	-	875	476,638
	<u>6,721,599</u>	<u>913,856</u>	<u>14,531,000</u>	<u>431</u>	<u>108,807</u>	<u>22,275,693</u>
Takaful contribution earned	3,377,578	1,066,652	12,404,660	633,145	1,040,429	18,522,464
Takaful contribution ceded to re-takaful operators	(3,900,807)	(927,396)	(638,861)	-	(1,188,073)	(6,655,137)
Net Takaful contribution	(523,229)	139,256	11,765,799	633,145	(147,644)	11,867,327
Rebate earned	648,898	146,269	15,479	-	192,847	1,003,493
Net revenue	<u>125,669</u>	<u>285,525</u>	<u>11,781,278</u>	<u>633,145</u>	<u>45,203</u>	<u>12,870,820</u>
Takaful claims	(81,029)	-	(5,023,381)	(985,292)	(120,000)	(6,209,702)
Takaful claims recovered from re-takaful operators	64,823	-	-	-	96,000	160,823
Net claims	(16,206)	-	(5,023,381)	(985,292)	(24,000)	(6,048,879)
Wakala fee expense	(1,013,273)	(319,996)	(4,961,864)	(126,629)	(364,150)	(6,785,912)
Direct expenses	(69,004)	(10,402)	(150,629)	(104)	(2,735)	(232,874)
Surplus / (deficit) before investment income	<u>(972,814)</u>	<u>(44,873)</u>	<u>1,645,404</u>	<u>(478,880)</u>	<u>(345,682)</u>	<u>(196,845)</u>
Investment income						211,946
Profit on bank balances						438,261
Mudarib fee						(130,041)
Surplus for the period						<u>323,321</u>
Operator's Fund						
Wakala fee income	1,013,273	319,996	4,961,864	126,629	364,150	6,785,912
Commission expense	(376,834)	(102,983)	(1,220,193)	(31,658)	(21,032)	(1,752,700)
Management expense	(1,251,029)	(93,487)	(2,595,296)	7,451	101,293	(3,831,068)
	<u>(614,590)</u>	<u>123,526</u>	<u>1,146,375</u>	<u>102,422</u>	<u>444,411</u>	<u>1,202,144</u>
Investment income						170,965
Other Income						295,745
Other expenses						(242,653)
Profit before tax						<u>1,426,201</u>

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For the nine months period ended September 30, 2019 (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)						
15,092,473	5,141,131	37,002,276	283,031	4,726,451	62,245,362	
Less: Federal Excise Duty / Sales Tax						
1,788,348	544,438	4,369,745	38,166	570,360	7,311,057	
Federal Insurance Fee						
131,683	42,689	323,259	2,424	41,149	541,204	
Others						
5,900	286,579	24,650	-	250	317,379	
Facultative inward contribution						
146,506	-	-	-	-	146,506	
<u>13,313,048</u>	<u>4,267,425</u>	<u>32,284,622</u>	<u>242,441</u>	<u>4,114,692</u>	<u>54,222,228</u>	
Gross written Contribution (inclusive of Administrative Surcharge)						
13,051,767	4,095,676	31,361,884	242,441	4,105,336	52,857,104	
Facultative inward premium						
146,506	-	-	-	-	146,506	
Administrative surcharge						
114,775	171,749	922,738	-	9,356	1,218,618	
<u>13,313,048</u>	<u>4,267,425</u>	<u>32,284,622</u>	<u>242,441</u>	<u>4,114,692</u>	<u>54,222,228</u>	
Takaful contribution earned						
8,736,423	4,179,522	34,858,421	2,455,165	3,068,576	53,298,107	
Takaful contribution ceded to re-takaful operators						
(7,059,415)	(2,622,884)	(2,538,527)	-	(2,280,375)	(14,501,201)	
Net Takaful contribution						
1,677,008	1,556,638	32,319,894	2,455,165	788,201	38,796,906	
Rebate earned						
1,221,116	395,030	28,831	-	382,769	2,027,746	
<u>Net revenue</u>	<u>2,898,124</u>	<u>1,951,668</u>	<u>32,348,725</u>	<u>2,455,165</u>	<u>1,170,970</u>	<u>40,824,652</u>
Takaful claims						
10,242,471	2,500	(13,770,133)	(2,639,682)	(185,500)	(6,350,344)	
Takaful claims recovered from re-takaful operators						
(8,193,977)	-	550,000	-	148,400	(7,495,577)	
Net claims						
2,048,494	2,500	(13,220,133)	(2,639,682)	(37,100)	(13,845,921)	
Wakala fee expense						
(2,620,926)	(1,253,857)	(13,943,369)	(491,033)	(1,074,002)	(19,383,187)	
Direct expenses						
(131,256)	(42,074)	(318,301)	(2,390)	(40,568)	(534,589)	
<u>Surplus / (deficit) before investment income</u>	<u>145,942</u>	<u>4,866,922</u>	<u>(677,940)</u>	<u>19,300</u>	<u>7,060,955</u>	
Investment income						
						1,420,626
Profit on bank balances						
						894,380
Mudharib fee						
						(463,001)
Surplus for the period						
						<u>8,912,960</u>
Operator's Fund						
Wakala fee income						
2,620,926	1,253,857	13,943,369	491,033	1,074,002	19,383,187	
Commission expense						
(988,998)	(398,130)	(3,394,840)	(111,111)	(401,439)	(5,294,518)	
Management expense						
(2,884,789)	(924,704)	(6,995,718)	(52,534)	(891,608)	(11,749,353)	
<u>(1,252,861)</u>	<u>(68,977)</u>	<u>3,552,811</u>	<u>327,388</u>	<u>(219,045)</u>	<u>2,339,316</u>	
Investment income						
						3,406,511
Other income						
						844,276
Other expenses						
						(382,512)
Profit before tax						
						<u>6,207,591</u>

The class wise revenues and results are as follows:

	For the three months period ended September 30, 2018 (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)	3,622,962	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>-</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>-</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>-</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 / (deficit) before investment income	<u>172,953</u>	<u>12,194</u>	<u>2,981,979</u>	<u>-</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>-</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 and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended September 30, 2019

	For the nine months period ended September 30, 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)	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 contribution	29,604	2,500	-	-	-	32,104
	<u>7,669,519</u>	<u>2,924,014</u>	<u>29,823,058</u>	<u>-</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>-</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>-</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 / (deficit) before investment income	<u>197,352</u>	<u>197,326</u>	<u>4,131,781</u>	<u>-</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>-</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 classwise assets and liabilities are as follows:

	September 30, 2019 (Un-audited)					Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident & health	Miscellaneous	
	(Rupees)					
Segment assets	14,952,765	2,326,160	23,028,132	110,145	5,436,511	45,853,711
Unallocated assets						
Participants' Takaful Fund						45,419,458
Operator's Fund						85,625,118
Consolidated total assets						176,898,287
Segment liabilities	17,361,342	3,232,143	50,319,277	834,637	6,442,543	78,189,942
Unallocated liabilities -						
Participants' Takaful Fund						18,995,294
Operator's Fund						11,400,002
Consolidated total liabilities						108,585,238

	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 Statements (Un-audited)

For the nine months period ended September 30, 2019

27. 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, 2019 (Un-audited)					Fair value		
	Carrying amount					Level 1	Level 2	Total
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total			
(Rupees)								
Financial assets measured at fair value								
Investments in equity securities	59,995,198	-	-	-	59,995,198	-	59,995,198	59,995,198
Financial assets not measured at fair value								
Investment in Debt securities	-	500,000	-	-	500,000	-	-	-
Loans and receivables*	-	-	256,857	-	256,857	-	-	-
Takaful / Re-takaful receivables*	-	-	24,632,571	-	24,632,571	-	-	-
Wakala and mudarib fee receivable*	-	-	20,035,146	-	20,035,146	-	-	-
Cash and bank*	-	-	47,706,310	-	47,706,310	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	(12,269,265)	(12,269,265)	-	-	-
Wakala and mudarib fee payable*	-	-	-	(20,035,146)	(20,035,146)	-	-	-
Takaful / Re-takaful payables*	-	-	-	(18,870,147)	(18,870,147)	-	-	-
Other creditors and accruals*	-	-	-	(15,413,755)	(15,413,755)	-	-	-
	59,995,198	500,000	92,630,884	(66,588,313)	86,537,769	-	59,995,198	59,995,198
December 31, 2018 (Audited)								
	Carrying amount					Fair value		
	Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
(Rupees)								
Financial assets measured at fair value								
Investments in equity securities	58,045,258	-	-	-	58,045,258	-	58,045,258	58,045,258
Financial assets not measured at fair value								
Investments in Debt securities*	-	500,000	-	-	500,000	-	-	-
Loans and receivables*	-	-	207,946	-	207,946	-	-	-
Takaful / Re-takaful receivables*	-	-	13,703,244	-	13,703,244	-	-	-
Retakaful recoveries against outstanding claims	-	-	9,687,600	-	9,687,600	-	-	-
Wakala and mudarib fee receivable*	-	-	15,101,225	-	15,101,225	-	-	-
Cash and bank*	-	-	24,705,981	-	24,705,981	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	(20,916,014)	(20,916,014)	-	-	-
Wakala and mudarib fee payable*	-	-	-	(15,101,225)	(15,101,225)	-	-	-
Takaful / Re-takaful payables*	-	-	-	(4,536,090)	(4,536,090)	-	-	-
Other creditors and accruals*	-	-	-	(3,732,073)	(3,732,073)	-	-	-
	58,045,258	500,000	63,405,996	(44,285,402)	77,665,852	-	58,045,258	58,045,258

* The operations 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 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).

28. GENERAL

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

29. 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 September 25, 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

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
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