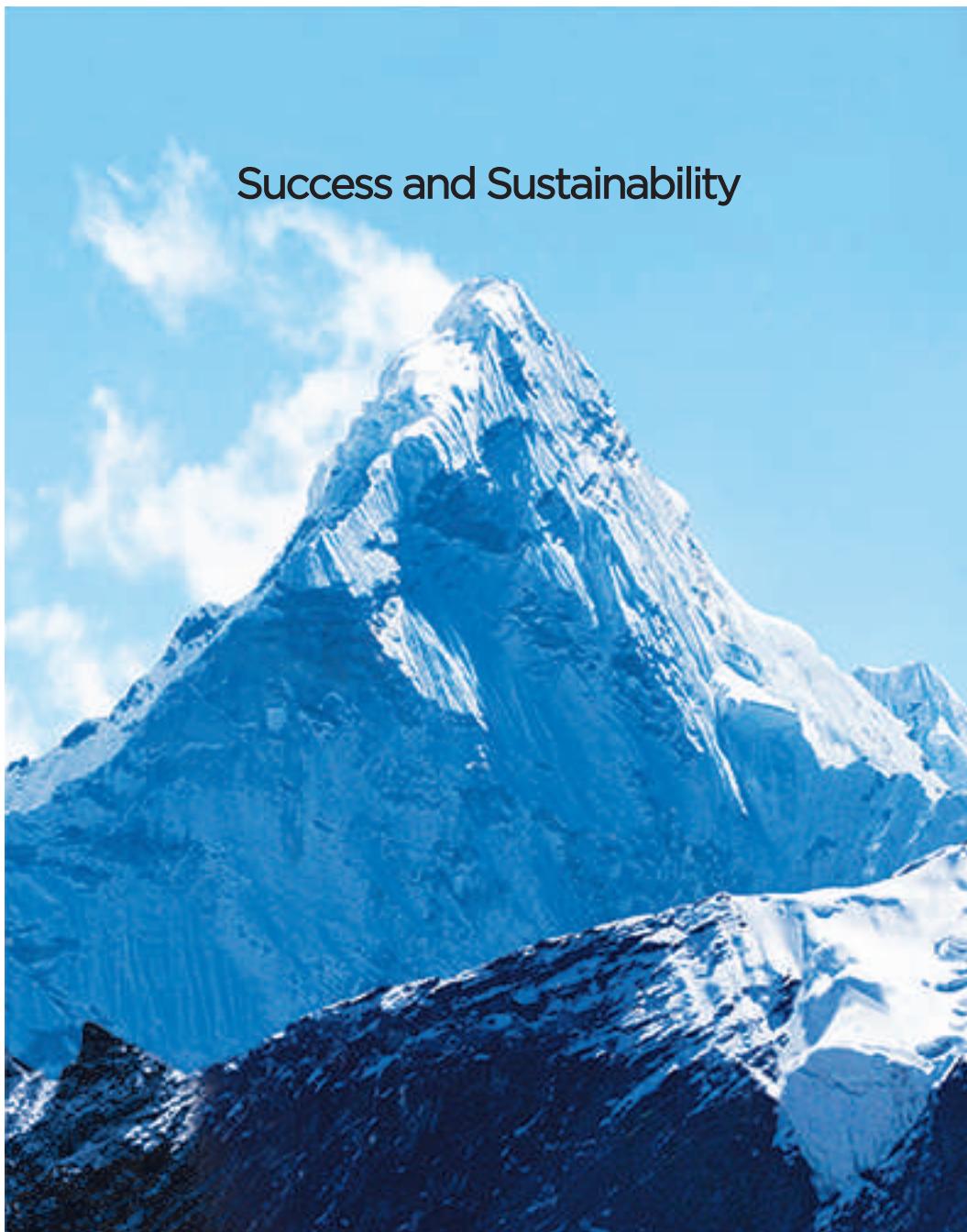


Success and Sustainability



GENERAL

Report (Un-Audited)
Third Quarter 2019

EFU GENERAL INSURANCE LTD.



EFU GENERAL INSURANCE LTD.

 efuinsurance.com

INSURER FINANCIAL STRENGTH

AA+
Outlook Stable
JCR-VIS

AA+
Outlook Stable
PACRA

B+
Outlook Positive
A.M.BEST

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Company Information

Chairman

Saifuddin N. Zoomkawala

Managing Director & Chief Executive

Hasanali Abdullah

Directors

Abdul Rehman Haji Habib
Taher G. Sachak
Ali Raza Siddiqui
Mohammed Iqbal Mankani
Mahmood Lotia
Saad Bhimjee
Daanish Bhimjee

Chief Financial Officer

Altaf Qamruddin Gokal, F.C.A.

Company Secretary

Amin Punjani, A.C.A., A.C.C.A., M.A.

Legal Advisor

Mohammad Ali Sayeed

Advisors

Jaffer Dossa
Salim Rafik Sidiki, B.A. (Hons), M.A.
S.C. (Hamid) Subjally
Shaukat Saeed Ahmed
Syed Mehdi Imam, M.A.

Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

Audit Committee

Mohammed Iqbal Mankani
Taher G. Sachak
Ali Raza Siddiqui
Daanish Bhimjee

Investment Committee

Saifuddin N. Zoomkawala
Hasanali Abdullah
Daanish Bhimjee
Altaf Qamruddin Gokal
Atif Anwar

Ethics, Human Resource & Remuneration Committee

Saifuddin N. Zoomkawala
Hasanali Abdullah
Mohammed Iqbal Mankani

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi

Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B
S.M.C.H.S., Shakra-e-Faisal
Karachi - 74400

Website

www.efuinsurance.com

Email

info@efuinsurance.com

Registered Office

Kamran Centre, 1st Floor
85, East, Jinnah Avenue
Blue Area
Islamabad

Main Offices

EFU House
M. A. Jinnah Road
Karachi

Co-operative Insurance Building
23, Shakrah-e-Quaid-e-Azam
Lahore

Window Takaful Operations

5th Floor, EFU House
M. A. Jinnah Road
Karachi

Directors' Review

We are pleased to present the unaudited financial statements for the nine months period ended 30 September 2019.

Performance Review

The Written Premium (including Takaful) for the nine months period grew by 7% to Rs. 17,048 million (Takaful Contribution Rs. 1,773 million) as against Rs. 15,921 million (Takaful Contribution Rs. 1,494 million) for corresponding period of last year. The Net Premium Revenue for the nine months period (including Takaful Net Contribution Revenue) was Rs. 7,140 million as against Rs. 7,074 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 47% as compared to 40% for the corresponding period of last year.

Investment income (including rental, profit on deposits and other income) for the nine months period increased by 14% to Rs. 1,506 million compared to Rs. 1,318 million for the corresponding period of last year.

The after tax profit for the nine months period was Rs. 1,293 million compared to Rs. 1,650 million in the corresponding period last year.

The earnings per share for the period were Rs. 6.46 against Rs. 8.25 in the corresponding period of last year.

Your Directors have pleasure in declaring third interim cash dividend of Rs. 1.5 (15%) per share for the year 2019. This cash dividend is in addition to interim cash dividends of Rs. 3.0 per share (30%) declared during the year.

Your company will strive to remain competitive to drive through the economic challenges, improve profitability and provide better returns to its shareholders.

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

Your Directors would also like to thank the Securities & Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued guidance and support.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

ڈائریکٹرز رپویو

(یہ انگریزی ڈائریکٹرز رپویو کا ترجمہ ہے)

ہم بسمرت آپ کی خدمت میں ۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والی ۹ ماہ کی مدت کیلئے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

کارکردگی کا جائزہ

اس ۹ ماہ کی مدت کے دوران تحریری پریمئیم ۷ فیصد اضافے کے ساتھ ۱۷،۰۴۸ ملین روپے رہا (بشمول تکافل کنٹری بیوشن ۳،۷۷۳ ملین روپے) جبکہ گزشتہ سال کی اسی مدت کے دوران یہ حجم ۱۵،۹۳۱ ملین روپے (بشمول تکافل کنٹری بیوشن ۱،۴۹۴ ملین روپے) تھا۔ ۹ ماہ کی مدت کے لئے خالص پریمئیم آمدن (بشمول خالص تکافل کنٹری بیوشن آمدن) ۱،۱۴۰ ملین روپے رہے جو گزشتہ سال کی اسی مدت کیلئے ۷،۰۷۴ ملین روپے رہا تھا۔ مجموعی پریمئیم ریونیو کیلئے مجموعی کلیئر کا تناسب ۴۷ فیصد رہا جو گزشتہ سال کی اسی مدت کے لئے ۴۰ فیصد تھا۔

سرمایہ کاری کی آمدنی (بشمول ریٹیل، ڈپازٹس اور دیگر آمدنی پر منافع) برائے ۹ ماہ کی مدت کیلئے ۱۴ فیصد بڑھ کر ۱،۵۰۶ ملین روپے ہو گئی جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۱،۳۱۸ ملین روپے تھی۔

۹ ماہ کی مدت کیلئے بعد از ٹیکس منافع ۲۹۳ ملین روپے رہا، جبکہ گزشتہ سال اسی مدت میں ۱،۶۵۰ ملین روپے تھا۔

اس مدت میں آمدنی فی شیئر ۶۶ روپے رہی جو گزشتہ سال اسی مدت میں ۸۷ روپے تھی۔

آپ کے ڈائریکٹرز بسمرت سال ۲۰۱۹ کے لئے تیسرے عبوری نقد منافع منقسمہ بشرح ۱۵ روپے (۱۵ فیصد) فی شیئر کا اعلان کر رہے ہیں۔ یہ نقد منافع منقسمہ عبوری نقد منافع منقسمہ بشرح ۳۰ روپے فی شیئر (۳۰ فیصد) کے علاوہ ہے جس کا اعلان سال کے دوران کیا گیا ہے۔

آپ کی کمپنی اقتصادی چیلنجز سے نمٹنے، منافع جات میں اضافے اور اپنے شیئر ہولڈرز کو بہترین منافع فراہم کرنے کے سلسلے میں اپنی کوششیں جاری رکھے گی۔

آپ کے ڈائریکٹرز تہہ دل سے یہ امر ریکارڈ پر لاتے ہیں کہ ہمارے آفیسرز، فیلڈ فورس اور دیگر اسٹاف نے نہایت جانفشانی سے کمپنی کی ترقی کے لئے محنت کی ہے اور کاروبار کے اضافے اور کامیابیوں کے تسلسل کو برقرار رکھنے میں مثالی کردار ادا کیا ہے۔

آپ کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور اپنے تمام ری انشوررز کا ان کی مسلسل رہنمائی اور تعاون کیلئے شکریہ بھی ادا کرنا چاہتے ہیں۔

سیف الدین این۔ زومکا والا
چیئرمین

حسن علی عبداللہ
ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو

طاہر جی۔ ساچک
ڈائریکٹر

دانش بھیم جی
ڈائریکٹر

کراچی: ۲۶ اکتوبر ۲۰۱۹ء

Unconsolidated Condensed Interim Statement of Financial Position As at 30 September 2019 (Unaudited)

Rupees '000

	Note	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Assets			
Property and equipment	6	2 807 722	2 615 648
Investment property	7	1 902 743	1 879 093
Investment in subsidiary	8	9 743 469	9 897 937
Investments			
Equity securities	9	3 258 489	4 970 478
Debt securities	10	9 114 770	8 228 784
Term deposits	28	385 221	506 607
Loans and other receivables	11	167 786	100 271
Insurance / reinsurance receivables	12	4 045 348	3 577 054
Reinsurance recoveries against outstanding claims	19	3 981 995	3 363 439
Salvage recoveries accrued		65 261	42 306
Deferred commission expense	20	796 428	600 740
Retirement benefit		4 700	–
Prepayments	13	6 060 973	5 198 902
Cash and bank	14	1 414 746	1 266 562
		43 749 651	42 247 821
Total assets of window takaful operations - Operator's Fund		780 811	621 302
Total assets		44 530 462	42 869 123
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves	15	15 018 048	14 522 985
Unappropriated profit		785 601	2 775 470
Total equity		17 803 649	19 298 455
Surplus on revaluation of property and equipment		859 078	859 097
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	6 350 369	5 176 757
Unearned premium reserve	18	9 557 508	8 354 109
Unearned reinsurance commission	20	491 328	394 848
Retirement benefit obligations		–	62 704
Deferred taxation		302 943	824 875
Premium received in advance		212 863	56 514
Insurance / reinsurance payables		5 957 377	5 333 106
Other creditors and accruals	16	2 563 468	2 054 552
Taxation - provision less payment		23 816	46 595
Total liabilities		25 459 672	22 304 060
		44 122 399	42 461 612
Total liabilities of window takaful operations - Operator's Fund		408 063	407 511
Total equity and liabilities		44 530 462	42 869 123
Contingencies and commitments	17		

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Unconsolidated Condensed Interim Profit and Loss Account
For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2019	30 September 2018	30 September 2019	30 September 2018
Net insurance premium	18	2 085 800	2 266 393	5 707 371	5 939 618
Net insurance claims	19	(1 016 907)	(809 425)	(2 691 357)	(2 369 710)
Net commission and other acquisition cost	20	(101 525)	(74 718)	(470 942)	(411 790)
Insurance claims and acquisition expenses		(1 118 432)	(884 143)	(3 162 299)	(2 781 500)
Management expenses		(706 264)	(641 061)	(2 129 410)	(1 912 433)
Underwriting results		261 104	741 189	415 662	1 245 685
Investment income	21	351 366	232 714	1 253 919	1 143 949
Rental income		28 428	27 292	81 779	77 287
Other income	22	47 748	30 342	170 687	96 917
Other expenses		(8 315)	(9 982)	(44 510)	(42 769)
		419 227	280 366	1 461 875	1 275 384
Results of operating activities		680 331	1 021 555	1 877 537	2 521 069
Finance cost		(3 910)	–	(12 322)	–
Profit from window takaful operations - Operator's Fund	23	65 534	31 989	153 750	85 219
Profit before tax		741 955	1 053 544	2 018 965	2 606 288
Income tax expense	24	(233 367)	(414 424)	(726 156)	(955 926)
Profit after tax		508 588	639 120	1 292 809	1 650 362
Earnings (after tax) per share - Rupees	25	2.54	3.20	6.46	8.25

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Unconsolidated Condensed Interim Statement of Comprehensive Income For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Profit after tax	508 588	639 120	1 292 809	1 650 362
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized loss on available-for-sale investments during the period	(178 905)	(313 960)	(1 364 439)	(477 683)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	42 248	–	44 791	9 379
Unrealized loss on available-for-sale investments during the period of subsidiary company	(257 832)	(4 400 386)	(167 085)	(1 884 082)
Total unrealized loss on available-for-sale investments	(394 489)	(4 714 346)	(1 486 733)	(2 352 386)
Deferred tax on available-for-sale investments	39 630	91 048	382 697	174 883
Deferred tax on available-for-sale investments of subsidiary company	74 772	1 058 631	166 960	378 359
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	246	(1 251)	(558)	(1 628)
Other comprehensive income for the period	(279 841)	(3 565 918)	(937 634)	(1 800 772)
Total comprehensive income for the period	228 747	(2 926 798)	355 175	(150 410)

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Unconsolidated Condensed Interim Cash Flow Statement For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	2019	2018
Operating cash flows		
a) Underwriting activities		
Insurance premium received	14 970 283	14 024 723
Reinsurance premium paid	(8 603 721)	(8 602 708)
Claims paid	(3 346 247)	(3 549 570)
Reinsurance and other recoveries received	1 179 419	1 197 616
Commission paid	(1 106 047)	(1 068 280)
Commission received	810 104	715 402
Management expenses paid	(1 890 141)	(1 731 416)
Net cash flow from underwriting activities	2 013 650	985 767
b) Other operating activities		
Income tax paid	(725 305)	(672 430)
Other operating payments	(64 727)	(105 669)
Other operating receipts	155 386	36 133
Loans advanced	(447)	(4 082)
Loans repayments received	1 961	1 822
Net cash flow used in other operating activities	(633 132)	(744 226)
Total cash flow from all operating activities	1 380 518	241 541
Investment activities		
Profit / return received	771 759	509 261
Dividend received	733 744	746 043
Rentals received	69 074	51 824
Payment for investments / investment properties	(32 616 563)	(27 560 602)
Proceeds from investments / investment properties	32 033 577	27 893 804
Fixed capital expenditures	(469 249)	(274 750)
Proceeds from sale of property and equipment	35 065	21 192
Total cash flow from investing activities	557 407	1 386 772
Total cash flow used in financing activities - Dividends paid	(1 789 741)	(1 679 856)
Net cash flow from / used in all activities	148 184	(51 543)
Cash and cash equivalents at the beginning of period	1 266 562	1 164 209
Cash and cash equivalents at the end of period	1 414 746	1 112 666
Reconciliation to profit and loss account		
Operating cash flows	1 380 518	241 541
Depreciation / amortization expense	(270 241)	(202 626)
Profit on disposal of property and equipment	28 130	17 721
Rental income	81 779	77 287
Dividend Income	752 646	780 115
Other investment income	501 273	363 834
Profit on deposit	114 190	57 632
Other income	28 367	21 564
Increase in assets other than cash	2 176 015	135 580
(Decrease) / increase in liabilities other than borrowings	(3 653 618)	72 495
Profit after tax from conventional insurance operations	1 139 059	1 565 143
Profit from window takaful operations - Operator's Fund	153 750	85 219
Profit after tax	1 292 809	1 650 362

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Unconsolidated Condensed Interim Statement of Changes in Equity For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company						Total (Restated)
	Share capital	Capital Reserve - Reserve for exceptional losses	General reserve	Revenue reserves		Unappropri- ated profit	
				Unrealized gain / (loss) on revaluation of available- for-sale investment-net	Unrealized gain on fair value of investment property		
Balance as at 01 January 2018 (restated)	2 000 000	12 902	13 000 000	1 437 933	1 188 133	3 202 317	20 841 285
Total comprehensive income for the period ended 30 September 2018							
Profit after tax				(1 800 772)		1 650 362	1 650 362
Other comprehensive income				(1 800 772)	-	1 650 362	(1 800 772)
Transactions with owners recorded directly in equity							
Final dividend for the year 2017 at the rate of Rs. 6.25 (62.50%) per share						(1 250 000)	(1 250 000)
1st Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.50%) per share						(250 000)	(250 000)
2nd Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.50%) per share						(250 000)	(250 000)
Other transfer within equity							
Transfer to general reserve			500 000			(500 000)	-
Balance as at 30 September 2018 (restated)	<u>2 000 000</u>	<u>12 902</u>	<u>13 500 000</u>	<u>(362 839)</u>	<u>1 188 133</u>	<u>2 602 679</u>	<u>18 940 875</u>
Balance as at 01 January 2019	2 000 000	12 902	13 500 000	(269 657)	1 279 740	2 775 470	19 298 455
Total comprehensive income for the period ended 30 September 2019							
Profit after tax				(937 634)	(67 303)	1 360 112	1 292 809
Other comprehensive income				(937 634)	(67 303)	-	(937 634)
Transactions with owners recorded directly in equity							
Final dividend for the year 2018 at the rate of Rs. 6.25 (62.50%) per share						(1 250 000)	(1 250 000)
1st Interim dividend paid for the year 2019 at the rate of Rs. 1.50 (15.00%) per share						(300 000)	(300 000)
2nd Interim dividend paid for the year 2019 at the rate of Rs. 1.50 (15.00%) per share						(300 000)	(300 000)
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax						19	19
Other transfer within equity							
Transfer to general reserve			1 500 000			(1 500 000)	-
Balance as at 30 September 2019	<u>2 000 000</u>	<u>12 902</u>	<u>15 000 000</u>	<u>(1 207 291)</u>	<u>1 212 437</u>	<u>785 601</u>	<u>17 803 649</u>

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Notes to the Unconsolidated Condensed Interim Financial Statements For the nine months period ended 30 September 2019 (Unaudited)

1. Legal status and nature of business

EFU General Insurance Limited (the Company) was incorporated as a public limited company on 02 September 1932. The Company is listed on the Pakistan Stock Exchange Limited and is engaged in non-life insurance business comprising of fire and property, marine, motor, miscellaneous etc.

The registered office of the Company is situated at Kamran Centre, 1st Floor 85, East, Jinnah Avenue Blue Area, Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Company operates through 54 (2018: 52) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

2. Basis of preparation and statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting 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, Insurance Ordinance, 2000, Insurance Rules, 2017, and 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, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, and Takaful Rules, 2012 have been followed.

Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these unconsolidated condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated 09 July 2015. A separate set of financial statements of the General Window Takaful Operations has been reported which is annexed to these unconsolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended 31 December 2018.

2.1 Basis of measurement

The unconsolidated condensed interim financial statements have been prepared under the historical cost basis except for the available-for-sale investments, property and equipment and investment property that have been measured at fair value and the Company's liability under defined benefit plan (gratuity) that is determined based on present value of defined benefit obligation less fair value of plan assets.

2.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees which is also Company's functional currency. All the financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current year.

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It 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 01 July 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.

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

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 tables below set out the fair values 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.

Rupees '000

	30 September 2019 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less Impairment	Change in unrealized gain during the period
Financial assets					
Cash and bank*	1 414 746	-	-	-	-
Investment in subsidiary					
- available-for-sale	9 743 469	(167 085)	-	-	-
Investments in equity securities					
- available-for-sale	3 258 489	(1 319 648)	-	-	-
Investments in debt securities					
- available-for-sale	-	-	9 053 352	-	111 104
Term Deposits	-	-	385 221	-	-
Loans and other receivables*	164 517	-	3 269	-	-
Total	14 581 221	(1 486 733)	9 441 842	-	111 104

Rupees '000

	30 September 2019 (Unaudited)					
	Gross carrying amounts of debt instruments that pass the SPPI test					
	AAA	AA+	AA	AA-	A	Unrated
Investments in debt securities - available-for-sale	–	100 000	50 234	150 000	80 000	8 734 536
Term deposits	170 071	113 150	–	102 000	–	–
Total	170 071	213 150	50 234	252 000	80 000	8 734 536

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

3. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of unconsolidated condensed interim financial statements are consistent with those followed in preparation of the annual unconsolidated financial statement of the Company for the year ended 31 December 2018 except accounting for leases as disclosed in note 3.1.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on accounting policies of the Company.

3.1 Change in accounting policy

During the period Company has adopted IFRS 16 'Leases'. IFRS 16 introduced a single balance sheet accounting model for lessees. As a result, the Company as a lessee, has recognized right-of-use assets representing its right-to-use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Company recognized 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, and adjusted for remeasurements of the lease liability.

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 incremental borrowing rate. The Company has applied incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from the change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, change in the assessment of whether a purchase or extension option is reasonably certain to be exercised.

The Company has applied judgment to determine the lease term for some lease contract which includes renewal options to the lessee.

The Company has applied IFRS 16 Modified approach, therefore, the comparative information has not been restated. i.e. it is presented as previously reported under IAS 17 and related interpretations.

The leases run between one year to thirty-five years. At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 01 January 2019.

Summary of the effect of this change in accounting policy is as follows:

Rupees '000

Impact on Statement of Financial Position

Increase in fixed assets - right-of-use assets	139 784
Decrease in other assets (advance rent)	16 541
Increase in other liabilities - lease liability against right-of-use assets	132 750
Decrease in net asset - before tax	9 507

Impact on Profit and Loss Account

Increase in finance cost - lease liabilities	44 169
Increase / decrease in management expenses	
Increase depreciation expense - right-of-use assets	33 991
Decrease in rent expense	36 622

4. Accounting estimates and judgements

The preparation of these unconsolidated condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of these unconsolidated 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 unconsolidated financial statements as at and for the year ended 31 December 2018.

5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended 31 December 2018.

6. Property and equipment

The details of additions and disposals during the nine months period ended 30 September 2019 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Buildings	94 505	60 780	-	-
Furniture and fixtures	49 550	32 278	-	-
Office equipment	14 761	14 088	-	257
Tracker equipment	32 785	69 001	-	-
Computers	12 085	18 196	-	-
Vehicles	94 359	76 837	6 935	3 214
Capital work-in-progress	-	3 570	-	-
	<u>298 045</u>	<u>274 750</u>	<u>6 935</u>	<u>3 471</u>

7. Investment property

Rupees '000

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Opening net book value	1 879 093	1 847 093
Additions and capital improvements	23 650	21 319
Unrealized fair value gain	–	10 681
Closing book value	<u>1 902 743</u>	<u>1 879 093</u>

8. Investment in subsidiary

	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary						
Listed shares	12 873 179	–	12 873 179	12 860 562	–	12 860 562
Deficit on revaluation	–	–	(3 129 710)	–	–	(2 962 625)
	<u>12 873 179</u>	<u>–</u>	<u>9 743 469</u>	<u>12 860 562</u>	<u>–</u>	<u>9 897 937</u>

9. Investment in equity securities - available-for-sale

	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Related Party*						
Listed shares	396 298	(158 653)	237 645	444 664	(20 874)	423 790
Others						
Listed shares	1 770 550	(134 980)	1 635 570	1 782 451	(51 790)	1 730 661
Unlisted shares	15 500	–	15 500	15 500	–	15 500
	<u>1 786 050</u>	<u>(134 980)</u>	<u>1 651 070</u>	<u>1 797 951</u>	<u>(51 790)</u>	<u>1 746 161</u>
Surplus on revaluation	–	–	1 369 774	–	–	2 800 527
	<u>2 182 348</u>	<u>(293 633)</u>	<u>3 258 489</u>	<u>2 242 615</u>	<u>(72 664)</u>	<u>4 970 478</u>

* The Company has not accounted for investment in related parties as associates under IAS 28 'Investment in Associates and Joint Ventures', as management has concluded that the Company does not have significant influence in these companies.

10. Investment in debt securities - available-for-sale

Rupees '000

	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government Securities	8 673 352	–	8 673 352	8 098 470	–	8 098 470
Term Finance Certificates	244 118	(44 118)	200 000	144 118	(44 118)	100 000
Corporate Sukuks	180 000	–	180 000	80 000	–	80 000
Surplus / (deficit) on revaluation	–	–	61 418	–	–	(49 686)
	<u>9 097 470</u>	<u>(44 118)</u>	<u>9 114 770</u>	<u>8 322 588</u>	<u>(44 118)</u>	<u>8 228 784</u>

11. Loans and other receivables – considered good

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Loans to employees	3 269	4 783
Accrued investment income	88 927	23 493
Security deposits	14 280	8 746
Advances to suppliers	6 146	35 509
Advances to employees	7 183	5 245
Other receivables	47 981	22 495
	<u>167 786</u>	<u>100 271</u>

12. Insurance / reinsurance receivables – unsecured and considered good

Due from insurance contract holders	4 210 236	3 639 468
Provision for impairment of receivables from insurance contract holders	(179 295)	(69 251)
	<u>4 030 941</u>	<u>3 570 217</u>
Due from other insurer / reinsurers	14 407	6 837
	<u>4 045 348</u>	<u>3 577 054</u>

13. Prepayments

Prepaid reinsurance premium ceded	5 937 386	5 073 281
Prepaid rent	5 445	17 398
Others	118 142	108 223
	<u>6 060 973</u>	<u>5 198 902</u>

Rupees '000

	Note	30 September 2019 (Unaudited)	31 December 2018 (Audited)
14. Cash and Bank			
Cash and cash equivalents			
Cash in hand		1 026	6
Policy and revenue stamps, bond papers		29 414	12 375
		30 440	12 381
Cash at bank			
Current accounts		184 721	260 780
Saving accounts		1 199 585	993 401
		1 384 306	1 254 181
		<u>1 414 746</u>	<u>1 266 562</u>
15. Reserves			
Capital reserve			
Reserve for exceptional losses	15.1	12 902	12 902
Revenue reserves			
General reserve		15 000 000	13 500 000
Revaluation reserve for unrealized loss on available-for-sale investments - net		(1 207 291)	(269 657)
Reserve for change in fair value of investment property - net		1 212 437	1 279 740
		<u>15 018 048</u>	<u>14 522 985</u>

15.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

16. Other creditors and accruals

Rupees '000

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Federal insurance fee payable	8 555	9 439
Federal excise duty and sales tax payable	109 416	117 355
Accrued expenses	209 337	240 272
Agent commission payable	781 461	507 253
Unearned rentals	60 552	73 257
Other deposits	922 579	826 968
Unclaimed dividends	322 597	262 338
Lease liability	132 933	-
Others	16 038	17 670
	<u>2 563 468</u>	<u>2 054 552</u>

17. Contingencies and commitments

17.1 The income tax assessment of the Company has been finalized up to tax year 2018.

The Income Tax Department has made an assessment order for assessment year 1999-2000 and 2000-2001 by adding back provision for bonus to staff, provision for gratuity and excess management expense. The Company had filed appeals before the Commissioner, Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Company had filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company a tax liability of Rs. 13 million would arise.

The Income Tax Department (Audit) has made an assessment order for assessment year 2002-2003 by adding certain items. The Company had filed an appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Company. The Department has filed appeal before Honourable High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for tax year 2005 to 2007 by disallowing prorated expense. The Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed an order in favour of the Company. The Department then filed reference before the Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax year 2005 to 2007 before the Honourable Supreme Court of Pakistan against the decision of the Honourable High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would arise.

The Department has filed an appeal for tax year 2008 before the Honourable High Court of Sindh against the order of Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium. If the appeal is decided against the Company, a tax liability of Rs. 5 million would arise.

The Department has filed an appeal for tax years 2014 and 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of Commissioner (Appeal) in respect of Dividend Income taxed at reduced rate. If the appeal is decided against the Company, a tax liability of Rs. 243 million would arise.

No provision has been made in these unconsolidated condensed interim financial statements for the above contingencies, as the management, based on tax advisor's opinion, is confident that the decision in this respect will be received in favour of the Company.

17.2 In 2014, 2015, 2016, 2017 and 2018, the Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Company in Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Company. The Honourable High Court of Sindh decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the Honourable High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Company has not paid / provided an amount of Rs. 37 million being withholding tax on bonus shares.

17.3 There are no commitments as at 30 September 2019 (31 December 2018: Nil).

18. Net insurance premium

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Written gross premium	6 293 484	5 321 509	15 274 657	14 426 474
Unearned premium reserve - opening	8 065 880	7 872 446	8 354 109	8 496 686
Unearned premium reserve - closing	(9 557 508)	(8 622 976)	(9 557 508)	(8 622 976)
Premium earned	4 801 856	4 570 979	14 071 258	14 300 184
Less				
Reinsurance premium ceded	3 574 246	2 792 091	9 227 992	8 397 950
Prepaid reinsurance premium - opening	5 079 196	4 661 962	5 073 281	5 112 083
Prepaid reinsurance premium - closing	(5 937 386)	(5 149 467)	(5 937 386)	(5 149 467)
Reinsurance expense	2 716 056	2 304 586	8 363 887	8 360 566
Net insurance premium	2 085 800	2 266 393	5 707 371	5 939 618
19. Net insurance claims expense				
Claim Paid	951 515	1 002 284	3 323 291	3 533 570
Outstanding claims including IBNR - closing	6 350 369	5 310 033	6 350 369	5 310 033
Outstanding claims including IBNR - opening	(5 732 258)	(5 097 810)	(5 176 757)	(5 572 347)
Claims expense	1 569 626	1 214 507	4 496 903	3 271 256
Less:				
Reinsurance and other recoveries received	218 578	264 267	1 186 990	1 196 331
Reinsurance and other recoveries in respect of outstanding claims - opening	(3 647 854)	(3 102 972)	(3 363 439)	(3 538 572)
Reinsurance and other recoveries in respect of outstanding claims - closing	3 981 995	3 243 787	3 981 995	3 243 787
Reinsurance and other recoveries revenue	552 719	405 082	1 805 546	901 546
Net insurance claims expense	1 016 907	809 425	2 691 357	2 369 710

20. Net commission expense

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Commission paid or payable	470 642	519 815	1 380 255	1 171 867
Deferred commission expense - opening	739 174	537 207	600 740	689 587
Deferred commission expense - closing	(796 428)	(698 991)	(796 428)	(698 991)
Net commission	413 388	358 031	1 184 567	1 162 463
Less:				
Commission received or recoverable	411 347	323 175	810 105	715 402
Unearned reinsurance commission - opening	391 844	386 483	394 848	461 616
Unearned reinsurance commission - closing	(491 328)	(426 345)	(491 328)	(426 345)
Commission from reinsurers	311 863	283 313	713 625	750 673
Net commission expense	101 525	74 718	470 942	411 790
21. Investment income				
Income from equity securities - available-for-sale				
Dividend income	97 774	99 983	752 646	780 115
Income from debt securities - available-for-sale				
Return on debt securities	250 091	143 495	663 106	394 283
Income from term deposits				
Return on term deposits	4 938	2 765	13 028	8 752
	352 803	246 243	1 428 780	1 183 150
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on:				
Equity securities	57 858	-	65 778	7 828
Realized losses on:				
Equity securities	(15 610)	-	(19 269)	(17 972)
	42 248	-	46 509	(10 144)
	395 051	246 243	1 475 289	1 173 006
Impairment in value of available-for-sale equity securities	(43 485)	(13 325)	(220 970)	(28 249)
Investment related expenses	(200)	(204)	(400)	(808)
Total Investment income	351 366	232 714	1 253 919	1 143 949

22. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Gain on sale of fixed assets	5 874	1 472	28 130	17 721
Return on loans to employees	70	105	231	278
Exchange (losses) / gains	(9 331)	5 133	28 136	21 286
Return on bank balances	51 135	23 632	114 190	57 632
	<u>47 748</u>	<u>30 342</u>	<u>170 687</u>	<u>96 917</u>
23. Window takaful operations – Operator's Fund				
Wakala fee	168 066	129 821	489 951	354 747
Management expenses	(65 680)	(59 667)	(215 833)	(168 901)
Commission expense	(57 741)	(45 874)	(169 683)	(119 996)
Investment income	17 626	6 307	39 897	15 438
Other income	2 897	1 536	9 914	4 512
Other expenses	366	(134)	(496)	(581)
	<u>65 534</u>	<u>31 989</u>	<u>153 750</u>	<u>85 219</u>
24. Taxation				
For current year				
Current	236 557	255 539	698 535	830 867
Deferred	(3 190)	112 546	27 621	(23 572)
	<u>233 367</u>	<u>368 085</u>	<u>726 156</u>	<u>807 295</u>
For prior year(s)				
Prior year tax	–	46 339	–	46 339
Super tax	–	–	–	102 292
	<u>–</u>	<u>46 339</u>	<u>–</u>	<u>148 631</u>
	<u>233 367</u>	<u>414 424</u>	<u>726 156</u>	<u>955 926</u>
25. Earnings per share - basic and diluted				
Profit after tax (Rupees '000)	<u>508 588</u>	<u>639 120</u>	<u>1 292 809</u>	<u>1 650 362</u>
Weighted average number of ordinary shares (Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share (Rupees)	<u>2.54</u>	<u>3.20</u>	<u>6.46</u>	<u>8.25</u>

26. Related party transactions

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Transactions				
Subsidiary company				
Premium written	912	3 805	40 455	22 833
Premium paid	8 908	15 554	17 967	24 026
Claims paid	3 888	3 085	11 286	7 788
Dividend received	65 220	54 240	619 491	596 641
Dividend paid	7 022	5 851	43 299	40 958
Associated companies				
Premium written	62 937	63 296	268 321	250 032
Premium paid	–	–	18 138	19 967
Claims paid	18 972	21 988	82 595	156 856
Dividend paid	98 632	74 126	559 013	510 394
Bank deposit withdrawn	(50 000)	(125 000)	(100 000)	(75 000)
Key management personnel				
Premium written	457	–	646	250
Dividend paid	1 311	1 055	7 888	7 364
Compensation	55 724	48 082	158 142	139 456
Others				
Premium written	12 209	5 838	184 111	126 058
Claims paid	10 682	799	23 725	3 968
Dividend paid	85 110	92 278	565 368	550 498
Brokerage paid	140	–	182	236
Employees' funds				
Contribution to provident fund	6 909	7 085	20 761	19 229
Contribution to gratuity fund	6 823	4 885	21 281	14 656
Contribution (released) /charged to pension fund	(694)	927	(2 082)	2 779
Dividend paid	849	1 289	8 838	9 020
			30 September 2019 (Unaudited)	31 December 2018 (Audited)
Balances				
Others				
Balances receivable			89 302	24 691
Balances payable			30	2 571
Deposits maturing within 12 months			79 000	179 000
Bank balances			167 795	144 496
Employees' funds receivable / (payable)				
EFU gratuity fund			(21 677)	(86 845)
EFU pension fund			26 377	24 142

27. Segment Information

Rupees '000

For the nine months period ended 30 September 2019 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Misce-laneous	Treaty	Total
Premium receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	10 505 777	2 434 448	3 220 192	1 494 153	-	17 654 570
Less: Sales tax	1 305 265	262 600	383 839	174 991	-	2 126 695
Stamp duty	442	98 071	988	981	-	100 482
Federal insurance fee	91 090	20 519	28 076	13 051	-	152 736
Gross written premium (inclusive of Administrative surcharge)	9 108 980	2 053 258	2 807 289	1 305 130	-	15 274 657
Gross direct premium	9 078 645	2 016 003	2 578 117	1 286 696	-	14 959 461
Facultative inward premium	-	1 238	-	-	-	1 238
Administrative surcharge	30 335	36 017	229 172	18 434	-	313 958
Insurance premium earned	8 479 850	1 772 805	2 635 967	1 182 636	-	14 071 258
Insurance premium ceded to reinsurers	6 938 973	665 692	9 146	750 076	-	8 363 887
Net insurance premium	1 540 877	1 107 113	2 626 821	432 560	-	5 707 371
Commission income	538 987	11 250	177	163 211	-	713 625
Net underwriting income	2 079 864	1 118 363	2 626 998	595 771	-	6 420 996
Insurance claims	1 745 060	843 063	1 423 181	485 599	-	4 496 903
Insurance claims recovered from reinsurers	1 247 066	272 728	(14)	285 766	-	1 805 546
Net claims	(497 994)	(570 335)	(1 423 195)	(199 833)	-	(2 691 357)
Commission expense	(665 494)	(190 857)	(228 716)	(99 500)	-	(1 184 567)
Management expenses	(607 375)	(376 405)	(982 537)	(163 093)	-	(2 129 410)
Net insurance claims and expenses	(1 770 863)	(1 137 597)	(2 634 448)	(462 426)	-	(6 005 334)
Underwriting result	309 001	(19 234)	(7 450)	133 345	-	415 662
Net investment income						1 253 919
Rental income						81 779
Other income						170 687
Other expenses						(44 510)
Finance cost						(12 322)
Profit from window takaful operations - Operator's Fund						153 750
Profit before tax						2 018 965
						As at 30 September 2019 (Unaudited)
Corporate segment assets	11 020 790	1 703 845	1 037 736	1 344 796	-	15 107 167
Corporate segment assets - Takaful OPF	50 706	5 027	176 026	4 945	-	236 704
Corporate unallocated assets						28 642 484
Corporate unallocated assets - Takaful OPF						544 107
Total assets						44 530 462
Corporate segment liabilities	15 457 776	2 690 153	2 795 523	3 330 033	-	24 273 485
Corporate segment liabilities - Takaful OPF	59 091	6 006	332 278	9 562	-	406 937
Corporate unallocated liabilities						1 186 187
Corporate unallocated liabilities - Takaful OPF						1 126
Total liabilities						25 867 735
Location	External premium less reinsurance by geographical segments 2019					
Pakistan	5 701 330					
* EPZ	6 041					
Total	5 707 371					

* This represents US Dollar Equivalent in Pak Rupees

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

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Misce-llaneous	Treaty	Total
Premium receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	9 619 313	2 378 524	3 198 915	1 429 984	-	16 626 736
Less: Sales tax	1 155 500	260 215	384 362	161 004	-	1 961 081
Stamp duty	461	92 222	1 157	1 134	-	94 974
Federal insurance fee	83 751	20 044	27 857	12 555	-	144 207
Gross written premium (inclusive of Administrative surcharge)	8 379 601	2 006 043	2 785 539	1 255 291	-	14 426 474
Gross direct premium	8 343 765	1 965 946	2 505 598	1 236 529	-	14 051 838
Facultative inward premium	4 571	1 470	-	-	-	6 041
Administrative surcharge	31 265	38 627	279 941	18 762	-	368 595
Insurance premium earned	8 803 973	1 823 468	2 549 963	1 122 780	-	14 300 184
Insurance premium ceded to reinsurers	7 031 654	654 059	8 062	666 791	-	8 360 566
Net insurance premium	1 772 319	1 169 409	2 541 901	455 989	-	5 939 618
Commission income	563 289	18 876	-	168 508	-	750 673
Net underwriting income	2 335 608	1 188 285	2 541 901	624 497	-	6 690 291
Insurance claims	1 015 140	643 810	1 274 801	337 505	-	3 271 256
Insurance claims recovered from reinsurers	535 374	192 897	(67)	173 342	-	901 546
Net claims	(479 766)	(450 913)	(1 274 868)	(164 163)	-	(2 369 710)
Commission expense	(655 974)	(209 174)	(211 838)	(85 477)	-	(1 162 463)
Management expenses	(588 251)	(348 632)	(827 694)	(147 856)	-	(1 912 433)
Net insurance claims and expenses	(1 723 991)	(1 008 719)	(2 314 400)	(397 496)	-	(5 444 606)
Underwriting result	611 617	179 566	227 501	227 001	-	1 245 685
Net investment income						1 143 949
Rental income						77 287
Other income						96 917
Other expenses						(42 769)
Profit from window takaful operations - Operator's Fund						85 219
Profit before tax						2 606 288
						As at 31 December 2018 (Audited)
Corporate segment assets	9 872 846	1 065 081	566 140	1 173 896	-	12 677 963
Corporate segment assets - Takaful OPF	43 226	9 011	271 746	16 810	-	340 793
Corporate unallocated assets						29 569 858
Corporate unallocated assets - Takaful OPF						280 509
Total assets						42 869 123
Corporate segment liabilities	13 582 908	1 884 044	2 413 449	2 769 154	-	20 649 555
Corporate segment liabilities - Takaful OPF	39 704	8 149	308 033	11 345	-	367 231
Corporate unallocated liabilities						1 654 505
Corporate unallocated liabilities - Takaful OPF						40 280
Total liabilities						22 711 571
Location	External premium less reinsurance by geographical segments 2018					
Pakistan	5 928 221					
* EPZ	11 397					
Total	5 939 618					

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For the three months period ended 30 September 2019 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	4 824 207	644 978	1 319 781	486 924	-	7 275 890
Less: Sales tax	609 494	70 716	155 361	55 521	-	891 092
Stamp duty	223	27 480	350	326	-	28 379
Federal insurance fee	41 728	5 414	11 526	4 267	-	62 935
Gross written premium (inclusive of Administrative surcharge)	4 172 762	541 368	1 152 544	426 810	-	6 293 484
Gross direct premium	4 157 825	530 028	1 071 663	419 853	-	6 179 369
Administrative surcharge	14 937	11 340	80 881	6 957	-	114 115
Insurance premium earned	2 920 307	596 969	877 992	406 588	-	4 801 856
Insurance premium ceded to reinsurers	2 236 574	227 325	4 178	247 979	-	2 716 056
Net insurance premium	683 733	369 644	873 814	158 609	-	2 085 800
Commission income	248 870	4 438	177	58 378	-	311 863
Net underwriting income	932 603	374 082	873 991	216 987	-	2 397 663
Insurance claims	681 533	221 749	460 562	205 782	-	1 569 626
Insurance claims recovered from reinsurers	478 463	(41 376)	(2)	115 634	-	552 719
Net claims	(203 070)	(263 125)	(460 564)	(90 148)	-	(1 016 907)
Commission expense	(238 988)	(61 751)	(77 920)	(34 729)	-	(413 388)
Management expenses	(230 821)	(112 978)	(307 899)	(54 566)	-	(706 264)
Net insurance claims and expenses	(672 879)	(437 854)	(846 383)	(179 443)	-	(2 136 559)
Underwriting result	259 724	(63 772)	27 608	37 544	-	261 104
Net investment income						351 366
Rental income						28 428
Other income						47 748
Other expenses						(8 315)
Finance cost						(3 910)
Profit from window takaful operations - Operator's Fund						65 534
Profit before tax						741 955

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

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	3 666 107	756 926	1 283 230	409 719	-	6 115 982
Less: Sales tax	426 990	83 055	152 132	44 475	-	706 652
Stamp duty	239	33 627	395	365	-	34 626
Federal insurance fee	32 046	6 337	11 197	3 615	-	53 195
Gross written premium (inclusive of Administrative surcharge)	3 206 832	633 907	1 119 506	361 264	-	5 321 509
Gross direct premium	3 188 469	620 284	1 023 040	353 382	-	5 185 175
Facultative inward premium	2 346	-	-	-	-	2 346
Administrative surcharge	16 017	13 623	96 466	7 882	-	133 988
Insurance premium earned	2 716 073	622 728	852 455	379 723	-	4 570 979
Insurance premium ceded to reinsurers	1 879 474	206 793	3 249	215 070	-	2 304 586
Net insurance premium	836 599	415 935	849 206	164 653	-	2 266 393
Commission income	225 892	4 291	-	53 130	-	283 313
Net underwriting income	1 062 491	420 226	849 206	217 783	-	2 549 706
Insurance claims	402 583	238 123	430 782	143 019	-	1 214 507
Insurance claims recovered from reinsurers	291 911	30 944	3	82 224	-	405 082
Net claims	(110 672)	(207 179)	(430 779)	(60 795)	-	(809 425)
Commission expense	(189 487)	(69 106)	(70 163)	(29 275)	-	(358 031)
Management expenses	(240 466)	(107 874)	(245 913)	(46 808)	-	(641 061)
Net insurance claims and expenses	(540 625)	(384 159)	(746 855)	(136 878)	-	(1 808 517)
Underwriting result	521 866	36 067	102 351	80 905	-	741 189
Net investment income						232 714
Rental income						27 292
Other income						30 342
Other expenses						(9 982)
Profit from window takaful operations - Operator's Fund						31 989
Profit before tax						1 053 544

28. Movement in investment

Name of investment	Rupees '000				
	Held to maturity	Available-for-sale - Subsidiary	Available-for-sale - Debt securities	Available-for-sale - Equity securities	Total
At beginning of previous year	430 550	10 999 448	8 527 268	6 419 425	26 376 691
Additions	1 763 923	7 891	33 510 795	101 674	35 384 283
Disposals (sale and redemptions)	(1 687 866)	-	(33 766 283)	(409 753)	(35 863 902)
Fair value net gains / (losses) (excluding net realized losses)*	-	(1 109 402)	(42 996)	(1 113 358)	(2 265 756)
Impairment losses	-	-	-	(27 510)	(27 510)
At beginning of current year	506 607	9 897 937	8 228 784	4 970 478	23 603 806
Additions	1 448 128	12 617	31 099 967	32 203	32 592 915
Disposals (sale and redemptions)	(1 569 514)	-	(30 325 085)	(92 469)	(31 987 068)
Fair value net gains / (losses) (excluding net realized gains/ losses)*	-	(167 085)	111 104	(1 430 753)	(1 486 734)
Impairment losses	-	-	-	(220 970)	(220 970)
At end of period	385 221	9 743 469	9 114 770	3 258 489	22 501 949

* The amount represents change in fair value of financial assets during the period.

29. Fair Value

29.1 IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

29.2 All assets and liabilities for which fair value is measured or disclosed in the unconsolidated condensed interim financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

Rupees '000

30 September 2019 (Unaudited)								
	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Equity securities - quoted	3 242 989				3 242 989	3 242 989		
Equity securities - unquoted	15 500				15 500			15 500
Debt securities	9 114 770				9 114 770		9 114 770	
Investment in subsidiary	9 743 469				9 743 469	9 743 469		
Financial assets not measured at fair value								
Term deposits*			385 221		385 221			
Loans and other receivables*		167 786			167 786			
Insurance / reinsurance receivables*		4 045 348			4 045 348			
Reinsurance recoveries against outstanding claims*		3 981 995			3 981 995			
Cash and bank*			1 414 746		1 414 746			
Total assets of window takaful operations - Operator's fund*	193 791	132 110	332 347		658 248		193 791	
	<u>22 310 519</u>	<u>8 327 239</u>	<u>2 132 314</u>		<u>32 770 072</u>	<u>12 986 458</u>	<u>9 308 561</u>	<u>15 500</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*				(6 350 369)	(6 350 369)			
Premium received in advance*				(212 863)	(212 863)			
Insurance / reinsurance payables*				(5 957 377)	(5 957 377)			
Other creditors and accruals*				(2 563 468)	(2 563 468)			
Total liabilities of window takaful operations - Operator's Fund*				(73 590)	(73 590)			
	<u>22 310 519</u>	<u>8 327 239</u>	<u>2 132 314</u>	<u>(15 157 667)</u>	<u>17 612 405</u>	<u>12 986 458</u>	<u>9 308 561</u>	<u>15 500</u>

Rupees '000

31 December 2018 (Audited)

	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Equity securities - quoted	4 954 978				4 954 978	4 954 978		
Equity securities - unquoted	15 500				15 500			15 500
Debt securities	8 228 784				8 228 784		8 228 784	
Investment in subsidiary	9 897 937				9 897 937	9 897 937		
Financial assets not measured at fair value								
Term deposits*			506 607		506 607			
Loans and other receivables*		100 271			100 271			
Insurance / reinsurance receivables*		3 577 054			3 577 054			
Reinsurance recoveries against outstanding claims*		3 363 439			3 363 439			
Cash and bank*			1 266 562		1 266 562			
Total assets of window takaful operations - Operator's Fund*	176 593	245 849	89 319		511 761		176 593	
	23 273 792	7 286 613	1 862 488		32 422 893	14 852 915	8 405 377	15 500
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*				(5 176 757)	(5 176 757)			
Premium received in advance*				(56 514)	(56 514)			
Insurance / reinsurance payables*				(5 333 106)	(5 333 106)			
Other creditors and accruals*				(2 054 552)	(2 054 552)			
Total liabilities of window takaful operations - Operator's Fund*				(60 414)	(60 414)			
	23 273 792	7 286 613	1 862 488	(12 681 343)	19 741 550	14 852 915	8 405 377	15 500

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

30. Non-adjusting event after the unconsolidated condensed interim financial statement date

The Board of Directors in its meeting held on 26 October 2019 have announced a third interim cash dividend in respect of the year ended 31 December 2019 of Rs. 1.50 per share, 15.00 % (2018: Rs. 1.25 per share, 12.50 %). These unconsolidated condensed interim financial statements for the nine months period ended 30 September 2019 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

31. Corresponding Figures

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

32. General

Figures have been rounded off to the nearest thousand rupees.

33. Date of authorization for issue of unconsolidated condensed interim financial statements

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 26 October 2019.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman








Karachi 26 October 2019







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Consolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 30 September 2019

Directors' Review to the Members on Consolidated Condensed Interim Financial Information For the nine months period ended 30 September 2019

We are pleased to present the consolidated condensed interim financial information of EFU General Insurance Limited and our subsidiary, EFU Life Assurance Limited (EFU Life).

Performance Review

Consolidated gross premium was Rs. 37 billion, net premium was Rs. 27 billion and profit after tax was Rs. 1,245 million. Consolidated investment income (including rental and other income) for the nine months period was Rs. 933 million. The consolidated total assets were Rs. 164 billion (31 December 2018: Rs. 159 billion) and total investments stood at Rs. 123 billion (31 December 2018: Rs. 119 billion).

Movement of Reserves

Rupees '000

	30 September 2019 (Unaudited)
Unappropriated profit brought forward	1 117 915
Profit attributable to ordinary shares	978 870
Transferred from surplus on revaluation of property and equipment	4 144
Acquisition of NCI without a change in control	(9 057)
	973 957
Profit available for appropriations	2 091 872
Appropriations	
Cash dividend - Final 2018	(1 250 000)
Cash dividend - 1st Interim 2019	(300 000)
Cash dividend - 2nd Interim 2019	(300 000)
Transferred to general reserves	(1 500 000)
	(3 350 000)
Unappropriated loss carried forward	(1 258 128)
Earnings per share (Rupees)	4.56

Your company will strive to remain competitive to drive through the economic challenges, improve profitability and provide better returns to its shareholders.

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

Your Directors would also like to thank the Securities & Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued guidance and support.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

مجموعی کنڈینسڈ عبوری مالیاتی حسابات پر ممبران کیلئے ڈائریکٹرز کا جائزہ ۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والی ۹ ماہ کی مدت کیلئے

ہم بمسرت ای ایف یوجنرل انشورنس لمیٹڈ اور اپنے ذیلی ادارے ای ایف یولائف انشورنس لمیٹڈ (ای ایف یولائف) کے مجموعی کنڈینسڈ عبوری مالیاتی حسابات یکجا کر کے پیش کر رہے ہیں۔

کارکردگی کا جائزہ

یکجا شدہ مجموعی پریمیم ۳۷ بلین روپے، خالص پریمیم ۲۷ بلین روپے اور منافع بعد از ٹیکس ۲۳۵۵، بلین روپے رہا۔ یکجا شدہ انویسٹمنٹ آمدنی (بشمول ریٹیل اور دیگر آمدنی) برائے ۹ ماہ مدت ۹۳۳ بلین روپے رہی۔ یکجا شدہ مجموعی اثاثہ جات ۱۶۲ بلین روپے (۳۱ دسمبر ۲۰۱۸: ۱۵۹ بلین روپے) اور مجموعی سرمایہ کاری ۱۲۳ بلین روپے رہی (۳۱ دسمبر ۲۰۱۸: ۱۱۹ بلین روپے)۔

محفوظ اثاثہ جات کی منتقلی

روپے ہزاروں میں

۳۰ ستمبر ۲۰۱۹ء
(غیر آڈٹ شدہ)

۱ ۱۱۷ ۹۱۵
۹۷۸ ۸۷۰
۴ ۱۲۴
(۹ ۰۵۷)
۹۷۳ ۹۵۷
۲ ۰۹۱ ۸۷۲
(۱ ۲۵۰ ۰۰۰)
(۳۰۰ ۰۰۰)
(۳۰۰ ۰۰۰)
(۱ ۵۰۰ ۰۰۰)
(۳ ۳۵۰ ۰۰۰)
(۱ ۲۵۸ ۱۲۸)
۲۶۵۶

غیر مختص کردہ منافع جو آئندہ شامل کیا جائے گا
عمومی شیئرز کیلئے قابل منسوب منافع
چائیداد اور ایکویٹی کی ری ویلیویشن پر اضافے سے منتقل شدہ کنٹرول
کسی تبدیلی کے بغیر این سی آئی کا حصول

تناسب کے تحت دستیاب منافع
تخصیص

نقد منافع منقسمہ - حتیٰ ۲۰۱۸ء
نقد منافع منقسمہ - پہلا عبوری ۲۰۱۹ء
نقد منافع منقسمہ - دوسرا عبوری ۲۰۱۹ء
عمومی ریزروز کے لئے منتقل شدہ

غیر متناسب خسارہ جو آگے منتقل ہوا
آمدنی فی شیئر (روپے)

آپ کی کمپنی اقتصادی چیلنجز سے نمٹنے، منافع جات میں اضافے اور اپنے شیئرز ہولڈرز کو بہترین منافع فراہم کرنے کے سلسلے میں اپنی کوششیں جاری رکھے گی۔

آپ کے ڈائریکٹرز کیلئے یہ امر گہرے اطمینان اور مسرت کا باعث ہے کہ وہ کمپنی کی ترقی اور اس کے آپریشنز میں مسلسل کامیابی اور بہتری کے ضمن میں افسران، فیلڈ فورس اور اسٹاف کی جانب سے کی گئی کاوشوں پر انہیں خراج تحسین پیش کرتے ہیں۔

آپ کے ڈائریکٹرز سیکورٹیز ریٹریٹریٹس ایسوسی ایشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور اپنے تمام ری انشوررز کان کی مسلسل رہنمائی اور تعاون کیلئے شکریہ بھی ادا کرنا چاہتے ہیں۔

سیف الدین این۔ زومکا والا
چیئر مین

حسن علی عبداللہ
میجنگ ڈائریکٹر و چیف ایگزیکٹو

طاہر جی۔ ساچک
ڈائریکٹر

دانش بھیم جی
ڈائریکٹر

کراچی: ۲۶ اکتوبر ۲۰۱۹ء

Consolidated Condensed Interim Statement of Financial Position As at 30 September 2019 (Unaudited)

	Note	30 September 2019 (Unaudited)	Rupees '000 31 December 2018 (Audited) (Restated)
Assets			
Property and equipment	8	7 432 459	6 949 650
Intangible assets		7 990 612	7 999 839
Investment property	9	1 902 743	1 879 093
Investments			
Equity securities	10	14 866 180	38 222 181
Debt securities	11	83 657 008	65 280 522
Term deposits		24 539 221	15 555 707
Loans and other receivables	12	1 757 063	3 210 709
Insurance / reinsurance receivables	13	4 282 894	3 746 654
Reinsurance recoveries against outstanding claims	21	3 981 995	3 363 439
Salvage recoveries accrued		65 261	42 306
Deferred commission expense	22	796 428	600 740
Retirement benefit		4 700	–
Taxation - payments less provisions		895 068	291 132
Prepayments	14	6 105 088	5 280 084
Cash and bank	15	4 735 834	6 052 924
		<u>163 012 554</u>	<u>158 474 980</u>
Total assets of window takaful operations - Operator's Fund		780 811	621 302
Total assets		<u><u>163 793 365</u></u>	<u><u>159 096 282</u></u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves	16	17 203 148	16 727 065
Unappropriated profit		(1 258 128)	1 117 915
Capital and reserve attributable to Company's equity holders		17 945 020	19 844 980
Non-controlling interest		3 684 430	4 184 691
Total equity		<u>21 629 450</u>	<u>24 029 671</u>
Surplus on revaluation of property and equipment		965 457	969 601
Liabilities			
Insurance liabilities	17	110 301 900	107 029 274
Underwriting provisions			
Outstanding claims including IBNR	21	6 350 369	5 176 757
Unearned premium reserves	20	9 557 508	8 354 109
Unearned reinsurance commission	22	491 328	394 848
Retirement benefit obligations		–	62 704
Deferred taxation		2 407 906	2 798 590
Premium received in advance		995 670	770 933
Insurance / reinsurance payables		6 239 751	5 526 324
Other creditors and accruals	18	4 445 963	3 575 960
		<u>30 488 495</u>	<u>26 660 225</u>
Total liabilities		<u>140 790 395</u>	<u>133 689 499</u>
		<u>163 385 302</u>	<u>158 688 771</u>
Total liabilities of window takaful operations - Operator's Fund		408 063	407 511
Total equity and liabilities		<u><u>163 793 365</u></u>	<u><u>159 096 282</u></u>
Contingencies and commitments	19		

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Consolidated Condensed Interim Profit and Loss Account
For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2019	30 September 2018 (Restated)	30 September 2019	30 September 2018 (Restated)
Net insurance premium	20	8 520 628	8 875 801	27 012 023	19 398 563
Net insurance claims	21	(4 810 203)	(3 655 519)	(14 445 858)	(8 469 354)
Net commission and other acquisition costs	22	(1 804 153)	(1 308 957)	(5 618 428)	(3 549 189)
Insurance claims and acquisition expenses		(6 614 356)	(4 964 476)	(20 064 286)	(12 018 543)
Management expenses		(1 240 031)	(1 398 425)	(3 519 371)	(2 913 460)
Investment income - statutory fund	23	3 091 010	1 613 372	7 910 985	3 250 143
Net realized fair value losses on financial assets	24	(1 718 879)	(315 073)	(7 286 219)	(811 749)
Net fair value (loss) / gain on financial assets at fair value through profit and loss	25	(878 313)	(1 778 062)	141 658	(5 062 904)
Net change in insurance liabilities (other than outstanding claims)		(690 864)	(955 198)	(2 861 894)	203 171
Underwriting result		469 195	1 077 939	1 332 896	2 045 221
Investment income	26	286 146	178 475	634 428	547 309
Rental income		28 428	27 292	81 779	77 287
Other income	27	63 326	38 966	217 241	113 429
Other expenses		(15 106)	(11 633)	(64 721)	(51 023)
		362 794	233 100	868 727	687 002
Results of operating activities		831 989	1 311 039	2 201 623	2 732 223
Finance cost		(3 910)	-	(12 322)	-
Share of profit of associate		-	-	-	103 952
Profit from window takaful operations - Operator's Fund	28	65 534	31 989	153 750	85 219
Profit before tax		893 613	1 343 028	2 343 051	2 921 394
Income tax expense	29	(294 800)	(431 425)	(1 097 805)	(526 096)
Profit after tax		598 813	911 603	1 245 246	2 395 298
Profit attributable to:					
Equity holders of the parent		516 687	726 652	911 567	2 020 590
Non-controlling interest		82 126	184 951	333 679	374 708
		598 813	911 603	1 245 246	2 395 298
Earnings (after tax) per share - Rupees	30	2.58	3.63	4.56	10.10

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

DAANISH BHIMJEE
Director

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Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Consolidated Condensed Interim Statement of Comprehensive Income For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019	30 September 2018 (Restated)	30 September 2019	30 September 2018 (Restated)
Profit after tax	598 813	911 603	1 245 246	2 395 298
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized loss on available-for-sale investments during the period	(194 427)	(326 855)	(1 426 378)	(496 542)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	42 248	–	44 791	9 379
Total unrealized loss for the period	(152 179)	(326 855)	(1 381 587)	(487 163)
Deferred tax on available-for-sale investments	44 131	94 788	400 659	180 707
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	246	(1 251)	(558)	(1 628)
Total items that may be reclassified subsequently to profit and loss	(107 802)	(233 318)	(981 486)	(308 084)
Item not to be reclassified to profit and loss account in subsequent periods:				
Share of profit of associate (net of deferred tax)	–	–	–	7 538
Loss on recognition of fair value of investment on business combination	–	–	–	(1 644 544)
	–	–	–	(1 637 006)
Other comprehensive income for the period	(107 802)	(233 318)	(981 486)	(1 945 090)
Total comprehensive income for the period	491 011	678 285	263 760	450 208
Total comprehensive income attributable to:				
Equity holders of the parent	415 114	498 517	(45 047)	82 879
Non-controlling interest	75 897	179 768	308 807	367 329
	491 011	678 285	263 760	450 208

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Consolidated Condensed Interim Cash Flow Statement For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	2019	2018 (Restated)
Operating cash flows		
a) Underwriting activities		
Insurance premium / contribution received	36 786 082	27 912 215
Reinsurance premium / retakaful contribution paid	(9 025 270)	(8 742 271)
Claims paid	(15 016 872)	(9 749 106)
Reinsurance and other recoveries received	1 512 119	1 333 013
Commission paid	(4 565 132)	(3 069 598)
Commission received	810 104	715 402
Management expenses paid	(4 954 545)	(3 409 180)
Net cash flow from underwriting activities	5 546 486	4 990 475
b) Other operating activities		
Income tax paid	(1 695 862)	(1 087 306)
Other operating payments	(64 727)	(89 834)
Other operating receipts	2 339 776	36 133
Loans advanced	(65 145)	(49 009)
Loans repayments received	27 209	44 997
Net cash flow from / (used in) other operating activities	541 251	(1 145 019)
Total cash flow from all operating activities	6 087 737	3 845 456
Investment activities		
Profit / return received	8 321 288	3 256 554
Dividend received	797 687	820 080
Rentals received	69 074	51 824
Payment for investments / investment properties	(322 056 949)	(165 293 441)
Proceeds from investments / investment properties	318 344 053	180 026 750
Fixed capital expenditures	(1 248 804)	(520 903)
Proceeds from sale of property and equipment	68 974	31 828
Acquisition of subsidiary net of cash acquired	–	18 114 119
Total cash flow from investing activities	4 295 323	36 486 811
Total cash flow used in financing activities - Dividends paid	(2 595 250)	(2 458 216)
Net cash flow from all activities	7 787 810	37 874 051
Cash and cash equivalents at beginning of period	21 102 024	1 164 209
Cash and cash equivalents at end of period	28 889 834	39 038 260
Reconciliation to profit and loss account		
Operating cash flows	6 087 737	3 845 456
Depreciation / amortization expense	(759 874)	(455 617)
Profit on disposal of property and equipment	53 625	23 434
(Loss) / gain on disposal of investments / investment properties	(7 286 219)	2 369 080
Rental income	81 779	77 287
Dividend income	807 020	846 233
Other investment income	8 114 818	57 632
Share of profit from associate	–	103 952
Profit on deposit	114 190	6 631
Other income	41 938	21 286
Appreciation / (depreciation) in market value of investments	49 591	(5 157 506)
Impairment in the value of available-for-sale equity investments	(2 205)	(17 224)
Increase in assets other than cash	1 026 150	681 922
Increase in liabilities other than running finance	(7 237 054)	(92 487)
Profit after tax from conventional insurance operations	1 091 496	2 310 079
Profit from window takaful operations - Operator's Fund	153 750	85 219
Profit after tax	1 245 246	2 395 298

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

DAANISH BHIMJEE	TAHER G. SACHAK	ALTAF GOKAL	HASANALI ABDULLAH	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Executive	Chairman

Karachi 26 October 2019

Consolidated Condensed Interim Statement of Changes in Equity For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company								Total (Restated)
	Share capital	Capital Reserve - Reserve for exceptional losses	General reserve	Revenue reserves	Unrealized gain on fair value of investment property	Unappropriated profit	Equity attributable to equity holder of parent	Non-controlling interest	
				Unrealized gain/(loss) on revaluation of available-for-sale investment - net					
Balance as at 01 January 2018 (Restated)	2 000 000	12 902	13 000 000	2 735 188	1 188 133	2 567 245	21 503 468	-	21 503 468
Total comprehensive income for the period ended 30 September 2018									
Profit after tax				(300 705)		2 020 590	2 020 590	374 708	2 395 298
Other comprehensive income				(300 705)	-	(1 637 006)	(1 937 711)	(7 379)	(1 945 090)
Transactions with owners recorded directly in equity						383 584	82 879	367 329	450 208
Recognition of non-controlling interest on business combination								4 291 469	4 291 469
Final dividend for the year 2017 at the rate of Rs. 6.25 (62.50%) per share						(1 250 000)	(1 250 000)		(1 250 000)
Final dividend for the year 2017 at the rate of Rs. 11.25 (112.50%) per share								(636 840)	(636 840)
1st Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.50%) per share						(250 000)	(250 000)		(250 000)
1st Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.50%) per share								(70 759)	(70 759)
2nd Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.50%) per share						(250 000)	(250 000)		(250 000)
2nd Interim dividend paid for the year 2018 at the rate of Rs. 1.25 (12.50%) per share								(70 759)	(70 759)
Other transfer within equity									
Transfer to general reserve			500 000			(500 000)			-
Balance as at 30 September 2018 (Restated)	2 000 000	12 902	13 500 000	2 434 483	1 188 133	700 829	19 836 347	3 880 440	23 716 787
Balance as at 01 January 2019 (as reported)	2 000 000	12 902	13 500 000	1 934 423	1 279 740	1 145 831	19 872 896	4 223 836	24 096 732
Adjustment due to change in accounting policy						(27 916)	(27 916)	(39 145)	(67 061)
Balance as at 01 January 2019 (Restated)	2 000 000	12 902	13 500 000	1 934 423	1 279 740	1 117 915	19 844 980	4 184 691	24 029 671
Total comprehensive income for the period ended 30 September 2019									
Profit after tax				(956 614)	(67 303)	978 870	911 567	333 679	1 245 246
Other comprehensive income				(956 614)	(67 303)	-	(956 614)	(24 872)	(981 486)
Transferred from surplus on revaluation of property and equipment on account for incremental depreciation - net of tax						4 144	4 144		4 144
Acquisition of NCI without a change in control						(9 057)	(9 057)	(3 559)	(12 616)
Transactions with owners recorded directly in equity									
Final dividend for the year 2018 at the rate of Rs. 6.25 (62.50%) per share						(1 250 000)	(1 250 000)		(1 250 000)
Final dividend for the year 2018 at the rate of Rs. 6.25 (62.50%) per share								(635 937)	(635 937)
1st Interim dividend paid for the year 2019 at the rate of Rs. 1.50 (15.00%) per share						(300 000)	(300 000)		(300 000)
1st Interim dividend paid for the year 2019 at the rate of Rs. 1.50 (15.00%) per share								(84 792)	(84 792)
2nd Interim dividend paid for the year 2019 at the rate of Rs. 1.50 (15.00%) per share						(300 000)	(300 000)		(300 000)
2nd Interim dividend paid for the year 2019 at the rate of Rs. 1.50 (15.00%) per share								(84 780)	(84 780)
Other transfer within equity									
Transfer to general reserve			1 500 000			(1 500 000)			-
Balance as at 30 September 2019	2 000 000	12 902	15 000 000	977 809	1 212 437	(1 258 128)	17 945 020	3 684 430	21 629 450

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

DAANISH BHIMJEE TAHER G. SACHAK ALTAF GOKAL HASANALI ABDULLAH SAIFUDDIN N. ZOOMKAWALA
Director Director Chief Financial Officer Managing Director & Chief Executive Chairman

Karachi 26 October 2019

Notes to the Consolidated Condensed Interim Financial Statements For the nine months period ended 30 September 2019 (Unaudited)

1. Legal status and nature of business

1.1 EFU General Insurance Limited (The Company) has assessed its control position in relation to its investments in EFU Life Assurance Limited after its agreement with some shareholders of EFU Life Assurance Limited effective 31 March 2018, accordingly it has been concluded that the Company has the ability to control the composition of the Board of Directors of EFU Life Assurance Limited, therefore EFU Life Assurance Limited has become the subsidiary of the Company from 31 March 2018. The consolidated condensed interim financial statements have been prepared and are presented as per the requirements of Section 228 of the Companies Act, 2017.

1.2 The group comprises of:

1.2.1 EFU General Insurance Limited (Holding Company)

EFU General Insurance Limited was incorporated as a public limited company on 02 September 1932. The Holding Company is listed on the Pakistan Stock Exchange Limited and is engaged in non-life insurance business comprising of fire and property, marine, motor, miscellaneous etc.

The registered office of the Holding Company is located at Kamran Centre, 1st Floor 85, East, Jinnah Avenue Blue Area, Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Holding Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Holding Company operates through 54 (2018: 52) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

1.2.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 43.48 % effective holding was incorporated in Pakistan on 09 August 1992 as a public limited company and started its operation from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited. The registered office of the Subsidiary Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at Plot No.112, 8th East Street, Phase 1, DHA, Karachi. The Subsidiary Company is engaged in life assurance business comprising of ordinary life business, pension fund business and accident and health business and has established following funds, as required by the Insurance Ordinance, 2000.

- Investment linked business (includes individual life business)
- Conventional business (includes group life and individual life businesses)
- Pension business (unit linked)*
- Accident and health business
- Family takaful investment linked business
- Family takaful protection business

* The Subsidiary Company has discontinued pension business and accordingly no new business has been written under this fund.

2. Business combination

Acquisition of EFU Life Assurance Limited

The Holding Company decided to consolidate financial statements of the Subsidiary Company with and into the Holding Company which was approved by the Board of Directors in their meeting held on 28 March 2018.

International Financial Reporting Standard 3, (IFRS 3) 'Business Combinations', requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's financial statements and any intangible assets acquired in the business combination are required to be separately recognized and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the determination of fair values of the assets acquired and liabilities assumed and to determine the value of any intangible asset separately identified.

During the preceding year, in compliance with the provisions contained in IFRS 3, the fair valuation exercise of the recorded assets and liabilities was completed by the management as a result of which new information was obtained that necessitated adjustments to the provisional amounts of assets and liabilities initially estimated. Accordingly, retrospective adjustments have been made in these consolidated condensed interim financial statements.

The details of net assets acquired and goodwill arising on acquisition of the Subsidiary Company are as follows:

	Fair values provisionally determined as at 31 March 2018	Adjustments as a result of finalization of fair value exercise	Rupees '000 Fair value finalized and adjusted retrospectively
Assets			
Property and equipment	2 164 714	1 907 019	4 071 733
Intangible assets	8 782	-	8 782
Investments			
Equity securities	30 738 647	-	30 738 647
Debt securities	61 651 064	-	61 651 064
Term deposits	12 594 100	-	12 594 100
Loans and other receivables	1 727 034	-	1 727 034
Insurance / reinsurance receivables	69 322	-	69 322
Taxation - payment less provisions	393 621	-	393 621
Prepayments	82 636	-	82 636
Cash & bank	5 520 019	-	5 520 019
Total assets	<u>114 949 939</u>	<u>1 907 019</u>	<u>116 856 958</u>
Liabilities			
Insurance liability	106 218 232	-	106 218 232
Deferred taxation	735 839	553 036	1 288 875
Premium received in advance	787 063	-	787 063
Insurance / reinsurance payables	180 453	-	180 453
Other creditors and accruals	806 215	-	806 215
Total Liabilities	<u>108 727 802</u>	<u>553 036</u>	<u>109 280 838</u>
Book value of net assets as on 31 March 2018	<u>6 222 137</u>	<u>1 353 983</u>	<u>7 576 120</u>
Percentage of net assets acquired (43 392 040 / 100 000 000)			<u>43.39%</u>
Book value of net assets acquired			<u>3 287 433</u>
Goodwill Calculation			
Market Value			11 260 234
Less: Net Assets			<u>3 287 433</u>
Goodwill			<u>7 972 801</u>

Market value of the Subsidiary Company's assets amounts to Rs. 7,576 million based on a revaluation carried out by valuer as at 31 March 2018 and revaluation has been recognized in the respective heads of account.

The market value of the Subsidiary Company was determined by external, independent property valuer having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provides the fair value of the Subsidiary Company's assets at the date of acquisition.

Valuation Techniques

The valuer has arranged enquiries and verification from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available

in the current scenario and analyzed through detailed market surveys, the properties that have recently been sold or purchased or offered/quoted for sale into given vicinity to determine the better estimates of the fair value.

3. Basis of preparation and statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting 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, Insurance Ordinance, 2000, Insurance Rules, 2017, and 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, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, and Takaful Rules, 2012 have been followed.

Total assets, total liabilities and profit of the Window Takaful Operations of the Holding Company referred to as the Operator's Fund has been presented in these consolidated condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated 09 July 2015. A separate set of financial statements of the General Window Takaful Operations has been reported which is annexed to these consolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012.

These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2018.

3.1 Basis of measurement

These consolidated condensed interim financial statements have been prepared under the historical cost basis except for the available-for-sale investments, property and equipment and investment property that have been measured at fair value and the Group's liability under defined benefit plan (gratuity) that is determined based on present value of defined benefit obligation less fair value of plan assets.

3.2 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Group's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

3.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current year.

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It 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 01 July 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.

The Group has determined that it is eligible for the temporary exemption option since the group has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company does not engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the group can defer the application of IFRS 9 until the application IFRS 17.

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 tables below set out the fair values 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:

- 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
- all other financial assets.

Rupees '000

	30 September 2019 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less Impairment	Change in unrealized gain during the period
Financial assets					
Cash and bank *	4 735 834	-	-	-	-
Investments in equity securities					
- available-for-sale	14 866 180	(1 381 587)	-	-	-
Investments in debt securities					
- available-for-sale	-	-	83 595 590	-	306 032
Term Deposits	-	-	24 539 221	-	-
Loans and other receivables*	1 672 015	-	85 048	-	-
Total	<u>21 274 029</u>	<u>(1 381 587)</u>	<u>108 219 859</u>	<u>-</u>	<u>306 032</u>

	30 September 2019 (Unaudited)									
	Gross carrying amounts of debt instruments that pass the SPPI test									
	AAA	AA+	AA	A+	A	A-	AA-	A-1	A-1+	Unrated
Investments in debt securities										
- available-for-sale	3 072 729	7 697 913	3 770 800	100 000	160 000	127 908	2 282 368	-	-	17 028 774
Term deposits	350 396	228 200	-	200 000	-	350 000	266 000	12 250 000	28 383 000	210 000
Total	<u>3 423 125</u>	<u>7 926 113</u>	<u>3 770 800</u>	<u>300 000</u>	<u>160 000</u>	<u>477 908</u>	<u>2 548 368</u>	<u>12 250 000</u>	<u>28 383 000</u>	<u>17 238 774</u>

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

4. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of consolidated condensed interim financial statements are consistent with those followed in preparation of the annual consolidated financial statement of the Company for the year ended 31 December 2018 except accounting for leases in note 5.1.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Group's operation and do not have any impact on accounting policies of the Group.

5. Change in accounting policy

- 5.1 During the period Group has adopted IFRS 16 'Leases'. IFRS 16 introduced a single balance sheet accounting model for lessees. As a result, the Group as a lessee, has recognized right-of-use assets representing its right-to-use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group recognized 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, and adjusted for remeasurements of the lease liability.

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 Group incremental borrowing rate. The Group has applied incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from the change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, change in the assessment of whether a purchase or extension option is reasonably certain to be exercised.

The Group has applied judgment to determine the lease term for some lease contract which includes renewal options to the lessee.

The Group has applied IFRS 16 Modified approach, therefore, the comparative information has not been restated. i.e. it is presented as previously reported under IAS 17 and related interpretations.

The leases run between one year to thirty-five years. At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 01 January 2019.

Summary of the effect of this change in accounting policy is as follows:

	Rupees '000
Impact on Statement of Financial Position	
Increase in fixed assets - right-of-use assets	501 874
Decrease in other assets (advance rent)	46 938
Increase in other liabilities - lease liability against right-of-use assets	485 097
Decrease in net asset- before tax	30 161
Impact on Profit and Loss Account	
Increase in finance cost - lease liabilities	76 115
Increase / decrease in management expenses	
Increase depreciation expense- right-of-use assets	130 446
Decrease in rent expense	142 369

- 5.2 During the period the Subsidiary Company changed its practice of the presentation of the surplus in the Participant Takaful Fund. Earlier this was included in the ledger account D based on the SECP's circular number SRO 88(1)/2017 dated 09 February 2017 relating to the Insurance Accounting Regulations, 2017, as per which, for published financial statements under rule number 6 (i) and 6 (ii) balance in ledger accounts C and D shall be included as part of Shareholder's Equity. For this reason the surplus in the Participant Takaful Fund was earlier also included in Shareholders Equity. Subsequently in 2019 SECP issued a draft circular and invited the insurers for their comments. In the said draft circular SECP has mentioned that retained earnings of Participant Takaful Fund should be part of insurance liabilities. Accordingly based on the suggestion in the said draft circular and for better presentation, the Subsidiary Company has moved retained earnings of Participant Takaful Fund from Shareholder's Equity to insurance liabilities.

Holding Company has applied these adjustments retrospectively, as a result, for the purpose of consolidation net asset of Subsidiary Company as on 31 March 2018 has been decreased by Rs. 5 million, goodwill increased by Rs. 2 million and share of Non-controlling interest would be decreased by Rs. 3 million.

Profit after tax for year ended 31 December 2018 would be lower by Rs. 64 million. Unappropriated Profit would be lower by Rs. 28 million and Non-controlling interest would be lower by Rs. 39 million.

6. Accounting estimates and judgements

The preparation of these consolidated condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of these consolidated condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2018.

7. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2018.

8. Property and equipment

The details of additions and disposals during the nine months period ended 30 September 2019 are as follows:

	Additions (at cost)		Disposals (at net book value)	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Buildings	94 505	75 780	–	–
Furniture and fixtures	103 191	66 992	5 237	–
Office equipment	30 108	20 630	189	860
Tracker equipment	32 785	69 001	–	–
Computers	116 385	27 451	604	640
Vehicles	272 988	239 967	94 316	25 557
Capital work-in-progress	–	3 570	–	–
	<u>649 962</u>	<u>503 391</u>	<u>100 346</u>	<u>27 057</u>

Rupees '000

9. Investment property

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Opening net book value	1 879 093	1 847 093
Additions and capital improvements	23 650	21 319
Unrealized fair value gain	–	10 681
Closing book value	<u>1 902 743</u>	<u>1 879 093</u>

10. Investment in equity securities

Rupees '000

	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At available-for-sale						
Related Party*						
Listed shares	702 768	(427 646)	275 122	779 186	(307 622)	471 564
Mutual funds	26 717	–	26 717	25 523	–	25 523
	729 485	(427 646)	301 839	804 709	(307 622)	497 087
Others						
Listed shares	1 910 867	(153 125)	1 757 742	1 944 999	(51 790)	1 893 209
Unlisted shares	31 508	–	31 508	31 508	–	31 508
Mutual funds	112 133	(12 082)	100 051	100 147	(10 280)	89 867
	2 054 508	(165 207)	1 889 301	2 076 654	(62 070)	2 014 584
Surplus on revaluation	–	–	1 416 326	–	–	2 909 018
	2 783 993	(592 853)	3 607 466	2 881 363	(369 692)	5 420 689
At fair value through profit and loss - designated upon initial recognition						
Related Party*						
Listed shares	25 906	–	22 478	99 329	–	121 251
Mutual funds	547	–	858	444	–	805
	26 453	–	23 336	99 773	–	122 056
Others						
Listed shares	13 418 966	–	11 015 439	34 961 713	–	32 619 121
Mutual funds	258 844	–	219 939	59 215	–	60 315
	13 677 810	–	11 235 378	35 020 928	–	32 679 436
	13 704 263	–	11 258 714	35 120 701	–	32 801 492
	16 488 256	(592 853)	14 866 180	38 002 064	(369 692)	38 222 181

* The Group has not accounted for investment in related parties as associates under IAS 28 'Investment in Associates and Joint Ventures', as management has concluded that the Company does not have significant influence in these companies.

11. Investment in debt securities

Rupees '000

	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Held to maturity						
Government Securities	4 951 900	–	4 951 900	5 123 273	–	5 122 953
Available-for-sale						
Government Securities	8 673 352	–	8 673 352	8 098 470	–	8 098 470
Term Finance Certificates	244 118	(44 118)	200 000	144 118	(44 118)	100 000
Corporate Sukuks	180 000	–	180 000	80 000	–	80 000
Surplus / (deficit) on revaluation	–	–	61 418	–	–	(49 686)
	9 097 470	(44 118)	9 114 770	8 322 588	(44 118)	8 228 784
Fair value through profit & loss						
Government securities	59 794 875	–	59 560 809	48 278 888	–	47 849 913
Term Finance Certificates / Corporate Sukuks	10 029 529	–	10 029 529	4 075 297	–	4 078 872
	69 824 404	–	69 590 338	52 354 185	–	51 928 785
	83 873 774	(44 118)	83 657 008	65 800 046	(44 118)	65 280 522

12. Loans and other receivables – considered good		Rupees '000
	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Loans to employees	167 329	173 973
Accrued investment income	1 024 358	908 253
Security deposits	67 906	44 075
Advances to suppliers	128 556	144 119
Advances to employees	7 183	5 245
Other receivables	361 731	1 935 044
	<u>1 757 063</u>	<u>3 210 709</u>
13. Insurance / reinsurance receivables – unsecured and considered good		
Due from insurance contract holders	4 437 114	3 795 606
Provision for impairment of receivables from insurance contract holders	(179 295)	(69 251)
	<u>4 257 819</u>	<u>3 726 355</u>
Due from other insurer / reinsurers	25 075	20 299
	<u>4 282 894</u>	<u>3 746 654</u>
14. Prepayments		
Prepaid reinsurance premium ceded	5 937 386	5 073 281
Prepaid rent	5 445	73 833
Others	162 257	132 970
	<u>6 105 088</u>	<u>5 280 084</u>
15. Cash and Bank		
Cash and cash equivalents		
Cash in hand	2 739	305
Policy and revenue stamps, bond papers	38 261	18 035
	41 000	18 340
Cash at bank		
Current accounts	556 264	1 492 484
Saving accounts	4 138 570	4 542 100
	<u>4 694 834</u>	<u>6 034 584</u>
	<u>4 735 834</u>	<u>6 052 924</u>
16. Reserves		
	Note	30 September 2019 (Unaudited)
Capital reserve		31 December 2018 (Audited) (Restated)
Reserve for exceptional losses	16.1	12 902
Revenue reserves		12 902
General reserve		15 000 000
Revaluation reserve for unrealized gain on available-for-sale investments - net		1 934 423
Reserve for change in fair value of investment property - net		1 279 740
		<u>17 203 148</u>
		<u>16 727 065</u>

- 16.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

Rupees '000

17. Insurance liabilities

	Note	30 September 2019 (Unaudited)	31 December 2018 (Audited) (Restated)
Reported outstanding claims	17.1	2 707 041	2 281 165
Incurring but not reported claims	17.2	630 846	515 733
Investment component of unit-linked and account value policies	17.3	105 499 507	102 902 502
Liabilities under individual conventional insurance contracts	17.4	811 269	784 354
Liabilities under group insurance contracts (other than investment linked)	17.5	472 284	453 261
Participant Takaful Fund Balance		180 953	92 259
		<u>110 301 900</u>	<u>107 029 274</u>
17.1 Reported Outstanding Claims			
Gross of reinsurance			
Payable within one year		2 328 733	1 918 000
Payable over a period of time exceeding one year		634 279	646 563
		<u>2 963 012</u>	<u>2 564 563</u>
Recoverable from reinsurers			
Receivable over a period of time exceeding one year		(255 971)	(283 398)
		<u>(255 971)</u>	<u>(283 398)</u>
Net reported outstanding claims		<u>2 707 041</u>	<u>2 281 165</u>
17.2 Incurring but Not Reported Claims			
Gross of reinsurance		760 323	634 042
Reinsurance recoveries		(129 477)	(118 309)
Net of reinsurance		<u>630 846</u>	<u>515 733</u>
17.3 Investment component of unit-linked and account value policies			
Investment component of unit linked policies		105 499 507	102 902 502
		<u>105 499 507</u>	<u>102 902 502</u>
17.4 Liabilities under Individual Conventional Insurance Contracts			
Gross of reinsurance		976 414	952 718
Reinsurance credit		(165 145)	(168 364)
Net of reinsurance		<u>811 269</u>	<u>784 354</u>
17.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of reinsurance		610 695	532 584
Reinsurance credit		(138 411)	(79 323)
Net of reinsurance		<u>472 284</u>	<u>453 261</u>

18. Other creditors and accruals

Rupees '000

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Federal insurance fee payable	8 555	9 439
Federal excise duty and sales tax payable	109 416	117 355
Accrued expenses	876 671	842 463
Agent commission payable	1 267 619	1 233 511
Unearned rentals	60 552	73 257
Other deposits	922 579	826 968
Unclaimed dividends	358 949	295 664
Lease liability	132 933	-
Other	708 689	177 303
	<u>4 445 963</u>	<u>3 575 960</u>

19. Contingencies and commitments

19.1 Holding Company

The income tax assessment of the Holding Company has been finalized up to tax year 2018.

- 19.1.1 The Income Tax Department has made an assessment order for assessment year 1999-2000 and 2000-2001 by adding back provision for bonus to staff, provision for gratuity and excess management expense. The Company had filed appeals before the Commissioner, Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Holding Company had filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Holding Company a tax liability of Rs. 13 million would arise.

The Income Tax Department (Audit) has made an assessment order for assessment year 2002-2003 by adding certain items. The Holding Company had filed an appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Holding Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Holding Company. The Department has filed appeal before Honourable High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Holding Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Holding Company for tax year 2005 to 2007 by disallowing prorated expense. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Holding Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed an order in favour of the Holding Company. The Department then filed reference before the Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax year 2005 to 2007 before the Honourable Supreme Court of Pakistan against the decision of the Honourable High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Holding Company, a tax liability of Rs. 37 million would arise.

The Department has filed an appeal for tax year 2008 before the Honourable High Court of Sindh against the order of Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium. If the appeal is decided against the Holding Company, a tax liability of Rs. 5 million would arise.

The Department has filed an appeal for tax years 2014 and 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of Commissioner (Appeal) in respect of Dividend Income taxed at reduced rate. If the appeal is decided against the Holding Company, a tax liability of Rs. 243 million would arise.

19.1.2 In 2014, 2015, 2016 and 2017, the Searle Company Limited issued bonus shares (453,612, 312,993, 664,632 and 472,284 shares respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981 and 24,857 shares respectively). In this regard, a constitutional petition had been filed by the Holding Company in Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Holding Company. The Honourable High Court of Sindh decided the case against the Holding Company. Subsequently, the Holding Company filed an appeal with a larger bench of the Honourable High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Holding Company has not paid / provided an amount of Rs. 37 million being withholding tax on bonus shares.

19.2 Subsidiary Company

The Income tax assessment of the Subsidiary Company for tax year 2018 has been finalized.

In 2013, Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs. 14 million and Rs.15 million for Tax Years 2012 and 2013 respectively. The Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Subsidiary Company filed second appeal before the Appellate Tribunal against the order of CIT. The learned Appellate Tribunal Inland revenue has now decided the case in Subsidiary Company's favour. Subsequent to the period, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Subsidiary Company expects a favourable decision.

In 2015 and 2016, The Searle Company Limited issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Ltd. issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by the Subsidiary Company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Subsidiary Company. The honorable high court decided the case against the Subsidiary Company. Subsequently, the Subsidiary Company filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. The Subsidiary Company is of the view that the case will be decided in its favour and no provision has been made for the aforementioned tax. The amount involved is Rs. 3 million.

Sindh Revenue Board has granted exemption from sales tax on life insurance unallocated premium till 30 June 2019. However, sales tax on life insurance unallocated premium on policies written in Punjab has been made applicable from November 2018. Further, Balochistan Revenue Authority has also imposed sales tax on life insurance effective 01 July 2015.

The Subsidiary Company obtained a legal opinion which mentions that an insurance policy is a financial arrangement, which is in 'the nature of a contingent contract', and not a service upon which sales tax can be levied (and that an insurance company is not rendering a service). The opinion also mentions that vast majority of premium received from a policy holder, during the life of the policy, is in fact channeled it to the policy holder's investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules. The opinion further mentions that if entire premium is subjected to the tax, the tax would akin to a direct tax on policy holder rather than sales tax on services rendered by the insurance company. Accordingly, based on the above view, the Subsidiary Company has filed a writ petition in Honorable High Court of Punjab against levy of sales tax on life insurance premiums.

The matter for the renewal of the exemption in Sindh was taken up at the collective level by the Insurance Association of Pakistan (IAP) with the sales tax authorities of the respective provinces. The matter is still under the process of review with the taxation authorities in Sindh and the Subsidiary Company expects a favourable outcome. In view of the above the Subsidiary Company has not started billing sales tax to its customers. The amount of sales tax involved Rs 540 million which nonetheless the Subsidiary Company maintains, based on the legal view, cannot be levied as the insurance is not a service.

19.2.1 Bank guarantees amounting to Rs.17 million has been given in respect of Group Life coverage. These bank guarantees will expire by 16 January 2020.

19.3 No provision has been made in these consolidated condensed interim financial statements for the above contingencies, as the management, based on tax advisor's opinion, is confident that the decision in this respect will be received in favour of the Group.

19.4 There are no commitments as at 30 September 2019 (31 December 2018: Nil).

20. Net insurance premium

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Written gross premium	12 882 878	12 044 274	37 092 808	28 169 032
Unearned premium reserve - opening	8 065 880	7 872 446	8 354 109	8 496 686
Unearned premium reserve - closing	(9 557 508)	(8 622 976)	(9 557 508)	(8 622 976)
Premium earned	11 391 250	11 293 744	35 889 409	28 042 742
Less:				
Reinsurance premium ceded	3 728 812	2 905 448	9 741 491	8 681 563
Prepaid reinsurance premium - opening	5 079 196	4 661 962	5 073 281	5 112 083
Prepaid reinsurance premium - closing	(5 937 386)	(5 149 467)	(5 937 386)	(5 149 467)
Reinsurance expense	2 870 622	2 417 943	8 877 386	8 644 179
Net insurance premium	8 520 628	8 875 801	27 012 023	19 398 563

21. Net insurance claims expense

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited) (Restated)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited) (Restated)
Claim Paid	4 860 617	3 923 495	15 410 492	9 824 527
Outstanding claims including IBNR - closing	6 350 369	5 310 033	6 350 369	5 310 033
Outstanding claims including IBNR - opening	(5 732 258)	(5 097 810)	(5 176 757)	(5 572 347)
Claims expense	5 478 728	4 135 718	16 584 104	9 562 213
Less:				
Reinsurance and other recoveries received	334 384	339 384	1 519 690	1 387 644
Reinsurance and other recoveries in respect of outstanding claims - opening	(3 647 854)	(3 102 972)	(3 363 439)	(3 538 572)
Reinsurance and other recoveries in respect of outstanding claims - closing	3 981 995	3 243 787	3 981 995	3 243 787
Reinsurance and other recoveries revenue	668 525	480 199	2 138 246	1 092 859
Net insurance claims expense	4 810 203	3 655 519	14 445 858	8 469 354

22. Net commission expense

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Commission paid or payable	1 931 352	1 590 557	5 869 828	3 984 370
Deferred commission expense - opening	739 174	537 207	600 740	689 587
Deferred commission expense - closing	(796 428)	(698 991)	(796 428)	(698 991)
Net commission	1 874 098	1 428 773	5 674 140	3 974 966
Less:				
Commission received or recoverable	411 347	323 175	810 105	715 402
Unearned reinsurance commission - opening	391 844	386 483	394 848	461 616
Unearned reinsurance commission - closing	(491 328)	(426 345)	(491 328)	(426 345)
Commission from reinsurers	311 863	283 313	713 625	750 673
Add: Other acquisition cost	241 918	163 497	657 913	324 896
Net commission expense	1 804 153	1 308 957	5 618 428	3 549 189
23. Investment income – Statutory fund				
Income from equity securities				
Fair value through profit or loss				
Dividend income	62 806	315 892	666 324	655 269
Available-for-sale				
Dividend income	6 551	–	17 110	15 407
Income from debt securities				
Available-for-sale				
Return on debt securities	394 245	136 435	966 130	221 728
On government securities	1 977 684	947 420	4 554 237	1 897 856
Held to maturity				
On government securities	150 753	79 572	363 428	149 414
Income from term deposits				
Return on term deposits	498 971	134 053	1 343 756	310 469
	3 091 010	1 613 372	7 910 985	3 250 143
24. Net realized fair value gains / (loss) on financial assets				
Available-for-sale financial assets				
Realized gain on:				
Equity securities	(3 141)	–	29 869	(630 704)
Realized losses on:				
Equity securities	(1 715 738)	(314 454)	(7 316 088)	(179 384)
Government securities	–	(619)	–	(1 661)
	(1 718 879)	(315 073)	(7 286 219)	(811 749)

25. Net fair value gains / losses on financial assets
at fair value through profit or loss

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited) (Restated)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited) (Restated)
Net unrealized gains / (losses) on investments in financial assets - Government securities and Debt securities	160 012	(266 141)	194 928	(432 110)
Net unrealized losses on investments at value through profit or loss - Equity Securities	(1 038 995)	(1 501 567)	(45 871)	(4 610 511)
Total investment income	(878 983)	(1 767 708)	149 057	(5 042 621)
Less: Provision for impairment in value of available-for-sale securities - equity securities	1 735	(9 353)	(2 205)	(17 224)
Less: investment related expenses	(1 065)	(1 001)	(5 194)	(3 059)
	<u>(878 313)</u>	<u>(1 778 062)</u>	<u>141 658</u>	<u>(5 062 904)</u>

26. Investment income

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Income from equity securities - available-for-sale Dividend income	32 554	45 742	133 155	183 474
Income from debt securities - available-for-sale Return on debt securities	250 091	143 496	663 106	394 283
Income from term deposits Return on term deposits	4 938	2 765	13 028	8 752
	<u>287 583</u>	<u>192 003</u>	<u>809 289</u>	<u>586 509</u>
Net realized gains / (losses) on investments Available-for-sale financial assets				
Realized gains on:				
Equity securities	57 858	-	65 778	7 828
Realized losses on:				
Equity securities	(15 610)	-	(19 269)	(17 972)
	<u>42 248</u>	<u>-</u>	<u>46 509</u>	<u>(10 144)</u>
	<u>329 831</u>	<u>192 003</u>	<u>855 798</u>	<u>576 365</u>
Impairment in value of available-for-sale equity securities	(43 485)	(13 325)	(220 970)	(28 249)
Investment related expenses	(200)	(203)	(400)	(807)
Total Investment income	<u>286 146</u>	<u>178 475</u>	<u>634 428</u>	<u>547 309</u>

27. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Gain on sale of fixed assets	14 066	4 934	53 625	23 434
Return on loans to employees	4 687	3 114	13 802	6 631
Return on bank balances	51 135	23 632	114 190	57 632
Exchange difference	(9 331)	5 133	28 136	21 286
Others	2 769	2 153	7 488	4 446
	<u>63 326</u>	<u>38 966</u>	<u>217 241</u>	<u>113 429</u>

28. Window takaful operations -
Operator's Fund

Wakala fee	168 066	129 821	489 951	354 747
Management expenses	(65 680)	(59 667)	(215 833)	(168 901)
Commission expense	(57 741)	(45 874)	(169 683)	(119 996)
Investment income	17 626	6 307	39 897	15 438
Other income	2 897	1 536	9 914	4 512
Other expenses	366	(134)	(496)	(581)
	<u>65 534</u>	<u>31 989</u>	<u>153 750</u>	<u>85 219</u>

29. Taxation

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited) (Restated)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited) (Restated)
Current	376 957	270 848	1 087 935	1 044 491
Deferred	(82 157)	114 247	9 870	(746 197)
	<u>294 800</u>	<u>385 095</u>	<u>1 097 805</u>	<u>298 294</u>
For prior year(s) period				
Prior year tax	–	46 330	–	227 802
	<u>294 800</u>	<u>431 425</u>	<u>1 097 805</u>	<u>526 096</u>

30. Earnings per share - basic and diluted

Profit after tax	(Rupees '000)	<u>516 687</u>	<u>726 652</u>	<u>911 567</u>	<u>2 020 590</u>
Weighted average number of ordinary shares	(Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share	(Rupees)	<u>2.58</u>	<u>3.63</u>	<u>4.56</u>	<u>10.10</u>

31. Related party transactions

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Transactions				
Associated companies				
Premium written	70 489	60 872	349 819	279 167
Premium paid	562	–	41 224	11 506
Claims paid	24 091	27 667	97 744	167 099
Claims received	–	(94)	–	–
Commission paid	29 063	56 547	156 316	106 007
Travelling expenses	31	73	464	1 425
Donation paid	58	–	461 970	–
Dividend paid	162 836	120 465	1 165 555	1 084 528
Interest on bank deposit	177 263	96 078	559 548	107 610
Investment sold	–	(245 971)	25 558	209 386
Bank deposit withdrawn	(50 000)	–	(100 000)	(75 000)
Key management personnel				
Premium written	659	158	1 171	2 185
Dividend paid	2 324	8 336	17 513	15 163
Loan to key employees	–	–	6 000	–
Loan recovered	900	890	3 500	1 790
Compensation	190 784	84 514	275 192	203 961
Others				
Premium written	12 018	4 631	183 920	22 568
Claims paid	10 682	211	23 725	2 680
Dividend paid	85 110	–	565 368	550 498
Brokerage paid	140	–	182	236
Employees' funds				
Contribution to provident fund	13 879	14 928	45 900	34 919
Contribution to gratuity fund	6 823	4 885	21 281	14 656
Contribution to pension fund	3 933	7 357	18 809	15 494
Dividend paid	849	1 289	8 838	9 020
			30 September 2019 (Unaudited)	31 December 2018 (Audited)
Balances				
Others				
Balances receivable			117 811	49 342
Balances payable			15 312	3 223
Deposits maturing within 12 months			5 479 000	5 329 000
Investment in related party			117 660	172 190
Bank balances			405 578	869 823
Employees' funds receivable / (payable)				
EFU gratuity fund			(21 677)	(86 847)
EFU pension fund			26 377	24 143

Rupees '000

For the nine months period ended 30 September 2019 (Unaudited)

32. Segment Information

Current period

	General Insurance						Life Assurance		Aggregate Life Assurance	Total		
	Fire & property damage			Marine, aviation & transport			Treaty	Aggregate General Insurance			Shareholders' Fund	Statutory Funds
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Motor	Marine, aviation & transport						
Premium Receivable (inclusive of FED, Federal insurance fee and Administrative Surcharge)	10,493,289	2,434,448	3,196,006	1,490,372	17,614,115	-	-	21,858,606	21,858,606	39,472,721		
Less: Sales tax	1,305,265	262,600	383,839	174,991	2,126,695	-	-	-	-	2,126,695		
Stamp duty	442	98,071	988	981	100,482	-	-	-	-	100,482		
Federal insurance fee	91,090	20,519	28,076	13,051	152,736	-	-	-	-	152,736		
Gross Written Premium (inclusive of Administrative surcharge)	9,096,492	2,052,258	2,783,103	1,301,349	15,234,202	-	-	21,858,606	21,858,606	37,092,808		
Gross direct premium	9,066,157	2,016,003	2,553,931	1,282,915	14,919,006	-	-	21,858,606	21,858,606	36,777,612		
Facilitative inward premium	-	1,238	-	-	1,238	-	-	-	-	1,238		
Administrative surcharge	30,335	36,017	229,172	18,434	313,958	-	-	-	-	313,958		
Insurance premium earned	8,467,362	1,772,805	2,611,781	1,178,855	14,030,803	-	-	21,858,606	21,858,606	35,889,409		
Insurance premium ceded to reinsurers	6,938,973	655,692	9,146	750,076	8,363,887	-	-	513,499	513,499	8,877,386		
Net insurance premium	1,528,389	1,107,113	2,602,635	428,779	5,666,916	-	-	21,345,107	21,345,107	27,012,023		
Commission income	538,987	11,250	177	163,211	713,625	-	-	-	-	713,625		
Net underwriting income	2,067,376	1,118,363	2,602,812	591,990	6,380,541	-	-	21,345,107	21,345,107	27,725,648		
Insurance claims	1,745,060	843,063	1,411,895	485,599	4,485,617	-	-	12,098,487	12,098,487	16,584,104		
Insurance claims recovered from reinsurers	1,247,066	272,728	(14)	285,766	1,805,546	-	-	332,700	332,700	2,138,246		
Net claims	(497,994)	(570,335)	(141,909)	(199,833)	(2,680,071)	-	-	(11,765,787)	(11,765,787)	(14,445,858)		
Commission expense	(665,494)	(190,857)	(228,716)	(99,500)	(1,184,567)	-	-	(5,147,486)	(5,147,486)	(6,332,053)		
Management expenses	(600,742)	(375,016)	(980,491)	(162,170)	(2,118,419)	-	-	(1,400,952)	(1,400,952)	(3,519,371)		
Net insurance claims and expenses	(1,764,230)	(1,136,208)	(2,621,116)	(461,503)	(5,983,057)	-	-	(18,314,225)	(18,314,225)	(24,297,282)		
Net investment income - statutory funds	-	-	-	-	-	-	-	766,424	766,424	766,424		
Net Change in insurance liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(2,861,894)	(2,861,894)	(2,861,894)		
Underwriting result	303,146	(17,845)	(18,304)	130,487	397,484	-	-	935,412	935,412	1,332,896		
Net investment income	-	-	-	-	634,428	-	-	-	-	634,428		
Rental income	-	-	-	-	81,779	-	-	-	-	81,779		
Other income	-	-	-	-	170,687	-	-	-	-	170,687		
Other expenses	-	-	-	-	(44,510)	-	-	-	-	(44,510)		
Finance cost	-	-	-	-	(12,322)	-	-	-	-	(12,322)		
Profit before tax from window takaful operations - Operator's Fund	-	-	-	-	153,750	-	-	-	-	153,750		
Profit before tax	-	-	-	-	1,381,296	-	-	961,755	961,755	2,343,051		
Corporate segment assets-conventional	11,020,790	1,703,845	1,037,736	1,344,796	15,107,167	-	-	117,112,612	117,112,612	132,219,779		
Corporate segment assets - Takaful OPF	50,706	5,027	176,026	4,945	236,704	-	-	-	-	236,704		
Corporate unallocated assets-conventional	-	-	-	-	26,848,000	-	-	3,944,775	3,944,775	30,792,775		
Corporate unallocated assets - Takaful OPF	-	-	-	-	544,107	-	-	-	-	544,107		
Consolidated total assets	-	-	-	-	42,735,978	-	-	117,112,612	121,057,387	163,793,365		
Corporate segment liabilities	15,457,776	2,690,153	2,795,523	3,330,033	24,273,485	-	-	113,319,869	113,319,869	137,593,354		
Corporate segment liabilities - Takaful OPF	59,091	6,006	332,278	9,562	406,937	-	-	-	-	406,937		
Corporate unallocated liabilities	-	-	-	-	2,068,642	-	-	1,128,399	1,128,399	3,197,041		
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	1,126	-	-	-	-	1,126		
Consolidated total liabilities	-	-	-	-	26,750,190	-	-	113,319,869	114,448,268	141,198,458		

External premium less reinsurance by geographical segments 2019 (Unaudited)

Location
Pakistan
* EPZ
Total

* This represents US Dollar Equivalent in Pak Rupees

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

	General Insurance				Life Assurance			Total (Restated)		
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	Shareholders' Fund		Statutory Funds	Aggregate Life Assurance
Prior period										
Premium Receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	9 619 313	2 378 524	3 198 915	1 429 984	-	16 626 736	-	13 458 945	13 458 945	30 085 681
Less: Sales tax	1 155 500	260 215	384 362	161 004	-	1 961 081	-	-	-	1 961 081
Stamp duty	461	92 222	1 157	1 134	-	94 974	-	-	-	94 974
Federal insurance fee	83 751	20 044	27 857	12 555	-	144 207	-	-	-	144 207
Gross Written Premium (inclusive of Administrative surcharge)	8 379 601	2 006 043	2 785 539	1 255 291	-	14 426 474	-	13 458 945	13 458 945	27 885 419
Gross direct premium	8 343 765	1 965 946	2 505 598	1 236 529	-	14 051 838	-	13 742 558	13 742 558	27 794 396
Facilitative inward premium	4 571	1 470	-	-	-	6 041	-	-	-	6 041
Administrative surcharge	31 265	38 627	279 941	18 762	-	368 595	-	-	-	368 595
Insurance premium earned	8 803 973	1 823 468	2 549 963	1 122 780	-	14 300 184	-	13 742 558	13 742 558	28 042 742
Insurance premium ceded to reinsurers	7 031 654	654 059	8 062	666 791	-	8 360 566	-	283 613	283 613	8 644 179
Net insurance premium	1 772 319	1 169 409	2 541 901	455 989	-	5 939 618	-	13 458 945	13 458 945	19 398 563
Commission income	563 289	18 876	-	168 508	-	750 673	-	-	-	750 673
Net underwriting income	2 335 608	1 188 285	2 541 901	624 497	-	6 690 291	-	13 458 945	13 458 945	20 149 236
Insurance claims	1 015 140	643 810	1 274 801	337 505	-	3 271 256	-	6 290 957	6 290 957	9 562 213
Insurance claims recovered from reinsurers	535 374	192 897	(67)	173 342	-	901 546	-	191 313	191 313	1 092 859
Net claims	(479 766)	(450 913)	(1274 868)	(164 163)	-	(2 369 710)	-	(6 099 644)	(6 099 644)	(8 469 354)
Commission expense	(655 974)	(209 174)	(211 838)	(85 477)	-	(1 162 463)	-	(3 137 399)	(3 137 399)	(4 299 862)
Management expenses	(588 251)	(348 632)	(827 694)	(147 856)	-	(1 912 433)	-	(1 001 027)	(1 001 027)	(2 913 460)
Net insurance claims and expenses	(1 723 991)	(1 008 719)	(2 314 400)	(397 496)	-	(5 444 606)	-	(10 238 070)	(10 238 070)	(15 682 676)
Net investment income - statutory funds	-	-	-	-	-	-	-	(2 624 510)	(2 624 510)	(2 624 510)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	203 171	203 171	203 171
Underwriting result	611 617	179 566	227 501	227 001	-	1 245 685	-	799 536	799 536	2 045 221
Net Investment income	-	-	-	-	-	547 309	-	-	-	547 309
Rental income	-	-	-	-	-	77 287	-	-	-	77 287
Other income	-	-	-	-	-	96 917	-	-	-	96 917
Other expenses	-	-	-	-	-	(42 769)	-	-	-	(42 769)
Share of profit of associate	-	-	-	-	-	103 952	-	-	-	103 952
Profit before tax from window takaful operations - Operator's Fund	-	-	-	-	-	85 219	-	-	-	85 219
Profit before tax	-	-	-	-	-	2 113 600	-	-	-	2 113 600
										As at 31 December 2018 (Audited) (Restated)
Corporate segment assets-conventional	9 872 846	1 065 081	566 140	1 173 896	-	12 677 963	-	114 105 326	114 105 326	126 783 289
Corporate segment assets - Takaful OPF	43 226	9 011	271 746	16 810	-	340 793	-	-	-	340 793
Corporate unallocated assets-conventional	-	-	-	-	-	27 595 994	4 095 697	-	4 095 697	31 691 691
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	280 509	-	-	-	280 509
Consolidated total assets	-	-	-	-	-	40 895 259	4 095 697	114 105 326	118 201 023	159 096 282
Corporate segment liabilities	13 582 908	1 884 044	2 413 449	2 769 154	-	20 649 555	-	109 371 964	109 371 964	130 021 519
Corporate segment liabilities - Takaful OPF	39 704	8 149	308 033	11 345	-	367 231	-	-	-	367 231
Corporate unallocated liabilities	-	-	-	-	-	2 347 219	1 320 761	-	1 320 761	3 667 980
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	40 280	-	-	-	40 280
Consolidated total liabilities	-	-	-	-	-	23 404 285	1 320 761	109 371 964	110 692 725	134 097 010

External premium less reinsurance by geographical segments 2018 (Unaudited)
 19 387 166
 * EPZ 11 397
 Total 19 398 563

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For the three months period ended 30 September 2019 (Unaudited)

Current period

	General Insurance				Life Assurance		Aggregate Life Assurance	Total	
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance			Shareholders' Fund
Premium Receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	4 823 806	644 978	1 319 232	486 849	-	7 274 865	-	6 590 399	13 865 264
Less: Sales tax	609 494	70 716	155 361	55 521	-	891 092	-	-	891 092
Stamp duty	223	27 480	350	326	-	28 379	-	-	28 379
Federal insurance fee	41 728	5 414	11 526	4 267	-	62 935	-	-	62 935
Gross Written Premium (inclusive of Administrative surcharge)	4 172 361	541 388	1 151 995	426 735	-	6 292 459	-	6 590 399	12 882 858
Gross direct premium	4 157 424	530 028	1 071 114	419 778	-	6 178 344	-	6 590 399	12 768 743
Facultative inward premium	-	-	-	-	-	-	-	-	-
Administrative surcharge	14 937	11 340	80 881	6 957	-	114 115	-	-	114 115
Insurance premium earned	2 919 906	596 969	877 509	406 467	-	4 800 851	-	6 590 399	11 391 250
Insurance premium ceded to reinsurers	2 236 574	227 325	4 178	247 979	-	2 716 056	-	154 566	2 870 622
Net insurance premium	683 332	369 644	873 331	158 488	-	2 084 795	-	6 435 833	8 520 628
Commission income	248 870	4 438	177	58 378	-	311 863	-	-	311 863
Net underwriting income	932 202	374 082	873 508	216 866	-	2 396 658	-	6 435 833	8 832 491
Insurance claims	681 533	221 749	449 300	205 782	-	1 558 364	-	3 920 364	5 478 728
Insurance claims recovered from reinsurers	478 463	(41 376)	(2)	115 634	-	552 719	-	115 806	668 525
Net claims	(203 070)	(263 125)	(449 302)	(90 148)	-	(1 005 645)	-	(3 804 558)	(4 810 203)
Commission expense	(238 988)	(61 751)	(77 920)	(34 729)	-	(413 388)	-	(1 702 628)	(2 116 016)
Management expenses	(230 821)	(112 978)	(307 899)	(54 566)	-	(706 264)	-	(533 767)	(1 240 031)
Net insurance claims and expenses	(672 879)	(437 854)	(835 121)	(179 443)	-	(2 125 297)	-	(6 040 953)	(8 166 250)
Net investment income - statutory funds	-	-	-	-	-	-	-	493 818	493 818
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(690 864)	(690 864)
Underwriting result	259 323	(63 772)	38 387	37 423	-	271 361	-	197 834	469 195
Net investment income	-	-	-	-	-	286 146	-	-	286 146
Rental income	-	-	-	-	-	28 428	-	-	28 428
Other income	-	-	-	-	-	47 748	-	-	47 748
Other expenses	-	-	-	-	-	(8 315)	-	15 578	63 326
Finance cost	-	-	-	-	-	(3 910)	-	(6 791)	(15 106)
Profit before tax from window takaful operations - Operator's Fund	-	-	-	-	-	65 534	-	-	65 534
Profit before tax	-	-	-	-	-	686 992	-	2 06 621	893 613

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

Rupees '000

	General Insurance			Life Assurance			Aggregate Life Assurance	Total (Restated)
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance		
Prior period								
Premium Receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	3 666 107	756 926	1 283 230	409 719	-	6 115 982	6 722 765	12 838 747
Less: Sales tax	426 990	83 055	152 132	44 475	-	706 652	-	706 652
Stamp duty	239	33 627	395	365	-	34 626	-	34 626
Federal insurance fee	32 046	6 337	11 197	3 615	-	53 195	-	53 195
Gross Written Premium (inclusive of Administrative surcharge)	3 206 832	633 907	1 119 506	361 264	-	5 321 509	6 722 765	12 044 274
Gross direct premium	3 188 469	620 284	1 023 040	353 382	-	5 185 175	6 722 765	11 907 940
Facilitative inward premium	2 346	-	-	-	-	2 346	-	2 346
Administrative surcharge	16 017	13 623	96 466	7 882	-	133 988	-	133 988
Insurance premium earned	2 716 073	622 728	852 455	379 723	-	4 570 979	6 722 765	11 293 744
Insurance premium ceded to reinsurers	1 879 474	206 793	3 249	215 070	-	2 304 586	113 357	2 417 943
Net insurance premium	836 599	415 935	849 206	164 653	-	2 266 393	6 609 408	8 875 801
Commission income	225 892	4 291	-	53 130	-	283 313	-	283 313
Net underwriting income	1 062 491	420 226	849 206	217 783	-	2 549 706	6 609 408	9 159 114
Insurance claims	402 583	238 123	430 782	143 019	-	1 214 507	2 921 211	4 135 718
Insurance claims recovered from reinsurers	291 911	30 944	3	82 224	-	405 082	75 117	480 199
Net claims	(110 672)	(207 179)	(430 779)	(60 795)	-	(809 425)	(2 846 094)	(3 655 519)
Commission expense	(189 487)	(69 106)	(70 163)	(29 275)	-	(358 031)	(1 234 239)	(1 592 270)
Management expenses	(240 466)	(107 874)	(245 913)	(46 808)	-	(641 061)	(757 364)	(1 398 425)
Net insurance claims and expenses	(540 625)	(384 159)	(746 855)	(136 878)	-	(1 808 517)	(4 837 697)	(6 646 214)
Net investment income - statutory funds	-	-	-	-	-	-	(479 763)	(479 763)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	(955 198)	(955 198)
Underwriting result	521 866	36 067	102 351	80 905	-	741 189	336 750	1 077 939
Net investment income	-	-	-	-	-	178 475	-	178 475
Rental income	-	-	-	-	-	27 292	-	27 292
Other income	-	-	-	-	-	30 342	8 624	38 966
Other expenses	-	-	-	-	-	(9 982)	(1 651)	(11 633)
Profit before tax from window takaful operations - Operator's Fund	-	-	-	-	-	31 989	-	31 989
Profit before tax	-	-	-	-	-	999 305	343 723	1 343 028

33. Movement in investment

Name of investment	Rupees '000			
	Held to maturity	Available-for-sale	Fair value through P & L	Total
At beginning of previous year	430 550	14 946 693	–	15 377 243
Additions	114 521 821	34 150 877	224 541 423	373 214 121
Disposals (sale and redemptions)	(95 655 966)	(34 190 743)	(132 499 256)	(262 345 965)
Fair value net gains / (losses) (excluding net realized losses)	–	(1 214 917)	(5 926 218)	(7 141 135)
Impairment losses	–	(45 854)	–	(45 854)
At beginning of current year	19 296 405	13 646 056	86 115 949	119 058 410
Additions	134 930 914	34 864 448	161 330 222	331 125 584
Disposals (sale and redemptions)	(126 313 614)	(34 167 554)	(165 102 595)	(325 583 763)
Fair value net gains / (losses) (excluding net realized gains / (losses))	–	(1 381 587)	66 940	(1 314 647)
Impairment losses	–	(223 175)	–	(223 175)
At end of current period	<u>27 913 705</u>	<u>12 738 188</u>	<u>82 410 516</u>	<u>123 062 409</u>

34. Fair Value

34.1 IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

34.2 All assets and liabilities for which fair value is measured or disclosed in the consolidated condensed interim financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

Rupees '000

30 September 2019 (Unaudited)

	Available- for-Sale	Fair value through profit & loss	Held to maturity	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
								Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investments										
Equity securities - quoted	3 473 797	11 550 845					15 024 642	15 024 642		
Equity securities - unquoted	15 500	16 008					31 508			31 508
Government securities		59 560 809					59 560 809		59 560 809	
Mutual funds	134 114	220 797					354 911		354 911	
Sukuk Bonds		5 279 436					5 279 436		5 279 436	
Debt securities	9 114 770	4 445 959					13 560 729		13 560 729	
Financial assets not measured at fair value										
Term deposits*					385 221		385 221			
Government securities			4 951 900				4 951 900		4 929 200	
Loans and other receivables*				167 786	1 425 217		1 593 003			
Insurance / reinsurance receivables*				4 045 348			4 045 348			
Reinsurance recoveries against outstanding claims*				3 981 995			3 981 995			
Advances*				164 060	281 661		445 721			
Certificate of investment*		210 000					210 000			
Cash and bank*		27 475 088			1 414 746		28 889 834			
Total assets of window takaful operations - Operator's fund*	193 791			132 110	332 347		658 248		193 791	
	12 931 972	108 758 942	4 951 900	8 491 299	3 839 192		138 973 305	15 024 642	83 878 876	31 508
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*						(6 350 369)	(6 350 369)			
Premium received in advance*						(212 863)	(212 863)			
Insurance / reinsurance payables*						(5 957 377)	(5 957 377)			
Other creditors and accruals*						(2 563 468)	(2 563 468)			
Total liabilities of window takaful operations - Operator's fund*						(73 590)	(73 590)			
	12 931 972	108 758 942	4 951 900	8 491 299	3 839 192	(15 157 667)	123 815 638	15 024 642	83 878 876	31 508

Rupees '000

31 December 2018 (Audited)

	Available- for-sale	Fair value through profit & loss	Held to maturity	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
								Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investments										
Equity securities - quoted	38 275 882	7 374					38 283 256	38 283 256		
Equity securities - unquoted	31 508						31 508			31 508
Government securities	51 909 147						51 909 147		51 909 147	
Mutual funds	177 087						177 087		177 087	
Sukuk bonds	1 332 919						1 332 919		1 332 919	
Debt securities	10 764 737						10 764 737		10 764 737	
Financial assets not measured at fair value										
Term deposits*					15 555 707		15 555 707			
Government securities			1 063 719				1 063 719		1 047 472	
Loans and other receivables*				3 210 709			3 210 709			
Insurance / reinsurance receivables*				3 746 654			3 746 654			
Reinsurance recoveries against outstanding claims*				3 363 439			3 363 439			
Advances*				124 610	884 760		1 009 370			
Other assets*					2 695 536		2 695 536			
Certificate of investment*	210 000						210 000			
Cash and bank*		19 829 503			1 266 562		21 096 065			
Total assets of window takaful operations - Operator's Fund*	176 593			245 849	89 319		511 761		176 593	
	<u>102 877 873</u>	<u>19 836 877</u>	<u>1 063 719</u>	<u>10 691 261</u>	<u>20 491 884</u>		<u>154 961 614</u>	<u>38 283 256</u>	<u>65 407 955</u>	<u>31 508</u>
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*						(5 176 757)	(5 176 757)			
Premium received in advance*						(770 933)	(770 933)			
Insurance / reinsurance payables*						(5 526 324)	(5 526 324)			
Other creditors and accruals*						(3 575 960)	(3 575 960)			
Total liabilities of window takaful operations - Operator's Fund*						(60 414)	(60 414)			
	<u>102 877 873</u>	<u>19 836 877</u>	<u>1 063 719</u>	<u>10 691 261</u>	<u>20 491 884</u>	<u>(15 110 388)</u>	<u>139 851 226</u>	<u>38 283 256</u>	<u>65 407 955</u>	<u>31 508</u>

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

35. Non-adjusting event after the consolidated condensed interim financial statement date

The Board of Directors in its meeting held on 26 October 2019 have announced a third interim cash dividend in respect of the year ended 31 December 2019 of Rs. 1.50 per share, 15.00% (2018: Rs. 1.25 per share, 12.50%). These consolidated condensed interim financial statements for the nine months period ended 30 September 2019 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

36. Corresponding Figures

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

37. General

Figures have been rounded off to the nearest thousand rupees.

38. Date of authorization for issue of consolidated condensed interim financial statements

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 26 October 2019.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

Window Takaful Operations

Condensed Interim Financial Statements

For the nine months period ended 30 September 2019 (Unaudited)

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Financial Position
As at 30 September 2019 (Unaudited)

Rupees '000

	Note	30 September 2019 (Unaudited)			31 December 2018 (Audited) Aggregate
		Operator's Fund	Participants' Takaful Fund	Aggregate	
Assets					
Property and equipment	6	2 031	–	2 031	2 740
Investments					
Debt securities	7	193 791	673 412	867 203	1 035 253
Term deposits		205 000	410 000	615 000	215 000
Loans and other receivables	8	7 178	15 934	23 112	13 687
Takaful / retakaful receivables	9	8 129	252 778	260 907	248 598
Retakaful recoveries against outstanding claims	16	–	125 946	125 946	104 603
Salvage recoveries accrued		–	32 340	32 340	45 050
Deferred commission expense	17	118 927	–	118 927	106 313
Wakala fee receivable		109 648	–	109 648	228 363
Modarib fee receivable		7 155	–	7 155	7 757
Deferred wakala fee		–	337 129	337 129	309 127
Deferred taxation		821	–	821	488
Prepayments	10	784	261 166	261 950	205 199
Cash and bank	11	127 347	354 386	481 733	290 075
Total assets		780 811	2 463 091	3 243 902	2 812 253
Funds and liabilities					
Operator's Fund					
Statutory fund		100 000	–	100 000	100 000
Revaluation reserve - available-for-sale investments		(1 573)	–	(1 573)	(1 015)
Accumulated profit		223 808	–	223 808	114 646
		322 235	–	322 235	213 631
Waqf / Participants' Takaful Fund					
Cede money		–	500	500	500
Revaluation reserve - available-for-sale investments		–	(14 181)	(14 181)	(8 918)
Accumulated surplus		–	308 384	308 384	294 859
		–	294 703	294 703	286 441
Liabilities					
Underwriting provisions					
Outstanding claims including IBNR	16	–	633 212	633 212	396 875
Unearned contribution reserve	14	–	1 161 906	1 161 906	1 050 127
Unearned retakaful rebate		–	35 529	35 529	20 656
Unearned wakala fee	15	337 129	–	337 129	309 127
Contribution received in advance		–	4 038	4 038	2 796
Takaful / retakaful payables		2 129	198 275	200 404	169 648
Wakala fee payable		–	109 648	109 648	228 363
Modarib fee payable		–	7 155	7 155	7 757
Taxation - provision less payments		45 728	–	45 728	36 949
Other creditors and accruals	12	73 590	18 625	92 215	89 883
		458 576	2 168 388	2 626 964	2 312 181
Total liabilities		458 576	2 168 388	2 626 964	2 312 181
Total equity and liabilities		780 811	2 463 091	3 243 902	2 812 253
Contingencies and commitments	13				

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

DAANISH BHIMJEE
Director

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Director

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Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Profit and Loss Account
For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2019	30 September 2018 (Restated)	30 September 2019	30 September 2018 (Restated)
Participants' Takaful Fund - (PTF)					
Revenue Account					
Net takaful contribution	14	490 896	397 731	1 433 082	1 134 686
Wakala expense	15	(168 066)	(129 821)	(489 951)	(354 747)
Net takaful claims	16	(296 005)	(162 145)	(862 418)	(568 513)
Direct expenses		(53 991)	(67 431)	(164 053)	(154 772)
Retakaful rebate		18 824	14 698	38 906	31 302
Underwriting results		(8 342)	53 032	(44 434)	87 956
Investment income - net off modarib	18	17 583	8 367	44 625	21 552
Other income - net off modarib	19	4 164	2 145	13 334	5 377
		21 747	10 512	57 959	26 929
Surplus for the period		<u>13 405</u>	<u>63 544</u>	<u>13 525</u>	<u>114 885</u>
Operator's Fund - (OPF)					
Revenue Account					
Wakala fee		168 066	129 821	489 951	354 747
Management expenses		(65 667)	(59 667)	(215 820)	(168 901)
Commission expense	17	(57 741)	(45 874)	(169 683)	(119 996)
		44 658	24 280	104 448	65 850
Investment income	18	17 626	6 307	39 897	15 438
Other income	19	2 897	1 536	9 914	4 512
Other expenses		353	(134)	(509)	(581)
		20 876	7 709	49 302	19 369
Profit before tax		65 534	31 989	153 750	85 219
Income tax expense		(19 005)	(11 895)	(44 588)	(27 276)
Profit after tax		<u>46 529</u>	<u>20 094</u>	<u>109 162</u>	<u>57 943</u>

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

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Chairman

Karachi 26 October 2019

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Comprehensive Income
For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2019	30 September 2018 (Restated)	30 September 2019	30 September 2018 (Restated)
Participants' Takaful Fund				
Surplus for the period	13 405	63 544	13 525	114 885
Other comprehensive income				
Unrealized loss on available-for-sale investments during the period - net	(7 198)	–	(5 263)	(514)
Reclassification adjustments relating to available-for-sale investments disposed off during the period - net	–	(11 750)	–	(18 773)
Total items that may be reclassified subsequently to profit and loss account	(7 198)	(11 750)	(5 263)	(19 287)
Total comprehensive income for the period	<u>6 207</u>	<u>51 794</u>	<u>8 262</u>	<u>95 598</u>
Operator's Fund				
Profit for the period	46 529	20 094	109 162	57 943
Other comprehensive income				
Fair value loss on available-for-sale investments during the period - net	(376)	–	(786)	–
Reclassification adjustments relating to available-for-sale investments disposed off during the period - net	–	(1 763)	–	(2 292)
	(376)	(1 763)	(786)	(2 292)
Deferred tax on available-for-sale investments	128	488	228	664
Total items that may be reclassified subsequently to profit and loss account	(248)	(1 275)	(558)	(1 628)
Total comprehensive income for the period	<u>46 281</u>	<u>18 819</u>	<u>108 604</u>	<u>56 315</u>

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

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SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Cash Flow Statement
For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Operator's Fund	Participants' Takaful Fund	2019 Aggregate	2018 Aggregate (Restated)
Operating cash flows				
a) Takaful activities				
Takaful contribution received	–	1 764 798	1 764 798	1 479 274
Retakaful contribution paid	–	(259 046)	(259 046)	(257 203)
Claims paid	–	(711 662)	(711 662)	(626 324)
Retakaful and other recoveries received	–	75 979	75 979	82 577
Commission paid	(170 594)	–	(170 594)	(124 567)
Retakaful rebate received	–	53 778	53 778	37 507
Wakala fee received / (paid)	636 667	(636 667)	–	–
Management expenses paid	(214 317)	(164 054)	(378 371)	(322 958)
Net cash flow from takaful activities	251 756	123 126	374 882	268 306
b) Other operating activities				
Income tax paid	(35 914)	–	(35 914)	(5 512)
Other operating payments	(3 701)	5 613	1 912	(19 208)
Other operating receipts	2 142	(10 862)	(8 720)	(19 421)
Net cash flow used in other operating activities	(37 473)	(5 249)	(42 722)	(44 141)
Total cash flow from all operating activities	214 283	117 877	332 160	224 165
Investment activities				
Profit / return received	31 133	66 377	97 510	38 833
Modarib fee received / (paid)	15 609	(15 609)	–	–
Payment for investments	(523 351)	(1 009 613)	(1 532 964)	(1 306 939)
Proceeds from disposal of investments	335 367	959 598	1 294 965	1 045 460
Fixed capital expenditure	(13)	–	(13)	(114)
Total cash flow (used in) / from investing activities	(141 255)	753	(140 502)	(222 760)
Net cash flow from all activities	73 028	118 630	191 658	1 405
Cash and cash equivalents at the beginning of the period	54 319	235 756	290 075	241 336
Cash and cash equivalents at the end of the period	127 347	354 386	481 733	242 741
Reconciliation to profit and loss account				
Operating cash flow	214 283	117 877	332 160	224 165
Depreciation expense	(722)	–	(722)	(749)
Loss on disposal of investments	–	–	–	(386)
Other investment income	39 897	44 625	84 522	37 376
Other income	9 914	13 349	23 263	9 898
(Decrease) / increase in assets other than cash	(103 304)	102 153	(1 151)	391 573
Increase in liabilities other than borrowings	(50 906)	(264 479)	(315 385)	(489 049)
Profit / surplus for the period	109 162	13 525	122 687	172 828
Attributed to				
Operator's Fund	109 162	–	109 162	57 943
Participants' Takaful Fund	–	13 525	13 525	114 885
	109 162	13 525	122 687	172 828

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

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Director

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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Changes in Funds
For the nine months period ended 30 September 2019 (Unaudited)

Rupees '000

	Operator's Fund			
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated profit	Total (Restated)
Balance as at 01 January 2018 (Restated)	100 000	(75)	33 620	133 545
Total comprehensive income for the period ended 30 September 2018				
Profit for the period			57 943	57 943
Other comprehensive income		(1 628)		(1 628)
Balance as at 30 September 2018 (Restated)	100 000	(1 703)	91 563	189 860
Balance as at 01 January 2019	100 000	(1 015)	114 646	213 631
Total comprehensive income for the period ended 30 September 2019				
Profit for the period			109 162	109 162
Other Comprehensive Income		(558)		(558)
Balance as at 30 September 2019	100 000	(1 573)	223 808	322 235
	Participants' Takaful Fund			
	Cede money	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated surplus	Total
Balance as at 01 January 2018	500	(1 279)	140 415	139 636
Surplus for the period			114 885	114 885
Other comprehensive income		(19 287)		(19 287)
Balance as at 30 September 2018	500	(20 566)	255 300	235 234
Balance as at 01 January 2019	500	(8 918)	294 859	286 441
Surplus for the period			13 525	13 525
Other Comprehensive Income		(5 263)		(5 263)
Balance as at 30 September 2019	500	(14 181)	308 384	294 703

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

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Director

TAHER G. SACHAK
Director

ALTAF GOKAL
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HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

EFU General Insurance Limited – Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2019 (Unaudited)

1. Legal status and nature of business

EFU General Insurance Limited (the Operator) was allowed to undertake Window Takaful Operations (the Operations) on 16 April 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf / Participants' Takaful Fund (PTF) on 06 May 2015 under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

2. Basis of preparation and statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting 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, Insurance Ordinance, 2000, Insurance Rules, 2017, and 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, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, and Takaful Rules, 2012 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Operator's annual financial statements for the year ended 31 December 2018.

2.1 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis except for the available-for-sale investments that have been measured at fair value.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees, which is also the Operator's functional currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupees in thousand, unless otherwise stated.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current year:

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It 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 1 July 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.

The Operator has determined that it is eligible for the temporary exemption option since the Operator has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Operator doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Operator can defer the application of IFRS 9 until the application IFRS 17.

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 tables below set out the fair values 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:

- 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
- all other financial assets.

Operator Fund

Rupees ‘000

Financial assets	30 September 2019 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less impairment	Change in unrealized loss during the period
Cash and bank*	127 347	-	-	-	-
Investments in debt securities - available-for-sale	-	-	193 791	-	(786)
Term Deposits	205 000	-	-	-	-
Loans and other receivables*	7 178	-	-	-	-
Total	339 525	-	193 791	-	(786)

Investments in debt securities - available-for-sale	30 September 2019 (Unaudited)							
	Gross carrying amounts of debt instruments that pass the SPPI test							
	AAA	AA+	AA-	AA	A+	A	BBB+	Unrated
Investments in debt securities - available-for-sale	40 990	32 228	47 972	-	25 000	-	17 991	29 609
Term deposits	-	-	-	150 000	-	55 000	-	-
Total	40 990	32 228	47 972	150 000	25 000	55 000	17 991	29 609

Participants’ Takaful Fund

Financial assets	30 September 2019 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less impairment	Change in unrealized loss during the period
Cash and bank*	354 386	-	-	-	-
Investments in debt securities - available-for-sale	-	-	673 412	-	(5 263)
Term Deposits	410 000	-	-	-	-
Loans and other receivables*	15 934	-	-	-	-
Total	780 320	-	673 412	-	(5 263)

Rupees '000

	30 September 2019 (Unaudited)							
	Gross carrying amounts of debt instruments that pass the SPPI test							
	AAA	AA+	AA-	AA	A+	A	BBB+	Unrated
Investments in debt securities - available-for-sale	40 990	68 900	67 971	44 825	25 000	-	17 991	407 736
Term deposits	-	-	-	260 000	-	150 000	-	-
Total	40 990	68 900	67 971	304 825	25 000	150 000	17 991	407 736

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

3. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of condensed interim financial statements are consistent with those followed in preparation of the annual financial statement of the Operator for the year ended 31 December 2018.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Operator's operation and do not have any impact on accounting policies of the Operator.

4. Accounting estimates and judgements

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of these condensed interim financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2018.

5. Management of takaful and financial risk

Takaful and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2018.

6. Property and equipment

The details of additions and disposals during the nine months period ended 30 September 2019 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Computers	13	114	-	-
	13	114	-	-

7. Investment in debt securities - available-for-sale

Rupees '000

7.1 Operator's Fund

	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuks	30 530	–	30 530	30 575	–	30 575
Corporate Sukuks	165 477	–	165 477	147 448	–	147 448
	196 007	–	196 007	178 023	–	178 023
Deficit on revaluation	–	–	(2 216)	–	–	(1 430)
	<u>196 007</u>	<u>–</u>	<u>193 791</u>	<u>178 023</u>	<u>–</u>	<u>176 593</u>
7.2 Participants' Takaful Fund						
Fixed Income Securities						
Ijara Sukuks	420 429	–	420 429	670 117	–	670 117
Corporate Sukuks	267 163	–	267 163	197 461	–	197 461
	687 592	–	687 592	867 578	–	867 578
Deficit on revaluation	–	–	(14 180)	–	–	(8 918)
	<u>687 592</u>	<u>–</u>	<u>673 412</u>	<u>867 578</u>	<u>–</u>	<u>858 660</u>

8. Loans and other receivables - considered good

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
8.1 Operator's Fund		
Accrued investment income	6 759	3 087
Security deposits	301	301
Other receivables	118	224
	<u>7 178</u>	<u>3 612</u>
8.2 Participants' Takaful Fund		
Accrued investment income	15 890	9 285
Other receivables	44	790
	<u>15 934</u>	<u>10 075</u>
9. Takaful / retakaful receivables - unsecured and considered good		
9.1 Operator's fund		
These represents amount due from other takaful / retakaful of Operator's Fund.		
9.2 Participants' Takaful Fund		
Due from takaful contract holders	252 851	248 598
Provision for impairment of receivables from takaful contract holders	(1 044)	–
	<u>251 807</u>	<u>248 598</u>
Amounts due from other takaful / retakaful operator	971	–
	<u>252 778</u>	<u>248 598</u>

10. Prepayments

10.1 Operator's Fund

These represents amount paid for annual supervision fees.

Rupees '000

10.2 Participants' Takaful Funds

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Prepaid re-takaful contribution ceded	190 242	129 407
Prepaid charges for vehicle tracking devices	70 924	75 792
	<u>261 166</u>	<u>205 199</u>

11. Cash and bank

	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	OPF	PTF	Aggregate	OPF	PTF	Aggregate
Cash and cash equivalent						
Cash in hand	19	–	19	–	–	–
Policy stamps	–	854	854	–	649	649
Cash at bank						
Current accounts	35	9 765	9 800	30	2 802	2 832
Saving accounts	127 293	343 767	471 060	54 289	232 305	286 594
	<u>127 347</u>	<u>354 386</u>	<u>481 733</u>	<u>54 319</u>	<u>235 756</u>	<u>290 075</u>

12. Other creditors and accruals

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
12.1 Operator's Fund		
Accrued expenses	2 185	1 906
Agent balances	67 679	56 923
Other creditors	1 758	1 297
Retirement benefit obligations	139	128
Payable to EFU General Insurance Limited	1 829	160
	<u>73 590</u>	<u>60 414</u>
12.2 Participants' Takaful Fund		
Federal excise duty and sales tax payable	14 612	20 972
Federal insurance fee payable	1 638	1 905
Other creditors	2 375	6 592
	<u>18 625</u>	<u>29 469</u>

13. Contingencies and commitments

There are no contingencies and commitments as at 30 September 2019 (31 December 2018: Nil).

Rupees '000

14. Net takaful contribution

	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Written gross contribution	671 045	623 519	1 772 881	1 494 336
Unearned contribution reserve opening	1 061 902	844 891	1 050 127	823 906
Unearned contribution reserve closing	(1 161 906)	(1 003 968)	(1 161 906)	(1 003 968)
Contribution earned	571 041	464 442	1 661 102	1 314 274
Less:				
Retakaful contribution ceded	185 437	146 906	288 855	239 070
Prepaid retakaful contribution opening	84 949	75 761	129 406	96 474
Prepaid retakaful contribution closing	(190 241)	(155 956)	(190 241)	(155 956)
Retakaful expense	80 145	66 711	228 020	179 588
Net takaful contribution	490 896	397 731	1 433 082	1 134 686

15. Net wakala expense

Gross wakala expense	186 201	179 892	517 953	439 300
Deferred wakala expense opening	318 994	241 309	309 127	206 827
Deferred wakala expense closing	(337 129)	(291 380)	(337 129)	(291 380)
Net wakala expense	168 066	129 821	489 951	354 747

16. Net takaful claims expense

Claims paid	229 848	168 048	724 374	592 119
Outstanding claims including IBNR opening	(548 101)	(385 814)	(396 875)	(340 118)
Outstanding claims including IBNR closing	633 212	418 443	633 212	418 443
Claims expense	314 959	200 677	960 711	670 444
Less:				
Retakaful and other recoveries received	33 004	13 218	76 950	82 636
Retakaful and other recoveries in respect of outstanding claims opening	(139 996)	(82 925)	(104 603)	(88 944)
Retakaful and other recoveries in respect of outstanding claims closing	125 946	108 239	125 946	108 239
Retakaful and other recoveries revenue	18 954	38 532	98 293	101 931
Net takaful claims expense	296 005	162 145	862 418	568 513

17. Net commission expense

Commission paid or payable	70 341	65 099	182 297	164 530
Deferred commission expense opening	106 327	86 403	106 313	61 094
Deferred commission expense closing	(118 927)	(105 628)	(118 927)	(105 628)
Net commission expense	57 741	45 874	169 683	119 996

Rupees '000

18. Investment income

18.1 Operator's Fund	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Income from debt securities - available-for-sale				
Return on debt securities (Ijara Sukuk)	6 132	1 742	16 295	2 520
Income from term deposits				
Return on term deposits	5 633	1 775	8 727	5 733
	<u>11 765</u>	<u>3 517</u>	<u>25 022</u>	<u>8 253</u>
Add: Modarib share on PTF Investment Income	5 861	2 790	14 875	7 185
Total Investment	<u>17 626</u>	<u>6 307</u>	<u>39 897</u>	<u>15 438</u>

18.2 Participants' Takaful Funds - net of modarib

Income from debt securities - available-for-sale				
Return on debt securities (Ijara Sukuk)	14 736	9 411	42 230	24 023
Income from term deposits				
Return on term deposits	8 708	1 746	17 270	5 228
	<u>23 444</u>	<u>11 157</u>	<u>59 500</u>	<u>29 251</u>
Net realized gains / (losses) on investments Available-for-sale financial assets				
Realized gains on:				
Debt securities	-	-	-	73
Realized losses on:				
Debt securities	-	-	-	(587)
	<u>23 444</u>	<u>11 157</u>	<u>59 500</u>	<u>28 737</u>
Add: Modarib share on PTF Investment Income	(5 861)	(2 790)	(14 875)	(7 185)
Total Investment	<u>17 583</u>	<u>8 367</u>	<u>44 625</u>	<u>21 552</u>

19. Other income**19.1 Other income - OPF**

Profit on bank deposits	1 505	954	5 464	2 850
Modarib share of profit on bank deposits	1 392	582	4 450	1 662
	<u>2 897</u>	<u>1 536</u>	<u>9 914</u>	<u>4 512</u>

19.2 Other income - PTF

Profit on bank deposits	5 566	2 729	17 799	7 048
Modarib share on profit on bank deposits	(1 392)	(582)	(4 450)	(1 662)
Exchange loss	(10)	(2)	(15)	(9)
	<u>4 164</u>	<u>2 145</u>	<u>13 334</u>	<u>5 377</u>

20. Related party transactions

Related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors and employees retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel, which are on employment terms. The transactions and balances with related parties are as follows:

Rupees '000

20.1 Participants' Takaful Funds	Three months period ended		Nine months period ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Others				
Contributions written	8 259	4 916	15 002	8 423
Claim paid	2 321	3 251	4 027	4 758
			30 September 2019 (Unaudited)	31 December 2018 (Audited)
Balances				
Receivable			1 962	747

21. Segment reporting

For the nine months period ended 30 September 2019 (Unaudited)

21.1 Operator's Fund	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	39 891	15 299	424 190	10 571	–	489 951
Management expenses	4 898	2 593	205 055	3 274	–	215 820
Commission expense	23 362	8 918	136 694	709	–	169 683
Net commission and expenses	(28 260)	(11 511)	(341 749)	(3 983)	–	(385 503)
	11 631	3 788	82 441	6 588	–	104 448
Net Investment income						39 897
Other income						9 914
Other expenses						(509)
Profit before tax						153 750
						As at 30 September 2019 (Unaudited)
Corporate segment assets	50 706	5 027	176 026	4 945	–	236 704
Corporate unallocated assets						544 107
Total assets						780 811
Corporate segment liabilities	59 091	6 006	332 278	9 562	–	406 937
Corporate unallocated liabilities						51 639
Total liabilities						458 576

Rupees '000

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

	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	28 341	13 295	295 479	17 632	–	354 747
Management expenses	10 948	4 043	148 629	5 281	–	168 901
Commission expense	16 370	6 678	95 292	1 656	–	119 996
Net commission and expenses	(27 318)	(10 721)	(243 921)	(6 937)	–	(288 897)
	<u>1 023</u>	<u>2 574</u>	<u>51 558</u>	<u>10 695</u>	<u>–</u>	<u>65 850</u>
Net Investment income						15 438
Other income						4 512
Other expenses						(581)
Profit before tax						<u>85 219</u>
						As at 31 December 2018 (Audited)
Corporate segment assets	43 226	9 011	271 746	16 810	–	340 793
Corporate unallocated assets						280 509
Total assets						<u>621 302</u>
Corporate segment liabilities	39 704	8 149	308 033	11 345	–	367 231
Corporate unallocated liabilities						40 440
Total liabilities						<u>407 671</u>

Rupees '000

For the three months period ended 30 September 2019 (Unaudited)

	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	14 191	4 125	147 496	2 254	–	168 066
Management expenses	2 048	781	61 352	1 486	–	65 667
Commission expense	8 324	2 611	46 661	145	–	57 741
Net commission and expenses	(10 372)	(3 392)	(108 013)	(1 631)	–	(123 408)
	<u>3 819</u>	<u>733</u>	<u>39 483</u>	<u>623</u>	<u>–</u>	<u>44 658</u>
Net Investment income						17 626
Other income						2 897
Other expenses						353
Profit before tax						<u>65 534</u>

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

	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	10 633	4 316	108 275	6 597	–	129 821
Management expenses	3 954	1 549	52 082	2 082	–	59 667
Commission expense	6 192	2 306	36 876	500	–	45 874
Net commission and expenses	10 146	3 855	88 958	2 582	–	105 541
	<u>487</u>	<u>461</u>	<u>19 317</u>	<u>4 015</u>	<u>–</u>	<u>24 280</u>
Net investment income						6 307
Other income						1 536
Other expenses						(134)
Profit before tax						<u>31 989</u>

21.2 Participants' Takaful Fund

Rupees '000

For the nine months period ended 30 September 2019 (Unaudited)

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	264 632	59 346	1 638 890	65 982	-	2 028 850
Less: Sales tax	31 114	6 207	190 077	7 541	-	234 939
Stamp duty	34	3 109	151	6	-	3 300
Federal insurance fee	2 312	495	14 344	579	-	17 730
Gross written contribution (inclusive of Administrative surcharge)	231 172	49 535	1 434 318	57 856	-	1 772 881
Gross direct contribution	228 551	47 053	1 232 874	57 633	-	1 566 111
Administrative surcharge	2 621	2 482	201 444	223	-	206 770
Takaful contribution earned	165 948	53 092	1 394 473	47 589	-	1 661 102
Takaful contribution ceded to retakaful	149 217	40 451	4 718	33 634	-	228 020
Net contribution revenue	16 731	12 641	1 389 755	13 955	-	1 433 082
Rebate from retakaful operator	25 155	9 102	16	4 633	-	38 906
Net underwriting income	41 886	21 743	1 389 771	18 588	-	1 471 988
Insurance claims	90 554	17 444	825 432	27 281	-	960 711
Insurance claims recovered from retakaful	81 337	13 932	-	3 024	-	98 293
Net claims	(9 217)	(3 512)	(825 432)	(24 257)	-	(862 418)
Wakala expense	(39 891)	(15 299)	(424 190)	(10 571)	-	(489 951)
PTF direct expense	(18)	(14)	(164 006)	(15)	-	(164 053)
Net insurance claims and expenses	(49 126)	(18 825)	(1 413 628)	(34 843)	-	(1 516 422)
Underwriting result	(7 240)	2 918	(23 857)	(16 255)	-	(44 434)
Net Investment income						44 625
Other income						13 334
Surplus for the period						13 525
						As at 30 September 2019 (Unaudited)
Corporate segment assets	359 547	29 566	469 283	81 849	-	940 245
Corporate unallocated assets						1 522 846
Total assets						2 463 091
Corporate segment liabilities	430 953	58 036	1 414 085	125 848	-	2 028 922
Corporate unallocated liabilities						139 466
Total liabilities						2 168 388

Rupees '000

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

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	201 247	50 533	1 381 620	76 198	–	1 709 598
Less: Sales tax	22 897	5 411	160 685	8 670	–	197 663
Stamp duty	26	2 487	135	5	–	2 653
Federal insurance fee	1 766	422	12 090	668	–	14 946
Gross written contribution (inclusive of Administrative surcharge)	176 558	42 213	1 208 710	66 855	–	1 494 336
Gross direct contribution	174 495	40 161	996 277	66 687	–	1 277 620
Administrative surcharge	2 063	2 052	212 433	168	–	216 716
Takaful contribution earned	114 361	37 978	1 091 407	70 529	–	1 314 275
Takaful contribution ceded to retakaful	102 326	29 730	–	47 533	–	179 589
Net contribution revenue	12 035	8 248	1 091 407	22 996	–	1 134 686
Rebate from retakaful operator	18 003	6 689	–	6 610	–	31 302
Net underwriting income	30 038	14 937	1 091 407	29 606	–	1 165 988
Insurance claims	52 452	15 533	546 371	56 088	–	670 444
Insurance claims recovered from retakaful	47 114	12 269	(281)	42 829	–	101 931
Net claims	(5 338)	(3 264)	(546 652)	(13 259)	–	(568 513)
Wakala expense	(28 341)	(13 295)	(295 479)	(17 632)	–	(354 747)
PTF direct expense	(7)	(5)	(154 747)	(13)	–	(154 772)
Net insurance claims and expenses	(33 686)	(16 564)	(996 878)	(30 904)	–	(1 078 032)
Underwriting result	(3 648)	(1 627)	94 529	(1 298)	–	87 956
Net Investment income						21 552
Other income						5 377
Surplus for the period						114 885
						As at 31 December 2018 (Audited)
Corporate segment assets	206 304	22 346	562 024	100 569		891 243
Corporate unallocated assets						1 299 708
Total assets						2 190 951
Corporate segment liabilities	306 098	56 869	1 344 796	159 521		1 867 284
Corporate unallocated liabilities						37 226
Total liabilities						1 904 510

Rupees '000

For the three months period ended 30 September 2019 (Unaudited)

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	175 680	19 656	518 082	53 215	-	766 633
Less: Sales tax	19 932	2 044	59 911	6 071	-	87 958
Stamp duty	21	842	52	4	-	919
Federal insurance fee	1 542	166	4 536	467	-	6 711
Gross written contribution (inclusive of Administrative surcharge)	154 185	16 604	453 583	46 673	-	671 045
Gross direct contribution	152 769	15 872	392 253	46 525	-	607 419
Administrative surcharge	1 416	732	61 330	148	-	63 626
Takaful contribution earned	61 550	15 642	481 366	12 483	-	571 041
Takaful contribution ceded to retakaful	57 059	11 898	2 044	9 144	-	80 145
Net contribution revenue	4 491	3 744	479 322	3 339	-	490 896
Rebate from retakaful operator	14 630	2 678	16	1 500	-	18 824
Net underwriting income	19 121	6 422	479 338	4 839	-	509 720
Insurance claims	6 471	15 818	284 760	7 910	-	314 959
Insurance claims recovered from retakaful	6 121	12 652	-	181	-	18 954
Net claims	(350)	(3 166)	(284 760)	(7 729)	-	(296 005)
Wakala expense	(14 191)	(4 125)	(147 496)	(2 254)	-	(168 066)
PTF direct expense	(14)	(11)	(53 955)	(11)	-	(53 991)
Net insurance claims and expenses	(14 555)	(7 302)	(486 211)	(9 994)	-	(518 062)
Underwriting result	4 566	(880)	(6 873)	(5 155)	-	(8 342)
Net Investment income						17 583
Other income						4 164
Surplus for the period						13 405

Rupees '000

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

	Fire and property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of FED, Federal insurance fee and Administrative surcharge)	132 569	19 892	570 514	52 675	-	775 650
Less: Sales tax	17 010	3 844	111 657	7 264	-	139 775
Stamp duty	19	1 653	92	4	-	1 768
Federal insurance fee	1 331	292	8 405	561	-	10 589
Gross written contribution (inclusive of Administrative surcharge)	114 210	14 103	450 360	44 846	-	623 519
Gross direct contribution	113 064	13 493	379 552	44 717	-	550 826
Administrative surcharge	1 146	610	70 808	129	-	72 693
Takaful contribution earned	42 531	13 074	382 453	26 384	-	464 442
Takaful contribution ceded to retakaful	39 049	10 164	-	17 498	-	66 711
Net contribution revenue	3 482	2 910	382 453	8 886	-	397 731
Rebate from retakaful operator	10 183	2 287	-	2 228	-	14 698
Net underwriting income	13 665	5 197	382 453	11 114	-	412 429
Insurance claims	9 564	7 697	153 754	29 662	-	200 677
Insurance claims recovered from retakaful	11 310	6 241	(29)	21 010	-	38 532
Net claims	1 746	(1 456)	(153 783)	(8 652)	-	(162 145)
Wakala expense	(10 633)	(4 316)	(108 275)	(6 597)	-	(129 821)
PTF direct expense	(3)	(2)	(67 420)	(6)	-	(67 431)
Net insurance claims and expenses	(8 890)	(5 774)	(329 478)	(15 255)	-	(359 397)
Underwriting result	4 775	(577)	52 975	(4 141)	-	53 032
Net Investment income						8 367
Other income						2 145
Surplus for the period						63 544

22. Movement in investment

22.1 Operator's Fund

Rupees '000

Name of investment	Available-for-sale	Held to maturity	Total
At beginning of previous year	30 481	122 500	152 981
Additions	153 404	586 000	739 404
Disposals (sale and redemptions)	(5 969)	(673 500)	(679 469)
Fair value net gains (excluding net realized gains)	(1 323)	–	(1 323)
At beginning of current year	176 593	35 000	211 593
Additions	68 351	455 000	523 351
Disposals (sale and redemptions)	(50 367)	(285 000)	(335 367)
Fair value net gains (excluding net realized gains)	(786)	–	(786)
At end of period	193 791	205 000	398 791

22.2 Participants' Takaful Fund

Name of investment	Available-for-sale	Held to maturity	Total
At beginning of previous year	606 540	100 000	706 540
Additions	372 528	470 000	842 528
Disposals (sale and redemptions)	(112 769)	(390 000)	(502 769)
Fair value net gains (excluding net realized gains)	(7 639)	–	(7 639)
At beginning of current year	858 660	180 000	1 038 660
Additions	129 613	880 000	1 009 613
Disposals (sale and redemptions)	(309 598)	(650 000)	(959 598)
Fair value net gains (excluding net realized gains)	(5 263)	–	(5 263)
At end of period	673 412	410 000	1 083 412

23 Fair value

23.1 IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

23.2 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

23.3 Operator's Fund

Rupees '000

30 September 2019 (Unaudited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	29 609				29 609		29 609	
Corporate Sukuks	164 182				164 182		164 182	
Financial assets not measured at fair value								
Investments								
Term deposits*			205 000		205 000			
Loans and other receivables*		7 178			7 178			
Takaful / retakaful receivables*		8 129			8 129			
Wakala fee receivable*		109 648			109 648			
Modarib fee receivable*		7 155			7 155			
Cash and bank balances*			127 347		127 347			
	193 791	132 110	332 347		658 248		193 791	
Financial liabilities not measured at fair value								
Other creditors and accruals*				(73 590)	(73 590)			
	193 791	132 110	332 347	(73 590)	584 658	–	193 791	–

31 December 2018 (Audited)

	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuk	29 954				29 954		29 954	
Corporate Sukuks	146 639				146 639		146 639	
Financial assets not measured at fair value								
Investments								
Term deposits*			35 000		35 000			
Loans and other receivables*		3 612			3 612			
Takaful / retakaful receivables*		6 117			6 117			
Wakala fee receivable*		228 363			228 363			
Modarib fee receivable*		7 757			7 757			
Cash and bank balances*			54 319		54 319			
	176 593	245 849	89 319		511 761		176 593	
Financial liabilities not measured at fair value								
Other creditors and accruals*				(60 414)	(60 414)			
	176 593	245 849	89 319	(60 414)	451 347	–	176 593	–

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

23.4 Participants' Takaful Fund

Rupees '000

30 September 2019 (Unaudited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuk	418 942				418 942		418 942	
Corporate Sukuk	254 470				254 470		254 470	
Financial assets not measured at fair value								
Investments								
Term deposits*			410 000		410 000			
Loans and other receivables*		15 934			15 934			
Takaful / retakaful receivables*		252 778			252 778			
Retakaful recoveries against outstanding claims*		125 946			125 946			
Cash and bank balances*			354 386		354 386			
	673 412	394 658	764 386		1 832 456		673 412	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*				(633 212)	(633 212)			
Contributions received in advance*				(4 038)	(4 038)			
Takaful / retakaful payable*				(198 275)	(198 275)			
Wakala fee payable*				(109 648)	(109 648)			
Modarib fee payable*				(7 155)	(7 155)			
Other creditors and accruals*				(18 625)	(18 625)			
	673 412	394 658	764 386	(970 953)	861 503	-	673 412	-
31 December 2018 (Audited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	662 032				662 032		662 032	
Corporate Sukuks	196 628				196 628		196 628	
Financial assets not measured at fair value								
Investments								
Term deposits*			180 000		180 000			
Loans and other receivables*		10 075			10 075			
Takaful / retakaful receivables*		242 481			242 481			
Retakaful recoveries against outstanding claims*		104 603			104 603			
Cash and bank balances*			235 756		235 756			
	858 660	357 159	415 756		1 631 575		858 660	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*				(396 875)	(396 875)			
Contributions received in advance*				(2 796)	(2 796)			
Takaful / retakaful payable*				(168 467)	(168 467)			
Wakala fee payable*				(228 363)	(228 363)			
Modarib fee payable*				(7 757)	(7 757)			
Other creditors and accruals*				(29 469)	(29 469)			
	858 660	357 159	415 756	(833 727)	797 848	-	858 660	-

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

24. Corresponding Figures

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

25. General

Figures have been rounded off to the nearest thousand rupees.

26. Date of authorization for issue of condensed interim financial statements

These condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 26 October 2019.

DAANISH BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 26 October 2019

