

Jaiz Takaful Insurance Plc

Financial Statements for the year ended
31st December, 2018

Jaiz Takaful Insurance Plc
Financial statements for the year ended 31st December, 2018

Contents	Pages
Corporate Information	1-2
Board of Directors	3
Directors' Report	4-8
Corporate Governance	9-11
Statement of Directors' Responsibility	12
Audit Committee's Report	13
Report of the Advisory Committee of Experts	14
Management Discussion and Analysis	15-18
Independent Auditors' Report	19-21
Statement of Significant Accounting Policies	22-36
Statement of Financial Position	37
Statement of Profit or Loss and OCI	38
Statement of Changes in Equity	39
Statement of Cash Flows	40
Notes to the Financial Statements	41-62
Statement of Value Added	63
Five Years Financial Summary	64-65
Other Disclosures	66-68

Corporate Information

About Jaiz Takaful Insurance Plc

Jaiz Takaful Insurance Plc was incorporated as a Public Liability Company with the Corporate Affairs Commission (CAC) in January 2014 and got operational License with National Insurance Commission (NAICOM) in August 2016. The Company in January 2017 got approval of its products and commences business in the Abuja Head office same year.

Jaiz Takaful Insurance Plc is a premier Shariah compliant General and Family (Life) Insurance Operator. Jaiz Takaful Insurance Plc was established to provide Takaful insurance in Nigeria with the insight of expansion in West Africa as an international leader in Takaful.

The Contract of Takaful as a business venture is based on the Islamic profit sharing of Mudarabah principle. In this regard, clients of Takaful known as Participants shall be entitled to earn returns on the Contributions (premium) paid in consideration for their participation in Takaful products provided by Jaiz Takaful Insurance Plc subject to the declaration of profit at the end of the financial year.

Mission

Jaiz Takaful Insurance Plc - Providing a Bond beyond Insurance - A Company that cares, shares and above all grows with its Employees and Stakeholders; ethically covering all insurable risk and basis of mutual benefits.

Vision

Jaiz Takaful Insurance Plc is striving to be the Leader in Ethical Finance and Wealth Management.

RC: 1167843

Website

www.jaiztakafulinsurance.com

E-mail

info@jaiztakafulinsurance.com

Phone

+2349037754004/+2348095522144

Corporate Information

Corporate Head Office:	<ul style="list-style-type: none">- Plot 1054, O.P. Fingesi Street, Off Obafemi Awolowo Way, Cadastral Zone B05, Utako District, Abuja
Branch Offices	<ul style="list-style-type: none">- KADUNA NO. 20 A Bank Road Kaduna, Kaduna State.- LAGOS No. 91 Obafemi Awolowo Way Ikeja, Lagos State.- KANO No. 15 Bank Road, Nasarawa District, Kano, Kano State.
Independent Auditors:	<ul style="list-style-type: none">- Sada, Idris & Co. Chartered Accountants, 2nd Floor, B Wing, FMBN Building, Central Business District, Abuja.
Bankers:	<ul style="list-style-type: none">- JAIZ BANK PLC Harbert Marculey Way, Zone 5, Wuse, Abuja- Sterling Bank Plc Plot 990, Sterling Bank Boulevard, Central Business District, Wuse, Abuja
Regulatory Authority	<ul style="list-style-type: none">- National Insurance Commission (NAICOM) Plot 1239, Ladoke Akintola Boulevard, Garki II, Abuja.
Actuary	O & A Hedge Actuarial Consulting Suite 21 First Floor, Motorways Centre 1 Motorways Avenue Alausa, Ikeja, Lagos.
Retakaful Companies	<ul style="list-style-type: none">● African Reinsurance Corporation● Zep-Re-Retakaful Window Reinsurance Co.● Apex (Trust Re Insurer) Company

Board of Directors

Alhaji (Dr) Umaru Abdul Mutallab (CON)	- Chairman
Momodu Musa Joof	- Managing Director/Chief Executive Officer Resigned 17/12/2018
Sabiu Bello Abubakar	- Executive Director (Operations & Training)
HRH Alhaji Bello Muhammed Sani (CON)	- Member
Alhaji Ibrahim Adetokunbo Onaleye	- Member
Sheikh Adam Abdullah Idoko	- Member
Alhaji Mukhtar Sani Hanga	- Member
Hajiya Zainab Abdurrahman	- Member
Garba Abubakar Muhammad	- Member
Amb. Adamu Babangida Ibrahim	- Member - Resigned 8/12/2018
Imam Abdullahi Shuaib	- Member - Appointed 17/10/2018

Management Team:

Sabiu Bello Abubakar	Ag. Managing Director/CEO
Aliyu Buhari Ali	- Head of Marketing
Abdulrahman Abubakar	- Head of Finance and Accounts
Raji Isiaka	- Head of General Takaful
Abdulkarim Yahya	- Head of Audit/Chief Compliance Officer
Anas Ibrahim Zango	- Head of Corporate Services
Omenka Daniel Okache	- Head of Information Technology
Abiodun Aliu Abgabiaka	Head of Family Takaful
Umar Jibril	- Company Secretary/Legal Adviser

Directors' Report

The Directors have the pleasure in presenting their report on the affairs of Jaiz Takaful Insurance Plc together with the audited financial statement and auditors' report for the year ended 31st December, 2018.

1 Legal form

Jaiz Takaful Insurance Plc was incorporated 31st January, 2014 by the Corporate Affairs Commission. On 19 August 2016, the National Insurance Commission granted the company license to engage in composite TAKAFUL operations. Furthermore, on 9 January, 2017 and 10th July 2017, it was granted approval to commence business on the following general and family products respectively.

GENERAL PRODUCTS:

Marine cargo Takaful	Machinery breakdown Takaful
Burglary Takaful	Group personal accident Takaful
Fidelity guarantee Takaful	Public liability Takaful
Professional indemnity Takaful	Money Takaful
Employers liability Takaful	All risk Takaful
Fire & allied perils Takaful	Erection all risk Takaful
Motor (commercial) Takaful	Contractors plant machinery Takaful
Motor (private) Takaful	Consequential loss Takaful

FAMILY PRODUCTS:

Jaiz Group Family Takaful Plan
Jaiz Educational Takaful Plan
Jaiz Non-Interest Loan Protection Plan
Jaiz Group Mortgage Family Takaful

During the course of business, the Company saw the need to introduce additional products to the market, thus, the approval for the following products was sought and granted by the National Insurance Commission (NAICOM) on the 17th May, 2018:

GENERAL PRODUCT:

Jaiz Household Takaful Plan

FAMILY PRODUCTS:

Jaiz Comfort-Plus Family Takaful Plan
Jaiz Comfort Family Takaful Plan
Jaiz Hajj and Umrah Family Takaful Plan
Jaiz Comflux Family Takaful Plan
Jaiz Comfort-Save Family Takaful Plan
Jaiz Mortgage Family Takaful Plan
Jaiz Hajj and Umrah Travel Policy

2 Operating results:

The following is a summary of the Company's operating results:

	2018	2017	Changes	%
Gross Contribution Written	408,044,165	118,288,784	289,755,381	245
Gross Contribution Earned	336,783,466	74,973,911	261,809,555	349
Retakaful Contribution	(85,723,854)	(17,945,197)	(67,778,657)	378
Fee & Commission Income	18,204,811	4,009,259	14,195,552	354
Investment Income	12,082,966	5,295,688	6,787,278	128
Wakalah Fee Income	106,256,362	33,273,210	72,983,152	219
Profit/(loss) after Zakat and Tax	(240,818,407)	(684,874,601)	444,056,194	65

3 Statement of Director's Responsibility on the Financial Statements

Section 334 and 335 of the Companies and Allied Matters Act CAP C20 LFN 2004; require the directors to prepare financial statements for each financial year that give a true and fair view of the state of the financial affairs of the company at the end of each financial year and its profit or loss and cash flows.

Directors' Report

The directors are also to ensure that the statements comply with the provision of the Insurance Act 2003 and the Companies and Allied Matter act CAP C20 LFN 2004.

These responsibilities include ensuring that the company:

- a Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with requirements of the companies and allied matters Act of 2003.
- b Establishes adequate internal controls to safeguard its assets and to prevent fraud and other irregularities;
- c Prepares its financial statements using suitable accounting policies supported by the reasonable and prudent judgments.

The directors accept responsibility for the annual statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with:

- International Accounting Standard
- Relevant guideline issued by NAICOM
- The requirement of insurance Act 2003
- The requirements of the companies and allied matters Act

The directors are of the opinion that the financial statement given a true and fair view of the state of the financial affairs of the company and of its profit for the year. The directors also accept responsibility of the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

4 Directors/Advisers

The following directors served during the year ended 31st December, 2018:

Alhaji (Dr.) Umaru Abdul Mutallab, CON	Chairman
Momodou Musa Joof	Managing Director/CEO - Resigned 17/12/2018
Garba Abubakar Muhammad	Executive Director (Operations & Corp. Services)
HRH Engr. Bello Muhammad Sani, OON	Non-Executive Director
Alhaji Mukhtar Sani Hanga	Non-Executive Director
Alhaji Ibrahim Adetokunbo Onaleye	Non-Executive Director
Amb. Adamu Babangida Ibrahim	Non-Executive Director (resigned December 8, 2018)
Hajiya Zainab Abdurrahman	Non-Executive Director
Sheikh Adam Abdullah Idoko	Non-Executive Director
Sabiu Bello Abubakar	Executive Director (Admin. & Corporate Services)
Imam Abdullahi Shuaib	Non-Executive Director - Appointed 17/10/2018

Resignation of Directors

Mr. Momodou Musa Joof & Engr. Garba Abubakar Muhammad resigned as MD/CEO and Executive Director Admin & Corporate Services from the Company during the year under review and Imam Abdullahi Shuaib was appointed in October 17, 2018.

Advisory Council of Experts (ACE) members:

Dr. Elsayed-Hamid Hassan Mohammed	Chairman
Prof. Mohammad Nasiruddeen Malturare	Member
Prof. Muhammed Bello Uthman	Member

Company secretary/Legal adviser:

Umar Jibril

Registered Office:

Plot 1054, O.P Fingesi street,
Off Obafemi Awolowo way,
Utako district, Abuja.

Auditors:

Sada, Idris & Co.
Chartered accountants,
2nd Floor, B wing, FMBN Building,
Central Business District, Abuja

Directors' Report

5 Directors' Interests

a Directors Shareholding

The following directors have direct shareholding in the Company:

S/N	DIRECTORS	2018 No of Shareholders	2017 No. of Shares
1	Ibrahim Adetokunbo Onaleye	1	1
2	Garba Abubakar Muhammad	1	1
	TOTAL	2	2

b Ownership structure

The called-up and fully paid-up shares of the Company as at 31 December 2018 were beneficially held as follows:

	2018 No of Shareholders	2018 % Holding	2017 No. of Shares	2017 % Holding
Jaiz Charity Development & Founda	2,460,579,970	100%	199,999,997	100%
Ibrahim Adetokunbo Onaleye	1	0%	1	0%
Garba Abubakar Muhammad	1	0%	1	0%
Ahmed Sadi Muhammad	0	0%	1	0%
	2,460,579,972	100%	200,000,000	100%

c Analysis of Shareholding

The analysis of the istribution of the shares of the Company at the end of the financial year is as follows:

31 December, 2018

Share range	No. of Shares	% Holding	No. of Holding
Local Shareholder			
1-1,000,000,000	2	0%	2
1,000,000,001-2,000,000,000	1	100%	2,460,579,970
	3	100%	2,460,579,972

31 December, 2017

Share range	No. of Shares	% Holding	No. of Holding
Local Shareholder			
1-100,000,000	3	0%	3
100,000,001-200,000,000	1	100%	199,999,997
	3	100%	200,000,000

d Share Capital History

As at December, 2018, the Company Authorized Share Capital was ₦1,300,000,000.00 divided into 2,600,000,000 ordinary shares of 50k each. The initial capital upon incorporation and subsequent changes therein are as follows:

	Increase	Cummulative
2014	300,000,000	300,000,000
2017	700,000,000	1,000,000,000
2017	1,600,000,000	2,600,000,000

6 Directors Interest in Contracts

None of the directors has notified the company of the purpose of section 277 of the Companies and Allied Matter Act, Cap C20 LFM 2004 of any declarable interest in contracts in which the company was involved during the year ended December, 2018

Directors' Report

7 Acquisition of own shares

The company did not acquire any of its shares during the year ended 31st December, 2018

8 Human Resources

a Employment of Disabled Persons

It is the policy of the company that there is no discrimination in considering applications for employment including those of physically challenged persons. All employees whether physically challenged or not are given equal opportunities to develop their knowledge and to qualify for promotion in furtherance of their careers.

b Employees involvement and training

The company is committed to keeping employees fully informed as much as possible regarding the company's performance and progress. Views of employees are sought, where practicable, on matters which particularly affect them as employees. The company runs an open door management policy.

Management, professional and technical expertise are the company's major assets and investment in developing such skills is continuous.

c Gender Analysis

The average number and percentage of male and female employees during the year ended 31st December, 2018 vis-à-vis total work force is provided below:

	Number			Percentage	
	Male	Female	Total	Male	Female
Executive Director	1	0	1	100%	0%
Management Staff	8	1	9	88%	12%
Non-Management Staff	17	5	22	77%	23%
Total	26	6	32	81%	19%

Gender Analysis of the Board for the year ended 31st December, 2018 is as follows:

	Number			Percentage	
	Male	Female	Total	Male	Female
Board	7	1	8	88%	12%

d Employees' Health, Safety and Welfare at Work

The company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Financial provision is also made for all employees in respect of transportation, housing, medical expenses and meals.

The company operates a contributory pension plan for the benefit of its employees.

9 Property, Plant and Equipment

a Movements in property, plant and equipment are shown in note 8 on page 45 of the financial statements

b Intangible assets – Computer Software

Movements in intangible assets-computer software are shown in note 7 on page 44 of the financial statements.

Directors' Report

10 Audit Committee

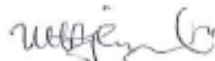
In accordance with section 359(3) of the companies and allied matters Act, CAP C20 LFN 2004, the audit committee members of the company are as follows:

Ibrahim Adetokunbo Onaleye	-	Chairman
Hajiya Zainab Abdurrahman	-	Non-Executive Director
Amb. Adamu Babangida Ibrahim	-	Non-Executive Director
Mukhtar Sani Hanga	-	Non-Executive Director
Shelkh Adam Abdullah Idoko	-	Non-Executive Director

The function of the audit committee is as stated in section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004.

11 Auditors

Messrs. Sada, Idris & Co. (Chartered Accountants) have been re-appointed as statutory auditors in 2018 as required by the relevant section of the company and allied matters Act 1990.



Umar Jibril
Company Secretary
FRC/2017/NBA/00000015983

Corporate Governance Report

1 Introduction

The Board of directors have pleasure in presenting the Corporate Governance Report of Jaiz Takaful Insurance Plc together with the audited financial statements and the auditor's report for the year ended December 31, 2018.

2 The Board of Directors

Jaiz Takaful Insurance Plc. Is governed by the board of directors and they have the ultimate responsibility to provide entrepreneurial leadership for the company within a framework of prudent and effective controls, sets the company's strategic direction, objectives, values and standards and ensure that the necessary financial, material and human resources are in place for the company to meet its objectives and review management performance and ensure that its obligations to shareholders and other stakeholders are understood and met.

Responsibilities of the Board of Directors

- Determine board structure, size and composition, including appointment and removal of directors, succession planning for the board
- Approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal
- Approval of the company's strategy, medium and short term plan
- Approval of mergers and acquisitions, branch expansion and establishment of subsidiaries
- Approval of policy documents on significant issues including enterprise risk management, human resources, corporate governance
- Approval of remuneration policy and packages of the company
- Approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting senior management and board committee membership; anti – money laundering; regulatory filings with the regulators; structure or its status as a public limited company; policies and/or practices,
- Recommendation to shareholders of the appointment, removal and the remuneration of auditors.

The above responsibilities of the board of directors are discharged primarily through committees of the board. namely:

Board Committee on Finance, General Purpose & Governance;

Board Committee on Investment, Enterprise and Risk Management;

Board Committee on Audit and Compliance

Committee on Finance, General Purpose & Governance

- Alhaji (Dr.) Umaru Abdul Mutallab, CON
- HRH, Engr. Bello Muhammad Sani
- Alhaji Mukhtar Sani Hanga
- Alhaji Ibrahim Adetokunbo Onaleye
- Amb. Adamu Babangida Ibrahim

Committee on Investment, Enterprise & Risk Management

- Amb. Adamu Babangida Ibrahim
- Hajiya Zainab Abdurrahman
- Sheikh Adam Abdullah Idoko
- Alhaji Mukhtar Sani Hanga

Committee on Audit & Compliance

- Alhaji Ibrahim Adetokunbo Onaleye
- Hajiya Zainab Abdurrahman
- Amb. Adamu Babangida Ibrahim
- Alhaji Mukhtar Sani Hanga

Without prejudice to the roles of these committees, the full board retains ultimate responsibility for the management of risks of the organization and the committees meet at least once in a quarter and present their reports to the board.

BOARD MEETINGS ATTENDANCE

The following table shows the frequency of the meeting of the Board of Directors during the financial year ended 31st December, 2018

S/N	Directors	26 th June, 2018	17 th October, 2018	13 th December, 2018
1	Alhaji (Dr) Umar Abdul Mutallab	√	√	√
2	HRH. Engr. Bello Muhammad Sani	√	√	√
3	Alhaji Muhktar Sani Hanga	√	×	×
4	Alhaji Ibrahim Adetokumbo Onaleye	×	√	×
5	Amb. Adamu Babangida Ibrahim	√	×	×
6	Hajiya Zainab Abdurrahman	√	√	×
7	Sheikh Adam Abdullah Idoko	√	√	√
8	Momodou Musa Joof	√	√	×
9	Engr. Garba Abubakar Muhammad	√	√	√
10	Sabi Bello Abubakar	√	√	√
11	Imam Abdullahi Shuaib	×	√	×

- * Imam Abdullahi Shuaib – newly appointed director and he only attended the Emergency meeting of the 17th October, 2018.

3 Accountancy and Audit

a Financial reporting

The Board of Directors is responsible for the preparation of financial statements of the company and ensures that the financial statements are prepared in accordance with statutory requirements and applicable financial reporting standards. They also ensure timely publication of the financial statements to enhance accurate and continuous disclosure of information to all stakeholders.

Management provides the board of directors with regular financial updates to enable them give a balanced and understandable assessment of the company's position

b The Internal Control and Risk Management

The board of directors is responsible for reviewing the effectiveness of the company's internal controls and ensuring that the controls are functional and effective.

4 Management Committee

The management Committee comprise the senior management of the company and has been established to identify, analyse, and make recommendation on risks arising from day-to-day activities. They also ensure that risk limit as contained in the Board and Regulatory policies are complied with. Members of the management committee make contributions to the respective

Board Committee and also ensure that recommendation of the Board Committee are effectively and efficiently implemented. They meet weekly and frequently as the need arises.

5 Company Secretary/Legal Adviser

The secretary plays a role in the company's corporate governance and is responsible to the board of directors in respect of compliance with the board procedures and ensuring good information flows within and between the board members and management.

6 Certification

The board of directors accepts responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the Accounting & Auditing Organization for Islamic Financial Institutions Standard (AAOIFIs), International Financial Reporting Standards (IFRS), National Insurance Act, 1997 and the Insurance Act, 2003.

The Board of Directors also accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate system of internal financial control.

The board of directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the company and of its statement of incorporation and pre-operational cost.

Nothing has come to the attention of the board of directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Statement of Directors' Responsibilities in Relation to the Financial Statements

The directors accept responsibility for the preparation of the annual consolidated financial statements that give a true and fair view of the statement of financial position of the company at the end of the year and of its comprehensive income as required by the Company and Allied Matter Act Nigeria and Insurance Act of Nigeria. The responsibilities include ensuring that the Group:

- 1 Keep proper accounting records that disclose with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act.
- 2 Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities
- 3 Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, which are all consistently applied.
- 4 The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity With:
 - Accounting & Auditing Organization for Islamic Financial Institutions Standard (AAOIFIs)
 - International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board
 - The requirements of the Insurance Act:
 - Relevant guidelines and circulars issued by the National Insurance Commission (NAICOM)
 - The requirements of the Companies and Allied Matters Act.
 - Financial Reporting Council Act of Nigeria

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements. As well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

By order of the Board



Alhaji (Dr) Umaru Abdul Mutallab (CON)
Chairman
FRC/2013/ICAN/0000004391



Sabiu Bello Abubakar
Ag Managing Director/CEO
FRC/2019/CIIN/00000019760

Report of the Audit Committee

We have examined the Auditor's Report for the year ended 31st December, 2018 in accordance with the provisions of Section 359 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004.

It is our opinion that the Audit report is consistent with our view and scope of planning of the Audit. The Management Letter prepared by the External Auditors has received adequate and satisfactory responses from the Company's Management. Furthermore, we are satisfied that the Company's Accounting Policies are in conformity with the statutory requirement and agreed ethical practices.



Alhaji Ibrahim Adetokunbo Onaleye
Chairman of the Audit Committee

Members of the Audit Committee

Alhaji Ibrahim Adetokunbo Onaleye	- Chairman
Amb. Adamu Babangida Ibrahim	- Member
Alhaji Mukhtar Sani Hanga	- Member
Hajiya Zainab Abdurrahman	- Member
Sheikh Adam Abdullah Idoko	- Member

Report of the Advisory Committee of Experts

We, the members of Jaiz Takaful Insurance Advisory Committee of Experts (ACE) hereby declare that in line with the code of conduct guiding our advisory function, we have reviewed all the activities, policies and transactions made by Jaiz Takaful Insurance Plc during the year ending by 31st December, 2018 and confirm same to be in compliance with Shariah principles. The Jaiz Takaful Insurance has committed itself to the principles and rules of the Sharia in their decisions, directives and management.

Discharge of Management Responsibility

Furthermore, we hereby affirm that the Jaiz Insurance Management has discharge their responsibilities towards ACE as enshrined in the NAICOM Takaful Operational Guidelines 2013.

Work carried out during the year

We have carried out the following assignments during the year under review and resolved as follows:

- i The creation of Internal (Shariah) Compliance Unit and appointment of substantive Secretary/Head of the Unit.
- ii The inclusion of section 5 (12) of National Insurance Commission Operational Guidelines for Takaful Operators in our proposal forms.
- iii The Participants who surrenders their policies before the stipulated period should not be entitled to surplus.
- iv The Certification of Agric Takaful Plan.
- v The Certification of Aviation Takaful Plan.
- vi The Certification of Oil and Energy Plan.
- vii The ACE suggested that the Takaful Fatwa's books be translated from Arabic to English Language.

The Internal (Sharia) Compliance Unit of Jaiz Takaful had given us all the information and explanation which we considered necessary to provide us with sufficient evidence and reasonable assurance that all transactions by Jaiz Takaful Insurance did not violate the provisions of the rules and principles of Islamic Sharia.

The ACE wish to thank the Board of Directors, Management and Staff of Jaiz Takaful for their co-operation with the ACE, and their commitment to the ideals of Takaful practices. The ACE prays to Almighty Allah to grant Jaiz Takaful Insurance Plc every success .

Dated: 31st December, 2018,

Dr. El-Sayed Hamid Hassan Mohammed
Chairman.....

Prof. Muhammed Bello Uthman
Member.....

Prof. Muhammad Nasiruddeen Maiturare
Member.....

Management's Discussion and Analysis

Management's Discussion and Analysis is provided to assist readers in understanding our financial performance during the periods presented and significant trends which may impact our future performance. This discussion should be read in conjunction with our Financial Statements and the related notes thereto included elsewhere in this Annual Report.

It is intended to enhance the understanding of the audited financial statements and accompanying notes and should therefore be read in conjunction with these documents

Business Objective and Strategy

The Company is registered and incorporated in Nigeria as a Takaful Insurance which is based on the Islamic profit sharing of Mudarabah principles. The Company provides both General and Family Takaful Products in Nigeria with the insight of expansion in West Africa as International Leader in Takaful Insurance. To achieve this, it is the company's wish to strengthen service delivery through the deployment of modern Information Technology techniques and branch/agency network expansion. Intensification of direct and indirect marketing activities by awareness creation amongst others will also contribute to the achievement of target.

Our Vision Statement

To be the Leader in Ethical and Wealth Management

Our Mission Statement

Providing a Bond beyond Insurance - A Company That Cares, Shares and above all grows with its employees and stakeholders; Ethically covering all Insurable risks and basis of mutual

Core Values

i	Ethical	vi	Responsibility
ii	Prudence	vii	Transparency
iii	Mutuality	viii	Cordially
iv	Integrity	ix	Partnership
v	Accountability		

Operating Results

Items	Current Period	Prior Period	% Change
	2018 N'000	2017 N'000	
Gross Contribution Written	408,044	118,289	245
Gross Contribution Earned	336,783	74,974	349
Retakaful Expenses	(85,724)	(17,945)	378
Net Contribution Income	251,060	57,029	340
Fees & Commission Income	18,205	4,009	354
Net Underwriting Income	269,264	61,038	341
Investment Income	12,083	5,296	128
Participants' Surplus/Deficit	16,832	(3,545)	575
Profit or loss	(257,651)	(681,329)	62

Financial Condition

	2018 N'000	2017 N'000	Changes %
ASSETS			
Cash and Cash Equivalent	228,655	238,338	(4)
Trade Receivable	12,114	3,242	274
Retakaful Asset	40,787	12,179	235
Deffered Acquisition Cost	17,502	3,224	443
Other Receivables & Prepayment	9,667	40,338	(76)
Intangible Assets	25,939	61,110	(58)
Property, Plant & Equipment	62,930	104,599	(40)
Statutory Deposits	200,000	200,000	0
TOTAL ASSETS	597,594	663,030	(10)
LIABILITIES			
Takaful Contract Liabilities	164,407	55,739	195
Investment Contract Liabilities	72,010	8,847	
Trade Payables	32,269	19,036	70
Provisions & Other Payables	20,910	32,493	(36)
Income Tax Liabilities	1,500	1,500	0
TOTAL LIABILITIES	291,096	117,615	147

Gross Contribution Written increased from ₦118 in 2017 to ₦408 in 2018 or 245% increased. This is primarily due to the increased addition of new policyholders and over 80% retention of the old participants in the pool for the current year. This also result in 341% increased in net underwriting income and 128% increased in investment income for the year. The participants surplus/deficit accounts show an increased of 563% or from a deficit of 3.5 million in 2017 to a surplus of 16.8 million naira in 2018.

Total assets at December 31, 2018, decreased by ₦65.4 million, or (10)%, primarily due to decreases in cash & cash equivalent, intangible assets and property plant & equipment (PPE). Intangible Assets & PPE are partially offset by reductions in amortization and depreciation respectively charged for the year.

Total liabilities increased by ₦173.4 million, or 147% in 2018 primarily due to increases in policyholders' reserves partially offset by decreases in separate account liabilities.

In 2018, policyholders' reserves (Takaful Contract Liabilities & investment Contract liabilities) increased by ₦171 million million primarily due to normal business growth, partially offset by increased surrenders.

Trade Payable in 2018 increased to ₦32.2 million form ₦19.0 million in 2017. This is largely as a result of business growth and expansion. On the other hand, Provision & Other Payables reduced by ₦11.5 million or 36% in financial year 2018.

Management's Discussion and Analysis

Liquidity, Capital Resources & Risk Factors

The Company's cash investment continues to be in accordance with its investment policy and complies with the regulatory requirements. The Company's investment strategy is supported by a focus on highly liquid Islamic financial instrument such as mudarabah term deposit. We expect our investment income to grow considerably in the coming years as we are poised to taken advantage of the other investment product in Islamic financing such as sukuk etc

Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standard (IFRS).

It should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgement in evaluating controls and procedures.

Risk Analysis and Evaluation

Risk analysis helps in making informed decisions with respect to which risk response to adopt and what method to use. The Company consider risks based on the combination of the consequence of occurrence (severity) and likelihood of occurrence (frequency), respectively. Risk evaluation involves comparing the level of risk found during the analysis process with the risk criteria established.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks from its use of financial instruments:

- i Insurance risk
- ii Credit risk
- iii Liquidity risk
- iv Market risk
- v Operational risk
- vi Sharia risk
- vii Compliance risk

Management's Discussion and Analysis

Accounting Policies

The discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with International Financial Accounting Standards (IFRS) & Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, contributions and expenses, and related disclosures. We evaluate our estimates on an on-going basis, based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Forward Looking Statements

Certain information contained in this discussion is or may be considered forward-looking. Forward-looking statements are those not based on historical information, but rather, relate to future operations, strategies, financial results, or other developments, and contain terms such as "may," "expects," "should," "believes," "anticipates," "intends," "estimates," "projects," "goals," "objectives" or similar expressions.

Forward-looking Statements are based upon estimates and assumptions. These statements may change due to business uncertainties, economic uncertainties, competitive uncertainties and other factors, many of which are beyond our control. Additionally, our business decisions are also subject to change. We do not publicly update or revise any forward-looking statements as a result of new information, future developments or otherwise.

We expect to see a number of significant adjustments in the year 2019, especially with the conclusion of the general elections across the Country which will kick start government spending toward capital expenditures such as road construction network project, electricity etc. This will boost the economic activities in the country.

On our own part, the Company is making plan to introduce more Takaful products into the Nigeria market especially in the area of Agric Takaful based products and economic viable products to meet the ordinary Nigerian demand. The Company also hope to take full advantage of the enforcement of compulsory insurance by the Regulator (NAICOM) and to partner with both the Commission (NAICOM) and Takaful Company(ies) in creating more awareness about the Takaful Insurance industry in the Country.

Performance Management

The company will continue with its quarterly nationwide performance review as a means of focusing and driving marketing activities. This will also aid in monitoring and matching actual performance with budget.



Sada, Idris & Co.

Chartered Accountants

Audit

★

Tax

★

Consulting

RC: 858314

**Independent Auditors' Report
to the Members of Jaiz Takaful Insurance Plc
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of Jaiz Takaful Insurance Plc, which comprise the statements of financial position as at 31st December 2018, the statements of financial performance and other comprehensive income and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Jaiz Takaful Insurance Plc as at 31st December 2018, and its financial performance and cash flows for the year then ended in accordance with the International Accounting Standards as Issued by the International Accounting Standards Board (IASB), Compay and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities to the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Jaiz Takaful Insurance Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Jaiz Takaful Insurance Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement in the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

2nd Floor, B Wing

Federal Mortgage Bank Building
Central Business District, Abuja



Partners: Zakari Mohammed Sada FCCA, ACA, B.Sc. (Nigerian), Nkem Onyekawa FCA, CITN (Nigerian)

Member: Firm of IECnet Forum of International Expert and Consultants. Branches: Kaduna, Kano, Katsina, Lagos

Tel: 080 3788 2878 e-mail: info@sadaidris.com sadaidris@yahoo.com www.sadaidris.com



Key Audit Matters	How the matters was addressed in the audit
	Our audit procedures amongst others include:
The Company incurred huge net losses of about N248 million (2017 - N684 million).	<ul style="list-style-type: none"> ♦ We re-evaluated management's use of Going-Concern in the preparation of financial statements. ♦ We discussed with management on how future funding is expected to offset these huge losses and ability to carry on business.
No impairment was recognized in the current year in respect of intangible asset (Software).	<ul style="list-style-type: none"> ♦ We reviewed management's impairment policy for reasonableness and adequacy. ♦ We reassessed the software package to ensure it conforms with intended requirements and specification.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, and Report of the Audit Committee as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the relevant standards issued by the Financial Reporting Council of Nigeria, the provisions of the Companies and Allied Matters, CAP C20 Laws of the Federation of Nigeria 2004 and for such internal control as the Directors determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Sada, Idris & Co.
Chartered Accountants

- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ☐ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ☐ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the funds audit. We remain solely responsible for our audit opinion

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

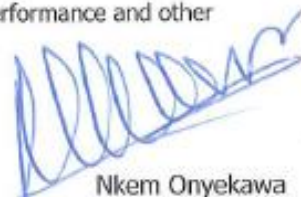
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of account have been kept by the Fund, so far as appears from our examination of those books;
- iii. The Company's statements of financial position and statement of financial performance and other comprehensive income are in agreement with the books of account.




Nkem Onyekawa
FRC/2013/ICAN/00000001804
For: Sada, Idris & Co.
Chartered Accountants
Abuja, Nigeria

Date: July 31st, 2019.

1.0 Reporting Entity

Jaiz Takaful Insurance Plc ('The Company') is a Public Liability Company incorporated in January 31, 2014 with Corporate Affairs Commission (CAC) to carry out the business of Takaful Insurance operations. The Company on August 19, 2016, was given approval by National Insurance Commission (NAICOM) as composite Takaful Operator to transact both Family & General insurance businesses.

The Company however, commenced business activities after receiving approval of its general takaful products in January 09, 2017 and introduced nineteen general takaful insurance products into the Nigeria market. The Commission after reviewing the Company submission on Family products, approved four products on July 10, 2017.

The Head office of the company is situated at Plot 1054 Fingesi Street, off Obafemi Awolowo Way, Utako district, Federal Capital Territory, Abuja.

The principal activities of the Company include the provision of both General & Family Takaful Insurance services, claim settlement, undertaking investment activities as well as profit sharing to the participants.

The Contract of Takaful as a business venture is based on the Islamic profit sharing of Mudarabah principle. In this regard, clients of Takaful known as Participants shall be entitled to earn returns on the Contributions (premium) paid in consideration for their participation in Takaful products provided by Jaiz Takaful Insurance Plc subject to the declaration of profit at the end of the financial year.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of its financial statements.

1.1 Basis of Accounting

The financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).
- Financial Reporting Council of Nigeria Act,
- The Insurance Act of Nigeria
- National Insurance Commission (NAICOM) guidelines and circulars.
- Accounting and Auditing Organization for Islamic Financial Institution Standards (AAOIFI)
- The Requirements of the Companies and Allied Matters Act.

1.2 Going Concern

These financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Company has adequate resources to continue as going concern for the foreseeable future.

1.3 Reporting Currency

These financial statements are presented in Nigerian Naira (N), which is the Company's functional and presentation currency.

1.4 Basis of Measurement

These financial statements have been prepared under the historical cost convention, as modified by the valuation of investment property, available-for-sale financial assets, insurance liabilities, and financial assets and liabilities designated at fair value.

1.5 Takaful Insurance Model and Contract Adopted

The Company chosen model is hybrid which is based on Al-Mudarabah (Partnership) and Al-Wakalah (Agency). This model promotes the cooperative risk sharing among Participants whilst the Company earns a fee for the services provided as agent or "Wakil" of participant. In other words, the Company derives part of its revenue from upfront deductible fee on the contributions.

In addition, there is profit sharing on Al-Mudarabah on the investment of the Takaful fund between the Company and the Participants. Underwriting surplus of the Takaful pool will be shared among Participants that have not incurred any losses.

1.6 Use of Estimates and Judgement

The preparation of financial statements is in conformity with IFRSs which requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note to the financial statements.

1.7 Property, Plant and Equipment

i Recognition and Measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

ii Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using the straight-line method over the estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives of significant items of property and equipment for current and comparative periods are as follows:

Accounting Policies - for the Period Ended 31st December 2018

Category	Depreciable Life(%)
Vehicles	4 Years (25%)
Computer Equipments	3 Years (33 1/3%)
Building	50 Years (2%)
Furniture & Fittings	7 Years (14%)
Plant and Equipment	7 Years (14%)

iii De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

iv Reclassification to Investment Property

When the use of a property changes from owner- occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

1.8 Intangible Assets

Intangible assets comprise computer software (including cost of software underdevelopment) and are stated at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised from the date that they are available for use. Software under development is not amortised until the assets are ready for its intended use.

Amortisation is recognised in profit and loss on a straight- line basis over the expected useful economic life of computer software of between 1 to 3 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each period and adjusted, as appropriate.

1.9 Takaful Receivables

Takaful receivables are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequently to initial recognition, takaful receivables are measured at amortized cost, using the effective profit method.

1.10 Deferred Acquisition Costs (DAC)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalized as an intangible asset (DAC). All other costs are recognized as expenses when incurred. The DAC is subsequently amortized over the life of the contracts as follows:

Accounting Policies - for the Period Ended 31st December 2018

For long-term insurance contracts with fixed and guaranteed terms, DAC is amortized in line with premium revenue using assumptions consistent with those used in calculating future policy benefit liabilities; and

For long-term insurance contracts without fixed terms, DAC is amortized over the expected total life of the contract Company as a constant percentage of estimated gross profit margins (including investment income) arising from these contracts. The pattern of expected profit margins is based on historical and anticipated future experience and is updated at the end of each accounting period. The resulting change to the carrying value of the DAC is charged to revenue.

1.11 Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related Deferred Acquisition Cost (DAC) and Value of Business Acquisition (VOBA) assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC or VOBA and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision).

As set out in (a) above, long-term insurance contracts with fixed terms are measured based on assumptions set out at the inception of the contract. When the liability adequacy test requires the adoption of new best estimate assumptions, such assumptions (without margins for adverse deviation) are used for the subsequent measurement of these liabilities.

1.12 Other Assets

Receivables and other sundry debtors are classified as other assets and are stated at cost less allowances for doubtful amounts. Allowances and write offs are recognized when a receivable is deemed not collectable based on the original terms of the contract. Subsequent recoveries are credited to the statement of comprehensive income. Prepayments are stated at cost net of amortization.

1.13 Cash and Cash Equivalent

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short term commitments.

1.14 Statutory Deposit

Statutory deposit represent a minimum deposit maintained by Takaful Operator, Jaiz Takaful Insurance PLC. The amount is held by CBN (Central Bank of Nigeria) pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

1.15 Takaful Product Classification

Takaful contracts are contracts under which the General Takaful Fund and Family Takaful Fund (collectively referred to as "the fund") underwrite/accept significant risks (by pooling the risks in a risk fund) from Participants of the funds ("the participant") by agreeing to compensate the participant or other beneficiary if a specified uncertain future event ("the insured event") adversely affects the participant or other beneficiary. Takaful risk is risk other than financial risk. Financial risk is the risk of possible future change in one or more of a specified financial or non-financial variable. The takaful operator does not sell financial risk contracts.

Contracts where insignificant takaful risks are accepted by the funds are classified as either investment contracts or service contracts. There are currently no such contracts in the funds' portfolios.

Once a contract has been classified as a takaful risk contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

1.16 i General Takaful Fund

The General Takaful Fund is maintained in accordance with the requirement of the NAICOM guideline and consists of accumulated surplus/deficit and actuarial reserves. Any actuarial deficit in the General Takaful Fund will be made good by the Takaful Operator via a Qard. Surplus arising in each financial year is distributable in accordance with the terms and conditions prescribed by the surplus distribution policy, endorsed by the Shariah Committee and Board of Directors.

The General Takaful underwriting results are determined for each class of the business after taking into account retakaful, contributions liabilities, claims liabilities and wakalah fees. To determine the surplus distributable from risks fund, the Qard repayment as well as Contingency Reserve is taken into consideration.

ii Contribution Income

Contribution for direct and co-takaful business is recognised in respect of risk assumed during the particular financial year as soon as the amount can be reliably measured, based on issuance of certificates, and in accordance with the principles of Shariah as advanced by the Company's Shariah Committee. Contributions in respect of risks inception before the reporting date for which accrued for at the reporting date.

Inward retakaful contributions are accounted for upon notification by the ceding companies or upon receipts of the statement of accounts.

Outward retakaful contributions are recognised in the same financial year as the original certificate to which the retakaful relates

Accounting Policies - for the Period Ended 31st December 2018

1.17 Family Takaful Fund

The family takaful underwriting results are determined after taking into account contributions, retakaful costs, net benefits incurred and wakalah fees.

The family takaful fund is maintained in accordance with the requirements of the NAICOM Takaful guidelines 2013 and includes the amount attributable to participants.

The family takaful fund surplus/deficit is determined by an annual actuarial valuation of the family takaful fund. Any actuarial deficit in the family takaful fund will be made good by the shareholder's fund via a benevolent loan or Qard.

Surplus distributable to the participants is determined after deducting benefits paid and payable, retakaful, provisions, reserves, wakalah fees, taxation and surplus administration charge transferred to the shareholder's fund. The surplus may be distributed to the shareholder and participants in accordance with the terms and conditions prescribed by the Company's ACE.

Family takaful revenue consists of gross contributions and investment income. Revenue is accounted for on accrual basis and as approved by the Company Shariah Committee. Unrealised Income is deferred and receipts in advance are treated as liabilities on the statements of financial position.

i Contribution Recognition

Contribution is recognised as soon as the amount of contribution can be reliably measured in accordance with the principles of Shariah. First year contribution is recognised on assumption of risks and subsequent contributions are recognised on due dates. Contributions outstanding at the reporting date are recognised as income for the period provided they are within the grace period allowed for payment and there are sufficient funds available in the participants' accounts to cover such contributions due.

ii Provision for Outstanding Claims

Claims and settlement costs that are incurred during the financial year are recognised when a claimable event occurs and/or the Company is notified.

Claims and provisions for claims arising on family takaful certificates, including settlement costs, are accounted for using the case basis method, and for this purpose, the benefits payable under a takaful certificates are recognised as follows:

- a. Maturity or other certificate benefit payments due on specified dates are treated as claims payable on those due dates; and
- b. Death, surrender and other benefits without due dates are treated as claims payable on receipt of intimation of death of the certificate holder or occurrence of contingency covered.

1.18 Qard

Any deficits arising in the Takaful funds are made good via a benevolent loan, or Qard, granted by the Takaful Operator to the Takaful funds. Qard is stated at cost less any provision for impairment losses. In the Takaful funds, the Qard is stated at cost. The Qard shall be repaid from future surpluses of the Takaful funds.

Qard receivables are assessed by Takaful Operator at each reporting date whether there is any indication of impairment. An impairment loss of Qard is recognised if its carrying amount exceeds its recoverable amount.

The recoverable amount is the net surplus of the Participants' Risk Fund (PRF) or part of the Participants' Risk Fund where the Participants' Risk Fund is managed under smaller sub-funds (PRF). The net surplus of the PRF is the amount of the PRF less the best estimate value of liabilities calculated according to valuation methods prescribed via Guidelines on Valuation Basis of Liabilities for General Takaful Business and Guidelines on Valuation Basis of Liabilities for Family Takaful Business). In deriving the net surplus of the PRF, the value of the PRF should be as at that point in time and there should not be assumption of growth of the PRF.

Impairment losses are recognised in profit or loss. Impairment losses are subsequently reversed in profit or loss if objective evidence exists that the Qard receivable is no longer impaired.

1.19 Provision for Outstanding Claims

A liability for outstanding claims is recognised in respect of direct takaful business. The amount of outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries, if any, to settle the present obligation at the end of the reporting period. Any difference between the current estimated cost and subsequent settlement is dealt with in the takaful statement of profit or loss and other comprehensive income of the Company in the year in which the settlement takes place.

Provision is also made for the cost of claims (together with related expenses) and Incurred But Not Reported Claims (IBNR) at the end of the reporting period, by adding 10% of outstanding claims amount.

1.20 Contribution Liabilities

The unearned contribution reserves ("UCR") represent contributions received after wakalah fee deduction for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognized in the statement of profit and loss and other comprehensive income of General Takaful Fund.

In determining the UCR at the reporting date, the most prevalent method, 1/365 method, is used. At each reporting date, the Company reviews its unexpired risk reserve to determine whether there is any overall excess of expected claims over unearned contributions at portfolio level. This calculation uses current estimation of future contractual losses (taking into consideration current loss ratios) prior to taking account of the investment return expected to arise on assets relating to the relevant General Takaful technical provisions.

1.21 Investment Contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts are measured at amortized cost.

The Participants Investment Funds (PIF) refers to the fund in which a portion of the contributions paid by takaful participants for a takaful certificate is allocated for the purpose of saving and/or investment. The PIF is individually owned by the participants. In managing the PIF, the Company adopted the appropriate investment and management strategies to achieve returns that are inline with the participants' reasonable expectations and where relevant, to ensure the availability of funds for future tabarru' apportionment into the PRF. The investment risk exposures for the PIF are borne by the participants.

1.22 Commission and Acquisition Cost

Commission and acquisition costs are borne by the Takaful Participants in their statement of comprehensive income for each certificate underwritten. This is in accordance with the principles of wakalah as approved by the shariah Committee and is as agreed between the Participants and the Company.

Gross commission and agency expenses, which are costs directly incurred in securing contributions on takaful certificates, and income derived from retakaful companies in the course of ceding contributions to retakaful are charged to participant account in the period in which they are incurred.

1.23 Wakalah Fee

The wakalah fee is an income to the Takaful Operator and is charged to the General and Family Takaful Funds and correspondingly recognized as an expense in the respective funds' profit or loss at an agreed percentage for each takaful certificate underwritten. This is in accordance with the principles of the Shariah Committee and is agreed between the participants and the Company.

1.24 Retakaful

The Company enters into retakaful treaties in the normal course of business for the purpose of limiting its net loss potential and to reduce significantly the new business strain of the credit-related block of business. Retakaful arrangements do not relieve the Company from its obligations to participants. Retakaful contributions and claim recoveries are presented in profit or loss and statement of financial position.

The company also assumes co-takaful risk in the normal course of business for its General Takaful contracts. Contributions and claims on assumed co-takaful are recognized as revenue or expenses in the same manner as they would be if the co-takaful were considered direct business, taking into account the product classification of the business undertaken. Retakaful assets comprise of the retakaful share of contributions and claims obligations. The assets are subject to impairment test.

1.25 Re-takaful Claims Recoveries

Re-takaful recoverable are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the re-insurer's policies and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under re-takaful contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the company reduces the carrying amount of its insurance assets to its recoverable amount.

1.26 Trade Payables

Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognised as financial liabilities.

1.27 Impairments

Financial Assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.28 Actuarial Valuation

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising there from are charged to the statement of profit or loss and other comprehensive income while the surplus is appropriated to the shareholders and credited to the statement of profit or loss and other comprehensive income.

1.29 Employee Benefits/Personnel Expenses

i Short-term Benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the company has a present obligation to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii Post Employment Benefits

The company operates a defined contributory retirement scheme as stipulated in the pension reform act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% to a separate entity – pension fund administrators; employees also pay a fixed contribution of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contributions if the fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The company's obligations are recognized in the statement of Profit or Loss and Other Comprehensive Income.

1.30 Profit & Investment Income

Profit & investment income is recognized on a time proportion basis.

1.31 Earnings Prohibited by Sharia'a

The Company is committed to avoid recognizing any income generated from non-Islamic sources. Accordingly, all non-Islamic income is credited to a charity account where the Company uses these funds for charitable purposes.

1.32 Management Expenses

Management expenses are expenses other than claims, investments and underwriting expenses. They include salaries and wages, depreciation charges and other non-operating expenses. Management expenses are charged to the Takaful Operator Statement of Comprehensive Incomes in the accounting period in which they are incurred.

1.33 Financial Risk Management

1.34 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

Accounting Policies - for the Period Ended 31st December 2018

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks from its use of financial instruments:

- Insurance risk
- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Shariah risk
- Compliance risk

i Insurance Risk

The risk under any one Insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and the amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

ii Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Key areas where the Company is exposed to credit risk are:

- i Retakaful Company's share of insurance liabilities;
- ii Amounts due from reinsurers in respect of claims already paid;
- iii Amounts due from insurance contract holders;
- iv Amounts due from insurance intermediaries;
- v Amounts due from loans and receivables;
- vi Amounts due from investment securities; and
- vii Amounts due from money market and cash positions.

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or Company of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

iii Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company does not maintain any lines of credit as it does not envisage any liquidity stress that would stretch its liquidity position:

iv Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

v Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

Accounting Policies - for the Period Ended 31st December 2018

Operational risks arise from all of the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance when this is effective.

Compliance with Company standards is supported by a programmed of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Company.

vi **Shariah Risk**

Shariah risk is defined as potential Shariah non-compliance that contributes to adverse reputation, financial losses and opportunity costs resulting from ineffective governance, incompetent employees and improper transactional and operational execution. The Company mitigates such risk by initiating, monitoring and responding to a robust Shariah control framework which includes the establishment of a Shariah Compliance unit and/or Shariah Compliance Officer/ACE Secretary for monitoring and oversight purpose.

vii **Compliance Risk**

Compliance risk is the risk of legal or regulatory sanctions, financial loss or reputational damage which a financial institution may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities.

Consequently, the exposure to this risk can damage the Company's reputation, lead to legal or regulatory sanctions and/or financial loss.

Accounting Policies - for the Period Ended 31st December 2018

The Company has employed a Chief compliance officer to oversee and monitor all compliance aspects in observing the regulatory requirements. In this respect, the Company has developed a Compliance framework and other relevant internal policies and procedures to ensure compliance with all applicable laws and guidelines issued by the regulatory authorities.

1.35 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The consolidated solvency margin for the company as at 31st December, 2018 is as follows:

	31st December, 2018	31st December, 2017
	N	N
Assets		
Cash and cash equivalents	228,654,514	238,338,209
Trade Receivable	12,113,787	3,241,912
Retakaful Asset	40,787,428	12,179,219
Deferred Acquisition Cost	17,502,075	3,224,000
Other Receivables & Prepayment	9,667,010	40,338,109
Intangible Assets	25,939,244	61,109,703
property, Plant & Equipment	62,930,021	104,598,903
Statutory Deposits	200,000,000	200,000,000
	597,594,079	663,030,055
Liabilities		
Takaful Contract Liabilities	164,406,841	55,738,684
Investment Contract Liabilities	72,010,292	8,846,992
Trade Payables	32,268,784	19,035,875
Provisions & Other Payables	20,909,616	32,493,122
Income Tax Liabilities	1,500,000	1,500,000
Total Liabilities	291,095,533	117,614,673
Excess of admissible assets over liabilities:	306,498,546	545,415,382

1.36 Segment Reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

1.37 Related Parties

These represent transactions with related parties, i.e. parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Company and companies of which they are key management personnel. Related parties comprise the shareholders, directors, key management personnel and business entities in which they are interested or have the ability to control or exercise significant influence in financial and operating decisions. The transactions are entered into on terms and conditions which the directors consider to be comparable with those adopted for arm's length transactions with third parties.

1.36 Sharia Supervisory Board

The Company business activities are subject to the supervision of a Sharia supervisory Board consisting of three members appointed by the Board of Directors. The Sharia Supervisory Board performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Islamic Sharia rules and principles.

1.37 Events Occuring After the Reporting Period

There were no events that occurred subsequent to the reporting date that require adjustment or disclosures in the financial statements.

1.38 Prior Year Adjustment

The Company overstate the security expenses paid by the parent company by N185,156.00 which was included in the amount of deposit for shares in 2017 financial statements. The Company subsequently made a retrospective reinstatement for the opening balances affected.

Jaiz Takaful Insurance Plc

Financial Statements as at 31st December, 2018

Statement of Financial Position

	Notes	SHARE HOLDER FUNDS		GENERAL TAKAFUL FUNDS		FAMILY TAKAFUL FUNDS		CONSOLIDATED	
		DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
		2018	2017	2018	2017	2018	2017	2018	2017
		₦	₦	₦	₦	₦	₦	₦	₦
ASSETS									
Cash and cash Equivalents	2	2,897,137	173,559,154	130,105,512	52,435,642	95,651,865	12,343,413	228,654,514	238,338,209
Trade Receivable	3	12,113,787	3,241,912	0	0	0	0	12,113,787	3,241,912
Retakaful Asset	4	0	0	25,942,285	11,366,038	14,845,143	813,181	40,787,428	12,179,219
Deferred Acquisition Cost	5	0	0	12,744,859	2,535,548	4,757,217	688,452	17,502,076	3,223,999.63
Other Receivables & Prepayment	6	9,667,010	40,338,109	0	0	0	0	9,667,010	40,338,109
Intangible Assets	7	25,939,244	61,109,703	0	0	0	0	25,939,244	61,109,703
Property, Plant & Equipment	8	62,930,021	104,598,903	0	0	0	0	62,930,021	104,598,903
Statutory Deposits	9	200,000,000	200,000,000	0	0	0	0	200,000,000	200,000,000
TOTAL ASSETS		313,547,200	582,847,781	168,792,656	66,337,228	115,254,225	13,845,046	597,594,081	663,030,055
LIABILITIES									
Takaful Contract Liabilities	10	0	0	128,721,264	52,890,410	35,685,577	2,848,274	164,406,841	55,738,684
Investment Contract Liabilities	11	0	0	0	0	72,010,292	8,846,992	72,010,292	8,846,992
Trade Payables	12	0	0	24,737,235	16,784,666	7,531,549	2,251,209	32,268,784	19,035,875
Provisions & Other Payables	13	20,737,318	32,387,107	141,759	102,350	30,541	3,665	20,909,618	32,493,122
Income Tax Liabilities	14	1,500,000	1,500,000	0	0	0	0	1,500,000	1,500,000
TOTAL LIABILITIES		22,237,318	33,887,107	153,600,258	69,777,426	115,257,958	13,950,140	291,095,535	117,614,673
PARTICIPANT'S FUND									
General Takaful Fund	15	0	0	15,192,396	(3,440,198)	0	0	15,192,396	(3,440,198)
Family Takaful Fund	15	0	0	0	0	(3,733)	(105,093)	(3,733)	(105,093)
		0	0	15,192,396	(3,440,198)	(3,733)	(105,093)	15,188,663	(3,545,291)
EQUITY									
Issued and Paid Up Share Capital	16	1,230,289,986	200,000,000	0	0	0	0	1,230,289,986	200,000,000
Deposit for Shares	17	0	1,030,475,142	0	0	0	0	0	1,030,475,142
Retained Earnings	18	(938,980,104)	(681,514,468)	0	0	0	0	(938,980,104)	(681,514,468)
TOTAL EQUITY		291,309,882	548,960,674	0	0	0	0	291,309,882	548,960,674
TOTAL LIABILITIES, EQUITY & PARTICIPANT'S FUNDS		313,547,200	582,847,781	168,792,656	66,337,228	115,254,225	13,845,046	597,594,081	663,030,055

The Financial Statements were approved by the Board of Directors at their meeting on 14/12/2019 and signed on its behalf by:

Sabiu Bello Abubakar
Aq Managing Director/CEO
FRC/2019/CIN/00000019760

Alhaji (Dr) Umaru A. Mutallab (con)
Chairman
FRC/2013/ICAN/0000004391

Abdulrahman Abubakar, FCA
Aq. Chief Finance Officer
FRC/2013/ICAN/0000000949

The statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2018

Statement of Profit or Loss and Other Comprehensive Income

	Notes	SHARE HOLDER FUNDS		GENERAL TAKAFUL FUNDS		FAMILY TAKAFUL FUNDS		CONSOLIDATED	
		DECEMBER 31, 2018	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2017
		RM	RM	RM	RM	RM	RM	RM	RM
Gross Contribution Written	19a	0	0	250,045,891	104,549,701	157,998,274	13,739,082	408,044,165	118,288,784
Gross Contribution Earned	19b			198,699,881	63,458,647	138,083,585	11,515,264	336,783,466	74,973,911
Retakaful Contribution	20	0	0	(61,128,308)	(17,666,236)	(24,595,546)	(278,961)	(85,723,854)	(17,945,197)
Net Contribution		0	0	137,571,573	45,792,411	113,488,039	11,236,303	251,059,612	57,028,714
Fee & Commission Income	21	0	0	15,525,171	3,908,237	2,679,640	101,022	18,204,811	4,009,259
Underwriting Income		0	0	153,096,743	49,700,648	116,167,680	11,337,325	269,264,423	61,037,973
Acquisition Expenses	22	0	0	(23,430,716)	(9,170,260)	(5,057,661)	(21,449)	(28,488,377)	(9,191,709)
Claim Expenses Incurred	23	0	0	(39,839,514)	(13,599,643)	(80,845,375)	(9,471,446)	(120,684,889)	(23,071,089)
Underwriting Profit		0	0	89,826,514	26,930,745	30,264,644	1,844,430	120,091,157	28,775,175
Investment Income	24	7,728,390	4,064,258	2,865,781	1,231,430	1,488,795	0	12,082,966	5,295,688
Wakalah Fee Income	25	106,256,362	33,273,210	0	0	0	0	106,256,362	33,273,210
Wakalah Fee Expense (Agency Fee)	26	0	0	(75,013,767)	(31,354,854)	(31,242,595)	(1,918,356)	(106,256,362)	(33,273,210)
Management Expenses	27	(371,635,544)	(717,166,780)	0	0	0	0	(371,635,544)	(717,166,780)
Other Expenses	28	0	0	(947,502)	(247,519)	(409,485)	(31,165)	(1,356,986)	(278,684)
Profits/(Loss) before Zakat and Taxation		(257,650,792)	(679,829,312)	16,731,026	(3,440,198)	101,359	(105,091)	(240,818,407)	(683,374,601)
Zakat		0	0	0	0	0	0	0	0
Taxation		0	(1,500,000)	0	0	0	0	0	(1,500,000)
Profits/(Loss) after Zakat and Taxation		(257,650,792)	(681,329,312)	16,731,026	(3,440,198)	101,359	(105,091)	(240,818,407)	(684,874,601)
Loss Per Share		(10)	(170)					(9)	(171)

The statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

Jaiz Takaful Insurance PLC

Financial Statements for the year ended 31st December, 2018

Statement of Changes in Equity

	Paid up Share Capital	Deposit for Shares	Retained Earnings	Total
	N	N	N	N
Balance as at January 1, 2018	200,000,000	1,030,289,986	(681,329,312)	548,960,674
Issuance of Share Capital	0	0	0	0
Transfer shares allotted & paid	1,030,289,986	(1,030,289,986)	0	0
Profit/(Loss) for the period	0	0	(257,650,792)	(257,650,792)
Balance at December 31st, 2018	<u>1,230,289,986</u>	<u>(0)</u>	<u>(938,980,104)</u>	<u>291,309,882</u>
Balance as at January 1, 2017	200,000,000	0	0	200,000,000
Issuance of Share Capital	0		0	0
Additional Deposit for Share	0	1,030,289,986	0	1,030,289,986
Profit/(Loss) for the period	0	0	(681,329,312)	(681,329,312)
Balance at December 31st, 2017	<u>200,000,000</u>	<u>1,030,289,986</u>	<u>(681,329,312)</u>	<u>548,960,674</u>

The statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

Statement of Cash Flows

	SHARE HOLDER FUNDS		GENERAL TAKAFUL FUNDS		FAMILY TAKAFUL FUNDS		CONSOLIDATED	
	DECEMBER 31, 2018	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2017
	RM	RM	RM	RM	RM	RM	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES								
Contribution Received from Participants	0	0	250,045,891	104,549,701	157,998,274	13,739,082	408,044,165	118,288,784
Fee and Commission Received	97,384,486	30,031,299	23,927,396	0	5,769,836	0	127,081,718	30,031,299
Re-takaful Received in respect of Claims	0	0	0	0	11,915,804	0	11,915,804	0
Wakalah Fee Paid	0	0	(68,136,773)	(28,851,568)	(29,247,713)	(1,179,731)	(97,384,486)	(30,031,299)
Other operating Cash Receipts	7,728,390	4,064,258	4,767,349	1,231,430	1,488,795	0	13,984,534	5,295,688
Retakaful Contribution Paid	0	0	(75,709,617)	(10,802,985)	(30,179,122)	0	(105,888,739)	(10,802,985)
Payments to Intermediaries to Acquire Takaful	0	0	(33,043,180)	(11,210,452)	(9,025,704)	(184,772)	(42,068,885)	(11,395,224)
Insurance Benefits and Claims Paid	0	0	(23,233,694)	(2,232,924)	(25,002,234)	0	(48,235,928)	(2,232,924)
Cash paid to and on behalf of Employees	(186,439,618)	(224,821,786)	0	0	0	0	(186,439,618)	(224,821,786)
Other Operation Cash payment	(87,068,077)	(401,027,256)	(947,502)	(247,560)	(409,485)	(31,165)	(88,425,063)	(401,120,826)
NET CASH FLOW FROM OPERATING ACTIVITIES	(168,394,819)	(591,753,485)	77,669,870	52,435,642	83,308,452	12,343,413	(7,416,498)	(526,789,273)
CASH FLOW FROM INVESTING ACTIVITIES								
Purchase of Property Plant & Equipment	(814,000)	(155,306,553)	0	0	0	0	(814,000)	(155,306,553)
Purchase of Intangible Asset	(1,453,195)	(109,855,950)	0	0	0	0	(1,453,195)	(109,855,950)
Statutory Deposit payment	0	(200,000,000)	0	0	0	0	0	(200,000,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	(2,267,195)	(465,162,503)	0	0	0	0	(2,267,195)	(465,162,503)
CASH FLOW FROM FINANCING ACTIVITIES								
Deposit for share	0	0	0	0	0	0	0	1,030,289,986
Proceeds from issuance of Shares	0	0	0	0	0	0	0	200,000,000
NET CASH FLOW FROM FINANCING ACTIVITIES	0	0	0	0	0	0	0	1,230,289,986
NET INCREASE IN CASH & CASH EQUIVALENTS	(170,662,017)	173,559,154	77,669,870	52,435,642	83,308,452	12,343,413	(9,683,695)	238,338,209
Cash & Cash Equivalents as at January 1st 2018	173,559,154	0	52,435,642	0	12,343,413	0	238,338,209	0
Cash & Cash Equivalents as at Dec. 31st 2018	2,897,137	173,559,154	130,105,512	52,435,642	95,651,865	12,343,413	228,654,514	238,338,209
Cash and Cash Equivalents is represented by:								
Bank and cash balances	2,897,137	52,559,154	10,105,512	27,435,642	15,651,865	12,343,413	28,654,514	92,338,209
Mudarabah Bank deposits	0	121,000,000	120,000,000	25,000,000	80,000,000	0	200,000,000	146,000,000
	2,897,137	173,559,154	130,105,512	52,435,642	95,651,865	12,343,413	228,654,514	238,338,209

The statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2018				
2 Cash & Cash equivalent				
This Comprises of:				
Cash balances	382,472	0	0	382,472
Bank Balances	2,514,665	10,105,512	15,651,865	28,272,042
Mudaraba Deposits	0	120,000,000	80,000,000	200,000,000
	<u>2,897,137</u>	<u>130,105,512</u>	<u>95,651,865</u>	<u>228,654,514</u>
2 December, 2017				
Cash & Cash equivalent				
This Comprises of:				
Cash balances	247,350	0	0	247,350
Bank Balances	52,311,804	27,435,642	12,343,413	92,090,859
Mudaraba Deposits	121,000,000	25,000,000	0	146,000,000
	<u>173,559,154</u>	<u>52,435,642</u>	<u>12,343,413</u>	<u>238,338,209</u>
3 December, 2018				
Trade Receivable				
This Comprises of contribution/fee receivable from the following;				
Due from Family Takaful Fund	2,733,506	0	0	2,733,506
Due from General Takaful Fund	9,380,281	0	0	9,380,281
	<u>12,113,787</u>	<u>0</u>	<u>0</u>	<u>12,113,787</u>
3 December, 2017				
Trade Receivable				
This Comprises of contribution/fee receivable from the following;				
Due from Family Takaful Fund	738,625	0	0	738,625
Due from General Takaful Fund	2,503,287	0	0	2,503,287
	<u>3,241,912</u>	<u>0</u>	<u>0</u>	<u>3,241,912</u>
The Company's trade receivables are to be settled on demand and the Carrying Amount is not significantly different from the Fair Value. As at December 31st, 2018 the Company had no insurance receivable that were past due or impaired.				
4 December, 2018				
Retakaful Asset				
This is analysed as follows:				
Prepaid Retakaful	0	18,419,464	6,518,173	24,937,637.00
Claims Recovery	0	7,522,821	8,326,970	15,849,791
	<u>0</u>	<u>25,942,285</u>	<u>14,845,143</u>	<u>40,787,428</u>

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
4 December, 2017				
Retakaful Asset				
This is analysed as follows:				
Prepaid Retakaful	0	10,933,361	813,181	11,746,542
Claims Recovery	0	432,677	0	432,677
	0	11,366,038	813,181	12,179,219
December, 2018				
5 Deferred Acquisition Cost				
a. General Takaful				
This is analysed as follows:				
Fire	0	2,695,928	0	2,695,928
G/Accident	0	7,060,356	0	7,060,356
Engineering	0	921,031	0	921,031
Marine	0	929,650	0	929,650
Motor	0	1,137,894	0	1,137,894
	0	12,744,859	0	12,744,859
b. Family Takaful				
This is analysed as follows:				
Group Family	0	0	3,894,991	3,894,991
Individual Family	0	0	862,226	862,226
	0	0	4,757,217	4,757,217
5 December, 2017				
Deferred Acquisition Cost				
a. General Takaful				
This is analysed as follows:				
Fire	0	590,461	0	590,461
G/Accident	0	507,314	0	507,314
Engineering	0	206,903	0	206,903
Marine	0	20,532	0	20,532
Motor	0	1,210,338	0	1,210,338
	0	2,535,548	0	2,535,548
b. Family Takaful				
This is analysed as follows:				
Group Family	0	0	124,734	124,734
Individual Family	0	0	563,718	563,718
	0	0	688,452	688,452

Deferred acquisition costs represent commissions on unearned contribution relating to the unexpired risk.

Notes to the Financial Statements

	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
December, 2018				
6 Prepayment & Other Receivables				
i The Balance is analysed as:				
Prepayment	19,491,979	0	0	19,491,979
Staff Debtors	16,764,722	0	0	16,764,722
Inventory	4,081,408	0	0	4,081,408
Balance as at January 1, 2018	40,338,109	0	0	40,338,109
Sundry Debtors	4,640,411	0	0	4,640,411
Addition during the Period	22,350,881	0	0	22,350,881
Recovery during the period	(33,779,325)	0	0	(33,779,325)
Amortisation Charges	(23,883,066)	0	0	(23,883,066)
Balance as at December 31, 2018	9,667,010	0	0	9,667,010

Sundry Debtors represents the Net Book Value of vehicle taken over by the former Executive Director corporate services

ii The movement in impairment charge is as follow;

Balance, as at the incorporation

Amortisation during the period	23,883,066	0	0	23,883,066
Balance, end of period	23,883,066	0	0	23,883,066

6 December, 2017

Other Receivables & Prepayment

i The Balance is analysed as:

Prepayment	59,799,746	0	0	59,799,746
Staff Debtors	16,764,722	0	0	16,764,722
Inventory	4,081,408	0	0	4,081,408
	80,645,876	0	0	80,645,876
Amortisation Charges	(40,307,767)	0	0	(40,307,767)
	40,338,109	0	0	40,338,109

ii The movement in impairment charge is as follows;

Balance, as at the incorporation

Amortisation during the period	(40,307,767)	0	0	(40,307,767)
Balance, end of period	(40,307,767)	0	0	(40,307,767)

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2018				
7 Intangible Assets				
7a Cost				
As at January 1, 2018	109,855,950		0	109,855,950
Addition during the period	1,453,195	0	0	1,453,195
As June 30, 2018	111,309,145	0	0	111,309,145
7b Accumulated Amortisation/impairment				
As at January 1, 2018	48,746,247		0	48,746,247
Amortisation charges/impairment	36,623,654	0	0	36,623,654
As at December 31, 2018	85,369,901	0	0	85,369,901
Carrying Amount December 31, 2018	25,939,244	0	0	25,939,244

The Intangible Asset represents computer software licences acquired and cost of wide and local area network (WAN & LAN) as part of the total asset of the Company.

7 December, 2017				
Intangible Assets				
7a Cost				
As at Incorporation	0	0	0	0
Addition during the period	109,855,950	0	0	109,855,950
As as 31 December, 2017	109,855,950	0	0	109,855,950
7b Accumulated Amortisation/impairment				
As at Incorporation	0	0	0	0
Amortisation charges/impairment	48,746,247	0	0	48,746,247
As as 31 December, 2017	48,746,247	0	0	48,746,247
Carrying Amount 31 December, 2017	61,109,703	0	0	61,109,703

The Intangible Asset represents computer software licences acquired and cost of wide and local area network (WAN & LAN) as part of the total asset of the Company.

8 PROPERTY, PLANT & EQUIPMENT

	Motor Vehicles	Office Equipment	Computer Equipment	Furniture & Fittings	Total
Cost	N	N	N	N	N
At as January 1, 2018	101,980,878	7,367,084	28,967,186	16,991,405	155,306,553
Additions	0	12,000	402,000	400,000	814,000
Disposals	(12,500,000)	0	0	0	(12,500,000)
As at December 31, 2018	89,480,878	7,379,084	29,369,186	17,391,405	143,620,553
Depreciation					
At as January 1, 2018	33,680,874	1,733,752	12,271,559	3,021,465	50,707,650
Charges during the period	24,637,698	1,031,392	9,776,668	2,396,712	37,842,471
Eliminated on disposals	(7,859,589)	0	0	0	(7,859,589)
As at December 31, 2018	50,458,983	2,765,144	22,048,227	5,418,177	80,690,532
Net Book Value:					
As at December 31, 2018	39,021,895	4,613,940	7,320,959	11,973,228	62,930,021
At as December 31, 2017	68,300,004	5,633,332	16,695,627	13,969,940	104,598,903

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
9 December, 2018 Statutory Deposit	200,000,000	0	0	200,000,000
9 December, 2017 Statutory Deposit	200,000,000	0	0	200,000,000

This represent amount deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003. The deposit is not available for the use by the Company on a normal day-to-day business. However, biannual interest is being earned on the deposit.

December, 2018

10 Takaful Contract Liabilities

10a The movement of the contribution and claims liabilities of the General Takaful fund are presented below:

i General Takaful Reserve for Unearned Contributions				
Motor Takaful	0	14,446,891	0	14,446,891
General Accident Takaful	0	52,126,360	0	52,126,360
Engineering Takaful	0	5,390,686	0	5,390,686
Fire Takaful	0	14,962,434	0	14,962,434
Marine Takaful	0	4,825,092	0	4,825,092
	0	91,751,463	0	91,751,463
Additional Unexpired Risks				
General Accident Takaful	0	685,561	0	685,561
		685,561		685,561
ii Outstanding Claims Provision				
Outstanding Claims Reported	0	15,218,820	0	15,218,820
Claims Incured but not Reported	0	21,065,420	0	21,065,420
	0	36,284,240	0	36,284,240
General Takaful Contract Liabilities	0	128,721,264	0	128,721,264

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
The aging analysis of outstanding claims for the general takaful business as at 31st December, 2018:				
Days			Dec, 2018	Dec, 2017
0-90			8,412,595	4,233,415
91-180			3,882,142	0
181-270			2,924,084	0
271 - 360			0	0
360 and above			0	0
Total			<u>15,218,821</u>	<u>4,233,415</u>

Analysis of claims reported and IBNR by class for general takaful business is as follows:

	Claim Reported	IBNR	Total
Motor Takaful	1,041,850	6,614,547	7,656,397
Fire Takaful	1,365,965	6,672,322	8,038,287
General Accident Takaful	12,811,005	882,578	13,693,583
Engineering Takaful	0	2,043,914	2,043,914
Marine Cargo Takaful	0	4,852,060	4,852,060
Total	<u>15,218,820</u>	<u>21,065,421</u>	<u>36,284,241</u>

10b The movement of the contribution and claims liabilities of the Family Takaful fund are presented below:

i	Group Family Takaful	0	0	21,644,330	21,644,330
	Individual Family Takaful	0	0	1,118,633	1,118,633
		<u>0</u>	<u>0</u>	<u>22,762,963</u>	<u>22,762,963</u>
ii	Outstanding Claims Provision:				
	Outstanding Claims Reported	0	0	4,838,039	4,838,039
	Claims Incured But Not Reported	0	0	8,084,575	8,084,575
		<u>0</u>	<u>0</u>	<u>12,922,614</u>	<u>12,922,614</u>
	Family Takaful Contract Liabilities	0	0	35,685,577	35,685,577

The aging analysis of outstanding claims for the family takaful business is as follows:

Days	Dec, 2018	Dec, 2017
0-90	4,838,039	0
91-180	0	0
181-360	0	0
360 and above	0	0
Total	<u>4,838,039</u>	<u>0</u>

Analysis of claims reported and IBNR by class for family takaful business is as follows:

	Claim Reported	IBNR	Total
Individual Takaful	0	0	0
Group Family Takaful	4,838,039	8,084,575	12,922,614
	<u>4,838,039</u>	<u>8,084,575</u>	<u>12,922,614</u>

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2017				
10 Takaful Contract Liabilities				
10a The movement of the contribution and claims liabilities of the General Takaful fund are presented below:				
i General Takaful Reserve for Unearned Contributions				
Motor Takaful	0	24,645,966	0	24,645,966
General Accident Takaful	0	6,585,367	0	6,585,367
Engineering Takaful	0	1,394,829	0	1,394,829
Fire Takaful	0	8,075,622	0	8,075,622
Marine Takaful	0	389,230	0	389,230
	0	41,091,014	0	41,091,014
ii Outstanding Claims Provision				
Outstanding Claims Reported	0	0	0	0
Motor		4,233,415	0	4,233,415
Claims Incured But Not Reported	0	7,565,981	0	7,565,981
	0	11,799,396	0	11,799,396
General Takaful Contract Liabilities	0	52,890,410	0	52,890,410

For the year ended December, 2017

Analysis of claims reported and IBNR by class for General Takaful business

	Claim Reported	IBNR	Total
Motor Takaful	4,233,415	1,088,439	5,321,854
Fire Takaful		1,485,123	1,485,123
General Accident Takaful		4,584,850	4,584,850
Engineering Takaful		338,708	338,708
Marine Cargo Takaful		68,862	68,862
Total	4,233,415	7,565,982	11,799,397

10b The movement of the contribution and claims liabilities of the Family Takaful fund are presented below:

i Group Family Takaful	0	0	2,039,015	2,039,015
Individual Family Takaful	0	0	809,259	809,259
Family Takaful Contract Liabilities	0	0	2,848,274	2,848,274

11 December, 2018

Investment Contract Liabilities

Movement in Investment Contract Liabilities is as shown bellow:

Balance as at January 1st, 2018	0	0	8,846,992	8,846,992
Addition	0	0	63,947,944	63,947,944
Withdrawal	0	0	(1,170,626)	(1,170,626)
Actuarial Valuation Adjustment	0	0	385,982	385,982
Balance as at December 31st, 2018			72,010,292	72,010,292

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
11 December, 2017				
Investment Contract Liabilities				
Movement in Investment Contract Liabilities is as shown bellow:				
Balance as at January 1st, 2017				
Addition			8,925,093	8,925,093
Withdrawal			0	0
Actuarial Valuation Adjustment			(78,101)	(78,101)
Balance as at December 31st, 2017			<u>8,846,992</u>	<u>8,846,992</u>
Life Saving Plans are received from individual of a saving in nature. They are treated as liabilities in the Company's statement of financial position.				
The maturity profile of the Investment Contract Liabilities is as follows:				
Within 12 Months			Dec, 2018	Dec, 2017
After 12 Months			5,540,000	0
			<u>66,555,700</u>	<u>8,846,992</u>
			<u>72,095,700</u>	<u>8,846,992</u>
December, 2018				
12 Trade Payable				
Due to Shareholders	0	9,380,281	2,733,506	12,113,787
Deferred Commission Income	0	5,879,735	2,989,174	8,868,909
Commission Payable	0	950,444	595,310	1,545,754
Retakaful Payables	0	8,526,775	1,213,559	9,740,334
Retakaful Recoveries	0	0	0	0
	<u>0</u>	<u>24,737,235</u>	<u>7,531,549</u>	<u>32,268,784</u>
December, 2017				
12 Trade Payable				
Due to Shareholders	0	2,503,287	738,625	3,241,912
Deferred Commission Income	0	393,007	521,464	914,471
Commission Payable	0	16,410,862	1,092,142	17,503,004
Retakaful Payables	0	2,869,862	233,953	3,103,815
Retakaful Recoveries	0	(5,392,352)	(334,975)	(5,727,327)
	<u>0</u>	<u>16,784,666</u>	<u>2,251,209</u>	<u>19,035,875</u>
December, 2018				
13 Provisions and Other Payables				
Accrued Expenses	6,290,000	0	0	6,290,000
Due to Charity	9,763	0	0	9,763
Withholding Tax	149,297	141,759	30,541	321,596
Staff Wages and Salaries	5,969,103	0	0	5,969,103
National Housing Fund	17,290	0	0	17,290
Staff Gratuity Scheme	1,919,498	0	0	1,919,498
Staff Pension	20,507	0	0	20,507
Staff PAYEE	6,361,860	0	0	6,361,860
	<u>20,737,318</u>	<u>141,759</u>	<u>30,541</u>	<u>20,909,616</u>

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2017				
13 Provisions and Other Payables				
Accrued Expenses	1,250,000	0	0	1,250,000
Due to Charity	30,160,049	0	0	30,160,049
Withholding Tax	431,135	102,350	3,665	537,150
National Housing Fund	16,309	0	0	16,309
Staff Pension	28,114	0	0	28,114
Staff PAYEE	1,500	0	0	1,500
ITF	500,000	0	0	500,000
	<u>32,387,107</u>	<u>102,350</u>	<u>3,665</u>	<u>32,493,122</u>
December, 2018				
14 Provision for Tax Payable				
Company Income Tax	0	0	0	0
Education Tax	0	0	0	0
Development Levy	0	0	0	0
Provision for Tax	1,500,000	0	0	1,500,000
	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>
December, 2017				
14 Provision For Tax Payable				
Company Income Tax	0	0	0	0
Education Tax	0	0	0	0
Provision For Tax	1,500,000	0	0	1,500,000
	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>
15 Participants' Funds				
As at January 1, 2018	0	(3,440,197)	(105,092)	(3,545,289)
Surplus received from Retakaful	0	1,901,568	0	1,901,568
Surplus/deficit during the period	0	16,731,025	101,359	16,832,384
As at December 31, 2018	<u>0</u>	<u>15,192,396</u>	<u>(3,733)</u>	<u>15,188,663</u>
December, 2018				
16 Share Capital				
a Authorised				
As at January 1, 2018	1,300,000,000	0	0	1,300,000,000
Addition during the Period	0	0	0	0
Ordinaray Shares at N0.50k/share	<u>1,300,000,000</u>	<u>0</u>	<u>0</u>	<u>1,300,000,000</u>
b Issued & Fully Paid Share Capital				
As at January 1, 2018	200,000,000	0	0	200,000,000
Share Alloted	1,030,289,986	0	0	1,030,289,986
Ordinaray Shares at N0.50k/share	<u>1,230,289,986</u>	<u>0</u>	<u>0</u>	<u>1,230,289,986</u>

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2017				
16 Share Capital				
a Authorised				
At as the incorporation date	300,000,000	0	0	300,000,000
Addition during the Period	1,000,000,000	0	0	1,000,000,000
Ordinary Shares at N0.50k/share	1,300,000,000	0	0	1,300,000,000

The Board of Directors at its sittings on March 03, 2017 & September 05, 2017 passed an ordinary resolutions to increase the Ordinary Shares of the Company from N300,000,000 to N1,000,000,000 & from N1,000,000,000 to N1,300,000,000 respectively.

b Issued & Fully Paid Share Capital				
At as the incorporation date	200,000,000	0		200,000,000
Addition during the Period	0	0	0	0
Ordinary Shares at N0.50k/share	200,000,000	0	0	200,000,000

December, 2018

17 Deposit for Shares				
As at January 1, 2018	1,030,289,986	0	0	1,030,289,986
Transfer Shares allotted	(1,030,289,986)	0	0	(1,030,289,986)
As at December 31, 2018	0	0	0	0

December, 2017

17 Deposit for Shares				
At as the incorporation date	0	0	0	0
Addition for the Period	1,030,289,986	0	0	1,030,289,986
As at the ending of the Period	1,030,289,986	0	0	1,030,289,986

The company had reinstated the opening balance of deposit for shares for overstating the security expenses paid by the parent company by N185,156

18 Retained Earning/Participant Surplus or Deficit				
Balance as at Beginning of the period	(681,329,312)	0	0	(681,329,312)
Profit or loss for the period	(257,650,792)	0	0	(257,650,792)
Balance as at the end of period	(938,980,104)	0	0	(938,980,104)

The Company restated the opening balance of retaining earning by N185,156 for overstating security expenses paid in year 2017

Notes to the Financial Statements

	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
December, 2018				
19 Gross Contribution Written				
The contributions received from General Takaful participants is analysed below:				
Motor Takaful Contribution	0	70,672,121	0	70,672,121
Fire Takaful Contribution	0	42,291,284	0	42,291,284
Engineering Takaful Contribution	0	19,680,963	0	19,680,963
General Accident Takaful Contribution	0	89,488,042	0	89,488,042
Marine Takaful Contribution	0	27,783,725	0	27,783,725
	0	249,916,135	0	249,916,135
Inward Contribution				
Marine Takaful Contribution	0	129,756	0	129,756
a Gross Contribution Written	0	250,045,891	0	250,045,891
Changes in Unearned Contribution				
Motor Takaful Contribution	0	(10,199,075)	0	(10,199,075)
Fire Takaful Contribution	0	6,886,812	0	6,886,812
Engineering Takaful Contribution	0	3,995,857	0	3,995,857
General Accident Takaful Contribution	0	46,226,554	0	46,226,554
Marine Takaful Contribution	0	4,435,862	0	4,435,862
	0	51,346,010	0	51,346,010
b Gross Contribution Earned	0	198,699,881	0	198,699,881
The contributions received from family takaful participant is analysed below:				
Group FamilyTakaful	0	0	31,297,540	31,297,540
Individual Family Takaful	0	0	79,392,627	79,392,627
	0	0	110,690,168	110,690,168
Inward Contribution	0	0	47,308,107	47,308,107
a Gross Contribution written	0	0	157,998,274	157,998,274
Changes in Family Takaful Unearned Contribution				
Group FamilyTakaful	0	0	19,605,315	19,605,315
Individual Family Takaful	0	0	309,374	309,374
	0	0	19,914,689	19,914,689
b Gross Contribution Earned	0	0	138,083,585	138,083,585

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2018

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2017				
19 Gross Contribution Earned				
The contributions received from general takaful participant is analysed below:				
Motor Takaful Contribution	0	37,425,815	0	37,425,815
Fire Takaful Contribution	0	15,562,477	0	15,562,477
Engineering Takaful Contribution	0	4,794,955	0	4,794,955
General Accident Takaful Contribution	0	37,177,859	0	37,177,859
Marine Takaful Contribution	0	1,078,730	0	1,078,730
	0	96,039,836	0	96,039,836
Inward Contribution				
Motor Takaful Contribution	0	852,459	0	852,459
Fire Takaful Contribution	0	7,657,406	0	7,657,406
a Gross Contribution Written	0	104,549,701	0	104,549,701
Changes in Unearned Contribution				
Motor Takaful Contribution	0	24,672,784	0	24,672,784
Fire Takaful Contribution	0	8,368,656	0	8,368,656
Engineering Takaful Contribution	0	1,407,872	0	1,407,872
General Accident Takaful Contribution	0	6,612,195	0	6,612,195
Marine Takaful Contribution	0	390,109	0	390,109
	0	41,451,616	0	41,451,616
b Gross Contribution Earned	0	63,098,086	0	63,098,086
18 The contributions received from family takaful participant is analysed below:				
Group FamilyTakaful			2,582,716	2,582,716
Individual Family Takaful	0	0	11,156,367	11,156,367
a Gross Contribution Written	0	0	13,739,083	13,739,083
Changes in Family Takaful Unearned Contribution				
Group FamilyTakaful			2,039,015	2,039,015
Individual Family Takaful	0	0	184,804	184,804
	0	0	2,223,819	2,223,819
b Gross Contribution Earned	0	0	11,515,264	11,515,264

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2018				
20 Retakaful Contribution				
a General Takaful				
This is analysed as follows:				
Motor Re-Takaful	0	4,009,200		4,009,200
Fire Re-Takaful	0	31,682,702	0	31,682,702
Engineering Re-Takaful	0	4,466,567	0	4,466,567
Marine Re-Takaful	0	5,386,175	0	5,386,175
General Accident Re-Takaful	0	23,069,766	0	23,069,766
	0	68,614,409	0	68,614,409
Changes in Retakaful Contribution:				
Motor Re-Takaful	0		0	0
Fire Re-Takaful	0	1,592,135	0	1,592,135
Engineering Re-Takaful	0	2,111,126	0	2,111,126
Marine Re-Takaful	0	418,181	0	418,181
General Accident Re-Takaful	0	3,364,659	0	3,364,659
	0	7,486,101	0	7,486,101
	0	61,128,308	0	61,128,308
b Family Takaful				
This is analysed as follows:				
Individual Family	0	0	1,121,040	1,121,040
Group Family	0	0	29,179,499	29,179,499
	0	0	30,300,539	30,300,539
Changes in Retakaful Contribution:				
Individual Family			(241,552)	(241,552)
Group Family	0	0	5,946,545	5,946,545
	0	0	5,704,993	5,704,993
	0	0	24,595,546	24,595,546
December, 2017				
20 Retakaful Contribution				
a General Takaful				
This is analysed as follows:				
Motor Re-Takaful	0	3,000,000	0	3,000,000
Fire Re-Takaful	0	14,159,706	0	14,159,706
Engineering Re-Takaful	0	1,514,766	0	1,514,766
Marine Re-Takaful	0	843,398	0	843,398
General Accident Re-Takaful	0	9,081,727	0	9,081,727
	0	28,599,597	0	28,599,597

Notes to the Financial Statements

	Share Holder M	General Takaful M	Family Takaful M	Consolidated M
Changes in Retakaful Contribution				
Engineering Re-Takaful	0	362,310	0	362,310
Fire Re-Takaful	0	7,398,416	0	7,398,416
General Accident Re-Takaful	0	2,841,421		2,841,421
Marine Re-Takaful	0	331,214	0	331,214
	0	10,933,361	0	10,933,361
	0	17,666,236	0	17,666,236
b Family Takaful				
This is analysed as follows:				
Individual Family	0	0	380,770	380,770
Group Family	0	0	711,372	711,372
	0	0	1,092,142	1,092,142
Changes in Retakaful Contribution				
Individual Family	0	0	312,423	312,423
Group Family	0	0	500,758	500,758
	0	0	813,181	813,181
	0	0	278,961	278,961
December, 2018				
21 Fee & Commission Income				
a General Takaful				
Fee & Commission Income comprises commission receivable from Retakaful Companies for the ceded business during the financial year				
Fire Commission Income	0	8,192,453	0	8,192,453
General Accident Commission Income	0	7,589,585	0	7,589,585
Marine Cargo Commission Income	0	1,514,687	0	1,514,687
Engineering Commission Income	0	1,238,319	0	1,238,319
	0	18,535,044	0	18,535,044
Movement in Deferred Commission Income				
Fire Commission Income	0	1,317,289	0	1,317,289
General Accident Commission Income	0	873,660	0	873,660
Marine Cargo Commission Income	0	201,623	0	201,623
Engineering Commission Income	0	617,301	0	617,301
	0	3,009,873	0	3,009,873
	0	15,525,171	0	15,525,171

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
b Family Takaful				
Individual Family Takaful	0	0	508,779	508,779
Group Family Takaful	0	0	4,926,081	4,926,081
	0	0	5,434,861	5,434,861
Movement in deferred commission income				
Individual Family Takaful	0	0	146,028	146,028
Group Family Takaful	0	0	2,609,193	2,609,193
	0	0	2,755,221	2,755,221
	0	0	2,679,640	2,679,640

December, 2017

21 Fee & Commission Income

a General Takaful

Fee & Commission Income comprises commission receivable from Retakaful Companies for the ceded business during the financial year

Fire Commission Income	0	4,755,517	0	4,755,517
General Accident Commission Income	0	1,782,260	0	1,782,260
Marine Cargo Commission Income	0	8,382	0	8,382
Engineering Commission Income	0	231,940	0	231,940
	0	6,778,099	0	6,778,099

Movement in deferred commission income

Fire Commission Income	0	2,054,168	0	2,054,168
General Accident Commission Income	0	748,339	0	748,339
Marine Cargo Commission Income	0	4,461	0	4,461
Engineering Commission Income	0	62,894	0	62,894
	0	2,869,862	0	2,869,862
	0	3,908,237	0	3,908,237

b Family Takaful

Individual Family Takaful	0	0	157,132	157,132
Group Family Takaful	0	0	177,843	177,843
	0	0	334,975	334,975

Movement in deferred commission income

Individual Family Takaful	0	0	133,801	133,801
Group Family Takaful	0	0	100,152	100,152
	0	0	233,953	233,953
	0	0	101,022	101,022

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2018				
22 Acquisition Cost				
a. General Takaful				
Acquisition cost paid during the period are analysed as follows:				
Motor Takaful	0	6,489,166	0	6,489,166
Fire Takaful	0	5,639,882	0	5,639,882
G/Accident Takaful	0	12,691,168	0	12,691,168
Marine Takaful	0	5,427,840	0	5,427,840
Engineering Takaful	0	3,391,972	0	3,391,972
	0	33,640,027	0	33,640,027
Movement in deferred acquisition cost				
Motor Takaful	0	(72,444)	0	(72,444)
Fire Takaful	0	2,105,467	0	2,105,467
G/Accident Takaful	0	6,553,042	0	6,553,042
Marine Takaful	0	909,118	0	909,118
Engineering Takaful	0	714,128	0	714,128
	0	10,209,311	0	10,209,311
Acquisition expenses	0	23,430,716	0	23,430,716
b. Family Takaful				
This is analysed as follows:				
Group Family	0	0	7,808,178	7,808,178
Individual Family	0	0	1,318,248	1,318,248
	0	0	9,126,426	9,126,426
Movement in deferred acquisition cost				
Group Family	0	0	3,770,257	3,770,257
Individual Family	0	0	298,508	298,508
	0	0	4,068,765	4,068,765
Acquisition expenses	0	0	5,057,661	5,057,661
December, 2017				
22 Acquisition Cost				
a. General Takaful is analysed as follow:				
Acquisition cost paid during the period are				
Motor Takaful	0	2,158,481	0	2,158,481
Fire Takaful	0	3,146,470	0	3,146,470
G/Accident Takaful	0	5,905,702	0	5,905,702
Marine Takaful	0	83,945	0	83,945
Engineering Takaful	0	411,210	0	411,210
	0	11,705,808	0	11,705,808

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
Movement in deferred acquisition cost				
Motor Takaful	0	1,210,338	0	1,210,338
Fire Takaful	0	590,461	0	590,461
G/Accident Takaful	0	507,314	0	507,314
Marine Takaful	0	20,532	0	20,532
Engineering Takaful	0	206,903	0	206,903
	0	2,535,548	0	2,535,548
Acquisition expenses	0	9,170,260	0	9,170,260
b. Family Takaful				
This is analysed as follows:				
Group Family	0	0	143,148	143,148
Individual Family	0	0	566,753	566,753
	0	0	709,901	709,901
Movement in deferred acquisition cost				
Group Family	0	0	124,734	124,734
Individual Family	0	0	563,718	563,718
	0	0	688,452	688,452
Acquisition expenses	0	0	21,449	21,449
December, 2018				
23 Claims Expense				
This is analysed as follows:				
Direct Claim Paid:				
Motor Takaful	0	14,799,250	0	14,799,250
Fire Takaful	0	1,576,639	0	1,576,639
G/Accident Takaful	0	11,733,712	0	11,733,712
Changes in Outstanding Claims	0	25,711,944	0	25,711,944
Claim Recovery	0	(13,982,031)	0	(13,982,031)
	0	39,839,514	0	39,839,514
b Claims Expense				
This is analysed as follows:				
Gross Benefit & Claims Paid	0	0	25,002,234	25,002,234
Changes in Outstanding Claims	0	0	12,922,614	12,922,614
Increase in Individual Life Fund	0	0	63,163,301	63,163,301
Retakaful Claim Recovery	0	0	(20,242,774)	(20,242,774)
	0	0	80,845,375	80,845,375

Notes to the Financial Statements

	Share Holder RM	General Takaful RM	Family Takaful RM	Consolidated RM
December, 2017				
23 Claims Expense				
This is analysed as follows:				
Direct Claim Paid:				
Motor Takaful	0	1,942,924	0	1,942,924
Fire Takaful	0	290,000	0	290,000
Changes in Outstanding Claims	0	4,233,415	0	4,233,415
Changes in Claims IBNR	0	7,565,981	9,471,446	17,037,427
	0	14,032,320	9,471,446	23,503,766
Retakaful Claim Recovery	0	(432,677)	0	(432,677)
	0	13,599,643	9,471,446	23,071,089

December, 2018				
24 Investment Income				
Profit on MTD	7,728,390	2,865,781	1,488,795	12,082,966

The Investment income represent the profit received on the maturity of Mudarabah Term deposit with the banks
December, 2017

24 Investment Income				
Profit on MTD	4,064,258	1,231,430	0	5,295,688

December, 2018				
25 Wakalah Fee Income				
i The Wakalah fee received from general Takaful is as follows:				
Motor Takaful Contribution	21,201,636	0	0	21,201,636
Fire Takaful Contribution	12,687,385	0	0	12,687,385
Engineering Takaful Contribution	5,904,289	0	0	5,904,289
General Accident Takaful Contribution	26,885,339	0	0	26,885,339
Marine Takaful Contribution	8,335,117	0	0	8,335,117
	75,013,767	0	0	75,013,767
ii The Wakalah fee received from family takaful is as follows:				
Group Family Takaful	23,581,694	0	0	23,581,694
Individual Family Takaful	7,660,901	0	0	7,660,901
	31,242,595	0	0	31,242,595
Wakalah Fee Income	106,256,362	0	0	106,256,362

Wakalah fee is 30% & 2.5 - 10% of Gross Contribution for general and family takaful respectively as agreed between the participants and the operator at the inception of the Takaful contract.

Notes to the Financial Statements

	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
December, 2017				
25 Wakalah Fee Income				
i The Wakala fee received from general Takaful is as follows:				
Motor Takaful Contribution	11,474,420	0	0	11,474,420
Fire Takaful Contribution	6,964,210	0	0	6,964,210
Engineering Takaful Contribution	1,438,486	0	0	1,438,486
General Accident Takaful Contribution	11,154,119	0	0	11,154,119
Marine Takaful Contribution	323,619	0	0	323,619
	<u>31,354,855</u>	<u>0</u>	<u>0</u>	<u>31,354,855</u>
ii The Wakala fee received from family takaful is as follows:				
Group Family Takaful	774,812	0	0	774,812
Individual Family Takaful	1,143,543	0	0	1,143,543
	<u>1,918,355</u>	<u>0</u>	<u>0</u>	<u>1,918,355</u>
Wakalah Fee Income	<u>33,273,210</u>	<u>0</u>	<u>0</u>	<u>33,273,210</u>

Wakalah fee is 30% & 2.5 - 10% of Gross Contribution for general and family takaful respectively as agreed between the participants and the operator at the inception of the Takaful contract.

December, 2018

26 Wakalah Fee Expenses (Agency Fee)

a The wakalah fee charged in respect to the general takaful contract is analysed below:

Motor Takaful Contribution	0	21,201,636	0	21,201,636
Fire Takaful Contribution	0	12,687,385	0	12,687,385
Engineering Takaful Contribution	0	5,904,289	0	5,904,289
General Accident Takaful Contribution	0	26,885,339	0	26,885,339
Marine Takaful Contribution	0	8,335,117	0	8,335,117
	<u>0</u>	<u>75,013,767</u>	<u>0</u>	<u>75,013,767</u>

b The wakalah fee charged in respect to the family takaful contract is analysed below:

Group Family Takaful	0	0	23,581,694	23,581,694
Individual Family Takaful	0	0	7,660,901	7,660,901
	<u>0</u>	<u>0</u>	<u>31,242,595</u>	<u>31,242,595</u>

December, 2017

26 Wakalah Fee Expenses (Agency Fee)

The wakalah fee charged in respect to the general takaful contract is analysed below:

Motor Takaful Contribution	0	11,474,420	0	11,474,420
Fire Takaful Contribution	0	6,964,210	0	6,964,210
Engineering Takaful Contribution	0	1,438,486	0	1,438,486
General Accident Takaful Contribution	0	11,154,119	0	11,154,119
Marine Takaful Contribution	0	323,619	0	323,619
	<u>0</u>	<u>31,354,855</u>	<u>0</u>	<u>31,354,855</u>

Notes to the Financial Statements

	Share Holder	General Takaful	Family Takaful	Consolidated
	RM	RM	RM	RM
b The wakalah fee charged in respect to the family takaful contract is analysed below:				
Group Family Takaful	0	0	774,812	774,812
Individual Family Takaful	0	0	1,143,543	1,143,543
	0	0	1,918,355	1,918,355
Wakalah Fee Expenses	0	0	0	33,273,210

December, 2018

27 Management Expenses				
Staff Salary & Allowances	171,922,182	0	0	171,922,182
Other Staff Costs	29,881,780	0	0	29,881,780
Directors' Expenses	3,606,400	0	0	3,606,400
Shariah ACE Fee & Expenses	13,824,768	0	0	13,824,768
Legal & Professional Expenses	6,859,729	0	0	6,859,729
Marketing & Publicity	1,357,162	0	0	1,357,162
Transportation, Conferences & Meeting	9,392,176	0	0	9,392,176
Printing & Stationary	4,231,766	0	0	4,231,766
Administration Expenses	30,328,893	0	0	30,328,893
Repairs & Maintenance	1,881,498	0	0	1,881,498
Depreciation & Amortisation	98,349,191	0	0	98,349,191
	371,635,544	0	0	371,635,544

December, 2017

27 Management Expenses				
Staff Salary & Allowances	183,077,607	0	0	183,077,607
Other Staff Cost	40,692,891	0	0	40,692,891
Directors' Expenses	14,170,151	0	0	14,170,151
Shariah ACE Fee & Expenses	12,687,289	0	0	12,687,289
Legal & Professional Expenses	5,548,100	0	0	5,548,100
Marketing & Publicity	31,634,886	0	0	31,634,886
Transportation	15,205,832	0	0	15,205,832
Conferences & Meetings	1,309,000	0	0	1,309,000
Incorporation & Preoperation Expenses	197,424,942	0	0	197,424,942
Printing & Stationary	12,389,524	0	0	12,389,524
Administration Expenses	86,780,210	0	0	86,780,210
Repairs & Maintenance	15,846,480	0	0	15,846,480
bank Charges	945,971	0	0	945,971
Depreciation & Amortisation	99,453,897	0	0	99,453,897
	717,166,780	0	0	717,166,780

Notes to the Financial Statements

	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
December, 2018				
28 Other Underwriting Expenses				
VAT on Commission	0	164,336	45,402	209,738
Bank Charges on Participant Account	0	783,166	364,083	1,147,249
	0	947,502	409,485	1,356,986
December, 2017				
28 Other Underwriting Expenses				
VAT on Commission	0	44,028	4,657	48,685
Bank Charges on Participant Account	0	203,491	26,510	230,001
	0	247,519	31,167	278,686

Statement of Value Added

	December 31, 2018		December 31, 2017	
	N	%	N	%
Contribution Income	336,783,466		74,973,911	
Retakaful, Claims, Commission & Services	(307,736,498)		(444,429,066)	
	29,046,968		(369,455,155)	
Add:				
Investment and other income	30,287,777		9,304,947	
Value (Lost)/Added	59,334,745	100	(360,150,208)	100
Applied as Follow:				
To Pay Employee:				
Salaries, Wages and Other Staff Cost	201,803,962	340	223,770,498	(62)
To Pay Shareholders:	0		0	
Dividend				
To Pay Government:				
Taxation	0		1,500,000	(0.4)
Earnings for the year				
Retained in the Business:				
Depreciation and Amortisation	98,349,191	166	99,453,897	(28)
Retained Loss for the year	(240,818,407)	(406)	(684,874,603)	190
	59,334,745	100	(360,150,208)	100

Value added is the additional wealth the Company has been able to create by its own and its employees' effort. This statement shows the allocation of the wealth between employees, finance providers, government and that retained for the future creation of more wealth.

Five Years Financial Summary

A. Statement of Financial Position

	DECEMBER 31, 2018	DECEMBER 31, 2017
	₦	₦
ASSETS		
Cash and cash Equivalents	228,654,514	238,338,209
Trade Receivable	12,113,787	3,241,912
Retakaful Asset	40,787,428	12,179,219
Deffered Acquisition Cost	17,502,076	3,223,999.63
Other Receivables & Prepayment	9,667,010	40,338,109
Intangible Assets	25,939,244	61,109,703
Property, Plant & Equipment	62,930,021	104,598,903
Statutory Deposits	200,000,000	200,000,000
TOTAL ASSETS	597,594,081	663,030,055
LIABILITIES		
Takaful Contract Liabilities	164,406,841	55,738,684
Investment Contract Liabilities	72,010,292	8,846,992
Trade Payables	32,268,784	19,035,875
Provisions & Other Payables	20,909,618	32,493,122
Income Tax Liabilities	1,500,000	1,500,000
TOTAL LIABILITIES	291,095,535	117,614,673
PARTICIPANT'S FUND		
General Takaful Fund	15,192,396	(3,440,198)
Family Takaful Fund	(3,733)	(105,093)
	15,188,663	(3,545,291)
EQUITY		
Issued and Paid Up Share Capital	1,230,289,986	200,000,000
Deposit for Shares	0	1,030,475,142
Retained Earnings	(938,980,104)	(681,514,468)
TOTAL EQUITY	291,309,882	548,960,674
TOTAL LIABILITIES, EQUITY & PARTICIPANT'S FUNDS	597,594,081	663,030,055

Five Years Financial Summary

B. Statement of Comprehensive Income

	DECEMBER 31, 2018	DECEMBER 31, 2017
	RM	RM
Gross Contribution Written	408,044,165	118,288,784
Gross Contribution Earned	336,783,466	74,973,911
Retakaful Contribution	(85,723,854)	(17,945,197)
Net Contribution	251,059,612	57,028,714
Fee & Commission Income	18,204,811	4,009,259
Underwriting Income	269,264,423	61,037,973
Acquisition Expenses	(28,488,377)	(9,191,709)
Claim Expenses Incurred	(120,684,889)	(23,071,089)
Underwriting Profit	120,091,157	28,775,175
Investment Income	12,082,966	5,295,688
Wakalah Fee Income	106,256,362	33,273,210
Wakalah Fee Expense (Agency Fee)	(106,256,362)	(33,273,210)
Management Expenses	(371,635,544)	(717,166,780)
Other Expenses	(1,356,986)	(278,684)
Profits/(Loss) before Zakat and Taxation	(240,818,407)	(683,374,601)
Zakat	0	0
Taxation	0	(1,500,000)
Profits/(Loss) after Zakat and Taxation	(240,818,407)	(684,874,601)

General Takaful Revenue Account

	ENGINEERING	FIRE	G/ACCIDENT	MARINE	MOTOR	DEC. 2018	DEC. 2017
	N	N	N	N	N	N	N
INCOME							
Direct Contribution	19,680,963	42,291,284	89,488,042	27,783,725	70,672,121	249,916,135	96,039,836
Inward Contribution	0	129,756	0	0	0	129,756	8,509,865
Gross Contribution Written	19,680,963	42,421,040	89,488,042	27,783,725	70,672,121	250,045,891	104,549,701
Changes in Contribution	3,995,857	6,886,812	46,226,554	4,435,862	(10,199,075)	51,346,010	(41,091,054)
Gross Contribution Earned	15,685,106	35,534,228	43,261,488	23,347,863	80,871,196	198,699,881	63,458,647
Gross Retakaful Contribution	(4,466,567)	(31,682,702)	(23,069,766)	(5,386,175)	(4,009,200)	(68,614,409)	(28,599,598)
Changes in Retakaful Contribution	2,111,126	1,592,135	3,364,659	418,181	0	7,486,101	10,933,361
Net Contribution Earned	13,329,665	5,443,661	23,556,382	18,379,869	76,861,996	137,571,572	45,792,411
Commission Received	1,238,319	8,192,453	7,589,585	1,514,687	0	18,535,044	6,778,102
Changes in Commission Income	(617,301)	(1,317,289)	(873,660)	(201,623)	0	(3,009,873)	(2,869,862)
Net Commission Earned	13,950,683	12,318,824	30,272,307	19,692,933	76,861,996	153,096,743	3,908,240
Investment Income	225,563.92	486,188.41	1,025,624.30	318,430	809,975	2,865,781	1,231,430
Total Income	14,176,247	12,805,013	31,297,931	20,011,362	77,671,971	155,962,524	50,932,080
EXPENSES							
Gross Claims Paid	0	1,576,639	11,733,712	0	14,799,250	28,109,601	2,232,924
Increase/(Decrease) in provision for outstanding claims	1,705,206	6,553,164	9,108,733	4,783,198	3,561,643	25,711,944	11,799,397
Gross Claims Incurred	1,705,206	8,129,803	20,842,445	4,783,198	18,360,893	53,821,545	14,032,321
Retakaful Recoveries	(102,196)	(1,296,349)	(11,526,219)	(242,603)	(814,665)	(13,982,032)	(432,677)
Net Claims Incurred	1,603,010	6,833,454	9,316,226	4,540,595	17,546,228	39,839,513	13,599,643
Gross Acquisition Cost	3,391,972	5,639,882	12,691,168	5,427,840	6,489,166	33,640,027	11,705,808
Movement in Deferred Acquisition cost	(714,128)	(2,105,467)	(6,553,042)	(909,118)	72,444	(10,209,311)	(2,535,548)
Net Acquisition Cost	2,677,844	3,534,415	6,138,126	4,518,722	6,561,610	23,430,716	9,170,260
Management Fee (Wakalah Fee)	5,904,289	12,687,385	26,885,339	8,335,117	21,201,636	75,013,767	31,354,855
Other Underwriting Expenses	74,577.31	160,747	339,098	105,281	267,799	947,502	247,560
Other Expenses	5,978,866	12,848,132	27,224,437	8,440,399	21,469,435	75,961,269	31,602,415
Total Expenses	10,259,720	23,216,001	42,678,789	17,499,715	45,577,273	139,231,498	54,372,319
Underwriting Surplus/(Deficit)	3,916,527	(10,410,988)	(11,380,858)	2,511,647	32,094,698	16,731,026	(3,440,238)

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2018

Family Takaful Revenue Account

	Group	Individual	Dec. 2018	Dec. 2017
	₹	₹	₹	₹
INCOME				
Direct Contribution	31,297,540	79,392,627	110,690,168	13,739,082
Inward Contribution	47,308,107	0	47,308,107	0
Gross Contribution Written	78,605,647	79,392,627	157,998,274	13,739,082
Changes in Contribution	19,605,315	309,374	19,914,689	2,223,819
Gross Contribution Earned	59,000,332	79,083,253	138,083,585	11,515,263
Gross Retakaful Contribution	(29,179,499)	(1,121,040)	(30,300,539)	(1,092,142)
Changes in Retakaful Contribution	5,946,545	(241,552)	5,704,993	813,181
Net Contribution Earned	35,767,378	77,720,661	113,488,039	11,236,302
Commission Received	4,926,081	508,779	5,434,861	334,975
Changes in Commission Income	(2,609,193)	(146,028)	(2,755,221)	(233,952)
Net Commission Earned	38,084,267	78,083,412	116,167,679	11,337,325
Investment Income	238,049	1,250,746	1,488,795	0
Total Income	38,322,316	79,334,159	117,656,475	11,337,325
EXPENSES				
Gross Claims Paid	23,831,608	1,170,626	25,002,234	0
Increase/(Decrease) in provision for outstanding claims	12,922,614	63,163,301	76,085,915	9,471,446
Gross Claims Incurred	36,754,222	64,333,927	101,088,149	9,471,446
Retakaful Recoveries	(20,242,774)	0	(20,242,774)	0
Net Claims Incurred	16,511,448	64,333,927	80,845,374	9,471,446
Gross Acquisition Cost	7,808,178	1,318,248	9,126,426	709,902
Movement in Deferred Acquisition Cost	(3,770,257)	(298,508)	(4,068,765)	(688,452)
Net Acquisition Cost	4,037,921	1,019,741	5,057,662	21,450
Management Fee (Wakalah Fee)	23,581,694	7,660,901	31,242,595	1,918,355
Other Underwriting Expenses	203,722	205,762	409,485	31,164
Other Expenses	23,785,417	7,866,663	31,652,079	1,949,519
Total Expenses	44,334,785	73,220,330	117,555,115	11,442,415
Underwriting Surplus/(Deficit)	(6,012,469)	6,113,828	101,359	(105,090)