

Alfalah Insurance Company Limited

Condensed interim financial information
for the six months ended 30 June 2017



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Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement of **Alfalsh Insurance Company Limited** ("the Company") together with notes to the accounts for the six-month period ended 30 June 2017 (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting 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 approved accounting standards as applicable in Pakistan for interim financial reporting.

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KPMG Taseer Hadi & Co.

Other matters

The condensed interim financial information of the Company for the half year ended 30 June 2016 and the financial statements for the year ended 31 December 2016 were reviewed / audited by EY Ford Rhodes Chartered Accountants, whose review report dated 24 August 2016 and audit report dated 23 February 2017 expressed an unmodified conclusion and unmodified opinion respectively on the aforementioned financial information and financial statements.

The figures for the quarter ended 30 June 2017 and 30 June 2016 in the accompanying condensed interim financial information have not been reviewed by us and we do not express a conclusion on them.

Lahore

Date: 17 August 2017

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

Alfalah Insurance Company Limited
Condensed Interim Balance Sheet
As at 30 June 2017 (Un-audited)

EQUITY AND LIABILITIES (Un-audited) (Audited)
 30 June 31 December
 2017 2016
 ----- (Rupees in thousand) -----

Capital and reserves attributable to Company's equity holders

Authorized capital	500,000	500,000
50,000,000 (2016: 50,000,000) ordinary shares of Rs 10 each		
Ordinary share capital	500,000	500,000
Share deposit money	1,381	1,381
General reserve	150,000	150,000
Fair value reserve	28,461	52,160
Unappropriated profit	359,038	281,643
Total Equity	1,038,880	985,184

Liabilities

Underwriting provisions:		
Outstanding claims including IBNR	497,128	485,892
Unearned premium reserve	698,081	628,930
Unearned commission	83,290	66,308
Retirement benefits obligations	-	1,962
Deferred taxation	-	134
Premiums received in advance	7,501	2,511
Insurance / reinsurance payables	271,257	381,208
Other creditors and accruals	179,687	167,838
Taxation - provision less payments	-	10,231
Deposits and other payables	5,808	17,198
Accrued expenses	75,869	84,807
	1,818,621	1,847,019

Total liabilities of Window Takafal Operations - Operator's Fund 7 42,898 28,383

TOTAL EQUITY AND LIABILITIES 2,900,399 2,860,586

Contingencies and commitments

The annexed notes form an integral part of these condensed interim financial information.


 Chairman


 Director

ASSETS

Property and equipment	9	174,571	181,995
Intangible assets	10	2,921	1,535
Investments			
Equity Securities	11	330,137	395,930
Debt Securities	12	402,127	402,178
Loans and other receivables	13	5,403	6,160
Insurance / reinsurance receivables - unsecured and considered good	14	601,892	707,607
Reinsurance recoveries against outstanding claims	19	319,501	307,497
Salvage recoveries accrued		16,805	10,127
Deferred commission expense / acquisition cost	20	79,793	54,274
Deferred taxation		1,134	-
Taxation - payment less provisions		3,398	-
Prepayments	15	273,290	317,399
Cash and bank	16	568,417	374,766
Sundry receivables		24,556	20,845
		2,803,945	2,780,313

Total assets of Window Takafal Operations - Operator's Fund 7 96,454 80,273

TOTAL ASSETS 2,900,399 2,860,586


 Director


 Chief Executive Officer

Alfalah Insurance Company Limited
 Condensed Interim Profit and Loss Account (Un-audited)
 For the half year ended 30 June 2017

	Note	Half year ended	
		30 June 2017	30 June 2016
------(Rupees in thousand)-----			
<u>Revenue account</u>			
Net insurance premium	18	507,551	433,011
Net insurance claims expense	19	(223,497)	(233,882)
Net commission / acquisition (expense) / income	20	(50,376)	41,862
Insurance claims and acquisition expenses		(273,873)	(192,020)
Management expenses	21	(185,591)	(179,570)
Underwriting result		48,087	61,421
Investment income	22	66,336	45,393
Other income		68	1,493
Other expenses	23	(5,567)	(8,182)
Results of operating activities		108,924	100,125
Profit/(loss) from window takaful operations	7	2,415	(1,792)
Profit before tax		111,339	98,333
Taxation		(33,944)	(25,567)
Profit after tax		77,395	72,766
Earnings per share - basic and diluted	24	1.55	1.46

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

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Chairman


Director


Director


N. Saoud
Chief Executive Officer

Alfalsh Insurance Company Limited
 Condensed Interim Profit and Loss Account (Un-audited)
 For the half year ended 30 June 2017

	Quarter ended	
	30 June 2017	30 June 2016
----- (Rupees in thousand) -----		
Revenue account		
Net insurance premium	254,707	226,372
Net insurance claims expense	(110,497)	(126,819)
Net commission / acquisition (expense) / income	(28,741)	26,430
Insurance claims and acquisition expenses	(139,238)	(100,389)
Management expenses	(96,987)	(98,777)
Underwriting result	18,482	27,206
Investment income	40,782	26,782
Other income	113	798
Other expenses	(3,053)	(2,819)
Results of operating activities	56,324	51,967
Profit/(loss) from window takaful operations	(2,215)	(772)
Profit before tax	54,109	51,195
Taxation	(16,203)	(13,311)
Profit after tax	37,906	37,884
Earnings per share - basic and diluted	0.76	0.76

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



Chairman



Director



Director



Chief Executive Officer

Alfaluh Insurance Company Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the half year ended 30 June 2017

	<u>Quarter ended</u>		<u>Half year ended</u>	
	<u>30 June</u> <u>2017</u>	<u>30 June</u> <u>2016</u> <i>Restated</i>	<u>30 June</u> <u>2017</u>	<u>30 June</u> <u>2016</u> <i>Restated</i>
----- (Rupees in thousand) -----				
Profit for the period	37,906	37,884	77,395	72,766
<u>Other comprehensive income</u>				
Loss / (gain) realised on disposal of 'Available for sale' investments transferred to profit & loss account	(13,400)	101	(25,248)	159
Un-realized gains on available-for-sale investments	796	1,747	1,549	3,535
Other comprehensive (loss) / income for the period	(12,604)	1,848	(23,699)	3,694
Total comprehensive income for the period	25,302	39,732	53,696	76,460

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



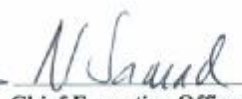
Chairman



Director



Director



Chief Executive Officer

Alfalsh Insurance Company Limited
 Condensed Interim Cash Flow Statement (Un-audited)
 For the half year ended 30 June 2017

Half year ended	
30 June 2017	30 June 2016

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

Operating cashflows

a) *Underwriting activities*

Insurance Premiums received	1,152,292	1,084,048
Reinsurance premiums paid	(535,309)	(418,319)
Claims paid	(345,238)	(475,122)
Reinsurance and other recoveries received	120,973	232,703
Commissions paid	(168,010)	(105,204)
Commissions received	146,162	47,856
Management expenses paid	(184,528)	(139,688)
Net cash flow from underwriting activities	186,342	226,274

b) *Other operating activities*

Income tax paid	(48,092)	(27,350)
Other expenses	(51,402)	(64,396)
Loans disbursed	(3,297)	(2,649)
Loans repayments received	3,850	3,122
Other receipts	-	(26)
Net cash used in other operating activities	(98,941)	(91,299)

Total cash flow from all operating activities

87,401 **134,975**

Investment activities

Profit / return received on bank deposits	10,904	2,783
Return on Pakistan investments bonds	1,826	5,704
Window Takaful Operations	-	(50,000)
Dividends received	9,424	7,795
Payments for investments	(797,699)	(1,357,843)
Proceeds from disposal of investments	885,223	1,616,074
Fixed capital expenditure - tangible assets	(3,555)	(125,939)
Proceeds from disposal of operating fixed assets	127	2,696
Total cash flow from investing activities	106,250	101,270

Financing activities

Total cash flow from financing activities

- **-**

Net cash flow generated from all activities

193,651 **236,245**

Cash at the beginning of the period

374,766 **132,469**

Cash and cash equivalents at end of the period

568,417 **368,714**

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Half year ended	
30 June	30 June
2017	2016
------(Rupees in thousand)-----	

Reconciliation to profit and loss account

Operating cash flows	87,401	134,975
Depreciation expense	(9,085)	(9,508)
Gain on disposal of operating fixed assets	67	1,519
Profit on sale of investments	42,387	29,660
Impairment in value of available-for-sale investments	-	(409)
Dividend and other income	21,950	15,944
(Decrease) / increase in assets other than cash	(98,686)	223,472
Decrease / (increase) in liabilities other than borrowings	28,398	(320,809)
Amortization of intangibles	(444)	(692)
Un-realized gain in value of held for trading investment	2,992	406
Profit / (loss) from Window Takaful Operations	2,415	(1,792)
Profit before taxation	77,395	72,766

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

Cash and other equivalents	1,893	2,002
Current and other accounts	566,524	366,712
Total cash and cash equivalents	568,417	368,714

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

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Chairman



Director



Director



Chief Executive Officer

Alfalalah Insurance Company Limited
 Condensed Interim Statement of Changes in Equity (Un-audited)
 For the half year ended 30 June 2017

	Share capital	Capital Reserve	Revenue Reserve		Total	
	Issued, subscribed and paid up	Share deposit money	General reserve	Fair Value Reserve		Unappropriated Profit
(Rupees in thousand)						
Balance as at 31 December 2015 - (Audited) as previously reported	500,000	1,381	150,000	-	153,935	805,316
Effect of restatement as disclosed in note 4.1.2	-	-	-	9,453	-	9,453
Balance as at 31 December 2015 - (Audited) restated	500,000	1,381	150,000	9,453	153,935	814,769
Comprehensive income for the period ended 30 June 2016						
Profit for the period 01 Jan 2016 to 30 June 2016	-	-	-	-	72,766	72,766
Other comprehensive income for the period 01 Jan 2016 to 30 June 2016	-	-	-	3,694	-	3,694
Total comprehensive income for the period	-	-	-	3,694	72,766	76,460
Balance as at 30 June 2016 - (Unaudited) restated	500,000	1,381	150,000	13,147	226,701	891,229
Comprehensive income for the period ended 31 December 2016						
Profit for the period 01 July 2016 to 31 December 2016	-	-	-	-	54,942	54,942
Other comprehensive income for the period 01 July 2016 to 31 December 2016	-	-	-	39,013	-	39,013
Total comprehensive income for the period	-	-	-	39,013	54,942	93,955
Balance as at 31 December 2016 - (Audited)	500,000	1,381	150,000	52,160	281,643	985,184
Comprehensive income for the year ended 30 June 2017						
Profit for the period 01 Jan 2017 to 30 June 2017	-	-	-	-	77,395	77,395
Other comprehensive loss for the period 01 Jan 2017 to 30 June 2017	-	-	-	(23,699)	-	(23,699)
Total comprehensive income for the period	-	-	-	(23,699)	77,395	53,696
Balance as at 30 June 2017 - (Unaudited)	500,000	1,381	150,000	28,461	359,038	1,038,880

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

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Chairman



Director



Director



Chief Executive Officer

Alfalah Insurance Company Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the half year ended 30 June 2017

1 Legal status and nature of business

Alfalah Insurance Company Limited (the Company) is a general non-life insurance company which was incorporated as an unquoted public limited company in Pakistan on 21 December 2005 under the Companies Ordinance, 1984. The registered office of the Company is situated at 5-Saint Mary Park, Gulberg III, Lahore. The Company has been allowed to work as Window Takaful Operator on 30 September 2015 by Securities and Exchange Commission of Pakistan under Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

2 Basis of preparation and statement of compliance

The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under Companies Ordinance, 1984 and the Insurance Ordinance, 2000, Insurance Rules, 2017 and Takaful Rules, 2012. In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, Insurance Rules, 2017 and Takaful Rules 2012 have been followed.

During the period, 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 Company 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 .

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its press release dated 20 July 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 General Takaful Operations of the Company have been presented as a single line item in the balance sheet and statement of comprehensive income of the Company respectively.

A separate set of financial information of the General Window Takaful Operations has been annexed to this condensed interim financial information as per the requirements of the Takaful Rules 2012.

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 Company for the year ended 31 December 2016.

3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except the obligations under certain employee benefits that are measured at present value. Accrual basis of accounting has been used except for cash flow information.

4 Summary of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended 31 December 2016 except for change in accounting policies as disclosed in note 4.1 of these condensed interim financial information.

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The Company has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2017 as mentioned in the financial statements for the year ended 31 December 2016.

There is no significant impact of such changes on this condensed interim financial information of the Company.

4.1 Change in accounting policies

4.1.1 Presentation and disclosure of financial statements

As per Insurance Rules 2017, the presentation and disclosure requirements of the financial statements have changed for companies whose financial year ended on or after 31 March 2017. Consequently, the format prescribed in Annexure II of the Insurance Rules 2017 will be adopted. Accordingly, change in presentation and disclosures of these condensed interim financial information has been applied retrospectively.

4.1.2 Basis for measurement of 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 period in which these arise until the investments are sold or determined to be impaired. 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'.

Consequently to this change, investments as at 31 December 2016 have been increased by Rs. 52.16 million with a corresponding increase in fair value reserve in equity amounting to Rs. 52.16 million. Furthermore, fair value reserve as at 31 December 2015 has increased by Rs. 9.45 million and other comprehensive income for the six months ended 30 June 2016 has increased by Rs. 3.7 million. There is no impact of this change on earning per share of the Company in preceding years.

4.1.3 Premium revenue

The Insurance Accounting Regulations, 2017, requires the Company, to recognize premium receivable under a 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 balance sheet 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 'Accounting Policies, Changes in Accounting Estimates and Errors' . 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 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.

During preparation of this 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 were applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2016.

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6 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2016.

	(Unaudited) 30 June 2017	(Audited) 31 December 2016
7 Window Takaful Operations		
<u>Operator's Fund</u>		
<i>Assets:</i>		
Cash and bank deposits	46,863	22,536
Qard e Hasna to Participant Takaful Fund	20,000	20,000
Assets - Others	29,591	37,737
Total assets	96,454	80,273
Total Liabilities - Current	42,898	28,383
	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
7.1 Window Takaful Operations		
<u>Profit and loss account</u>		
Wakala fee	20,484	3,290
Commission expense	(4,017)	(453)
Management expense	(13,217)	(4,509)
Net investment income	417	1,097
Other expenses	(1,252)	(1,217)
Profit from Window Takaful Operations	2,415	(1,792)

Profit and loss account

Wakala fee	20,484	3,290
Commission expense	(4,017)	(453)
Management expense	(13,217)	(4,509)
Net investment income	417	1,097
Other expenses	(1,252)	(1,217)
Profit from Window Takaful Operations	2,415	(1,792)

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

During the period, the Company received a notice from Additional Commissioner Inland Revenue (ACIR) pertaining to the amendment of tax year 2011 intending to amend the deemed assessment on various issues alleged to be erroneous and prejudicial to the revenue. The Company responded to the notice through its tax advisor however, the ACIR did not accept the explanations put forth and raised a demand of Rs. 121.546 million under section 122(5A). The Company has filed an appeal before Commissioner Inland revenue (Appeals) against the recovery of aforementioned tax demand. As per Company's tax advisor, the appeal is likely to be decided in favor of the Company.

8.2 Commitments

The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	(Unaudited) 30 June 2017	(Audited) 31 December 2016
Not later than one year	5,166	10,832
Later than one year and not later than five years	13,410	19,997
Later than five years	5,166	5,972
	23,742	36,801

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		(Unaudited) 30 June 2017	(Audited) 31 December 2016
	Note	(Rupees in thousand)	
9 Property and equipment			
Opening balance - net book value		181,253	65,101
Additions during the period / year	9.1	2,263	143,487
Less: Book value of disposals during the period / year	9.2	(60)	(8,271)
Depreciation charged during the period / year		(9,085)	(19,064)
		(9,145)	(27,335)
		174,371	181,253
Capital work in progress		200	742
		174,571	181,995
9.1 Additions during the period / year			
Land		-	121,671
Furniture, fixtures and office equipment		1,939	4,270
Motor vehicles		324	17,546
		2,263	143,487
9.2 Disposals during the period / year			
Furniture, fixtures and office equipment		48	52
Motor vehicles		12	8,219
		60	8,271
10 Intangibles assets			
Opening balance - net book value		1,535	2,871
Additions during the period / year	10.1	1,830	-
Less: Book value of disposals during the period / year	10.2	-	-
Amortization charged during the period / year		(444)	(1,336)
		(444)	(1,336)
		2,921	1,535

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30 June 2017 (Unaudited)			31 December 2016 (Audited)		
Cost	Impairment/ Provision	Carrying value	Cost	Impairment/ Provision	Carrying value

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

11 Investments in equity securities

Available-for-sale

Related parties	100,298	-	100,298	97,601	-	97,601
Others	201,378	-	201,378	246,578	(409)	246,169
	301,676	-	301,676	344,179	(409)	343,770
Unrealized gain on revaluation		28,461				52,160
		<u>330,137</u>				<u>395,930</u>

(Unaudited) (Audited)
30 June 31 December
2017 2016
(Rupees in thousand)

Note

12 Investments in debt securities

Held for trading

Treasury bills

352,960 352,363

Held to maturity

Pakistan investment bonds

12.1 49,167 49,815
402,127 402,178

12.1 These represent Pakistan Investment Bonds (PIBs) held with State Bank of Pakistan as statutory deposit. Market value of these PIBs as at 30 June 2017 is Rs. 49.53 million (31 December 2016: Rs 50.46 million).

(Unaudited) (Audited)
30 June 31 December
2017 2016
(Rupees in thousand)

13 Loans and other receivables

Accrued investment income

3,561 2,046

Loan to employees

1,842 4,114

5,403 6,160

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	(Unaudited) 30 June 2017	(Audited) 31 December 2016
	(Rupees in thousand)	
14 Insurance / reinsurance receivables - unsecured and considered good		
Due from insurance contract holders	492,024	585,711
Less : provision for impairment of receivables from insurance contract holders	(14,352)	(14,352)
	477,672	571,359
Due from other insurers / reinsurers	124,220	136,248
Less : provision for impairment of due from other insurers / reinsurers	-	-
	124,220	136,248
	<u>601,892</u>	<u>707,607</u>
15 Prepayments		
Prepaid reinsurance premium ceded	259,027	306,902
Others	14,263	10,497
	<u>273,290</u>	<u>317,399</u>
16 Cash and bank		
<u>Cash and cash equivalents</u>		
Cash in hand	1,252	548
Stamps in hands	641	823
	1,893	1,371
<u>Cash at bank</u>		
Current accounts	90,289	99,396
Savings accounts	476,235	273,999
	566,524	373,395
<u>Deposits maturing within 12 months</u>		
Term Deposit Receipt	2,000	2,000
Impairment	(2,000)	(2,000)
	-	-
	<u>568,417</u>	<u>374,766</u>

Note

16.1

16.1 Cash and bank deposits include an amount of Rs. 441.21 million (2016: Rs. 362.205 million) held with related parties.

	(Unaudited) 30 June 2017	(Audited) 31 December 2016
	(Rupees in thousand)	
17 Reserves		
<u>Capital reserves</u>		
Share deposit money	1,381	1,381
<u>Revenue reserves</u>		
General reserves	150,000	150,000
Fair value reserves	28,461	52,160
Unappropriated profit	359,038	281,643
	<u>538,880</u>	<u>485,184</u>

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	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
	---- (Rupees in thousand) ----	
18 Net insurance premium		
Written gross premium	1,053,615	1,103,132
Opening : Unearned premium reserve	628,930	575,991
Closing : Unearned premium reserve	698,081	787,249
Premium earned	<u>984,464</u>	<u>891,874</u>
Less : Reinsurance premium ceded	429,038	545,571
Add : Prepaid reinsurance premium opening	306,902	278,397
Less : Prepaid reinsurance premium closing	259,027	365,105
Reinsurance expense	<u>476,913</u>	<u>458,863</u>
	<u>507,551</u>	<u>433,011</u>
19 Net insurance claims expense		
Claims paid	345,238	475,123
Add : Outstanding claims including IBNR closing	497,128	462,774
Less : Outstanding claims including IBNR opening	485,892	499,376
Claims expense	<u>356,474</u>	<u>438,521</u>
Less : Reinsurance and other recoveries received	120,973	232,703
Add : Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	319,501	283,816
Less : Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	307,497	311,880
Reinsurance and other recoveries revenue	<u>132,977</u>	<u>204,639</u>
	<u>223,497</u>	<u>233,882</u>
20 Net commission / acquisition expense / (income)		
Commission paid or payable	198,948	142,274
Add : Deferred commission expense opening	54,274	37,390
Less : Deferred commission expense closing	79,793	85,636
Net commission	<u>173,429</u>	<u>94,028</u>
Less : Commission received or recoverable	140,036	180,510
Add : Unearned reinsurance commission	66,307	60,543
Less : Unearned reinsurance commission	83,290	105,163
Commission from reinsurance	<u>123,053</u>	<u>135,890</u>
	<u>50,376</u>	<u>(41,862)</u>

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		(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
--- (Rupees in thousand) ---			
21	Management expenses		
	Employee benefit cost	21.1 104,732	100,072
	Travelling expenses	3,546	3,379
	Advertisement and sales promotion	1,419	425
	Printing and stationery	4,188	3,807
	Depreciation	8,331	9,145
	Amortisation	407	666
	Rent, rates and taxes	9,255	9,801
	Electricity, gas and water	2,917	2,854
	Vehicle running expenses	6,441	5,732
	Office repairs and maintenance	4,060	4,957
	Bank charges	558	-
	Postages, telegrams and telephone	4,187	4,063
	Annual supervision fee SECP	1,555	1,331
	Bad and doubtful debts	-	1,394
	Fee and subscription	1,150	1,235
	Tracker expense	26,838	24,268
	Training and development	2,848	2,650
	Inspection fee	676	1,420
	Miscellaneous	2,483	2,371
		<u>185,591</u>	<u>179,570</u>
21.1	Employee benefit cost		
	Salaries, allowances & other benefits	98,999	94,292
	Charges for post employment benefits	5,733	5,780
		<u>104,732</u>	<u>100,072</u>
22	Investment income		
22.1	Income from equity securities		
	- Available for sale		
	Dividend income	9,248	6,543
	- Held for trading		
	Dividend income	-	1,203
22.2	Income from debt securities		
	- Held to maturity		
	Return on Government Securities	1,798	2,357
	Return on other fixed income securities and deposits	10,904	5,841
		<u>21,950</u>	<u>15,944</u>

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	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
	--- (Rupees in thousand) ---	
22.3 Net realised gains on investments		
- Available for sale		
Realised gains on equity securities	35,050	12,365
- Held for trading		
Realised gains on debt securities	7,337	17,295
	<u>42,387</u>	<u>29,660</u>
22.4 Net unrealised gains on investments		
- Held for trading		
Net un-realized gains on investments at fair value through profit or loss	2,992	406
Total investment income	<u>67,329</u>	<u>46,010</u>
- (Impairment) / reversal in value of available for sale securities		
Equity securities	-	(409)
- Investment related expenses	(993)	(208)
	<u>66,336</u>	<u>45,393</u>
23 Other expenses		
Insurance expenses	2,705	2,508
Legal and professional fee	1,120	1,127
Auditor's remuneration	787	1,005
Donation	10	500
Workers welfare fund	-	2,037
Miscellaneous	945	1,005
	<u>5,567</u>	<u>8,182</u>
24 Earnings per share - basic and diluted		
There is no dilutive effect on the basic earnings per share which is based on:		
Net profit after tax for the period	<u>77,395</u>	<u>72,766</u>
	Number of shares	
Weighted average number of shares	<u>50,000,000</u>	<u>50,000,000</u>
	----- (Rupees) -----	
Basic earnings per share	<u>1.55</u>	<u>1.46</u>

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25 Transactions with related parties

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

Investment in related parties have been disclosed in note 11 to the condensed interim financial information. Other transactions with related parties are summarized as follows:

	30 June 2017	30 June 2016
	---- (Rupees in thousand) ----	
i) Associated Undertakings and other related parties		
Premium written	337,505	391,421
Premium received	462,685	581,205
Claims paid	160,463	219,538
Interest income	9,440	5,669
Dividend Income	-	500
Rent expense	1,275	1,149
License fees and connection charges	1,270	1,356
Expense charged in respect of retirement benefit plans	5,839	5,282
Investment Advisory Fee	987	-
Investments purchased	-	308,221
Investments sold	-	340,389

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

Key management personnel

Key management personnel compensation	32,068	30,731
Premium written	101	154
Claims paid	104	25

	30 June 2017	31 December 2016
	---- (Rupees in thousand) ----	

ii) Period end balances

Associated Undertakings and other related parties

Premium receivable from related parties	101,015	176,492
Provision for outstanding claims	144,954	210,172
Interest charges payable	4,529	3,182

Key Management Personnel

Premium receivable	113	58
Provision for outstanding claims	51	248

All transactions with related parties have been carried out on commercial terms and conditions.

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26 Segment Reporting

Each class of business has been identified as reportable segment. The following is a schedule of class of business wise assets, liabilities, revenue and results have been disclosed in accordance with the requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017.

	30 June 2017						
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Treaty	Total
	(Rupees in thousand)						
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	101,621	75,941	223,563	383,188	390,500	-	1,174,813
Less: Federal Excise Duty	(13,085)	(8,758)	(30,233)	(17,573)	(41,001)	-	(110,650)
Federal Insurance Fee	(877)	(669)	(1,943)	(3,620)	(3,439)	-	(10,548)
Gross Written Premium (inclusive of Administrative Surcharge)	87,659	66,514	191,387	361,995	346,060	-	1,053,615
Gross Direct Premium	85,756	64,347	184,005	361,884	342,745	-	1,038,737
Facultative inward premium	1,047	61	-	-	3,232	-	3,340
Administrative Surcharge	856	2,106	7,382	111	1,083	-	11,538
	87,659	66,514	191,387	361,995	346,060	-	1,053,615
Insurance premium earned	212,802	57,940	195,520	247,914	270,288	-	984,464
Insurance premium ceded to reinsurers	(190,487)	(49,198)	(8,250)	(31,845)	(197,133)	-	(476,913)
Net insurance premium	22,315	8,742	187,270	216,069	73,155	-	507,551
Commission income	45,158	13,565	331	4,324	59,675	-	123,053
Net underwriting income	67,473	22,307	187,601	220,393	132,830	-	630,604
Insurance claims	(36,754)	(11,620)	(86,787)	(123,847)	(87,255)	-	(346,263)
Insurance claims recovered from reinsurers	33,468	10,269	341	3,120	75,568	-	122,766
Net claims	(3,286)	(1,351)	(86,446)	(120,727)	(11,687)	-	(223,497)
Commission expense	(32,538)	(8,948)	(14,553)	(71,087)	(46,303)	-	(173,429)
Management expense	(13,208)	(10,021)	(55,675)	(54,544)	(52,143)	-	(185,591)
Premium deficiency reserve	-	-	-	-	-	-	-
Net insurance claims and expenses	(49,032)	(20,320)	(156,674)	(246,358)	(110,133)	-	(582,517)
Underwriting results	18,441	1,987	30,927	(25,965)	22,697	-	48,087
Net investment income							66,336
Rental income							-
Other income							68
Other expenses							(5,567)
Finance costs							-
Profit from window takaful operations							2,415
Profit before tax							111,339
Segment assets	293,200	96,811	108,573	181,483	580,146	-	1,260,213
Unallocated assets							1,640,186
							2,900,399
Segment liabilities	245,051	160,604	332,867	230,650	580,584	-	1,549,756
Unallocated liabilities							311,763
							1,861,519

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30 June 2016

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Treaty	Total
(Rupees in thousand)							
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	212,402	76,914	223,700	348,323	365,153	-	1,226,492
Less : Federal Excise Duty	(26,711)	(9,139)	(29,929)	-	(46,579)	-	(112,358)
Federal Insurance Fee	(1,811)	(672)	(1,919)	(3,449)	(3,151)	-	(11,002)
Gross Written Premium (inclusive of Administrative Surcharge)	183,880	67,103	191,852	344,874	315,423	-	1,103,132
Gross Direct Premium	179,211	64,982	184,804	344,741	314,564	-	1,088,302
Facultative inward premium Administrative Surcharge	3,568	-	-	-	324	-	3,892
	1,101	2,121	7,048	133	535	-	10,938
	183,880	67,103	191,852	344,874	315,423	-	1,103,132
Insurance premium earned	245,021	70,465	205,143	171,473	199,772	-	891,874
Insurance premium ceded to reinsurers	(216,277)	(60,529)	(7,508)	(3,676)	(170,813)	-	(458,863)
Net insurance premium	28,744	9,936	197,375	167,797	28,959	-	433,011
Commission income	51,790	16,150	340	944	66,666	-	135,890
Net underwriting income	80,534	26,086	197,915	168,741	95,625	-	568,901
Insurance claims	(111,259)	(42,414)	(72,680)	(147,377)	(64,790)	-	(438,520)
Insurance claims recovered from reinsurers	105,455	38,405	72	-	60,706	-	204,638
Net claims	(5,804)	(4,009)	(72,608)	(147,377)	(4,084)	-	(233,882)
Commission expense	(27,174)	(12,034)	(13,928)	(476)	(40,416)	-	(94,028)
Management expense	(25,766)	(9,403)	(51,875.51)	(48,326)	(44,199)	-	(179,570)
Net insurance claims and expenses	(58,744)	(25,446)	(138,412)	(196,179)	(88,699)	-	(507,480)
Underwriting results	21,790	640	59,503	(27,438)	6,926	-	61,421
Net investment income							45,393
Rental income							-
Other income							1,493
Other expenses							(8,182)
Finance costs							-
(Loss) from window takaful operations							(1,792)
Profit before tax							<u>98,333</u>
31 December 2016							
Segment assets	549,528	88,701	75,850	71,966	303,177	-	1,089,222
Unallocated assets							<u>1,771,364</u>
							<u>2,860,586</u>
Segment liabilities	487,766	(36,291)	309,348	103,951	697,564	-	1,562,338
Unallocated liabilities							<u>313,064</u>
							<u>1,875,402</u>

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27 Fair value measurement 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 and 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 recognised at the end of the reporting period during which the changes have occurred

	Carrying amount					Fair value					
	Available for sale	Fair value through profit or loss	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 2017											
<i>Financial assets - not measured at fair value</i>											
Investments											
Equity Securities	330,137	-	-	-	-	-	330,137	330,137	-	-	330,137
Debt Securities	-	352,960	49,167	-	-	-	402,127	352,960	-	-	352,960
Loans and other receivables*	-	-	-	5,403	-	-	5,403	-	-	-	-
Insurance / reinsurance receivables	-	-	-	-	-	-	-	-	-	-	-
- unsecured and considered good*	-	-	-	601,892	-	-	601,892	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	319,501	-	-	319,501	-	-	-	-
Salvage recoveries accrued*	-	-	-	16,805	-	-	16,805	-	-	-	-
Prepayments*	-	-	-	273,290	-	-	273,290	-	-	-	-
Cash and bank*	-	-	-	-	568,417	-	568,417	-	-	-	-
Sundry receivables*	-	-	-	24,556	-	-	24,556	-	-	-	-
	330,137	352,960	49,167	1,241,447	568,417	-	2,542,128	683,097	-	-	683,097

Note

(Rupees in thousand)

Financial liabilities - not measured at fair value

Underwriting provisions:

- Outstanding claims including IBNR*
- Premiums received in advance*
- Insurance / reinsurance payables*
- Other creditors and accruals*
- Deposits and other payables*
- Accrued expenses*

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

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31 December 2016

Financial assets - not measured at fair value

	Available for sale	Fair value through profit or loss	Held to maturity	Carrying amount		Fair value									
				Receivables and other financial assets	Cash and cash equivalents	Total	Level 1	Level 2	Level 3	Total					
Investments															
Equity Securities	395,930	-	-	-	-	395,930	395,930	-	-	-	-	-	-	-	395,930
Debt Securities	-	352,363	49,815	-	-	402,178	352,363	-	-	-	-	-	-	-	352,363
Loans and other receivables*	-	-	-	6,160	-	6,160	-	-	-	-	-	-	-	-	-
Insurance / reinsurance receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- unsecured and considered good*	-	-	-	707,607	-	707,607	-	-	-	-	-	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	307,497	-	307,497	-	-	-	-	-	-	-	-	-
Salvage recoveries accrued*	-	-	-	10,127	-	10,127	-	-	-	-	-	-	-	-	-
Prepayments*	-	-	-	317,399	-	317,399	-	-	-	-	-	-	-	-	-
Cash and bank*	-	-	-	-	374,766	374,766	-	-	-	-	-	-	-	-	-
Sundry receivables*	-	-	-	20,845	-	20,845	-	-	-	-	-	-	-	-	-
	395,930	352,363	49,815	1,369,635	374,766	2,542,509	748,293	-	-	-	-	-	-	-	748,293

Note

Financial liabilities - not measured at fair value

	Available for sale	Fair value through profit or loss	Held to maturity	Carrying amount	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Underwriting provisions:											
Outstanding claims including IBNR*	-	-	-	-	-	485,892	485,892	-	-	-	-
Premiums received in advance*	-	-	-	-	-	2,511	2,511	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	381,208	381,208	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	167,838	167,838	-	-	-	-
Deposits and other payables*	-	-	-	-	-	17,198	17,198	-	-	-	-
Accrued expenses*	-	-	-	-	-	84,807	84,807	-	-	-	-
	-	-	-	-	-	1,139,454	1,139,454	-	-	-	-

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

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	Held to maturity	Available for sale	Fair value through profit & loss	Total
	(Rupees in thousand)			
28 Movement in investments				
As at beginning of previous year	53,141	124,353	801,283	978,777
Additions	-	583,555	1,635,777	2,219,332
Disposals (sales and redemptions)	(3,000)	(351,532)	(2,086,891)	(2,441,423)
Fair value net gains				-
(excluding net realised gains)	-	39,554	2,194	41,748
(Discount) on investment bonds	(326)	-	-	(326)
Impairment/ (reversal) losses	-	-	-	-
At the beginning of the year	49,815	395,930	352,363	798,108
Additions	-	105,656	349,968	455,624
Disposals (sales and redemptions)	-	(147,750)	(350,170)	(497,920)
Fair value net gains				-
(excluding net realised gains)		(23,699)	799	(22,900)
(Discount) on investment bonds	(647)	-	-	(647)
Impairment losses	-	-	-	-
At the end of current period	49,168	330,137	352,960	732,265

29 Corresponding figures

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

30 Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the period ended 30 June 2017.

31 Date of authorization for issue

This condensed interim financial information was authorized for issue on August 17, 2017 by the Board of Directors of the Company.

32 General

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

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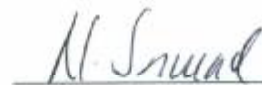
Chairman



Director



Director



Chief Executive Officer

Alfalah Insurance Company Limited

Condensed interim financial information
for the six months ended 30 June 2017



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Independent auditors' review report to the members of Alfalah Insurance Company Limited

Introduction

We have reviewed the accompanying condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in funds and condensed interim cash flow statement of **Alfalah Insurance Company Limited-Window Takaful Operations** ("the Company") together with notes to the accounts for the six-month period ended 30 June 2017 (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting 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 approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

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KPMG Taseer Hadi & Co.

Other matters

The condensed interim financial information of the Company for the half year ended 30 June 2016 and the financial statements for the year ended 31 December 2016 were reviewed / audited by EY Ford Rhodes Chartered Accountants, whose review report dated 24 August 2016 and audit report dated 23 February 2017 expressed an unmodified conclusion and unmodified opinion respectively on the aforementioned financial information and financial statements.

The figures for the quarter ended 30 June 2017 and 30 June 2016 in the accompanying condensed interim financial information have not been reviewed by us and we do not express a conclusion on them.

Lahore

Date: 17 August 2017

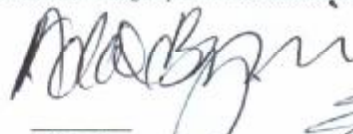
KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Alfalah Insurance Company Limited
Window Takaful Operations
Condensed Interim Balance Sheet (Unaudited)
As at 30 June 2017

	Note	30 June 2017			31 December 2016
		Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
FUNDS AND LIABILITIES					
<i>Operator's Fund:</i>					
Statutory fund		50,000	-	50,000	50,000
Unappropriated profit		3,556	-	3,556	1,890
		53,556	-	53,556	51,890
<i>Waqf / Participants' Takaful Fund:</i>					
Ceded money			500	500	500
Accumulated deficit			(11,431)	(11,431)	(13,707)
			(10,931)	(10,931)	(13,207)
Liabilities					
Qard-e-Hasna from Operators' Fund		-	20,000	20,000	20,000
<i>Underwriting provisions:</i>					
Outstanding claims including IBNR	12	-	21,521	21,521	13,177
Unearned contribution reserve	11	-	77,049	77,049	51,476
Unearned retakaful rebate	14	-	656	656	686
Contribution received in advance		-	756	756	1,369
Takaful / re-takaful payables		130	9,397	9,527	7,393
Taxation - payments less provision		510	-	510	-
Wakala fee payable		-	25,133	25,133	33,940
Unearned waqala fee	13	20,867	-	20,867	17,874
Accrued expenses		649	6,001	6,650	7,671
Other creditors and accruals		20,742	4,707	25,449	10,082
Total liabilities		42,898	145,220	188,118	143,668
TOTAL FUND AND LIABILITIES		96,454	154,289	250,743	202,351
Contingencies and commitments					
ASSETS					
Qard-e-Hasna to Participant Takaful Fund		20,000	-	20,000	20,000
Property and equipment	8	72	-	72	-
Takaful / re-takaful receivables - unsecured and considered good	9	-	36,242	36,242	8,288
Salvage recoveries accrued		-	5,014	5,014	803
Retakaful recoveries against outstanding claims		-	-	-	107
Wakala fee receivable		25,133	-	25,133	33,940
Deferred commission expense	15	4,088	-	4,088	3,602
Deferred wakala fee	13	-	20,867	20,867	17,874
Prepaid retakaful contribution ceded	11	-	7,185	7,185	2,780
Loans and other receivables		298	-	298	-
Cash and bank	10	46,863	83,561	130,424	114,307
Taxation - payments less provision		-	259	259	268
Sundry receivables		-	1,161	1,161	382
Total assets		96,454	154,289	250,743	202,351

The annexed notes form 1 to 25 form an integral part of this condensed interim financial information.


Chairman


Director


Director


Chief Executive Officer

Alfalah Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Profit and Loss Account (Un-audited)
 For the half year ended 30 June 2017

	Note	Half year ended	
		30 June 2017	30 June 2016
<u>Participants' revenue account</u>			
Net contribution revenue	11	62,552	7,400
Net claims	12	(32,970)	(2,294)
Wakala expense	13	(20,484)	(3,290)
Direct expenses		(10,048)	(8,370)
Net rebate on re-takaful	14	1,377	220
Claims and acquisition expenses		(62,125)	(13,734)
Underwriting surplus / (deficit)		427	(6,334)
Profit on bank deposits		1,849	96
Surplus / (deficit) for the period		2,276	(6,238)
<u>Operators' revenue account</u>			
Wakala fee	13	20,484	3,290
Commission expense	15	(4,017)	(453)
Management expenses	16	(13,217)	(4,658)
		3,250	(1,821)
Profit on bank deposits		417	1,097
Other expenses	17	(1,252)	(1,069)
Profit / (loss) before tax		2,415	(1,793)
Provision for taxation			
- Current		(749)	-
Profit after tax		1,666	(1,793)

The annexed notes form 1 to 25 form an integral part of this condensed interim financial information.

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Chairman



Director



Director



Chief Executive Officer

Alfalah Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Profit and Loss Account (Un-audited)
 For the half year ended 30 June 2017

	Quarter ended	
	30 June 2017	30 June 2016
----- (Rupees in thousand) -----		
<u>Participants' revenue account</u>		
Net contribution revenue	32,564	6,327
Net claims	(13,963)	(2,045)
Wakala expense	(10,593)	(2,586)
Direct expenses	(6,747)	(5,502)
Net rebate on re-takaful	844	138
Claims and acquisition expenses	(30,459)	(9,995)
Underwriting surplus / (deficit)	2,105	(3,668)
Profit on bank deposits	1,129	87
Surplus / (deficit) for the period	3,234	(3,581)
<u>Operators' revenue account</u>		
Wakala fee	10,593	2,586
Commission expense	(2,220)	(334)
Management expenses	(10,654)	(3,089)
	(2,281)	(837)
Profit on bank deposits	165	521
Other expenses	(99)	(457)
Profit / (loss) before tax	(2,215)	(773)
Provision for taxation - Current	(749)	-
Profit after tax	(2,964)	(773)

The annexed notes form 1 to 25 form an integral part of this condensed interim financial information.



Chairman



Director



Director



Chief Executive Officer

Alfalah Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Statement of Comprehensive Income (Un-audited)
 For the half year ended 30 June 2017

	Quarter ended		Half year ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	(Rupees in thousand)			
Profit / (loss) for the period	(2,964)	(773)	2,415	(1,793)
<u>Other comprehensive income</u>				
Un-realized gains/(losses) on available- for-sale investments	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	(2,964)	(773)	2,415	(1,793)

The annexed notes form 1 to 25 form an integral part of this condensed interim financial information.



Chairman



Director



Director



Chief Executive Officer

Alfalsh Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Statement of Cash Flows (Unaudited)
 For the half year ended 30 June 2017

	2017			2016		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
----- (Rupees in thousand) -----						
Operating cash flows						
(a) Takaful activities						
Contributions received	-	67,841	67,841	-	19,742	19,742
Retakaful rebate received	-	1,255	1,255	-	684	684
Retakaful contribution paid	-	(10,493)	(10,493)	-	(3,544)	(3,544)
Claims paid	-	(24,611)	(24,611)	-	(601)	(601)
Commissions paid	(4,554)	-	(4,554)	(393)	-	(393)
Retakaful recoveries received	-	92	92	-	-	-
Management expenses	(14,559)	(10,827)	(25,386)	(3,935)	(4,339)	(8,274)
Net cash inflows / (outflows) from takaful activities	(19,113)	23,257	4,144	(4,328)	11,942	7,614
(b) Other operating activities						
Income tax paid	(42)	(186)	(228)	(111)	(9)	(120)
Other operating receipts / (payments)	43,445	(33,130)	10,315	(2,723)	6,138	3,415
Loans disbursed	(325)	-	(325)	-	-	-
Loans repayed	27	-	27	-	-	-
Other receipts	-	-	-	-	-	-
Net cash (outflows) / inflows from other operating activities	43,105	(33,316)	9,789	(2,834)	6,129	3,295
Total cash inflows from operating activities	23,992	(10,059)	13,933	(7,162)	18,071	10,909
Investment activities						
Profit/return received	417	1,849	2,266	1,097	96	1,193
Qard-e-Hasna paid to Participant Takaful Fund	-	-	-	-	-	-
Fixed capital expenditure	(82)	-	(82)	-	-	-
Total cash (outflows) / inflows from investing activities	335	1,849	2,184	1,097	96	1,193
Financing activities						
Contribution to operator's fund	-	-	-	50,000	-	50,000
Qard-e-Hasna received from Operator's Fund	-	-	-	-	-	-
Ceded money	-	-	-	-	500	500
Total cash inflows from financing activities	-	-	-	50,000	500	50,500
Net cash outflow from all activities	24,327	(8,210)	16,117	43,935	18,667	62,602
Cash at the beginning of the period	22,536	91,771	114,307	-	-	-
Cash at the end of the period	46,863	83,561	130,424	43,935	18,667	62,602
Reconciliation to profit and loss account						
Operating cash flows	23,992	(10,059)	13,933	(7,162)	18,071	10,909
Depreciation	(10)	-	(10)	-	-	-
(Decrease) / increase in assets other than cash	(7,980)	40,421	32,441	21,694	38,623	60,317
(Increase) / decrease in liabilities	(14,004)	(29,935)	(43,939)	(17,421)	(63,028)	(80,449)
Return on bank deposits	417	1,849	2,266	1,097	96	1,193
Net Surplus / deficit for the period	2,415	2,276	4,691	(1,792)	(6,238)	(8,030)

Definition of cash

Cash comprises of cash in hand and bank balances which are used in cash management function on a day-to-day basis.

The annexed notes form 1 to 25 form an integral part of this condensed interim financial information.



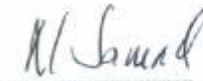
Chairman



Director



Director



Chief Executive Officer

Alfalah Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Statement of Changes in Fund (Un-audited)
 For the half year ended 30 June 2017

	Operator's Fund		
	Statutory Fund	Accumulated Loss	Total
	----- (Rupees in thousand) -----		
Balance as at 1 January 2016	-	-	-
Contribution made during the period	50,000	-	50,000
<u>Comprehensive loss for the period ended 30 June 2016</u>			
Deficit for the period 01 Jan 2016 to 30 June 2016	-	(1,793)	(1,793)
Other comprehensive income for the period 01 Jan 2016 to 30 June 2016	-	-	-
Total comprehensive loss for the period	-	(1,793)	(1,793)
Balance as at 30 June 2016 - (Unaudited)	50,000	(1,793)	48,207
<u>Comprehensive income for the period ended 31 December 2016</u>			
Surplus for the period 01 July 2016 to 31 December 2016	-	3,761	3,761
Other comprehensive loss for the period 01 July 2016 to 31 December 2016	-	(78)	(78)
Total comprehensive income for the period	-	3,683	3,683
Balance as at 31 December 2016 - (Audited)	50,000	1,890	51,890
<u>Comprehensive income for the year ended 30 June 2017</u>			
Surplus for the period 01 Jan 2017 to 30 June 2017	-	1,666	1,666
Other comprehensive income for the period 01 Jan 2017 to 30 June 2017	-	-	-
Total comprehensive income for the period	-	1,666	1,666
Balance as at 30 June 2017 - (Unaudited)	50,000	3,556	53,556

The annexed notes form 1 to 25 form an integral part of this condensed interim financial information.

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Chairman



Director



Director



Chief Executive Officer

Alfalalah Insurance Company Limited
 Window Takaful Operations
 Condensed Interim Statement of Changes in Fund (Un-audited)
 For the half year ended 30 June 2017

	Participants' Takaful Fund		
	Cede Money	Accumulated Loss	Total
	------(Rupees in thousand)-----		
Balance as at 1 January 2016	-	-	-
Waqf money / Cede money	500	-	500
<u>Comprehensive loss for the period ended 30 June 2016</u>			
Deficit for the period 01 Jan 2016 to 30 June 2016	-	(6,238)	(6,238)
Other comprehensive income for the period 01 Jan 2016 to 30 June 2016	-	-	-
Total comprehensive loss for the period	-	(6,238)	(6,238)
Balance as at 30 June 2016 - (Unaudited)	500	(6,238)	(5,738)
<u>Comprehensive loss for the period ended 31 December 2016</u>			
Deficit for the period 01 July 2016 to 31 December 2016	-	(7,469)	(7,469)
Other comprehensive income for the period 01 July 2016 to 31 December 2016	-	-	-
Total comprehensive loss for the period	-	(7,469)	(7,469)
Balance as at 31 December 2016 - (Audited)	500	(13,707)	(13,207)
<u>Comprehensive income for the year ended 30 June 2017</u>			
Surplus for the period 01 Jan 2017 to 30 June 2017	-	2,276	2,276
Other comprehensive income for the period 01 Jan 2017 to 30 June 2017	-	-	-
Total comprehensive income for the period	-	2,276	2,276
Balance as at 30 June 2017 - (Unaudited)	500	(11,431)	(10,931)

The annexed notes form 1 to 25 form an integral part of this condensed interim financial information.

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Chairman



Director



Director



Chief Executive Officer

Alfalah Insurance Company Limited
Window Takaful Operations
Notes to the Condensed Interim Financial Information (Un-audited)

For the half year ended 30 June 2017

1 Legal status and nature of business

Alfalah Insurance Company Limited is a general non-life insurance company which was incorporated as an unquoted public limited company in Pakistan on 21 December 2005 under the Companies Ordinance, 1984. The registered office of the Company is situated at 5-Saint Mary Park, Gulberg, Lahore.

Alfalah Insurance Company Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) through License No. 11 on September 30, 2015 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry out General Window Takaful Operations in Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf/ Participant Takaful Fund (PTF) on January 13, 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 and statement of compliance

The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' as applicable in Pakistan, provisions of and directives issued under Companies Ordinance, 1984 and the Insurance Ordinance, 2000, Insurance Rules, 2017 and Takaful Rules, 2012. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, Insurance Rules, 2017 and Takaful Rules 2012 have been followed.

During the period, 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. Consequently, the Operator has changed its accounting policies in respect of presentation of financial statements as explained in note 4.1 of these condensed interim financial information.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its press release dated 20 July 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

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 2016.

3 Basis of measurement

This condensed interim financial information has been prepared under historical cost convention.

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4 Summary of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the financial statements of the Operator for the year ended 31 December 2016 except for change in accounting policies as disclosed in note 4.1 of these condensed interim financial information.

The Operator has adopted all the applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 January 2017 as mentioned in the financial statements for the year ended 31 December 2016.

There is no significant impact of such changes on this condensed interim financial information of the Operator.

4.1 Change in accounting policies

4.1.1 Presentation and disclosure of financial statements

As per Insurance Rules 2017, the presentation and disclosure requirements of the financial statements have changed for companies whose financial year ended on or after 31 March 2017. Consequently, the format prescribed in Annexure II of the Insurance Rules 2017 will be adopted. Accordingly, change in presentation and disclosures of these condensed interim financial information has been applied retrospectively.

4.1.2 Contribution revenue

The Insurance Accounting Regulations, 2017, requires the Operator, to recognize contribution receivable under a takaful policy / cover note as written from the date of attachment of risk to the policy / cover note. Accordingly the Operator is required to account for cover notes which are effective as at balance sheet date. In previous years, the Operator recognised contribution 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 'Accounting Policies, Changes in Accounting Estimates and Errors'. 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 financial statements of the Operator for the year ended 31 December 2016.

6 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 2016.

7 Contingencies and Commitments

There are no contingencies and commitments as at 30 June 2017.

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	Note	30 June 2017			31 December 2016
		OTF	PTF	Aggregate	Aggregate
----- (Rupees in thousand) -----					
8 Property and equipment					
Opening balance - net book value		-	-	-	-
Additions during the period	8.1	82	-	82	-
Less: Book value of disposals during the period		-	-	-	-
Depreciation charged during the period / year		(10)	-	(10)	-
		(10)	-	(10)	-
		72	-	72	-
8.1 Additions during the period / year					
Computer equipment		82	-	82	-
9 Takaful / re-takaful receivables - unsecured and considered good					
Contribution due from contract holders		-	34,781	34,781	7,345
Less : provision for impairment of receivables from takaful contract holders		-	-	-	-
		-	34,781	34,781	7,345
Amount due from other takaful / retakaful operator		-	1,461	1,461	943
Less : provision for impairment of due from other takaful / re-takaful operator		-	-	-	-
		-	1,461	1,461	943
		-	36,242	36,242	8,288
10 Cash and Bank					
Cash and other equivalents		55	-	55	-
Current and other accounts		46,808	83,561	130,369	114,307
		46,863	83,561	130,424	114,307
11 Net contribution revenue					
Written Gross Contribution			95,890	43,502	
Opening : Unearned contribution reserve			51,476	-	
Closing : Unearned contribution reserve			77,049	33,852	
Contribution earned			70,317	9,650	
Less : Re-takaful ceded			12,170	4,595	
Add : Prepaid re-takaful contribution ceded opening			2,780	-	
Less : Prepaid re-takaful contribution closing			7,185	2,345	
Re-takaful expense			7,765	2,250	
			62,552	7,400	

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	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
	--- (Rupees in thousand) ---	
12 Net claims		
Claims paid	24,611	601
Add : Outstanding claims including IBNR closing	21,521	1,693
Less : Outstanding claims including IBNR opening	13,177	-
Claims expense	<u>32,955</u>	<u>2,294</u>
Less : Re-takaful and other recoveries received	92	-
Add : Re-takaful and other recoveries in respect of outstanding claims net of impairment (if any) closing	-	-
Less : Re-takaful and other recoveries in respect of outstanding claims net of impairment (if any) opening	107	-
Re-takaful and other recoveries revenue	<u>(15)</u>	<u>-</u>
	<u>32,970</u>	<u>2,294</u>
13 Wakala expense		
Gross wakala fee	23,477	14,999
Add : Deferred wakala fee opening	17,874	-
Less : Deferred wakala fee closing	20,867	11,709
Wakala expense	<u>20,484</u>	<u>3,290</u>
14 Net rebate on re-takaful		
Rebate on re-takaful received	1,347	452
Add : Rebate on re-takaful opening	686	-
Less : Rebate on re-takaful closing	656	232
Net rebate on re-takaful	<u>1,377</u>	<u>220</u>
15 Commission expense		
Commission paid or payable	4,503	1,865
Add : Deferred commission opening	3,602	-
Less : Deferred commission closing	4,088	1,412
Net commission	<u>4,017</u>	<u>453</u>

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(Unaudited) (Unaudited)
30 June **30 June**
2017 **2016**
 ---- (Rupees in thousand) ----

16 Management expenses

Employee benefit cost	6,795	1,805
Travelling expenses	521	23
Advertisement and sales promotion	129	240
Printing and stationery	418	223
Depreciation	769	363
Amortisation	37	26
Rent, rates and taxes	807	389
Electricity, gas and water	265	113
Vehicle running expenses	659	-
Office repairs and maintenance	1,426	1,223
Fee and subscription	-	-
Postages, telegrams and telephone	412	171
Training and development	693	-
Miscellaneous	286	82
	13,217	4,658

16.1 Employee benefit cost

Salaries allowances and other benefits	6,539	1,805
Charges for post employment benefits	256	-
	6,795	1,805

17 Other expenses

Insurance expenses	246	99
Legal and professional fee	762	880
Auditor's remuneration	158	50
Miscellaneous	86	40
	1,252	1,069

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18 Segment Reporting - PTF

Each class of business has been identified as reportable segment. The following is a schedule of class of business wise assets, liabilities, revenue and results have been disclosed in accordance with the requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017:

	30 June 2017						Total
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Treaty	
	(Rupees in thousand)						
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	4,351	2,984	62,178	35,658	784	-	105,955
Less: Federal Excise Duty	(517)	(373)	(8,078)	(35)	(102)	-	(9,105)
Federal Insurance Fee	(35)	(26)	(536)	(353)	(9)	-	(959)
Gross Written Contribution (inclusive of Administrative Surcharge)	3,799	2,585	53,564	35,270	673	-	95,891
Gross Direct Contribution	3,518	2,573	53,563	35,269	675	-	95,598
Facultative inward contribution	281	12	-	-	-	-	293
	3,799	2,585	53,563	35,269	675	-	95,891
Contribution earned	3,280	2,502	47,997	16,268	270	-	70,317
Retakaful expense	(2,785)	(2,303)	(2,438)	-	(239)	-	(7,765)
Net contribution revenue	495	199	45,559	16,268	31	-	62,552
Net rebate on re-takaful	737	521	71	-	48	-	1,377
Net underwriting income	1,232	720	45,630	16,268	79	-	63,929
Takaful claims	-	16	(19,070)	(13,901)	-	-	(32,955)
Re-takaful and other recoveries	-	(15)	-	-	-	-	(15)
Net claims	-	1	(19,070)	(13,901)	-	-	(32,970)
Wakala expense	(984)	(751)	(16,227)	(2,440)	(82)	-	(20,484)
Direct expense	(10)	(6)	(9,942)	(88)	(2)	-	(10,048)
Net insurance claims and expenses	(994)	(756)	(45,239)	(16,429)	(84)	-	(63,502)
Underwriting results	238	(36)	391	(161)	(5)	-	427
Net investment income							1,849
Profit before tax							2,276
Segment assets	5,848	742	50,850	5,579	1,277	-	64,296
Unallocated assets							89,993
							154,289
Segment liabilities	7,376	2,517	94,758	27,914	1,191	-	133,756
Unallocated liabilities							11,464
							145,220

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30 June 2016

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Treaty	Total
(Rupees in thousand)							
Contribution receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	1,924	791	47,878	-	28	-	50,621
Less : Federal Excise Duty	(212)	(105)	(6,367)	-	(4)	-	(6,688)
Federal Insurance Fee	(13)	(7)	(411)	-	-	-	(431)
Gross Written Contribution (inclusive of Administrative Surcharge)	1,699	679	41,100	-	24	-	43,502
Gross Direct Contribution	1,337	679	41,100	-	24	-	43,140
Facultative inward contribution	362	-	-	-	-	-	362
	1,699	679	41,100	-	24	-	43,502
Contribution earned	467	617	8,560	-	6	-	9,650
Retakaful expense	(408)	(570)	(1,267)	-	(5)	-	(2,250)
Net contribution revenue	59	47	7,293	-	1	-	7,400
Net rebate on re-takaful	88	130	-	-	2	-	220
Net underwriting income	147	177	7,293	-	3	-	7,620
Takaful claims	-	-	(2,294)	-	-	-	(2,294)
Re-takaful and other recoveries	-	-	-	-	-	-	-
Net claims	-	-	(2,294)	-	-	-	(2,294)
Wakala expense	(107)	(185)	(2,997)	-	(1)	-	(3,290)
Direct expense	-	-	(8,370)	-	-	-	(8,370)
Net insurance claims and expenses	(107)	(185)	(13,661)	-	(1)	-	(13,954)
Underwriting results	40	(8)	(6,368)	-	2	-	(6,334)
Net investment income							96
Profit before tax							(6,238)
31 December 2016							
Segment assets	5,765	358	22,859	-	66	-	29,048
Unallocated assets							93,030
							122,078
Segment liabilities	5,839	1,391	65,311	-	60	-	72,601
Unallocated liabilities							42,684
							115,285

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19 Segment Reporting - OPF

Each class of business has been identified as reportable segment. The following is a schedule of class of business wise assets, liabilities, revenue and results have been disclosed in accordance with the requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017:

30 June 2017							
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Miscellaneous	Treaty	Total	
(Rupees in thousand)							
Wakala fee	984	751	16,227	2,440	82	-	20,484
Commission expense	(569)	(452)	(2,979)	(12)	(5)	-	(4,017)
Management expenses	(524)	(356)	(7,383)	(4,861)	(93)	-	(13,217)
	(109)	(57)	5,865	(2,433)	(16)	-	3,250
Profit on bank deposits							417
Other expenses							(1,252)
Profit before tax							2,415
Segment assets	2,067	836	20,810	5,294	214	-	29,221
Unallocated assets						-	67,233
							96,454
Segment liabilities	1,052	46	16,916	2,850	133	-	20,997
Unallocated liabilities						-	21,901
							42,898
30 June 2016							
Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident & Health	Others including Miscellaneous	Treaty	Total	
(Rupees in thousand)							
Wakala fee	107	185	2,997	-	1	-	3,290
Commission expense	(70)	(103)	(279)	-	(1)	-	(453)
Management expenses	(182)	(73)	(4,400)	-	(3)	-	(4,658)
	(145)	9	(1,682)	-	(3)	-	(1,821)
Profit on bank deposits							1,097
Other expenses							(1,069)
Profit before tax							(1,793)
31 December 2016							
Segment assets	779	20	17,068	-	7	-	17,874
Unallocated assets							42,399
							60,273
Segment liabilities	901	20	17,070	-	12	-	18,003
Unallocated liabilities							10,380
							28,383

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20 Fair value measurement 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 recognised at the end of the reporting period during which the changes have occurred

	Carrying amount				Fair value				
	Available for sale	Fair value through profit or loss	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Level 1	Level 2	Level 3	Total
						----- Rupees -----			
30 June 2017									
Financial assets - not measured at fair value									
Loans and other receivables*	-	-	298	-	-	-	-	-	298
Takaful / re-takaful receivables - unsecured and considered good*	-	-	36,242	-	-	-	-	-	36,242
Retakaful recoveries against outstanding claims	-	-	25,133	-	-	-	-	-	25,133
Wakala fee receivable*	-	-	5,014	-	-	-	-	-	5,014
Salvage recoveries accrued*	-	-	-	130,424	-	-	-	-	130,424
Cash and bank*	-	-	1,161	-	-	-	-	-	1,161
Sundry receivables*	-	-	67,848	130,424	-	-	-	-	198,272
Financial liabilities - not measured at fair value									
<i>Underswriting provisions:</i>									
Outstanding claims including IBNR*	-	-	-	-	21,521	-	-	-	21,521
Takaful / re-takaful payables	-	-	-	-	9,527	-	-	-	9,527
Other creditors and accruals*	-	-	-	-	25,449	-	-	-	25,449
Wakala fee payable*	-	-	-	-	25,133	-	-	-	25,133
Accrued expenses*	-	-	-	-	6,650	-	-	-	6,650
					88,280	-	-	-	88,280

Note

Financial assets - not measured at fair value

- 9 Loans and other receivables*
- Takaful / re-takaful receivables - unsecured and considered good*
- Retakaful recoveries against outstanding claims
- Wakala fee receivable*
- Salvage recoveries accrued*
- Cash and bank*
- 10 Sundry receivables*

Financial liabilities - not measured at fair value

- 12 *Underswriting provisions:*
- Outstanding claims including IBNR*
- Takaful / re-takaful payables
- Other creditors and accruals*
- Wakala fee payable*
- Accrued expenses*

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

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Available for sale	Fair value through profit or loss	Carrying amount			Fair value				
		Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
-	-	-	-	-	-	-	-	-	-
-	-	8,288	-	-	8,288	-	-	-	-
-	-	107	-	-	107	-	-	-	-
-	-	33,940	-	-	33,940	-	-	-	-
-	-	803	-	-	803	-	-	-	-
-	-	-	114,307	-	114,307	-	-	-	-
-	-	382	-	-	382	-	-	-	-
-	-	43,520	114,307	-	157,827	-	-	-	-

Note

31 December 2016

Financial assets - not measured at fair value

- Loans and other receivables*
Takaful / re-takaful receivables - unsecured and considered good* 9
Retakaful recoveries against outstanding claims
Wakala fee receivable*
Salvage recoveries accrued*
Cash and bank*
Sundry receivables*

Financial liabilities - not measured at fair value

- Underwriting provisions:
Outstanding claims including IBNR* 12
Takaful / re-takaful payables
Other creditors and accruals*
Wakala fee payable*
Accrued expenses*

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

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21 Transactions With Related Parties

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

	(Unaudited) 30 June 2017	(Unaudited) 30 June 2016
<u>Associated Undertakings and other related parties</u>		
contribution written	35,585	-
contribution received	32,561	-
Claims paid	10,214	-
Expense charged in respect of retirement benefit plans	50	111
<u>Key Management Personnel</u>		
Key management personnel compensation	1,293	1,681
Shariah Advisor Fee	660	880
<u>Associated Undertakings and other related parties</u>		
contribution receivable from related parties	2,708	-
Provision for outstanding claims	3,622	-

All transactions with related parties have been carried out on commercial terms and conditions.

22 Corresponding figures

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

23 Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the period ended 30 June 2017.

24 Date of authorization for issue

This condensed interim financial information was authorized for issue on August 17, 2017 by the Board of Directors of the Operator.

25 General

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


Chairman


Director


Director


Chief Executive Officer