

GROWTH WITH STABILITY

INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2018





GROWTH WITH STABILITY

Adamjee aspires to grow without compromising on outstanding performance to its customers. The journey to success is riddled with risks and dangers, that only the strongest and most experienced of the entities can make through. Adamjee's strength is represented by a tree, the roots of which nourish the tree with values learned from experience. The branches of this tree spread out to explore every possible avenue that leads to Adamjee's success.



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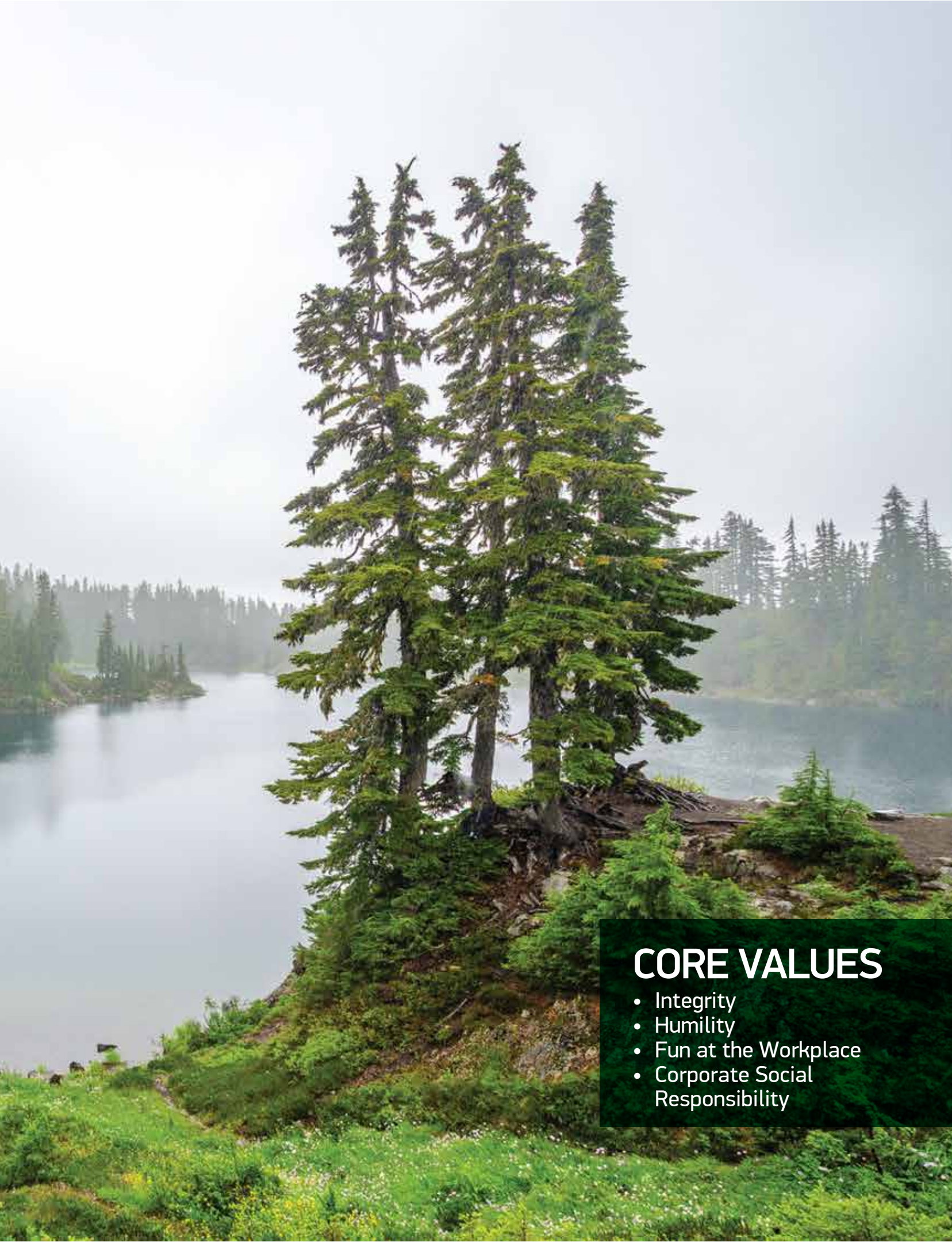
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VISION

Our will is to explore, innovate and differentiate.

Our passion is to provide leadership to insurance industry.



CORE VALUES

- Integrity
- Humility
- Fun at the Workplace
- Corporate Social Responsibility

COMPANY INFORMATION

BOARD OF DIRECTORS

Umer Mansha	Chairman
Ibrahim Shamsi	Director
Imran Maqbool	Director
Muhammad Anees	Director
Muhammad Arif Hameed	Director
Muhammad Umar Virk	Director
Shaikh Muhammad Jawed	Director
Muhammad Ali Zeb	Managing Director & CEO

ADVISOR

Mian Muhammad Mansha

AUDIT COMMITTEE

Muhammad Anees	Chairman
Ibrahim Shamsi	Member
Shaikh Muhammad Jawed	Member
Umer Mansha	Member

ETHICS, HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Anees	Chairman
Ibrahim Shamsi	Member
Muhammad Ali Zeb	Member
Umer Mansha	Member

INVESTMENT COMMITTEE

Umer Mansha	Chairman
Imran Maqbool	Member
Muhammad Ali Zeb	Member
Muhammad Asim Nagi	Member

COMPANY SECRETARY

Tameez ul Haque
F.C.A

CHIEF FINANCIAL OFFICER

Muhammad Asim Nagi
A.C.A

EXECUTIVE MANAGEMENT TEAM

Muhammad Ali Zeb
Muhammad Asim Nagi
Adnan Ahmad Chaudhry
Asif Jabbar
Muhammad Salim Iqbal

AUDITORS

M/S KPMG Taseer Hadi & Company
Chartered Accountants
351, Shadman - 1,
Main Jail Road,
Lahore-54000, Pakistan

SHARIAH ADVISOR

Mufti Muhammad Hassan Kaleem

SHARES REGISTRAR

Central Depository Company Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi – 74400.
Ph: (92-21) 111-111-500
Fax: (92-21) 34326031

BANKERS

Abu Dhabi Commercial Bank
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Dubai Islamic Bank Pakistan Limited
Emirates Islamic Bank
FINCA Microfinance Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
Khushali Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
Mobilink Microfinance Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Punjab Provincial Cooperative Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited

REGISTERED OFFICE

4th Floor, 27-C-III, Tanveer Building, M M Alam
Road, Gulberg –III, Lahore -54000, Pakistan
Ph: (92-42) 35772960-79 , Fax: (92-42) 35772868
Email: info@adamjeeinsurance.com,
Web: www.adamjeeinsurance.com

Directors' Report to the Members on Unconsolidated Condensed Interim Financial Information

For the Six Months Ended 30 June 2018

On behalf of the Board, we are pleased to present the unconsolidated condensed interim financial information of the Company for the Six Months Ended 30 June 2018.

Financial Highlights

The highlights for the period under review are as follows:

	30 June 2018	30 June 2017
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Gross Premium Written	9,648,166	10,035,917
Net Premium Revenue	6,380,752	5,738,936
Underwriting results	584,775	376,574
Investment Income	1,078,520	1,126,429
Profit before tax	1,692,013	1,538,860
Profit after tax	1,050,321	1,061,113
Earnings per share (Rupees)	3.00	3.03

Performance Review

The Gross Premium of the Company has decreased by 3.9% while the Net Premium of the Company has increased by 11.2%. Overall underwriting results have improved by 55.3% over the corresponding period of last year with Miscellaneous and Motor line of business leading the underwriting performance with an underwriting profit of Rs. 188,770 thousands and Rs. 183,637 thousands, respectively. The profit before tax has increased by 10% while the investment income and profit after tax have decreased by 4.3% and 1% respectively, due to higher current tax charge.

Window Takaful Operations

The Company commenced business under Window Takaful Operations on 01 January 2016. The written contribution and surplus of Participants' Takaful Fund amount to Rs.546,281 thousands (2017: Rs.409,059 thousands) and Rs.10,664 thousands (2017: Rs.1,070 thousands), respectively. Most of the growth in contribution written came from Motor and Fire & Property Damage line of business which showed an increase of 129% and 40% respectively. Window Takaful Operations contributed a profit before tax of Rs.44,281 thousands (2017: Rs.31,025 thousands) to the overall profit of the company for the period ended 30 June 2018.

Future Outlook

Investments related to China-Pakistan Economic Corridor (CPEC), operationalization of new power projects supported by stable political conditions, the GDP is expected to accelerate to 6 percent in 2018. A stable and positive regulatory regime going forward is expected to enable the insurance industry to grow faster and increase penetration across the country.

Acknowledgements

We thank our shareholders, valued customers, employees and development staff for their consistent support that has helped Adamjee Insurance emerge as one of the Pakistan's leading insurance companies. We are also grateful to the Securities & Exchange Commission of Pakistan and the State Bank of Pakistan for their continued guidance and assistance.

For and on behalf of the Board of Directors



Ibrahim Shamsi
Director



Muhammad Ali Zeb
Managing Director &
Chief Executive Officer

Lahore: 28 August 2018

غیر مجتمع مختصر عبوری مالیاتی معلومات پر ممبران کو ڈائریکٹرز کی جائزہ رپورٹ بابت ششماہی مختتمہ 30 جون 2018ء

بورڈ کی جانب سے 30 جون 2018ء کو ختم ہونے والی ششماہی کیلئے کمپنی کے غیر مجتمع عبوری مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کی جھلکیاں درج ذیل ہیں:

30 جون 2017ء	30 جون 2018ء
ہزار روپے میں	
(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)
10,035,917	9,648,166
5,738,936	6,380,752
376,574	584,775
1,126,429	1,078,520
1,538,860	1,692,013
1,061,113	1,050,321
3.03	3.00

تحریر شدہ مجموعی پریمیوم
خالص پریمیوم ریونیو
انڈر رائٹنگ ریٹنس
سرمایہ کاری سے آمدنی
منافع قبل از ٹیکس
منافع بعد از ٹیکس
آمدنی فی شیئر (روپے)

کارکردگی کا جائزہ

کمپنی کا مجموعی پریمیوم 3.9% تک کم ہو گیا ہے جبکہ کمپنی کا خالص پریمیوم 11.2% تک بڑھ گیا ہے۔ تمام ٹرانڈر رائٹنگ (یعنی ضمانتوں) میں متفرقات اور گارنٹیوں کی اقسام کے کاروبار کے ساتھ پچھلے سال کے مطابق عرصے پر 55.3% تک بہتر ہو چکا ہے جس نے انڈر رائٹنگ کی کارکردگی کو اعلیٰ ترتیب -/188,770 ہزار روپے اور -/183,637 ہزار روپے کے انڈر رائٹنگ منافع جات تک پہنچا دیا۔

قبل از ٹیکس منافع 10% تک بڑھ گیا جبکہ آمدن سرمایہ کاری اور بعد از ٹیکس منافع حالیہ بلندیس چارج کی وجہ سے اعلیٰ ترتیب 4.3% اور 1% کم ہو گیا۔

ونڈ وٹکافل آپریشنز (دریچہ برائے افعال نکافل)

کمپنی نے ونڈ وٹکافل آپریشنز کے تحت کاروبار کا آغاز یکم جنوری 2016ء سے کیا۔ تحریر کردہ حصہ اور نکافل فنڈ کے شرکاء کا فاضل اعلیٰ ترتیب -/546,281 ہزار روپے (2017ء: -/409,059 ہزار روپے) اور 10 664/- ہزار روپے (2017ء: -/1,070 ہزار روپے) ہیں۔ تحریر کردہ ضمانت شدہ حصے میں اضافہ زیادہ تر موٹرو اور فائر اور املاک کے نقصان کی اقسام کے کاروبار سے ہوا جس نے اعلیٰ ترتیب 129% اور 40% تک اضافے کو ظاہر کیا۔ ونڈ وٹکافل آپریشنز نے -/44,281 ہزار روپے (2017ء: -/31,025 ہزار روپے) کے قبل از ٹیکس منافع میں اپنا حصہ ڈالتے ہوئے 30 جون 2018ء پر ختم شدہ عرصے کیلئے کمپنی کے مجموعی منافع کی تشکیل کی۔

توقعات مستقبل

پاک چین اقتصادی راہداری (سی بیک) سے متعلق سرمایہ کاریوں کو اتانائی کے نئے منصوبوں کے فعال ہوجانے کے عمل کے ساتھ ساتھ مستحکم سیاسی صورتحال کی اعانت سے، بشرح نمونہ 2018ء میں 6% تک حرکت پذیر ہونے کی توقع ہے۔ آئندہ کیلئے ایک مستحکم اور مثبت انضباطی نظام کی توقع ہے تاکہ نیسے کی صنعت ملک بھر میں زیادہ سے زیادہ جھلنے پھولنے اور ترقی کرنے کے قابل ہو جائے۔

اعتراف

ہم اپنے شیئرز بولڈرز، معزز صارفین، ملازمین اور ترقیاتی عملے ان کی مستقل معاونت پر تہ دل سے شکر یہ ادا کرتے ہیں جس نے آدھی انشورنس کو پاکستان کی بڑی انشورنس کمپنیوں میں سے ایک بنایا۔ ہم سکیورٹی ریڈ اینڈ ایچ جی کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی مستقل کی معاونت اور فراہم کردہ رہنمائی کو بھی سراہتے ہیں۔

منجانب و برائے بورڈ آف ڈائریکٹرز



محمد علی زیب

چیئرمین ڈائریکٹرز اینڈ چیف ایگزیکٹو آفیسر



ابراہیم شمس

ڈائریکٹر

لاہور: 28 اگست 2018ء

UNCONSOLIDATED

Condensed Interim
Financial Information
for the Six Months
Ended
30 June 2018
(Unaudited)



Independent Auditors' Review Report

To the members of Adamjee Insurance Company Limited (“the Company”)

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Adamjee Insurance Company Limited (“the Company”)** as at 30 June 2018 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flow, unconsolidated condensed interim statement of changes in equity, and notes to the financial information for the six-months period then ended 30 June 2018 (here-in-after referred to as the “unconsolidated condensed interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the unconsolidated condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity”. A review of unconsolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the three months period ended 30 June 2018 in the unconsolidated condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' report is Mr. Bilal Ali.

Lahore: 28 August 2018

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Adamjee Insurance Company Limited
Unconsolidated Condensed Interim Statement of Financial Position (Un-audited)
As at 30 June 2018

		(Un-audited) 30 June 2018	(Audited) 31 December 2017
	Note	----- (Rupees in thousand) ----- (Restated)	
<u>Assets</u>			
Property and equipment	9	2,942,095	2,585,278
Intangible assets	10	30,638	34,242
Investment in subsidiary	11	694,895	694,895
<i>Investments</i>			
Equity securities	12	18,388,652	19,168,426
Debt securities	13	447,242	441,832
Term deposits	14	3,284,213	2,020,494
Loans and other receivables	15	598,718	354,629
Insurance / reinsurance receivables - unsecured and considered good	16	7,066,864	6,770,967
Reinsurance recoveries against outstanding claims		6,476,349	7,709,161
Salvage recoveries accrued		367,734	347,289
Deferred commission expense / acquisition cost	23	855,030	733,631
Taxation - payment less provisions		-	82,087
Prepayments	17	2,834,425	2,511,060
Cash and bank	18	1,968,352	2,278,614
		45,955,207	45,732,605
Total assets of Window Takaful Operations - Operator's Fund	7	323,852	241,249
TOTAL ASSETS		46,279,059	45,973,854
<u>EQUITY AND LIABILITIES</u>			
<u>Capital and reserves attributable to Company's equity holders</u>			
Authorized share capital 375,000,000 (2017: 375,000,000) ordinary shares of Rs 10 each		3,750,000	3,750,000
Ordinary share capital		3,500,000	3,500,000
Reserves	19	3,481,800	4,010,923
Unappropriated profit		12,564,285	11,863,964
Total Equity		19,546,085	19,374,887
<u>Liabilities</u>			
<u>Underwriting provisions:</u>			
Outstanding claims including IBNR	22	10,636,120	11,485,744
Unearned premium reserve	21	9,751,460	8,912,498
Unearned reinsurance commission	23	242,026	240,306
Retirement benefits obligations		170,425	154,396
Deferred taxation		850,947	1,143,278
Premium received in advance		453,845	316,692
Insurance / reinsurance payables		1,597,274	1,668,516
Other creditors and accruals	20	2,783,307	2,536,187
Taxation - provision less payment		52,094	-
		26,537,498	26,457,617
Total liabilities of Window Takaful Operations - Operator's Fund	7	195,476	141,350
TOTAL EQUITY AND LIABILITIES		46,279,059	45,973,854
Contingencies and commitments	8		

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)
 For the three and six months period ended 30 June 2018

		(Unaudited)			
		Three months period ended		Six months period ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
Note		----- (Rupees in thousand) -----			
Net insurance premium	21	3,233,557	2,832,744	6,380,752	5,738,936
Net insurance claims	22	(2,020,307)	(1,910,780)	(3,831,484)	(3,721,521)
Premium deficiency reserve		-	47,171	-	47,171
Net commission and other acquisition costs	23	(323,494)	(264,150)	(602,641)	(512,693)
Insurance claims and acquisition expenses		(2,343,801)	(2,127,759)	(4,434,125)	(4,187,043)
Management expenses	24	(698,489)	(602,061)	(1,361,852)	(1,175,319)
Underwriting results		191,267	102,924	584,775	376,574
Investment income	25	531,933	450,581	1,078,520	1,126,429
Rental income		2,515	1	5,030	1,614
Other income	26	24,519	19,630	43,430	53,312
Other expenses	27	(34,996)	(23,059)	(67,109)	(49,891)
Results of operating activities		715,238	550,077	1,644,646	1,508,038
Exchange gain / (loss)		1,390	(448)	3,086	(203)
Profit from 'Window Takaful Operations'	7	24,471	16,145	44,281	31,025
Profit before tax		741,099	565,774	1,692,013	1,538,860
Income tax expense		(354,177)	(185,821)	(641,692)	(477,747)
Profit after tax		386,922	379,953	1,050,321	1,061,113
		----- (Rupees) -----		----- (Rupees) -----	
Earnings per share - basic and diluted	28	1.11	1.08	3.00	3.03

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.




 Chairman



 Director



 Director



 Chief Financial Officer



 Managing Director &
 Chief Executive Officer

Adamjee Insurance Company Limited

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the three and six months period ended 30 June 2018

Business Underwritten Inside Pakistan

	(Unaudited)			
	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	----- (Rupees in thousand) -----			
Net insurance premium	1,751,181	1,566,621	3,508,781	3,208,812
Net insurance claims	(899,469)	(806,908)	(1,763,415)	(1,651,238)
Premium deficiency reserve	-	-	-	-
Net commission and other acquisition costs	(147,073)	(100,907)	(244,868)	(193,983)
Insurance claims and acquisition expenses	(1,046,542)	(907,815)	(2,008,283)	(1,845,221)
Management expenses	(503,370)	(465,902)	(986,224)	(909,223)
Underwriting results	201,269	192,904	514,274	454,368
Investment income	513,600	418,447	1,048,461	1,034,751
Rental income	2,515	-	5,030	-
Other income	17,526	21,216	29,637	53,312
Other expenses	(33,106)	(21,395)	(62,456)	(48,084)
Results of operating activities	701,804	611,172	1,534,946	1,494,347
Exchange gain / (loss)	1,505	(448)	3,201	(203)
Profit from 'Window Takaful Operations'	24,471	16,145	44,281	31,025
Profit before tax	727,780	626,869	1,582,428	1,525,169

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the three and six months period ended 30 June 2018

Business Underwritten Outside Pakistan

	(Unaudited)			
	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	----- (Rupees in thousand) -----			
Net insurance premium	1,482,376	1,266,123	2,871,971	2,530,124
Net insurance claims	(1,120,838)	(1,103,872)	(2,068,069)	(2,070,283)
Premium deficiency reserve	-	47,171	-	47,171
Net commission and other acquisition costs	(176,421)	(163,243)	(357,773)	(318,710)
Insurance claims and acquisition expenses	(1,297,259)	(1,219,944)	(2,425,842)	(2,341,822)
Management expenses	(195,119)	(136,159)	(375,628)	(266,096)
Underwriting results	(10,002)	(89,980)	70,501	(77,794)
Investment income	18,333	32,134	30,059	91,678
Rental income	-	1	-	1,614
Other income	6,993	(1,586)	13,793	-
Other expenses	(1,890)	(1,664)	(4,653)	(1,807)
Results of operating activities	13,434	(61,095)	109,700	13,691
Exchange loss	(115)	-	(115)	-
Profit from 'Window Takaful Operations'	-	-	-	-
Profit / (loss) before tax	13,319	(61,095)	109,585	13,691

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three and six months period ended 30 June 2018


	(Unaudited)			
	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	----- (Rupees in thousand) -----			
	<i>(Restated)</i>		<i>(Restated)</i>	
Profit after tax for the period	386,922	379,953	1,050,321	1,061,113
<u>Other comprehensive income</u>				
<i>Items that may be reclassified subsequently to profit and loss:</i>				
Unrealized appreciation / (diminution) on 'available for sale' net of tax	(1,325,269)	(977,485)	(579,389)	(934,696)
Other comprehensive (loss) / income from window takaful operations net of tax	(1,201)	(588)	(442)	(118)
Effect of currency translation of investment in foreign branches - net of tax	28,315	4,068	50,708	4,508
Total comprehensive (loss) / income for the period	(911,233)	(594,052)	521,198	130,807

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the six months period ended 30 June 2018

	Six months period ended	
	30 June 2018	30 June 2017
------(Rupees in thousand)-----		
<u>Operating cash flows</u>		
a) Underwriting activities		
Insurance premium received	9,805,389	9,269,081
Reinsurance premiums paid	(3,143,166)	(2,712,534)
Claims paid	(7,228,627)	(4,381,538)
Surrenders paid	(29,961)	(38,607)
Reinsurance and other recoveries received	3,485,396	1,234,236
Commissions paid	(809,623)	(814,928)
Commissions received	257,857	321,765
Other underwriting payments	(1,449,565)	(1,583,625)
Net cash inflow from underwriting activities	887,700	1,293,850
b) Other operating activities		
Income tax paid	(495,905)	(427,699)
Other operating payments	(50,424)	(42,320)
Loans advanced	(30,356)	(26,577)
Loans repayments received	26,882	24,870
Other operating receipts	10,513	2,721
Net cash (outflow) from other operating activities	(539,290)	(469,005)
Total cash inflow from all operating activities	348,410	824,845
<u>Investment activities</u>		
Profit / return received on bank deposits	39,604	49,273
Return on Pakistan investment bonds	-	14,017
Income received from TFCs	-	430
Income from treasury bills	20,050	4,294
Dividends received	709,629	712,129
Rentals received	6,380	1,614
Payments for investments	(5,723,397)	(6,026,078)
Proceeds from disposal of investments	5,004,725	5,090,226
Fixed capital expenditure - tangible assets	(409,222)	(229,360)
Fixed capital expenditure - intangible assets	(2,468)	(7,292)
Proceeds from disposal of property and equipment	11,812	12,261
Total cash (outflow) from investing activities	(342,887)	(378,486)
<u>Financing activities</u>		
Dividends paid	(315,785)	(846,466)
Repatriation of funds	-	-
Total cash (outflow) from financing activities	(315,785)	(846,466)
Net cash (outflow) from all activities	(310,262)	(400,107)
Cash and cash equivalents at beginning of six months period - Restated	2,278,614	3,811,171
Cash and cash equivalents at end of six months period	1,968,352	3,411,064

Six months period ended	
30 June	30 June
2018	2017
----- (Rupees in thousand) -----	

Reconciliation to profit and loss account

Operating cash flows	348,410	824,845
Depreciation expense	(62,185)	(59,490)
Provision for gratuity	(16,029)	(9,543)
Other income - bank and term deposits	64,870	46,845
Gain on disposal of property and equipment	4,619	5,548
Rental income	5,030	1,614
(Decrease) / increase in assets other than cash	(111,288)	3,003,095
Decrease / (increase) in liabilities other than borrowing	716,736	(2,398,396)
Profit on sale of investments	449,506	670,419
Amortization of intangibles	(7,881)	(6,114)
Increase in unearned premium	(838,962)	(1,454,399)
Increase in loans	3,474	1,707
Income taxes paid	495,905	427,699
Provision for impairment in value of 'available for sale' investments	(71,686)	(280,943)
Dividend and other income	651,730	709,060
Income from treasury bills	12,767	10,031
Return on Pakistan investment bonds	-	12,857
Income from TFCs	2,716	3,000
Profit for the period from Window Takaful Operations	44,281	31,025
Profit before taxation	1,692,013	1,538,860

30 June	30 June
2018	2017
----- (Rupees in thousand) -----	

Cash for the purposes of the statement of cash flows consists of:

Cash and other equivalents	5,458	3,268
Current and other accounts	1,962,894	3,407,796
Total cash and cash equivalents	1,968,352	3,411,064

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.



Chairman



Director



Director



Chief Financial Officer



**Managing Director &
Chief Executive Officer**

Adamjee Insurance Company Limited
Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the six months period ended 30 June 2018

Business Underwritten Inside Pakistan

Six months period ended	
30 June 2018	30 June 2017
------(Rupees in thousand)-----	

Operating cash flows

a) Underwriting activities

Insurance premium received	6,699,970	5,686,841
Reinsurance premiums paid	(3,004,175)	(2,431,310)
Claims paid	(4,169,425)	(1,794,910)
Surrenders paid	(29,961)	(38,607)
Reinsurance and other recoveries received	2,363,823	230,936
Commissions paid	(457,643)	(380,638)
Commissions received	254,023	285,697
Other underwriting payments	(1,004,277)	(1,299,234)
Net cash inflow from underwriting activities	652,335	258,775

b) Other operating activities

Income tax paid	(495,905)	(427,699)
Other operating payments	(45,656)	(39,970)
Loans advanced	(22,067)	(21,836)
Loans repayments received	20,612	20,687
Other operating receipts	10,513	2,721
Net cash (outflow) from other operating activities	(532,503)	(466,097)

Total cash inflow / (outflow) from all operating activities

119,832	(207,322)
----------------	------------------

Investment activities

Profit / return received on bank deposits	25,161	45,998
Return on Pakistan investment bonds	-	14,017
Income received from TFCs	-	430
Income from treasury bills	20,050	4,294
Dividends received	709,629	712,129
Rentals received	6,380	-
Payments for investments	(2,492,789)	(6,025,219)
Proceeds from disposal of investments	2,847,009	5,090,226
Fixed capital expenditure - tangible assets	(402,750)	(224,854)
Fixed capital expenditure - intangible assets	(185)	(3,001)
Proceeds from disposal of property and equipment	11,647	12,261
Total cash inflow / (outflow) from investing activities	724,152	(373,719)

Financing activities

Dividends paid	(315,785)	(846,466)
Repatriation of funds	-	-
Total cash (outflow) from financing activities	(315,785)	(846,466)

Net cash inflow / (outflow) from all activities

528,199	(1,427,507)
----------------	--------------------

Cash and cash equivalents at beginning of six months period- Restated

1,107,208	2,597,087
------------------	------------------

Cash and cash equivalents at end of six months period

1,635,407	1,169,580
------------------	------------------

Six months period ended	
30 June 2018	30 June 2017

------(Rupees in thousand)-----

Reconciliation to profit and loss account

Operating cash flows	119,832	(207,322)
Depreciation expense	(51,245)	(47,036)
Provision for gratuity	(7,625)	(8,141)
Other income - bank and term deposits	20,652	45,993
Gain on disposal of property and equipment	4,985	5,548
Rental income	5,030	-
(Decrease) / increase in assets other than cash	(560,634)	2,720,249
Decrease / (increase) in liabilities other than borrowing	1,266,870	(1,476,357)
Profit on sale of investments	449,506	581,617
Amortization of intangibles	(4,766)	(4,816)
Increase in unearned premium	(797,345)	(996,420)
Increase in loans	1,455	1,149
Income taxes paid	495,905	427,699
Provision for impairment in value of 'available for sale' investments	(71,686)	(280,943)
Dividend and other income	651,730	707,036
Income from treasury bills	12,767	10,031
Return on Pakistan investment bonds	-	12,857
Income from TFCs	2,716	3,000
Profit for the period from Window Takaful Operations	44,281	31,025
Profit before taxation	1,582,428	1,525,169

30 June 2018	30 June 2017
-----------------	-----------------

------(Rupees in thousand)-----

Cash for the purposes of the statement of cash flows consists of:

Cash and other equivalents	5,440	3,268
Current and other accounts	1,629,967	1,166,312
Total cash and cash equivalents	1,635,407	1,169,580

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the six months period ended 30 June 2018

Business Underwritten Outside Pakistan

	Six months period ended	
	30 June 2018	30 June 2017
	----- (Rupees in thousand) -----	
<u>Operating cash flows</u>		
a) Underwriting activities		
Insurance premium received	3,105,419	3,582,240
Reinsurance premiums paid	(138,991)	(281,224)
Claims paid	(3,059,202)	(2,586,628)
Surrenders paid	-	-
Reinsurance and other recoveries received	1,121,573	1,003,300
Commissions paid	(351,980)	(434,290)
Commissions received	3,834	36,068
Other underwriting payments	(445,288)	(284,391)
Net cash inflow from underwriting activities	235,365	1,035,075
b) Other operating activities		
Income tax paid	-	-
Other operating payments	(4,768)	(2,350)
Loans advanced	(8,289)	(4,741)
Loans repayments received	6,270	4,183
Other operating receipts	-	-
Net cash (outflow) from other operating activities	(6,787)	(2,908)
Total cash inflow from all operating activities	228,578	1,032,167
<u>Investment activities</u>		
Profit / return received on bank deposits	14,443	3,275
Return on Pakistan investment bonds	-	-
Income received from TFCs	-	-
Income from treasury bills	-	-
Dividends received	-	-
Rentals received	-	1,614
Payments for investments	(3,230,608)	(859)
Proceeds from disposal of investments	2,157,716	-
Fixed capital expenditure - tangible assets	(6,472)	(4,506)
Fixed capital expenditure - intangible assets	(2,283)	(4,291)
Proceeds from disposal of property and equipment	165	-
Total cash (outflow) from investing activities	(1,067,039)	(4,767)
<u>Financing activities</u>		
Dividends paid	-	-
Repatriation of funds	-	-
Total cash inflow / (outflow) from financing activities	-	-
Net cash (outflow) / inflow from all activities	(838,461)	1,027,400
Cash and cash equivalents at beginning of six months period - Restated	1,171,406	1,214,084
Cash and cash equivalents at end of six months period	332,945	2,241,484

Six months period ended	
30 June	30 June
2018	2017
----- (Rupees in thousand) -----	

Reconciliation to profit and loss account

Operating cash flows	228,578	1,032,167
Depreciation expense	(10,940)	(12,454)
Provision for gratuity	(8,404)	(1,402)
Other income - bank deposits	44,218	852
Loss on disposal of property and equipment	(366)	-
Rental income	-	1,614
Increase in assets other than cash	449,346	282,846
Increase in liabilities other than borrowing	(550,134)	(922,039)
Profit on sale of investments	-	88,802
Amortization of intangibles	(3,115)	(1,298)
Increase in unearned premium	(41,617)	(457,979)
Increase in loans	2,019	558
Income taxes paid	-	-
Provision for impairment in value of 'available-for-sale' investments	-	2,024
Dividend and other income	-	-
Income from treasury bills	-	-
Return on Pakistan investment bonds	-	-
Income from TFCs	-	-
Profit for the period from Window Takaful Operations	-	-
Profit before taxation	109,585	13,691

30 June	30 June
2018	2017
----- (Rupees in thousand) -----	

Cash for the purposes of the statement of cash flows consists of:


Cash and other equivalents	18	-
Current and other accounts	332,927	2,241,484
Total cash and cash equivalents	332,945	2,241,484

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)
 For the six months period ended 30 June 2018

	Share capital	Capital reserves			Revenue reserves			Total
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	General reserve	Fair Value Reserve	Unappropriated Profit	
(Rupees in thousand)								
Balance as at 31 December 2016 - (Audited) as previously reported	3,500,000	22,859	3,764	443,711	936,500	-	12,093,769	17,000,603
Effect of restatement as disclosed in note 4.1.5	-	-	-	-	-	4,117,400	-	4,117,400
Balance as at 31 December 2016 - (Audited) - (Restated)	3,500,000	22,859	3,764	443,711	936,500	4,117,400	12,093,769	21,118,003
<u>Comprehensive income for the period ended 30 June 2017</u>								
Profit for the six months period 01 Jan 2017 to 30 June 2017	-	-	-	-	-	-	1,061,113	1,061,113
Other comprehensive (loss) / income for the six months period 01 Jan 2017 to 30 June 2017	-	-	-	4,508	-	(934,814)	-	(930,306)
Total comprehensive income for the period	-	-	-	4,508	-	(934,814)	1,061,113	130,807
<u>Transactions with owners of the Company</u>								
Final dividend for the year ended 31 December 2016 @ 25% (Rupee 2.5/- per share)	-	-	-	-	-	-	(875,000)	(875,000)
Balance as at 30 June 2017 - (Unaudited) - (Restated)	3,500,000	22,859	3,764	448,219	936,500	3,182,586	12,279,882	20,373,810
<u>Comprehensive income for the period ended 31 December 2017</u>								
Profit for the period 01 July 2017 to 31 December 2017	-	-	-	-	-	-	160,115	160,115
Other comprehensive (loss) / income for the period 01 July 2017 to 31 December 2017	-	-	-	18,881	-	(601,886)	(51,033)	(634,038)
Total comprehensive income for the period	-	-	-	18,881	-	(601,886)	109,082	(473,923)
Balance as at 31 December 2017 - (Audited) - (Restated)	3,500,000	22,859	3,764	467,100	936,500	2,580,700	12,388,964	19,899,887
<u>Transactions with owners of the Company</u>								
Interim dividend for the year ended 30 June 2017 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	(525,000)	(525,000)
Balance as at 31 December 2017 - (Audited) - (Restated)	3,500,000	22,859	3,764	467,100	936,500	2,580,700	11,863,964	19,374,887
<u>Comprehensive income for the year ended 30 June 2018</u>								
Profit for the period 01 Jan 2018 to 30 June 2018	-	-	-	-	-	-	1,050,321	1,050,321
Other comprehensive (loss) / income for the period 01 Jan 2018 to 30 June 2018	-	-	-	50,708	-	(579,831)	-	(529,123)
Total comprehensive income for the period	-	-	-	50,708	-	(579,831)	1,050,321	521,198
<u>Transactions with owners of the Company</u>								
Final dividend for the year ended 31 December 2017 @ 10% (Rupee 1/- per share)	-	-	-	-	-	-	(350,000)	(350,000)
Balance as at 30 June 2018 - (Unaudited)	3,500,000	22,859	3,764	517,808	936,500	2,000,869	12,564,285	19,546,085

The annexed notes 1 to 36 form an integral part of this unconsolidated condensed interim financial information.


 Chairman


 Director


 Director


 Chief Financial Officer


 Managing Director &
 Chief Executive Officer

Adamjee Insurance Company Limited

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

For the six months ended 30 June 2018

1 Legal status and nature of business

Adamjee Insurance Company Limited ("the Company") is a public limited Company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange and is engaged in the general insurance business. The registered office of the Company is situated at Tanveer Building, 27-C-III, MM Alam Road, Gulberg III, Lahore.

The Company also operates branches in the United Arab Emirates (UAE) and the Export Processing Zone (EPZ).

The Company was granted authorization on 23 December 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and commenced Window Takaful Operations on 01 January 2016.

2 Basis of preparation

This unconsolidated condensed interim financial information of the Company for the half year ended 30 June 2018 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting and the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 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 differ, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 shall prevail.

In terms of the requirements of the Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator Fund of the Window Takaful operations of the Company have been presented as a single line item in the statement of financial position and profit and loss account of the Company respectively. A separate set of statement of financial position of the Window Takaful operations has been annexed to this financial information as per the requirements of the Takaful Rules, 2012.

This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Company for the year ended 31 December 2017. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2017, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in equity and interim cash flow statement and related notes are extracted from condensed interim financial information of the Company for the six months' period ended 30 June 2017.

This unconsolidated condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

This unconsolidated condensed interim financial information is presented in Pakistan Rupees which is the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

3 Basis of measurement

This unconsolidated condensed interim financial information have been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value. All transactions reflected in this financial information are on accrual basis except for those reflected in cash flow statements.

4 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of the unconsolidated condensed interim financial information are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2017 except for the changes mentioned below:

4.1 Change in accounting policy

4.1.1 Application of Insurance Rules 2017 and Insurance Accounting Regulation 2017

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated 9 February 2017 has issued the and Insurance Rules, 2017 Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations 2017). The application of these Rules and Accounting Regulations, 2017 for the purpose of preparation and presentation of the financial statements was effective from 1 April 2017. SECP had granted Company exemption from application of Rules and Accounting Regulations 2017 to the Company till 31 December 2017. Therefore, the application of Rules and Accounting Regulations 2017 became effective from the accounting year commencing from 01 January 2018.

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

The effect of each of the above change is given below:

4.1.2 Available for sale investments

Previously, the Company recorded its 'available for sale' investments at cost and remeasured them at lower of cost or market value (market value being taken as lower of the reduction other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002. As per Insurance Rules 2017, 'available for sale' investments are now initially measured at cost and subsequently remeasured at fair value at each reporting date. The unrealized gains and losses arising from changes in fair values are directly recognized in equity in the year in which these arise. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the profit and loss account as gains and losses from investment securities. The investment for which quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology.

The Company assesses at each statement of financial position date whether there is an objective evidence that the financial asset is impaired. If any such evidence exists for an 'available for sale' asset, the accumulated loss is removed from equity and recognized in the profit and loss account. Impairment loss recognized in the profit and loss account on equity instruments is not reversed through the profit and loss account. The said change in accounting policy has been made in accordance with the requirements of IAS 8 'Accounting Policies, change in accounting estimates and errors' as disclosed in note 4.1.5 of this unconsolidated condensed interim financial information.

4.1.3 Presentation of financial statements

The Company has adopted format for preparation and presentation of its condensed interim financial information in line with the requirements of the Rules and Accounting Regulations 2017. Significant changes in presentation are rearrangements in sequence of assets / liabilities in the statement of financial position; presentation of single profit or loss account instead of segment wise (classes of business) presentation and discontinuation of separate statements of Premiums, Claims, Expense and Investment Income. The segment wise premiums, claims and expenses and investment income is now included in notes to the unconsolidated condensed interim financial information (note 21, 22, 23 and 25). Furthermore term deposits are now included in investments instead of cash and cash equivalent in line with the requirements of Insurance Rules and Accounting Regulations, 2017.

4.1.4 Premium revenue

The Insurance Accounting Regulations, 2017, requires the Company, to recognize premium receivable under an insurance policy/ cover note as written from the date of attachment of risk to the policy / cover note. Accordingly, the Company is required to account for cover notes which are effective as at reporting date. In previous years, the Company recognized premium under a policy as written at the time of issuance of policy in accordance with the SEC Insurance Rules, 2002. The change is considered to be a change in accounting policy in accordance with IAS - 8. The impact of the same is not considered to be material to the financial statements and accordingly the comparative restated unconsolidated condensed interim financial information has not been restated for this change.

4.1.5 Financial impact of change in accounting policy

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

	31 December 2017			1 January 2017		
	As previously reported	Adjustment	After adjustment	As previously reported	Adjustment	After adjustment
<u>Effect on statement of financial position</u>						
----- (Rupees in thousand) -----						
Assets						
Investments in equity securities (excluding investment in subsidiary)	15,481,839	3,686,587	19,168,426	15,666,888	5,967,125	21,634,013
Total assets from takaful operations - OTF	241,121	128	241,249	99,157	121	99,278
Liability						
Deferred taxation	37,302	1,105,976	1,143,278	34,549	1,849,809	1,884,358
Total liabilities from takaful operations - OTF	141,312	38	141,350	46,366	38	46,404
Equity:						
Fair value reserves	-	2,580,700	2,580,700	-	4,117,400	4,117,400

30 June 2017						

As previously reported Adjustment After adjustment						
----- (Rupees in thousand) -----						

Effect of other comprehensive income

Item to be reclassified to profit and loss account in subsequent period

Net unrealized (loss) arising during the period on revaluation of available for sale investments-net of tax	-	(934,696)	(934,696)
Net unrealized (loss) arising during the period on revaluation of available for sale investments of Window Takaful Operations -net of tax	-	(118)	(118)

There is no impact on profit before tax, profit after tax and earning per share of the Company for the six month periods ended on 30 June 2017.

4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

- Amendment to IFRS 4 - 'Insurance Contracts'- and applying IFRS 9 'Financial Instruments' with IFRS 4
- IFRS 9 - 'Financial Instruments' and amendment to IFRS 9 - 'Prepayment Features with Negative Compensation'. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.
- IFRS 15 - 'Revenue from Contract with Customer'
- IFRS 16 - 'Leases'
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures
- IFRIC 23 - 'Uncertainty over Income Tax Treatments'
- Annual Improvements to IFRS Standards 2015-2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

For IFRS 9 - 'Financial Instruments, IFRS 15 - 'Revenue from Contracts with Customers' and IFRS 16 - 'Leases', the Company is in process of analyzing the impact upon adoption as at 30 June 2018.

4.3 Adoption of Companies Act 2017

The Companies Act, 2017 has been effective from 1 January 2018, however during the period there is no impact on the unconsolidated condensed interim financial information of the Company.

5 Use of estimates and judgments

The preparation of this unconsolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2017.

6 Insurance and Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended 31 December 2017.

	(Unaudited) 30 June 2018	(Audited) 31 December 2017
	---- (Rupees in thousand) ----	
		(Restated)
7 Window Takaful Operations		
<u>Operator's Fund</u>		
<i>Assets:</i>		
Cash and bank deposits	45,886	41,119
Qard e Hasna to Participant Takaful Fund	122,000	117,000
Investments	30,028	30,343
Current assets - Others	103,651	30,605
Fixed assets	22,287	22,182
Total Assets	323,852	241,249
Total Liabilities	195,476	141,350
	(Unaudited) 30 June 2018	(Unaudited) 30 June 2017
	---- (Rupees in thousand) ----	
7.1 Window Takaful Operations		
<u>Profit and loss account</u>		
Wakala income	112,717	65,591
Commission expense	(25,702)	(13,797)
Management expense	(42,932)	(19,745)
Net investment income	1,936	694
Other expenses	(1,738)	(1,718)
Profit before tax	44,281	31,025
Taxation	(15,362)	(9,307)
Profit after tax	28,919	21,718

Profit and loss account

Wakala income	112,717	65,591
Commission expense	(25,702)	(13,797)
Management expense	(42,932)	(19,745)
Net investment income	1,936	694
Other expenses	(1,738)	(1,718)
Profit before tax	44,281	31,025
Taxation	(15,362)	(9,307)
Profit after tax	28,919	21,718

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

8 Contingencies and commitments

8.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published unconsolidated annual financial statements of the Company for the year ended 31 December 2017 except for the following:

Assistant Commissioner Inland Revenue passed order u/s 161/205 of the Ordinance for tax year 2012 raising an income tax demand of Rs. 12,669 thousand. The Company agitated the order before Commissioner Inland Revenue (Appeals) which is pending adjudication.

8.2 Commitments

There are no commitments as of 30 June 2018.

		(Unaudited) 30 June 2018	(Audited) 31 December 2017
		---- (Rupees in thousand) ----	
9	Property and equipment		
	<i>Note</i>		
	<u>Operating assets</u>		
	Opening balance - net book value	2,132,353	1,077,862
	Additions during the period / year	37,729	1,176,961
	Disposals during the period / year - net book value	(7,193)	(11,958)
	Depreciation charged during the period / year	(62,185)	(120,002)
	Currency translation effect	16,973	9,490
	Closing balance - net book value	<u>2,117,677</u>	<u>2,132,353</u>
	Capital work in progress	824,418	452,925
		<u>2,942,095</u>	<u>2,585,278</u>
9.1	Additions during the period / year - cost		
	Land and buildings	-	1,040,575
	Furniture, fixtures and office equipment	2,317	26,004
	Motor vehicles	27,528	76,110
	Machinery and equipment	4,507	14,173
	Computer and related accessories	3,377	20,099
		<u>37,729</u>	<u>1,176,961</u>
9.2	Disposals during the period / year - net book value		
	Motor vehicles	6,988	10,111
	Machinery and equipment	185	1,847
	Computer and related accessories	20	-
		<u>7,193</u>	<u>11,958</u>
9.3	Capital work in process		
	Capital work in process as of 30 June 2018 includes advance to contractors and suppliers amounting to Rs 84,600 thousand and Rs 24,000 thousand respectively.		
		(Unaudited) 30 June 2018	(Audited) 31 December 2017
		----- (Rupees in thousand) -----	
10	Intangible assets		
	Opening balance - net book value	34,242	49,687
	Additions during the period / year	2,468	2,973
	Disposals during the period / year - net book value	-	-
	Amortization charged during the period / year	(7,881)	(19,665)
	Currency translation effect	1,809	1,247
		<u>30,638</u>	<u>34,242</u>
11	Investment in subsidiary		
	Adamjee Life Assurance Company Limited - At cost	<u>694,895</u>	<u>694,895</u>

12 Investments in equity securities

- Available for sale

Related parties

	30 June 2018 (Un-audited)			31 December 2017 (Audited)		
	Cost	Impairment/ Provision	Carrying value	Cost	Impairment/ Provision	Carrying value
	----- (Rupees in thousand) -----					
	(Restated)					
Listed shares	8,396,663	-	8,396,663	7,819,534	-	7,819,534
Unlisted shares	150,726	-	150,726	-	-	-
	8,547,389	-	8,547,389	7,819,534	-	7,819,534
Unrealized gain			1,446,926			2,197,985
			9,994,315			10,017,519

Others

Listed shares	6,850,234	(1,206,780)	5,643,454	7,454,844	(1,135,095)	6,319,749
Unlisted shares	925,360	-	925,360	925,360	-	925,360
NIT Units	161	-	161	161	-	161
Mutual Funds	453,665	-	453,665	417,035	-	417,035
	8,229,420	(1,206,780)	7,022,640	8,797,400	(1,135,095)	7,662,305
Unrealized gain			1,371,697			1,488,602
			8,394,337			9,150,907
Total			18,388,652			19,168,426

		(Unaudited) 30 June 2018	(Audited) 31 December 2017
----- (Rupees in thousand) -----			
13 Investments in debt securities	<i>Note</i>		
<u>Held to maturity</u>			
Term Finance Certificates	<i>13.1</i>	70,948	70,948
Treasury Bills		376,294	370,884
		<u>447,242</u>	<u>441,832</u>

	No of certificates		Face value	Value of certificates	
	30 June 2018	31 December 2017		30 June 2018	31 December 2017
----- (Rupees in thousand) -----					
13.1 Term Finance Certificates	75	75	1,000,000	70,948	70,948
				<u>70,948</u>	<u>70,948</u>

		(Unaudited) 30 June 2018	(Audited) 31 December 2017
----- (Rupees in thousand) -----			
14 Investments in Term Deposits			
<u>Held to maturity</u>			
<i>Deposits maturing within 12 months</i>			
- related parties		669,464	608,913
- others		2,279,141	1,406,473
		<u>2,948,605</u>	<u>2,015,386</u>
<i>Deposits maturing after 12 months</i>			
- related parties		2,000	2,000
- others		333,608	3,108
		<u>335,608</u>	<u>5,108</u>
	<i>14.1</i>	<u>3,284,213</u>	<u>2,020,494</u>

14.1 These include fixed deposits amounting to Rs. 229,731 thousand (AED 6,951 thousand) [31 December 2017: Rs. 208,736 thousand (AED 6,951 thousand)] kept in accordance with the requirements of Insurance Regulations applicable to the UAE branches for the purpose of carrying on business in United Arab Emirates. These also include liens against cash deposits of Rs. 36,985 thousand (31 December 2017: Rs. 106,985 thousand) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Company for claims under litigation filed against the Company.

	(Unaudited) 30 June 2018	(Audited) 31 December 2017
----- (Rupees in thousand) -----		
15 Loans and other receivables		
Rent receivable	4,740	6,090
Accrued investment income	70,431	107,631
Security deposits	59,662	44,525
Advances to employees and suppliers	214,425	116,452
Agent commission receivable	1,591	20,547
Loans to employees	46,667	43,193
Other receivables	201,202	16,191
	<u>598,718</u>	<u>354,629</u>

16 Insurance / reinsurance receivables - unsecured and considered good		
Due from insurance contract holders	6,392,815	6,152,145
Provision for impairment of receivables from insurance contract holders	(389,580)	(375,801)
	<u>6,003,235</u>	<u>5,776,344</u>
Due from other insurers / reinsurers	1,214,931	1,145,925
Provision for impairment of due from other insurers / reinsurers	(151,302)	(151,302)
	<u>1,063,629</u>	<u>994,623</u>
	<u>7,066,864</u>	<u>6,770,967</u>

	(Unaudited) 30 June 2018	(Audited) 31 December 2017
	----- (Rupees in thousand) -----	
17 Prepayments		
Prepaid reinsurance premium ceded	2,648,777	2,349,147
Prepaid rent	10,059	30,792
Prepaid miscellaneous expenses	175,589	131,121
	<u>2,834,425</u>	<u>2,511,060</u>
18 Cash and bank		
<u>Cash and cash equivalents</u>		
Cash in hand	541	387
Policy and revenue stamps, bond papers	4,917	7,289
	5,458	7,676
<u>Cash at bank</u>		
Current accounts	1,410,682	1,478,477
Savings accounts	552,212	792,461
	1,962,894	2,270,938
	<u>1,968,352</u>	<u>2,278,614</u>
18.1	Cash at bank includes an amount of Rs. 480,525 thousand (31 December 2017: Rs. 764,508 thousand) held with MCB Bank Limited, a related party of the Company.	
	(Unaudited) 30 June 2018	(Audited) 31 December 2017
	----- (Rupees in thousand) -----	
19 Reserves		(Restated)
<u>Capital reserves</u>		
Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	517,808	467,100
<u>Revenue reserves</u>		
General reserves	936,500	936,500
Fair value reserves	2,000,869	2,580,700
	<u>3,481,800</u>	<u>4,010,923</u>
20 Other creditors and accruals		
Agents commission payable	922,231	807,027
Federal excise duty / sales tax	237,753	80,203
Federal Insurance Fee	43,156	22,733
Workers' welfare fund	426,979	391,437
Accrued expenses	94,490	122,578
Unpaid and unclaimed dividend	140,429	106,214
Cash margin against performance bonds	668,353	652,075
Payable to employees' provident fund	2,624	2,325
Sundry creditors	247,292	351,595
	<u>2,783,307</u>	<u>2,536,187</u>

	(Unaudited)			
	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
21 Net insurance premium				
Written gross premium	5,954,000	5,357,279	9,648,166	10,035,917
Unearned premium reserve opening	8,136,283	7,619,658	8,912,498	7,349,511
Unearned premium reserve closing	(9,751,460)	(8,803,910)	(9,751,460)	(8,803,910)
Currency translation effect	205,164	4,469	354,680	5,689
Premium earned	4,543,987	4,177,496	9,163,884	8,587,207
Reinsurance premium ceded	(2,194,005)	(2,054,356)	(3,071,924)	(3,377,063)
Prepaid reinsurance premium opening	(1,759,176)	(2,175,511)	(2,349,147)	(2,356,182)
Prepaid reinsurance premium closing	2,648,778	2,885,721	2,648,778	2,885,721
Currency translation effect	(6,027)	(606)	(10,839)	(747)
Reinsurance expense	(1,310,430)	(1,344,752)	(2,783,132)	(2,848,271)
	3,233,557	2,832,744	6,380,752	5,738,936
21.1 Net insurance premium - Business underwritten inside Pakistan				
Written gross premium	4,189,933	3,795,169	6,696,459	6,625,490
Unearned premium reserve opening	4,740,133	4,442,587	5,186,518	4,515,372
Unearned premium reserve closing	(5,983,865)	(5,511,792)	(5,983,865)	(5,511,792)
Premium earned	2,946,201	2,725,964	5,899,112	5,629,070
Reinsurance premium ceded	(2,112,473)	(1,853,596)	(2,932,933)	(2,958,180)
Prepaid reinsurance premium opening	(1,705,069)	(1,765,932)	(2,079,920)	(1,922,263)
Prepaid reinsurance premium closing	2,622,522	2,460,185	2,622,522	2,460,185
Reinsurance expense	(1,195,020)	(1,159,343)	(2,390,331)	(2,420,258)
	1,751,181	1,566,621	3,508,781	3,208,812
21.2 Net insurance premium - Business underwritten outside Pakistan				
Written gross premium	1,764,067	1,562,110	2,951,707	3,410,427
Unearned premium reserve opening	3,396,150	3,177,071	3,725,980	2,834,139
Unearned premium reserve closing	(3,767,595)	(3,292,118)	(3,767,595)	(3,292,118)
Currency translation effect	205,164	4,469	354,680	5,689
Premium earned	1,597,786	1,451,532	3,264,772	2,958,137
Reinsurance premium ceded	(81,532)	(200,760)	(138,991)	(418,883)
Prepaid reinsurance premium opening	(54,107)	(409,579)	(269,227)	(433,919)
Prepaid reinsurance premium closing	26,256	425,536	26,256	425,536
Currency translation effect	(6,027)	(606)	(10,839)	(747)
Reinsurance expense	(115,410)	(185,409)	(392,801)	(428,013)
	1,482,376	1,266,123	2,871,971	2,530,124
22 Net insurance claims expense				
Claims paid	4,421,197	2,274,117	7,228,627	4,381,538
Outstanding claims including IBNR closing	10,636,120	11,082,979	10,636,120	11,082,979
Outstanding claims including IBNR opening	(11,426,866)	(10,024,986)	(11,485,744)	(9,475,718)
Currency translation effect	(253,776)	(6,654)	(454,985)	(8,247)
Claims expense	3,376,675	3,325,456	5,924,018	5,980,552
Reinsurance and other recoveries received	(2,565,556)	(754,935)	(3,554,402)	(1,265,229)
Reinsurance and other recoveries in respect of outstanding claims closing	(6,844,083)	(7,614,199)	(6,844,083)	(7,614,199)
Reinsurance and other recoveries in respect of outstanding claims opening	7,917,116	6,950,610	8,056,450	6,615,596
Currency translation effect	136,155	3,848	249,501	4,801
Reinsurance and other recoveries revenue	(1,356,368)	(1,414,676)	(2,092,534)	(2,259,031)
	2,020,307	1,910,780	3,831,484	3,721,521

22.1 Net insurance claims expense - Business underwritten inside Pakistan

	(Unaudited)			
	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
Claims paid	2,738,453	931,379	4,169,425	1,794,910
Outstanding claims including IBNR closing	5,586,679	6,299,594	5,586,679	6,299,594
Outstanding claims including IBNR opening	(6,630,290)	(5,623,831)	(7,084,282)	(5,480,119)
Claims expense	1,694,842	1,607,142	2,671,822	2,614,385
Reinsurance and other recoveries received	(1,902,964)	(280,979)	(2,413,220)	(346,378)
Reinsurance and other recoveries in respect of outstanding claims closing	(4,097,999)	(4,837,306)	(4,097,999)	(4,837,306)
Reinsurance and other recoveries in respect of outstanding claims opening	5,205,590	4,318,051	5,602,812	4,220,537
Reinsurance and other recoveries revenue	(795,373)	(800,234)	(908,407)	(963,147)
	899,469	806,908	1,763,415	1,651,238

22.2 Net insurance claims expense - Business underwritten outside Pakistan

Claims paid	1,682,744	1,342,738	3,059,202	2,586,628
Outstanding claims including IBNR closing	5,049,441	4,783,385	5,049,441	4,783,385
Outstanding claims including IBNR opening	(4,796,576)	(4,401,155)	(4,401,462)	(3,995,599)
Currency translation effect	(253,776)	(6,654)	(454,985)	(8,247)
Claims expense	1,681,833	1,718,314	3,252,196	3,366,167
Reinsurance and other recoveries received	(662,592)	(473,956)	(1,141,182)	(918,851)
Reinsurance and other recoveries in respect of outstanding claims closing	(2,746,084)	(2,776,893)	(2,746,084)	(2,776,893)
Reinsurance and other recoveries in respect of outstanding claims opening	2,711,526	2,632,559	2,453,638	2,395,059
Currency translation effect	136,155	3,848	249,501	4,801
Reinsurance and other recoveries revenue	(560,995)	(614,442)	(1,184,127)	(1,295,884)
	1,120,838	1,103,872	2,068,069	2,070,283

23 Net commission and other acquisition costs

Commission paid or payable	664,386	503,295	943,783	941,092
Deferred commission expense opening	614,722	777,693	733,631	737,281
Deferred commission expense closing	(855,030)	(888,084)	(855,030)	(888,084)
Currency translation effect	21,072	523	37,059	658
Net commission	445,150	393,427	859,443	790,947
Commission received or recoverable	(167,526)	(186,047)	(257,857)	(321,720)
Unearned reinsurance commission opening	(195,862)	(223,588)	(240,306)	(236,881)
Unearned reinsurance commission closing	242,026	280,401	242,026	280,401
Currency translation effect	(294)	(43)	(665)	(54)
Commission from reinsurance	(121,656)	(129,277)	(256,802)	(278,254)
	323,494	264,150	602,641	512,693

23.1 Net commission and other acquisition costs - Business underwritten inside Pakistan

Commission paid or payable	480,235	318,384	633,748	542,687
Deferred commission expense opening	254,852	403,118	326,325	398,331
Deferred commission expense closing	(471,649)	(508,749)	(471,649)	(508,749)
Net commission	263,438	212,753	488,424	432,269
Commission received or recoverable	(165,838)	(169,502)	(254,023)	(285,652)
Unearned reinsurance commission opening	(188,720)	(192,395)	(227,726)	(202,685)
Unearned reinsurance commission closing	238,193	250,051	238,193	250,051
Commission from reinsurance	(116,365)	(111,846)	(243,556)	(238,286)
	147,073	100,907	244,868	193,983

23.2 Net commission expense and acquisition costs - Business underwritten outside Pakistan

	(Unaudited)			
	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	----- (Rupees in thousand) -----			
Commission paid or payable	184,151	184,911	310,035	398,405
Deferred commission expense opening	359,870	374,575	407,306	338,950
Deferred commission expense closing	(383,381)	(379,335)	(383,381)	(379,335)
Currency translation effect	21,072	523	37,059	658
Net commission	181,712	180,674	371,019	358,678
Commission received or recoverable	(1,688)	(16,545)	(3,834)	(36,068)
Unearned reinsurance commission opening	(7,142)	(31,193)	(12,580)	(34,196)
Unearned reinsurance commission closing	3,833	30,350	3,833	30,350
Currency translation effect	(294)	(43)	(665)	(54)
Commission from reinsurance	(5,291)	(17,431)	(13,246)	(39,968)
	176,421	163,243	357,773	318,710

24 Management expenses

Employee benefit cost	416,320	363,251	830,275	720,049
Travelling expenses	19,185	15,526	31,462	24,086
Advertisement & sales promotion	17,576	11,135	30,570	22,461
Printing & stationary	8,432	8,700	15,506	15,190
Depreciation	33,126	31,346	65,300	59,490
Amortisation	2,376	944	4,766	6,114
Rent, rates & taxes	23,325	30,976	45,210	55,707
Legal & professional charges	28,684	13,328	52,336	31,531
Electricity, gas & water	10,613	11,374	18,951	17,755
Entertainment	4,930	5,566	11,039	11,037
Vehicle running expenses	4,342	5,192	8,463	8,882
Office repairs & maintenance	10,277	8,543	18,529	13,482
Bank charges	15,623	4,604	22,145	7,115
Postages, telegrams & telephone	7,433	9,929	19,979	18,239
Supervision fee	14,093	13,029	25,297	27,379
IT related costs	20,512	15,552	40,193	30,964
Tracking and monitoring charges	52,076	45,350	105,574	86,989
Miscellaneous	9,566	7,716	16,257	18,849
	698,489	602,061	1,361,852	1,175,319

25 Investment income

Business underwritten Inside Pakistan

25.1 Income from equity securities

Available for sale

Dividend income				
- associated undertakings	191,508	175,652	382,619	349,673
- others	76,699	41,850	269,111	357,363
	268,207	217,502	651,730	707,036

25.2 Income from debt securities

Held to maturity

Return on Term Finance Certificates	1,365	1,575	2,716	3,000
Return on Pakistan Investment Bonds	-	7,011	-	12,857
Profit on Treasury Bills	5,940	7,681	12,767	10,031
	7,305	16,267	15,483	25,888

25.3 Income from term deposits

Return on term deposits	1,495	1,153	3,428	1,153
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		(Unaudited)			
		Three months period ended		Six months period ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
		----- (Rupees in thousand) -----			
25.4	Net realized gains / (losses) on investments				
	<u>Available for sale</u>				
	Realized gains on equity security				
	- associated undertakings	-	-	-	-
	- others	345,291	464,468	449,506	581,617
		345,291	464,468	449,506	581,617
		622,298	699,390	1,120,147	1,315,694
	Provision of impairment in 'available-for-sale' investments	(108,698)	(280,943)	(71,686)	(280,943)
		513,600	418,447	1,048,461	1,034,751
	<u>Business underwritten Outside Pakistan</u>				
25.5	Income from equity securities				
	<u>Available for sale</u>				
	Dividend income				
	- associated undertakings	-	-	-	-
	- others	-	(6,494)	-	2,024
		-	(6,494)	-	2,024
	Realized gains				
	- associated undertakings	-	-	-	-
	- others	-	37,776	-	88,802
		-	37,776	-	88,802
		-	31,282	-	90,826
25.6	Income from term deposits				
	Return on term deposits	18,333	852	30,059	852
		18,333	32,134	30,059	91,678
	Total investment income	531,933	450,581	1,078,520	1,126,429
26	Other income				
	Return on bank balance	18,650	17,198	31,383	44,840
	Gain on sale of fixed assets	3,250	822	4,619	5,549
	Return on loans to employee	88	83	179	171
	Miscellaneous	2,531	1,527	7,249	2,752
		24,519	19,630	43,430	53,312
27	Other expenses				
	Legal & professional charges - Other	13,613	3,650	21,179	8,101
	Auditor's remuneration	1,211	1,868	3,157	2,804
	Subscription Fee	1,215	1,506	2,782	2,244
	Donations	300	1,700	800	1,700
	Workers welfare fund	16,135	11,539	35,542	31,401
	Others	2,522	2,796	3,649	3,641
		34,996	23,059	67,109	49,891
28	Earnings per share - basic and diluted				
	There is no dilutive effect on the basic earnings per share which is based on:				
		(Unaudited)			
		Three months period ended		Six months period ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
		----- (Rupees in thousand) -----			
	Profit after tax for the period attributable to ordinary shareholders	386,922	379,953	1,050,321	1,061,113
	----- Number of shares -----	----- Number of shares -----			
	Weighted average number of ordinary shares outstanding	350,000,000	350,000,000	350,000,000	350,000,000
		----Rupees----		----Rupees----	
	Earning per share - basic and diluted	1.11	1.08	3.00	3.03

29 Transactions with related parties

The Company has related party relationships with its associates, subsidiary company, entities with common directorship, employee retirement benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than those specified in their terms of employment. Contributions and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan.

Investments and bank deposits with related parties have been disclosed in note 11, 12, 14 and 18 to the unconsolidated condensed interim financial information. Other transactions with related parties are summarized as follows:

	(Unaudited) 30 June 2018	(Unaudited) 30 June 2017
	----- (Rupees in thousand) -----	
i) Transactions		
Subsidiary company		
Premiums underwritten	12,372	8,713
Premiums received	12,199	8,717
Claims paid	3,391	75
Claims received	2,500	-
Premium paid	2,445	2,200
Rent / service charges received	-	534
Other related parties		
Premiums underwritten	845,012	622,680
Premiums received	769,300	727,567
Claims paid	397,584	151,218
Commission Paid	26,907	10,295
Rent paid	2,413	2,905
Rent received	-	1,614
Dividends received	191,309	349,673
Dividends paid	98,193	192,165
Income on bank deposits	13,332	9,419
Investments made	293,093	479,210
Fee / service charges paid	3,001	1,829
Charge in respect of gratuity expense	16,457	13,027
Contribution to Employees' Provident Fund	15,439	14,536
Compensation paid to Key management personnel	393,208	366,366
	(Unaudited) 30 June 2018	(Audited) 31 December 2017
	----- (Rupees in thousand) -----	
ii) Period end balances		
Subsidiary company		
Balances receivable	1,100	686
Balances payable	1,550	759
Other related parties		
Balances receivable	386,290	516,219
Balances payable	705,037	628,382
Cash and bank balances	1,151,989	1,375,420
Payable to Staff Gratuity Fund	92,068	84,443
Payable to Employees' Provident Fund	2,624	2,325

30 Segment Information

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

Six months period ended 30 June 2018													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
----- (Rupees in thousand) -----													
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,499,304	18,454	533,639	15,190	1,689,147	3,048,405	1,016,038	9,472	794,597	8,022	7,532,725	3,099,543	10,632,268
Federal excise duty / VAT	(451,277)	(937)	(60,734)	(417)	(201,631)	(145,577)	-	(451)	(55,751)	(418)	(769,393)	(147,800)	(917,193)
Federal insurance fee	(30,232)	(20)	(4,711)	(12)	(14,731)	-	(10,060)	-	(7,138)	(4)	(66,872)	(36)	(66,908)
	3,017,795	17,497	468,194	14,761	1,472,785	2,902,828	1,005,978	9,021	731,708	7,600	6,696,460	2,951,707	9,648,167
Gross written premium (inclusive of administrative surcharge)	3,017,795	17,497	468,194	14,761	1,472,785	2,902,828	1,005,978	9,021	731,708	7,600	6,696,460	2,951,707	9,648,167
Gross direct premium	3,010,078	17,448	457,434	14,699	1,425,360	2,901,544	1,005,602	9,021	694,361	7,578	6,592,835	2,950,290	9,543,125
Facultative inward premium	(322)	-	65	-	-	-	-	-	30,999	-	30,742	-	30,742
Administrative surcharge	8,039	49	10,695	62	47,425	1,284	376	-	6,348	22	72,883	1,417	74,300
	3,017,795	17,497	468,194	14,761	1,472,785	2,902,828	1,005,978	9,021	731,708	7,600	6,696,460	2,951,707	9,648,167
Insurance premium earned	2,401,610	20,097	432,922	15,038	1,342,899	3,218,210	928,738	5,591	792,943	5,836	5,899,112	3,264,772	9,163,884
Insurance premium ceded to reinsurers	(1,964,566)	(12,694)	(57,334)	-	(20,156)	(371,591)	-	(5,428)	(348,275)	(3,088)	(2,390,331)	(392,801)	(2,783,132)
Net insurance premium	437,044	7,403	375,588	15,038	1,322,743	2,846,619	928,738	163	444,668	2,748	3,508,781	2,871,971	6,380,752
Commission income	176,229	3,673	363	-	8	8,446	-	-	66,956	1,127	243,536	13,246	256,802
Net underwriting income	613,273	11,076	375,951	15,038	1,322,751	2,855,065	928,738	163	511,624	3,875	3,752,337	2,885,217	6,637,554
Insurance claims	(902,801)	340	(97,703)	(592)	(666,612)	(3,247,100)	(802,647)	(5,093)	(202,059)	249	(2,671,822)	(3,252,196)	(5,924,018)
Insurance claim recoveries from reinsurer	793,543	(2,229)	(25,081)	-	52,870	1,181,619	-	4,923	87,075	(186)	908,407	1,184,127	2,092,534
Net claims	(109,258)	(1,889)	(122,784)	(592)	(613,742)	(2,065,481)	(802,647)	(170)	(114,984)	63	(1,763,415)	(2,068,069)	(3,831,484)
Commission expense	(212,692)	(2,530)	(60,406)	(2,466)	(103,070)	(364,700)	(28,228)	(749)	(84,028)	(574)	(488,424)	(371,019)	(859,443)
Management expense	(186,391)	(415)	(124,822)	(3,012)	(480,097)	(367,089)	(70,037)	(2,783)	(124,877)	(2,329)	(986,224)	(375,628)	(1,361,852)
Net insurance claims and expenses	(508,341)	(4,834)	(308,012)	(6,070)	(1,196,909)	(2,797,270)	(900,912)	(3,702)	(323,889)	(2,840)	(3,238,063)	(2,814,716)	(6,052,779)
Underwriting results	104,932	6,242	67,939	8,968	125,842	57,795	27,826	(3,539)	187,735	1,035	514,274	70,501	584,775
Net investment income											1,048,461	30,059	1,078,520
Rental income											5,030	-	5,030
Other income											29,637	13,793	43,430
Other expenses											(62,456)	(4,653)	(67,109)
Exchange gain											3,201	(115)	3,086
Profit from Window Takaful Operations											44,281	-	44,281
Profit before tax											1,582,428	109,585	1,692,013

Six months period ended 30 June 2018													
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
----- (Rupees in thousand) -----													
Segment Assets	7,720,210	71,402	558,718	14,856	1,184,777	5,563,558	698,690	18,496	1,563,440	20,606	11,725,835	5,688,918	17,414,753
Unallocated assets	-	-	-	-	-	-	-	-	-	-	24,591,426	4,272,880	28,864,306
											36,317,261	9,961,798	46,279,059
Segment Liabilities	7,226,788	82,867	563,870	22,748	2,470,686	8,691,991	1,712,076	22,311	1,873,126	14,265	13,846,546	8,834,182	22,680,728
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-	3,525,648	526,598	4,052,246
											17,372,194	9,360,780	26,732,974

30.1 Segment Information

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

Six months period ended 30 June 2017													Aggregate
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total			
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
----- (Rupees in thousand) -----													
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,487,440	21,423	509,456	17,247	1,556,002	3,364,648	1,096,960	-	794,868	7,537	7,444,726	3,410,855	10,855,581
Federal excise duty / VAT	(447,668)	(257)	(57,950)	(82)	(185,099)	-	-	-	(62,032)	(46)	(752,749)	(385)	(753,134)
Federal insurance fee	(30,261)	(20)	(4,471)	(18)	(13,582)	-	(10,911)	-	(7,262)	(5)	(66,487)	(43)	(66,530)
	3,009,511	21,146	447,035	17,147	1,357,321	3,364,648	1,086,049	-	725,574	7,486	6,625,490	3,410,427	10,035,917
Gross written premium (inclusive of administrative surcharge)	3,009,511	21,146	447,035	17,147	1,357,321	3,364,648	1,086,049	-	725,574	7,486	6,625,490	3,410,427	10,035,917
Gross direct premium	3,000,036	21,098	437,189	17,093	1,314,990	3,363,460	1,085,713	-	719,958	7,445	6,557,886	3,409,096	9,966,982
Facultative inward premium	924	-	-	-	-	-	-	-	-	-	924	-	924
Administrative surcharge	8,551	48	9,846	54	42,331	1,188	336	-	5,616	41	66,680	1,331	68,011
	3,009,511	21,146	447,035	17,147	1,357,321	3,364,648	1,086,049	-	725,574	7,486	6,625,490	3,410,427	10,035,917
Insurance premium earned	2,483,994	30,214	439,126	14,364	1,126,949	2,900,343	869,973	6,466	709,028	6,750	5,629,070	2,958,137	8,587,207
Insurance premium ceded to reinsurers	(2,040,075)	(18,269)	(95,079)	-	(19,494)	(401,560)	-	(3,845)	(265,610)	(4,339)	(2,420,258)	(428,013)	(2,848,271)
Net insurance premium	443,919	11,945	344,047	14,364	1,107,455	2,498,783	869,973	2,621	443,418	2,411	3,208,812	2,530,124	5,738,936
Commission income	186,445	3,346	383	-	26	35,492	-	-	51,432	1,130	238,286	39,968	278,254
Net underwriting income	630,364	15,291	344,430	14,364	1,107,481	2,534,275	869,973	2,621	494,850	3,541	3,447,098	2,570,092	6,017,190
Insurance claims	(793,994)	(6,917)	(146,772)	(2,693)	(485,034)	(3,354,877)	(703,403)	(2,827)	(485,182)	1,147	(2,614,385)	(3,366,167)	(5,980,552)
Insurance claim recoveries from reinsurer	667,465	1,680	33,052	-	(20,269)	1,294,010	-	1,556	282,899	(1,362)	963,147	1,295,884	2,259,031
Net claims	(126,529)	(5,237)	(113,720)	(2,693)	(505,303)	(2,060,867)	(703,403)	(1,271)	(202,283)	(215)	(1,651,238)	(2,070,283)	(3,721,521)
Commission expense	(222,895)	(4,360)	(55,549)	(1,623)	(97,347)	(351,864)	(21,270)	(147)	(35,208)	(684)	(432,269)	(358,678)	(790,947)
Management expense	(166,409)	(1,321)	(110,116)	(794)	(420,865)	(261,790)	(80,858)	(1,907)	(130,975)	(284)	(909,223)	(266,096)	(1,175,319)
Premium deficiency expense	-	-	-	-	-	47,171	-	-	-	-	-	47,171	47,171
Net insurance claims and expenses	(515,833)	(10,918)	(279,385)	(5,110)	(1,023,515)	(2,627,350)	(805,531)	(3,325)	(368,466)	(1,183)	(2,992,730)	(2,647,886)	(5,640,616)
Underwriting result	114,531	4,373	65,045	9,254	83,966	(93,075)	64,442	(704)	126,384	2,358	454,368	(77,794)	376,574
Net investment income											1,034,751	91,678	1,126,429
Rental income											-	1,614	1,614
Other income											53,312	-	53,312
Other expenses											(48,084)	(1,807)	(49,891)
Exchange gain											(203)	-	(203)
Profit from Window Takaful Operations											31,025	-	31,025
Profit before tax											1,525,169	13,691	1,538,860

31 December 2017 - (Restated)													Aggregate
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total			
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		
----- (Rupees in thousand) -----													
Segment Assets	8,024,165	68,696	594,844	14,374	1,099,831	5,467,973	744,815	10,643	1,870,256	14,599	12,333,911	5,576,285	17,910,196
Unallocated assets	-	-	-	-	-	-	-	-	-	-	24,667,990	3,395,668	28,063,658
											37,001,901	8,971,953	45,973,854
Segment Liabilities	7,877,109	81,525	563,983	20,350	2,286,540	8,019,014	1,632,477	17,282	2,114,503	10,973	14,474,612	8,149,144	22,623,756
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-	3,480,930	494,281	3,975,211
											17,955,542	8,643,425	26,598,967

31 Fair value measurement of financial instruments

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

		30 June 2018 (Un-audited)									
		Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2018 - (Un-Audited)		----- (Rupees in thousand) -----									
<u>Financial assets - measured at fair value</u>											
Investment - Equity securities	12	18,388,652	-	-	-	-	18,388,652	17,312,566	-	1,076,086	18,388,652
Investments of Window Takaful Operations - Operator's Fund	7	30,028	-	-	-	-	30,028	30,028	-	-	30,028
<u>Financial assets - not measured at fair value</u>											
Loans and other receivables *	15	-	-	598,718	-	-	598,718	-	-	-	-
Investment - Debt securities	13	-	447,242	-	-	-	447,242	-	-	-	-
Investment - Term deposits	14	-	3,284,213	-	-	-	3,284,213	-	-	-	-
Insurance / reinsurance receivables - unsecured and considered good *	16	-	-	7,066,864	-	-	7,066,864	-	-	-	-
Reinsurance recoveries against outstanding claims *		-	-	6,476,349	-	-	6,476,349	-	-	-	-
Salvage recoveries accrued *		-	-	367,734	-	-	367,734	-	-	-	-
Prepayments *	17	-	-	2,834,425	-	-	2,834,425	-	-	-	-
Cash and bank *	18	-	-	-	1,968,352	-	1,968,352	-	-	-	-
Other Assets of Window Takaful Operations - Operator's Fund	7	-	-	247,938	45,886	-	293,824	-	-	-	-
		18,418,680	3,731,455	17,592,028	2,014,238	-	41,756,401	17,342,594	-	1,076,086	18,418,680
<u>Financial liabilities - not measured at fair value</u>											
<u>Underwriting provisions:</u>											
Outstanding claims (including IBNR)*	22	-	-	-	-	10,636,120	10,636,120	-	-	-	-
Insurance / reinsurance payables *		-	-	-	-	1,597,274	1,597,274	-	-	-	-
Other creditors and accruals*	20	-	-	-	-	2,075,420	2,075,420	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*	7	-	-	-	-	195,476	195,476	-	-	-	-
		-	-	-	-	14,504,290	14,504,290	-	-	-	-

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

31.1 Fair value measurement of financial instruments

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

		31 December 2017 (Audited) (Restated)									
		Available for sale	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2017 - Restated	<i>Note</i>	----- (Rupees in thousand) -----									
<u>Financial assets - measured at fair value</u>											
Investment - Equity securities	12	19,168,426	-	-	-	-	19,168,426	18,243,066	-	925,360	19,168,426
Investments of Window Takaful Operations - Operator's Fund	7	30,343	-	-	-	-	30,343	30,343	-	-	30,343
<u>Financial assets - not measured at fair value</u>											
Loans and other receivables *	15	-	-	354,629	-	-	354,629	-	-	-	-
Investment - Debt securities	13	-	441,832	-	-	-	441,832	-	-	-	-
Investment - Term deposits	14	-	2,020,494	-	-	-	2,020,494	-	-	-	-
Insurance / reinsurance receivables											
- unsecured and considered good *	16	-	-	6,770,967	-	-	6,770,967	-	-	-	-
Reinsurance recoveries against outstanding claims *		-	-	7,709,161	-	-	7,709,161	-	-	-	-
Salvage recoveries accrued *		-	-	347,289	-	-	347,289	-	-	-	-
Prepayments *	17	-	-	2,511,060	-	-	2,511,060	-	-	-	-
Cash and bank *	18	-	-	-	2,278,614	-	2,278,614	-	-	-	-
Other Assets of Window Takaful Operations - Operator's Fund		-	-	169,787	41,119	-	210,906	-	-	-	-
		19,198,769	2,462,326	17,862,893	2,319,733	-	41,843,721	18,273,409	-	925,360	19,198,769
<u>Financial liabilities - not measured at fair value</u>											
<u>Underwriting provisions:</u>											
Outstanding claims (including IBNR)*	22	-	-	-	-	11,485,744	11,485,744	-	-	-	-
Insurance / reinsurance payables *		-	-	-	-	1,668,516	1,668,516	-	-	-	-
Other creditors and accruals*	20	-	-	-	-	2,041,814	2,041,814	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*	7	-	-	-	141,350	-	141,350	-	-	-	-
		-	-	-	141,350	15,196,074	15,337,424	-	-	-	-

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

32 Reconciliation of movement of liabilities to cash flows arising from financing activities

The Company has not undertaken any financing activities in current financial period. Accordingly, the reconciliation of movement of liabilities to cash flows arising from financing activities has not been disclosed in this unconsolidated condensed interim financial information.

33 Corresponding figures

Significant reclassification / rearrangement of corresponding figures have been made in this unconsolidated condensed interim financial information in accordance with change in accounting policies as disclosed in note 4.1.

34 Date of authorization for issue

This unconsolidated condensed interim financial information was authorized for issue on 28 August 2018 by the Board of Directors of the Company.

35 Subsequent events - non adjusting event

The Board of Directors of the Company in their meeting held on 28 August 2018 proposed an interim cash dividend for the six months period ended 30 June 2018 @ 10% i.e. Rupee 1/- per share (30 June 2017 @ 15 % i.e. Rupees 1.5/- per share). This unconsolidated condensed interim financial information for the six months period ended 30 June 2018 does not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending 31 December 2018.

36 General

Figures have been rounded off to the nearest thousand rupees unless other wise stated.



Chairman



Director



Director



Chief Financial Officer



**Managing Director &
Chief Executive Officer**

Director's Report to the Members on Consolidated Condensed Interim Financial Information

For the Six Months Period Ended 30 June 2018

On behalf of the Board, we are pleased to present the consolidated condensed interim financial information of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited for the six months period ended 30 June 2018.

The following appropriation of profit has been recommended by the Board of Directors:

	30 June 2018	30 June 2017
	Rupees in thousand	
	(Unaudited)	(Unaudited)
Profit before tax	1,688,055	1,535,261
Taxation	(641,061)	(475,952)
Profit after tax	1,046,994	1,059,309
Loss attributable to non-controlling interest	856	464
Profit attributable to ordinary shares	1,047,850	1,059,773
Unappropriated profit brought forward	11,634,582	11,797,814
Profit available for appropriation	12,682,432	12,857,587

Appropriation

Final dividend for the year ended 31 December 2017 @ 10% (Rupees 1/- per share)

[31 December 2016: @ 25% (Rupees 2.5/- per share)]

Capital contribution to statutory funds

Total appropriation

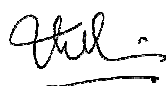
Profit after appropriation

(350,000)	(875,000)
(7,476)	41,749
(357,476)	(833,251)
12,324,956	12,024,336

Earnings per share

30 June 2018	30 June 2017
Rupees	
(Unaudited)	(Unaudited)
2.99	3.03

For and on behalf of the Board of Directors



Ibrahim Shamsi
Director



Muhammad Ali Zeb
Managing Director and Chief Executive Office

Lahore: 28 August 2018

CONSOLIDATED

Condensed Interim
Financial Information
for the Six Months
Ended
30 June 2018
(Unaudited)



Adamjee Insurance Company Limited
Consolidated Condensed Interim Statement of Financial Position (Un-audited)
As at 30 June 2018


		(Un-audited) 30 June 2018	(Audited) 31 December 2017 <i>(Restated)</i>
	Note	----- (Rupees in thousand) -----	
<u>Assets</u>			
Property and equipment	5	3,116,811	2,735,542
Intangible assets	6	85,510	97,760
Investment property		685,000	637,981
<u>Investments</u>			
Equity securities	7	31,193,985	29,774,881
Debt securities	8	3,942,865	5,920,630
Term Deposits	9	15,806,713	12,645,494
Loan secured against life insurance policies		32,254	31,170
Loans and other receivable	10	1,029,775	631,147
Insurance / reinsurance receivables - unsecured and considered good	11	7,209,433	6,846,091
Reinsurance recoveries against outstanding claims		6,476,349	7,709,161
Salvage recoveries accrued		367,734	347,289
Deferred commission expense / acquisition cost		855,030	733,631
Deferred taxation		-	-
Taxation - payments less provision		114,108	212,748
Prepayments	12	2,884,750	2,552,498
Cash and bank	13	3,191,212	3,630,248
		76,991,529	74,506,271
Total assets of Window Takaful Operations - Operator's Fund	14	323,852	241,249
TOTAL ASSETS		77,315,381	74,747,520
<u>EQUITY AND LIABILITIES</u>			
<u>Capital and reserves attributable to Company's equity holders</u>			
Authorized share capital 375,000,000 (2017: 375,000,000) ordinary shares of Rs 10 each		3,750,000	3,750,000
Ordinary share capital		3,500,000	3,500,000
Reserves	15	3,483,010	4,013,580
Unappropriated Profit		12,324,956	11,634,582
Equity attributable to equity holders of the parent		19,307,966	19,148,162
Non-controlling interest		43,636	47,581
Balance of statutory funds (including policy holders' liabilities technical reserves of Rs. 29.615 billion (2017: Rs. 27.096 billion)		30,260,829	27,670,668
<u>Liabilities</u>			
<u>Underwriting provisions:</u>			
Outstanding claims including IBNR		10,959,613	11,844,834
Unearned premium reserves		9,751,460	8,912,498
Premium deficiency reserves		-	-
Unearned reinsurance commission		242,026	240,306
Retirement benefit obligation		188,585	185,903
Deferred taxation		843,738	1,137,867
Premium received in advance		751,992	576,616
Insurance / reinsurance payables		1,644,636	1,681,093
Other creditors and accruals	17	3,125,424	3,160,642
		27,507,474	27,739,759
Total liabilities of Window Takaful Operations - Operator's Fund	14	195,476	141,350
TOTAL EQUITY AND LIABILITIES		77,315,381	74,747,520
Contingencies and commitments	18		

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


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Consolidated Condensed Interim Profit and Loss Account (Un-audited)
 For the three and six months period ended 30 June 2018

	Note	Three months period ended		Six months period ended	
		30 June	30 June	30 June	30 June
		2018	2017	2018	2017
		----- (Rupees in thousand) -----		----- (Rupees) -----	
Net Insurance Premium	19	6,537,261	6,390,246	12,168,397	11,221,287
Net Insurance Claims	20	(3,442,551)	(3,631,604)	(6,699,310)	(6,052,412)
Premium deficiency		-	47,171	-	47,171
Net Commission and other acquisition costs	21	(803,876)	(676,001)	(1,452,875)	(1,293,608)
Insurance claims and acquisition expenses		(4,246,427)	(4,260,434)	(8,152,185)	(7,298,849)
Investment income - Statutory funds		(908,087)	(89,130)	1,024,175	479,903
Net change in policy holder liabilities	20	(305,644)	(2,406,126)	(2,519,288)	(2,406,126)
Surplus of Policyholders' fund		57,765	1,356,998	(60,815)	(15,284)
Management expenses		(943,601)	(892,563)	(1,875,509)	(1,604,357)
Underwriting results		191,267	98,991	584,775	376,574
Investment income	22	538,019	458,276	1,089,657	1,139,140
Rental income		2,515	1	5,030	1,614
Other income		27,427	17,431	46,338	53,289
Other expenses		(43,142)	(30,550)	(85,112)	(66,178)
Results of operating activities		716,086	544,149	1,640,688	1,504,439
Exchange gain / (loss)		1,390	(448)	3,086	(203)
Profit from 'Window Takaful Operations'	14	24,471	16,145	44,281	31,025
Profit before tax		741,947	559,846	1,688,055	1,535,261
Income tax expense		(353,447)	(183,694)	(641,061)	(475,952)
Profit after tax		388,500	376,152	1,046,994	1,059,309
Profit / (loss) attributable to:					
Equity holders of the parent		388,095	377,130	1,047,850	1,059,773
Non-controlling interest		405	(978)	(856)	(464)
		388,500	376,152	1,046,994	1,059,309
		----- (Rupees) -----		----- (Rupees) -----	
Earnings per share - basic and diluted	23	1.11	1.09	2.99	3.03

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


 Chairman


 Director


 Director


 Chief Financial Officer


 Managing Director &
 Chief Executive officer

Adamjee Insurance Company Limited
 Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
 For the three and six months period ended 30 June 2018

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
Profit after tax for the period	388,500	376,152	1,046,994	1,059,309
<u>Other comprehensive income</u>				
<i>Items that may be reclassified subsequently to profit and loss:</i>				
Unrealized appreciation / (diminution) on 'available for sale' net of tax	(1,337,438)	(1,012,715)	(581,337)	(939,634)
Other comprehensive (loss) / income from window takaful operations net of tax	(1,201)	(588)	(442)	(118)
Effect of currency translation of investment in foreign branches - net of tax	28,315	4,068	50,708	4,508
Total comprehensive (loss) / income for the period	(921,824)	(633,083)	515,923	124,065
Total comprehensive (loss) / income attributable to:				
Equity holders of the parent	(919,099)	(623,044)	517,280	125,799
Non-controlling interest	(2,725)	(10,039)	(1,357)	(1,734)
	(921,824)	(633,083)	515,923	124,065

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

				
Chairman	Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer

Adamjee Insurance Company Limited
 Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)
 For the six months period ended 30 June 2018

	Share capital	Capital reserve			Revenue reserve				Equity attributable to equity holders of the parent	Non-controlling interest	Total	
	Issued, subscribed and paid up	Reserve for exceptional losses	Investment fluctuation reserve	Exchange translation reserve	General reserve	Fair value reserve	Capital contribution to statutory fund	Unappropriated profit				Net retained earnings
(Rupees in thousand)												
Balance as at 31 December 2016 - (Audited)	3,500,000	22,859	3,764	443,711	936,500	-	(341,687)	12,139,501	11,797,814	16,704,648	23,610	16,728,258
Effect of restatement as disclosed in note 4.1.2	-	-	-	-	-	4,128,908	-	-	-	4,128,908	3,985	4,132,893
Balance as at 31 December 2016 - (Audited) restated	3,500,000	22,859	3,764	443,711	936,500	4,128,908	(341,687)	12,139,501	11,797,814	20,833,556	27,595	20,861,151
Profit for the period 01 January 2017 to 30 June 2017	-	-	-	-	-	-	-	1,059,773	1,059,773	1,059,773	(464)	1,059,309
Other comprehensive (loss) / income for the period 01 January 2017 to 30 June 2017	-	-	-	4,508	-	(938,482)	-	-	-	(933,974)	(1,270)	(935,244)
Capital contribution to statutory funds	-	-	-	-	-	41,749	-	-	41,749	41,749	14,455	56,204
Total comprehensive income for the period	-	-	-	4,508	-	(938,482)	41,749	1,059,773	1,101,522	167,548	12,721	180,269
Transactions with owners of the Company												
Final dividend for the year ended 31 December 2016 @ 25% (Rupee 2.5/- per share)	-	-	-	-	-	-	-	(875,000)	(875,000)	(875,000)	-	(875,000)
Balance as at 30 June 2017 - (Unaudited) - restated	3,500,000	22,859	3,764	448,219	936,500	3,190,426	(299,938)	12,324,274	12,024,336	20,126,104	40,316	20,166,420
Profit for the period 01 July 2017 to 31 December 2017	-	-	-	-	-	-	-	145,569	145,569	145,569	(5,037)	140,532
Other comprehensive (loss) / income for the period 01 July 2017 to 31 December 2017	-	-	-	18,881	-	(607,069)	-	(51,033)	(51,033)	(639,221)	(1,795)	(641,016)
Capital contribution to statutory funds	-	-	-	-	-	40,710	-	-	40,710	40,710	14,097	54,807
Total comprehensive income for the period	-	-	-	18,881	-	(607,069)	40,710	94,536	135,246	(452,942)	7,265	(445,677)
Balance as at 31 December 2017 - (Audited) - restated	3,500,000	22,859	3,764	467,100	936,500	2,583,357	(259,228)	12,418,810	12,159,582	19,673,162	47,581	19,720,743
Transactions with owners of the Company												
Interim dividend for the year ended 30 June 2017 @ 15% (Rupees 1.5/- per share)	-	-	-	-	-	-	-	(525,000)	(525,000)	(525,000)	-	(525,000)
Balance as at 31 December 2017 - (Audited) - restated	3,500,000	22,859	3,764	467,100	936,500	2,583,357	(259,228)	11,893,810	11,634,582	19,148,162	47,581	19,195,743
Profit for the period 01 January 2018 to 30 June 2018	-	-	-	-	-	-	-	1,047,850	1,047,850	1,047,850	(856)	1,046,994
Other comprehensive (loss) / income for the period 01 January 2018 to 30 June 2018	-	-	-	50,708	-	(581,278)	-	-	-	(530,570)	(501)	(531,071)
Capital contribution to statutory funds	-	-	-	-	-	-	(7,476)	-	(7,476)	(7,476)	(2,588)	(10,064)
Total comprehensive income for the period	-	-	-	50,708	-	(581,278)	(7,476)	1,047,850	1,040,374	509,804	(3,945)	505,859
Balance as at 30 June 2018 - (Unaudited)	3,500,000	22,859	3,764	517,808	936,500	2,002,079	(266,704)	12,591,660	12,324,956	19,307,966	43,636	19,351,602

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


 Chairman


 Director


 Director


 Chief Financial Officer


 Managing Director & Chief Executive Officer

Adamjee Insurance Company Limited
Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the six months period ended 30 June 2018

	Six months period ended	
	30 June	30 June
	2018	2017
	----- (Rupees in thousand) -----	
<i>Cash flows from operating activities</i>		
<i>Underwriting activities</i>		
Insurance Premium received	15,826,241	15,151,654
Reinsurance premiums paid	(3,155,277)	(2,774,859)
Claims paid	(10,346,900)	(6,839,386)
Surrenders paid	(29,961)	(38,607)
Reinsurance and other recoveries received	3,485,396	1,234,236
Commissions paid	(1,790,505)	(1,651,098)
Commissions received	257,857	321,765
Other underwriting payments	(2,155,331)	(529,781)
Net cash (outflow) from underwriting activities	2,091,520	4,873,924
<i>Other operating activities</i>		
Income tax paid	(569,080)	(464,849)
Other expenses	(153,822)	(127,756)
Loans advanced	(30,287)	(33,469)
Loans repayments received	26,882	24,870
Other operating receipts	113,911	88,157
Net cash (outflow) from other operating activities	(612,396)	(513,047)
Total cash generated from all operating activities	1,479,124	4,360,877
<i>Cash flows from investing activities</i>		
Profit / return received on bank deposits	612,314	664,602
Return on Pakistan investment bonds	-	14,017
Income received from TFCs	-	430
Income from treasury bills	20,050	4,294
Dividends received	925,201	1,107,197
Rentals received	6,380	1,614
Payments for investments	(50,525,513)	(56,374,392)
Proceeds from disposal of investments	50,062,098	56,741,178
Fixed capital expenditure - tangible assets	(457,046)	(288,779)
Fixed capital expenditure - intangible assets	(2,468)	(7,292)
Proceeds from disposal of property and equipment	16,466	12,261
Total cash inflow from investing activities	657,482	1,875,130
<i>Cash flows from financing activities</i>		
Dividends paid	(315,785)	(846,466)
Repatriation of funds	-	-
Total cash (outflow) from financing activities	(315,785)	(846,466)
Net cash generated from all activities	1,820,821	5,389,541
Cash at the beginning of the year - Restated	12,740,248	10,464,083
Cash at the end of the period	14,561,069	15,853,624

Reconciliation to profit and loss account

	Six months period ended	
	30 June 2018	30 June 2017
	----- (Rupees in thousand) -----	
Operating cash flows	1,479,124	4,360,877
Depreciation expense	(92,930)	(71,323)
Financial charges expense	-	(7,114)
Provision for gratuity	(16,029)	(9,543)
Other income - bank deposits	64,870	46,845
Gain on disposal of property and equipment	7,493	5,525
Rental income	5,030	1,614
(Decrease) / increase in assets other than cash	105,777	2,101,162
Decrease / (increase) in liabilities other than borrowing	(1,581,032)	(5,458,630)
Profit on sale of investments	1,260,749	891,601
Amortization of intangibles	(7,881)	(6,114)
Increase in unearned premium	(838,962)	(1,454,399)
Increase in loans	3,474	1,707
Income taxes paid	495,905	427,699
Provision for impairment in value of 'available for sale' investments	(71,686)	(280,943)
Dividend and other income	1,355,778	1,538,183
Capital contribution from SHF	-	(56,204)
Income from treasury bills	12,767	10,031
Return on Pakistan investment bonds	-	12,857
Income from TFCs	2,716	3,000
Profit for the period from Window Takaful Operations	44,281	31,025
Revaluation on investments	(480,575)	(537,311)
Surplus of Policyholders' fund	(60,814)	(15,284)
Profit before taxation	1,688,055	1,535,261

Cash for the purposes of the statement of cash flows consists of:

	Six months ended	
	30 June 2018	30 June 2017
	----- (Rupees in thousand) -----	
Cash and other equivalents	12,919	19,872
Current and other accounts	3,178,293	4,830,079
Deposits maturing within 3 months	11,369,857	11,003,673
Total cash and cash equivalents	14,561,069	15,853,624

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


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive
officer

Adamjee Insurance Company Limited
Notes to the Consolidated Condensed Interim Financial Information (Un-audited)
For the six months ended 30 June 2018

1 Legal status and nature of business

The Group consists of:

Holding Company

Adamjee Insurance Company Limited

Subsidiary Company

Adamjee Life Assurance Company Limited [74.28% held by Adamjee Insurance Company Limited (2017: 74.28%)]

Adamjee Insurance Company Limited (Holding Company)

Adamjee Insurance Company Limited is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Act 2017). The Company is listed on Pakistan stock exchange and is engaged in the general insurance business comprising fire and property, marine, motor, accident & health and miscellaneous classes. The registered office of the Company is situated at Tanveer Building, 27-C-III, MM Alam Road, Gulberg III, Lahore.

The Holding Company also operates branches in the United Arab Emirates (UAE) and the Export Processing Zone (EPZ).

The Holding Company was granted authorization on 23 December 2015 under Rule 6 of Takaful Rules, 2012 to undertake Window Takaful Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and commenced Window Takaful Operations on 01 January 2016.

Adamjee Life Assurance Company Limited (Subsidiary Company)

Adamjee Life Assurance Company Limited was incorporated in Pakistan on 4 August 2008 as a public unlisted company under the Companies Ordinance, 1984 and started its operations from 24 April 2009. The registered office of the Company is located at First Floor Islamabad Stock Exchange Tower, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is located at Third Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of Adamjee Insurance Company Limited and an associate of IVM Intersurer B.V. who have a holding of 74.28% (2017: 74.28%) and 25.72% (2017: 25.72%), respectively in the share capital of the Company. IVM Intersurer B.V. has nominated Hollard Life Assurance Company Limited (HLA), a subsidiary of IVM Intersurer B.V., to act on its behalf in respect of matters relating to the Company. HLA is South Africa's largest private sector insurance company.

The Company is engaged in life assurance business carrying on non-participating business only. In accordance with the requirements of the Insurance Ordinance, 2000, the Company has established a shareholders' fund and the following statutory funds in respect of its each class of life assurance business:

- Conventional Business
- Accident and Health Business
- Non-Unitised Investment Link Business
- Unit Linked Business
- Individual Family Takaful Unit Linked Business

2 Basis of preparation and statement of compliance

This consolidated condensed interim financial information of the Company for the six months period ended 30 June 2018 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting and the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 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 differ, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 shall prevail.

As per the requirements of the SECP Takaful Rules 2012 and SECP Circular No.25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's Fund of the Window Takaful Operations of the Company have been presented as a single line item in the statement of financial position and statement of comprehensive income of the Company respectively.

In terms of the requirements of the Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator Fund of the Window Takaful operations of the Company have been presented as a single line item in the statement of financial position and profit and loss account of the Company respectively. A separate set of statement of financial position of the Window Takaful operations has been annexed to this financial information as per the requirements of the Takaful Rules, 2012.

This consolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Company for the year ended 31 December 2017. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2017, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in equity and interim cash flow statement and related notes are extracted from condensed interim financial information of the Company for the six months' period ended 30 June 2017.

This consolidated condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 & 228 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

This consolidated condensed interim financial information is presented in Pakistan Rupees which is the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

3 Basis of measurement

This consolidated condensed interim financial information have been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value. All transactions reflected in this financial information are on accrual basis except for those reflected in cash flow statements.

4 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2017 except for the changes mentioned below:

4.1 Change in accounting policy

4.1.1 Application of Insurance Rules 2017 and Insurance Accounting Regulation 2017

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated 9 February 2017 has issued the and Insurance Rules, 2017 Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations 2017). The application of these Rules and Accounting Regulations, 2017 for the purpose of preparation and presentation of the financial statements was effective from 1 April 2017. SECP had granted Company exemption from application of Rules and Accounting Regulations 2017 to the Company till 31 December 2017. Therefore, the application of Rules and Accounting Regulations 2017 became effective from the accounting year commencing from 01 January 2018.

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

The effect of each of the above change is given below:

4.1.2 Available for sale investments

Previously, the Company recorded its 'available for sale' investments at cost and remeasured them at lower of cost or market value (market value being taken as lower of the reduction other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002. As per Insurance Rules 2017, 'available for sale' investments are now initially measured at cost and subsequently remeasured at fair value at each reporting date. The unrealized gains and losses arising from changes in fair values are directly recognized in equity in the year in which these arise. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the profit and loss account as gains and losses from investment securities. The investment for which quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology.

The Company assesses at each statement of financial position date whether there is an objective evidence that the financial asset is impaired. If any such evidence exists for an 'available for sale' asset, the accumulated loss is removed from equity and recognized in the profit and loss account. Impairment loss recognized in the profit and loss account on equity instruments is not reversed through the profit and loss account. The said change in accounting policy has been made in accordance with the requirements of IAS 8 'Accounting Policies, change in accounting estimates and errors' as disclosed in note 4.1.5 of this consolidated condensed interim financial information.

4.1.3 Presentation of financial statements

The Company has adopted format for preparation and presentation of its condensed interim financial information in line with the requirements of the Rules and Accounting Regulations 2017. Significant changes in presentation are rearrangements in sequence of assets / liabilities in the statement of financial position; presentation of single profit or loss account instead of segment wise (classes of business) presentation and discontinuation of separate statements of Premiums, Claims, Expense and Investment Income. The segment wise premiums, claims and expenses and investment income is now included in notes to the consolidated condensed interim financial information (note 19, 20, 21 and 22). Furthermore term deposits are now included in investments instead of cash and cash equivalent in line with the requirements of Insurance Rules and Accounting Regulations, 2017.

4.1.4 Premium revenue

The Insurance Accounting Regulations, 2017, requires the Company, to recognize premium receivable under an insurance policy/ cover note as written from the date of attachment of risk to the policy / cover note. Accordingly, the Company is required to account for cover notes which are effective as at reporting date. In previous years, the Company recognized premium under a policy as written at the time of issuance of policy in accordance with the SEC Insurance Rules, 2002. The change is considered to be a change in accounting policy in accordance with IAS - 8. The impact of the same is not considered to be material to the financial statements and accordingly the comparative restated consolidated condensed interim financial information has not been restated for this change.

4.1.5 Financial impact of change in accounting policy

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

	31 December 2017			1 January 2017		
	As previously reported	Adjustment	After adjustment	As previously reported	Adjustment	After adjustment
<u>Effect on statement of financial position</u>						
<i>Assets</i>						
Investments in equity and debt securities	31,578,632	4,116,879	35,695,511	30,263,028	6,003,073	36,266,101
Loans and other receivables	1,051,147	(420,000)	631,147	-	-	-
Total assets from takaful operations - OTF	241,121	128	241,249	99,157	121	99,278
<i>Liability</i>						
Deferred taxation	30,218	1,107,649	1,137,867	35,362	1,849,816	1,885,178
Other creditors and accruals	3,159,265	1,377	3,160,642			
Total liabilities from takaful operations - OTF	141,312	38	141,350	46,366	38	46,404
<i>Equity:</i>						
Fair value reserves	-	2,583,357	2,583,357	-	4,128,908	4,128,908
Non - Controlling Interest	46,661	920	47,581	23,610	3,985	27,595
Balance of Statutory funds	27,667,002	3,666	27,670,668	22,166,399	20,448	22,186,847
30 June 2017						
----- (Rupees in thousand) -----						
<u>Effect of other comprehensive income</u>						
<i>Item to be reclassified to profit and loss account in subsequent period</i>						
Net unrealized (loss) arising during the period on revaluation of available for sale investments-net of tax				-	(939,634)	(939,634)
Net unrealized (loss) arising during the period on revaluation of available for sale investments of Window Takaful Operations -net of tax				-	(118)	(118)

There is no impact on profit before tax, profit after tax and earning per share of the Company for the six month periods ended on 30 June 2017.

4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

- Amendment to IFRS 4 - 'Insurance Contracts'- and applying IFRS 9 'Financial Instruments' with IFRS 4
- IFRS 9 - 'Financial Instruments' and amendment to IFRS 9 - 'Prepayment Features with Negative Compensation'. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.
- IFRS 15 - 'Revenue from Contract with Customer'
- IFRS 16 - 'Leases'
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures
- IFRIC 23 - 'Uncertainty over Income Tax Treatments'
- Annual Improvements to IFRS Standards 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

For IFRS 9 - 'Financial Instruments, IFRS 15 - 'Revenue from Contracts with Customers' and IFRS 16 - 'Leases', the Company is in process of analyzing the impact upon adoption as at 30 June 2018.

4.3 Adoption of Companies Act 2017

The Companies Act, 2017 has been effective from 1 January 2018, however during the period there is no impact on the consolidated condensed interim financial information of the Company.

		(Unaudited) 30 June 2018	(Audited) 31 December 2017
	<i>Note</i>	--- (Rupees in thousand) ---	
5 Property and equipment			
<u>Operating assets</u>			
Opening balance - net book value		2,273,084	1,150,358
Additions during the period / year	5.1	72,781	1,273,770
Disposals during the period / year - net book value	5.2	(8,974)	(12,738)
Depreciation charged during the period / year		(83,775)	(147,796)
Currency translation effect		39,277	9,490
Closing balance - net book value		<u>2,292,393</u>	<u>2,273,084</u>
Capital work in progress	5.3	824,418	462,458
		<u>3,116,811</u>	<u>2,735,542</u>

5.1 Additions during the period / year - cost

Land and buildings	-	1,040,575
Furniture and fixtures	2,422	47,394
Motor vehicles	27,528	92,057
Machinery and equipments	4,939	30,931
Computer and related accessories	37,892	29,460
Leasehold Improvements	-	33,353
	<u>72,781</u>	<u>1,273,770</u>

5.2 Disposals during the period / year - net book value

Land and buildings	-	-
Furniture and fixtures	-	41
Motor vehicles	8,645	10,332
Machinery and equipments	185	2,365
Computer and related accessories	144	-
Leasehold Improvements	-	-
	<u>8,974</u>	<u>12,738</u>

5.3 Capital work in progress

Capital work in progress as of 30 June 2018 includes advances to contactors and suppliers amounting to Rs. 97,135 thousand and Rs. 33,770 thousand respectively.

		(Unaudited) 30 June 2018	(Audited) 31 December 2017
		--- (Rupees in thousand) ---	
6 Intangible assets			
Opening balance - net book value		97,760	102,565
Additions during the period / year		2,977	28,144
Disposals during the period / year - net book value		-	-
Amortization charged during the period / year		(17,036)	(34,196)
Currency translation effect		1,809	1,247
		<u>85,510</u>	<u>97,760</u>

7 Investment in equity securities

Available-for-sale

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
----- Rupees in thousands -----						
Related parties	<i>Restated</i>					
Listed shares	8,398,023	-	8,398,023	8,253,568	-	8,253,568
Unlisted shares	150,726	-	150,726	-	-	-
Mutual Funds	270,193	-	270,193	311,114	-	311,114
Unrealized gain / (loss)			1,446,752			2,213,028
			10,265,694			10,777,710

Others

Listed shares	6,870,017	(1,206,780)	5,663,237	7,044,306	(1,135,095)	5,909,211
Unlisted shares	925,360	-	925,360	925,360	-	925,360
NIT Units	161	-	161	161	-	161
Mutual Funds	183,472	-	183,472	190,785	-	190,785
			6,772,230			7,025,517
Unrealized gain / (loss)			1,375,863			1,480,054
			8,148,093			8,505,571
			18,413,787			19,283,281

At fair value through profit and loss

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
----- Rupees in thousands -----						
Related parties						
Listed shares	996,114	-	996,114	610,452	-	610,452
Mutual Funds	3,550,080	-	3,550,080	3,189,085	-	3,189,085
			4,546,194			3,799,537
Others						
Listed shares	7,843,330	-	7,843,330	6,241,085	-	6,241,085
Mutual Funds	390,674	-	390,674	450,978	-	450,978
			8,234,004			6,692,063
			12,780,198			10,491,600
Total investment in equity securities			31,193,985			29,774,881

8 Investment in debt securities

		(Unaudited)	(Audited)
		30 June 2018	31 December 2017
----- (Rupees in thousand) -----			
Available for sale			
Treasury Bills		99,930	101,587
Pakistan Investment Bonds		243,778	244,853
		343,708	346,440
At fair value through profit and loss			
Term Finance Certificate	8.1	1,094,343	857,620
Advance against purchase of term finance certificate		358,000	420,000
Sukuk Certificates		1,045,830	355,212
Ijarah sukuks		158,713	250,731
Treasury Bills		443,111	3,246,607
Pakistan Investment Bonds		51,918	2,188
		3,151,915	5,132,358

		(Unaudited) 30 June 2018	(Audited) 31 December 2017
	Note	----- (Rupees in thousand) -----	
Held-to-maturity			
Term Finance Certificate	8.2	70,948	70,948
Treasury Bills		376,294	370,884
		<u>447,242</u>	<u>441,832</u>
Total investment in debt securities		<u>3,942,865</u>	<u>5,920,630</u>

8.1 Term Finance Certificate

	No of certificates		Face value	(Unaudited) (Audited) Value of certificates	
	30 June 2018	31 December 2017		30 June 2018	31 December 2017
	----- (Rupees in thousand) -----				
At fair value through profit and loss					
Askari Bank Limited	41,000	10,000	5	205,367	50,057
Bank Al Habib Limited	39,680	10,992	5	199,736	54,982
Bank Alfalah Limited	33,510	24,023	5	168,156	122,032
Bank of Punjab	2,550	2,550	100	260,564	254,643
Habib Bank Limited	590	3,290	100	58,216	325,896
Soneri Bank Limited	10,000	10,000	5	50,866	50,010
Jahangir Siddiqui Company Limited	30,000	-	5	151,438	-
				<u>1,094,343</u>	<u>857,620</u>

8.2 Held-to-maturity

Pak Electron (Commercial Paper)	75	75	1,000	70,948	70,948
				<u>70,948</u>	<u>70,948</u>

9 Investments in Term Deposits

- Held to maturity

Deposits maturing within 12 months

- related parties
- others

769,464	708,913
14,701,641	11,931,473
15,471,105	12,640,386

Deposits maturing after 12 months

- related parties
- others

2,000	2,000
333,608	3,108
335,608	5,108

9.1 **15,806,713** **12,645,494**

- 9.1 These include fixed deposits amounting to Rs. 229,731 thousand (AED 6,951 thousand) [31 December 2017: Rs. 208,736 thousand (AED 6,951 thousand)] kept in accordance with the requirements of Insurance Regulations applicable to the UAE branches for the purpose of carrying on business in UAE. These also include liens against cash deposits of Rs. 36,985 thousand (31 December 2017: Rs. 106,985 thousand) with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the Holding Company for claims under litigation filed against the Holding Company.

	(Unaudited) 30 June 2018	(Audited) 31 December 2017
Note	----- (Rupees in thousand) -----	
10 Loans and other receivables		
Rent receivable	4,740	6,090
Accrued investment income	192,470	202,838
Security deposits	84,657	69,120
Advances to employees and suppliers	270,787	131,424
Agent commission receivable	1,591	20,547
Loans to employees	56,647	52,109
Other receivables	418,883	149,019
	1,029,775	631,147
11 Insurance / reinsurance receivables - unsecured and considered good		
Due from insurance contract holders	6,460,994	6,218,998
Less: Provision for impairment of receivables from insurance contract holders	(389,580)	(375,801)
	6,071,414	5,843,197
Due from other insurers / other reinsurers	1,289,321	1,154,196
Less: provision for impairment of due from other insurers / reinsurers	(151,302)	(151,302)
	1,138,019	1,002,894
	7,209,433	6,846,091
12 Prepayments		
Prepaid reinsurance premium ceded	2,648,777	2,349,147
Prepaid rent	10,059	19,663
Prepaid miscellaneous expenses	225,914	183,688
	2,884,750	2,552,498
13 Cash and Bank		
<u>Cash and cash equivalents</u>		
Cash in hand	868	14,732
Policy & revenue stamps, bond papers	12,051	7,289
	12,919	22,021
<u>Cash at bank</u>		
Current accounts	1,430,968	1,534,268
Saving accounts	1,747,325	2,073,959
	3,178,293	3,608,227
	3,191,212	3,630,248
13.1 Cash at bank includes an amount of Rs. 1,216,232 thousand (31 December 2017: Rs. 2,395,788 thousand) held with MCB Bank Limited, a related party of the Company.		

	(Unaudited) 30 June 2018	(Audited) 31 December 2017
	----- (Rupees in thousand) -----	
14 Window Takaful Operations		
<u>Operator's Fund</u>		
<i>Assets:</i>		
Cash and bank deposits	45,886	41,119
Qard e Hasna to Participant Takaful Fund	122,000	117,000
Investments	30,028	30,343
Current assets - Others	103,651	30,605
Fixed assets	22,287	22,182
Total Assets	323,852	241,249
Total liabilities - current	195,476	141,350

	(Unaudited) 30 June 2018	(Unaudited) 30 June 2017
	----- (Rupees in thousand) -----	
14.1 Window Takaful Operations		
<u>Profit and loss account</u>		
Wakala Fee	112,717	65,591
Commission expense	(25,702)	(13,797)
Management expense	(42,932)	(19,745)
Net Investment income	1,936	694
Other expenses	(1,738)	(1,718)
Profit before tax	44,281	31,025
Taxation	(15,362)	(9,307)
Profit after tax	28,919	21,718

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed condensed interim financial information for the six months period ended 30 June 2018.

	(Unaudited)	(Audited)
	30 June	31 December
	2018	2017
	----- (Rupees in thousand) -----	
15 Reserves		
<u>Capital reserves</u>		
Reserves for exceptional losses	22,859	22,859
Investment fluctuation reserves	3,764	3,764
Exchange translation reserves	517,808	467,100
	544,431	493,723
<u>Revenue reserves</u>		
General reserves	936,500	936,500
Fair value reserve	2,002,079	2,583,357
	2,938,579	3,519,857
	3,483,010	4,013,580
16 Outstanding claims including IBNR		
<u>General Insurance</u>		
Inside Pakistan	20.1 5,586,679	7,084,282
Outside Pakistan	20.2 5,049,441	4,401,462
	10,636,120	11,485,744
<u>Life Insurance</u>		
Outstanding claims including IBNR	323,493	359,090
	323,493	359,090
	10,959,613	11,844,834
17 Other creditors and accruals		
Agents commission payable	1,096,382	1,226,946
Federal excise duty / sales tax	238,155	85,567
Federal Insurance Fee	43,156	22,733
Workers' welfare fund	427,913	392,371
Accrued expenses	147,662	141,691
Unpaid and unclaimed dividend	140,429	106,214
Cash margin against performance bonds	668,353	652,075
Payable to employees' provident fund	2,624	2,325
Sundry creditors	360,750	530,720
	3,125,424	3,160,642

18 Contingencies and commitments

Contingencies

Holding Company

There has been no significant change in the status of contingencies as reported in the preceding published consolidated annual financial statements of the Holding Company for the year ended 31 December 2017 except for the following:

Assistant Commissioner Inland Revenue passed order u/s 161/205 of the Ordinance for tax year 2012 raising an income tax demand of Rs. 12,669 thousand. The Holding Company agitated the order before Commissioner Inland Revenue (Appeals) which is pending adjudication.

Subsidiary Company

Claims against the Subsidiary Company not acknowledged as debt	<u>30,995</u>	<u>27,213</u>
Number of cases	<u>15</u>	<u>7</u>

The above represent fifteen pending cases initiated against the Subsidiary Company concerning policy holders' claims rejected on different grounds. Decision of 2 out of 15 cases amounting to Rs.2 million has turned out to be in favour of the claimant & appeal has been filed against the said decisions. However, the management believes that no significant liability is likely to occur in these cases.

Securities and Exchange Commission of Pakistan (SECP) had initiated a thematic review of Bancassurance business of insurers in order to check compliance of code of business with the applicable regulations and to ensure adherence towards best practice and ensuring protection of consumer interest. SECP has issued multiple show-cause letters to various companies in the industry. The Subsidiary Company has also received four (4) letters in this regards. These letters mainly charging the Subsidiary Company for deviations on commission payments/ disclosures and compliance with the requirement of maintaining minimum cover multiple. The cumulative penalty envisaged in the said letters was Rs. 4 million.

In addition to above, SECP has concluded the off-site examination of books of accounts of the Subsidiary Company for the year ended 31 December 2016. In this regards, SECP has issued two (2) show cause letters to the Subsidiary Company. The charge in these show cause letters is related to matters covered under section 56 of Insurance Ordinance, 2000 related to self insurance and pre-approval from shareholders of the Subsidiary Company against investment made in associated undertakings. The cumulative penalty envisaged in the said letters was Rs. 1.5 million.

Replies to aforementioned letters have been sent to SECP, to which, SECP has provided the opportunity of being heard to the Subsidiary Company on 4 July 2018. However, due to the unavailability of senior management team on such date, Subsidiary Company has requested and applied for extension of one month. So far, no response has been received by the Subsidiary Company in this regard. Management of the Subsidiary Company has engaged a legal council to handle the matter and the management is confident that it would be able to satisfy SECP on the stated deviations and hence, no provision has been made in these condensed interim financial information.

For tax years 2011, 2012 and 2013, tax authorities have issued orders under section 221 of Income Tax Ordinance, 2001 (the Ordinance) raising tax demand of Rs. 2.63 million, Rs. 3.04 million and Rs. 2.19 million respectively for these years primarily on the ground of charging WWF under sections 4(4) of the WWF Ordinance, 1971 and full tax credits of tax paid / deducted not allowed due to non verification of tax challans. The Subsidiary Company has filed an appeal against these orders with the Commissioner Inland Revenue - Appeals (CIR(A)). However, CIR(A) has maintained the levy and disposed off the Subsidiary Company's appeal. Now the Subsidiary Company has further filed an appeal against CIR (A)

orders which is pending before the Appellate Tribunal Inland Revenue (ATIR). However, based on consultations with the tax advisor, the management considers that the Subsidiary Company has enough grounds for success in appeal before the appellate authorities and the management is confident that the outcome of the appeals would be in their favour. Hence, no provision has been made in this condensed interim financial information against the aforesaid tax demand.

Commitments

Holding Company

There are no commitments as of 30 June 2018.

Subsidiary Company

Commitments in respect of ljarah rentals payable in future period as at 30 June 2018 amounted to Rs. 25,724 thousands (2017: Rs. 31,781 thousands) for vehicles. Commitment in respect of capital expenditure amounting to Nil (2017: Rs. 33,900 thousands)

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
19 Net Insurance Premium				
Written Gross Premium	9,319,826	8,997,901	15,631,437	15,687,221
Add: Unearned premium reserve opening	8,136,283	7,619,658	8,912,498	7,349,511
Less: Unearned premium reserve closing	9,751,460	8,803,910	9,751,460	8,803,910
Add: Currency translation effect	205,164	4,469	354,680	5,689
Premium earned	7,909,813	7,818,118	15,147,155	14,238,511
Less: Reinsurance premium ceded	2,256,127	2,137,476	3,267,550	3,546,016
Add: Prepaid reinsurance premium opening	1,759,176	2,175,511	2,349,147	2,356,182
Less: Prepaid reinsurance premium closing	2,648,778	2,885,721	2,648,778	2,885,721
Add: Currency translation effect	6,027	606	10,839	747
Reinsurance expense	1,372,552	1,427,872	2,978,758	3,017,224
	6,537,261	6,390,246	12,168,397	11,221,287
19.1 Net Insurance Premium - Business underwritten inside Pakistan				
General Insurance				
Written Gross Premium	4,189,933	3,795,169	6,696,459	6,625,490
Add: Unearned premium reserve opening	4,740,133	4,442,587	5,186,518	4,515,372
Less: Unearned premium reserve closing	5,983,865	5,511,792	5,983,865	5,511,792
Premium earned	2,946,201	2,725,964	5,899,112	5,629,070
Less: Reinsurance premium ceded	2,112,473	1,853,596	2,932,933	2,958,180
Add: Prepaid reinsurance premium opening	1,705,069	1,765,932	2,079,920	1,922,263
Less: Prepaid reinsurance premium closing	2,622,522	2,460,185	2,622,522	2,460,185
Reinsurance expense	1,195,020	1,159,343	2,390,331	2,420,258
	1,751,181	1,566,621	3,508,781	3,208,812
Life Insurance				
Gross premiums				
Regular premium insurance policies				
First year	603,881	804,439	1,159,136	1,041,867
Second year renewal	395,368	428,461	867,629	638,980
Subsequent years renewal	959,667	966,095	1,663,318	1,342,938
Single premium insurance policies	1,323,223	1,357,461	2,049,620	2,450,296
Group policies without cash values	83,687	84,166	243,568	177,223
Total gross premiums	3,365,826	3,640,622	5,983,271	5,651,304
Less: Reinsurance premiums ceded				
on individual life first year business	8,630	20,085	20,467	34,262
on individual life second year business	13,154	9,746	24,531	16,265
on individual life subsequent renewal business	24,700	22,559	44,630	35,407
on single premium individual policies	-	-	-	-
on group policies	15,638	30,730	105,998	83,019
	62,122	83,120	195,626	168,953
Net Premiums	3,303,704	3,557,502	5,787,645	5,482,351

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
19.2 Net Insurance Premium - Business underwritten outside Pakistan				
Written Gross Premium	1,764,067	1,562,110	2,951,707	3,410,427
Add: Unearned premium reserve opening	3,396,150	3,177,071	3,725,980	2,834,139
Less: Unearned premium reserve closing	3,767,595	3,292,118	3,767,595	3,292,118
Add: Currency translation effect	205,164	4,469	354,680	5,689
Premium earned	1,597,786	1,451,532	3,264,772	2,958,137
Less: Reinsurance premium ceded	81,532	200,760	138,991	418,883
Add: Prepaid reinsurance premium opening	54,107	409,579	269,227	433,919
Less: Prepaid reinsurance premium closing	26,256	425,536	26,256	425,536
Add: Currency translation effect	6,027	606	10,839	747
Reinsurance expense	115,410	185,409	392,801	428,013
	1,482,376	1,266,123	2,871,971	2,530,124
20 Net Insurance Claims Expense				
Claim Paid	5,944,429	4,099,956	10,311,301	6,900,272
Add: Outstanding claims including IBNR closing	10,636,120	11,082,979	10,636,120	11,082,979
Less: Outstanding claims including IBNR opening	11,426,866	10,024,986	11,485,744	9,475,718
Less: Currency translation effect	253,776	6,654	454,985	8,247
Claim expense	4,899,907	5,151,295	9,006,692	8,499,286
Less: Reinsurance and other recoveries received	2,666,544	859,950	3,769,250	1,453,072
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	6,844,083	7,614,199	6,844,083	7,614,199
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	7,917,116	6,950,610	8,056,450	6,615,596
Less: Currency translation effect	136,155	3,848	249,501	4,801
Reinsurance and other recoveries revenue	1,457,356	1,519,691	2,307,382	2,446,874
	3,442,551	3,631,604	6,699,310	6,052,412
Add: Policyholders' liabilities at end of the period	29,615,359	23,657,422	29,615,359	23,657,422
Less: Policyholders' liabilities at beginning of the period	29,309,715	21,251,296	27,096,071	21,251,296
	305,644	2,406,126	2,519,288	2,406,126
	3,748,195	6,037,730	9,218,598	8,458,538
20.1 Net Insurance Claim Expense - Business underwritten inside Pakistan				
General Insurance				
Claim Paid	2,738,453	931,379	4,169,425	1,794,910
Add: Outstanding claims including IBNR closing	5,586,679	6,299,594	5,586,679	6,299,594
Less: Outstanding claims including IBNR opening	6,630,290	5,623,831	7,084,282	5,480,119
Claim expense	1,694,842	1,607,142	2,671,822	2,614,385
Less: Reinsurance and other recoveries received	1,902,964	280,979	2,413,220	346,378
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	4,097,999	4,837,306	4,097,999	4,837,306
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	5,205,590	4,318,051	5,602,812	4,220,537
Reinsurance and other recoveries revenue	795,373	800,234	908,407	963,147
	899,469	806,908	1,763,415	1,651,238

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
Life Insurance				
Gross Claims				
Claims under individual policies				
by death	17,671	121,859	124,289	158,626
by insured event other than death	900	(2,667)	900	-
by maturity	280,981	265,882	547,835	319,392
by surrender	1,087,326	1,333,576	2,123,993	1,849,672
Total gross individual policy claims	1,386,878	1,718,650	2,797,017	2,327,690
Claims under group policies				
by death	118,522	103,635	256,065	173,819
by insured event other than death	17,832	(568)	25,301	9,274
experience refund	-	4,122	4,291	7,951
Total gross group policy claims	136,354	107,189	285,657	191,044
Total gross policy claims	1,523,232	1,825,839	3,082,674	2,518,734
Less: Reinsurance recoveries				
on individual claims	798	54,082	36,057	70,865
on group claims	100,190	50,933	178,791	116,978
	100,988	105,015	214,848	187,843
	1,422,244	1,720,824	2,867,826	2,330,891
Add: Policyholders' liabilities at end of the period	29,615,359	23,657,422	29,615,359	23,657,422
Less: Policyholders' liabilities at beginning of the period	29,309,715	22,584,097	27,096,071	21,251,296
	305,644	1,073,325	2,519,288	2,406,126
Net insurance benefit expense	1,727,888	2,794,149	5,387,114	4,737,017
20.2 Net Insurance Claim Expense - Business underwritten outside Pakistan				
Claim Paid	1,682,744	1,342,738	3,059,202	2,586,628
Add: Outstanding claims including IBNR closing	5,049,441	4,783,385	5,049,441	4,783,385
Less: Outstanding claims including IBNR opening	4,796,576	4,401,155	4,401,462	3,995,599
Less: Currency translation effect	253,776	6,654	454,985	8,247
Claim expense	1,681,833	1,718,314	3,252,196	3,366,167
Less: Reinsurance and other recoveries received	662,592	473,956	1,141,182	918,851
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	2,746,084	2,776,893	2,746,084	2,776,893
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	2,711,526	2,632,559	2,453,638	2,395,059
Less: Currency translation effect	136,155	3,848	249,501	4,801
Reinsurance and other recoveries revenue	560,995	614,442	1,184,127	1,295,884
	1,120,838	1,103,872	2,068,069	2,070,283

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
21 Net Commission Expense / Acquisition Cost				
Commission Paid or payable	1,080,177	864,538	1,673,130	1,639,159
Add: Deferred Commission expense opening	614,722	777,693	733,631	737,281
Less: Deferred Commission expense closing	855,030	888,084	855,030	888,084
Add: Currency translation effect	21,072	523	37,059	658
Net Commission	860,941	754,670	1,588,790	1,489,014
Less: Commission received or recoverable	167,526	186,047	257,857	321,720
Add: unearned reinsurance commission	195,862	223,588	240,306	236,881
Less: unearned reinsurance commission	242,026	280,401	242,026	280,401
Add: Currency translation effect	294	43	665	54
	121,656	129,277	256,802	278,254
	739,285	625,393	1,331,988	1,210,760
Branch overheads	56,243	40,684	102,831	66,266
Other acquisition costs	8,348	9,924	18,056	16,582
	64,591	50,608	120,887	82,848
	803,876	676,001	1,452,875	1,293,608

21.1 Net Commission Expense / Acquisition Cost - Business underwritten inside Pakistan

General Insurance

Commission Paid or payable	480,235	318,384	633,748	542,687
Add: Deferred Commission expense opening	254,852	403,118	326,325	398,331
Less: Deferred Commission expense closing	471,649	508,749	471,649	508,749
Net Commission	263,438	212,753	488,424	432,269
Less: Commission received or recoverable	165,838	169,502	254,023	285,652
Add: unearned reinsurance commission	188,720	192,395	227,726	202,685
Less: unearned reinsurance commission	238,193	250,051	238,193	250,051
	116,365	111,846	243,556	238,286
	147,073	100,907	244,868	193,983

Life Insurance

Acquisition costs

Remuneration to insurance intermediaries on individual policies:

- commission on first year premiums	271,229	277,870	522,676	497,805
- commission on second year premiums	20,713	7,468	45,311	33,924
- commission on subsequent years renewal premiums	21,870	16,170	38,190	30,536
- commission on single premiums	26,418	40,622	42,978	65,733
- other benefits to insurance intermediaries	62,295	12,603	60,242	54,513
	402,525	354,733	709,397	682,511

Remuneration to insurance intermediaries on group policies:

- commission	9,362	7,047	16,046	15,556
- other benefits to insurance intermediaries	3,904	(537)	3,904	-
	415,791	361,243	729,347	698,067

Branch overheads

Other acquisition costs:

- policy stamps	7,732	9,354	16,802	15,712
- medical examination fee	616	570	1,254	870
- others	-	-	-	-
	8,348	9,924	18,056	16,582
	480,382	411,851	850,234	780,915

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
21.2 Net Commission Expense / Acquisition Cost - Business underwritten outside Pakistan				
Commission Paid or payable	184,151	184,911	310,035	398,405
Add: Deferred Commission expense opening	359,870	374,575	407,306	338,950
Less: Deferred Commission expense closing	383,381	379,335	383,381	379,335
Add: Currency translation effect	21,072	523	37,059	658
Net Commission	181,712	180,674	371,019	358,678
Less: Commission received or recoverable	1,688	16,545	3,834	36,068
Add: unearned reinsurance commission	7,142	31,193	12,580	34,196
Less: unearned reinsurance commission	3,833	30,350	3,833	30,350
Add: Currency translation effect	294	43	665	54
	5,291	17,431	13,246	39,968
	176,421	163,243	357,773	318,710

22 Investment Income

Business underwritten Inside Pakistan

General insurance:

Available-for-sale

Income from equity securities

Dividend income

- associated undertakings
- others

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	191,508	175,652	382,619	349,673
	76,699	41,850	269,111	357,363
	268,207	217,502	651,730	707,036

Income from debt securities - Held to maturity

- Return on Term Finance Certificates
- Return on Pakistan Investment Bonds
- Profit on Treasury Bills

	1,365	1,575	2,716	3,000
	-	7,011	-	12,857
	5,940	7,681	12,767	10,031
	275,512	233,769	667,213	732,924

Income from term deposits

Return on term deposits

	1,495	1,153	3,428	1,153
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Net realized gains/ (losses) on investments

Realized gains on

- associated undertakings
- others

	-	-	-	-
	345,291	464,468	449,506	581,617
	345,291	464,468	449,506	581,617
	622,298	699,390	1,120,147	1,315,694

Reversal of impairment in value of
'available-for-sale' investments

	(108,698)	(280,943)	(71,686)	(280,943)
	513,600	418,447	1,048,461	1,034,751

Life insurance:

Share holders' fund

- Unrealized diminution in value of quoted securities
- Return on Government Securities
- Return on bank deposit
- Dividend income
- Gain on sale of non trading investments
- Provision for impairment in value of
'available-for-sale investments'

	(25)	(58)	(25)	(110)
	3,448	3,808	4,990	6,954
	542	110	865	640
	499	4,931	499	5,608
	1,622	(722)	4,808	-
	-	(374)	-	(381)
	6,086	7,695	11,137	12,711

Statutory Funds:

Conventional Business

- Unrealized appreciation in value of quoted securities
- Return on Government Securities
- Return on bank deposits
- Dividend income
- Gain on sale of disposal of non trading investments
- Provision for impairment in value of
'available-for-sale' investments

	(5,105)	-	(939)	-
	4,147	2,678	6,582	4,628
	1,496	1,397	2,925	3,077
	-	1,236	-	1,236
	1,359	(275)	1,359	-
	-	416	-	390
	1,897	5,452	9,927	9,331

Accident and Health Business

Return on bank deposits

	-	(1)	-	-
	-	(1)	-	-

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
----- (Rupees in thousand) -----				
<u>Non-unitized Investment Link Business</u>				
Appreciation in value of quoted securities	(116,813)	(71,461)	(15,524)	(46,372)
Return on fixed income securities	3,946	2,407	6,722	3,732
Return on Government Securities	9,911	(3,895)	20,481	24,799
Return on bank deposits	14,086	21,339	29,866	25,470
Mark-up on policy loans	422	507	815	809
Dividend income	11,285	32,800	16,501	33,729
Gain on disposal of trading investments	(1,984)	11,605	8,936	14,657
Provision for impairment in value of 'available-for-sale' investments	-	-	-	-
	(79,147)	(6,698)	67,797	56,824
<u>Unit Linked Business</u>				
Appreciation in value of quoted securities	(1,285,803)	(668,941)	(478,909)	(494,218)
Appreciation in value of investment property	-	-	47,019	-
Mark-up on policy loans	169	193	338	279
Return on Government Securities	89,118	25,485	210,940	248,044
Return on fixed income securities	39,554	33,742	66,732	37,691
Dividend income	40,004	273,096	105,722	294,025
Return on bank deposits	117,376	107,408	201,306	124,298
Gain on disposal of open end trading / non trading investments	205,078	146,314	754,938	206,525
Provision for impairment in value of 'available-for-sale' investments	-	1,623	-	-
	(794,504)	(81,080)	908,086	416,644
<u>Individual Family Takaful Unit Linked Business</u>				
Appreciation in value of quoted securities	(68,087)	(21,815)	(31,570)	(18,089)
Return on Government Securities	758	4,765	3,840	4,714
Return on fixed income securities	1,059	1,567	2,260	1,567
Dividend income	3,496	6,411	7,955	6,411
Return on bank deposits	9,206	2,269	14,676	2,506
Gain on disposal of open end trading / non trading investments	17,235	-	41,204	(5)
	(36,333)	(6,803)	38,365	(2,896)
<u>Business underwritten Outside Pakistan</u>				
Available-for-sale				
Income from equity securities				
<i>- Available for sale</i>				
Dividend income				
- associated undertakings	-	-	-	-
- others	-	(6,494)	-	2,024
	-	(6,494)	-	2,024
<i>Realized gains</i>				
- associated undertakings	-	-	-	-
- others	-	37,776	-	88,802
	-	37,776	-	88,802
	-	31,282	-	90,826
Income from term deposits				
Return on term deposits	18,333	852	30,059	852
	18,333	32,134	30,059	91,678
Net investment income	(370,068)	369,146	2,113,832	1,619,043
Net investment income				
Net investment income - statutory funds	(908,087)	(89,130)	1,024,175	479,903
Net investment income - other	538,019	458,276	1,089,657	1,139,140
	(370,068)	369,146	2,113,832	1,619,043

23 Transactions with related parties

The Company has related party relationships with its associates, subsidiary company, entities with common directorship, employee retirement benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than those specified in their terms of employment. Contributions and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan.

Investments and cash deposits with related parties have been disclosed in relevant notes and to the consolidated condensed interim financial information. Other transactions with related parties are summarized as follows:

Holding Company:	(Unaudited)	(Unaudited)
	30 June	30 June
	2018	2017
	---- (Rupees in thousand) ----	
i) Transactions		
Premiums underwritten	845,012	622,680
Premiums received	769,300	727,567
Claims paid	397,584	151,218
Commission Paid	26,907	10,295
Rent paid	2,413	2,905
Rent received	-	1,614
Dividends received	191,309	349,673
Dividends paid	98,193	192,165
Income on bank deposits	13,332	9,419
Investments made	293,093	479,210
Fee / service charges paid	3,001	1,829
Charge in respect of gratuity expense	16,457	13,027
Contribution to Employees' Provident Fund	15,439	14,536
Compensation paid to Key management personnel	393,208	366,366
	(Unaudited)	(Audited)
	30 June	31 December
	2018	2017
	---- (Rupees in thousand) ----	
ii) Period end balances		
Balances receivable	386,290	516,219
Balances payable	705,037	628,382
Cash and bank balances	1,151,989	1,375,420
Payable to Staff Gratuity Fund	92,068	84,443
Payable to Employees' Provident Fund	2,624	2,325

Subsidiary Company:

i) Transactions

	(Unaudited) 30 June 2018	(Unaudited) 30 June 2017
	---- (Rupees in thousand) ----	
Premium written	33,331	21,389
Claims expense	40,922	23,155
Investment advisor fee	8,807	7,014
Trustee fee	5,234	5,045
Commission and other incentives in respect of Bancassurance	452,397	478,329
Profit on bank deposits	27,222	23,365
Bank charges	884	816
Investments purchased	1,676,302	1,664,138
Investments sold	1,074,560	1,115,583
Dividend income	17,368	278,636
Reinsurance Expense	1,996	12,980
Charge for the period - Gratuity fund	16,654	40,795
Contribution to Employees' Gratuity Fund	30,000	23,650
Compensation paid to Key management personnel	106,617	105,165
Sale Proceeds from sale of fixed assets to Key management personnel	4,476	1,586
Gain on sale of fixed assets to Key management personnel	2,532	190

ii) Period end balances

	(Unaudited) 30 June 2018	(Audited) 31 December 2017
	---- (Rupees in thousand) ----	
Premium due but unpaid	15,384	6,605
Premium received in advance	277	2,402
Bank deposits	735,707	1,020,368
Investments held	4,547,378	3,968,110
Dividend receivables	-	10,009
Accrued Income	254	137
Other receivables	5	5
Technical support fee payable	13,330	13,330
Commission payable	115,287	1,372,459
Claims payable	10,605	9,680
Reinsurance Expense Payable	1,996	12,980
Remuneration payable for the management of discretionary investment portfolio	1,449	1,240
Remuneration payable to Trustee	697	798
Payable to / Receivable from Gratuity fund	(18,160)	1,042

Six months period ended 30 June 2018 (Un-audited)																	
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance	Life Insurance		Aggregate Life Insurance	Grand Total	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		Shareholders' Fund	Statutory Funds			
Rupees in thousands																	
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,499,304	18,454	533,639	15,190	1,689,147	3,048,405	1,016,038	9,472	794,597	8,022	7,532,725	3,099,543	10,632,268	-	5,983,271	5,983,271	16,615,539
Federal excise duty / VAT	(451,277)	(937)	(60,734)	(417)	(201,631)	(145,577)	-	(451)	(55,751)	(418)	(769,393)	(147,800)	(917,193)	-	-	-	(917,193)
Federal insurance fee	(30,232)	(20)	(4,711)	(12)	(14,731)	-	(10,060)	-	(7,138)	(4)	(66,872)	(36)	(66,908)	-	-	-	(66,908)
	3,017,795	17,497	468,194	14,761	1,472,785	2,902,828	1,005,978	9,021	731,708	7,600	6,696,460	2,951,707	9,648,167	-	5,983,271	5,983,271	15,631,438
Gross written premium (inclusive of administrative surcharge)	3,017,795	17,497	468,194	14,761	1,472,785	2,902,828	1,005,978	9,021	731,708	7,600	6,696,460	2,951,707	9,648,167	-	5,983,271	5,983,271	15,631,438
Gross direct premium	3,010,078	17,448	457,434	14,699	1,425,360	2,901,544	1,005,602	9,021	694,361	7,578	6,592,835	2,950,290	9,543,125	-	5,983,271	5,983,271	15,526,396
Facultative inward premium	(322)	-	65	-	-	-	-	-	30,999	-	30,742	-	30,742	-	-	-	30,742
Administrative surcharge	8,039	49	10,695	62	47,425	1,284	376	-	6,348	22	72,883	1,417	74,300	-	-	-	74,300
	3,017,795	17,497	468,194	14,761	1,472,785	2,902,828	1,005,978	9,021	731,708	7,600	6,696,460	2,951,707	9,648,167	-	5,983,271	5,983,271	15,631,438
Insurance premium earned	2,401,610	20,097	432,922	15,038	1,342,899	3,218,210	928,738	5,591	792,943	5,836	5,899,112	3,264,772	9,163,884	-	5,983,271	5,983,271	15,147,155
Insurance premium ceded to reinsurers	(1,964,566)	(12,694)	(57,334)	-	(20,156)	(371,591)	-	(5,428)	(348,275)	(3,088)	(2,390,331)	(392,801)	(2,783,132)	-	(195,626)	(195,626)	(2,978,758)
Net insurance premium	437,044	7,403	375,588	15,038	1,322,743	2,846,619	928,738	163	444,668	2,748	3,508,781	2,871,971	6,380,752	-	5,787,645	5,787,645	12,168,397
Commission income	176,229	3,673	363	-	8	8,446	-	-	66,956	1,127	243,556	13,246	256,802	-	-	-	256,802
Net underwriting income	613,273	11,076	375,951	15,038	1,322,751	2,855,065	928,738	163	511,624	3,875	3,752,337	2,885,217	6,637,554	-	5,787,645	5,787,645	12,425,199
Insurance claims	(902,801)	340	(97,703)	(592)	(666,612)	(3,247,100)	(802,647)	(5,093)	(202,059)	249	(2,671,822)	(3,252,196)	(5,924,018)	-	(3,082,674)	(3,082,674)	(9,006,692)
Insurance claim recoveries from reinsurer	793,543	(2,229)	(25,081)	-	52,870	1,181,619	-	4,923	87,075	(186)	908,407	1,184,127	2,092,534	-	214,848	214,848	2,307,382
Net claims	(109,258)	(1,889)	(122,784)	(592)	(613,742)	(2,065,481)	(802,647)	(170)	(114,984)	63	(1,763,415)	(2,068,069)	(3,831,484)	-	(2,867,826)	(2,867,826)	(6,699,310)
Commission expense and acquisition costs	(212,692)	(2,530)	(60,406)	(2,466)	(103,070)	(364,700)	(28,228)	(749)	(84,028)	(574)	(488,424)	(371,019)	(859,443)	-	(850,234)	(850,234)	(1,709,677)
Management expense	(186,391)	(415)	(124,822)	(3,012)	(480,097)	(367,089)	(70,037)	(2,783)	(124,877)	(2,329)	(986,224)	(375,628)	(1,361,852)	-	(513,657)	(513,657)	(1,875,509)
Premium deficiency expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net insurance claims and expenses	(508,341)	(4,834)	(308,012)	(6,070)	(1,196,909)	(2,797,270)	(900,912)	(3,702)	(323,889)	(2,840)	(3,238,063)	(2,814,716)	(6,052,779)	-	(4,231,717)	(4,231,717)	(10,284,496)
Net Investment income - statutory funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,024,175	1,024,175	1,024,175
Policyholders' liabilities at beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,096,071	27,096,071	27,096,071
Policyholders' liabilities at end of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,615,359)	(29,615,359)	(29,615,359)
Surplus / (deficit) of Policyholders' funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,815)	(60,815)	(60,815)
Underwriting result	104,932	6,242	67,939	8,968	125,842	57,795	27,826	(3,539)	187,735	1,035	514,274	70,501	584,775	-	-	-	584,775
Net investment income	-	-	-	-	-	-	-	-	-	-	1,048,461	30,059	1,078,520	-	-	11,137	1,089,657
Rental income	-	-	-	-	-	-	-	-	-	-	5,030	-	5,030	-	-	-	5,030
Other income	-	-	-	-	-	-	-	-	-	-	29,637	13,793	43,430	-	-	2,908	46,338
Other expenses	-	-	-	-	-	-	-	-	-	-	(62,456)	(4,653)	(67,109)	-	-	(18,003)	(85,112)
Exchange gain	-	-	-	-	-	-	-	-	-	-	3,201	(115)	3,086	-	-	-	3,086
Profit from Window Takaful Operations	-	-	-	-	-	-	-	-	-	-	44,281	-	44,281	-	-	-	44,281
Profit before tax											1,582,428	109,585	1,692,013			(3,958)	1,688,055

30 June 2018 (Un-audited)																	
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance	Life Insurance		Aggregate Life Insurance	Grand Total	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		Shareholders' Fund	Statutory Funds			
Rupees in thousands																	
Segment Assets	7,720,210	71,402	558,718	14,856	1,184,777	5,563,558	698,690	18,496	1,563,440	20,606	11,725,835	5,688,918	17,414,753	663,302	31,121,109	31,784,411	49,199,164
Unallocated assets											23,843,337	4,272,880	28,116,217			-	28,116,217
											35,569,172	9,961,798	45,530,970			31,784,411	77,315,381
Segment Liabilities	7,226,788	82,867	563,870	22,748	2,470,686	8,691,991	1,712,076	22,311	1,873,126	14,265	13,846,546	8,834,182	22,680,728	50,721	972,849	1,023,570	23,704,298
Unallocated Liabilities											3,472,054	526,598	3,998,652			-	3,998,652
											17,318,600	9,360,780	26,679,380			1,023,570	27,702,950

24.1 Segment Information

Six months period ended 30 June 2017 (Un-audited)																	
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance	Life Insurance		Aggregate Life Insurance	Grand Total	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		Shareholders' Fund	Statutory Funds			
Rupees in thousands																	
Premium receivable (Inclusive of federal excise duty, Federal insurance fee and Administrative surcharge)	3,487,440	21,423	509,456	17,247	1,556,002	3,364,648	1,096,960	-	794,868	7,537	7,444,726	3,410,855	10,855,581	-	5,651,304	5,651,304	16,506,885
Federal excise duty / VAT	(447,668)	(257)	(57,950)	(82)	(185,099)	-	-	-	(62,032)	(46)	(752,749)	(385)	(753,134)	-	-	-	(753,134)
Federal insurance fee	(30,261)	(20)	(4,471)	(18)	(13,582)	-	(10,911)	-	(7,262)	(5)	(66,487)	(43)	(66,530)	-	-	-	(66,530)
	3,009,511	21,146	447,035	17,147	1,357,321	3,364,648	1,086,049	-	725,574	7,486	6,625,490	3,410,427	10,035,917	-	5,651,304	5,651,304	15,687,221
Gross written premium (inclusive of administrative surcharge)	3,009,511	21,146	447,035	17,147	1,357,321	3,364,648	1,086,049	-	725,574	7,486	6,625,490	3,410,427	10,035,917	-	5,651,304	5,651,304	15,687,221
Gross direct premium	3,000,036	21,098	437,189	17,093	1,314,990	3,363,460	1,085,713	-	719,958	7,445	6,557,886	3,409,096	9,966,982	-	5,651,304	5,651,304	15,618,286
Facultative inward premium	924	-	-	-	-	-	-	-	-	-	924	-	924	-	-	-	924
Administrative surcharge	8,551	48	9,846	54	42,331	1,188	336	-	5,616	41	66,680	1,331	68,011	-	-	-	68,011
	3,009,511	21,146	447,035	17,147	1,357,321	3,364,648	1,086,049	-	725,574	7,486	6,625,490	3,410,427	10,035,917	-	5,651,304	5,651,304	15,687,221
Insurance premium earned	2,483,994	30,214	439,126	14,364	1,126,949	2,900,343	869,973	6,466	709,028	6,750	5,629,070	2,958,137	8,587,207	-	5,651,304	5,651,304	14,238,511
Insurance premium ceded to reinsurers	(2,040,075)	(18,269)	(95,079)	-	(19,494)	(401,560)	-	(3,845)	(265,610)	(4,339)	(2,420,258)	(428,013)	(2,848,271)	-	(168,953)	(168,953)	(3,017,224)
Net insurance premium	443,919	11,945	344,047	14,364	1,107,455	2,498,783	869,973	2,621	443,418	2,411	3,208,812	2,530,124	5,738,936	-	5,482,351	5,482,351	11,221,287
Commission income	186,445	3,346	383	-	26	35,492	-	-	51,432	1,130	238,286	39,968	278,254	-	-	-	278,254
Net underwriting income	630,364	15,291	344,430	14,364	1,107,481	2,534,275	869,973	2,621	494,850	3,541	3,447,098	2,570,092	6,017,190	-	5,482,351	5,482,351	11,499,541
Insurance claims	(793,994)	(6,917)	(146,772)	(2,693)	(485,034)	(3,354,877)	(703,403)	(2,827)	(485,182)	1,147	(2,614,385)	(3,366,167)	(5,980,552)	-	(2,518,734)	(2,518,734)	(8,499,286)
Insurance claim recoveries from reinsurer	667,465	1,680	33,052	-	(20,269)	1,294,010	-	1,556	282,899	(1,362)	963,147	1,295,884	2,259,031	-	187,843	187,843	2,446,874
Net claims	(126,529)	(5,237)	(113,720)	(2,693)	(505,303)	(2,060,867)	(703,403)	(1,271)	(202,283)	(215)	(1,651,238)	(2,070,283)	(3,721,521)	-	(2,330,891)	(2,330,891)	(6,052,412)
Commission expense and acquisition costs	(222,895)	(4,360)	(55,549)	(1,623)	(97,347)	(351,864)	(21,270)	(147)	(35,208)	(684)	(432,269)	(358,678)	(790,947)	-	(780,915)	(780,915)	(1,571,862)
Management expense	(166,409)	(1,321)	(110,116)	(794)	(420,865)	(261,790)	(80,858)	(1,907)	(130,975)	(284)	(909,223)	(266,096)	(1,175,319)	-	(429,038)	(429,038)	(1,604,357)
Premium deficiency expense	-	-	-	-	-	47,171	-	-	-	-	-	47,171	47,171	-	-	-	47,171
Net insurance claims and expenses	(515,833)	(10,918)	(279,385)	(5,110)	(1,023,515)	(2,627,350)	(805,531)	(3,325)	(368,466)	(1,183)	(2,992,730)	(2,647,886)	(5,640,616)	-	(3,540,844)	(3,540,844)	(9,181,460)
Net investment income - statutory funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	479,903
Policyholders' liabilities at beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,251,296
Policyholders' liabilities at end of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,251,296
Surplus / (deficit) of Policyholders' funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,284)
Underwriting result	114,531	4,373	65,045	9,254	83,966	(93,075)	64,442	(704)	126,384	2,358	454,368	(77,794)	376,574	-	-	-	376,574
Net investment income	-	-	-	-	-	-	-	-	-	-	1,034,751	91,678	1,126,429	-	-	-	12,711
Rental income	-	-	-	-	-	-	-	-	-	-	-	1,614	1,614	-	-	-	1,614
Other income	-	-	-	-	-	-	-	-	-	-	53,312	-	53,312	-	-	-	(23)
Other expenses	-	-	-	-	-	-	-	-	-	-	(48,084)	(1,807)	(49,891)	-	-	-	(16,287)
Exchange gain	-	-	-	-	-	-	-	-	-	-	(203)	-	(203)	-	-	-	(203)
Profit from Window Takaful Operations	-	-	-	-	-	-	-	-	-	-	31,025	-	31,025	-	-	-	31,025
Profit before tax	-	-	-	-	-	-	-	-	-	-	1,525,169	13,691	1,538,860	-	-	-	(3,599)
31 December 2017-Restated																	
Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total		Aggregate General Insurance	Life Insurance		Aggregate Life Insurance	Grand Total	
Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan	Inside Pakistan	Outside Pakistan		Shareholders' Fund	Conventional Business			
Rupees in thousands																	
Segment Assets	8,024,165	68,696	594,844	14,374	1,099,831	5,467,973	744,815	10,643	1,870,256	14,599	12,333,911	5,576,285	17,910,196	671,439	28,797,808	29,469,247	47,379,443
Unallocated assets	-	-	-	-	-	-	-	-	-	-	23,972,409	3,395,668	27,368,077	-	-	-	27,368,077
											36,306,320	8,971,953	45,278,273			29,469,247	74,747,520
Segment Liabilities	7,877,109	81,525	563,983	20,350	2,286,540	8,019,014	1,632,477	17,282	2,114,503	10,973	14,474,612	8,149,144	22,623,756	127,939	1,154,962	1,282,901	23,906,657
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-	3,480,171	494,281	3,974,452	-	-	-	3,974,452
											17,954,783	8,643,425	26,598,208			1,282,901	27,881,109

25 Fair value measurement of financial instruments

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

		30 June 2018 (Un-audited)										
		Available for sale	Fair value through P&L	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in thousand) -----										
<i>Financial assets - measured at fair value</i>												
	7	18,413,787	12,780,198	-	-	-	-	31,193,985	31,193,985	-	-	31,193,985
	8		3,151,915	-	-	-	-	3,151,915	-	3,151,915	-	3,151,915
	14	30,028	-	-	-	-	-	30,028	30,028	-	-	30,028
<i>Financial assets - not measured at fair value</i>												
	10	-	-	-	1,029,775	-	-	1,029,775	-	-	-	-
	8	343,708	-	447,242	-	-	-	790,950	-	-	-	-
	9	-	-	15,806,713	-	-	-	15,806,713	-	-	-	-
	11	-	-	-	7,209,433	-	-	7,209,433	-	-	-	-
		-	-	-	32,254	-	-	32,254	-	-	-	-
		-	-	-	6,476,349	-	-	6,476,349	-	-	-	-
		-	-	-	367,734	-	-	367,734	-	-	-	-
	12	-	-	-	2,884,750	-	-	2,884,750	-	-	-	-
	13	-	-	-	-	3,191,212	-	3,191,212	-	-	-	-
	14	-	-	-	247,938	45,886	-	293,824	-	-	-	-
		18,787,523	15,932,113	16,253,955	18,248,233	3,237,098	-	72,458,922	31,224,013	3,151,915	-	34,375,928
<i>Financial liabilities - not measured at fair value</i>												
<i>Underwriting provisions:</i>												
		-	-	-	-	-	10,959,613	10,959,613	-	-	-	-
		-	-	-	-	-	1,644,636	1,644,636	-	-	-	-
	17	-	-	-	-	-	3,125,424	3,125,424	-	-	-	-
	14	-	-	-	-	-	195,476	195,476	-	-	-	-
		-	-	-	-	-	15,925,149	15,925,149	-	-	-	-

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

25.1 Fair value measurement of financial instruments

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

		31 December 2017 (Audited)										
		Available for sale	Fair value through P&L	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in thousand) -----										
<i>Financial assets - measured at fair value</i>												
	7	19,283,281	10,491,600	-	-	-	-	29,774,881	29,774,881	-	-	29,774,881
	8		5,132,358	-	-	-	-	5,132,358	-	5,132,358	-	5,132,358
	14	30,343	-	-	-	-	-	30,343	30,343	-	-	30,343
<i>Financial assets - not measured at fair value</i>												
	10	-	-	-	631,147	-	-	631,147	-	-	-	-
	8	346,440	-	441,832	-	-	-	788,272	-	-	-	-
	9	-	-	12,645,494	-	-	-	12,645,494	-	-	-	-
	11	-	-	-	6,846,091	-	-	6,846,091	-	-	-	-
		-	-	-	31,170	-	-	31,170	-	-	-	-
		-	-	-	7,709,161	-	-	7,709,161	-	-	-	-
		-	-	-	347,289	-	-	347,289	-	-	-	-
	12	-	-	-	2,552,498	-	-	2,552,498	-	-	-	-
	13	-	-	-	-	3,630,248	-	3,630,248	-	-	-	-
	14	-	-	-	169,787	41,119	-	210,906	-	-	-	-
		19,660,064	15,623,958	13,087,326	18,287,143	3,671,367	-	70,329,858	29,805,224	5,132,358	-	34,937,582
<i>Financial liabilities - not measured at fair value</i>												
<i>Underwriting provisions:</i>												
		-	-	-	-	-	11,844,834	11,844,834	-	-	-	-
		-	-	-	-	-	1,681,093	1,681,093	-	-	-	-
	17	-	-	-	-	-	3,160,642	3,160,642	-	-	-	-
	14	-	-	-	-	-	141,350	141,350	-	-	-	-
		-	-	-	-	-	16,827,919	16,827,919	-	-	-	-

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

26 Reconciliation of movement of liabilities to cash flows arising from financing activities

The Company has not undertaken any financing activities in current financial period. Accordingly, the reconciliation of movement of liabilities to cash flows arising from financing activities has not been disclosed in these consolidated condensed interim financial information.

27 Corresponding figures

Significant reclassification / rearrangement of corresponding figures have been made in this consolidated condensed interim financial information in accordance with change in accounting policies as disclosed in note 4.1.

28 Date of authorization for issue






This consolidated condensed interim financial information was authorized for issue on 28 August 2018 by the Board of Directors of the Company.

29 Non-adjusting events after balance sheet date

The Board of Directors of the Holding Company in their meeting held on 28 August 2018 proposed an interim cash dividend for the six months ended 30 June 2018 @ 10 % i.e. Rupee(s) 1 per share (30 June 2017 @ 15 % i.e. Rupees 1.5 per share). This consolidated condensed interim financial information for the six months ended 30 June 2018 does not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending 31 December 2018.

30 General

Figures have been rounded off to the nearest thousand rupees unless other wise stated.

 Chairman	 Director	 Director	 Chief Financial Officer	 Managing Director & Chief Executive officer
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WINDOW TAKAFUL OPERATIONS

Condensed Interim
Financial Information
for the Six Months Ended
30 June 2018
(Unaudited)



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Adamjee Insurance Company Limited – Window Takaful Operations Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Adamjee Insurance Company Limited – Window Takaful Operations** (“the Operator”) and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in funds and notes to the financial information for the six-month period then ended 30 June 2018 (here-in-after referred to as the “condensed interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the three months period ended 30 June 2018 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' report is Bilal Ali.

Lahore : 28 August 2018

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

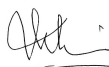
Adamjee Insurance Company Limited
Window Takaful Operations
Condensed Interim Statement of Financial Position (Unaudited)
As at 30 June 2018

		(Unaudited)			(Audited)
		30 June 2018			31 December
		Operator's Fund	Participants' Takaful Fund	Aggregate	2017 Aggregate
		-----Rupees in '000-----			(Restated)
ASSETS					
Qard-e-Hasna to Participants' Takaful Fund					
		122,000	-	122,000	117,000
Property and equipment	8	22,287	-	22,287	22,182
Investments - Equity securities	9	30,028	-	30,028	30,343
Loans and other receivables	10	2,233	9,089	11,322	5,630
Takaful / re-takaful receivables	11	-	315,052	315,052	183,594
Re-takaful recoveries against outstanding claims		-	43,790	43,790	34,211
Salvage recoveries accrued		-	10,213	10,213	6,800
Wakala and mudarib fee receivable		76,565	-	76,565	8,815
Deferred commission expense / acquisition cost	19	24,633	-	24,633	20,213
Prepayments	12	220	83,225	83,445	64,631
Cash and Bank	13	45,886	315,034	360,920	271,991
		201,852	776,403	978,255	648,410
Total Assets		323,852	776,403	1,100,255	765,410
Funds and Liabilities					
<u>Operator's Fund</u>					
Statutory fund		50,000	-	50,000	50,000
Fair value reserve		(352)	-	(352)	90
Unappropriated profit		78,728	-	78,728	49,809
		128,376	-	128,376	99,899
<u>Waqf / Participants' Takaful Fund</u>					
Ceded money		-	500	500	500
Accumulated deficit		-	(25,515)	(25,515)	(36,179)
		-	(25,015)	(25,015)	(35,679)
LIABILITIES					
Qard-e-Hasna from Operator's Fund		-	122,000	122,000	117,000
<u>Underwriting provisions</u>					
Outstanding claims (including IBNR)	17	-	167,547	167,547	153,116
Unearned contribution reserve	16	-	326,214	326,214	194,954
Unearned retakaful rebate	20	-	13,974	13,974	10,156
Contribution deficiency reserve		-	1,919	1,919	1,919
Retirement benefit obligations		1,883	-	1,883	1,883
Deferred taxation		460	-	460	551
Contribution received in advance		-	6,698	6,698	4,116
Takaful / re-takaful payables		-	67,491	67,491	59,557
Wakala and mudarib fee payable		-	76,565	76,565	8,815
Provision for unearned wakala fee	18	124,441	-	124,441	89,452
Other creditors and accruals	14	33,965	19,010	52,975	40,167
Taxation - provision less payments		34,727	-	34,727	19,504
Total Liabilities		195,476	679,418	874,894	584,190
Contingencies and commitments	15				
Total Funds and Liabilities		323,852	776,403	1,100,255	765,410

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



Chairman



Director



Director



Chief Financial Officer



Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Profit and Loss Account (Unaudited)
 For the three months and six months period ended 30 June 2018

		(Unaudited)			
		Three months period ended		Six months period ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
Note		-----Rupees in '000-----			
<u>Participant Takaful Fund - Revenue Account</u>					
Net contribution revenue	16	95,753	58,748	176,322	102,386
Net takaful claims	17	(79,674)	(53,087)	(167,195)	(105,211)
Direct expenses		(12,070)	(4,485)	(20,744)	(6,901)
Net retakaful rebate	20	9,259	4,253	16,860	7,899
Takaful claims and acquisition expenses		(82,485)	(53,319)	(171,079)	(104,213)
Underwriting surplus/(deficit)		13,268	5,429	5,243	(1,827)
Other income	21	3,012	2,080	5,421	2,897
Surplus for the period		16,280	7,509	10,664	1,070

Operator Takaful Fund - Revenue Account

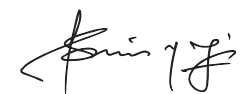
Wakala income	18	59,855	36,668	112,717	65,591
Commission expense	19	(12,646)	(8,049)	(25,702)	(13,797)
Management expenses	22	(22,791)	(12,078)	(42,932)	(19,745)
		24,418	16,541	44,083	32,049
Other income	21	881	552	1,936	694
		25,299	17,093	46,019	32,743
Other expenses	23	(828)	(948)	(1,738)	(1,718)
Profit before tax		24,471	16,145	44,281	31,025
Income tax expense		(8,909)	(4,694)	(15,362)	(9,307)
Profit after tax		15,562	11,451	28,919	21,718

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


 Chairman


 Director


 Director


 Chief Financial Officer


 Managing Director &
 Chief Executive Officer

Adamjee Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Statement of Comprehensive Income (Unaudited)
 For the three months and six months period ended 30 June 2018

	(Unaudited)			
	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	-----Rupees in '000-----			
	(Restated)		(Restated)	
Operator's Fund				
Profit after tax	15,562	11,451	28,919	21,718
<u>Other comprehensive income for the period</u>	-	-	-	-
Unrealized diminution on 'available-for-sale investments - net of tax	(1,201)	(588)	(442)	(118)
Total comprehensive income for the period	14,361	10,863	28,477	21,600

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


 Chairman


 Director


 Director


 Chief Financial Officer


 Managing Director &
 Chief Executive Officer

Adamjee Insurance Company Limited
Window Takaful Operations
Condensed Interim Statement of Cash Flows (Unaudited)
For the six months period ended 30 June 2018

	30 June 2018			30 June
	Operator's Fund	Participants' Takaful Fund	Aggregate	2017
	-----Rupees in '000-----			
Operating cash flows				
(a) Takaful activities				
Contributions received	-	415,142	415,142	293,846
Wakala fee received / (paid)	79,957	(79,957)	-	-
Retakaful / co-takaful payments made	-	(71,982)	(71,982)	(53,473)
Claims paid	-	(193,164)	(193,164)	(75,359)
Retakaful and other recoveries received	-	925	925	8,160
Commissions paid	(27,032)	-	(27,032)	(14,962)
Commissions received	-	20,678	20,678	16,420
Other underwriting payments	-	(21,398)	(21,398)	(19,170)
Net cash inflow from takaful activities	52,925	70,244	123,169	155,462
(b) Other operating activities				
Income tax paid	(192)	(494)	(686)	1,544
General, administration and management expenses paid	(43,748)	-	(43,748)	(34,142)
Loans disbursed	-	-	-	(991)
Loans repaid	-	-	-	420
Other receipts	-	4,494	4,494	3,890
Net cash (outflow)/inflow from other operating activities	(43,940)	4,000	(39,940)	(29,279)
Total cash inflows from operating activities	8,985	74,244	83,229	126,183
Investment activities:				
Profit received on bank deposits	1,883	4,918	6,801	2,673
Qard-e-Hasna paid to Participants' Takaful Fund	(5,000)	-	(5,000)	-
Payment for investments	(30,381)	-	(30,381)	(30,103)
Proceeds from disposal of investments	30,381	-	30,381	30,103
Fixed capital expenditures	(1,101)	-	(1,101)	(537)
Total cash (outflows)/inflows from investing activities	(4,218)	4,918	700	2,136
Financing activities:				
Contribution to Operator's fund	-	-	-	-
Qard-e-Hasna received from Operator's Fund	-	5,000	5,000	-
Ceded money	-	-	-	-
Total cash inflows from financing activities	-	5,000	5,000	-
Net Cash inflows from all activities	4,767	84,162	88,929	128,319
Cash at the beginning of six months period	41,119	230,872	271,991	83,855
Cash at the end of six months period	45,886	315,034	360,920	212,174
Reconciliation to profit and loss account:				
Operating cash flows	8,985	74,244	83,229	126,183
Depreciation	(995)	-	(995)	(361)
Increase in loans	-	-	-	571
Increase in assets other than cash	73,157	164,995	238,152	233,028
Increase in liabilities other than cash	(38,802)	(233,996)	(272,798)	(330,917)
Investment income	166	-	166	198
Return on bank deposits	1,770	5,421	7,191	3,393
Net profit for the period before tax	44,281	10,664	54,945	32,095

Definition of cash

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

	30 June 2018			30 June
	Operator's Fund	Participants' Takaful Fund	Aggregate	2017
	-----Rupees in '000-----			
Cash for the purposes of the statement of cash flows consists of:				
Cash and cash equivalents	154	-	154	50
Current and other accounts	45,732	315,034	360,766	212,124
Total cash and cash equivalents	45,886	315,034	360,920	212,174

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


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

Adamjee Insurance Company Limited
 Window Takaful Operations
 Condensed Statement of Changes in Funds (Unaudited)
 For the six months period ended 30 June 2018

	Operator's Fund			Total
	Statutory Fund	Unappropriated Profit / (Loss)	Fair value reserve	
-----Rupees in '000-----				
Balance as at 31 December 2016 - (Audited)	50,000	2,791	-	52,791
Effect of restatement as disclosed in note 4.1.2 - net of tax	-	-	83	83
Balance as at 31 December 2016 - (Audited) - restated	50,000	2,791	83	52,874
<u>Comprehensive income for the period ended 30 June 2017</u>				
Income for the period 01 Jan 2017 to 30 June 2017	-	21,718	-	21,718
Other comprehensive loss for the period				
01 Jan 2017 to 30 June 2017 - net of tax	-	-	(118)	(118)
Total comprehensive income for the period	-	21,718	(118)	21,600
Balance as at 30 June 2017 - (Unaudited) - restated	50,000	24,509	(35)	74,474
<u>Comprehensive income for the period ended 31 December 2017</u>				
Income for the period 01 July 2017 to 31 December 2017	-	25,300	-	25,300
Other comprehensive income for the period				
01 July 2017 to 31 December 2017 - net of tax	-	-	125	125
Total comprehensive income for the period	-	25,300	125	25,425
Balance as at 31 December 2017 - (Audited) - restated	50,000	49,809	90	99,899
<u>Comprehensive income for the period ended 30 June 2018</u>				
Profit for the period 01 Jan 2018 to 30 June 2018	-	28,919	-	28,919
Other comprehensive loss for the period				
01 Jan 2018 to 30 June 2018 - net of tax	-	-	(442)	(442)
Total comprehensive income for the period	-	28,919	(442)	28,477
Balance as at 30 June 2018 - (Unaudited)	50,000	78,728	(352)	128,376

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


 Chairman


 Director


 Director


 Chief Financial Officer


 Managing Director &
 Chief Executive Officer

Adamjee Insurance Company Limited
 Window Takaful Operations
 Condensed Statement of Changes in Funds (Unaudited)
 For the six months period ended 30 June 2018


	Participants' Takaful Fund			Total
	Ceded Money	Accumulated deficit	Fair value reserve	
-----Rupees in '000-----				
Balance as at 31 December 2016 - (Audited)	500	(5,075)	-	(4,575)
<u>Comprehensive income for the period ended 30 June 2017</u>				
Surplus for the period 01 Jan 2017 to 30 June 2017	-	1,070	-	1,070
Other comprehensive income for the period 01 Jan 2017 to 30 June 2017	-	-	-	-
Total comprehensive income for the period	-	1,070	-	1,070
Balance as at 30 June 2017 - (Unaudited)	500	(4,005)	-	(3,505)
<u>Comprehensive income for the period ended 31 December 2017</u>				
Deficit for the period 01 July 2017 to 31 December 2017	-	(32,174)	-	(32,174)
Other comprehensive income for the period 01 July 2017 to 31 December 2017	-	-	-	-
Total comprehensive loss for the period	-	(32,174)	-	(32,174)
Balance as at 31 December 2017 - (Audited)	500	(36,179)	-	(35,679)
<u>Comprehensive income for the period ended 30 June 2018</u>				
Deficit for the period 01 Jan 2018 to 30 June 2018	-	10,664	-	10,664
Other comprehensive income for the period 01 Jan 2018 to 30 June 2018	-	-	-	-
Total comprehensive income for the period	-	10,664	-	10,664
Balance as at 30 June 2018 - (Unaudited)	500	(25,515)	-	(25,015)

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


 Chairman


 Director


 Director


 Chief Financial Officer


 Managing Director &
 Chief Executive Officer

Adamjee Insurance Company Limited

Window Takaful Operations

Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 30 June 2018

1 Legal status and nature of business

Adamjee Insurance Company Limited ("the Operator") is a public limited company incorporated in Pakistan on 28 September 1960 under the Companies Act, 1913 (now the Companies Act, 2017). The Operator is listed on Pakistan Stock Exchange and is engaged in general takaful business comprising fire & property, marine, motor, accident and health and miscellaneous. The registered office of the Operator is situated at Tanveer Building, 27-C-III, MM Alam Road, Gulberg III, Lahore.

The Operator was granted authorization on 23 December 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations ("WTO") in respect of general takaful products by Securities and Exchange Commission of Pakistan ("SECP").

For the purpose of carrying on the takaful business, the Operator has formed a Waqf/ Participant Takaful Fund (PTF) on 01 January 2016 under the waqf deed with a cede money of Rs.500,000. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

2 Basis of preparation

This condensed interim financial information for the half year ended 30 June 2018 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting and the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 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 differ, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 shall prevail.

These condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with annual financial statements of the Operator for the year ended 31 December 2017. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 31 December 2017, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in funds and interim cash flow statement and related notes are extracted from condensed interim financial information of the Operator for the six months' period ended 30 June 2017.

3 Statement of compliance

This condensed interim financial information has been prepared under historical cost convention except for certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value. All transactions reflected in these financial statements are on accrual basis except for those reflected in cash flow statements.

During the previous year, Insurance Rules, 2017 ("the Rules") were enacted through SRO 88 (I)/2017 dated 09 February 2017 and replaced SEC (Insurance) Rules, 2002. The presentation and disclosure requirements have been significantly changed under the Rules. Further the relaxation allowed by SECP to defer the application of International Accounting Standard (IAS) - 39 'Financial Instruments: Recognition and Measurement' in respect of 'available-for-sale' investments has not been carried in these Rules. Consequently, the Operator has changed its accounting policies in respect of presentation of financial statements and 'available-for-sale' investments as explained in note 4.1 of these condensed interim financial information .

4 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial information are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2017 except for the changes mentioned below:

4.1 Change in accounting policy

4.1.1 Application of Insurance Rules 2017 And Insurance Accounting Regulation 2017

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated 9 February 2017 has issued the and Insurance Rules, 2017 Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations 2017). The application of these Rules and Accounting Regulations, 2017 for the purpose of preparation and presentation of the financial statements was effective from 1 April 2017. SECP has granted exemption from application of Rules and Accounting Regulations 2017 to the Operator till 31 December 2017. Therefore, the application of Rules and Accounting Regulations 2017 became effective from the accounting year commencing from 01 January 2018.

The Rules and Accounting Regulations 2017 require significant disclosures / requirements, which are relevant to the Operator includes but not limited to presentation and disclosure of financial statements prescribed in Annexure II of the Insurance Rules, 2017, recognition of 'available-for-sale' investments at fair value as per IAS 39 "Financial Instruments: Recognition and Measurement", recognition of contribution receivable under a takaful contract / cover note as written from the date of attachment of risk to the takaful contract / cover note.

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

Effective 01 January 2018, the provisions of the Companies Act, 2017 relating to the preparation of the financial statements have become applicable.

4.1.2 Available for sale investments

Previously, the Operator recorded its 'available-for-sale' investments at cost and remeasured them at lower of cost or market value (market value being taken as lower of the reduction other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002. As per Insurance Rules 2017, 'available for sale' investments are now initially measured at cost and subsequently remeasured at fair value at each reporting date. The unrealized gains and losses arising from changes in fair values are directly recognized in fund in the year in which these arise until the investments are sold or determined to be impaired.

Consequently to this change, investments as at 31 December 2017 have been increased by Rs. 128,000 with a corresponding increase in fair value reserve in equity and deferred taxation amounting to Rs. 90,000 and Rs. 38,000 respectively. Furthermore, fair value reserve as at 31 December 2016 has increased by Rs. 83,000 and other comprehensive income for the six months ended 30 June 2017 has decreased by Rs. 118,000. There is no impact on the profit of the Operator.

4.1.3 Contribution revenue

The Insurance Accounting Regulations, 2017, requires the Operator, to recognize contribution receivable under a takaful contract / cover note as written from the date of attachment of risk to the takaful contract / cover note. Accordingly, the Operator is required to account for cover notes which are effective as at reporting date. In previous years, the Operator recognized contribution under a takaful contract as written at the time of issuance of participant's membership document in accordance with the SEC Insurance Rules, 2002. The change is considered to be a change in accounting policy in accordance with IAS - 8. The impact of the same is not considered to be material to the financial statements and accordingly not included in the comparative restated financial statements.

5 Use of estimates and judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Operator's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Operator's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Operator for the year ended 31 December 2017.

6 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees, which is also the Operator's functional currency.

7 Financial risk management

The Operator's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2017.

8 Property and equipment	Note	(Unaudited)			(Audited)
		30 June 2018			31 December 2017
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
-----Rupees in '000-----					
Operating Assets-Tangible	8.1	11,430	-	11,430	12,182
Capital work-in-progress	8.3	10,857	-	10,857	10,000
		<u>22,287</u>	<u>-</u>	<u>22,287</u>	<u>22,182</u>

8.1 Operating assets-Tangible

Opening balance - net book value		12,182	-	12,182	2,592
Additions during the period / year	8.2	243	-	243	10,687
Less: Book value of disposal during the period / year		-	-	-	-
Depreciation charged during the period / year		(995)	-	(995)	(1,097)
		<u>(995)</u>	<u>-</u>	<u>(995)</u>	<u>(1,097)</u>
		<u>11,430</u>	<u>-</u>	<u>11,430</u>	<u>12,182</u>

8.2 Additions during the period / year

Furniture and fixture		61	-	61	135
Motor vehicles		-	-	-	8,878
Office equipment		10	-	10	883
Computer and related accessories		172	-	172	791
		<u>243</u>	<u>-</u>	<u>243</u>	<u>10,687</u>

8.3 This includes an advance paid to Centegy Technologies (Pvt) Ltd. for the development of enterprise resource planning software for Takaful Operations.

30 June 2018			31 December 2017		
Cost	Impairment/ provision	Carrying value	Cost	Impairment/ provision	Carrying value
-----Rupees in '000-----					
(Unaudited)			(Audited)		

9 Investments

Available-for-sale-Mutual Fund

Moderate allocation plan fund [447,300 units (2017: Nil units)]	30,381	-	30,381	-	-
Meezan Islamic Income Fund [2018: Nil units (2017: 580,826 units)]	-	-	-	30,215	30,215
Unrealized (loss) / gain on revaluation		(353)			128
		<u>30,028</u>			<u>30,343</u>

10 Loans and other receivables - Considered good

	(Unaudited)			(Audited)
	30 June 2018			31 December 2017
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
-----Rupees in 000-----				
Sales tax recoverable	311	-	311	249
Advance taxes	-	1,344	1,344	850
Accrued investment income	264	1,080	1,344	955
Loan to employees	908	-	908	327
Advances and deposits	750	6,665	7,415	3,249
	<u>2,233</u>	<u>9,089</u>	<u>11,322</u>	<u>5,630</u>

11 Takaful / re-takaful receivables - Unsecured and considered good

	(Unaudited)		(Audited)
	30 June 2018		31 December 2017
	-----Rupees in '000-----		
Contribution due but unpaid	286,701		152,981
Less: provision for impairment of contribution due but unpaid	-		-
	<u>286,701</u>		<u>152,981</u>
Amount due from other takaful/ re-takaful operators	28,351		30,613
Less: provision for impairment of due from other takaful/ re-takaful operators	-		-
	<u>28,351</u>		<u>30,613</u>
	<u>315,052</u>		<u>183,594</u>

	(Unaudited)			(Audited)
	30 June 2018			31 December 2017
	Operator's Fund	Participants' Takaful Fund	Aggregate	
12 Prepayments	-----Rupees in '000-----			
Prepaid retakaful contribution ceded	-	69,915	69,915	52,244
Prepaid monitoring charges (Tracking device)	-	13,310	13,310	12,387
Others	220	-	220	-
	220	83,225	83,445	64,631

13 Cash and Bank

Cash and cash equivalents:

Cash in hand	154	-	154	5
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Current and other accounts:

Saving accounts	45,732	315,034	360,766	271,986
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	45,886	315,034	360,920	271,991
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13.1 Saving accounts carry expected profit rates ranging from 3.5% to 5% (2017: 3.5% to 5%) per annum.

14 Other creditors and accruals

Commission payable	26,633	-	26,633	23,543
Federal excise duty	-	14,072	14,072	3,729
Federal insurance fee	-	6	6	1,715
Income tax deducted at source	2,682	4,559	7,241	6,840
Accrued expenses	2,417	-	2,417	3,661
Others	2,233	373	2,606	679
	33,965	19,010	52,975	40,167

15 Contingencies and commitments

There are no contingencies and commitments as at 30 June 2018.

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
16 Net contribution revenue	-----Rupees in '000-----			
Gross contribution written	283,869	161,004	546,281	409,059
Less: Gross Wakala Fee	(76,565)	(49,722)	(147,706)	(123,523)
Net Contribution	207,304	111,282	398,575	285,536
Opening: Unearned contribution reserve	264,218	186,898	194,954	77,140
Closing: Unearned contribution reserve	(326,214)	(215,144)	(326,214)	(215,144)
Contribution earned	145,308	83,036	267,315	147,532
Less: Re-takaful contribution ceded	64,556	45,984	108,664	87,951
Add: Prepaid re-takaful contribution ceded opening	54,914	38,769	52,244	17,660
Less: Prepaid re-takaful contribution ceded closing	(69,915)	(60,465)	(69,915)	(60,465)
Re-takaful expense	49,555	24,288	90,993	45,146
	95,753	58,748	176,322	102,386

	Three months period ended		Six months period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
17 Net claims	-----Rupees in '000-----			
Claims Paid	88,402	47,077	193,164	75,359
Add: Outstanding claims including IBNR closing	167,547	58,951	167,547	58,951
Less: Outstanding claims including IBNR opening	(156,637)	(50,166)	(153,116)	(25,705)
Claims expense	99,312	55,862	207,595	108,605
Less: Re-takaful and other recoveries received	23,243	135	27,409	8,160
Add: Re-takaful and other recoveries in respect of outstanding claims net of impairment (if any) closing	54,002	5,042	54,002	5,042
Less: Re-takaful and other recoveries in respect of outstanding claims net of impairment (if any) opening	(57,607)	(2,402)	(41,011)	(9,808)
Re-takaful and other recoveries revenue	19,638	2,775	40,400	3,394
Net claim expense	79,674	53,087	167,195	105,211
18 Wakala income				
Gross Wakala fee	76,565	49,722	147,706	123,524
Add: Unearned Wakala fee opening	107,731	81,255	89,452	36,376
Less: Unearned Wakala fee closing	(124,441)	(94,309)	(124,441)	(94,309)
Wakala income	59,855	36,668	112,717	65,591
19 Commission expense				
Commission paid or payable	9,924	16,070	30,122	31,162
Add: Deferred commission opening	27,355	15,691	20,213	6,347
Less: Deferred commission closing	(24,633)	(23,712)	(24,633)	(23,712)
Net commission expense	12,646	8,049	25,702	13,797
20 Net re-takaful rebate				
Re-takaful rebate received	12,331	8,539	20,678	16,420
Add: Re-takaful rebate opening	10,902	7,745	10,156	3,510
Less: Re-takaful rebate closing	(13,974)	(12,031)	(13,974)	(12,031)
Net re-takaful rebate	9,259	4,253	16,860	7,899
21 Other income				
Profit on mutual funds	166	-	166	198
Profit on bank deposits	1,770	5,421	7,191	3,393
	1,936	5,421	7,357	3,591
22 Management expenses				
		Note	30 June 2018	30 June 2017
			-----Rupees in '000-----	
Salaries, allowances and other benefits			29,551	16,797
Depreciation			995	361
Printing, stationery and postage			195	452
Communication			65	22
Bank charges			10	5
Legal and professional expense			640	-
Travelling and conveyance expenses			1,399	520
Rent and accommodation charges			1,860	600
Others			8,217	988
			42,932	19,745
23 Other expenses				
Shariah advisor's fee			1,540	1,540
Auditors remuneration		23.1	138	138
Others			60	40
			1,738	1,718
23.1 Auditor's remuneration				
Audit fee			125	125
Out of pocket expense			13	13
			138	138

24 Segment Information

Each class of business has been identified as reportable segment. Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000. The following is a schedule of class of business wise assets and liabilities.

24.1 Segment Information - PTF

	Participants' Takaful Fund					Total
	30 June 2018 (Unaudited)					
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	
-----Rupees in '000-----						
<i>Participants' Takaful Fund</i>						
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	64,444	11,319	398,287	99,934	64,909	638,893
Less: Federal Excise Duty	(8,813)	(1,548)	(54,467)	(13,666)	(8,876)	(87,370)
Federal Insurance Fee	(551)	(97)	(3,404)	(854)	(555)	(5,461)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	55,080	9,674	340,416	85,414	55,478	546,062
Facultative inward contribution	146	-	73	-	-	219
Gross Contribution Written	55,226	9,674	340,489	85,414	55,478	546,281
Contribution earned	36,614	6,040	150,560	45,650	28,451	267,315
Retakaful expense	(42,624)	(7,027)	(6,363)	-	(34,979)	(90,993)
Net contribution revenue	(6,010)	(987)	144,197	45,650	(6,528)	176,322
Net rebate on re-takaful	8,648	1,502	-	-	6,710	16,860
Net underwriting income	2,638	515	144,197	45,650	182	193,182
Takaful claims	(3,268)	2,800	(121,757)	(56,086)	(29,284)	(207,595)
Re-takaful and other recoveries	3,485	(2,188)	12,399	-	26,704	40,400
Net claims	217	612	(109,358)	(56,086)	(2,580)	(167,195)
Direct expense	31	(5)	(20,490)	(18)	(262)	(20,744)
Net takaful claims and expenses	248	607	(129,848)	(56,104)	(2,842)	(187,939)
Underwriting results	2,886	1,122	14,349	(10,454)	(2,660)	5,243
Other Income						5,421
Deficit for the period						10,664
Segment Assets	83,851	6,363	206,580	49,259	92,917	438,970
Unallocated assets	-	-	-	-	-	337,433
Total assets	83,851	6,363	206,580	49,259	92,917	776,403
Segment liabilities	73,317	3,796	401,136	101,775	80,384	660,408
Unallocated liabilities	-	-	-	-	-	141,010
Total liabilities	73,317	3,796	401,136	101,775	80,384	801,418

	30 June 2017 (Unaudited)					Total
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	
-----Rupees in '000-----						
<i>Participants' Takaful Fund</i>						
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	45,450	8,915	170,029	165,885	55,601	445,880
Less : Federal Excise Duty	(5,655)	(975)	(19,660)	-	(6,605)	(32,895)
Federal Insurance Fee	(395)	(79)	(1,489)	(1,642)	(485)	(4,090)
Gross Direct Written Contribution (inclusive of Administrative Surcharge)	39,400	7,861	148,880	164,243	48,511	408,895
Facultative inward contribution	-	152	12	-	-	164
Gross Contribution Written	39,400	8,013	148,892	164,243	48,511	409,059
Contribution earned	17,258	5,181	59,805	55,387	9,901	147,532
Retakaful expense	(20,616)	(6,142)	(5,695)	-	(12,693)	(45,146)
Net contribution revenue	(3,358)	(961)	54,110	55,387	(2,792)	102,386
Net rebate on re-takaful	4,061	1,312	-	-	2,526	7,899
Net underwriting income	703	351	54,110	55,387	(266)	110,285
Takaful claims	(4,057)	(81)	(42,506)	(61,844)	(117)	(108,605)
Re-takaful and other recoveries	3,293	8	30	-	63	3,394
Net claims	(764)	(73)	(42,476)	(61,844)	(54)	(105,211)
Direct expense	(9)	4	(6,754)	(34)	(108)	(6,901)
Net takaful claims and expenses	(773)	(69)	(49,230)	(61,878)	(162)	(112,112)
Underwriting results	(70)	282	4,880	(6,491)	(428)	(1,827)
Other Income						2,897
Surplus for the period						1,070
-----Rupees in '000-----						
31 December 2017 (Audited)						
Segment Assets	83,349	7,962	90,823	52,752	41,963	276,849
Unallocated assets	-	-	-	-	-	247,312
Total assets	83,349	7,962	90,823	52,752	41,963	524,161
Segment liabilities	76,261	6,475	220,565	99,019	30,313	432,633
Unallocated liabilities	-	-	-	-	-	127,207
Total liabilities	76,261	6,475	220,565	99,019	30,313	559,840

24.2 Segment Information - OTF

Operator's Fund						
30 June 2018 (Unaudited)						
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total
-----Rupees in '000-----						
Operator's Fund						
Wakala fee income	16,104	3,252	66,011	16,438	10,912	112,717
Less: Commission expense	(7,279)	(1,425)	(10,455)	(3,876)	(2,667)	(25,702)
Management and other expenses	(12,651)	(2,477)	(18,171)	(6,736)	(4,635)	(44,670)
	(3,826)	(650)	37,385	5,826	3,610	42,345
Other Income						1,936
Profit before tax						44,281
Segment assets	13,700	1,429	61,410	15,218	9,441	101,198
Unallocated assets	-	-	-	-	-	222,654
Total assets	13,700	1,429	61,410	15,218	9,441	323,852
Segment liabilities	12,346	269	84,956	17,136	9,734	124,441
Unallocated liabilities	-	-	-	-	-	71,035
Total liabilities	12,346	269	84,956	17,136	9,734	195,476
30 June 2017 (Unaudited)						
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Total
-----Rupees in '000-----						
Operator's Fund						
Wakala fee income	8,222	2,790	28,972	21,264	4,343	65,591
Less: Commission expense	(3,406)	(1,183)	(4,474)	(3,523)	(1,211)	(13,797)
Management expenses	(5,298)	(1,840)	(6,960)	(5,481)	(1,884)	(21,463)
	(482)	(233)	17,538	12,260	1,248	30,331
Other Income						694
Profit before tax						31,025
31 December 2017 (Audited)						
-----Rupees in '000-----						
Segment Assets	7,298	229	12,513	5,517	3,471	29,028
Unallocated assets	-	-	-	-	-	212,221
Total assets	7,298	229	12,513	5,517	3,471	241,249
Segment liabilities	12,987	135	57,332	12,221	6,777	89,452
Unallocated liabilities	-	-	-	-	-	51,898
Total liabilities	12,987	135	57,332	12,221	6,777	141,350

25 Fair values of financial instruments

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

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

		30 June 2018								
		Carrying amount				Fair value				
		Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<i>Note</i>		-----Rupees in '000-----								
<i>Financial assets measured at fair value</i>										
Investments - Equity securities	9	30,028	-	-	-	30,028	-	30,028	-	30,028
<i>Financial assets not measured at fair value</i>										
Loan and other receivables *	10	-	11,322	-	-	11,322	-	-	-	-
Takaful / re-takaful receivables *	11	-	315,052	-	-	315,052	-	-	-	-
Re-takaful recoveries against outstanding claims *		-	43,790	-	-	43,790	-	-	-	-
Salvage recoveries accrued *		-	10,213	-	-	10,213	-	-	-	-
Wakala and mudarib fee receivable *		-	76,565	-	-	76,565	-	-	-	-
Cash and bank deposits *	13	-	-	360,920	-	360,920	-	-	-	-
		<u>30,028</u>	<u>456,942</u>	<u>360,920</u>	<u>-</u>	<u>847,890</u>	<u>-</u>	<u>30,028</u>	<u>-</u>	<u>30,028</u>
<i>Financial liabilities not measured at fair value</i>										
Amount due to other takaful / retakaful operators *		-	-	-	67,491	67,491	-	-	-	-
Wakala and mudarib fee payable *		-	-	-	76,565	76,565	-	-	-	-
Provision for outstanding claims *		-	-	-	167,547	167,547	-	-	-	-
Other creditors and accruals *	14	-	-	-	26,342	26,342	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>337,945</u>	<u>337,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

		31 December 2017								
		Carrying amount				Fair value				
	Note	Available-for-sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		-----Rupees in '000-----								
<i>Financial assets measured at fair value</i>										
Investments - Equity securities	9	30,343	-	-	-	30,343	-	30,343	-	30,343
<i>Financial assets not measured at fair value</i>										
Loan and other receivables *	10	-	4,204	-	-	4,204	-	-	-	-
Takaful / re-takaful receivables *	11	-	183,594	-	-	183,594	-	-	-	-
Retakaful recoveries against outstanding claims *		-	34,211	-	-	34,211	-	-	-	-
Salvage recoveries accrued *		-	6,800	-	-	6,800	-	-	-	-
Wakala and mudarib fee receivable *		-	8,815	-	-	8,815	-	-	-	-
Cash and bank deposits *	13	-	-	271,986	-	271,986	-	-	-	-
		<u>30,343</u>	<u>237,624</u>	<u>271,986</u>	<u>-</u>	<u>539,953</u>	<u>-</u>	<u>30,343</u>	<u>-</u>	<u>30,343</u>
<i>Financial liabilities</i>										
Provision for outstanding claims *		-	-	-	153,116	153,116	-	-	-	-
Amount due to other takaful / retakaful operators *		-	-	-	59,557	59,557	-	-	-	-
Wakala and mudarib fee payable *		-	-	-	8,815	8,815	-	-	-	-
Other creditors and accruals *	14	-	-	-	27,883	27,883	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>249,371</u>	<u>249,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	<u>30 June 2018</u>
	<u>--Rupees in '000--</u>
26 Movement in investment - Available for sale	
As at beginning of the previous year	30,026
Additions	60,319
Disposals (sales and redemptions)	(60,008)
Fair value on gains (excluding net realized gain)	6
Impairment / (reversal) of losses	-
As at beginning of the current period	30,343
Additions	30,381
Disposals (sales and redemptions)	(30,215)
Fair value on gains (excluding net realized gain)	(481)
Impairment / (reversal) of losses	-
As at end of current period	30,028

27 Transactions with related parties

The Operator has related party relationship with its associates, subsidiary company, employee retirement benefit plans, key management personnel and other parties. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Balances and transactions with related party are disclosed in relevant notes to this financial statements.

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>-----Rupees in '000-----</u>	
i) Transactions		
<i>Subsidiary Company</i>		
Contribution underwritten	135	21
Contribution received	135	21
<i>Other related parties</i>		
Contribution underwritten	59,477	9,780
Contribution received	48,750	15,262
Claims paid	7,537	6,813
Income on bank deposits	959	184
	<u>30 June 2018</u>	<u>31 Dec 2017</u>
ii) Period end balances	<u>-----Rupees in '000-----</u>	
<i>Subsidiary Company</i>	19	-
<i>Other related parties:</i>		
Balances receivable	40,333	29,606
Balances payable	3,092	3,175
Cash and bank balances	61,850	51,661

28 Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the period ended 30 June 2018.

29 Date of authorization for issue

This condensed financial information was authorized for issue on 28 August 2018 by the Board of Directors of the Operator.

30 General

30.1 Corresponding figures have been rearranged and reclassified for better presentation, where considered necessary.

30.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.


Chairman


Director


Director


Chief Financial Officer


Managing Director &
Chief Executive Officer

