



TRANSFORMING IMAGINATION THROUGH DIGITIZATION

 **TPL Insurance**
HALF YEARLY REPORT JUNE 2019

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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
Syed Kazim Hasan	Member
Mr. Muhammad Aminuddin	Member
Ms. Shayan Mufti	Secretary

Underwriting Committee

Mr. Andrew Borda	Chairman
Syed Kazim Hasan	Member
Mr. Shumail Iqbal	Secretary

Claim Settlement Committee

Mr. Muhammad Aminuddin	Chairman
Syed Ali Hassan Zaidi	Member
Syed Kazim Hasan	Member
Mr. Ovais 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

11th & 12th 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,
Near K.P.T. Interchange Flyover,
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.
Tel: 042.35209000
UAN: 042.111.000.301
Fax: 042.35157233

ISLAMABAD

Branch Office Islamabad
55-B, 10th Floor (South) ISE Tower,
Jinnah Avenue, Blue Area,
Islamabad.
UAN: 051.111.000.301
Fax: 051.2895073

FAISALABAD

Branch Office Faisalabad
Office No. 4-02, 4th Floor,
Meezan Executive Tower,
Civil Lines, Faisalabad.
UAN: 051.111.000.301
Tel: 041.8501471-3
Fax: 041.8501470

MULTAN

Branch Office Multan
Haider Street, Shalimar Colony
Northern Bypass-Boson Road,
Multan.
UAN: 061.111.000.301
Fax: 061.44243451

HYDERABAD

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

Directors' Report

For the six months period ended June 30, 2019

On behalf of the Board of Directors, I am pleased to present the condensed interim financial statements of the Company for the six months period ended June 30, 2019.

During the period, the Company reported Gross Written Premium of Rs. 1,236 million Vs Rs. 1,250 million at HY 2018 (including Window Takaful Operations) despite challenging market conditions. Increase in discount rate, ban on purchase of new vehicles by non-filers, and increase in prices of vehicles due to Rupee devaluation and imposition of Federal Excise Duty impacted vehicle sales and consequently reduced demand for motor insurance. Non-motor business (fire, marine, travel and health) reported 6% growth with Gross Written Premium of Rs. 154 million (HY 2018: Rs. 145 million).

Given current challenges, the Company is focusing on other retail market segments including micro health insurance. The Company continues to invest in digitization initiatives of its underwriting and claims operations, which will result in cost efficiencies in future. As a result of these initiatives, the Company reported loss before tax of Rs. 32 million (HY 2018: Profit before tax of Rs. 27 million) while Participants' Takaful Fund reported a surplus of Rs. 53 million (HY 2018: deficit of Rs. 15 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
August 30, 2019

ڈائریکٹرز رپورٹ:

30 جون 2019ء کو ختم ہونے والی ششماہی کے لئے

بورڈ آف ڈائریکٹرز کی طرف سے میں 30 جون 2019ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے کنڈیڈسڈ عبوری مالیاتی گوشوارے پیش کرنے پر خوشی محسوس کر رہا ہوں۔

اس مدت کے دوران کمپنی نے مشکل مارکیٹ حالات کے باوجود کل تحریر کردہ پریمیم 1,236 ملین روپے حاصل کیا جو کہ پچھلے سال 2018 کی پہلی ششماہی میں 1,250 ملین روپے تھا (بشمول شراکت و نڈو تکافل آپریشنز)۔ ڈسکاؤنٹ شرح میں اضافہ، نئی گاڑیاں خریدنے کے لئے نان فائلر پر پابندی، اور روپیہ کی قدر میں کمی کے سبب گاڑیوں کی قیمتوں میں اضافہ اور فیڈرل ایکسائز ڈیوٹی کے نفاذ سے گاڑیوں کی فروخت متاثر ہوئی اور اس کے نتیجے میں موٹر انشورنس کی طلب میں کمی آئی۔ نان موٹر بزنس (فائر، میرین، ٹریول اور ہیلتھ) نے 154 ملین روپے کے کل تحریر کردہ پریمیم (HY 2018: 145 ملین روپے) کے ساتھ 6% نمو درج کی ہے۔

موجودہ مشکلات کے پیش نظر، کمپنی مائیکرو ہیلتھ انشورنس سمیت دیگر ریٹیل مارکیٹ سیکٹس پر توجہ مرکوز کر رہی ہے۔ کمپنی نے اپنے انڈر رائٹنگ اور کلیئر آپریشنز کو ڈیجیٹائز کرنے کے لئے اپنے بنیادی ڈھانچے میں سرمایہ کاری جاری رکھی ہے، جس کی وجہ سے مستقبل میں اخراجات کی بچت ہوگی۔ ان بنیادی اقدامات کے نتیجے میں، کمپنی نے ٹیکس کی ادائیگی سے قبل 32 ملین روپے کا نقصان درج کیا (HY 2018: منافع قبل از ٹیکس 27 ملین روپے) جبکہ پارٹنیشنس کا تکافل 53 ملین روپے کا سرپلس (HY 2018: 15 ملین روپے کا خسارہ) درج کیا۔

ہم اپنے تمام اسٹیک ہولڈرز، کاروباری شراکت دار، پاکستان اسٹاک ایکسچینج، SECP اور اسٹاف کا مسلسل مدد کرنے پر شکریہ ادا کرنا چاہتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

محمد امین الدین

چیف ایگزیکٹو آفیسر

30 اگست 2019ء

Half Yearly Report 2019

FINANCIAL

STATEMENTS

AUDITORS' REPORT TO MEMBERS ON REVIEW OF Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of TPL Insurance Limited as at 30 June 2019 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended 30 June 2019 and 30 June 2018 in the condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.


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 interim financial statements 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 the 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's review report is Arslan Khalid.

A handwritten signature in black ink, appearing to read "EY Ford Rhodes".

EY Ford Rhodes
Chartered Accountants
Engagement Partner: Arslan Khalid

Date: August 30, 2019

Karachi

Condensed Interim Statement of Financial Position

As at 30 June 2019

		(Unaudited) 30 June 2019	(Audited) 31 December 2018
	Note	(Rupees)	
ASSETS			
Property and equipment	6	397,983,705	120,491,630
Intangible assets		10,948,374	9,107,599
Investments			
Equity securities and mutual fund units	7	106,972,260	250,569,554
Government Securities	8	143,867,440	192,555,107
Debt securities	9	130,000,000	30,000,000
Term deposits		-	200,000,000
Loans and other receivables	10	366,341,949	348,807,642
Insurance / reinsurance receivables		132,190,575	147,146,207
Reinsurance recoveries against outstanding claims		20,072,985	10,529,385
Salvage recoveries accrued		45,981,623	57,187,621
Deferred commission expense		72,974,944	91,084,451
Deferred taxation		29,216,940	31,981,982
Taxation - provision less payment		-	13,721,203
Prepayments		200,889,363	225,089,727
Cash and bank balances		281,512,316	153,052,811
		1,938,952,474	1,881,324,921
Total assets of General Takaful Operations - Operator's Fund	2.3	410,200,562	370,022,394
Total assets		2,349,153,036	2,251,347,315
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital		938,662,610	938,662,610
Share premium - net of share issuance cost		8,033,837	8,033,837
Unappropriated profits / Accumulated losses		(59,354,164)	16,898,950
Available-for-sale reserve		(14,537,292)	(26,697,564)
Total Equities		872,804,991	936,897,833
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		149,893,693	136,343,591
Unearned premium reserves		619,566,818	636,445,691
Unearned reinsurance commission		26,288,638	19,506,278
Premium received in advance		5,639,164	4,629,066
Insurance / reinsurance payables		130,857,727	122,268,570
Other creditors and accruals	12	377,151,804	226,217,448
Taxation - provision less payment		9,731,738	-
Total Liabilities		1,319,129,582	1,145,410,644
Total equity and liabilities		2,191,934,573	2,082,308,477
Total liabilities of General Takaful Operations - Operator's Fund	2.3	157,218,463	169,038,838
Total equity and liabilities		2,349,153,036	2,251,347,315
Contingencies and commitment	11		

The annexed notes from 1 to 20 form an integral part of these financial statements.

				
Director	Director	Chief Financial Officer	Chief Executive Officer	Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months period ended 30 June 2019

		For the three months period ended		For the six months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
Note		(Rupees)			
Net insurance premium	13	272,883,011	317,687,368	562,032,526	639,757,612
Net Insurance claims	14	(100,159,271)	(101,946,154)	(199,057,914)	(258,328,793)
Net commission expense	15	(31,368,529)	(33,120,499)	(66,634,191)	(62,376,508)
Insurance claims and commission expenses		(131,527,800)	(135,066,653)	(265,692,105)	(320,705,301)
Management expenses		(78,558,687)	(130,812,843)	(198,260,471)	(244,503,731)
Underwriting results		62,796,524	51,807,872	98,079,950	74,548,580
Investment income	16	(12,358,716)	3,433,140	(1,334,921)	17,845,968
Other income		(5,371,855)	58,981,021	47,776,569	103,783,973
Other expenses		(11,445,600)	(56,840,774)	(73,344,260)	(134,290,108)
Results of operating activities		33,620,353	57,381,259	71,177,338	61,888,413
Financial charges		(12,034,010)	(548,038)	(12,149,919)	(869,452)
Profit before tax from General Insurance Operations		21,586,343	56,833,221	59,027,419	61,018,961
Loss before tax from Window Takaful Operations		(45,934,011)	(25,273,874)	(91,084,955)	(33,935,872)
(Loss) / profit before tax for the period		(24,347,668)	31,559,347	(32,057,536)	27,083,089
Income tax expense		(3,509,235)	(8,418,302)	(8,822,676)	(13,967,479)
(Loss) / profit after tax		(27,856,903)	23,141,045	(40,880,212)	13,115,610
Other comprehensive income:					
Unrealised loss on available-for-sale investments during the period - net		(5,208,883)	(21,782,012)	(4,578,867)	(11,053,026)
Less: Net (gain) / loss transferred to profit and loss on disposal / redemption / impairment of investment		22,043,782	(1,971,283)	21,990,429	(5,019,743)
Related tax impact		16,834,899	(23,753,295)	17,411,562	(16,072,769)
Other comprehensive income / (loss) for the period		12,121,104	(17,554,610)	12,160,272	(12,178,242)
Total comprehensive income / (loss) for the period		(15,735,799)	5,586,435	(28,719,939)	937,368
(Loss) / earning (after tax) per share - Rupees		(0.30)	0.25	(0.44)	0.14

The annexed notes from 1 to 20 form an integral part of these financial statements.

				
Director	Director	Chief Financial Officer	Chief Executive Officer	Chairman


Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended 30 June 2019

	Reserves					Total
	Capital reserve			Revenue reserves		
	Share premium	Share issuance cost	Net share premium	Unappropriated profit / (accumulated loss)	Loss on revaluation of available-for-sale investments	
Share capital						
(Rupees)						
755,158,990	147,579,495	(8,903,161)	138,676,334	253,917,562	(26,446,916)	1,121,305,970
-	-	-	-	13,115,610	-	13,115,610
-	-	-	-	-	(12,178,242)	(12,178,242)
-	-	-	-	13,115,610	(12,178,242)	937,368
75,515,890	(22,654,767)	-	(22,654,767)	(52,861,123)	-	-
830,674,880	124,924,728	(8,903,161)	116,021,567	214,172,049	(38,625,158)	1,122,243,338
938,662,610	16,936,998	(8,903,161)	8,033,837	16,898,950	(26,697,564)	936,897,833
-	-	-	-	(35,372,902)	-	(35,372,902)
938,662,610	16,936,998	(8,903,161)	8,033,837	(18,473,952)	(26,697,564)	901,524,931
-	-	-	-	(40,880,212)	-	(40,880,212)
-	-	-	-	-	12,160,272	12,160,272
-	-	-	-	(40,880,212)	12,160,272	(28,719,940)
938,662,610	16,936,998	(8,903,161)	8,033,837	(59,354,164)	(14,537,292)	872,804,991

Balance as at January 1, 2018	
Net profit for the period	
Change in fair value of available for sale investments	
Total comprehensive income / (loss) for the period	
Bonus shares issued during the period	
Balance as at June 30, 2018	
Balance as at January 1, 2019 as reported	
Effect of change in accounting policy (Note - 3.1.1)	
Balance as at January 1, 2019 as restated	
Net loss for the period	
Change in fair value of available for sale investments	
Total comprehensive income / (loss) for the period	
Balance as at June 30, 2019	


The annexed notes from 1 to 20 form an integral part of these financial statements.



Director



Director



Chief Financial Officer



Chief Executive Officer



Chairman

Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2019

	30 June 2019	30 June 2018
	(Rupees)	
Operating cash flow		
(a) Underwriting activities		
Insurance premium received	664,791,163	719,131,492
Reinsurance premium paid	(110,062,333)	(62,306,455)
Claims paid	(280,549,012)	(359,800,828)
Reinsurance and other recoveries received	98,365,996	125,615,103
Commission paid	(92,814,406)	(88,152,173)
Commission received	29,046,395	8,458,997
Management and other expenses paid	(239,013,649)	(417,934,023)
Net cash flow from / (used in) underwriting activities	69,764,154	(74,987,887)
(b) Other operating activities		
Income tax paid	(19,577,087)	(20,920,273)
Other operating payments	(49,416,644)	(151,692,408)
Loans advanced	(2,717,000)	(1,955,000)
Loan repayment received	3,322,811	1,469,606
Net cash used in other operating activities	(68,387,920)	(173,098,075)
Total cash used in all operating activities	1,376,234	(248,085,962)
Investment activities		
Profit / return received	20,640,338	20,554,837
Dividend received	64,798	-
Payment for investments	(346,864,300)	(334,636,140)
Proceeds from investments	437,976,779	576,436,407
Fixed capital expenditure	(23,181,651)	(32,738,062)
Total cash generated in investing activities	88,635,964	229,617,042
Financing activities		
Cash Dividend Paid	(1,554,524)	-
Lease obligation paid	(141,301,446)	-
Financial charges paid	(18,696,723)	(869,452)
Total cash generated used in financing activities	(161,552,693)	(869,452)
Net cash used in all activities	(71,540,495)	(19,338,372)
Cash and cash equivalents at beginning of period	353,052,811	483,592,489
Cash and cash equivalents at end of period	281,512,316	464,254,117

Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2019

	30 June 2019	30 June 2018
	----- (Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	1,376,234	(248,085,962)
Depreciation / amortization expense	(22,309,798)	(14,934,762)
Income tax paid	19,577,087	20,920,273
Provision for taxation	(8,822,676)	(13,967,479)
Financial charges	(12,149,919)	(869,452)
Profit / (loss) on disposal of Property, plant and equipment	-	(777,778)
Investment Income	(1,334,921)	17,845,968
Share of loss from Window Takaful Operations - Operator's Fund	(91,084,955)	(33,935,872)
Increase in assets other than cash	39,920,011	377,037,580
Increase in liabilities other than borrowings	33,948,727	(90,116,906)
Profit after taxation	(40,880,212)	13,115,610

The annexed notes from 1 to 20 form an integral part of these financial statements.



Director




Director



Chief Financial Officer



Chief Executive Officer



Chairman

Notes to the Condensed Interim Financial Statements

For the six months period ended 30 June 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, Centrepont, 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under Companies Act 2017; and
- Provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017.

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 have been followed.

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 statement of financial position and statement of comprehensive income of the Company respectively.

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 except for the following;

3.1 New Standards and Amendments

3.1.1 IFRS 16 "Leases"

The company has adopted IFRS 16 "Leases" with effect from 01 January 2019. IFRS 16 supersedes IAS 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single "on balance sheet" model.

The Company has lease contracts for various items of property and equipment. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property / equipment was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under other receivables and other liabilities, respectively.

The Company has selected to apply IFRS 16 retrospectively, recognising the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of unappropriated profits at the date of initial application.

Under IFRS 16, the Company, as a Lessee, has recognised right-of-use asset representing its right to use the underlying asset and lease liability representing its obligation to make lease payments.

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company also provides tracker devices to Window Takaful Operations - Participant Takaful (WTO - PTF) Fund under rental arrangement. The Company classifies such arrangement as a finance lease by reference to the right-of-use asset arising from the head lease and accordingly, books a receivable from WTO - PTF being the present value of lease payments to be received over the lease term.

The effects of adoption of IFRS 16 as at 01 January 2019 and at 30 June 2019 are as follows:

	As at 30 June 2019	As at 01 January 2019
	----- (Rupees) -----	
Impact on Statement of Financial Position		
Increase in fixed assets - right-of-use assets	274,881,965	107,536,260
Increase in other receivables	13,340,175	45,783,214
Decrease in advances and other prepayments	(147,652,800)	(99,629,742)
Increase in total assets	140,569,340	53,689,732
(Increase) / decrease in liabilities		
Increase in lease liability against right-of-use assets	(241,823,536)	(154,007,624)
Decrease in unearned rental income	50,698,667	52,565,999
Decrease in accrued rent	24,757,978	12,378,991
Increase in liabilities	(166,366,891)	(89,062,634)
Decrease in net assets	(25,797,551)	(35,372,902)

Impact on Statement of Comprehensive Income

For the Six Months
period ended
30 June 2019
(Rupees)

Increase in financial charges - lease liability against right-of-use assets	(11,847,342)
(Increase) / decrease in administrative expenses	
- Depreciation on right-of-use assets	(60,710,611)
- Rent, rates and taxes	30,062,617
- Annual Rental	108,231,959
	77,583,965
Increase / (decrease) in other income	
- Takaful Rental income	(57,171,333)
- Interest income	1,010,061
	(56,161,272)
Increase in profit	9,575,351

3.1.2 Amendment to IFRS 17 "Insurance Contracts" - Applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" :

The company has taken the benefit of temporary exemption of applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

- 3.2 There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for current accounting period. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial information.

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 as at and for the year ended 31 December 2018.

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	Note	(Unaudited) 30 June 2019	(Audited) 31 December 2018
		----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Operating Assets	6.1	118,773,040	112,939,895
Capital work-in-progress		4,328,700	7,551,735
Right of use Assets	6.2	274,881,965	-
		<u>397,983,705</u>	<u>120,491,630</u>
6.1 Operating Assets			
Written down value at the beginning of the period / year as reported		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		22,621,444	4,781,144
- Furniture and fixtures		178,862	6,142,783
		<u>22,800,306</u>	<u>85,939,243</u>
Written down value of disposals during the period / year		-	(2,360,025)
Depreciation for the period / year		<u>(16,967,161)</u>	<u>(28,686,116)</u>
		<u>(16,967,161)</u>	<u>(31,046,141)</u>
Written down value at the end of the period / year		<u>118,773,040</u>	<u>112,939,895</u>
6.2 Right of use Assets			
Written down value at the beginning of the period / year as reported		-	-
Effect of change in accounting policy (Note 3)		107,536,260	-
Written down value at the beginning of the period / year as restated		107,536,260	-
Additions and transfers during the period / year - at cost			
- Building		197,964,281	-
- Tracking devices		30,092,035	-
		<u>228,056,316</u>	<u>-</u>
Depreciation for the period / year		<u>(60,710,611)</u>	<u>-</u>
Written down value at the end of the period / year		<u>274,881,965</u>	<u>-</u>

7. INVESTMENT IN EQUITY SECURITIES AND MUTUAL FUNDS

Available-for-Sale

	(Unaudited) 30 June 2019				(Audited) 31 December 2018			
	Cost	Impairment/ Provision	Revaluation surplus / (deficit)	Carrying Value	Cost	Impairment/ Provision	Revaluation surplus / (deficit)	Carrying Value
	----- (Rupees) -----				----- (Rupees) -----			
Related party								
Listed shares								
TPL Properties Limited (3% holding)	100,000,000	-	(20,614,960)	79,385,040	100,000,000	-	(20,519,200)	79,480,800
	100,000,000	-	(20,614,960)	79,385,040	100,000,000	-	(20,519,200)	79,480,800
Others								
Listed shares								
Business Industrial Insurance Company	251,260	(251,260)	-	-	251,260	(251,260)	-	-
Bank of Punjab Limited	357,727	(294,024)	7,035	70,738	357,727	(294,024)	28,837	92,540
Hub Power Company Limited	357,000	-	430,500	787,500	357,000	-	500,900	857,900
Bank of Khyber	162,975	-	(13,153)	149,822	162,975	-	33,800	196,775
Summit Bank Limited	514,765	(504,365)	-	10,400	514,765	(501,645)	-	13,120
	<u>1,643,727</u>	<u>(1,049,649)</u>	<u>424,382</u>	<u>1,018,460</u>	<u>1,643,727</u>	<u>(1,046,929)</u>	<u>563,537</u>	<u>1,160,335</u>
Mutual funds								
AKD Opportunity	-	-	-	-	95,312,797	(21,192,841)	-	74,119,956
Alfalah GHP Stock Fund	-	-	-	-	68,825,591	-	(17,646,477)	51,179,114
Faysal Asset Allocation	22,267,400	(8,378,416)	-	13,888,984	44,970,104	(13,948,969)	-	31,021,135
UBL Stock Advantage	16,957,212	(4,277,436)	-	12,679,776	16,957,212	(3,348,998)	-	13,608,214
	<u>39,224,612</u>	<u>(12,655,852)</u>	<u>-</u>	<u>26,568,760</u>	<u>226,065,704</u>	<u>(38,490,808)</u>	<u>(17,646,477)</u>	<u>169,928,419</u>
	<u>140,868,339</u>	<u>(13,705,501)</u>	<u>(20,190,578)</u>	<u>106,972,260</u>	<u>327,709,431</u>	<u>(39,537,737)</u>	<u>(37,602,140)</u>	<u>250,569,554</u>

		(Unaudited) 30 June 2019	(Audited) 31 December 2018
		----- (Rupees) -----	
8. INVESTMENT IN GOVERNMENT SECURITIES	Note		
Held to maturity			
Treasury Bills	8.1	49,537,928	98,374,678
Pakistan Investment Bonds (PIBs)	8.2	94,329,512	94,180,429
		<u>143,867,440</u>	<u>192,555,107</u>

8.1 This represents three month treasury bills having face value of Rs. 50 million (31 December 2018: Rs. 100 million). These carry mark-up of 10.80% [31 December 2018: 10.25%] and will mature on 01 Aug 2019. Market value of these investments were Rs. 49,537,934 (31 December 2018: Rs. 98,374,678)

8.2 This represents five and ten years Pakistan Investment Bonds having face value of Rs. 95 million (market value of Rs. 89.220 million) (31 December 2018: Rs. 95 million (market value of Rs. 91.240 million)). These carry mark-up ranging from 7.75% to 12.00% (31 December 2018: 7.75% to 12.00%) 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.

		(Unaudited) 30 June 2019	(Audited) 31 December 2018
		----- (Rupees) -----	
9. INVESTMENT IN DEBT SECURITIES			
Available For Sale			
Term Finance Certificates:			
- Dubai Islamic Bank Pakistan Limited	9.1	30,000,000	30,000,000
- JS Bank Limited	9.1	50,000,000	-
- Habib Bank Limited	9.1	50,000,000	-
		<u>130,000,000</u>	<u>30,000,000</u>

9.1 These carry mark-up ranging from KIBOR+1.60% to KIBOR+2.25% per annum.

10. LOANS AND OTHER RECEIVABLES

Considered good

Advance to a related party		140,000,000	200,000,000
Receivable from related parties		55,863,986	76,950,470
Advance to an agent		6,300,281	-
Deposit for hospital enlistment		5,290,000	5,290,000
Accrued investment income		5,572,603	6,361,552
Loan and advance to employees		4,025,557	4,634,838
Placement with a company		25,000,000	25,000,000
Receivable from Participant's Takaful Fund		91,929,303	18,706,960
Advance Ijara Rentals		7,600,000	7,600,000
Security Deposit		2,973,920	3,932,734
Federal Excise Duty (FED) - net		7,325,443	-
Lease receivable against right-of-use assets given to WTO - PTF	3.1.1	13,340,175	-
Other receivable		1,120,681	331,088
		<u>366,341,949</u>	<u>348,807,642</u>

Considered doubtful

Margin deposit placed against purchase of shares - unsecured		8,500,000	8,500,000
Receivable in respect of sublet of offices		884,936	884,936
Provision against doubtful debt		(9,384,936)	(9,384,936)
		<u>-</u>	<u>-</u>
		<u>366,341,949</u>	<u>348,807,642</u>

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 as at end for the year ended 31 December 2018.

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	(Unaudited) 30 June 2019	(Audited) 31 December 2018
	----- (Rupees) -----	
12. OTHER CREDITORS AND ACCRUALS		
Commission payable	9,825,178	31,850,865
Creditors	29,928,418	23,547,998
Federal Insurance Fee	872,369	1,052,708
Federal Excise Duty (FED) - net	-	14,499,288
Margin deposit from customers	4,048,313	4,208,313
Unearned Rentals from Window Takaful Operations	12,674,664	65,707,498
Unearned service income	-	5,843,734
Withholding tax payable	14,740,162	3,968,503
Advance tax on premium	3,478,259	5,691,084
Accrued Expenses	34,650,418	61,782,699
Dividend Payable	1,577,890	3,132,414
Payable to Provident Fund	1,997,881	4,770,815
Lease obligation against right-of-use assets	241,823,536	-
Payable to a related party	21,341,284	-
Others	193,430	161,529
	377,151,804	226,217,448
	(Unaudited) For the three months period ended 30 June 2019	(Unaudited) For the six months period ended 30 June 2019
	----- (Rupees) -----	
13. NET INSURANCE PREMIUM		
Written net premium	304,043,555	344,483,594
Add: Unearned premium reserve opening	646,333,888	685,193,696
Less: Unearned premium reserve closing	(619,566,818)	(677,709,564)
Premium earned	330,810,625	351,967,726
Less: Reinsurance premium ceded	53,145,855	25,088,736
Add: Prepaid reinsurance premium opening	112,555,231	44,632,333
Less: Prepaid reinsurance premium closing	(107,773,472)	(35,440,711)
Reinsurance expense	57,927,614	34,280,358
Net insurance Premium	272,883,011	317,687,368
14. NET INSURANCE CLAIMS EXPENSE		
Claims paid/ payable	143,468,507	200,694,011
Add: Outstanding claims including IBNR closing	149,893,693	217,800,693
Less: Outstanding claims including IBNR opening	(133,078,173)	(191,267,804)
Claims expense	160,284,027	227,226,900
Less: Reinsurance and other recoveries received	46,768,495	65,606,962
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	66,054,608	125,860,234
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(52,698,347)	(66,186,450)
Reinsurance and other recoveries revenue	60,124,756	125,280,746
Net insurance claims expense	100,159,271	101,946,154
15. NET COMMISSION EXPENSE		
Commissions paid or payable	32,429,207	42,801,770
Add: Deferred commission - opening	84,424,385	70,248,517
Less: Deferred commission - closing	(72,974,944)	(76,002,796)
Commission expense	43,878,648	37,047,491
Less: Commission from reinsurers		
Commission received or receivable	13,476,885	2,936,331
Add: Deferred commission - opening	25,321,872	5,980,801
Less: Deferred commission - closing	(26,288,638)	(4,990,140)
Commission from reinsurance	12,510,119	3,926,992
Net Commission expense	31,368,529	33,120,499

16. INVESTMENT INCOME

	(Unaudited) 30 June 2019	(Unaudited) 30 June 2018
	(Rupees)	
Dividend and Mark-Up Income		
Dividend Income	64,798	-
Return on Debt Securities	15,473,214	4,513,830
Return on Term Deposits	5,167,124	8,325,364
	20,705,136	12,839,194
Net realized gains / (losses) on investments - Available-for-sale		
Loss on disposal/redemption of mutual funds	(19,534,502)	5,019,743
Total investment income	1,170,634	17,858,937
Impairment in value of available-for-sale securities - Mutual Funds	(2,402,599)	-
less: Investment related Expenses	(102,956)	(12,969)
	(1,334,921)	17,845,968

17. TRANSACTIONS WITH RELATED PARTIES

17.1 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 are as follows:

17.2 Balances and transactions with related parties

	(Unaudited) 30 June 2019	(Unaudited) 30 June 2018
	(Rupees)	
TPL Trakker Limited - (associated company)		
Opening balance - receivable	69,336,860	31,369,420
Interest charged during the period	19,414,975	17,960,852
Net expenses charged - group shared costs	(9,300,142)	(14,265,068)
Rent and other services on tracking units	(203,216,076)	(200,803,949)
Net payment made by the Company	140,628,122	274,402,987
Closing balance - receivable	16,863,739	108,664,242
Advance to TPL Trakker Limited - (associated company)		
Opening balance - receivable	200,000,000	200,000,000
Payments received during the period	(60,000,000)	-
Closing balance - receivable	140,000,000	200,000,000

This represents advance to a related party. A special resolution of the shareholders authorising the Company to extend advance upto Rs.300 million was passed in Annual General Meeting of the Company held on 21 April, 2019. The balance carries interest at the rate of 1 year KIBOR + 3.50% with a floor of 10.00% per annum.

TPL Properties Limited- common directorship

Opening balance - receivable	5,215,569	11,763,149
Rent invoices received during the period	(61,134,684)	(28,471,672)
Payment made during the period	33,900,911	28,471,672
Other movement	-	(9,601,744)
Expenses incurred by the company	676,920	1,822,430
Closing balance - receivable / (payable)	(21,341,284)	3,983,835

Virtual World (Private) Limited - common

Opening accrued outsourcing expenses	(10,000,000)	(644,000)
Services received during the period	(10,705,138)	(8,235,665)
Payments made during the period	9,442,845	5,511,665
Closing accrued outsourcing expenses	(11,262,293)	(3,368,000)

TRG Pakistan Limited

Balance at the beginning and end of the period - receivable	884,936	884,936
Provision for doubtful debt	(884,936)	(884,936)

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	(Unaudited) 30 June 2019	(Unaudited) 30 June 2018
17.2 Balances and transactions with related parties (continued)	----- (Rupees) -----	
Centrepont Management Services (Private) Limited - common directorship		
Opening balance - payable	660,043	1,812,001
Maintenance charges expensed during the period	10,275,751	8,266,896
Maintenance charges paid during the period	(10,275,751)	(8,266,896)
Other movement during the period	-	(1,191,797)
Services received during the period	5,984,781	5,071,981
Payments made during the period	(765,962)	(4,794,413)
Closing balance - payable	<u>5,878,862</u>	<u>897,772</u>
TPL Security Services (Private) Limited - common directorship		
Opening balance - receivable	1,934,239	719,357
Expenses incurred by the company	658,846	834,055
Services received during the period	(1,164,328)	(542,800)
Payments made during the period	-	542,800
Closing balance - receivable	<u>1,428,757</u>	<u>1,553,412</u>
TPL Direct Insurance Limited Employees Provident Fund		
Opening balance - payable	4,770,815	3,323,344
Charge for the period	14,793,937	12,946,604
Contribution made during the period	(17,566,871)	(14,033,726)
Closing balance - payable	<u>1,997,881</u>	<u>2,236,222</u>
TPL Life Insurance Limited - common directorship		
Opening balance - receivable / (payable)	(896,108)	1,561,209
Expenses incurred on behalf of the company	2,162,490	455,003
Services received from the company	(5,195,056)	(286,987)
Payments made during the period	11,677,864	23,039,690
Closing balance - receivable	<u>7,749,190</u>	<u>24,768,915</u>
TPL Maps - common directorship		
Opening balance - receivable	1,186,671	-
Expenses incurred on behalf of the company	81,637	642,949
Closing balance - receivable	<u>1,268,308</u>	<u>642,949</u>
TPL Rupiya - common directorship		
Opening balance - receivable	43,662	-
Expenses incurred on behalf of the company	-	9,085
Closing balance - receivable	<u>43,662</u>	<u>9,085</u>
TPL Corp - parent company		
Opening balance - receivable	129,577	-
Expenses incurred on behalf of the company	28,329,735	-
Closing balance - receivable	<u>28,459,312</u>	<u>-</u>
TPL e-Venture Pvt. Limited - common directorship		
Opening balance - receivable	-	-
Expenses incurred on behalf of the company	51,018	-
Closing balance - receivable	<u>51,018</u>	<u>-</u>
Window Takaful Operations - Participant Takaful Fund		
Opening balance - receivable	18,706,959	14,608,836
Rental and other services charges	69,130,000	88,250,000
Payments received from PTF - net	4,092,344	(80,477,276)
Closing balance - receivable	<u>91,929,303</u>	<u>22,381,560</u>

17.3 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.

18. SEGMENT REPORTING

(Unaudited)						
For the six months period ended 30 June 2019						
Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate	
(Rupees)						
Gross Written Premium (inclusive of Administrative Surcharge)	44,004,282	27,690,309	533,934,509	33,285,228	11,962,887	650,877,215
Insurance premium earned	29,907,224	27,003,041	537,933,509	61,021,277	11,891,037	667,756,088
Insurance premium ceded to reinsurers	(24,107,660)	(6,707,548)	(68,703,711)	-	(6,204,643)	(105,723,562)
Net insurance premium	5,799,564	20,295,493	469,229,798	61,021,277	5,686,394	562,032,526
Commission income	4,937,857	1,776,524	15,093,776	-	455,878	22,264,035
Net underwriting income	10,737,421	22,072,017	484,323,574	61,021,277	6,142,272	584,296,561
Insurance claims	(11,865,044)	(18,195,712)	(255,374,140)	(7,352,568)	(1,311,650)	(294,099,114)
Insurance claims recovered from reinsurers / salvage	11,132,295	3,825,206	79,016,338	-	1,067,361	95,041,200
Net Claims	(732,749)	(14,370,506)	(176,357,802)	(7,352,568)	(244,289)	(199,057,914)
Commission expenses	(5,587,649)	(3,523,001)	(46,211,256)	(30,523,795)	(3,052,525)	(88,898,226)
Management expenses	(13,403,925)	(8,434,607)	(162,639,135)	(10,138,848)	(3,643,956)	(198,260,471)
Net insurance claims and expenses	(19,724,323)	(26,328,114)	(385,208,193)	(48,015,211)	(6,940,770)	(486,216,611)
Underwriting result	(8,986,902)	(4,256,097)	99,115,381	13,006,066	(798,498)	98,079,950
Investment income						(1,334,921)
Other income						47,776,569
Other expenses						(73,344,260)
Results of operating activities						71,177,338
Financial charges						(12,149,919)
Profit before tax from General Insurance Operations						59,027,412
Loss before tax from Window Takaful Operations - Operator's Fund						(91,084,955)
Loss before tax for the period						(32,057,536)

(Unaudited)						
For the six months period ended 30 June 2018						
Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate	
(Rupees)						
Gross Written Premium (inclusive of Administrative Surcharge)	36,716,646	24,903,326	557,855,762	72,269,780	13,408,628	705,154,142
Insurance premium earned	41,627,030	23,929,792	585,628,395	39,572,338	8,560,225	699,317,780
Insurance premium ceded to reinsurers	(32,413,273)	(14,495,369)	(11,700,772)	(568,485)	(382,269)	(59,560,168)
Net insurance premium	9,213,757	9,434,423	573,927,623	39,003,853	8,177,956	639,757,612
Commission income	4,707,850	3,074,334	-	-	44,993	7,827,177
Net underwriting income	13,921,607	12,508,757	573,927,623	39,003,853	8,222,949	647,584,789
Insurance claims	(68,630,253)	(9,099,077)	(360,238,521)	(4,900,549)	(5,217,898)	(448,086,298)
Insurance claims recovered from reinsurers / salvage	65,142,410	3,530,861	121,063,462	-	20,772	189,757,505
Net Claims	(3,487,843)	(5,568,216)	(239,175,059)	(4,900,549)	(5,197,126)	(258,328,793)
Commission expense	(8,207,322)	(3,942,314)	(38,891,829)	(17,807,533)	(1,354,687)	(70,203,685)
Management expenses	(12,731,056)	(8,634,929)	(193,429,787)	(25,058,678)	(4,649,281)	(244,503,731)
Net insurance claims and expenses	(24,426,221)	(18,145,459)	(471,496,675)	(47,766,760)	(11,201,094)	(573,036,209)
Underwriting result	(10,504,614)	(5,636,702)	102,430,948	(8,762,907)	(2,978,145)	74,548,580
Investment income						17,845,968
Other income						103,783,973
Other expenses						(134,290,108)
Results of operating activities						61,888,413
Financial charges						(869,452)
Profit before tax from General Insurance Operations						61,018,961
Loss before tax from Window Takaful Operations - Operator's Fund						(33,935,872)
Profit before tax for the period						27,083,089

19. GENERAL

Figures have been rounded off to the nearest Rupee.

20. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 30 August 2019 by the Board of Directors of the Company.



Director



Director



Chief Financial Officer



Chief Executive Officer



Chairman

WINDOW TAKAFUL OPERATIONS

ANNEXURE A

WINDOW TAKAFUL OPERATIONS

AUDITORS' REPORT TO MEMBERS ON REVIEW OF Interim Financial Information

TO THE MEMBERS OF TPL INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of TPL Insurance Limited - Window Takaful Operations (the Operator) as at 30 June 2019 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in fund, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended 30 June 2019 and 30 June 2018 in the condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

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 interim financial statements 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 the 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's review report is Arslan Khalid.



EY Ford Rhodes
Chartered Accountants
Engagement Partner: Arslan Khalid

Date: August 30, 2019

Karachi

WINDOW TAKAFUL OPERATIONS

Condensed Interim Statement of Financial Position

As at 30 June 2019

Note	(Unaudited) 30 June 2019			(Audited) 31 December 2018		
	(Rupees)			(Rupees)		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
ASSETS						
Equipment	-	53,807,206	53,807,206	-	-	-
Investments						
Mutual Funds	-	52,579,130	52,579,130	-	82,945,792	82,945,792
Government Securities	-	-	-	-	100,278,988	100,278,988
Debt securities	-	20,000,000	20,000,000	-	20,000,000	20,000,000
Term deposits	-	350,000,000	350,000,000	-	150,000,000	150,000,000
	-	422,579,130	422,579,130	-	353,224,780	353,224,780
Other receivables including Qard-e-Hasna to PTF of Rs. 246.9 million (2018 : 246.9 million)	310,761,896	-	310,761,896	291,265,473	3,057,128	294,322,601
Accrued Investment Income	-	5,630,302	5,630,302	24,310	4,386,460	4,410,770
Takaful / retakaful receivable	-	158,612,794	158,612,794	-	151,157,841	151,157,841
Retakaful recoveries against outstanding claims	-	1,720,000	1,720,000	-	3,230,000	3,230,000
Salvage recoveries accrued	-	49,801,072	49,801,072	-	55,827,364	55,827,364
Deferred Wakala expense	-	136,515,415	136,515,415	-	120,781,703	120,781,703
Deferred commission expense	96,273,618	-	96,273,618	73,685,941	-	73,685,941
Prepayments	-	49,731,911	49,731,911	-	100,218,439	100,218,439
Bank balances	3,165,048	193,442,491	196,607,539	5,046,670	93,824,559	98,871,229
Total assets	410,200,562	1,071,840,321	1,482,040,883	370,022,394	885,708,274	1,255,730,668
EQUITY AND LIABILITIES						
RESERVES ATTRIBUTABLE TO:						
- OPERATOR'S FUND (OF)						
Statutory Fund	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Accumulated Losses	(144,068,682)	-	(144,068,682)	(50,801,948)	-	(50,801,948)
	(94,068,682)	-	(94,068,682)	(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	-	(132,399,482)	(132,399,482)	-	(173,589,343)	(173,589,343)
Unrealized gain on available-for-sale investments	-	2,579,130	2,579,130	-	1,311,533	1,311,533
Balance of WAQF / PTF	-	(127,820,352)	(127,820,352)	-	(170,277,810)	(170,277,810)
LIABILITIES						
PTF Underwriting provisions						
Outstanding claims (including IBNR)	-	142,882,270	142,882,270	-	139,070,744	139,070,744
Unearned contribution reserve	-	571,228,362	571,228,362	-	511,363,901	511,363,901
Unearned retakaful commission	-	3,296,670	3,296,670	-	4,727,505	4,727,505
Unearned Wakala Fee	136,515,415	-	136,515,415	120,781,703	-	120,781,703
Qard-e-Hasna	-	246,900,000	246,900,000	-	246,900,000	246,900,000
Contribution received in advance	-	6,165,967	6,165,967	-	4,066,280	4,066,280
Takaful / retakaful payable	-	68,376,403	68,376,403	-	67,060,239	67,060,239
Other creditors and accruals	18,521,073	68,881,699	87,402,772	17,834,328	64,090,456	81,924,784
Payable to TPL Insurance Limited	347,050,781	91,929,303	438,980,084	201,785,504	18,706,959	220,492,463
Taxation - provision less payments	2,181,975	-	2,181,975	30,422,807	-	30,422,807
Total Liabilities	504,269,244	1,199,660,674	1,703,929,917	370,824,342	1,055,986,084	1,426,810,426
Total fund and liabilities	410,200,562	1,071,840,321	1,482,040,883	370,022,394	885,708,274	1,255,730,668

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

Half Yearly Report 2019

Condensed Interim Statement of Comprehensive Income (Unaudited) For the six months period ended 30 June 2019

	Note	For the three months period ended		For the six months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Participants' Takaful Fund					
Net takaful contribution	11	241,687,757	245,603,451	480,441,292	479,253,087
Net takaful claims	12	(95,996,071)	(130,798,382)	(222,965,044)	(242,319,672)
Wakala fee	14	(70,665,874)	(86,284,994)	(140,064,088)	(177,851,801)
Direct expenses	3.1.1	(38,461,149)	(42,356,666)	(75,211,149)	(77,318,333)
Underwriting result		36,564,663	(13,836,591)	42,201,012	(18,236,719)
Investment income					
net of mudarib's fee of Rs. 5.35 (2018: Rs. 1.27) million		6,989,453	1,024,403	12,473,503	2,967,407
Results of operating activities		43,554,116	(12,812,188)	54,674,515	(15,269,312)
Financial charges	3.1.1	(1,010,061)	-	(1,010,061)	-
Surplus / (deficit) for the period		42,544,055	(12,812,188)	53,664,454	(15,269,312)
Other comprehensive income :					
-Unrealised gain / (loss) on available-for-sale investments		631,250	(5,390,808)	2,967,281	2,125,603
-Realized (gain) / loss transferred to profit for the period upon sale / redemption of available-for-sale investments		-	-	(1,699,684)	(51,535)
Total other comprehensive income / (loss)		631,250	(5,390,808)	1,267,597	2,074,068
Total comprehensive income / (loss) for the period		43,175,305	(18,202,996)	54,932,051	(13,195,244)
Operator's Fund					
Wakala fee	14	70,665,874	86,284,994	140,064,088	177,851,801
Net commission expense	13	(39,355,083)	(23,657,370)	(71,285,220)	(45,112,976)
Management expenses		(70,555,072)	(76,420,781)	(134,763,886)	(127,094,278)
		(39,244,281)	(13,793,157)	(65,985,018)	5,644,547
Investment income including mudarib's fee of Rs. 5.35 (2018: Rs. 1.27) million		3,032,527	794,211	5,387,811	2,804,602
		(36,211,754)	(12,998,946)	(60,597,207)	8,449,149
Other expenses		(9,722,257)	(12,274,928)	(30,487,748)	(42,385,021)
Loss before taxation		(45,934,011)	(25,273,874)	(91,084,955)	(33,935,872)
Taxation - net		(1,284,859)	(1,195,342)	(2,181,778)	(2,258,205)
Loss after tax for the period		(47,218,870)	(26,469,216)	(93,266,733)	(36,194,077)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(47,218,870)	(26,469,216)	(93,266,733)	(36,194,077)

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

WINDOW TAKAFUL OPERATIONS

Condensed Interim Statement of Changes in Fund (Unaudited)

For the six months period ended 30 June 2019

Operator's 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	-	115,536,539
Net loss for the period	-	(36,194,077)	-	(36,194,077)
Balance as at 30 June 2018	50,000,000	29,342,462	-	79,342,462
Balance as at 1 January 2019	50,000,000	(50,801,948)	-	(801,948)
Net loss for the period	-	(93,266,733)	-	(93,266,733)
Balance as at 30 June 2019	50,000,000	(144,068,681)	-	(94,068,681)

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)
Deficit for the period	-	(15,269,312)	-	(15,269,312)
Unrealized gain on revaluation of - available-for-sale investments	-	-	2,074,068	2,074,068
Total comprehensive surplus / (deficit) for the period	-	(15,269,312)	2,074,068	(13,195,244)
Balance as at 30 June 2018	2,000,000	(209,023,003)	(7,826,807)	(214,849,810)
Balance as at 1 January 2019 as reported	2,000,000	(173,589,343)	1,311,533	(170,277,810)
Effect of change in accounting policy (Note - 3.1.1)	-	(12,474,594)	-	(12,474,594)
Balance as at 1 January 2019 as restated	2,000,000	(186,063,937)	1,311,533	(182,752,404)
Surplus for the period	-	53,664,454	-	53,664,454
Unrealized gain on revaluation of - available-for-sale investments	-	-	1,267,597	1,267,597
Total comprehensive surplus for the period	-	53,664,454	1,267,597	54,932,051
Balance as at 30 June 2019	2,000,000	(132,399,483)	2,579,130	(127,820,353)

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
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Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2019

			30 June 2019 Aggregate	30 June 2018 Aggregate
	Operator's Fund	Participants' Takaful Fund		
	(Rupees)			
Operating activities				
(a) Takaful activities				
Contributions received	-	553,621,779	553,621,779	586,473,357
Retakaful contribution paid	-	(27,316,579)	(27,316,579)	(17,512,623)
Claims paid	-	(279,948,263)	(279,948,263)	(278,772,116)
Retakaful and other recoveries received	-	68,331,037	68,331,037	58,347,204
Commission paid	(92,550,269)	-	(92,550,269)	(66,147,326)
Commission received	3,046,406	-	3,046,406	-
Wakala fees received	146,619,017	-	146,619,017	144,638,259
Wakala fees paid	-	(146,619,017)	(146,619,017)	(144,638,259)
Mudarib fees received	5,345,787	-	5,345,787	3,114,332
Mudarib fees paid	-	(5,345,787)	(5,345,787)	(3,114,332)
Net cash inflow from takaful activities	62,460,941	162,723,170	225,184,111	282,388,496
(b) Other operating activities				
Income tax paid	(30,422,610)	-	(30,422,610)	(4,266,219)
Direct expenses paid	-	(28,379,236)	(28,379,236)	(88,250,000)
Management and other expenses paid	(33,961,977)	-	(33,961,977)	(208,028,849)
Other operating receipts / (payments)	-	73,222,344	73,222,344	74,728,573
Net cash outflow from other operating activities	(64,384,587)	44,843,107	(19,541,479)	(225,816,495)
Total cash generated from / (used in) all operating activities	(1,923,646)	207,566,278	205,642,632	56,572,001
Investment activities				
Profit / return received	42,024	14,021,711	14,063,735	6,362,557
Payments for purchase of investments	-	-	-	-
Investment in Mutual Funds - net	-	33,333,943	33,333,943	(23,322,738)
Investment in Government Securities - net	-	100,000,000	100,000,000	-
Total cash (used in) / generated from investing activities	42,024	147,355,654	147,397,678	(16,960,181)
Financing activities				
Lease obligation paid	-	(54,293,939)	(54,293,939)	-
Financial charges paid	-	(1,010,061)	(1,010,061)	-
Total cash used in financing activities	-	(55,304,000)	(55,304,000)	-
Net cash generated from all activities	(1,881,622)	299,617,932	297,736,310	39,611,820
Cash and cash equivalent at beginning of the period	5,046,670	243,824,559	248,871,229	193,645,447
Cash and cash equivalent at end of the period	3,165,048	543,442,491	546,607,539	233,257,267

WINDOW TAKAFUL OPERATIONS

Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended 30 June 2019

			30 June 2019 Aggregate	30 June 2018 Aggregate
	Operator's Fund	Participants' Takaful Fund		
	----- (Rupees) -----			
Reconciliation to profit and loss account				
Operating cash flows	(1,923,646)	207,566,278	205,642,632	56,572,001
Income tax paid	30,422,610	-	30,422,610	-
Financial charges paid	-	1,010,061	1,010,061	-
Investment Income excluding mudarib's fee	42,024	17,819,290	17,861,314	6,362,557
Provision for taxation	(2,181,778)	-	(2,181,778)	-
Financial charges	-	(1,010,061)	(1,010,061)	-
Increase / (decrease) in assets other than cash	42,059,792	(36,647,441)	5,412,351	(14,131,216)
Increase in liabilities	(161,685,735)	(135,073,673)	(296,759,407)	(100,266,731)
Surplus / (Deficit) after taxation	(93,266,733)	53,664,454	(39,602,279)	(51,463,389)
Attributed to:				
Operators' Fund			(93,266,733)	(36,194,077)
Participants' Takaful Fund			53,664,454	(15,269,312)
			(39,602,279)	(51,463,389)

Definition of cash

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

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

				
Director	Director	Chief Financial Officer	Chief Executive Officer	Chairman

Notes to the Condensed Interim Financial Statements

For the six months period ended 30 June 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 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 Operator is listed at Pakistan Stock Exchange Limited. The principal office of the Operator is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT 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 20 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 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under Companies Act 2017; and
 - Provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017.
- Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Takaful Rules 2012 have been followed.
- 2.2** 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.
- 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 31 December 2018.

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 as at and for the year ended 31 December 2018.

3.1 New standards and amendments

3.1.1 IFRS 16 "Leases"

The Operator has adopted IFRS 16 "Leases" with effect from 01 January 2019. IFRS 16 supersedes IAS 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single "on balance sheet" model.

WINDOW TAKAFUL OPERATIONS

The Participant Takaful Fund (PTF) has lease arrangement with TPL Insurance Limited for various items of equipment. Before the adoption of IFRS 16, the PTF classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property / equipment was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under other receivables and other liabilities, respectively.

The Operator has elected to apply IFRS 16 retrospectively, recognising the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of accumulated surplus at the date of initial application.

Under IFRS 16, the Operator, as a Lessee, has recognised right-of-use asset representing its right to use the underlying asset and lease liability representing its obligation to make lease payments.

The Operator recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Operator is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Operator recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Operator uses the incremental borrowing rate at the lease commencement date if the borrowing rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of borrowing cost and reduced for the lease payments made.

The effects of adoption of IFRS 16 as at 01 January 2019 and at 30 June 2019 (Increase / (Decrease) are as follows:

	As at 30 June 2019	As at 01 January 2019
	----- (Rupees) -----	
Impact on Statement of Financial Position		
Increase in fixed assets - right-of-use assets	53,807,205	85,874,620
Decrease in other assets - prepayments	(50,698,667)	(52,566,000)
Increase in total assets	3,108,538	33,308,620
Increase in liabilities - lease liability against right-of-use assets / other payable	(13,340,175)	(45,783,214)
Decrease in net assets	(10,231,637)	(12,474,594)
Impact on Statement of Comprehensive Income		
		For the Six Months period ended 30 June 2019 (Rupees)
Increase in financial charges - lease liability against right-of-use assets		(1,010,061)
(Increase) / decrease in administrative expenses		
- Depreciation on right-of-use assets		(53,918,314)
- Tracker rental expense		57,171,333
		3,253,019
		2,242,958

3.1.2 Amendment to IFRS 17 "Insurance Contracts" - Applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" :

The company has taken the benefit of temporary exemption of applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

- 3.2** There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for current accounting period. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial information.

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.

5. QARD-E-HASNA

	(Unaudited) 30 June 2019	(Audited) 31 December 2018
	----- (Rupees) -----	
Balance as at the beginning of the period	246,900,000	199,000,000
Qard-e-Hasna provided during the period	-	47,900,000
Balance as at the end of the period	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.

6. EQUIPMENT

	(Unaudited) 30 June 2019	(Audited) 31 December 2018
	----- (Rupees) -----	
Written down value at the beginning of the period / year as reported	-	-
Effect of change in accounting policy (Note 3.1.1)	85,874,620	-
Written down value at the beginning of the period / year as restated	85,874,620	-
Additions and transfers during the period / year - at cost		
- Tracking Device (Righ of use)	21,850,900	-
Depreciation for the period / year	(53,918,313)	-
Written down value at the end of the period / year	53,807,206	-

WINDOW TAKAFUL OPERATIONS

7. INVESTMENT IN MUTUAL FUNDS

Available- For-Sale

PTF

	30 June 2019				31 December 2018			
	Cost	Impairment/ Provision	Revaluation surplus/(deficit)	Carrying Value	Cost	Impairment/ Provision	Revaluation surplus/(deficit)	Carrying Value
	(Rupees)				(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	-	342,157	25,342,157	-	-	-	-
AKD Islamic Income Fund	25,000,000	-	2,236,973	27,236,973	25,000,000	-	1,311,534	26,311,534
	50,000,000	-	2,579,130	52,579,130	97,079,965	(15,445,707)	1,311,534	82,945,792

8. INVESTMENT IN DEBT SECURITIES

Available- For-Sale

This represents Term Finance Certificates of Dubai Islamic Bank carrying markup of 3 Months Kibor + 1.75%. PTF holds 4,000 certificates of Rs. 5,000/- each.

9. OTHER RECEIVABLE

	(Unaudited) 30 June 2019		
	OF	PTF	Total
Wakala fee	5,267,633	-	5,267,633
Mudarib fee	2,288,659	-	2,288,659
Taxes and Duties receivable	29,522,451	-	29,522,451
Qard e Hasna	246,900,000	-	246,900,000
Advance to an agent	26,727,707	-	26,727,707
Others	55,446	-	55,446
	310,761,896	-	310,761,896

	(Audited) 31 December 2018		
	OF	PTF	Total
Wakala fee	11,822,563	-	11,822,563
Mudarib fee	-	3,057,128	3,057,128
Taxes and Duties receivable	32,542,910	-	32,542,910
Qard e Hasna	246,900,000	-	246,900,000
	291,265,473	3,057,128	294,322,601

	(Unaudited) 30 June 2019		
	OF	PTF	Total
10. OTHER CREDITORS AND ACCRUALS			
Creditors	8,789,497	-	8,789,497
Wakala fee payable	-	5,267,633	5,267,633
Modarib fee payable	-	2,288,659	2,288,659
Federal Insurance Fee	-	1,027,489	1,027,489
Federal Excise Duty (FED) - net	-	12,995,997	12,995,997
Commission payable	2,487,440	-	2,487,440
Taxes and duties payable	-	29,522,451	29,522,451
Lease obligation against right-of-use assets	-	13,340,175	13,340,175
Others	7,175,108	3,386,221	10,561,329
Withholding tax payable	69,028	1,053,074	1,122,102
	18,521,073	68,881,699	87,402,772

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		(Audited)		
		31 December 2018		
		OF	PTF	Total
Creditors		2,673,420	966,502	3,639,922
Wakala fee payable		3,057,128	11,822,563	14,879,691
Federal Insurance Fee		-	892,794	892,794
Federal Excise Duty (FED) - net		-	11,084,491	11,084,491
Commission payable		4,102,721	-	4,102,721
Taxes and duties payable		-	32,542,910	32,542,910
Withholding tax payable		2,461,390	3,567,780	6,029,170
Others		5,539,669	3,213,416	8,753,085
		17,834,328	64,090,456	81,924,784
		(Unaudited)		
		For the three months period ended		For the six months period ended
		30 June 2019	30 June 2018	30 June 2019
		(Rupees)		(Rupees)
11.	NET TAKAFUL CONTRIBUTION			
	Written net contribution	311,089,662	241,412,657	585,411,961
	Add: Unearned contribution reserve opening	524,167,733	541,482,629	511,363,901
	Less: Unearned contribution reserve closing	(571,228,362)	(526,635,417)	(571,228,362)
	contribution earned	264,029,033	256,259,869	525,547,500
	Less: Retakaful contribution ceded	1,112,322	10,527,209	47,652,514
	Add: Prepaid retakaful contribution opening	58,286,201	10,320,831	34,510,941
	Less: Prepaid retakaful contribution closing	(37,057,247)	(10,191,622)	(37,057,247)
	Retakaful expense	22,341,276	10,656,418	45,106,208
	Net takaful contribution	241,687,757	245,603,451	480,441,292
12.	NET TAKAFUL CLAIMS EXPENSE			
	Claims paid/ payable	157,649,386	144,229,926	279,948,263
	Add: Outstanding claims including IBNR closing	142,882,270	144,722,971	142,882,270
	Less: Outstanding claims including IBNR opening	(176,954,694)	(110,882,195)	(139,070,744)
	Claims expense	123,576,962	178,070,702	283,759,789
	Less: Retakaful and other recoveries received	29,461,891	25,806,323	68,331,037
	Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	51,521,072	64,185,167	51,521,072
	Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	(53,402,072)	(42,719,170)	(59,057,364)
	Retakaful and other recoveries revenue	27,580,891	47,272,320	60,794,745
	Net takaful claims expense	95,996,071	130,798,382	222,965,044
13.	NET COMMISSION EXPENSE			
	Commissions paid or payable	62,759,602	20,339,367	98,350,138
	Add: Deferred commission - opening	75,173,350	51,885,315	73,685,941
	Less: Deferred commission - closing	(96,273,618)	(48,087,803)	(96,273,618)
	Commission expense	41,659,334	24,136,879	75,762,461
	Less: commission from reinsurers			
	Commission received or receivable	213,506	973,917	3,046,406
	Add: Deferred commission - opening	5,387,415	361,760	4,727,505
	Less: Deferred commission - closing	(3,296,670)	(856,168)	(3,296,670)
	Commission from reinsurance	2,304,251	479,509	4,477,241
	Net commission expense	39,355,083	23,657,370	71,285,220
14.	NET WAKALA FEE			
	Gross Wakala Fee	80,977,693	63,064,235	155,797,800
	Add: Deferred wakala fee - opening	126,203,596	165,253,887	120,781,703
	Less: Deferred wakala fee - closing	(136,515,415)	(142,033,128)	(136,515,415)
	Net wakala fee	70,665,874	86,284,994	140,064,088

WINDOW TAKAFUL OPERATIONS

15. SEGMENT INFORMATION

		(Unaudited)				
		For the six months period ended 30 June 2019				
	Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
15.1 Participants' Takaful Fund						
Gross Written Contribution (inclusive of Administrative Surcharge)	13,209,432	6,016,982	547,025,420	18,999,321	160,806	585,411,961
Takaful contribution earned	15,636,173	6,676,574	481,080,167	22,069,706	84,879	525,547,499
Takaful contribution ceded to retakaful operators	(15,969,292)	(3,608,813)	(25,528,102)	-	-	(45,106,207)
Net takaful contribution	(333,119)	3,067,761	455,552,065	22,069,706	84,879	480,441,292
Net underwriting income	(333,119)	3,067,761	455,552,065	22,069,706	84,879	480,441,292
Takaful claims	(6,375,436)	(1,500,000)	(255,616,018)	(20,078,725)	(189,610)	(283,759,789)
Retakaful claims and other recoveries	6,438,252	-	54,343,493	-	13,000	60,794,745
Net Claims	62,816	(1,500,000)	(201,272,525)	(20,078,725)	(176,610)	(222,965,044)
Wakala expensed during the period	(4,015,930)	(1,800,826)	(134,217,438)	-	(29,894)	(140,064,088)
Direct expenses	-	-	(75,211,148)	-	-	(75,211,148)
Underwriting result	<u>(4,286,233)</u>	<u>(233,065)</u>	<u>44,850,954</u>	<u>1,990,981</u>	<u>(121,625)</u>	<u>42,201,012</u>
Investment income						12,473,503
Surplus for the period						<u>54,674,515</u>
15.2 Operator's Fund						
Wakala fee	4,015,930	1,800,826	134,217,438	-	29,894	140,064,088
Commission income	1,746,565	26,164	2,704,512	-	-	4,477,241
Commission expense	(1,606,327)	(1,186,283)	(71,345,339)	(1,607,343)	(17,169)	(75,762,461)
Management expenses	(3,040,858)	(1,385,130)	(125,927,169)	(4,373,710)	(37,018)	(134,763,885)
Underwriting result	<u>1,115,310</u>	<u>(744,423)</u>	<u>(60,350,558)</u>	<u>(5,981,053)</u>	<u>(24,293)</u>	<u>(65,985,017)</u>
Investment income						5,387,811
Other expenses						(30,487,748)
Loss before taxation						<u>(91,084,954)</u>

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15.3 Participants' Takaful Fund

Gross Written Contribution (inclusive of Administrative Surcharge)	7,392,329	4,747,956	518,855,592	14,067,567	202,640	545,266,084
Takaful contribution earned	8,221,081	4,361,454	479,945,334	3,980,101	77,913	496,585,883
Takaful contribution ceded to retakaful operators	(5,667,007)	(2,924,758)	(8,741,031)	-	-	(17,332,796)
Net takaful contribution	2,554,074	1,436,696	471,204,303	3,980,101	77,913	479,253,087
Net underwriting income	2,554,074	1,436,696	471,204,303	3,980,101	77,913	479,253,087
Takaful claims	(1,436,185)	(332,675)	(318,679,030)	(3,915,503)	(235,000)	(324,598,393)
Retakaful claims and other recoveries	1,317,267	266,140	80,695,314	-	-	82,278,721
Net Claims	(118,918)	(66,535)	(237,983,716)	(3,915,503)	(235,000)	(242,319,672)
Wakala expensed during the period	(3,298,824)	(1,423,588)	(172,567,490)	(534,402)	(27,497)	(177,851,801)
Direct expenses	-	-	(77,318,333)	-	-	(77,318,333)
Underwriting result	(863,668)	(53,427)	(16,665,236)	(469,804)	(184,584)	(18,236,719)
Investment income						2,967,407
Surplus for the period						(15,269,312)

15.4 Operator's Fund

Wakala fee	3,298,824	1,423,588	172,567,490	534,402	27,497	177,851,801
Commission income	664,943	157,355	-	-	-	822,298
Commission expense	(742,715)	(629,136)	(44,367,595)	(190,388)	(5,440)	(45,935,274)
Management expenses	(1,723,054)	(1,106,685)	(120,938,343)	(3,278,963)	(47,233)	(127,094,278)
Underwriting result	1,497,998	(154,878)	7,261,552	(2,934,949)	(25,176)	5,644,547
Investment income						2,804,602
Other expenses						(42,385,021)
Loss before taxation						(33,935,872)

16. TRANSACTIONS WITH RELATED PARTIES - PTF

	(Unaudited) 30 June 2019	(Unaudited) 30 June 2018
	----- (Rupees) -----	
TPL Insurance Limited		
Opening balance - payable	18,706,959	14,608,836
Rental and other services charges	69,130,000	88,250,000
Payments made by PTF - net	4,092,344	(80,477,276)
Closing balance - payable	91,929,303	22,381,560
Operator's Fund		
Opening balance - payable (including Qard-e-Hasna)	292,842,057	204,908,282
Wakala fee charged during the period	140,064,087	146,771,404
Modarib Fee charged during the period	5,345,787	682,911
Taxes and other movement	98,245,619	74,205,701
Payments made during the period	(252,518,807)	(221,390,019)
Closing balance - payable	283,978,743	205,178,279

17. GENERAL

17.1 Figures have been rounded off to the nearest Rupee.

18. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on 30 August 2019 by the Board of Directors of the Operator.

				
Director	Director	Chief Financial Officer	Chief Executive Officer	Chairman

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OTHER

INFORMATION

PATTERN OF SHAREHOLDING

AS OF 30 JUNE 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
2	45001	50000	99,494	0.1060
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
1	100001	105000	103,460	0.1102
2	120001	125000	248,600	0.2648
2	160001	165000	322,857	0.3440
1	165001	170000	170,000	0.1811
1	205001	210000	206,000	0.2195
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
1	440001	445000	442,252	0.4712
1	515001	520000	519,654	0.5536
1	535001	540000	538,570	0.5738
1	675001	680000	676,970	0.7212
1	13635001	13640000	13,635,597	14.5266
1	23995001	24000000	24,000,000	25.5683
1	49740001	49745000	49,740,363	52.9907
539	Company Total		93,866,261	100

CATEGORY OF SHAREHOLDING

AS OF 30 JUNE 2019

Particulars	No of Folio	Balance Shares	Percentage
DIRECTORS, CEO & CHILDREN	7	141,781	0.1510
Mr. Jameel Yusuf (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	0.1324
ASSOCIATED COMPANIES	5	88,452,950	94.23
TPL Corp Limited		87,375,960	93.085
TPL Holdings (Pvt) Limited		1,076,990	0.7212
MUTUAL FUNDS	4	454,290	0.4840
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	3,797,191	4.0453
GENERAL PUBLIC (FORGEIN)	4	221,272	0.2357
OTHERS	15	798,777	0.8510
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
Arif Habib Limited- MF		170,000	0.1811
Pearl Securities Limited - MF		500	0.0005
Company Total	539	93,866,261	100

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