

The Growing **Digits!**





ستارو سے آگے

*“There is nothing you cannot do”*



**B++**  
A.M. Best

**AA+**  
JCR-VIS

**AA+**  
PACRA

THE HIGHEST IFS\* RATED GENERAL INSURANCE  
COMPANY OF PAKISTAN BY LOCAL AND  
INTERNATIONAL RATING AGENCIES.

\*Insurer Financial Strength

The background is a solid red color with a repeating pattern of faint, semi-transparent numbers from 1 to 9 in a light red shade. The numbers are scattered across the page, creating a textured effect.

# The Growing Digits!

## Financial Highlights - 2015

Written Premium

Rupees  
7,979  
million

Net Premium Revenue

Rupees  
4,151  
million

Investment Income

Rupees  
1,220  
million

Profit After Tax

Rupees  
1,353  
million

Shareholders` Equity

Rupees  
5,906  
million

Operating Cash Flows

Rupees  
926  
million

Claims Paid

Rupees  
2,549  
million

Underwriting Result

Rupees  
468  
million

Investments & Properties

Rupees  
9,104  
million

Total Assets

Rupees  
15,188  
million

Earnings Per Share

Rupees  
8.62

Dividend Per Share

Rupees  
4.50

# CONTENTS

## Company Information

- 09 Corporate information
- 11 Board of Directors
- 17 Roles of the Chairman and Chief Executive
- 18 Vision
- 19 Mission
- 20 Values
- 21 Strategic Objective
- 24 Company Overview
- 26 Insurance/Takaful Products
- 28 Management Team
- 29 Organisation Structure
- 30 Code of Conduct

## Shareholders' and Investors' Information

- 32 Notice of Annual General Meeting
- 33 Calendar of Major Events
- 34 Access to Reports and Enquiries
- 34 Investor's Grievances Policy
- 35 Issues raised at the last Annual General Meeting
- 35 Share Price Analysis

## Corporate Governance, Sustainability and Financial Information

- 37 The Directors' Report
- 52 The Directors' Report in Urdu language
- 53 Corporate Governance
  - Board Committees
  - Management Committees
  - Human Resource Development
  - Succession Planning
  - Liquidity Management
  - Value of Investments in Provident Fund & Gratuity Fund
  - Actual and Perceived Conflicts of Interest
  - Whistle Blowing Mechanism
  - IT Governance Policy
  - Safety of Records of the Company
  - Engagement with Stakeholders





62	Sustainability
	Corporate Social Responsibility
	Sports Activities
	Energy Conservation
	Environment protection measures
	Consumer protection measures
	Procedure adopted for quality assurance of products
	Industrial relations
	Employment of special persons
	Occupational Safety and Health
	Business Ethics and anti-corruption measures
	Rural Development Programme
	Financial Contribution to the National Exchequer
65	Statement of Value Addition
66	Risk and Opportunity Report
	Enterprise Risk Management
	Opportunity Report
	Materiality Approach
	Key Sources of Uncertainty
70	Pattern of Shareholding
74	Key Financial Data
76	Financial Statements Analysis
78	Comments on Key Financial Data
80	Quarterly Analysis
81	DuPONT Analysis
82	Performance at a Glance
85	Graphical Composition of Financial Statements
89	Report of the Board Audit Committee
91	Profile of Shariah Advisor
92	Shariah Advisor's Report
93	Review Report to the Members on the Statement of Compliance
94	Statement of Compliance with the Code of Corporate Governance
97	Statement of Compliance with the Shariah Principles
98	Independent Reasonable Assurance Report of Compliance with the Shariah Principles

### Financial Statements

101	Auditors' Report to the Members
102	Financial Statements

### Window Takaful Operations - Financial Statements

155	Auditors' Report to the Members
156	Financial Statements

181	Glossary
185	Executives
187	Branch Network
	Proxy Form



# Company Information

1 2 3 4 5 6 7 8 9 0

# Corporate Information

<b>Chairman of the Board of Directors</b>	Towfiq H. Chinoy	(Non-Executive Director)
<b>Directors</b>	Sadrudin Hashwani	(Non-Executive Director)
	Akbarali Pesnani	(Non-Executive Director)
	John Joseph Metcalf	(Non-Executive Director)
	R. Zakir Mahmood	(Non-Executive Director)
	Aly Noormahomed Rattansey	(Independent Director)
	Amin A. Hashwani	(Non-Executive Director)
	Aamir Hasan Irshad	(Non-Executive Director)
<b>Managing Director and 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 Bank Alfalah Limited	
<b>Share Registrar</b>	THK Associates (Pvt) Limited 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	

## Board of Directors



## Towfiq H. Chinoy

### Chairman

(Director since: August 27, 1997)

Mr. Towfiq Habib Chinoy is a seasoned entrepreneur and businessman. He is associated with Jubilee General Insurance Company Limited as Chairman since 1997. He is presently the Chairman of Packages Limited and HBL Asset Management Limited. He is also a Trustee of Mohatta Palace Gallery Trust and Habib University Foundation. Mr. Chinoy has served as a Member of the Engineering Development Board, Government of Pakistan, the Advisory Boards of Ports, Shipping Sector, Ministry of Communications, Director on the Board of Port Qasim Authority, National Refinery Limited, Pakistan Business Council, Linde Pakistan Limited and Jubilee Life Insurance Company Limited.

#### Other Corporate Directorships:

- Packages Limited
- HBL AMC Limited
- International Steels Limited
- IGI Investment Bank Limited



## Tahir Ahmed

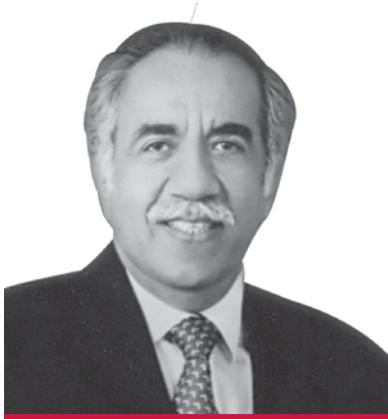
### Managing Director & Chief Executive

(Director since: July 9, 2005)

Mr. Tahir Ahmed is a Metallurgical Engineer, an MBA and an Associate of Chartered Insurance Institute (ACII), London. He has been associated with the insurance industry for the last 35 years, during which he has obtained extensive experience in all areas of general insurance business. He is Council Member of Pakistan Insurance Institute (PII) and was its Chairman in 2013-2014. He currently holds the office of Chairman of Insurance Association of Pakistan (IAP), the position he had held three times previously. He was the Chairman of Insurance Reforms Sub-Committee of Securities & Exchange Commission of Pakistan (SECP).

#### **Other Corporate Directorships:**

Jubilee Kyrgyzstan Insurance Company (CJSC)



## Sadruddin Hashwani

### Director

(Director since: November 17, 1979)

Mr. Sadruddin Hashwani is an accomplished businessman and belongs to an illustrious industrialist family of Karachi. He started his business career in 1960.

Mr. Hashwani has a diversified business portfolio, in which Hotel industry is the most prominent. Besides being on the Board of Jubilee General Insurance Company Limited he is also Director in different companies of Hashoo Group.

### Other Corporate Directorships:

Hashwani Hotels Limited  
 Zaver Petroleum Corp. Limited  
 Ocean Pakistan Limited  
 Zaver Chemicals Limited  
 Pearl Continental Hotels (Pvt) Limited  
 Hashoo Holdings (Pvt) Limited  
 Gelcaps (Pakistan) Limited  
 Hassan Ali & Co. (Pvt) Limited  
 Hassan Ali (Grains) (Pvt) Limited  
 Hashoo International (Pvt) Limited  
 Noor Properties (Pvt) Limited  
 Zaver Mining Company (Pvt) Limited  
 Pakistan Services Limited  
 Trans Air Travels (Pvt) Limited  
 Pearl Tours and Travels (Pvt) Limited  
 Zaver Power (Pvt) Limited  
 OPI Gas (Pvt) Limited  
 Pakistan Services (Azad Kashmir) Limited



## Akbarali Pesnani

### Director

(Director since: August 15, 2002)

Mr. Akbarali Pesnani is a Fellow Chartered Accountant (FCA), a Fellow Cost and Management Accountant (FCMA) and an MBA. He has a vast experience in Accounts and Finance. He serves on the Boards of various prestigious organisations.

Mr. Pesnani has a long association with Aga Khan Development Network (AKDN), currently holds a senior level position in this organisation.

### Other Corporate Directorships:

The First Micro Finance Bank Limited  
 Cherat Cement Company Limited  
 Cherat Packaging Limited  
 Air Asia Limited  
 Air Safira Limited



### John Joseph Metcalf

Director

(Director since: February 28, 2007)

Mr. John Joseph Metcalf, is a Fellow of the Chartered Insurance Institute of UK, and a senior insurance professional with extensive international experience in managing insurance companies. He is responsible for the development of strategy for the insurance business of AKFED, including management oversight as director on the Board of all AKFED investments in the insurance sector spread in 5 countries in Africa and Pakistan.

#### Other Corporate Directorships:

Jubilee Life Insurance Company Limited  
Jubilee Holdings Limited Kenya  
Jubilee Insurance Co. of Kenya Limited  
The Jubilee Insurance Co. of Tanzania Limited  
The Jubilee Insurance Co. of Uganda Limited  
The Jubilee Insurance Co. of Mauritius Limited  
The Jubilee Insurance Co. Burundi Limited  
The Jubilee Investments Co. of Uganda Limited  
Jubilee Kyrgyzstan Insurance Company  
Jubilee Life Insurance Co. Uganda  
Jubilee Life Insurance Co. Tanzania



### R. Zakir Mahmood

Director

(Director since: June 25, 2008)

Mr. Zakir Mahmood has a vast banking experience. He had been President and CEO of Habib Bank limited for 12 years. Mr. Mahmood is the Chairman of Kyrgyz Investment & Credit Bank. He is a trustee of Aga Khan University. He also serves as director of various other organisations.

#### Other Corporate Directorships:

Kyrgyz Investment and Credit Bank  
Jubilee Life Insurance Company Limited  
Ace First Consulting (FZE)





### Aly Noormahomed Rattansey

Director

(Director since: June 25, 2008)

Mr. A. Noormahomed Rattansey is a fellow member of the Institutes of Chartered Accountants of England & Wales and Pakistan. He was associated with A.F. Ferguson & Co. Chartered Accountants, a member firm of PricewaterhouseCoopers, as a partner from 1984 to 2007. He has over 40 years of experience in the fields of audit, accounting, taxation and corporate consultancy. He is the Chairman of Aga Khan Rural Support Programme. Mr. Rattansey also serves on the Board of various other companies.

#### Other Corporate Directorships:

International Industries Limited  
Jubilee Life Insurance Company Limited



### Amin A. Hashwani

Director

(Director since: March 24, 2014)

Mr. Amin A. Hashwani belongs to a well-known business family of Pakistan. In addition to business background he is also a well-respected philanthropist and media commentator. He has headed numerous business and non-business organizations, including, Pakistan India CEOs' Business Forum, Young Presidents' Organisation, The Network of Organisations Working for People with Disability and AIESEC, Pakistan. He is the recipient of several national and international awards for his work, including an Honorary Doctorate from USA.

#### Other Corporate Directorships:

Regent Textile Industries  
Landmark Spinning Industries Limited  
Hassan Ali & Co. (Cotton) (Pvt) Limited  
Coronet Enterprises (Pvt) Limited  
Ittehad Cement Industries Limited  
Hashwani Construction Company (Pvt) Limited  
Beaumont Enterprise (Pvt) Limited  
Marvel Enterprises (Pvt) Limited  
Stonyx (Pvt) Limited  
Periclase (Pvt) Limited



## Aamir Hasan Irshad

Director

(Director since: July 16, 2014)

Mr. Aamir Hasan Irshad is an MBA from UK, and has done his graduation from USA. He has extensive experience of financial sector especially with banks, including Standard Chartered Bank, Faysal Bank Limited and Credit Agricole Indosuez. He is currently serving as head of Corporate Banking Division of Habib Bank Limited.

### **Other Corporate Directorships:**

None

## Roles of the Chairman and Chief Executive

At Jubilee General Insurance, the Chairman of the Board and the Chief Executive have clearly defined and distinguished roles and responsibilities.

### Chairman

The Chairman is responsible for leadership of the Board and act as a liaison between the management and the Board. He is elected from non-executive directors. The Chairman will:

- Ensure effective and efficient manner of the Board proceedings in conformity with best Practices of the Code of Corporate Governance.
- Encourage and foster an environment in which the Board as a whole is enabled to play a full and constructive part in the development and determination of the Company's strategy and overall business objectives.
- Ensure that the Board members receive accurate, timely and sufficient information which enable them to form appropriate judgments.
- Engage the Board in discussions to promote constructive session which results in effective decision making.
- Ensure effective operations of the Board and its committees.
- Engage into effective communication with shareholders, and other relevant stakeholders to ensure that the views of the relevant stakeholders are understood by the Board.

### Chief Executive

The Chief Executive is responsible for leadership of the management. He will:

- Exercise all the powers delegated by the Board within the parameters provided in the Articles and Memorandum of the Company in managing day to day affairs of the Company.
- Recommend corporate strategy to the Board and after its approval ensure its implementation accordingly.
- Keep the Board updated on progress made against such agreed corporate strategy and overall business objectives.
- Lead the management committees in an efficient manner.
- Ensure that the management complies with all relevant legislations and regulations.
- Develop and maintain an effective framework of internal controls including enterprise risk management system in relation to all business activities.
- Ensure that the Company has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements.

# VISION

To enable people overcome uncertainty

# MISSION

Provide solutions to protect the future  
of our customers

Teamwork  
Integrity  
Excellence  
Passion

VALUES

# STRATEGIC OBJECTIVE

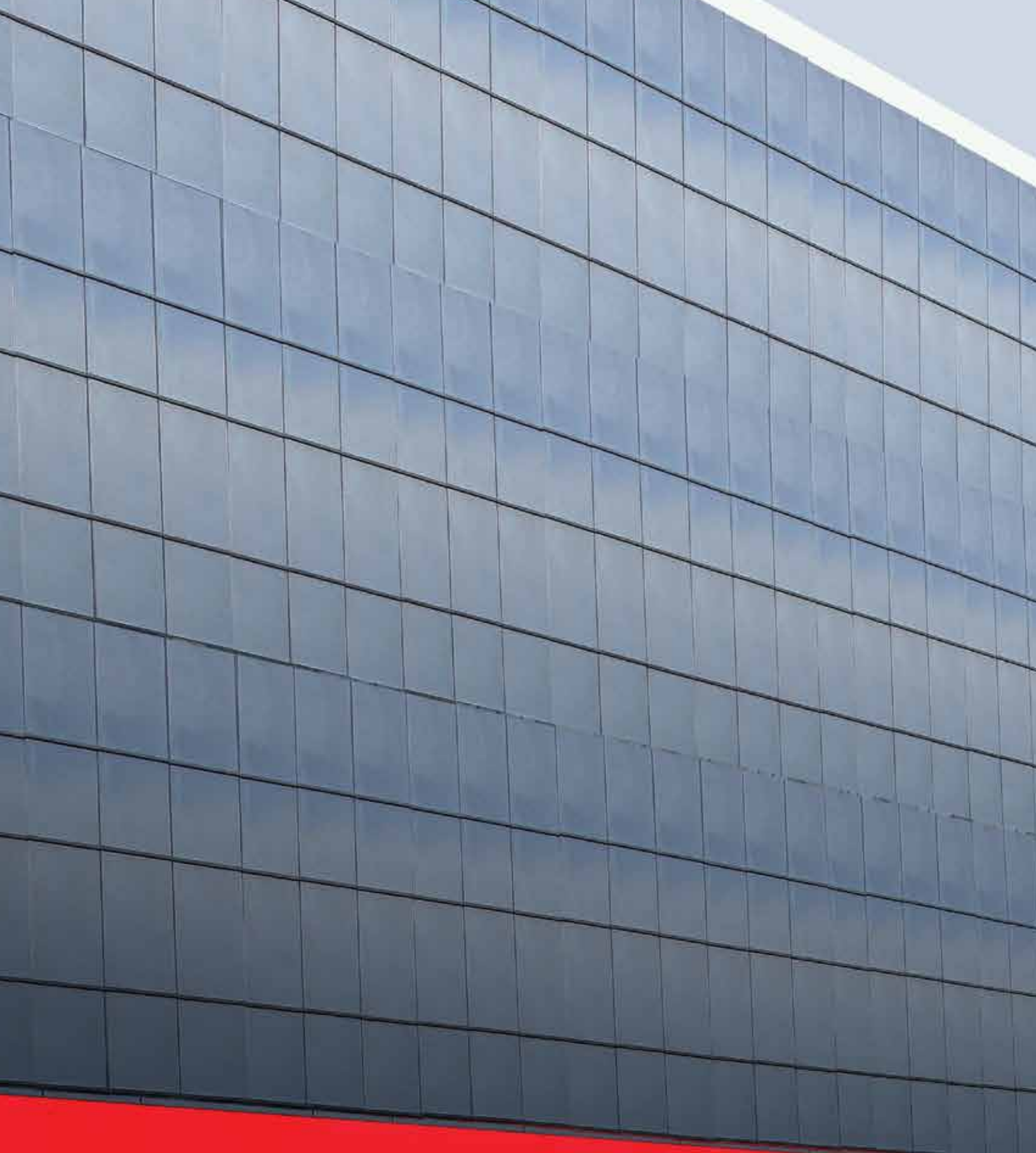
To grow  
by excelling  
in service to  
our clients  
and quality  
of our  
security



## Company Overview

JUBILEE INSURANCE  
HOUSE





Jubilee  
GENERAL INVESTMENTS

## Company Overview

Jubilee General Insurance Company Limited has entered its sixty fourth year of Operation marking a legacy of over half a decade of living by its core values, namely; Teamwork, Integrity, Excellence and Passion.

Since its establishment in 1953, Jubilee General has maintained its presence as the most prominent company launching innovative products and new initiatives in the insurance industry. It has established itself as one of the most reputed and brightest names of the sector. Sustained growth and evolution has secured Jubilee General as one of the "Big Three" insurers of Pakistan in terms of gross direct premium and financial base.

Jubilee General is listed on the Pakistan Stock Exchange. Its major shares are held by, Aga Khan Hospital and Medical College Foundation, Habib Bank Limited, Aga Khan Fund for Economic Development and Hashoo Group. Jubilee General, with its Head Office in Karachi, has an extensive and dynamic branch network in all major cities and towns of Pakistan that promises prompt service at the customer's doorstep. To ensure sustained long term existence, the Company is embarking on a journey to adopt Enterprise Risk Management (ERM) Framework.

Jubilee General is the highest rated general insurance company in Pakistan with an Insurer Financial Strength Rating of "AA +" with "Stable Outlook" assigned by both the rating agencies of Pakistan i.e JCR-VIS and PACRA. The "AA+" with "stable outlook" takes into account financial strength of the Company as demonstrated by its strong capitalization and liquidity indicators. It also denotes a very strong capacity of the Company to meet policyholder and contract obligations.

Jubilee General is the only insurer in Pakistan to be accorded the Financial Strength Rating of "B++" (good) and issuer credit rating of "BBB" by A. M. Best, which is the highest rating to be assigned by an International Rating Agency to any financial institution in Pakistan. According to A.M. Best the rating reflects Jubilee General's strong risk-adjusted capitalisation, solid business profile within Pakistan and good track record of operating performance. Furthermore, the Company has developed good procedures in assessing, measuring and mitigating the key risks associated with its business. A. M. Best is the world's oldest and most authoritative insurance rating and information source.

Over the last decade Jubilee General has grown at double the industry average growth rate, more than doubling its market share and prides itself in its long-standing reinsurance relationships with internationally renowned reinsurers such as Swiss Re, SCOR Re, Lloyds, Hannover Re, Asia Capital Re and Korean Re. The Company is also supported by internationally acclaimed reinsurance brokers including AON Group, Willis, Marsh, Lockton, Howden, UIB and Crescent Global.

With a broad spectrum of services available, Jubilee General's client-base comprises prominent national and multinational corporations operating in Pharmaceutical, Power Generation and Distribution, Chemical, Textile, Cement, Services (Hospitals & Hotels), Oil & Energy, Manufacturing, FMCG, Engineering, Banking and Financial sectors.

At Jubilee General, diversity is maintained through underwriting all classes of general insurance including Fire, Marine, Motor, Engineering, Health and General Accident. Jubilee General not only offers wide risk coverage, but also provides related risk management services delivered by highly qualified and experienced risk managers. Consumer finance is growing in Pakistan and Jubilee General has developed innovative insurance solutions to meet the growing demand. From auto financing to personal loans, mortgages to plastic cards, and trade finance to capital investment finance, Jubilee General has the customised solutions to secure entire operations, product range and transactions of all financial institutions. With the stream of upcoming power, engineering and infrastructure development projects on the national level, our Engineering & Bonds Department, manned by the most experienced engineers in the industry, is geared to provide technical and quality security to this vital sector.

As pioneers in Group Health Insurance, Jubilee General continues to develop new, flexible and customised plans to suit the diverse needs of our many blue chip Pakistani companies and multinational clients. Jubilee General has recently modified its health insurance products with better coverage and scalable benefit limits.

The insurance industry world over is undergoing technological revolution. Jubilee General prides itself as innovator and distributor of technology driven service and delivery of products. Leveraging on its digital know-how, Jubilee General is making rapid progress in automation of processes for faster and improved controls to deliver better customer experience. Thus the Company became that first insurer in Pakistan to launch an online portal providing end-to-end solution complete with payment options. Jubilee General after pioneering the first ever android application for motor insurance, has come up with android applications for Bus Passenger's Personal Accident by the name of "Musafir" and a Health insurance application; and intends to introduce more applications using android mobile technology to increase the insurance penetration in the retail segment.

In May 2015, Jubilee General launched its Window Takaful Operations setup. This endeavor helps us not only to cater to the requirements of our existing clientele but also to reach out to new market segments which had not hitherto been obtaining the benefits of General Insurance products. Our General Takaful products are designed under the supervision of a Certified Shari'ah Advisor.

Above all, at Jubilee General, we remain focused on meeting and exceeding customer expectations.

## Insurance / Takaful Products



### Property

Fire & Allied Perils  
Burglary  
Business Interruption following  
Fire & Allied Perils  
Property All Risks  
Industrial All Risks  
Ship Breaking



### Marine

Marine Cargo Import  
Marine Cargo Export  
Marine Cargo Inland Transit  
Marine Umbrella Liability  
Seller's Contingency  
Marine Hull  
Pleasure Craft Policy  
Sports Craft Policy  
Graveyard Policy  
Marine & Delay in Startup  
Containers  
Stevedores Liability



### Motor

Private Car Comprehensive  
Commercial Vehicle  
Comprehensive  
Motorcycles Comprehensive  
Motor Third Party Liability  
Old Car Comprehensive  
3T- Old Car  
Trade Plate



### Group Health

Comprehensive Dread Disease  
Expenses Benefit  
Comprehensive Hospitalisation  
Expenses Benefit  
Maternity Expenses Benefit  
Out-Patient Expenses Benefit  
Managed Care Solution  
Micro Health



### Engineering

Contractor's All Risk  
Comprehensive Project  
Advance Loss of Profit following  
CAR/EAR  
Comprehensive Machinery  
Erection All Risks  
Machinery Breakdown (MBD)  
Boiler & Pressure Vessels  
Business Interruption following  
MBD  
Computer & Electronic Equipment  
Contractor's Plant & Machinery



### Bonds

Bid Bond  
Mobilisation Advance Bond  
Performance Bond  
Maintenance Bond  
Customs Bond  
Excise Bond  
Supply Bond  
Retention Money Bond  
Utility Bond  
Travel Agent Bond  
APTTA Custom Bond



### Specialised

- Banker's Blanket Bond
- Computer Crime
- Plastic Card
- Safe Deposit Box
- Foreign Currency Exchange
- Comprehensive Security Guard
- Kidnap & Ransom
- Terrorism
- Crop
- Hotel Owner's All Risks
- Professional Indemnity
- Directors' & Officers' Liability
- Residual Value
- Energy Risk
- Protection & Indemnity
- Prize Money
- Event Cancellation
- Network Operator's Policy
- Submarine Cable Policy
- Off Shore Construction Project
- Control of Well Policy
- Oil Liability
- Livestock
- Employment Practice Liability
- Contractual legal Liability
- Package Policies
- SFIP (Stock Brokers Policy)
- AMV (Guard)
- Delinquency
- Loss of License
- Export Credit Risk
- Sovereign Gaurantee
- Non-Honoring of legible Transaction



### Miscellaneous

- Cash in Safe
- Cash in Transit
- Cash on Counter
- Neon Sign
- Plate Glass
- Workmen's Compensation
- General Public Liability
- Product Liability
- Employer's Residual
- Fidelity Guarantee
- Golfer's Policy
- Aviation
- All Risks
- Commercial General Liability



### Careline(Retail Products)

- SelfCare
- SelfCare Plus
- HomeCare structured Package
- ShopCare
- ShopCare Plus
- EducationCare
- AllCare
- Travel ViaCare
- Hajj & Umrah Travel ViaCare
- Ziarat ViaCare
- Students Travel ViaCare
- Critical Illness
- SehatCare
- CellCare

- Business Cover
- Wallet Guard
- Pocket Secure
- Pocket Secure Plus
- Cash Guard
- Medi Cash



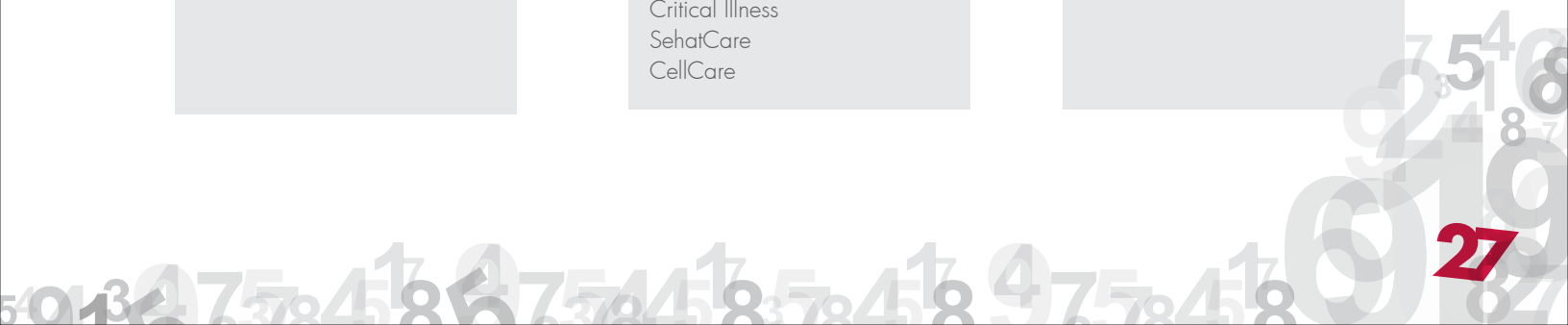
### On-line Retail Products

- SelfCare
- HomeCare
- Travel ViaCare
- Hajj & Umrah Travel ViaCare
- Students Travel ViaCare
- Ziarat ViaCare
- Domestic ViaCare
- CriticalCare
- Family HealthCare
- Personal HealthCare



### Mobile Apps

- Motor Android App
- Health App
- Musafir App



# Management Team

## Managing Director & Chief Executive

1 Tahir Ahmed

## Executive Director

2 Atiq A Mahmudi

## Executive Vice Presidents

3 Azfar Arshad  
4 Nawaid Jamal  
5 Mohammed Safdar  
6 Syed Ather Abbas  
7 Syed Imran Rabbani  
8 Syed Sohail Ahmed  
9 M Uzair Mirza  
10 Karim Merchant  
11 M Nadeem Irshad  
12 Kamran Arif  
13 Imran Mughal  
14 Fayyiaz Ahmad Khan  
15 Captain Mahmood Sultan

## Joint Executive Vice Presidents

16 Syed Abid Waseem  
17 M Saifuddin Shafi  
18 Zahoor A Shaheen  
19 Zulfiqar Ali Abdullah  
20 Ejaz Mehmood  
21 Munir ul Haq  
22 Muhammad Adnan Junaid

## Senior Vice Presidents

23 Ghulam Shabbir Goraya  
24 Captain Shahid Ahmed  
25 Tauseef Hussain Shah  
26 Fahad Alam  
27 Safar Ali  
28 Waqas ur Rehman  
29 Asif Ali  
30 Muhammad Razzak Chaudhary  
31 Syed Hamid Hussain Zaidi  
32 Tariq Zia  
33 Syed M Haroon A Bokhari  
34 Rizwan Ehsan Puri  
35 Ghulam Qadir  
36 Ahsan Ilyas  
37 Muhammad Arif

## Advisors

38 Hashim M Shamim  
39 Saeed Jan Awan

## Joint Senior Vice Presidents

40 Muhammad Amin Haroon  
41 Syed M Tariq Ziauddin

## Vice Presidents

42 Rai Zahoor Ali Khan  
43 Bashir Ahmed Khan  
44 Syed Rafiq Ali  
45 Khalid Hameed  
46 Faranaz Surani  
47 Saad Ullah Khan

## Assistant Vice President

48 M. Muzammil Memon



1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

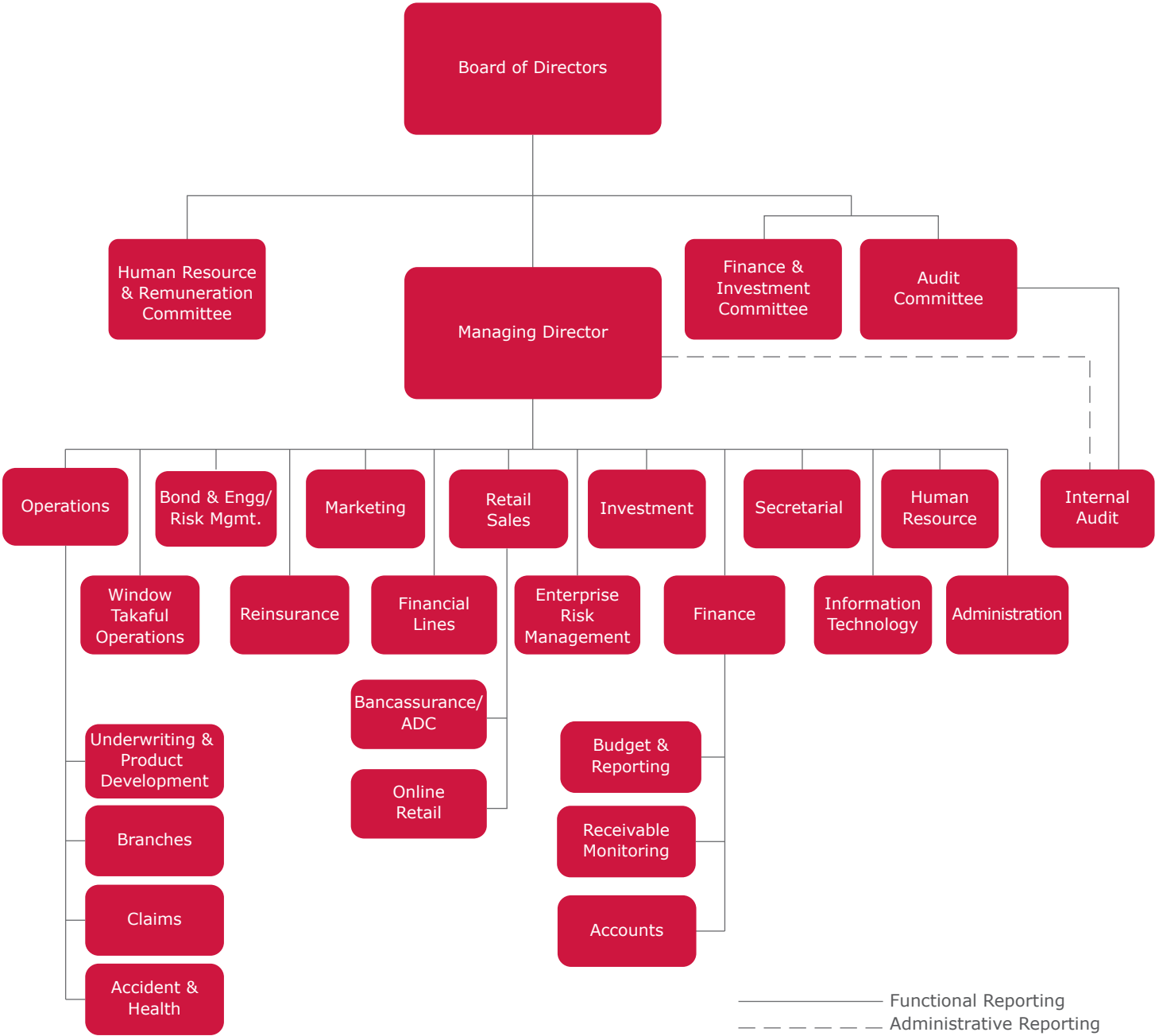
45

46

47

48

# Organisation Structure





## Code of Conduct

**Our Integrity guides our conduct towards our policyholders, colleagues, shareholders and the general public. This principle constitutes the foundation of our code of conduct and ethics as under:**

- Compliance with law and the legal system is a fundamental principle for Jubilee. Every employee, agent and director shall obey the laws and regulations of the legal systems in letter and spirit within which he / she acts. Regardless of the sanctions foreseen by the law, any director, employee or an agent guilty of a violation will be liable to disciplinary consequences related to such violation.
- Respect for personal integrity, privacy and personal right of every individual is a fundamental principle. We work together with individuals of various backgrounds, ethnic types, different cultures, gender, religions, ages and disabilities.
- We compete fairly with the quality and the price of our innovative products and services, not by offering improper benefits to others. Employees are not permitted to use their jobs to solicit, to demand, accept, obtain or be promised advantages.
- Jubilee does not make political contributions (donations to politicians, political parties or political organisations). As a responsible member of society and a good corporate citizen, Jubilee makes donations for education, health, and social and humanitarian projects.
- It is Jubilee's objective to conduct business with reputable clients and business partners who are involved in lawful business activities. We do not facilitate money laundering.
- It is the duty of Jubilee employees to make business decisions in the best interest of Jubilee Insurance and not based on their personal interest.
- Jubilee employees are obligated to protect all assets of the Company, including intangible assets and software products, and use these properly only for the benefit of the Company.
- Open and effective communication requires accurate and truthful reporting. Jubilee is required to maintain sound processes and controls so that transactions are executed within approved authorization. Confidentiality is maintained with regard to Jubilee's proprietary information that has not been made known to public.
- Protecting the health and safety of employees in the workplace is a high priority for Jubilee. Jubilee promotes sound environment friendly business practices.

# Shareholders' and Investors' Information

## Notice of Annual General Meeting

Notice is hereby given that the 63rd Annual General Meeting of Jubilee General Insurance Company Limited will be held on Monday, April 25, 2016 at 09:00 a.m. at the registered office of the Company situated at Jubilee Insurance House, I.I. Chundrigar Road, Karachi to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended December 31, 2015 together with the Auditors' and Directors' Report thereon.
2. To consider and approve the payment of final cash dividend of 30% (Rs.3.00 per ordinary share of Rs.10/- each) for the year ended December 31, 2015 as recommended by the Board of Directors of the Company. This is in addition to the interim dividend of Rs. 1.50 per share that is 15% already paid, making a total cash dividend of Rs. 4.50 per share that is 45% for the year.
3. To appoint Auditors of the Company for the year ending December 31, 2016 and fix their remuneration. The present auditors M/s. KPMG Taseer Hadi & Company, Chartered Accountants, being eligible, have offered themselves for reappointment.

By Order of the Board



Fahad Alam  
Company Secretary

Karachi: February 11, 2016

### NOTES:

1. SECP has directed vide SRO No. 831(1)2012 dated July 05,2012 to issue dividend warrant only crossed as "A/c Payee only" and should bear the computerised National Identity Card (CNIC) number of the registered members. All those shareholders possessing physical shares are requested to submitted a photocopy of their valid CNIC along with the Folio Number at the earliest directly to Company's Share Registrar, THK Associates (Private) Limited, 2nd Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi. No dividend will be payable unless the CNIC number is printed on the dividend warrants. Corporate are also requested to submit their NTN at the address of our Registrar as given above.
2. The Share Transfer Books of the Company will be closed for the purpose of determining the entitlement for the payment of final cash dividend from April 19, 2016 to April 25, 2016 (both days inclusive). Transfer received at THK Associates (Pvt.) Ltd, 2nd Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on April 18, 2016 will be treated in time for the purpose of Cash Dividend entitlement to the transferees.
3. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend, speak and vote at the Meeting on his/her behalf. The proxy forms must be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.
4. For attending the Meeting and Appointing Proxies, CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
5. Members are requested to immediately inform the Company of any change in their addresses.

## Calendar of Major Events

### Financial

#### Results

First quarter ended 31 March 2015	Announced on	22 April 2015
Half year ended 30 June 2015	Announced on	19 August 2015
Third quarter ended 30 September 2015	Announced on	21 October 2015
Year ended 31 December 2015	Announced on	11 February 2016

#### Dividends

Final Cash 2015 (30%)	Announced on	11 February 2016
	Entitlement date	18 April 2016
	Statutory limit upto which payable	24 May 2016
Interim Cash 2015 (15%)	Announced on	19 August 2015
	Paid on	06 October 2015
Final Cash (2014)	Announced on	12 February 2015
	Paid on	15 May 2015

Issuance of Annual Report	04 April 2016
---------------------------	---------------

63 <sup>rd</sup> Annual General Meeting	25 April 2016
---	---------------

### Operational

Motor Android Application	Launched on	14 January 2015
Window Takaful Operations	Launched on	07 May 2015
Retail Online Renewals	Launched on	13 July 2015
Musafir (Bus) Android Application	Launched on	21 October 2015

## Access to Reports and Enquiries

### Financial Reports

Annual report 2015 and Quarterly reports may be downloaded from the Company's website: [www.jubileegeneral.com.pk](http://www.jubileegeneral.com.pk) or printed copies can be obtained by writing to the Company Secretary.

### Presentation on Company's performance

Video presentation on company's financial position and performance in 2015 is available on Company's website: [www.jubileegeneral.com.pk](http://www.jubileegeneral.com.pk)

### Stock Exchange Listing

Jubilee General Insurance Company Limited shares are listed on Pakistan stock exchange. The symbol code for dealing in shares of the Company is **JGICL**.

## Investor's Grievances Policy

The Company ensures that our Investors receive exemplary services. Investor queries and complaints constitute an important voice of Investor. Following are our guiding principles:

1. Investors are treated fairly at all times;
2. Complaints raised by Investors are dealt in a timely manner; and
3. Investors are informed of avenues to raise their queries and complaints.

M/s THK Associates (Pvt) Limited being the Registrar is primarily responsible to resolve the investor's grievances. Shareholders' enquiries about their shareholding, dividends or share certificates etc. can be directed to the Share Registrar at the following address:

**THK Associates (Pvt) Limited**  
**2nd Floor, State Life Building No.3**  
**Dr. Ziauddin Ahmed Road,**  
**Karachi, Pakistan.**  
**Tel: 35693094-5 UAN: 111-000-322**

In case investor's grievances have not be addressed up to his/her satisfaction within reasonable time, the investors may also directly write to the Company at the following address:

**Company Secretary**  
**Jubilee General Insurance Company Limited**  
**2nd Floor, Jubilee Insurance House,**  
**I.I. Chundrigar Road,**  
**Karachi-74000, Pakistan.**

The investors can also send an email to designated email address:

**[shareholders@jubileegeneral.com.pk](mailto:shareholders@jubileegeneral.com.pk)** for their queries/complaints, if any.

## Issues raised at the last Annual General Meeting

There was no special item in the agenda of the 62nd Annual General Meeting of the Company held on April 17, 2015 and only ordinary business was transacted in the meeting, during which no significant issues were raised by the members.

## Share Price Analysis

### Volume Analysis

JGI Share Price on the PSX in the year 2015

Month	Highest	Lowest	Per day Average Volume
	Rupees	Rupees	Number of Shares
January	102.95	100.00	2,553
February	107.10	86.27	6,947
March	87.00	76.00	2,952
April	83.50	76.01	2,500
May	81.94	76.00	1,119
June	90.00	76.50	4,750
July	117.50	86.45	15,675
August	113.15	100.43	7,575
September	127.99	106.00	9,675
October	127.99	119.00	10,100
November	121.00	101.30	929
December	110.00	99.00	1,071

### Sensitivity Analysis

The Company's share price is sensitive to the following factors:

- Economic conditions.
- Stock market sentiments.
- Company's performance.
- Dividend announcements.
- Change in government policies and regulations relating to insurance business.
- Company's Financial Strength Rating.

# Corporate Governance, Sustainability and Financial Information



# The Directors' Report

For The Year Ended 31 December 2015

The Directors are pleased to present the Annual Report and the Audited Accounts for the year ended 31 December 2015.

## Country Review:

According to the World Bank Report "Pakistan Development Update" launched in November last, Pakistan's Gross Domestic Product (GDP) growth is projected to be 4.5% in the current fiscal year. Though marginally higher than 4.2% achieved in the previous fiscal year but it would still miss the budgeted 5.5% by good measure as Pakistan's economy continues to struggle due to infrastructure bottlenecks especially energy. However, thanks mainly to the falling oil prices the inflation is likely to remain relatively low at 5.1% in 2016 and State Bank of Pakistan (SBP) is expected to maintain interest rate at 6%. Under the low interest regime, it is forecast that investment is set to increase, given both greater fiscal space as well as an increase in private sector borrowing. The investment scene would be supported by the China-Pakistan Economic Corridor (CPEC). On the external front, the country's foreign exchange reserves reached a record high of USD 21 billion which now provide an import cover of 06 months. The current account deficit (CAD) continues to show improvement as it declined by 49% YOY to USD 1.3 billion (0.9% of GDP) compared to USD 2.5 billion (1.8% of GDP) in the first half of the current fiscal. These factors have thus far supported PKR/USD to remain relatively stable.

## Insurance Sector Review:

Gross Written Premium (GWP) in the Pakistan non-life insurance market grew by 13% in 2014 (10% in 2013) to PKR 55 billion, and in 2015 industry growth is expected to be in the range of 10-12%, due to improving economic environment. As a result there is strong growth in Motor and Fire portfolios; however, this is tempered to some extent by stagnation in the Marine portfolio due to steep fall in commodity prices (e.g. crude oil, steel) resulting in lower consignment values. In terms of underwriting profitability, 2015 has been positive for the insurance industry; there have been no catastrophic property losses, the flood season passed benignly and Motor business benefited from improving law and order situation which resulted in a decline in vehicle thefts. Therefore, despite pressure on premium rates, the market is poised to produce robust underwriting results in 2015.

## Company Performance:

During the year under review, various consolidation measures undertaken in the previous years commenced yielding positive results. Thus your Company has increased its written premium by 15% to reach Rs 7.97 billion (2014: Rs 6.96 billion). The net premium too increased by 14% to Rs 4.15 billion (2014: Rs 3.64 billion). Consequently, your Company has posted a robust underwriting profit of Rs 468 million up by 70% over Rs 275 million in 2014.



The summarized results for the year under review are as follows:

	2015	2014
	(Rupees in `000)	
Gross Premium	7,978,750	6,961,247
Net Premium Revenue	4,150,808	3,644,630
Underwriting Result	467,724	275,147
Investment Income including		
Capital Gains and Rent	1,219,632	966,192
Profit Before Tax	1,713,283	1,269,822
Profit After Tax	1,352,650	1,079,119
Earnings Per Share of Rs 10 each	8.62	6.88

### **Fire & Property**

The Fire & Property portfolio contributed 23% of total written premium.

Due to rate cutting in the industry and careful underwriting, this portfolio grew only marginally by 3%. However, after a gap of 02 years, Fire & Property portfolio turned positive and contributed Rs 34 million to the Company's underwriting profit as compared to the loss of Rs 71 million in 2014.

### **Marine, Aviation & Transport**

Due to steep fall in the commodity prices of oil and steel (main imports of Pakistan), this portfolio contracted by 9% and contributed 8% of the total written premium.

This class of business generated an underwriting profit of Rs 61 million against Rs 33 million posted in 2014.

### **Motor**

Motor portfolio comprises 17% of our total written premium and increased strongly by 33% to Rs 1.32 billion.

Motor portfolio yielded a handsome underwriting profit of Rs 197 million as compared to Rs 184 million in 2014. Motor portfolio continues to receive management's special attention.

### **Liability**

The liability portfolio constitutes 7% of the total written premium and expanded by 15% yielding an underwriting profit of Rs 21 million (Rs 41 million in 2014).

### **Accident and Health**

Accident & Health constitutes 12% share in the business mix of the Company. Written premium grew robustly by 25% to Rs 962 million and posted underwriting loss of Rs 120 million (Rs 112 million in 2014). The management continues to take measures to make this important portfolio profitable.

## Miscellaneous

Miscellaneous class contributed 34% of the total written premium. It expanded by 19% to reach Rs 2.7 billion. The underwriting profit under this portfolio continues to improve and it posted Rs 275 million as compared to Rs 200 million in 2014.

## Takaful

Your Company received the permission to write Takaful business from Securities & Exchange Commission of Pakistan (SECP) in March 2015 and commenced its Takaful Window Operations in May 2015.

As General Window Takaful Operator, we are aligning our strategy with the business environment. Despite our late entry, we were able to achieve Gross Written Contribution of over Rs 100 million with a Surplus of Rs 9 million in Participant Fund revenue account.

There is a loss from Window Takaful Operation of Rs 13 million in Operator's Fund for the eight months ended 31 December 2015.

The management is confident of improving Takaful business profitably in 2016.

## Investment Income

The Investment income of the Company realised from all sources, including dividend on shares, return on bank deposits, capital gains on securities and rental income from real estate, has crossed Rs 1.2 billion mark in 2015 as compared to Rs 966 million in 2014, showing a healthy growth of 25% from previous year.

The investment portfolio as on 31 December 2015 shows an unrealised gain of Rs 5.7 billion as compared to an unrealised gain of Rs 5.4 billion as on 31 December 2014, exhibiting an increase of 6% despite sharp decline in the stock market in the last two months of 2015.

We expect uptick in inflation in 2016, despite low oil prices, due to the continuous efforts of the government to increase its revenue base through indirect taxation, which will increase the interest rates in the later part of 2016. Moreover, improving macroeconomic activities will lure back foreign investments and provide necessary push to the local stock market in 2016. We expect that the company's investment portfolio will benefit from the increase in interest rates and equity market performance, in future.

## Market Share

Your Company has posted a strong growth of 15% in GWP and hopes to regain its market share of 13.5% in 2015. The yearly data of insurance industry is compiled and published by the Insurance Association of Pakistan.

## Reinsurance

International reinsurance market remains soft. Taking advantage of the situation, Jubilee General has substantially enhanced its reinsurance cover. Adequate and quality reinsurance allows us to satisfy the growing needs of our clients and write higher volume of business.

## Product Development

Jubilee General continues to lead the market in innovative products and delivery of service by harnessing technology. Our on-line portal is constantly improved to make it consumer friendly and efficient. The Company has entered in multiple partnerships to expand its reach to a wider segment of customers.

## Dividend & Appropriation of Profit:

The amount available for appropriation is:

	(Rupees in '000)
Amount brought forward from previous years	26,414
Total Comprehensive income for the year	1,349,747
Foreign Currency transaction difference	7,697
Amount available for appropriation	<u>1,383,858</u>

The Directors recommend that this amount be appropriated in the following manner:

Transfer to special reserves	300,000
Transfer to general reserve	350,000
Interim cash dividend @ 15% (2014 NIL %)	235,365
Proposed final cash dividend @ 30% (2014: 40%)	470,730
Carry forward to next year	27,763
	<u>1,383,858</u>

## Board of Directors

The Board of Directors consists of nine individuals having the knowledge, experience and skill required to provide oversight and the strategic guidelines to the Company. All the Directors of the Company are non-executive Directors including an independent Director, except the Chief Executive Officer. There was no change in the Board of Directors during the year.

## Board Meetings

During the year five (5) meetings of the Board of Directors were held, attendance details of which are as follows:

Name of Director	Meetings Attended
Towfiq H. Chinoy	04
Akbarali Pesnani	05
John Joseph Metcalf	05
R. Zakir Mahmood	05
Aly Noormahomed Rattansey	05
Amin A. Hashwani	04
Aamir Hasan Irshad	04
M. Akhtar Bawany (Alternative Director to Sadruddin Hashwani)	03
Tahir Ahmed	05

## Statement of Directors Responsibilities

In compliance with the Financial Reporting Framework of the Code of Corporate Governance, the Directors confirm the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no material departure from the best practices of corporate governance, as detailed in the listing regulations.

## Board Performance Evaluation

The primary purpose of this evaluation is to enable the Board to assess its own quality of governance, which enable the Board members to play more effective role in progress of the Company. The Board has developed a mechanism to evaluate its own performance by adopting a self-evaluation methodology through an agreed questionnaire.

The evaluation exercise carried out each year and addresses areas of critical importance and includes but is not limited to the following:

- Apprising the basic organisation of the Board of Directors;
- The effectiveness and efficiency of the operation of the Board and its Committees;
- Assess the Board's overall scope of responsibilities;
- Evaluate and validate the information provided by the management; and
- Review the operations of the Company and suggest measures of improvements.

During the year Board carried out its first evaluation. The Board assessed its overall performance as satisfactory against the set parameters. The Board decided that going forward the questionnaire filled by the Directors will be submitted to an independent Chartered Accountant firm for compilation of results, which will further enhance the transparency and confidentiality of the process.

## Chief Executive Officer (CEO) Performance Review

The Board of Directors appoints the Chief Executive Officer for the tenure of three years. The Human Resource & Remuneration Committee of the Board sets operational, financial and strategic objectives to evaluate his performance. The same Committee reviews and monitors CEO performance on annual basis.

## Critical Performance Indicators

The Company evaluates its performance on following key defined indicators:

- Maintaining growth levels above the market and maintaining profitability
- Maintaining Insurer Financial Strength Rating
- Increasing premium retention
- Increasing shareholders wealth
- Meeting and exceeding customer expectation
- Retaining and attracting best employees

The Company expects that defined indicators continue to be relevant in future as well.

## Insurer Financial Strength (IFS) Rating

We are pleased to announce that Jubilee General's IFS (Insurers Financial Strength) rating has yet again been affirmed as "AA+" with "Stable Outlook" by both rating agencies of Pakistan i.e. JCR-VIS and Pakistan Credit Rating Agency (PACRA). The rating denotes very strong capacity of the Company to meet policy holder and contractual obligations.

According to JCR-VIS, Jubilee General has depicted continued growth in business on a year on year basis. Overall results from underwriting operations have remained positive. PACRA states that its rating reflects Jubilee General's robust risk management framework facilitating the Company in sustaining sound underwriting performance.

A.M. Best has also affirmed Financial Strength Rating of "B++" (Good) and issuer credit rating of "BBB". According to A.M. Best, its rating reflects Jubilee General's solid risk-adjusted capitalization, track record of good operating performance and well-established business profile in Pakistan. Jubilee General's risk-adjusted capitalisation is expected to remain solid and sufficient to absorb its projected underwriting growth over the next three years.

### **Information Technology**

While 2014 was spent in strengthening our Core Insurance Platform along with launch of Retail Internet Portal, 2015 was the banner year for Retail Products Launch with significant capability improvements in customer User Experience (UX). Market lead was established firmly where 11 new products were launched with variety of payment options to facilitate the customer.

We now have the capability to launch new products within weeks instead of months . . . an essential requirement for the consumer business. Our focus will now shift towards re-building our base Infrastructure Components which will facilitate offering many products with flexibility of collaboration with external business entities with a stable, secured and scalable path into our Core Insurance System. This will also allow consumers to come via choice of many channels where they may already have achieved a level of comfort.

### **Auditors**

Messrs KPMG Taseer Hadi & Co have audited the accounts for the year 2015, and have offered themselves for re-appointment. The Board Audit Committee recommends that they be re-appointed as the statutory auditors for a further term of one year, and the Board endorses this recommendation.

### **Future Outlook**

As mentioned in the opening section of this report, Pakistan's economy is improving albeit gradually. The investment climate is being assisted by low interest rate, low inflation and CPEC (China-Pakistan Economic Corridor). By leveraging its high IFS rating and driven by experienced manpower, Jubilee General is well poised to take advantage of increasing consumer financing and of new investment in infrastructure projects.

Our Window Takaful Operation is better prepared to introduce new products for consumers in that segment. Our investment in technology will enable us to increase our penetration and augment our market position especially in the relatively new sectors of retail and microinsurance.

## Acknowledgements

We acknowledge the patronage and loyalty of our patron clients for reposing their confidence in us and the support of our shareholders which has enabled us to continually improve our leading position in the market. We also thank our reinsurance brokers for their very professional assistance and reinsurers for their valuable support. Our gratitude and appreciation is also due to SECP for their cooperation and patronage. We acknowledge the hard work and professionalism of our development officers, staff members and executives without whom we could not have achieved our goals.

On behalf of the Board



**Towfiq H. Chinoy**  
**Chairman**

Karachi: 11 February 2016

## اظہار تشکر

ہم اپنے مخلص صارفین اور شیئر ہولڈرز کے شکرگزار ہیں کہ انہوں نے ہم پر اعتماد کیا اور ہماری بھرپور معاونت کی۔ جس سے ہم اس قابل ہوئے کہ مارکیٹ میں اپنی قائدانہ پوزیشن کو برقرار رکھ سکیں۔ ہم اپنے ری انشوررز کی قابل قدر معاونت اور ری انشورنس بروکرز کی پیشہ ورانہ مہارت پر بھی ان کے شکرگزار ہیں۔ ہم ایس ای سی پی (SECP) کے تعاون اور سرپرستی پر بھی ان کے بے حد مشکور ہیں۔ ہم اپنے ڈیولپمنٹ آفیسرز، اسٹاف ممبرز، اور ایگزیکٹو کی انتھک محنت اور پیشہ ورانہ کاوشوں کی بھی تعریف کرتے ہیں، جن کے بغیر ہم اپنے اہداف حاصل نہیں کر سکتے تھے۔

بورڈ کی جانب سے



توفیق ایچ چنائے

چیئرمین

کراچی ۱۱ فروری 2016



## کمپنی کی مالیاتی (IFS) درجہ بندی (انشورر فنانشل اسٹریٹجھ)

ہمیں اس بات کا اظہار کرتے ہوئے مسرت محسوس ہو رہی ہے کہ جوہلی جنرل انشورنس کی آئی ایف ایس (کمپنی کی مالیاتی مضبوطی) پاکستان کی دونوں ریٹنگ ایجنسیز (JCR-VIS) جے سی آر۔ وی آئی ایس اور پاکستان کریڈٹ ریٹنگ ایجنسی (پاکرا) کی جانب سے اب تک ڈبل اے پلس (AA+)، اسٹیبیل آؤٹ لک پر مستحکم ہے۔ یہ ریٹنگ اس بات کا اظہار ہے کہ کمپنی پالیسی ہولڈر کی معاہدات کی ضروریات کو پورا کرنے کی بہت مضبوط صلاحیت رکھتی ہے۔ VIS-JCR کے مطابق، جوہلی جنرل سال بسال کی بنیاد پر کاروبار میں مسلسل ترقی کر رہی ہے۔ انڈر رائٹنگ آپریشن سے مجموعی طور پر نتائج مثبت رہے۔ پاکرا (PACRA) کے مطابق اس کی ریٹنگ جوہلی جنرل کے مضبوط رسک مینجمنٹ فریم ورک کی عکاسی کرتی ہے۔ جس سے کمپنی کی انڈر رائٹنگ کی مضبوط صلاحیت کا اظہار ہوتا ہے۔ اے ایم بیسٹ (AMBest) نے بھی کمپنی کی مالیاتی استحکام کے لئے بی ڈبل پلس ،، B++، (Good) ریٹنگ اور "BBB" کی انشور کریڈٹ ریٹنگ جاری کی ہے۔ اے ایم بیسٹ کے مطابق، اس کی درجہ بندی، جوہلی جنرل کی رسک ایڈجسٹ کے لئے مالی استحکام کی عکاسی کرتا ہے۔ جو اس کے پاکستان میں اچھی آپریٹنگ کے ٹریک ریکارڈ اور اچھے کاروبار پر وفا کے کا بھی اظہار ہے۔ اگلے تین برس میں جوہلی جنرل کی رسک ایڈجسٹ کپھلا سزیشن مضبوط ہوگی اور جس میں متوقع انڈر رائٹنگ کے پھیلاؤ کو جذب کرنے کی صلاحیت ہے۔

## انفارمیشن ٹیکنالوجی

جس طرح کمپنی نے سال 2014 میں ریٹیل انٹرنیٹ پورٹیل کے آغاز سے انشورنس کے بنیادی پلیٹ فارم کو مضبوط کیا تھا، اس طرح 2015 ریٹیل پروڈکٹ لانچ کرنے کے لئے ایک نمایاں سال رہا۔ جس میں ہم نے صارف کے تجربے کی صلاحیت میں بہتری (UX) کے ساتھ آغاز کیا۔ کمپنی نے مارکیٹ میں گیارہ نئی پروڈکٹ کو جاری کر کے اپنے قائدانہ کردار کو برقرار رکھا ہے۔ جس میں بیمہ دار کو سہولت کے لئے ادائیگیوں کے مختلف مواقع فراہم کئے گئے ہیں۔ اب ہم مہینوں کے بجائے ہفتوں میں نئی پروڈکٹ لانچ کرنے کی صلاحیت رکھتے ہیں جو کہ کنزیومرز کے لئے بنیادی ضرورت ہے۔ ہماری توجہ کا مرکز اپنے بنیادی ڈھانچے کی تازہ کاری ہے، تاکہ بیرونی بزنس کے اداروں سے مستحکم، محفوظ اور وسیع راستے تشکیل پاسکیں، جو کہ ہمارے بنیادی انشورنس سسٹم کے لئے ضروری ہیں۔ اس سے گاہک کو اپنی مرضی اور سہولت کے مطابق چینل کے انتخاب کا موقع ملے گا۔

## آڈیٹرز

سال 2015 کے اکاؤنٹس کو میسرز کے پی ایم جی تاثیر ہادی اینڈ کو نے آڈٹ کیا ہے اور انھوں نے اپنے آپ کو دوبارہ تقرری کے لئے بھی پیش کیا ہے۔ بورڈ آڈٹ کمیٹی نے سفارش کی ہے کہ ان کا مزید ایک سال کے لئے قانونی آڈیٹرز کے طور پر دوبارہ تقرر کر لیا جائے، بورڈ نے اس سفارش کی توثیق کی ہے۔

## مستقبل کے خدوخال (فیوچر آؤٹ لک)

جیسا کہ اس رپورٹ کے ابتدائی حصے میں نشاندہی کی گئی ہے کہ پاکستان کی معیشت بتدریج ترقی کی جانب گامزن ہے، سرمایہ کاری کے ماحول کو سود کی شرح میں کمی، افراط زر میں کمی اور چائینا اکنامک کوریڈور سے مدد ملے گی۔ اپنی مستحکم مالیاتی ریٹنگ اور تجربہ کار بینکاروں سے کنزیومرز کو فنانس اور نئی سرمایہ کاری سے جوہلی جنرل اپنے صارفین میں اضافے میں کامیاب ہوگی۔ ہماری ونڈو مکافل اپنے صارفین کے لئے نئے پروڈکٹ کے اجراء کے لئے بہتر طور پر تیار ہوگی۔ ٹیکنالوجی میں ہماری سرمایہ کاری ہماری مارکیٹ پوزیشن کی بہتری، مائیکرو انشورنس اور ریٹیل بزنس میں اضافہ کا سبب بنے گی۔

## بورڈ کی کارکردگی کا جائزہ

اس جائزے کا بنیادی مقصد بورڈ کو اپنا معیار اور اپنی صلاحیتوں کا اندازہ کرنا ہے، جس سے بورڈ کے ارکان کمپنی کی ترقی میں زیادہ موثر کردار ادا کر سکیں۔ بورڈ نے ایک منظور شدہ سوالنامے کے ذریعے اپنی کارکردگی کا اندازہ کرنے کا طریقہ کار اپنایا ہے۔ یہ جائزہ ہر سال لیا جائے گا۔ جس میں اہم نوعیت کی ذمہ داریوں کا جائزہ لیا جائے گا۔ جن میں چند اہم مندرجہ ذیل ہیں۔

- بورڈ آف ڈائریکٹرز کی بنیادی تنظیم سے آگاہی

- بورڈ اور اس کی کمیٹیوں کے آپریشن، کارکردگی، اور ان کے موثر ہونے کی صلاحیت

- بورڈ کی ذمہ داریوں اور اس کے دائرہ کار کا تعین

- بورڈ کو پیش کی جانے والی معلومات کی جانچ پڑتال

- کمپنی آپریشن کا جائزہ اور بہتری کی تجویز

دوران سال بورڈ نے اپنا پہلا جائزہ مکمل کیا۔ بورڈ نے اپنی مجموعی کارکردگی کو مقرر پیرامیٹرز کی حدود میں تسلی بخش قرار دیا۔ بورڈ نے فیصلہ کیا کہ ڈائریکٹرز کی جانب سے پرکئے گئے سوالنامے کے نتائج کو مرتب کرنے کے لئے ایک آزاد چارٹرڈ اکاؤنٹنٹ فرم کی خدمات حاصل کی جائیں گی۔ جو اس کی شفافیت اور رازداری کے عمل کو مزید بہتر بنائے گی۔

## چیف ایگزیکٹو آفیسر (سی ای او) کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز تین سال کی مدت کے لئے چیف ایگزیکٹو آفیسر مقرر کرتا ہے۔ بورڈ کی (ہیومن ریسورس اینڈ ریمیو نیلین کمیٹی) انسانی وسائل اور مشاہرہ کمیٹی، اس کی کارکردگی کا اندازہ لگانے کے آپریشنل مالی اور اسٹریٹجک مقاصد متعین کرتی ہے۔ اور یہی کمیٹی سالانہ بنیاد پر سی ای او کی کارکردگی کی نگرانی اور جائزہ لیتی ہے۔

## اہم کارکردگی کے اشارے

کمپنی اپنی کارکردگی کا جائزہ درج ذیل کلیدی اشاروں کی بنیاد پر کرتی ہے۔

- مارکیٹ سے زیادہ ترقی کی سطح کو برقرار رکھتے ہوئے منافع کا حصول

- کمپنی کے مالیاتی استحکام کی درجہ بندی کو برقرار رکھنا

- پریکٹس کا استحکام

- کمپنی مالکان کی دولت میں اضافہ

- صارف کی توقعات سے بڑھ کر خدمت

- بہترین ملازمین کا حصول اور ان کو برقرار رکھنا

کمپنی توقع رکھتی ہے کہ یہ اشارے مستقبل میں بھی موزوں رہیں گے۔

## بورڈ آف ڈائریکٹرز

کمپنی کی حکمت عملی مرتب کرنے اور رہنمائی کے لئے علم، تجربہ اور مہارت کے حامل نواب افراد پر مشتمل بورڈ آف ڈائریکٹرز موجود ہیں۔ سوائے چیف ایگزیکٹو آفیسر کے، ایک آزاد ڈائریکٹر سمیت کمپنی کے تمام ڈائریکٹران ایگزیکٹو ڈائریکٹر ہیں۔ دوران سال بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں آئی۔

### بورڈ اجلاس

دوران سال بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ جس کی حاضری کی تفصیلات درج ذیل ہیں۔

#### اجلاس میں حصہ لیا

#### ڈائریکٹرز کے نام

04	توفیق ایچ چنائے
05	اکبر علی پٹانی
05	جان جوزف میٹکاف
05	آر ڈاکٹر محمود
05	آل نور محمد رتن سے
04	امین اے ہاشوائی
04	عامر حسن ارشاد
03	ایم اختر باوانی (صدر الدین ہاشوائی کے متبادل ڈائریکٹر)
05	طاہر احمد

## ڈائریکٹرز کی ذمہ داریوں کا اظہار یہ

کوڈ آف کارپوریٹ گورننس کے فریم ورک کے مطابق مالیاتی رپورٹ کے ضمن میں ڈائریکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں۔

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارہ، موجودہ جاری معاملات، آرٹیشنرز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلی صحیح صورت حال کی عکاسی کرتے ہیں۔

- کمپنی کے اکاؤنٹس باقاعدہ طور پر مرتب کیئے گئے ہیں۔

- مالیاتی اندازے محتاط روی سے لیئے گئے ہیں۔ سالانہ اکاؤنٹنگ کی تیاری کے لئے مناسب پالیسیاں تسلسل کے ساتھ اپنائی گئی۔

- مالیاتی گوشوارے کی تیاری اور اس میں دکھائے گئے معاملات پاکستان میں موجود انٹرنیشنل فنانشل رپورٹنگ کے معیار کو مد نظر رکھتے ہوئے مرتب کئے گئے۔

- اندرونی کنٹرول کے نظام کا ڈھانچہ مضبوط ہے۔ اس پر موثر طور پر عمل درآمد اور نگرانی کی گئی۔

- کمپنی کے قائم رہنے کی صلاحیت کسی شک و شبہ سے بالاتر ہے۔

- قوانین میں اظہار کی گئی تفصیلات اور کارپوریٹ گورننس کی بہترین پریکٹس کے مطابق کوئی قابل ذکر کوتاہی نہیں ہوئی۔

## مارکیٹ شیئر

آپ کی کمپنی نے GWP میں 15 فیصد کا ایک مضبوط اضافہ کیا ہے۔ اور توقع ہے کہ 2015 میں اپنا 13.5 فیصد کا مارکیٹ شیئر دوبارہ حاصل کر لے گی۔ انشورنس انڈسٹری کا سالانہ ڈیٹا پاکستان کے انشورنس ایسوسی ایشن کی طرف سے مرتب کر کے شائع کیا جاتا ہے

## ری انشورنس

بین الاقوامی ری انشورنس مارکیٹ کی سازگار صورت حال کا فائدہ اٹھاتے ہوئے، جو بلی جنرل انشورنس نے کافی حد تک اپنی ری انشورنس کی حد میں اضافہ کیا ہے۔ معیاری اور مناسب ری انشورنس ہمیں ہمارے گاہکوں کی بڑھتی ہوئی ضروریات کو پورا کرنے اور کاروبار کے حجم کو بڑھانے کی سہولت دیتی ہے۔

## پروڈکٹ ڈولپمنٹ

جو بلی جنرل انشورنس اپنی پروڈکٹ ڈولپمنٹ کی جدت اور ٹیکنالوجی سے مزین جدید مصنوعات اور سروسز کی بدولت مارکیٹ سے آگے رہتی ہے۔ ہماری آن لائن پورٹل صارفین کے لئے مسلسل بہتر ہو کر مزید صارف دوست اور موثر ہو رہی ہے۔ کمپنی بہت سی شراکت داریوں کے ذریعے صارفین کی بہت بڑی تعداد تک رسائی حاصل کرنے کے لئے کوشاں ہے۔

## منافع اور ڈیویڈنڈ کا مختص کرنا

مختص کے لئے دستیاب رقم	'000 روپے میں
گزشتہ سال سے لائی گئی رقم	26,414
اس سال کی مجموعی آمدنی	1,349,747
غیر ملکی کرنسی کے لین دین کا فرق	7,697
مختص کرنے کے لئے موجود رقم	<u>1,383,858</u>
ڈائریکٹرز کی جانب سے سفارش کی جاتی ہے کہ اس رقم کو مندرجہ ذیل طریقے سے مختص کیا جائے۔	
خصوصی ذخائر کو منتقلی	300,000
عمومی ذخائر کو منتقلی	350,000
عبوری نقد ڈیویڈنڈ @ 15 فیصد (2014 صفر فیصد)	235,365
مجوزہ حتمی نقد ڈیویڈنڈ @ 30 فیصد (2014 40 فیصد)	470,730
اگلے سال کے حساب میں منتقلی	27,763
	<u>1,383,858</u>

## ذمہ داری (لائبیلیٹی)

لائبیلیٹی (ذمہ داری) پورٹ فولیو کا مجموعی پریمیم (Total written premium) میں حصہ 7 فیصد ہے۔ اور اس میں 15 فیصد کی توسیع کے باوجود انڈر رائٹنگ آمدنی 2014 کی 41 ملین روپے سے کم ہو کر 21 ملین روپے ہوئی ہے۔

## حادثے اور صحت (ایکسیڈینٹ اینڈ ہیلتھ)

حادثے اور صحت کے شعبے کا کمپنی کے کاروبار میں حصہ 12 فیصد کا ہے۔ مجموعی پریمیم (Total written premium) میں 25 فیصد کے اضافے سے اس کی مالیت 962 ملین روپے تک جا پہنچی ہے۔ اور اس میں انڈر رائٹنگ کا نقصان 120 ملین روپے ہوا ہے۔ جبکہ 2014 میں اس میں 112 ملین روپے کا نقصان ہوا تھا۔ انتظامیہ اس اہم پورٹ فولیو کو منافع بخش بنانے کے لئے مسلسل اقدامات کر رہی ہے۔

## متفرقات (مسیلینیس)

متفرقات کا مجموعی پریمیم (Total written Premium) میں حصہ 34 فیصد ہے۔ اس میں 19 فیصد کی توسیع سے اس کی مالیت 2.7 بلین روپے تک جا پہنچی ہے۔ اس پورٹ فولیو کے تحت انڈر رائٹنگ کے منافع میں مسلسل اضافہ ہو رہا ہے۔ جو کہ 2014 کے 200 ملین روپے کے مقابلے میں 2015 میں اس کی مالیت 275 ملین روپے تک جا پہنچی۔

## تکافل

آپ کی کمپنی نے مارچ 2015 میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) سے تکافل کاروبار کرنے کی اجازت حاصل کی اور مئی 2015 میں اپنے تکافل ونڈو آپریشن کا آغاز کیا۔ جنرل ونڈو تکافل آپریٹر کے طور پر، ہم نے کاروباری ماحول کے مطابق حکمت عملی اپنائی۔ اس شعبے میں تاخیر سے داخل ہونے کے باوجود، ہم نے 100 ملین روپے کا مجموعی پریمیم حاصل کیا۔ جس کے ساتھ شراکت داروں کے فنڈ میں 9 ملین روپے کا اضافہ ہوا ہے۔ 31 دسمبر 2015 کو ختم ہونے والے آٹھ ماہ کے عرصے میں ونڈو آپریشن سے آپریٹرز فنڈ میں 13 ملین روپے کا نقصان ہوا ہے۔ انتظامیہ پر امید ہے کہ 2016 میں تکافل کاروبار منافع بخش ہو جائے گا۔

## سرمایہ کاری سے آمدنی

کمپنی کی سرمایہ کاری سے آمدنی بشمول سیکیورٹیز پر کیپیٹل گین، اور ریل اسٹیٹ سے کرایہ کی آمدنی حصص پر منافع، بینک میں جمع رقم سے آمدنی، 2014 کی آمدن 966 ملین روپے کے مقابلے میں 2015 میں 1.2 بلین روپے تک پہنچ گئی ہے۔ اس شعبے میں گزشتہ سال کے مقابلے میں 25 فیصد کا صحت مند اضافہ دیکھا گیا ہے۔ سرمایہ کاری کے پورٹ فولیو کا غیر حاصل شدہ منافع، 31 دسمبر 2014 کے 5.4 بلین روپے کے مقابلے میں، 31 دسمبر 2015 تک آخری دو ماہ میں اسٹاک مارکیٹ کے تیزی سے گرنے کے باوجود 6 فیصد اضافے کے ساتھ 5.7 بلین روپے تک جا پہنچا۔ ہم 2016 میں افراط زر کی شرح میں اضافے کی توقع رکھتے ہیں۔ تیل کی قیمتوں میں کمی کے باوجود، حکومت کی جانب سے بالواسطہ ٹیکس کے ذریعے آمدنی کی بڑھانے کی وجہ سے 2016 کے اختتام تک شرح سود میں اضافہ ہو جائے گا۔ حکومت کی مسلسل کوششوں سے، معاشی سرگرمیوں میں بہتری کی توقع ہے۔ جس سے غیر ملکی سرمایہ کاری میں اضافہ ہوگا اور 2016 میں مقامی شیئر مارکیٹ میں بہتری ہوگی۔ ہمیں توقع ہے کہ کمپنی کا سرمایہ کاری پورٹ فولیو، سود کی شرح میں اضافے اور ایکویٹی مارکیٹ کی کارکردگی میں اضافے سے اچھی کارکردگی دے گا۔

## زیر جائزہ سال کے مختصر نتائج درج ذیل ہیں

..000'روپے میں

2015	2014	
7,978,750	6,961,247	مجموعی پرییم
4,150,808	3,644,630	خالص پرییم آمدنی
467,724	275,147	انڈر رائٹنگ کے نتائج
1,219,632	966,192	سرمایہ کاری سے آمدنی (بشمول کرایہ آمدنی اور کیپیٹل گین)
1,713,283	1,269,822	قبل از ٹیکس منافع
1,352,650	1,079,119	بعد از ٹیکس منافع
8.62	6.88	فی شیئر آمدنی دس روپے کے شیئر پر

## آتشزدگی اور جائیداد (فائر اینڈ پراپرٹی)

مجموعی پرییم (Total written premium) میں آتشزدگی اور جائیداد (فائر اینڈ پراپرٹی) پورٹ فولیو کا حصہ 23 فیصد ہے۔ انڈسٹری میں ریٹ میں تخفیف اور محتاط انڈر رائٹنگ کے سبب اس پورٹ فولیو میں 3 فیصد کا معمولی اضافہ ہوا۔ تاہم دو سال کے وقفے کے بعد فائر اینڈ پراپرٹی کو پورٹ فولیو مثبت ہو گیا ہے۔ اور سال کے 2014 مقابلے میں جب اس شعبے میں 71 ملین کا نقصان ہوا تھا۔ 2015 میں اس شعبے میں انڈر رائٹنگ کے منافع میں 34 ملین روپے کا اضافہ ہوا ہے۔

## میرین، ایوی ایشن و ٹرانسپورٹ

تیل اور اسٹیل (جو کہ پاکستان کی اہم درآمدات ہیں) کی قیمتوں میں بھاری کمی کی وجہ سے، اس پورٹ فولیو میں 9 فیصد کی کمی دیکھنے میں آئی۔ جبکہ مجموعی پرییم (Total written Premium) میں اس کا حصہ 8 فیصد رہا، اس شعبے کے انڈر رائٹنگ کے منافع میں 2014 کے 33 ملین روپے کے مقابلے میں 61 ملین روپے کا اضافہ رہا۔

## موٹر

موٹر پورٹ فولیو ہمارے مجموعی پرییم (Total written Premium) کا 17 فیصد ہے۔ اور اس میں 33 فیصد کے مضبوط اضافے سے اس کی مالیت 1.32 بلین روپے ہو گئی ہے۔ موٹر پورٹ فولیو کی آمدنی سے 197 ملین روپے کا انڈر رائٹنگ منافع ہوا جو کہ 2014 کے 184 ملین روپے کے مقابلے میں زیادہ ہے۔ موٹر سے شعبے پر انتظامیہ کی مسلسل خصوصی توجہ ہے۔

## ڈائریکٹرز رپورٹ سال منتمہ 31 دسمبر 2015

ڈائریکٹرز مسرت کے ساتھ سالانہ رپورٹ اور 31 دسمبر، 2015 کو ختم ہونے والے سال کے منظور شدہ اکاؤنٹس پیش کرتے ہیں۔

### ملکی جائزہ

گزشتہ نومبر میں جاری ہونے والی عالمی بینک کی رپورٹ پاکستان ڈیولپمنٹ اپ ڈیٹ "کے مطابق، پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) کی شرح نمو رواں مالی سال میں 4.5 فیصد ہونے کا اندازہ ہے۔ جو سال گذشتہ کی جی ڈی پی کی شرح 4.2 فیصد سے کچھ زیادہ ہے۔ لیکن یہ گزشتہ مالی سال کے بجٹ میں متعین شرح 5.5 فیصد کو پوری نہیں کرتی۔ پاکستان کی معیشت بنیادی ڈھانچے کی رکاوٹوں بالخصوص توانائی کے بحران کے باعث مسلسل مشکلات کا شکار ہے۔ تاہم، تیل کی قیمتوں میں کمی کے سبب افراط زر کی شرح 2016 میں نسبتاً کم یعنی 5.1 فیصد کی سطح پر رہنے کا امکان ہے۔ اور اسٹیٹ بینک آف پاکستان کی جانب سے شرح سود 6 فیصد رکھنے کا امکان ہے۔ کم شرح سود کی وجہ سے، زیادہ مالی گنجائش اور نجی شعبے کے قرضے میں اضافہ کو دیکھتے ہوئے سرمایہ کاری بڑھنے کی پیشگوئی کی جا رہی ہے۔ سرمایہ کاری کے رجحان کو چین پاکستان اقتصادی کوریڈور (CPEC) سے بھی تقویت حاصل ہوگی اور بیرونی طور پر بھی بہتری دیکھی جا رہی ہے جبکہ ملک کے زرمبادلہ کے ذخائر بڑھ کر 21 ارب ڈالر کی ریکارڈ سطح پر پہنچ گئے ہیں۔ جس سے چھ ماہ کی درآمدات پوری کی جاسکتی ہیں۔ جاری حساب کے خسارے (CAD) میں بھی بہتری کے آثار ہیں اور ان میں گزشتہ سال کی نسبت 49 فیصد کمی ہوئی ہے۔ جس کی مالیت 1.3 ارب ڈالر ہے، جو (جی ڈی پی کا 0.9 فیصد ہے) اس کا موازنہ 2.5 ارب ڈالر (جی ڈی پی کا 1.8 فیصد) رواں مالی سال کی پہلی ششماہی سے کیا جاسکتا ہے۔ ان عوامل کے نتیجے میں پاکستانی روپے کی قیمت ڈالر کے مقابلے پر مستحکم رہنے کا امکان ہے۔

### انشورنس کے شعبے کا جائزہ

سال 2014 میں پاکستان میں جزل انشورنس مارکیٹ کا کل مجموعی پرییم (GWP) 13 فیصد اضافہ سے 55 ارب روپے تک رہا۔ (2013 میں اضافے کی یہ شرح 10 فیصد تھی)، اور 2015 میں ملک میں بہتر اقتصادی صورتحال سے توقع ہے کہ انشورنس کے شعبے میں اضافہ کی شرح 10-12 فیصد ہوگی۔ نتیجے کے طور پر موٹر اور آتشزدگی (فائر) کے شعبے میں بھاری اضافے کی توقع ہے۔ تاہم، بحری شعبے میں اجناس کی قیمتوں میں بھاری کمی (مثلاً خام تیل، اسٹیل) کے نتیجے میں جمود رہنے کا امکان ہے۔ انڈر رائٹنگ کے فوائد کے حساب سے دیکھا جائے تو 2015 کا سال انشورنس کی صنعت کے لئے مثبت رہا ہے۔ اس سال کے دوران قدرتی آفات سے پراپرٹی (جائیداد) نقصانات نہیں ہوئے۔ سیلاب کا موسم خیریت سے گزر گیا اور موٹر انشورنس کے کاروبار میں امن و امان کی صورتحال کی بہتری اور گاڑی چوری کے واقعات میں کمی کے نتیجے میں فائدہ ہوا۔ لہذا، پرییم کی شرح پر دباؤ کے باوجود 2015 میں مارکیٹ مضبوط رائٹنگ نتائج دینے کے لئے تیار ہے۔

### کمپنی کی کارکردگی

زیر جائزہ سال کے دوران گزشتہ برسوں میں کئے گئے مختلف اقدامات کے مثبت نتائج برآمد ہونا شروع ہو گئے۔ اس طرح آپ کی کمپنی کے مجموعی پرییم (written premium) میں 15 فیصد اضافہ ہوا اور پرییم کی رقم سال 2014 کے 6.96 بلین روپے سے بڑھ کر 7.97 بلین روپے تک پہنچ گئی۔ خالص پرییم میں بھی 4 فیصد اضافہ ہوا۔ اور خالص پرییم 2014 کے 3.64 بلین روپے کے مقابلے میں بڑھ کر 4.15 بلین روپے تک جا پہنچا۔ نتیجے کے طور پر، آپ کی کمپنی کا انڈر رائٹنگ منافع 2014 کے 275 بلین روپے کے مقابلے میں 70 فیصد اضافے کے ساتھ 468 بلین روپے تک جا پہنچا ہے۔

# Corporate Governance

## Board Committees

The Company has three committees at the board level. These committees meet on quarterly basis to review the Company's performance, which strengthens its governance framework. The terms of reference and composition of these committees are given below:

### Audit Committee

The terms of reference of this committee include the following:

- Determination of appropriate measures to safeguard the Company's assets.
- Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
  - major judgmental areas.
  - significant adjustments resulting from the audit.
  - any changes in accounting policies and practices.
  - compliance with applicable accounting standards
  - compliance with listing regulations and other statutory or regulatory requirements.
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- Review of management letter issued by external auditors and management's response thereto;
- Ensuring coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations and management's response thereto;
- Review of related party transactions prior to their approval from the Board of Directors;
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
- Review of the company's statement of internal control system prior to endorsement by the board of directors;
- Determination of compliance with relevant statutory requirements;
- Monitoring and compliance with the best practices of corporate governance and identification of any significant violations thereof; and
- Consideration of any other issue or matter as may be assigned by the board of directors.



The Committee comprises of four members, including the Chairman who is an independent director. All other members are non-executive directors. During the year 2015 four meetings of this committee were held and the attendance of meetings is as follows:

Name of Members	Meetings Attended
Aly Noormahomed Rattansey - Chairman	04
Akbarali Pesnani	04
John Joseph Metcalf	04
Amin A. Hashwani	03

### Finance & Investment Committee

The terms of reference of this committee include the following:

#### Planning & Budgeting:

- Review the annual operating & capital expenditures budgets and recommending the same to the Board.
- Review and approve the long term plan and recommend three years budget of the Company.
- Review and approve proposals for opening of Branch Offices inside and outside Pakistan.

#### Operating Review:

- Review the operational performance of the Company to analyse the variances between planned and actual results.
- Review and monitor the capital expenditures incurred in accordance with the budget.

#### Investments:

- Define the strategic objectives of the Investment Policy.
- Allocate funds for investment in the different sectors and sub-sectors.
- Establish the basic parameters governing the investment in the various sectors.
- Review and approve the annual investment plan and budget.
- Review each quarter, the overall investment portfolio with particular reference to purchase and sale of investments made during the quarter, the income accruing from each sector vis-à-vis the budget, and to consider the reasons for variances.
- Review the economic, political and law & order outlook for the foreseeable future and to issue guidance for further investment / disinvestment activity, sectoral reallocation of investment portfolio etc.
- Establish the benchmarks against which the performance of the overall investment portfolio and its sectors are to be assessed.

The Committee comprises of four members, including the Chairman of this Committee, out of which three are non-executive directors and one executive director. The Committee held four meetings in the year 2015 and the attendance of meetings is as follows:

Name of Members	Meetings Attended
Akbarali Pesnani - Chairman	04
John Joseph Metcalf	04
R. Zakir Mahmood	04
Tahir Ahmed	04

### Human Resource & Remuneration Committee

The terms of reference of this committee include the following:

- Review the HR policies and make appropriate amendments if needed.
- Review and approve manpower development plan and budget.
- Review and recommend annual appraisal and salary revision of senior executives of the Company.
- Review and approve any changes required in perquisites and benefits of senior executives and employees.
- Approve terminations and acceptance of resignations for senior executives.

The Committee comprises of four members including the Chairman of this Committee, out of which three are non-executive directors and one executive director. During the year 2015 two meetings of this committee were held and the attendance of meetings is as follows:

Name of Members	Meetings Attended
Towfiq H. Chinoy - Chairman	02
John Joseph Metcalf	02
Tahir Ahmed	02
Amin A. Hashwani	01

## Management Committees

The Company has five management committees, which cover the core areas of business. These Committees meet on regular basis and are headed by the Chief Executive Officer. The functions and composition of the committees are given below:

### Underwriting Committee

The underwriting committee's function is to formulate the underwriting policy of the Company and to set out the criteria for assessing various types of insurance risks and determines the premium of different insurance covers. The Committee shall regularly review the underwriting and premium policies with due regard to relevant factors such as business portfolio and the market development. Determination of appropriate measures to safeguard the Company's assets.

During the year 2015 four meetings of the Committee were held. The following are the members of this Committee:

#### Name of Members

Tahir Ahmed - Chairman

Azfar Arshad

Syed Imran Rabbani

Mohammad Nadeem Irshad

### Claims Committee

The function of this committee is to devise the claim settling policy of the Company. The committee oversees the claim position of the Company and ensures that adequate claims reserves are made. The committee pays a particular attention to significant claims cases or events, which will give rise to a series of claims. The Committee also determines the circumstances under which the claim disputes shall be brought to its attention, and decide how to deal with such claims disputes. It shall also oversee the implementation of the measures for combating fraudulent claims cases.

During the year 2015 four meetings of this committee were held. The following are the members of this committee:

#### Name of Members

Tahir Ahmed - Chairman

Mohammad Safdar

Kamran Arif

### Re-Insurance & Co-Insurance Committee

This committee ensures that adequate reinsurance arrangements are made for the Company. The Committee pursues the proposed reinsurance's arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurers makes appropriate adjustments to those arrangements in the light of the market development. The committee will also assess the effectiveness of the reinsurance program for the future reference.

During the year 2015 four meetings of this committee were held. The following are the members of this committee:

#### Name of Members

Tahir Ahmed - Chairman  
Azfar Arshad  
Karim Merchant  
Mohammad Safdar

### Enterprise Risk Management (ERM) Committee

This Committee shall ensure the continuity of critical business functions, and commercial activity of the Company and safe guard its assets. The Committee shall assess, review, record, rank and rate the physical, financial and reputational risks. It will conduct the business impact analysis; assess effects of impact of any physical disruption; its financial implications and people to be affected. It will also evaluate mitigation in place; lay down proactive approach and reactive actions. It will also continue to review and improve Business Continuity Plan of the Company from time to time.

During the year 2015 three meetings of this committee were held .The following are the members of this committee:

#### Name of Members

Tahir Ahmed - Chairman  
Azfar Arshad  
Nawaid Jamal  
Mohammad Safdar  
Uzair Mirza

#### Name of Members

Mohammad Nadeem Irshad  
Saifuddin Shafi  
Syed Abid Waseem  
Imran Mughal

### Takaful Committee

The function of this committee to review the performance of the Takaful operations and advise the Board accordingly on quarterly basis. The committee endorses the policies and procedures to be implemented in the Takaful operations. It recommends the appointment of key personnel related to Takaful operations. The committee also monitors the adherence to the Takaful Rules and Shariah principles by the Takaful Operations.

During the year 2015, two meetings of this committee were held. The following are the members of this committee:

Name of Members	Name of Members
Tahir Ahmed - Chairman	Nawaid Jamal
Atiq Anwar Mahmudi	Syed Sohail Ahmed
Azfar Arshad	Saifuddin Shafi

## Human Resource Development

JGI's growth over a decade clearly speaks the quality of its Human Resource. The Company firmly believes that its people are invaluable assets and therefore training & development programmes play an instrumental role to gain competitive advantage.

Our training and development activities ensure that employees at all levels are nurtured with updated knowledge, skills and abilities, thus enable them to perform their jobs more productively and assume more/higher responsibilities in future.

The Company has its in-house training facility. Employees are also sent for external trainings both locally and internationally.

JGI also provides financial assistance to its employees acquiring Post-Graduate Diploma in insurance from Karachi University, in addition to the global recognition insurance qualification, Advanced Diploma – ACII, from the Chartered Insurance Institute, UK.

## Succession Planning

Jubilee General Insurance strongly believes in succession planning process. Successors of key positions are groomed and developed to assume more challenging yet exciting critical roles to further advance their careers as part of professional development. We recruit people from diverse backgrounds who can contribute with a right mix of skills and competencies.

## Liquidity Management

The Company actively manages liquidity risk to ensure adequacy of cash flows to meet all policy holders' obligations and to pay suitable dividend to the shareholders. During the year, an amount of Rs. 937 million (2014: Rs.405 million) has been generated from operating activities which are utilized in investment activities and payment of dividends to the shareholders.

## Value of Investments in Provident Fund & Gratuity Fund

The values of investments in employees retirement funds based on audited accounts for the year ended December 31, 2014 are as follows:

	(Rupees in `000)
Staff Provident Fund	311,964
Employees' Gratuity Fund	133,634

## Actual and Perceived Conflicts of Interest

The Board of Directors of the Company subscribes to the highest standards of corporate governance. All Directors of the Company have a duty to avoid conflicts of interest, and a responsibility to identify and disclose actual, potential or perceived conflicts between their personal, family, pecuniary or business interests along with their professional responsibilities to the Company.

Every director of the Company who is in any way interested in any contract or arrangement to be entered by the Company is required to disclose the nature of his concern or interest to the Board and shall not take part in the discussion or vote on the matter.

A general statement is given by each director annually disclosing the names of the companies, firms and businesses to which they are associated.

## Whistle Blowing Mechanism

The Code of Conduct and Business Ethics of the Company, encompass the matters related to whistle blowing and its protection. Duties and responsibilities of each employee have been defined. If employees become aware of circumstances which are not in compliance with the Code or/and assigned duties and responsibilities, they may communicate their concerns to the designated competent authority.

## IT Governance Policy

The Company maintains a proper documented IT policy which is also approved by the Board. The policy is aimed to implement integrated framework to achieve the Company's strategic objectives. The policy mainly covers following areas:

- Internal Organisation and responsibility of IT assets;
- IT Operational Procedures;
- System planning, acceptance and data security;
- Backups and Media handling;
- E- Commerce;
- System monitoring procedures; and
- Disaster Recovery Plan.

## Safety of Records of the Company

The Company ensures maintenance of records as per the requirement of Companies Ordinance, 1984. For the safe custody of physical documents and files, record rooms having appropriate space and proper filing system are located at Head office and Zonal Offices. The safety and maintenance of soft data also governed with a comprehensive IT backup policy. The Company also maintains data at DRP sites to ensure its availability at all the time.

## Engagement with Stakeholders

Jubilee General has wide range of stakeholders particularly shareholders and investors, customers, suppliers and service providers including reinsurers and reinsurance brokers, financial institutions, media, regulatory bodies and analysts. The Company believes in effective communication with all stakeholders and generally adopts following communication procedures:

### Shareholders and investors

The Company convenes annual and extra ordinary general meetings in accordance with the requirement of Companies Ordinance, 1984. The Company's interim results and reports are placed on Company's website and are also notified to the Stock Exchange for shareholders' information. Any other price sensitive information including dates of Board of Directors' meeting is also communicated to the Stock Exchange on timely basis. The Company's website also has an investor relations section which contains all relevant information for the use of investors.

### Customers

The Company's philosophy can be summed up as Customer protection, their satisfaction and trust. The Company has proper sales team which meets with corporate clients on regular basis to obtain their feedback, which helps significantly in improvement of level of services provided to them. Recently, the Company has set up a call center with toll free number to provide better services to all its clients mainly focusing on retail segment of the market. The Company has strong presence on social media to engage with customers and visitors in an efficient manner. The Company's website also has complaint form for the customers to register complains (if any) which are addressed appropriately.

### Suppliers and Service providers

The Company corresponds with its major suppliers and services providers particularly reinsurers and reinsurance brokers on a regular basis and provides them relevant feedback and updates.

**Financial Institutions**

The Company works with major Banks and other financial institutions in partnership to provide better services to the customers and to increase Company's financial strength. The Company interacts with all partner institutions continuously to explore avenues of growth and investments. The collaboration with the banks is also focused on improvement in banking and insurance services provided by both counter parties.

**Media**

The Company promotes its business activities by having strong presence in media. The Company ensures media presence at launch of its products, signing of major agreements with business partners and other organised promotional and social activities.

**Regulatory bodies**

The Company ensures compliance of all regulatory requirements and submits periodic reports to the regulators. The Company also interacts with various regulators through platform of the Insurance Association of Pakistan.

**Analysts**

The Company communicates with the both local credit rating agencies on regular basis to secure IFS rating as required by law. Jubilee General also interacts with one of the oldest and most authoritative rating agency A. M Best for its international rating.

Company also encourages business schools and research houses to conduct research on insurance sector and disseminate their analysis through various publications.



# Sustainability

## Corporate Social Responsibility

In the year 2015, JGI laid great emphasis on education and health, donating generously as part of its corporate social responsibility.

Throughout 2015, JGI engaged with **NOWPDP** an NGO, to partner for its **Vocational Training Project** – heARTwork. An initiative, **“To empower people with disabilities through promotion of their craftsmanship, thereby making them valued members of society”**. These vocational training sessions are conducted for people with disabilities and creating market linkages to promote the environmentally and socially conscious products that are made through the trainings. As a company, Jubilee has always played a vital role in encouraging such activities where it can create a healthy society to dwell in.

JGI initiated a visit to the **“Kashif Iqbal Thalassemia Care Centre”** and spent quality time with their patients. JGI also took the initiative to visit **Bint-e-Fatima Old Home Trust**, where our employees met elderly women inmates. Many employees wholeheartedly contributed from their own pockets for this activity and few joined us in visiting the old home trust with the giveaways organized by JGI for each and every inmate residing there.

Over the year, Jubilee General also donated Rs 33.913 million to an array of institutions in the education, health and community service sectors.

## Sports Activities

The Company is fervent towards the development of sports activities. The employees are encouraged not only to engage in sports but also to take part both in-house and inter-company sporting competitions. JGI organised its 10th Inter-departmental Cricket Tournament with the participation of 8 departmental teams. JGI Cricket team was declared runner up for the IAP Cricket Tournament - 2015.

At National level, your Company sponsored 40th Jubilee Insurance National Snooker Championship and also the 7th Jubilee Insurance Under-21 Snooker Championship in 2015. The latter Tournament which is being held on regular basis is to produce quality cueist for the senior circuit. We are now planning to introduce National Junior Under – 18 Championship as well to inculcate the interest among young teenagers.

At International level, JGI in association with PBSA (Pakistan Billiard & Snooker Association) was able to hold IBFS World Team & 6 Red Championship. Top 110 cueist of the World representing Afghanistan, Australia, Bahrain, China, England, Egypt, Hong Kong, India, Iran, Latvia, Malaysia, Pakistan, Philippines, Qatar, Saudi Arabia, Sri Lanka, Turkey and United Arab Emirates. The players exhibited their superb game skills during their matches, which were well applauded by local fans while enjoying the festive environment. It is pertinent to mention that World Championship in any sport was held in Pakistan after lapse of almost 20 years. Jubilee General was the proud sponsor.

### **Energy Conservation**

The Company is well aware with its responsibility towards the energy conservation. The Company has installed movement and light sensors along with energy savers in the office premises. The Company also ensures minimum utilization of electricity during lunch breaks and after office hours besides making full use of natural day light.

### **Environment protection measures**

In order to protect the environment which is a global cause, the Company follows the principle of Save Paper – Save Trees – Save Environment. All emails sent from Company carries the same message. The Company strongly discourages un-necessary use of the paper and encourages re-cycling of paper for internal office use.

### **Consumer protection measures**

The Company understands its primary objective to protect the due interest of its policyholders. The Company officials working in the field as well as dealing with the customers in the office are easily approachable by the policyholders in order to resolve their grievances if any, on priority basis. The grievances if any, can also be lodged on Company's website and with the call centre.

In order to protect consumer as well as to comply the regulatory requirement, the Company has fixed at prominent place the "awareness message" as prescribed by the regulator at its all business locations. The "awareness message" containing all the details of the persons/authorities as designated to be contacted by the policyholders for complaints if any. The same "awareness message" is also available on the Company's website.

### **Procedure adopted for quality assurance of products**

Jubilee General Insurance Company is an innovative company, and in order to keep itself on this track the Company is always eager to serve the society in better ways through its innovative insurance products. All insurance products are designed after going through brain storming sessions wherein all the aspects with respect to customers' need and satisfaction are analysed thoroughly. Complete features of the products are properly documented.

All the products related to online retail sales and web portal of the Company such as Customized Android Applications and multiple option payment facilities are checked through various User Acceptance Testing (UAT) protocols. After complete satisfactory reports these applications and facilities are made available online for our valued customers.

### **Industrial relations**

The Company is fully aware with its responsibilities with respect to industrial relations. The Human Resource Department of the Company is responsible to adhere and implement all the applicable laws, regulations, and conventions in order to keep the work place at its higher professional standards.

### **Employment of special persons**

Jubilee General Insurance is an equal opportunity employer. The Company complies with the legal requirement relating to appointment of special persons as employees.

### **Occupational Safety and Health**

Company keeps foremost the Safety and Health of its employees. It ensures Safety and Health of its employees as well as their families through the following steps:

- All permanent employees are covered under Health insurance, Group life and personal accident.
- Fire extinguishers along with smoke alarms installed at various points within the office premises.
- All the employees are provided mineral drinking water at the work place.
- High level of hygiene standard is maintained while serving tea, coffee to the employees and business guests.
- All offices are equipped with adequate security measures.
- In-house facility of a doctor is available at Company's head office to take care of employees and their families' health matters and also to advise on preventive health care.
- In-house exercise room for male and female employees of the Company is maintained at Company's head office building.

### **Business Ethics and anti-corruption measures**

The Company has developed a proper code of conduct which requires to be followed by each employee. The employees are abide by the Code of Conduct to keep his/her integrity intact while dealing with colleagues, potential customers, policyholders, suppliers and peer group. The Company will always strive to maintain high standards of Business Ethics and anti-corruption measures.

### **Rural Development Programme**

The Company is proud to be a business partner of the Microfinance institutions and Rural Support Network Programmed for providing insurance facilities to individuals and families of our people living just above or below the poverty line in rural areas of the country.

### **Financial Contribution to the National Exchequer**

The Company has contributed Rs.1,529 million (2014: Rs.1,418 million) to the National Exchequer during the year in the form of direct and indirect taxes and other mandatory contributions.

## Statement of Value Addition

### Wealth Generated

Net Premium revenue  
Commission from reinsurers  
Investment income  
Rental income  
Other income

Less:

Claims, Commission and Expenses  
(excluding employees remuneration,  
depreciation, and other taxes)

### Net Wealth Generated

### Wealth Distribution

Employees remuneration  
Government taxes  
(includes Income Tax, WWF, and other taxes)  
Contribution to Society  
Cash Dividend to shareholders  
Retained in business  
-Depreciation and Amortisation  
-Earnings

	2015	2014
	--(Rupees in '000')--	
Net Premium revenue	4,150,808	3,644,630
Commission from reinsurers	365,367	281,763
Investment income	1,249,972	958,446
Rental income	125,954	134,418
Other income	6,335	-
	5,898,436	5,019,257
Less:		
Claims, Commission and Expenses (excluding employees remuneration, depreciation, and other taxes)	3,323,485	2,998,506
<b>Net Wealth Generated</b>	<b>2,574,951</b>	<b>2,020,751</b>
Employees remuneration	713,688	638,434
Government taxes (includes Income Tax, WWF, and other taxes)	435,373	247,881
Contribution to Society	33,913	12,826
Cash Dividend to shareholders	706,095	627,640
Retained in business		
-Depreciation and Amortisation	42,233	39,536
-Earnings	643,649	454,434
	685,882	493,970
	<b>2,574,951</b>	<b>2,020,751</b>

### Distribution of Wealth - 2015



- Employees remuneration **28%**
- Government Taxes **17%**
- Contribution to society **1%**
- Dividend to shareholders **27%**
- Retained in business **27%**

# Risk and Opportunity Report

## Enterprise Risk Management

**Risk Governance by Identification of Strategic, Operational, Financial and Reputational risks, consistent application of risk controls and plan actions to mitigate risks and enhance risk resilience.**

The Board has the ultimate responsibility for the establishment and oversight of the Company’s risk management. The Company is in a continuous process to effectively manage risks to the business. The Company’s risk management processes are established to identify the current and emerging risks, analyse and evaluate these risks to set priority for their treatment. Risk management processes and procedures are monitored and reviewed regularly for their effectiveness and improvements according to changing dynamics of market conditions and the Company’s activities. The Company through its training and strategic management plans, aims to develop a disciplined and consistent risk management practices across the Company in which all employees understand their roles and obligations. The following are the major risks faced by the Company and strategies for mitigating them:

Risks	Mitigating factors
<p><b>Economic and Political Risk</b> Difficult business conditions resulting from economic and political instability may prove to be an impediment in the plans of Company to achieve its business objectives.</p>	<p>The Company has cautious approach to deal with such risks and develops niche products to maintain and increase its market share without compromising its profitability</p>
<p><b>Commercial Risk</b> The Company faces increased competition from existing players and new entrants including Takaful companies in insurance market.</p>	<p>The Company relies on its personalized service and customised products to retain its customer base and increase its market share.</p>
<p><b>Insurance Risk</b> The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured. Generally most insurance contracts carry the insurance risks for a period of one year.</p>	<p>The Company’s exposure is mitigated by employing a comprehensive framework to evaluate, manage and monitor risk. This framework includes implementation of underwriting strategies which aims to ensure that the underwritten risks are well diversified in terms of type and amount of the risk to achieve a balanced mix and adherence to underwriting guidelines. Adequate reinsurance is arranged to mitigate the effects of the potential loss to the Company from individual to large or catastrophic insured events.</p>
<p><b>Reinsurance Risk</b> Reinsurance ceded does not relieve the Company from its obligation to insured and as a result the Company remains liable for the portion of claim reinsured in case of inability of the reinsurance to discharge its obligation.</p>	<p>To minimise its exposure to losses from reinsurer insolvencies, the Company obtains reinsurance form a number of reinsurers, representing first class securities and spread over several geographical regions. The Company also ensures that 80% of all reinsurance treaties are backed by at least “A” rated reinsurers including Pakistan Reinsurance Company Limited and remaining by “BBB” rated.</p>



Risks	Mitigating factors
<p><b>Reserve Risk</b> The Risk of inadequate reserve to meet future insurance obligation.</p>	The Company has developed a policy to monitor and enhance reserves periodically to control this risk.
<p><b>Credit Risk</b> The possibility that the insured may fail to discharge its obligation for payment of premium and cause the Company to incur a financial loss.</p>	The Company attempts to control credit risk by monitoring credit exposures by undertaking transaction with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.
<p><b>Investment Risk</b> The changes in stock market variables and interest rates may affect future cash flows of financial instruments.</p>	The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity, money market funds and term finance certificates (TFCs) markets. In addition, the Company actively monitors the key factors that affect stock, money market and TFCs market.
<p><b>Liquidity Risk</b> The Company may encounter difficulty in meeting financial obligations associated with insurance and reinsurance.</p>	The Company manages its liquidity by maintaining healthy cash and cash equivalents and other liquid assets balances. The maturity profile of financial assets and liabilities are also closely monitored for this purpose.
<p><b>IT Risk</b> The development in Information Technology may affect the Company's operational process.</p>	The Company continuously upgrades its IT systems which are managed by able officers and regulated by a formal policy with disaster management system.
<p><b>Regulatory Risk</b> The Company operates in an industry that is highly regulated. Therefore, failure to meet regulatory compliance may expose the Company to fines, other penalties and reputational risks.</p>	The Company's management is fully aware of applicable laws and regulations and assures their compliance. Changes in applicable laws are monitored and reported to the Board. The Company engages with regulators through Insurance Association of Pakistan to ensure that industry views are represented.

## Opportunity Report

In South Asia, the Pakistan has the lowest non-life insurance penetration ratio as a percentage of the Gross Domestic Product, hence offering a huge potential of growth in this sector. There is a large section of retail market which is untapped due to lack of awareness and limited range of products available for the masses. We believe that insurance has the potential of alleviating the life style of individuals and the Company is leveraging on technology and B2B associations to increase penetration in the retail sector.

The Company is capable of availing all arising opportunities, including the launch of new infrastructure projects in the country. The Company intends to leverage on its high IFS rating, IT system and product innovation to achieve improved technical results, enhance the market share and build on the financial strength.

## Materiality Approach

In order to perform effective communication as well as reporting to the stakeholders, the management has adopted the materiality approach. All the related information which may significantly affect the performance and profitability of the Company is considered by the management to be communicated to its shareholders in an effective manner.

## Key Sources of Uncertainty

The preparation of financial statements requires the management to make certain estimates and judgments and the Board is required to authorise the financial statements based on these estimates and judgments. These estimates and judgments affect reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingencies. These estimates are based on experience and various other assumptions. Therefore, it is necessary that management and the Board consider that the assumptions are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The key areas of estimating uncertainty, which may have a significant effect on the amounts recognised in the financial statements, are discussed below:

### **Provision for unearned premium**

The provision for unearned portion of premiums is calculated by applying twenty fourths' method, except Accident and Health Insurance for which unearned premium is calculated by applying 365 days as prescribed by SEC (Insurance) Rules, 2002.

### **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 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 Company's prior experience.

### **Premium deficiency reserve**

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium. The liability of premium deficiency in relation to accident and health insurance is calculated in accordance with the advice of the actuary.

### **Employees' retirement benefits – defined benefit plan**

The Company operates an approved and funded gratuity scheme for its eligible employees. The Company takes advice from actuary for the determination of the liability/asset as well as actuarial gains/losses and return on plan assets.

**Useful lives of fixed assets**

Reasonable assumptions have been made while estimating useful lives and residual values of different categories of assets including intangibles. 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.

**Provision for receivables related to insurance contract**

All receivables related to insurance contract are assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired.

**Expenses of management**

Expenses of management are allocated to various classes of business as deemed equitable by the management.

**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.

**Impairment**

The carrying amount of financial asset is 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.

With respect to investments, impairment is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments.



## Pattern of Shareholding

As at 31 December 2015

Number of Shareholders	Shareholding(s)		Number of Shares held	Percentage
	From	To		
446	1	100	9,540	0.0061
224	101	500	60,630	0.0386
137	501	1,000	106,724	0.0680
341	1,001	5,000	821,734	0.5237
104	5,001	10,000	779,617	0.4969
43	10,001	15,000	533,105	0.3398
33	15,001	20,000	596,419	0.3801
12	20,001	25,000	267,054	0.1702
2	25,001	30,000	52,757	0.0336
8	30,001	35,000	259,110	0.1651
14	35,001	40,000	524,546	0.3343
1	40,001	45,000	44,621	0.0284
2	45,001	50,000	96,621	0.0616
5	50,001	55,000	261,163	0.1664
3	55,001	60,000	168,628	0.1075
1	60,001	65,000	61,552	0.0392
2	65,001	70,000	134,796	0.0859
2	70,001	75,000	145,996	0.0930
2	75,001	80,000	154,932	0.0987
3	80,001	85,000	246,317	0.1570
2	85,001	90,000	177,616	0.1132
1	90,001	95,000	93,342	0.0595
2	95,001	100,000	196,485	0.1252
1	100,001	105,000	100,500	0.0640
3	115,001	120,000	356,076	0.2269
2	120,001	125,000	243,843	0.1554
1	125,001	130,000	128,749	0.0821
2	135,001	140,000	274,685	0.1751
1	140,001	145,000	140,936	0.0898
2	145,001	150,000	298,377	0.1902
1	160,001	165,000	160,051	0.1020
1	165,001	170,000	168,526	0.1074
1	170,001	175,000	172,500	0.1099
1	180,001	185,000	184,656	0.1177
2	185,001	190,000	376,504	0.2399
2	190,001	195,000	384,859	0.2453
2	195,001	200,000	393,908	0.2510

Number of Shareholders	Shareholding(s)		Number of Shares held	Percentage
	From	To		
1	200,001	205,000	200,094	0.1275
2	205,001	210,000	416,675	0.2656
1	220,001	225,000	222,285	0.1417
1	245,001	250,000	245,786	0.1566
2	275,001	280,000	556,318	0.3545
1	280,001	285,000	283,740	0.1808
2	285,001	290,000	575,372	0.3667
1	290,001	295,000	290,453	0.1851
1	355,001	360,000	359,791	0.2293
1	370,001	375,000	373,533	0.2381
1	420,001	425,000	420,231	0.2678
1	485,001	490,000	489,327	0.3119
1	580,001	585,000	583,677	0.3720
1	680,001	685,000	681,388	0.4343
1	745,001	750,000	745,883	0.4754
2	900,001	905,000	1,808,943	1.1529
1	1,185,001	1,190,000	1,188,920	0.7577
1	1,260,001	1,265,000	1,262,000	0.8043
1	1,270,001	1,275,000	1,274,027	0.8119
1	1,565,001	1,570,000	1,568,848	0.9998
1	1,640,001	1,645,000	1,641,246	1.0460
1	1,775,001	1,780,000	1,775,395	1.1315
1	1,865,001	1,870,000	1,870,000	1.1918
1	1,990,001	1,995,000	1,993,097	1.2702
1	2,070,001	2,075,000	2,070,002	1.3192
1	2,275,001	2,280,000	2,277,243	1.4513
1	2,685,001	2,690,000	2,688,194	1.7132
1	5,770,001	5,775,000	5,772,657	3.6790
1	8,625,001	8,630,000	8,625,401	5.4970
1	11,210,001	11,215,000	11,213,881	7.1467
1	11,900,001	11,905,000	11,902,500	7.5856
1	22,040,001	22,045,000	22,042,073	14.0476
1	27,995,001	28,000,000	27,995,932	17.8420
1	32,315,001	32,320,000	32,317,686	20.5963
<b>1,450</b>			<b>156,910,073</b>	<b>100.0000</b>

# Pattern of Shareholding

## Additional Information

As at 31 December 2015

Categories of Shareholders	Number of Shareholders	No. of Shares held	Percentage
<b>Associated Companies, Undertakings and Related Parties:</b>	9	<b>110,181,912</b>	70.22
Hassanali & Company (Pvt.) Limited		489,327	
Hashoo Holdings (Pvt.) Limited		290,453	
Hashwani Hotels Limited		8,625,401	
Habib Bank Limited		27,995,932	
Aga Khan Fund for Economic Development		22,042,073	
Aga Khan Hospital and Medical College Foundation		32,317,686	
Jubilee Life Insurance Company Limited		745,883	
Aga Khan University Foundation		5,772,657	
Pakistan Services Limited		11,902,500	
<b>NIT and ICP</b>			
Investment Corporation of Pakistan	1	<b>36</b>	-
<b>Directors, CEO &amp; their Spouse and Minor Children</b>	9	<b>3,301,866</b>	2.10
Towfiq H. Chinoy		35,342	
Sadruddin Hashwani		681,388	
Akbarali Pesnani		89,663	
R. Zakir Mahmood		238	
Aly Noormahomed Rattansey		2,238	
Amin A. Hashwani		2,259,768	
Tahir Ahmed		209,675	
Aamir Hasan Irshad		500	
Sakina Pesnani w/o Akbarali Pesnani		23,054	
<b>Executives</b>	4	<b>237,403</b>	0.15
Atiq Anwar Mahmudi		80,853	
Azfar Arshad Inam		30,906	
Syed Sohail Ahmed		116,644	
Karim Merchant		9,000	
<b>Public Sector Companies and Corporations</b>		-	
<b>Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas and ICP Mutual Funds</b>	10	<b>719,440</b>	0.46
<b>Individuals</b>	1,388	<b>38,217,717</b>	24.36
<b>Others</b>	29	<b>4,251,699</b>	2.71
<b>Total</b>	<b>1,450</b>	<b>156,910,073</b>	<b>100.00</b>

### Shareholders holding 10 percent or more share in the Company

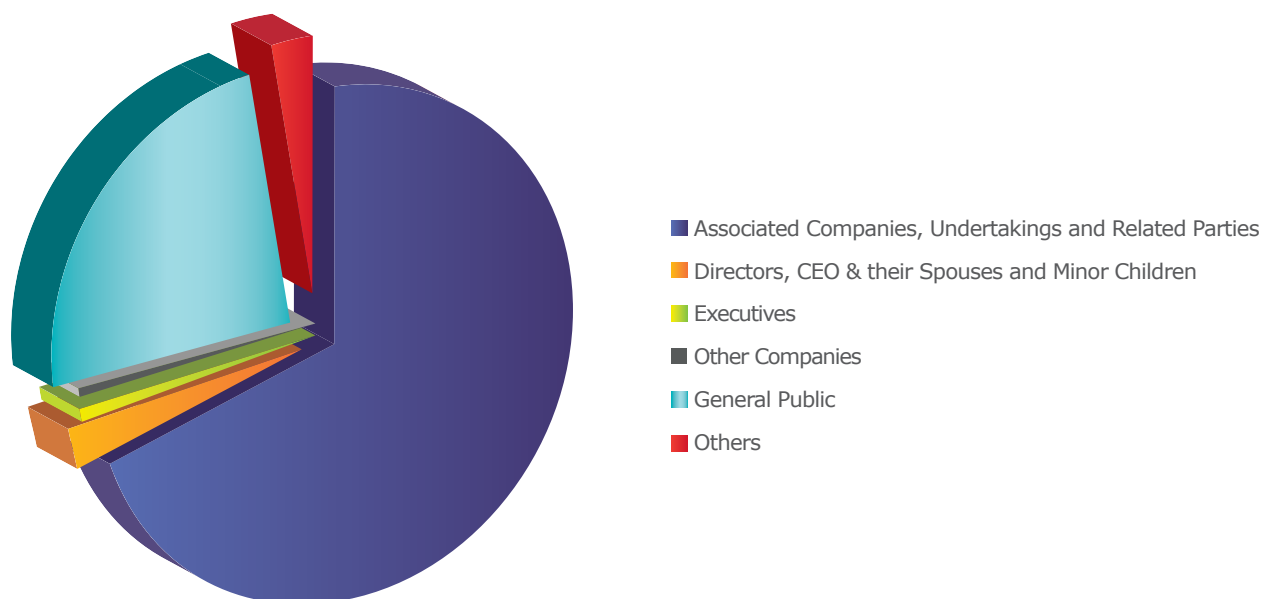
	No. of Shares held	Percentage
- Aga Khan Hospital and Medical College Foundation	32,317,686	20.60
- Habib Bank Limited	27,995,932	17.84
- Aga Khan Fund for Economic Development	22,042,073	14.05

### Trading in shares by Directors, CEO, CFO, Company Secretary & their spouses and minor children during the year 2015

Name	Designation	Transaction	No. of Shares
Tahir Ahmed	Chief Executive Officer	Acquired	8,500
Aamir Hasan Irshad	Director	Acquired	500

Categories of Shareholders	No. of Shareholders	Shares held	Percentage of total
Individuals	1,385	28,354,522	18.07
Insurance Companies	4	1,164,591	0.74
Joint Stock Companies	24	21,825,898	13.91
Financial Institutions	7	28,288,398	18.03
Modarabas & Mutual Funds	2	8,302	0.01
Non Resident Shareholders	18	35,545,037	22.65
Others - see below	10	41,723,325	26.59
	<b>1,450</b>	<b>156,910,073</b>	<b>100.00</b>

- I. The Aga Khan Hospital & Medical College Foundation
- II. Aga Khan Foundation
- III. The Aga Khan University Foundation
- IV. Trustees Pak Services Ltd, Employees Provident Fund
- V. Trustees Hashwani Hotels Ltd, Employees Provident Fund
- VI. Trustees Artal Restaurants Int`l, Employees Provident Fund
- VII. Trustees Saeeda Amin Wakf
- VIII. Trustees Muhammad Amin Wakf Estate
- IX. The Aga Khan University - Employees Provident Fund
- X. The Aga Khan University - Employees Gratuity Fund



## Key Financial Data

	2015	2014	2013	2012	2011	2010
	(Rs. in million)					
<b>FINANCIAL DATA</b>						
Paid-up Capital	1,569	1,569	1,364	1,186	989	791
General & Capital Reserves	4,337	3,854	3,395	2,887	2,554	2,113
Equity	5,906	5,423	4,759	4,073	3,543	2,904
Total Liabilities	9,282	8,116	8,052	6,686	5,432	4,798
Investments - at Cost	8,432	7,777	7,303	5,927	4,937	3,709
Investment Properties -(at book value)	672	678	156	149	145	146
Cash and Bank Deposits	1,717	1,021	1,010	1,260	967	975
Other Assets - Current	4,072	3,900	4,171	3,254	2,788	2,737
Other Assets - Non-Current	295	163	172	169	138	135
Total Assets (Book value)	15,188	13,539	12,812	10,759	8,975	7,702
Total Assets (Market value)	20,866	18,989	16,185	13,010	10,900	9,572
<b>OPERATING DATA</b>						
Gross Premium Revenue	7,979	6,961	6,569	6,008	5,180	4,285
Net Premium Revenue	4,151	3,645	3,526	3,085	2,764	2,451
Net Claims	2,174	2,083	2,156	1,910	1,699	1,678
Management Expenses	1,085	957	837	734	652	633
Underwriting Results	468	275	223	154	154	(64)
Investment Income	1,220	966	979	783	748	587
Profit Before Taxation	1,713	1,270	1,220	946	893	547
Taxation - Net	(361)	(191)	(175)	(119)	(96)	(97)
Profit After Taxation	1,352	1,079	1,045	827	797	450
<b>CASH FLOW SUMMARY</b>						
Operating Activities	926	405	465	849	599	474
Investing Activities	(459)	4	(369)	(332)	(451)	(1,308)
Financing Activities	(844)	(401)	(349)	(291)	(155)	(194)
Cash & Cash Equivalents at the year end	1,490	948	940	1,193	967	974

		2015	2014	2013	2012	2011	2010
<b>FINANCIAL RATIOS</b>							
<b>Profitability</b>							
Profit Before Tax / Gross Premium	%	21.47	18.24	18.57	15.75	17.24	12.77
Profit Before Tax / Net Premium	%	41.27	34.84	34.60	30.66	32.31	22.32
Profit After Tax / Gross Premium	%	16.94	15.50	15.91	13.76	15.39	10.50
Profit After Tax / Net Premium	%	32.57	29.60	29.64	26.81	28.84	18.36
Underwriting Result / Gross Premium	%	5.87	3.95	3.39	2.56	2.97	(1.49)
Underwriting Result / Net Premium	%	11.27	7.54	6.32	4.99	5.57	(2.61)
Profit Before Tax / Total Income	%	31.89	27.54	27.08	24.46	25.43	18.01
Profit After Tax / Total Income	%	25.17	23.40	23.20	21.38	22.69	14.81
Combined ratio	%	88.73	92.46	93.68	95.01	94.43	102.61
Net Claims / Net Premium	%	52.37	57.15	61.15	61.91	61.47	68.46
Management Expense / Net Premium	%	26.14	26.26	23.74	23.79	23.59	25.83
<b>Return to Share Holders</b>							
Return on Equity - (after tax)	%	22.90	19.90	21.96	20.30	22.50	15.50
Earnings Per Share (pre tax)	Rs.	10.92	8.09	8.94	7.98	9.03	6.92
Earnings Per Share (after tax)	Rs.	8.62	6.88	7.66	6.97	8.06	5.69
Earnings Per Share (pre tax)-Restated	Rs.	10.92	8.09	7.78	6.03	5.69	3.49
Earnings Per Share (after tax)-Restated	Rs.	8.62	6.88	6.66	5.27	5.08	2.87
Earning growth	%	25.30	3.25	26.36	3.76	77.11	(31.40)
Price Earning Ratio - PAT	Times	11.95	14.83	10.51	12.73	10.49	20.69
Breakup value per share	Rs.	37.64	34.56	34.89	34.34	35.82	36.71
Return on Assets (Book value)	%	8.90	7.97	8.16	7.69	8.88	5.84
Return on Assets (Market value)	%	6.48	5.68	6.46	6.36	7.31	4.70
<b>Market Data</b>							
Face Value (Per share)	Rs.	10.00	10.00	10.00	10.00	10.00	10.00
Market Price per share at the end of the year	Rs.	103.00	102.00	70.00	67.11	53.31	59.33
Market Price per share - Highest during the year	Rs.	127.99	122.37	72.90	73.18	74.90	87.75
Market Price per share - Lowest during the year	Rs.	76.00	71.01	52.70	50.10	51.00	52.21
Karachi Stock Exchange Index	Points	32,816	32,131	25,261	16,905	11,348	12,022
Market Capitalization	(Rs. M)	16,161	16,004	9,548	7,959	5,272	4,693
Cash Dividend Per Share	Rs.	4.50	4.00	3.00	3.00	3.00	2.00
Cash Dividend	%	45.00	40.00	30.00	30.00	30.00	20.00
Stock Dividend Per Share	Rs.	-	-	1.50	1.50	2.00	2.50
Stock Dividend	%	-	-	15.00	15.00	20.00	25.00
Dividend Yield	%	4.37	3.92	4.29	4.47	5.63	3.37
Dividend Pay out	%	52.22	58.16	45.04	56.92	59.06	69.73
Dividend Cover	Times	1.91	1.72	2.22	1.76	1.69	1.43
<b>Performance / Liquidity</b>							
Current Ratio	Times	1.53	1.56	1.55	1.56	1.60	1.55
Liquid Ratio	Times	1.09	1.08	1.03	1.08	1.09	0.98
Cash / Current Liabilities	%	18.50	12.58	12.54	18.85	17.80	20.32
Total Assets Turnover	Times	0.53	0.51	0.51	0.56	0.58	0.56
Fixed Assets Turnover	Times	9.66	12.52	22.52	23.65	21.20	17.13
Total Liabilities / Equity	Times	1.57	1.50	1.69	1.64	1.53	1.65
Return on Capital Employed (RoCE)	%	30.24	24.95	27.63	24.84	27.70	19.80
Liquid Assets / Total Assets	%	66.82	64.98	64.88	66.80	65.78	60.82
Paid-up Capital / Total Assets	%	10.33	11.59	10.65	11.02	11.02	10.27
Earning Assets / Total Assets	%	71.25	69.99	66.10	68.18	67.40	62.71
Equity / Total Assets	%	38.89	40.05	37.14	37.86	39.48	37.70

## Financial Statements Analysis

### Vertical

#### Balance Sheet

Cash and bank deposits	
Loans to employees	
Investments	
Investment properties	
Deferred taxation	
Other assets	
Fixed assets - Tangible and Intangible	
Assets of Window Takaful Operations-Operator's Fund	
<b>Total Assets</b>	

Total Equity	
Underwriting provisions	
Staff retirement benefits	
Creditors and accruals	
Other Liabilities	
Liabilities of Window Takaful Operations-Operator's Fund	
<b>Total Shareholders' Equity &amp; Liabilities</b>	

#### Profit & Loss Account

##### Net premium revenue

Net claims	
Expenses	
Net commission	
Investment income including rental & bank deposits returns	
Other income including share of profit of associate(s)	
General and administration expenses	
Impairment in value of available for sale securities	
Loss from Window Takaful Operations	
Profit before tax	
Taxation - net	
Profit after tax	

	2015		2014	
	(Rupees in '000)	%	(Rupees in '000)	%
Cash and bank deposits	1,716,842	11.30	1,021,045	7.54
Loans to employees	401	0.00	577	0.00
Investments	8,431,735	55.52	7,777,591	57.45
Investment properties	671,653	4.42	678,043	5.01
Deferred taxation	12,937	0.09	22,498	0.17
Other assets	4,072,332	26.81	3,900,746	28.81
Fixed assets - Tangible and Intangible	164,627	1.08	138,281	1.02
Assets of Window Takaful Operations-Operator's Fund	117,342	0.77	-	-
<b>Total Assets</b>	<b>15,187,869</b>	<b>100.00</b>	<b>13,538,781</b>	<b>100.00</b>
Total Equity	5,906,404	38.89	5,422,877	40.05
Underwriting provisions	5,653,766	37.23	5,237,385	38.68
Staff retirement benefits	-	-	53	0.00
Creditors and accruals	2,026,176	13.34	1,592,293	11.76
Other Liabilities	1,571,173	10.34	1,286,173	9.50
Liabilities of Window Takaful Operations-Operator's Fund	30,350	0.20	-	-
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>15,187,869</b>	<b>100.00</b>	<b>13,538,781</b>	<b>100.00</b>
<b>Net premium revenue</b>	<b>4,150,808</b>	<b>100.00</b>	<b>3,644,630</b>	<b>100.00</b>
Net claims	2,174,381	52.38	2,082,704	57.14
Expenses	1,084,952	26.14	957,122	26.26
Net commission	423,751	10.21	329,657	9.05
Investment income including rental & bank deposits returns	1,219,632	29.38	966,192	26.51
Other income including share of profit of associate(s)	118,510	2.86	79,568	2.18
General and administration expenses	79,575	1.92	51,085	1.40
Impairment in value of available for sale securities	-	-	-	-
Loss from Window Takaful Operations	(13,008)	(0.31)	-	-
Profit before tax	1,713,283	41.28	1,269,822	34.84
Taxation - net	(360,633)	(8.69)	(190,703)	(5.23)
Profit after tax	1,352,650	32.59	1,079,119	29.61

### Horizontal

#### Balance Sheet

Cash and bank deposits			
Loans to employees			
Investments			
Investment properties			
Deferred taxation			
Other Assets			
Fixed assets - Tangible and Intangible			
Assets of Window Takaful Operations-Operator's Fund			
<b>Total Assets</b>			

Total Equity			
Underwriting Provisions			
Staff retirement benefits			
Creditors and accruals			
Other Liabilities			
Liabilities of Window Takaful Operations-Operator's Fund			
<b>Total Shareholders' Equity &amp; Liabilities</b>			

#### Profit & Loss Account

##### Net premium revenue

Net claims			
Expenses			
Net commission			
Investment income including rental & bank deposits returns			
Other income including share of profit of associate(s)			
General and administration expenses			
Impairment in value of available for sale securities			
Loss from Window Takaful Operations			
Profit before tax			
Taxation - net			
Profit after tax			

	2015	2014	2013	2012
----- (Rupees in ' 000) -----				
Cash and bank deposits	1,716,842	1,021,045	1,010,385	1,259,538
Loans to employees	401	577	519	757
Investments	8,431,735	7,777,591	7,302,557	5,927,293
Investment properties	671,653	678,043	156,427	149,017
Deferred taxation	12,937	22,498	31,545	31,207
Other Assets	4,072,332	3,900,746	4,171,113	3,252,936
Fixed assets - Tangible and Intangible	164,627	138,281	139,406	138,633
Assets of Window Takaful Operations-Operator's Fund	117,342	-	-	-
<b>Total Assets</b>	<b>15,187,869</b>	<b>13,538,781</b>	<b>12,811,952</b>	<b>10,759,381</b>
Total Equity	5,906,404	5,422,877	4,759,795	4,074,836
Underwriting Provisions	5,653,766	5,237,385	5,579,012	4,603,868
Staff retirement benefits	-	53	336	619
Creditors and accruals	2,026,176	1,592,293	1,370,911	1,196,159
Other Liabilities	1,571,173	1,286,173	1,101,898	883,899
Liabilities of Window Takaful Operations-Operator's Fund	30,350	-	-	-
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>15,187,869</b>	<b>13,538,781</b>	<b>12,811,952</b>	<b>10,759,381</b>
<b>Net premium revenue</b>	<b>4,150,808</b>	<b>3,644,630</b>	<b>3,525,777</b>	<b>3,084,738</b>
Net claims	2,174,381	2,082,704	2,154,726	1,910,326
Expenses	1,084,952	957,122	836,998	733,625
Net commission	423,751	329,657	310,778	286,437
Investment income including rental & bank deposits returns	1,219,632	966,192	980,036	788,880
Other income including share of profit of associate(s)	118,510	79,568	61,416	42,996
General and administration expenses	79,575	51,085	44,525	34,356
Impairment in value of available for sale securities	-	-	-	5,869
Loss from Window Takaful Operations	(13,008)	-	-	-
Profit before tax	1,713,283	1,269,822	1,220,202	946,001
Taxation - net	(360,633)	(190,703)	(174,887)	(119,503)
Profit after tax	1,352,650	1,079,119	1,045,315	826,498

2013		2012		2011		2010	
(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
1,010,385	7.89	1,259,538	11.71	967,361	10.78	974,783	12.66
519	0.00	757	0.01	849	0.01	791	0.01
7,302,557	57.00	5,927,293	55.09	4,937,313	55.01	3,709,155	48.16
156,427	1.22	149,017	1.38	144,765	1.61	146,446	1.90
31,545	0.25	31,207	0.29	36,233	0.40	36,383	0.47
4,171,113	32.56	3,252,936	30.23	2,788,390	31.07	2,736,988	35.54
139,406	1.09	138,633	1.29	99,924	1.11	97,512	1.27
-	-	-	-	-	-	-	-
<b>12,811,952</b>	<b>100.00</b>	<b>10,759,381</b>	<b>100.00</b>	<b>8,974,835</b>	<b>100.00</b>	<b>7,702,058</b>	<b>100.00</b>
4,759,795	37.15	4,074,836	37.87	3,542,869	39.48	2,903,875	37.70
5,579,012	43.55	4,603,868	42.79	3,732,626	41.59	3,455,752	44.87
336	0.00	619	0.01	900	0.01	1,371	0.02
1,370,911	10.70	1,196,159	11.12	1,102,684	12.29	921,558	11.97
1,101,898	8.60	883,899	8.22	595,756	6.64	419,502	5.45
-	-	-	-	-	-	-	-
<b>12,811,952</b>	<b>100.00</b>	<b>10,759,381</b>	<b>100.00</b>	<b>8,974,835</b>	<b>100.00</b>	<b>7,702,058</b>	<b>100.00</b>
<b>3,525,777</b>	<b>100.00</b>	<b>3,084,738</b>	<b>100.00</b>	<b>2,764,204</b>	<b>100.00</b>	<b>2,451,227</b>	<b>100.00</b>
2,154,726	61.11	1,910,326	61.93	1,699,094	61.47	1,677,614	68.44
836,998	23.74	733,625	23.78	652,483	23.59	632,961	25.83
310,778	8.81	286,437	9.29	258,871	9.37	204,737	8.35
980,036	27.80	788,880	25.57	731,438	26.46	586,715	23.94
61,416	1.74	42,996	1.39	21,584	0.78	43,189	1.76
44,525	1.26	34,356	1.11	30,747	1.11	19,137	0.78
-	-	5,869	0.19	16,880	0.61	-	-
-	-	-	-	-	-	-	-
1,220,202	34.61	946,001	30.66	892,911	31.31	546,682	23.32
(174,887)	(4.96)	(119,503)	(3.87)	(95,722)	(3.46)	(96,531)	(3.94)
1,045,315	29.65	826,498	26.81	797,189	28.84	450,151	18.36

2011	2010	% increase / (decrease) over preceding year					
------(Rupees in ' 000)-----		2015	2014	2013	2012	2011	2010
967,361	974,783	68.15	1.06	(19.78)	30.20	(0.76)	(51.94)
849	791	(30.50)	11.18	(31.44)	(10.84)	7.33	169.05
4,937,313	3,709,155	8.41	6.51	23.20	20.05	33.11	111.57
144,765	146,446	(0.94)	333.46	4.97	2.94	(1.15)	(2.14)
36,233	36,383	(42.50)	(28.68)	1.08	(13.87)	(0.41)	13.78
2,788,390	2,736,988	4.40	(6.48)	28.23	16.66	1.88	15.84
99,924	97,512	19.05	(0.81)	0.56	38.74	2.47	(8.48)
-	-	-	-	-	-	-	-
<b>8,974,835</b>	<b>7,702,058</b>	<b>12.18</b>	<b>5.67</b>	<b>19.08</b>	<b>19.88</b>	<b>16.53</b>	<b>19.74</b>
3,542,869	2,903,875	8.92	13.93	16.81	15.02	22.00	10.79
3,732,626	3,455,752	7.95	(6.12)	21.18	23.34	8.01	22.09
900	1,371	(100.00)	(84.23)	(45.72)	(31.22)	(34.35)	(29.18)
1,102,684	921,558	27.25	16.15	14.61	8.48	19.65	32.88
595,756	419,502	22.16	16.72	24.66	48.37	42.02	46.86
-	-	-	-	-	-	-	-
<b>8,974,835</b>	<b>7,702,058</b>	<b>12.18</b>	<b>5.67</b>	<b>19.08</b>	<b>19.88</b>	<b>16.53</b>	<b>19.74</b>
2,764,204	2,451,227	13.89	3.37	14.30	11.60	12.77	6.68
1,699,094	1,677,614	4.40	(3.34)	12.79	12.43	1.28	18.06
652,483	632,961	13.36	14.35	14.09	12.44	3.08	18.31
258,871	204,737	28.54	6.07	8.50	10.65	26.44	(10.06)
765,198	586,715	26.23	24.23	24.67	3.09	30.42	(12.89)
21,584	43,189	48.94	29.56	42.84	99.20	(50.02)	791.97
30,747	19,137	55.77	14.73	29.60	11.74	60.67	(7.11)
16,880	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
892,911	546,682	34.92	4.07	28.99	5.95	63.33	(29.18)
(95,722)	(96,531)	89.11	9.04	46.35	24.84	(0.84)	(16.38)
797,189	450,151	25.35	3.23	26.36	3.76	77.11	(31.40)



## Comments on Key Financial Data

### Performance Ratios

- The overall Combined and Claims ratios mostly remain in the range of 102% to 88% and 68% to 52% respectively over the six years reflecting a decreasing trend hence strengthening the underwriting profitability of the Company.
- The Company is able to maintain its expense ratio in the range of 23% to 24% till the year 2013. However, expense ratio for the year 2014 and 2015 has increased slightly due to lower growth in the gross premium in both years.
- The Company has improved considerably the return on equity to reach 23%. In prior years, the Company has managed healthy return on equity, mostly more than 20% despite difficult economic conditions.
- The Earnings per share has also improved to Rs. 8.62 per share in 2015 from Rs. 5.69 in 2010 despite 98% increase in the number of shares issued.
- Cash Dividend per share to the shareholders ranges from 20% to 45% over the last six years reflecting a healthy dividend payout ratio over the years.
- All profitability ratios are improving from 2010 to 2015 reflecting company's better underwriting results and enhanced investment income on year to year basis.

### Balance sheet

- The Company's assets have increased by 97% to Rs. 15.2 billion at the end of 2015 from Rs. 7.7 billion at the end of 2010.
- The book value of total investments has increased to Rs. 10.8 billion as at 31 December 2015 in comparison to Rs. 4.8 billion as at 31 December 2010.
- The total equity and technical reserves stood at Rs. 11.6 billion as at 31 December 2015 in comparison to Rs. 6.3 billion as at 31 December 31, 2010.
- A continuous improvement in the size of investments out of total assets has been witnessed over the years. Investments were 71% of total assets of the Company in the year 2015 in comparison of 62% in the year 2010. The improvement reflects prudent as well as efficient management of investment portfolio.

- Total assets of the Company in terms of market value have grown to 218% over the year 2010

### Profit and loss Account

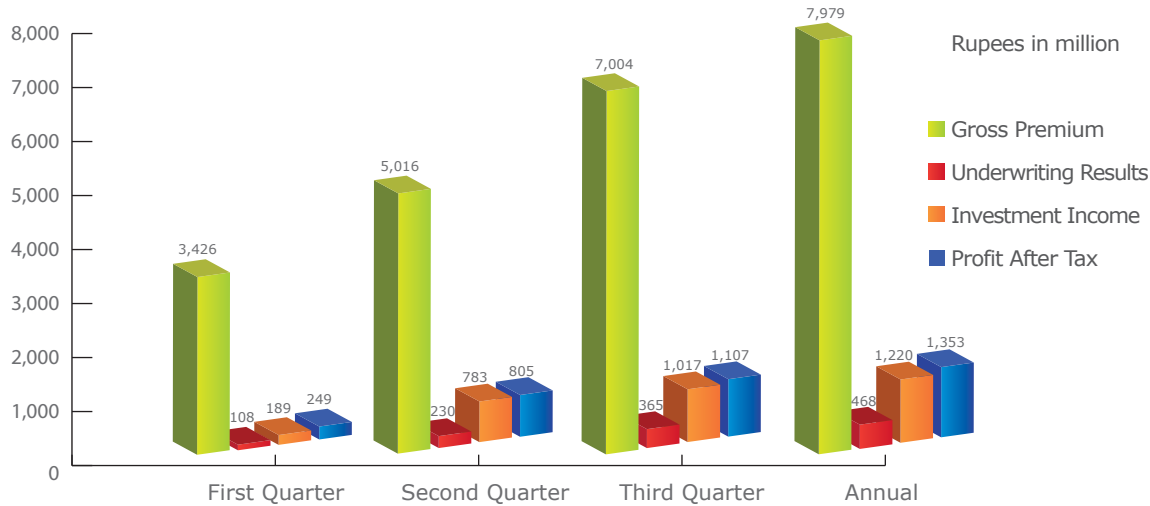
- The gross and net premium has increased by 86% and 69% respectively over the period of six years.
- The underwriting profit has increased by 831% from the year 2010 in which the year 2015 has contributed significantly.
- The profit before tax reached to Rs. 1.71 billion for the year ended 31 December 2015 in comparison to Rs. 547 million at the end of the year 2010, which reflects 313% increase over the period of six years.
- The company achieved profit after tax Rs. 1.04 and 1.08 billion for the year 2013 and 2014 respectively. In the current year, the Company maintained the same trend and achieved Rs. 1 billion mark third time in its history with 25% increase over the last year's after tax profit.

### Cash Flows

- The operating cash inflow of the Company is Rs. 926 million for the year 2015 in comparison to an operating cash inflow of Rs. 474 million in the year 2010. The healthy generation of cash inflow from operating activities is properly utilized in investment activities and payment of dividends to the shareholders.
- Due to consistent policy of paying handsome dividends to the shareholders, the cash outflow of financing activities has also gone up significantly over the years.



## Quarterly Analysis



### Gross Premium

The major amount of premium is underwritten in first and third quarter of the year. The contribution to total premium of each quarter in terms of percentage is remained consistent to past trend, however, a notable increase has been witnessed in the second quarter's gross written premium as compared to the same period last year which is due to more underwriting of retail products.

### Underwriting Results

Major improvement witnessed in all the four quarters of the year where underwriting profit has grown steadily. The Company closed the year by posting underwriting profit of Rs. 468 million due to healthy combined ratio for each quarter.

### Investment Income

A tremendous increase in investment income in the second quarter of the year, due to realisation of capital gains, contributed significantly in achieving total annual investment income of Rs. 1,220 million. All remaining quarters contributed equally in the total investment income of the year. This level of investment income reflects healthy return on the investments despite decreasing interest rate scenario and less availability of investment opportunities.

### Profit after tax

The profit after tax has grown steadily in each quarter whereas major contribution has been witnessed in the second quarter of the year due to increase in investment income. The healthy underwriting profit combined with higher investment income, the profit after tax of the Company has able to cross Rs. 1.0 billion mark for third consecutive year.

# DuPONT Analysis

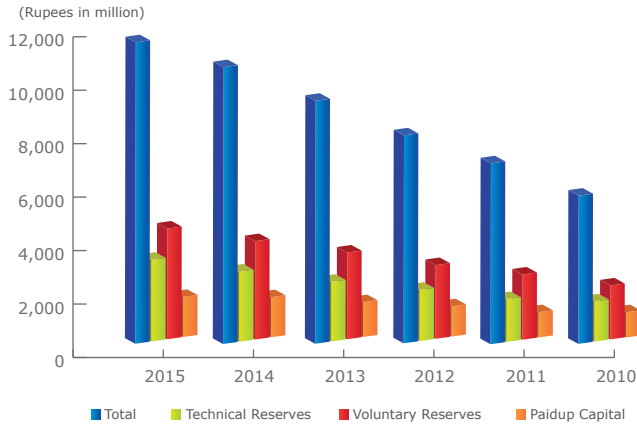
## 2015 and 2014



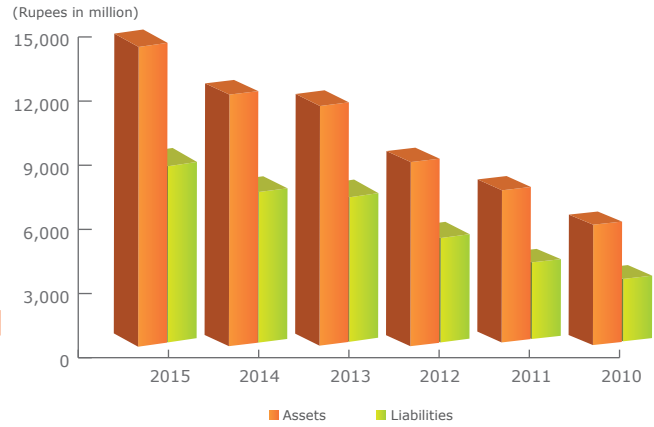
- The Company's Return on Equity for the year 2015 is 23%, reflecting 3% increase in last year's ROE due to increase in Return on Assets. This depicts better utilisation of the earning assets during the year.
- The ownership ratio has slightly decreased by 1% from the last year due to the payments of healthy dividends to the shareholders.

# Performance at a Glance - Six years

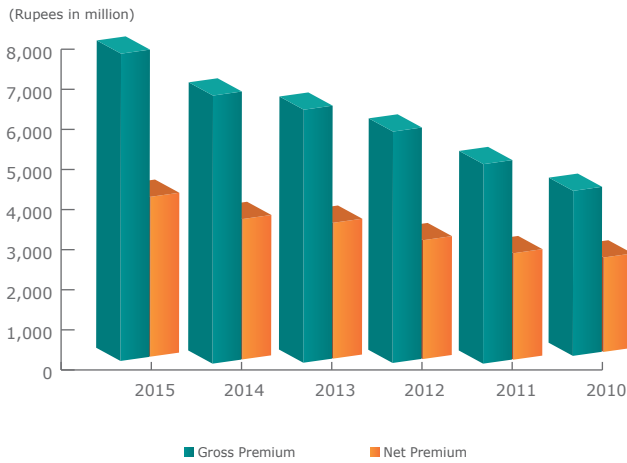
Capital & Reserves



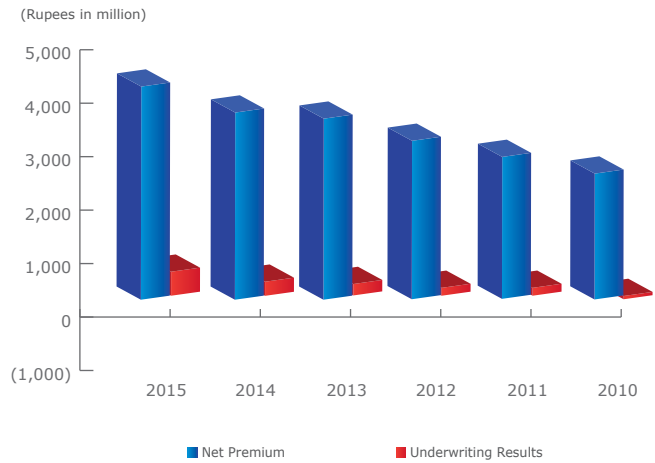
Assets & Liabilities



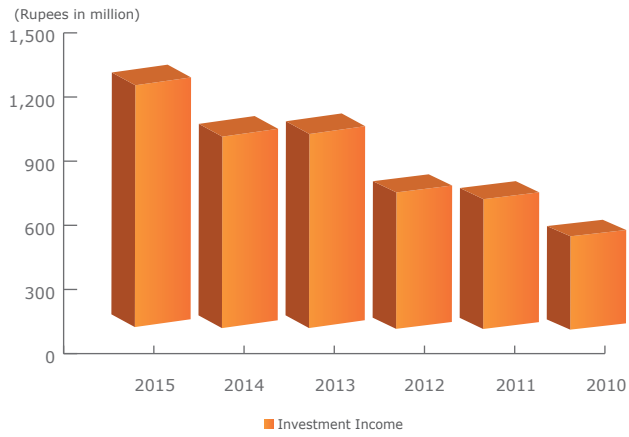
Gross Premium and Net Premium



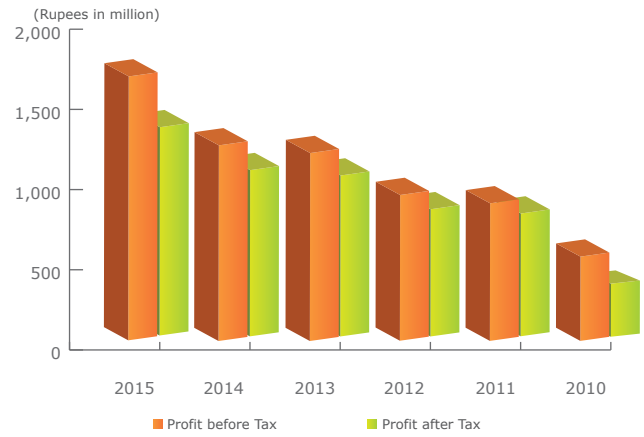
Net Premium and Underwriting Results



### Investment Income



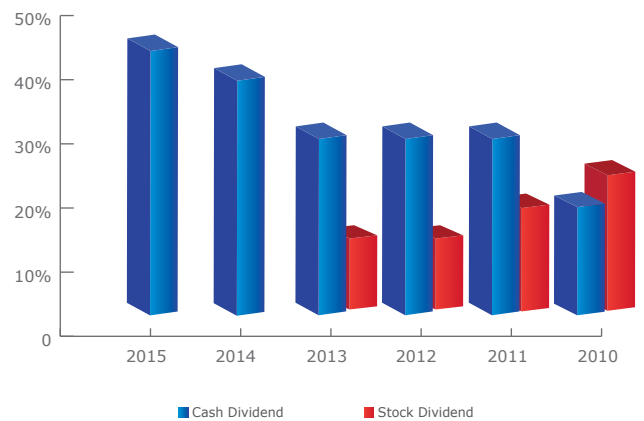
### Profit before Tax and after Tax



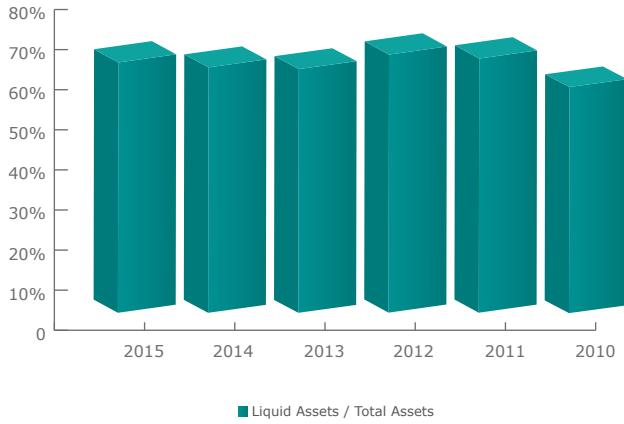
### Earnings Per Share Pre Tax and after Tax



### Dividends



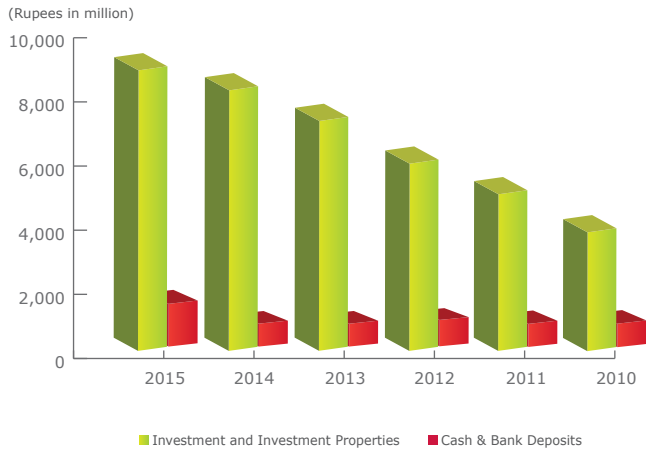
Liquid Assets / Total Assets %



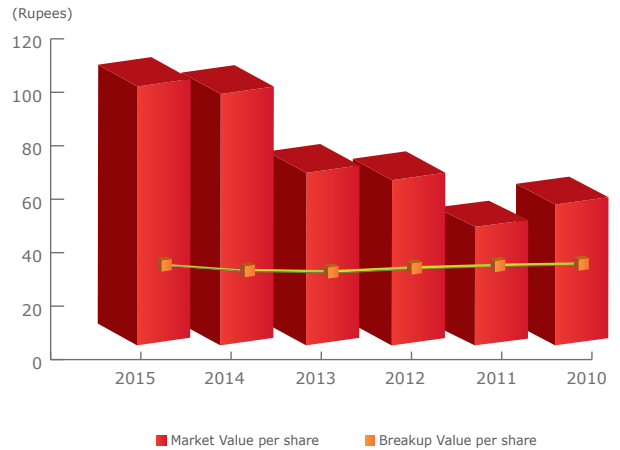
Equity / Total Assets %



Investments and Cash & bank deposits

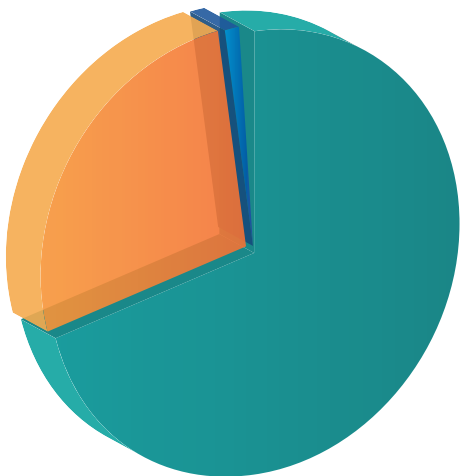


Market value vs Breakup value per share

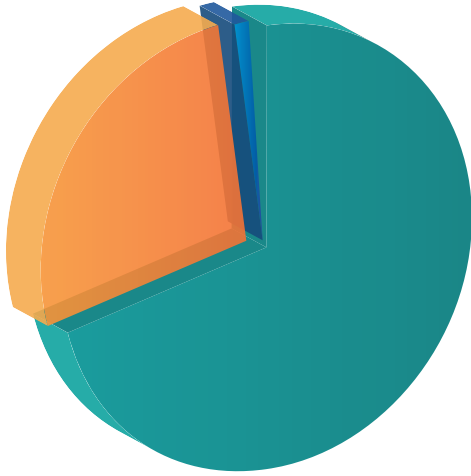


# Graphical Composition of Financial Statements

## Balance Sheet



Assets

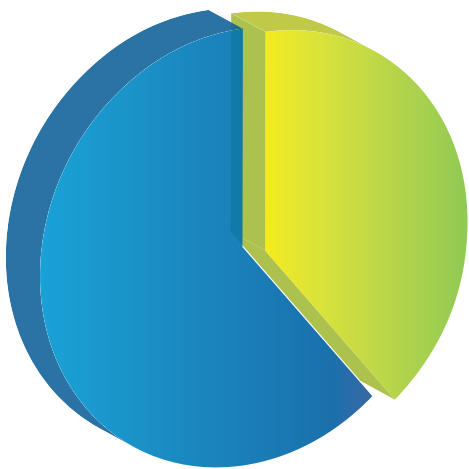


### 2015

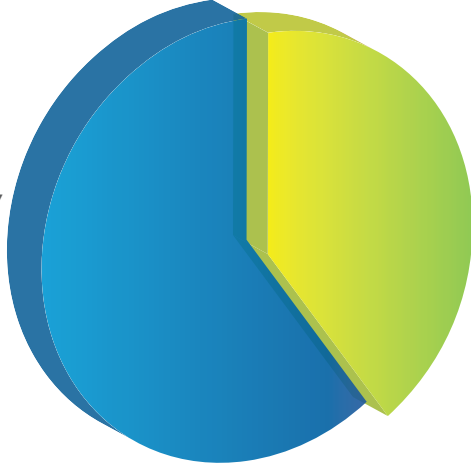
- Earning Assets **71%**
- Current Assets - others **28%**
- Fixed Assets **01%**

### 2014

- Earning Assets **70%**
- Current Assets - others **29%**
- Fixed Assets **01%**



Shareholders' Equity and Liabilities

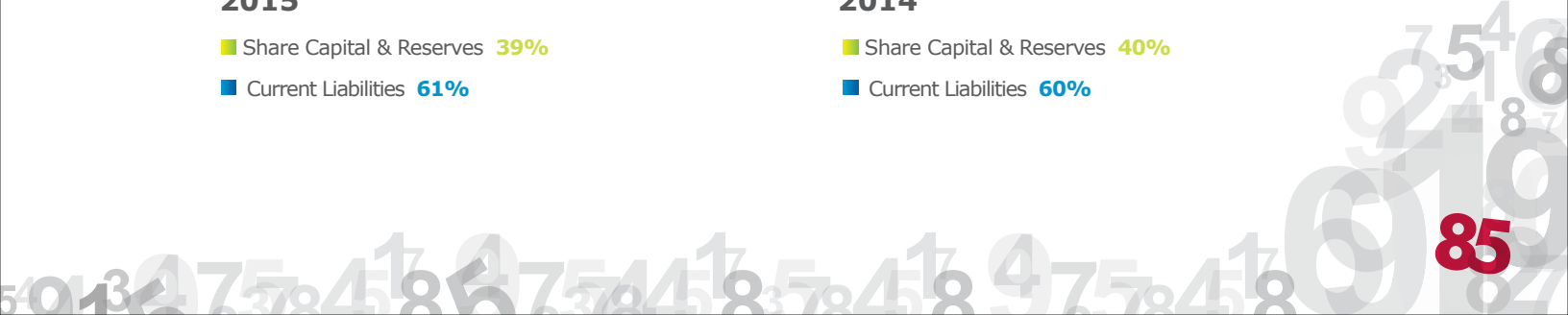


### 2015

- Share Capital & Reserves **39%**
- Current Liabilities **61%**

### 2014

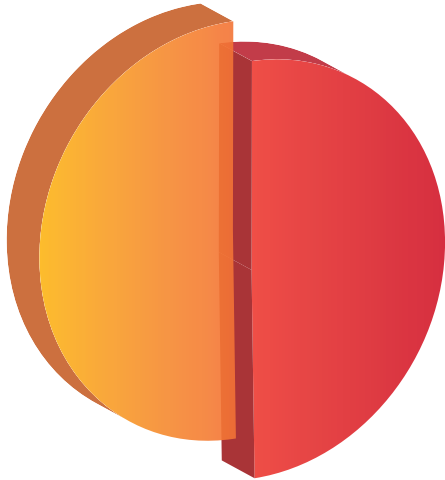
- Share Capital & Reserves **40%**
- Current Liabilities **60%**





# Graphical Composition of Financial Statements

## Cash Flows



Cash Generated

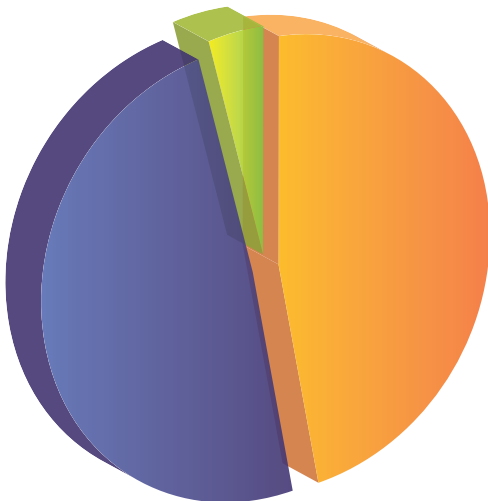


**2015**

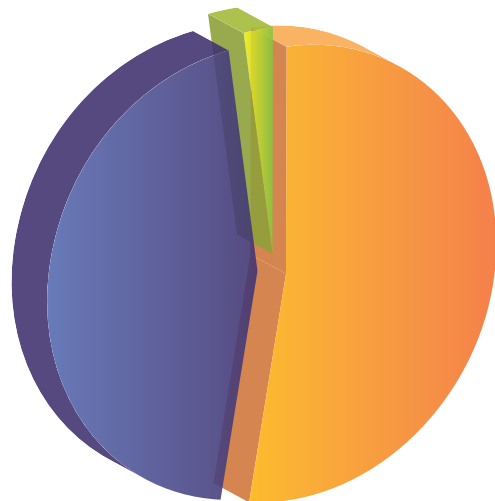
■ Operating activities **50%** ■ Investing activities **50%**

**2014**

■ Operating activities **44%** ■ Investing activities **56%**



Cash Consumed



**2015**

■ Operating activities **47%**  
 ■ Investing activities **49%**  
 ■ Financing activities **4%**

**2014**

■ Operating activities **53%**  
 ■ Investing activities **45%**  
 ■ Financing activities **2%**

# Graphical Composition of Financial Statements

## Profit and Loss



Gross Premium Class wise

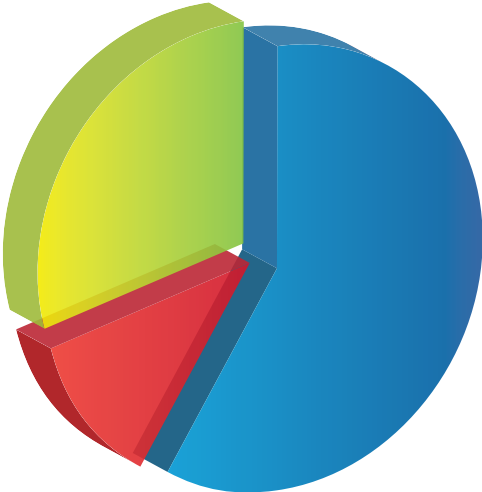


**2015**

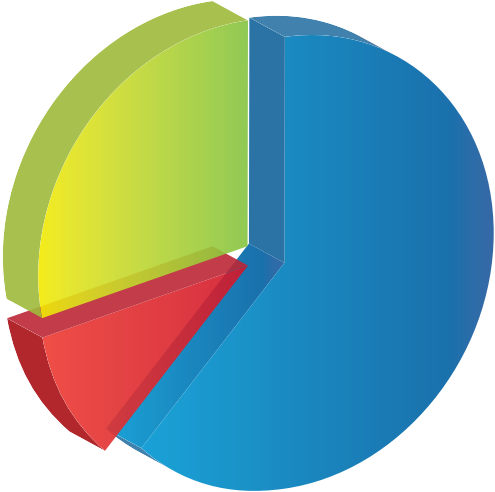
- Fire **23%**   ■ Marine **8%**   ■ Motor **17%**
- Liability **7%**   ■ Accident & Health **12%**
- Miscellaneous **33%**

**2014**

- Fire **25%**   ■ Marine **10%**   ■ Motor **14%**
- Liability **7%**   ■ Accident & Health **11%**
- Miscellaneous **33%**



Combined Ratio



**2015**

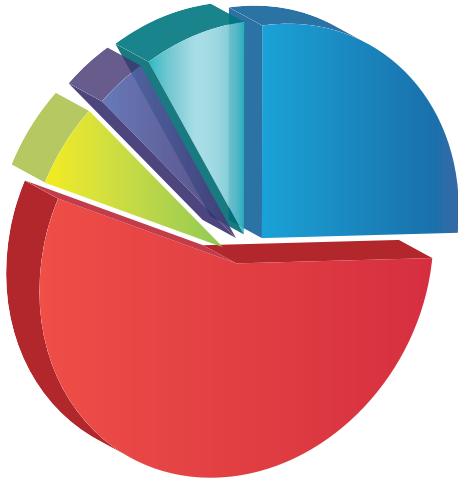
- Net Claims **59%**   ■ Net Commission **12%**
- Management Expenses **29%**

**2014**

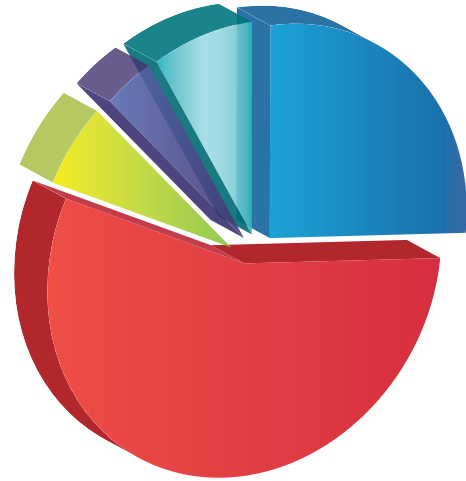
- Net Claims **62%**   ■ Net Commission **10%**
- Management Expenses **28%**

# Graphical Composition of Financial Statements

## Profit and Loss



Investment Income

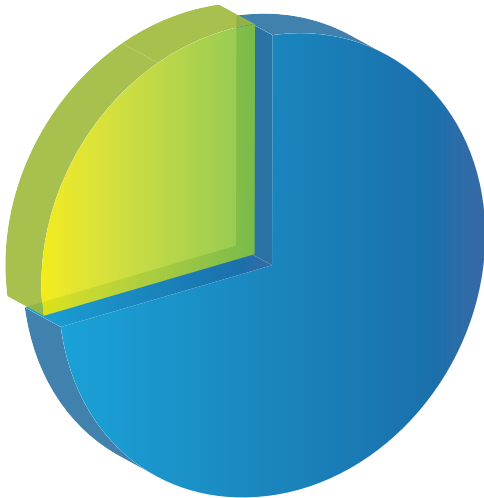


### 2015

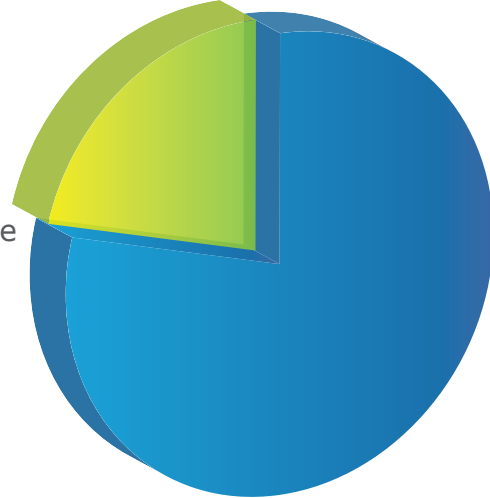
- Dividend Income **27%** ■ Capital gains **55%**
- Return on Bank Deposits **6%**
- Return on Govt. Securities **4%**
- Rental Income **8%**

### 2014

- Dividend Income **25%** ■ Capital gains **52%**
- Return on Bank Deposits **7%**
- Return on Govt. Securities **6%**
- Rental Income **10%**



Profit Before Tax



### 2015

- Investment and other Income **73%**
- Underwriting Income **27%**

### 2014

- Investment and other Income **79%**
- Underwriting Income **21%**

# Report of the Board Audit Committee

For the year ended December 31, 2015

The role of the Committee in the context of governance framework is to monitor:

- i. The integrity of financial statements;
- ii. The appointment, qualification, independence and performance of External Auditors;
- iii. The performance of internal audit function;
- iv. The effectiveness of system of internal controls and risk management;
- v. Compliance with legal and regulatory requirements.

The Committee has concluded its annual review of the conduct and operations of the Company for the year ended December 31, 2015 and reports that:

- Four meetings of the Committee were held during the year and presided by the Chairman of the Committee.
- The Committee reviewed the quarterly and annual financial statements of the Company and recommended them for approval of the Board.
- The Company issued a Statement of Compliance with the Code of Corporate Governance, which has also been reviewed by the external auditors of the Company.
- The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company and the chairman's and Board of Directors' Report. They acknowledge their responsibility for true and fair presentation of the financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishments and maintenance of internal controls and system of the Company.
- The financial statements have been prepared in accordance with approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002.
- Appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgment. Applicable accounting standards were followed in preparation of the financial statements of the Company on a going concern basis for the financial year ended December 31, 2015, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- Proper, accurate and adequate accounting records have been maintained by the Company in accordance with the Companies Ordinance, 1984.

### Internal Audit Function

- The internal control framework has been effectively implemented through in-house internal audit function. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company through effective financial, operational and compliance controls and risk management at all levels within the Company.
- Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

### External Auditors

- The statutory auditors of the Company, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the year ended December 31, 2015.
- The Management Letter is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements under the listing regulations and will therefore accordingly be discussed in the Committee meeting following the receipt of the management letter.
- The Audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The statutory auditors have indicated their willingness to continue as auditors.
- Being eligible for reappointment under listing regulations, the Board Audit Committee recommends the reappointment of M/s. KPMG Taseer Hadi & Co. as statutory auditors for the financial year ending December 31, 2016 on terms approved by the Board of Directors.



Aly Noormahomed Rattansey  
Chairman, Board Audit Committee  
Karachi, February 11, 2016

## Profile of Shariah Advisor

Mufti Zeeshan Abdul Aziz is a recognised Shariah Scholar and researcher having strong comprehension of all aspects of Islamic Law and specialised in Islamic Jurisprudence and Islamic Finance from Jamia Dar Ul Uloom Karachi, Pakistan, having "Takhassus Fil Ifta" (Specialisation in Islamic Jurisprudence), majoring in Islamic Banking & Finance.

He is serving as the Shariah Advisor of "Jubilee General Insurance – Window Takaful Operations" since its commencement.

He has been associated with several Islamic Financial Institutions and Halal Certification bodies within Pakistan and abroad. Mufti Zeeshan is also the Shariah Advisor of Sindh Bank-Islamic Banking Division, Jubilee Life Insurance – Family Window Takaful Operations, NIT Islamic Investment Funds and Shariah Review Bureau, Bahrain. He has been frequently debating and delivering lectures on Shariah & technical aspects of Islamic Finance at the national and international forums.

# Shariah Advisor's Report to the Board of Directors

For the period from 30 April 2015 to 31 December 2015

الحمد لله رب العالمين و الصلوة و السلام على سيد الأنبياء و المرسلين و بعد

I have reviewed the Takaful products including all related documents, as well as, the Participant Takaful Fund Policy, Investment Policy, Re-Takaful arrangements and the related transactions of **Jubilee General - Window Takaful Operations** (hereafter referred to as "Takaful Operator").

I acknowledge that as Shariah Advisor of Takaful Operator, it is my responsibility to approve the above mentioned document and ensure that the financial arrangements, contracts and transactions entered into by the Takaful Operator with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles.

It is the responsibility of the Takaful Operator to ensure that the rules, principles and guidelines set by the Shariah Advisor are complied with, and that all policies and services being offered are duly approved by the Shariah Advisor.

The primary objective of Shariah Advisor's report is to inform about the Takaful Operator's compliance with Shariah Guidelines, including the transactions undertaken by the Takaful Operator during the period and to express his opinion on transactions and operational aspects of Window Takaful Operations.

In my opinion and to the best of my understanding based on the provided information and explanations:

- i. Transactions undertaken by the Takaful Operator were in accordance with guidelines issued by Shariah Advisor as well as requirements of Takaful Rules 2012;  
The investments have been done from the Operator's Fund into Shariah Compliant avenues with Shariah approval. Further, all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) with prior Shariah approval; and
- ii. The transactions and activities of Window Takaful Operations are in accordance with the Shariah principles in respect of the Participants Takaful Fund (Waqf Fund) and Operator's Fund.

"And Allah Knows Best"



**Mufti Zeeshan Abdul Aziz**  
Shariah Advisor

Date: 11 February 2016



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Jubilee General Insurance Company Limited (the Company) for the year ended 31 December 2015 to comply with the requirements of Listing Regulations of the Pakistan Stock Exchange Limited where the Company is listed, and the Code of Corporate Governance applicable to listed insurance companies issued under SRO 68(I)/2003, by the Securities and Exchange Commission of Pakistan.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2015.

Date: 11 February 2016  
Karachi

KPMG Taseer Hadi & Co.  
Chartered Accountants

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



# Statement of Compliance with the Code of Corporate Governance

For the year ended 31 December 2015

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in listing regulations of the Stock Exchange, where the Company is listed and SRO 68(I)/2003 dated 21 January 2003 issued by Securities and Exchange Commission of Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

Category	Names
Independent Director	Aly Noormahomed Rattansey
Executive Director	Tahir Ahmed
Non-Executive Directors	Towfiq H. Chinoy
	Sadruddin Hashwani
	Akbarali Pesnani
	John Joseph Metcalf
	R. Zakir Mahmood
	Amin A. Hashwani
	Aamir Hasan Irshad

The independent director meets the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non-banking financial institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancies occurred in the Board during the year 2015.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, and non-executive directors, have been taken by the Board.
8. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company includes all the necessary aspects of internal control given in the code.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
10. All the Directors have either attended the orientation course or have been provided appropriate materials / guidelines in this regard and as such they are fully aware of their duties and responsibilities. Seven of the directors have attended "Directors' training program" conducted by local and foreign institutions that meet the criteria specified by the SECP, other two directors possess the minimum qualification and experience criteria stipulated in the Code.
11. The appointment, remuneration and terms and conditions of employment of Chief Financial Officer, Company Secretary and Head of Internal Audit are approved by the Board of directors. The Board has approved appointment of Company Secretary during the year 2015. The vacant position of Head of Internal Audit as at December 31, 2015 was duly filled subsequent to the year end.
12. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the CCG.
16. The Board has formed management committee(s) of underwriting / claim settlement / reinsurance & co-insurance committee(s).
17. The Board has formed an Audit Committee. It comprises of four members, all of whom are non-executive directors and the chairman of the committee is an independent director.
18. The meetings of the audit committee were held at least once every quarter prior to the approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

19. The Board has formed an HR and Remuneration Committee. It comprises of four members, majority of which including the Chairman of the Committee are non-executive directors. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
20. The Board has set up an effective internal audit function. The members of internal audit function are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
21. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
23. All related party transactions entered during the year were on an arm's length basis. The Audit Committee has reviewed these related party transactions and recommended the same for approval of the Board of Directors.
24. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors, employees and stock exchanges.
25. Material/price sensitive information has been disseminated amongst all market participants at once through stock exchanges.
26. The Board has developed and approved the criteria for annual evaluation of its own performance as per the requirement of the Code. The evaluation has been duly performed by the Board during the year.
27. We confirm that all other material principles enshrined in the CCG have been complied with.

By Order of the Board



TOWFIQ H. CHINOY  
Chairman

Karachi: 11 February 2016

## Statement of Compliance with the Shariah Principles

The financial arrangements, contracts and transactions, entered into by Window Takaful Operations of the Jubilee General Insurance Company Limited ('the Company') for the period from 30 April 2015 to 31 December 2015 are in compliance with the Takaful Rules, 2012.

Further, we confirmed that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented;
- The Company has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor/ Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff and management;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions entered into by Window Takaful Operations are in accordance with the polices approved by Shariah Advisor; and
- The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Company.



Tahir Ahmed  
Managing Director  
(Chief Executive)

Karachi: 11 February 2016



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet [www.kpmg.com.pk](http://www.kpmg.com.pk)

## Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Shariah Principles

We were engaged by the Board of Directors of Jubilee General Insurance Company Limited ("the Company") to report on the management's assessment of compliance of the Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the period from 30 April 2015 to 31 December 2015, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects.

### Responsibilities of the Management

The Board of Directors / management of the Company are responsible for preparation of the annexed statement that is free from material misstatement.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

The Board of Directors / management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

### Our Responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we comply with ethical requirements, including independence requirements, implement the quality control procedures applicable to the individual engagement, and plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed included:

- Evaluate the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee/ Shari'ah Advisor and the board of directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions during the period from 30 April 2015 to 31 December 2015 with the Takaful Rules, 2012.

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the period from 30 April 2015 to 31 December 2015, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Date: 11 February 2016  
Karachi

KPMG Taseer Hadi & Co.  
Chartered Accountants

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

# 2015 FINANCIAL STATEMENTS



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## **Auditors' Report to the Members of Jubilee General Insurance Company Limited**

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of comprehensive income;
- (iv) statement of cash flows;
- (v) statement of changes in equity;
- (vi) statement of premiums;
- (vii) statement of claims;
- (viii) statement of expenses; and
- (ix) statement of investment income

of **Jubilee General Insurance Company Limited** ("the Company") as at 31 December 2015 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied except for the change disclosed in note 3.1 with which we concur;
- c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31 December 2015 and of the profit, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Date: 11 February 2016  
Karachi

*KPMG Taseer Hadi & Co.*

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Nadeem

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



# Balance Sheet

As at December 31, 2015

	2015	2014
Note	(Rupees in '000)	
<b>Share capital and reserves</b>		
Authorised share capital [250,000,000 Ordinary shares of Rs.10 each (31 December 2014: 200,000,000 Ordinary shares of Rs.10 each)]	<u>2,500,000</u>	<u>2,000,000</u>
Paid-up share capital	4 1,569,100	1,569,100
Retained earnings	1,148,493	1,104,054
Reserves	5 3,188,811	2,749,723
	5,906,404	5,422,877
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	2,907,102	2,805,862
Provision for unearned premium	2,628,131	2,340,944
Commission income unearned	24 118,533	90,579
Total underwriting provisions	5,653,766	5,237,385
<b>Deferred liabilities</b>		
Staff retirement benefits	-	53
<b>Creditors and accruals</b>		
Premiums received in advance	200,563	71,537
Amounts due to other insurers / reinsurers	862,631	801,807
Accrued expenses	39,440	38,535
Taxation - provision less payments	6 266,723	162,638
Other creditors and accruals	7 656,819	517,776
	2,026,176	1,592,293
<b>Other liabilities</b>		
Deposits and other payables	8 1,506,839	1,241,324
Unclaimed dividend	64,334	44,849
	1,571,173	1,286,173
<b>Total liabilities</b>		
	<u>9,251,115</u>	<u>8,115,904</u>
Total liabilities of Window Takaful Operations - Operator's Fund	9 30,350	-
<b>Total equity and liabilities</b>		
	<u><b>15,187,869</b></u>	<u><b>13,538,781</b></u>
<b>Contingencies</b>		
	10	

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
Towfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

	2015	2014
Note	(Rupees in '000)	
<b>Cash and bank deposits</b>		
11		
Cash and other equivalents	3,583	3,817
Current and other accounts	1,357,129	871,776
Deposits maturing within 12 months	356,130	145,452
	1,716,842	1,021,045
<b>Loans to employees</b>	12	577
<b>Investments</b>	13	7,777,591
<b>Investment properties</b>	14	678,043
<b>Deferred taxation - net</b>	15	22,498
<b>Current assets - others</b>		
Premiums due but unpaid	16	843,893
Amounts due from other insurers / reinsurers	17	122,547
Reinsurance recoveries due but unpaid		162,973
Salvage recoveries accrued		52,932
Accrued investment income		23,398
Reinsurance recoveries against outstanding claims	18	1,356,398
Deferred commission expense		203,333
Prepayments	19	1,088,558
Sundry receivables	20	46,714
	4,072,332	3,900,746
<b>Fixed assets</b>	21	
<b>Tangible and intangible</b>		
Buildings	5,467	5,756
Furniture, fixtures and equipment	129,984	101,423
Vehicles	5,477	4,656
Computer software	23,699	26,446
	164,627	138,281
<b>Total assets</b>	15,070,527	13,538,781
Total assets of Window Takaful Operations - Operator's Fund	9	-
<b>Total assets</b>	15,187,869	13,538,781

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Profit and Loss Account

For the year ended 31 December 2015

								2015	2014
	Fire and property	Marine, aviation and transport	Motor	Liability	Accident and health	Others	Treaty	Aggregate	Aggregate
Note	(Rupees in '000)								
<b>Revenue account</b>									
Net premium revenue	848,668	509,269	1,067,460	16,727	905,317	803,367	-	4,150,808	3,644,630
Less:									
Net claims	464,650	226,776	487,671	2,242	748,444	244,598	-	2,174,381	2,082,704
Expenses	23 221,828	133,114	279,016	4,372	236,635	209,987	-	1,084,952	957,122
Net commission	128,145	88,459	103,589	(10,437)	40,530	73,465	-	423,751	329,657
<b>Underwriting result</b>	<b>34,045</b>	<b>60,920</b>	<b>197,184</b>	<b>20,550</b>	<b>(120,292)</b>	<b>275,317</b>	<b>-</b>	<b>467,724</b>	<b>275,147</b>
Net investment income								1,052,195	803,088
Rental income - net	25							94,353	99,119
Return on bank deposits								73,084	63,985
Other income / (loss) - net	26							6,335	(2,685)
General and administration expenses	27							(79,575)	(51,085)
Share in profit of associates	13.1.2 & 13.2.3							112,175	82,253
								1,258,567	994,675
Loss from Window Takaful Operations - net off tax	9							(13,008)	-
								1,713,283	1,269,822
Taxation - net	28							(360,633)	(190,703)
<b>Profit after taxation</b>								<b>1,352,650</b>	<b>1,079,119</b>
<b>Profit and loss appropriation account:</b>									
<b>Balance at commencement of the year</b>									
								1,104,054	1,055,976
Total comprehensive income for the year								1,349,747	1,082,074
Foreign currency translation difference - net off tax								7,697	-
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.1.5 (15%) per share for the year 2013]								-	(204,665)
Final cash dividend 2015: at 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: at Rs.1.5 (15%) per share for the year 2015 [2014: Rs. Nil]								(235,365)	-
								44,439	48,078
<b>Balance of unappropriated profit at end of the year</b>								<b>1,148,493</b>	<b>1,104,054</b>
<b>(Rupees)</b>									
<b>Earnings per share of Rs.10 each - basic and diluted</b>							38	<b>8.62</b>	<b>6.88</b>

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
Towfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Comprehensive Income

For the year ended 31 December 2015

	2015	2014
	(Rupees in '000)	
Profit after taxation	1,352,650	1,079,119
<b>Other comprehensive income</b>		
<i>Item that will never be reclassified to profit and loss account</i>		
Actuarial gain on defined benefit plan - net off tax	4,794	2,955
<i>Item to be reclassified to profit and loss account in subsequent period</i>		
Foreign currency translation difference - net off tax	(7,697)	-
<b>Total comprehensive income for the year</b>	<b>1,349,747</b>	<b>1,082,074</b>

The annexed notes from 1 to 42 form an integral part of these financial statements.



Towfiq H. Chinoy  
Chairman



Aly Noormahomed Rattansey  
Director



Akbarali Pesnani  
Director



Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Cash Flows

For the year ended 31 December 2015

	2015	2014
	(Rupees in '000)	
<b>Operating cash flows</b>		
<b>(a) Underwriting activities</b>		
Premiums received	8,037,743	7,026,611
Reinsurance premiums paid	(3,590,240)	(3,119,598)
Claims paid	(2,548,640)	(4,087,545)
Reinsurance and other recoveries received	583,826	1,887,208
Commissions paid	(746,399)	(582,860)
Commissions received	365,367	281,763
Other underwriting payments (management expenses)	(1,039,241)	(918,580)
Net cash inflows from underwriting activities	1,062,416	486,999
<b>(b) Other operating activities</b>		
Income tax paid	(244,166)	(196,978)
General expenses paid	(45,309)	(25,629)
Other operating payments	(1,051,246)	(1,026,554)
Other operating receipts	1,204,443	1,167,421
Loans advanced	(1,249)	(1,274)
Loan repayments received	1,555	1,328
Net cash (outflows) from other operating activities	(135,972)	(81,686)
<b>Total cash inflows from all operating activities</b>	926,444	405,313
<b>Investment activities</b>		
Profit / return received	114,057	120,070
Dividends received	328,851	242,698
Rentals received - net of expenses	101,846	105,227
Payments for purchase of investments	(9,697,501)	(7,709,325)
Capital expenditure on investment property	-	(527,951)
Proceeds from disposal of investments / investment property	9,675,978	7,806,214
Fixed capital expenditure	(69,078)	(33,452)
Proceeds from sale of fixed assets	4,429	843
<b>Total cash inflows from investing activities</b>	458,582	4,324
<b>Financing activities - total cash outflows from financing activities - dividend paid</b>	(843,520)	(401,296)
<b>Net cash inflows from all activities</b>	541,506	8,341
<b>Cash at beginning of the year</b>	948,026	939,685
<b>Cash at end of the year</b>	<b>1,489,532</b>	<b>948,026</b>

**Reconciliation to profit and loss account**

	2015	2014
	(Rupees in '000)	
Operating cash flows	926,444	405,313
Depreciation / amortisation expense	(35,843)	(33,201)
Loss on sale of fixed assets	(2,460)	(495)
Loss on remeasurement of investments at fair value through profit or loss	(3,164)	-
Profit on disposal of investments	680,792	501,123
Dividend income	328,683	242,866
Rental income	94,353	99,119
Other investment income	231,144	205,339
Loss from Window Takaful Operations	(13,008)	-
Actuarial (gain) on defined benefit plans	(4,794)	(2,955)
Exchange translation reserve on investment in an foreign associate	7,697	-
Increase / (decrease) in assets other than cash	256,574	(282,051)
(Decrease) in liabilities other than running finance	(1,113,768)	(55,939)
<b>Profit after taxation</b>	<b><u>1,352,650</u></b>	<b><u>1,079,119</u></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	107	2
Policy stamps and bond papers in hand	3,476	3,815
	<u>3,583</u>	<u>3,817</u>

**Current and other accounts**

Current accounts	195,215	98,059
Profit and loss savings accounts	1,161,914	773,717
	<u>1,357,129</u>	<u>871,776</u>

**\* Deposits maturing within 3 months (encashable on demand)**

Term deposits - Local Currency	100,000	-
Term deposits - Foreign Currency	28,820	72,433
	<u>128,820</u>	<u>72,433</u>
	<b><u>1,489,532</u></b>	<b><u>948,026</u></b>

\* This does not include local currency term deposits amounting to Rs. 1,000 thousands (2014: Rs.1,000 thousands) placed under lien and those deposits having maturity exceeding three months amounting to Rs.226,310 thousands (2014: Rs. 72,019 thousands).

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
Towfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Changes in Equity

For the year ended 31 December 2015

	Reserves									Total	
	Capital reserve		Revenue reserves						Total revenue reserves		Total reserves
	Share capital issued, subscribed and paid-up	Reserve for exceptional losses	General reserve	Special reserve	Exchange translation reserve on investment in foreign associate	Retained earnings	Company's share of capital contributed to the statutory fund by an associate				
(Rupees in '000)											
Balance as at 01 January 2014	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 year ended 31 December 2014</b>											
<b>Total comprehensive income for the year</b>											
Profit after taxation	-	-	-	-	-	1,079,119	-	1,079,119	1,079,119	1,079,119	
<b>Other comprehensive income</b>											
Actuarial gain on defined benefit plan - net off tax	-	-	-	-	-	2,955	-	2,955	2,955	2,955	
	-	-	-	-	-	1,082,074	-	1,082,074	1,082,074	1,082,074	
<b>Transactions with owners recorded directly in equity</b>											
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)	-	
Company's share of capital contributed to statutory fund by an associate	-	-	-	-	-	-	(9,661)	(9,661)	(9,661)	(9,661)	
Transfer to general reserve	-	-	320,000	-	-	(320,000)	-	-	-	-	
Transfer to special reserve	-	-	-	100,000	-	(100,000)	-	-	-	-	
	204,665	-	320,000	100,000	-	(1,033,996)	(9,661)	(623,657)	(623,657)	(418,992)	
Balance as at 31 December 2014	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 year ended 31 December 2015</b>											
<b>Total comprehensive income for the year</b>											
Profit after taxation	-	-	-	-	-	1,352,650	-	1,352,650	1,352,650	1,352,650	
<b>Other comprehensive income</b>											
Actuarial gain on defined benefit plan - net off tax	-	-	-	-	-	4,794	-	4,794	4,794	4,794	
Foreign currency translation difference - net off tax	-	-	-	-	(7,697)	-	-	(7,697)	(7,697)	(7,697)	
	-	-	-	-	(7,697)	1,357,444	-	1,349,747	1,349,747	1,349,747	
<b>Transactions with owners recorded directly in equity</b>											
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 contributed to statutory fund by an associate	-	-	-	-	-	-	(3,215)	(3,215)	(3,215)	(3,215)	
Transfer to general reserve	-	-	350,000	-	-	(350,000)	-	-	-	-	
Transfer to special reserve	-	-	-	100,000	-	(100,000)	-	-	-	-	
	-	-	350,000	100,000	-	(1,313,005)	(3,215)	(866,220)	(866,220)	(866,220)	
Balance as at 31 December 2015	1,569,100	9,384	2,800,000	400,000	(7,697)	1,148,493	(12,876)	4,327,920	4,337,304	5,906,404	

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
Tawfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Premiums

For the year ended 31 December 2015

## Business underwritten inside Pakistan

Class	Premiums written (note 22)	Unearned premium reserve		Premiums 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>										
Fire and property damage	1,803,963	750,844	727,901	1,826,906	939,092	409,919	370,773	978,238	848,668	715,246
Marine, aviation and transport	630,197	51,633	54,076	627,754	122,847	12,747	17,109	118,485	509,269	558,137
Motor	1,318,032	421,446	573,378	1,166,100	123,742	24,287	49,389	98,640	1,067,460	910,238
Liability	530,271	88,347	139,561	479,057	514,331	80,921	132,922	462,330	16,727	37,269
Accident and health	962,267	259,691	316,641	905,317	-	-	-	-	905,317	801,680
Miscellaneous	2,734,020	768,983	816,574	2,686,429	1,951,052	540,336	608,326	1,883,062	803,367	622,060
<b>Total</b>	<b>7,978,750</b>	<b>2,340,944</b>	<b>2,628,131</b>	<b>7,691,563</b>	<b>3,651,064</b>	<b>1,068,210</b>	<b>1,178,519</b>	<b>3,540,755</b>	<b>4,150,808</b>	<b>3,644,630</b>
<b>Treaty</b>										
Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>7,978,750</b>	<b>2,340,944</b>	<b>2,628,131</b>	<b>7,691,563</b>	<b>3,651,064</b>	<b>1,068,210</b>	<b>1,178,519</b>	<b>3,540,755</b>	<b>4,150,808</b>	<b>3,644,630</b>

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
Tawfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)



# Statement of Claims

For the year ended 31 December 2015

## Business underwritten inside Pakistan

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>Class</b>										
<b>Direct and facultative</b>										
Fire and property damage	534,025	868,264	1,006,908	672,669	194,394	446,229	459,854	208,019	464,650	478,023
Marine, aviation and transport	290,255	440,699	397,762	247,318	31,316	137,409	126,635	20,542	226,776	285,798
Motor	452,305	208,600	234,018	477,723	13,971	60,099	36,180	(9,948)	487,671	405,520
Liability	3,021	208,960	343,621	137,682	2,457	205,596	338,579	135,440	2,242	(2,999)
Accident and health	749,461	119,886	118,869	748,444	-	-	-	-	748,444	668,309
Miscellaneous	519,573	959,453	805,924	366,044	296,680	559,997	384,763	121,446	244,598	248,053
<b>Total</b>	<b>2,548,640</b>	<b>2,805,862</b>	<b>2,907,102</b>	<b>2,649,880</b>	<b>538,818</b>	<b>1,409,330</b>	<b>1,346,011</b>	<b>475,499</b>	<b>2,174,381</b>	<b>2,082,704</b>
<b>Treaty</b>										
Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>2,548,640</b>	<b>2,805,862</b>	<b>2,907,102</b>	<b>2,649,880</b>	<b>538,818</b>	<b>1,409,330</b>	<b>1,346,011</b>	<b>475,499</b>	<b>2,174,381</b>	<b>2,082,704</b>

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
Tawfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Expenses

For the year ended 31 December 2015

## Business underwritten inside Pakistan

Class	Commission paid or payable	Deferred commission		Net commission expense	Management expenses (note 23)	Underwriting expense	Commission from reinsurers (note 24)	2015 Net underwriting expense	2014 Net underwriting expense
		Opening	Closing						
(Rupees in '000)									
<b>Direct and facultative</b>									
Fire and property damage	221,738	81,725	84,692	218,771	221,828	440,599	90,626	349,973	308,245
Marine, aviation and transport	90,393	9,734	8,671	91,456	133,114	224,570	2,997	221,573	239,308
Motor	134,150	41,840	61,853	114,137	279,016	393,153	10,548	382,605	320,392
Liability	6,856	3,052	2,166	7,742	4,372	12,114	18,179	(6,065)	(694)
Accident and health	44,846	9,142	13,458	40,530	236,635	277,165	-	277,165	245,430
Miscellaneous	320,490	57,840	89,802	288,528	209,987	498,515	215,063	283,452	174,098
<b>Total</b>	<b>818,473</b>	<b>203,333</b>	<b>260,642</b>	<b>761,164</b>	<b>1,084,952</b>	<b>1,846,116</b>	<b>337,413</b>	<b>1,508,703</b>	<b>1,286,779</b>
<b>Treaty</b>									
Proportional / non-proportional	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>818,473</b>	<b>203,333</b>	<b>260,642</b>	<b>761,164</b>	<b>1,084,952</b>	<b>1,846,116</b>	<b>337,413</b>	<b>1,508,703</b>	<b>1,286,779</b>

The annexed notes from 1 to 42 form an integral part of these financial statements.



Tawfiq H. Chinoy  
Chairman



Aly Noormahomed Rattansey  
Director



Akbarali Pesnani  
Director



Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Investment Income

For the year ended 31 December 2015

## Income from trading investments

Net unrealised loss on remeasurement of securities to fair value

## Income from non-trading investments

### Held to maturity

Return on government securities

Return on other fixed income securities and Term finance certificates

Amortisation of discount

### Available-for-sale

### Dividend income

Related parties

Others

## Gain on sale of non-trading investments

## Investment related expenses

## Net investment income

	2015	2014
	(Rupees in '000)	
	(3,164)	-
	53,414	57,397
	3,211	10,335
	1,780	487
	58,405	68,219
	55,255	21,080
	273,428	221,786
	328,683	242,866
	680,792	501,123
	(12,521)	(9,120)
	<b>1,052,195</b>	<b>803,088</b>

The annexed notes from 1 to 42 form an integral part of these financial statements.



Tawfiq H. Chinoy  
Chairman



Aly Noormahomed Rattansey  
Director



Akbarali Pesnani  
Director



Tahir Ahmed  
Managing Director  
(Chief Executive)

# Notes to the Financial Statements

For the year ended 31 December 2015

## 1. STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) on 16 May 1953. The Company is listed on the Karachi and Lahore Stock Exchanges (Subsequent to period end due to demutualization, all stock exchanges are integrated into Pakistan Stock Exchange) 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. BASIS OF PREPARATION

These financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002], vide S.R.O. 938 dated 12 December 2002.

Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these financial statements in accordance with the requirements of Circular 25 of 2015 dated 9 July 2015.

### 2.2 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the 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 shall prevail.

### 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention.

### 2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional currency.

### 2.5 Use of estimates and judgements

The preparation of the financial statements 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 the financial statements, 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 insurance contracts (note 3.2);
- (b) provision for unearned premium (note 3.4);
- (c) provision for premium due but unpaid and amount due from other insurers / reinsurers (note 3.5);

- (d) provision for outstanding claims (including IBNR) and reinsurance recoveries there against (note 3.6);
- (e) premium deficiency reserve (note 3.7);
- (f) staff retirement benefits (note 3.8.1);
- (g) classification of investments (note 3.9);
- (h) residual values and useful lives of investment properties and fixed assets (note 3.10 and 3.11);
- (i) allocation of management expenses (note 3.16);
- (j) taxation (note 3.17);
- (k) segment reporting (note 3.18); and
- (l) impairment (note 3.21).

## 2.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after 1 January 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that use of revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statement.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016] clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment company; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.
- Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on the Company's financial statements.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as said below have been applied consistently to all periods presented in these financial statements except for the standards which became effective during the current year.

#### 3.1 Standards, interpretations and amendments effective during the current year

- IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IFRS 13 'Fair Value Measurement'. These standards became applicable from 1 January 2015 as per the adoption status of IFRS in Pakistan.
- IFRS 10 replaces the current guidance on consolidation in IAS 27 Consolidated and Separate Financial Statements. It introduces a single model of assessing control whereby an investor controls an investee when it has the power, exposure to variable returns and the ability to use its power to influence the returns of the investee. IFRS 10 also the determination of whether a decision maker is acting as principal or agent, all of which is influence includes specific guidance on de-facto control, protective rights and the assessment of control. The application of IFRS 10 did not result in any investee being in control of the Company.
- IFRS 11 replaces IAS 31 'Interests in Joint Ventures' it requires all joint ventures to be equity accounted hereby removing the option in IAS 31 for proportionate consolidation. It also removes the IAS 31 concept to jointly controlled assets. The application of IFRS 11 did not result in identification of any associate as a joint venture.
- IFRS 12 prescribes additional disclosures around significant judgments and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosures on the nature and risks associated with interest in unconsolidated structured entities. These disclosures are presented in note 13 to these financial statements.
- IFRS 13 consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exact price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments in the fair value hierarchy. The application of IFRS 13 does not have an impact on the financial statements of the Company except for the additional disclosures.

#### 3.2 Insurance contracts

Insurance contracts are those contracts under which the Company as insurer has accepted insurance risk from the insurance contract holder (insured) by agreeing to compensate the insured if a specified uncertain future event (the insured event) adversely affects the insured. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenure, even if the insurance risk changes significantly during this period, unless all rights and obligations are extinguished or expire.

Insurance contracts are classified into following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed:

##### a) Fire and property

Fire and property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers 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.

**b) Marine, aviation and transport**

Marine Insurance 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.

**c) Motor**

Motor insurance 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.

**d) Liability**

Liability insurance contracts protects the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. These contracts are generally one year contracts.

**e) Accident and health**

Accident and health insurance contract mainly compensate Hospitalisation and outpatient medical coverage to the insured. These contracts are generally one year contracts.

**f) Miscellaneous**

Other various types of insurance are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions, livestock and crop insurance etc. These contracts are normally one year insurance contracts except some engineering insurance contracts that are of more than one year period, whereas, normally travel insurance contracts expire within one month time.

These insurance contracts are provided to all types of customers based on assessment of insurance risk by the Company. Normally personal insurance contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, insurance contracts of fire and property, marine, aviation and transport, accident and health and other commercial line products are provided to commercial organizations.

The Company also accepts insurance risk pertaining to insurance contracts of other insurer as reinsurance inward. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer. All reinsurance inward contracts are facultative (specific risk) acceptance contracts except retrocession business with Pakistan Reinsurance Company Limited (PRCL).

**3.3 Reinsurance contracts held**

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

**3.4 Provision for unearned premium**

The provision for unearned portion of premiums is calculated by applying twenty fourths' method, except Accident and Health Insurance for which unearned premium is calculated by applying 365 days method as prescribed by SEC (Insurance) Rules, 2002.

The deferred portion of reinsurance premium is recognized as a prepayment. The deferred portion of reinsurance premium ceded is calculated by using twenty fourths' method.

**3.5 Receivables and payables related to insurance contracts**

Receivables and payables, other than claim payables, relating to insurance contracts are recognized when due. The claim payable is recorded when intimation is received. These include premiums due but unpaid, premium received in advance, premiums due and claims payable to insurance contract holders. 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 premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the loss in profit and loss account.

### **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 Company's prior experience.

The Company takes advice from actuary for the determination of IBNR claims at the year end. The actuary recommends that month wise factor based on an analysis of the past claims reporting pattern be applied for estimation of provision for IBNR. The "Chain Ladder Method" is used for determination of month wise factor for each class of business. Accordingly, provision has been made based on IBNR factors applied on incurred claims recommended by the actuary.

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

### **3.7 Premium deficiency reserve**

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

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

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium. The liability of premium deficiency in relation to accident and health insurance is calculated in accordance with the advice of the actuary.

### **3.8 Employee benefit plans**

#### **3.8.1 Defined benefit plan**

The Company operates an approved and funded gratuity scheme for all permanent employees who attain the minimum qualification period for entitlement to gratuity. The liability / asset recognized in the balance sheet is the present value of defined benefit obligation at the reporting date less fair value of plan assets. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognized in profit and loss account. The last actuarial valuation of the Company's defined benefit plan was carried on as of 31 December 2015.

#### **3.8.2 Defined contribution plan**

The Company contributes to a provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the employees to the fund at the rate of 8.33 percent of basic salary.



### 3.8.3 Employees' compensated absences

The Company accounts for the liability in respect of eligible employees' compensated absences in the period in which they are earned.

## 3.9 Investments

### 3.9.1 Classification and Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for investment at fair value through profit or loss in which case transaction costs are charged to the profit and loss account. These are recognized and classified as follows:

- Investment at fair value through profit or loss
- Held to maturity
- Available-for-sale

The classification depends on the purpose for which the financial assets were acquired.

### 3.9.2 Measurement

#### 3.9.2.1 Investment at fair value through profit or loss

- Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.
- Investments which are designated at fair value through profit or loss upon initial recognition.
- Subsequent to initial recognition, these investments are remeasured at fair value. Gains or losses on TT investments on remeasurement of these investments are recognised in profit and loss account.

#### 3.9.2.2 Held to maturity

Investments with fixed determinable payments and fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost less provision for impairment, if any.

#### 3.9.2.3 Available-for-sale

Investments which are not eligible to be classified as "held for trading" or "held to maturity" are classified as 'available-for-sale'. These investments are intended to be held for an indefinite period of time which may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available-for-sale.

#### Quoted

Subsequent to initial recognition at cost, quoted investments are stated at the lower of cost or market value (market value on an individual investment basis being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002 vide S.R.O. 938 dated December 2002.

The SECP has allowed the insurance companies to defer the application of International Accounting Standard – 39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of 'available-for-sale investments'. Accordingly, the requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of these financial statements.

Had the Company adopted International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" in respect of recognition of gain / loss on remeasurement of available-for-sale securities directly into equity, the investments of the Company would have been higher by Rs.1,687,870 thousands and the net equity would have increased by the same amount.

Any premium paid or discount availed on government securities and term finance certificates is deferred and amortised over the period to maturity of investment using the effective yield.

**Unquoted**

Unquoted investments are recorded at cost less accumulated impairment losses, if any.

**3.9.2.4 Fair / market value measurements**

For investments in Government securities, fair / market value is determined by reference to quotations obtained from Reuters page (PKRV) where applicable. For investments in quoted marketable securities, other than Term Finance Certificates, fair / market value is determined by reference to Stock Exchange quoted market price at the close of business on reporting date. The fair market value of Term Finance Certificates is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP).

**3.9.2.5 Investment in associates - equity method**

Investments in associates, where the Company has significant influence but not control, are accounted for by using the equity method of accounting. These investments are initially recognised at cost and the carrying amount is adjusted to recognize the investor's share of the profit and loss, distribution received and change in the comprehensive income and equity of the investee at the end of each reporting period. After application of the equity method, the Company determines whether it is necessary to recognize any impairment loss with respect to the Company's net investment in the associate.

**3.9.2.6 Date of recognition**

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

**3.10 Investment property**

Investment properties are accounted for under the cost model in accordance with approved International Accounting Standard (IAS) 40, "Investment Property" and S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan.

- Leasehold land is stated at cost.
- Building on leasehold land is depreciated to its estimated salvage value on straight line basis over its useful life, which is estimated to be 40 - 80 years.
- Installations forming a part of building on leasehold land but having separate useful lives are depreciated at the rate of 10 percent under the straight line method.

Depreciation policy, subsequent capital expenditure on existing properties and gains or losses on disposals are accounted for in the same manner as tangible fixed assets.

**3.11 Fixed assets****3.11.1 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 21 to the financial statements.

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 company 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.

### **3.11.2 Intangibles**

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognised as an intangible asset.

#### *Infinite Intangible*

These are stated at cost less impairment, if any.

#### *Definite Intangible*

- a) These are stated at cost less accumulated amortisation and impairment, if any.
- b) Intangible assets are amortised on straight line basis over its estimated useful life(s) (refer note 21).
- c) Amortisation on additions is charged from month in which the asset is put to use, whereas no amortisation is charged from the month the asset is disposed off.

### **3.12 Premium income**

Premiums including administrative surcharge under a policy are recognised as revenue at the time of issuance of insurance policy.

Revenue from premiums is determined after taking into account the unearned portion of premiums. The unearned portion of premium income is recognised as a liability.

Reinsurance premium is recognised as expense after taking into account the proportion of deferred premium expense which is calculated using twenty fourths method. The deferred portion of premium expense is recognised as a prepayment.

Pakistan Reinsurance Company Limited (PRCL) retrocession business is booked on the basis of PRCL statements.

### **3.13 Commission**

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

Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognised as liability and recognised in the profit and loss account as revenue in accordance with the pattern of recognition of the reinsurance premiums.

### **3.14 Rental income**

Rental income from investment properties is recognised as revenue on a straight line basis over the period of the lease agreement.

### **3.15 Investment income**

- Income from held to maturity investments is recognised on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortised and taken to the profit and loss account over the term of the investment.
- Dividend income is recognised when the Company's right to receive the payment is established.
- Gain / loss on sale of investments is included in income currently.

- Return on fixed income securities classified as available for sale is recognised on a time proportion basis taking into account the effective yield on the investments.
- Return on bank deposits is recognised on a time proportion basis taking into account the effective yield.

### **3.16 Expenses of management**

Expenses of management have been allocated to various classes of business as deemed equitable by management. Expenses not allocable to the underwriting business are charged under general and administration expenses.

### **3.17 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 Company, 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 Company 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 Company 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.

### **3.18 Segment reporting**

An operating segment is a component of the Company 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 Company's other components. All operating segments' results are reviewed regularly by the Company'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.

The Company 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 Company 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 Company's business segments operate in Pakistan only.

Based on its classification of insurance contracts issued, the Company has six primary business segments for reporting purposes namely fire, marine, motor, accident and health, liability and miscellaneous. The nature and business activities of these segments are disclosed in note 3.2.

Assets and liabilities are allocated to particular segments on the basis of premium earned. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortisation are allocated to a particular segment on the basis of net premium earned.

### **3.19 Foreign currency**

#### **Foreign currency transactions**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Exchange differences, if any, are taken to profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The assets and liabilities of foreign operations are translated into Pakistani rupees at exchange rates prevailing at the reporting date. The income and expense of foreign operations (associate) are translated at average rate of exchange for the year. Translation gains and losses arising on the translation of net investment in foreign associate are recognised in other comprehensive income under "Exchange Translation Reserve" and is transferred to profit and loss account on its disposal.

### **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 Company 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.

Impairment is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investments classified as available-for-sale below its cost is also considered an objective evidence of impairment.

impairment losses are reversed when there is an indication that impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

### **3.22 Provisions**

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

### **3.23 Financial instruments**

Financial instruments carried on the balance sheet include cash and bank, loans to employees, premiums due but unpaid, amount due from other insurers / reinsurers, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, amount due to other insurers / reinsurers, accrued expenses, other creditors and accruals, deposits and other payables and unclaimed dividends.

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company 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 income currently.

### **3.24 Dividend declaration and reserve appropriation**

Dividend declaration and reserve appropriation are recognized when approved.

### 3.25 Window Takaful Operations

The accounting policies adopted for window takaful operations are stated in the annexed financial statements of Window Takaful Operation for the period ended 31 December 2015.

## 4 SHARE CAPITAL

### Issued, subscribed and paid-up

2015	2014		2015	2014
(Number of shares in '000)		Note	(Rupees in '000)	
210	210	Ordinary shares of Rs.10 each issued as fully paid in cash	2,100	2,100
156,700	156,700	Ordinary shares of Rs.10 each issued as fully paid bonus shares	1,567,000	1,567,000
<b>156,910</b>	<b>156,910</b>		<b>1,569,100</b>	<b>1,569,100</b>

Shares of the Company held by associated undertakings (including associates) amounted to Rs.1,103,504 thousands (110,350,438 shares of Rs.10 each) [2014: Rs.1,103,504 thousands (110,350,438 shares of Rs.10 each)].

## 5 RESERVES

### Capital reserve

Reserve for exceptional losses	5.1	9,384	9,384
--------------------------------	-----	-------	-------

### Revenue reserves

General reserve	5.2	2,800,000	2,450,000
Special reserve	5.3	400,000	300,000
Company's share of capital contributed to statutory fund by an associate		(12,876)	(9,661)
Foreign currency translation difference - net off tax		(7,697)	-
		<b>3,188,811</b>	<b>2,749,723</b>

**5.1** Under the Income Tax Act, 1922 applicable to insurance companies, the Company set aside in prior years amounts upto 10 percent of premium earnings, net of reinsurances of the year as a reserve for exceptional losses, which was treated as an allowable deduction in arriving at the taxable income. This option was withdrawn by the Income Tax Ordinance, 1979 with retrospective effect upto the accounting year ended 31 December 1978. Accordingly, the Company has ceased to set aside such amounts, but has retained the reserve created upto 31 December 1978.

### 5.2 General reserve

Balance at beginning of the year	2,450,000	2,130,000
Transfer from retained earnings	350,000	320,000
Balance at end of the year	<b>2,800,000</b>	<b>2,450,000</b>

### 5.3 Special reserve

Balance at beginning of the year	300,000	200,000
Transfer from retained earnings	100,000	100,000
Balance at end of the year	<b>400,000</b>	<b>300,000</b>

This represents special reserve created for meeting catastrophic losses and dividend equalisation in future.

## 6 TAXATION - PROVISION LESS PAYMENTS

Provision for taxation	1,662,700	1,314,449
Less: advance tax including tax deducted at source	(1,395,977)	(1,151,811)
	<b>266,723</b>	<b>162,638</b>

- 6.1** The Company has filed returns upto tax year 2015. The income tax assessments of the Company have been finalised upto and including assessment year 2002-2003 and tax years 2004, 2008, 2009, 2010, 2011, 2012 and 2013. The returns filed for tax years 2005, 2006, 2007, 2014 and 2015 are deemed to be orders under the provisions of section 120 of the Income Tax Ordinance, 2001 unless any amendments have been made by the tax authorities.
- 6.2** In the assessment order for the assessment year 2002-2003, made in prior years, certain items have been disallowed and further additional tax has been levied. The appeal against the order filed before the Commissioner of Inland Revenue (Appeals) (CIRA) has been decided mostly in favour of the Company. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the disallowance of certain items amounting to Rs. 31,700 thousands. The ATIR has set aside disallowances and referred to Taxation Officer for reassessment proceedings. The tax provision amounting to Rs. 11,110 thousands in this respect has been recorded by the Company in prior years.
- 6.3** During prior years, the Taxation Officer had passed an assessment order in respect of tax year 2004 consequent to finalisation of tax audit proceedings wherein the disallowances have been made on account of bad debts written off, amortisation of negative goodwill and allocation of expenses against dividend income. Further, the claim of tax credits has also not been allowed in full. The Company filed an appeal before the CIRA who maintained the order passed by the Taxation Officer except allocation of expenses against dividend income. The ATIR also maintained the order of CIRA. The Company has filed petition with the Honourable High Court of Sindh against the said disallowances. Income tax charge amounting to Rs. 54,400 thousands in this respect has been recorded by the Company in prior years.
- 6.4** During prior years, the Taxation Officer has passed an assessment order in respect of tax year 2008 consequent to finalisation of tax audit proceedings in which disallowances have been made mainly on account of reserve for unexpired risks and allocation of expenses. The Company filed an appeal before the Commissioner of Inland Revenue (Appeals) who had maintained the order passed by the Taxation Officer. The Company filed an appeal to the ATIR and the ATIR has issued an order in which the main disallowances of unexpired risks and allocation of expenses made by the Taxation Officer are deleted. The tax department has filed a petition with the High Court of Sindh against the deletion of the unexpired risk disallowances by ATIR. The additional provision of Rs. 124,769 thousands is not made in these financial statements as the management and the legal advisor is confident of favourable outcome of the petition.
- 6.5** During prior years, the Taxation Officer had passed an assessment order in respect of tax year 2009 consequent to finalisation of tax audit proceedings in which disallowances have been made on account of bad debts, amortisation of premium, loss on disposal of assets and impairment in the value of investments. This resulted in aggregate tax liability of Rs. 43,960 thousands, after adjustment of brought forward loss, which has already been accounted for in prior years. The Company filed an appeal before the CIRA who maintained the disallowances made by the Taxation Officer. The Company's appeal before the ATIR is pending at adjudication.
- 6.6** During prior years, the Taxation Officer had passed an assessment order in respect of tax year 2010 in which additions / disallowances were made on account of management expenses, rental income, provision for IBNR, etc. The Company had made provision amounting to Rs. 111,440 thousands against the same in prior years. The Company had filed an appeal before the CIRA against additions / disallowances. The CIRA has issued the appeal order by deleting the additions / disallowances made by the Taxation Officer in respect of management expenses and rental income. The CIRA has also set aside additions of provision for IBNR and contribution to provident fund for further verification of the Taxation Officer. The tax department has filed an appeal with ATIR against the order issued by CIRA on certain disallowances which is decided in favour of the Company. The tax department has filed petition with the High Court of Sindh against the decision of ATIR for proportion of expenses. The additional provision of Rs. 28,670 thousands in these financial statements is already provided in prior years.
- 6.7** During the year, the ACIR has further amended the orders under Section 122(5A) of the Income Tax Ordinance, 2001 for the year tax 2009 and 2010 on the premise that dividend and rental income is taxable at corporate tax rate instead of reduced rates on account of one basket income concept of 4th Schedule of the Income Tax Ordinance, 2001. The ACIR in his orders had created tax demand of Rs.37,018 thousand and Rs.42,878 thousand respectively. The Company had filed appeal before the CIRA for the both tax years and the CIRA had confirmed the additional tax demand created by ACIR in his orders pertaining to the both tax years. The Company has also filed civil suit in Honourable High Court of Sindh against the ACIR orders for both tax years and the stay has been granted against tax demand by the Honourable High Court of Sindh.

The Company has filed an appeal with ATIR for both the tax years 2009 and 2010 which is pending adjudication. Based on tax advisor opinion the management is confident of favourable outcome of both appeals for the tax years 2009 and 2010 and accordingly, no tax provision of Rs.85,798 thousand has been recorded in these financial statements.

- 6.8** During the year, the ACIR has passed assessment orders under Section 122(5A) of the Income Tax Ordinance, 2001 for the years 2011, 2012 and 2013 on the premise that dividend and rental income is taxable at corporate tax rate instead of reduced rates on account of one basket income concept of 4th Schedule of the Income Tax Ordinance, 2001. In addition ACIR has also disallowed the bad debts expenses for the respective tax years. The ACIR in his orders had created tax demand of Rs. 49,175 thousands, Rs. 82,222 thousands and Rs.51,657 thousands respectively for the tax years, 2011, 2012 and 2013. The Company has filed appeal before the CIRA for the all three tax years which is pending adjudication. The Company has also filed civil suit in Honourable High Court of Sindh against the ACIR orders for all three tax years and the stay has been granted against tax demand by the Honourable High Court of Sindh. Based on tax advisor opinion the management is confident of favourable outcome of appeals filed with CIRA for the tax years 2011, 2012 and 2013 and accordingly, no tax provision of Rs.183,054 thousand has been recorded in these financial statements.

	Note	2015	2014
		(Rupees in '000)	
<b>7 OTHER CREDITORS AND ACCRUALS</b>			
Federal excise duty and sales tax		28,673	28,424
Federal insurance fee		1,649	2,149
Workers' Welfare Fund		59,663	25,397
Tax deducted at source		3,119	1,248
Commissions payable		467,059	394,985
Premiums payable		64,261	47,067
Claims payable		23,091	11,673
Miscellaneous		9,304	6,833
		<b>656,819</b>	<b>517,776</b>
<b>8 DEPOSITS AND OTHER PAYABLES</b>			
Advance rent	8.1	41,126	39,168
Security deposits against bond insurance	8.2	1,465,621	1,202,064
Other deposits		92	92
		<b>1,506,839</b>	<b>1,241,324</b>

**8.1** This includes an amount of Rs. 14,919 thousands (2014: Rs. 14,493 thousands) received from related parties.

**8.2** This represents margin deposits on account of performance and other bond policies issued by the Company.

**9. WINDOW TAKAFUL OPERATIONS**

**OPERATOR'S FUND**

**Assets**

	2015
	(Rupees in '000)
Cash and bank deposits	39,948
Investments	35,000
Current assets - others	27,420
Fixed assets	14,974
<b>Total assets</b>	<b>117,342</b>

**Total liabilities - current**

**30,350**

**Loss from Window Takaful Operations - net off tax**

**(13,008)**

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed financial statements.

**10 CONTINGENCIES**

There are no contingencies except for income tax which are disclosed in note 6 of these financial statements.



		2015	2014
		(Rupees in '000)	
<b>11</b>	<b>CASH AND BANK DEPOSITS</b>	<i>Note</i>	
	<b>Cash and other equivalents</b>		
	Cash	107	2
	Policy stamps and bond papers in hand	3,476	3,815
		3,583	3,817
	<b>Current and other accounts</b>		
	Current accounts	195,214	98,059
	Profit and loss savings accounts	11.1 1,161,915	773,717
		1,357,129	871,776
	<b>Deposits maturing within 12 months</b>		
	Term deposits - local currency	11.2 & 11.3 227,750	27,750
	Term deposits - foreign currency	11.4 128,380	117,702
		356,130	145,452
		<b>1,716,842</b>	<b>1,021,045</b>

- 11.1** The rate of return on profit and loss savings accounts maintained at various banks range from 4.25% to 6.50% per annum (2014: 7.0% to 8.95% per annum).
- 11.2** The rate of return on term deposits with various banks range from 5.05% to 9.00% per annum (2014: 7.90% to 9.75% per annum) due on maturity. These term deposits have maturities upto 17 August 2016.
- 11.3** Included herein is a sum of Rs.1,000 thousands (2014: Rs.1,000 thousands) placed under lien with a commercial bank against bank guarantee.
- 11.4** The rate of return on these term deposits is 1.00% to 1.30% (2014: 1.30%) per annum due on maturity. These term deposits have maturities upto 28 April 2016.

		2015	2014
		(Rupees in '000)	
<b>12</b>	<b>LOANS TO EMPLOYEES</b>	<i>Note</i>	
	<b>Considered good</b>		
	Secured	12.1 811	1,102
	Unsecured	12.2 290	305
		1,101	1,407
	Less: Current portion	20 700	830
		<b>401</b>	<b>577</b>

- 12.1** These represent loans provided to employees for the purchase of motor vehicles at the mark-up rate of 6% per annum (2014: 6% per annum) and are recoverable in four to five years. These are secured against motor vehicles.
- 12.2** These represent interest free loans to employees for general purposes in accordance with the terms of their employment and are recoverable within one year.
- 12.3** The maximum amount due from executives calculated with reference to month-end balances was Rs. Nil (2014: Rs. Nil).

**13 INVESTMENTS****In related parties**

Associates - equity basis of accounting

- quoted

- unquoted

Available for sale - quoted equity securities / mutual funds

**Others****Held for trading**

Investment at fair value through profit and loss

**Held to maturity**

Government securities

Term finance certificates - quoted

**Available-for-sale**

Quoted equity securities / mutual funds

Unquoted equity shares

- Matiari Sugar Mills Limited [865,150 shares (2014: 865,150 shares)]

Name of CEO: Syed Shafqat Ali Shah Break-up value: Rs. 47.52

(2014: Rs. 42.20)

	2015	2014
	(Rupees in '000)	
Note		
13.1	216,337	167,701
13.2	50,897	47,945
	267,234	215,646
13.6.1	1,099,664	1,029,185
	1,366,898	1,244,831
13.3	33,512	-
13.4	453,070	470,386
13.5	6,000	61,393
13.6.2	6,569,755	5,998,481
	2,500	2,500
	7,064,837	6,532,760
	<b>8,431,735</b>	<b>7,777,591</b>

**13.1 Investment in shares of Jubilee Life Insurance Company Limited (JLIC)****13.1.1 Particulars of investment in associate - quoted**

2015	2014	Face value per share (Rupees)	Name of associate	2015	2014
Number of shares				(Rupees in '000)	
<b>4,637,680</b>	4,637,680	10	Jubilee Life Insurance Company Limited (Incorporated in Pakistan) (Chief Executive: Javed Ahmed)	<b>216,337</b>	<b>167,701</b>

**13.1.2** JLIC engaged in life insurance business. Market value of investment and percentage of holding in associate are Rs. 2,337,391 thousands and 6.43% (2014: Rs. 2,024,347 thousands and 6.43%).

**13.1.3 Movement of investment in associate**

Beginning of the year

Share in profit

Less: Dividend received

Share in net equity as at September 30

Closing balance

	2015	2014
	(Rupees in '000)	
	167,701	125,018
	98,228	78,053
	(46,377)	(25,709)
	51,851	52,344
	(3,215)	(9,661)
	<b>216,337</b>	<b>167,701</b>

**13.1.4** The annual financial statements of JLIC have not been published till the date of authorisation of these financial statements of the Company. Therefore, following information has been summarised based on latest unaudited published financial statements available for the nine months period ended 30 September 2015 (2014: 30 September 2014):

	2015	2014
	(Rupees in '000)	
Total assets	62,997,454	43,602,123
Total liabilities	59,632,948	40,994,019
Net assets	3,364,506	2,608,104
Share of net assets	216,337	167,701
Revenue	20,137,057	14,631,108
Profit after tax	1,025,829	859,771

**13.2 Investment in shares of Jubilee Kyrgyzstan Insurance Company (JKIC)**

**13.2.1 Particulars of investment in associate - unquoted**

2015	2014	Face Value per share (KGS)	Name of associate	2015	2014
Number of shares				(Rupees in '000)	
<b>10,106,691</b>	10,106,691	1	Jubilee Kyrgyzstan Insurance Company Limited (Incorporated in Kyrgyzstan) (Chief Executive: Khagai V.I.)	<b>50,897</b>	47,945

**13.2.2** JKIC is engaged in life and non-life insurance business. At 31 December 2015, the Company holds 19.5% shares into Jubilee Kyrgyzstan Insurance Company (JKIC) a Closed Jointstock Company (CJSC) Kyrgyz Republic acquired during the year 2014. The Break-up value of investment as at 31 December 2015 is Rs. 4.31 per share (2014: Rs.4.12). The Company assessed the recoverable amount of investment in JKIC based on value in use calculation. This calculation has been made on the discounted cash flow methodology considering certain assumptions. Based on valuation the recoverable amount exceed carrying amount and accordingly, no impairment is recorded.

**13.2.3 Movement of investment in associate**

	2015	2014
	(Rupees in '000)	
Beginning of year	47,945	-
Investment made during the year	-	43,745
Share in profit	13,947	4,200
Foreign currency translation difference	(10,995)	-
Closing balance	<b>50,897</b>	47,945

Note

**13.2.4** Following information has been summarised based on financial statements of Jubilee Kyrgyzstan Insurance Company (JKIC) as at 31 December 2015 (2014 : 31 December 2014). The functional and presentation currency of JKIC is Kyrgyz Som.

Total assets	354,539	304,581
Total liabilities	131,272	90,825
Net assets	223,267	213,756
Share of net assets	43,537	41,682
Revenue	49,772	43,541
Profit after tax	71,524	39,688

**13.3 Held for trading****13.3.1 Investment at fair value through profit and loss**

All shares are fully paid-up

2015	2014	Face value per share / (Rupees)	Name of investee	2015	2014
Number of shares				(Rupees in '000)	
35,000	-	10	<b>Ordinary shares</b>		
			<b>Chemicals</b>		
			Engro Corporation Limited	9,779	-
			<b>Electricity</b>		
1,500,000	-	10	K-Electric Limited	11,160	-
			<b>Glass &amp; Ceramics</b>		
180,000	-	10	Tariq Glass Industries Limited	12,573	-
				<b>33,512</b>	<b>-</b>

**13.4 Government securities**

Face value (Rupees)	Profit rate %	Profit payment	Type of Security	Maturity date	2015	2014
					(Rupees in '000)	
50,000,000	10.00	Semi annually	Pakistan Investment Bond - 20 years	20-01-2024	55,777	56,236
52,000,000	11.50	Semi annually	Pakistan Investment Bond - 5 years	18-08-2016	51,930	51,491
50,000,000	11.25	Semi annually	Pakistan Investment Bond - 3 years	18-07-2016	49,786	49,421
25,000,000	11.25	Semi annually	Pakistan Investment Bond - 3 years	18-07-2016	24,898	24,726
50,000,000	11.25	Semi annually	Pakistan Investment Bond - 3 years	17-07-2017	49,200	48,757
200,000,000	11.25	Semi annually	Pakistan Investment Bond - 3 years	18-07-2016	199,353	198,271
22,000,000	11.25	Semi annually	Pakistan Investment Bond - 3 years	18-07-2016	22,126	22,319
19,100,000	11.25	Semi annually	Pakistan Investment Bond - 3 years	19-07-2015	-	19,165
			<b>Total</b>		<b>453,070</b>	<b>470,386</b>

**13.4.1** Market value of Pakistan Investment Bonds is Rs. 463,712 thousands (2014: Rs.476,950 thousands).**13.4.2** Pakistan Investment Bonds with face value of Rs. 163,100 thousands (2014: Rs.163,100 thousands) are placed with State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.**13.4.3** Pakistan Investment Bonds with face value of Rs. 22,000 thousands (2014: 22,000 thousands) are placed with a Commercial bank against issuance of a bank guarantee.**13.5 Term Finance Certificates - quoted**

2015	2014	Remaining Face value per certificate (Rupees)	Name of investee	2015	2014
Number of Certificates				(Rupees in '000)	
300	300	20,000	Pakistan Mobile Communications Limited	6,000	16,500
-	10,000	2,493	Bank Al Habib Limited	-	24,930
-	4,000	4,991	K-Electric Limited	-	19,963
				<b>6,000</b>	<b>61,393</b>

**13.5.1** Market value of quoted term finance certificates is Rs.6,003 thousands (2014: Rs.61,512 thousands). The market values are determined as per rates quoted by Mutual Funds Association of Pakistan as on 31 December 2015.

**13.5.2 Details of term finance certificates are as follows:**

Particulars	Profit rate per annum	Profit payment	Maturity date
Pakistan Mobile Communications Limited	6 months KIBOR plus 2.00% per annum	Quarterly	18 April 2016

**13.6 Available for sale securities - quoted**

**13.6.1 In related parties**

All shares are fully paid-up

Number of shares/units		Face value per share / unit (Rupees)	Name of investee	2015	2014
2015	2014			(Rupees in '000)	
<b>Open-end mutual funds</b>					
-	5,924,434	100	HBL Money Market Fund	-	600,000
4,708,500	2,876,565	100	HBL Income Fund	500,000	297,823
<b>Ordinary shares</b>					
<b>Industrial metal and mining</b>					
2,515,706	2,535,706	10	International Industries Limited	76,673	77,283
<b>Commercial Banks</b>					
3,969,237	1,396,116	10	Habib Bank Limited	522,991	54,079
				<b>1,099,664</b>	<b>1,029,185</b>

**13.6.2 Others**

<b>Open-end mutual funds</b>					
2,831,580	1,442,540	100	Alfalah GHP Sovereign Fund	300,000	150,000
-	35,280,121	10	ABL Cash Fund	-	350,000
9,968,500	-	10	ABL Income Fund	100,000	-
66,286,005	24,824,528	10	ABL Government Securities Fund	675,000	250,000
-	799,907	500	Atlas Money Market Fund	-	400,000
757,131	-	500	Atlas Income Fund	400,000	-
1,481,826	2,503,833	100	Askari Sovereign Cash Fund	150,000	250,000
483,339	505,564	100	Askari Sovereign Yield Enhance Fund	50,000	50,358
-	1,508,640	100	First Habib Cash Fund	-	150,000
-	976,467	100	Faysal Money Market Fund	-	100,000
1,467,394	954,217	100	Faysal Saving Growth Fund	150,000	100,000
-	1,488,340	100	IGI Money Market Fund	-	150,000
1,968,024	976,107	100	Lakson Income Fund	200,000	100,000
-	500,862	100	Lakson Money Market Fund	-	50,000
-	3,046,283	50	MetroBank Pakistan Sovereign Fund	-	150,000
-	3,573,972	100	MCB Dynamic Cash Fund	-	350,000
9,235,576	-	50	MCB Pakistan Sovereign Fund	500,000	-
35,463,149	25,206,834	10	NAFA Money Market Fund	350,000	250,000
-	9,833,361	10	NAFA Government Securities Savings Fund	-	100,000
19,775,352	18,891,341	10	NIT Government Bond Fund	200,000	200,000
-	1,980,814	50	Pakistan Cash Management Fund	-	100,000
1,498,147	1,499,380	100	PICIC Cash Fund	150,000	150,000
1,457,002	1,425,600	100	PICIC Income Fund	150,000	147,037
-	2,013,254	100	Primus Daily Reserve Fund	-	202,273
2,408,879	469,043	100	PIML Income Fund	250,000	50,000
3,913,771	3,929,433	100	UBL Government Securities Fund	425,000	400,000
5,352,743	5,294,367	100	UBL Stock Advantage Fund	250,000	250,000
<b>Equity investment instruments</b>					
535,000	535,000	10	PICIC Growth Fund (ICP SEMF)	3,997	3,997
1,881,379	1,881,379	10	PICIC Investment Fund	3,825	3,825

Number of shares/units		Face value per share / unit (Rupees)	Name of investee	2015	2014
2015	2014			(Rupees in '000)	
1,297,972	1,297,972	10	Standard Chartered Modaraba	8,839	8,839
2,982,500	2,982,500	5	First Habib Modaraba	16,918	16,918
			<b>Ordinary shares</b>		
			<b>Financial services</b>		
362,323	362,323	10	ORIX Leasing Pakistan Limited	2,300	2,300
			<b>Commercial Banks</b>		
1,696,199	1,696,199	10	Bank Al Habib Limited	44,352	44,352
490,190	550,190	10	National Bank of Pakistan Limited	19,960	22,404
791,898	540,098	10	United Bank Limited	90,658	51,844
1,238,000	1,438,000	10	Bank Al Falah Limited	22,618	23,853
85,687	-	10	Faysal Bank Limited	1,369	-
475,000	-	10	Habib Metropolitan Bank Limited	15,581	-
			<b>Personal Goods (textiles)</b>		
559,889	559,889	10	Nishat Mills Limited	48,269	48,269
199,420	199,420	10	Services Industries Textiles Limited	100	100
24,000	20,000	10	Nishat (Chunia) Limited.	1,366	1,266
			<b>General Industrials</b>		
238,239	238,239	5	Thal Limited	12,228	12,228
			<b>General Insurance</b>		
712,000	-	10	Adamjee Insurance Company Limited	39,913	-
			<b>Construction and materials (cement)</b>		
6,405,500	4,375,000	10	Fauji Cement Company Limited	116,983	39,903
2,897,000	1,375,000	10	Pakcem Limited	51,320	21,338
85,000	-	10	Maple Leaf Cement Factory Limited	4,093	-
			<b>Electricity</b>		
4,993,010	3,243,010	10	The Hub Power Company Limited	293,496	119,719
12,876,893	15,190,893	10	Kot Addu Power Company Limited	588,848	694,665
			<b>Oil and gas</b>		
112,250	112,250	10	Attock Petroleum Limited	55,606	55,606
275,700	291,000	10	Pakistan State Oil Company Limited	53,467	56,433
280,080	167,080	10	Pakistan Oil Fields Limited	111,668	70,703
914,900	490,000	10	Pakistan Petroleum Limited	123,651	68,430
869,400	67,000	10	Oil and Gas Development Company Limited	122,038	16,682
			<b>Engineering</b>		
199,000	199,000	10	Millat Tractors Limited	8,979	8,979
			<b>Fixed line telecommunication</b>		
1,470,000	1,470,000	10	Pakistan Telecommunication Company Limited (A)	23,996	23,996
			<b>Chemicals</b>		
1,764,030	1,158,830	10	Fauji Fertilizer Company Limited	168,151	92,890
410,500	410,500	10	Fauji Fertilizer Bin Qasim Limited	16,275	16,275
455,800	200,000	10	Engro Corporation Limited	94,932	22,998
1,204,437	17,937	10	Engro Fertilizer Limited	103,959	1
				<b>6,569,755</b>	<b>5,998,481</b>

**13.6.3** Market value of quoted available-for-sale investments is Rs.9,357,289 thousands (2014: Rs.8,920,126 thousands) at the year end.

**14 INVESTMENT PROPERTIES**

	2015							Useful life
	Cost			Depreciation			Written down value as at 31 December 2015	
	As at 01 January 2015	Additions	As at 31 December 2015	As at 01 January 2015	For the year	As at 31 December 2015		
----- (Rupees in '000) -----								
Leasehold land	556,600	-	556,600	-	-	-	556,600	-
Building on leasehold land	125,563	-	125,563	23,324	3,450	26,774	98,789	40-80 years
Lifts and other installations	33,794	-	33,794	14,590	2,940	17,530	16,264	10 years
	<b>715,957</b>	<b>-</b>	<b>715,957</b>	<b>37,914</b>	<b>6,390</b>	<b>44,304</b>	<b>671,653</b>	

	2014							Useful life
	Cost			Depreciation			Written down value as at 31 December 2014	
	As at 01 January 2014	Additions	As at 31 December 2014	As at 01 January 2014	For the year	As at 31 December 2014		
----- (Rupees in '000) -----								
Leasehold land	34,164	522,436	556,600	-	-	-	556,600	-
Building on leasehold land	124,034	1,529	125,563	19,929	3,395	23,324	102,239	40-80 years
Lifts and other installations	29,808	3,986	33,794	11,650	2,940	14,590	19,204	10 years
	<b>188,006</b>	<b>527,951</b>	<b>715,957</b>	<b>31,579</b>	<b>6,335</b>	<b>37,914</b>	<b>678,043</b>	

**14.1** The market value of the investment properties as per valuations carried out by professional valuers in 2015 and as ascertained by the management after including the leasehold land acquired in 2014 is Rs. 2,563,465 thousands (2014 : Rs.2,326,371 thousands).

**15 DEFERRED TAXATION - NET**

**Deferred tax debits / (credits) arising in respect of:**

	2015	2014
(Rupees in '000)		
Provision for doubtful debts	49,792	50,016
Accelerated depreciation	(10,362)	(9,027)
Share of profit from associates	(27,859)	(17,035)
	<u>11,571</u>	<u>23,954</u>
Provision for employees' benefits plan	(1,932)	(1,456)
Foreign currency translation difference	3,298	-
	<b>12,937</b>	<b>22,498</b>

**16 PREMIUMS DUE BUT UNPAID**

**Unsecured**

Considered good	913,926	843,893
Considered doubtful	137,961	137,961
	<u>1,051,887</u>	<u>981,854</u>
Less: Provision for doubtful balances	137,961	137,961
	<b>913,926</b>	<b>843,893</b>

- 16.1** Premium due but unpaid includes an amount of Rs.143,251 thousands (2014: Rs.130,010 thousands) due from related parties.

		2015	2014
		(Rupees in '000)	
<b>17</b>	<b>AMOUNTS DUE FROM OTHER INSURERS / REINSURERS</b>		
	<b>Unsecured</b>		
	Considered good	83,604	122,547
	Considered doubtful	17,000	17,000
		100,604	139,547
	Less: Provision against doubtful balances	17,000	17,000
		<b>83,604</b>	<b>122,547</b>
<b>17.1</b>	<b>Provision against doubtful balances</b>		
	Opening balance	17,000	10,000
	Provision made during the year	-	7,000
		<b>17,000</b>	<b>17,000</b>
<b>18</b>	<b>REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS</b>		
	These are unsecured and considered good.		
<b>19</b>	<b>PREPAYMENTS</b>		
	Prepaid reinsurance premium ceded	1,178,519	1,068,210
	Prepaid rent	8,264	16,929
	Miscellaneous expenses	3,121	3,419
		<b>1,189,904</b>	<b>1,088,558</b>
<b>20</b>	<b>SUNDRY RECEIVABLES</b>		
	Current portion of loans to employees	700	830
	Advances to suppliers and contractors - considered good	37,968	5,865
	Rent receivable	2,886	2,031
	Security deposits	9,374	8,218
	Sales tax recoverable	10,063	10,301
	Medical claims recoverable	12,233	8,597
	Other advances - considered good	21,752	10,872
		<b>94,976</b>	<b>46,714</b>

- 20.1** This includes balance receivable from a related party amounting to Rs. 771 thousands (2014: Rs. 771 thousands).



21 FIXED ASSETS - Tangible and intangible

2015	Building	Furniture, fixtures and equipment					Motor vehicles	Computer software	Total
		Furniture & Fixtures	Office equipment	Tracker equipment	Computer equipment	Sub total			
------(Rupees in '000)-----									
<b>As at 01 January 2015</b>									
-Cost	7,069	68,346	82,964	72,463	48,317	272,090	9,478	51,633	340,270
-Accumulated depreciation	(1,313)	(46,085)	(55,810)	(32,764)	(36,008)	(170,667)	(4,822)	(25,187)	(201,989)
<b>Net book value as at 01 January 2015</b>	<b>5,756</b>	<b>22,261</b>	<b>27,1543</b>	<b>39,699</b>	<b>12,309</b>	<b>101,423</b>	<b>4,656</b>	<b>26,446</b>	<b>138,281</b>
<b>For the year ended 31 December 2015</b>									
Opening net book value	5,756	22,261	27,154	39,699	12,309	101,423	4,656	26,446	138,281
Additions	-	13,500	10,353	31,985	5,456	61,294	1,776	6,008	69,078
Disposals									
-Cost	-	(2,319)	(3,156)	(18,495)	(564)	(24,534)	(624)	-	(25,158)
- Accumulated depreciation	-	1,461	2,1191	13,944	507	18,031	238	-	18,269
	-	(858)	(1,037)	(4,551)	(57)	(6,503)	(386)	-	(6,889)
Depreciation charge	(289)	(5,893)	(6,163)	(10,122)	(4,052)	(26,230)	(569)	(8,755)	(35,843)
<b>Net book value as at 31 December 2015</b>	<b>5,467</b>	<b>29,010</b>	<b>30,307</b>	<b>57,011</b>	<b>13,656</b>	<b>129,984</b>	<b>5,477</b>	<b>23,699</b>	<b>164,627</b>
<b>As at 31 December 2015</b>									
-Cost	7,069	79,527	90,161	85,953	53,209	308,850	10,630	57,641	384,190
-Accumulated depreciation	(1,602)	(50,517)	(59,854)	(28,942)	(39,553)	(178,866)	(5,153)	(33,942)	(219,563)
<b>Net book value as at 31 December 2015</b>	<b>5,467</b>	<b>29,010</b>	<b>30,307</b>	<b>57,011</b>	<b>13,656</b>	<b>129,984</b>	<b>5,477</b>	<b>23,699</b>	<b>164,627</b>
<b>Annual rate of depreciation</b>	<b>3%</b>	<b>17%</b>	<b>17%-25%</b>	<b>20%</b>	<b>25%</b>		<b>20%</b>	<b>20%</b>	

2014	Building	Furniture, fixtures and equipment					Sub total	Motor vehicles	Computer software	Total
		Furniture & Fixtures	Office equipment	Tracker equipment	Computer equipment					
<b>As at 01 January 2014</b>										
-Cost	7,069	64,601	75,552	62,268	46,973	249,349	9,261	48,306	314,030	
-Accumulated depreciation	(1,029)	(42,013)	(51,598)	(24,026)	(34,251)	(151,888)	(4,488)	(17,219)	(174,624)	
<b>Net book value as at 01 January 2014</b>	<b>6,040</b>	<b>22,588</b>	<b>23,954</b>	<b>38,242</b>	<b>12,722</b>	<b>97,506</b>	<b>4,773</b>	<b>31,087</b>	<b>139,406</b>	
<b>For the year ended 31 December 2014</b>										
Opening net book value	6,040	22,588	23,954	38,242	12,722	97,506	4,773	31,087	139,406	
Additions	-	5,915	10,353	9,852	10,356	3,650	29,773	3,327	33,452	
Disposals										
-Cost	-	(2,170)	(2,440)	(161)	(2,306)	(7,077)	(135)	-	(7,212)	
- Accumulated depreciation	-	1,813	1,894	81	2,005	5,793	81	-	5,874	
	-	(357)	(546)	(80)	(301)	(1,284)	(54)	-	(1,338)	
Adjustment / transfer										
-Cost	-	-	-	-	-	-	-	-	-	
- Accumulated depreciation	-	-	(38)	-	-	(38)	-	-	(38)	
	-	-	(38)	-	-	(38)	-	-	(38)	
Depreciation charge	(289)	(5,893)	(6,163)	(10,122)	(4,052)	(26,230)	(569)	(8,755)	(35,843)	
<b>Net book value as at 31 December 2014</b>	<b>5,756</b>	<b>22,261</b>	<b>27,192</b>	<b>39,699</b>	<b>12,309</b>	<b>101,423</b>	<b>4,656</b>	<b>26,446</b>	<b>138,281</b>	
<b>As at 31 December 2014</b>										
-Cost	7,069	68,346	82,964	72,463	48,317	272,090	9,478	51,633	340,270	
-Accumulated depreciation	(1,313)	(46,085)	(55,810)	(32,764)	(36,008)	(170,667)	(4,882)	(28,187)	(201,989)	
<b>Net book value as at 31 December 2014</b>	<b>5,756</b>	<b>22,261</b>	<b>27,154</b>	<b>39,699</b>	<b>12,309</b>	<b>101,423</b>	<b>4,656</b>	<b>26,446</b>	<b>138,281</b>	
<b>Annual rate of depreciation</b>	<b>3%</b>	<b>17%</b>	<b>17%-25%</b>	<b>20%</b>	<b>25%</b>		<b>20%</b>	<b>20%</b>		

**21.1 Disposal of tangible assets**

**Disposal of tangible assets during the year having book value exceeding Rs.50,000**

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
----- (Rupees in '000) -----							
Furniture and fixtures	1,999	1,184	815	85	(730)	Negotiation	Various
Office equipment, electrical installations, tracker equipment and computers	13,077	10,409	2,668	2,627	(41)	Negotiation	Various
Motor vehicles						Insurance claim	
	91	6	85	85	-	Insurance claim	
	317	190	127	127	-	Insurance claim	
	83	5	78	80	2	Insurance claim	
	90	12	78	70	(8)	Insurance claim	

**Disposal of tangible assets during the year having book value upto Rs.50,000**

Furniture and fixtures	321	287	34	61	27	Negotiation	Various
Office equipment, electrical installations, tracker equipment and computers	9,137	6,151	2,986	1,293	(1,693)	Negotiation	Various
Motor vehicles	43	25	18	1	(17)	Negotiation	Various
<b>2015</b>	<b>25,158</b>	<b>18,269</b>	<b>6,889</b>	<b>4,429</b>	<b>(2,460)</b>		
2014	7,212	5,874	1,338	843	(495)		

**22 ADMINISTRATIVE SURCHARGE**

Premium written and net premium revenue include administrative surcharge, class wise detail of which is given below:

	2015	2014
(Rupees in '000)		
Fire and property damage	10,666	10,279
Marine, aviation and transport	16,553	15,927
Motor	34,236	24,770
Liability	422	358
Miscellaneous	10,175	9,294
	<b>72,052</b>	<b>60,628</b>

23	MANAGEMENT EXPENSES	Note	2015	2014
			(Rupees in '000)	
	Salaries, wages and benefits	23.1	713,688	638,434
	Rent, taxes and electricity		64,125	51,642
	Communications		18,526	15,811
	Directors' fee and expenses		4,050	3,265
	Printing and stationery		33,034	30,798
	Travelling and entertainment		32,769	35,103
	Legal and professional charges		15,962	15,238
	Statutory levies		15,398	13,801
	Annual monitoring fee for vehicle tracking devices		27,426	24,395
	Inspection fee		10,072	5,111
	Repairs and maintenance		8,468	7,607
	Advertisement and sales promotion		69,615	43,407
	Depreciation	21	27,088	25,233
	Amortisation	21	8,755	7,968
	Bad debts written off		5,156	2,520
	Provision against doubtful balances	17.1	-	7,000
	Insurance expense		3,217	3,094
	Motor vehicle running expenses		1,973	2,212
	Other expenses		25,630	24,483
		23.2	<b>1,084,952</b>	<b>957,122</b>

**23.1** These include Rs.16,092 thousands (2014: Rs.14,614 thousands) being contribution for employees' provident fund and Rs.12,045 thousands (2014: Rs.12,530 thousands) in respect of defined benefit plan.

**23.2** The above include costs aggregating Rs. 33,259 thousands (2014: Rs.30,672 thousands) in respect of Accident and Health business common back office operations jointly shared with Jubilee Life Insurance Company Limited, an associated company.

## 24 COMMISSION FROM REINSURERS

Commission received or receivables	Unearned Commission		2015	2014
	Opening	Closing		
(Rupees in '000)				
Fire and property damage	90,145	27,704	27,223	90,626
Marine, aviation and transport	3,152	614	769	2,997
Motor	15,446	1,282	6,180	10,548
Liability	17,800	5,033	4,654	18,179
Miscellaneous	238,824	55,946	79,707	215,063
	<b>365,367</b>	<b>90,579</b>	<b>118,533</b>	<b>337,413</b>

25	RENTAL INCOME - NET	2015	2014
		(Rupees in '000)	
	Rental revenue	125,954	134,418
	Investment property related expenditure	(31,601)	(35,299)
		<b>94,353</b>	<b>99,119</b>

		2015	2014
		(Rupees in '000)	
<b>26</b>	<b>OTHER INCOME / (LOSS) - NET</b>	<i>Note</i>	
	<b>Income from financial assets / liabilities</b>		
	Exchange gain / (loss)	8,721	(2,966)
	Return on loans to employees	69	83
	Balance no longer payable written back	-	599
	Others	5	94
	<b>Income from non-financial assets</b>		
	Loss on sale of fixed assets	21.1 (2,460)	(495)
		<b>6,335</b>	<b>(2,685)</b>
<b>27</b>	<b>GENERAL AND ADMINISTRATION EXPENSES</b>		
	Legal and professional	6,379	7,939
	Subscription	889	748
	Workers' Welfare Fund	34,266	25,397
	Charity and donations	27.1 33,913	12,826
	Auditors' remuneration	27.2 2,235	1,670
	Others	1,893	2,505
		<b>79,575</b>	<b>51,085</b>

**27.1** Donations made include the following in which a Director or spouse of a Director is interested.

Name and address of donee	Interested Director	Interest in donee	2015	2014
			(Rupees in '000)	
Habib University, Gulistan-e-Jauhar Karachi	Towfiq H. Chinoy	Trustee	10,000	-
Aga Khan Cultural Services, Pakistan, Shahrah-e-Quaid-e-Azam Gilgit, Pakistan	Akbarali Pesnani	Chairman	-	1,000
Aga Khan Rural Support Programme, Serena Business Complex Khayaban-e-Suhrawardy Islamabad	Aly Noormahomed Rattansey	Chairman	5,000	5,000
			<b>15,000</b>	<b>6,000</b>

**27.1.1** Donations, other than those mentioned above, were not made to any donee in which a director or his spouse had any interest at any time during the year.

		2015	2014
		(Rupees in '000)	
<b>27.2</b>	<b>Auditors' remuneration</b>		
	Audit fee	575	500
	Interim review fee	115	100
	Income Tax advisory services	700	366
	Special reports and certificates for various government agencies and sundry advisory services	575	500
	Out of pocket expenses	270	204
		<b>2,235</b>	<b>1,670</b>
<b>28</b>	<b>TAXATION - NET</b>		
	Current	348,250	183,112
	Deferred		
	- current	12,383	2,761
	- prior	-	4,830
		12,383	7,591
		<b>360,633</b>	<b>190,703</b>

		2015	2014	2015	2014
		(Effective tax rate) (Percentage)		(Rupees in '000)	
<b>28.1</b>	<b>Relationship between tax expense and accounting profit</b>				
	Profit before taxation			1,713,283	1,269,822
	Tax at the applicable rate of 32% (2014: 33%)	32.00	33.00	548,251	419,041
	Tax effect of income subject to lower rate	(4.68)	(5.74)	(80,170)	(72,891)
	Tax effect of change in tax rate and others	(0.02)	0.03	(331)	388
	Super tax	1.47	-	25,217	-
	Effect of prior years adjustment	-	0.38	-	4,830
	Tax effect of income exempt from tax	(7.72)	(12.65)	(132,334)	(160,665)
		<b>21.05</b>	<b>15.02</b>	<b>360,633</b>	<b>190,703</b>

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 31 December 2015 to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001 (Tax on Undistributed Reserves). Accordingly, no provision for tax on undistributed reserves has been recognized in these financial statements for the year ended 31 December 2015.

## 29 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies having common directorship, associates, directors, major shareholders, key management personnel and retirement benefit funds. The associated companies are associated either based on holding in equity or they are due to same management and / or common directors. All transactions involving related parties arising in the normal course of business are concluded at agreed terms and conditions. Contribution to the employee retirement benefits are made in accordance with the terms of employee retirement benefit scheme. Directors' fees and remuneration to the key management personnel are included in note 31 to these financial statements and are determined in accordance with the terms of their appointment.

Balances, including investments in associates, are disclosed in relevant notes to these financial statements. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2015	2014
	(Rupees in '000)	
<b>Companies having common directorship</b>		
Insurance premium written (including government levies administrative surcharge and policy stamps)	441,539	523,192
Insurance premium received / adjusted during the year	428,393	452,276
Insurance commission paid	15,447	-
Insurance claims paid	149,247	227,959
Purchases of goods and services	1,992	2,014
Dividend received	55,255	21,080
Dividend received from an associate under equity method	46,377	25,709
Dividend paid	606,928	285,260
Rental income	33,439	38,849
Investment in shares / mutual funds other than associate	1,268,911	1,143,748
Disposal of shares / mutual funds other than associate	1,272,040	891,367
Donations	15,000	6,000
<b>Others</b>		
Insurance premium written (including government levies Administrative surcharge and policy stamps)	332	203
Insurance premium received / adjusted during the year	237	-
Insurance claims paid	98	-
Dividend paid	16,427	7,311
Contributions for staff retirement benefit plans	21,411	22,734
Donation	5,000	2,500

### 30 EMPLOYEE BENEFITS

#### 30.1 Defined benefit plan

The actuarial valuations are carried out annually and contributions are made accordingly. Following are the significant assumptions used for valuation of the plan:

- Discount rate 9.25% (2014: 11.50%) per annum.
- Expected rate of increase in the salaries of the employees 9.25% (2014: 11.50%) per annum.
- Expected interest rate on plan assets 11.50% (2014: 12.50%) per annum.
- Expected service length of the employees 14 years (2014: 14 years).

		2015	2014
		(Rupees in '000)	
<b>30.1.1 Asset / (liability) in balance sheet</b>			
	Note		
Present value of defined benefit obligation	30.1.3	154,639	128,859
Fair value of plan assets	30.1.4	(154,639)	(128,859)
		-	-
<b>30.1.2 Movement in asset / (liability) during the year</b>			
Opening balance		-	-
Charge to profit and loss account	30.1.5	12,045	12,530
Charge to other comprehensive income	30.1.6	(6,726)	(4,411)
Contributions to the Fund during the year		(5,319)	(8,119)
Closing balance		-	-

**30.1.3 Reconciliation of the present value of the defined benefit obligations**

	2015	2014
	(Rupees in '000)	
Present value of obligation as at 01 January	128,859	120,020
Current service costs	12,344	13,004
Interest costs	14,520	14,529
Benefits paid	(5,190)	(7,577)
Experience adjustments	4,106	(11,117)
Present value of obligation as at 31 December	154,639	128,859

**30.1.4 Changes in fair value of plan assets**

Fair value of plan assets as at 01 January	128,859	120,020
Interest income	14,819	15,003
Contribution to the Fund	5,319	8,119
Benefits paid	(5,190)	(7,577)
Return on plan assets excluding interest income	10,832	(6,706)
Fair value of plan assets as at 31 December	154,639	128,859

**30.1.5 Charge to profit and loss account**

Current service costs	12,344	13,004
Interest costs	14,520	14,529
Expected return on plan assets	(14,819)	(15,003)
	12,045	12,530

**30.1.6 Remeasurements recognised in other comprehensive income, expense / (income) during the year**

Experience adjustments	4,106	(11,117)
Return on plan assets excluding interest income	(10,832)	6,706
	(6,726)	(4,411)

**30.1.7 Expected return on assets**

	14,819	15,003
--	--------	--------

**30.1.8 Composition of fair value of plan assets**

	2015		2014	
	Fair value (Rupees in '000)	Percentage	Fair value (Rupees in '000)	Percentage
Debt instruments	-	-	8,736	6.78%
Equity instruments	41,109	26.58%	33,580	26.06%
Government securities	99,890	64.60%	77,147	59.87%
Others	13,640	8.82%	9,396	7.29%
Fair value of plan assets	154,639		128,859	

**30.1.9 Historical data**

	2014	2013	2012	2011	2010
	(Rupees in '000)				
Present value of defined benefit obligations	128,859	120,020	90,954	78,727	71,169
Fair value of plan assets	(128,859)	(120,020)	(90,954)	(78,727)	(71,169)
(Surplus) / deficit	-	-	-	-	-
Experience adjustments					
- Actuarial (gain) / loss on obligation	(11,117)	11,969	(1,688)	(9,388)	(4,908)
- Actuarial gain / (loss) on assets	6,706	7,553	(9,563)	(1,484)	(446)



**30.1.10** The estimated charge to profit and loss account for the defined benefit plan for the year ending 31 December 2016 is Rs.12,046 thousands.

**30.1.11 Sensitivity analysis on significant actuarial assumptions: Actuarial liability**

	2015	2014
	(Rupees in '000)	
Discount rate +1%	141,912	119,370
Discount rate -1%	169,270	139,624
Future salary increases +1%	169,276	139,699
Future salary increases -1%	141,672	119,131

**30.2 Defined contribution plan**

**30.2.1 Provident fund trust**

	2015 (Unaudited)	2014 (Audited)
	(Rupees in '000)	
Size of the fund	371,036	323,629
Cost of investments made	331,096	260,681
Percentage of investments made (based on fair value)	97%	96%
Fair value of investments	358,454	311,964

**30.2.2** Investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose. The break-up of investments is as follows:

	2015	2014
	(Rupees in '000)	
<b>Break-up of investments</b>		
Listed securities / mutual funds	140,193	121,258
Government securities	213,261	184,206
Other debt instruments	5,000	6,500
	<b>358,454</b>	<b>311,964</b>

**31 REMUNERATION OF MANAGING DIRECTOR, DIRECTORS AND EXECUTIVES**

	Managing Director		Directors		Executives		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in '000)							
Directors' fees	-	-	4,050	3,265	-	-	4,050	3,265
Managerial remuneration								
- including bonus	19,608	15,877	-	-	121,588	107,864	141,196	123,741
Staff retirement benefits	1,336	1,060	-	-	6,361	5,225	7,697	6,285
House rent allowance	4,810	3,817	-	-	44,139	37,678	48,949	41,495
Utilities allowance	1,603	1,273	-	-	10,004	8,834	11,607	10,107
Medical expenses	26	12	-	-	2,806	2,361	2,832	2,373
Leave passage / assistance	1,825	1,467	-	-	4,980	3,771	6,805	5,238
Vehicle allowance	2,068	2,068	-	-	50,607	44,478	52,675	46,546
Others	1,085	1,096	-	-	38,243	24,622	39,328	25,718
	<b>32,361</b>	<b>26,670</b>	<b>4,050</b>	<b>3,265</b>	<b>278,728</b>	<b>234,833</b>	<b>315,139</b>	<b>264,768</b>
Number of persons	<b>1</b>	<b>1</b>	<b>8</b>	<b>8</b>	<b>84</b>	<b>74</b>	<b>93</b>	<b>83</b>

In addition, the managing director and some of the executives are provided with certain items of household furniture, fixtures and equipment in accordance with their entitlements.

## 32 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 31 December 2015 and 31 December 2014, unallocated capital expenditure and non-cash expenses during the year:

	Fire		Marine		Motor		Liability		Accident and health		Miscellaneous		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>SEGMENT ASSETS</b>														
Segment assets	<u>1,189,522</u>	<u>1,218,885</u>	<u>246,636</u>	<u>277,168</u>	<u>322,444</u>	<u>280,841</u>	<u>545,569</u>	<u>369,019</u>	<u>149,338</u>	<u>139,326</u>	<u>1,486,101</u>	<u>1,525,047</u>	<u>3,939,610</u>	<u>3,810,286</u>
Unallocated corporate assets													<u>11,130,917</u>	<u>9,728,495</u>
Unallocated assets of Window Takaful Operations - Operator's Fund													<u>117,342</u>	<u>-</u>
Consolidated total assets													<u>15,187,869</u>	<u>13,538,781</u>
<b>SEGMENT LIABILITIES</b>														
Segment liabilities	<u>2,179,939</u>	<u>2,002,527</u>	<u>596,206</u>	<u>641,401</u>	<u>1,080,323</u>	<u>827,046</u>	<u>597,421</u>	<u>402,911</u>	<u>642,602</u>	<u>544,369</u>	<u>2,316,728</u>	<u>2,248,785</u>	<u>7,413,219</u>	<u>6,667,039</u>
Unallocated corporate liabilities													<u>1,837,896</u>	<u>1,448,865</u>
Unallocated liabilities of Window Takaful Operations - Operator's Fund													<u>30,350</u>	<u>-</u>
Consolidated total liabilities													<u>9,281,465</u>	<u>8,115,904</u>
<b>Depreciation / amortisation</b>	<u>7,328</u>	<u>6,516</u>	<u>4,398</u>	<u>5,084</u>	<u>9,218</u>	<u>8,292</u>	<u>144</u>	<u>340</u>	<u>7,818</u>	<u>7,302</u>	<u>6,937</u>	<u>5,667</u>	<u>35,843</u>	<u>33,201</u>
<b>Non-cash expenses other than depreciation / amortisation</b>	<u>1,054</u>	<u>1,868</u>	<u>633</u>	<u>1,458</u>	<u>1,326</u>	<u>2,378</u>	<u>20</u>	<u>97</u>	<u>1,125</u>	<u>2,094</u>	<u>998</u>	<u>1,625</u>	<u>5,156</u>	<u>9,520</u>
<b>Unallocated capital expenditure</b>													<u>69,078</u>	<u>561,403</u>

### 33 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 33.1 Financial risk management objectives and policies

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

- Market risk
- Liquidity risk
- Credit risk

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse 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 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.

#### 33.1.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and other equity prices. The Company manages the market risk exposure by following internal risk management policies.

##### 33.1.1.1 Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company invests in securities and has deposits that are subject to interest / mark-up rate risk. The Company limits interest / mark-up rate risk by monitoring changes in interest / mark-up rates in the currencies in which its cash and investments are denominated.

The information about Company's exposure to interest rate risk based on contractual repricing or maturity dates whichever is earlier is as follows:

	Effective rate % per annum	2015					Non-interest / mark-up bearing financial instruments	Total
		Interest / mark-up bearing financial instruments				Sub total		
		Maturity upto one year	Maturity over one year to five years	Maturity more than five years				
----- (Rupees in '000) -----								
<b>Financial assets</b>								
Cash and bank deposits	1.00 to 9.00	1,518,045	-	-	1,518,045	198,797	1,716,842	
Loans to employees	6.00	410	401	-	811	290	1,101	
Investments	8.51 to 11.50	354,093	49,200	55,777	459,070	7,972,665	8,431,735	
Premiums due but unpaid		-	-	-	-	913,926	913,926	
Amounts due from other insurers / reinsurers		-	-	-	-	83,604	83,604	
Reinsurance recoveries due but unpaid		-	-	-	-	156,908	156,908	
Accrued investment income		-	-	-	-	26,361	26,361	
Reinsurance recoveries against outstanding claims		-	-	-	-	1,316,006	1,316,006	
Sundry receivables	6.00	-	-	-	-	46,245	46,245	
		<b>1,872,548</b>	<b>49,601</b>	<b>55,777</b>	<b>1,977,926</b>	<b>10,714,802</b>	<b>12,692,728</b>	
<b>Financial liabilities</b>								
Provision for outstanding claims		-	-	-	-	2,907,102	2,907,102	
Amounts due to other insurers / reinsurers		-	-	-	-	862,631	862,631	
Accrued expenses		-	-	-	-	27,013	27,013	
Other creditors and accruals		-	-	-	-	563,715	563,715	
Deposits and other payables		-	-	-	-	1,465,713	1,465,713	
Unclaimed dividend		-	-	-	-	64,334	64,334	
		-	-	-	-	5,890,508	5,890,508	
Interest risk sensitivity gap		<b>1,872,548</b>	<b>49,601</b>	<b>55,777</b>	<b>1,977,926</b>	<b>4,824,294</b>	<b>6,802,220</b>	
Cumulative interest risk sensitivity gap		<b>1,872,548</b>	<b>1,922,149</b>	<b>1,977,926</b>				

	2014						Total
	Interest / mark-up bearing financial instruments				Sub total	Non-interest / mark-up bearing financial instruments	
	Effective rate % per annum	Maturity upto one year	Maturity over one year to five years	Maturity more than five years			
<b>Financial assets</b>							
----- (Rupees in '000) -----							
Cash and bank deposits	1.30 to 9.75	919,169	-	-	919,169	101,876	1,021,045
Loans to employees	6.00	525	577	-	1,102	305	1,407
Investments	10 to 14.75	64,058	411,485	56,236	531,779	7,245,812	7,777,591
Premiums due but unpaid		-	-	-	-	843,893	843,893
Amounts due from other insurers / reinsurers		-	-	-	-	122,547	122,547
Reinsurance recoveries due but unpaid		-	-	-	-	162,973	162,973
Accrued investment income		-	-	-	-	23,398	23,398
Reinsurance recoveries against outstanding claims		-	-	-	-	1,356,398	1,356,398
Sundry receivables	6.00	-	-	-	-	29,718	29,718
		<u>983,752</u>	<u>412,062</u>	<u>56,236</u>	<u>1,452,050</u>	<u>9,886,920</u>	<u>11,338,970</u>
<b>Financial liabilities</b>							
Provision for outstanding claims		-	-	-	-	2,805,862	2,805,862
Amounts due to other insurers / reinsurers		-	-	-	-	801,807	801,807
Accrued expenses		-	-	-	-	33,280	33,280
Other creditors and accruals		-	-	-	-	460,558	460,558
Deposits and other payables		-	-	-	-	1,202,156	1,202,156
Unclaimed dividend		-	-	-	-	44,849	44,849
		-	-	-	-	5,348,512	5,348,512
Interest risk sensitivity gap		<u>983,752</u>	<u>412,062</u>	<u>56,236</u>	<u>1,452,050</u>	<u>4,538,408</u>	<u>5,990,458</u>
Cumulative interest risk sensitivity gap		<u>983,752</u>	<u>1,395,814</u>	<u>1,452,050</u>			

### Cash flow sensitivity analysis of variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax and equity based upon average balances and rates:

	Increase / (decrease) in basis points	Effect on profit before tax	Effect on equity
	----- (Rupees in '000) -----		
31 December 2015	100	12,523	8,516
	(100)	(12,523)	(8,516)
31 December 2014	100	14,359	9,621
	(100)	(14,359)	(9,621)

### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and equity of the Company.

#### 33.1.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present, is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

### 33.1.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity, money market fund and term finance certificates (TFCs). In addition, the Company actively monitors the key factors that affect stock, money market and TFCs market.

The following table summarizes the Company's other price risk as at 31 December 2015 and as at 31 December 2014. It shows the effects of an estimated increase of 5% in the market prices as on those dates. A decrease of 5% in the fair values of the quoted securities would affect it in a similar but opposite manner.

	Fair value (Rupees in '000)	Price change	Effect on fair value (Rupees in '000)
<b>31 December 2015</b>	9,363,292	+5%	468,165
	9,363,292	-5%	(468,165)
<b>31 December 2014</b>	8,981,638	+5%	449,082
	8,981,638	-5%	(449,082)

However, increase of 5% in equity prices at the reporting date is restricted to amount of cost of investment of such securities as per the policy of the Company (note 3.9.2.3).

### 33.1.2 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due under normal circumstances. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The table below summarises the maturity profile of the Company's financial liabilities. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which these liabilities will be settled.

	2015			
	Within one year	Over one year to five years	Over five years	Total
	----- (Rupees in '000) -----			
<b>Financial liabilities</b>				
Provision for outstanding claims	2,907,102	-	-	2,907,102
Amounts due to other insurers / reinsurers	862,631	-	-	862,631
Accrued expenses	27,013	-	-	27,013
Other creditors and accruals	563,715	-	-	563,715
Deposits and other payables	1,465,713	-	-	1,465,713
Unclaimed dividend	64,334	-	-	64,334
	<b>5,890,508</b>	<b>-</b>	<b>-</b>	<b>5,890,508</b>

	2014			Total
	Within one year	Over one year to five years	Over five years	
----- (Rupees in '000) -----				
<b>Financial liabilities</b>				
Provision for outstanding claims	2,805,862	-	-	2,805,862
Amounts due to other insurers / reinsurers	801,807	-	-	801,807
Accrued expenses	33,280	-	-	33,280
Other creditors and accruals	460,558	-	-	460,558
Deposits and other payables	1,202,156	-	-	1,202,156
Unclaimed dividend	44,849	-	-	44,849
	<u>5,348,512</u>	<u>-</u>	<u>-</u>	<u>5,348,512</u>

### 33.1.3 Credit Risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

#### 33.1.3.1 Concentration of credit risk and credit exposure of the financial instruments

Concentration of credit risk arises when a number of counter parties have a similar type of business activities. As a result any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner. The Company manages concentration of credit risk through diversification of activities among individuals, groups and industry segment.

The Company is exposed to major credit risk on bank balances and deposits, marketable securities, Term Finance Certificates, premiums receivable from customers and co-insurers; and on commission and claim recoveries from re-insurers.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Long term rating	Rating agency	2015	2014
			(Rupees in '000)	
Standard Chartered Bank (Pakistan) Limited	AAA	PACRA	654,652	541,395
Habib Bank Limited - a related party	AAA	JCR-VIS	353,451	236,109
Soneri Bank Limited	AA-	PACRA	314,753	98,604
Bank Al-Falah Limited	AA	PACRA	200,530	57,972
United Bank Limited	AA+	JCR-VIS	147,730	32,656
The First Micro Finance Bank Limited - a related party	A	JCR-VIS	25,000	25,000
Dubai Islamic Bank Limited	A+	JCR-VIS	12,109	1,374
NIB Bank Limited	AA-	PACRA	1,792	2,202
Pak Oman Micro Finance Bank Limited	BBB+	JCR-VIS	-	1,750
MCB Bank Limited	AAA	PACRA	1,322	2,058
Samba Bank Limited	AA	JCR-VIS	170	263
Bank Islami (Formerly KASB Bank Limited)	A+	JCR-VIS	-	166
			<u>1,713,259</u>	<u>999,549</u>

The credit quality of Company's quoted equity securities and mutual funds can be assessed as follows:

	Long term	Rating agency	2015	2014
			(Rupees in '000)	
<b>Rating</b>				
A or above			7,234,467	6,272,452
others			684,801	922,915
			<b>7,919,268</b>	<b>7,195,367</b>

The credit quality of Company's exposure in TFCs can be assessed as follows:

<b>Rating</b>			2015	2014
Pakistan Mobile Communication Limited	AA-	PACRA	6,000	16,500
Bank Al-Habib Limited	AA	PACRA	-	24,930
K-Electric Limited	AA	PACRA	-	19,963
			<b>6,000</b>	<b>61,393</b>

The management monitors exposure to credit risk in premium receivable from customers and amount due from Co-insurers through regular review of credit exposure and prudent estimates of provision for doubtful receivables as disclosed in note 16 and note 17. The age-wise analysis of premium due but unpaid includes amount receivable within one year and above one year Rs. 817,402 thousands ( 2014 : 760,934 thousands) and Rs. 96,524 thousands (2014 : Rs. 82,959 thousands) net off provision for doubtful balances respectively.

The credit quality of amount due from co-insurers, and claims recoveries from reinsurers can be assessed from external ratings disclosed in note 35.

### 34 INSURANCE RISK

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured. Generally, most insurance contracts carry the insurance risk for a period of one year (refer note 3.2).

The Company accepts insurance through issuance of general insurance contracts. For these general insurance contracts the most significant risks arise from fire, atmospheric disturbance, earthquake, terrorist activities and other catastrophes. For health insurance contracts, significant risks arise from epidemics.

The Company's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Company from individual to large or catastrophic insured events. Further, the Company adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

#### Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy, reinsurance arrangements and proactive claim handling procedures.

The Company's class wise major risk exposure is as follows:

Class	Maximum Gross Risk Exposure	
	2015	2014
	(Rupees in '000)	
Fire and property	39,016,123	40,738,701
Marine, aviation and transport	2,484,525	2,468,804
Motor	63,000	62,000
Liability	15,766,400	15,963,600
Accident and health	11,517,928	11,181,040
Miscellaneous	44,005,895	53,964,619

The reinsurance arrangements against major risk exposure include excess of loss, surplus arrangements, stop loss and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on Company's net retentions. As the major reinsurance arrangements are on excess of loss basis, therefore the reinsurance coverage against Company's risk exposures is not quantifiable.

#### Uncertainty in the estimation of future claims payment

Claims on general insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contract including the event reported after the expiry of the insurance contract term.

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims IBNR, the Company follows the recommendation of actuary to apply month wise factor based on analysis of the past claim reporting pattern. For this purpose, the claim ladder method is used for each class of business. The month wise factor is applied on claims incurred to determine the amount of claims incurred but not reported.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be significantly different from initial recognized amount. Similarly, the provision for claims incurred but not reported is based on historic reporting pattern of the claims other than exceptional losses. Hence, actual amount of incurred but not reported claims may differ from the amount estimated.

#### Key assumptions

The principal assumption underlying the liability estimation of IBNR and Premium Deficiency Reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

The assumed net of reinsurance loss ratios for each class of business for estimation of Premium Deficiency Reserves is as follows:

<b>Class</b>	<b>Assumed net loss ratio 2015</b>	Assumed net loss ratio 2014
Fire and property	52%	50%
Marine, aviation and transport	37%	41%
Motor	48%	54%
Liability	4%	2%
Accident and health	82%	82%
Miscellaneous	38%	48%

#### Sensitivities

The insurance claim liabilities are sensitive to the incidence of insured events and severity / size of claims. The impact of variation in incidence of insured events on gross claim liabilities, net claim liabilities, profit before tax and equity is as follows:



Average claim cost	Change in assumption	Impact on gross liabilities	Impact on net liabilities	Impact on profit before tax	Impact on equity
	----- (Rupees in '000) -----				
2015	+ 10%	264,988	216,467	212,222	144,311
2014	+ 10%	375,121	207,807	203,733	136,501

**Claim development**

The development of claims against insurance contracts written is not disclosed as uncertainty about the amount and timing of claim settlement is usually resolved within one year.

**Statement of Age-wise Breakup of Unclaimed Insurance Benefits**

Particulars	Total amount	Age-wise Breakup				
		1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
----- (Rupees in '000) -----						
Claims not encashed	76,174	59,181	4,386	3,340	2,142	7,125

**35 REINSURANCE RISK**

Reinsurance ceded does not relieve the Company from its obligation towards policy holders and, as a result, the Company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreements.

To minimise its exposure to significant losses from reinsurer insolvencies, the Company obtains reinsurance rating from a number of reinsurers, who are dispersed over several geographical regions.

An analysis of all reinsurance assets recognised by the rating of the entity, from which it is due, is as follows:

Rating	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Other reinsurance assets	2015	2014
	----- (Rupees in '000) -----				
A or above including Pakistan Reinsurance Company Limited	82,831	1,263,872	140,942	1,487,644	1,533,896
BBB	651	38,502	15,383	54,537	99,803
Others	122	13,632	582	14,336	8,219
	<b>83,604</b>	<b>1,316,006</b>	<b>156,908</b>	<b>1,556,518</b>	<b>1,641,918</b>

**36 CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

In accordance with SECP Circular no. 03 of 2007 of Securities and Exchange Commission of Pakistan (SECP), minimum paid-up capital requirement to be complied with by Insurance / Takaful companies at the 31 December 2015 and subsequent year is Rs. 300 million. At 31 December 2015 the Company's paid-up capital is in excess of the prescribed limit.

**37 FAIR VALUE**  
**37.1 On balance sheet**

2015							
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Total
	----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>							
Investment at fair value through profit and loss	33,512	-	-	-	-	33,512	33,512
<b>Financial assets not measured at fair value</b>							
Cash and bank deposits*	-	-	-	1,716,842	-	1,716,842	-
Loans to employees	-	-	-	1,101	-	1,101	-
Investments	-	1,099,664	-	267,234	-	1,366,898	3,797,278
- In related parties	-	-	-	-	-	-	510,848
- Government securities	-	-	453,070	-	-	453,070	463,712
- Term finance certificates - quoted	-	-	6,000	-	-	6,000	6,003
- Quoted equity securities / mutual funds	-	6,569,755	-	-	-	6,569,755	4,474,289
- Unquoted equity shares	-	2,500	-	-	-	2,500	-
Premiums due but unpaid*	-	-	-	913,926	-	913,926	-
Amounts due from other insurers / reinsurers*	-	-	-	83,604	-	83,604	-
Reinsurance recoveries due but unpaid*	-	-	-	156,908	-	156,908	-
Accrued investment income*	-	-	-	26,361	-	26,361	-
Reinsurance recoveries against outstanding claims	-	-	-	1,316,006	-	1,316,006	-
Sundry receivables*	-	-	-	46,245	-	46,245	-
Total assets of Window Takaful	-	35,000	-	56,520	-	91,520	35,039
Operations - Operator's Fund*	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>							
Provision for outstanding claims (including IBNR)*	-	-	-	-	(2,907,102)	(2,907,102)	-
Amounts due to other insurers / reinsurers*	-	-	-	-	(862,631)	(862,631)	-
Accrued expenses*	-	-	-	-	(27,013)	(27,013)	-
Other creditors and accruals*	-	-	-	-	(563,715)	(563,715)	-
Deposits and other payables*	-	-	-	-	(1,465,713)	(1,465,713)	-
Unclaimed dividend*	-	-	-	-	(64,334)	(64,334)	-
Total liabilities of Window Takaful	-	-	-	-	(7,606)	(7,606)	-
Operations - Operator's Fund*	-	-	-	-	-	-	-
	<b>33,512</b>	<b>7,706,919</b>	<b>459,070</b>	<b>4,584,747</b>	<b>(5,898,114)</b>	<b>6,886,134</b>	<b>6,743,055</b>
							<b>5,489,891</b>
							<b>-</b>
							<b>12,232,946</b>

2014

	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
<b>Financial assets measured at fair value</b>										
Investment at fair value through profit and loss	-	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>										
Cash and bank deposits*	-	-	-	1,021,045	-	1,021,045	-	-	-	-
Loans to employees	-	-	-	1,407	-	1,407	-	-	-	-
Investments	-	1,029,188	470,388	215,646	-	1,244,834	2,484,347	930,533	-	3,414,880
- Government securities	-	-	61,394	-	-	61,394	-	476,950	-	476,950
- Term finance certificates - quoted	-	-	-	-	-	-	-	61,512	-	61,512
- Quoted equity securities / mutual funds	-	5,998,481	-	-	-	5,998,481	2,796,172	4,733,421	-	7,529,593
- Unquoted equity shares	-	2,500	-	-	-	2,500	-	-	-	-
Premiums due but unpaid*	-	-	-	843,893	-	843,893	-	-	-	-
Amounts due from other insurers / reinsurers*	-	-	-	122,547	-	122,547	-	-	-	-
Reinsurance recoveries due but unpaid*	-	-	-	162,973	-	162,973	-	-	-	-
Accrued investment income*	-	-	-	23,398	-	23,398	-	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	1,356,398	-	1,356,398	-	-	-	-
Sundry receivables*	-	-	-	29,718	-	29,718	-	-	-	-
<b>Financial liabilities not measured at fair value</b>										
Provision for outstanding claims (including IBNR)*	-	-	-	-	(2,805,862)	(2,805,862)	-	-	-	-
Amounts due to other insurers / reinsurers*	-	-	-	-	(801,807)	(801,807)	-	-	-	-
Accrued expenses*	-	-	-	-	(33,280)	(33,280)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(460,558)	(460,558)	-	-	-	-
Deposits and other payables*	-	-	-	-	(1,202,156)	(1,202,156)	-	-	-	-
Unclaimed dividend*	-	-	-	-	(44,849)	(44,849)	-	-	-	-
	-	7,030,169	531,782	3,777,025	(5,348,512)	5,990,464	5,280,519	6,202,416	-	11,482,935

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

**37.2** The latest valuation of the investment properties (level 3 measurement) was carried out in 2015. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

**37.3** Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

### 38 EARNINGS PER SHARE - BASIC AND DILUTED

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

	2015	2014
	(Rupees in '000)	
Profit after taxation	1,352,650	1,079,119
	(Number of shares in '000)	
Weighted average number of shares of Rs.10 each	156,910	156,910
	(Rupees)	
Earnings per share of Rs.10 each - basic and diluted	8.62	6.88

- 38.1** 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.

### 39 SUBSEQUENT EVENT - NON ADJUSTING

The Board of Directors in its meeting held on 11 February 2016 has announced a final cash dividend in respect of the year ended 31 December 2015 of Rs. 3.0 per share of Rs.10 each (30%) [31 December 2014: Rs.4.0 per share of Rs.10 each (40%)]. In addition, the Board of Directors has approved the transfer of Rs. 300,000 thousands (31 December 2014: Rs.100,000 thousands) to special reserve and Rs. 350,000 thousands (31 December 2014: Rs. 350,000 thousands) to general reserve from unappropriated profit. These financial statements do not include the effect of these appropriations which will be accounted for subsequent to the year end.

### 40 NUMBER OF EMPLOYEES

As at December 31

Average Number of employees during the year

	2015	2014
	(Numbers)	
As at December 31	665	633
Average Number of employees during the year	650	626

### 41 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 11 February 2016.

### 42 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)

# 2015

WINDOW TAKAFUL OPERATIONS  
FINANCIAL STATEMENTS



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## **Auditors' Report to the Members of Jubilee General Insurance Company Limited**

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of comprehensive income;
- (iv) statement of changes in Fund;
- (v) statement of cash flows;
- (vi) statement of contributions;
- (vii) statement of claims;
- (viii) statement of expenses; and
- (ix) statement of investment income

of **Jubilee General Insurance Company Limited – Window Takaful Operations** ("the Company") as at 31 December 2015 together with the notes forming part thereof, for the period from 30 April 2015 to 31 December 2015.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies stated therein;
- c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31 December 2015 and of the loss, its cash flows and changes in Fund for the period from 30 April 2015 to 31 December 2015 in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Date: 11 February 2016  
Karachi

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Nadeem

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

# Balance Sheet

As at December 31, 2015

	2015		
	Operator's Fund	Participants' Takaful Fund	Aggregate
Note	(Rupees in '000)		
<b>OPERATOR'S FUND</b>			
Statutory fund	100,000	-	100,000
Accumulated (loss)	(13,008)	-	(13,008)
	86,992	-	86,992
<b>WAQF / PARTICIPANTS' TAKAFUL FUND</b>			
Ceded money	-	500	500
Accumulated surplus	-	8,777	8,777
	-	9,277	9,277
<b>LIABILITIES</b>			
<b>Underwriting provisions</b>			
Provision for outstanding claims	-	7,297	7,297
Provision for unearned contribution	-	53,202	53,202
Provision for unearned re-takaful rebate	-	485	485
Total underwriting provisions	-	60,984	60,984
<b>Creditors and accruals</b>			
Amounts due to other takaful / re-takaful operators	-	2,845	2,845
Contribution received in advance	-	8	8
Provision for unearned wakala fees	21,318	-	21,318
Wakala and modarib fee payable	-	16,278	16,278
Accrued expenses	1,398	-	1,398
Other creditors and accruals	7,634	645	8,279
	30,350	19,776	50,126
<b>TOTAL LIABILITIES</b>	30,350	80,760	111,110
<b>TOTAL FUND AND LIABILITIES</b>	<b>117,342</b>	<b>90,037</b>	<b>207,379</b>
<b>CONTINGENCY AND COMMITMENT</b>	5		

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
Tawfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

			2015		
Note	Operator's Fund	Participants' Takaful Fund	Aggregate		
----- (Rupees in '000) -----					
<b>ASSETS</b>					
<b>Cash and bank deposits</b>					
	Cash and other equivalents	41	41		
	Current and other accounts	38,241	68,189		
	Deposits maturing within 12 months	-	10,000		
6	39,948	38,282	78,230		
	Investments				
7	35,000	-	35,000		
<b>Current assets - other</b>					
	Contribution due but unpaid	28,489	28,489		
	Wakala and modarib fee receivable	-	16,278		
	Deferred commission expense	-	8,564		
	Amount due from other takaful / re-takaful operators	12,889	12,889		
	Accrued Investment Income	97	391		
	Prepaid re-takaful contribution ceded	10,088	10,088		
	Taxation	-	1,991		
8	293	192	485		
	27,420	51,755	79,175		
<b>Fixed assets</b>					
<b>Tangible and intangible</b>					
9	8,348	-	8,348		
	Office equipment	-	5,540		
	Computer equipment	-	517		
	Computer software	-	569		
	14,974	-	14,974		
<b>TOTAL ASSETS</b>					
<b>117,342</b>		<b>90,037</b>		<b>207,379</b>	

  
 Akbarali Pesnani  
 Director

  
 Tahir Ahmed  
 Managing Director  
 (Chief Executive)



# Profit and Loss Account

For the period ended from 30 April 2015 to 31 December 2015

Note	2015					Aggregate
	Fire and property	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	
----- (Rupees in '000) -----						
<b>Participants' Takaful Fund revenue account</b>						
Net contribution revenue	1,875	974	9,334	8,657	1,333	22,173
Net claims	(1,757)	(100)	(6,293)	(5,984)	(105)	(14,239)
Re-takaful rebate earned	262	-	-	-	77	339
<b>Surplus before investment income</b>	<b>380</b>	<b>874</b>	<b>3,041</b>	<b>2,673</b>	<b>1,305</b>	<b>8,273</b>
Net investment income						504
<b>Surplus for the period</b>						<b>8,777</b>
<b>Operator's Fund - revenue account</b>						
Wakala fee income	10					11,484
Commission expense						(4,678)
Management expenses	11					(21,090)
						(14,284)
Modarib's share of PTF investment income						126
Net investment income						1,534
						(12,624)
General and administrative expenses	12					(2,375)
<b>(Loss) before tax</b>						(14,999)
Taxation						1,991
<b>(Loss) after tax</b>						<b>(13,008)</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
Towfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Comprehensive Income

For the period ended from 30 April 2015 to 31 December 2015

	<b>2015</b> <b>(Rupees in '000)</b>
(Loss ) after tax	(13,008)
Other comprehensive income	-
<b>Total comprehensive income for the period</b>	<b><u>(13,008)</u></b>

The annexed notes from 1 to 19 form an integral part of these financial statements.



Tawfiq H. Chinoy  
Chairman



Aly Noormahomed Rattansey  
Director



Akbarali Pesnani  
Director



Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Cash Flows

For the period ended from 30 April 2015 to 31 December 2015

	2015		
	Operator's Fund	Participants' Takaful Fund	Aggregate
	----- (Rupees in '000) -----		
<b>Operating cash flows</b>			
(a) Takaful activities			
Contributions received	-	86,364	86,364
Re-takaful Contributions paid		(26,413)	(26,413)
Wakala Fee received/(paid)	16,619	(16,619)	-
Claims paid	-	(6,942)	(6,942)
Commission paid	(5,736)	-	(5,736)
Other underwriting payments	(18,929)	-	(18,929)
Net cash (outflows) / inflows from takaful activities	(8,046)	36,390	28,344
(b) Other operating activities			
Income tax paid	(187)	(63)	(250)
General, administration and management expenses paid	(1,063)	-	(1,063)
Ceded money to participants' takaful fund	(500)	-	(500)
Other operating payments	(79)	(11,156)	(11,235)
Other operating receipts - net	-	12,109	12,109
Net cash (outflows) / inflows from other operating activities	(1,829)	890	(939)
<b>Total cash (outflows) / inflows from operating activities</b>	<b>(9,875)</b>	<b>37,280</b>	<b>27,405</b>
<b>Investment activities</b>			
Profit received	1,241	533	1,774
Payments for Investments	(35,000)	-	(35,000)
Modarib Fee received/(paid)	31	(31)	-
Fixed capital expenditure	(16,449)	-	(16,449)
<b>Total cash (outflows) / inflows from investing activities</b>	<b>(50,177)</b>	<b>502</b>	<b>(49,675)</b>
<b>Financing activities</b>			
Contribution to operator's fund	100,000	-	100,000
Ceded money	-	500	500
<b>Total cash inflows from financing activities</b>	<b>100,000</b>	<b>500</b>	<b>100,500</b>
<b>Cash at end of the period - Net cash inflows from all activities</b>	<b>39,948</b>	<b>38,282</b>	<b>78,230</b>
<b>Reconciliation to profit and loss account</b>			
Operating cash flows	(9,875)	37,280	27,405
Depreciation	(1,475)	-	(1,475)
Increase in assets other than cash	28,692	52,257	80,949
(Increase) in liabilities	(30,350)	(80,760)	(111,110)
Net (loss) / surplus for the period	<b>(13,008)</b>	<b>8,777</b>	<b>(4,231)</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 19 form an integral part of these financial statements.

  
Towfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Changes in Fund

For the period ended from 30 April 2015 to 31 December 2015

	Operator's Fund		
	Statutory fund	Accumulated loss	Total
	(Rupees in '000)		
Contribution made during the period	100,000	-	100,000
Total comprehensive income for the period - (Loss) for the period	-	(13,008)	(13,008)
<b>Balance as at 31 December 2015</b>	<b>100,000</b>	<b>(13,008)</b>	<b>86,992</b>

	Participants' Takaful Fund		
	Ceded money	Accumulated surplus	Total
	(Rupees in '000)		
Contribution received during the period from the Operator	500	-	500
Surplus for the period	-	8,777	8,777
<b>Balance as at 31 December 2015</b>	<b>500</b>	<b>8,777</b>	<b>9,277</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
Towfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Contributions

For the period ended from 30 April 2015 to 31 December 2015

Class	2015										
	Gross contribution written*	Wakala fee	Net contribution	Unearned contribution reserve		Contribution earned	Re-takaful ceded	Prepaid re-takaful contribution ceded		Re-takaful expense	Net contribution revenue
				Opening	Closing			Opening	Closing		
(Rupees in '000)											
<b>Direct and facultative</b>											
1. Fire and property damage	24,406	8,176	16,230	-	10,078	6,152	11,771	-	7,494	4,277	1,875
2. Marine, aviation and transport	3,623	1,268	2,355	-	404	1,951	1,200	-	223	977	974
3. Motor	36,045	10,453	25,592	-	15,931	9,661	941	-	614	327	9,334
4. Accident and health	42,460	10,615	31,845	-	23,188	8,657	-	-	-	-	8,657
5. Miscellaneous	8,327	2,290	6,037	-	3,601	2,436	2,860	-	1,757	1,103	1,333
<b>Total</b>	<b>114,861</b>	<b>32,802</b>	<b>82,059</b>	<b>-</b>	<b>53,202</b>	<b>28,857</b>	<b>16,772</b>	<b>-</b>	<b>10,088</b>	<b>6,684</b>	<b>22,173</b>
<b>Treaty</b>											
6. Proportional / non-proportional	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>114,861</b>	<b>32,802</b>	<b>82,059</b>	<b>-</b>	<b>53,202</b>	<b>28,857</b>	<b>16,772</b>	<b>-</b>	<b>10,088</b>	<b>6,684</b>	<b>22,173</b>

\* This includes administrative surcharge of Rs. 1,550 thousands in aggregate.

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
Towfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Claims

For the period ended from 30 April 2015 to 31 December 2015

Class	2015							Net claims expense	
	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
		Opening	Closing			Opening	Closing		
(Rupees in '000)									
<b>Direct and facultative</b>									
1. Fire and property damage	1,237	-	520	1,757	-	-	-	-	1,757
2. Marine, aviation and transport	-	-	100	100	-	-	-	-	100
3. Motor	2,538	-	3,755	6,293	-	-	-	-	6,293
4. Accident and health	3,167	-	2,817	5,984	-	-	-	-	5,984
5. Miscellaneous	-	-	105	105	-	-	-	-	105
<b>Total</b>	<b>6,942</b>	<b>-</b>	<b>7,297</b>	<b>14,239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,239</b>
<b>Treaty</b>									
6. Proportional / non-proportional	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>6,942</b>	<b>-</b>	<b>7,297</b>	<b>14,239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,239</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
Tawfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Expenses

For the period ended from 30 April 2015 to 31 December 2015

Class	2015							
	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Rebate from re-takaful operators *	Net Underwriting expense
		Opening	Closing					
----- (Rupees in '000) -----								
<b>Direct and facultative</b>								
1. Fire and property damage	5,495	-	3,637	1,858	5,559	7,417	262	7,155
2. Marine, aviation and transport	521	-	68	453	1,909	2,362	-	2,362
3. Motor	3,486	-	2,284	1,202	6,658	7,860	-	7,860
4. Accident and health	2,296	-	1,684	612	5,309	5,921	-	5,921
4. Miscellaneous	1,444	-	891	553	1,655	2,208	77	2,131
<b>Total</b>	<b>13,242</b>	<b>-</b>	<b>8,564</b>	<b>4,678</b>	<b>21,090</b>	<b>25,768</b>	<b>339</b>	<b>25,429</b>
<b>Treaty</b>								
6. Proportional / non-proportional	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>13,242</b>	<b>-</b>	<b>8,564</b>	<b>4,678</b>	<b>21,090</b>	<b>25,768</b>	<b>339</b>	<b>25,429</b>

\* Rebate from re-takaful operators is arrived at after taking the impact of opening and closing unearned re-takaful rebate  
The annexed notes from 1 to 19 form an integral part of these financial statements.

  
Towfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)

# Statement of Investment Income

For the period ended from 30 April 2015 to 31 December 2015

	<b>Eight months period ended 31 December 2015</b>
	<b>(Rupees in '000)</b>
<b>Participants' Takaful Fund</b>	
Profit on bank deposits with related party	630
Less : Modarib's fee	(126)
<b>Net investment income</b>	<b>504</b>
<b>Operator's Fund</b>	
Profit on bank deposits with related party	1,439
<b>Income from non-trading investments</b>	
<b>Held to maturity</b>	
Return on other fixed income securities	95
<b>Net investments income</b>	<b>1,534</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
Tawfiq H. Chinoy  
Chairman

  
Aly Noormahomed Rattansey  
Director

  
Akbarali Pesnani  
Director

  
Tahir Ahmed  
Managing Director  
(Chief Executive)



# Notes to the Financial Statements

For the period ended from 30 April 2015 to 31 December 2015

## 1. STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited ("the Operator") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) on 16 May 1953. The Operator is listed on the Karachi and Lahore Stock Exchanges (subsequent to period end due to demutualization, all stock exchanges are integrated into Pakistan Stock Exchange) 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 ("the Operations") by Securities and Exchange Commission of Pakistan ("SECP") under Takaful Rules, 2012 to carry on general takaful operations in Pakistan.

The Operator transferred statutory fund of Rs. 100,000 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 ("PTF") by executing the Waqf deed dated 30 April 2015 by investing a ceded money of Rs. 500 thousands. The ceded 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 the Operations on 7 May 2015.

## 2. BASIS OF PREPARATION

These financial statements 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 financial statements reflect the financial position and results of operations of both the Operator's Fund and Participants' Takaful Fund in a manner that the assets, liabilities, income and expenses of the Operator's Fund and PTF remain separately identifiable. These are the first set of annual financial statements of Jubilee General Insurance Company Limited - Window Takaful Operations for the period from 30 April 2015 to 31 December 2015.

### 2.1 Statement of Compliance

**2.1.1** These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the 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 shall prevail.

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Operations' functional currency.

### 2.4 Use of estimates and judgements

The preparation of these financial statements in conformity with approved accounting standards requires the Operations 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 financial statements, 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 takaful / re-takaful operators (note 3.4);
- (d) provision for outstanding claims and re-takaful recoveries thereagainst (note 3.5);
- (e) contribution deficiency reserve (note 3.6);
- (f) provision for unearned wakala fee (note 3.8);
- (g) classification of investments (note 3.12);
- (h) residual values and useful lives of fixed assets (note 3.13);
- (i) allocation of management expenses (note 3.16);
- (j) taxation (note 3.18);
- (k) segment reporting (note 3.19); and
- (l) impairment (note 3.21)

## **2.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after 1 January 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that use of revenue-based methods of depreciation can not be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are highly correlated, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on the Operations' financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016] clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment company; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on the Operations' financial statements.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on the Operations' financial statements.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on the Operations' financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on the Operations' financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

These amendments are not likely to have an impact on the Operations' financial statements.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements 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 Operations underwrite non-life takaful contracts that can be categorised into following main categories:

##### a) 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.

##### b) 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.

##### c) 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.

##### d) Accident and health

Accident and health takaful contract mainly compensate hospitalisation and outpatient medical coverage to the participant. These contracts are generally one year contracts.

**e) Miscellaneous**

All other various types of takaful contracts are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, workmen compensation, travel and products of financial institutions etc. These contracts are normally one year takaful contracts except some engineering takaful contracts that are of more than one year period, whereas, normally travel takaful contracts expire within one month time.

These takaful contracts are provided to all types of customers based on assessment of takaful risk by the Operator. Normally personal takaful contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, takaful contracts of fire and property, marine, aviation and transport, accident and health and other commercial line products are provided to commercial organizations.

**3.2 Re-takaful contracts held**

These are contracts entered into by the Operation with re-takaful operators 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 PTF 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 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 Operations reduces the carrying amount of that contribution receivable and recognizes the loss in profit and loss account.

**3.5 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 the Operator's judgment and the Operator's prior experience. As at 31 December 2015, no IBNR has been recorded as the Operator considers that there is no history of claims and no claims are reported subsequent to the period end.

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

**3.6 Contribution deficiency reserve**

The Operations 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.

The Operator determines adequacy of liability of contribution deficiency by carrying out analysis of its loss ratio of expired periods. The liability of contribution deficiency in relation to accident and health takaful contracts is calculated in accordance with the advice of the actuary.

### 3.7 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.

### 3.8 Wakala fee

The Operator manages the general takaful operations for the participants and charges wakala fee to PTF on gross contributions recognized for each class of business 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%

Wakala fee is recognised as income in Operator's Fund on the same basis on which the related contribution revenue is recognized. Unearned portion of wakala fee is recognized as a liability of Operator's Fund.

### 3.9 Modarib's fee

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

### 3.10 Qard-e-Hasna

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

### 3.11 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.

### 3.12 Investments

#### 3.12.1 Classification and recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for investment at fair value through profit or loss in which case transaction costs are charged to the profit and loss account. These are recognized and classified as follows:

- Investment at fair value through profit or loss
- Held to maturity
- Available-for-sale

The classification depends on the purpose for which the financial assets were acquired.

### 3.12.2 Measurement

#### 3.12.2.1 Investment at fair value through profit or loss

- Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.
- Investments which are designated at fair value through profit or loss upon initial recognition.

Subsequent to initial recognition, these investments are premeasured at fair value. Gains or losses on remeasurement of these investments are recognised in profit and loss account.

#### 3.12.2.2 Held to maturity

Investments with fixed determinable payments and fixed maturity, where Operations has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost less provision for impairment, if any.

#### 3.12.2.3 Available-for-sale

Investments which are not eligible to be classified as "held for trading" or "held to maturity" are classified as 'available-for-sale'. These investments are intended to be held for an indefinite period of time which may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available-for-sale.

##### Quoted

Subsequent to initial recognition at cost, quoted investments are stated at the lower of cost or market value (market value on an individual investment basis being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002 vide S.R.O. 938 dated December 2002.

The SECP has allowed the insurance companies to defer the application of International Accounting Standard – 39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of 'available-for-sale investments'. Accordingly, the requirements of IAS-39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of these financial statements.

Had the Operator adopted International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" in respect of recognition of gain / loss on remeasurement of available- for-sale securities directly into Operator's Fund, the investments of the Operator would have been higher by Rs. 39 thousands and the net Operator's Fund would have increased by the same amount.

Any premium paid or discount availed on government securities and term finance certificates is deferred and amortised over the period to maturity of investment using the effective yield.

##### Fair / market value measurements

For investments in Government securities, fair / market value is determined by reference to quotations obtained from Reuters page (PKRV) where applicable. For investments in quoted marketable securities, other than Term Finance Certificates, fair / market value is determined by reference to Stock Exchange quoted market price at the close of business on reporting date. The fair market value of Term Finance Certificates is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP).

##### Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date on which the Operator commits to purchase or sell the investment.

### 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 financial statements.

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 Operations 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.

### **Intangibles**

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognised as an intangible asset.

#### *Infinite Intangible*

These are stated at cost less impairment, if any.

#### *Definite Intangible*

- a) These are stated at cost less accumulated amortisation and impairment, if any.
- b) Intangible assets are amortised on straight line basis over its estimated useful life(s) (refer note 9).
- c) Amortisation on additions is charged from month in which the asset is put to use, whereas no amortisation is charged from the month the asset is disposed off.

### **3.14 Contribution income**

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

Contributions income net of wakala fee is determined after taking into account the unearned portion of contributions. The unearned portion of contribution income is recognised as a liability in PTF.

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 Operator's Fund as an expense in accordance with pattern of recognition of contribution revenue.

Rebate and other forms of revenue (apart from recoveries) from re-takaful 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 re-takaful contributions.

### **3.16 Expenses of management**

Expenses of management have been allocated to various classes of business as deemed equitable by the Operator.

**3.17 Investment income**

- Profit on bank deposits is recognised on a time proportion basis taking into account the effective yield.
- Income from held to maturity investments is recognised on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortised and taken to the profit and loss account over the term of the investment.

**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 Operations 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 Operation 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.

The taxation of the Operations has been recorded in the Operator's Fund's profit and loss account as the charge is not stated in Rule 12 of Takaful Rule 2012 relating to PTF.

The taxation of the Operations is made while including in the Company's results as a whole and accordingly taxation has been recorded. The effective tax rate is 32% therefore tax reconciliation has not been presented.

**3.19 Segment reporting**

An operating segment is a component of the Operations 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 Operations 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.

Based on its classification of takaful contracts issued, the Operations has five primary business segments for reporting purposes namely fire, marine, motor, accident and health and miscellaneous. The nature and business activities of these segments are disclosed in note 3.1.



Assets and liabilities are allocated to particular segments on the basis of contribution earned. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortisation are allocated to a particular segment on the basis of net contribution earned.

**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.

Impairment is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investments classified as available-for-sale below its cost is also considered an objective evidence of impairment. Impairment losses are reversed when there is an indication that impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

**3.22 Provisions**

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 Operations becomes a party to the contractual provisions of the instrument and derecognized when the Operations loses 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 OTHER CREDITORS AND ACCRUALS**

	2015		
	Operator's Fund	Participants' Takaful Fund	Aggregate
	----- (Rupees in '000) -----		
Federal excise duty and sales tax	-	566	566
Federal insurance fee	-	52	52
Commissions payable	7,507	-	7,507
Tax deducted at source	23	27	50
Miscellaneous	104	-	104
	<b>7,634</b>	<b>645</b>	<b>8,279</b>

**5 CONTINGENCY AND COMMITMENT**

There is no contingency and commitment as at 31 December 2015.

**6 CASH AND BANK DEPOSITS**

		2015		
		Operator's Fund	Participants' Takaful Fund	Aggregate
		(Rupees in '000)		
<b>Cash and other equivalents</b>		<i>Note</i>		
Cash		-	-	-
Policy stamps and bond papers in hand		-	41	41
		-	41	41
<b>Current and other accounts</b>				
Current account		-	119	119
Savings accounts	6.1	29,948	38,122	68,070
		29,948	38,241	68,189
Deposits maturing within 12 months	6.2	10,000	-	10,000
		<b>39,948</b>	<b>38,282</b>	<b>78,230</b>

**6.1** Savings accounts carry expected profit rates ranging from 4.5% to 5.40% per annum.

**6.2** This represent term deposit receipt carrying mark-up rate of 5.75% per annum.

**7 INVESTMENTS****Available -for-sale**

Mutual funds	35,000	-	35,000
--------------	--------	---	--------

The market value of the investments in mutual funds as at 31 December 2015 is Rs. 35,039 thousands.

**8 SUNDRY RECEIVABLES - Considered good**

Sales tax recoverable	43	30	73
Advance tax	187	63	250
Others	63	99	162
	<b>293</b>	<b>192</b>	<b>485</b>

**9 FIXED ASSETS - Operator's Fund**

		2015		
		Cost of additions during the period	Depreciation/ Amortisation charged during the period	Written down value as at 31 December 2015
		(Rupees in '000)		
<b>Tangible assets</b>				
Furniture and fixture	17	9,148	(800)	8,348
Office equipment	17-25	6,061	(521)	5,540
Computer equipment	25	596	(79)	517
Computer software	20	644	(75)	569
		<b>16,449</b>	<b>(1,475)</b>	<b>14,974</b>

**10 Wakala Fee Income**

	2015		
	Wakala fee	Reserve for unearned Wakala fee	Net Wakala fee income
	----- (Rupees in '000) -----		
<b>Direct and facultative</b>			
Fire and property damage	8,176	5,142	3,034
Marine, aviation and transport	1,268	227	1,041
Motor	10,453	6,831	3,622
Accident and health	10,615	7,729	2,886
Miscellaneous	2,290	1,389	901
<b>Total</b>	<b>32,802</b>	<b>21,318</b>	<b>11,484</b>

**11 MANAGEMENT EXPENSES**

	Note	2015 (Rupees in '000)
Salaries, allowances and other benefits	11.1	6,631
Depreciation	9	1,475
Printing, stationery and postage		1,125
Communication		167
Ceded money		500
Advertisement		8,555
Rent	11.2	2,016
Bank Charges		35
Others		586
		<b>21,090</b>

**11.1** This include Rs. 3,318 thousands remuneration of key management personnel for the period.

**11.2** This represents rent paid to the Operator.

**12 GENERAL AND ADMINISTRATIVE EXPENSES - Operator's Fund**

	2015 (Rupees in '000)
Shariah advisor fee	1,875
Auditors' remuneration	500
	<b>2,375</b>

**13 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 31 December 2015, unallocated capital expenditure and non-cash expenses during the period:

	2015					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees in '000) -----					
<b>SEGMENT ASSETS</b>						
Segment assets	16,315	3,021	14,467	12,413	5,250	51,466
Unallocated assets						
- Participants' Takaful Fund						38,571
- Operator's Fund						117,342
<b>Consolidated total assets</b>						<b>207,379</b>
<b>SEGMENT LIABILITIES</b>						
Segment liabilities						
- Participants' Takaful Fund	15,228	1,841	26,307	31,938	5,446	80,760
Unallocated liabilities - Operator's Fund						30,350
<b>Consolidated total liabilities</b>						<b>111,110</b>
<b>Depreciation / amortisation</b>	125	65	620	576	89	1,475
<b>Unallocated capital expenditure</b>						<b>16,449</b>

## 14. FINANCIAL INSTRUMENTS

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

- Market risk
- Liquidity risk
- Credit risk

### 14.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of interest rate risk, foreign currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

#### 14.1.1 Profit rate risk

Profit rate risk is the risk that the value of a financial instrument will fluctuate due to change in the market profit rate.

All financial assets of the operations as are not profit bearing except for cash and bank deposits ranging 4.5% to 5.75%.

#### 14.1.2 Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Operations, at present, is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

#### 14.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Operations at present, is not materially exposed to other price risk.

### 14.2 Liquidity risk

Liquidity risk is the risk that the Operations will not be able to meet its financial obligations as they fall due. The Operations' 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 operation's reputation. The following are the contractual maturities of financial liabilities based on the remaining period at the reporting date to maturity date.

	2015			Total
	Within one year	Over one year to five years	Over five years	
----- (Rupees in '000) -----				
<b>Financial liabilities</b>				
Provision for outstanding claims	7,297	-	-	7,297
Amounts due to other takaful / re-takeful operators	2,845	-	-	2,845
Wakala and modarib fee payable	16,278	-	-	16,278
Other creditors and accruals	7,606	-	-	7,606
	<b>34,026</b>	-	-	<b>34,026</b>

**14.3 Credit risk**

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The operations attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

**14.3.1 Concentration of credit risk**

The bank balances and investment in mutual fund represents low credit risk as they are placed with reputed financial institutions with strong credit ratings.

The management monitors exposure to credit risk in premium receivable from customers and amount due from co-takaful operators and re-takaful operators through regular review of credit exposure. The amount due from co-takaful and re-takaful operators represents low credit risk as they have strong credit ratings and have sound financial stability.

**15 TAKAFUL RISK**

The risk under any takaful contract is the possibility that the covered event occurs and the uncertainty in the amount of compensation to the participant. Generally, most takaful contracts carry the takaful risk for a period of one year (refer note 3.1).

The Operations accept takaful through issuance of general takaful contracts. For these general takaful contracts the most significant risks arise from fire, atmospheric disturbance, earthquake, terrorist activities and other catastrophes. For health takaful contracts, significant risks arise from epidemics.

**Frequency and severity of claims**

Risk associated with general takaful contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the takaful events. This has been managed by having in place underwriting strategy, re-takaful arrangements and proactive claim handling procedures.

The operations’s class wise major risk exposure is as follows:

<b>Class</b>	<b>Maximum gross risk exposure 2015 (Rupees in '000)</b>
Fire and property	4,080,000
Marine, aviation and transport	58,900
Motor	9,880
Accident and health	1,430,770
Miscellaneous	549,640

The re-takaful arrangements against major risk exposure include excess of loss, quota share arrangements, facultative arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on operation’s net retentions. As the major re-takaful arrangements are on excess of loss basis, therefore the re-takaful coverage against PTF's risk exposures is not quantifiable.

**Uncertainty in the estimation of future claims payment**

Claims on general takaful contracts are payable on a claim occurrence basis. The PTF is liable for all covered events that occur during the term of the takaful contract including the event reported after the expiry of the takaful contract term.

An estimated amount of the claim is recorded immediately on the intimation to the operations. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The operations takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be significantly different from initial recognized amount.

### Claim development

The development of claims against takaful contracts written is not disclosed as uncertainty about the amount and timing of claim settlement is usually resolved within one year. Statement of age-wise breakup of unclaimed takaful benefits is not presented as there are no claims that are past due for more than 6 months

## 16 RE-TAKAFUL RISK

Re-takaful ceded does not relieve the PTF from its obligation towards participants and, as a result, the PTF remains liable for the portion of outstanding claims covered through re-takaful to the extent that re-takaful operators fails to meet the obligation under the re-takaful agreements.

To minimise its exposure to significant losses from re-takaful operators' insolvencies, the operations obtain re-takaful rating from a number of re-takaful operators, who are dispersed over several geographical regions.

An analysis of all re-takaful assets recognised by the rating of the entity from which it is due is as follows:

Rating	Amount due from other takaful / re-takaful operators	Re-takaful recoveries against outstanding claims	Other re-takaful assets	2015
	------(Rupees in '000)-----			
A or above including Pakistan Reinsurance Company Limited	9,829	-	-	9,829
BBB	3,060	-	-	3,060
	<u>12,889</u>	<u>-</u>	<u>-</u>	<u>12,889</u>

## 17 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including there levels the fair values hierarchy:

	31 December 2015								
	Carrying amount				Fair value				
	Available-for-sale	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----								
<b>On-balance sheet financial instruments</b>									
<b>Financial assets not measured at fair value</b>	<i>17.1</i>								
Cash and bank deposits	-	-	78,230	-	78,230	-	-	-	-
Investments	35,000	-	-	-	35,000	-	35,039	-	35,039
Contribution due but unpaid	-	-	28,489	-	28,489	-	-	-	-
Wakala and modarib fee receivable	-	-	16,278	-	16,278	-	-	-	-
Amount due from other takaful / re-takaful operators	-	-	12,889	-	12,889	-	-	-	-
Accrued Investment Income	-	-	391	-	391	-	-	-	-
Sundry receivables	-	-	99	-	99	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	<i>17.1</i>								
Provision for outstanding claims	-	-	-	(7,297)	(7,297)	-	-	-	-
Amounts due to other takaful / re-takaful operators	-	-	-	(2,845)	(2,845)	-	-	-	-
Wakala and modarib fee payable	-	-	-	(16,278)	(16,278)	-	-	-	-
Other creditors and accruals	-	-	-	(7,606)	(7,606)	-	-	-	-
	<u>35,000</u>	<u>-</u>	<u>136,376</u>	<u>(34,026)</u>	<u>137,350</u>	<u>-</u>	<u>35,039</u>	<u>-</u>	<u>35,039</u>

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

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The operator measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**18 DATE OF AUTHORISATION FOR ISSUE**

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 11 February 2016.

**19 GENERAL**

All figures 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)

# Glossary

<b>Actuary</b>	Qualified expert who analyses problems from the area of insurance, investments and pensions using methods of probability theory and financial mathematics, and develops solutions with due regard to legal and economic parameters.
<b>Actuarial Valuations</b>	A determination by an actuary at a special date of the value of a insurance Company's assets and its liabilities.
<b>Amortisation</b>	The reduction of the value of an asset by prorating its cost over a period of years.
<b>Associate</b>	A company in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
<b>Authorised Share Capital</b>	The maximum value of share that a company can legally issue.
<b>Book Value</b>	The value of an asset as entered in a company's books.
<b>Budget</b>	An estimate of income and expenditure for a set period of time.
<b>Capital Expenditure</b>	The cost of long-term improvements and fixed assets.
<b>Capital Gain</b>	Portion of the total gain recognised on the sale or exchange of a non inventory asset.
<b>Capital Reserves</b>	Any reserve not regarded free for distribution by way of dividends.
<b>Cedant</b>	Client of a reinsurance company.
<b>Combined Ratio</b>	Percentage ratio of the sum of net claims plus management expenses and net commission to net earned premiums. It corresponds to the sum of the loss ratio, commission ratio and the expense ratio.
<b>Commission</b>	Remuneration to an intermediary for services such as selling and servicing an insurer's products.
<b>Consumer online Portal</b>	An internet window presence for selling all retails consumer products.
<b>Contract Centre</b>	Also known as call centre. It is a central location of an enterprise from which all customer contacts are managed.
<b>Claims</b>	The amount payable under a contract of insurance arising from occurrence of an insured event.
<b>Claims Incurred</b>	The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.
<b>Corporate Social Responsibility</b>	Is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and all other members of the public who may also be considered as stakeholders.
<b>Deferred Commission</b>	Expenses which vary with and are primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they relate to a period of risk subsequent to the Balance Sheet date.
<b>Deferred Tax</b>	An accounting concept (also known as future income taxes), meaning a future tax liability or asset in respect of taxable temporary differences.
<b>Defined benefit Plans</b>	Are post-employment benefit plans other than defined contribution plans.



<b>Depreciation</b>	Is the systematic allocation of the cost of an asset over its useful life.
<b>Dividend cover</b>	Profit after tax divided by Dividend, measures the number of times dividends are covered by distributable profit for the period.
<b>Doubtful debts</b>	Is a debt where circumstances have rendered its ultimate recovery uncertain.
<b>Earnings per share</b>	Amounts for profit or loss attributable to ordinary shareholders of the entity.
<b>Energy Conservation</b>	Refers to efforts made to reduce energy consumption.
<b>Equity method</b>	Method of accounting whereby the investment is initially recognised at cost and adjusted hereafter for the post-acquisition change in the investor's share of net assets of the investee.
<b>Exchange Gain (Loss)</b>	Difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
<b>Facultative reinsurance</b>	The reinsurer assumes a share of selected individual risks. The primary insurer can offer an individual risk in reinsurance, which the reinsurer for its part can either accept or decline.
<b>Fair Value</b>	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing business partners in an arm's length transaction.
<b>Fiscal Deficit</b>	When a government's total expenditures exceed the revenue that it generates.
<b>General Insurance</b>	All kind of Insurance except Life Insurance. i.e, Fire, Marine, Motor and Other Insurance.
<b>General Takaful</b>	Protection to participant for losses arising from perils such as accident, fire, flood, liability and burglary.
<b>Gross Contribution</b>	It is the payment of an amount by a participant to the Takaful Participant Fund, whether direct, through intermediaries for the purpose of mutual protection and assistance.
<b>Gross Domestic Product</b>	The total value of goods produced and services provided in a country during one year.
<b>Gross Premium</b>	Premium which an insurer is contractually entitled to receive from the insured in relation to contract of insurance.
<b>Group Health Insurance</b>	A single health policy covering a group of individuals, usually employees of the same company or members of the same association and their dependents.
<b>Impairment</b>	The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.
<b>Incurred but not reported (IBNR)</b>	Claim incurred but not reported to the insurer until the financial statements reporting date.
<b>Inflation</b>	A general increase in prices and fall in the purchasing value of money.
<b>Insurance Contracts</b>	A contract under which one party (the insurer) accepts significant insurance risk from another party(the policyholder) by agreeing to compensate the policyholder for a specified uncertain future event.
<b>Insurer Financial Strength Rating</b>	Provides an assessment of the financial strength of an insurance company.

<b>Intangibles</b>	An identifiable non-monetary asset without physical substance.
<b>Internal Control</b>	An accounting procedure or system designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error etc.
<b>KGS - (Kyrgyz Som)</b>	Code of official currency of the Kyrgyz Republic.
<b>KIBOR – (Karachi Interbank Offered Rate)</b>	Interbank clean (without collateral) lending/borrowing rates quoted by the banks.
<b>Knowledge Base Products</b>	Product produces using knowledge-based systems.
<b>Loss Ratio</b>	Percentage ratio of claims expenses to net premium.
<b>Macroeconomics</b>	Branch of economics dealing with the performance, structure, behavior, and decision-making of an economy as a whole.
<b>Market Share</b>	The portion of a market controlled by a particular company or product.
<b>Market Value</b>	The highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.
<b>MIS</b>	Management Information System
<b>Mutual fund</b>	A type of professionally managed investment fund that pools money from many investors to purchase securities.
<b>National Exchequer</b>	The account into which tax funds and other public funds are deposited.
<b>Net Asset Value</b>	The value of all tangible and intangible assets of a company minus its liabilities.
<b>Net Contributions</b>	Gross contributions less all retakaful contributions payable.
<b>Net Premium Revenue</b>	Gross written premium less Reinsurance expense.
<b>Paid up Capital</b>	The amount paid or contributed by shareholders in exchange for shares of a company's Stock.
<b>Pakistan Investment Bonds</b>	Long term instruments of the Government of Pakistan with tenors available in 3, 5, 10, 15 and 20 years.
<b>Participant</b>	The participant is the contributing party to the Takaful Policy who is covered through the mutual protection and solidarity of the Takaful Policy.
<b>Participant's Takaful Fund (PTF)/ Waqf Fund</b>	An account to credit a portion of contributions from the participant for the purpose of tabarru'.
<b>Premium</b>	The amount that has to be paid for the insurance cover provided by an insurer.
<b>Present Value</b>	Future amounts that have been discounted to the present.
<b>Proxy</b>	Power of attorney by which the shareholder transfers the voting rights to another shareholder.
<b>Qard-e-Hasna</b>	An interest free loan from the Takaful Operator to the Takaful Participant Fund in order to meet any shortfall that is created in the fund.
<b>Quoted</b>	Being listed on a Stock Exchange.
<b>Registered Office</b>	The registered office is an address which is registered with the government registrar as the official address of a company.

<b>Reinsurance</b>	A method of insurance arranged by insurers to share the exposure of risks accepted.
<b>Re-Takaful</b>	The arrangement under which a part of the risk is shared between the companies originally issuing the policy (the takaful operator) to another Takaful company (Re-Takaful) known as the re-takaful.
<b>Reinsurance Commission</b>	Commission received or receivable in respect of premium paid or payable to a reinsurer.
<b>Reinsurance Premium</b>	The premium payable to the reinsurer in respect of reinsurance contract.
<b>Related Party</b>	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.
<b>Retrocession</b>	Transfer of risk from a reinsurer to another reinsurer.
<b>Revenue Reserves</b>	Reserve that is normally regarded as available for distribution through the profit and loss account, including general reserves and other specific reserves created out of profit and un-appropriated profit.
<b>Risk</b>	Condition in which there is a possibility of loss.
<b>Risk Management</b>	Includes analyzing all exposures to gauge the likelihood of loss and choosing options to better manage or minimize loss.
<b>Statutory levies</b>	Fee charged (levied) by a government on a product, income, or activity.
<b>Strategic Objective</b>	A broadly defined objective that an organisation must achieve to make its strategy succeed.
<b>Subsequent Event- Non Adjusting</b>	Are events concerning conditions which arose after the balance sheet date, but which may be of such materiality that their disclosure is required to ensure that the financial statements are not misleading.
<b>Tabarru</b>	A portion of participant's contribution for the purpose of mutual helps and used to pay claims submitted by eligible claimants.
<b>Takaful</b>	An Islamic concept of insurance.
<b>Takaful Operator</b>	A legal entity, who underwrites, administers and manages the Takaful program on behalf of the participants.
<b>Takaful Policy</b>	The agreement entered into between the operator and the participant(s) for the purposes of Takaful arrangement.
<b>Tangibles</b>	An asset whose value depends on particular physical properties.
<b>Term Finance Certificate</b>	A debt instrument issued by an entity to raise funds.
<b>Underwriting Profit</b>	This is the profit generated purely from the General Insurance business without taking into account the investment income and other non- technical income and expenses.
<b>Unearned Premium</b>	It represents the portion of premium already entered in the accounts as due but which relates to a period of risk subsequent to the Balance Sheet date.
<b>Wakala</b>	Islamic terminology for agent-principal relationship, where a person nominates another to act on his behalf.

# Executives

## Managing Director

Tahir Ahmed, BE (MET), MBA, ACII,  
Chartered Insurer

## Executive Director

Atiq A Mahmudi, B Com, LLB, FCA

## Executive Vice Presidents

Azfar Arshad, BE (Mech), MBA  
Captain Mahmood Sultan, FCII  
Fayyiaz Ahmad Khan, BA  
Imran Mughal, B Com  
Kamran Arif, B Com  
Karim Merchant, BE (Mech), ACII  
Mohammed Safdar, MBA, ACII  
M Nadeem Irshad, B Sc  
M Uzair Mirza, BE (Elec), MBA  
Nawaid Jamal, FCA  
Syed Ather Abbas, MBA  
Syed Imran Rabbani, MA  
Syed Sohail Ahmed, MBA

## Joint Executive Vice Presidents

Abdul Aziz, B Com  
Dr Syed Tanveer Rauf, MBBS  
Ejaz Mehmood, BA  
Muhammad Adnan Junaid, MBA  
M Saifuddin Shafi, BS (Electronics)  
Munir ul Haq, M Sc  
Syed Abdul Rahim, B Com  
Syed Abid Waseem, MBA  
Zahoor A Shaheen, MBA  
Zulfiqar Ali Abdullah, MBA

## Senior Vice Presidents

Abdul Alim, MA, FCII, Chartered Insurer  
Abdul Wahid, FCA  
Ahsan Ilyas, BBA  
Ali Aasim Khan, BA  
Asif Ali, BA  
Azhar ul Islam, BA  
Captain Shahid Ahmed, B Sc  
Chaudhary Sardar Ali, BA  
Fahad Alam, ACA, APA  
Ghulam Qadir  
Ghulam Shabbir Goraya  
Haji Muhammad Ramzan, BA  
Ilyas Mohammed

Ishtiaque Ahmed, B Com  
Junaid Memon  
Kashif Hasan, MBA  
Muhammad Afzal Qureshi, MA  
Muhammad Arif, B Com  
Muhammad Arif Bashir, MBA  
Muhammad Razzak Chaudhary  
Munawar Ali Siddiqui, MA, EMBA  
Nasimul Haq, B Com, LLB  
Rizwan Ehsan Puri  
Safar Ali, ACA  
Syed Hamid Hussain Zaidi, B Com  
Syed Kamran Ali, FCMA, ACIS  
Syed M Haroon A Bokhari, MBA  
Syed Zamin Zafar, MBA  
Syed Zubair Ahmed  
Tariq Mahmood, MBA  
Tariq Mushtaq, M Com  
Tariq Zia, B Sc  
Tauseef Hussain Shah, MBA  
Waqas ur Rehman, MBA  
Zafar Ahmed Qazi, B Sc, ACII

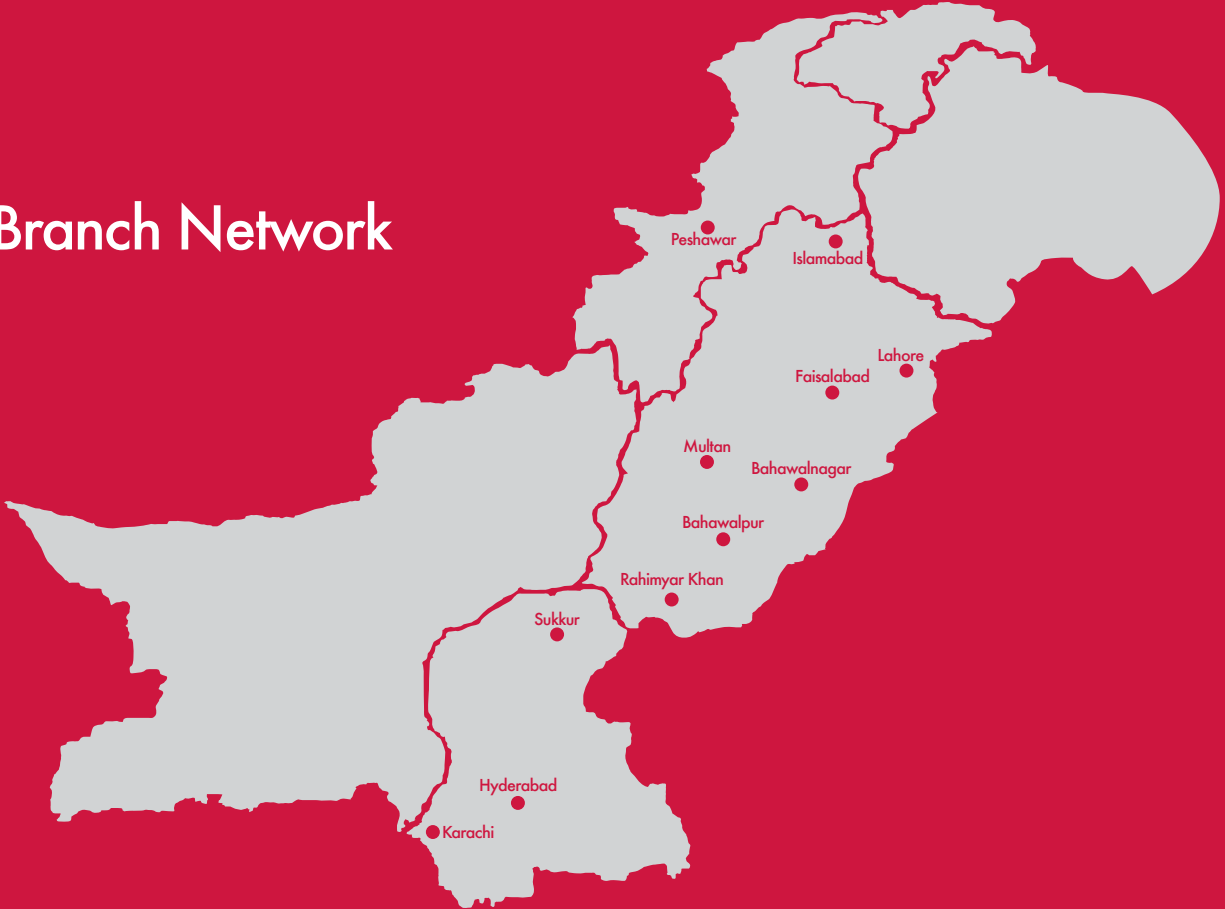
## Advisors

Hashim M Shamim  
M Jahangir Chughtai, MA  
Saeed Jan Awan, M Com  
Syed Wiqar Hyder Taqvi, B Sc  
Muhammad Afzaluddin, B Com

## Joint Senior Vice Presidents

Amar Mumtaz Piracha, BA  
Ghufranullah Khan, MBA  
Irfan Mujeeb, M Com  
Khalid Farooq, MBA, ACII  
Muhammad Adnan Jamil, B Com  
Muhammad Afzal Panawala, BA  
Muhammad Amin Haroon, B Com  
Muhammad Ashraf Tahir, BA  
Muhammad Asif Akhtar  
Muhammad Azam Siddiqui, MBA  
M Sajjad Chaudhary  
Naeem Zafar, B Com  
Naveed Khan, B Com  
Qamar Saleem, B Com  
Saad Siddiqui, MBA  
Suleman Faisal, B Com  
Syed M Tariq Ziauddin, B Sc  
Syed Ovais Bin Alam, BE Chemicals  
Tabassum Bashir Qureshi, BA  
Tariq Aziz Khan  
Tariq Rafiq, B Com  
Zulfiqar Anwar, B Com

# Branch Network



# Branch Network

## HEAD OFFICE

2nd Floor, Jubilee Insurance House, I. I. Chundrigar Road, P.O. Box 4795, Karachi-74000.  
UAN: 111 654 111, Tel: (9221) 32416022-26, Fax: (9221) 32416728, 32438738  
E-mail: info@jubileegeneral.com.pk Website: www.jubileegeneral.com.pk

## WINDOW TAKAFUL OPERATIONS

3rd Floor, Jubilee Insurance House, I. I. Chundrigar Road, P. O. Box 4795, Karachi-74000.  
UAN: 111 654 111, Tel: (9221) 32402004-09, Fax: (9221) 32402003  
E-mail: info.takaful@jubileegeneral.com.pk Website: www.jubileegeneral.com.pk

## SOUTHERN ZONE

**KARACHI (Main Office)**  
2nd Floor, Jubilee Insurance House,  
I. I. Chundrigar Road,  
P. O. Box 4795,  
Karachi- 74000.  
Email: info@jubileegeneral.com.pk  
Tel: (9221) 32416022-26  
Fax: (9221) 32416728, 32438738

## NEW UNIT

1st Floor, Jubilee Insurance House,  
I. I. Chundrigar Road,  
P. O. Box 4795,  
Karachi- 74000.  
Email: info.nu@jubileegeneral.com.pk  
Tel: (9221) 32463012-15  
Fax: (9221) 32463010

## COMMERCIAL UNIT – I

3rd Floor, Jubilee Insurance House,  
I. I. Chundrigar Road,  
P. O. Box 4795,  
Karachi- 74000.  
Email: info.cu1@jubileegeneral.com.pk  
Tel: (9221) 32420393, 32422012  
Fax: (9221) 32420940, 32426654

## BFC

3rd Floor, Jubilee Insurance House,  
I. I. Chundrigar Road,  
P. O. Box 4795,  
Karachi- 74000.  
Email: info.bfc@jubileegeneral.com.pk  
Tel: (9221) 32472004-06  
Fax: (9221) 32471618

## JODIA BAZAR

3rd Floor, Jubilee Insurance House,  
I. I. Chundrigar Road,  
P. O. Box 4795,  
Karachi- 74000.  
Email: info.jb@jubileegeneral.com.pk  
Tel: (9221) 32422215-16, 32420371  
Fax: (9221) 32420451

## SHAHRAH-E-FAISAL

302-303, 3rd Floor, Park Avenue,  
Block 6, PECHS, Shahrah-e-Faisal,  
Karachi-75400.  
Email: info.sf@jubileegeneral.com.pk  
Tel: (9221) 34524147, 34391172  
Fax: (9221) 34541548

## PLAZA

5th Floor, Jubilee Insurance House,  
I. I. Chundrigar Road,  
P. O. Box 4795,  
Karachi- 74000.  
Email: info.plz@jubileegeneral.com.pk  
Tel: (9221) 32465568-70  
Fax: (9221) 32465572

## SADDAR

3rd Floor, Jubilee Insurance House,  
I. I. Chundrigar Road,  
P. O. Box 4795,  
Karachi- 74000.  
Email: info.sdr@jubileegeneral.com.pk  
Tel: (9221) 35650428-30  
Fax: (9221) 35223911

## Branch Network

### CLIFTON

Suit No. 201-202, 2nd Floor,  
Shaheen Centre, Schon Circle,  
Kehkashan, Clifton  
Karachi.

Email: info.clb@jubileegeneral.com.pk  
Tel: (9221) 35862451-3  
Fax: (9221) 35862454

### KEPZ BRANCH

Plot 9, Sector B-II,  
Karachi Export Processing Zone,  
Landhi Industrial Area,  
Extension Mehran Highway,  
Karachi-75150.

Email: info.kepz@jubileegeneral.com.pk  
Tel: (9221) 35081349  
Fax: (9221) 35080117

### DHA BRANCH

19 C, 4th Floor, Main Khayaban-e- Ittehad,  
Phase VI, DHA  
Karachi-75500.

Email: info.dha@jubileegeneral.com.pk  
Tel: (9221) 35246415-8  
Fax: (9221) 35246420

### HYDERABAD

Mezzanine Floor,  
Sakhi Wahab Medical Centre,  
Doctor Line, Saddar, Hyderabad.

Email: info.hyd@jubileegeneral.com.pk  
Tel: (9222) 2787362 – 2781982  
Fax: (9222) 2730605

### SUKKUR

A-6, City Survey No. 426/1,  
Mezzanine Floor, Madina Complex,  
Near Makki Masjid, Minara Road, Sukkur.

Email: info.sk@jubileegeneral.com.pk  
Tel: (9271) 5623851  
Fax: (9271) 5626294

### MULTAN ZONE

#### MULTAN (Main Branch)

Office No. B.F 2/2,  
ChenOne Tower, 74 – Abdali Road,  
Multan.

Email: info.mul@jubileegeneral.com.pk  
Tel: (9261) 4549594, 4549874  
Fax: (9261) 4588965

#### BAHAWALPUR

Flat No. 2, 1st Floor, 19-D Shahab Plaza,  
Commercial Area, 1-Unit Chowck, Bahawalpur.

Email: info.bwp@jubileegeneral.com.pk  
Tel: (9262) 2284020  
Fax: (9262) 2285020

#### BAHAWALNAGAR

Khan Baba Road, Bahawalnagar.

Email: info.bwn@jubileegeneral.com.pk  
Tel: (9263) 2272762  
Fax: (9263) 2273762

#### RAHIMYAR KHAN

26 Shahi Road,  
Rahimyar Khan-64200.

Email: info.ryk@jubileegeneral.com.pk  
Tel: (9268) 5874442  
Fax: (9268) 5872243

### LAHORE ZONE

#### SALES UNIT – I

2nd Floor, 1 Capt. Anwarul Haq,  
Shaheed (Montgomery) Road, P.O. Box 368,  
Lahore-54000.

Email: info.lzo@jubileegeneral.com.pk  
Tel: (9242) 36283661-3, 36372090-4  
Fax: (9242) 36283660

## Branch Network

### SALES UNIT – II

1st Floor, 1 Capt. Anwarul Haq,  
Shaheed (Montgomery) Road, P.O. Box 368,  
Lahore-54000.  
Email: info.su2@jubileegeneral.com.pk  
Tel: (9242) 36283527-29, 36283227  
Fax: (9242) 36283292

### SALES UNIT – III

1st Floor, 1 Capt. Anwarul Haq  
Shaheed (Montgomery) Road, P.O. Box 368,  
Lahore-54000.  
Email: info.su3@jubileegeneral.com.pk  
Tel: (9242) 36283871-2 & 36283691-2  
Fax: (9242) 36283285

### MALL MANSIONS

(Sales Unit-IV) 4th Floor, Cricket House,  
Canal Bank, 20-Jail Road, Lahore  
Email: info.mall@jubileegeneral.com.pk  
Tel: (9242) 35407141-46 & 35407148-50  
Fax: (9242) 35407147

### SALES UNIT – V

1st Floor, 1 Capt. Anwarul Haq  
Shaheed (Montgomery) Road, P.O. Box 368,  
Lahore-54000.  
Email: info.su5@jubileegeneral.com.pk  
Tel: (9242) 36283713-4, 36283691-2 & 36283255  
Fax: (9242) 36283285

### COMMERCIAL UNIT – II

1st Floor, 1 Capt. Anwarul Haq, Shaheed  
(Montgomery) Road, P.O. Box 368,  
Lahore-54000.  
Email: info.cu2@jubileegeneral.com.pk  
Tel: (9242) 36310125-8  
Fax: (9242) 36310129

### FAISALABAD

P – 68, 2nd Floor,  
Above National Bank of Pakistan  
Kotwali Road, Faisalabad.  
Email: info.fsd@jubileegeneral.com.pk  
Tel: (9241) 2643020, 2640782  
Fax: (9241) 2638782

### ISLAMABAD

26-D, 1st Floor, Kashmir Plaza, Jinnah Avenue,  
Blue Area, Islamabad.  
Email: info.isb@jubileegeneral.com.pk  
Tel: (9251) 2270365-7  
Fax: (9251) 2275317, 2270277

### MARGALLA

House No. 42, Aga Khan Road, Super Market,  
Sector F-6/4, Islamabad.  
Email: info.mrg@jubileegeneral.com.pk  
Tel: (9251) 2528512-6  
Fax: (9251) 2828600

### PESHAWAR

TF : 9 & 10, 3rd Floor Deans Trade Centre  
Peshawar Cantt  
Email: info.pw@jubileegeneral.com.pk  
Tel: (9291) 5253132-5  
Fax: (9291) 5274698



















**Be aware, Be alert,  
Be safe**

**Learn about investing at  
www.jamapunji.pk**

**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Online Quizzes

-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 jamapunji.pk

 @jamapunji\_pk

\*Mobile apps are also available for download for android and ios devices

# Proxy Form

JUBILEE GENERAL INSURANCE COMPANY LIMITED  
JUBILEE INSURANCE HOUSE  
I.I. CHUNDRIGAR ROAD,  
KARACHI

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member of Jubilee General Insurance Company Limited and a holder of \_\_\_\_\_  
ordinary shares, as per Share Register Folio No. \_\_\_\_\_ and/or CDC  
Participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_

hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
(Name)

failing him \_\_\_\_\_ of \_\_\_\_\_  
(Name)

who are also members of Jubilee General Insurance Company Limited, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on April 25, 2016 at 09:00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

## WITNESS

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

CNIC No: \_\_\_\_\_

Signature

Revenue  
Stamp

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

CNIC No: \_\_\_\_\_

## Note:

1. Signature should agree with the specimen signature registered with the Company.
2. The Proxy Form must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting.
3. No person shall act as proxy unless he/she is a member of the Company.
4. CDC Shareholders and their proxies are each requested to attach an attested Photocopy of their Computerised National Identity Card or Passport with this proxy form before submission to the Company.

## مختار نامہ (پراکسی فارم)

جوبلی جزل انشورنس کمپنی لمیٹڈ  
جوبلی انشورنس ہاؤس  
آئی آئی چندریگر روڈ  
کراچی۔

میں رہم \_\_\_\_\_ ساکن \_\_\_\_\_ بحیثیت رکن  
جوبلی جزل انشورنس کمپنی لمیٹڈ اور حال۔ \_\_\_\_\_ حصص۔ بمطابق شیئر رجسٹر فوئیو نمبر۔ \_\_\_\_\_ اور یا سی ڈی سی پارٹنرسپینٹ (شرکت)  
آئی ڈی نمبر \_\_\_\_\_ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر۔ \_\_\_\_\_  
محترم محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_ یا ان کی غیر حاضری کی صورت میں  
محترم محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_ جو کہ خود بھی جوبلی جزل انشورنس کمپنی لمیٹڈ کا رکن ہے۔

۲۵ اپریل ۲۰۱۶ء، صبح ۹:۰۰ بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء میں اپنا ہمارا بطور مختار (پراکسی)  
مقرر کرتا ہوں کرتے ہیں۔

آج بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ ۲۰۱۶ء کو دستخط کئے گئے۔  
گواہان:

۱۔ دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر:

۲۔ دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر:

### نوٹ:

- ۱۔ دستخط کمپنی کے پاس پہلے سے محفوظ۔ دستخطی نمونے کے مطابق ہونے ضروری ہیں۔
- ۲۔ یہ پراکسی فارم مکمل پر شدہ کمپنی کے رجسٹرڈ آفس میں میٹنگ سے ۲۸ گھنٹے قبل جمع کرایا جانا لازمی ہے۔
- ۳۔ ضروری ہے کہ پراکسی جس کو دی جائے وہ بھی کمپنی کا ممبر ہو۔
- ۴۔ CDC میں اکاؤنٹ رکھنے والے کارپوریٹ ممبران کیلئے مندرجہ بالا کے علاوہ درج ذیل شرائط کو پورا کرنا بھی ضروری ہے۔  
ا۔ پراکسی جس کے حق میں ہو اس کا شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ نقل پراکسی کے ساتھ لگائی جائے۔  
ب۔ پراکسی اجلاس میں شریک ہوتے وقت اصل شناختی کارڈ یا پاسپورٹ پیش کرے۔

ریونیو اسٹیٹیمپ

دستخط

[WWW.JUBILEEGENERAL.COM.PK](http://WWW.JUBILEEGENERAL.COM.PK)

2nd Floor, Jubilee Insurance House,  
I.I. Chundrigar Road,  
Karachi 74000, Pakistan.

UAN: 111 654 111, Tel: 32416022-26  
Toll Free: 0800-03786  
Fax: 32438738, 32416728  
Email: [info@jubileegeneral.com.pk](mailto:info@jubileegeneral.com.pk)