



**Nine Months Report**  
**30 September 2015 (Unaudited)**

**Jubilee General Insurance Company Limited**

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## Corporate Information

<b>Chairman of the Board of Directors</b>	Towfiq H. Chinoy	(Non-Executive Director)
<b>Directors</b>	Sadruddin Hashwani Akbarali Pesnani John Joseph Metcalf R. Zakir Mahmood Aly Noormahomed Rattansey Amin A. Hashwani Aamir Hasan Irshad	(Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Independent Director) (Non-Executive Director) (Non-Executive Director)
<b>Managing Director &amp; Chief Executive</b>	Tahir Ahmed	(Executive Director)
<b>Chief Financial Officer</b>	Nawaid Jamal	
<b>Company Secretary</b>	Fahad Alam	
<b>Auditors</b>	KPMG Taseer Hadi & Co.	
<b>Shariah Advisor</b>	Mufti Zeeshan Abdul Aziz	
<b>Legal Advisor</b>	Surridge & Beecheno	
<b>Bankers</b>	Habib Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited Soneri Bank Limited Faysal Bank Limited Bank Alfalah Limited	
<b>Share Registrar</b>	THK Associates (Pvt) Ltd 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi. Tel: 35693094-95	
<b>Head Office / Registered Office</b>	2nd Floor, Jubilee Insurance House I. I. Chundrigar Road, Karachi, Pakistan UAN : (92-21) 111 - 654 - 111 Toll Free : 0800-03786 Tel : (92-21) 32416022-26 Fax : (92-21) 32416728 , 32438738 E-Mail : info@jubileegeneral.com.pk Website : www.jubileegeneral.com.pk	
<b>National Tax Number</b>	0711347-1	
<b>Sales Tax Registration Number</b>	1600980500182	

## Directors' Review

The Directors are pleased to present the interim un-audited Financial Statements for the nine months ended 30th September 2015.

### Business Overview:

The results of the nine months are summarized below:

	30 September 2015	30 September 2014
	(Rupees in '000)	
Premium Written	7,003,847	6,071,367
Net Premium Revenue	3,077,046	2,706,915
Underwriting Result	365,296	98,429
Investment Income	1,016,859	751,964
Profit Before Tax	1,401,091	863,811
Profit After Tax	1,107,389	766,757
Earnings Per Share (Rs)	7.06	4.89

By the grace of Allah, the Company has posted a growth of 15% in its written premium to reach Rs 7 billion. Almost all classes of business contributed to the growth of the premium. Net premium increased by 14% to Rs 3.1 billion.

The Company has posted a robust underwriting profit of Rs 365 million compared to Rs 98 million in 2014. Investment income too grew by a healthy 35% to Rs 1.02 billion (2014: Rs 752 million). Company's profit before tax has increased 62% to Rs 1.4 billion.

### Window Takaful Operations:

The written contribution and surplus of Participants' Takaful Fund are Rs 55 million and Rs 4.5 million respectively and there is a loss from Window Takaful Operation of Rs 1.7 million for the period ended 30th September 2015.

### Future Outlook:

We are hopeful of maintaining our progress in the last quarter of 2015.



**Towfiq H. Chinoy**  
Chairman

Karachi: October 21, 2015

## Condensed Interim Balance Sheet

as at 30 September 2015

Note	30 September 2015 (Unaudited)	31 December 2014 (Audited)
(Rupees in '000)		
<b>Share capital and reserves</b>		
Authorised share capital: 200,000,000 (2014: 200,000,000) Ordinary shares of Rs.10 each	<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up share capital [156,910,073 (2014: 156,910,073) Ordinary shares of Rs.10 each]	1,569,100	1,569,100
Retained earnings	898,438	1,104,054
Reserves	<u>3,202,938</u>	<u>2,749,723</u>
	5,670,476	5,422,877
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	2,880,149	2,805,862
Provision for unearned premium	3,649,687	2,340,944
Commission Income unearned	173,356	90,579
Total underwriting provisions	<u>6,703,192</u>	<u>5,237,385</u>
<b>Deferred liabilities</b>		
Staff retirement benefits	-	53
<b>Creditors and accruals</b>		
Premium received in advance	64,241	71,537
Amount due to other insurers / reinsurers	1,461,634	801,807
Accrued expenses	66,543	38,535
Taxation-provision less payments	253,836	162,638
Other creditors and accruals	<u>697,360</u>	<u>517,776</u>
	2,543,614	1,592,293
<b>Other liabilities</b>		
Deposits and other payables	1,476,952	1,241,324
Interim dividend	235,365	-
Unclaimed dividend	58,944	44,849
	<u>1,771,261</u>	<u>1,286,173</u>
<b>TOTAL LIABILITIES</b>	<u>11,018,067</u>	<u>8,115,904</u>
Total liabilities of Window Takaful Operations - Operator's Fund	9,617	-
	<u>16,698,160</u>	<u>13,538,781</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		
<b>CONTINGENCIES</b>	9	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

	Note	30 September 2015 (Unaudited)	31 December 2014 (Audited)
(Rupees in '000)			
<b>Cash and bank deposits</b>			
Cash and other equivalents		9,011	3,817
Current and other accounts		1,085,413	871,776
Deposits maturing within 12 months		252,442	145,452
		<u>1,346,866</u>	<u>1,021,045</u>
<b>Loans to employees</b>		496	577
<b>Investments</b>	10	8,381,844	7,777,591
<b>Investment properties</b>	11	673,249	678,043
<b>Deferred taxation</b>		13,760	22,498
<b>Current assets - others</b>			
Premium due but unpaid		2,096,262	843,893
Amount due from other insurers / reinsurers		86,789	122,547
Reinsurance recoveries due but unpaid		195,437	162,973
Salvage recoveries accrued		32,194	52,932
Accrued investment income		84,980	23,398
Reinsurance recoveries against outstanding claims		1,298,689	1,356,398
Deferred commission expense		355,338	203,333
Prepayments	12	1,805,064	1,088,558
Sundry receivables	13	115,087	46,714
		<u>6,069,840</u>	<u>3,900,746</u>
<b>Fixed assets</b>			
<b>Tangible and intangible</b>			
	14		
Buildings		5,541	5,756
Furniture and fixtures		32,335	22,261
Office equipment		75,522	66,853
Computer equipment		13,630	12,309
Vehicles		5,649	4,656
Computer software		21,507	26,446
		<u>154,184</u>	<u>138,281</u>
Total assets of Window Takaful Operations - Operator's Fund	8	57,921	-
<b>TOTAL ASSETS</b>		<u>16,698,160</u>	<u>13,538,781</u>

  
**Towfiq H. Chinoy**  
 Chairman

  
**Aly Noormahomed Rattansey**  
 Director

  
**Akbarali Pesnani**  
 Director

  
**Tahir Ahmed**  
 Managing Director  
 (Chief Executive)

## Condensed Interim Profit and Loss Account (Unaudited)

For the three months and nine months period ended 30 September 2015

Note	Three months period ended 30 September							2015	2014
	Fire and property	Marine, aviation and transport	Motor	Liability	Accident and health	Others	Treaty	Aggregate	Aggregate
	(Rupees in '000)								
<b>Revenue account</b>									
Net premium revenue	216,598	113,372	272,811	4,708	210,178	205,146	-	1,022,813	863,159
Less:									
Net claims	136,550	24,905	103,194	(225)	188,025	58,535	-	510,984	530,269
Expenses	57,158	29,929	71,988	1,242	55,474	54,136	-	269,927	230,079
Net commission	31,084	19,483	27,094	(2,887)	10,461	21,062	-	106,298	88,673
<b>Underwriting result</b>	<u>(8,194)</u>	<u>39,055</u>	<u>70,534</u>	<u>6,578</u>	<u>(43,782)</u>	<u>71,413</u>	<u>-</u>	<u>135,604</u>	<u>14,138</u>
Investment income								190,782	224,151
Rental income								23,043	19,656
Return on bank deposits								20,455	14,391
Other (charges)/income								(1,195)	3,931
General and administration expenses								(15,066)	(8,991)
Share in profit of associates								29,435	19,041
Loss from Window Takaful Operations								247,454	272,179
<b>Profit before tax</b>								<u>(63)</u>	<u>-</u>
Provision for taxation - current								382,995	286,317
- deferred								(77,968)	(27,911)
								(2,410)	2,850
<b>Profit after tax</b>								<u>(80,378)</u>	<u>(25,061)</u>
								302,617	261,256

	Nine months period ended 30 September							2015	2014
	Fire and property	Marine, aviation and transport	Motor	Liability	Accident and health	Others	Treaty	Aggregate	Aggregate
	(Rupees in '000)								
<b>Revenue account</b>									
Net premium revenue	633,194	386,921	779,314	11,762	664,206	601,649	-	3,077,046	2,706,915
Less:									
Net claims	362,774	167,942	340,020	1,977	535,771	181,468	-	1,589,952	1,640,243
Expenses	166,853	101,958	205,357	3,099	175,025	158,540	-	810,832	713,471
Net commission	96,065	65,943	74,206	(7,734)	29,750	52,736	-	310,966	254,772
<b>Underwriting result</b>	<u>7,502</u>	<u>51,078</u>	<u>159,731</u>	<u>14,420</u>	<u>(76,340)</u>	<u>208,905</u>	<u>-</u>	<u>365,296</u>	<u>98,429</u>
Investment income								888,425	630,250
Rental income								70,045	73,732
Return on bank deposits								58,389	47,982
Other income/(charges)								3,150	(1,968)
General and administration expenses								(67,035)	(39,398)
Share in profit of associates								84,517	54,784
Loss from Window Takaful Operations								1,037,491	765,382
<b>Profit before tax</b>								<u>(1,696)</u>	<u>-</u>
Provision for taxation - current								1,401,091	863,811
- prior								(256,737)	(96,993)
- deferred								(28,227)	-
<b>Profit after tax</b>								<u>(8,738)</u>	<u>(61)</u>
								(293,702)	(97,054)
								1,107,389	766,757
<b>Profit and loss appropriation account :</b>									
<b>Balance at commencement of nine months period</b>								1,104,054	1,055,976
Profit after tax for the nine months period								1,107,389	766,757
Transfer to general reserve								(350,000)	(320,000)
Transfer to special reserve								(100,000)	(100,000)
Issuance of bonus shares: 2015: Rs.Nil for the year 2014 [2014: Rs.1.50 (15%) per share for the year 2013]								-	(204,665)
Final cash dividend 2015: Rs.4 (40%) per share for the year 2014 [2014: Rs.3 (30%) per share for the year 2013]								(627,640)	(409,331)
Interim cash dividend 2015: Rs.1.5 (15%) per share for the year 2015 [2014: Nil]								(235,365)	-
<b>Balance at end of nine months period</b>								<u>(205,616)</u>	<u>(267,239)</u>
								898,438	788,737
<b>Earnings per share of Rs.10 each - basic and diluted (note 18)</b>	<b>Rupees</b>							<u>7.06</u>	<u>4.89</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

  
**Towfiq H. Chinoy**  
 Chairman

  
**Aly Noormahomed Rattansey**  
 Director

  
**Akbarali Pesnani**  
 Director

  
**Tahir Ahmed**  
 Managing Director  
 (Chief Executive)

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months and nine months period ended 30 September 2015

	Three months period ended 30 September		Nine months period ended 30 September	
	2015	2014	2015	2014
	(Rupees in '000)		(Rupees in '000)	
Net profit for the period	302,617	261,256	1,107,389	766,757
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>302,617</u>	<u>261,256</u>	<u>1,107,389</u>	<u>766,757</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

  
**Towfiq H. Chinoy**  
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 Director

  
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 Director

  
**Tahir Ahmed**  
 Managing Director  
 (Chief Executive)



## Condensed Interim Statement of Cash Flows (Unaudited)

For the nine months period ended 30 September 2015

	2015	2014
	(Rupees in '000)	
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Premiums received	5,744,182	4,914,335
Reinsurance premiums paid	(2,664,324)	(2,231,396)
Claims paid	(1,896,823)	(2,494,754)
Reinsurance and other recoveries received	462,899	1,026,176
Commissions paid	(589,638)	(461,219)
Commissions received	330,235	259,008
Other underwriting payments (management expenses)	(766,960)	(697,302)
Net cash inflow from underwriting activities	619,571	314,848
<b>(b) Other operating activities</b>		
Income tax paid	(193,766)	(136,279)
General and administration expenses paid	(38,974)	(22,114)
Other operating payments	(918,562)	(836,926)
Other operating receipts	1,065,128	1,009,963
Loans advanced	(1,193)	(1,078)
Loans repayment received	1,146	1,092
Net cash (outflow) / inflow from other operating activities	(86,221)	14,658
<b>Total cash inflow from all operating activities</b>	533,350	329,506
<b>Investment activities</b>		
Profit / return received	102,567	90,835
Dividends received	149,487	118,852
Rentals received - net of expenses	79,780	109,571
Payments for purchase of investments / investment property	(7,892,839)	(7,188,574)
Proceeds from disposal of investments	7,912,552	6,920,694
Fixed capital expenditure	(45,769)	(24,057)
Proceeds from disposal of fixed assets	3,291	622
<b>Total cash inflow from investing activities</b>	309,069	27,943
<b>Financing activities</b>		
Dividends paid	(613,545)	(401,193)
<b>Total cash outflow from financing activities</b>	(613,545)	(401,193)
<b>Net cash inflow / (outflow) from all activities</b>	228,874	(43,744)
<b>Cash at beginning of nine months period</b>	948,026	939,685
<b>Cash at end of nine months period</b>	1,176,900	895,941

	2015	2014
	(Rupees in '000)	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	533,350	329,506
Depreciation / amortisation expense	(26,277)	(24,754)
(Loss) / Gain on disposal of fixed assets	(298)	19
Loss on remeasurement of investments at fair value through profit or loss	(2,601)	-
Gain on disposal of investments	634,473	428,378
Dividend income	221,804	156,704
Rental income	70,045	73,732
Other investment income	177,655	147,934
Loss for the period from Window Takaful Operations	(1,696)	-
Increase in assets other than cash	2,134,848	2,234,870
(Increase) in liabilities other than running finance	(2,633,914)	(2,579,632)
<b>Profit after taxation</b>	<b>1,107,389</b>	<b>766,757</b>

**Definition of cash**

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

**Cash for the purposes of the Statement of Cash Flows consists of:**

**Cash and bank deposits**

**Cash and other equivalents**

Cash	1,955	1,826
Policy stamps and bond papers in hand	7,056	3,360
	9,011	5,186

**Current and other accounts**

Current accounts	143,977	96,929
PLS savings accounts	941,436	703,098
	1,085,413	800,027

**Deposits having maturity within 3 months (encashable on demand)**

Term deposits - Local Currency *	-	25,000
Term deposits - Foreign Currency*	82,476	65,728
	82,476	90,728
	1,176,900	895,941

\*These do not include term deposits amounting to Rs.101,000 thousands (30 September 2014: Rs.1,000 thousands) placed under lien and those deposits having maturity exceeding three months amounting to Rs.68,966 thousands (30 September 2014: Rs. 48,965 thousands).

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

  
**Towfiq H. Chinoy**  
 Chairman

  
**Aly Noormahomed Rattansey**  
 Director

  
**Akbarali Pesnani**  
 Director

  
**Tahir Ahmad**  
 Managing Director  
 (Chief Executive)

## Condensed Interim Statement of Changes In Equity (Unaudited)

For the nine months period ended 30 September 2015

	Share capital	Reserves						Total reserves	Total
	Issued, subscribed and paid-up	Capital reserve	Revenue reserves						
		Reserve for exceptional losses	General reserve	Special reserve	Retained earnings	Company's share of capital contributed to the statutory fund by an associate	Total revenue reserves		
(Rupees in '000)									
<b>Balance as at 01 January 2014</b>	1,364,435	9,384	2,130,000	200,000	1,055,976	-	3,385,976	3,395,360	4,759,795
<b>Changes in equity for the nine months period ended 30 September 2014</b>									
Profit after tax for the nine months period	-	-	-	-	766,757	-	766,757	766,757	766,757
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	766,757	-	766,757	766,757	766,757
Final cash dividend at Rs.3 (30%) per share for the year 2013	-	-	-	-	(409,331)	-	(409,331)	(409,331)	(409,331)
Issuance of bonus shares @ Rs.1.5 per share (15%) for the year 2013	204,665	-	-	-	(204,665)	-	(204,665)	(204,665)	-
Transfer to general reserve	-	-	320,000	-	(320,000)	-	-	-	-
Transfer to special reserve	-	-	-	100,000	(100,000)	-	-	-	-
<b>Balance as at 30 September 2014</b>	<u>1,569,100</u>	<u>9,384</u>	<u>2,450,000</u>	<u>300,000</u>	<u>788,737</u>	<u>-</u>	<u>3,538,737</u>	<u>3,548,121</u>	<u>5,117,221</u>
<b>Balance as at 01 January 2015</b>	1,569,100	9,384	2,450,000	300,000	1,104,054	(9,661)	3,844,393	3,853,777	5,422,877
<b>Changes in equity for the nine months period ended 30 September 2015</b>									
Profit after tax for the nine months period	-	-	-	-	1,107,389	-	1,107,389	1,107,389	1,107,389
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,107,389	-	1,107,389	1,107,389	1,107,389
Final cash dividend at Rs.4 (40%) per share for the year 2014	-	-	-	-	(627,640)	-	(627,640)	(627,640)	(627,640)
Interim cash dividend at Rs.1.5 (15%) per share for the year 2015	-	-	-	-	(235,365)	-	(235,365)	(235,365)	(235,365)
Company's share of capital withdrawn from the statutory fund by an associates	-	-	-	-	-	3,215	3,215	3,215	3,215
Transfer to general reserve	-	-	350,000	-	(350,000)	-	-	-	-
Transfer to special reserve	-	-	-	100,000	(100,000)	-	-	-	-
<b>Balance as at 30 September 2015</b>	<u>1,569,100</u>	<u>9,384</u>	<u>2,800,000</u>	<u>400,000</u>	<u>898,438</u>	<u>(6,446)</u>	<u>4,091,992</u>	<u>4,101,376</u>	<u>5,670,476</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

  
**Towfiq H. Chinoy**  
 Chairman

  
**Aly Noormahomed Rattansey**  
 Director

  
**Akbarali Pesnani**  
 Director

  
**Tahir Ahmed**  
 Managing Director  
 (Chief Executive)

## Condensed Interim Statement of Premiums (Unaudited)

For the three months and nine months period ended 30 September 2015

### Business underwritten inside Pakistan

Three months period ended 30 September

Class	Premiums written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expense	2015 Net premium revenue	2014 Net premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in '000)										
<b>Direct and facultative</b>										
1. Fire and property damage	667,549	772,026	979,105	460,470	338,063	420,558	514,749	243,872	216,598	142,748
2. Marine, aviation and transport	149,656	53,863	67,781	135,738	24,860	9,956	12,450	22,366	113,372	151,139
3. Motor	298,374	605,535	604,496	299,413	12,175	62,232	47,805	26,602	272,811	224,900
4. Liability	80,190	287,064	244,417	122,837	71,152	280,482	233,505	118,129	4,708	7,361
5. Accident and health	285,964	359,089	434,875	210,178	-	-	-	-	210,178	186,104
6. Miscellaneous	506,142	1,498,366	1,319,013	685,495	348,360	1,097,783	965,794	480,349	205,146	150,907
<b>Total</b>	<b>1,987,875</b>	<b>3,575,943</b>	<b>3,649,687</b>	<b>1,914,131</b>	<b>794,610</b>	<b>1,871,011</b>	<b>1,774,303</b>	<b>891,318</b>	<b>1,022,813</b>	<b>863,159</b>
<b>Treaty</b>										
7. Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>1,987,875</b>	<b>3,575,943</b>	<b>3,649,687</b>	<b>1,914,131</b>	<b>794,610</b>	<b>1,871,011</b>	<b>1,774,303</b>	<b>891,318</b>	<b>1,022,813</b>	<b>863,159</b>

Nine months period ended 30 September

Class	Premiums written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expense	2015 Net premium revenue	2014 Net premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in '000)										
<b>Direct and facultative</b>										
1. Fire and property damage	1,596,420	750,844	979,105	1,368,159	839,795	409,919	514,749	734,965	633,194	494,281
2. Marine, aviation and transport	493,440	51,633	67,781	477,292	90,074	12,747	12,450	90,371	386,921	445,514
3. Motor	1,033,440	421,446	604,496	850,390	94,594	24,287	47,805	71,076	779,314	680,307
4. Liability	503,320	88,347	244,417	347,250	488,072	80,921	233,505	335,488	11,762	32,619
5. Accident and health	839,390	259,691	434,875	664,206	-	-	-	-	664,206	612,872
6. Miscellaneous	2,537,837	768,983	1,319,013	1,987,807	1,811,616	540,336	965,794	1,386,158	601,649	441,322
<b>Total</b>	<b>7,003,847</b>	<b>2,340,944</b>	<b>3,649,687</b>	<b>5,695,104</b>	<b>3,324,151</b>	<b>1,068,210</b>	<b>1,774,303</b>	<b>2,618,058</b>	<b>3,077,046</b>	<b>2,706,915</b>
<b>Treaty</b>										
7. Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>7,003,847</b>	<b>2,340,944</b>	<b>3,649,687</b>	<b>5,695,104</b>	<b>3,324,151</b>	<b>1,068,210</b>	<b>1,774,303</b>	<b>2,618,058</b>	<b>3,077,046</b>	<b>2,706,915</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

  
**Towfiq H. Chinoy**  
 Chairman

  
**Aly Noormahomed Rattansey**  
 Director

  
**Akbarali Pesnani**  
 Director

  
**Tahir Ahmed**  
 Managing Director  
 (Chief Executive)

## Condensed Interim Statement of Claims (Unaudited)

For the three months and nine months period ended 30 September 2015

### Business underwritten inside Pakistan

Three months period ended 30 September

Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2015 Net claims expense	2014 Net claims expense
		Opening	Closing			Opening	Closing			
(Rupees in `000)										
<b>Direct and facultative</b>										
1. Fire and property damage	78,730	838,463	1,006,017	246,284	15,338	340,733	435,129	109,734	136,550	174,841
2. Marine, aviation and transport	102,137	473,984	394,270	22,423	20,066	154,810	132,262	(2,482)	24,905	50,936
3. Motor	100,010	217,050	213,315	96,275	(391)	46,665	40,137	(6,919)	103,194	93,287
4. Liability	2,834	339,573	335,448	(1,291)	2,367	334,010	330,577	(1,066)	(225)	139
5. Accident and health	197,346	130,142	120,821	188,025	-	-	-	-	188,025	150,466
6. Miscellaneous	50,208	783,040	810,278	77,446	10,253	384,120	392,778	18,911	58,535	60,600
<b>Total</b>	<b>531,265</b>	<b>2,782,252</b>	<b>2,880,149</b>	<b>629,162</b>	<b>47,633</b>	<b>1,260,338</b>	<b>1,330,883</b>	<b>118,178</b>	<b>510,984</b>	<b>530,269</b>
<b>Treaty</b>										
7. Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>531,265</b>	<b>2,782,252</b>	<b>2,880,149</b>	<b>629,162</b>	<b>47,633</b>	<b>1,260,338</b>	<b>1,330,883</b>	<b>118,178</b>	<b>510,984</b>	<b>530,269</b>

Nine months period ended 30 September

Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2015 Net claims expense	2014 Net claims expense
		Opening	Closing			Opening	Closing			
(Rupees in `000)										
<b>Direct and facultative</b>										
1. Fire and property damage	392,494	868,264	1,006,017	530,247	178,573	446,229	435,129	167,473	362,774	398,299
2. Marine, aviation and transport	240,394	440,699	394,270	193,965	31,170	137,409	132,262	26,023	167,942	220,592
3. Motor	321,058	208,600	213,315	325,773	5,715	60,099	40,137	(14,247)	340,020	284,958
4. Liability	2,843	208,960	335,448	129,331	2,373	205,596	330,577	127,354	1,977	(3,037)
5. Accident and health	534,836	119,886	120,821	535,771	-	-	-	-	535,771	513,336
6. Miscellaneous	405,198	959,453	810,278	256,023	241,774	559,997	392,778	74,555	181,468	226,095
<b>Total</b>	<b>1,896,823</b>	<b>2,805,862</b>	<b>2,880,149</b>	<b>1,971,110</b>	<b>459,605</b>	<b>1,409,330</b>	<b>1,330,883</b>	<b>381,158</b>	<b>1,589,952</b>	<b>1,640,243</b>
<b>Treaty</b>										
7. Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>1,896,823</b>	<b>2,805,862</b>	<b>2,880,149</b>	<b>1,971,110</b>	<b>459,605</b>	<b>1,409,330</b>	<b>1,330,883</b>	<b>381,158</b>	<b>1,589,952</b>	<b>1,640,243</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

  
**Towfiq H. Chinoy**  
 Chairman

  
**Aly Noormahomed Rattansey**  
 Director

  
**Akbarali Pesnani**  
 Director

  
**Tahir Ahmed**  
 Managing Director  
 (Chief Executive)

# Condensed Interim Statement of Expenses (Unaudited)

For the three months and nine months period ended 30 September 2015

## Business underwritten inside Pakistan

Three months period ended 30 September

Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers *	2015 Net underwriting expense	2014 Net underwriting expense
		Opening	Closing						
(Rupees in '000)									
<b>Direct and facultative</b>									
1. Fire and property damage	85,879	83,430	115,651	53,658	57,158	110,816	22,574	88,242	70,276
2. Marine, aviation and transport	22,209	7,620	9,998	19,831	29,929	49,760	348	49,412	64,855
3. Motor	33,030	61,409	64,410	30,029	71,988	102,017	2,935	99,083	79,963
4. Liability	2,019	2,403	2,731	1,691	1,242	2,933	4,578	(1,645)	(708)
5. Accident and health	12,168	16,078	17,785	10,461	55,474	65,935	-	65,935	57,762
6. Miscellaneous	54,748	167,007	144,763	76,992	54,136	131,128	55,930	75,198	46,604
<b>Total</b>	<b>210,053</b>	<b>337,947</b>	<b>355,338</b>	<b>192,662</b>	<b>269,927</b>	<b>462,589</b>	<b>86,365</b>	<b>376,225</b>	<b>318,752</b>
<b>Treaty</b>									
7. Proportional / non-proportional	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>210,053</b>	<b>337,947</b>	<b>355,338</b>	<b>192,662</b>	<b>269,927</b>	<b>462,589</b>	<b>86,365</b>	<b>376,225</b>	<b>318,752</b>

Nine months period ended 30 September

Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers *	2015 Net underwriting expense	2014 Net underwriting expense
		Opening	Closing						
(Rupees in '000)									
<b>Direct and facultative</b>									
1. Fire and property damage	198,524	81,725	115,651	164,598	166,853	331,451	68,533	262,918	221,601
2. Marine, aviation and transport	68,557	9,734	9,998	68,293	101,958	170,251	2,350	167,900	188,960
3. Motor	104,210	41,840	64,410	81,640	205,357	286,997	7,434	279,563	239,191
4. Liability	5,706	3,052	2,731	6,027	3,099	9,126	13,761	(4,634)	717
5. Accident and health	38,393	9,142	17,785	29,750	175,025	204,775	-	204,775	187,833
6. Miscellaneous	295,040	57,840	144,763	208,117	158,540	366,657	155,381	211,277	129,941
<b>Total</b>	<b>710,430</b>	<b>203,333</b>	<b>355,338</b>	<b>558,425</b>	<b>810,832</b>	<b>1,369,257</b>	<b>247,459</b>	<b>1,121,799</b>	<b>968,243</b>
<b>Treaty</b>									
7. Proportional / non-proportional	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>710,430</b>	<b>203,333</b>	<b>355,338</b>	<b>558,425</b>	<b>810,832</b>	<b>1,369,257</b>	<b>247,459</b>	<b>1,121,799</b>	<b>968,243</b>

\* Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

  
**Towfiq H. Chinoy**  
 Chairman

  
**Aly Noormahomed Rattansey**  
 Director

  
**Akbarali Pesnani**  
 Director

  
**Tahir Ahmed**  
 Managing Director  
 (Chief Executive)

## Condensed Interim Statement of Investment Income (Unaudited)

For the three months and nine months period ended 30 September 2015

	Three months period ended 30 September		Nine months period ended 30 September	
	2015	2014	2015	2014
	(Rupees in '000)		(Rupees in '000)	
<b>Income from trading investments</b>				
Unrealised loss on remeasurement of securities to fair value	(2,601)	-	(2,601)	-
<b>Income from non-trading investments</b>				
<b>Held to maturity investments</b>				
Return on government securities	12,719	13,692	40,807	43,604
Return on term finance certificates	567	2,418	3,067	8,305
Amortisation of discount/(premium)-net	458	92	1,306	103
	13,744	16,202	45,180	52,012
<b>Available-for-sale</b>				
<b>Dividend income</b>				
Related parties	19,360	8,966	41,363	17,938
Others	59,601	45,399	180,441	138,766
	78,961	54,365	221,804	156,704
	90,104	70,567	264,383	208,716
<b>Gain on sale of non-trading investments</b>	105,938	156,641	634,473	428,378
<b>Investment related expenses</b>	(5,260)	(3,057)	(10,431)	(6,844)
<b>Net investment income</b>	190,782	224,151	888,425	630,250

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

  
**Tawfiq H. Chinoy**  
Chairman

  
**Aly Noormahomed Rattansey**  
Director

  
**Akbarali Pesnani**  
Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

# Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months period ended 30 September 2015

## 1. STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on 16 May 1953. The Company is listed on the Karachi and Lahore stock exchanges and is engaged in general insurance business. The registered office of the Company is situated at 2nd Floor, Jubilee Insurance House, I. I. Chundrigar Road, Karachi.

The Company was granted authorisation on 10 March 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operations in respect of general takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 7 May 2015.

## 2. STATEMENT OF COMPLIANCE

**2.1** These condensed interim financial information of the Company for the nine months period ended 30 September 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 have been followed.

**2.2** The disclosures made in these condensed interim financial information has been limited based on the format prescribed by the SECP vide Circular No. 7 of 2003 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial information should be read in conjunction with annual financial statements of the Company for the year ended 31 December 2014.

**2.3** These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional currency of the Company.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in these condensed interim financial information are same as compared with the annual financial statements of the Company as at and for the year ended 31 December 2014.

## 4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2014.

## 5. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2014.

## 6. PREMIUM DEFICIENCY RESERVE

No provision has been made as the unearned premium reserve for each class of business as at nine months period ended is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.



	30 September	31 December
	2015 (Unaudited)	2014 (Audited)
	(Rupees in '000)	
<b>7. OTHER CREDITORS AND ACCRUALS</b>		
Federal excise duty and sales tax	41,464	28,424
Federal insurance fee	3,461	2,149
Workers' Welfare Fund	53,458	25,397
Tax deducted at source	5,837	1,248
Commission payable	515,777	394,985
Premium payable	62,928	47,067
Claims payable	13,400	11,673
Miscellaneous	1,035	6,833
	<u>697,360</u>	<u>517,776</u>

**8. WINDOW TAKAFUL OPERATIONS**

**OPERATOR'S FUND**

**Assets**

Cash and bank deposits  
Current assets - others  
Fixed assets

**Total Assets**

**Total Liabilities - Current**

**Loss from Window Takaful Operations**

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

**9. CONTINGENCIES**

The status of contingencies remain unchanged as disclosed in the annual financial statements as of 31 December 2014, except that during the period, the Additional Commissioner Inland Revenue has further amended the orders under section 122(5A) of the Income Tax Ordinance, 2001 on the premise that dividend and rental income is taxable at corporate rate instead of reduced rates, relating to tax year 2009 and 2010, and created tax demands of Rs. 42,920 thousands and 42,878 thousands respectively on account of one basket income concept of 4th Schedule of the Income Tax Ordinance, 2001. The Company has filed an appeal before the Commissioner of Inland Revenue (Appeals) (CIRA) in respect of 2009 which is pending adjudication. However, in respect of tax year 2010, the appeal has been filed before CIRA subsequent to the period ended September 30, 2015 which is also pending adjudication. Based on tax advisor opinion the management is confident of favorable outcome of both appeals for the tax year 2009 and 2010 and accordingly, no tax provisions of Rs. 85,799 thousands has been recorded.

**10. INVESTMENTS**

	Note	30 September	31 December
		2015 (Unaudited)	2014 (Audited)
		(Rupees in '000)	
<b>In related parties</b>			
- Investments in associates - under equity method		257,000	215,646
- Available for sale - equity securities / mutual funds		1,190,287	1,029,185
		<u>1,447,287</u>	<u>1,244,831</u>
<b>Others</b>			
<b>Held for trading</b>			
- Investment at fair value through profit or loss		34,074	-
<b>Held to maturity</b>			
- Government securities	10.1 & 10.2	452,596	470,386
- Term finance certificates		9,000	61,393
		<u>461,596</u>	<u>531,779</u>
<b>Available for sale</b>			
Equity securities / mutual funds	10.3	6,438,887	6,000,981
		<u>8,381,844</u>	<u>7,777,591</u>

**10.1** Pakistan Investment Bonds with face value of Rs. 163,100 thousands (31 December 2014: Rs. 163,100 thousands) are placed with State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

**10.2** Pakistan Investment Bonds with face value of Rs.22,000 thousands (31 December 2014: Rs. 22,000 thousands) are placed with a Commercial bank against issuance of bank guarantee.

**10.3** Market value of investments except for unquoted securities as at 30 September 2015 is Rs. 12,356,500 thousands (31 December 2014: Rs. 11,482,935 thousands).

### 11. INVESTMENT PROPERTIES

The market value of the investment properties as per valuations carried out by professional valuers in 2013 and as ascertained by the management after including the leasehold land acquired in 2014 is Rs. 2,326,371 thousands (31 December 2014 : Rs. 2,326,371 thousands).

### 12. PREPAYMENTS

	Note	30 September	31 December
		2015 (Unaudited)	2014 (Audited)
		(Rupees in '000)	
Prepaid reinsurance premium ceded		1,774,303	1,068,210
Rent		18,643	16,929
Miscellaneous expenses		12,118	3,419
		<u>1,805,064</u>	<u>1,088,558</u>

### 13. SUNDRY RECEIVABLES

Current portion of long-term loans		957	830
Advances to suppliers and contractors - considered good		39,616	5,865
Rent receivable	13.1	15,877	2,031
Security deposits		8,227	8,218
Sales tax recoverable		12,211	10,301
Medical claims recoverable		11,115	8,597
Other advances - considered good		27,084	10,872
		<u>115,087</u>	<u>46,714</u>

**13.1** This includes Rs. 9,611 thousands ( 31 December 2014 Rs. Nil) receivable from a related party.

### 14. FIXED ASSETS - Tangible and intangible

During the nine months period ended 30 September 2015, additions amounting to Rs. 45,769 thousands (30 September 2014: Rs. 24,057 thousands) and disposals had a cost of Rs. 15,356 thousands (30 September 2014: Rs. 2,954 thousands) and written down value of Rs. 3,589 thousands (30 September 2014: Rs.603 thousands) were made.

### 15. OTHER INCOME / (CHARGES)

	(Unaudited) Three months period ended 30 September		(Unaudited) Nine months period ended 30 September		
	2015	2014	2015	2014	
		(Rupees in '000)		(Rupees in '000)	
<b>Income from financial assets / liabilities</b>					
Exchange gain / (loss)	(1,196)	3,760	3,395	(2,145)	
Return on loans to employees	19	24	51	69	
Others	-	-	2	89	
<b>Income from non-financial assets</b>					
(Loss) / Gain on sale of fixed assets	(18)	147	(298)	19	
	<u>(1,195)</u>	<u>3,931</u>	<u>3,150</u>	<u>(1,968)</u>	

## 16. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

Related parties / associated undertakings comprise of associated companies, directors, key management personnel and employees' funds. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these condensed interim financial information, are as follows:

	(Unaudited) Three months period ended 30 September		(Unaudited) Nine months period ended 30 September	
	2015	2014	2015	2014
	(Rupees in '000)		(Rupees in '000)	
<b>Associated companies</b>				
Insurance premium written (including government levies administrative surcharge and policy stamps)	145,555	244,958	406,949	462,570
Insurance premium received / adjusted during the period	110,002	286,033	369,908	326,748
Insurance claims paid	17,467	47,265	119,373	122,656
Commission paid	1,936	-	11,252	-
Purchases of goods and services	-	-	1,992	2,014
Dividend income	19,360	8,966	41,363	17,938
Dividend received from associate under equity method	13,913	11,594	46,377	25,709
Dividend paid	-	-	441,402	285,260
Rent income	7,793	9,772	25,646	28,350
Reimbursement of expenses	9,189	10,997	26,891	22,620
Investment in shares / mutual funds	189,073	699,997	1,059,534	943,745
Disposal of shares / mutual funds	-	662,546	964,941	662,546
Directors' fee	75	150	225	270
Donations	5,000	-	20,000	8,500
<b>Key management persone</b>				
Remuneration	14,036	18,921	43,463	40,714
Dividend paid	-	-	1,252	736
<b>Employees' funds</b>				
Contribution to provident fund	4,748	4,439	12,075	10,943
Provision for gratuity fund	3,750	3,750	11,250	11,250
<b>Others</b>				
Insurance premium written (including government levies administrative surcharge and policy stamps)	280	-	280	203
Insurance premium received / adjusted during the period	185	-	185	-
Directors' fee	900	600	2,625	1,720
Dividend paid	-	-	10,089	6,575

**17. SEGMENT REPORTING**

Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets.

**30 September 2015 (Unaudited)**

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Unallocated assets	Total
(Rupees in '000)								
Segment asset	1,636,923	354,045	507,507	711,838	295,182	2,333,517	-	5,839,012
Unallocated assets	-	-	-	-	-	-	10,859,148	10,859,148
Total assets	<u>1,636,923</u>	<u>354,045</u>	<u>507,507</u>	<u>711,838</u>	<u>295,182</u>	<u>2,333,517</u>	<u>10,859,148</u>	<u>16,698,160</u>

**31 December 2014 (Audited)**

	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Unallocated assets	Total
(Rupees in '000)								
Segment assets	1,218,885	277,168	280,841	369,019	139,326	1,525,047	-	3,810,286
Unallocated assets	-	-	-	-	-	-	9,728,495	9,728,495
Total assets	<u>1,218,885</u>	<u>277,168</u>	<u>280,841</u>	<u>369,019</u>	<u>139,326</u>	<u>1,525,047</u>	<u>9,728,495</u>	<u>13,538,781</u>

**18. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of shares as at the period end as follows:

	(Unaudited) Three months period ended 30 September		(Unaudited) Nine months period ended 30 September	
	2015	2014	2015	2014
Profit for the period	302,617	261,256	1,107,389	766,757
	(Rupees in '000)			
Weighted average number of shares of Rs.10 each	156,910	156,910	156,910	156,910
	(Number in '000)			
Basic earnings per share of Rs.10 each - basic and diluted	1.93	1.67	7.06	4.89
	(Rupees)			

**18.1** No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

**19. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information have been authorised for issue in accordance with a resolution of the Board of Directors on 21 October 2015.

**20. GENERAL**

Figures in these condensed interim financial information have been rounded off to the nearest thousand of rupees, unless otherwise stated.



**Tawfiq H. Chinoy**  
Chairman



**Aly Noormahomed Rattansey**  
Director



**Akbarali Pesnani**  
Director



**Tahir Ahmed**  
Managing Director  
(Chief Executive)



**Financial  
Statements  
Window Takaful Operations**

## Condensed Interim Balance Sheet (Unaudited)

As at 30 September 2015

	Note	2015		
		Operator's Fund	Participants' Takaful Fund	Aggregate
				(Rupees in '000)
<b>FUNDS AND LIABILITIES</b>				
<b>OPERATOR'S FUND</b>				
Statutory fund		50,000	-	50,000
Accumulated (loss)		(1,696)	-	(1,696)
		48,304	-	48,304
<b>WAQF / PARTICIPANTS' TAKAFUL FUND</b>				
Ceded money		-	500	500
Accumulated surplus		-	4,513	4,513
		-	5,013	5,013
<b>Underwriting provision</b>				
Provision for outstanding claims		-	1,100	1,100
Provisions for unearned contribution		-	29,381	29,381
Provisions for unearned retakaful rebate		-	400	400
Total underwriting provisions		-	30,881	30,881
<b>Creditors and accruals</b>				
Amounts due to other takaful /retakaful operators		-	10,723	10,723
Contribution received in advance		-	1	1
Wakala and mudarib fee payable		-	16,649	16,649
Accrued expenses		968	-	968
Other creditors and accruals	5	8,649	5,071	13,720
		9,617	32,444	42,061
<b>TOTAL LIABILITIES</b>		9,617	63,325	72,942
		57,921	68,338	126,259
<b>TOTAL FUND AND LIABILITIES</b>				
<b>CONTINGENCY AND COMMITMENT</b>				
<b>ASSETS</b>				
<b>Cash and bank deposits</b>				
Cash and other equivalents		-	35	35
Current and other accounts	7	20,872	38,835	59,707
		20,872	38,870	59,742
<b>Current assets - other</b>				
Contribution due but unpaid		-	21,176	21,176
Wakala and mudarib fee receivable		16,649	-	16,649
Deferred commission expense		6,831	-	6,831
Prepaid re-takaful contribution ceded		-	8,277	8,277
Sundry receivables	8	868	15	883
		24,348	29,468	53,816
<b>Fixed assets</b>				
<b>Tangible and Intangible</b>				
Furniture and fixtures	9	11,810	-	11,810
Office equipment		334	-	334
Computer equipment		557	-	557
		12,701	-	12,701
<b>TOTAL ASSETS</b>		57,921	68,338	126,259

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

  
**Towfiq H. Chinoy**  
Chairman

  
**Aly Noormahomed Rattansey**  
Director

  
**Akbarali Pesnani**  
Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

## Condensed Interim Profit and Loss Account (Unaudited)

For the period from 30 April 2015 to 30 September 2015

Three months period ended 30 September

	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Aggregate
(Rupees in `000)						
<b>PTF revenue account</b>						
Net contribution revenue	518	489	3,213	689	451	5,360
Net claims	-	-	(840)	(1,007)	(80)	(1,927)
Retakaful rebate earned	106	-	-	-	35	141
<b>Surplus before investment income</b>	<u>624</u>	<u>489</u>	<u>2,373</u>	<u>(318)</u>	<u>406</u>	<u>3,574</u>
Net investment income						112
<b>Surplus for the period</b>						<u>3,686</u>
<b>OTF revenue account</b>						
Wakala fee						10,568
Commission expense						(1,445)
Management expenses	10					<u>(9,106)</u>
						17
Mudarib's share of PTF investment income						28
Net investment income						<u>357</u>
General and administrative expenses	11					<u>402</u>
<b>Loss for the period</b>						<u>(63)</u>

Five months period ended 30 September

	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Aggregate
(Rupees in `000)						
<b>PTF revenue account</b>						
Net contribution revenue	578	510	3,880	690	547	6,205
Net claims	-	-	(891)	(1,007)	(80)	(1,978)
Retakaful rebate earned	124	-	-	-	42	166
<b>Surplus before investment income</b>	<u>702</u>	<u>510</u>	<u>2,989</u>	<u>(317)</u>	<u>509</u>	<u>4,393</u>
Net investment income						120
<b>Surplus for the period</b>						<u>4,513</u>
<b>OTF revenue account</b>						
Wakala fee						16,619
Commission expense						(1,547)
Management expenses	10					<u>(15,652)</u>
						(580)
Mudarib's share of PTF investment income						30
Net investment income						<u>807</u>
General and administrative expenses	11					<u>257</u>
<b>Loss for the period</b>						<u>(1,953)</u>
						<u>(1,696)</u>

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

  
**Towfiq H. Chinoy**  
Chairman

  
**Aly Noormahomed Rattansey**  
Director

  
**Akbarali Pesnani**  
Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)



## Condensed Interim Statement of **Comprehensive Income (Unaudited)**

For the period from 30 April 2015 to 30 September 2015

	<b>2015</b> (Rupees in '000)
Loss for the period	(1,696)
Other comprehensive income	-
Total comprehensive income for the period	<u>(1,696)</u>

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

  
**Tawfiq H. Chinoy**  
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Director

  
**Akbarali Pesnani**  
Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

## Condensed Interim Statement of Cash Flows (Unaudited)

For the period from 30 April 2015 to 30 September 2015

	2015		
	Operator's Fund	Participants' Takaful Fund	Aggregate
	(Rupees in '000)		
<b>Operating cash flows</b>			
<b>(a) Takaful activities</b>			
Contributions received	-	37,920	37,920
Claims Paid	-	(878)	(878)
Comissions Paid	(1,375)	-	(1,375)
Other underwriting payments	(13,547)	-	(13,547)
Net cash (outflows) / inflows from takaful activities	(14,922)	37,042	22,120
<b>(b) Other operating activities</b>			
Income tax paid	(82)	(15)	(97)
General, administration and management expenses paid	(1,063)	-	(1,063)
Ceded money to participants' takaful fund	(500)	-	(500)
Other operating payments	-	(3,159)	(3,159)
Other operating receipts - net	-	4,352	4,352
Net cash (outflows) / inflows from other operating activities	(1,645)	1,178	(467)
<b>Total cash (outflows) / inflows from operating activities</b>	<b>(16,567)</b>	<b>38,220</b>	<b>21,653</b>
<b>Investment activities</b>			
Mark-up / return received	807	150	957
Fixed capital expenditure	(13,368)	-	(13,368)
<b>Total cash (outflows) / inflows from investing activities</b>	<b>(12,561)</b>	<b>150</b>	<b>(12,411)</b>
<b>Financing activities</b>			
Contribution to operator's fund	50,000	-	50,000
Ceded money	-	500	500
<b>Total cash inflows from financing activities</b>	<b>50,000</b>	<b>500</b>	<b>50,500</b>
<b>Cash at end of the period - Net cash inflows from all activities</b>	<b>20,872</b>	<b>38,870</b>	<b>59,742</b>
<b>Reconciliation to profit and loss account</b>			
Operating cash flows	(16,567)	38,220	21,653
Depreciation	(667)	-	(667)
Increase in assets other than cash	25,155	29,618	54,773
(Increase) in liabilities	(9,617)	(63,325)	(72,942)
<b>Net (loss) / surplus for the period</b>	<b>(1,696)</b>	<b>4,513</b>	<b>2,817</b>

### Definition of cash

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

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

  
**Towfiq H. Chinoy**  
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Director

  
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Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

## Condensed Interim Statement of **Changes in Funds (Unaudited)**

For the period from 30 April 2015 to 30 September 2015

	<b>Operator's Fund</b>		
	Statutory fund	Accumulated loss	Total
	(Rupees in '000)		
Contribution made during the period	50,000	-	50,000
Total comprehensive income for the period - loss for the period	-	(1,696)	(1,696)
<b>Balance as at 30 September 2015</b>	<u>50,000</u>	<u>(1,696)</u>	<u>48,304</u>

	<b>Participants' Takaful Fund</b>		
	Ceded money	Accumulated surplus	Total
	(Rupees in '000)		
Contribution received during the period from the Operator	500	-	500
Surplus for the period	-	4,513	4,513
<b>Balance as at 30 September 2015</b>	<u>500</u>	<u>4,513</u>	<u>5,013</u>

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

  
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Chairman

  
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Director

  
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Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

## Condensed Interim Statement of Contribution (Unaudited)

For the period from 30 April 2015 to 30 September 2015

### Business underwritten inside Pakistan

#### Three months period ended 30 September

Class	Gross Contribution Written *	Wakala fee	Net contribution written	Unearned contribution reserve		Contribution earned	Re-takaful ceded	Prepaid re-takaful contribution ceded		Re-takaful expense	2015 Net contribution revenue
				Opening	Closing			Opening	Closing		
(Rupees in '000)											
<b>Direct and facultative</b>											
1. Fire and property damage	9,377	3,141	6,236	4,757	8,863	2,130	3,148	4,581	6,117	1,612	518
2. Marine, aviation and transport	2,091	732	1,359	83	445	997	697	45	234	508	489
3. Motor	15,865	4,601	11,264	5,765	13,708	3,321	415	222	529	108	3,213
4. Accident and health	5,136	1,284	3,852	16	3,179	689	-	-	-	-	689
5. Miscellaneous	2,947	810	2,137	1,949	3,186	900	618	1,228	1,397	449	451
<b>Total</b>	<u>35,416</u>	<u>10,568</u>	<u>24,848</u>	<u>12,570</u>	<u>29,381</u>	<u>8,037</u>	<u>4,878</u>	<u>6,076</u>	<u>8,277</u>	<u>2,677</u>	<u>5,360</u>

#### Five months period ended 30 September

Class	Gross Contribution Written *	Wakala fee	Net contribution written	Unearned contribution reserve		Contribution earned	Re-takaful ceded	Prepaid re-takaful contribution ceded		Re-takaful expense	2015 Net contribution revenue
				Opening	Closing			Opening	Closing		
(Rupees in '000)											
<b>Direct and facultative</b>											
1. Fire and property damage	16,950	5,678	11,272	-	8,863	2,409	7,948	-	6,117	1,831	578
2. Marine, aviation and transport	2,271	795	1,476	-	445	1,031	755	-	234	521	510
3. Motor	24,946	7,234	17,712	-	13,708	4,004	653	-	529	124	3,880
4. Accident and health	5,159	1,290	3,869	-	3,179	690	-	-	-	-	690
5. Miscellaneous	5,899	1,622	4,277	-	3,186	1,091	1,941	-	1,397	544	547
<b>Total</b>	<u>55,225</u>	<u>16,619</u>	<u>38,606</u>	<u>-</u>	<u>29,381</u>	<u>9,225</u>	<u>11,297</u>	<u>-</u>	<u>8,277</u>	<u>3,020</u>	<u>6,205</u>

\* This includes administrative surcharge of Rs. 996 thousands in aggregate.

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

  
**Towfiq H. Chinoy**  
Chairman

  
**Aly Noormahomed Rattansey**  
Director

  
**Akbarali Pesnani**  
Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

## Condensed Interim Statement of Claims (Unaudited)

For the period from 30 April 2015 to 30 September 2015

### Business underwritten inside Pakistan

Three months period ended 30 September

Class	Claims paid	Outstanding claims		Claims expense	Re-takaful and other recoveries received	Re-takaful and other recoveries in respect of outstanding claims		Re-takaful and other recoveries revenue	2015 Net claims expense
		Opening	Closing			Opening	Closing		
(Rupees in '000)									
<b>Direct and facultative</b>									
1. Fire and property damage	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-
3. Motor	417	51	474	840	-	-	-	-	840
4. Accident and health	461	-	546	1,007	-	-	-	-	1,007
5. Miscellaneous	-	-	80	80	-	-	-	-	80
<b>Total</b>	<b>878</b>	<b>51</b>	<b>1,100</b>	<b>1,927</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,927</b>

Five months period ended 30 September

Class	Claims paid	Outstanding claims		Claims expense	Re-takaful and other recoveries received	Re-takaful and other recoveries in respect of outstanding claims		Re-takaful and other recoveries revenue	2015 Net claims expense
		Opening	Closing			Opening	Closing		
(Rupees in '000)									
<b>Direct and facultative</b>									
1. Fire and property damage	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-
3. Motor	417	-	474	891	-	-	-	-	891
4. Accident and health	461	-	546	1,007	-	-	-	-	1,007
5. Miscellaneous	-	-	80	80	-	-	-	-	80
<b>Total</b>	<b>878</b>	<b>-</b>	<b>1,100</b>	<b>1,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,978</b>

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

  
**Towfiq H. Chinoy**  
Chairman

  
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Director

  
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Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

## Condensed Interim Statement of Expenses (Unaudited)

For the period from 30 April 2015 to 30 September 2015

### Business underwritten inside Pakistan

Three months period ended 30 September

Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expense	Underwriting expenses	Rebate from re-takaful operators *	2015 Net underwriting expense
		Opening	Closing					

(Rupees in '000)

#### Direct and facultative

1. Fire and property damage	3,764	294	3,500	558	2,046	2,604	106	2,498
2. Marine, aviation and transport	348	21	113	256	1,250	1,506	-	1,506
3. Motor	1,518	822	1,941	399	3,179	3,578	-	3,578
4. Accident and health	257	3	220	40	1,045	1,085	-	1,085
5. Miscellaneous	1,071	178	1,057	192	1,586	1,778	35	1,743
<b>Total</b>	<u>6,958</u>	<u>1,318</u>	<u>6,831</u>	<u>1,445</u>	<u>9,106</u>	<u>10,551</u>	<u>141</u>	<u>10,410</u>

Five months period ended 30 September

Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expense	Underwriting expenses	Rebate from re-takaful operators *	2015 Net underwriting expense
		Opening	Closing					

(Rupees in '000)

#### Direct and facultative

1. Fire and property damage	4,079	-	3,500	579	4,144	4,723	124	4,599
2. Marine, aviation and transport	376	-	113	263	1,566	1,829	-	1,829
3. Motor	2,397	-	1,941	456	6,021	6,477	-	6,477
4. Accident and health	260	-	220	40	1,108	1,148	-	1,148
5. Miscellaneous	1,266	-	1,057	209	2,813	3,022	42	2,980
<b>Total</b>	<u>8,378</u>	<u>-</u>	<u>6,831</u>	<u>1,547</u>	<u>15,652</u>	<u>17,199</u>	<u>166</u>	<u>17,033</u>

\* Rebate from retakaful operators is arrived at after taking the impact of opening and closing unearned retakaful rebate.

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

  
**Towfiq H. Chinoy**  
Chairman

  
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Director

  
**Akbarali Pesnani**  
Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

## Condensed Interim Statement of **Investment Income (Unaudited)**

For the period from 30 April 2015 to 30 September 2015

	Three months period ended 30 September	Five months period ended 30 September
	2015	2015
	(Rupees in '000)	(Rupees in '000)
<b>Participants' Takaful Fund</b>		
Profit on bank deposits with related party	140	150
Less : Mudarib's fee	(28)	(30)
<b>Net investment income</b>	<u>112</u>	<u>120</u>
<b>Operator's Fund</b>		
<b>Net investments income</b> - Profit on bank deposits with related party	<u>357</u>	<u>807</u>

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

  
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Chairman

  
**Aly Noormahomed Rattansey**  
Director

  
**Akbarali Pesnani**  
Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

# Notes to the Condensed Interim Financial Information (Unaudited)

For the period from 30 April 2015 to 30 September 2015

## 1. STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited ("the Operator") is a public limited company incorporated in Pakistan on 16 May 1953. The Operator is listed on the Karachi and Lahore stock exchanges and is engaged in general insurance business. The registered office of the Operator is situated at 2nd Floor, Jubilee Insurance House, I. I. Chundrigar Road, Karachi.

The Operator was granted authorisation on 10 March 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations ("WTO") by Securities and Exchange Commission of Pakistan ("SECP") under Takaful Rules, 2012 to carry on General takaful in Pakistan.

The Operator transferred statutory fund of Rs. 50,000 thousands in a separate bank account for the window takaful operations as per the requirement of circular 8 of 2014. Thereafter, the Operator has formed a Waqf for Participants' Fund by executing the Waqf deed dated 30 April 2015 by investing a cede money of Rs. 500 thousands. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf Deed governs the relationship of Operator and participants for management of takaful operations, investments of participants' funds and investments of the Operator's funds approved by the shariah advisor of the Operator. The Operator commenced activities of WTO on 7 May 2015.

## 2. BASIS OF PREPARATION

These condensed interim financial information have been prepared in line with the format issued by the "SECP" through SEC (Insurance) Rules, 2002, vide SRO 938 dated 12 December 2002 and circular 25 of 2015 dated 9 July 2015.

These condensed interim financial information reflect the financial position and results of operations of both the Operator's Fund ("OTF") and Participant Takaful Fund ("PTF") in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable. These are the first set of financial statements of the Jubilee General Insurance Company Limited - Window Takaful Operations.

### 2.1 Statement of Compliance

**2.1.1** These condensed interim financial information of the WTO for the period from 30 April 2015 to 30 September 2015 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 have been followed.

**2.1.2** The disclosures made in these condensed interim financial information has been limited based on the format prescribed by the "SECP" vide Circular No. 7 of 2003 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements.

### 2.2 Basis of measurement

These condensed interim financial information requires have been prepared under the historical cost convention.

### 2.3 Functional and presentation currency

These condensed interim financial information requires are presented in Pakistan Rupees which is the Operator's functional currency.



## **2.4 Use of estimates and judgements**

The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from period of revision.

In particular, information about judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on these condensed interim financial information, and estimates that have a significant risk of resulting in a material adjustment in the subsequent years are included in following notes:

- (a) classification of takaful contracts (note 3.1);
- (b) provision for unearned contribution (note 3.3);
- (c) provision for contribution due but unpaid and amount due from other insurers / reinsurers (note 3.4);
- (d) provision for outstanding claims (including IBNR) and reinsurance recoveries there against (note 3.6);
- (e) contribution deficiency reserve (note 3.7);
- (f) residual values and useful lives of fixed assets (note 3.13); and
- (h) segment reporting (note 3.19).

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these condensed interim financial information are set out below.

### **3.1 Takaful contracts**

The takaful contracts are based on the principles of Wakala. The takaful contracts so agreed usually inspire concept of tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty.

Contracts under which the Participant Takaful Fund (PTF) accepts significant takaful risk from another party (the participant) by agreeing to compensate the participant if a specified uncertain future event (the takaful event) adversely affects the participant are classified as takaful contracts. Takaful risk is significant if a takaful event could cause the PTF to pay significant benefits due to the happening of the takaful event compared to its non happening. Once a contract has been classified as a takaful 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.

The PTF underwrites non-life takaful contracts that can be categorised into following main categories:

#### **Fire and property**

Fire and property Takaful contracts mainly compensate the Participants for damage suffered to their properties or for the value of property lost. Participants who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities. These contracts are generally one year contracts except some contracts that are of three months period.

#### **Marine, aviation and transport**

Marine Takaful covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination. These contracts are generally for three months period.

#### **Motor**

Motor Takaful provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident. These contracts are generally one year contracts.

#### **Health**

Health Takaful contract mainly compensate Hospitalisation and outpatient medical coverage to the participant. These contracts are generally one year contracts.

#### **Miscellaneous**

All other various types of Takaful contracts are classified in miscellaneous category. These contracts are normally one year contracts except some engineering contracts that are of more than one year period. Whereas, normally travel contracts expire within one month time.

### 3.2 Re-takaful contracts held

These are contracts entered into by the Operator with reinsurers for compensation of losses suffered on Takaful contracts issued. These re-takaful contracts include both facultative and treaty arrangement contracts and are classified in same categories of Takaful contracts for the purpose of these financial statements. The Operator recognises the entitled benefits under the contracts as various reinsurance assets.

### 3.3 Provision for unearned contribution

The reserve for unearned portion of contribution written net of wakala fee is calculated by applying twenty fourths' method, except Accident and Health Takaful for which unearned contribution is calculated by applying 365 days method as prescribed by SEC (Insurance) Rules, 2002.

The deferred portion of re-takaful contribution is recognized as a prepayment in PTF. The deferred portion of re-takaful contribution ceded is calculated by using twenty fourths' method.

### 3.4 Receivables and payables related to takaful contracts

Receivables and payables, other than claim payables, relating to takaful contracts are recognized when due. The claims payable is recorded when intimation is received. These include contributions due but unpaid, contribution received in advance, contributions due and claims payable to participants. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

If there is an objective evidence that any contribution due but unpaid is impaired, the Operator reduces the carrying amount of that contribution receivable and recognizes the loss in profit and loss account.

### 3.5 Claims

Claims expense include all claims occurring during the year, whether reported or not, internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

### 3.6 Provision for outstanding claims including Incurred But Not Reported (IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred as at the reporting date which represents the estimates of the claims intimated or assessed before the end of the reporting period and measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates.

Provision for IBNR is made for the cost of settling claims incurred but not reported at the reporting date, on the basis of management's judgment and the Operator's prior experience. The Operator takes advice from actuary for the determination.

Re-takaful recoveries against outstanding claims and salvage recoveries are recognized as an asset and measured at the amount expected to be received.

### 3.7 Contribution deficiency reserve

The Operator is required as per SEC (Insurance) Rules, 2002, to maintain a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after re-takaful from claims, and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired takaful contracts in that class of business at the reporting date. The movement in the contribution deficiency reserve is recorded as an expense in the profit and loss account.

No provision has been made as the unearned contribution reserve for each class of business as at the reporting date is adequate to meet the expected future liability after re-takaful from claims and other expenses, expected to be incurred after the reporting date in respect of takaful contracts in force at reporting date.

### 3.8 Takaful surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves. Allocation to participants, if applicable, is made after adjustment of claims paid to them during the period.

### 3.9 Wakala fee

The Operator of Window Takaful manages the general takaful operations for the participants and charge wakala fee to meet the general and administrative expenses of the Operator including commissions to agents at following rates:

Class	Percentage
Fire and property damage	33.50%
Marine, aviation and transport	35.00%
Motor	29.00%
Health	25.00%
Miscellaneous	27.50%

It is recognised upfront on the issuance of takaful contract.

### 3.10 Mudarib's fee - OTF

The Operator also manages the participants' investment as Mudarib and charges 20% of the investment income earned by the PTF as Mudarib's fee. It is recognized on the same basis on which related revenue is recognised.

### 3.11 Qard-e-Hasna

Qard-e-hasna is provided by Operator's fund to PTF in case of deficit or fulfill cash flow requirements.

### 3.12 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, policy stamps, bank balances and the term deposit receipts having a maturity of not more than twelve months and are subject to insignificant risk of change in value.

### 3.13 Fixed assets

#### 3.13.1 Tangibles

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 9 to these condensed interim financial information.

Depreciation on additions is charged from the month the assets are available for use. While on disposal, depreciation is charged up to the month in which the assets are disposed off.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Operator and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account currently.

An item of tangible fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognized.

Depreciation methods, useful lives and residual values that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

### **3.14 Contribution written**

Contribution including administrative surcharge under a takaful contract are recognised as revenue at the time of issuance of takaful contract.

Revenue from contribution written net of is determined after taking into account the unearned portion of contributions net of wakala fee. The unearned portion of contribution income is recognised as a liability.

Re- takaful ceded is recognised as expense after taking into account the proportion of deferred re-takaful contribution expense which is calculated using twenty fourths method. The deferred portion of re-takaful contribution expense is recognised as a prepayment.

### **3.15 Commission**

Commission expense incurred in obtaining and recording policies is deferred and recognised in OTF as an expense in accordance with pattern of recognition of contribution revenue.

Rebate and other forms of revenue (apart from recoveries) from retakaful operators are deferred and recognised as liability and recognised in the profit and loss account as revenue of PTF in accordance with the pattern of recognition of the retakaful contributions.

### **3.16 Expenses of management**

Expenses of management of the WTO's have been charged to the Operator's Fund.

### **3.17 Investment income**

- Mark-up on bank deposits is recognised on a time proportion basis taking into account the effective yield.

### **3.18 Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Operator, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### **Current**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Operator under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability, as applicable, after taking into account tax credits and tax rebates available, if any.

#### **Deferred tax**

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Operator recognises a deferred tax asset to the extent of taxable timing differences or it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In view of the five months operation and loss in operators' fund no tax has been recorded in these condensed interim financial information.

### **3.19 Segment reporting**

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Operator's other components. All operating segments' results are reviewed regularly by the Operator's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. However, based on its classification of takaful contracts issued, the WTO has five primary business segments for reporting purposes namely fire, marine, motor, accident and health and miscellaneous.

The Operator presents segments reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The reported operating segments are also consistent with the internal reporting process of the Operator for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. All the Operator's business segments operate in Pakistan only.

### **3.20 Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Operator intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **3.21 Impairment**

The carrying amount of assets are reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and value in use. Impairment losses are recognised in profit and loss account.

### **3.22 Creditors, accruals and provisions**

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the services received, whether or not billed to the WTO.

Provisions are recognized when the WTO has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

### **3.23 Financial instruments**

Financial instruments carried on the balance sheet include contributions due but unpaid, amount due to other takaful / re-takaful operator, accrued investment income, sundry receivables, accrued expenses, other creditors and accruals.

All the financial assets and financial liabilities are recognised at the time when the WTO becomes a party to the contractual provisions of the instrument and derecognized when the WTO losses control of contractual rights that comprises the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. At the time of initial recognition all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it. Any gain or loss on derecognition of financial assets and financial liabilities is taken to profit and loss account of the period in which financial instrument is derecognised.

#### 4. TAKAFUL AND FINANCIAL RISK MANAGEMENT

The WTO's takaful and financial risk management objectives and policies are consistent with those of the Operator and are disclosed in the annual financial statements of the Operator as at and for the year ended 31 December 2014.

#### 5. OTHER CREDITORS AND ACCRUALS

Note	2015		
	OTF	PTF	Aggregate
	(Rupees in '000)		
Federal excise duty and sales tax	-	1,243	1,243
Federal insurance fee	-	88	88
Commissions payable	7,003	-	7,003
Tax deducted at source	30	-	30
Claims payable	-	458	458
Rent payable	1,200	-	1,200
Miscellaneous	416	3,282	3,698
	<u>8,649</u>	<u>5,071</u>	<u>13,720</u>

5.1 This represents amount payable to the Operator.

#### 6. CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at 30 September 2015.

#### 7. CASH AND BANK DEPOSITS

##### Cash and other equivalents

Cash	-	-	-
Policy stamps and bond papers in hand	-	35	35
	-	35	35

##### Current and other accounts

Current account	-	3,469	3,469
Savings accounts	20,872	35,366	56,238
	<u>20,872</u>	<u>38,835</u>	<u>59,707</u>
	<u>20,872</u>	<u>38,870</u>	<u>59,742</u>

7.1 Savings accounts carry expected mark-up rates ranging from 4.5% to 5.40% per annum.

#### 8. SUNDRY RECEIVABLES-Considered good

	2015		
	OTF	PTF	Aggregate
	(Rupees in '000)		
Sales tax recoverable	142	-	142
Advance tax	82	15	97
Advance to suppliers and contractors-considered good	644	-	644
	<u>868</u>	<u>15</u>	<u>883</u>

#### 9. FIXED ASSETS - OTF

Tangible assets	2015			
	Cost of additions during the period	Depreciation charged during the period	Written down value as at 30 September	Depreciation rate %
	(Rupees in '000)			
Furniture and fixture	12,431	(621)	11,810	17
Office equipment	338	(4)	334	17-25
Computer equipment	599	(42)	557	25
	<u>13,368</u>	<u>(667)</u>	<u>12,701</u>	

**10. MANAGEMENT EXPENSES - OTF**

	Note	Three months period ended 30 September	Five months period ended 30 September
		2015	2015
		(Rupees in '000)	(Rupees in '000)
Salaries, allowances and other benefits	10.1	2,581	3,608
Depreciation	9	501	667
Printing, stationery and postage		156	789
Communication		54	88
Ceded money		-	500
Advertisement		4,406	8,517
Rent		1,200	1,200
Others		208	283
		<u>9,106</u>	<u>15,652</u>

**10.1** This include Rs. 1,134 thousands and Rs. 1,839 thousands remuneration of key management personnel for three months and five months ended September 30, 2015 respectively.

**11. GENERAL AND ADMINISTRATIVE EXPENSES - OTF**

	Three months period ended 30 September	Five months period ended 30 September
	2015	2015
		(Rupees in '000)
Shariah advisor fee	375	1,563
Auditors' remuneration	90	390
	<u>465</u>	<u>1,953</u>

**12 SEGMENT REPORTING**

Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets, liabilities as at 30 September 2015, unallocated capital expenditure and non-cash expenses during the period:

	2015					Total
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	
(Rupees in '000)						
<b>SEGMENT ASSETS</b>						
Segment assets	<u>11,647</u>	<u>2,601</u>	<u>9,720</u>	<u>1,584</u>	<u>3,901</u>	29,453
Unallocated assets						38,885
-PTF						57,921
-OTF						
<b>Consolidated total assets</b>						<u>126,259</u>
<b>SEGMENT LIABILITIES</b>						
Segment liabilities-PTF	<u>18,975</u>	<u>3,009</u>	<u>28,285</u>	<u>6,199</u>	<u>6,859</u>	63,325
Unallocated liabilities-OTF						9,617
<b>Consolidated total liabilities</b>						<u>72,942</u>

**13 TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise the Operator, associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel of the Operator. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Balances and transaction with related party are disclosed in relevant notes to these condensed financial information.

**14 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information have been authorised for issue in accordance with a resolution of the Board of Directors on 21 October 2015.

**15 GENERAL**

All figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

  
**Towfiq H. Chinoy**  
Chairman

  
**Aly Noormahomed Rattansey**  
Director

  
**Akbarali Pesnani**  
Director

  
**Tahir Ahmed**  
Managing Director  
(Chief Executive)

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