

TRANSFORMING IMAGINATION THROUGH DIGITIZATION

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Company Information

BOARD OF DIRECTORS

Mr. Jameel Yusuf (S.St.)	Chairman
Mr. Muhammad Ali Jameel	Director
Ms. Naila Kassim	Director
Mr. Andrew Borda	Director
Mr. Rana Assad Amin	Director
Mr. Waqar Ahmed Malik	Director
Syed Nadir Shah	Director
Mr. Muhammad Aminuddin	Chief Executive Officer

BOARD COMMITTEES

Ethics, Human Resources, Remuneration & Nomination Committee

Syed Nadir Shah	Chairman
Mr. Ali Jameel	Member
Mr. Rana Assad Amin	Member
Mr. Waqar Ahmed Malik	Member
Mr. Nader Nawaz	Secretary

Investment Committee

Mr. Ali Jameel	Chairman
Mr. Andrew Borda	Member
Mr. Waqar Ahmed Malik	Member
Mr. Muhammad Aminuddin	Member
Syed Kazim Hasan	Secretary

Audit Committee

Syed Nadir Shah	Chairman
Mr. Ali Jameel	Member
Mr. Andrew Borda	Member
Mr. Yousuf Zohaib Ali	Secretary

MANAGEMENT COMMITTEES:

Risk Management and Compliance Committee

Mr. Waqar Ahmed Malik	Chairman
Mr. Raza Ali Shah	Member
Mr. Muhammad Aminuddin	Member
Syed Kazim Hassan	Secretary

Underwriting Committee

Mr. Andrew Borda	Chairman
Mr. Raza Ali Shah	Member
Mr. Muhammad Aminuddin	Member
Syed Kazim Hassan	Secretary

Claim Settlement Committee

Mr. Muhammad Aminuddin	Chairman
Syed Kazim Hassan	Member
Mr. Owais Alam	Secretary

Reinsurance & Co-insurance Committee

Mr. Andrew Borda	Chairman
Mr. Athar Abbas	Member
Ms. Shadab Khan	Secretary

BANKERS

Al-Baraka Bank Pakistan Ltd.
Bank Al Habib Ltd.
Bank Islami Pakistan Ltd.
Dubai Islamic Bank Pakistan Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
Mobilink Micro Finance Bank Ltd.
National Bank of Pakistan
Silk Bank Ltd.
Summit Bank Ltd.
Telenor Micro Finance Bank Ltd.
United Bank Ltd.
Samba Bank Ltd.
MCB Islamic Bank Ltd.

AUDITORS

EY Ford Rhodes
Chartered Accountants

LEGAL ADVISOR

Lari & Co.
Maritime & Insurance Advocates

SHARE REGISTRAR

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.
Karachi-75400, Pakistan.
Tel: 021.34168270
UAN: 021.111.000.322
Fax: 021.34168271

REGISTERED OFFICE

11 th & 12 th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Adjacent KPT Interchange Flyover,
Karachi, Postal Code: 74900
Fax: 021.35316032
UAN: 021.111.000.301
Tel: 021.37130223

WEB PRESENCE

www.tplinsurance.com



Geographical Presence

KARACHI

Head Office

TPL Insurance Ltd.
11th & 12th Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Adjacent K.P.T. Interchange,
Karachi - 74900
Tel: 021.37130223
Fax: 021.35316031-2
UAN: 021.111.000.301

LAHORE

Branch Office Lahore
51-M, Denim Road,
Quaid-e-Azam Industrial Estate,
Kot Lakhpat, Lahore.
UAN: 042.111.000.300
Fax: 042.35157233

ISLAMABAD

Branch Office Islamabad
55-B, 10th Floor (South) ISE Tower,
Jinnah Avenue, Blue Area,
Islamabad.
UAN: 051.111.000.300
Fax: 051.2895073

FAISALABAD

Branch Office Faisalabad
Office No. 4-02, 4th Floor,
Meezan Executive Tower,
Civil Lines, Faisalabad.
UAN: 051.111.000.300
Tel: 041.8501471-3
Fax: 041.8501470

MULTAN

Branch Office Multan
Haider Street, Shalimar Colony
Northern Bypass-Boson Road,
Multan.
UAN: 061.111.000.300
Fax: 061.44243451

HYDERABAD

Branch Office Hyderabad
2nd Floor, Plot # 15/5,
Main Auto Bhan Road,
Cooperative Housing Society,
Hyderabad.
Tel: 022.3411023-6
Fax: 022.2783154

Directors' Report

For the three months period ended 31st March 2019

On behalf of the Board of Directors, I am pleased to present the condensed interim financial statements of the Company for the three months period ended March 31, 2019.

During the period, the Company achieved Gross Written Premium of Rs. 621 million which is lower by Rs. 44m compared to Q1 2018 (including Window Takaful Operations). The decline is attributed to motor insurance segment which is facing unprecedented challenges. Increase in discount rates, ban on non-filers to purchase new vehicles, and increase in prices of vehicles due to Rupee devaluation have reduced the demand for new vehicles and consequently impacted the motor insurance portfolio, which is still the dominant proportion of our book. Non-motor business (fire, marine, travel and health) remained stable with Gross Written Premium of Rs. 79 million (Q1 2018: Rs. 78 million).

Given current challenges, the Company is focusing on other retail market segments including micro health. The Company continues to invest in its infrastructure to digitize its underwriting and claims operations, which will result in cost efficiencies in future. As a result of these initiatives, the Company reported loss after tax of Rs. 13 million (Q1 2018: Loss after tax of Rs. 10 million).

We would like to thank all our stakeholders, business partners, Pakistan Stock Exchange, SECP and staff for their continued support.

For and on behalf of the Board of Directors



Muhammad Aminuddin
Chief Executive Officer
April 23, 2019

ڈائریکٹر رپورٹ:

31 مارچ 2019 کو ختم ہونے والی سماں کے لئے

بورڈ آف ڈائریکٹر کی طرف سے میں 31 مارچ 2019ء کو ختم ہونے والی سماں کے لئے کمپنی کے اندیسہ عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

اس مدت کے دوران کمپنی نے کل تحریر کردہ پریمیم 621 ملین روپے حاصل کیا جو کہ پچھلے سال کے اسی دوڑانی سے 44 ملین روپے کم ہے (بیشمول وغدوں کا فل آپریشنز)۔ یہ کمی موثر ان شورنس سیکونٹ سے منسوب ہے جو غیر معمولی مشکلات کا سامنا کر رہا ہے۔ ڈسکاؤنٹ کی شرح میں اضافہ، نئی گاڑیاں خریدنے کے لئے نان فاکٹر پر پابندی اور روپیہ کی قدر میں کمی کے سبب گاڑیوں کی قیتوں میں اضافے نے نئی گاڑیوں کی طلب کو کم کر دیا ہے اور نتیجتاً موثر ان شورنس کا پورٹ فول یوم متناہی ہوا ہے، جو کہ اب بھی ہمارے کاروبار کا بہت اہم حصہ ہے۔ کمرش لانٹرنز برنس (فائز، میرین، بڑیوں اور ہیلتھ) 79 ملین روپے کے کل تحریر کردہ پریمیم کے ساتھ مضمون رہا (2018 Q1: 78 ملین روپے)۔

موجودہ مشکلات کے پیش نظر، کمپنی مانیکر و ہیلتھ سمیت دیگر ریٹائل مارکیٹوں پر توجہ مرکوز کر رہی ہے۔ کمپنی کی طرف سے اپنے اندر رائمنگ اور کلیئر آپریشنز کو ڈیجیٹائز کرنے کے لئے اپنے بنیادی ڈھانچے میں سرمایہ کاری کو جاری رکھے ہوئے ہے، جس کی وجہ سے مستقبل میں اخراجات کی بچت ہو گی۔ ان بنیادی اقدامات کے نتیجے میں کمپنی نے نقصان بعدراز ٹکی 13 ملین روپے درج کیا (2018 Q1: نقصان بعدراز ٹکی 10 ملین روپے)۔

ہم اپنے تمام اسٹیک ہولڈرز، کاروباری شراکت دار، پاکستان اسٹاک ایکسچنگ، SECP اور اسٹاف کے مسلسل تعاقوں پر شکرگزار ہیں۔

من جانب بورڈ آف ڈائریکٹر



محمد امین الدین
چیف ایگریڈیٹڈ فائسر
23 اپریل 2019ء

FINANCIAL STATEMENTS

Condensed Interim Statement of Financial Position (Unaudited)

As at 31 March 2019

	Note	Unaudited 31 March 2019	Audited 31 December 2018
		(Rupees)	
ASSETS			
Property and equipment	6	122,223,996	120,491,630
Intangible assets		8,406,015	9,107,599
Investments			
Equity securities and mutual fund units	7	161,365,587	250,569,554
Government Securities	8	193,158,553	192,555,107
Debt securities	9	180,000,000	30,000,000
Term deposits	10	50,000,000	200,000,000
Loans and other receivables		401,138,857	348,807,642
Insurance / reinsurance receivables		149,081,555	147,146,207
Reinsurance recoveries against outstanding claims		18,286,924	10,529,385
Salvage recoveries accrued		34,411,423	57,187,621
Deferred commission expense		84,424,385	91,084,451
Deferred taxation		31,444,488	31,981,982
Taxation - payment less provision		17,850,342	13,721,203
Prepayments		281,198,344	225,089,727
Cash and bank balances		115,043,575	153,052,811
		1,848,034,044	1,881,324,921
Total assets of General Takaful Operations - Operator's Fund		394,848,665	370,022,394
Total assets		2,242,882,709	2,251,347,315
EQUITIES AND LIABILITIES			
Ordinary share capital		938,662,610	938,662,610
Share premium - net of share issuance cost		8,033,837	8,033,837
Unappropriated profits		3,875,641	16,898,950
Available-for-sale reserve		(26,658,396)	(26,697,564)
Total equity		923,913,692	936,897,833
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		133,078,173	136,343,591
Unearned premium reserves		646,333,888	636,445,691
Unearned reinsurance commission		25,321,872	19,506,278
Premium received in advance		3,943,581	4,629,066
Insurance / reinsurance payables		123,984,870	122,268,570
Other creditors and accruals		192,939,971	226,217,448
Total liabilities		1,125,602,355	1,145,410,644
Total liabilities of General Takaful Operations - Operator's Fund		2,049,516,047	2,082,308,477
Total equity and liabilities		193,366,662	169,038,838
		2,242,882,709	2,251,347,315
Contingencies and commitment	11		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Director

Director

Chief Financial Officer

Chief Executive Officer

Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months period ended 31 March 2019

	Note	31 March 2019	31 March 2018
		(Rupees)	
Net insurance premium	12	289,149,515	322,070,244
Net insurance claims	13	(98,898,643)	(156,382,639)
Net commission expense	14	(35,265,662)	(29,256,009)
Insurance claims and commission expense		(134,164,305)	(185,638,648)
Management expenses		(119,701,784)	(113,690,888)
Underwriting results		35,283,426	22,740,708
Investment income		11,023,795	14,412,828
Other income		53,148,424	44,802,952
Other expenses		(61,898,660)	(77,449,334)
Results of operating activities		37,556,985	4,507,154
Financial charges		(115,909)	(321,414)
Profit before tax from General Insurance Operations		37,441,076	4,185,740
Loss before tax from Window Takaful Operations		(45,150,944)	(8,661,998)
Loss before tax for the period		(7,709,868)	(4,476,258)
Income tax expense		(5,313,441)	(5,549,177)
Loss after tax		(13,023,309)	(10,025,435)
Other comprehensive income:			
Unrealised gain on available-for-sale investments during the period - net		630,016	10,728,986
Less: net gain transferred to profit and loss on disposal / redemption / Impairment of investment		(53,353)	(3,048,460)
Related tax impact		576,663	7,680,526
Other comprehensive income for the period		(537,495)	(2,304,158)
Total comprehensive loss for the period		39,168	5,376,368
Earning (after tax) per share - Rupees		(12,984,141)	(4,649,067)
		(0.14)	(0.11)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Director



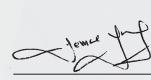
Director



Chief Financial Officer



Chief Executive Officer



Chairman

Condensed Interim Statement of Changes in Equity (Unaudited)

For the three months period ended 31 March 2019

Share Capital	Reserves					Total	
	Capital reserve		Net share premium	Unappropriated profit	Revenue Reserves Available-for-sale reserve		
	Share Premium	Share Issuance Cost					
						(Rupees)	
Balance as at January 1, 2018	755,158,990	147,579,495	(8,903,161)	138,676,334	253,917,562	(26,446,916)	
Net loss for the period	-	-	-	-	(10,025,435)	(10,025,435)	
Change in fair value of available for sale investments	-	-	-	-	5,376,368	5,376,368	
Total comprehensive income / (loss) for the period	-	-	-	(10,025,435)	5,376,368	(4,649,067)	
Balance as at March 31, 2018	755,158,990	147,579,495	(8,903,161)	138,676,334	243,892,127	(21,070,548)	
Balance as at January 1, 2019	938,662,610	16,936,998	(8,903,161)	8,033,837	16,898,950	(26,697,564)	
Net loss for the period	-	-	-	-	(13,023,309)	(13,023,309)	
Change in fair value of available for sale investments	-	-	-	-	39,168	39,168	
Total comprehensive income / (loss) for the period	-	-	-	(13,023,309)	39,168	(12,984,141)	
Balance as at March 31, 2019	938,662,610	16,936,998	(8,903,161)	8,033,837	3,875,641	(26,658,396)	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Director

Chief Financial Officer

Chief Executive Officer

Chairman

Chairman

Condensed Interim Statement of Cash Flow (Unaudited)

For the three months period ended 31 March 2019

	31 March 2019	31 March 2018
	(Rupees)	
Operating cash flow		
(a) Underwriting activities		
Insurance premium received	344,212,827	318,336,290
Reinsurance premium paid	(65,841,118)	(20,429,915)
Claims paid	(137,080,505)	(159,106,817)
Reinsurance and other recoveries received	49,935,103	60,008,142
Commission paid	(62,226,998)	(35,191,738)
Commission received	15,569,510	5,522,666
Management and other expenses paid	(204,019,132)	(260,132,712)
Net cash flow from underwriting activities	(59,450,313)	(90,994,084)
(b) Other operating activities		
Income tax paid	(8,008,167)	(5,519,498)
Other operating payments	(55,894,089)	(58,316,642)
Loans advanced	(1,927,393)	(1,460,000)
Loan repayment received	1,511,011	902,508
Net cash flow from other operating activities	(64,318,638)	(64,393,632)
Total cash flow used in all operating activities	(123,768,951)	(155,387,716)
Investment activities		
Profit / return received	10,924,397	7,936,321
Dividend received	59,000	-
Payment for investments	(248,062,800)	(34,635,265)
Proceeds from investments	189,833,983	179,573,695
Fixed capital expenditure	(16,878,957)	(78,819,523)
Total Cash flow from / (used in) investing activities	(64,124,377)	74,055,228
Financing activities		
Financial charges paid	(115,909)	(321,414)
Total cashflow used in financing activities	(115,909)	(321,414)
Net cash flow from all activities	(188,009,236)	(81,653,902)
Cash and cash equivalents at beginning of period	353,052,811	483,592,489
Cash and cash equivalents at end of period	165,043,575	401,938,587

Condensed Interim Statement of Cash Flow (Unaudited)

For the three months period ended 31 March 2019

	31 March 2019	31 March 2018
	(Rupees)	
Reconciliation to Profit and Loss Account		
Operating cash flows	(123,768,951)	(155,387,716)
Depreciation expense	(8,296,440)	(13,018,344)
Income Tax Paid	8,008,167	5,519,498
Financial charges Paid	115,909	321,414
Financial charges expense	(115,909)	(321,414)
Investment income	11,023,795	14,412,828
Share of Profit/(loss) from WTO-OF	(45,150,944)	(8,661,998)
Provision for taxation	(5,313,441)	(5,549,177)
Increase in assets other than cash	130,666,216	211,597,357
(Increase) / decrease in liabilities other than running finance	19,808,289	(58,937,883)
Profit / (loss) after taxation	(13,023,309)	(10,025,435)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Director



Director



Chief Financial Officer



Chief Executive Officer



Chairman

Notes to the Interim Financial Statements (Unaudited)

For the three months period ended 31 March 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

TPL Insurance Limited (the Company) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Company was allowed to work as Window Takaful Operator on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Company is listed at Pakistan Stock Exchange Limited. The principal office of the Company is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan. The Company is owned 94.23% by TPL Corp Limited.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting as applicable in Pakistan, provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations and Takaful Rules, 2012, shall prevail.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018.
- 2.3 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's Fund of the General Takaful Operations of the Company have been presented as a single line item in the condensed interim statement of financial position and condensed interim statement of comprehensive income of the Company respectively.
- 2.4 These condensed interim financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.
- 2.5 These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Rupee, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of these condensed interim financial statements are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended 31 December 2018.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5 FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements for the year ended 31 December 2018.

	(Unaudited) 31 March 2019	(Audited) 31 December 2018
6 PROPERTY AND EQUIPMENT		
Written down value at the beginning of the period / year	112,939,895	58,046,793
Additions and transfers during the period / year - at cost		
- Office equipments	-	377,562
- Motor vehicles	-	74,637,754
- Computer equipments	384,000	4,781,144
- Furniture and fixtures	12,800	6,142,783
	396,800	85,939,243
Written down value of disposals during the period / year	-	(2,360,025)
Depreciation for the period / year	(7,594,856)	(28,686,116)
	(7,594,856)	(31,046,141)
Written down value at the end of the period / year	<u>105,741,839</u>	<u>112,939,895</u>
Operating Assets	105,741,839	112,939,895
Capital work-in-progress	16,482,157	7,551,735
	<u>122,223,996</u>	<u>120,491,630</u>

7. INVESTMENT IN EQUITY SECURITIES AND MUTUAL FUNDS - AVAILABLE FOR SALE

	(Unaudited)				(Audited)			
	31 March 2019				31 December 2018			
	Cost	Impairment / Provision	Revaluation surplus/ (deficit)	Carrying Value	Cost	Impairment / Provision	Revaluation surplus/ (deficit)	Carrying Value
(Rupees)								
Related party								
Listed shares								
TPL Properties Limited (3% holding)	100,000,000	-	(24,541,120)	75,458,880	100,000,000	-	(20,519,200)	79,480,800
	100,000,000	-	(24,541,120)	75,458,880	100,000,000	-	(20,519,200)	79,480,800
Others								
Listed shares								
Business Industrial Insurance Company Limited	251,260	(251,260)	-	-	251,260	(251,260)	-	-
Bank of Punjab Limited	357,727	(294,024)	36,954	100,657	357,727	(294,024)	28,837	92,540
Hub Power Company Limited	357,000	-	376,300	733,300	357,000	-	500,900	857,900
Bank of Khyber	162,975	-	6,449	169,424	162,975	-	33,800	196,775
Summit Bank Limited	514,765	(501,645)	(1,280)	11,840	514,765	(501,645)	-	13,120
	1,643,727	(1,046,929)	418,423	1,015,221	1,643,727	(1,046,929)	563,537	1,160,335
Mutual funds								
AKD Opportunity	-	-	-	-	95,312,797	(21,192,841)	-	74,119,956
Alfalah GHP Stock Fund	68,825,591	-	(14,000,589)	54,825,002	68,825,591	-	(17,646,477)	51,179,114
Faysal Asset Allocation	22,267,400	(6,906,972)	388,552	15,748,680	44,970,104	(13,948,969)	-	31,021,135
UBL Stock Advantage	16,957,212	(3,348,998)	709,590	14,317,804	16,957,212	(3,348,998)	-	13,608,214
	108,050,203	(10,255,970)	(12,902,747)	84,891,486	226,065,704	(38,490,808)	(17,646,477)	169,928,419
	209,693,930	(11,302,899)	(37,025,444)	161,365,587	327,709,431	(39,537,737)	(37,602,140)	250,569,554

8. INVESTMENT IN GOVERNMENT SECURITIES

	Note	(Unaudited) 31 March 2019	(Audited) 31 December 2018
		(Rupees)-----	
Held to maturity			
Treasury Bills	8.1	98,905,061	98,374,678
Pakistan Investment Bonds (PIBs)	8.2	94,253,492	94,180,429
		193,158,553	192,555,107

- 8.1** This represents three month treasury bills having face value of Rs. 100 million [31 December 2018: Rs. 100 million]. These carry mark-up of 10.45% [31 December 2018: 10.25%] and will mature on 09 May 2019.
- 8.2** This represents five and ten years Pakistan Investment Bonds having face value of Rs. 95 million (market value of Rs. 91.415 million) [31 December 2018: Rs. 95 million (market value of Rs. 91.240 million)]. These carry mark-up ranging from 7.75% to 12% (31 December 2018: 7.75% to 12%) per annum and will mature between 03 September 2019 to 19 July 2022. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance 2000 and circular No. 15 of 2008 dated 7 July 2008 issued by the Securities and Exchange Commission of Pakistan.

9. INVESTMENT IN DEBT SECURITIES - AVAILABLE FOR SALE

These represent Term Finance Certificates issued by Dubai Islamic Bank Pakistan Limited and JS Bank Limited and carry mark-up ranging from KIBOR+1.75% to KIBOR+2.25% per annum.

10. TERM DEPOSITS

	Note	(Unaudited) 31 March 2019	(Audited) 31 December 2018
		(Rupees)-----	
Deposits maturing within 12 months	10.1	50,000,000	200,000,000

- 10.1** These carry profit rate ranging from 10.0% to 10.75% per annum (2018: 5.6% to 6.4% per annum) and have maturities upto 10 July 2019.

11. CONTINGENCIES AND COMMITMENT

There is no change in the status of the contingencies and commitments and is same as disclosed in the financial statements of the Company for the year ended 31 December 2018.

	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	-----(Rupees)-----	
12 NET INSURANCE PREMIUM		
Written net premium	346,833,660	360,670,549
Add: Unearned premium reserve opening	636,445,691	671,873,202
Less: Unearned premium reserve closing	<u>(646,333,888)</u>	<u>(685,193,696)</u>
Premium earned	336,945,463	347,350,055
Less: Reinsurance premium ceded	67,557,418	38,871,483
Add: Prepaid reinsurance premium opening	92,793,761	31,040,660
Less: Prepaid reinsurance premium closing	<u>(112,555,231)</u>	<u>(44,632,333)</u>
Reinsurance expense	47,795,948	25,279,811
Net insurance Premium	<u>289,149,515</u>	<u>322,070,244</u>
13 NET INSURANCE CLAIMS EXPENSE		
Claims paid/ payable	137,080,505	159,106,817
Add: Outstanding claims including IBNR closing	133,078,173	191,267,804
Less: Outstanding claims including IBNR opening	<u>(136,343,591)</u>	<u>(129,515,223)</u>
Claims expense	133,815,087	220,859,398
Less: Reinsurance and other recoveries received	49,935,103	60,008,142
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	52,698,347	66,186,450
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	<u>(67,717,006)</u>	<u>(61,717,833)</u>
Reinsurance and other recoveries revenue	34,916,444	64,476,759
Net insurance claims expense	<u>98,898,643</u>	<u>156,382,639</u>
14 NET COMMISSION EXPENSE		
Commissions paid or payable	38,359,512	41,783,037
Add: Deferred commission - opening	91,084,451	61,621,674
Less: Deferred commission - closing	<u>(84,424,385)</u>	<u>(70,248,517)</u>
Commission expense	45,019,578	33,156,194
Less: Commission from reinsurers		
Commission received or receivable	15,569,510	5,522,666
Add: Deferred commission - opening	19,506,278	4,358,320
Less: Deferred commission - closing	<u>(25,321,872)</u>	<u>(5,980,801)</u>
Commission from reinsurance	9,753,916	3,900,185
Net Commission expense	<u>35,265,662</u>	<u>29,256,009</u>

15 TRANSACTIONS WITH RELATED PARTIES

15.1 The related parties comprise Parent Company, associated undertakings, common directorships, employees provident fund, directors and key management personnel. The balances with / due from and transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

15.2 Balances and transactions with related parties

	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	-----(Rupees)-----	
TPL Trakker Limited - (associated company)		
Opening balance - receivable	69,336,860	31,369,420
Interest charged during the period	10,903,894	2,400,000
Net expenses charged - group shared costs	5,458,856	(2,639,512)
Rent and other services on tracking units	(40,874,355)	(12,825,471)
Net payment made by the Company	86,165,326	158,801,098
Closing balance - receivable	<u>130,990,581</u>	<u>177,105,535</u>
Advance to TPL Trakker Limited - (associated company)		
Balance at the beginning and end of the period - receivable	<u>200,000,000</u>	<u>200,000,000</u>

This represents advance to a related party. A special resolution of the shareholders authorising the Company to extend advance upto Rs.200 million was passed in Annual General Meeting of the Company held on 19 April, 2018. The balance carries interest at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.

	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	-----(Rupees)-----	
TPL Properties Limited- common directorship		
Opening balance - receivable	5,215,569	11,763,149
Rent invoices received during the period	(54,467,546)	(28,471,672)
Payment made during the period	27,233,773	28,471,672
Other movement	-	(9,601,744)
Expenses incurred by the company	196,878	2,472,620
Closing balance - receivable / (payable)	<u>(21,821,326)</u>	<u>4,634,025</u>
Virtual World (Private) Limited - common directorship		
Opening accrued outsourcing expenses	10,000,000	644,000
Services received during the period	5,532,022	1,932,000
Payments made during the period	(9,442,845)	(644,000)
Closing accrued outsourcing expenses	<u>6,089,177</u>	<u>1,932,000</u>
TRG Pakistan Limited		
Balance at the beginning and end of the period - receivable	<u>884,936</u>	<u>884,936</u>
Centrepoint Management Services (Private) Limited - common directorship		
Opening balance - payable / (receivable)	660,043	(1,237,946)
Maintenance charges expensed during the period	10,275,751	8,266,896
Maintenance charges paid during the period	(10,275,751)	(8,266,896)
Services received during the period	2,808,998	3,960,667
Payments made during the period	-	(1,897,844)
Closing balance - payable	<u>3,469,041</u>	<u>824,877</u>

15.2 Balances and transactions with related parties (continued)

	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	-----(Rupees)-----	
TPL Security Services (Private) Limited - common directorship		
Opening balance - receivable	1,934,239	719,357
Expenses incurred by the company	335,527	824,206
Services received during the period	(566,500)	(300,000)
Payments made during the period	-	300,000
Closing balance - receivable	<u>1,703,266</u>	<u>1,543,563</u>
TPL Direct Insurance Limited Employees Provident Fund		
Opening balance - payable	4,770,815	3,323,344
Charge for the period	7,165,310	6,149,646
Contribution made during the period	(9,935,995)	(9,472,990)
Closing balance - payable	<u>2,000,130</u>	<u>-</u>
TPL Life Insurance Limited - common directorship		
Opening balance - receivable / (payable)	(896,108)	1,561,209
Expenses incurred on behalf of the company	2,109,925	3,496,826
Services received from the company	(4,252,344)	(286,987)
Other movement during the period	(223,937)	
Payments made during the period	7,012,858	11,490,552
Closing balance - receivable	<u>3,750,394</u>	<u>16,261,600</u>
TPL Maps - common directorship		
Opening balance - receivable	1,186,671	-
Expenses incurred on behalf of the company	58,318	-
Closing balance - receivable	<u>1,244,989</u>	<u>-</u>
TPL Rupiya - common directorship		
Balance at the beginning and end of the period - receivable	<u>43,662</u>	<u>-</u>
TPL Corp - parent company		
Opening balance - receivable	129,577	-
Expenses incurred on behalf of the company	624,996	-
Closing balance - receivable	<u>754,573</u>	<u>-</u>
Window Takaful Operations - Participant Takaful Fund		
Opening balance - receivable	18,706,959	14,608,836
Rental and other services charges	37,900,000	45,700,000
Payments received from PTF - net	(43,268,816)	(52,131,314)
Closing balance - receivable	<u>13,338,143</u>	<u>8,177,522</u>

- 15.3** Remuneration to the key management personnel are in accordance with the terms of their employment. Contribution to the provident fund is in accordance with the Company's staff services rules and other transactions with the related parties are in accordance with the agreed terms.

16 SEGMENT REPORTING

(Unaudited)

For the three months period ended 31 March 2019

Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
(Rupees)					
Gross Written Premium					
(inclusive of Administrative Surcharge)					
Insurance premium earned	14,354,859	12,665,160	270,595,828	33,294,384	6,035,231
Insurance premium ceded to reinsurers	(11,479,351)	(3,103,758)	(30,404,631)	-	(2,808,207)
Net insurance premium	2,875,508	9,561,400	240,191,197	33,294,384	3,227,024
Commission income	2,260,919	843,181	6,445,550	-	204,267
Net underwriting income	5,136,427	10,404,583	246,636,747	33,294,384	3,431,291
Insurance claims	(10,157,888)	(7,644,410)	(110,832,854)	(4,882,864)	(297,370)
Insurance claims recovered from reinsurers / salvage	9,161,332	2,079,424	23,577,407	-	98,280
Net Claims	(996,256)	(5,564,986)	(87,255,447)	(4,882,864)	(199,090)
Commission expense	(2,699,091)	(1,639,667)	(22,345,869)	(16,646,486)	(45,019,579)
Management expenses	(8,680,409)	(4,585,266)	(96,871,198)	(7,342,356)	(2,222,555)
Net insurance claims and expenses	(12,375,757)	(11,789,920)	(206,472,515)	(28,871,707)	(4,110,112)
Underwriting result	(7,239,330)	(1,385,337)	40,164,232	4,422,677	(678,821)
Investment income					11,023,795
Other income					53,148,424
Other expenses					(61,898,660)
Results of operating activities					37,556,985
Other charges					(11,509)
Profit before tax from General Insurance Operations					37,441,076
Loss before tax from Window Takaful Operations - Operator's Fund					(45,150,944)
Loss before tax for the period					(7,709,868)

(Unaudited)

For the three months period ended 31 March 2018

Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
(Rupees)					
Gross Written Premium					
(inclusive of Administrative Surcharge)					
Insurance premium earned	23,829,817	13,261,365	286,607,010	33,497,782	3,474,575
Insurance premium ceded to reinsurers	(15,018,105)	(6,830,534)	(2,965,725)	(284,243)	(25,279,811)
Net insurance premium	8,811,712	6,430,831	293,636,285	33,497,782	322,071,244
Commission income	2,251,218	1,625,547	-	-	3,900,186
Net underwriting income	7,122,993	5,762,332	293,756,574	16,061,451	3,267,980
Insurance claims	(16,308,323)	(2,623,118)	(185,858,683)	(2,349,232)	(33,720,023)
Insurance claims recovered from reinsurers / salvage	11,279,678	2,545,189	44,305,833	-	63,486,060
Net Claims	(5,028,645)	(79,929)	(141,552,850)	(2,349,232)	(7,371,963)
Commission expense	(3,965,938)	(1,914,682)	(19,706,104)	(7,165,194)	(404,277)
Management expenses	(7,511,656)	(4,180,259)	(90,344,514)	(10,559,200)	(1,095,259)
Net insurance claims and expenses	(16,506,239)	(6,174,870)	(251,603,468)	(20,073,646)	(8,871,499)
Underwriting result	(9,384,146)	(412,538)	42,153,106	(4,012,195)	(5,603,519)
Investment income					22,740,708
Other income					14,412,828
Other expenses					44,802,952
Results of operating activities					(77,449,334)
Other charges					4,507,154
Profit before tax from General Insurance Operations					(321,414)
Loss before tax from Window Takaful Operations - Operator's Fund					4,185,740
Loss before tax for the period					(8,661,998)
					(4,476,258)

17 GENERAL

Figures have been rounded off to the nearest Rupee.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on 23 April 2019 by the Board of Directors of the Company.

Director

Director

Chief Financial Officer

Chief Executive Officer

Chairman

ANNEXURE A

WINDOW TAKAFUL OPERATIONS

Condensed Interim Statement of Financial Position (Unaudited)

As at 31 March 2019

Note	Unaudited 31 March 2019 (Rupees)			Audited 31 December 2018 (Rupees)		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
ASSETS						
Investments						
Mutual Funds	6	-	51,947,880	51,947,880	-	82,945,792
Government Securities		-	-	-	100,278,988	100,278,988
Debt securities	7	-	20,000,000	20,000,000	-	20,000,000
Term deposits		-	400,000,000	400,000,000	-	150,000,000
		-	471,947,880	471,947,880	-	353,224,780
Other receivables including Qard-e-Hasna to PTF of Rs. 246.9 million (2018 : 246.9 million)	316,683,804	5,251,380	321,935,184	291,265,473	3,057,128	294,322,601
Accrued Investment Income	-	3,669,381	3,669,381	24,310	4,386,460	4,410,770
Takaful/ retakaful receivable	-	151,999,429	151,999,429	-	151,157,841	151,157,841
Retakaful recoveries against outstanding claims	-	9,957,000	9,957,000	-	3,230,000	3,230,000
Salvage recoveries accrued	-	43,445,072	43,445,072	-	55,827,364	55,827,364
Deferred Wakala expense	-	126,203,594	126,203,594	-	120,781,703	120,781,703
Deferred commission expense	75,173,350	-	75,173,350	73,685,941	-	73,685,941
Prepayments	-	125,143,699	125,143,699	-	100,218,439	100,218,439
Bank balances	2,991,511	42,403,003	45,394,514	5,046,670	93,824,559	98,871,229
Total assets	394,848,665	980,020,440	1,374,869,105	370,022,394	885,708,274	1,255,730,668
EQUITY AND LIABILITIES						
RESERVES ATTRIBUTABLE TO:						
- OPERATORS' FUND (OF)						
Statutory Fund	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Accumulated Losses	(96,849,811)	-	(96,849,811)	(50,801,948)	-	(50,801,948)
	(46,849,811)		(46,849,811)	(801,948)		(801,948)
- WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)						
Ceded money	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Accumulated deficit	-	(162,468,945)	(162,468,945)	-	(173,589,343)	(173,589,343)
Unrealized gain on available-for-sale investments	-	1,947,880	1,947,880	-	1,311,533	1,311,533
Balance of WAQF / PTF	-	(158,521,065)	(158,521,065)	-	(170,277,810)	(170,277,810)
LIABILITIES						
PTF Underwriting provisions						
Outstanding claims (including IBNR)	-	176,954,694	176,954,694	-	139,070,744	139,070,744
Unearned contribution reserve	-	524,167,733	524,167,733	-	511,363,901	511,363,901
Unearned retakaful commission	-	5,387,415	5,387,415	-	4,727,505	4,727,505
Unearned Wakala Fee	126,203,596	-	126,203,596	120,781,703	-	120,781,703
Qard-e-Hasna	5	246,900,000	246,900,000	-	246,900,000	246,900,000
Contribution received in advance	-	4,628,483	4,628,483	-	4,066,280	4,066,280
Takaful / retakaful payable	-	77,762,817	77,762,817	-	67,060,239	67,060,239
Other creditors and accruals	36,113,374	89,402,220	125,515,594	17,834,328	64,090,456	81,924,784
Payable to TPL Insurance Limited	248,331,814	13,338,143	261,669,957	201,785,504	18,706,959	220,492,463
Taxation - provision less payments	31,049,692	-	31,049,692	30,422,807	-	30,422,807
Total Liabilities	441,698,476	1,138,541,505	1,580,239,981	370,824,342	1,055,986,084	1,426,810,426
Total fund and liabilities	394,848,665	980,020,440	1,374,869,105	370,022,394	885,708,274	1,255,730,668

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Director

Director

Chief Financial Officer

Chief Executive Officer

Chairman

WINDOW TAKAFUL OPERATIONS

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months period ended 31 March 2019

	Notes	31 March 2019	31 March 2018
		(Rupees)	
Participants' Takaful Fund			
Net takaful contribution	8	238,753,535	233,649,636
Net takaful claims	9	(126,968,973)	(111,521,290)
Wakala fee	11	(69,398,214)	(91,566,807)
Direct expenses		(36,750,000)	(34,961,667)
Underwriting result		<u>5,636,348</u>	<u>(4,400,128)</u>
Investment income net of mudarib's fee of Rs. 2.35 (2018: Rs. 0.78) million		5,484,050	1,943,004
Surplus / (deficit) for the period		<u>11,120,398</u>	<u>(2,457,124)</u>
Other comprehensive income :			
-Unrealised gain on available-for-sale investments		2,336,031	7,516,411
-Realized gain transferred to profit for the period upon sale / redemption of available-for-sale investments		(1,699,684)	(51,535)
Total other comprehensive income		<u>636,347</u>	<u>7,464,876</u>
Total comprehensive income for the period		<u><u>11,756,745</u></u>	<u><u>5,007,752</u></u>
Operator's Fund			
Wakala fee	11	69,398,214	91,566,807
Net commission expense	10	(31,930,137)	(21,455,606)
Management expenses		(64,208,814)	(50,673,497)
		<u>(26,740,737)</u>	<u>19,437,704</u>
Investment income including mudarib's fee of Rs. 2.35 (2018: Rs. 0.78) million		2,355,284	2,010,391
		<u>(24,385,453)</u>	<u>21,448,095</u>
Other expenses		(20,765,491)	(30,110,093)
Loss before taxation		(45,150,944)	(8,661,998)
Taxation - net		(896,919)	(1,062,863)
Loss after tax for the period		<u>(46,047,863)</u>	<u>(9,724,861)</u>
Other comprehensive income		-	-
Total comprehensive loss for the period		<u><u>(46,047,863)</u></u>	<u><u>(9,724,861)</u></u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



Director



Director



Chief Financial Officer



Chief Executive Officer



Chairman

Condensed Interim Statement of Changes in Fund (Unaudited)

For the three months period ended 31 March 2019

Operators' Fund			
Statutory Fund	Accumulated profit / (loss)	Unrealized gain / (loss) on revaluation of available for sale investments - net of tax	Total
(Rupees)			
Balance as at 1 January 2018	50,000,000	65,536,539	-
Net loss for the period	-	(9,724,861)	-
Balance as at 31 March 2018	50,000,000	55,811,678	105,811,678
Balance as at 1 January 2019	50,000,000	(50,801,948)	(801,948)
Net loss for the period	-	(46,047,863)	-
Balance as at 31 March 2019	50,000,000	(96,849,811)	(46,849,811)

Participants' Takaful Fund			
Ceded Money	Accumulated deficit	Unrealized gain / (loss) on revaluation of available for sale investments - net of tax	Total
(Rupees)			
Balance as at 1 January 2018	2,000,000	(193,753,691)	(9,900,875) (201,654,566)
Unrealized gain on revaluation of - available-for-sale investments	-	-	7,464,876 7,464,876
Deficit for the period	-	(2,457,124)	-
Total comprehensive surplus / (deficit) for the period	-	(2,457,124)	7,464,876 5,007,752
Balance as at 31 March 2018	2,000,000	(196,210,815)	(2,435,999) (196,646,814)
Balance as at 1 January 2019	2,000,000	(173,589,343)	1,311,533 (170,277,810)
Unrealized gain on revaluation of - available-for-sale investments	-	-	636,347 636,347
Surplus for the period	-	11,120,398	-
Total comprehensive surplus for the period	-	11,120,398	636,347 11,756,745
Balance as at 31 March 2019	2,000,000	(162,468,945)	1,947,880 (158,521,065)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Director

Director

Chief Financial Officer

Chief Executive Officer

Chairman

WINDOW TAKAFUL OPERATIONS

Condensed Interim Statement of Cash Flow (Unaudited)

For the three months period ended 31 March 2019

	Operator's Fund	Participants' Takaful Fund	31 March 2019 Aggregate	31 March 2018 Aggregate
	(Rupees)			
Operating activities				
(a) Takaful activities				
Contributions received	-	280,042,914	280,042,914	275,286,830
Retakaful contribution paid	-	(33,004,714)	(33,004,714)	2,174,285
Claims paid	-	(122,298,877)	(122,298,877)	(134,542,190)
Retakaful and other recoveries received	-	38,869,146	38,869,146	32,540,881
Commission paid	(14,341,815)	-	(14,341,815)	(45,294,247)
Wakala fees received	87,602,398	-	87,602,398	73,000,000
Wakala fees paid	-	(87,602,398)	(87,602,398)	(73,000,000)
Mudarib fees received	-	-	-	96,547
Mudarib fees paid	-	-	-	(96,547)
Net cash inflow from takaful activities	<u>73,260,583</u>	<u>76,006,071</u>	<u>149,266,654</u>	<u>130,165,559</u>
(b) Other operating activities				
Income tax paid	(270,034)	-	(270,034)	-
Direct expenses paid	-	(40,968,816)	(40,968,816)	(45,822,798)
Management and other expenses paid	(35,148,330)	-	(35,148,330)	(73,411,480)
Other operating receipts / (payments)	(39,926,665)	23,076,506	(16,850,159)	3,530,490
Net cash outflow from other operating activities	<u>(75,345,029)</u>	<u>(17,892,310)</u>	<u>(93,237,339)</u>	<u>(115,703,788)</u>
Total cash generated from / (used in) all operating activities	<u>(2,084,446)</u>	<u>58,113,761</u>	<u>56,029,315</u>	<u>14,461,771</u>
Investment activities				
Profit / return received	29,287	7,130,740	7,160,027	3,939,012
Payments for purchase of investments	-	(25,000,000)	(25,000,000)	(23,447,007)
Proceeds from redemption / sale of investments	-	158,333,943	158,333,943	-
Total cash generated from / (used in) investing activities	<u>29,287</u>	<u>140,464,683</u>	<u>140,493,970</u>	<u>(19,507,995)</u>
Net cash generated from all activities	<u>(2,055,159)</u>	<u>198,578,444</u>	<u>196,523,285</u>	<u>(5,046,224)</u>
Cash and cash equivalent at beginning of the period	<u>5,046,670</u>	<u>243,824,559</u>	<u>248,871,229</u>	<u>193,645,447</u>
Cash and cash equivalent at end of the period	<u>2,991,511</u>	<u>442,403,003</u>	<u>445,394,514</u>	<u>188,599,223</u>

Condensed Interim Statement of Cash Flow (Unaudited)

For the three months period ended 31 March 2019

	Operator's Fund	Participants' Takaful Fund	31 March 2019 Aggregate	31 March 2018 Aggregate
	(Rupees)			
Reconciliation to profit and loss account				
Operating cash flows	(2,084,446)	58,113,761	56,029,315	14,461,771
Investment Income excluding mudarib's fee	4,977	7,834,357	7,839,334	3,939,012
Income tax paid	270,034	-	270,034	-
Provision for taxation	(896,919)	-	(896,919)	-
Increase in assets other than cash	26,905,740	27,727,701	54,633,441	89,145,382
Increase in liabilities	(70,247,249)	(82,555,421)	(152,802,670)	(119,728,150)
Profit / (loss) after taxation	(46,047,863)	11,120,398	(34,927,465)	(12,181,985)
Attributed to:				
Operators' Fund			(46,047,863)	(9,724,861)
Participants' Takaful Fund			11,120,398	(2,457,124)
			(34,927,465)	(12,181,985)

Definition of cash

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

Director

Director

Chief Financial Officer

Chief Executive Officer

Chairman

WINDOW TAKAFUL OPERATIONS

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months period ended 31st March 2019

1. STATUS AND NATURE OF BUSINESS

- 1.1 TPL Insurance Limited (the Company or the Operator) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Operator was allowed to work as Window Takaful Operator (the Operator) on 04th September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Operator is listed at Pakistan Stock Exchange Limited. The principal office of the Operator is located at 12th Floor, Centrepoin, Off Shaheed-e-Millat Expressway, Near KFT Interchange Flyover, Karachi, Pakistan.
- 1.2 For the purpose of carrying on the takaful business, the Operator formed a Waqf / Participant Takaful Fund (PTF) on 20th August 2014 under the Waqf deed. The Waqf Deed governs the relationship of Operator and Participants for management of takaful operations.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting as applicable in Pakistan, provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations and Takaful Rules, 2012, shall prevail.
- 2.2 These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.
- 2.3 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st December 2018.
- 2.4 In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09th 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 condensed interim statement of financial position and condensed interim statement of comprehensive income of the Company respectively.
- 2.5 These condensed interim financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.
- 2.6 These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Rupee, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(Unaudited)	(Audited)
31 March 2019	31 December 2018

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

5 QARD-E-HASNA

Balance as at the beginning of the period / year	246,900,000	199,000,000
Qard-e-Hasna provided during the period / year	-	47,900,000
Balance as at the end of the period / year	246,900,000	246,900,000

In accordance with the Takaful Rules, 2012, if at any point in time, assets in Participants' Takaful Fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasna) from Operator Fund. In the event of future surplus in the Participants' Takaful Fund to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to participants.

The Operator has prepared financial projections of Participants' Takaful Fund and based on such financial projections believes that the Participant Takaful Fund would be able to repay Qard-e-Hasna to Operator's Fund. With effect from 01 January 2018, the Operator has reduced Wakala fees to 25% on all classes of business with the exception of health business to which no wakala fee is charged.

6 INVESTMENT IN MUTUAL FUNDS - AVAILABLE-FOR-SALE

PTF	31 March 2019				31 December 2018			
	Cost	Impairment/ Provision	Revaluation surplus/(deficit)	Carrying Value	Cost	Impairment/ Provision	Revaluation surplus/(deficit)	Carrying Value
----- (Rupees) -----								
Mutual funds								
MCB Arif Habib AlHamra Islamic Stock Fund	-	-	-	-	72,079,965	(15,445,707)	-	56,634,258
MCB Arif Habib AlHamra Islamic Income Fund	25,000,000	-	1,820,087	26,820,087	25,000,000	-	1,311,534	26,311,534
AKD Islamic Income Fund	25,000,000	-	127,793	25,127,793	-	97,079,965	(15,445,707)	1,311,534
	50,000,000	-	1,947,880	51,947,880				82,945,792

7 INVESTMENT IN DEBT SECURITIES - AVAILABLE FOR SALE

This represents Term Finance Certificates of Dubai Islamic Bank. PTF holds 4,000 certificates of Rs. 5,000/- each.

WINDOW TAKAFUL OPERATIONS

	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	(Rupees)	
8 NET TAKAFUL CONTRIBUTION		
Written net contribution	274,322,299	303,853,427
Add: Unearned contribution reserve opening	511,363,901	477,955,216
Less: Unearned contribution reserve closing	(524,167,733)	(541,482,629)
Contribution earned	261,518,467	240,326,014
Less: Retakaful contribution ceded	46,540,192	918,363
Add: Prepaid retakaful contribution opening	34,510,941	16,078,846
Less: Prepaid retakaful contribution closing	(58,286,201)	(10,320,831)
Retakaful expense	22,764,932	6,676,378
Net takaful contribution	238,753,535	233,649,636
9 NET TAKAFUL CLAIMS EXPENSE		
Claims paid/ payable	122,298,877	134,542,190
Add: Outstanding claims including IBNR closing	176,954,694	110,882,195
Less: Outstanding claims including IBNR opening	(139,070,744)	(98,896,694)
Claims expense	160,182,827	146,527,691
Less: Retakaful and other recoveries received	38,869,146	32,540,881
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	53,402,072	42,719,170
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	(59,057,364)	(40,253,650)
Retakaful and other recoveries revenue	33,213,854	35,006,401
Net takaful claims expense	126,968,973	111,521,290
10 NET COMMISSION EXPENSE		
Commissions paid or payable	35,590,536	29,728,418
Add: Deferred commission - opening	73,685,941	43,955,293
Less: Deferred commission - closing	(75,173,350)	(51,885,315)
Commission expense	34,103,127	21,798,396
Less: commission from reinsurers		
Commission received or receivable	2,832,900	(335,731)
Add: Deferred commission - opening	4,727,505	1,040,281
Less: Deferred commission - closing	(5,387,415)	(361,760)
Commission from reinsurance	2,172,990	342,790
Net commission expense	31,930,137	21,455,606
11 NET WAKALA FEE		
Gross Wakala Fee	74,820,107	83,707,169
Add: Deferred wakala fee - opening	120,781,703	173,113,525
Less: Deferred wakala fee - closing	(126,203,596)	(165,253,887)
Net wakala fee	69,398,214	91,566,807

12 SEGMENT INFORMATION

(Unaudited)

For the period ended 31 March 2019

	Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
12.1 Participants' Takaful Fund						
Gross Written Contribution (inclusive of Administrative Surcharge)	4,986,581	2,968,631	261,482,623	2,134,642	2,749,822	274,322,299
Takaful contribution earned	7,359,243	3,523,948	239,239,947	11,018,379	376,950	261,518,467
Takaful contribution ceded to retakaful operators	(8,016,413)	(2,439,095)	(12,309,424)	-	-	(22,764,932)
Net takaful contribution	(657,170)	1,084,853	226,930,523	11,018,379	376,950	238,753,535
Net underwriting income	(657,170)	1,084,853	226,930,523	11,018,379	376,950	238,753,535
Takaful claims	(9,024,240)	-	(140,488,383)	(10,550,397)	(119,807)	(160,182,827)
Retakaful claims and other recoveries	8,214,861	-	24,998,993	-	-	33,213,854
Net Claims	(809,379)	-	(115,489,390)	(10,550,397)	(119,807)	(126,968,973)
Wakala expensed during the period	(1,884,065)	(947,654)	(66,465,822)	-	(100,673)	(69,398,214)
Direct expenses	-	-	(36,750,000)	-	-	(36,750,000)
Underwriting result	(3,350,614)	137,199	8,225,311	467,982	156,470	5,636,348
Investment income						5,484,050
Surplus for the period						11,120,398
12.2 Operator's Fund						
Wakala fee	1,884,065	947,654	66,465,822	-	100,673	69,398,214
Commission income	857,677	26,164	1,289,149	-	-	2,172,990
Commission expense	(715,386)	(639,716)	(31,948,008)	(794,936)	(5,081)	(34,103,127)
Management expenses	(1,167,176)	(694,848)	(61,203,515)	(499,642)	(643,633)	(64,208,814)
Underwriting result	859,180	(360,746)	(25,396,552)	(1,294,578)	(548,041)	(26,740,737)
Investment income						2,355,284
Other expenses						(20,765,491)
Loss before taxation						(45,150,944)

WINDOW TAKAFUL OPERATIONS

(Unaudited)

For the period ended 31 March 2018

Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
(Rupees)					

12.3 Participants' Takaful Fund

Gross Written Contribution (inclusive of Administrative Surcharge)	430,040	1,762,606	300,191,140	1,276,117	193,524	303,853,427
Takaful contribution earned	4,066,646	2,077,725	233,379,310	774,796	27,537	240,326,014
Takaful contribution ceded to retakaful operators	(2,746,426)	(1,333,452)	(2,596,500)	-	-	(6,676,378)
Net takaful contribution	1,320,220	744,273	230,782,810	774,796	27,537	233,649,636
Net underwriting income	1,320,220	744,273	230,782,810	774,796	27,537	233,649,636
Takaful claims	(35,000)	-	(146,301,505)	43,814	(235,000)	(146,527,691)
Retakaful claims and other recoveries	558,000	-	34,448,401	-	-	35,006,401
Net Claims	523,000	-	(111,853,104)	43,814	(235,000)	(111,521,290)
Wakala expensed during the period	(1,689,579)	(757,701)	(88,838,139)	(267,201)	(14,187)	(91,566,807)
Direct expenses	-	-	(34,961,667)	-	-	(34,961,667)
Underwriting result	153,641	(13,428)	(4,870,100)	551,409	(221,650)	(4,400,128)
Investment income						1,943,004
Deficit for the period						(2,457,124)

12.4 Operator's Fund

Wakala fee	1,689,579	757,701	88,838,139	267,201	14,187	91,566,807
Commission income	337,947	4,843	-	-	-	342,790
Commission expense	(377,301)	(300,645)	(21,110,435)	(9,516)	(499)	(21,798,396)
Management expenses	(71,718)	(293,949)	(50,062,739)	(212,817)	(32,274)	(50,673,497)
Underwriting result	1,578,507	167,950	17,664,965	44,868	(18,586)	19,437,704
Investment income						2,010,391
Other expenses						(30,110,093)
Loss before taxation						(8,661,998)

13 TRANSACTIONS WITH RELATED PARTIES - PTF

	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
TPL Insurance Limited		
Opening balance - payable	18,706,959	14,608,836
Rental and other services charges	37,900,000	45,700,000
Payments made by PTF - net	(43,268,816)	(52,131,314)
Closing balance - payable	<u>13,338,143</u>	<u>8,177,522</u>
Operator's Fund		
Opening balance - payable (including Qard-e-Hasna)	292,842,057	204,908,282
Wakala fee charged during the period	74,820,107	83,707,169
Modarib Fee charged during the period	2,350,307	779,458
Taxes and other movement	24,022,351	25,725,664
Payments made during the period	(82,602,398)	(108,000,000)
Closing balance - payable (including Qard-e-Hasna)	<u>311,432,424</u>	<u>207,120,573</u>

14 GENERAL

14.1 Figures have been rounded off to the nearest Rupee.

15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on 23rd April 2019 by the Board of Directors of the Operator.



Director



Director



Chief Financial Officer



Chief Executive Officer



Chairman

OTHER INFORMATION

PATTERN OF SHAREHOLDING

AS OF 31 MARCH 2019

No. of Shareholders	From	To	Shares Held	Percentage
225	1	100	1,241	0.0013
38	101	500	9,843	0.0105
103	501	1000	64,254	0.0685
101	1001	5000	197,682	0.2106
14	5001	10000	91,178	0.0971
13	10001	15000	160,172	0.1706
4	15001	20000	70,407	0.0750
4	20001	25000	95,203	0.1014
2	25001	30000	59,386	0.0633
2	30001	35000	63,726	0.0679
2	35001	40000	74,763	0.0796
1	40001	45000	43,307	0.0461
1	45001	50000	49,494	0.0527
1	50001	55000	51,564	0.0549
2	55001	60000	115,725	0.1233
3	60001	65000	185,985	0.1981
2	80001	85000	161,728	0.1723
1	85001	90000	85,185	0.0908
1	90001	95000	93,225	0.0993
2	120001	125000	248,600	0.2648
1	155001	160000	156,000	0.1662
2	160001	165000	322,857	0.3440
1	195001	200000	198,000	0.2109
1	270001	275000	273,460	0.2913
1	355001	360000	358,641	0.3821
1	370001	375000	373,290	0.3977
1	400001	405000	400,020	0.4262
1	405001	410000	405,919	0.4324
2	440001	445000	882,822	0.9405
1	515001	520000	519,654	0.5536
1	675001	680000	676,970	0.7212
1	13635001	13640000	13,635,597	14.5266
1	73740001	73745000	73,740,363	78.5590
537	Company Total		93,866,261	100

CATEGORY OF SHAREHOLDING

AS OF 31 MARCH 2019

Particulars	No of Folio	Balance Shares	Percentage
DIRECTORS, CEO & CHILDREN	7	141,781	0.1512
Mr. Jameel Yousuf (S.St.)		620	0.0007
Mr. Ali Jameel		620	0.0007
Mr. Andrew Borda		1	0
Syed Nadir Shah		620	0.0007
Mr. Muhammad Aminuddin		15,000	0.016
Mr. Waqar Ahmed Malik		124,920	0.1331
ASSOCIATED COMPANIES	4	88,452,950	94.233
TPL Corp Limited		73,740,363	78.559
TPL CORP LIMITED		13,635,597	14.5266
TPL Holdings (Pvt) Limited		1,076,990	1.1474
MUTUAL FUNDS	4	454,290	0.484
Golden Arrow Selected Stocks Fund Limited		373,290	0.3977
CDC - Trustee Picic Investment Fund	120	0.0001	
CDC - Trustee Picic Growth Fund		483	0.0005
CDC - Trustee Akd Opportunity Fund	80,397	0.0857	
GENERAL PUBLIC (LOCAL)	504	4,017,191	4.2797
GENERAL PUBLIC (FORGEIN)	4	171,272	0.1825
OTHERS	14	628,777	0.6698
Toyota Hyderabad Motors		33,412	0.0356
Bonus Fraction B-2018		189	0.0002
CDC Stay Order Cases With Fraction		405,919	0.4324
Bonus Fraction B-2019		168	0.0002
Habib Sugar Mills Ltd		60,062	0.064
Maple Leaf Capital Limited		1	0
Pearl Securities Limited		55,935	0.0596
Fawad Yusuf Securities (Pvt.) Limited		329	0.0004
Federal Board Of Revenue		16,734	0.0178
Sherman Securities (Private) Limited		367	0.0004
Falcon-I (Private) Limited		1	0
Toyota Sahara Motors (Pvt) Ltd		38,038	0.0405
Paradigm Factors (Private) Limited		17,122	0.0182
Pearl Securities Limited - MF		500	0.0005
COMPANY TOTAL	537	93,866,261	100

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