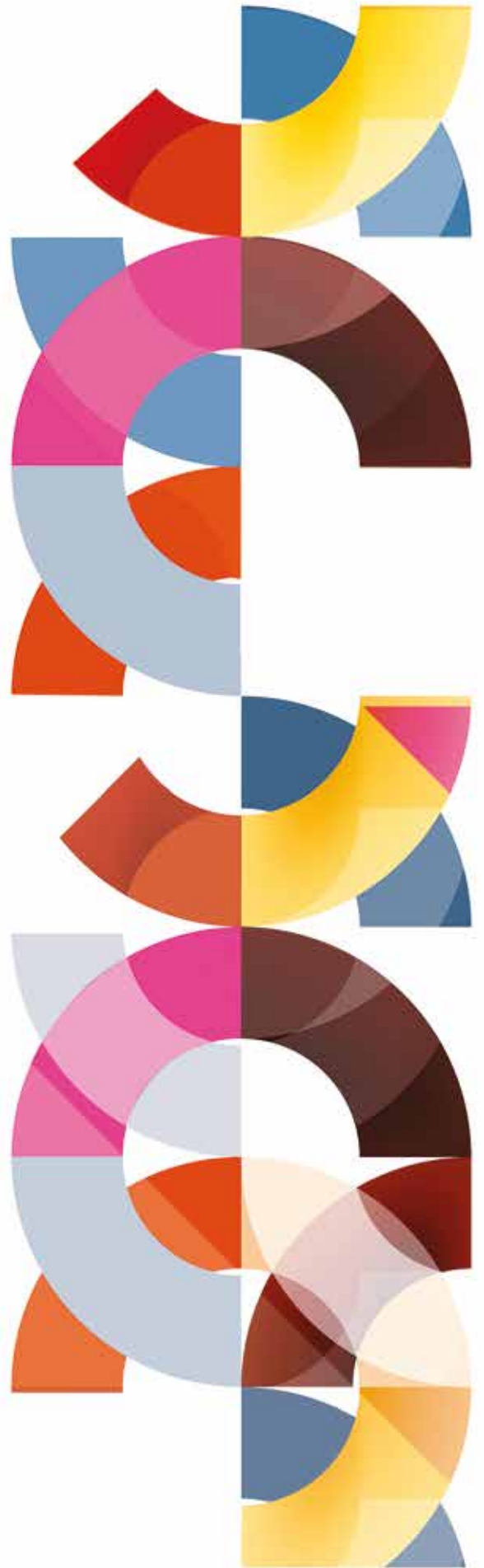



Jubilee
GENERAL INSURANCE

Reimagining Insurance

ANNUAL REPORT 2022







The insurance ecosystem is evolving at a rapid pace. To remain relevant, businesses need to be nimble. To be nimble, businesses have to be future ready. At Jubilee General, that means being proactive, not reactive, by bringing in new capabilities to drive operational efficiency, transformation through automation and digitalisation, reduction of our carbon footprint and fostering of a diverse and inclusive culture.

That's why we're future ready.



AA+++
PACRA

AA+++
VIS

B+
AM BEST

MAP

Top Position in Non-Life Insurance Sector (Financial Category) in 37th MAP Corporate Excellence Award.

ICAP & ICMAP

Certificate of Merit among Insurance Companies for Best Corporate Report & Sustainability Award.

LLOYD'S REGISTER LRQA

ISO 9001:2015 certified (All Functions including Enterprise Risk Management).

FPCCI

Outstanding Services in Insurance.

SAFA

Joint 2nd Runner-up Position (Insurance Sector) 2020.

THE HIGHEST GROSS WRITTEN PREMIUM

At Jubilee General, we believe our success is a reflection of the trust invested in us by our all stakeholders particularly our customers. With Gross Written Premium exceeding Rs. 14 billion, we thank everyone profoundly for this confidence. Thank you!

Our journey of growth over the last 70 years has been defined by this trust which drives us to forge ahead towards new achievements.

FINANCIAL HIGHLIGHTS 2022

WRITTEN PREMIUM/
CONTRIBUTION

RUPEES
14,798
MILLION

NET PREMIUM/
CONTRIBUTION
REVENUE

RUPEES
6,428
MILLION

UNDERWRITING
PROFIT

RUPEES
249
MILLION

INVESTMENT
INCOME

RUPEES
1,881
MILLION

PROFIT AFTER
TAX

RUPEES
1,534
MILLION

SHAREHOLDERS'
EQUITY

RUPEES
10,536
MILLION

CLAIMS PAID

RUPEES
5,223
MILLION

UNDERWRITING
CASH FLOWS

RUPEES
1,784
MILLION

INVESTMENTS &
PROPERTIES

RUPEES
16,652
MILLION

TOTAL ASSETS

RUPEES
32,028
MILLION

EARNINGS PER
SHARE

RUPEES
7.73

DIVIDEND PER
SHARE

RUPEES
4.00
CASH

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Organisational Overview & External Environment

**EMBRACING THE FUTURE
WITH RESILIENCE**

CORPORATE INFORMATION

Chairman of the Board of Directors

R. Zakir Mahmood (Non-Executive Director)

Directors

Akbarali Pesnani (Non-Executive Director)

John Joseph Metcalf (Non-Executive Director)

Amin A. Hashwani (Non-Executive Director)

Amyr Currimbhoy (Independent Director)

Riyaz Ali Towfiq Chinoy (Independent Director)

Murtaza Hashwani (Non-Executive Director)

Abrar Ahmed Mir (Non-Executive Director)

Nausheen Ahmad (Independent Director)

Managing Director and Chief Executive

Hassan Khan (Executive Director)

Chief Financial Officer

Nawaid Jamal

Company Secretary

Abdul Wahid

Auditors

A.F. Ferguson & Co. (Chartered Accountants)

Sharia'h Advisor

Mufti Zeeshan Abdul Aziz

Legal Advisor

SurrIDGE & Beecheno

Bankers

Habib Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

Soneri Bank Limited

Bank Alfalah Limited

BankIslami Pakistan Limited

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Share Registrar

THK Associates (Pvt.) Limited,

Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII Karachi.

UAN: (92-21):111-000-322 Tel: (92-21) 35310191-93

Head Office / Registered Office

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) 34216728 - 32438738

E-Mail: info@jubileegeneral.com.pk

Website: www.jubileegeneral.com.pk

Quick Response (QR) Code:



National Tax Number

0711347-1

Sales Tax Registration Number

1600980500182

Board of Directors

BOARD OF DIRECTORS



R. ZAKIR MAHMOOD
CHAIRMAN

(Director since June 25, 2008)

Mr. R. Zakir Mahmood has a vast banking experience. He has been President and CEO of Habib Bank Limited for 12 years. Mr. Mahmood is the Chairman Aga Khan University Hospital, Kyrgyz Investment & Credit Bank and First MicroFinance Bank, Tajikistan. He has served as Director of various other organisations.

Other Directorships include:

- Jubilee Life Insurance Company Limited
- Aga Khan Agency for Microfinance

ROLE OF THE 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 enables them to form appropriate judgments;
- engage the Board in discussions to promote constructive sessions which results in effective decision making;
- ensure effective operations of the Board and its Committees; and
- engage in effective communication with shareholders, and other relevant stakeholders to ensure that the views of the relevant stakeholders are understood by the Board.



HASSAN KHAN

MANAGING DIRECTOR & CHIEF EXECUTIVE

(Chief Executive since January 1, 2020)

Mr. Hassan Khan is an Engineer with MBA degree. He has over 22 years of diversified experience of the financial sector in Pakistan. Mr. Khan has worked for premier financial institutions of the Country. Before joining Jubilee General as the Executive Director, he was the Chief Executive Officer of Pakistan's largest institutional investment advisory firm (NBFC) in terms of assets under advisory.

Other Directorship includes:

- Jubilee Kyrgyzstan Insurance Company - CJSC

ROLE OF THE 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; and
- ensure that the Company has a suitable system and policy for timely and accurate disclosure of information in accordance with regulatory requirements.



AKBARALI PESNANI
NON-EXECUTIVE 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 is presently Chairman of Aga Khan Culture Services – Pakistan and Cherat Packaging Limited. 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) and currently holds a senior level position in this organisation.

Other Corporate Directorships include:

- Cherat Cement Company Limited
- Agha Steel Industries Limited
- Pakistan Cables Limited



JOHN JOSEPH METCALF
NON-EXECUTIVE 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 7 countries in the continents of Africa and Asia.

Other Corporate Directorships include:

- Jubilee Life Insurance Company Limited, Pakistan
- The Jubilee Investments Co. Limited, Uganda
- Jubilee Holdings Limited, Kenya
- Jubilee Life Insurance Company of Kenya, Limited
- Jubilee Kyrgyzstan Insurance Company - CJSC
- Jubilee Life Insurance Co., Uganda
- Jubilee Health Insurance Co. of Tanzania Limited
- Jubilee Life Insurance Co., Tanzania
- The Jubilee Insurance Co. of Mauritius Limited
- Jubilee Life Insurance Co., Burundi
- Jubilee Health Insurance Company Limited, Kenya



AMIN A. HASHWANI
NON-EXECUTIVE DIRECTOR

(Director since March 24, 2014)

Mr. Amin A. Hashwani belongs to a well-known business family of Pakistan. He is sole proprietor of Micro Grind Minerals and partner in Tech4life Pakistan. He has headed numerous business and non-business organisations, 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 include:

- Hassan Ali Rice Export Company Limited
- Coronet Enterprises (Pvt.) Limited
- Landmark Spinning Industries Limited
- Ittehad Cement Industries Limited
- Hassan Ali & Co. (Cotton) (Pvt.) Limited
- Hashwani Construction Company (Pvt.) Limited
- Stonyx (Pvt.) Limited
- Beaumont Enterprise (Pvt.) Limited
- Wholesome Foods (Pvt.) Limited
- Marvel Enterprises (Pvt.) Limited
- Zappone Systems (Pvt.) Ltd.



AMYN CURRIMBHOY
INDEPENDENT DIRECTOR

(Director since June 25, 2017)

Mr. Aryn Currimbhoy is a Chartered Accountant (Institute of Chartered Accountants in England and Wales), having extensive experience in Finance and General Management in a manufacturing environment, with more than 18 years at a senior level.

Other Corporate Directorship includes:

- Jubilee Life Insurance Company Limited



**RIYAZ ALI TOWFIQ
CHINOY**

INDEPENDENT DIRECTOR

(Director since June 25, 2020)

Mr. Riyaz Ali Towfiq Chinoy is a qualified Industrial Engineer and has obtained B.Sc. in Industrial Engineering, from Case Western Reserve University, USA. He has extensive experience in large scale industrial manufacturing from production, operations, supply chain, quality management systems and projects. He is the Managing Director of Yaqin Steel Limited, a startup company and also a Trustee of The Patrons of Expo 2020, and The Water Foundation as well as on the Advisory Board of The Citizens Foundation (TCF) and on the Board of Governors of Indus Valley School of Arts and Architecture. He has served as Chairman of Pakistan Institute of Corporate Governance (PICG) from 2017 – 2021 and as a Board Member of Pakistan Business Council.

Other Corporate Directorships include:

- Indus Motor Company Limited.
- Bulleh Shah Packaging (Private) Limited.
- Heavy Mechanical Complex.
- Packages Convertors (Private) Limited.
- StarchPack (Pvt) Limited.



MURTAZA HASHWANI
NON-EXECUTIVE DIRECTOR

(Director since June 25, 2020)

He is a Business Graduate from Santa Monica, Los Angeles, USA and has attended various courses on Management. He also participated in various workshops/short courses organised by Cornell University-USA. He has extensive experience of managing diversified portfolio of businesses including Hotels, Pharmaceuticals, Oil & Gas besides Information Technology.

Other Corporate Directorships include:

- Bagh-e-Landhi Properties (Private) Limited
- Brillux (Private) Limited
- Hashoo Holdings (Pvt) Limited
- Hashoo Foundation
- Hashoo International (Private) Limited
- Hashwani Hotels Limited
- Hassan Ali & Co. (Pvt) Limited
- Hassan Ali (Grains) (Pvt) Limited
- Murtaza Construction Corporation (Private) Limited
- Net 21 (Private) Limited
- Noor Properties (Pvt) Limited
- Pakistan Services Azad Kashmir Limited
- Pakistan Services Limited
- Pearl Communications (Private) Limited
- Pearl Continental Air (Private) Limited
- Pearl Continental Hotels (Pvt) Limited
- Pearl Tours & Travels (Private) Limited
- Tejari Pakistan (Private) Limited
- Zahdan Lifestyle (Private) Limited
- Zahdan Retail (Private) Limited
- Zahdan Technologies (Private) Limited
- Zaver Chemicals Limited
- Hashoo Mining Company (Private) Limited
- Hashoo Group (SME-Private) Limited
- Thamin Management Consultancy (Private) Limited
- Continental Divine Core Developers (Private) Limited
- Zahdan Mining (Private) Limited
- Foreepay (Private) Limited



ABRAR AHMED MIR
NON-EXECUTIVE DIRECTOR

(Director since June 25, 2020)

Mr. Abrar Ahmed Mir is an engineer and MBA from Illinois Institute of Technology, Chicago, IL, USA. He has extensive experience in ecommerce, fintech and innovative financial products. He is currently working as Chief Innovation & Financial Inclusion Officer at Habib Bank Limited.

Other Corporate Directorships include:

- The First Microfinance Bank Limited
- 1Link (Private) Limited
- HBL Asset Management Limited



NAUSHEEN AHMAD
INDEPENDENT DIRECTOR

(Director since May 21, 2021)

Nausheen Ahmad is Barrister at Law with over 30 years of law firm and in-house counsel experience in various sectors including Oil & Gas, FMCG, Banking and large-scale manufacturing. During her diverse career in the corporate sector, she has held a number of senior management leadership positions. She has an LLB from Kings College London and an LLM from the University of London. She was called to the Bar from the Honourable Society of Grays Inn London and is registered as an Advocate of the Sindh High Court. She was also accredited as a mediator and master trainer by the Centre for Effective Dispute Resolution, UK.

She has served as Company Secretary and Head of Legal of ICI Pakistan Ltd. Previously she has been Legal Counsel at Pakistan Petroleum Limited and Unilever Pakistan Limited. She spent 12 years at HBL as the Company Secretary and Head of Legal. She has also been a Director of the Pakistan Stock Exchange and First Women Bank Limited (FWBL).

Ms. Ahmad trains on corporate governance at IBA and PICG. She is also visiting faculty at IOBM and KSBL teaching business and corporate laws.

Other Directorships include:

- International Steels Limited (ISL)
- Meezan Bank Limited (MBL)
- Engro Powergen Qadirpur Limited
- Descon Engineering Limited

MATTERS DELEGATED BY THE BOARD OF DIRECTORS

The management is primarily responsible for implementing the approved strategies, long-term plans and to conduct the operations efficiently and ethically. The management is also concerned in keeping the Board Members updated regarding any changes in the legal, regulatory & operating framework, risks and opportunities which could impact the Company in its routine business. It is also responsibility of the management, with the oversight of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with the applicable accounting standards, relevant regulations and legal requirements.

DIRECTORS' TRAINING AND ORIENTATION

All the Directors are compliant with necessary eligibility requirement of the SECP with respect to Directors' Training Programme either by way of attending Director Training Programme conducted by local and foreign institutions that meet the criteria specified by the SECP or having minimum qualification and experience criteria for exemption stipulated in the Code of Corporate Governance (The Code).

In 2018, the Company had arranged a session conducted by Pakistan Institute of Corporate Governance to update Board of Directors and Senior Management of the Company with respect to the Code, other relevant corporate laws, respective regulations and recent changes therein.

Last year, an online presentation arranged for the newly appointed female director of the Company at that time, providing her a general understanding of the affairs of the Company.

SECURITY CLEARANCE OF A FOREIGN DIRECTOR

As at 31st December 2022, Jubilee General Insurance Company's Board of Directors consists of ten (10) individuals including Chief Executive. Except one, all are Pakistani Nationals. The Company has obtained security clearance from the Ministry of Interior Affairs - Government of Pakistan at the time of the appointment of the only Foreign Director on the Board.

DIRECTORS' REMUNERATIONS POLICY

In order to adhere to the relevant legal requirement, the Company has devised and adopted a policy with respect to the remuneration of Non-executive Directors including Independent Directors of the Company.

In the Company, besides the Board, there are five Board Committees. In order to discharge fiduciary duties and as required by the Board, meetings of the Board and these Committees are conducted.

Directors' Remuneration Policy encompasses the determination of attending fee of Board and its sub-committees. As per the policy, the Board of Directors is authorised to determine the attending fee for all the non-executives including Independent Directors once in 3 years. As per the policy, no attending fee is paid to the Executive Directors including Managing Director and other senior executives of the Company who are required to attend the meeting of the Board and/or these Committees.

BOARD'S POLICY ON DIVERSITY

Jubilee General Insurance has a firm belief that diversity is a key factor in contributing to the Company's success as people with unique characteristics in terms of gender, knowledge, expertise and skills set to add value and help the organisation achieve its goals. At Jubilee General, inclusiveness is always promoted in the organisation's culture. Diversity and inclusion are the foundation for the Company's code of conduct and culture where every member of Board and employee comes from diverse backgrounds, at an individual level which includes capability, experiences, knowledge and at a social level which includes race, ethnicity, culture, religion and others. The Company believes that a diverse workforce plays a very significant role in enhancing efficiency at all levels of the organisation.

CHANGES IN THE BOARD OF DIRECTORS

There was no change in board during the year.

BOARD MEETINGS OUTSIDE PAKISTAN

During the year, All Board meetings of the Company were held inside Pakistan.

ONLINE ARRANGEMENTS OF BOARD AND COMMITTEES' MEETINGS

Since the breakout of COVID-19 pandemic in early 2020 till 2021, all the Board and Committees' meetings were conducted through remote access using an Audio/Visual app. The Company did not opt for any available relaxation for conducting Board and committees' meetings due to COVID-19 pandemic and all meetings were held as per the regulatory requirements.

During the year, beside physical arrangement all Board and Committees' meeting have also been convened through remote access via video link.

DISCLOSURE FOR NON-EXECUTIVE DIRECTORS

No Executive of the Company is serving as Non-Executive director in any other company in Pakistan and/or outside Pakistan. However, the CEO of the Company is a Non-Executive director in Jubilee Kyrgyztan Insurance Company -JKIC by virtue of investments of the Company in JKIC.

EXTERNAL OVERSIGHT

In order to enhance the credibility of various reports, strengthen and effectiveness of Internal control in the Company, other than compulsory requirement of external oversight, the management also takes help from other optional external oversight so that an expert view can be obtained in order to further improve the processes and enhance the credibility of various reports generated for the decision making. Furthermore, diverse operations are subject to external oversight, and their recommendations are communicated to the Board in order to increase the credibility of the internal controls and systems. Jubilee General works with only those external partners who enjoy widespread market credibility and are well-known in the industry for their professionalism and integrity.

A) EXTERNAL IT AUDITS AND TECHNICAL CONSULTANCY

The Company follows the practice of carrying out specific IT audits from reputable specialist IT audit firm at every three years in order to assess cybersecurity, data protection and to identify the weaknesses which create threat to data security. Although no such requirement is mentioned in the applicable laws. However, this practice is consistently followed to ensure security and bring improvements in IT Systems on continuous basis.

B) ISO CERTIFICATION

Jubilee General, for its standardised processes and procedures, compliance and continuous quality improvement, has initially received certificate approval from LRQA (Lloyd's Register Quality Assurance) which is up to the requirements of ISO 9001; 2015. This certificate was for the period of 3 years till 2021. During the year, the LRQA has renewed the ISO certification till the year 2025. The procedure of obtaining and renewing certificate cause to improve the internal system of the Company according to the international standards.

INDEPENDENT DIRECTORS

The Board consists of following independent directors:

- Aryn Currimbhoy
- Riyaz Ali Towfiq Chinoy
- Nausheen Ahmad

JUSTIFICATION FOR DIRECTORS' INDEPENDENCE

It is justified that independent directors of the Company do not have any other relationship, whether pecuniary or otherwise, with the Company, its associated companies, or its other directors. Furthermore, individually each director is independent as,

- He/she has NOT been an employee of Jubilee General, any of its subsidiaries or holding company within the last three years;
- He/she is NOT or has NOT been the Chief Executive Officer, associated company or associated undertaking during in the last three years;
- He/she has NOT, or has had NOT within the last three years, a material business relationship with the insurer either directly, or indirectly as a partner, major shareholder or director of a body that has such a relationship with the Company;
- He/she has NOT received remuneration in the three years preceding his/her appointment as a director or receives additional remuneration, excluding retirement benefits from the Company apart from a director's fee or has participated in the insurer's share option or a performance-related pay scheme;
- He/she is NOT a close relative of the Company's promoters, directors or major shareholders: Explanation: close relative means spouse(s), lineal ascendants and descendants and siblings;
- He/she does NOT hold cross-directorships or has NOT significant links with other directors through involvement in other companies or bodies; and
- He/she has NOT on the Board for more than three consecutive terms from the date of his first appointment.

BOARD PERFORMANCE EVALUATION

Initially, the Board has developed a mechanism to evaluate its own performance, its committees and its members by adopting a self-evaluation methodology, through questionnaires developed as per guidelines provided in the SECP S.R.O. 301 (I)/2020, which covers core areas of the functioning of the Board, its committees and members. 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. Critical areas that the questionnaires include but not limited to the following:

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

In prior years, the Board engaged an independent reputable audit firm to compile the cumulative results of the feedback from the directors, to enhance the accuracy and transparency of the evaluation.

BOARD'S PERFORMANCE EVALUATION CARRIED OUT BY AN EXTERNAL CONSULTANT ONCE IN THREE YEARS

In 2022, being third year since the first performance evaluation exercise carried as per the requirement of the Code of Corporate Governance, the Board has conducted the evaluation exercise through an independent external consultant having expertise in the performance evaluation of the Board and its Committees to ensure confidentiality, more efficiency and effectiveness.

The independent consultant has been engaged to devise a set of questionnaire, collection of feedback from each director and compiling the same for presentation to the Board of Directors in order to enhance the accuracy and transparency of performance evaluation exercise.

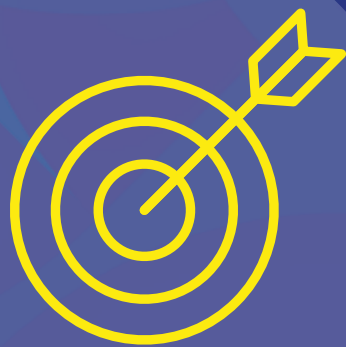
VISION

Enabling people to
overcome uncertainty



MISSION

To provide solutions
that protect the future
of our customers



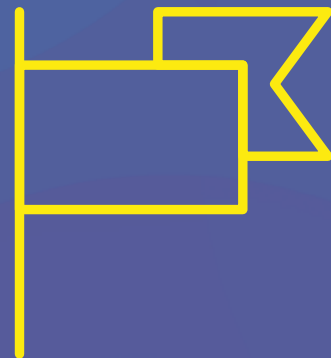
CORE VALUES

Teamwork | Integrity
Excellence | Passion

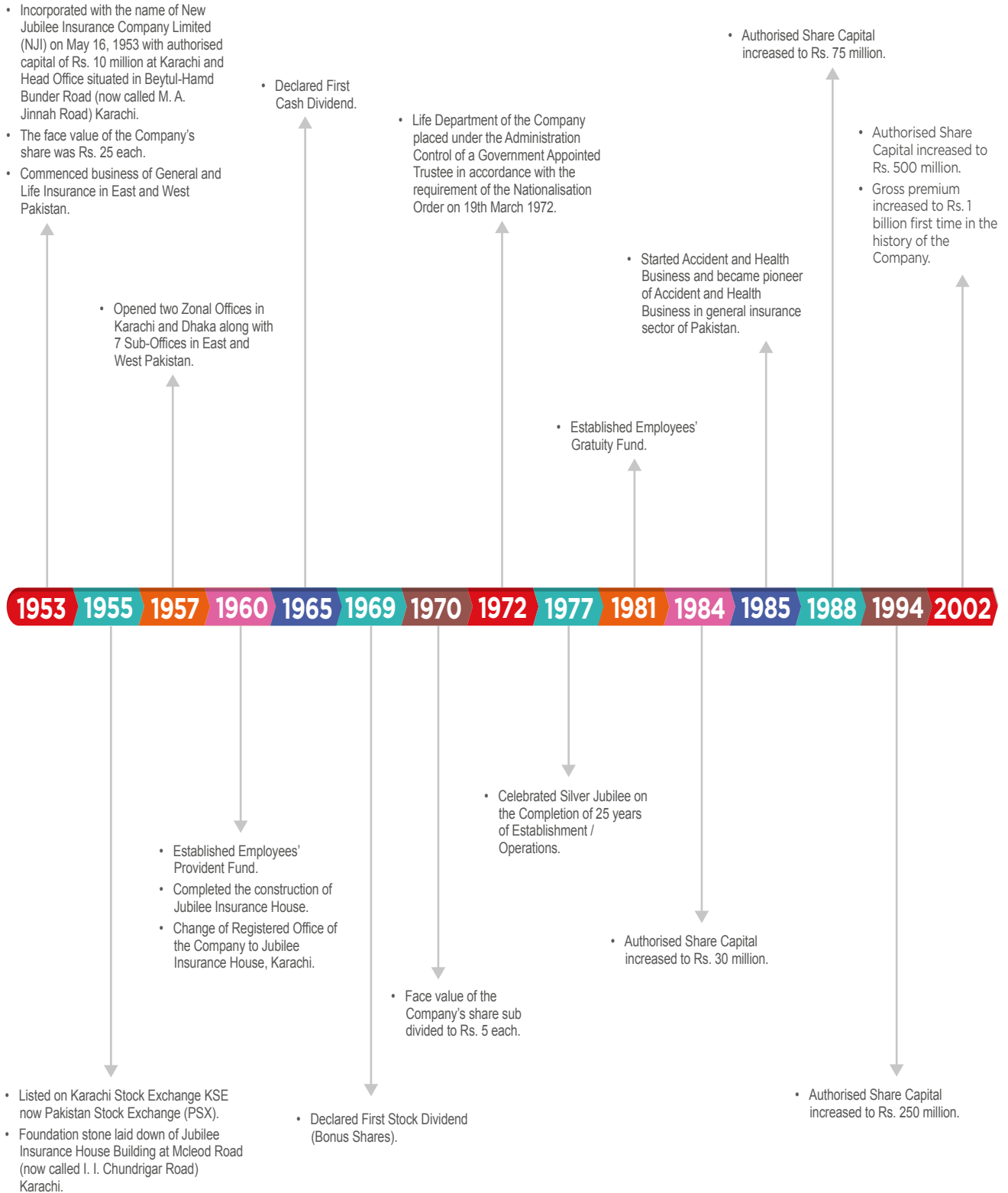


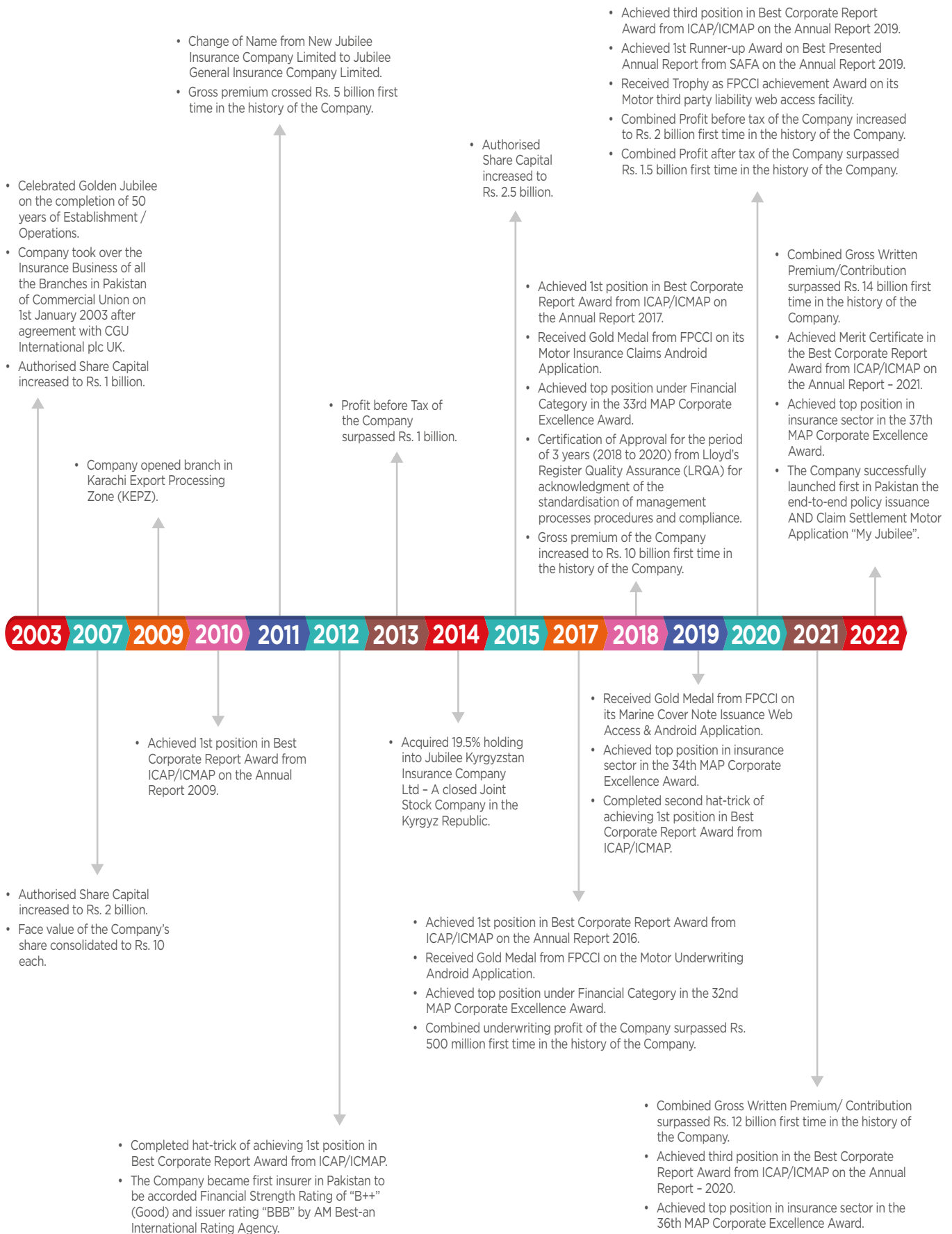
OBJECTIVE

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



OUR JOURNEY





COMPANY OVERVIEW

Jubilee General Insurance Company Limited has entered its 71st year of Operations marking a legacy of 7 decades of living by its core values, of; 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 have 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 to ensure prompt service at the customers’ doorstep. To ensure sustained long-term existence, the Company is Enterprise Risk Management (ERM) Framework compliant, duly certified by LRQA with ISO 9001:2015.

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 credit rating agencies of Pakistan i.e. VIS and PACRA. The “AA++” with “stable outlook” takes into account financial strength of the Company as demonstrated by its strong capitalisation and liquidity indicators. It also denotes a very strong capacity of the Company to meet policyholders’ contract obligations.

Jubilee General is one of the few insurers in Pakistan to be accorded Financial Strength Rating of “B+” (good) and issuer credit rating of “BBB-” (Good) by AM Best, which is the highest rating to be assigned by an International Rating Agency to any financial institution in Pakistan. According to AM 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 better procedures in assessing, measuring and mitigating the key risks associated with its business. AM Best is the world’s oldest and most authoritative insurance rating and information source.

Jubilee General prides itself in its long-standing relationships with internationally renowned reinsurers such as Swiss Re, Hannover Re, Lloyds, SCOR Re, China Re, ECHO Re, Malysian Re, Kuwait Re and Korean Re. The Company is also supported by internationally acclaimed reinsurance brokers including Marsh, AON Group, Lockton, RMS, Willis, RKH Specialty and UIB.

With a broad spectrum of services available, Jubilee General’s client-base comprises of prominent national and multinational corporations operating in Pharmaceutical, Power Generation & Distribution, Chemical, Textile, Cement, Steel, 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 ongoing and 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 also has an array of personal health insurance products with wide coverage and scalable benefit limits.

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.

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 also launched 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 and IOS Mobile Technology to increase the insurance penetration in the retail segment.

Jubilee General realizes that technological innovation is an ongoing process, and we continue to invest in this endeavor with a view to improving efficiencies and provide our customers easy access to the entire insurance value chain from obtaining a quotation, selecting the right insurance product, payment options & reporting claims. Our technology suites include a newly launched motor insurance application, available on Google Play store, which enables the users to insure their cars independently without any involvement of any intermediary. The end to end solution allows customers to conduct self survey as well as choose from a number of premium payment options and receive digital policy on real time basis. The application also has a claim reporting functionality allowing customers to report losses on real time basis on the application, which automatically locates and appoints the nearest surveyor. Jubilee General also offers their customers an online renewal facility where any Jubilee client can renew their policy from the luxury of their home or office hassle free. For corporate clients, our marine cover-note application has made the process of establishment of LC hassle free as our customers can generate cover notes at their convenience 24/7. Jubilee General will continue on its journey of technological innovation and digitalisation and the years ahead will witness an increasing range of end-to-end process automation. Jubilee General is also equipped with one of the most effective and efficient call center providing seamless servicing to the clients.

Jubilee General's innovations in technology goes beyond servicing our customers. We have partnered with Global insurers and Reinsurers as their exclusive and preferred partner in Pakistan for provision of insurance solutions to their Global clients. We are integrated with some of the major insurance providers including American Insurance Group (AIG), Factory Mutual Insurance Company (FM Global), Zurich Insurance Company, HDI Gerling, AXA-XL, Travelers Companies Inc., Sampo International, ERGO Germany, Hartford Insurance etc.

Jubilee General is cognizant of the need and responsibilities for organisations to return back & contribute to development of societies. Our focus areas for constructive intervention include education, health, culture & sports; as we believe these to be the foundation for wellbeing and development of future generations. Our social responsibility initiatives include contributing to various institutions involved in providing medical support to the needy. We are also aligned with a number of educational institutions that provide free/subsidised education to deserving communities.

Jubilee General has also been recognised as the highest contributor in the social responsibility category amongst all insurance companies of the country by "Insurance Journal".

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
- Comprehensive Machinery Insurance (CMI)
- Civil Engineering Complete Risk (CECR)
- 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 Start-up
- Containers
- Stevedore's Liability



ENGINEERING

- Contractor's All Risk (CAR)
- Erection All Risks (EAR)
- Comprehensive Project
- Advance Loss of Profit following Contractor's All Risk (CAR) / Erection All Risks (EAR)
- Machinery Breakdown (MBD)
- Consequential Loss following (MBD)
- Deterioration of Stock following (MBD)
- Loss of Content following (MBD)
- Boiler & Pressure Vessels
- Electronic Equipment
- Contractor's Plant & Machinery



GROUP HEALTH

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



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



MOTOR

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



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
- Offshore 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 Guarantee
- Non-Honoring of Legible Transaction
- Cyber Risk
- Commercial Crime
- Clinical Trial



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
- Purchase Protection
- Extended Warranty



MOBILE APPS & WEB PORTALS

- Motor Android App & Web Portal
- Health App
- Motor Online Renewal Web Portal
- Motor Online TPL Web Portal
- Motor Claim App & Web Portal
- Marine Cover Note App & Web Portal
- Viacare Travel Web Portal



CARELINE (RETAIL PRODUCTS)

- Personal Accidents (SelfCare)*
- SelfCare Plus
- Home Insurance/Takaful (HomeCare)*
- ShopCare
- ShopCare Plus
- EducationCare
- AllCare
- International Travel (ViaCare)*
- Domestic Travel (ViaCare)*
- Hajj & Umrah (ViaCare) *
- Ziarat (ViaCare)
- Student Travel (ViaCare)*
- HomeTrip (For Pakistani expatriates) (ViaCare)*
- LifestyleCare*
- CellCare
- Business Cover
- Pocket Secure Plus
- Cash Guard
- Cash Guard Plus
- Medi Cash
- ParentCare*
- HerCare*
- Personal HealthCare*
- Family HealthCare*
- Wallet Guard
- Pocket Secure
- Pocket Secure Plus

* available in branches and on online platform

MANAGEMENT TEAM



Hassan Khan
Managing Director & Chief Executive



Azfar Arshad
Chief Operating Officer



Nawaid Jamal
Chief Financial Officer



Anita Lalani
Head of Human Resource



Muhammad Nadeem Irshad
Head of Sales & Health



Mohammad Safdar
Head of Reinsurance



Muhammad Uzair Mirza
Head of ERM, Compliance & QA



Kamran Arif
Head of Claims



Syed Imran Rabbani
Head of Broker Business



Naresh Kumar
Head of Investments



Abdul Wahid
Company Secretary



Fahad Ahmed
Head of Information Technology



Asadullah Javeed
Head of Engineering Projects,
Bonds & Risk Management

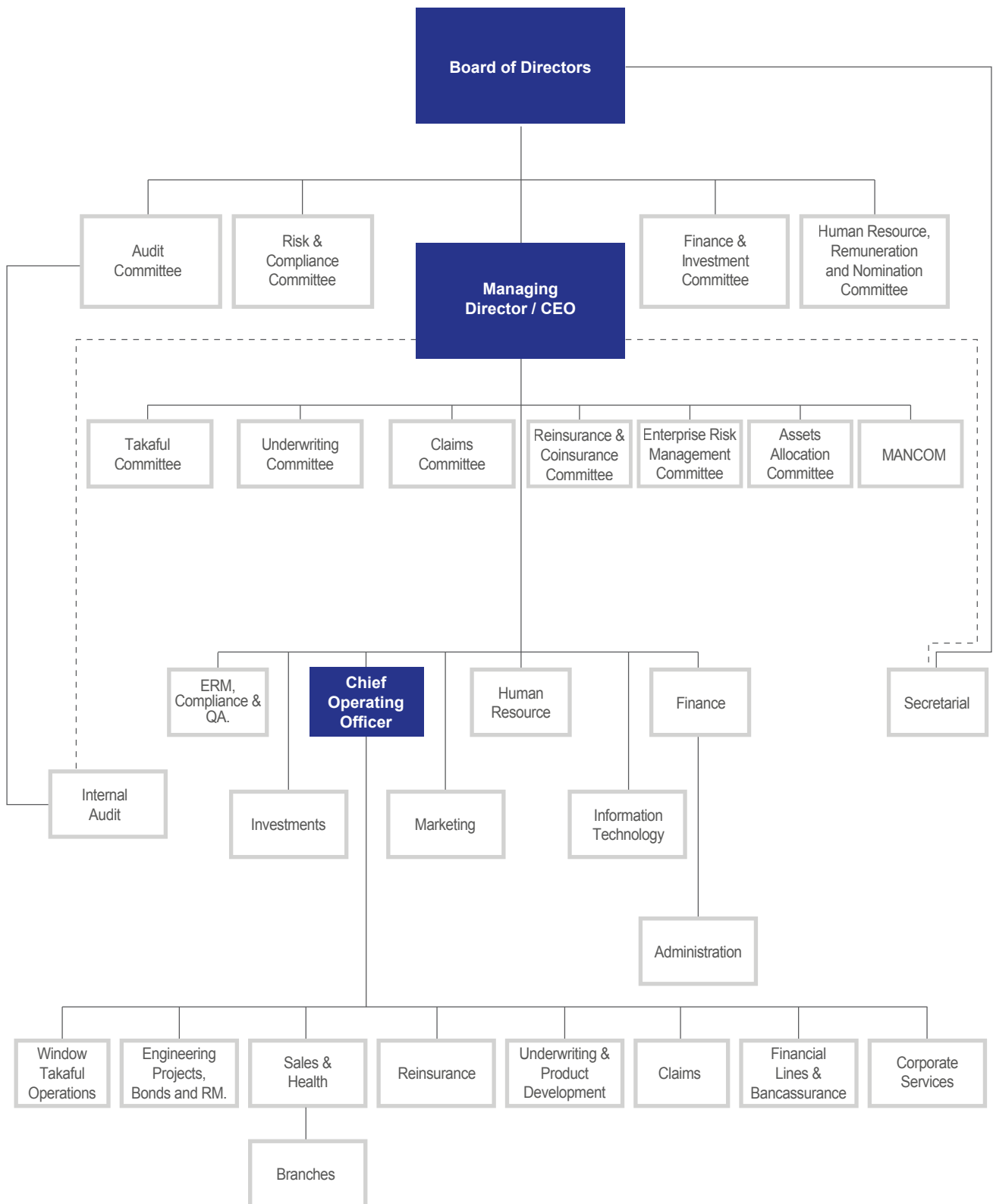


Safar Ali
Head of Internal Audit



Hashim Shamim
Senior Advisor Administration

ORGANISATION STRUCTURE







— Functional Reporting
 - - - Administrative Reporting

OUR BUSINESS MODEL



INPUTS

FINANCIAL RESOURCES	HUMAN RESOURCES	INTELLECTUAL CAPITAL	SOCIAL & RELATIONSHIP CAPITAL
 <ul style="list-style-type: none"> • Paid-Up Capital Rs. 1.99 billion • Total Assets Rs. 32.03 billion • Total Investment, Cash or Bank Portfolio Rs.19.07 billion • Separate window takaful activities with a total Assets Book Value of Rs. 634 million 	 <ul style="list-style-type: none"> • Total number of employees: 657 • Highly skilled, experienced, and capable staff • Competent top management and leadership • Programs for Training and Development • Performance Management System 	 <ul style="list-style-type: none"> • The technological infrastructure is built around a centralised ERP system that is linked to functional and technical departments • Health, Travel, Motor, and Window Takaful Operations have their own online portals • Well known Brand 	 <ul style="list-style-type: none"> • All major/regional hospitals are on panel with existing and new health insurance packages • Dedicated CPEC and broker division is available • Network with 26 branches • Long-term partnerships with clients, financial institutions, brokers, and reinsurance companies

INPUT AND OUTPUT UNDER BUSINESS MODEL

Following is a snap-shot of inputs and outputs in business Model of the Company:

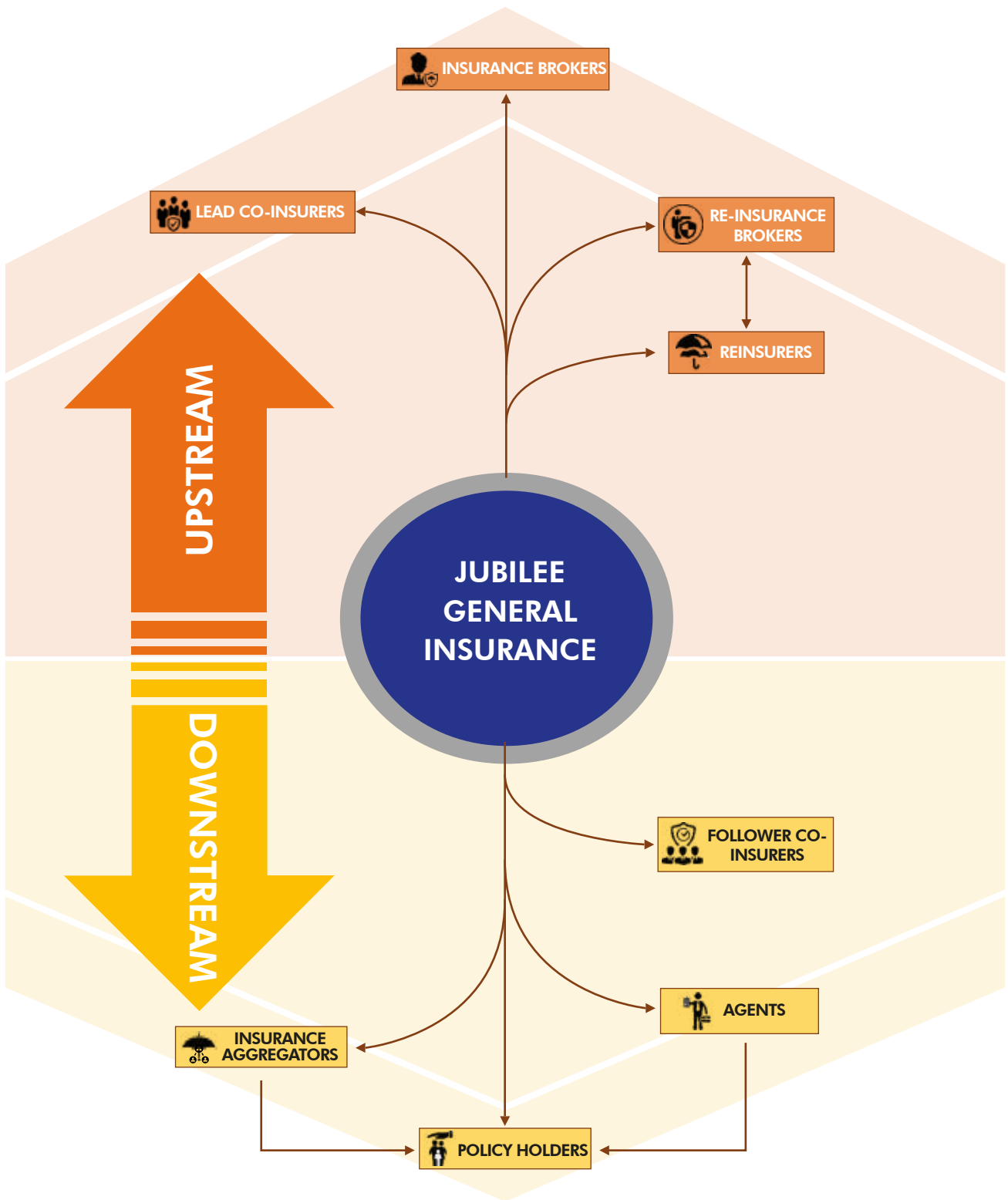
QUANTATIVE INPUTS:	2022	2021
• Total Assets Rs. 32 billion	↑	↑
• Paid-Up Capital Rs. 1.9 billion	-	-
• Total Investments, Cash or Bank Portfolio Rs. 19.07 billion	↑	↑
• Total number of employees: 651	↓	↓
• Separate window takaful activities with a total Assets Book Value of Rs. 634 million	↑	↑

QUALITATIVE INPUTS:
• The technological infrastructure is built around a centralised ERP system that is linked to functional and technical departments
• Health, Travel, Motor, and Window Takaful Operations have their own online portals
• All major/regional hospitals are on panel with existing and new health insurance packages
• Dedicated CPEC and broker division is available
• Vast network of 26 branches
• Competent top management and leadership
• Long-term partnerships with clients, financial institutions, brokers, and reinsurance companies
• Highly skilled, experienced, and capable employees
• Performance management system
• Programs for Training and Development

QUANTATIVE OUTPUTS / OUTCOME:	2022	2021
• Gross written premium/ contribution Rs. 14.8 billion	↑	↑
• Technical profit stood at Rs. 465 million	↓	↑
• Profit before tax Rs. 2.5 billion	↑	↑
• Profit from Window Takaful Operations Rs. 245 million	↑	↑
• Investment income Rs. 1.91 billion	↑	↓
• Earnings per share is Rs. 7.73	↓	↑
• Dividend declared by the directors for 2022 is Rs. 4.00 (cash) per share	-	↑
• No. of employee trainings conducted 28	↑	↑

QUALITATIVE OUTPUTS:
• Recognition by numerous bodies for the Company's achievement and excellence in various segments of business and financial reporting
• EID Get together / Sales conference / Long service awards / Digital champion session award ceremony (extra-miles) / Women's day celebration / Independence day celebration / Prize distribution ceremony on quizzes.
• AA++ rating by PACRA and VIS Credit rating Agencies with Stable Outlook and B+ (Good) by AM Best (UK).

UPSTREAM AND DOWNSTREAM MODEL



UPSTREAM AND DOWNSTREAM - DETAIL

Insurance sector upstream value chain activities are those which are carried out by the insurance company in order to offer better risk coverage services to its target market/customers. However, the downstream activities are related to the connections of insurance company necessary to approach the customers so they can avail the risk coverage product / services as designed by the insurers.

Upstream value chain in the insurance business comprising the reinsurers, or sometimes reinsurers broker through which adequate re-insurance is arranged. Furthermore, in some cases business is also acquired through group by participating under other insurance companies leadership in order to provide insurance services to big corporates for their large size of assets and business activities.

Downstream value chain comprising the insured, the ultimate beneficiary and user of insurance policy. In addition to the insured, co-insurance arrangements are also made as leader to provide jumbo risk coverage as required by the customer. In addition to that an insurance company is connected with its customers through the agents who also perform a key role to acquire business. Furthermore, in order to pay claims, the surveyors and workshops are also part of the value chain of the insurance services as their role is important with respect to the settlement of claims.

Jubilee General Insurance, is closely connected with all the components/sources of value chain in upstream, and downstream to provide exemplary insurance services to its customers.

UPSTREAM

Following are the components in upstream value chain:

REINSURERS

A reinsurer is the insurer of insurance company. By obtaining insurance from reinsurers, an insurance company's risks are spread out. All the risk insured by Company are appropriately and efficiently reinsured in order to safeguard the interest of the Company and minimise the risk exposure. Company pays reinsurance premium against covering the risk by charging the under written premium. Company is connected to reinsurer directly under the value chain and also use broker channel for this purpose.

REINSURANCE BROKERS

A reinsurance broker mediates between an insurance and a reinsurance company. Reinsurance brokers work for the insurance company and their job is to acquire reinsurance for the insurance company. This can involve negotiating the rates and finding the best policies. In order to avail appropriate reinsurance for their client, and portfolio, the Company finds out robust and appropriate reinsurance policies through the reinsurance brokers hence the Company enables itself to provide better services to its customers. Reinsurance brokers also assist the Company to find out better reinsurance for any particular risk to be covered by the Company for its clients.

INSURANCE BROKERS

Currently the role of Insurance brokers became very significant in the insurance sector. Large conglomerate and giant corporates acquire the services of Insurance brokers to find out an appropriate risk coverage solution for their insurable interest. The Company keeping in view the role of insurance brokers has established a dedicated division in order to connect with brokers in an efficient and effective way to get its share in business which is available through brokers.

LEAD CO-INSURERS

Company also deals with co-insurers who give share to the Company while insuring any risk in order to reduce their exposure with respect to any particular insurance policy. The Company receives premium and therefore also bears the claims incurred on that policy, if any. The co-insurance accepted by the Company to increase its gross written premium and also to diversify the exposure. This arrangement also establish a bi-lateral relationship with the peer group insurance companies. Under co-insurance arrangement, the Company provides services to the insured under the leadership of the co-insurer (leader). The value addition is made by the Company in shape of increase in premium along with diversifying the risk and providing more dedicated support to the lead co-insurer.

DOWNSTREAM

Following are the components in downstream value chain:

FOLLOWER CO-INSURERS

The Company also share premium with the other insurance companies in those policies where it wants to reduce the exposure. The co-insurers receive premium and therefore also bear the claims incurred on that policy (if any). The co-insurance arrangements made by the Company is to reduce the risk exposure and to establish bi-lateral relationship with the peer group. Co-insurers are required to provide services to the insured under the leadership of the Company. The value addition is made in the services are in shape of reducing risk to the Company and providing more strong security to the insured along with Co-Insurer followers.

AGENTS

Agents are very important component of service value chain. The insured and potential customers are linked with the agents in order to obtained insurance policy from the Company. All kind of insurance policies i.e., Fire & Property, Marine, Motor, Accident & Health and Miscellaneous are negotiated and sold to the clients through agents. Agents also play a pivot role to market the new insurance products. It is not practical for the staff of the Company to provide dedicated prompt services to all the customers therefore, the same work is performed by the agents. The agents also work as brand of insurance Company.

INSURANCE AGGREGATORS

An insurance aggregator, also known as a agency network or cluster, is a group of independent agencies that band together to combine premiums, giving its members the scale and advantages that are usually only available to the largest agencies. In order to increase its out reach in the market, Jubilee General has shaken-hand with renowned aggregators in order to facilitate its customers in obtaining insurance from the Company. One of the most attractive benefits of joining aggregator is access to new markets and carriers. Jubilee is trying its best to make its insurance service easily available with multiple choices at a single click of its customer.

POLICYHOLDERS

The ultimate beneficiary of the Company's insurance products are policyholders. Policyholders comprising from large corporates to medium & small enterprises and from sole proprietors to individuals. The protection of policyholder's interest is the foremost priority of the Company. The Company provides fastest service to the policyholders through staff and agents of the Company. The value created by the insurance company with respect to policyholder is in the following manner.

(I) PROTECTION OF POLICYHOLDERS' INSURABLE INTEREST

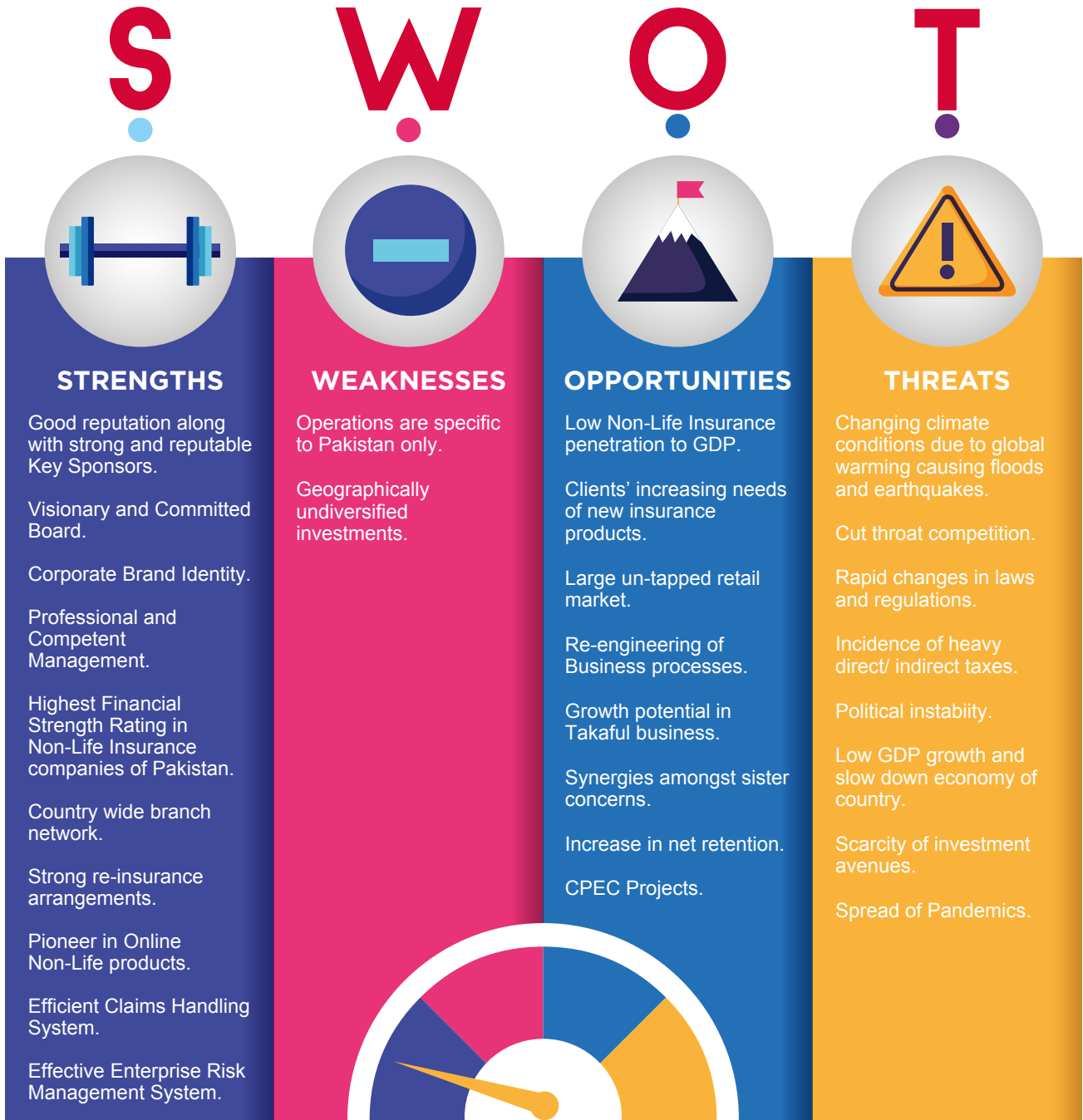
All the interests of the policyholder which have been insured by the Company are protected as per terms and condition of insurance contract.

(II) PAYMENT OF CLAIMS

In case of any peril to the insurable interest of the policyholder, the claims are paid by the Company within the shortest possible time. However, in order to estimate the amount of loss for processing and payment of a claim, independent surveyors are appointed keeping in view the type of claims. In certain cases, particularly in motor insurance, Company also avails the services of workshops for the prompt and high-quality repair services of the policyholder's insured motor vehicle(s).

SWOT ANALYSIS

SWOT Analysis is a framework for identifying and analysing the internal and external factors that can have an impact on the viability of an organisation. In the Company, significant help is taken from SWOT Analysis in order to formulate future strategies. The management is ever striving to get maximum benefit out of the future business opportunities keeping in view its existing strength, overcoming its weaknesses and surmounting the threats ahead. Following is a concise SWOT Analysis of the Company as at December 31, 2022:

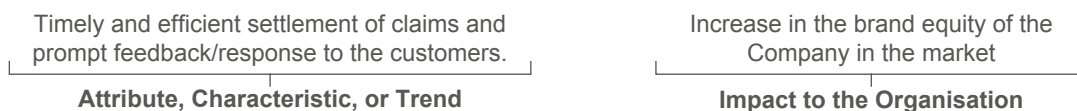


SWOT Statement

Being an insurance company, we believe that impact on brand equity may impact on the organisation. Therefore, market reputation is very important for us.

Anatomy of SWOT Statement

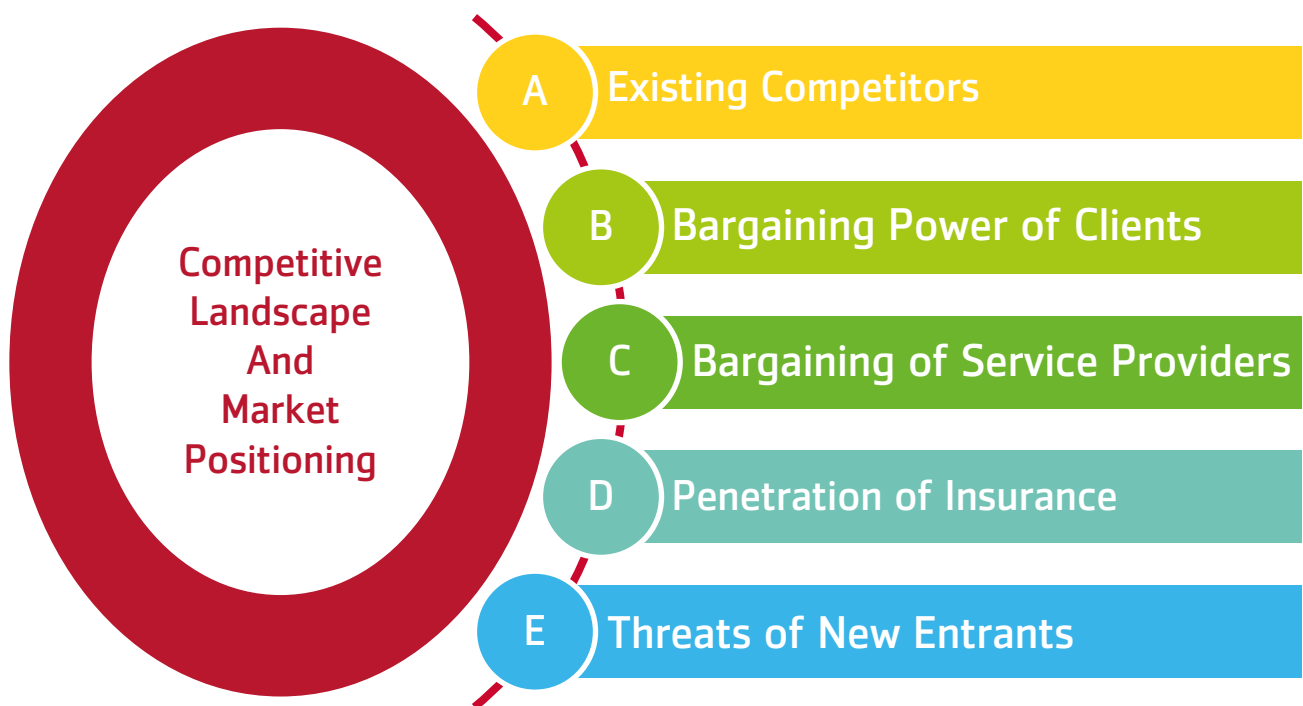
Strengths: High reputation of the Company along with strong and reputable Key Sponsors.



COMPETITIVE LANDSCAPE & MARKET POSITIONING

It is more important for a Company working in a competitive environment to be efficiently responsive with the changing environment of business. This characteristic plays a pivot role in the success of business and growth of the Company. In Jubilee General, we take help from Porter's Five Forces Study methodology to perform a detailed analysis of the Company's competitive environment. This specific framework is a macro tool for business analytics, utilising five fundamental factors to precisely assess the intensity of competition in a sector and as well as degree of impact on the profitability in that sector as a whole.

Following are the five forces that support and play a crucial role in the development and success of the Company by assisting to define the level of competition exist in the environment and its degree of influence.



EXISTING COMPETITORS

The ongoing intensity of the insurance/takaful sector's competitive struggle has a detrimental, crippling impact on the profitability of the whole business. The extreme amount of competition and conflict now present in the market has had a considerable influence. Competitors are regularly participating in ferocious pricing wars with the express objective of boosting their own market share which has harmful impact over insurance business in the Country. However, the clients are very much aware with the reputation of the companies and consider claims paying ability of a company while choosing insurance/takaful coverage.

In Jubilee General, to address the market needs, the services of takaful are also available through its Window Takaful Operations (WTO) if any clients intend to avail the services of takaful instead of conventional insurance. Jubilee General including its WTO are now striving to concentrate on the supply of value-added services for acquiring and maintaining loyalty and confidence of insured/participants. Furthermore, we are also moving faster towards digitisation so that the requirement of modern generation can be fulfilled and take leading role in the competitive market.

BARGAINING POWER OF BUYERS/CUSTOMERS

The majority of significant insurance businesses provide comparable services. There is a tendency for similar services whether it is property, marine, motor, health insurance or liability. A threat is the customer's proclivity to substitute/use another product to meet the same requirement. Customers always expect higher-quality services at a lower premium, because in general their primary reason for acquiring insurance/takaful is to fulfill a necessary institutional or governmental obligation/requirement, rather than own desire. However, the reputation of the Company with respect to discharging of all legitimate claims efficiently and timely will make it superior as compared to other insurance/ takaful companies/ operators. Therefore the focus of Jubilee General is always on quality of services.

BARGAINING OF SERVICE PROVIDERS

Given the variety of options accessible for goods and services required to conduct insurance business activity, the influence of service providers/sellers is a main factor to be considered.

Reinsurers/re-takaful partners are the major service providers for every insurance company. This is compulsory that the Company has adequately allocated its risk through co-insurance and reinsurance arrangements in order to minimise the exposure in the event of a disaster (if any). Furthermore, the Company has to remain well-positioned regardless of any catastrophic events that negatively effects the business. In this connection, it is fact that reinsurers consequently have considerable influence, especially given that the majority are also renowned and eminent international corporations with a firmly established focus on the insurer's and takaful operator's financial stability and credit rating. Furthermore, due to recent reporting of large claims in the region may also cause to increase reinsurance cost heavily. In case of takaful business, there are fewer Re-Takaful operators available in the Takaful sector, this creates a persistent barrier. Furthermore, owing to the country's unpredictable political climate and deteriorating law and order situation, which allows for disorder and lawlessness the reinsurance/retakaful cost has increasing trend. However, Jubilee General has a long-term relationship with the reinsurers and re-takaful operators and their consistent support is very much helpful to overcome the current situation.

Besides reinsurers/retakaful operators, there are many other supplier/services provider such as workshops, surveyor, IT firms and legal advisor etc. however being a renowned reputable Company in the insurance sector their influence is not considerable.

PENETRATION

Penetration of insurance in Pakistan is comparatively low in comparison to other countries due to various reasons. Since people are not much aware of the benefits that they can get by buying insurance. Moreover, people have trust issues when it comes to paying premium as if they will get the due coverage at the time of claim. These awareness is one of the major factor of low penetration of insurance companies in our market. Jubilee General striving to increase penetration of insurance in market by conducting various awareness sessions and providing easily accessible online products to facilitate its clients.

THREATS OF NEW ENTRANTS

Barriers to entry in the insurance industry is considered to be at a medium level with recent interest by foreign insurance companies in entering Pakistan's insurance industry especially in micro insurance sector of the industry. However, with the Securities and Exchange Commission of Pakistan's (SECP) strict monitoring and regulation of the insurance industry, the threat of entrants is limited to certain extent. In addition, a reasonable high capital requirement to start an insurance business and a broad distribution network requirement, have further reduced the threat of new entrants.

Due to the pricing competition within the industry and already existing relationship dynamics and loyalty between the companies and their customer-base, the pressing demands for the foundational establishment and retention of strong sales and a sturdy, reliable distribution network is a rising struggle for new entrants. Regardless of these obstacles, fresh and creative Insurtech enterprises may be seen as promising, potential newcomers in the field at this moment. However, their job is merely to supplement the insurance and Takaful industries. Jubilee General is fully aware with the situation, therefore, it is investing a considerable amount and efforts on the digitalisation to play a leading role in the emerging market of digital products for future.

LEGISLATIVE & REGULATORY ENVIRONMENT

The insurance companies in Pakistan operates under the Insurance Ordinance 2000. The Insurance Ordinance is the foremost legislation for Insurance business in Pakistan. The Company is working in a sector which is highly regulated. The Securities Exchange Commission of Pakistan (SECP) - Insurance Division is the sole regulator that provides the guidelines under which the insurance sector is operating in Pakistan. The SECP works under the ambit of Insurance Ordinance. The Insurance division of SECP regulates the insurance sectors in Pakistan in order to achieve the following:

- Maintain Insurer Solvency
- Protection of the insured

SECP has implemented/introduced various regulations/guidelines in order to maintain the solvency of the insurers in Pakistan and protection of the insured as at the time of the claims, the insurance Company should pay the claims as per the protection assured under the insurance agreement made by the Company with its customer. Besides SECP, following are other authorities that issues law/regulations/guidelines which are also required to be adhered by the Company.

I) PAKISTAN STOCK EXCHANGE

As a listed corporate, the Company is required to adhere to the regulations/ rules/guidelines of Pakistan Stock Exchange (the PSX) from time to time issues various rules/regulations which are applicable on listed companies and the Company is fully adhered to these rules/regulations.

II) STATE BANK OF PAKISTAN

In respect to the foreign exchange transactions/investments and being part of the financial sector of Pakistan, the Company is also required to comply with certain limited requirements of the State Bank of Pakistan. Company is also required to submit certain reports and returns to the State Bank of Pakistan on regular basis.

III) FEDERAL BOARD OF THE REVENUE

As the Company is working in Pakistan, the Company is also required to comply with the requirement of Federal Board of Revenue with respect to Income Tax Ordinance, 2001 and the relevant rules.

IV) SALES TAX AUTHORITIES IN PROVINCES

As insurance service in Pakistan is chargeable to indirect taxes and the Company operates in all the provinces and Islamabad Capital territory, therefore the respective laws and relevant rules regarding Sales Tax and Federal Excise Duty services as applicable in these provinces and Islamabad Capital territory respectively are also required to be complied by the Company. The Company is fully compliant with these laws.

POLITICAL ENVIRONMENT WHERE ORGANISATION OPERATES

Political pressure is one of the biggest challenges and also a vital element for an insurance company as the Company has to follow the laws and rules/regulations designed by the government and authorities respectively for insurance business. However government policies are not necessary to be consistently remain same as government changes due to political activity in the country, the policies of previous government are most of the time not followed by the succeeding governments. Therefore, unstable political situation in the country may result in the change of policies and resultantly the strategies, which were formulated keeping in view the policies of previous governments may become ineffective or somehow restrict the Company to achieve the desired results.

A deteriorated political situation may also cause to deteriorate the law-and-order situation in the Country and the strategies that were devised keeping in view the normal law and order situation may become ineffective. Furthermore, a deteriorated law and order situation definitely impacts the economy of the country negatively. Economy is one of the critical element which is to be considered by an insurance company while devising strategies. It is a fact that insurance sector grows tremendously in a growing economy. Difficult business conditions resulting from economic and political instability may prove to be an impediment in the plans of the Company to achieve its business objectives. Similarly, the same issue will arise if the above-mentioned activities occur in countries where there the insurance company has their reinsurers.

GEOGRAPHICAL LOCATION OF THE COMPANY'S OFFICES

Jubilee General Insurance Company operates in Pakistan and provides the service of assurance to its clients all over the Country through its 26 operative branches. The detail and addresses of these branches have been given in the "Geographical Presence – Branch Network" section of this Annual Report.

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 General 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 authorisation. 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.

ORGANISATIONAL ETHICS

At Jubilee General, we believe in conducting ourselves with the highest level of ethical standards in all of our business dealings. We are committed to fostering a culture of integrity, accountability, and respect for all stakeholders, including our customers, employees, shareholders, and the broader community.

To uphold our commitment to ethical behavior, we have established a comprehensive code of conduct that outlines our expectations for ethical behavior and compliance with all applicable laws and regulations. This code applies to all employees, contractors, and agents of our Company and is regularly reviewed and updated to reflect changes in the business environment.

We also provide ongoing training and development opportunities to ensure that our employees understand their ethical obligations and are equipped to make ethical decisions in their day-to-day work. We encourage open and transparent communication and have established mechanisms for reporting and addressing any potential ethical concerns or violations.

In addition, we are committed to social responsibility and sustainable business practices. We strive to minimise our environmental impact, promote diversity and inclusion, and support charitable causes that align with our values.

We recognize that ethical behavior is not just good for business but is essential to building trust and maintaining long-term relationships with our stakeholders. We are dedicated to upholding the highest standards of ethical behavior and ensuring that our business practices reflect our commitment to integrity and social responsibility.

ORGANISATIONAL CULTURE

Organisational culture is the shared values, beliefs, and behaviors that shape the way people work within a company. At Jubilee General, we believe that our employees are our most valuable assets, and we strive to create a culture that reflects this belief.

We recognize that our employees are critical to our success, and we work hard to foster an environment where they feel valued, respected, and empowered. We believe in providing opportunities for growth and development, promoting open and transparent communication and recognising and rewarding excellence. We strive to create a positive work environment that encourages collaboration, creativity, and innovation, and we believe that a happy workforce is a productive workforce.

We are dedicated to providing equal opportunities for all of our employees, regardless of their background or identity. We believe that a culture of diversity and inclusion fosters creativity, innovation, and collaboration, and we are committed to promoting a workplace where everyone feels valued and respected and celebrate various important occasions such as the Women's Day by recognising the achievements and contributions of women from all walks of life.

We take safety and security seriously and provide a safe work environment for our employees. We have established protocols for emergency situations, and we conduct regular safety training to ensure that our employees are prepared for any eventuality.

We are also committed to the health and well-being of our employees. We provide resources and support for our employees to help them maintain a healthy work-life balance, including flexible schedules and work from home (WFH) option. We believe that taking care of our employees' well-being is not only the right thing to do, but it also benefits Jubilee by increasing productivity and reducing turnover.

During the COVID-19 pandemic, Jubilee General faced the challenge of adapting to the new normal while maintaining its organisational culture. The primary focus was on preserving customer relationships and ensuring business continuity by navigating the constantly changing work environment. However, the Company also recognised the importance of considering the impact of the pandemic on its employees and the overall organisational culture. Despite the testing times brought about by the outbreak, the employees of Jubilee General responded with confidence by swiftly adapting to the fundamental changes in their working conditions and environment, while also upholding the values and principles that define the Company's culture.

Our employees displayed their commitment to corporate social responsibility by organising an employee-led flood drive for the 2022 floods in Pakistan. This initiative exemplifies the Company's efforts to encourage its employees to actively participate in social causes and engage with the community. By supporting relief efforts for natural disasters, Jubilee General Insurance not only fulfills its social responsibility but also reinforces its values and commitment to making a positive impact on society.

At Jubilee General, we believe that in addition to being valued and respected, work should also be a fun place to be. Some of the measures taken by the Company to promote teamwork and collaboration among employees are the various extracurricular events such as the cricket, golf and snooker tournaments, besides arranging annual sales conferences, family picnics, eid milan parties, townhalls which creates opportunities for employees to connect and develop relationships.

In summary, at Jubilee General, we strive to create a culture that values and respects our employees, prioritises their health and well-being, promotes safety and security, embraces diversity and inclusivity, and provides opportunities for fun and social connection. We believe that by prioritising these values, we can create a workplace that is not only productive and successful, but also enjoyable and fulfilling for our employees.

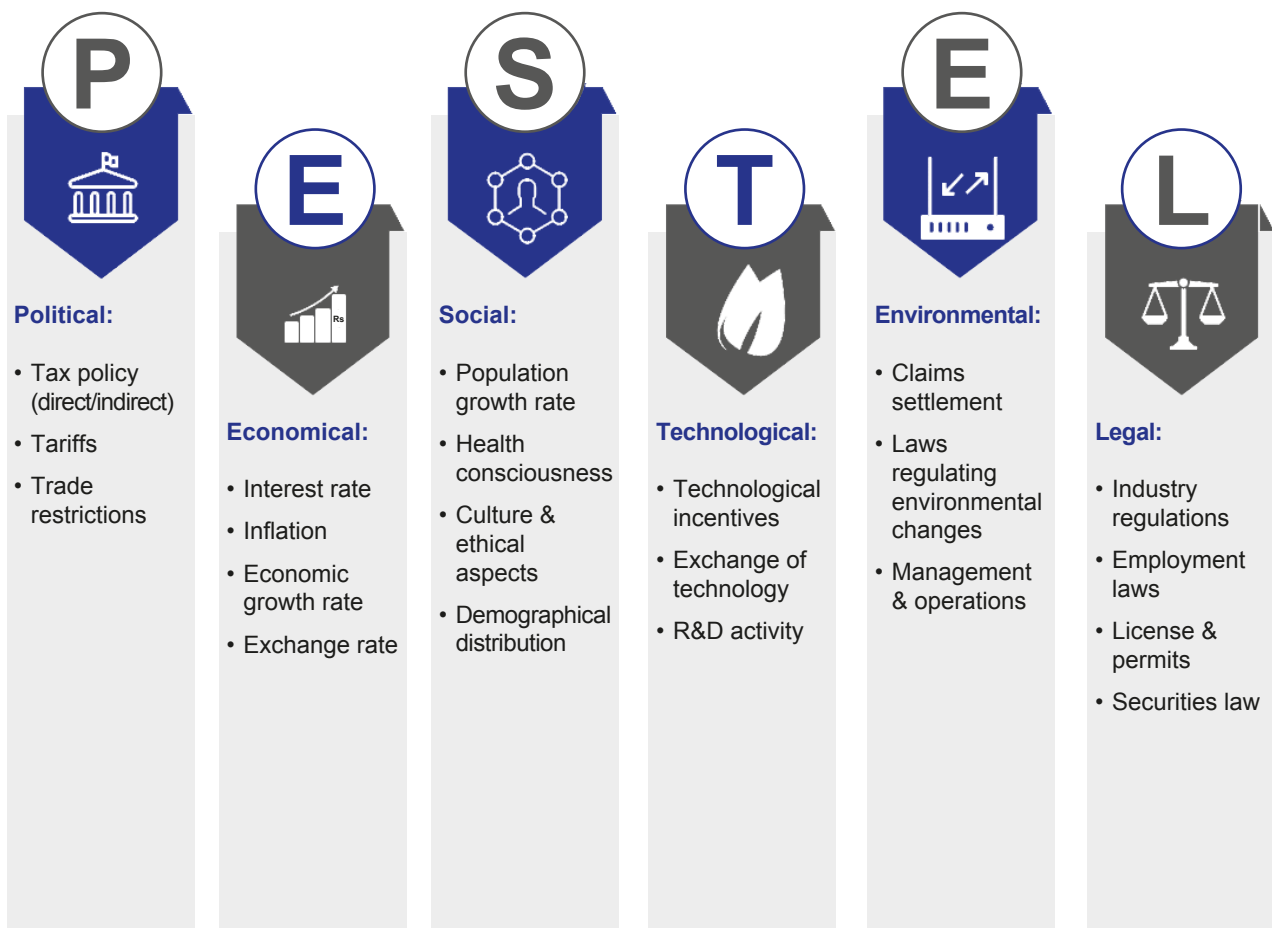
PESTEL ANALYSIS - A SNAPSHOT

A PESTEL analysis examines the important external elements that influence an organisation which are political, economic, sociological, technological, environmental and legal. It can be applied to a variety of settings and can assist people, professionals and senior managers in making strategic decisions. It is frequently used to provide a complete picture of a situation and its in connection with internal and external elements.

In Jubilee General, help is taken from PESTEL analysis while making strategies, budgets and taking decisions. PESTEL assists in the following ways by understanding how external influences affect the business of the Company:

- Analyse long-term impact on the Company's performance and activities.
- Examine any strategies that have implemented so far.
- Work on a new business direction, product, or strategy.
- Recognise difficulties and their solutions.
- Acquire a strategic advantage over rivals.
- Assess the risk involved with the target market.

Following is the snapshot of PESTEL factors which are considered in the Company while taking decisions and devising strategies:



PESTEL ANALYSIS - DETAIL

The detail of each PESTEL factor has been mentioned below:

POLITICAL

Pakistan has consistently faced a political turmoil since its inception. The unpredictable political dynamics of the Country has a significant impact on business activities. In some developed countries some insurance products are mandatory while there is no such requirement in Pakistan. The government is also playing a major part to ease business operations by maintaining law and order in the Country, however due to uncertain political situation of the country does not support the continuation of a consistence policies. Political stability of the country will directly affect business growth and development. Jubilee General Insurance while making future strategies do consider political situation of the Country.

ECONOMICAL

Earlier Covid-19 badly affected the economy of the country. Numerous organisations, both national and multi-national, laid off their employees which lead to a rise in unemployment. Currently, the worsening inflation has brought new challenges and spending habits of consumers have significantly changed. Foreign reserves are declining and economy is shrinking making it hard for businesses to survive. The massive increment in taxes and prices pose another threat to the growth of businesses. This situation also impacts future growth of the Company, however the management is trying hard to achieve the set targets.

SOCIAL

The growing change in lifestyle creates the demand for certain new products and services. As younger generation is more focused on technology and modernisation, insurance sector also needs to grow its innovative capabilities to keep up with arising needs of new generation. Furthermore, Covid-19 has also created an urge to look more towards health and well-being which also arises the need for health insurance among people. Due to change in the preferences of the society specially after COVID and demand of new products through digital means is increasing and the Company has to cater these needs through innovations. Jubilee General is very much focused with respect to changing demands of the society and, therefore, spending a considerable amount on innovations and technology.

TECHNOLOGICAL

We come across new technological advances every now and then. Digitilisation is disrupting old ways of doing business. The Company is trying hard to adapt to these changes in order to achieve more growth in the long run. The Company has also planned for a complete transformation of the its products through digital means. In Jubilee General, we understand that use of technology empowers the customers, speeds up our operations and provides a competitive advantage.

ENVIRONMENTAL

The world is progressing at a rapid pace and we come across new innovations every other day. Businesses are flourishing but the world is not in a position to alleviate major challenges like climate change. Natural disasters like floods affect houses, properties and businesses considerably, which increases the number of claims and making it harder for insurance companies to manage insurance risk. For a sustainable environment, we are on a mission to minimise paper consumption and promote environment friendly activities with a focus to decrease carbon emission as much as possible.

LEGAL

Laws and Regulations have pervasive impact on the Company' business. Although, Jubilee General has a robust level of capital and having strong financial position, certain laws and regulation also considered against thumb rule of the 'Ease of Doing Business' and a considerable amount of resources are utilised to adhere these laws and regulation. Furthermore, certain law and regulations are very critical in nature particularly with respect to Anti Money Laundering for which extra vigilance is needed.

All these factor impact the business of the Company and its future outlook however in Jubilee General strategies are devised keeping in view all these factors and a judicious strategy is built for achieving success in future.

SIGNIFICANT CHANGES FROM PRIOR YEARS

During the year ended December 31, 2022, the Company has closed its DHA branch and merged its business with Head Office to increase the operational efficiency. No other significant event occurred during the year ended December 31, 2022 and till the issuance of this Annual Report.





Stakeholders' Relationship & Engagement

**BUILDING A
TRUSTED NETWORK**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 70th Annual General Meeting (AGM) of Jubilee General Insurance Company Limited (the Company) will be held on Tuesday, April 25, 2023 at 9:00 a.m. physically at the registered office of the Company situated at Jubilee Insurance House, I.I. Chundrigar Road, Karachi and through electronic means via Zoom video link facility to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended December 31, 2022 together with the Auditors' and Directors' Report thereon.
2. To consider and approve the payment of final cash dividend of 40% (Rs.4 per ordinary share of Rs.10/- each) for the year ended December 31, 2022, as recommended by the Board of Directors of the Company.
3. To appoint Auditors of the Company for the year ending December 31, 2023 and fix their remuneration. The present Auditors M/s. A.F. Ferguson & Co., Chartered Accountants, being eligible, have offered themselves for reappointment.

SPECIAL BUSINESS

1. (i) To consider and approve, in accordance with Section 199 of the Companies Act, 2017, for authorising investments for Jubilee General Window Takaful Operations, up to Rs.3.5 million each by the Operators Fund and Rs. 6.0 million each by the Participants Fund, in the purchase of ordinary shares of Cherat Packaging Limited (CPPL), Cherat Cement Company Limited (CHCC), Pakistan Cables Limited (PCAL), Meezan Bank Limited (MEBL) and International Steels Limited (ISL), associated companies, at the market price prevailing on the date of purchase, in one or more tranches within 3 years.

(ii) The Managing Director (Chief Executive) of the Company be and is hereby authorised to take any and all actions which may be required for the investment of the above-mentioned amount in the purchase of the ordinary shares of associated companies mentioned in 1(i) above.
2. To consider and approve to circulate the Annual Report of the Company to the members through QR enabled code and weblink which will be intimated to the shareholders through notice of the meeting.

By Order of the Board



Abdul Wahid
Company Secretary

Karachi: : March 22, 2023

PARTICIPATION IN ANNUAL GENERAL MEETING

In the light of relevant guidelines issued by Securities and Exchange Commission of Pakistan (“SECP”) vide letter No. SMD/SE/2/ (20)/2021/117 dated December 15, 2021, the members are encouraged to participate in the general meetings through electronic facility organised by the Company.

A. ATTENDING MEETING THROUGH ELECTRONIC MEANS

In order to attend the AGM online through electronic means the members are requested to get themselves registered with the Company Secretary office by April 24, 2023 till 5:00 pm at agm.jgi@jubileegeneral.com.pk by providing the following details:

Name of Shareholder	CNIC No.	Folio / CDS No.	Cell No.	Email address

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

B. ATTENDING MEETING PHYSICALLY

Physical meeting arrangement for shareholders has been made at the Registered Office of the Company situated at Jubilee Insurance House I. I. Chundrigar Road Karachi.

C. ATTENDING MEETING THROUGH PROXIES

- I. 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.
- II. The proxy forms must be completed in respect and in order to effective must be deposited at the Registered Office of the Company not later than 24 hours before the time of the Meeting.
- III. 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 (SECP). The rights of members and their proxies exercisable during meetings and all other relevant information are listed in S.137 of the Companies Act 2017, which can be easily accessed on the Securities and Exchange Commission of Pakistan (SECP) website.
- IV. For attending the meeting through electronic means(Zoom), proxy form should be submitted along with proxy holders' email address and mobile number.

PROCEDURE FOR VOTING FOR SPECIAL AGENDA ITEMS

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(I)/2022 dated December 05, 2022, members will be allowed to exercise their right to vote for the special business in the AGM, in accordance with the condition mentioned in the aforesaid regulations. The Company shall provide its members with the following options for voting:

I) E-VOTING PROCEDURE

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course.

- (b) The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- (c) Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- (d) E-Voting lines will start from April 20, 2023, 09:00 a.m. and shall close on April 24, 2023 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

II) POSTAL BALLOT

The members shall ensure that duly filled and signed ballot paper along with copy of Computerised National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, Head Office, 2nd Floor Jubilee Insurance House, I.I. Chandigarh Road, Karachi, or email at cm.agm@jubileegeneral.com.pk one day before the Annual General Meeting i.e. on April 24, 2023, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

APPOINTMENT OF SCRUTINISER

The shareholders are hereby notified that under Postal Ballot Regulation, 2018 latest amendments circulated through SRO dated December 05, 2022, SECP has directed all listed companies to appoint Scrutiniser in polling on special business agendas in the General Meetings. Detail of scrutiniser is given below:

- a) Name: Junaidy Shoaib Asad Chartered Accountants
- b) Experience and Qualification: Chartered Accountant Firm since 2007
- c) Purpose of appointment: Under Regulation 11 of Companies (Postal Ballot) Regulations, 2018 for voting on investment in associate

GENERAL INSTRUCTIONS

- I) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary office at least one working days before the AGM, at above given email address, WhatsApp, or SMS on 0333-2134113. Shareholders are required to mention their full name, CNIC No. and Folio/CDS No. for this purpose.
- II) Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

NOTES:

1. 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, 2023 to April 25, 2023 (both days inclusive). Transfer received by the Share Registrar of the Company M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi at the close of business on April 18, 2023, will be treated in time for the purpose of Cash Dividend entitlement to the transferees.
2. Any company or other body corporate which is a member of the Company may, by resolution of its Directors or appropriate governing body, authorised individual to function as its representatives at the meeting and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which they represent.
3. Members are requested to immediately inform the Share Registrar of any change in their addresses.
4. **In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to the shareholders only through electronic mode i.e. directly into the bank account designated by the entitled shareholders. Please note that if Bank account details (IBAN) as per prescribed format have not been provided by the shareholders to their Share Registrar, their Broker (participant) or CDC IAS, the Company would be constrained to act in accordance with the provisions of the law and withhold the cash dividend.**

5. All those shareholders possessing physical shares are requested to submit a photocopy of their valid CNIC along with the Folio Number at the earliest directly to Company's Share Registrar. In case of non-submission of CNIC copy, dividend warrants may be withheld. Corporate are also requested to submit their NTN certificate to Company's Share Registrar.
6. Members are requested to submit declaration as per Zakat & Usher Ordinance, 1980 for zakat exemption to Company's Share Registrar.
7. As per SRO 787(I)/2014 dated September 8, 2014 issued by SECP, members have option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to Company's Shares Registrar. Hard Copy of Audited Financial Statements can be provided free of cost within seven days of receipt of such request.
8. As per Section 150 of the Income Tax Ordinance, 2001 withholding tax on dividend will be deducted for filers and non-filer of income tax returns at 15% and 30% respectively. According to FBR, withholding tax in case of joint accounts will be determined separately based on the filer and non-filer status of the principal and joint shareholder(s) based on their shareholding proportions.

Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal and joint shareholder(s) in respect of shares held by them to the Share Registrar in writing by April 18, 2023. In case required information is not provided, it will be assumed that the shares are held in equal proportion by the principal and joint shareholders.

Address of the Share Registrar of the Company.

THK Associates (Private) Limited

Plot No.32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500

STATUS OF PREVIOUS APPROVAL FOR INVESTMENT IN ASSOCIATED COMPANIES.

Statement under section 4 (2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

1. Approval granted by the shareholders in the 69th Annual General Meeting of the Company held on March 24, 2022 in respect of investment in associated companies, amount and reasons for no investment made in the ordinary shares of the associated companies.

	Name of Associated companies	Investment Approved (Amount in Rs)	Investments made till to December 31, 2022	Reason
a)	Cherat Packaging Limited (CPPL)	150 million	NIL	Extreme volatility in Stock Market amid weak economic outlook and political uncertainty.
b)	Cherat Cement Company (CHCC)	150 million		
c)	Agha Steel Industries Limited (AGHA)	150 million		
d)	Pakistan Cables Limited (PCAL)	150 million		
e)	Indus Motor Company (INDU)	150 million		
f)	Meezan Bank Limited (MEBL)	150 million		
g)	International Steels Limited (ISL)	150 million		
	Total	1,050 million		

2. Up to date change in financial position of the respective investee companies are as follows.

a) Breakup value of securities based on latest audited financial statements.

Name of Listed Securities	Break-up value as at June 30, 2022 (Amount in Rupees)
Cherat Packaging Limited (CPPL)	147.17
Cherat Cement Company (CHCC)	89.12
Agha Steel Industries Limited (AGHA)	25.90
Pakistan Cables Limited (PCAL)	253.14
Indus Motor Company (INDU)	687.02
Meezan Bank Limited (MEBL)*	64.44*
International Steels Limited (ISL)	49.65

*Breakup value as at December 31, 2022

Name of Listed Securities	Earnings/(Loss) per share		
	(Amount in Rupees)		
	2020	2021	2022
Cherat Packaging Limited (CPPL)	1.65	20.12	20.83
Cherat Cement Company (CHCC)	(9.74)	16.50	22.93
Agha Steel Industries Limited (AGHA)	2.96	3.62	3.07
Pakistan Cables Limited (PCAL)	(2.58)	15.56	23.27
Indus Motor Company (INDU)	64.66	163.21	201.04
Meezan Bank Limited (MEBL)*	12.39	15.84	25.15
International Steels Limited (ISL)	1.14	17.16	12.44

Meezan Bank's basic earnings per share for 2020, 2021 and 2022.

c) Average Market Price of the shares from March 25, 2022, to December 31, 2022.

Name of Listed Securities	Average Market Price (Amount in Rupees)
Cherat Packaging Limited (CPPL)	112.90
Cherat Cement Company (CHCC)	110.78
Agha Steel Industries Limited (AGHA)	15.14
Pakistan Cables Limited (PCAL)	136.37
Indus Motor Company (INDU)	1,091.35
Meezan Bank Limited (MEBL)*	119.46
International Steels Limited (ISL)	55.82

Statements U/S 134 (3) of the Companies Act, 2017 pertaining to the Special business:

These two statements set out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on April 25, 2023.

1. Investment in Associated Companies / Associated Undertakings.

The information required to be disclosed as per 134 (3) of Companies Act, 2017 (Investment in Associated Companies or Undertakings) is as under:

I) **Name of associated companies or associated undertakings along with criteria based on which the associated relationship is established.**

	Name of Associated Companies	Basis of Relationship	Name of Common Director
a	Cherat Packaging Limited (CPPL)	Common Director	Akbarali Pesnani
b	Cherat Cement Company (CHCC)		
c	Pakistan Cables Limited (PCAL)		
d	Meezan Bank Limited (MEBL)		Nausheen Ahmad
e	International Steels Limited (ISL)		Nausheen Ahmad

The associated relationship is established on the basis of common directorship in above companies.

II) **Earnings/ (loss) per share of the associated company or associated undertakings for the last three years.**

Name of Listed Securities	Earnings/(Loss) per share		
	(Amount in Rupees)		
	2020	2021	2022
Cherat Packaging Limited (CPPL)	1.65	20.12	20.83
Cherat Cement Company (CHCC)	(9.74)	16.50	22.93
Pakistan Cables Limited (PCAL)	(2.58)	15.56	23.27
Meezan Bank Limited (MEBL) *	12.39	15.84	25.15
International Steels Limited (ISL)	1.14	17.16	12.44

* Meezan bank's basic earnings per share for 2020, 2021 and 2022

III) **Break-up value of securities intended to be acquired on the basis of latest audited financial statements.**

Name of Listed Securities	Break-up value as at June 30, 2022
	(Amount in Rupees)
Cherat Packaging Limited (CPPL)	147.17
Cherat Cement Company (CHCC)	89.12
Pakistan Cables Limited (PCAL)	253.14
Meezan Bank Limited (MEBL)	64.44*
International Steels Limited (ISL)	49.65

* Breakup value as at December 31, 2022

IV) Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.

Financial Position of Investee Companies as of June 30, 2022

Name of listed Securities	-----Rupees in Millions-----				
	CPPL	CHCC	PCAL	MEBL*	ISL
Total Total Assets	14,921	38,605	19,493	2,577,397	55,905
Current Assets	8,860	10,465	8,739	-NA-	34,915
Non-Current Assets	6,061	28,140	10,754	-NA-	20,990
Total Liabilities	8,667	21,288	10,487	2,462,076	34,309
Current Liabilities	5,909	9,847	9,255	-NA-	29,213
Non-Current Liabilities	2,758	11,441	1,232	-NA-	5,096
Shareholders' Equity	6,256	17,316	9,006	115,321	21,596
Total Revenue	13,503	32,085	21,167	140,807	91,424
Gross Profit	2,315	8,951	2,751	-NA-	12,381
Profit before Tax	1,395	6,829	1,331	88,385	8,001
Profit after Tax	886	4,456	828	45,007	5,412

*Meezan Bank Financial Position as at December 31, 2022

(V) In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operation, in addition to the information referred to above, the following further information required, namely.

- I. Description of the project and its history since conceptualisation
- II. Staring and expected date of completion of work.
- III. Time by which such project shall become commercially operational.
- IV. Expected time by which the project shall start paying return on investment; and
- V. Fund invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.

Not applicable.

General Disclosure:

I) Maximum number of investments.

Rs.3.5 million for each company aggregating to Rs.17.5 million in OPF and Rs. 6.0 million for each company aggregating to Rs. 30.0 million in PTF. Aggregating to Rs. 47.5 million.

II) Purpose, benefits and to the Company and its member from the investments and period of the investments.

Company is to hold the investments as "Available for sale" to earn dividend income and for prospective Capital Gains to give better returns to the shareholders of the Company.

III) Source of funds to be utilised for investments.

Own funds of Window Takaful Operations (OPF & PTF)

IV) Salient features of the agreement, entered into with its associated companies or associated undertaking with regards to the proposed investments;

Not applicable

V) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated companies or associated undertakings or the transactions under consideration;

Following directors of the Company are director in the respective investee companies:

	Name of investment	Name of Director of the Company who is also director in the investee company
a	Cherat Cement Company Limited (CHCC)	Akbarali Pesnani
b	Cherat Packaging Limited (CPPL)	
c	Pakistan Cables Limited (PCAL)	
d	Meezan Bank Limited (MEBL)	Nausheen Ahmad
e	International Steels Limited (ISL)	

There is no direct or indirect interest of the above directors in the investments or investee companies except for common directorship. No other Director has any direct or indirect interest in these investments or the investee companies.

VI) Any Investment in associated companies has already been made, the performance review of such investment including complete information/justification for any impairment or write offs.

Not Applicable

VII) Maximum price at which securities will be acquired.

At market price prevailing on the date of purchase.

VIII) In case the purchase price is higher than the market value in case of the listed securities.

Securities will be purchased on market value only.

IX) maximum number of securities to be acquired.

This would depend upon the prevailing market price at the time of purchase.

X) number of securities and percentage thereof held before and after the proposed investment;

Before this investment:

	Name Security	Amount of Investment (in Rupees)
a.	Cherat Packaging Limited (CPPL)	NIL
b.	Cherat Cement Company (CHCC)	NIL
c.	Pakistan Cables Limited (PCAL)	NIL
d.	International Steels Limited (ISL)	NIL
e.	Meezan Bank Limited (MEBL)	NIL

After this investment:

This could not be determined at this stage due to the reason mentioned under point (VII) and (VIII) above.

XI) In case of investment in listed securities, current market value and average of the preceding twelve weekly average price of the securities intended to be acquired:

Name of Listed Securities	Current Market price at (March 10, 2023)	12-week average price (From December 12, 2022, to March 10, 2023)
	(Amount in Rupees)	
Cherat Packaging Limited (CPPL)	91.26	87.92
Cherat Cement Company (CHCC)	101.56	117.60
Pakistan Cables Limited (PCAL)	99.45	94.06
Meezan Bank Limited (MEBL)	96.68	99.45
International Steels Limited (ISL)	42.39	44.98

XII) Fair value determined in terms of sub-regulation (I) of regulations 5 for investments in unlisted securities.

Not applicable

XIII) Disclosure in case of Investments in form of loans, advances and guarantees.

Not Applicable

XIV) Any other important details necessary for the members to understand the transactions.

None

Copies of the latest available audited annual financial statements of the associated companies will be available and can be emailed on request to the shareholders for inspection during Annual General Meeting for the agenda under Special Business.

The directors of the Company undertake that they have carried out necessary due diligence for the proposed investments in these associated companies.

2 Approval for circulation of Annual Report through QR enabled code and weblink.

The Securities and Exchange Commission of Pakistan has issued a S.R.O. 389 (I)/2023 dated March 22, 2023 whereby the SECP has allowed the listed companies to circulate the Annual Report to its members through QR enabled code and weblink subject to the fulfilment of the following requirements:

- (i) the approval of the shareholders has been obtained in the general meeting to circulate the annual audited financial statements to its members through QR enabled code and weblink;
- (ii) the notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act; and
- (iii) It shall be the responsibility of the Company to ensure that the QR code and web link is accurate and members are able to download the required information at all times.

Furthermore the Company, in future, shall circulate the annual audited financial statements through email in case email address has been provided by the member to the Company and the consent of member to receive the copies through email is not required as allowed by the SECP and the Company shall be required to send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the Company.

As the SECP has allowed that considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through CD/DVD/USB may be discontinued therefore the Company will discontinue to circulate the Annual Report through CDs in future.

CALENDAR OF MAJOR EVENTS

Financial

Results

First quarter ended 31 March 2022	Announced on	26 April 2022
Half year ended 30 June 2022	Announced on	22 August 2022
Third quarter ended 30 September 2022	Announced on	25 October 2022
Year ended 31 December 2022	Announced on	22 March 2023

Dividends

Final Cash 2022 (40%)	Announced on	22 March 2023
	Entitlement date	18 April 2023
	Statutory limit upto which payable	09 May 2023
Final Cash (2021) (40%)	Announced on	09 February 2022
	Paid on	05 April 2022
Issuance of Annual Report		04 April 2023
70th Annual General Meeting		25 April 2023

Operational

Sales Conference	Held in	May 2022
First in Pakistan end-to-end policy issuance and claims settlement Motor Application "My Jubilee"	Launched in	November 2022

Corporate Social Responsibility (CSR)

Blood Donation Drive	Conducted in	March 2022
Ration Bags Distribution Drive (Phase 1)	Conducted in	September 2022
Ration Bags Distribution Drive (Phase 2)	Conducted in	October 2022

CHAIRMAN'S REVIEW REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2022

On behalf of the Board of Directors I am pleased to present a Review of the Company's performance for the year ended December 31, 2022, to the stakeholders of Jubilee General.

The year 2022, was a challenging during which we had to deal with the geopolitical tensions, high rate of inflation, substantial increase in discount rates coupled with restrictions imposed by the State Bank of Pakistan to deal with Current Account deficit and high inflation which has resulted in curtailment of economic activities. Additionally the country had to deal with floods of proportion and devastation never experienced before. Despite all these challenges your company has achieved reasonably good results with Gross Written Premium and Contribution posting a growth of 23% to reach PKR 14.80 billion. The growth was mainly driven by Fire & Property and Health portfolios which posted growths of more than 25% each, while Motor and Marine portfolios increased by 17% and 13%, respectively. The Window Takaful Operations continued its upward trajectory with a 25% YoY growth in Gross Contributions. However, the Profit Before Tax increased by a modest 6% due to higher claims reported during the year. The imposition of Super Tax further dented the Profit After Tax which declined by 7% to Rs. 1.53 billion.

The rising inflation and contractionary fiscal and monetary policies are expected to adversely affect the economic output during 2023. However, successful negotiations with IMF, improvement in the external reserves, reduced inflationary pressures and resolution of political instability can have a positive impact on the business environment and overall economic activities. Our priority for the coming years is to modernize our technological infrastructure, grow our market share, manage expenses and enhance our profitability.

Your Board discharges its fiduciary duties judiciously with assistance from the four committees namely, Audit, Finance & Investment, Human Resource Remuneration & Nomination, and Risk & Compliance committees. The Company also has an IT Steering Committee with representation from the Board to provide guidance and oversight to the management's initiatives in the realm of digitalisation. The Company aims to achieve greater operational efficiencies with enhanced use of technology for the benefit of our customers.

The Company has a diverse and competent Board of Directors, which also engages in strategic planning with focus on future and sustainable growth. The Board has a well-defined system in place to evaluate the performance of its committees, the members and its own. In 2022, an evaluation exercise was undertaken by engaging an independent consultant having expertise in the performance evaluation of the Board and to ensure confidentiality and effectiveness. The Directors discussed the annual evaluation for the year 2022 in their meeting held on 22 March 2023 and expressed their satisfaction on the overall performance of the Board.

I would like to convey my thanks to all our staff members for their dedication and hard work, to our business partners and shareholders for their trust and confidence in the Company. I am also grateful to the Board members for their support and commitment.



R. Zakir Mahmood
Chairman

Karachi: 22 March, 2023

چیز مین کی جائزہ رپورٹ

برائے سال ختم شدہ 31 دسمبر 2022

بورڈ آف ڈائریکٹرز کی جانب سے، میں جو بلی جزل کے اسٹیک ہولڈرز کے لیے 31 دسمبر 2022 کو ختم شدہ سال کے لیے کمپنی کی کارکردگی کا جائزہ کو پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

سال 2022 ایک مشکل سال ثابت ہوا کیونکہ سیاسی اور عسکری تناؤ میں شدت، ہوشر بامہنگائی، اسٹیٹ بینک آف پاکستان کی جانب سے کرنٹ اکاؤنٹ کے خسارے اور مہنگائی پر قابو پانے کے پیش نظر ڈسکاؤنٹ ریٹ میں بہت زیادہ اضافے کے ساتھ پابندیوں کے نفاذ کے سبب غیر یقینی صورتحال رہی۔ علاوہ ازیں، ملک کو تباہ کن سیلابوں کے نتیجے میں تاریخی تباہی اور سیاسی انتشار کا سامنا رہا۔ البتہ، ان مسائل کے باوجود، آپ کی کمپنی نے 23 فیصد کی بتدریج ترقی کے ساتھ 14.80 بلین روپے کے گراس رٹن پر یکم اور کنٹریبیوشن حاصل کیا۔ فائز اور پراپرٹی اور، سلیتھ پورٹ فولیوز نے مثبت نتائج پیش کرتے ہوئے ہر ایک نے 25 فیصد سے زائد ترقی کی شرح حاصل کی جبکہ موٹر اور میرین پورٹ فولیوز بالترتیب 17 فیصد اور 13 فیصد ترقی کی۔ ونڈو ٹکفل آپریشنز نے شاندار کارکردگی جاری رکھی اور گراس کنٹریبیوشن میں سالانہ اعتبار سے 25 فیصد ترقی حاصل کی۔ چنانچہ، دوران سال کلیمز کی تعداد میں اضافے کی بدولت قبل از ٹیکس منافع 6 فیصد کی مناسب سطح تک رہا۔ حکومت کی جانب سے سپر ٹیکس لگانے سے بعد از ٹیکس منافع 7 فیصد سے کم ہو کر 1.53 بلین ہو گیا۔

مہنگائی میں جاری اضافے اور مشکل مالیاتی پالیسیوں کے نتیجے میں سال 2023 میں معاشی طور پر شدید مسائل کی توقع کی جارہی ہے۔ تاہم آئی ایم ایف کے ساتھ کامیاب مذاکرات، زرمبادلہ کے ذخائر میں بہتری، مہنگائی میں کمی اور سیاسی استحکام سے بزنس کے مجموعی ماحول اور معاشی صورتحال میں بہتری آسکتی ہے۔ آئندہ سال کے دوران کاروباری امور میں جدت لانے، اپنے ڈھانچے کو ٹیکنالوجی کے اعتبار سے نئی وضع دینے اور منافع میں اضافہ اور اخراجات میں کمی کے ساتھ اپنے مارکیٹ شیئر میں اضافے کو ترجیح دینا ہمارا عزم ہے۔

آپ کے بورڈ نے اپنے فرائض منصبی شاندار طریقہ سے انجام دیتے ہوئے چار آڈٹ کمیٹیوں بنام آڈٹ، فنانس اینڈ انوسٹمنٹ، ہیومن ریسورسز ریویویشن اینڈ نوٹیفیکیشن اور رسک کمیٹی کی بھرپور انداز میں رہنمائی کی۔ کمپنی نے آئی ٹی اسٹریٹجی کمیٹی بھی تشکیل دے رکھی ہے تاکہ ڈیجیٹلائزیشن کے دور میں انتظامیہ کے اقدامات کی نگرانی اور رہنمائی فراہم کی جائے۔ کمپنی اپنے صارفین کے فائدے کے لیے صلاحیتوں میں بہتری کے مقصد سے ٹیکنالوجی کے مزید استعمال پر توجہ دینے کا عزم رکھتی ہے۔

کمپنی کے پاس مستحکم ترقی اور مستقبل کو سامنے رکھتے ہوئے آگے بڑھنے کی حکمت عملی پر کاربند رہنے کے لیے باصلاحیت اور تجربہ کار ڈائریکٹرز کا بورڈ موجود ہے۔ بورڈ اپنی اور ممبران اور کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے ایک نظام رکھتا ہے۔ 2022 میں ایک غیر جانبدار تجربہ کار کنسلٹنٹ کے ذریعے نگرانی کے عمل کا انعقاد کیا گیا جس میں بورڈ کی کارکردگی کا جائزہ لیا گیا تاکہ شفافیت، مہارت و اہلیت اور اس کی فعالیت کو یقینی بنایا جائے۔ ڈائریکٹرز کی جانب سے 22 مارچ، 2023 کو منعقد ہونے والے بورڈ اجلاس میں سالانہ شخصی جائزہ لیا گیا۔ بورڈ نے متعین کارکردگی کے معیار کے مطابق مجموعی نتائج پر اطمینان کا اظہار کیا۔

میں جو بلی جزل کے تمام ملازمین کی پیشہ ورانہ صلاحیتوں اور انتھک محنت، کاروباری شراکت داروں کے اعتماد کو سراہتے ہوئے اسے تسلیم کرتا ہوں۔ میں بورڈ ممبران کا ان کے عزم اور کمپنی پر اعتماد کے لیے شکریہ ادا کرتا ہوں۔

Ar. Zaker Mahmood

آر. ذاکر محمود

چیز مین

کراچی: 22 مارچ، 2023

THE DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2022

The Directors are pleased to present the Annual Report and the Audited Accounts for the year ended 31st December 2022.

Overview

2022 was a challenging year globally with high inflation, resulting in higher cost-of-living, the Russia-Ukraine war, disruption in supply chain due to lingering effects of COVID-19, impacting production activities thus creating shortages for number of commodities in the world markets. To control inflation and curtail demand, the central banks around the world resorted to higher interest rates with governments adopting tightening fiscal measures. All these factors weighed down the global output as World GDP growth is expected to slow down from 6.2% in 2021 to 3.4% in 2022 according to the IMF.

During the year, Pakistan also faced multiple challenges on economic as well as political fronts combined with higher inflation and trade deficit. The enhanced import bill and scheduled external debt repayments caused a sharp decline in the PKR exchange rate. The foreign currency reserves declined to a worrisome level while the negotiation with IMF to shore up the reserves could not be concluded in time. Combined with political uncertainty, higher inflation and depleting foreign exchange reserves, restrictions on imports, the country also had to deal with floods never experienced in the history which affected 33 million people and left almost 1/3rd of the Country inundated. The Government adopted several administrative measures to arrest the decline in foreign currency reserves while the SBP increased interest rates by a cumulative 625 bps to 16% to control persistently high inflation. The rates have since moved up to over 20%.

Insurance Sector Review

Global (re)insurance markets witnessed hardening during the year due to more than normal reported natural disasters, high inflation, supply chain disruptions and geopolitical uncertainty. The local non-life insurance industry also had to face some major fire losses in Q1 and the floods in Q3. Based on the available information, we believe that in spite of the challenges, the industry posted a healthy growth in the topline during the year, however, the underwriting profits remained under pressure due to reasons highlighted above

Company Performance

Gross Written Premium (including Contribution Written in Takaful Operations) for the year amounted to PKR 14.80 billion (2021: PKR 12.05 billion) reflecting a robust growth of 23%. The combined net premium / contribution increased by 9% to PKR 6.43 billion (2021: PKR 5.88 billion). Although the macroeconomic conditions remained unfavorable, there was positive year-on-year growth in the Fire & Property, Motor, Marine, Accident & Health, and Miscellaneous portfolios. The Company's technical profit during the year contracted by 26% to PKR 465 million (2021: PKR 629 million) mainly due to higher-than-average claims settlements during the year.

The Investment Income (including Window Takaful Operations) during the year was higher by 19% to PKR 1.88 billion (2021: PKR 1.58 billion) primarily driven by higher returns on fixed income portfolio.

Insurance

The Company's Gross Written Premium increased by 23% to PKR 13.06 billion (2021: PKR 10.62 billion) and Net Premium increased by 9.46% to PKR 5.69 billion (2021: PKR 5.20 billion). We achieved an Underwriting Profit of PKR 249 million as compared to PKR 512 million in 2021.

The summarized results of the Company's insurance business for the year under review are as under:

	2022	2021
	.....(Rupees in '000).....	
Gross Premium	13,057,381	10,614,596
Net Premium Revenue	5,688,759	5,197,050
Underwriting Result	249,107	511,761
Investment Income including Capital Gain and Rent	1,845,553	1,564,528
Profit Before Tax	2,469,557	2,329,995
Profit After Tax for the year	1,533,700	1,649,327
Earnings Per Share of PKR 10 each	7.73	8.31

TAKAFUL

Gross Written Contribution for 2022 increased by 25% to PKR 1.74 billion (2021: PKR 1.39 billion). The major contributors to growth were Fire, Motor and Accident & Health portfolios. Net contribution also increased by 8% to reach PKR 740 million (2021: PKR 685 million).

The surplus of Participants' Takaful Fund increased by 2.84 times to reach PKR 77.20 million (2021: PKR 20.08 million) which is mainly due to increase in net earned contribution and higher investment income. The Operator's Profit for the year was PKR 158 million (2021: PKR 104 million.)

The summarized results of Company's Window Takaful Operations for the year under review are as follows:

	2022	2021
	.....(Rupees in '000).....	
Participants' Fund		
Gross Contribution	1,741,082	1,390,651
Net Contribution	739,562	684,633
Surplus/(Deficit) before Investment Income	19,159	(10,859)
Investment Income	73,308	39,045
Surplus for the year	77,196	20,080
Operator's Fund		
Revenue Account	197,486	128,267
Investment Income	35,377	12,919
Profit Before Tax	244,617	146,970
Profit after tax for the year	158,015	104,349

SEGMENT ANALYSIS

Fire & Property

Fire & Property portfolio contributes 38% to the overall written premium and is the largest portfolio of the Company. The portfolio increased by 27% as compared to last year. During the year, we experienced few major fire losses reported due to which the portfolio incurred a loss of PKR 266 million (2021: Profit of PKR 128 million).

Accident and Health

Accident & Health business has the 2nd largest share in our topline and contributes 17% to our business. The portfolio witnessed a growth of 27% during the year. This portfolio has combined underwriting profit of PKR 46 million in the current year. (2021: loss of PKR 16 million).

Motor

Motor portfolio contributes 17% to our topline. The portfolio posted a growth of 17% in 2022 and yielded a combined profit of PKR 453 million inclusive of surplus from Window Takaful Operations. (2021: PKR 412 million)

Marine, Aviation & Transport

Marine, Aviation & Transport portfolio contributes 8% to the total written premium. The portfolio witnessed a growth of 13% during the year despite the slow-down in economy during the year. The portfolio continues to remain profitable with a combined underwriting profit of PKR 190 million (2021: PKR 91 million).

Miscellaneous

Miscellaneous portfolio contributes 17% to the overall business and includes Engineering; Bonds; Terrorism; Bankers Blanket Bond; and Travel business, among others. The portfolio increased by 20% overall during the year. The combined underwriting profit of the portfolio reached PKR 17 million as compared to Loss of PKR 1 million in 2021.

Liability

The liability portfolio constitutes 3% of the overall business, and generated underwriting profit of PKR 25 million (2021: PKR 15 million).

INVESTMENT INCOME

The capital markets remained volatile during the year with the surge in global commodity prices, Russia-Ukraine war, higher inflation, political turmoil and weak external account situation negatively impacted the performance of equity markets. The benchmark KSE 100 index reported a negative return of 9.4% during the year 2022. Fixed income markets saw an increase in yields as the Policy rate was increased by a cumulative 625 basis points during the year. Your Company's cautious investment strategy resulted in an increase of 19% in the investment income to PKR 1.88 billion compared to PKR 1.58 billion in 2021.

MARKET SHARE

Your Company's market share stands at 11.15% as per the latest data published by the Insurance Association of Pakistan. The Company expects to maintain / increase its market share in 2023 and beyond.

REINSURANCE

Major geopolitical and macroeconomic events during 2022 such as the war in Ukraine, 40-year high inflation, interest rate hikes and Hurricane Ian (with an estimated loss of USD 60 Billion), the second most expensive natural disaster resulted in volatility in the market and significant increase in reinsurance rates effective January 1, 2023 renewals.

Despite these challenges, Jubilee General Insurance was able to successfully renew its reinsurance and retakaful covers in line with the growing needs of our clients. As always, our securities included the best reinsurers i.e. Swiss Re, Hannover Re, Lloyd's of London, SCOR etc.

PRODUCT DEVELOPMENT

The Company stays focused on leveraging technology to develop innovative products and offer efficient delivery of service. In line with our strategy to take the lead in Pakistan in technological innovations, we have recently developed Pakistan's first ever end to end policy issuance and Claims settlement App in a seamless/unbroken process. We have embarked on a journey towards end-to-end digitalisation of all business lines: from the point of customer acquisition to settlement of claims using design-thinking and mobile first approach. We are building new partnerships and integrating with multi-brand retail platforms to expand our reach to a wider customer base.

DIVIDEND & APPROPRIATION OF PROFIT

(Rupees in '000)

The amount available for appropriation is:

Amount brought forward from previous years	274,904
Profit after tax for the year	1,533,700
Actuarial (loss) on defined benefit plan	(4,338)
Adjustment of ledger D balance of an associate	(19,442)
	<u>1,784,824</u>

The Directors have recommended appropriation of available funds as follows;

Transfer to special reserves	500,000
Transfer to general reserve	300,000
Proposed final cash dividend @ 40%	793,965
Carry forward to next year	190,859
	<u>1,784,824</u>

BOARD OF DIRECTORS

The Board of Directors consists of 10 individuals having the knowledge, experience and skill required to provide oversight and the strategic guidelines to the Company. Except for the Chief Executive Officer, all other Directors of the Company are non-executive Directors including three independent Directors.

The Board of Directors has approved a meeting attendance fee for the non-executive directors, including the independent directors, for attending the Board and its committees' meetings.

BOARD MEETINGS

During the year four (4) meetings of the Board of Directors and Annual General Meeting were held, attendance details of which are as follows:

Name of Directors	Designation	Meeting Attended	AGM Attendance
Mr. R. Zakir Mahmood	Chairman	4	√
Mr. Akbarali Pesnani	Non-Executive Director	4	Leave of Absence
Mr. John Joseph Metcalf	Non-Executive Director	4	√
Mr. Amin A. Hashwani	Non-Executive Director	4	√
Mr. Amyn Currimbhoy	Independent Director	4	√
Mr. Murtaza Hashwani	Non-Executive Director	2	√
Mr. Riyaz Ali Towfiq Chinoy	Independent Director	4	√
Mr. Abrar Ahmed Mir	Non-Executive Director	3	√
Ms. Nausheen Ahmad	Independent Director	4	√
Mr. Hassan Khan	Chief Executive Officer and Managing Director	4	√

BOARD MEETING CONVENED THROUGH RESOLUTION BY CIRCULATION

During the year, two (2) Resolutions by Circulation approved by the Board of Directors.

BOARD COMMITTEES

During the year under review four (4) meetings each of Finance & Investment Committee, Board Audit Committee, Board Risk & Compliance Committee, Board Human Resource, Remuneration & Nomination Committee and two (2) meetings of the Board Information Technology Steering Committee were held. The names of the members of these Board Committees and terms of reference are given in the annexure to this report. The Chairpersons of the Board Audit Committee and Board Human Resource Remuneration & Nomination Committee are non-executive independent directors.

MANAGEMENT COMMITTEES

The Company has seven management committees, which cover the core areas of business. The Committees' names, number of meetings, names of members and terms of references of these committees are given in the annexure to this report.

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 Accounting Standards as applicable in Pakistan have been followed in the preparation of financial statements. Accounting standards and such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, SEC (Insurance) Rules, 20017 and Takaful Rules, 2012. Any departure therefrom has been adequately disclosed.
- 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.

OTHER INFORMATION UNDER SECTION 227 OF THE COMPANIES ACT 2017 & CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

The other information required under section 227 of the Companies Act, 2017 is disclosed under Pattern of Shareholding (including trading in the shares of the Company by its Directors and Executives), Internal Controls Framework, Financial Position and Performance, Risk and Opportunities and Sustainability sections of this Report.

BOARD PERFORMANCE EVALUATION

The Board has a mechanism to evaluate its own, its committees and members performance. In 2022, the Board conducted the evaluation exercise through an independent consultant having expertise in the performance evaluation of the Board and its Committees to ensure confidentiality, efficiency and effectiveness. The primary purpose of this independent evaluation is to enable the Board to assess its own quality of governance, so as to ensure that the Board members are better informed to play more effective role in furthering the objectives and goals of the Company.

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 & Nomination Committee of the Board sets operational, financial and strategic objectives to evaluate his performance. The same Committee reviews and monitors the CEO's performance on an annual basis.

INSURER FINANCIAL STRENGTH (IFS) RATING

Jubilee General's IFS (Insurer Financial Strength) rating has been affirmed as "AA++" with "Stable Outlook" by both rating agencies of Pakistan i.e., VIS Pakistan and Pakistan Credit Rating Agency (PACRA). The rating is a testament to the Company's financial strength as demonstrated by strong capitalisation and healthy liquidity. The rating also validates Jubilee General's robust risk management framework which allows the Company to sustain robust underwriting performance while sustaining a stable risk absorption capacity.

Jubilee General has also been assigned the Financial Strength Rating of "B+" (Good) and long-term issuer credit rating of "BBB-" (Good) by A. M. Best, the world's oldest and most authoritative insurance rating, and information source. The rating reflects Jubilee General's strong risk-adjusted capitalisation, solid business profile within Pakistan and good track record of operating performance.

INFORMATION TECHNOLOGY

Jubilee General continues its progress towards automation of processes for faster and improved controls to deliver better customer experience. Your Company has embarked on an accelerated journey towards digitalisation of workflows in all business lines from the point of customer acquisition to settlement of claims using design-thinking and 'mobile first' approach. This will ensure a unified digital fabric across the organisation leading to seamless integration with intermediaries, merchants, consumers, and businesses to ensure real-time, low friction interaction/transaction. 'My Jubilee' app is Pakistan's first end-to-end integrated platform for motor insurance solutions from policy issuance to claims settlement in a completely digitized loop.

AUDITORS

Messrs. A.F. Ferguson & Co., Chartered Accountants have audited the financial statements for the year 2022 and have offered themselves for reappointment. 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.

OUTLOOK

2023 is going to be another challenging year for Pakistan as we continue to deal with the external financing crisis, high inflation, and political uncertainty. Continued high inflation after recent currency devaluation and expected hikes in energy prices will further weigh down the business sentiment. The contractionary monetary and fiscal policies may continue until the external Foreign Currency issues are resolved and inflation subsides. SBP has revised the GDP growth forecast for FY2023 from the initial 3.5% to 2%. Your company is focused on improving its market position while consolidating profitability during these testing times with hope of a potential improvement in political and macroeconomic environment in the latter half of the year.

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 consistently improve our market share. We also thank our reinsurance business partners brokers for their very professional assistance and valuable support. We express our appreciation to SECP for their guidance and cooperation. We acknowledge the professionalism and hard work of our development officers, staff members and executives who helped the Company to achieve its goals.

On behalf of the Board



Hassan Khan
Managing Director & Chief Executive



Aryn Currimbhoy
Director

Karachi: 22 March, 2023

آڈیٹرز

سال 2022 کے اکاؤنٹس کو میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے آڈٹ کیا ہے اور انہوں نے خود کو دوبارہ انتخاب کے لیے پیش کیا ہے۔ بورڈ آڈٹ کمیٹی نے سفارش کی ہے کہ ایک سال کے لیے اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو قانونی آڈیٹرز کے طور پر مقرر کر لیا جائے۔ بورڈ نے اس سفارش کی توثیق بھی کی ہے۔

مستقبل پر نظر

2023 پاکستان کے ایک اور مشکل ترین سال ثابت ہونے جا رہا ہے کیونکہ ہم بیرونی قرضہ جات، ہوشربا مہنگائی اور سیاسی انتشار کا شکار ہیں۔ روپے کی ناقدری اور بجلی کی قیمتوں میں متوقع اضافے سے مہنگائی کی ایک لہر کاروباری صورتحال کو مزید ابتر کر دے گی۔ مالی اور اقتصادی اعتبار سے سخت پالیسیاں اس وقت تک جاری رہ سکتی ہیں جب تک بیرونی زرمبادلہ کے ذخائر کے استحکام اور مہنگائی پر کنٹرول نہیں کیا جاتا۔ اسٹیٹ بینک آف پاکستان نے مالی سال 2023 میں جی ڈی پی 3.5 فیصد سے 2 فیصد کے درمیان رہنے کی پیش گوئی کی ہے۔ آپ کی کمپنی اس مشکل وقت میں اس امید کے ساتھ اپنے منافع کو یکجا کرتے ہوئے اپنی مارکیٹ پوزیشن میں مزید بہتری لانے کے لیے پرعزم ہے کہ سال کی دوسری ششماہی کے دوران ملک کی سیاسی اور میکرو اکنامک سرگرمیوں میں استحکام آئے گا۔

اظہار تشکر

ہم اپنے کلائنٹس کے مشکور ہیں کہ ان کی وفاداری اور اعتماد نے ہمیں تقویت دی اور اپنے سینئر ہولڈرز کے اعتماد کے لیے بھی کہ ان کے مسلسل اعتماد اور بھروسے کی بدولت ہم اپنا مارکیٹ شیئر بڑھانے کے قابل رہے۔ ہم اپنے ری انٹرنس برنس پارٹنرز کے پیشہ ورانہ تعاون اور قابل قدر معاونت کا بھی شکریہ ادا کرتے ہیں۔ ہم بلس ای سی پی کی جانب سے رہنمائی اور تعاون کے لئے بھی ان کے بے حد شکر گزار ہیں۔ ہم اپنے برنس ڈیولپمنٹ آفیسرز، اسٹاف ممبرز، اور ایگزیکٹوز کا بھی شکریہ ادا کرتے ہیں، جن کی انتھک محنت اور پیشہ ورانہ صلاحیتوں کی بدولت کمپنی اپنے مقاصد کو حاصل کرنے میں کامیاب رہی۔

بورڈ کی جانب سے



امین کریم بھائی
ڈائریکٹر



حسان خان
مینجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو

کراچی: 22 مارچ، 2023

- مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ کے معیارات کی پیروی کی گئی ہے۔ یہ بین الاقوامی مالیاتی اکاؤنٹنگ اور رپورٹنگ معیارات (IFRS) جو کمپنیز ایکٹ 2017 کے تحت انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ بورڈ کی جانب سے جاری اور، کمپنیز ایکٹ 2017 کے ذریعے مطلع کیے گئے ہیں اور اس کے علاوہ انشورنس آرڈیننس، 2000، ایس ای سی (انشورنس) رولز 2017 اور تکافل رولز، 2012 کے تحت جاری کردہ ہدایات، دفعات، اور کوئی تبدیلی یا کسی قابل ذکر انحراف کی مناسب وضاحت کی گئی ہے؛
- کاروبار کے جاری رکھنے کے بارے میں کمپنی کی صلاحیت شکوک و شبہات سے بالاتر ہے؛
- لسٹنگ ریگولیشنز میں ذکر کردہ کارپوریٹ گورننس کے بہترین طریقوں کو اپنانے میں کوئی کوتاہی نہیں ہوئی۔

کمپنیز ایکٹ 2017 کے سیکشن 227 اور کوڈ آف کارپوریٹ گورننس فار انشوررز 2016 کے تحت دیگر معلومات

کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت درکار دیگر معلومات (بشمول کمپنی کے ڈائریکٹرز اور ایگزیکٹوز کی کمپنی کے حصص میں خرید و فروخت کی تفصیلات) انٹرنل کنٹرول فریم ورک، مالیاتی پوزیشن اور کارکردگی، سسٹنبلٹی اور رسک و مواقع اس رپورٹ میں بینٹرن آف شیئر ہولڈنگ کے نیچے ملاحظہ فرمائیں۔

بورڈ کارکردگی کا جائزہ

بورڈ کے پاس اپنی، کمیٹیوں اور ممبران کی کارکردگی جانچنے کا طریقہ کار موجود ہے۔ 2022 میں بورڈ نے ایک خود مختار کنسلٹنٹ کو کارکردگی جانچنے کی ذمہ داری سونپی جو بورڈ اور اس کی کمیٹیوں کی کارکردگی جانچنے میں تجربہ اور مہارت رکھتے ہیں تاکہ رازداری، فعالیت اور چٹنگی کے معیار کو یقینی بنایا جائے۔ اس آزاد و خود مختار نگرانی کا مقصد بورڈ کو اپنا معیار اور اپنی صلاحیتوں کا اندازہ کرنا ہے، جس سے بورڈ ممبران کمپنی کے مقاصد اور اہداف کو پانے کے لیے زیادہ مؤثر کردار ادا کر سکیں گے۔

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، ہیومن ریسورس اینڈ ٹیکنالوجی کمیٹی، اس کی کارکردگی کا اندازہ لگانے کے انتظامی، معاشی اور کاروباری مقاصد متعین کرتی ہے۔ یہی کمیٹی سالانہ بنیاد پر سی ای او کی نگرانی اور کارکردگی کا جائزہ لیتی ہے۔

انشورر فنانشل اسٹریٹجی (آئی ایف ایس) ریٹنگ

جوہلی جزل کے مالیاتی استحکام کی ریٹنگ پاکستان کی دونوں ریٹنگ ایجنسیوں وی آئی ایس (VIS-) اور پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی جانب سے "AA++" مستحکم آؤٹ لک کے ساتھ بحال ہیں۔ یہ ریٹنگ ہمارے مضبوط سرمایہ کاری اور لیبو ڈیٹی کو ملحوظ خاطر رکھتے ہوئے کی گئی ہے۔ یہ ریٹنگ جوہلی جزل کی مضبوط رسک مینجمنٹ فریم ورک اور اس کی انڈر رائٹنگ کارکردگی کا اظہار ہے۔ جس سے جوہلی جزل کے رسک کو برداشت کرنے کی صلاحیت معلوم ہوتی ہے۔

جوہلی جزل کو اے ایم بیسٹ (A.M.BEST) کی جانب سے مالیاتی استحکام کی ریٹنگ "B+(Good)" اور "BBB-" کریڈٹ ریٹنگ جاری کنندہ سے نوازا گیا ہے۔ یہ دنیا کی سب سے پرانی اور مستند انشورنس ریٹنگ اور معلومات کا ذریعہ ہے۔ ریٹنگ اس بات کا اظہار ہے کہ جوہلی جزل سرمائے کے مستحکم کاروبار، پاکستان کے اندر مضبوط بزنس پروفائل اور انتظامی کارکردگی کے شاندار ریکارڈ کی حامل ہے۔

انفارمیشن ٹیکنالوجی

جوہلی جزل اپنے صارفین کو شاندار خدمات کی فراہمی کے پیش نظر تیز اور موثر انتظامات کے لیے آٹومیشن کے اقدامات جاری رکھے ہوئے ہے۔ آپ کی کمپنی نے ڈیجیٹلائزیشن کی طرف تیزی سے قدم بڑھاتے ہوئے صارف کے ساتھ تعلق سے لیکر کلیم کی تلافی تک کے لیے تمام کاموں میں ڈیزائن کے تصور اور "موبائل فرسٹ" کی سوچ اپنائی ہے۔ اس سے پورے ادارے میں مشترکہ ڈیجیٹل رابطے کے ذریعے بے مثال تبادلہ خیال، مرنس، کنزرویٹو اور بزنسز کے ساتھ بروقت اور باسہولت ٹرانزیکشن کے امور بہم پورے ہوں گے۔ "مائی جوہلی" موثر انشورنس سلوشنز کے لیے پاکستان کی پہلی باسہولت ایپ ہے جس میں پالیسی کے اجراء سے لے کر کلیم تک کے تمام مراحل ڈیجیٹل انداز میں انجام پاتے ہیں۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز 10 افراد پر مشتمل ہوتا ہے جو کمپنی کی مجموعی نگرانی اور کاروباری ہدایات کی سمجھ بوجھ کے ساتھ معلومات، تجربہ اور مہارت رکھتے ہیں۔ چیف ایگزیکٹو آفیسر کے علاوہ، کمپنی کے تمام ڈائریکٹرز تین خود مختار ڈائریکٹرز کے ساتھ نان ایگزیکٹو ڈائریکٹرز ہیں۔

ڈائریکٹرز کے بورڈ نے نان ایگزیکٹو ڈائریکٹرز بشمول خود مختار ڈائریکٹرز کے لیے اجلاس میں شرکت، بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس منظور کی ہے۔

بورڈ کے اجلاس

دوران سال بورڈ آف ڈائریکٹرز کے چار (4) اجلاس اور سالانہ اجلاس عام منعقد ہوئے۔ جس میں حاضری کی تفصیلات مندرجہ ذیل ہیں:

ڈائریکٹرز کے نام	عہدہ	میٹنگ میں حاضری	سالانہ جنرل میٹنگ
آرڈاکر محمود	چیئر مین	4	√
اکبر علی پستانی	نان ایگزیکٹو ڈائریکٹر	4	غیر حاضری کی درخواست
جان جوزف بیٹکاف	نان ایگزیکٹو ڈائریکٹر	4	√
امین اے ہاشوانی	نان ایگزیکٹو ڈائریکٹر	4	√
امین کریم بھائی	خود مختار ڈائریکٹر	4	√
مرتضیٰ ہاشوانی	نان ایگزیکٹو ڈائریکٹر	2	√
ریاض علی توفیق چنائے	خود مختار ڈائریکٹر	4	√
ابرار احمد میر	نان ایگزیکٹو ڈائریکٹر	3	√
نوشین احمد	خود مختار ڈائریکٹر	4	√
حسان خان	چیف ایگزیکٹو آفیسر اور نیچر ڈائریکٹر	4	√

سرکیولیشن سے قرارداد کے ذریعے بورڈ میٹنگ کا انعقاد

دوران سال، بورڈ آف ڈائریکٹرز کی جانب سے سرکیولیشن کے ذریعے 2 قراردادیں منظوری کی گئیں۔

بورڈ کمیٹیاں

زیر جائزہ سال کے دوران فنانس اینڈ انوسٹمنٹ کمیٹی کے 14 اجلاس ہوئے، بورڈ آڈٹ کمیٹی اور بورڈ رسک اینڈ کمپلائنس کمیٹی کے چار (4) اجلاس اور بورڈ ہومین ریورس، ریویو اینڈ اینڈ نیشن اور بورڈ انفارمیشن ٹیکنالوجی اسٹریٹجی کمیٹی کے دو (2) اجلاس ہوئے۔ بورڈ کمیٹیوں کے ارکان کے نام اور ضابطہ کار اس رپورٹ کے ضمیمے میں دیئے گئے ہیں۔ بورڈ آڈٹ کمیٹی اور بورڈ ہومین ریورس ریویو اینڈ اینڈ نیشن کمیٹی کی چیئر پرسن ایک نان ایگزیکٹو اور خود مختار ڈائریکٹر ہیں۔

مینیجمنٹ کمیٹیاں

کمپنی میں سات مینیجمنٹ کمیٹیاں ہیں جو کاروبار کے اہم حصوں کا احاطہ کرتی ہیں۔ کمیٹیوں کے نام، اجلاسوں کی تعداد، ارکان کے نام اور ان کے ضابطہ کار اس رپورٹ کے ضمیمے میں دیئے گئے ہیں۔

ڈائریکٹرز کی ذمہ داریوں کا بیان

کوڈ آف کارپوریٹ گورننس کے فنانشل رپورٹنگ فریم ورک کی تعمیل میں ڈائریکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، معاملات کی شفافیت، آپریٹرز کے نتائج، کیش فلو اور لیابیلٹی میں تبدیلیوں کی درست صورت حال کی عکاسی کرتے ہیں؛
- کمپنی کے اکاؤنٹس کی بکس باقاعدگی کے ساتھ برقرار رکھے گئے ہیں۔
- مالیاتی گوشوارے ترتیب دیتے ہوئے، مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو ملحوظ خاطر رکھا گیا ہے، اور مالیاتی گوشوارے اور اکاؤنٹنگ تخمینے مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں؛

سرمایہ کاری کی آمدنی

روس اور یوکرین کی جنگ، مہنگائی میں اضافے، سیاسی بحران اور ملکی اکاؤنٹ کی کمزور صورتحال کے نتیجے میں اجناس کی عالمی قیمتوں میں تیزی رہی نتیجتاً دوران سال کیپٹل مارکیٹوں میں اتار چڑھاؤ اور لیونٹی مارکیٹوں کی کارکردگی پر منفی اثرات مرتب ہوئے۔ سال 2022 کے دوران بیچ مارک کے ہس ای 100 انڈیکس نے 9.4- فیصد کا منفی ریٹرن فراہم کیا۔ فلکسڈ انکم مارکیٹ کے منافع میں اضافہ ہوا کیونکہ دوران سال پالیسی ریٹ میں 625bps کا مجموعی اضافہ کیا گیا۔ آپ کی کمپنی کی سرمایہ کاری سے متعلق شاندار منصوبہ بندی کے نتیجے میں سرمایہ کاری کی آمدنی 19 فیصد ترقی کے ساتھ 1.88 بلین روپے (1.58:2021) بلین روپے سرمایہ کاری کے منافع سے ہو۔

مارکیٹ شیئر

انشورنس ایسوسی ایشن آف پاکستان کی شائع کردہ تفصیلات کے مطابق آپ کی کمپنی کا مارکیٹ شیئر 11.15 فیصد تک پہنچ گیا ہے۔ کمپنی مالیاتی سال 2023 میں اپنے مارکیٹ شیئر میں مزید اضافے کے لیے پر امید ہے۔

ری انشورنس

2022 کے دوران بڑے بڑے عسکری و سیاسی تنازعات اور میکر و آکناک واقعات پیش آئے جن میں یوکرین کی جنگ، 40 سال کی بلند ترین مہنگائی، شرح سود میں اضافہ اور لین نامی طوفان) جس میں تقریباً 60 بلین ڈالر نقصان ہوا) شامل ہے جو کہ دوسری مہنگی ترین قدرتی آفت ثابت ہوئی، نتیجے میں مارکیٹ کی صورتحال اتار چڑھاؤ کا شکار رہی اور مخصوص ری انشورنس ریٹ کیمن جنوری 2023 کے ریٹرنز میں موثر ہو گیا۔

ان مسائل کے باوجود، جو بلی جزل انشورنس اپنے صارفین کی ضروریات کے مطابق ری انشورنس اور ری وکافل کورز کو دوبارہ فعال کرنے میں کامیاب رہی۔ ایک اعلیٰ سطح کے ری انشورنس کی حیثیت سے ہم نے سوئس ری ایسینورری، لائسنس آف لندن، SCOR، الائیڈ وغیرہ جیسی مایہ ناز سیکورٹیز کے ساتھ شراکت داری کی ہوئی ہے۔

مصنوعات کی ترقی

جو بلی جزل ٹیکنالوجی کے ذریعے اپنے کاروبار میں جدید مصنوعات کو فروغ دینے اور موثر سروس کے لیے کوشاں ہے۔ ٹیکنیکی جدت کے حوالے سے پاکستان میں اولین مقام حاصل کرنے کی حکمت عملی کے پیش نظر، ہم نے حال ہی میں پاکستان کی پہلی اور بے مثال / شفاف طریقہ کار پر مشتمل باسہولت پالیسی اجراء اور کلیم سینٹرنٹ والی ایپ حاصل کی ہے۔ ہم کسٹمر کے حصول سے لے کر کلیم کی سینٹرنٹ تک کے پورے عمل کو ایک مربوط ڈیجیٹلائزیشن کے ذریعے انجام دینے کے سفر پر گامزن ہو چکے ہیں، جس میں ڈیٹا کی ندرت اور موبائل فرسٹ کے طریقہ کار کو استعمال کر رہے ہیں۔ کمپنی نئی شراکت داریوں اور ملٹی برانڈ ریٹیل پلیٹ فارمز کے استعمال سے اپنے کسٹمرز کی تعداد میں اضافے کے لیے سرگرم عمل ہے۔

منافع منقسمہ اور منافع کی تخصیص

مختص کرنے کے لئے دستیاب رقم:

....'000' روپے میں....

274,904
1,533,700
(4,338)
(19,442)
1,784,824
500,000
300,000
793,965
190,859
1,784,824

گذشتہ سال سے آنے والی رقم
اس سال کا بعد از ٹیکس منافع
مقررہ فائدے کے پلان پر ایکویٹی (نقصان)
ایسوسی ایٹ کے ڈی۔ بیلس کے گوشوارے کی ایڈجسٹمنٹ

ڈائریکٹرز کی جانب سے سفارش کی جاتی ہے کہ اس رقم کو مندرجہ ذیل طریقے سے مختص کیا جائے:

خصوصی ذخائر کو منتقلی
عمومی ذخائر کو منتقلی
تجویز کردہ حتمی نقد منافع 40 فیصد
اگلے سال کے حساب میں منتقلی

زیر جائزہ سال کے دوران کمپنی کے شراکت دارانہ تکافل فنڈ 2.84 گنا اضافے کے ساتھ 77.20 ملین روپے تک پہنچ گیا کیونکہ کمائے گئے خالص کنٹریبیوشن اور سرمایہ کاری سے زائد آمدنی حاصل ہوئی۔ سال کے لیے آپریٹنگ منافع 158 ملین روپے (2021 میں 104 ملین روپے) تک پہنچ گیا۔

زیر جائزہ سال کے لئے کمپنی کے ونڈو تکافل آپریشنز کے مجموعی نتائج درج ذیل ہیں:

2021	2022
.....'000' روپے میں.....	
1,390,651	1,741,082
684,633	739,562
(10,859)	19,159
39,045	73,308
20,080	77,196
128,267	197,486
12,919	35,377
146,970	244,617
104,349	158,015

پارٹنیشنرز فنڈ

مجموعی کنٹریبیوشن
خالص کنٹریبیوشن
سرمایہ کاری آمدنی سے قبل اضافہ / (خسارہ)
سرمایہ کاری آمدنی
سال کا مجموعی سرپلس / اضافہ

آپریٹنگ فنڈ

ریونیو اکاؤنٹ
سرمایہ کاری آمدنی
قبل از ٹیکس منافع
بعد از ٹیکس سالانہ منافع

شعبہ جات کا جائزہ

آئندہ دگی اور جائیداد (فائز لینڈ پر اپریٹی)

فائز اور پر اپریٹی کمپنی کا سب سے بڑا پورٹ فولیو ہے اور کمپنی کے مجموعی پریمیم میں اس کا 38 فیصد حصہ ہے۔ اس پورٹ فولیو نے گزشتہ سال کے مقابلے میں 27 فیصد ترقی کی۔ دوران سال ہمیں آگ کے نقصانات کے سبب اس پورٹ فولیو پر منفی اثرات کا سامنا رہا، تاہم 266 ملین روپے (2021: 128 ملین روپے فائدہ) کا نقصان اٹھایا۔

حادثات اور صحت (ایکسیڈنٹ اینڈ ہیلتھ)

ہیلتھ اور ایکسیڈنٹ بزنس ہمارے بزنس کا دو سب سے بڑا حصہ دار اور 17 فیصد شراکت دار ہے۔ دوران سال اس پورٹ فولیو نے 27 فیصد شاندار ترقی حاصل کی۔ اس پورٹ فولیو کا مجموعی انڈر رائٹنگ منافع 46 ملین روپے رہا (2021 میں 16 ملین روپے کا نقصان)۔

موٹر

موٹر پورٹ فولیو ہمارے کاروبار کے ٹاپ لائن میں 17 فیصد کا حصہ ڈالا کرتا ہے۔ اس پورٹ فولیو نے ونڈو تکافل آپریشنز سے حاصل ہونے والے سرپلس کے ساتھ 453 ملین روپے (2021: 412 ملین روپے) کا مجموعی منافع کمایا۔

میرین، ایوی ایشن اور ٹرانسپورٹ

میرین، ایوی ایشن اور ٹرانسپورٹ پورٹ فولیو کمپنی کے مجموعی پریمیم میں 8 فیصد حصہ ہے۔ اس پورٹ فولیو میں دوران سال معاشی ست روی کے باوجود 13 فیصد ترقی رہی۔ بزنس نے 190 ملین روپے (2021: 91 ملین روپے) کے انڈر رائٹنگ پرافٹ سے اپنی پوزیشن مستحکم رکھی۔

متفرق

یہ پورٹ فولیو کمپنی کے مجموعی کاروبار میں 17 فیصد کا حصہ دار ہے اور اس میں مختلف کاروباری شعبے جیسے انجینئرنگ، ہونڈو، ٹورزم، مینکریٹ ہانڈ، اور ٹریول وغیرہ شامل ہیں۔ دوران سال اس پورٹ فولیو نے 20 فیصد ترقی کی۔ اس پورٹ فولیو نے مجموعی انڈر رائٹنگ منافع 17 ملین روپے (2021: 1 ملین روپے) کا نقصان کمایا۔

واجبات (لائسبلٹی)

لائسبلٹی پورٹ فولیو کا مجموعی بزنس میں 3 فیصد کا حصہ ہے، اس نے انڈر رائٹنگ منافع 25 ملین روپے کمایا (2021: 15 ملین روپے)۔

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 31 دسمبر 2022

ڈائریکٹرز 31 دسمبر 2022 کو اختتام پذیر ہونے والی سال کے لیے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

جائزہ

2022 کا سال بلند ترین مہنگائی کے سبب روزمرہ اخراجات بڑھنے والے مسائل، روس اور یوکرین کی جنگ کے نتیجے میں اجناس کی قیمتوں میں ہوشربا اضافے اور کرونا کے منفی اثرات جاری رہنے سے سپلائی چین کے خلل کی بدولت سخت ترین رہا۔ مہنگائی پر قابو پانے اور طلب میں کمی کے لیے دنیا بھر کی مرکزی بینکوں نے شرح سود میں اضافہ کیا نتیجے میں حکومتوں نے بھی سخت معاشی فیصلے اپنائے۔ ان تمام عوامل کے نتیجے میں دنیا بھر کے اقتصادی امور سست روی کا شکار رہے جبکہ آئی ایم ایف کے مطابق 2022 میں دنیا بھر کی جی ڈی پی گروتھ 6.2 فیصد سے کم ہو کر 3.4 فیصد رہے گی۔

دوران سال، پاکستان کو معیشت کے ساتھ سیاسی مسائل کا بھی سامنا رہا جس سے ناصر مہنگائی ہوئی بلکہ ہمارا تجارتی خسارہ بھی بڑھ گیا۔ ملک کا امپورٹ بل بڑھنے کے ساتھ تیزی سے بڑھتے ہوئے بیرونی قرضہ جات کی واپسی پاکستانی روپے کی شرح مبادلہ میں کمی اور بیرونی زرمبادلہ کے ذخائر میں کمی کا باعث بنے دوسری جانب آئی ایم ایف سے مذاکرات میں تاخیر سے صورتحال مزید خراب ہوتی دکھ رہی ہے۔ سیاسی انفراتفری، ہوشربا مہنگائی اور تیزی سے گرتے ہوئے بیرون زرمبادلہ کے ذخائر، امپورٹس پر پابندیوں کے ساتھ، ملک کو تاریخی طور پر تباہ کن سیلابوں کا سامنا رہا جن سے 33 بلین افراد متاثر ہوئے اور ملک کا ایک تہائی پانی کی نظر ہو گیا۔ حکومت نے بیرونی زرمبادلہ کے ذخائر میں کمی کو کنٹرول کرنے کے لیے کئی قسم کے انتظامی اقدامات اٹھائے جبکہ اسٹیٹ بینک آف پاکستان نے مہنگائی پر ضابطے کے لیے شرح سود میں مجموعی طور پر 625bps سے 16 فیصد تک شرح سود میں اضافہ کیا۔ یہ ریٹس اب تک 20 فیصد تک بڑھ چکے ہیں۔

انشورنس کے شعبہ کا جائزہ

دوران سال محنت لاف قدرتی آفات، ہوشربا مہنگائی، سپلائی چین میں خلل اور سیاسی و عسکری بے یقینی کے نتیجے میں عالمی ری انشورنس مارکیٹس کو مشکلات رہیں۔ مقامی نان لائف انشورنس انڈسٹری کو پہلی سہ ماہی میں کچھ فائر کلیمز اور تیسری سہ ماہی میں ہارشلوں کی تباہی سے مشکلات کا سامنا رہا۔ موجود معلومات کے مطابق، ہمارا ماننا ہے کہ ان مسائل کے باوجود، دوران سال انڈسٹری نے ٹاپ لائن میں مناسب ترقی حاصل کی، البتہ انڈر رائٹنگ منافع مذکورہ بالا اسباب کے نتیجے میں دباؤ کا شکار رہا۔

کمپنی کی کارکردگی

کمپنی کا مجموعی پریمیم (GWP) بشمول نکافل آپریشنز سے حاصل شدہ کنٹریبیوشن 23 فیصد کی شاندار ترقی کے ساتھ 14.80 بلین روپے رہا (2021 میں 12.05 بلین روپے) جبکہ مشترکہ خالص پریمیم / کنٹریبیوشن 9 فیصد اضافے کے ساتھ 6.43 بلین روپے ہو گیا (2021 میں 5.88 بلین روپے)۔ دوسری جانب میکرو اکنامک حالات مناسب نہیں تھے پھر بھی فائز اور پراپرٹی، میرین، ایکسیڈنٹ وہیلتھ اور متنفرق پورٹ فولیوز میں مثبت صورتحال رہی۔ دوران سال کمپنی کا ٹیکنیکل منافع 26 فیصد کمی کے نتیجے میں 465 ملین روپے بنتا ہے (2021 میں 629 ملین روپے)۔ منافع میں کمی کا سبب بزنس میں کلیم کے تصفیہ کی غیر متوقع طور پر زیادہ تعداد ہے۔

سال کے دوران، سرمایہ کاری سے حاصل ہونے والی آمدنی (بشمول ونڈو نکافل آپریشنز) 2021 کے 1.58 بلین کے مقابلے میں 1.88 بلین روپے رہی۔ اس ضمن میں گلسڈ انکم پورٹ فولیو سے فائدہ حاصل ہوا۔

انشورنس

زیارہ جائزہ مدت کے دوران کمپنی کا مجموعی پریمیم 23 فیصد اضافے کے ساتھ 13.06 بلین روپے (2021 میں 10.62 بلین روپے) اور خالص پریمیم 9.46 فیصد اضافے کے ساتھ 5.69 بلین روپے (2021 میں 5.20 بلین روپے) رہا۔ ہم نے 2021 میں 512 بلین روپے کے مقابلے میں 249 بلین روپے کا انڈر رائٹنگ منافع حاصل کیا۔

زیارہ جائزہ سال کے دوران کمپنی کے انشورنس کاروبار کے مجموعی نتائج کا خلاصہ درج ذیل ہے:

2021	2022
10,614,596	13,057,381
5,197,050	5,688,759
511,761	249,107
1,564,528	1,845,553
2,329,995	2,469,557
1,649,327	1,533,700
8.31	7.73

.....'000' روپے میں

مجموعی پریمیم

خالص پریمیم آمدنی

انڈر رائٹنگ کے نتائج

سرمایہ کاری سے آمدنی (بشمول کرایہ اور کیپیٹل گینز)

قبل از ٹیکس منافع

بعد از ٹیکس سالانہ منافع

فی شیئر منافع ہر 10 روپے کے شیئر پر

نکافل

2022 میں ونڈو نکافل آپریشنز 25 فیصد اضافے کے ساتھ مجموعی رٹن کنٹریبیوشن 1.74 بلین روپے (2021: 1.39 بلین روپے) حاصل کرنے میں کامیاب رہا۔ اس میں ہیلتھ، فائر، اور موٹو اور ایکسیڈنٹ پورٹ فولیوز نے زبردست کارکردگی دکھائی۔ خالص کنٹری بیوشن بھی 8 فیصد اضافے کے ساتھ 740 ملین روپے ہو گیا (2021: 685 ملین روپے)۔

ENGAGEMENT WITH STAKEHOLDERS

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

Jubilee General Insurance operates almost in large major cities of the Country while promoting diversity and inclusivity on a national scale. We continue to adopt and put into practice thorough community strategy that is informed by the local environment. We have a well-established norms of stakeholders participation, which is one of the major factor in the growth and ongoing success of the Company. Our Company is really grateful for the clear link between efficient stakeholders management and overall organisational success. Our major stakeholder includes mainly our Shareholders, Investors, Customers, Suppliers, Service providers, Financial Institutions, Media, Regulatory bodies, Analysts and last but the not the least our Employees.

Our stakeholders relationship and engagement methodology is based on the following key principles:

1. Responsibility to our stakeholders and society at large.
2. Involvement of stakeholders in all decision-making processes where applicable.
3. Roles and responsibilities for continuing relationship management are assigned and put into practice.
4. Potential issues raised by stakeholders are acknowledged, and considered for appropriate resolution.
5. Timely action to stakeholder genuine concerns.
6. The foundation of stakeholder engagement is based on the following standards for optimal results also reflect in our 'Code of Conduct':
 - Teamwork
 - Integrity
 - Excellence
 - Passion
 - Ethics
 - Humanity
 - Innovation
 - Equality

The Company believes in effective communication with all stakeholders and engagement with them has been explained as under:

SHAREHOLDERS AND INVESTORS

The Company convenes annual and extra ordinary general meetings in accordance with the requirement of Companies Act 2017. The Company's interim results and reports are placed on the Company's website and are also notified to the Pakistan 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 a timely basis. The Company's website also has an "Investor Relations" section, which contains all relevant information for the use of investors which is updated on timely basis. During the year, the Company has also briefed the shareholders on Company's performance, through Corporate Briefing Session. The recording of the Corporate Briefing Session has been uploaded on the Company's website.

CUSTOMERS

The Company's philosophy can be summed up as customer protection, their satisfaction and trust. The Company has a proper sales team that meets with corporate clients on a regular basis to obtain their feedback, which significantly helps in improvement of level of services provided to them. The Company has also availed the service of call centre 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 their complains (if any) which are addressed appropriately.

SUPPLIERS AND SERVICE PROVIDERS

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

FINANCIAL INSTITUTIONS

The Company works in partnership with major banks and other financial institutions to provide better services to the customers and 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 the counter parties.

MEDIA

The Company promotes its business activities by having a strong presence in media. The Company ensures media presence while launching 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 the platform of the Insurance Association of Pakistan (IAP) and business representative bodies. The Company's active participation is witnessed at IAP platform as currently Company's Senior Executive holds the position of Chairman IAP.

ANALYSTS

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

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

As required by the Pakistan Stock Exchange, the Company also arranges briefing on the Company's performance and operations on an annual basis.

EMPLOYEES

Employees are prominent stakeholders of the Company and they work in the Company to earn their livelihood. The Company has extensive employees' engagement schemes in place. The employees' issues revolve around work life balance, training & development, and rewards. The Company conducts in-house and outside training programs.

LOCAL COMMUNITIES

Jubilee gives enough importance to our relationships with local communities and the society on a regular basis. Local Communities provide favorable environment to the Company to conduct its business and achieve its targets. We follow our core values and certain ethical principles to create opportunities and contribute towards the betterment of our local communities.

ACCESS TO REPORTS AND ENQUIRIES

FINANCIAL REPORTS

Annual Report 2022 and quarterly reports may be downloaded from the Company's website: www.jubileegeneral.com.pk or printed copies can be obtained by writing to the Company Secretary.

PRESENTATION ON COMPANY'S PERFORMANCE

Video presentation by Chief Executive Officer on Company's financial position and performance in 2022 is available on Company's website: 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**.

INVESTORS' GRIEVANCES POLICY

At Jubilee General Insurance Company Limited, we want to ensure that our Investors receive exemplary services. Investor queries and complaints constitute an important voice for us. Following are our guiding principles:

- Investors are treated fairly at all times.
- Complaints raised by Investors are dealt in a timely manner; and
- 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 holding, dividends or share certificates etc. can be directed to the Share Registrar at the following address:

THK ASSOCIATES (PVT.) LIMITED

Plot No.32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500.
UAN: (92-21):111-000-322 Tel: (92-21) 35310191-93 Fax: 35310190

In case investor's grievance is not addressed up to his/her satisfaction or within reasonable time, investors may also directly write to the Company their query/complaint at,

COMPANY SECRETARY

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

Company has a designated email address i.e. info@jubileegeneral.com.pk for handling investor's grievances on which investor can make a complaint.

STEPS TAKEN TO ENCOURAGE MINORITY SHAREHOLDERS TO ATTEND THE GENERAL MEETINGS

The management is constantly endeavoring to increase the participation of minority shareholders at the general meetings. In year 2022, keeping in view social distancing precaution, the Company has conducted its AGM through Audio Visual Application. However, the Company has facilitated to ensure maximum online participation of minority shareholders. The Company through the notice of AGM along with email address also provides dedicated phone number so that all shareholders can contact through SMS and/or WhatsApp for any query, suggestion or guidance for attending the general meetings.

ISSUES RAISED AT THE LAST ANNUAL GENERAL MEETING

In the 69th Annual General Meeting of the Company held on Thursday March 24, 2022, along with ordinary business, a special business was conducted and no significant issue was raised by the members.

PRESENCE OF CHAIRMAN - AUDIT COMMITTEE IN THE ANNUAL GENERAL MEETING

The Chairman Audit Committee has attended the 69th Annual General Meeting (AGM) of the Company held on Thursday March 24, 2022, in order to answer any question on the Audit Committee's activities and on matter (if any) within the scope of the Audit Committee's responsibilities by the shareholder(s). However, no such questions were raised in the AGM.

CORPORATE BRIEFING OF SHAREHOLDERS AND ANALYSTS

The management firmly believes on the importance of continues engagement with the shareholders and business analysts. The shareholders and analyst briefing is a very effective tool to understand and explain the Company's Operations and future prospects. As required by listing regulation of Pakistan Stock Exchange a detailed briefing on the Company's performance of year 2021 and nine months ended September 30, 2022 was held on December 13, 2022 for the shareholders and business analysts. The management has presented the detailed analysis of financial results of year 2021 and nine months ended September 30, 2022 for the information of attendees. The outlook of year end 2023 was also discussed and explained in detail.

PATTERN OF SHAREHOLDING

AS OF 31 DECEMBER 2022

Number of Shareholder(s)	Shareholding(s)		Number of Shares held	Percentage
	From	To		
395	1	100	9,029	0.0045
214	101	500	61,802	0.0311
138	501	1,000	106,480	0.0536
367	1,001	5,000	931,323	0.4692
97	5,001	10,000	721,715	0.3636
72	10,001	15,000	884,583	0.4457
27	15,001	20,000	477,913	0.2408
34	20,001	25,000	775,350	0.3906
12	25,001	30,000	330,463	0.1665
8	30,001	35,000	262,547	0.1323
8	35,001	40,000	304,496	0.1534
4	40,001	45,000	174,227	0.0878
9	45,001	50,000	421,897	0.2126
3	50,001	55,000	153,884	0.0775
5	55,001	60,000	289,585	0.1459
5	60,001	65,000	318,245	0.1603
5	65,001	70,000	341,495	0.1720
2	70,001	75,000	143,057	0.0721
3	75,001	80,000	232,484	0.1171
1	80,001	85,000	82,476	0.0416
1	85,001	90,000	86,500	0.0436
2	90,001	95,000	184,001	0.0927
2	95,001	100,000	195,339	0.0984
1	100,001	105,000	103,593	0.0522
1	105,001	110,000	105,908	0.0534
2	110,001	115,000	225,109	0.1134
1	115,001	120,000	118,077	0.0595
1	130,001	135,000	131,000	0.0660
1	150,001	155,000	150,096	0.0756
2	165,001	170,000	334,618	0.1686
3	175,001	180,000	527,900	0.2660
2	185,001	190,000	376,213	0.1895
1	195,001	200,000	196,871	0.0992
1	200,001	205,000	203,834	0.1027
1	215,001	220,000	218,211	0.1099
1	230,001	235,000	234,682	0.1182

Number of Shareholder(s)	Shareholding(s)		Number of Shares held	Percentage
	From	To		
1	235,001	240,000	239,953	0.1209
1	240,001	245,000	240,336	0.1211
2	250,001	255,000	502,467	0.2531
1	265,001	270,000	267,065	0.1345
2	305,001	310,000	615,087	0.3099
1	320,001	325,000	322,401	0.1624
1	350,001	355,000	353,441	0.1781
1	360,001	365,000	362,259	0.1825
1	400,001	405,000	401,262	0.2022
1	435,001	440,000	436,690	0.2200
1	450,001	455,000	452,167	0.2278
1	470,001	475,000	472,518	0.2381
1	525,001	530,000	528,124	0.2661
1	735,001	740,000	738,485	0.3720
1	940,001	945,000	943,541	0.4754
2	1,140,001	1,145,000	2,288,311	1.1529
1	1,500,001	1,505,000	1,503,982	0.7576
1	1,595,001	1,600,000	1,596,430	0.8043
1	1,610,001	1,615,000	1,611,643	0.8119
1	1,970,001	1,975,000	1,971,648	0.9933
1	2,075,001	2,080,000	2,076,175	1.0460
1	2,235,001	2,240,000	2,235,298	1.1261
1	2,245,001	2,250,000	2,248,623	1.1329
1	2,395,001	2,400,000	2,400,000	1.2091
1	2,630,001	2,635,000	2,633,604	1.3268
1	2,765,001	2,770,000	2,767,684	1.3944
1	2,880,001	2,885,000	2,880,711	1.4513
1	3,645,001	3,650,000	3,647,912	1.8378
1	7,250,001	7,255,000	7,254,786	3.6550
1	10,040,001	10,045,000	10,042,754	5.0595
1	10,910,001	10,915,000	10,911,131	5.4970
1	15,055,001	15,060,000	15,056,661	7.5856
1	27,880,001	27,885,000	27,883,221	14.0476
1	39,305,001	39,310,000	39,307,997	19.8034
1	40,880,001	40,885,000	40,881,871	20.5963
1,470			198,491,241	100.0000

PATTERN OF SHAREHOLDING

ADDITIONAL INFORMATION

AS OF 31 DECEMBER 2022

Categories of Shareholders	Number of Shareholder(s)	Number of Shares held	Percentage
Associated Companies, Undertakings and Related Parties:	7	142,239,208	71.66
Hashwani Hotels Limited		10,911,131	
Habib Bank Limited		39,307,997	
Aga Khan Fund for Economic Development		27,883,221	
Aga Khan Hospital and Medical College Foundation		40,881,871	
Jubilee Life Insurance Company Limited		943,541	
Aga Khan University Foundation		7,254,786	
Pakistan Services Limited		15,056,661	
NIT and ICP	1	45	-
Investment Corporation of Pakistan			
Directors, CEO & their Spouse and Minor Children	8	2,895,027	1.46
R. Zakir Mahmood		298	
Akbarali Pesnani		113,850	
Amin A. Hashwani		2,633,604	
Amyr Currimbhoy		3,793	
Riyaz Ali Towfiq Chinoy		46,807	
Murtaza Hashwani		65,000	
Nausheen Ahmad		2,500	
Sakina Pesnani w/o Akbarali Pesnani		29,175	
Executives	1	39,095	0.02
Azfar Arshad Inam		39,095	
Public Sector Companies and Corporations		-	
Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and ICP Mutual Funds	7	595,022	0.30
Individuals	1,418	45,691,707	23.02
Others	28	7,031,137	3.54
Total	1,470	198,491,241	100.00

Particulars of Shareholders	Number of Shares held	Percentage
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Shareholders holding 5 percent or more shares in the Company

- Aga Khan Hospital and Medical College Foundation	40,881,871	20.60
- Habib Bank Limited	39,307,997	19.80
- Aga Khan Fund for Economic Development	27,883,221	14.05
- Pakistan Services Limited	15,056,661	7.59
- Hashwani Hotels Limited	10,911,131	5.50

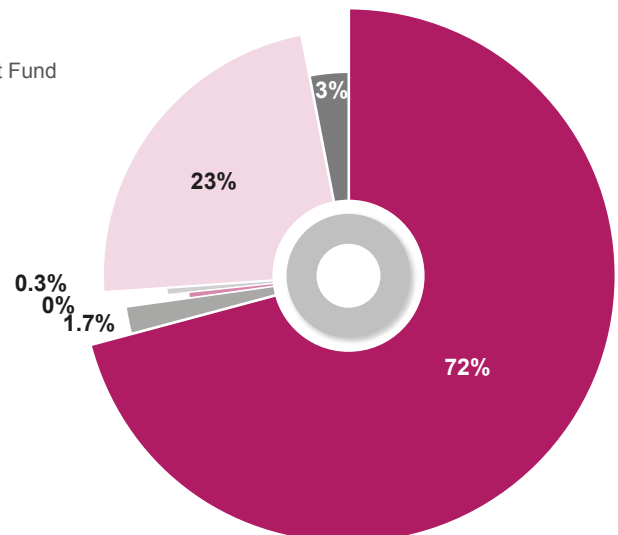
Trading in shares by Directors, CEO, CFO, Company Secretary & their spouses and minor children during the year 2022.

Name	Designation	Transaction	No. of Shares
NIL	NIL	NIL	NIL

Categories of Shareholders	Number of Shareholder(s)	Shares held	Percentage of Total
Individual	1,385	35,063,506	17.77
Insurance Companies	3	1,358,623	0.69
Joint Stock Companies	23	28,608,311	14.41
Financial Institutions	6	39,487,784	19.89
Modarabas & Mutual Funds	1	198	-
Non Resident Shareholders	43	41,445,544	20.78
Others - see below	9	52,527,275	26.46
	1,470	198,491,241	100.00

- 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 Saeeda Amin Wakf
- VII. Trustees Muhammad Amin Wakf Estate
- VIII. Trustees of Gray Mackenzie Restaurants Int'l Employees Provident Fund
- IX. Federal Board of Revenue

- Associated Companies, Undertakings and Related Parties
- Directors, CEO & their Spouses and Minor Children
- Executives
- Other Companies
- Individuals
- Others







Governance

ENSURING
ROBUST CULTURE

GOVERNANCE

The Board of Directors is responsible for the overall governance of the Company. In order to perform its core-responsibility, the Board has developed a complete mechanism so that the governance functions can be performed effectively and efficiently.

Following are the key features of the Board's Governance function:

STRUCTURE OF THE BOARD AND ITS MODUS OPERANDI

The Board of the Directors is comprised of 10 directors including CEO & Managing Director which is headed by the Chairman elected by the Board members. As per the Companies Act, 2017 and Memorandum & Articles of Association of the Company, the control of the Company's affairs vests with the Board. In order to facilitate them to operate, Chief Executive Officer is appointed by the Board executing a Power of Attorney in CEO's favor to delegate authority and empower him to run the Company's operations. CEO operates within the parameters of the delegated authority. The delegated authority is subject to review by the Board. The Board meets at regular intervals to govern the operations and performance of the Company.

The Board of Jubilee General Insurance Company works in the following manner:

I) DECISIONS TAKEN BY THE BOARD

The Board of Directors duly exercise all powers provided in the relevant provisions of the Companies Act, 2017 and Code of Corporate Governance.

The important decisions taken by Board of Directors include:

- a. Issue shares;
- b. Borrow moneys;
- c. appoint or change Chief Executive of the Company & determine his remuneration;
- d. fill the casual vacancy on the Board;
- e. approve Financial Statements, quarterly, half yearly and yearly;
- f. recommend dividends to the shareholders;
- g. ensure that Rules and Regulations are properly complied with; and
- h. approve business strategy including budgets

In addition to the above, the Board takes various decisions on the recommendation of the management with respect to the governance of the Company.

II) BOARD COMMITTEES

In order to perform specific Board's level task and to adhere regulatory requirements, the Board of Director has formed 5 Committees comprised of Board members having specific subject expertise, talents, skills and knowledge. These Committees inform and assist the full board on particular areas of concern and enable the Board to divide the work into manageable sections. The composition and TORs of these committees have been given in the 'Board Committees' section.

III) DECISIONS TAKEN BY THE MANAGEMENT

The Board ensures that all key management executives possess such qualification and experience required under the Code of Corporate Governance and Section 12 of the Insurance Ordinance 2000.

All day to day operations are handled by the management team under the supervision of the CEO with a focus on the business plan and guidelines given by the Board. The management team performs duties within the powers delegated to them. The management team if comes across any situation where guidance of superior authority requires, the CEO refers the matter to the Chairman of the Board who either suggests the way to resolve or refers the matter to Board of Directors. The Management performs its function with the following major tools:

(A) MANAGEMENT COMMITTEES

In order to oversee all the functions of the Company, seven management committees have been constituted which oversee specific operation of the Company and take decisions accordingly keeping in view the circumstances. Brief details of these management committees have been given in the “Management Committees” section of this Annual Report.

(B) POLICIES & PROCEDURES

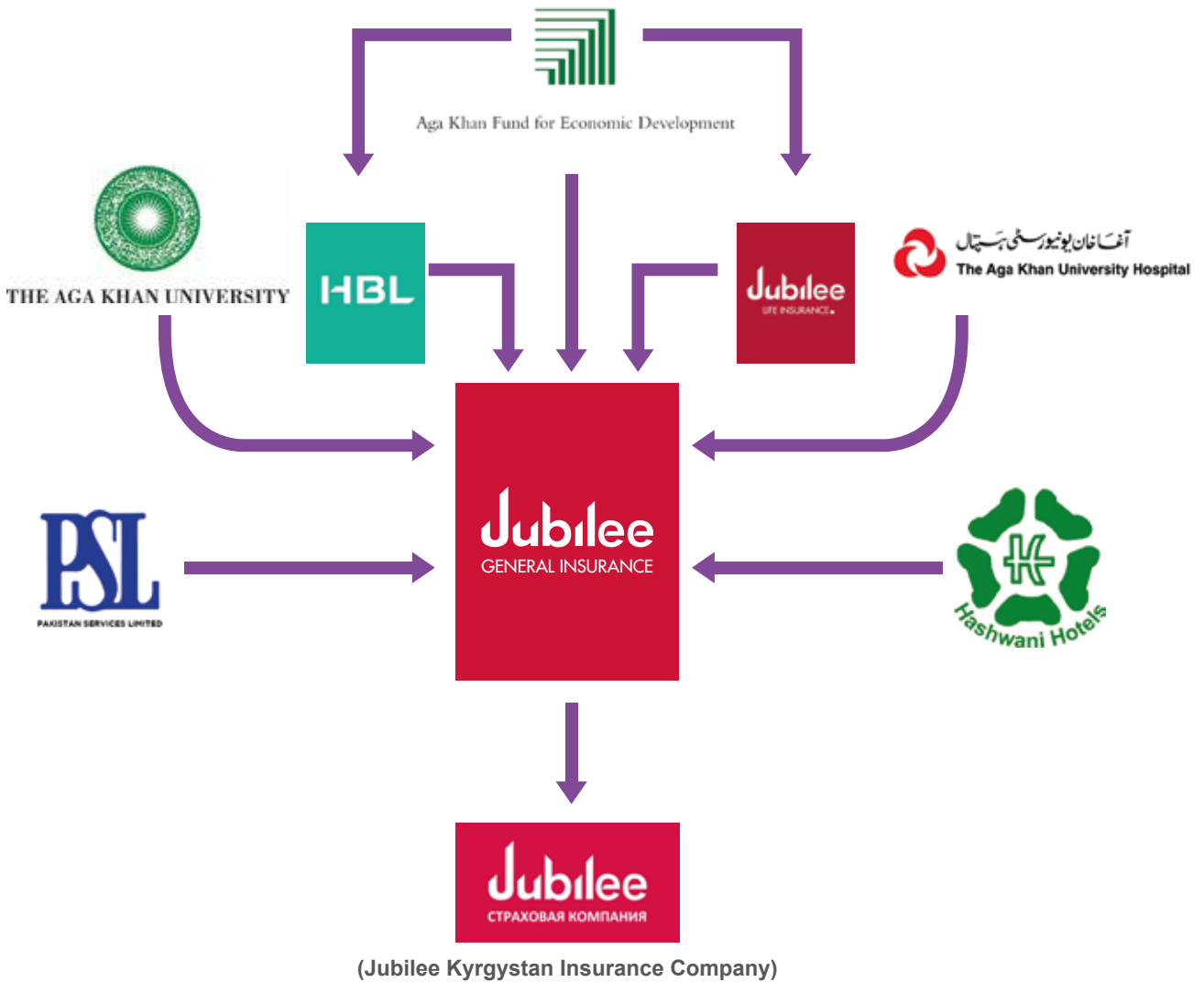
In order to run the affair of the Company according to the guidelines of the Board of Directors and as per best practices of management keeping in view the applicable relevant regulations and laws, the management devised various policies. These policies are duly reviewed by Board Committees and upon their recommendation approved by the Board of Directors. These policies are fully adhered while conducting day to day operations of the Company. The policies approved by the Board include all those significant policies required to be formulated under the Code of Corporate Governance in addition to other policies.

The Management has also developed procedures under these approved policies for the proper guidance of the employees of the Company. These procedures encompass different areas i.e. sales, marketing, underwriting, risk management, administration, Finance and human resources to perform various task efficiently and effectively by the employee of the Company.

The Board of Directors has established a sound system of internal control, which is effectively implemented at all levels within the Company. The Board of Directors regularly monitors the implementation of the approved policies and procedures.

THE COMPANY AND ITS ASSOCIATES

Jubilee General Insurance Company Limited (JGICL) is a public listed company and does not have any beneficial owner due to the reason that no entity has directly or indirectly holds/controls 25% or more shares in JGICL. JGICL neither holds any subsidiary nor it is subsidiary of any other Company. However, JGICL has few associated companies mainly due to shareholding of other companies in JGICL or vice versa. The below chart is well reflective of the caption “Jubilee and its associates”.



GOVERNANCE POLICIES

TRAINING & DEVELOPMENT

Training and Development policy is an important aspect of our Company's human resource management strategy. It outlines the procedures and guidelines to ensure that employees receive the necessary training and development opportunities to enhance their skills, knowledge, and competencies

Our T&D policy includes a range of training and development opportunities, including:

Classroom learning: This involves traditional instructor-led training sessions, either on-site or off-site. Classroom learning provides an opportunity for employees to interact with each other and the instructor, ask questions, and receive immediate feedback.

E-learning: Several digital learning modules have been developed which use digital platforms to deliver training and development opportunities. Online learning can be done at any time and from anywhere, making it convenient for employees to fit into their busy schedules. Most importantly, the e-learning module on AML Compliance ensures every single employee updates their knowledge on a regular basis.

Experiential learning: We also provide opportunities to employees to apply the skills and knowledge they have learned in real-world situations. Examples of experiential learning include job shadowing, mentoring, job rotation.

Project-based learning: This involves assigning employees to work on specific projects that align with the organisation's goals and objectives. Project-based learning allows employees to work collaboratively, develop problem-solving skills, and apply their knowledge and skills to real-world scenarios. For example our High Potential employees independently managed Employee Flood Drive to make significant contribution to the relief efforts for flood affected people in Pakistan.

Moreover, we encourage and support employees to enhance their qualifications by sponsoring them for certifications like CFA, CA, Actuarial sciences, and other professional qualifications. These certifications provide employees with specialized knowledge and skills that are highly valued in the industry.

We have a comprehensive Training and Development policy providing a range of learning opportunities that are tailored to the needs of our individual employees and the Company as a whole. By investing in employee development we have been able to improve employee satisfaction, productivity, and retention.

SUCCESSION PLANNING

A robust succession planning process is a key component of our strategy to achieve long-term success. We are committed to investing in the training and development of our employees to ensure that we have a strong talent pipeline in place and that our Company is well-positioned for the future.

To achieve this, we have implemented a comprehensive succession planning process, starting with the identification of critical roles within the organisation and their potential successors. We are currently investing in the training and development of our potential successors through various means such as mentoring, coaching, job shadowing, and other on-the-job training. This approach equips them with the skills and knowledge needed to become effective leaders when the time comes. We regularly evaluate the progress of our potential successors to ensure that they are making progress towards their goals and developing the necessary skills to thrive in future leadership roles.

Furthermore, we provide regular updates to our board on the progress of potential successors and their training and development programs. We also discuss any changes to our succession planning strategy and how they align with our overall business objectives.

By investing in the training and development of our employees, we are positioning ourselves for future success and growth.

VALUE OF INVESTMENTS IN PROVIDENT & GRATUITY FUNDS

The value of investments in employees' retirement funds, based on the audited financial statements for the year ended December 31, 2021, are as follows:

	Rupees in '000
Staff Provident Fund	682,314
Employees' Gratuity Fund	393,874

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, if in any way, interested in any contract or arrangement to be entered by the Company, is required to disclose the nature of his/her concern or interest to the Board and bound not to take part in the discussion or vote on the matter.

The Chairman informs the Board of the existence of conflict (if any) and it is duly reflected in the minutes of the meeting. A general statement is given by each director annually disclosing the names of the companies, firms and businesses to which they are associated. The Independent Director also intimates if any change in his/her other Directorships that may affect the status as Independent Director in the Company.

Any compromise on the job performance by employees is strictly prohibited as per the Code of Conduct of the Company. All conflicting interests are required to be disclosed properly by the employees to the management.

WHISTLE BLOWING POLICY

The Company is committed to the highest standards of honesty, openness and accountability. It aims to ensure that it operates in a responsible manner, considering ethical business standards set out in Company's Code of Conduct. It recognises that individual members of staff have an important role in helping to achieve this aim. The Company encourages its employees to come forward if they have information of any wrongdoing and report it immediately.

The Company has formulated a policy outlining the procedures to be followed in this regard. The objective of the policy to create avenues and provide channels for stakeholders to report any unethical or wrongdoing activity related to the Company (if any).

GRIEVANCE FUNCTION

The Company is well prepared to handle the complaints/grievances of insured, (if any), not only to adhere to the applicable requirements of the "Code of Corporate Governance for Insurer" (the code) but also for a deep association with them as their insurer and protector. By resolving their complaints/grievances effectively and efficiently within a short span of time, the Company also creates an everlasting bondage with them.

Under the "Grievance Function", complaints/grievances of the policyholders are received by the designated staff in writing or through the call center of the Company. The relevant staff subsequently resolves these complaints/grievances within the stipulated time and acts according to the requirements of the Code. In order to make "Grievance Function" more effective and efficient, "Claims Settlement Committee" comprising senior management, oversees its activities on a regular basis and provides guidance and assistance accordingly.

ANTI-MONEY LAUNDERING AND COUNTERING FINANCING TERRORISM POLICY

The modern world, due to the use of technological innovations, is becoming easier particularly with respect to conducting financial transactions such as transfer of funds from one person to another within the country as well as abroad. However, risk has been increased by so many times as compared to earlier that these financial transactions and transfers of money can be misused and may help in concealment of the origins of illegally obtained money, by involving banks, non-banking financial institutions and/or through legitimate businesses. These types of transactions are not only conducted to convert the money earned from illegitimate sources into legitimate one but there is an international consensus that such type of money is also utilised to finance terrorism and criminal activities against the society, country or any nation.

In order to stop money laundering as well as the funding to the group, people and organisations involved in the criminal activities and terrorism, anti-money laundering policies have been devised by the developed nations. Furthermore, various resolutions passed in the United Nations Security Council (UNSC) and conventions held globally, which aimed at handling Money Laundering and Terrorism Financing issues across the globe. Pakistan is also required to adhere to these resolutions and particularly the recommendations of Financial Action Task Force on Money Laundering (FATF,) which is an inter-governmental body whose purpose is combating money laundering, terrorist financing and other related threats to the integrity of the international financial system through recommendations and policies to be implemented nationally and internationally.

In Pakistan, State Bank of Pakistan and SECP being regulators of the banking and non-banking institutions respectively have also introduced the guidelines/regulations in line with globally acceptable anti-money laundering policies and procedures. SECP has also issued various circulars for the implementation of Know Your Customer (KYC) Guidelines applicable to insurance companies working in Pakistan. However, recently the SECP has issued Anti-Money Laundering and Countering Financing of Terrorism Regulations, 2020 (AML & CTF Regulations, 2020) which are very comprehensive guidelines for AML and KYC. Although general insurance companies' nature of business does not completely attract these regulations as the estimated risk assessment is "low", however, the Company is required to implement these guidelines to an extent in order to cater to the relevant risk and exposure.

Jubilee General Insurance is also keen to implement the modern tools and techniques of anti-money laundering not only to adhere the requirements of the SECP but also to contribute its due share for the safety and security of our people and beloved country.

In the Company, a very comprehensive Anti-Money Laundering and Countering Financing of Terrorism Policy (AML & CTF Policy) has been formulated, which is duly approved by Board of Directors of the Company. The Management has implemented to the same in letter and spirit.

Jubilee General Insurance Company has speedily implemented the AML & CTF Policy through the utilisation of relevant modern tools, techniques and by amending the operational procedures in the Company accordingly. The Company is also conducting/arranging trainings of its staff with regards to AML & CTF on regular basis. We are working to make Jubilee General Insurance Company one of the organisations which is fully compliant with the relevant guidelines issued by the SECP.

The Company has developed required mechanism process and procedures for screening and monitoring customers, suppliers and employees to detect any matches or potential matches with the designated prescribed persons through a proper screening system.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company recognises the importance of its Corporate Social Responsibility towards the community. The Company considers that the society is one of the important stakeholders and is always keen to take steps for its welfare and betterment.

The Company has devised a comprehensive CSR Policy which is approved by the Board of Directors. The objective of the CSR Policy of the Company is to affect positively the society by contributing towards development of the Country and its people.

As per the approved CSR Policy's main areas for CSR activities of the Company would be Health, Education, Environment Sustainability, Ruler Support Programme, National Heritage, Arts, Culture and Sports for the underprivileged people.

The Board approves the minimum fund available for the CSR activities on an annual basis. The Board reviews the disbursements of donations/contributions on a quarterly basis.

POLICY FOR RELATED PARTY TRANSACTIONS

In order to comply with the requirements of the Companies Act 2017, Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 and explanation of the SECP with respect to related party transactions, the Company has approved policy for the same. The policy for related party transactions, besides meeting all the applicable requirements of the relevant law and regulation, also provides guidance with respect to the Company's internal monetary limits for related party transactions and information to be placed with the Board Audit Committee (BAC).

As per the policy, all the transactions under eligible criteria are presented to the BAC on a quarterly basis. The BAC, after thorough perusal, recommends the same to the Board of Directors for its approval.

Eligible criteria are presented to the BAC on a quarterly basis. The BAC, after thorough perusal, recommends the same to the Board of Directors for its approval.

AGREEMENTS/ARRANGEMENTS

During the year, the Company has also continued following arrangements/agreements with its related parties.

COMMON BACK OFFICE OPERATIONS

The Company has continued an arrangement with Jubilee Life Insurance Company Limited whereby Common Back Office Operations for Accident and Health business are jointly shared with them. This arrangement has been made in order to avail cost and financial synergies arising due to carrying joint operations and is duly approved by the Board of Directors.

ALLOCATION OF ADMINISTRATIVE AND EMPLOYEE COST TO WINDOW TAKAFUL OPERATIONS

During the year, the Company as Operator, has continued to allocate certain administrative expenses to the Window Takaful Operations as per agreed terms and conditions. Furthermore, the Company also allocated personnel expenses of those employees of the Company who have invested their efforts in Takaful business. For Allocation of expenses the management through their actuary has carried out a detailed exercise of allocation between the Company and Window Takaful Operations.

CONTRIBUTION TO STAFF PROVIDENT AND GRATUITY FUNDS

During the year, the Company has contributed Rs.34.81 million (2021: Rs. 37.82 million) for employee Staff Provident Fund in accordance with the staff provident fund Rules, and Rs. 44.93 million (2021: Rs. 33.93 million) to staff Gratuity Fund as per the advice of the actuary.

LEASE AGREEMENTS

During the year, the Company has continued lease agreements with an associated company, a bank and Window Takaful Operations for providing office premises to them. Further the Company has also entered into another lease agreement with the associate bank to provide office premises.

COMMON CALL CENTER OPERATIONS

During the year the Company has continued the arrangement with Jubilee Life Insurance Company Limited for availing the services of Call Center for attending in and out bond calls of the Company. The arrangement has so far proved to be cost effective and achieved efficiencies.

RELATED PARTIES AND THEIR BASIS OF ASSOCIATION

The related parties with whom the Company has entered into transactions or has arrangements/agreements in place during the year ended December 31, 2022 along with basis of association are as follows:

Name of Related Party	Basis of Relationship
<ul style="list-style-type: none"> • Aga Khan Cultural Services - Pakistan • Aga Khan Fund for Economic Development 	Common Directorship. Associate due to investment in shares of the Company (14.05%).
<ul style="list-style-type: none"> • Aga Khan Hospital & Medical College Foundation 	Associate due to investment in shares of the Company (20.60%).
<ul style="list-style-type: none"> • Aga Khan University Foundation 	Associate due to direct 3.65% and in-direct investment in the shares of the Company.
<ul style="list-style-type: none"> • Bulleh Shah Packaging (Pvt) Limited • Cherat Cement Company Limited • Cherat Packaging Limited • Habib Bank Limited 	Common Directorship. Common Directorship. Common Directorship. Associated Banking Company having 19.80% direct investment in shares of the Company along with having a nominee Director on the Board of the Company.
<ul style="list-style-type: none"> • Habib Currency Exchange (Private) Limited • Engro Powergen Qadirpur Limited • Hashoo Holdings (Pvt) Limited • Hashwani Hotels Limited • HBL Asset Management Company Limited • Indus Motors Limited • Meezan Bank Limited • International Steel Limited • Tourism Promotion Services (Pakistan) Limited • 1 Link Private Limited • HBL Growth Fund • HBL Investment Fund • Jubilee General Window Takaful Operations • Jubilee Kyrgyzstan Insurance Company Limited 	Wholly-owned Subsidiary of an associate. Common Directorship. Common Directorship. Common Directorship. Wholly-owned Subsidiary of an associate. Common Directorship. Common Directorship. Common Directorship. Common Directorship. Common Directorship. Common Directorship. Common Directorship. Common Directorship. Common Directorship. Fund Managed by Wholly-owned Subsidiary of an associate. Fund Managed by Wholly-owned Subsidiary of an associate. Window Operations. The Company having 19.50% shareholding and the CEO of the Company is Director of foreign investee company.
<ul style="list-style-type: none"> • Jubilee Life Insurance Company Limited 	The Company having 6.43% shareholding and three Directors are common.
<ul style="list-style-type: none"> • Pakistan Services Limited • Pearl Continental Hotels (Pvt) Limited • Pakistan Cable Limited • HBL MicroFinance Bank Limited • Staff Provident Fund - Jubilee General Insurance • Employees Gratuity Fund - Jubilee General Insurance 	Common Directorship. Common Directorship. Common Directorship. Subsidiary of an associate. Defined Contribution Plan for the Company's Employees Defined Benefit Plan for the Company's Employees.

INTERNAL CONTROL FRAMEWORK

An internal control system comprises the whole set-up of systems and procedures established to provide reasonable assurance that the organisational objectives will be achieved.

The Management of the Company is always keen on establishing and strengthening the control to safeguard the interest of all the stakeholders. The effectiveness of internal control is rooted in the design of the system itself, for which profound thinking is done, covering all the necessary exposures to find out any related risks. The Board of Directors and Management is responsible to establish and maintain an adequate and effective system of internal controls and procedures. The main objectives of internal control are as follows:

- Orderly, effective and efficient conduct of business.
- Safeguard the assets and resources.
- Completeness, reliability and accuracy of accounting records and financial information.
- Timely preparation and reporting of financial information.
- Compliance with the applicable laws and regulations.
- Adherence to the Company's policies and plans.

The Company has duly in placed comprehensive Whistle Blowing Policy and Cybersecurity framework that make Internal Control framework and IT Security System more robust, effective, efficient and resilient.

ROLE OF COMPLIANCE FUNCTION

The Compliance Function within the Company is an integrated tool of internal control without which the Company cannot obtain resistance against risks and threats, particularly with respect to regulatory compliance. In the Company, Head of Enterprise Risk Management (ERM), Compliance and Quality Assurance (QA) is responsible for the Compliance Function. He takes steps to improve the control environment connected to compliance of various applicable laws and regulations. He also works in close liaison with other departments and ensures the compliance of regulatory requirements, internal policies and procedures with specific emphasis on SECP's regulations. He reviews system and procedures in order to update and make them more effective in preventing the occurrence of compliance lapses in the Company. He is also responsible for promoting compliance culture in the Company. The compliance function is oversee by the Board Risk and Compliance Committee.

ROLE OF RISK MANAGEMENT FUNCTION

The Company faces a wide range of internal and external uncertainties that may affect achievement of its objectives, whether strategic, operational or financial. Risk Management focuses on identifying threats and opportunities while assisting Internal Control Function to counter threats and takes advantage of opportunities.

Enterprise Risk Management (ERM) is the process of planning, organising, leading and controlling the activities of an organisation in order to minimise the effects of risk on an organisation's capital and earnings. In the Company, it is an integral part of the Internal Control Framework. The Company has a well-established Risk Management Function that plays a vital role in further strengthening the internal controls in the Company. The Head of ERM, Compliance & QA is responsible for the ERM in the Company and directly reports to the Chief Executive Officer, under the supervision of the Board Risk & Compliance Committee.

During the year, Risk Control Cycle - risk governance process remained operative. Moreover, risk monitoring, analysis, measuring and reporting mechanism as per the framework also remained well in place.

ROLE OF INTERNAL AUDIT DEPARTMENT

The Role of Internal Audit Department of the Company is imperative to evaluate the efficiency and effectiveness of the Internal Control Framework. All significant and material findings of Internal Audit are directly reported to the Board Audit Committee (BAC). The BAC actively monitors implementation of control framework to ensure that the identified risks are mitigated to safeguard the interest of the Company. In that manner, the Internal Audit Department performs an important part in monitoring and evaluating the internal control framework.

Above all, the Company is more focused on its Internal Control Framework and allied environment in order to safeguard its assets and resources and provide accurate financial reporting, strong documentary compliance and system assurance for the internal and external stakeholders.

COMPLIANCE FRAMEWORK

A compliance framework outlines the regulatory compliance standard relevant to the organisation and its business process. Regulatory Compliance is an organisation's adherence to laws, rules, regulations, guidelines and specifications relevant to its business. Violation of these often results in penalties and may sometimes harm the Company's reputation. Therefore, compliance of the relevant regulatory requirements plays a vital role in an organisation and is one of the pillars to build strong Internal Control Framework.

The Company is working in a sector which is highly regulated. The Securities Exchange Commission of Pakistan (SECP) - Insurance Division is the sole regulator that provides the guidelines under which the insurance sector is operating in Pakistan. Along with the SECP, being listed corporate, the Company is required to adhere to the regulations/ rules/guidelines of Pakistan Stock Exchange. In respect to the foreign exchange transactions/investments and being part of the financial sector of Pakistan, the Company is also required to comply with certain limited requirements of the State Bank of Pakistan.

In addition to above, compliance with the requirement of Federal Board of Revenue with respect to Income Tax Ordinance, 2001 and the relevant rules is also required. As insurance services in Pakistan are chargeable to indirect taxes and the Company operates all provinces and Islamabad Capital territory, the respective laws and relevant rules regarding Sales tax applicable in these provinces and Islamabad Capital territory are also to be adhered to by the Company.

Compliance of all these laws and relevant rules is the foremost priority of the Company.

The Company has a well-designed, effectively implemented compliance framework for adhering to all the relevant laws, regulations, rules and guidelines. While formulating the policies and procedures with respect to each department/function, the specific compliance requirements have already been incorporated, therefore all the relevant compliance can be ensured while adhering to departmental/functional policies and procedures.

The Head of ERM, Compliance & QA is responsible for the Compliance Function. Policies and procedures of each department of the Company are amended and updated not only for effective, efficient and smooth operations of the Company but also for adhering to the newly promulgated compliance requirements. The Board Risk and Compliance Committee monitors the compliance status on quarterly basis.

The compliance framework is part and parcel of the Internal Control Framework of the Company whose main purpose is to ensure and remain compliant while achieving its target as well as in day-to-day operations of the Company.

The Company is strengthening the compliance framework on a regular basis. The Company is positive in implementing more robust systems and procedures for effective and efficient operations to avoid any non-compliance that may harm the Company financially or may have a negative impact on its reputation.

SHARIAH COMPLIANCE MECHANISM FOR WINDOW TAKAFUL OPERATIONS

The Company, as operator, is required to carry out its Window Takaful Operations (WTO) under strict Shariah compliance not only to adhere to the requirements prescribed by the regulator but also considering it as a primary responsibility towards its participants to provide them pure Shariah compliant Takaful services to their satisfaction.

In view of the above, it is a fundamental requirement of WTO that the whole business practices, products and operations are based on Shariah rules and principles under the regulatory framework along with the guidance and supervision of our worthy Shariah Advisor.

As an operator of WTO, the Company understands that being Shariah compliant is its utmost responsibility. The relevant staff of WTO is fully committed as its prime objective is perfect and flawless processes. The Company, as operator of WTO, continuously focuses on Shariah compliance culture and all the efforts are made for its further improvements. The Shariah Compliance Officer as required under Takaful Rules, 2012, monitors day-to-day Takaful operations and ensures compliance of procedures laid down by the Shariah Advisor. The Shariah Advisor regularly conducts compliance training of the staff working in WTO.

In order to enhance the knowledge of the staff in respect of Takaful business, as per the requirement of Takaful Rules 2012, the Operator arranges in-house training for the senior management of Takaful Operations, which is conducted by our Shariah Advisor. In addition to that, other staff and Sales force is also trained on a continuous basis through renowned institutions duly approved by the SECP for Takaful training.

High level of Shariah compliance standards have been maintained during the year, which is also reflected in the "Shariah Advisor's Report to the Board of Directors" and "Independent Reasonable Assurance Report to the Board of Directors on Statement of Managements' Assessment of Compliance with the Shariah Principles" accompanying this Annual Report. The Shariah Advisor also briefs the Board of Directors on Shariah Compliance of Takaful operations on an annual basis.

BOARD COMMITTEES

The Company has five Board Committees, which cover the core areas of business. These Committees meet regularly 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 includes 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:
 - i. major judgmental areas;
 - ii. significant adjustments resulting from the audit;
 - iii. any changes in accounting policies and practices;
 - iv. compliance with applicable accounting standards; and
 - v. compliance with listing regulations and other statutory or regulatory requirements.
- Facilitating the external audit and discussion with external auditors on major observations arising from interim and final audits and any matter that the auditors may want to highlight (in the absence of the Management, where necessary).
- Review of the 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.
- Consideration of any other issue or matter as may be assigned by the Board of Directors.

The Committee comprises five members, including the Chairman being an independent director. All other members are non-executive directors. Two Committee members qualify as financially literate. The Chief Internal Auditor is secretary to the Committee.

Name of Members	Attendance
Amyr Currimbhoy – Chairman	4/4
Akbarali Pesnani	4/4
John Joseph Metcalf	4/4
Riyaz Ali Towfiq Chinoy	4/4
Nausheen Ahmad	4/4

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 five years budget and plans of the Company.
- Review and approve proposals for opening of Branch Offices inside and outside Pakistan.

INVESTMENTS:

- Define the strategic objectives of the Investment Policy.
- Allocate funds for investment in different sectors and sub-sectors.
- Establish the basic parameters governing the investment in 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 seven members, including the Chairman of this Committee, out of which five are non-executive directors and the Chief Executive and Chief Financial Officer. The Chief Financial Officer is secretary to the Committee.

Name of Members	Attendance
Akbarali Pesnani – Chairman	4/4
R. Zakir Mahmood	4/4
John Joseph Metcalf	4/4
Riyaz Ali Towfiq Chinoy	4/4
Murtaza Hashwani	2/4
Hassan Khan	4/4
Nawaid Jamal	4/4

BOARD RISK & COMPLIANCE COMMITTEE

The terms of reference of this committee includes the following:

- To brief the Board and make recommendation:
 - i. regarding the design and implementation of risk management, measurement strategies, the procedures for monitoring the adequacy and effectiveness of those processes;
 - ii. about the Company's risk profile relative to current and future strategy, risk appetite and Identify any risk trends, concentrations or exposures and any requirement for policy change;
 - iii. with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;
 - iv. about the risk reports with potential actions for improvement; and
 - v. about identifying and assessing future potential risks which, by virtue of their unfamiliarity, uncertainty and deemed low probability may not have been factored adequately by the Management.

- To brief the Board and make recommendation:
 - a) periodically reviewing and assessing the adequacy of the Terms of Reference of the Committee and based on review, make recommendations to the Board for changes which would improve the performance of the Committee;
 - b) conducting an annual performance evaluation of the Committee and report its findings to the Board;
 - c) attending to such matters as the Board of Directors may from time to time determine; and
 - d) maintaining minutes of Committee meetings and report regularly to the Board.

The Committee comprises six members, including Chairman of this Committee, out of which five are non-executive directors and one is the Chief Executive. The Head of ERM, Compliance & Quality Assurance is secretary to the Committee.

Name of Members	Attendance
John Joseph Metcalf - Chairman	4/4
R. Zakir Mahmood	4/4
Amyr Currimbhoy	4/4
Murtaza Hashwani	2/4
Abrar Ahmed Mir	2/4
Hassan Khan	4/4

HUMAN RESOURCE REMUNERATION AND NOMINATION COMMITTEE

The terms of reference of this committee includes 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.
- Implement the Board's policy on Board's renewal so that the Board's members individually and collectively continue to maintain target skill levels and independence.
- Make recommendations to the Board with regard to the nomination for appointment or reappointment of members of the Board consistent with appropriate criteria established in their profiles and any succession plans.
- Ensure proper orientation of Board members in respect to their responsibilities.
- Establish a mechanism for the formal assessment of the effectiveness of the Board as a whole as well as the contributions of individual Board members.
- Make recommendations to the appropriate authority within the Company for dismissal and retirement of members of the Board, Chief Executive Officer, and Senior Management/key officers of the Company.

- Make recommendations to the Board with respect to succession planning for the Chief Executive Officer and other members of Senior Management and with respect to the Management development principles.
- Make recommendations to the Board on nominations of members of Board Committees.
- Review the Management development status and succession plans for key officers as well as general talent management of the Company.
- Ensure that all Directors receive appropriate ongoing training as required for them to fulfill their role requirements.

The Committee comprises four members, including the Chairperson of this Committee being an Independent director, out of which three are non-executive directors and the Chief Executive. The Head of Human Resource Department is secretary to the Committee.

Name of Members	Attendance
Nausheen Ahmad - Chairperson	4/4
John Joseph Metcalf	4/4
Amin A. Hashwani	4/4
Hassan Khan	4/4

INFORMATION TECHNOLOGY STEERING COMMITTEE

The Information Technology Steering Committee (ITSC) is responsible to oversee the development, implementation, monitoring and review of the Jubilee General policies, procedures, practices, and applications as well as to align the investment in Information Technology (IT) with the strategy and growth of the Company.

The terms of reference of this committee includes the following:

- 1 Provide direction to the Company on its IT strategy.
- 2 Periodically monitor and review Jubilee General's IT projects, policies, guidelines, procedures and incidents relating to information and information technology.
- 3 Among other things, be responsible for ensuring an efficient IT operating environment that supports the organisation's goals and objectives.
- 4 Discuss the cost benefit analysis and need assessment for each initiative/project of IT and Information Security (IS).
- 5 Review and monitor the progress of IT audit (internal / external) report.
- 6 Review reports, provide feedback and advice to, and take decisions relating to IT services and operations.
- 7 Assess Company's operational and reputational risks associated with the use of IT.
- 8 Update the Company's relevant officers on competition, legislation and opportunities on technological trends.
- 9 Act as a think tank for the Company on technological matters.

The Committee comprise of four members including three non-executive Director and the Chief Executive. The Head of Information Technology is secretary to the Committee.

Name of Members	Attendance
John Joseph Metcalf – Chairman	3/3
Amin A. Hashwani	3/3
Abrar Ahmed Mir	3/3
Hassan Khan	3/3

MANAGEMENT COMMITTEES

The Company has following Management Committees, which cover the core areas of business. These Committees meet on a 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 to determine 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. This Committee determines the appropriate undertaking measures to safeguard the interest of the Company.

Following are the members of this Committee:

Hassan Khan
Azfar Arshad
Asadullah Javeed

CLAIMS SETTLEMENT 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 claim reserves are made. The Committee pays a particular attention to significant claim cases or events, which may 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 decides how to deal with such claim disputes. It shall also oversee the implementation of the measures for combating fraudulent claim cases.

Claim Settlement Committee shall oversee the activities of "Grievance Function" of the Company. The Grievance Function shall be responsible for the resolution of complaints and grievance of the policyholders and prospective policyholders.

Following are the members of this Committee:

Hassan Khan
Nawaid Jamal
Uzair Mirza
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 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 programme for future reference.

Following are the members of this Committee:

Hassan Khan
Mohammad Nadeem Irshad
Mohammad Safdar

ENTERPRISE RISK MANAGEMENT (ERM) COMMITTEE

This Committee shall ensure the continuity of critical business functions and commercial activity of the Company and safeguard 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.

Following are the members of this Committee:

Hassan Khan	Azfar Arshad
Nawaid Jamal	Uzair Mirza
Mohammad Safdar	Mohammad Nadeem Irshad
Fahad Ahmed	

TAKAFUL COMMITTEE

The function of this Committee is to review the performance of the Takaful operations and advise the Board accordingly on a 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.

Following are the members of this Committee:

Hassan Khan
Azfar Arshad
Nawaid Jamal
Munaf Ahmad Khokar

MANCOM (EXECUTIVE MANAGEMENT COMMITTEE)

The function of this Committee is to implement the strategy of the Company and monitor performance against set targets approved by the Board.

Following are the members of this Committee:

Hassan Khan	Azfar Arshad
Nawaid Jamal	Anita Lalani
Mohammad Safdar	Uzair Mirza
Mohammad Nadeem Irshad	

ASSETS ALLOCATION COMMITTEE

The function of this Committee is to implement the investment strategy and monitor compliance of investment policy approved by the Board.

Following are the members of this Committee:

Hassan Khan	Azfar Arshad
Nawaid Jamal	Naresh Kumar
Abdul Wahid	





IT GOVERNANCE & CYBERSECURITY

IMPLEMENTING DIGITAL
MATRIX OF SECURITY

BOARD'S OVERSIGHT AND RESPONSIBILITIES WITH RESPECT TO CYBER RISK, CYBERSECURITY AND DATA PROTECTION

The Board of Directors of Jubilee General Insurance Company Limited consider its role in addressing cybersecurity issues as part and parcel of the broad duties for corporate governance and overseeing risk management function. In order to evaluate and implement the appropriate response plan duly compliant with the laws and relevant regulation as issued by the SECP the Company's Board has full understanding of the legal and regulatory implications related to cyber risks, cybersecurity and data protection. The legal and regulatory environment is evolving fast globally, therefore, the Board is fully abreast of new legislations and law enforcement and regulatory agencies at different levels. Furthermore, in Jubilee General, there are adequate policies, oversight and responses in place to meet the regulatory requirements.

In order to ensure an efficient and effective role to oversee Cyber Risk, Cybersecurity and data protection, the Board has following two committees with a representation of a Board Member having IT expertise.

1. Board Risk & Compliance Committee (BR&CC)
2. Information and Technology Steering Committee (ITSC)

BR&CC evaluates the management assessment with respect to Cybersecurity Risk and suggested mitigating action. BR&CC also reviews the following reports provided by Head of Information Technology on quarterly basis:

1. IT Threat Report.
2. Market Best Practice for Cyber Risk.
3. Incidents of Cyber-Security Breach, if any along with loss and remedial action taken by IT Team.

Furthermore, ITSC has prime responsibility of recommending various IT Projects to the Board as proposed by the management for their approval and also advises the management to initiate any project having necessity keeping in view the Cyber Risk, Cybersecurity and data protection. This Committee also monitors the progress of IT projects in order to avoid any delay.

Above all, in Jubilee General, Board plays an effective role with respect to Cyber Risk, Cybersecurity and data protection.

CYBERSECURITY PROGRAMS AND POLICIES

In the modern world, like other sectors of the Country, reliance of the insurance Industry on the technology has been increasing day by day. All the business operations of an insurance company including but not limited to distribution and in offering other innovative products through usage of technology, makes it imperative that adequate measures must be taken to make its Information Technology Systems, along with its partners and intermediaries, secure and resilient.

Keeping in view the role of IT in daily transaction, it is necessary that the Company should have all the policies to address the IT related issues. The Company is fully equipped with a competent IT Team and having all the critical IT policies in place.

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.
- Disaster Recovery Plan; and
- IT Protocol to work-from-home.

SAFETY OF RECORDS OF THE COMPANY

The Company ensures maintenance of records as per the requirement of Companies Act 2017 and other applicable laws. 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.

In order to make the records of the Company more secure by way of IT tools, the Company has also implemented "Data Management System" (DMS), which preserves underwriting records electronically.

The safety and maintenance of soft data is also governed by a comprehensive IT Backup Policy. The Company also maintains data at Disaster Recovery Sites to ensure its availability all the time.

The Company has also implemented a three-layer security system, wherein Network, IT System and Applications in the Company are protected from internal and external threats through respective modern IT tools. Furthermore, the Company has also implemented Auto Backup process of data in order to make this process more robust as well as to eliminate the chances of errors and/or omissions by reducing manual intervention.

CYBERSECURITY FRAMEWORK

Keeping in view the importance of cybersecurity, the Securities and Exchange Commission of Pakistan (SECP) has issued the SECP Guidelines on Cybersecurity Framework for the Insurance Sector, 2020 (the Guidelines), effective from July 1st, 2020, specifying guiding principles for adoption of suitable Cybersecurity measures.

The Company including its Window Takaful Operations, keeping in view the sensitivity and importance of the matter, has immediately adopted these guidelines and implemented the Cybersecurity Framework accordingly. Following are the salient features including actions of the Company to follow the guidelines issued by the SECP in its true spirit and essence.

- (i) Cybersecurity risk has been incorporated in the overall Enterprise Risk Management Function of the Company and Cybersecurity Framework has been implemented with the view to control and mitigate the relevant risk.
- (ii) An IT Professional in the IT Department, having adequate qualification and experience, has been designated as Chief Information Security Officer (CISO).
- (iii) The CISO works with the Risk Management Department in order to identify, assess, quantify, monitor, and control the nature, significance, and interdependencies of the cyber risks for implementing and updating framework in order to mitigate the inherent Cybersecurity risk.
- (iv) An annual assessment programme has been devised to help the Board and the senior management in order to evaluate and measure the adequacy and effectiveness of the Company's Cybersecurity Framework.
- (v) The Company's Cybersecurity framework has capability to protect the policyholders' data in the wake of enhanced reliance on business process outsourcing (BPO), technology-based agency arrangements and other strategic partnerships for offering innovative insurance products and services.
- (vi) The Cybersecurity Framework of the Company has sufficient capability to anticipate, withstand, detect, prevent and respond to cyber-attacks in line with international standards and best practices.
- (vii) Information security policies, procedures and processes including definitions of roles and responsibilities, across the organisation, with respect to Cybersecurity have been in place. The Company has established systematic monitoring processes to rapidly detect cyber incidents and periodically evaluate the effectiveness of identified controls, including through network monitoring, testing, audits, and exercises.
- (viii) In 2021, in view of the Guidelines, a third-party audit with respect to Penetration Testing to identify vulnerability that may affect Company's systems, networks, people or processes and to provide an in-depth evaluation of the security of Company' system has been conducted by a professional consultant and their recommendations are under the implementation stage in order to make the Cybersecurity Framework more effective, efficient and resilient.
- (ix) A comprehensive plan and procedures are in place to recover from a Cybersecurity incident/breach and to resume operations safely with minimum disruption to the policyholders and business operations along with timely recovery of accurate data.
- (x) The Board Information Technology Steering Committee (ITSC) regularly monitors the status of this framework implementation and provides input where necessary. The management has also fully considered availability of resources and finances in the Company's budgeting exercise.
- (xi) The Company submits regular updates on the implementation of Cybersecurity Frameworks to SECP on due date and timely responds to any queries raised.

Above all the Company has aimed to strengthening its Cybersecurity Framework on continuous basis and make it more robust, effective, and efficient.

BOARD'S RISK OVERSIGHT ON CYBERSECURITY

The Board of Directors of Jubilee General Insurance Company Limited has a robust methodology to ensure efficiency and effectiveness of cybersecurity framework of the Company. The main steps of the board's risk oversight function are as under:

1. Establish an efficient and effective IT organisation structure in line with business strategies and objectives.
2. Review and approve as recommended by ITSC, an IT and related policies to ensure organisation's IT support.
3. Review and approve "IT Strategy" as recommended by ITSC in line with the business strategy of Jubilee General and monitor & update the same on regular basis keeping in view potential opportunities and threats.
4. Approve and receive periodic updates on major technology-related projects from ITSC that may have significant impact on Jubilee General's operations, earnings or capital. Further where applicable, the board shall also define the criteria for major projects.

INFORMATION TECHNOLOGY COMMITTEE OVERSIGHT IT RISK AND CYBERSECURITY MATTERS

Board's IT Steering Committee (ITSC) is responsible for continuously monitoring IT performance and the implementation of cybersecurity framework. ITSC plays an important role in providing technology related guidance where necessary while also making sure that IT strategies are aligned with overall business objectives.

The board's ITSC manages various IT-related functions, some of them are as follows:

- Overseeing the development and implementation all IT security frameworks.
- Approval of IT related projects
- Ensure efficient IT related environment.
- Ensure that risk analysis is conducted on all critical systems.
- Monitor and review company-wide compliance of IT and Information System (IS) Policies and discuss to resolve conflicting issues pertaining to non-compliance.

ITSC is in-charge of determining the Company's IT strategy and making sure that cyber threats are effectively managed.

In addition of ITSC, Board Risk and Compliance Committee (BR&CC) also review Exception Reports with respect to IT Threats and IT Breaches along with mitigating step as suggested by IT team. The Board with the help of BR&CC and ITSC make sure that there are cybersecurity policies, procedures, and processes in place and that management is prepared to address cybersecurity risks with the necessary expertise, people, and financial resources.

The Company's cybersecurity strategy and framework are being implemented, managed, and monitored by officers who have specific duties and responsibilities, and who are given the necessary resources and power.

COMPANY'S CONTROLS AS "EARLY WARNING SYSTEM"

With the advancement of technology, cybersecurity is getting more vulnerable. The cyber-attacks are increasing with a great frequency therefore the Company needs to act proactively to address cyber-risks. To cope with any cybersecurity challenges, the Company has developed an "Early warning system".

This Early Warning System detects any kind of security threats on an early basis which enables the Company to minimise its losses and communicate timely to ITSC for onward communication to the BoD.

POLICY FOR INDEPENDENT SECURITY ASSESSMENT OF IT ENVIRONMENT

In Jubilee the management ensured that the appropriate policy controls should in place and the processes are documented with regard to conducting an independent security assessment of IT environment. The management through Independent assurance (internal or external) conform that the IT environment has duly in compliance with relevant laws and regulations, company's policies, standards and procedures and relevant accepted practices. In the Company a detailed IT Independent Audit Policy has been placed with purpose to increase confidence level in the business systems, benefit from global best practices and have an unbiased review of the changing information technology setup of the Company, an independent IT audit is essential. This also allows management to take proactive measures for safeguarding the information assets of the Company. Following are the salient features of the policy:

1. External IT audit shall be conducted at least once in 3 years by reputable auditing firms.
2. Internal audit shall be conducted by a person/department independent of IT Division who shall be competent and qualified to perform IT audits.
3. As a first step, a risk assessment shall be carried out to highlight areas where the exposure to risk is relatively higher.
4. A draft audit report shall be prepared and submitted to the management. The issues highlighted in the report shall be discussed and agreed with the management. The management's comments shall be taken and incorporated in the auditors' report. Definite date for the actions to be taken by the management shall be mutually agreed and documented.
5. Final audit report shall be issued to the relevant committee (ITSC and BR&CC)
6. An action plan shall be drawn out by the Head of Information Technology based on the agreed recommendations. He/She will be responsible for ensuring effective implementation of this action plan. The status of its implementation shall be presented to next IT audit.

During the year, the Company availed services of a renowned audit firm for the independent comprehensive security assessment of technology environment.

BUSINESS CONTINUITY PLAN (BCP)

BCP is the creation of a strategy through the recognition of threats and risks faced by an organisation in order to ensure that its resource is protected and would be able to function properly in the event of any disaster. BCP also provides the means of recovery of business tools in the event of any loss, damage or failure of facilities, which is named as Disaster Recovery Plan (DRP). DRP is a documented process of the procedures to recover and protect an organisation's IT infrastructure in the event of a disaster. DRP is part of the overall BCP of any organisation.

The Company, being a contemporary and progressive organisation, is one step ahead in the implementation of BCP including DRP as compared to other general insurance companies in Pakistan. The Company's BCP covers all the critical operational processes and procedures and it has been set up in accordance with the Company's needs and modern business requirements. The Company, with the implementation of BCP, has developed the capabilities to continue its usual operations without any undue delay by activating its allocated Disaster Recovery Sites in case of any disaster or calamity. DRP of the Company is integrated to a large extent with BCP and designated key members are familiar with the specific actions they will need to take in the event of any disaster.

The Company has also availed "Cloud Services" in order to create back-up of all critical data of DR Sites. This facility has made the BCP, including DRP, as a whole, more robust against related risks and threats.

The assigned department of the Company also performs mock exercises at the allocated DR Sites to ensure Business Continuity Test. Simulation Drills are conducted timely and in an effective manner. Results/outcomes of these activities are for the determination of corrective measures in the overall BCP of the Company as well as for reporting and review of the Board of Directors.

Since early 2020, the Company had successfully continued its operations without any interruption during the testing times of lockdown in the wake of COVID-19 pandemic. The Company had invoked its BCP w.e.f March 2020 whereby staff of the Company through the work-from-home facility played an imperative role to continue the operations of the Company without any interruption or delay.

During the year 2021, the Company also continued its operations without any interruption despite unfavourable situation due to post COVID-19 multiple waves of infection in the Country.

Further, the Company continued its operations without any interruption and the BCP was fully implemented and tested. During the year, four drills were carried out in the Company including a Simultaneous Evacuation drill to test Emergency Evacuation Plan and three (3) Business Continuity drills as per Business Continuity Plan in order to test on-premises/on-site and off-premises/off-site business continuity. Results of these drills were found satisfactory. Further, the Company continued its operations without any interruption and the BCP was fully implemented and tested.

EDUCATION AND TRAINING OF IT PERSONNEL

In Jubilee General, it is ensured that adequate training must be provided to IT personnel to fill the relevant skill gaps and facilitate staff in any professional training needed.

IT Department has a comprehensive policy to address the training of IT employees, salient features of the policy are as under:

1. Proper induction material shall be provided to the newly employed personnel as guidance for the positions they are required to fulfill and the controls and specific measures undertaken for any of those positions.
2. Regular trainings shall be provided to IT employees to enhance their capabilities and efficiency in performing their jobs and achieve institutional goals and objectives.
3. Employees are encouraged to obtain well-recognised professional certifications in order to support the business/technology objectives.
4. Personnel with privileged system access or having sensitive business functions, shall receive additional and specific information security training.
5. All IT related trainings shall be organised by HR department in consultation with Head of IT. The participants shall be registered prior to the training commencement and training session performance evaluations shall be carried out for the personnel participating in the training.

In addition to above, Jubilee General Insurance also has a Learning Management System- LMS (Internal system for providing online training, maintaining training records and issuance of training certificates.)

Sustainability & Corporate Social Responsibility

PERFORMING
SENSIBLY

CORPORATE SOCIAL RESPONSIBILITY

The Company recognises its responsibility as an important stakeholder in the society and strives to work towards the betterment of the society constantly. Through its social investments, Jubilee General addresses the needs of the various communities, taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure, and community development.

Jubilee has detailed CSR policy duly approved by the Board, therefore the Company has clear guidance from the Board of Director with respect to CSR activities. During the year, the Company and its employees actively participated in the CSR activities.

Following are Jubilee's various efforts with respect to sustainability and CSR activities.

SUSTAINABILITY THROUGH ORGANISATIONAL PERSPECTIVE

The Company promotes all the fruitful activities considering the responsibility of the Company toward its employee and the society. Following are the activities which have been conducted during the year reflecting Company's commitment toward well-being and health of its employees and for society as well.

SPORTS ACTIVITIES

In Jubilee General Insurance, we are determined to make a difference within the communities we live and work in and extensively support corporate sports events to improve health and wellbeing. During the year Company arranged a cricket tournament among the employees to encourage a healthy competition among them.

PLANTATION CAMPAIGN

Clean and green environment is a part of our sustainability goals. Jubilee General organises plantation activity annually to spread environmental awareness. Though on a small scale, it highlights our responsibility towards environment.

FLOOD DRIVE

During the year, Jubilee has partnered with Jafaria Disaster Management Cell (JDC), a welfare organisation to distribute ration bags to flood-affected victims across the Country. Furthermore, Jubilee General has also donated sufficient funds to Indus Hospital to support medical expenses of flood victims. The employees of the Company also contributed in this noble cause.

EMPLOYEE PICNIC EVENT

Jubilee General considers employees as its most important asset and for that it also realizes the importance of keeping its employees motivated. Jubilee General has organised employee picnic to ensure that their employees get a chance to interact with each other outside of the working environment, and make valuable addition in the pleasant memories of their tenure with the Company.

INTERNATIONAL WOMEN'S DAY

Jubilee General supports workplace and gender diversity in all forms. It is believed that women should be given equal right in our society and at workplace. Therefore, International Women's Day is celebrated every year at Jubilee General to accelerate gender parity and increase visibility.

BLOOD DONATION CAMPAIGN

Our dedicated employees not just think about their personal gains but continuously look for opportunities to contribute to the society. One such example is Blood Donation Drive of our employees, where multiple individuals from our Company volunteered for this global cause. We work together to ease the lives of those suffering and to bring a positive change in the society. It is a pivotal part of our Corporate Social Responsibility to save lives only for the sake of humanity.

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 workplace at its higher professional standards.

EMPLOYMENT OF SPECIAL PERSONS

Jubilee General Insurance is an equal opportunity employer and complies with all applicable legal requirements relating to appointment of special persons. The Company ensures required modifications in workplace for employees with disabilities.

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 abiding 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 Anti-corruption measures. The Company follows “Zero Tolerance Policy” for any reported corruption incidence.

OCCUPATIONAL SAFETY AND HEALTH

The 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 under Health, Group life and Personal Accident Insurance coverage.
- Fire extinguishers along with smoke alarms duly installed at various points within the office premises.
- All the employees are provided clean drinking water at the workplace.
- High level of hygiene standards are maintained while serving tea, coffee to the employees and business guests.
- Smoking is prohibited within the office premises and areas are designated for this purpose.
- 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 physical exercise rooms for male and female employees of the Company are maintained at Company's Head Office building.
- All offices are equipped with adequate security measures including CCTV monitoring.
- Access to office premises is restricted to staff/authorised persons through the use Radio-Frequency Identification (RFID) Cards to ensure high level of safety and security in the Company.

SAFETY MEASURES DURING COVID-19 PANDEMIC

In 2020 and 2021, due to lockdown/partial lock-down as precautionary measures of COVID-19 and in the time of multiple wave of infection, the Company has provided full support through IT tools and encourage its employees to work-from-home in order to adhere the policy of “stay home stay safe”. Furthermore, while working in the office, the management ensured that the SOPs must be completely followed. Following measures were taking in office premises during the period of COVID infection:

- Hand sanitizers are available on entry/exit gate of the Company in Head Office and at branches;
- Body Temperature of Employees is checked at every entry level with Non-Contact Digital Infrared Thermometer;
- Wearing of mask is compulsory.
- Online meetings are conducted in order to avoid physical interaction.
- Attendance rosters have been developed in order to keep number of staff in the office premises at bear minimum level according to SOPs; and
- SOPs with respect to “Social Distancing” are strictly followed in the office premises.

During the year, keeping in view the past experience, employees are advised to wear mask and keep social distancing during any sickness, for the health safety of other employees if they need to attended the office.

FINANCIAL CONTRIBUTION TO THE NATIONAL EXCHEQUER

The Company has contributed Rs. 2,907 million (2021: Rs. 2,271 million) to the National Exchequer during the year in the form of direct and indirect taxes and other mandatory contributions.

COMMUNITY INVESTMENT AND WELFARE SCHEMES

The Company seeks to demonstrate a firm commitment, towards the community, by being vigilant towards identifying and supporting the causes that will facilitate the upliftment and betterment of the society. Furthermore, not only the Company but also the employees are actively participating in community services of different nature by donating their time and money.

SUSTAINABILITY THROUGH CUSTOMER'S PERSPECTIVE

Following are the activities reflect sustainability through customer's perspective.

PRODUCTS AND SERVICES

Jubilee General offers a variety of products ranging from Property to Health Insurance. It creates value for its customers by providing them timely services and product innovation. Jubilee General is also working to improve its digitalisation and automation of processes to provide a better customer experience and promote efficiency.

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 brainstorming sessions wherein all the aspects with respect to customers' needs 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 Customised Android Applications and multiple option payment facilities are checked through various User Acceptance Testing (UAT) protocols. After completing satisfactory reports, these applications and facilities are made available online for our valued customers. The Company is also first insurance company in Pakistan to secure "ISO 9001: 2015 Quality Management Certification".

CONSUMER PROTECTION MEASURES

The Company understands its primary objective to protect the due interest of its policyholders. The Company's 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/or with the call center.

In order to protect consumer as well as to comply the regulatory requirements, 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 person/authorities as designated to be contacted by the policy holder for complains (if any). The same "awareness message" is also available on the Company's website. The Company is also abide by the decision taken by the "Insurance Ombudsman" and Small Dispute Resolution Committee for Insurance.

SUSTAINABILITY THROUGH ENVIRONMENTAL PERSPECTIVE

Following are the activities reflect sustainability through environmental perspective.

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 the Company carries the same message. The Company strongly discourages un-necessary use of paper and encourages re-cycling of paper for internal office use. The Company has also implemented a Computerised Document Management System (DMS) which has significantly reduced the use of physical papers. Company is fully engaging in the automation of its process of operation which will also facilitate of save more papers.

ENERGY CONSERVATION

The Company is aware with its responsibility towards the energy conservation. The Company has already installed movement and light sensors along with energy savers and Light Emitting Diode (LED) in the office premises. The Company also ensures minimum utilisation of electricity during lunch breaks and after office hours besides making full use of natural day light.

CLIMATE CHANGE INITIATIVES

Global warming and climate change have become key sustainable development issue globally in recent years. United Nations Framework Convention on Climate Change (UNFCCC) sets an overall framework for intergovernmental efforts to tackle the challenges posed by climate change. The Paris Agreement, adopted in December 2015, aims to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty, increasing the ability to adapt to impacts of climate change, and making finance flows consistent with a low GHG emissions and climate-resilient development. The Agreement sets out a global framework to reduce the risk and impact of climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels.

Jubilee General Insurance, as an ethically responsible member of the society, has committed to exceeding the goals of the Paris Agreement and to becoming a leader in the transition towards a low-carbon and climate resilient future. Therefore, the Company has embarked on the journey towards reducing its Carbon footprint and achieving the coveted 'Net Zero' status before 2030.

The Company has constituted an Environmental and Climate Change Committee (ECC) to oversee the project and regularly report progress to the Senior management as well as the Board. During the year, the Company developed a GHG Emission Reduction Plan aimed at achieving 'Net Zero' status before 2030 through the following measures:

- **Operational Improvements:** Making our operations more-environment friendly through efficient utilisation as well as conservation of resources to reduce our Carbon footprint.
- **Carbon Offsetting Activities:** Offsetting residual emissions through afforestation / reforestation activities and installation of renewable energy resources on our premises across Pakistan.

NATURAL CATASTROPHE IMPACT

A natural disaster is a major adverse event resulting from natural processes of the earth such as floods, earthquakes, tsunami and other geological processes. These can affect several lives and economies. The Company arranges numerous studies/valuations to assess the potential impact of any natural catastrophe and ensure proper reinsurance protection which creates significant benefits for our customers as well society at large. No such catastrophe event has been reported during the year 2021 which has any significant adverse impact on the Company.

MEMORABLE GLIMPSES

CRICKET TOURNAMENT 2022



ANNUAL PICNIC



FLOOD DRIVE



SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDG), also called Global Goals, were adopted by United Nations in 2015 with a 2030 agenda to promote peace and prosperity. SDGs represent a holistic approach comprised of 17 Goals to achieve sustainable development for everyone. These SDGs are a universal call to action by all United Nation(UN) member countries and cover social, economic, and environmental issues and practicing them is everyone's responsibility.

The aim of sustainable development goals is to end poverty, inequality, and foster inclusiveness and economic development while also working on protecting our environment. Following is an overview of 17 SDGs.

GOAL 1: NO POVERTY

This goal targets to erase extreme poverty and enable equal economic growth. Where many people are still struggling to meet their basic needs, this goal aims to reduce vulnerability and increase basic resources and services.

GOAL 2: ZERO HUNGER

Hunger and malnutrition are huge barriers in the development of the most of the countries. This SDG aims to eradicate all forms of hunger, from every part of the world. This requires development of agriculture and food sector, equal access to land and technology, and investment in infrastructure globally.

GOAL 3: GOOD HEALTH AND WELL-BEING

This goal calls for increasing healthcare workforce, life expectancy, and providing solutions for health challenges such as malaria, HIV, tuberculosis, etc.

GOAL 4: QUALITY EDUCATION

Provision of quality education at every sector of society regardless of gender is an utmost right of everyone. This goal ensures equal access to affordable vocational trainings and education opportunities.

GOAL 5: GENDER EQUALITY

Gender equality is crucial for sustainable future and helps economic growth and development. This goal ensures giving women equal rights which is not only limited to basic human rights but in land, property, and employment as well. Today there are more women in public office than ever before, but encouraging more women leaders will help achieve greater gender equality.

GOAL 6: CLEAN WATER AND SANITATION

Ensures access of clean and adequate water in every part of the world. Provision of safe and affordable drinking water and sanitation facilities and encourage hygiene. It is essential to protect water-related ecosystem.

GOAL 7: AFFORDABLE AND CLEAN ENERGY

Promoting use of renewable resources to energy. Infrastructure development and technology advancement will help in providing more efficient energy for everyone.

GOAL 8: DECENT WORK AND ECONOMIC GROWTH

This goal aims to achieve higher economic growth through inclusiveness, innovation and entrepreneurship. Achieve productive and decent work for all men and women and people from every sector of society. Filling the unemployment gap and eliminating child labor.

GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

This goal promotes innovation and infrastructure development through enhancement of scientific research, investment, and technological upgradation. This goal is also linked to Goal 8 as doing so will lead to economic development.

GOAL 10: REDUCED INEQUALITY

This SDG works on improving inclusiveness regardless of age, gender, religion, ethnicity, and economic status. This required implementing policies and regulations for the issues regarding equal wage and social safety to achieve better equality.

GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES

The target is to achieve clean and affordable houses and basic services for each class of society. This goal also focuses on issues like sustainable transportation and disaster readiness while also safeguarding our cultural and natural heritage.

GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

This goal targets to reduce waste by promoting recycling, reusing, and reducing practices. Educating people about sound environmental management of resources and the importance of their lifestyle choices on environmental sustainability.

GOAL 13: CLIMATE ACTION

This goal ensures taking urgent climate actions to protect our globe by creating awareness through educating more people about climate change/protection, especially youth. Also, establishing mechanisms for integrated climate change measures on national and global level.

GOAL 14: LIFE BELOW WATER

This goal targets to significantly prevent marine and coastal ecosystem and take an action to reduce marine pollution to strengthen life under water. Enhancing research to understand the life below water would help in achieving the target more effectively.

GOAL 15: LIFE ON LAND

This SDG aims on conservation and restoration of forests, mountains, and natural habitat. It ensures to sustain our natural resources and take an immediate action to halt the loss of biodiversity.

GOAL 16: PEACE AND JUSTICE STRONG INSTITUTIONS

This goal aims to reduce all forms of abuse, violence, along with along with eliminating corruption and bribery by promoting global rule of law. SDG 16 assures equal level of justice for all.

GOAL 17: PARTNERSHIPS TO ACHIEVE THE GOAL.

This goal ensures that all member countries have equal and effective participation in achieving all SDGs. This goal requires collaboration from all the countries in terms of funds & capacity management, and technological involvement.

JUBILEE GENERAL'S PROGRESS ON SDGs

At Jubilee General we make sure that sustainability remains a part of our decision making, therefore, while promoting sustainability in the organisation, we make sure that it involves all perspectives i.e. environmental, social, and organisational. While promoting sustainability, SDGs play a crucial part. At Jubilee General, however, there is no official policies regarding sustainable development goals, our practices/activities represent an indirect involvement.

The following checklist provides a clear view of the Company's efforts towards applicable SDGs:

S#	GOAL	DESCRIPTION	IMPLEMENTATION	JGI'S CONTRIBUTION
1	No Poverty	End poverty in all its forms everywhere	√	Distribution of ration bags
2	Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	√	Distribution of ration bags
3	Good Health and Well-being	Ensure healthy lives and promote well-being for all at all ages	√	Employee health and well-being by organising sport and other physical activities. Organisational Safety and Health Measures
4	Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	√	Donations for Educational projects.
5	Gender Equality	Achieve gender equality and empower all women and girls	√	Strict implementation of workplace Gender Diversity and Inclusion Policy.
6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	√	Climate change initiatives.
7	Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	√	Workplace diversity. Celebration of International Women's Day.
8	Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	√	Management Trainee Programs. Digitalisation of Processes.
9	Reduced Inequality	Reduce inequality within and among countries	√	Increase in digitalisation is included in the ongoing goal of the Company.
10	Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable	√	Strict implementation of workplace Gender Diversity and Inclusion Policy.
11	Responsible Consumption and Production	Ensure sustainable consumption and production patterns	√	1. Energy Conservation through minimum utilisation of energy and usage of energy savers. 2. Encourages paper re-cycling for internal office use and installation of Computerised Document Management System (DMS).
12	Climate Action	Take urgent action to combat climate change and its impacts	√	1. Working on the reduction of carbon footprint by achieving "Net Zero" status. 2. Gradually progressing towards paper usage reduction.
13	Peace and Justice Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	√	1. Strives to maintain Business Anti-corruption and AML measures. 2. Adherence of the all applicable laws and regulations. 3. Fulfilling all the reporting requirement
14	Partnership to achieve the Goal	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	√	Jubilee partnered with JDC and INDUS Hospital and other related organisation for the welfare of Society.

NOT-APPLICABLE SDGs:

Following SDGs are not-applicable to the Company due to business dynamics and business environment.

- Affordable Clean Energy
- Life below water
- Life on Land

AWARDS & CERTIFICATES

MAP CORPORATE EXCELLENCE AWARD

The Corporate Excellence Award instituted by Management Association of Pakistan (MAP) in 1982 with the sole aim to recognise and honour the companies showing outstanding performance and demonstrating progress and enlightened management practices.

In 2021, the Company has achieved top position in Insurance Sector in the 37th MAP Corporate Excellence Award. This award is a valuable addition to the top positions secured by Company in 36th to 32nd MAP Corporate Excellence Awards consecutively in the Insurance Sector under Financial Category. The Financial Category includes commercial banks, insurance companies, other financial entities i.e. investment banks, leasing, modaraba and asset management companies. Achieving these prestigious awards clearly demonstrates excellent performance and the management practices of the Company in all the areas of Insurance business.

BEST CORPORATE REPORT AWARD FROM ICAP/ ICMAP

The Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost & Management Accountants of Pakistan (ICMAP) initiated this esteemed award with the aim to encourage local companies to follow transparency in preparing their annual reports. This award also promotes excellence in annual corporate reporting through publication of timely information in a factual and user-friendly manner.

The Company has a continuous aim to achieve this award every year. During the year 2022, the Company has achieved certificate of merit among insurance companies of Pakistan for its Annual Report of 2021. This award is a worthy addition to the 3rd position award secured by the Company in 2021 and 2020 and 1st position awards in 2019, 2018, 2017 and constantly in 2009 till 2011. The Company has received this prestigious award numerous times.

FPCCI GOLD MEDALS

Federation of Pakistan Chambers of Commerce & Industry (FPCCI) is a business network, for the organisation of businesses in order to advocate and voice the collective opinion, concern and aspiration of the private sector. The FPCCI also encourages commercial enterprises for their efforts and achievements in providing innovative products and services for the consumers.

In 2020, the Company had received Trophy in the 8th FPCCI Achievement Award for its Motor Third-party Liability Web Access Facility. This award is a precious addition to the Gold Medal received in 2019 from FPCCI for its Marine Cover Note Issuance Web Access & Android Application which facilitate its customers to get marine insurance through a simple process. These both awards are also appreciation of the FPCCI over the Jubilee's effort to make its insurance products available for the customer on internet (Web Access).

In addition to the above, the Company has also received Gold Medals in 2018 and 2017, from FPCCI for its Motor Insurance Claims Android Application and Motor Underwriting Android Application respectively. Both applications have enhanced the experience of insured from insuring their motor vehicle till the hassle-free settlement of their claims.

The aforesaid recognitions of FPCCI reflect the Company's solid dedication to provide innovative products and services to its customers in order to make their lives easy and hassle free.

SAFA JOINT 2ND RUNNER-UP AWARD ON BEST PRESENTED ANNUAL REPORT

South Asian Federation of Accountant (SAFA) is an apex body of SAARC countries. Every year, SAFA gives awards to different categories to corporate entities on the basis of evaluation of the published annual reports of companies within the SAARC countries.

In 2021, the Company has achieved Joint Second Runner-up position among SAARC Countries in "Insurance Sector" on Its Annual Report for the year 2020. This award reflects the management's commitment for Improvement in Transparency, Accountability & Governance.

In 2020, the Company had achieved 1st Runner-up position among SAARC Countries in "Insurance Sector" on its Annual Report for the year 2019. Besides both the awards, the Company is also having a gleaming history of securing nine (9) Certificates of Merit from SAFA for the "Best Presented Annual Report" in "Insurance Sector".

LLOYD'S REGISTER QUALITY ASSURANCE CERTIFICATE OF APPROVAL

Lloyd's Register Quality Assurance (LRQA) is the world's leading provider of independent assessment services including certification across a broad spectrum of standards and schemes, with recognition from over 50 accreditation bodies. In 2018, the Company had received "Certificate of Approval" from LRQA wherein management systems of the Company have been approved by LRQA that are upto the requirements of ISO 9001:2015. This certification has been received for all the functions of the Company including Enterprise Risk Management as Non-Life Insurance Company valid uptill 2021.

During the year, the LRQA has renewed this certificate till 2026 which reflects Company's firm commitment towards the standardisation of management processes, procedures and their strict compliance.

MEMBERSHIPS AND AFFILIATIONS

The Company carries memberships and affiliations of different organisations and institutions not only for business and operational purposes but also to contribute its due share for the welfare of the society, environment protection and to keep itself updated with respect to emerging modern management practices.

In respect of the business, certain institutions provide platform to address issues currently being faced by the business organisations in Pakistan in general and insurance companies in particular. Memberships of these institutions enable the Company to play its role in the collective organised efforts made to resolve these issues. Memberships of certain institutions have been obtained to keep updated with respect to modern business management techniques and to train the relevant staff accordingly. These institutions conduct trainings, conferences and learning sessions through which employees of the Company gain more knowledge and techniques in order to face future challenges of the modern business world and become more valuable for the Company while discharging their duties. Membership of certain welfare and environment protection organisations helps the Company to contribute for wellbeing and betterment of the society. During the year, the Company has carried following memberships:

- Insurance Association of Pakistan
- Federation of Pakistan Chambers of Commerce & Industry
- Karachi Chamber of Commerce & Industry
- Management Association of Pakistan
- Employers' Federation of Pakistan
- Karachi Insurance Institute
- Asia Insurance Review
- International Chamber of Commerce

The Company currently holds the Chairmanship position in Insurance Association of Pakistan (IAP) and its senior executives are actively participate in various working Committees of IAP.

COMPANY STATUS OF COMPLIANCE WITH CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES 2013 (THE GUIDELINES)

In order to promote responsible business conduct that supports community growth for public interest, eliminates adverse practices impacting the public sphere and ensures corporate accountability, the Securities and Exchange Commission of Pakistan ("SECP") issued the Guidelines for Corporate Social Responsibility 2013. The Company has not yet adopted the Guidelines with respect to its CSR activities, however, the Company meet the purpose of the Guidelines as it is tradition in the Company to work for the community and contribute generously in the CSR activities.

Following are the fundamental areas where Company meets the requirement of the Guidelines.

CSR POLICY

Company has a CSR policy duly approved by the Board of Directors reflecting the understanding and commitment. The policy addresses almost all the important parameter as explained in the guidelines which are follows:

IDENTIFICATION OF FOCUSED AREAS

Policy explicitly defines focused areas for the CSR activities of the Company.

ALLOCATION OF FUND

Sufficient funds are allocated by the Company in accordance with CSR Policy, every year, duly approved by the Board of Directors.

STRUCTURED APPROVAL PROCESS

There is proper approval process for CSR activities in the Company to make the process transparent and efficient. All the donations/CSR Project are duly approved by the Board of Director

DISCLOSURE AND REPORTING

Proper disclosure is given in the Financial Statements of the Company as per the applicable requirement and to the Board of Directors.

Future Outlook

REDEFINING THE FUTURE



FUTURE OUTLOOK

The Company's future outlook is reflecting in its forward-looking statement which is as under:

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENT

Certain statements contained herein our Forward-Looking Statement (including plan, objectives, targets and trends are current expectations of future event which are based on certain assumptions of future insurance business in Pakistan.

Forward looking statement involves known and from uncertainties and other factors, which may cause the Company's actual financial results to be materially different from currently anticipated future results. The main factors which can significantly influence the future results are including;

- The frequency, severity and development of insured claims event, particularly natural catastrophes, pandemic etc;
- The cyclical of reinsurance companies;
- Unforeseen liquidity management challenges;
- Unanticipated changes in regulatory regime and taxation structure;
- Changes in assumed economic scenario effecting sufficiency of investment income; and
- Attrition of skilled manpower.

The mentioned factors are not exhaustive as general insurance companies operate in continuingly challenging environment in Pakistan. New business risks are emerging regularly. We are not obligated to update or revise forward-looking statement. We cautioned not to place undue reliance on below forward-looking statement.

FORWARD LOOKING STATEMENT

2022 was a difficult year for the global economy with decades-high inflation leading to a cost-of-living crisis, the Russia-Ukraine war shaking up the commodities markets and the lingering effects of COVID-19 continuing to affect the supply chains. In order to control inflation, the central banks around the world increased interest rates with governments adopting tightening fiscal stance to moderate demand. All these factors weighed down on the global output as World GDP growth is expected to slow down from 6.2% in 2021 to 3.4% in 2022 according to the IMF. However, Jubilee General remains optimistic about the stability of economics growth in FY 2023 on the back of the expected improvements in the macroeconomics environment.

Our strategic priorities for the year are to modernise our business structure and processes through end-to-end digitalisation of all workflows using design-thinking and mobile first approach. This also reaffirms our long-standing commitment towards development of the nascent digital retail market for general insurance in Pakistan. We also remain focused on further expanding our footprint in the Window Takaful Operations.

As one of the best insurance companies of Pakistan, Jubilee General is committed to serve all segments of the society. The Company is focused on driving a customer-centric, digitally innovative brand through adoption of innovative technologies in product development, distribution and customer service delivery.

We believe, the Company is well positioned to avail upcoming business opportunities in the market. The Company is leveraging on its high IFS rating, investment in technology and experienced manpower to expand its market share and profitably. The Company is spending to obtain excellent IT technologies and utilisation of the modern e-business methodology and infrastructure which would have a long-lasting productive impact on the ability to generate more business in coming years. Special areas of focus will remain infrastructure projects, Retail and Takaful in 2023.

We are confident that the Company's prudent investment strategy will provide stable and healthy investment returns to increase the wealth of shareholders. Keeping positive view on the economy of Pakistan, the Company is looking forward to give an exemplary performance in the following manner in 2023:

Growth	in Gross Written Premium / Contribution of the Company.
Healthy	investment returns with vigilantly monitored exposure due to uncertainties in the stock and money markets.
Stable	financial strength duly affirmed by both local and international rating agencies through their standard rating procedures. Increase in shareholders' wealth is expected by generating stable Return on Equity and making handful dividend payments and constructing more sound and balanced capital structure in future.
Spread	insurance coverage to protect wellbeing of middle and under privileged class by increasing penetration in retail and microinsurance.

Innovation in the products and services for meeting and exceeding customer expectations.

Focus on digitalisation to improve the service standards to our valuable customers.

Best employer for the competent professionals and hardworking personnel.

Although during the year, Pakistan faced multiple challenges on economic as well as political fronts. The global commodities super cycle not only lead to high inflation in Pakistan but also ballooned our trade deficit and it is expected that economy may further slowdown due to high inflation and major increase in the policy rate by the State Bank of Pakistan. However, The Company is looking the future to achieve further milestones in the growth of the Gross Premium/Contribution as well as Net Premium/Contribution by capturing the business through innovative channel of digital marketing of insurance products and effective and optimum reinsurance arrangements respectively.

It can be ascertained that the complexity of taxation regime spread to various Federal and Provincial Revenue authorities will struck the ease of doing business situation. Fluctuations of Stock Market would be the main challenge for generating income in 2023, however the management will continue its judicious strategy to management the investment portfolio.

ANALYSIS OF PRIOR YEAR'S FORWARD LOOKING DISCLOSURE

Including 2022 despite volatile situation of the economy, the Company has witnessed a robust growth of 23% in the premium/contribution underwritten over the last year and surpassed the level of underwriting Rs. 14 billion gross premium / contribution first time in history of the Company. Furthermore despite the situation in the stock market, the Investment income of the Company from all sources including dividend, return on bank deposits, realised capital gains and rental income increased by 19%.

During the year, as targeted of having a stable financial strength, the Company's IFS (Insurer Financial Strength) Rating of AA++ from both local rating agencies and B+ (Good) from an international rating agency were maintained.

A healthy cash dividend of for the year have been declared by the Board of Directors will definitely increase the shareholders' wealth.

The Company has continued its efforts to increase the penetration in personal insurance through the various innovative retail products and increase in number of payment facilitation features into online insurance products etc. During the year, several new steps has been taken to serve our customers in more efficient and effective way.

The Company has continued its efforts to increase the penetration in personal insurance through the various innovative benefit of insurance to them.

Above all improvements in our existing product and services are an ongoing process through which products and services are made day by day efficient and effective upto the satisfaction of our customers.

Being one of the best employers for the competent professional and hardworking personnel, working environment in the Company is improving, more in-house and external online training arrangements were made to nurture the capabilities and qualities of existing employees and enabled them to play a vital role in future growth of the Company.

RESPONDING CRITICAL CHALLENGES IN FUTURE

Jubilee General Insurance Company has a unique business model that distinguishes it from the rest. Our above par technological and intellectual resources and the adopted and implemented risk management framework, is perfectly equipped to face any potential critical challenge and uncertainty that is likely to arise. Following are the major component which helps the Company to respond the critical challenges in future.

1. Efficient Business Model.
2. Innovation.
3. Implementing digitalisation across the board.
4. Dedicated professional and smart workers.
5. Digital marketing and online product availability.

FUTURE PROJECTS

1. IMPLEMENTATION STATUS OF IFRS 17 “INSURANCE CONTRACTS”

IFRS 17 Insurance Contracts is a new accounting and reporting standard which initially required to be adopted by the insurers from 1st January 2021. However, subsequently applicable date was extended to 2022. In March 2020 after receiving deliberation from insurance industry globally and situation arising out of COVID-19's impact the applicable date has now been further extended to 1st January 2023. The reporting standard is a significant overhaul of the existing IFRS 4 “Insurance Contracts”, bringing substantial structural changes to the way insurance revenues and liabilities are recorded and reported. Globally it has been assessed that impact of this IFRS 17 is significantly less on non-life insurance business in comparison to life insurance. However, the process requires extensive time and efforts along-with adequate resource to accomplish the successful implementation by the given deadline.

In Pakistan SECP is continuously in discussion with insurance companies on the implementation of IFRS 17 and regularly follow up on the status. As per the advised of the SECP, the Insurance Companies has submitted a roadmap of implementing IFRS 17.

Insurance Association of Pakistan (IAP) in its various meetings after considering similarity between non- life insurance products offered and IT system workings decided to hire services of a consultant at industry level for non- life insurance companies. The objective of hiring one consultant for non-life industry is to adopt unanimous approach, methodology and follow common practices relating to IFRS 17.

A detailed exercise carried out at IAP level in which presentation and discussion were held and after detail deliberations and analysis, the following phases of IFRS implementation has been identified.

- Initial Gap Assessment
- Financial Impact Assessment
- Detail Design and Methodology
- Implementation and Testing

The Company has completed 1st phase of “Initial Gap Assessment” and duly submitted Assessment Report to SECP on 30th September 2021. Furthermore, the 2nd phase of assessing financial impact has also been successfully completed and submitted at December 31st, 2022.

2. PROJECT - DIGITISATION

Jubilee General, considering the value of digitisation in the modern world has started to build applications on an advanced P3 platform (an approach and Software System for Developing Diagrammatic Model Based Methods in Design Research). In 2022, Jubilee General successfully launched first time in Pakistan “My Jubilee” Motor Application. In which digital loop is end-to-end/continuous and goes all the way from providing details and uploading pictures of the vehicle to the payment of funds by utilising various payment options: credit card, debit card, cash on delivery and/or cheque on delivery. The online customer has an option in ‘My Jubilee’ of either taking photographs of the damaged parts for the vehicle or assigning a surveyor ‘online’ for inspection of the vehicle. ‘My Jubilee’ allows the customer to assign his/her own preferred workshop from the list of workshops available in the ‘My Jubilee’ and also automatically assigns the surveyor on real time basis without any manual intervention.

The surveyor has his own separate module of ‘My Jubilee’ through which he performs the claims settlement process. The surveyor and the workshop are involved in inspection, repairing/replacement of parts and re-inspection of the vehicle. The claims officer who is integrated with the surveyor through J2 iCore approves the claim and the payment is digitally transferred into the workshops’ bank account. This is a complete seamless process.

The performance of ‘My Jubilee’ is quite impressive, and the customer journey is fabulous. ‘My Jubilee’ is available both on Google Play and Apple Store.

In Jubilee General, it is an objective to transform all the business lines on P3 platform so that everyone (individual and corporate) can insured their valuables, properties, motors, avail Accidental & Health facility, Bond and Engineering through utilising dedicated Applications based on P3 platform.

Jubilee General’s Employees are working hard to digitise the processes with the help of P3 Platform in order to completely transform the Company for new digital era.



Striving for Excellence in Corporate Reporting

EXCELLING
BEYOND THE BEST

The background is a solid teal color. In the bottom right corner, there are several overlapping, semi-transparent circular shapes in various shades of teal, creating a layered, abstract effect.

STATEMENT OF MANAGEMENT RESPONSIBILITIES TOWARDS THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The preparation and presentation of accompanying financial statements of the Company (including financial statements of Window Takaful Operations) are the responsibility of the management and have also been approved by the Board of Directors. The financial statements have prepared in accordance with the approved accounting policies which are in accordance and conform in all material respects with International Accounting Standards(IAS), certain International Financial Reporting Standards (IFRS) as applicable in Pakistan and provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2017, Insurance Accounting Regulations 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019. The significant accounting policies, which management believes are appropriate for the Company, have been described in Note 3 of the accompanying financial statements.

The Management is responsible for the integrity and objectivity of the financial statements. Estimates that are necessary in the preparation of financial statements are based on careful judgments and have been properly reflected. Explanations regarding these key uncertainties along with estimation and respective judgments have been provided under the “Key Sources of Uncertainty” as a part of “Risks & Opportunities” section of this Annual Report.

The Management has established systems of internal control in the Company that are designed to provide reasonable assurance that assets are safeguarded from losses or unauthorised use and to produce reliable accounting records for the preparation of financial information.

The Management recognises its responsibility for conducting the Company’s affairs in compliance with established financial standards and applicable laws and maintains proper standards of conduct for its activities.

The Financial Statements are duly audited by external auditors of the Company in accordance with the International Standard on Auditing as applicable in Pakistan. In their opinion the external auditors have confirmed that the financial statements are prepared in conformity with the accounting and reporting standards applicable in Pakistan.

The financial statements of the Company have been duly signed, by Chief Executive Officer and Chief Financial Officer, in confirmation of these financial statements.

STATEMENT OF ADHERENCE WITH THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK <IR>

This annual report of the Jubilee General Insurance Company Limited has been prepared in guidelines of the International Integrated Reporting (IR) framework advocated by the International Integrated Reporting Council (IIRC). This report provides stakeholders quality, concise and transparent briefing of the Company’s ability, position and expertise to create sustainable value, which is vital for its position, performance and reporting capabilities, which endorses our commitment to comply with the requirements of International Integrated Reporting Framework

The Company has achieved good stage of compliance. The Company also considers the significance and strengthening of this report in terms of information connectivity and presentation of results impact, regarding various capital employed.

REPORTING PERIOD

The report is produced and published annually. The 2022 report covers the period 1 January to 31 December 2022.

COMPANY’S OPERATIONS

The Company is engaged in insurance business since 1953 (70 years). The data and information presented in this report pertains to its branches and head office.

OBJECTIVES AND CONTENTS

The contents of this report are based on Company’s engagement with its stakeholders and IR framework to provide quality information on material topics which are of interest of various groups of stakeholders having impact on activities in economy, market, environment and society as well as long-term sustainability of the Company’s business.

METHODOLOGIES

The compilation of data has been done using mathematical calculation methods, accounting principles, actual basis and other different logical methodologies used. The Company makes every effort to ensure the accuracy of the sustainability as well as the information being provided. There has been no change in the reporting period, scope and boundary of the report. There are no changes that can significantly affect the comparability of data from period to period. Previous year's figures have been regrouped / rearranged wherever found necessary to conform to this year's classification.

The Company makes every effort to ensure the accuracy of the sustainability information, from time to time, however, figures may be updated.

RELEVANCE, MONITORING AND CONTROL

The Company's relevant information and reporting is monitored and ensure that it is shared in the most suited way for the stakeholders. Relevance of the information is another aspect which needs to be addressed properly.

The stakeholders' value is maximised through returns on investments, which management believes can be achieved through revenue maximisation.

FINANCIAL AND NON-FINANCIAL REPORTING

The report includes both financial and non-financial information about performance, financial structure, insights, risks, and opportunities and outcomes attributable to our activities and key stakeholders having significant influence on our value creation ability.

USERS

This report intended to address the needs of users, investors, stakeholders, suppliers, employees, regulators and society to provide view of value creation potential taking into account the risks and opportunities. The Company believes that to the stakeholders provide better understanding of its business strategies, opportunities & risks, business model, governance, performance which creates value to the Company and its shareholders. The Company shall continue to improve the information produced to make it even easier to understand.

MATERIALITY

The report includes the information relevant for its stakeholders to make decisions on the organisation's economic, social and environmental performance.

OUR REPORT

This Annual Report of the Company is consist of the following content elements for the users of this report:

- Organisational Overview & External Environment.
- Stakeholder Relationship & Engagement.
- Governance.
- IT Governance & Cybersecurity.
- Sustainability & Corporate Social Responsibility.
- Future Outlook.
- Striving for Excellence in Corporate Reporting.
- Strategy & Resource Allocation.
- Risk & Opportunities.
- Performance and Position.

Furthermore, the "Analysis of the Financial Information" has been given under 'Performance and Position' section of this Annual Report. This report also includes a section "Board of Directors" where in all the relevant information with respect to Directors of the Company has been given in detail.

SIGNIFICANT CHANGES IN THE BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The annual financial statements of Jubilee General Insurance Company Limited is prepared in accordance with the IFRS issued by IASB as notified by the Securities and Exchange Commission of Pakistan (the SECP) under the Companies Act, 2017.

In order to prepare the accompanying financial statements, the Company has followed the format and guidelines of Insurance Rules 2017, Accounting Regulations 2017 and Takaful Rules 2012 and General Takaful Accounting Regulations, 2019. The format of financial statements prescribed by Insurance Rules 2017 was first time adopted by the Company in 2018.

Financial statements of Window Takaful Operations (Operator's Fund and Participants' Fund) has been prepared in accordance with format prescribed under Takaful General Accounting Regulations, 2019 issued by the SECP vide SRO 1416(1)/2019 dated November 20, 2019 which was applicable from January 1, 2020. The Company had adopted the new prescribed format in 2020.

No Significant changes have been made in the basis of preparation and presentation of financial statements for the year ended December 31st, 2022.

BEST CORPORATE REPORT(BCR) CRITERIA DULY CROSS REFERRED WITH THE ANNUAL REPORT 2022

A list of BCR criteria duly crossed referred with the page numbers of this 'Annual Report 2022' has been duly placed on the Company's website.

STATEMENT OF UNRESERVED COMPLIANCE OF IFRS ISSUED BY IASB

Jubilee General Insurance Company Limited is preparing statutory financial statements in accordance with the International Financial Reporting Standards(IFRS) issued by International Accounting Standard Board (IASB) as notified by the Securities and Exchange Commission of Pakistan (the SECP) under the Companies Act 2017 and the preparation of the financial statements is in accordance with the provisions/directives issued by Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 the Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

With respect to implementation of IFRS 9 'Financial Instruments' (effective for period ending on or after June 30, 2019) which replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement' (already adopted by the Company), the IFRS 4 'Insurance Contracts' provides two alternative options for application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, first is temporary exemption (enables eligible entities to defer the implementation date of IFRS 9) and second is an overlay approach (allows an entity for a limited application of IFRS 9 from the effective date till the effective date of IFRS 17 'Insurance Contract' i.e. December 31, 2022). As an insurance company, the management has opted temporary exemption as allowed by the IASB for entities whose activities are predominantly connected with insurance. This temporary exemption allows the Company to defer the application of IFRS 9 until December 31, 2022 which is the effective date to apply the IFRS 17.

In order to avail the temporary exemption from the application of IFRS 9, additional disclosure, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 has been given in note 2.5.1 of the accompanying financial statements.

Furthermore, note 2.5 to accompanying financial statements specifies few other standards and interpretations which are yet to be effective in Pakistan. The management believes that that the standards and interpretations referred in note 2.5 do not have any material impact to the financial statements of the Company.

The financial statements of the Company have been duly signed, by Chief Executive Officer and Chief Financial Officer, in confirmation of the above statement.

IMPLEMENTING GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

At Jubilee General, the compliance of applicable laws and regulations is aimed not only to avoid financial losses in the shape of penalties and reputational risk to the Company but also to provide more efficient, effective and valuable performance to its stakeholders.

Being an insurance Company, the responsibility with respect to abide by the laws and regulations is two-fold, as society in general and particularly being insurer puts its trusts in the Company for covering risks that threaten valuable assets. Therefore, the Company is supposed to act with responsibility in respect to all laws and regulations so that it can play an efficient role when any loss arises to the people whose assets are under its insurance coverage. In the Company, particularly the Compliance Officer and generally all the Functional Heads are fully aware of the latest applicable laws and relevant regulations.

As best practice of good governance, the Company goes beyond the mandatory compliance with the Code of Corporate Governance and other applicable laws in the following areas:

- In compliance with the requirement of Code of Corporate Governance, 2016, the Board has formed Board Risk & Compliance Committee, however, to strengthen the ERM implementation a senior management level committee has also been formed by name of “Enterprise Risk Management Committee.
- The compilation of the results of annual evaluation of the Board’s performance is done through an independent reputable audit firm every year whereas the requirement is to engage the external consultant once in every three years. This process of compiling performance evaluation by external independent consultant every year to ensure transparency and maintain confidentiality.
- The Company obtains its Financial Strength Rating from two local rating agencies VIS and PACRA to demonstrate transparency in the rating process. The legal requirement for insurance companies to obtain credit rating from any local rating agency. However, the Company believes in trust and confidence of stakeholders, hence rated by both local rating agencies from inception of this legal requirement.
- The Company is among very few insurance companies of Pakistan which also obtain Financial Strength Rating from renowned and oldest international rating agency AM Best. The Credit Rating of B+ by AM Best reflects Jubilee General’s strong risk adjusted capitalisation, solid business profile, good record of operating performance and robust risk management framework.
- To monitor the performance and compliance with Shariah Principles in Takaful Window Operations a high-level management “Takaful Committee” has been formed which overview the operations of Participant Takaful Fund and ensure compliance of Shariah Rules. The Committee periodically get briefing from Shariah Advisor on matters related to Window Takaful Operations.
- SECP’s Circular 9 of 2016 describes valuation methods for determination of IBNR by insurance companies. The circular allows non-life companies to calculate and ascertain IBNR reserves in accordance with the provided valuation methods by the management. However, to ensure accuracy and credibility, the Company follows the advice of external actuary to determine the IBNR reserves at year end.
- The Company follows the practice of carrying out specific IT audits from reputable specialist IT audit firm at every three years although no such requirement is mentioned in the applicable laws. This practice is consistently followed to ensure security and bring improvements in IT system on continuous basis.
- The Company arranges adequate insurance cover of professional indemnity for its Directors and Senior management although its not mandatory in applicable laws.

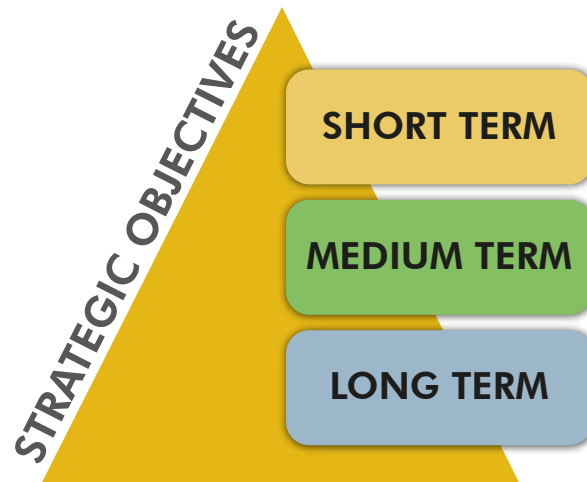


Strategy & Resource Allocation

STRIVING FOR BEST
MIX TO SUCCEED

STRATEGIC OBJECTIVES

These are long-term organisational goals that help to transform a mission statement from a broad vision into more specific plans and projects. In Jubilee General, this guidance, to identify the strategic objectives of Company, has been clearly given by the Board of Director so that the respective strategic objectives can be identified and strategic plans can be devised in order to achieve the objectives. The management also measures its performance with respect to these strategic objectives.



In Jubilee General, in order to effectively and efficiently implement the strategies to achieve the Company's objectives are categorised as under:

SHORT-TERM

These are specific activities that must be completed to meet short term goals. Short-term goals, in turn, help medium and long term targets to achieve. In Jubilee General, along with long term financial plans a comprehensive short-term budget is prepared which is duly approved by the Board of Directors for the implementation purposes. This budget has complete detail particularly amount of Gross Written Premium/Contribution, investment income, management and capital expenditure in order to provide full detailed guidelines to run day to day operations of the Company. The actual performance is compared with the budgets and variances are analysed to be presented to the Board of Director and considered as input in the preparation of next year budget.

Above all, the Company utilises all the management tools for planning and budgeting in order to achieve its strategic objectives in different terms as well as to provide proper guidelines to the employees of the Company so that they can easily implement the operational plan accordingly.

MEDIUM-TERM

Medium-term objectives are generally those that relate to a period from two to three years and are part and parcel of the Company's long-term objectives. In Jubilee General, the medium-term strategic objectives are part of long-term plans which keep an imperative position in achieving long term strategic objectives.

LONG-TERM

These are the specific results that the Company is required to achieve in pursuing its basic mission "To provide solutions that protect the future of our customers". The time frame for long term objectives may ranges from 2 years to 5 years. In Jubilee, a complete long-term plan is prepared in order to devise the strategies in detail to achieve the objective of the Company. This plan is in the form of financial budget to facilitate the conversion of strategies into financial action plan. In Jubilee, objectives and strategies are kept consistent in order to achieve the target by utilising the resources of the Company efficiently and effectively.

MANAGEMENT OBJECTIVES AND STRATEGIES

Following are the management objective with strategies and the relationship between the Company's financial results with defined objectives. These objectives work as guiding principles to achieve the overall mission of the Company. There has been no change in these objectives comparing with prior year:

Management Objectives	Strategies to meet the objectives	Relationship between Results and Objectives
Maintaining growth levels particularly in Gross Written Premium (GWP) and Contribution from Window Takaful Operations.	In order to maintain the GWP growth, efforts will be made to generate qualitative and quantitative business through various channels of distribution including Window Takaful Operations and Digital Retail Sales.	Gross Written Premium including Takaful Contribution has increase by 23% and the Company has achieved the inspirational target of gross premium/contribution of Rs. 14.8 billion in 2022.
Maintaining healthy profitability of the business.	The operations of the Company will be run more efficiently and effectively by taking qualitative underwriting measures and for better returns, investments opportunities will be utilised properly.	The underwriting profit including technical profit of Window Takaful Operations has reached to Rs.466 million reflecting an appropriate growth keeping in view the the more than average claims incurred during the year as compared to the last year. The investment income has increased by 19% despite unfavorable economic condition in the Country. However, the Company has been able to achieve the highest level of profit before tax of Rs. 2.47 billion and posted growth of 6% as compared to last year.
Maintaining healthy Investment returns with limited exposure to the uncertainties of the stock and money market.	Opportunities in stock market and money market whenever available will be tapped effectively and efficiently to optimise the returns keeping the stock market exposure within the tolerable limits.	Investment income has increased by 19% over the last year due to judicious strategy adopted to manage the investment portfolio
Maintaining Insurer, Financial Strength Rating with the local and international rating agencies.	Valuable suggestions and requirements will be implemented to get more financial strength as per the local and international standards of IFS Rating.	IFRS Rating of AA++ from both local rating agencies and B+ (good) rating from an international rating agency were maintained.
Increasing premium/contribution retention.	The retention capacities will be enhanced by underwriting balanced business mix for the overall portfolio.	Aggregate technical Net Premium / Net Takaful Contribution has increase by 9% over the last year mainly due to trickle down impact of robust growth achieved in the premium/contribution under-written over the last year.
Increasing shareholders' wealth.	The management will make strenuous efforts to increase the profitability and financial strength of the Company.	Healthy cash dividend of 40% for the year 2022 has been declared by the Board of Directors.
Meeting and exceeding customer expectations.	Advance tools of IT and high-quality resource will be utilised for product development and product innovation.	During the year, several new steps have been taken to serve our customers in more efficient and effective way. Making improvements in our existing products and services are an ongoing process through which products and services are made day by day efficient and effective upto the satisfaction of our customers.
Retaining and attracting best employees.	The management will make best efforts for development of Human Resource by adding more professionals and competent staff in the team and also by arranging extensive training programme for the existing staff along with appropriate compensation for their work.	The Company is counted as one of the most reputable employers in Insurance sector of Pakistan. During the year a number of young qualified professionals joined the Company. Furthermore, a MTO Program initiated to attract young talent.

ORGANISATIONAL RESOURCES

Organisational resources are all assets that are available to an organisation for use in the production of goods and services. These resources are also known as Capital which is utilised by the Company to achieve its strategic objectives. The Company utilises different resources to accomplish its strategic objectives, targets and goals. Following are the major resources of the Company:

1. Financial Capital
2. Human Capital
3. Physical / Manufactured Capital
4. Intellectual Capital
5. Natural Capital

1. FINANCIAL CAPITAL

All the financial resources of the Company are utilised effectively and efficiently under the policies and guidelines framed by the Board of Directors. Financial resources are also known as “Financial Capital” of the Company. Following are the brief descriptions of each major financial capital and their management by the Company:

A) CASH AND LIQUIDITY MANAGEMENT

Management of adequate liquidity in order to trade-off in between avoidance of liquidity risk and maximising the fruitful investments have always been a challenge for an organisation.

In the Company, cash and liquidity management is a responsibility of Finance Department wherein experienced and trained staff is responsible to monitor and manage the liquidity on a regular basis under the supervision of professional managers and guidance of the Chief Financial Officer.

The Company actively manages liquidity risk to ensure adequacy of cash flows to meet the policyholders’ obligation (including takaful participants) and to pay healthy dividends to the shareholders. During the year, Rs. 5,223 million and Rs.772 million (2021: Rs.4,278 million and Rs.674 million) cash outflows have been made on account of payments of claims to policyholders/takaful participants and dividends to the shareholders respectively. Currently, the Company has maintained liquid ratio of 0.88 and 60% of the total assets are liquid as at December 31, 2022.

B) INVESTMENTS MANAGEMENT

Investments of the Company are one of the major components of Financial Capital. Effective and efficient investment management has always been a challenge in the economic environment of Pakistan. In the Company, there is a separate function for investment management where highly experienced staff manages the investments keeping up to date with the changes in the stock and money market of the country. The Head of Investments is responsible for the investment function and which is oversee by Board Investment Committee.

The investment function works as per the requirement of Code of Corporate Governance and this function is also segregated into Front, Middle and Back Office to ensure high level of internal controls as required by the Code of Corporate Governance. The investment position and its performance are reviewed regularly by the Board of Directors.

2. HUMAN CAPITAL

Generally, in all business and particularly in service sector, Human Resource are considered very important component. It is also called Human Capital of the Company. In the Company, there is a team of technical, trained and professional staff in their related respective fields to run day-to-day operations of the Company. The management is keen in development of the Human Resource and continuously arranging extensive trainings for the staff. The Human Balance Sheet has been well structured to cater the need of human resources for the thriving future and continuous growth of the Company. All the Human Resource related policies and procedures are properly documented and implemented throughout the organisation. This function is overseen by Board Human Resources & Nomination Committee.

3. PHYSICAL / MANUFACTURED CAPITAL

All the Assets of the Company including intangibles are under the safe custody and adequately covered against any internal and external threat. The physical assets of the Company are utilised effectively and efficiently for business purposes. Through the Installation of door control devices, access to the Company’s premises is restricted to the staff/ authorised persons only by the use of Proximity Cards. In order to maintain record of fixed assets effectively and efficiently an integrated software module of “Fixed Asset Register” is implemented in the Company.

In addition to tangible and intangible fixed assets of the Company, being an insurance Company following is very important and valuable constituent of the Company's total assets:

REAL ESTATE PROPERTIES

Most prominent and valuable among the physical assets are Company's properties which include land and buildings. Jubilee General, being insurance company holds these properties which are maintained mainly for investment purposes whereby major portions are rented-out to earn rental income for the Company. However, as business of the Company is extended all over the country, therefore, Company also utilises these properties as office premises of its different branches so that rent expense can also be reduced. All these properties of the Company are in the Company's name and duly registered under the relevant law. Legal titles of these properties are secured under valid registered documents.

4. INTELLECTUAL CAPITAL

Following are the intellectual Capital which Company first creates and then utilises in order to achieve further growth in business.

A) INTELLECTUAL PROPERTIES

Intellectual property refers creations of mind such as inventions, designs, logos, name and images which are used in commerce and service industry. The Company spends its financial resource to develop innovative insurance products and services. In order to make these products and services prominent and for effective marketing purpose, unique name and logos are developed and assigned to these products and services. These names and logos identify and distinguish the Jubilee General's products and services from the product and services of other insurance companies. These titles, design and logos are also called trademarks and service-marks. Furthermore, the Company has also developed various Android Applications and introduced Web-Access/Portals of its different insurance products/services for its customers. All these products, services and their names and related logos are valuable intellectual properties of the Company.

In order to safeguard these intellectual properties, all trade and service marks are duly registered under the relevant laws in respect of the registration of trade and service marks in Pakistan so that these cannot be copied and/or utilised by any other organisation.

B) INFORMATION CAPITAL

All the information and data available within the Company and/or acquired by the Company is utilised for business purpose only to achieve the strategic objectives of the Company. The staff, holding information is bound to keep it confidential under the code of conduct of the Company. Information and data are gathered as well as arranged through the modern IT techniques/tools to make it more useful, effective and valuable for meeting the requirements of the relevant departments. Proper DRP sites are maintained for backup of data. IT systems are protected against any cyber-attack threats. Third party audit are also carried out to ensure safety and security of the information available in the IT system.

In today's world, data is considered most important resource for taking effective and long lasting and fruitful decisions.

C) SOCIAL AND RELATIONSHIP CAPITAL

It is the Company relationships with customers, partners, suppliers etc. Relationship Capital is one of the most important business assets as the future of the Company is also dependent the current position of the Company in market for its customers. Jubilee General working in the general insurance sector since 1953. Therefore, the Company's bondages with its customers, reinsurers, reinsurer brokers, suppliers, surveyors, service providers and all other stakeholders is exemplary. In the branches and staff of the Company working there try their best to satisfy the customers in order to build a healthy and long-term relationship with them. Each Department of the Company takes utmost care while dealing with the people with a focus to have long-term association with them and to build a strong social and relationship capital.

5. NATURAL CAPITAL

Natural capital may also recognise as one of the capital resources of the Company. This includes all the renewable and non-renewable environmental resources that were and still are the part of company's productivity and prosperity. These resources include all the natural minerals that are being produced, air, water, forest, soil and animals etc. which helps the humans to survive in this universe. In order to maintain the environmental conscientious, Jubilee General has now modern means communication instead of using papers in order to establish eco-friendly atmosphere throughout its operations of the Company.

Although the natural capital does not cost to the Company. However, Company understand its responsibility for the protection of natural environment. Therefore, Jubilee General has also started to take initiative with respect to climate change and thus achieving zero carbon emission.

ORGANISATIONAL RESOURCE PLAN

It is not integral that a company should possess all the resources in plenty of quantity and it is a fact that resources are always available in scarcity. Therefore, resource allocation is very important part of the management process. It is a process and strategy involving a company deciding where scarce resources should be used in order to get maximum benefit in the production of good and services. In Jubilee General, due care is taken while utilising the resources. Following tools are adopted in the Company to ensure effective, efficient and optimum utilisation of resources:

1. STRATEGIC PLANNING

Resource allocation begins at strategic planning when a company formulates its vision and goals for the future. The vision and strategic goals are accomplished through achievement of objectives. In Jubilee General, the higher management prepares a comprehensive strategy which is presented to the Board of Directors for its approval. This strategy reflects Company's long-term objectives. After due deliberation and profound thinking process, strategy is finalised to achieve the objectives of the Company.

2. BUDGETING

Once the strategies have been finalised to achieve the objectives, sufficient resources are allocated to accomplish these objectives. The detailed numerical form to materialise these objectives is called budget wherein due care is taken to utilise the sources effectively and efficiently. Budget is made for one year which is also broken down on monthly basis to compare the same with actual results and for detailed variance analysis.

3. LOGISTIC MANAGEMENT

The resources are also moved to where they need to be in order to accomplish the Company's objectives. Planning is the process by which a company manages the flow of resources into and flowing out of the Company. The Company's management takes into consideration all the logistic arrangements for optimum utilisation of resources.

SIGNIFICANT CHANGES IN ASSETS & LIABILITIES

The Company's performance comparison is available in the Directors' Report. The other significant changes for the purpose of the comparison from the last year are as follows:

- 42% growth in cash and bank balances
- 22% growth in book value of total assets
- 18% growth in market value of total assets

LIQUIDITY MANAGEMENT STRATEGY

Our core liquidity policy is to retain sufficient funds in the form of unencumbered liquid assets to meet potential funding requirements arising from range of obligations and therefore, the Company is not supposed to be exposed to any liquidity shortfall.

The Company has maintained optimum liquid investments and deposits which make it more robust and weightier in order to coup-up with any kind of liquidity requirement in short term as well as long term time span. Special emphasis is given to diversification of the liquid assets to meet our residual funding needs. All long-term liquidity requirements are considered, both in our planning process and while managing financial market risk. Early Warning System is in place to timely indicate any expected short fall of the liquidity in future. The liquid asset ratio as at December 31, 2022 is 0.88 time (2021: 1.08 times).

KEY SOURCES AND CAPABILITIES

Jubilee General is a market leader in the insurance sector and has retained its position as the top organisation introducing novel products and fresh ideas. Jubilee General is firmly convinced that diversity is essential to any Company's development since individuals with distinctive qualities may contribute value to it and aid it in achieving its objectives. Jubilee General is in charge of using a big pool of resources, which gives us a considerable competitive advantage over our competitors. The Company maintains continuous goals and plans in order to reach the target through making efficient and effective use of available resources. Innovative digital solutions are becoming common in the insurance industry and are good for profitability. Customers today prioritise convenience; therefore, technological innovations have emerged as a crucial driver of both client retention and base growth. The Company anticipates that adoption of cutting-edge technologies will provide it a competitive edge in the market and have a substantial impact on its performance. Facilitate its consumers, the Company has also created Android application and introduced web-access/portals.

VALUE CREATED BY THE BUSINESS

In Jubilee General, the value created by the business is a combination of many activities that has taken place by the staff of the Company and also by the consumers who showed their faith in our Company and trusting us to provide security to them when they need.

The first and the foremost source of the Company are the employees working there and showing their loyalty by giving their 100%. Then comes the policy holders who are an important part of our organisation as they trust Jubilee General. Moreover, the agents play an important role in building the value of our Company. Other sources are the suppliers of the Company which includes surveyors, health service providers, workshops and supplies from whom Capital Asset are bought. Then, we have banks which helps us in our investment and last but not the least is the Government bodies.

SOURCE OF VALUE CREATION	VALUE CREATED	2022 RUPEES IN THOUSAND	2021 RUPEES IN THOUSAND
HUMAN CAPITAL	SALARIES & EMPLOYEES BENEFITS	1,438,584	1,300,131
POLICYHOLDERS	CLAIMS	5,223,090	4,277,575
INSURANCE AGENTS	SALES COMMISSION	831,898	792,680
VARIOUS SUPPLIERS OF CAPITAL ASSET	CAPITAL EXPENDITURE	26,447	7,961
GOVERNMENT	INCOME TAX	800,572	579,617

EFFECTS OF TECHNOLOGICAL CHANGE, SOCIETAL ISSUES, ENVIRONMENTAL CHALLENGES AND RESOURCE SHORTAGES

Business Strategy as well as business dynamics take a considerable impact of various internal and external changes. Although, the internal changes sometimes pervasive, however, these are usually well planned therefore, do not have negative impact on the business plans and strategies however the external changes i.e. technological, societal and environmental have deep impact on the business and related strategies. For effective and efficient strategy, the Company should adept to the external changes so that all the components of business model continue to provide profitable and productive results. In Jubilee General, a significant help is taken from PESTEL and SWOT Analysis to devise a strong business model and successful strategies. In the Company, this process is ongoing in nature due to changes in the external environment, the business strategies and model of the Company reform.

Following are the important external factors which are considered by the Company while devising strategies and updating the business model.

TECHNOLOGICAL CHANGES

In this modern world, handful of accelerating technology trends are poised to transform the very nature of general insurance. Particularly, in motor insurance, in the west it is expected that the risk will shift from drivers to the artificial intelligence (AI) and software behind self-driving cars. Satellites, drones, and real-time data sets taken from the motor vehicle will give insurers unprecedented visibility into the risk around facilities, leading to greater accuracy while assessing risk for underwriting. Although, in Pakistan, it is not expected that things will change with the same pace as currently changing in the west, however, a need to use telematics to enable the insurer to assess the risk based on real-time data is increasing day by day. Furthermore, the Android applications have enabled the user for a quick and easy journey from getting general insurance till the settlement of the claims.

Jubilee General takes every step to work with the advanced technology in order to cope with the technological changes in the society. Therefore, greatest attention is given to the IT Systems to automate the processes covering from providing insurance services till the settlement of claims. Furthermore, the Company is also considering the use of advanced technology and devices in order to analyse the risk so that appropriate risk coverage products/services can be offered to our modern-day customers at appropriate premium.

SOCIETAL ISSUES

Change in population, particularly the demographic distribution along with the change in the lifestyle will have a profound impact on the insurance company as the demand of the certain insurance products and distribution channels may vanish and become obsolete respectively. Furthermore, increase in proportion of educated and younger generation in the society will have great impact on the demand of certain services and technological based consumer journey i.e., through Mobile Applications. Jubilee General also consider this as an important factor and continuously making its product/services as well as distribution channels, more advanced and efficient through the use of advanced IT technologies and hence embrace itself to cope with the future requirements of the modern generation.

Other change in in the population such as human rights, health consciousness, level of the poverty and collective value of the society has a vast impact on the business and strategies of the Company which are also considered while making/developing new products/services and choosing distribution channels for its marketing and sales so that these challenges can be addressed accordingly.

ENVIRONMENTAL CHALLENGES

Insurers have a far more sophisticated understanding of climate risks than many other industry sectors – insurers have been using tools to predict weather-related disasters for decades and they are exposed to claims whenever there is a climate-related event. The insurance industry is in a unique position in relation to the changing environment as insurers not only pay claims to indemnify insureds for climate-related damage, but they also fund the economy through their significant investment portfolios. Increase in the frequency of natural disasters and global warming are the threats which will change the business dynamic in future to a great extent. In Jubilee General, this is considered a very important and, therefore, underwriting risks are minimised by ensuring the mitigating factors which are necessary to avoid perils caused by the climate change. As it is understood that the climate is not controllable, therefore, the mitigating actions/tools that can be implemented by the insured are only remedy of any loss to the insurable Interest.

Jubilee General Insurance has robust risk assessment procedure for the underwriting purpose so that the negative impact on the business due to climate change can be minimised. The Company apply modern tools to monitor the risk concentration at any particular location.

RESOURCE SHORTAGE

Since past few years, soon after the Covid-19 pandemic took place, many companies have been declining in keeping check and balance about resource shortage. Being a top insurance company, human resources are the utmost important resource for Jubilee General. In order to achieve Company's long-term corporate objective, Jubilee General has detailed succession plans to ensure sustained future leadership.

Beside the above changes, there are certain traditional challenges i.e., scarcity of resources and idle capacity which are addressed through modern tools i.e. by measuring marginal contribution from the limited resources in order to get maximum benefit. Furthermore, idle capacity challenge is addressed through diversion of idle resources from one branch/unit/product/service line to the other, so that efficient and effective utilisation of these resources can be ensured.

Above all, the Company take utmost care while devising future strategies to make the business more value added and successful.

SPECIFIC PROCESSES USED TO MAKE STRATEGIC DECISIONS

The management is in charge of carrying out the activities successfully and efficiently as well as putting into practise the agreed strategy and long-term objectives of the Company. However, while taking strategic decision following factors are Considered.

INTEGRITY

Our believe at Jubilee General is to guide our work ethics, and we are morally and socially committed towards protecting the interests of society as a whole. We uphold the highest standards of customer service and act with honesty and integrity in all of our business operations. In order to identify any matches or prospective matches with the designated prescribed persons through an appropriate screening system, the Company has built the necessary mechanism, method, and procedures for screening and monitoring customers, suppliers, and employees. The Company is dedicated to upholding the greatest standards of integrity, transparency, and responsibility. Jubilee General wants to make sure that it conducts its business while upholding moral standards.

ETHICS

From the top to the bottom echelons, our DNA is imprinted with respect for the law, tolerance for opposing ideas, and, most importantly, a commitment to never intentionally injure anyone. We make sure that all applicable laws and rules are followed. We have definite policies on morality and good manners that point our personnel in the same way. We encourage teamwork, respect for others, generosity, harmony, cooperation, and trust. Above all, we aim for excellence in everything we do for the benefit of society as a whole. The Company is committed to sustaining the highest standards of accountability and openness. It seeks to ensure that how it does business adheres to moral principles.

FOCUS & ACTION-ORIENTED

Jubilee General is aware of the obligations and demands placed on organisations to give back and advance society. The Company is still committed to exceeding clients' expectations. We think that education, health, culture, and sports are the cornerstones for the wellbeing and development of future generations, hence these are our key areas for positive intervention. Our business ensures that every team and employee have well-defined objectives so they can monitor their progress and assess how their job benefits the business. Regular, structured performance dialogues throughout the organisation foster a more focused attitude and management mainly oversees the procedures.

ATTITUDE TOWARDS RISK

In order to reduce the impact of risk on an organisation's capital, earnings and profits and protect the Company through an opportunity-focused approach. Risk management is the process of planning, organising, leading, and managing the operations of an organisation.

The Company periodically reviews its risk management policies and processes to account for changes in the market and its operations. The Company strives to create a disciplined and productive control environment in which all workers are aware of their responsibilities through training and management.

CRITICAL PERFORMANCE INDICATORS

Critical Performance Indicators (CPIs) are measurable values that demonstrate how effectively an organisation is achieving key business objectives. These objectives are critical for the existence and future growth of an organisation. Organisations use CPIs to evaluate their success at reaching targets.

Jubilee General, in order to measure its magnitude of achievements, has identified CPIs which are calculated on monthly, quarterly and annual basis in order to measure the performance of the Company against targeted goals. Variances are calculated by comparing actual results with budgeted targets so that the strategies and operational techniques can be modified in order to get better results in future.

COMPANY'S CRITICAL PERFORMANCE INDICATORS

The Company has demonstrated unwavering performance within the general insurance sector in most Key Performance Indicators. Following are the management objectives, Critical Performance Indicators (CPIs) which also help to measure the Company's performance and setting the targets ahead:

Management Objectives	CPIs
Maintaining growth levels particularly in Gross Written Premium (GWP)/Takaful Contribution to increase market share.	Growth
Maintaining strong profitability of the business.	Profitability
Increasing premium/contribution retention.	Net Premium/Contribution earned
Maintaining healthy Investment returns with limited exposure to uncertainties of stock and money market.	Investment income/return
Maintaining Insurer Financial Strength Ratings.	Financial Strength Ratings
Increasing shareholders' wealth.	Healthy profit distribution and robust capital structure
Meeting and exceeding customer expectations.	Product development and innovation
Retaining and attracting best employees.	Adequate Human Balance Sheet

The management is fully determined to meet its objectives all the time as all the above-mentioned CPIs will remain relevant in future as well.

IMPACT OF COVID-19 PANDEMIC AND POST PANDEMIC MULTIPLE WAVES OF INFECTION ON CPIs

During the year 2020, the economy of the Country had faced the challenge of negative impact of world-wide lockdown due to COVID-19. Although, during that testing time the CPIs of the Company were remain same as compared to previous years. However, the first and foremost priority of the management that time was to remain operational and continue to do business with full strength. Furthermore, during lockdown, the Company has successfully provided services to its customers/clients without any delay.

In 2021, the economy of the Country also faced slight impact of post COVID multiple waves of infection. However, the impact was not substantial. During that time there was no change in CPIs of the Company. However, with solid efforts and hard work, the Company remained not only fully operational but also achieved a robust growth in Gross Written Premium/Contribution and reported a very healthy profit and dividend distribution.

In 2022, the Company remained firm on its CPIs and vigorously followed all the targets of CPIs.

METHOD, ASSUMPTIONS IN IDENTIFYING AND COMPILING CPIs

Identification and selection of the relevant CPIs is dependent on industry in which the organisation operates. In Jubilee General certain CPIs are well-known indicators which are considered in the insurance sector as critical for the growth of an Insurance Company which are **Gross Written Premium / Contribution** and market share of the Company. Targeted rate of growth and percentage of share in market is set after a profound process considering the economy of the country and with the consultation of the business producers. These targets are part of the organisation long term plan which is duly approved by the Board of Directors.

The second important CPI is **profitability of business**. The profit of the Company is dependent on the underwriting results and investment income. Magnitude of underwriting income represents the quality of underwriting and it is one of the key factors reflecting viability of core business. Target of underwriting income is set on year-to-year basis and these are also part of approved long-term plan of the Company. Underwriting Income is heavily dependent on the **premium / contribution retention ratio** (the ratio to measure the level of risk in monetary terms which is being carried by an insurer rather than being passed to reinsurer). It is a great challenge for an insurance company to increase the retention ratio without jeopardising the underwriting results of the Company. Therefore, retention ratio is set very carefully keeping in view all the relevant factors. Another crucial factor in profitability is Management Expenses. The Company set limits for each expense considering the revenue targets. The amount of expenses and expenses ratio are monitored vigilantly. Performance against this CPI is evaluated against targeted ratio on quarterly and annual basis.

The Investment Income reflects the level of efficient utilisation of funds of the Company. The investments returns are set with stock market and money market bench marks. The actual investment income is compared with these benchmark on quarterly basis and variances are worked out to improve the performance accordingly. Furthermore, a realistic target is set for the investment income at the beginning of the year and which is monitored on quarterly basis for performance evaluation purposes.

Monitoring of **Insurance Financial Strength (IFS) Ratings** is one of important CPIs as due to a strong financial strength rating, the Company would be able to underwrite large risks and avail better re-insurance terms from the re-insurers. Furthermore, clients while obtaining insurance cover for their assets are necessarily consider the IFS rating of the Company. Therefore, it is necessary that the Company monitors in IFS rating and the same is renewed on yearly basis with both local rating agencies and one international rating agency for its un-doubted affirmation. The management on periodic basis also carried in-house evaluation for certain indicators which are considered vital for good IFS rating.

It is ultimate goal of a listed Company to **increase the shareholders' wealth**. Therefore, all the CPIs are evaluated keeping in view that the Company announcements in the Pakistan Stock Exchange for profit or/and dividend declaration cause to increase the shareholders' wealth.

In order to face to modern technological changes coming in the insurance sector, the Company is all the time spirited for **meeting and exceeding customer expectations**. Under this CPIs, the performance of Company is dependent on the number of new innovative products introduced during the year and their quality and acceptability in the market. Each product's performance is reviewed thoroughly and variances are considered to increase future performance accordingly.

Human Capital of the Company is one of the key source to carry overall operations. In service sector, the quality of human resource is directly proportionate to the growth of the Company. Therefore, it is aimed in Jubilee General that adequate human balance sheet should be maintained **by retaining and attracting best staff**. The HR matters and performance of management with respect to Human Resource Management, is monitored and evaluated with the relevant CPI by the Board Human Resource and Nomination Committee heading by an independent director.

All the above, CPIs have been identified under normal circumstances and have been set considering the assumptions such as appropriate growth in economy, stable political condition, improved law and order situation in the country, catastrophic peril remain under averaged limits, adequate performance of stock market without witnessing any intense volatility. However, if any condition deviate from its normality, the impact is evaluated with the performance of peer group under the same CPIs.

Above all, through the monitoring of these CPIs, the Company is able to compete in the industry and create value for all its stakeholders and society.

Risks & Opportunities

MITIGATING RISK AND SEIZING
OPPORTUNITIES

RISKS

Risks are inherent in the businesses and can relate to strategic threats, operational issues, compliance with laws, and reporting obligations. In order to deliver value to all stakeholders, it is important that the Company understands and manages the risks faced across the entire organisation.

RISK GOVERNANCE

The Board of Directors of Jubilee General Insurance Company (the Company) are entrusted for ensuring that the Company has a robust process in place for assessment of principal risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity. In the Company, Board of Directors, has managed to govern the risks to the Company effectively and efficiently. In order to oversee these risks, the Board has formed an Enterprise Risk Management Committee which oversees, governs the Risks to the Company according to the guidelines approved by the Board.

ENTERPRISE RISK MANAGEMENT - ERM

The Board of Directors has approved a Comprehensive Risk Management Policy & Framework. The objectives of the policy include assurance that business activities of the Company are undertaken within approved risk appetite and tolerance levels.

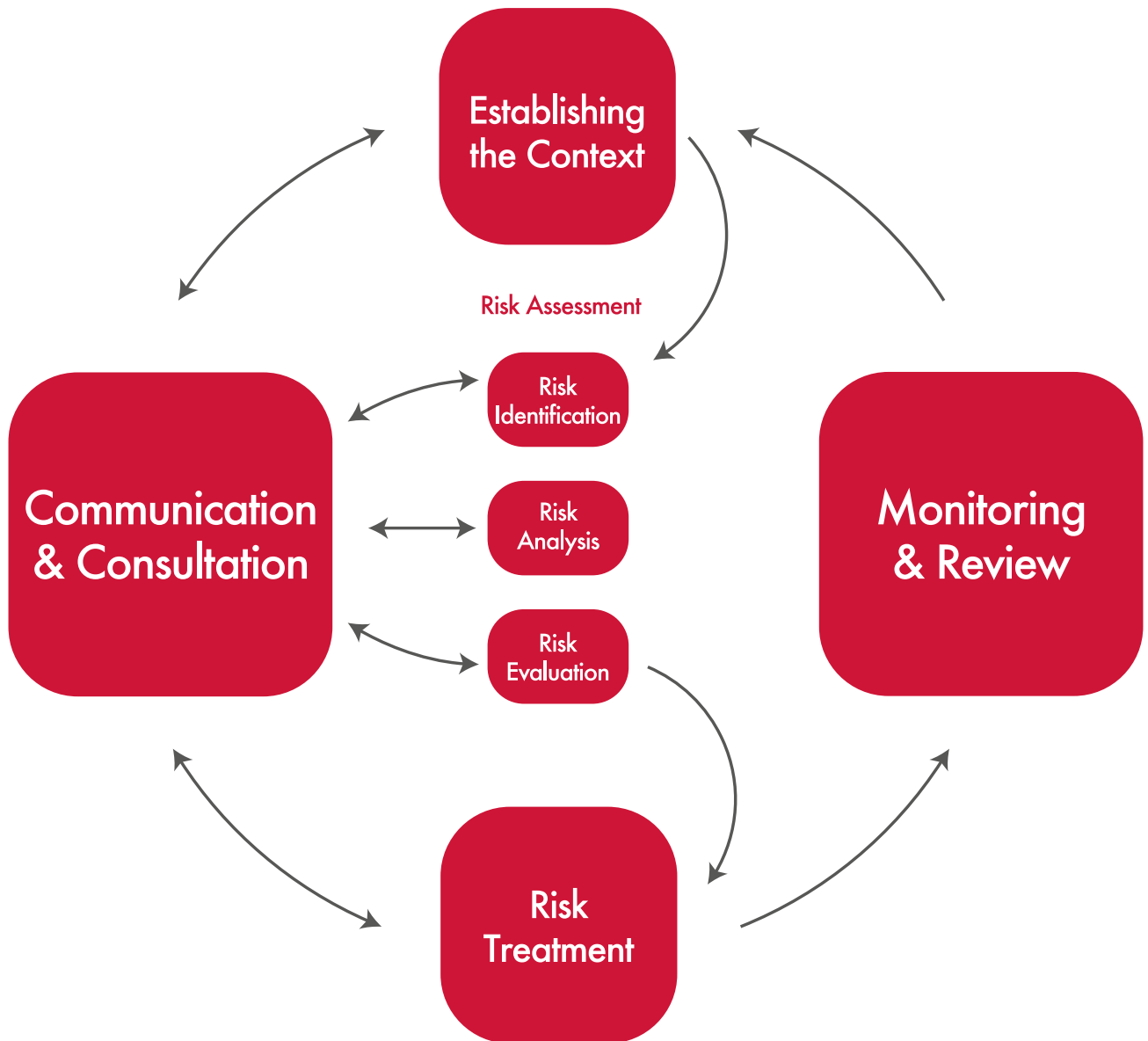
Formally established ERM program within the Company has designated oversight of the Board to monitor the risk management process. The ERM framework serves as a base of ERM program ensuring comprehensive, consistent and efficient management of all material risks and opportunities. The key objective of the risk management system is to support business success and protect the Company through an opportunity-focused but risk aware decision-making process.

The Risk Management System is intended to systematically and continually identify, assess, control, monitor and report risks and opportunities; sets risk tolerances based on our overall corporate targets, in order to support the achievement of strategic objectives and to enhance risk awareness throughout the Company.

The Company's risk management main functions are described as under:

Functions	Descriptions
Establishing the context	To understand the organisational objectives, internal & external environment and understanding the need of stakeholders.
Identification	To identify and describe risks, to find and document sources, events, causes consequences with special reference of their likelihood and impact.
Analysis	Comprehend the nature of risk and determine the level of a risk and its potential severity.
Evaluation	Compare the results of risk analysis with risk criteria to determine whether the risk is acceptable.
Response	Modify the risk by mitigating, avoiding, transferring, or accepting the risk.
Monitoring	Continually check the status of a risk to identify change from the required or expected performance level.
Reporting	Inform and engage in dialogue with stakeholders regarding the current state of risks and their management.

ERM - MODEL



KEY RISKS ANALYSIS

All types of risks necessitate a unique risk management strategy and must be managed independently. The following significant risks have been identified, as well as their repercussions, risk rating, and mitigation methods that the organisation has implemented to control them.

RISK	RISK FUNCTION	RISK TYPE	AREA OF IMPACT	RISK CATEGORY	RISK LEVEL	IMPACT	MITIGATION STRATEGY	SHORT/MEDIUM/LONG TERM	LIKELIHOOD
Economic & Political Risk	Difficult business conditions resulting from economic and political instability may prove to be an impediment in the plans of the Company to achieve its business objectives	Operational	Financial Capital	External	High/ Low	Unfavourable impact on business objective	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.	Medium term	Likely
Strategic Risk	The uncertainties and untapped opportunities are challenge for the Company, such as increased competition from existing players and new entrants including Takaful companies/operations in takaful / insurance market	Strategic	Financial Capital	External	Low	Unfavourable impact on business objectives	The Company relies on its personalised service and customised products to retain its customer base and increase its market share. Strategic risk management process performed by the management to manage risks and scenarios that could impede the organisational ability to achieve its strategy and strategic objectives	Long term	Unlikely

RISK	RISK FUNCTION	RISK TYPE	AREA OF IMPACT	RISK CATEGORY	RISK LEVEL	IMPACT	MITIGATION STRATEGY	SHORT/ MEDIUM/ LONG TERM	LIKELIHOOD
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 risks for a period of one year	Operational	Financial Capital	External	Low	Unfavorable impact on profitability	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	Medium term	Unlikely
Reinsurance Risk	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	Operational	Financial Capital	External	Low	Unfavourable impact on profitability	To minimise its exposure to losses from reinsurer insolvencies, the Company maintains diversified reinsurance panel, representing first class security 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	Medium & Long term	Unlikely

RISK	RISK FUNCTION	RISK TYPE	AREA OF IMPACT	RISK CATEGORY	RISK LEVEL	IMPACT	MITIGATION STRATEGY	SHORT/MEDIUM/LONG TERM	LIKELIHOOD
Capital Adequacy Risk	The risk of not meeting the regulatory requirements for Capital, Solvency, underwrite large risks and/or discharge Company's obligations	Financial	Financial Capital	Internal	Low	Unfavourable impact on financial strength	The Company maintains its Capital adequately to meet the regulatory requirements with safe margins. The Company ensures to maintain Solvency Margin well over and above the regulator's requirement. The Company also assess Capital adequacy using different Capital models.	Long term	Unlikely
Credit Risk	The possibility that the counter party / insured may fail to discharge its obligation for payment and cause the Company to incur a financial loss	Financial	Financial Capital	External	Medium	Unfavourable impact on profitability	The Company attempts to control credit risk by monitoring credit exposures by undertaking transaction with many counter parties in various industries and by continually assessing the credit worthiness of counter parties	Long term	Moderate
Investment Risk	The changes in stock market variables and interest rates may affect future cash flows of financial instruments	Financial	Financial Capital	External	Low	Unfavourable impact on profitability and net wealth	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) markets. In addition, the Company actively monitors the key factors that affect stock, money market and TFCs market.	Long term	Moderate

RISK	RISK FUNCTION	RISK TYPE	AREA OF IMPACT	RISK CATEGORY	RISK LEVEL	IMPACT	MITIGATION STRATEGY	SHORT/ MEDIUM/ LONG TERM	LIKELIHOOD
Reserve Risk	The Risk of inadequate reserve to meet future insurance obligation	Operational	Financial Capital	Internal	Low	Unfavourable impact on profitability	The Company has developed a policy to monitor and improve the reserves level periodically to control this risk	Medium and Long term	Unlikely
Liquidity Risk	The Company may encounter difficulty in meeting financial obligations associated with insurance and reinsurance	Financial & Reputational	Financial / Social & Relationship Capital	Internal	Low	Unfavourable impact on profitability and reputation	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.	Short & Medium term	Unlikely
IT Risks	The development in Information Technology and its emerging challenges may affect the Company's operational process	Operational	Financial Capital	Internal / External	Low / Medium	Unfavourable impact on operational activity	The Company continuously upgrades its IT systems which are managed by able officers and regulated by a formal policy with Disaster Management System.	Medium & Long term	Unlikely

RISK	RISK FUNCTION	RISK TYPE	AREA OF IMPACT	RISK CATEGORY	RISK LEVEL	IMPACT	MITIGATION STRATEGY	SHORT/ MEDIUM/ LONG TERM	LIKELIHOOD
Regulatory Risk	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	Financial & Reputational	Financial / Social & Relationship Capital	Internal	Medium	Unfavourable impact on operational activity and reputation	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	Medium & Long term	Unlikely
Safety & Security Risk	Risk of loss/damage to the resources of the Company from external deliberate/ accidental attack/ threats	Financial & Reputational	Financial / Intellectual / Human Capital	External & Internal	Low	Unfavourable impact on operational activity and reputation	The Company ensures appropriate safety and security of all its organisational resources by placing physical security measure. Furthermore, systems are placed to handle any threat of cyber-attacks	Short & Medium term	Moderate

KEY OPPORTUNITIES ANALYSIS

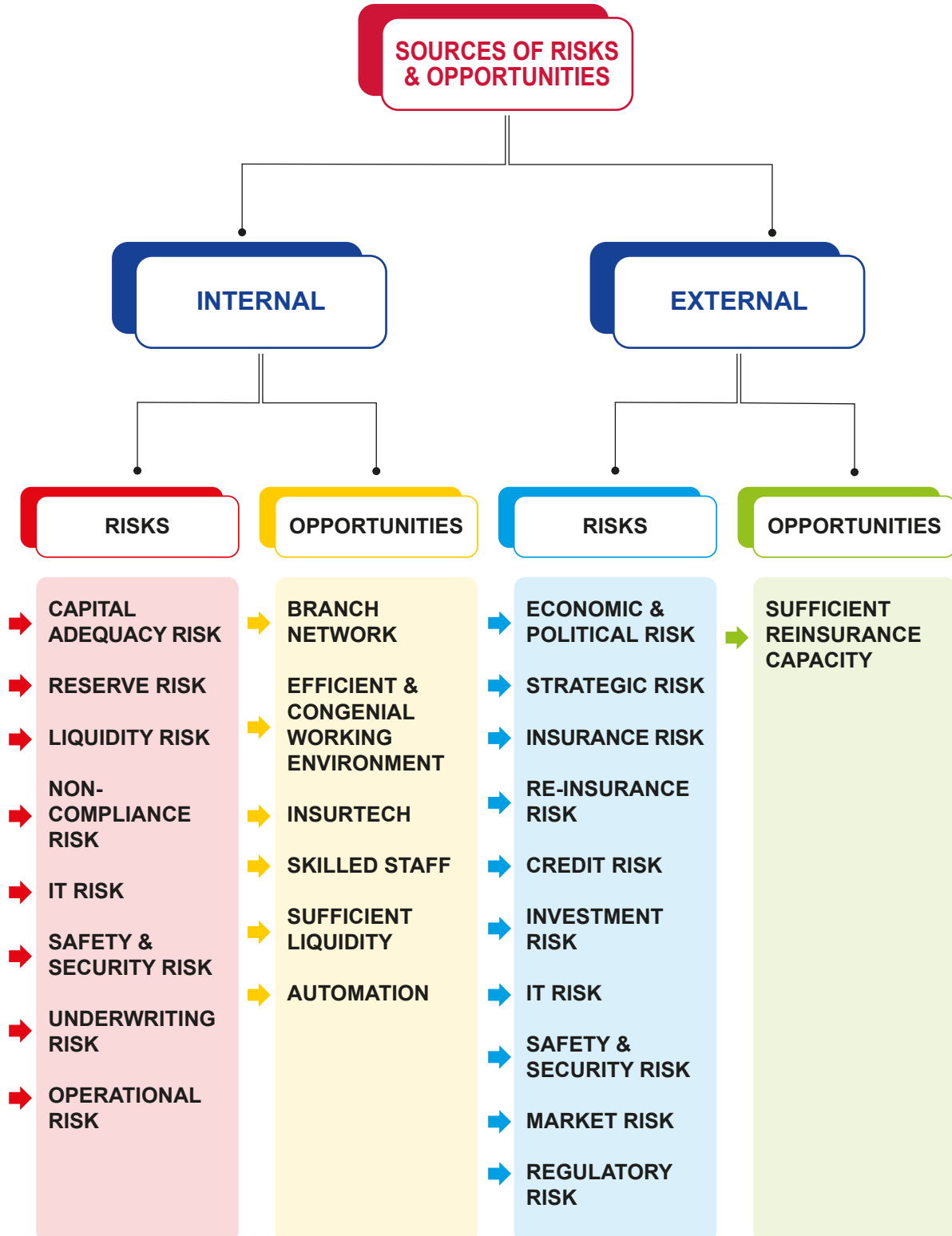
Following are major opportunities available to the Company and their impact with special reference to its insurance business along with strategies to materialise them.

OPPORTUNITIES	AREA OF IMPACT	SOURCE	KEY SOURCE OPPORTUNITY	STRATEGY TO MATERIALISE	SHORT/ MEDIUM/ LONG TERM	LIKELIHOOD
Branch network	Financial / Human Capital	Internal	Low market penetration creates future opportunities to explore untapped market segments and increase market share	The Company has 26 fully functional branches spread over in four provinces and Capital territory of the country and these branches have sufficient skilled staff to generate business efficiently	Medium & Long term	Likely
Sufficient Re-insurance Capacity	Relationship Capital	External	Diversification of business and awareness of insurance create new requirements and need of customers in order to cover their variety of risks effectively and efficiently	By having more than 70 years of working experience in the insurance sector, the Company has good and exemplary relationship with the renowned global reinsurers and brokers resultantly acquiring sufficient capacity to cater the needs of its insured	Medium and Long term	Likely
Efficient and congenial working environment	Human Capital	Internal	Provide congenial work environment where employee feels motivated for work	The Company has effective environment without excessive work pressure. Continuous training and development of employees make them more equipped to pay-off their responsibilities	Short & Medium term	Moderate
Insurtech	Financial Capital	Internal	Use of online sales and modern business tools are inevitable to serve the customers in more efficient and timely manner as per their requirements in future world	Just like in previous years, the Company will continue to invest sufficient resources to generate Web and Android Applications to facilitate its customers to get insurance while sitting in their homes at any point of time	Short and Medium term	Moderate

OPPORTUNITIES	AREA OF IMPACT	SOURCE	KEY SOURCE OPPORTUNITY	STRATEGY TO MATERIALISE	SHORT/MEDIUM/LONG TERM	LIKELIHOOD
Skilled staff	Human Capital	Internal	Services sector growth is dependent of the best and state of arts services to its customers from choosing of appropriate risk covers till the dealing of their claims (if any) with utmost efficiency	The Company having high skilled staff which are available to facilitate customers for choosing suitable product of insurance in order to sufficiently cover their respective risk and efficiently support them to process their claims (if any)	Long term	Likely
Sufficient liquidity	Financial Capital	Internal	Optimum liquidity is necessary to be maintained to fulfill the fund requirement for the payment of claims without losing good investment opportunities	The skilled staff through modern monitoring tools, maintain sufficient level of funds for liquidity in order to meet the fund requirements without jeopardising the good investment opportunities	Short term	Likely
Automation	Financial Capital	Internal	In order to cater the need of modern business world requirements, implementation of automated processes is compulsory	The Company is continuously engaged in adopting automated processes for its internal operating procedures in order to fulfill its contractual responsibility on timely and efficient manner	Short-term	Likely

SOURCES OF RISKS & OPPORTUNITIES

Jubilee General being one of the biggest insurance companies faces many risks and opportunities in the market of insurance. These risks and opportunities are divided into two parts, internal and external sources for the proper analysis and evaluation in order to devise an strategy to mitigate the risk and availing the Opportunities. Following chart reflects classification of Risks and Opportunities in Jubilee General:



INTERNAL SOURCES OF RISKS

CAPITAL ADEQUACY RISK

The risk of not meeting the regulatory requirements for Capital, Solvency, underwrite large risks and/or discharge Company's obligations. As a result, both the Company's credit rating and the renewal of its trading license may be impacted.

RESERVE RISK

The Risk of inadequate reserve to meet future insurance obligation. The actual runoff of claims is volatile. Both the frequency and the intensity are erratic. Keep in mind that this also includes any reserves created by the claims department.

LIQUIDITY RISK

The risk of liquidity is the possibility that the Company would not be able to pay its debts when they are due or that it will have to do so under conditions that are materially unfavorable. The Company's approach to managing liquidity is to make sure that it will always have enough cash on hand to pay its obligations when they are due, both under normal and stressful circumstances, without suffering unacceptable losses or running the risk of harming the Company's reputation.

NON-COMPLIANCE RISK

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.

IT RISK

The development in Information Technology and its emerging challenges may affect the Company's internal operational process.

SAFETY AND SECURITY RISK

Risk of loss/damage to the resources of the Company from internal deliberate/ accidental attack/ threats.

UNDERWRITING RISK

The organisation faces a considerable risk from effective underwriting. This risk would be relevant if the applicant pool was not carefully chosen, which would increase the likelihood of a high claim ratio. Additionally, it would put the business at risk of unjustified financial losses, raising further questions about liquidity.

OPERATIONAL RISK

The corporation has a higher level of operational risk since it engages in a sector of the economy that demands a high degree of estimating supported by corporate infrastructure. The main cause of this risk is incorrect loss estimation brought on by incompetent human resource management or ineffective system resources. Other potential sources include incorrect transaction processing, rules not being followed, fraud, failure to carry out assigned tasks, technological hazards, and so forth.

INTERNAL SOURCES OF OPPORTUNITIES

BRANCH NETWORK

Low market penetration creates future opportunities to explore untapped market segments and increase market share.

EFFICIENT AND CONGENIAL WORKING ENVIRONMENT

Provide congenial work environment where employee feels motivated for work.

INSURTECH

Use of online sales and modern business tools are inevitable to serve the customers in more efficient and timely manner as per their requirements in future world.

SKILLED STAFF

Services sector growth is dependent of the best and state of arts services to its customers from choosing of appropriate risk covers till the dealing of their claims (if any) with utmost efficiency.

SUFFICIENT LIQUIDITY

Optimum liquidity is necessary to be maintained to fulfill the fund requirement for the payment of claims without losing good investment opportunities

AUTOMATION

In order to cater the need of modern business world requirements, implementation of automated processes is compulsory.

EXTERNAL SOURCES OF RISKS

ECONOMIC & POLITICAL RISK

Economic and political unpredictability may make it more difficult for the Company to carry out its strategies and achieve its goals for the firm. Instability in politics, terrorism, conflict or riots, scenario of declining law and order, frequent gas and electricity outages, inflation and exchange rate fluctuation are few things that could happen to prevent the Company from reaching its goals. There are not enough basic amenities available in the nation.

STRATEGIC RISK

Uncertainties and unexploited prospects pose challenges for the Company, such as heightened rivalry from established players and new entrants, including Takaful businesses and operations in the takaful / insurance sector.

INSURANCE RISK

Any insurance contract's risk is the potential occurrence of the covered event and the unpredictability of the insured's payout amount. The insurance risks are typically covered by most insurance policies for a year. Through the issuance of general insurance contracts, the Company accepts insurance. The most important risks for these general insurance contracts are caused by disasters like fire, earthquakes, terrorism, and atmospheric disturbances. Epidemics pose a considerable risk to contracts for health insurance.

REINSURANCE RISK

The ceded reinsurance does not relieve the Company of its commitment to the insured, and as a result, the Company remains liable for the portion of the claim reinsured in the event that the reinsurance is unable to perform its obligation.

CREDIT RISK

The possibility that the counter party / insured may fail to discharge its obligation for payment and cause the Company to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures and undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

INVESTMENT RISK

This is the risk of the investments performing poorly and falling short of the obligations. This is controlled by creating an appropriate investing strategy for the fund. The future cash flows of financial instruments may be impacted by changes in interest rates and stock market variables.

IT RISKS

The emergence of new difficulties in information technology and how they may affect it could have an impact on how the Company operates. A significant risk for the organisation is the loss of sensitive data or unauthorised data intrusion, as well as technological malfunctions or failure, which could harm the organisation's reputation, ability and trust, further affecting business operations and financial results. It is considered as both internal and external risk.

SAFETY & SECURITY RISK

Risk of loss or harm to the resources of the Company from external deliberate or accidental attack or threats may also result to the financial loss for the Company.

MARKET RISK

Market risk is the chance that shifts in market prices will induce changes in a financial instrument's fair value or future cash flows. Interest rate risk, foreign exchange risk, and other price risks are all included in market risk. The Company manages its exposure to market risk by adhering to internal risk management guidelines.

REGULATORY RISK

The Company operates in an industry that is highly regulated. Therefore, change in regulation may impact the operations and business of the Company.

EXTERNAL SOURCES OF OPPORTUNITY

SUFFICIENT RE-INSURANCE CAPACITY

Diversification of business and awareness of insurance create new requirements and need of customers in order to cover their variety of risks effectively and efficiently.

ESTABLISHMENT OF COMPANY'S RISK MANAGEMENT POLICIES

In order to provide guidance and ensure the efficiency and effectiveness of Risk Management function in the Company, the Board of Directors(BoD) has constituted Board Risk and Compliance Committee(BR&CC). All the members of the Board Risk Committee has professional and technical capabilities to oversee the Risk Management function at Board level and fully assist the BoD in the over all governance of Risk Management in the Company.

The Company's risk management policies are established which are duly reviewed by BR&CC and approved by the BoD 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.

In order to oversee Risk Management function in the Company at Management level an Enterprise Risk Management Committee(ERMC) has been constituted. The Risk Committee monitors compliance with the Company's risk management policies & procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Furthermore, ERMC summarises the findings and recommendation to report to BR&CC for further guidance and feedback.

STRATEGY TO OVERCOME LIQUIDITY PROBLEMS

The Company's liquidity policy requires it to hold on to sufficient cash in the form of liquid assets that are not obligated in order to cover any prospective funding needs resulting from obligations. The Balance Sheet of the Company is Debt free therefore no debt obligations exist to the Company. However in order to pay claims and other management expenses on timely bases, the Company needs to maintain a sufficient cash level without stopping or halting any investment activity. Therefore the Company monitors the funds very carefully and for fund manager multi-layer limits have been developed in order to monitor the liquidity of the Company efficiently and effectively.

CAPITAL STRUCTURE AND FURTHER PLANS

There is no inadequacy in the capital structure of the Company. Furthermore, the Company has sufficient capital to address any kind of financial challenges in future. A considerable paid-up capital Rs. 1.9 billion makes the Capital Structure of the Company more robust hence any risk of inadequacy of the capital structure is an unlikely event. The robust capital structure is also reflecting with the solvency ratio (market value basis) i.e. 6.56 times in 2022 (9.69 time: 2021).

CAPITAL STRUCTURE LEVEL

The Capital Structure of the Company is solely based on shareholders' equity and comprised as under:

	Rupees in '000
Paid-up Share Capital	1,984,912
Reserves	8,551,428
Shareholders' Equity	<u>10,536,340</u>

The Company's Reserves included Rs. 2.3 billion Special Reserves created for meeting catastrophic loss and dividend equalisation in future. The net assets of the Company are significantly higher than the applicable regulatory solvency requirements for an insurance company in Pakistan. However, the management is passionate to make it more robust to support the future growth in the operations. The high level of profit before tax, achieved by the Company in 2022, reflects to maintain a robust equity level.

MATERIALITY APPROACH

Materiality is a matter of judgment and the Company thinks that a matter is material individually or in aggregate, if the same are expected to significantly affect the performance and profitability of the Company. In order to execute day to day operations/transactions, time and resources are allocated keeping in view the magnitude and severity of the matter hence effective, efficient and optimum utilisation of resources is ensured.

Furthermore, in order to perform effective communications 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, efficient and timely manner as per the guidelines provided by the relevant regulators wherever applicable.

KEY SOURCES OF UNCERTAINTY

Preparation of the financial statements requires the management to make certain estimates and judgments and the Board of Directors is required to authorise the financial statements based on these estimate and judgment. These estimate 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 the management and Board consider that 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 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 SECP Insurance Accounting Regulations, 2017.

PROVISION FOR OUTSTANDING CLAIMS INCLUDING INCURRED BUT NOT REPORTED (IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred and reported to the Company as at the reporting date which represents the estimates of the claims intimated or assessed before or at the end of the reporting period and measured at the undiscounted value of expected future payments.

Provision for IBNR for the cost of settling claims incurred but not reported at the reporting date, are in accordance with the SECP's guidelines for estimation of Incurred but not reported claims reserve.

PREMIUM DEFICIENCY RESERVE

Insurance companies are required as per the Insurance Accounting Regulations, 2017, to maintain a provision in respect of premium deficiency for each class of business where the unearned premium reserve is not adequate to meet the expected future liability. This process involves great amount of estimation and management judgement.

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/contribution. The liability of premium/contribution 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 are 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. A receivable is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that receivable amount.

MANAGEMENT EXPENSES

Management Expenses 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.

In respect of 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.

The management has also updated impairment policy for investments in equity market which has been approved by the Board of Directors and the same has also been implemented. The policy is in line with the impairment requirements described in IAS 39 'Financial Instruments: Recognition and Measurement'.

LEASE LIABILITY AGAINST RIGHT-OF-USE ASSET

The Company carries leases in order to occupy premises for certain branches, and, therefore, Company enters into lease agreements which are typically for a period of 3 years and may have extension options. On adoption of IFRS 16 'Leases', the Company recognised lease liabilities in relation to these leases agreements, which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities, in respect of all those lease agreements on which fall under the criteria as provided in IFRS 16, have been recognised and measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. Furthermore, as per the requirement of the IFRS 16, the Company has recognised right-of-use asset at cost model against these lease liabilities. The recognition of lease liability for certain rental agreements is governed by the criteria laid down the IFRS "16" along with rational judgment of the management.

The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits.

SENSITIVITY ANALYSIS OF COMPANY'S PROFITABILITY

Various critical and non-critical variables have potential to impact profitability of the Company. The major components of the Company's profitability are Underwriting and Investment Income. Further, impact of direct tax is significant keeping in view the current applicable tax rate on the corporate sector. Changes in the amount of the underwriting, investment income and direct taxes play a vital role to determine the overall profitability of the Company. Underwriting and Investment Income both are affected by various external variables which are beyond the control of the management. The management while comparing the actual results with budgets and forecasts, also analyse the intensity of these variables in order to measure their impact on the profitability of the Company. This measurement also helps to develop the future strategy of the Company. Future budgets of the Company are also based on the thorough study of these variables.

KEY SENSITIVITIES FOR UNDERWRITING INCOME

GROSS WRITTEN PREMIUM

The amount of Gross Written Premium (GWP) is one of the key variables that play a vital role in building Underwriting Income of the Company. The amount of GWP is dependent on the economic growth of the country that causes to grow existing business, however, the Company's ability to avail new business will further improve the level of GWP few years. During last four years, premium rates remained are under pressure and became one of the important factors affecting underwriting business. In these situations, the management has to adopt a prudent approach to underwrite business, not only with a view to increase GWP but also to manage underwriting risk effectively and efficiently at appropriate price. The impact of GWP on Underwriting Income is dependent on net premium of the Company. Net premium is the amount of policies/premiums that remains after amount of premium ceded to reinsurers. While taking decision to set the level of net exposure many factors i.e. magnitude of expected claims, reinsurance cost and quality of underwriting risk are considered by the management.

CLAIMS

The whole insurance concept is based on the expectation of claims. Claims are not in the control of the Company. Natural calamities, floods and earthquakes may cause to increase in the amount and number of claims at a great extent. Furthermore, law and order situation in the country is also one of the crucial factors that affect the amount and number of claims. The impact of claims on the Underwriting Income is managed through appropriate, effective and efficient reinsurance arrangements. Furthermore, prudent underwriting is essential to keep the claims under controllable limits. A numerical presentation of the sensitivity of Company's profitability to variation in incidence of insured events and severity/size of claims has been given in the relevant notes to the annexed financial statements.

MANAGEMENT EXPENSES

Management expenses directly impact the Underwriting Income of the Company. Increase in inflation and incident of indirect taxes increase the size of management expenses which directly causes to decrease Underwriting Income of the Company. Inflation and taxes are beyond the Company's control. Expenses are categorised into fixed, variable, controllable and uncontrollable to facilitate the control function of the Company over these expenses. All expenses are monitored vigilantly and under strict control in order to avoid any unnecessary cost. Major expenses of the Company include employees' salaries & benefits, advertisement and IT related expenses.

KEY SENSITIVITIES FOR INVESTMENT INCOME

CAPITAL GAINS

I) EQUITY SECURITIES

Capital Gains on listed Equity Securities are totally dependent on the performance of equity market. If stock market performs well particularly in long run, the Company would be able to get benefit from stock market in shape of capital gain, however, in case of declining market, prudent approach is adopted to avoid taking excess exposure in the stock market which also affects profitability of the Company. Performance of stock market is beyond management's control. In order to earn short term capital gain from the equity market, the Company also maintains held-for-trading portfolio. Capital gain from held-for-trading portfolio is highly dependent on the performance of equity market in short term.

II) MONEY MARKET SECURITIES

In order to earn capital gain by getting advantage from favorable fluctuation of interest rates in the money market, the Company also maintains Available-for-Sale portfolio of Treasury Bills and Pakistan Investment Bonds. Therefore, the Company is now well equipped to manage its interest rate risk on its money market investment portfolio.

DIVIDEND INCOME

Returns from Company's diversified available-for-sale equity investments are dependent on the dividend income from the shares of the companies in which Company is invested. The amount of dividend income depends upon the respective entity's annual performance which is beyond the Company's control. Since its inception, the Company is in the process of maintaining a suitable investment portfolio by taking wise, efficient, and timely decisions with respect to investment/disinvestment.

INTEREST INCOME

The Company earns interest income on the government securities and bank deposits. It maintains a government securities portfolio which includes Pakistan Investment Bonds and Treasury bills. These are maintained not only to earn the interest income but also to adhere solvency requirement as prescribed by the SECP. Income from government securities is dependent on the discount rate. The discount rate is beyond the Company's control and mostly dependent on the country's economic condition. However, the Company's investment department vigilantly monitors prevailing discount rate and takes appropriate decisions to maximise the interest income.

The Company also maintains term and other type of deposits with commercial banks in order to earn profit along with meeting cash requirement needed to perform day-to-day operations. Profit on bank deposits depends on the prevailing KIBOR and liquidity status in the money market. These deposits are kept with various banks having sound credit worthiness in order to maximise the profit without compromising the safety and security of the Company's funds.

A numerical presentation of the sensitivity of the Company's profitability to a reasonably possible change in interest rates has been given in the relevant notes to the annexed financial statements.

SHARE PRICE SENSITIVITY ANALYSIS

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

- Country's 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.

PROSPECTS OF THE COMPANY INCLUDING TARGETS FOR FINANCIAL AND NON-FINANCIAL MEASURES

Your company expects that a recent resurgence in the infrastructure sector owing to revitalisation of CPEC projects and incentives offered to construction industry as an exciting opportunity for growth. Our strategic priorities for the year are to modernize our business structure and processes through end-to-end digitalisation of all workflows using design-thinking and mobile first approach. This also reaffirms our long-standing commitment towards development of the nascent digital retail market for general insurance in Pakistan. We also remain focused on further expanding our footprint in the Window Takaful Operations and microinsurance market.

The Company is first insurance company in Pakistan which understands the importance of 'Insurtech' and has become highest technology driven company of Insurance industry. The management is keen to provide innovative, advanced and contemporary IT based solutions to its customers enable them to get benefited from the quality insurance services of the Company. Furthermore, the management is proactively evaluating and implementing various innovative IT Solutions to further accelerate the processes of claims settlement in order to provide the quality services upto the complete satisfaction of the insured.

Keeping in view the above, the Company is expecting to further grow its market share in future. Furthermore, with the help of better and appropriate reinsurance arrangements, implementation of effective cost controls, the Company is also expecting to increase its Underwriting Income in the future.

Investment Income of the Company is dependent on the performance of stock market, and economic conditions of the country. The Company, through effective diversification, timely, wise and prudent investment decisions has built a sustainable investment portfolio which has a capability to generate healthy income from the future opportunities in the stock market and expected change in markup rates.

The Company is also projecting a growth in its Window Takaful Operations which is evident from the fact that proportion of the Gross Written Contribution to the total Gross Written Premium/Contribution has increased to 11.76% (2021: 11.57%). We are expecting WTO to be one of the major contributors in the long-term profitability of the Company.

FINANCIAL MEASURES

Budgets/Targets of the year were set after consideration of numerous factors and variables. Majority of them are outside the control of the Company while other can either be monitored or their impact can be alleviated to a possible extent with the help of proactive and timely remedial measures.

Fluctuation in taxes, incidence of latest direct/indirect taxes and levies, natural calamities and deterioration in law and order situation in the country with the particular reference to claims, level of inflations, discount rate, and stock market performance all are external factors affecting the cost of doing business and profitability of the Company.

The Company's management will energetically work to achieve the targets and its efforts will be continued for growth and better profitability of the business in future.

NON-FINANCIAL MEASURES

The Company has identified the following areas as key non-financial performance measures:

- Compliance with regulatory framework.
- Strong association with customers and business partners.
- Customer satisfaction.
- Corporate Social Responsibility.
- Effectiveness of Enterprise Risk Management framework.
- IT based solutions for its customers to receive quality insurance services of the Company.
- Transparency, accountability and good governance.
- Employees' contentment and wellbeing.
- Enhancing brand equity.

SENSITIVITY TO THE FLUCTUATION IN FOREIGN CURRENCIES EXCHANGE RATES

The operations of the Company are within the territory of Pakistan and mostly dominated in Pak Rupee, therefore, financial statements of the Company are not significantly exposed to the fluctuation of foreign currency exchange rates hence the amount of asset, liabilities, revenues and expenditures are not sensitive to the fluctuation in exchange rates of foreign currencies particularly US Dollar. During the year, the Company has recorded exchange gain of Rs.51.69 million (2021 Rs.12.61 million) which is 3.37% (2021:0.54%) of the profit before tax. The Company's exposure to the foreign currency fluctuation risk is limited to following areas:

OPERATIONS IN KARACHI EXPORT PROCESSING ZONE (KEPZ)

The Company operates a branch office in KEPZ and provides insurance and takaful services to the entities situated there. An increase in USD exchange rate may increase the value of the Assets and Liabilities in KEPZ which are required to be reported by the Company in the financial statements after translating the same into local currency at US Dollar exchange rate prevailing at reporting date. This is in line with requirements of IAS 21 'The Effects of Changes in Foreign Exchange Rates'. The Gross Written Premium (GWP) of KEPZ branch including contribution from Window Takaful Operations is Rs. 60.54 million which is 0.41% of the total GWP including contribution written from Window Takaful Operations hence the exposure to fluctuation of exchange rates is insignificant to the financial statements of the Company.

INVESTMENT IN FOREIGN ASSOCIATE

All the investments of the Company are in Pakistan except investment in the equity of Jubilee Kyrgyzstan Insurance Company (JKIC) - CJSC, an associated company which is in Kyrgyz SOM (official currency of Kyrgyz Republic). As at December 31, 2022, the amount of the investment in JKIC is Rs. 221.27 million which is 0.69% of the total assets and 1.20% of aggregate investments of the Company in equity and money market, therefore, the exposure due to fluctuation in foreign currency rates is negligible to the financial statements.

REINSURANCE PAYMENTS AND RECOVERIES

All ceded premiums payable to reinsurers and amount recoverable from them on account of claims are curbed in Pak Rupee, therefore, there is no exposure of the currency exchange rates on the Company with respect to the settlement with reinsurers. However, in certain cases, where high fluctuation in exchange rate effects the settlement amount received from/by the reinsures, the Company is fully covered under the agreement with the respective reinsurer and/or under the agreement of insurance with the client whichever the case may be.

OVERSEAS CLAIMS PAYMENT

The Company discharges its certain marine and travel claims liabilities through its overseas loss adjuster (third party). The reimbursement is made in foreign currency at the prevailing exchange rate. The Company regularly monitors exchange rate fluctuations in these claims to update its claims reserves accordingly.

PAYMENT OF RISK AND TECHNICAL SURVEYS TO FOREIGN CONSULTANTS

In order to avail technical risk survey/inspection services and technical assessment for underwriting and claims respectively, where expertise in that field are not available in Pakistan, the Company acquires the services of any reputable foreign consultant. The relevant department of the Company takes utmost care while selecting the appropriate foreign consultant so that the Company can avail maximum benefit of their expertise. It is the foremost priority of the Company that all the surveys and assessments are performed through consultants/experts available in Pakistan and only in those cases where required expertise is not available in the country, foreign consultants are approached. Payment to these consultants for their services are made in foreign currency mostly in US Dollars which are directly remitted to their designated bank accounts according to the regulatory requirements applicable in Pakistan. The Company regularly monitors exchange rate fluctuations with respect of remittance to foreign consultants however, due to insignificant numbers of transactions and minor amounts, the exposure of the fluctuation in exchange rates is insignificant to the financial statements of the Company.

OUTSTANDING CLAIMS RESERVE

The Company regularly monitors its reserves for outstanding claims liabilities and related reinsurance recoveries against reported claims which to be settled in foreign currency as per the terms and conditions of the insurance contract. The reserves and expected reinsurance recoveries are adjusted for all currency exchange fluctuations during the period on regular basis.

Performance and Position

ENVISIONING NEW HEIGHTS

KEY FINANCIAL DATA

(SIX YEARS)

2022 2021 2020 2019 2018 2017

Rs. in million

FINANCIAL DATA

Paid-up Capital	1,985	1,985	1,985	1,804	1,804	1,804
General & Capital Reserves	8,551	8,205	7,562	6,908	6,104	6,509
Equity	10,536	10,190	9,547	8,712	7,908	8,313
Total Liabilities	21,491	16,004	13,748	13,377	13,405	11,385
Investment - at carrying value	16,017	15,060	14,586	13,270	11,564	11,371
Investment Property- (at book value)	635	641	646	651	657	659
Cash and Bank	3,057	2,160	1,176	1,343	1,839	2,042
Other assets - Current	11,911	8,194	6,686	6,576	7,001	5,415
Other assets - Non-Current	366	93	138	196	181	188
Intangible Assets	42	46	63	53	71	23
Total assets (Book value)	32,028	26,194	23,295	22,089	21,313	19,698
Total assets (Market value)	35,053	29,705	27,574	26,253	25,534	25,077

OPERATING DATA (UNDERWRITING)

CONVENTIONAL

Gross Premium Revenue	13,057	10,615	9,110	9,375	9,161	7,694
Net Premium Revenue	5,689	5,197	4,959	5,279	4,923	4,611
Net Claims	3,386	2,860	3,058	2,828	2,691	2,450
Management Expenses	1,753	1,546	1,536	1,703	1,607	1,360
Underwriting Results	249	512	24	372	212	409

COMBINED*

Gross Premium / Gross Contribution	14,798	12,005	10,311	10,477	10,069	8,336
Net Premium / Contribution Revenue	6,965	6,318	5,918	6,140	5,637	5,107
Net Claims	4,118	3,566	3,659	3,427	3,082	2,743
Management Expenses	1,944	1,700	1,691	1,803	1,693	1,415
Underwriting Results (Technical Profit)	465	629	103	431	369	502

OPERATING DATA (COMBINED)

Investment Income	1,846	1,564	1,874	1,134	1,188	1,041
Profit before Taxation	2,470	2,330	2,114	1,725	1,631	1,664
Taxation - Net	(936)	(681)	(581)	(501)	(565)	(547)
Profit After Taxation	1,534	1,649	1,533	1,224	1,066	1,117

CASH FLOW SUMMARY

Operating Activities	1,282	773	(88)	417	422	(373)
Investing Activities	(2,024)	3,360	417	(186)	(80)	952
Financing Activities	(805)	(680)	(548)	(723)	(706)	(539)
Cash & Cash Equivalents at the year end	2,887	4,435	980	1,199	1,691	2,054

* Inclusive of Window Takaful Operations

FINANCIAL RATIOS

		2022	2021	2020	2019	2018	2017
Profitability (Conventional)							
Underwriting Result / Gross Premium	%	1.91	4.82	0.26	3.97	2.31	5.32
Underwriting Result / Net Premium	%	4.38	9.85	0.48	7.05	4.31	8.87
Combined ratio	%	95.62	90.15	99.52	92.95	95.69	91.13
Net Claims / Net Premium	%	59.52	55.03	61.67	53.57	54.66	53.13
Management Expense / Net Premium	%	30.81	29.75	30.97	32.26	32.64	29.49
Claims settlement ratio (Number of claims)	%	90.64	94.18	93.93	93.70	94.68	91.59
Profitability (Combined)							
Premium Growth ratio	%	23.27	16.43	(1.58)	4.05	20.79	1.01
Reinsurance premium ceded on gross premium	%	50.01	46.14	43.68	40.15	42.82	35.26
Reinsurance claims recovery	%	42.60	23.64	29.96	16.13	42.11	25.41
Underwriting Result / Gross Premium & Contribution	%	3.14	5.24	1.00	4.11	3.66	6.02
Underwriting Result / Net Premium & Contribution	%	6.68	9.96	1.74	7.02	6.55	9.83
Combined ratio	%	93.32	90.04	98.26	92.98	93.45	90.17
Net Claims / Net Premium & Contribution	%	59.12	56.44	61.83	55.81	54.67	53.71
Management Expense / Net Premium & Contribution	%	27.91	26.91	28.57	29.36	30.03	27.71
Overall Profitability							
Profit Before Tax / Gross Premium	%	18.92	21.95	23.21	18.40	17.80	21.63
Profit Before Tax / Net Premium	%	43.42	44.83	42.63	32.68	33.13	36.09
Profit After Tax / Gross Premium	%	11.75	15.53	16.83	13.06	11.64	14.52
Profit After Tax / Net Premium	%	26.96	31.73	30.91	23.19	21.65	24.22
Profit Before Tax / Total Income	%	32.78	34.46	30.94	26.90	26.69	29.44
Profit After Tax / Total Income	%	20.36	24.39	22.44	19.09	17.44	19.76
Return to Share Holders							
Return on Equity - (after tax)	%	14.56	16.18	16.06	14.05	13.48	13.44
Earnings Per Share (pre tax)	Rs.	12.44	11.74	10.65	9.56	9.04	9.22
Earnings Per Share (after tax)	Rs.	7.73	8.31	7.72	6.78	5.91	6.19
Earnings Per Share (pre tax)-Restated	Rs.	12.44	11.74	10.65	8.69	8.22	8.38
Earnings Per Share (after tax)-Restated	Rs.	7.73	8.31	7.72	6.17	5.37	5.63
Earning growth	%	(6.97)	7.57	25.25	14.82	(4.57)	(5.26)
Price Earning Ratio - PAT	Times	3.49	5.14	6.10	8.76	11.17	14.22
Price to Book Ratio	Times	0.17	0.32	0.40	0.44	0.51	0.73
Breakup value per share (Book value)	Rs.	53.08	51.34	48.10	48.29	43.84	46.08
Breakup value per share (Market value)	Rs.	68.32	69.02	69.65	71.37	67.23	75.90
Return on Assets (Book value)	%	4.79	6.30	6.58	5.54	5.00	5.67
Return on Assets (Market value)	%	4.38	5.55	5.56	4.66	4.17	4.45
Market Data							
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.	27.00	42.70	47.10	54.01	60.01	80.00
Market Price per share - Highest during the year	Rs.	47.99	63.90	60.75	65.00	89.99	128.00
Market Price per share - Lowest during the year	Rs.	26.00	38.50	34.00	35.21	60.01	76.00
Pakistan Stock Exchange Index	Points	40,420	44,596	43,755	40,735	37,067	40,471
Market Capitalisation	(Rs. M)	5,360	8,476	9,349	9,743	10,826	14,432
Cash Dividend Per Share	Rs.	4.00	4.00	3.50	3.00	4.00	4.00
Cash Dividend	%	40.00	40.00	35.00	30.00	40.00	40.00
Stock Dividend Per Share	Rs.	-	-	-	1.00	-	-
Stock Dividend	%	-	-	-	10.00	-	-
Dividend Yield	%	14.81	9.37	7.43	5.55	6.67	5.00
Dividend Pay out	%	51.76	48.15	45.32	48.65	74.48	71.08
Dividend Cover	Times	1.93	2.08	2.21	2.06	1.34	1.41
Performance / Liquidity							
Current Ratio	Times	1.43	1.59	1.66	1.62	1.55	1.74
Liquid Ratio	Times	0.88	1.08	1.17	1.12	1.02	1.24
Cash / Current Liabilities	%	14.22	13.55	8.70	10.27	13.94	18.82
Total Assets Turnover	Times	0.41	0.41	0.39	0.42	0.43	0.39
Fixed Assets Turnover	Times	16.40	13.10	10.49	10.46	10.43	9.00
Total Liabilities / Equity	Times	2.04	1.57	1.44	1.54	1.70	1.37
Return on Capital Employed (RoCE)	%	23.83	23.61	23.16	20.76	20.11	19.48
Liquid Assets / Total Assets	%	59.55	65.74	67.66	66.16	62.89	68.09
Paid-up Capital / Total Assets	%	6.20	7.58	8.52	8.17	8.46	9.16
Earning assets / Total Assets	%	61.54	68.19	70.44	69.10	65.97	71.44
Equity / Total Assets	%	32.90	38.90	40.98	39.44	37.10	42.20
Solvency							
Solvency Ratio (Based on Market Value)	Times	6.56	9.69	9.68	7.96	6.94	8.23

FINANCIAL STATEMENTS ANALYSIS

(SIX YEARS)

Vertical Balance Sheet

	2022		2021	
	(Rupees '000)	%	(Rupees '000)	%
Tangible and Intangible Fixed Assets	179,521	0.56	137,019	0.52
Investment properties	634,924	1.98	640,648	2.45
Investments	15,814,518	49.38	15,004,350	57.28
Insurance / reinsurance receivables	2,690,657	8.40	1,525,775	5.82
Other Assets	9,250,383	28.88	6,494,336	24.79
Cash and Bank	2,823,766	8.82	1,901,990	7.26
Total assets of Window Takaful Operations - Operator's Fund	633,940	1.98	489,886	1.87
Total Assets	32,027,709	100.00	26,194,004	100.00
Total Equity	10,536,340	32.90	10,189,700	38.90
Underwriting Provisions	12,362,036	38.60	9,547,867	36.45
Deferred liabilities	-	-	67,596	0.26
Insurance / Reinsurance Payables & Advances	5,178,352	16.17	3,001,918	11.46
Other Creditors and Accruals	1,180,121	3.68	1,166,102	4.45
Deposits and other payables	1,856,446	5.80	1,617,132	6.17
Taxation - provision less payments	538,100	1.68	314,855	1.20
Total liabilities of Window Takaful Operations - Operator's Fund	376,314	1.17	288,834	1.10
Total Shareholders' Equity & Liabilities	32,027,709	100.00	26,194,004	100.00
Profit & Loss Account				
Net premium revenue	5,688,759	100.00	5,197,050	100.00
Net claims	3,386,419	59.53	2,860,391	55.04
Expenses	1,753,228	30.82	1,545,956	29.75
Net commission	300,005	5.27	278,942	5.37
Investment income including rental & bank deposits returns	1,845,553	32.44	1,564,528	30.10
Other income including share of profit of an associates	215,371	3.79	167,322	3.22
General and administration expenses	85,092	1.50	60,586	1.17
Profit / (loss) from Window Takaful Operations	244,618	4.30	146,970	2.83
Profit before tax	2,469,557	43.41	2,329,995	44.83
Taxation - net	(935,857)	(16.45)	(680,668)	(13.10)
Profit after tax	1,533,700	26.96	1,649,327	31.74

Horizontal Balance Sheet

	2022	2021	2020	2019
	(Rupees '000)			
Tangible and Intangible Fixed Assets	179,521	137,019	197,462	242,542
Investment properties	634,924	640,648	645,896	651,142
Investments	15,814,518	15,004,350	14,530,916	13,198,762
Insurance / reinsurance receivables	2,690,657	1,525,775	1,074,028	1,304,973
Other Assets	9,250,383	6,494,336	5,462,493	5,133,273
Cash and Bank	2,823,766	1,901,990	965,862	1,148,951
Total assets of Window Takaful Operations - Operator's Fund	633,940	489,886	418,313	409,281
Total Assets	32,027,709	26,194,004	23,294,970	22,088,924
Total Equity	10,536,340	10,189,700	9,547,009	8,712,061
Underwriting Provisions	12,362,036	9,547,867	8,381,972	7,914,842
Deferred liabilities	-	67,596	232,143	296,709
Insurance / Reinsurance Payables & Advances	5,178,352	3,001,918	2,277,294	2,078,018
Other Creditors and Accruals	1,180,121	1,166,102	1,025,929	1,032,602
Deposits and other payables	1,856,446	1,617,132	1,424,498	1,582,179
Taxation - provision less payments	538,100	314,855	173,500	250,595
Total liabilities of Window Takaful Operations - Operator's Fund	376,314	288,834	232,625	221,918
Total Shareholders' Equity & Liabilities	32,027,709	26,194,004	23,294,970	22,088,924
Profit & Loss Account				
Net premium revenue	5,688,759	5,197,050	4,959,025	5,279,188
Net claims	3,386,419	2,860,391	3,058,182	2,827,884
Expenses	1,753,228	1,545,956	1,536,093	1,702,929
Net commission	300,005	278,942	340,804	376,049
Investment income including rental & bank deposits returns	1,845,553	1,564,528	1,874,090	1,134,021
Other income including share of profit of an associates	215,371	167,322	196,381	147,178
General and administration expenses	85,092	60,586	108,855	53,298
Profit / (loss) from Window Takaful Operations	244,618	146,970	128,146	124,789
Profit before tax	2,469,557	2,329,995	2,113,708	1,725,016
Taxation - net	(935,857)	(680,668)	(580,970)	(500,731)
Profit after tax	1,533,700	1,649,327	1,532,738	1,224,285

2020		2019		2018		2017	
(Rupees '000)	%	(Rupees '000)	%	(Rupees '000)	%	(Rupees '000)	%
197,462	0.85	242,542	1.10	241,992	1.14	198,596	1.01
645,896	2.77	651,142	2.95	656,871	3.08	658,873	3.34
14,530,916	62.38	13,198,762	59.75	11,527,926	54.09	11,340,106	57.57
1,074,028	4.61	1,304,973	5.91	1,718,328	8.06	1,782,824	9.05
5,462,493	23.45	5,133,273	23.24	5,176,859	24.29	3,556,443	18.06
965,862	4.15	1,148,951	5.20	1,669,039	7.83	1,893,276	9.61
418,313	1.80	409,281	1.85	322,137	1.51	267,446	1.36
23,294,970	100.00	22,088,924	100.00	21,313,152	100.00	19,697,564	100.00
9,547,009	40.98	8,712,061	39.44	7,908,055	37.10	8,312,970	42.20
8,381,972	35.98	7,914,842	35.83	7,997,798	37.53	6,503,336	33.02
232,143	1.00	296,709	1.34	209,388	0.98	533,565	2.71
2,277,294	9.78	2,078,018	9.41	1,949,273	9.15	1,294,932	6.57
1,025,929	4.40	1,032,602	4.67	1,229,204	5.77	1,032,519	5.24
1,424,498	6.12	1,582,179	7.16	1,616,174	7.58	1,665,900	8.46
173,500	0.74	250,595	1.13	236,052	1.11	227,839	1.16
232,625	1.00	221,918	1.00	167,208	0.78	126,503	0.64
23,294,970	100.00	22,088,924	100.00	21,313,152	100.00	19,697,564	100.00
4,959,025	100.00	5,279,188	100.00	4,922,929	100.00	4,610,717	100.00
3,058,182	61.67	2,827,884	53.57	2,691,068	54.66	2,450,107	53.14
1,536,093	30.98	1,702,929	32.26	1,606,545	32.63	1,360,183	29.50
340,804	6.87	376,049	7.12	413,589	8.40	391,738	8.50
1,874,090	37.79	1,134,021	21.48	1,187,743	24.13	1,041,638	22.59
196,381	3.96	147,178	2.79	219,414	4.46	219,114	4.75
108,855	2.20	53,298	1.01	70,017	1.42	65,246	1.42
128,146	2.58	124,789	2.36	82,411	1.67	60,109	1.30
2,113,708	42.62	1,725,016	32.68	1,631,278	33.14	1,664,304	36.10
(580,970)	(11.72)	(500,731)	(9.49)	(564,973)	(11.48)	(547,319)	(11.87)
1,532,738	30.91	1,224,285	23.19	1,066,305	21.66	1,116,985	24.23

2018	2017	2022	2021	2020	2019	2018	2017
----- (Rupees '000)-----		----- % increase / (decrease) over preceding year -----					
241,992	198,596	31.02	(30.61)	(18.59)	0.23	21.85	6.20
656,871	658,873	(0.89)	(0.81)	(0.81)	(0.87)	(0.30)	(0.96)
11,527,926	11,340,106	5.40	3.26	10.09	14.49	1.66	(11.59)
1,718,328	1,782,824	76.35	42.06	(17.70)	(24.06)	(3.62)	16.64
5,176,859	3,556,443	42.44	18.89	6.41	(0.84)	45.56	(1.69)
1,669,039	1,893,276	48.46	96.92	(15.94)	(31.16)	(11.84)	25.83
322,137	267,446	29.41	17.11	2.21	27.05	20.45	43.81
21,313,152	19,697,564	22.27	12.44	5.46	3.64	8.20	(3.99)
7,908,055	8,312,970	3.40	6.73	9.58	10.17	(4.87)	(5.25)
7,997,798	6,503,336	29.47	13.91	5.90	(1.04)	22.98	3.40
209,388	533,565	(100.00)	(70.88)	(21.76)	41.70	(60.76)	(46.42)
1,949,273	1,294,932	72.50	31.82	9.59	6.60	50.53	(11.92)
1,229,204	1,032,519	1.20	13.66	(0.65)	(15.99)	19.05	6.54
1,616,174	1,665,900	14.80	13.52	(9.97)	(2.10)	(2.98)	(1.63)
236,052	227,839	70.90	81.47	(30.76)	6.16	3.60	(5.08)
167,208	126,503	30.29	24.16	4.82	32.72	32.18	49.73
21,313,152	19,697,564	22.27	12.44	5.46	3.64	8.20	(3.99)
4,922,929	4,610,717	9.46	4.80	(6.06)	7.24	6.77	10.54
2,691,068	2,450,107	18.39	(6.47)	8.14	5.08	9.83	20.68
1,606,545	1,360,183	13.41	0.64	(9.80)	6.00	18.11	8.24
413,589	391,738	7.55	(18.15)	(9.37)	(9.08)	5.58	(4.68)
1,187,743	1,041,638	17.96	(16.52)	65.26	(4.52)	14.03	(20.85)
219,414	219,114	28.72	(14.80)	33.43	(32.92)	0.14	75.22
70,017	65,246	40.45	(44.34)	104.24	(23.88)	7.31	(14.22)
82,411	60,109	66.44	14.69	2.69	51.42	37.10	271.34
1,631,278	1,664,304	5.99	10.23	22.53	5.75	(1.98)	(10.24)
(564,973)	(547,319)	37.49	17.16	16.02	(11.37)	3.23	(18.88)
1,066,305	1,116,985	(7.01)	7.61	25.19	14.82	(4.54)	(5.29)

COMMENTS ON KEY FINANCIAL DATA AND PERFORMANCE RATIOS

(SIX YEARS)

PERFORMANCE RATIOS

- The Claims ratio including Window Takaful Operations (WTO) had increased to 62% in 2020 which is mainly due to few significant fire and rain losses reported during that years. However, in 2021, it has reduced to 56% as the overall claims remained under control. In 2022, the claims ratio has increased to 59% which is mainly due to more than average claims incurred during the year. The Combined ratio has remained up to 98% till 2020 despite heavy inflation and high pressure on premium rates. The combined ratio has decreased to 90% due to decrease in claims and commission in 2021. However, combined ratio has increased to 93% reflecting more than average claims incurred during the year 2022.
- The expense ratio including WTO remained up to 29% till 2019 except for 2018 where it had increased to 30% due to increase in advertising expenses. However, in the year 2020 it has reduced to 28% mainly due to lockdown situation in the country because of COVID-19. In the year 2021, the expense ratio has further decreased to 27% which is mainly due to management efforts to curtail expenses. The expenses ratio for the year 2022 has slightly increased by 1% as compared to the last year which is mainly due to higher inflation.
- The return on equity in 2022 has contracted to 14% as compared to 16% in 2021 is mainly due increase in tax charge due to the incidence of super tax retrospectively.
- The Pre-tax earnings per share for the year 2022 is Rs. 12.44 as compared to last year's Rs. 11.74 reflecting an increase of 6% which is due to increase in investment income.
- Cash dividend per share to the shareholders remained at the level of 40% till 2018. However, in 2019 the Company distributed cash dividend of 30% along with stock dividend 10% which reflect steadiness of the Company in distributing handful profit to the shareholders. Further, 35% and 40% cash dividend in the year 2020 and 2021 respectively are notable. Declaration of 40% cash dividend in 2022 endorses the commitment of the Company to increase the shareholders' wealth.

BALANCE SHEET

- The Company's assets have increased to Rs. 32.03 billion in 2022 from Rs. 19.70 billion in 2017 reflecting a substantial increase of 63% over the period of six years which is in line with business growth of the Company.
- The carrying value of total investments has increased to Rs. 16.02 billion as at 31 December 2022 in comparison to Rs. 11.37 billion as at December 31, 2017, reflecting increase of 41% over the period of six years. Which is evidence of a robust investment performance of the Company.
- The total equity and technical reserves stood at Rs. 22.90 billion as at December 31, 2022 in comparison to Rs.14.82 billion as at December 31, 2017 which reflects increase of 54% over the last six years and depicting a robust financial strength of the Company.
- Total assets of the Company in terms of market value have reached to Rs. 35.05 billion as at December 31, 2022 depicting remarkable growth of 42% over the last six year reflecting robust growth in Balance Sheet of the Company.

PROFIT AND LOSS ACCOUNT

- The gross premium / contribution increased by 79% over the period of 6 years depicting Company's robust earning capacity which is also reflecting from CAGR at 10% for these six years.
- The combined underwriting profit has decrease to Rs. 465 million as compared to Rs. 629 million for the year 2021 which is mainly due to more than average claims incurred during the year.
- Investment income has increased by 77% over the last six years reflecting growth in all the year since 2017 except 2021 where it has reduced to Rs. 1.5 billion due to unfavorable stock market situation.
- The profit before tax has surpassed Rs. 2.4 billion for the year ended December 31, 2022, which reflects significant increase in the Company's earning capacity over the years.
- The Company has been achieving more than Rs. 1 billion of profit after tax (PAT) since 2013 including the current year wherein the Company has achieved PAT of Rs. 1.53 billion which reflects a robust growth of 30% over the last six years and a remarkable addition in maintaining the glowing history of high profit earnings.

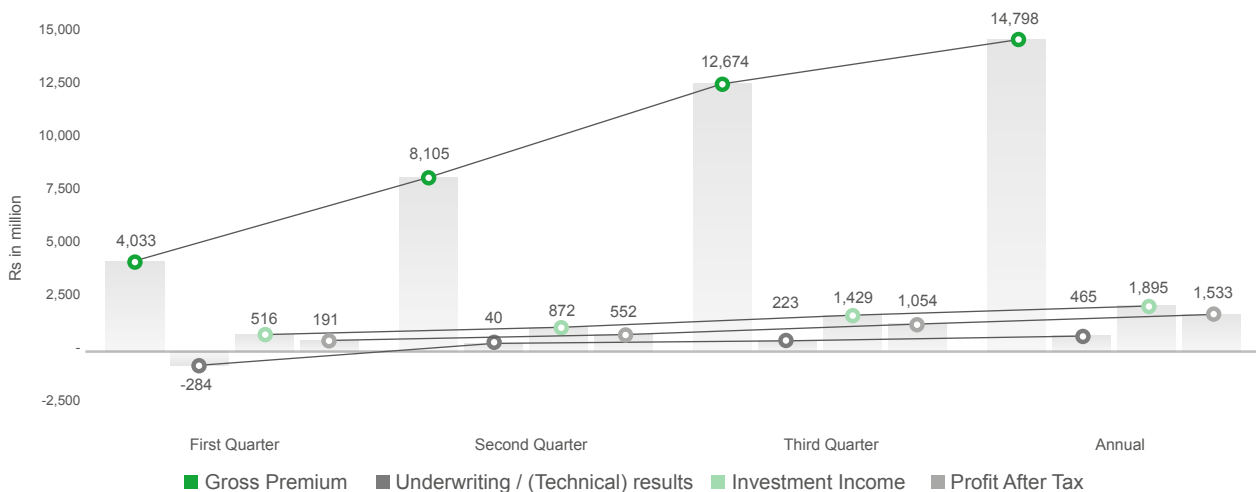
CASH FLOWS

- Cash inflow of Rs. 1.3 billion as at December 31, 2022, from operating activities as compared to cash inflow of Rs. 773 million as at December 31, 2021, reflecting the management’s vigorous efforts to collect premium.
- Cash outflow for investing activities of Rs. 2.02 billion is also representing the management efforts to avail investment opportunities for better profitability.
- Due to consistent policy of paying handsome dividend to the shareholders, a consistent cash outflow can be witnessed under financing activities since 2017.
- Cash & Cash Equivalents have increased to Rs. 2.88 billion as compared to Rs. 2.05 billion in 2017 reflecting a growth of 43% keeping in view the increase in operations of the Company over the last six years.

SOLVENCY

- The market value of the Company’s assets has increased by 21% to Rs. 35.05 billion at the end of 2022 from Rs. 25.08 billion at the end of 2017 reflecting a strong balance sheet footing. This is also evident from the robust solvency, based on market value, which stood at 6.56 times in 2022.

QUARTERLY ANALYSIS



GROSS PREMIUM:

The major amount of premium/contribution is underwritten in first and third quarter of the year. During the year, due to growth of premium/contribution witnessed in the first three quarters, the Company is able to achieve most covenant milestone of Rs. 14.7 billion which is Company’s highest level of Annual Gross Premium / Contribution Written in the history.

UNDERWRITING RESULTS:

Remarkable achievements were witnessed in the second half of the year where underwriting results have grown considerably as compared to first quarter of the year. Due to vigilant management decisions, the Company was able to post underwriting profit including technical profit from Window Takaful Operations aggregating to Rs. 465 million (2021: 629 million) despite more than average claims incurred during the year.

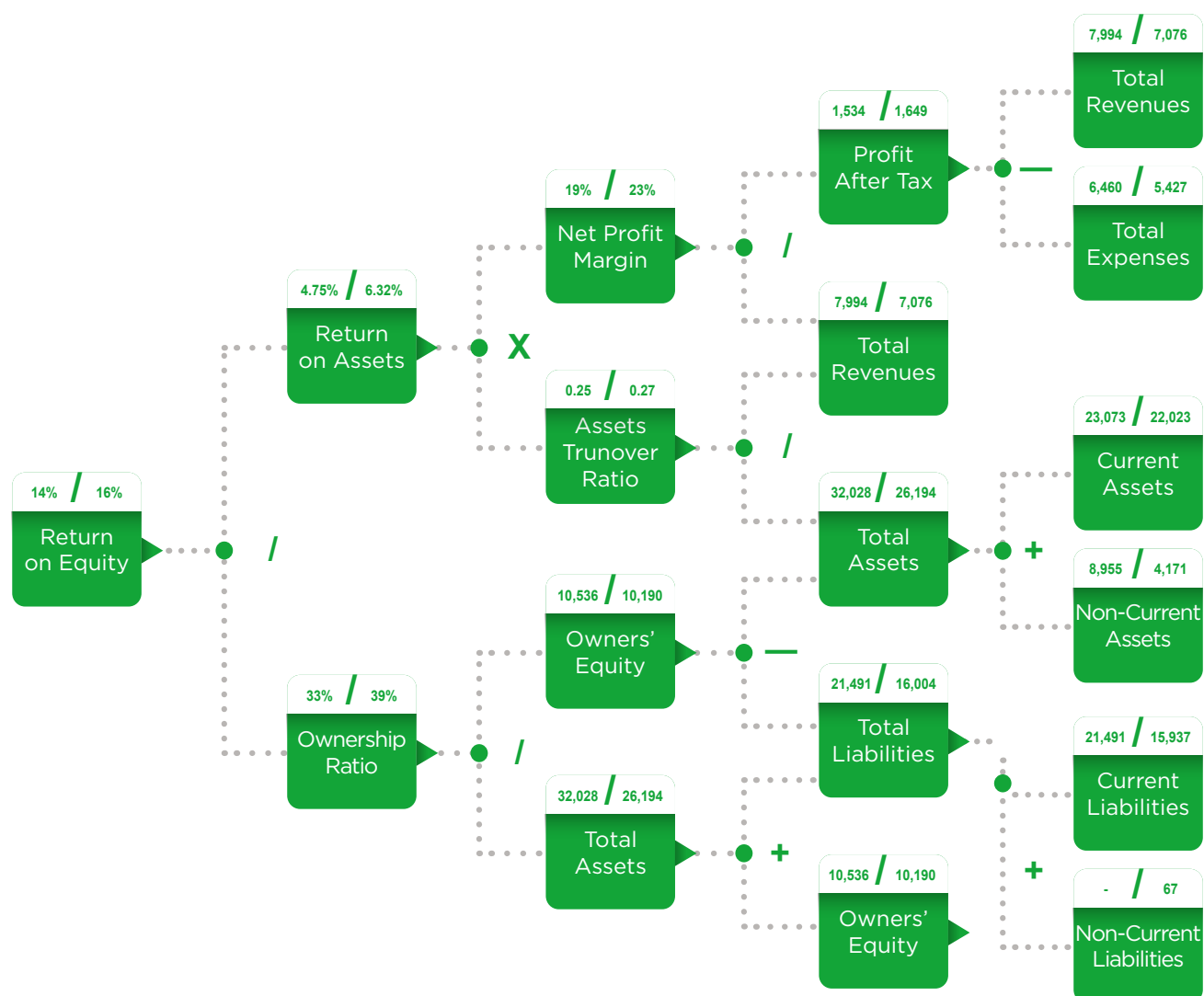
INVESTMENT INCOME:

Noticeable amount of investment income has been recorded in first and third quarter of the year due to realisation of capital gains and increase in return on government securities and profit on bank deposit and the same has contributed significantly in achieving annual investment income of Rs. 1.09 billion. This level of investment income reflects judicious investment decisions despite the volatility in the stock market during the year.

PROFIT AFTER TAX:

The profit after Tax has witnessed tremendous growth in the third and fourth quarter mainly due to healthy growth in premium received and investment income and, therefore, the Company has achieved Rs. 1.53 billion after tax profit in 2022. Hence, maintained the impressive history of achieving more than Rs. 1 billion profit after tax in the tenth year consecutively.

DUPONT ANALYSIS 2022 AND 2021

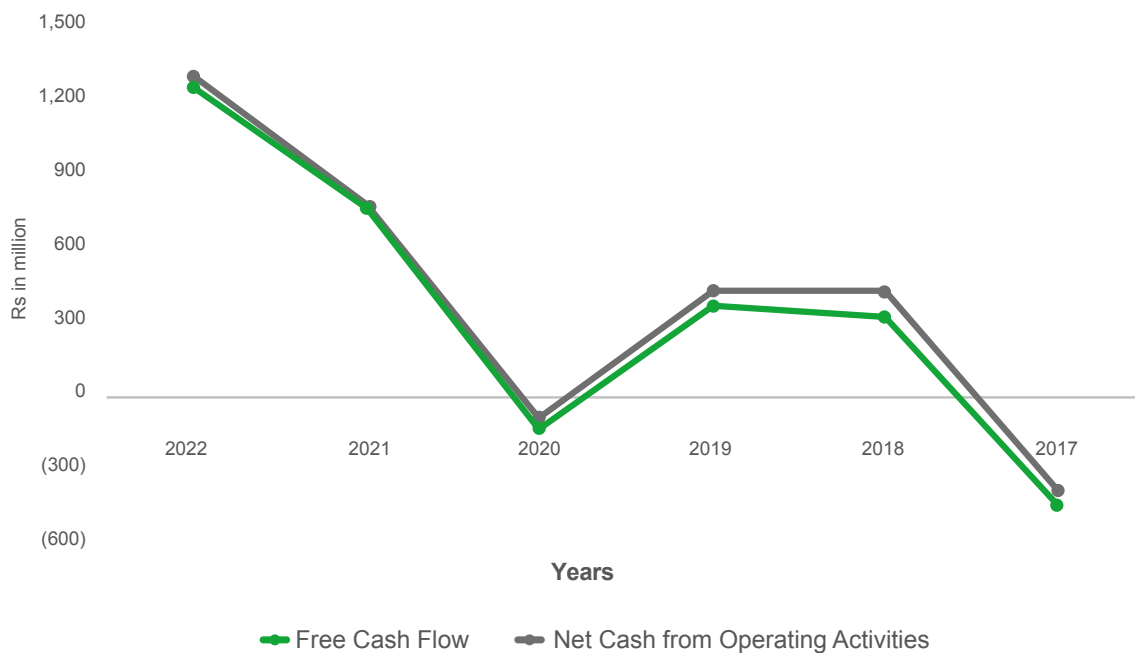


COMMENTS ON DUPONT ANALYSIS

- The Net Profit Margin decreased by 4% in year 2022 due to increase in tax charge on the Company due to incidence of super tax for current and prior year.
- The Company's Return on Equity has decreased by 2% as compared to 16% of 2021 due to increase in tax charge on the Company which is incidence of super tax for current and prior year.
- Although the economy of the Country remained unstable during the year, however, the Return on Assets has decreased by only 2% as compared to 2021.
- The ownership ratio has also decreased by 6% from the year 2021 because of distribution of healthy cash dividend during the year. Furthermore, the equity of the Company has improved by 3% as compared to last year due to highly profitable operations of the Company.

FREE CASH FLOW

Description	2022	2021	2020	2019	2018	2017
..... (Rupees in '000)						
Net cash flows generated from principle business	1,783,768	854,568	673,915	937,086	869,469	313,273
Net cash flows used in other operating activities	(502,050)	(81,156)	(761,534)	(519,793)	(447,295)	(686,923)
	1,281,718	773,412	(87,619)	417,293	422,174	(373,650)
Less: Capital Expenditures	44,006	14,047	44,121	52,269	106,701	65,764
Free cash flow	1,237,712	759,365	(131,740)	365,024	315,473	(439,414)



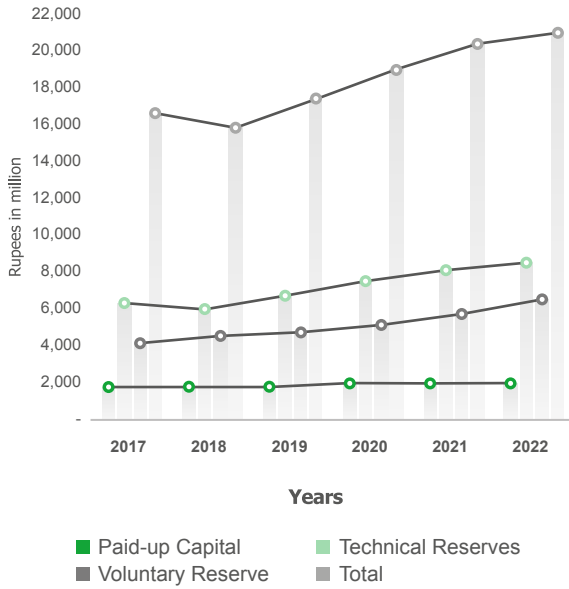
COMMENTS ON FREE CASH FLOW:

- The Company has net inflow of Rs. 1.24 billion for the year 2022 as compared to Rs. 759 million of 2021 which is mainly due to the management efforts in collecting outstanding premiums and increase in investment income & return on bank balances.
- Free Cash Flow for 2022 is 97% of the total operating cash flow which is due to the reason that appropriate amount of capital expenditure made in order to meet the technological requirements of the Company.
- In 2022, the Company incurred Rs. 44 million of capital expenditures which is perfectly in line with the growth requirements of business.

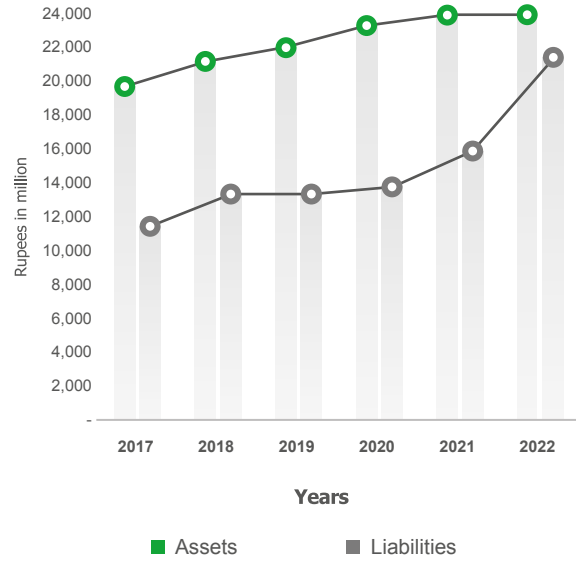
PERFORMANCE AT A GLANCE

(SIX YEARS)

CAPITAL & RESERVES



ASSETS & LIABILITIES



GROSS PREMIUM & NET PREMIUM



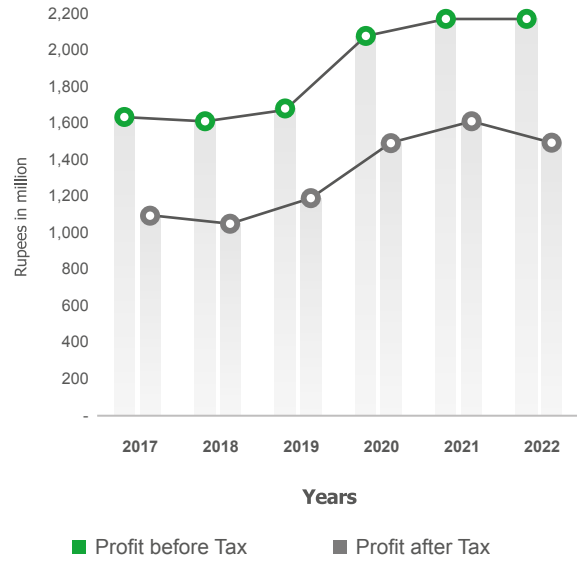
NET PREMIUM & UNDERWRITING RESULT



INVESTMENT INCOME



PROFIT (BEFORE & AFTER TAX)



EARNINGS PER SHARE (PRE TAX & AFTER TAX)



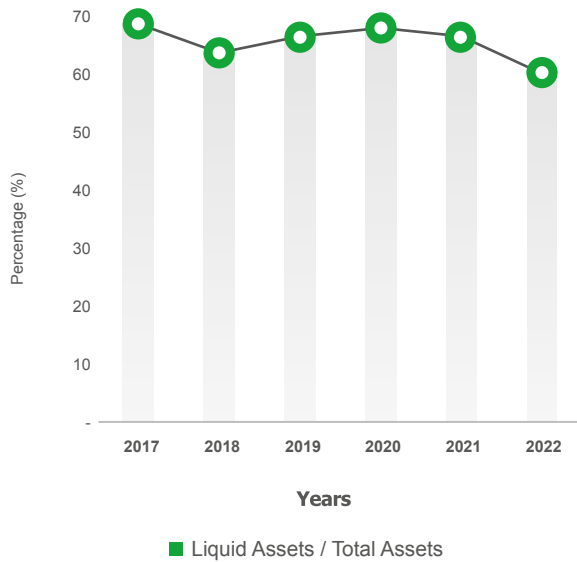
DIVIDENDS



PERFORMANCE AT A GLANCE

(SIX YEARS)

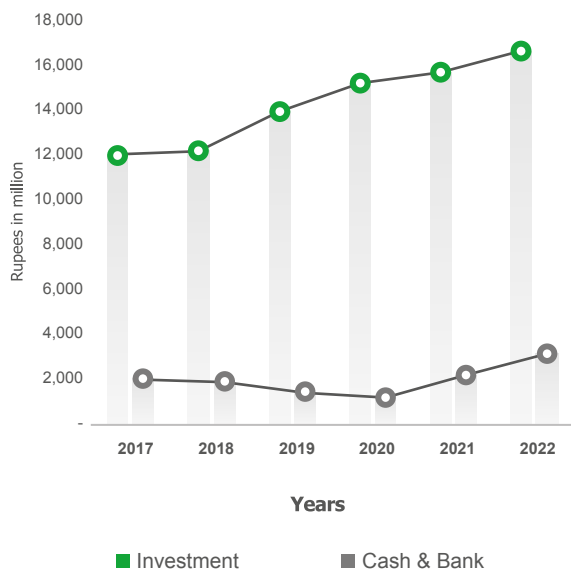
LIQUID ASSETS / TOTAL ASSETS



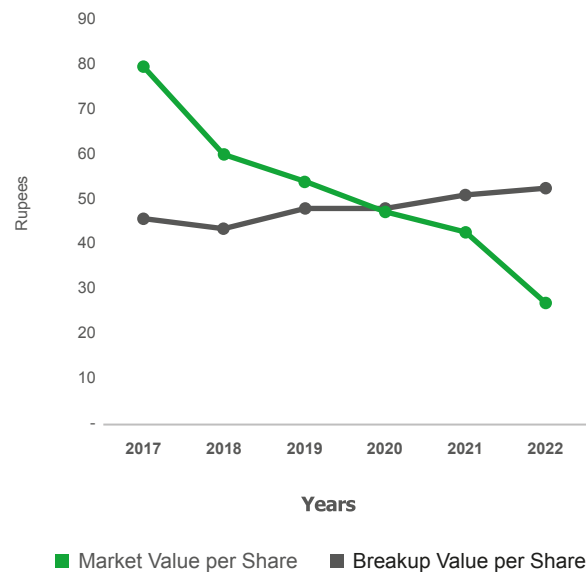
EQUITY / TOTAL ASSETS



INVESTMENTS AND CASH & BANK



MARKET VALUE VS BREAKUP VALUE PER SHARE

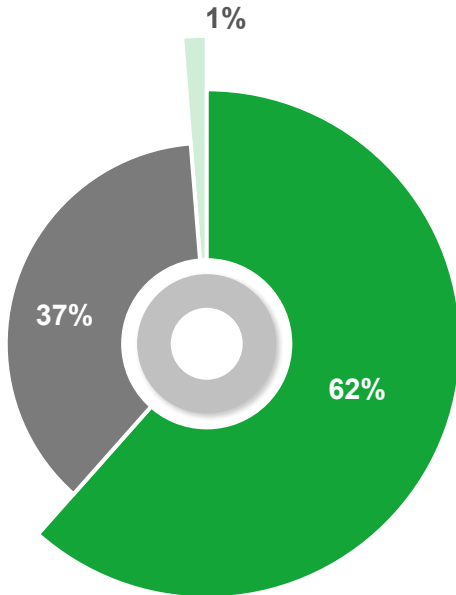


GRAPHICAL COMPOSITION OF FINANCIAL STATEMENTS

BALANCE SHEET

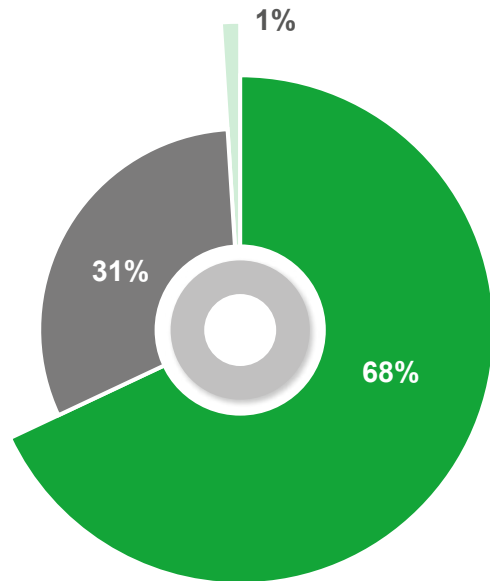
ASSETS 2022

- Earning Assets
- Current Assets-others
- Fixed Assets



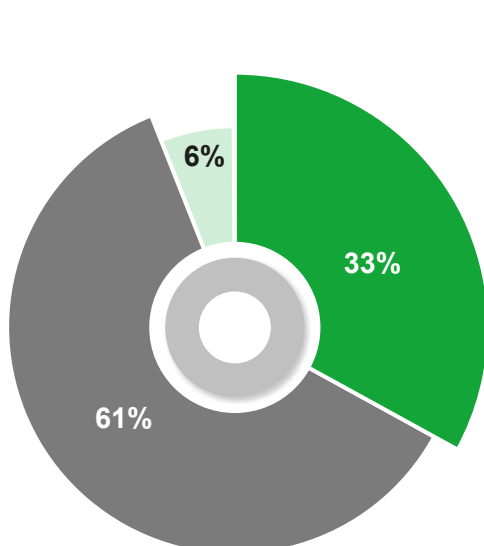
ASSETS 2021

- Earning Assets
- Current Assets-others
- Fixed Assets



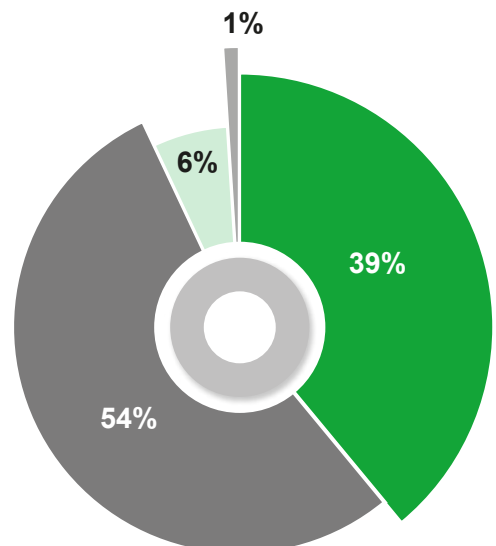
SHAREHOLDERS' EQUITY AND LIABILITIES 2022

- Share Capital & Reserves
- Current Liabilities
- Non Current Liabilities
- Deferred Liabilities



SHAREHOLDERS' EQUITY AND LIABILITIES 2021

- Share Capital & Reserves
- Current Liabilities
- Non Current Liabilities
- Deferred Liabilities

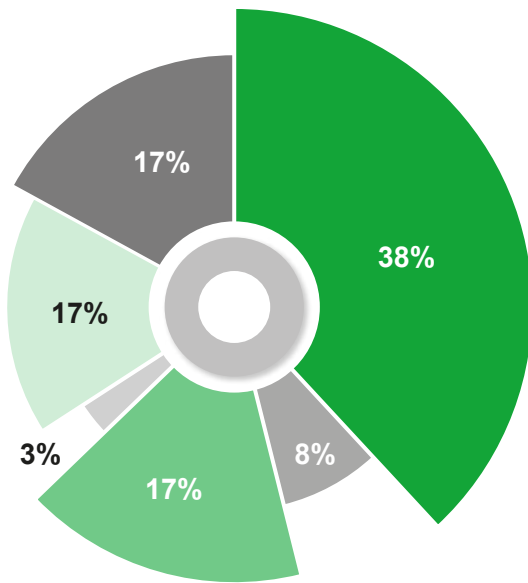


GRAPHICAL COMPOSITION OF FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT

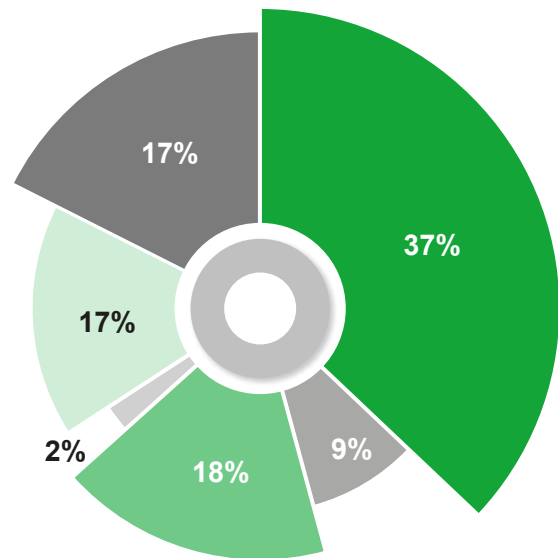
GROSS PREMIUM CLASSWISE 2022

- Fire
- Marine
- Motor
- Liability
- Accident & Health
- Miscellaneous



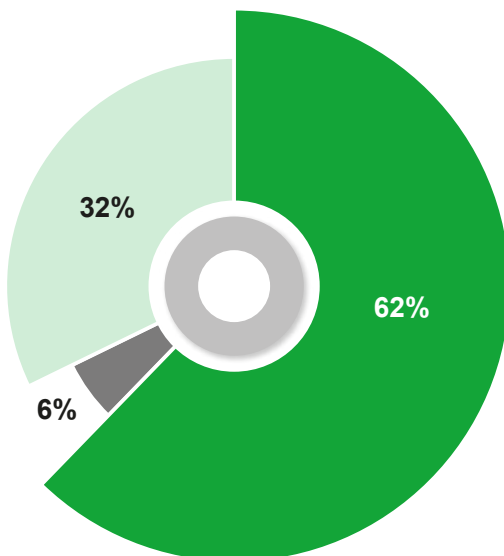
GROSS PREMIUM CLASSWISE 2021

- Fire
- Marine
- Motor
- Liability
- Accident & Health
- Miscellaneous



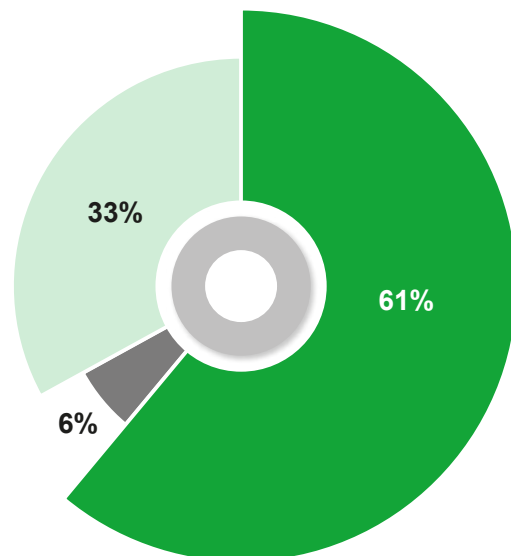
COMBINED RATIO 2022

- Net Claims
- Net Commission
- Expenses



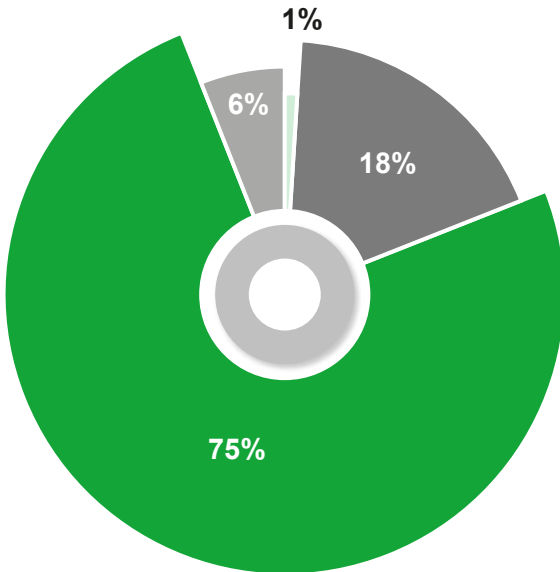
COMBINED RATIO 2021

- Net Claims
- Net Commission
- Expenses



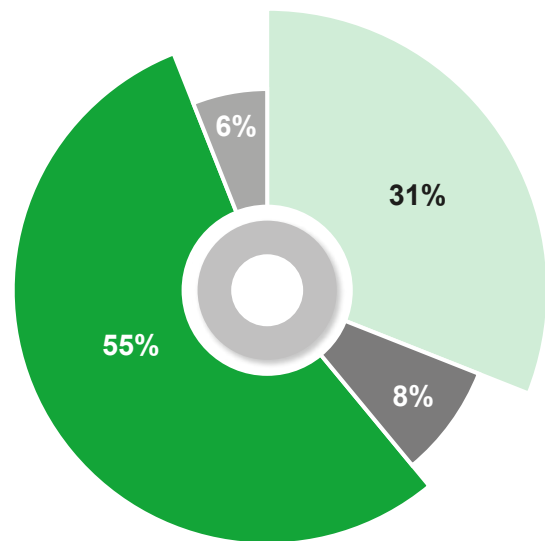
INVESTMENT INCOME 2022

- Income from equity Securities
- Return on bank deposits
- Return on Govt. Securities
- Rental income



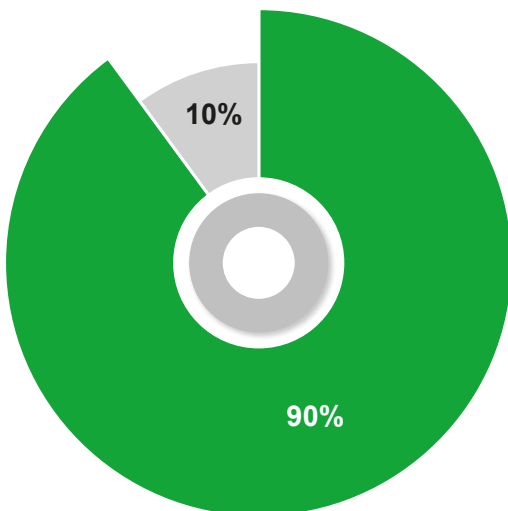
INVESTMENT INCOME 2021

- Income from equity Securities
- Return on bank deposits
- Return on Govt. Securities
- Rental income



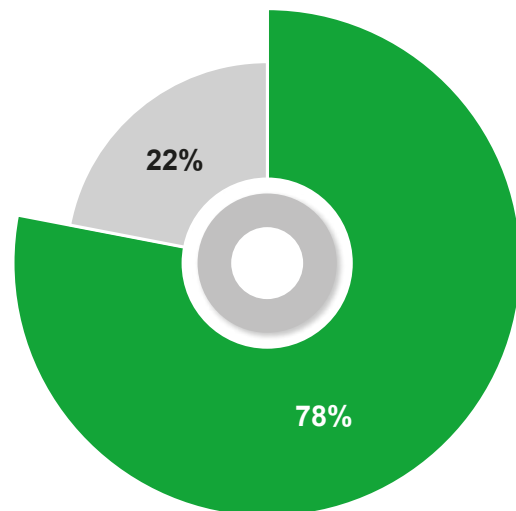
PROFIT BEFORE TAX 2022

- Investment and Other Income
- Underwriting Income



PROFIT BEFORE TAX 2021

- Investment and Other Income
- Underwriting Income

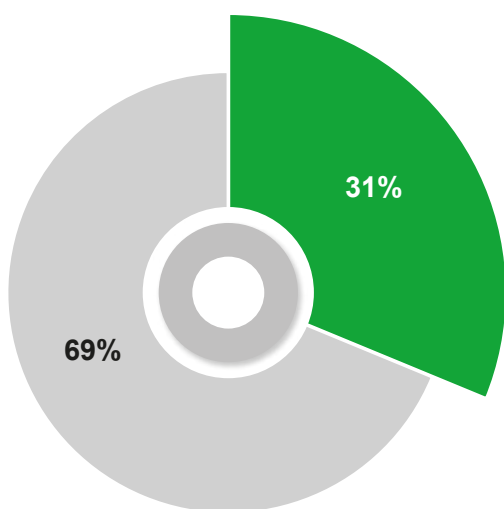


GRAPHICAL COMPOSITION OF FINANCIAL STATEMENTS

CASH FLOW

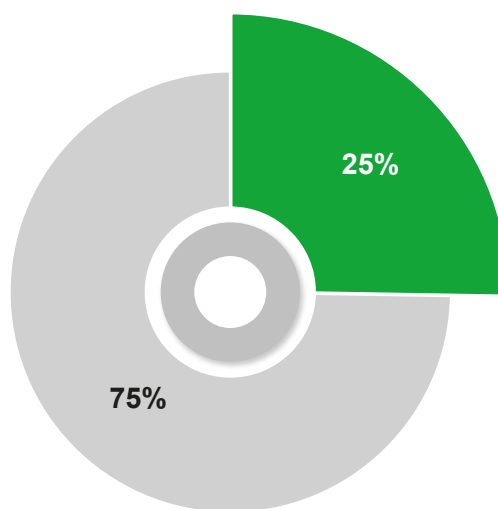
CASH GENERATED 2022

- Operating activities
- Investing activities



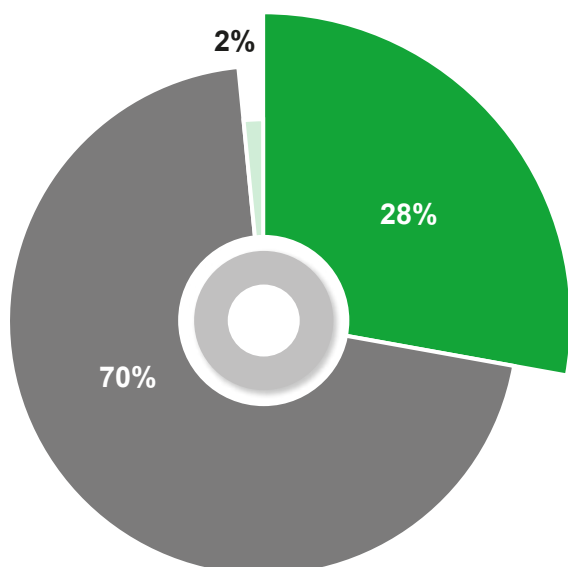
CASH GENERATED 2021

- Operating activities
- Investing activities



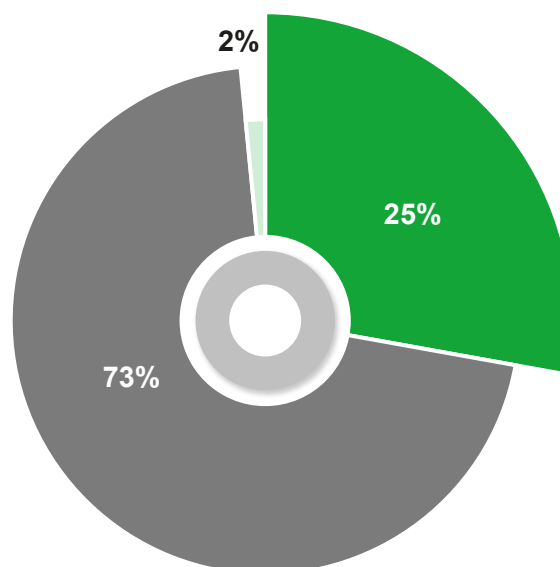
CASH CONSUMED 2022

- Operating Activities
- Investing Activities
- Financing Activities



CASH CONSUMED 2021

- Operating Activities
- Investing Activities
- Financing Activities



PERFORMANCE MEASUREMENT

Performance measurement is key to evaluate how well an organisation is managed and the value it delivers for stakeholders. As a listed company, for Jubilee General, the most important stakeholders are our shareholders being the ultimate owner of the business. Due to the same reason, the value delivers to the shareholders is imperative. In the Company, performance measurement is an ongoing monitoring process. Furthermore, to evaluate performance, besides traditional and most commonly used methods of performance evaluation i.e. Ratio Analysis, calculation of returns on various categories of assets, horizontal & vertical analysis of financial statements and various comparative statements etc., modern techniques and tools are also considered particularly with special reference to the value addition for the shareholders. Following are advance techniques / tools to measure performance of the Company.

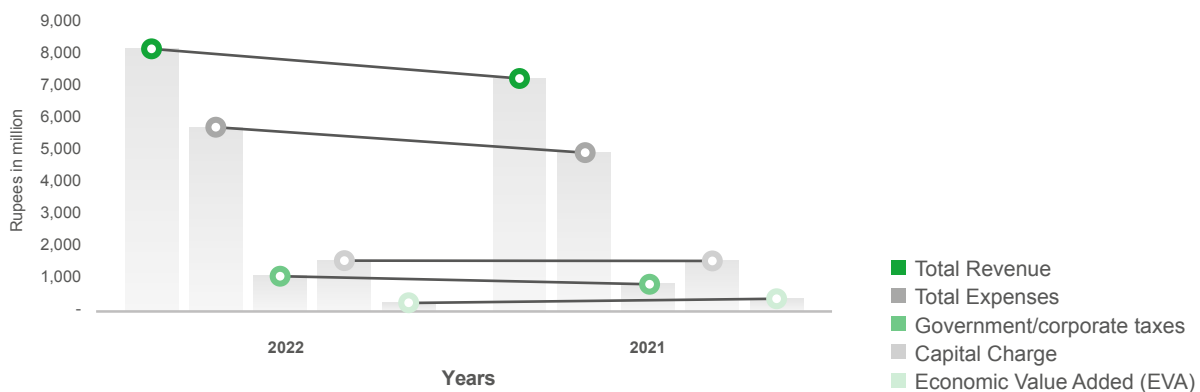
ECONOMIC VALUE ADDED

Economic Value Added (EVA) is a measurement of a Company’s financial performance based on the residual wealth calculated by reducing its cost of capital from its operating profit after adjustment of taxes. EVA can also be referred to as true economic profit of the Company. In Jubilee General, EVA is calculated to evaluate internal management performance. It compares the net operating profit to total cost of capital and through this evaluation tool, the performance of the overall business is evaluated. As a non-life insurance Company, Jubilee General is highly concerned for delivering higher value to its shareholders. In 2022, the Company generated economic value of Rs. 107 million (2021: Rs. 231 million). Although, the EVA of the Company has decreased substantially in 2022 as compared to last year mainly due to charged of super tax on the Company retrospectively.

Following is a table indicates the EVA at the year ended 31 December 2022 and 2021:

PARTICULARS

	2022	2021
.....(Rupees in million).....		
Total Revenue	7,994	7,076
Less:		
Total Expenses	5,525	4,746
Government/corporate taxes	936	681
Capital charges	1,427	1,418
Economic Value Added (EVA)	107	231



MARKET VALUE ADDED

In order to measure the external performance, Market Value Added (MVA) is calculated to ascertain that how the market has evaluated the Company's performance in term of market value of share as compared to its book value. In Jubilee General, MVA is calculated to evaluate management performance with special reference to market position of Jubilee General's share versus its book value.

As at December 31, 2022, the market value of total outstanding shares of the Company stood at Rs. 5.3 billion (2021: Rs. 8.45 billion) and the total book value of outstanding shares as at December 31, 2022, reflected Rs. 10.5 billion (2021: Rs. 10.2 billion). The market value is less than the book value of the Company in 2022 mainly due to dismal performance of in the stock market.

MAJOR CAPITAL AND IT EXPENDITURES

It is an aim of Jubilee General Insurance Company to become an insurtech in near future so that the Company may be able to meet the insurance requirements effectively and efficiently of the modern times upcoming ahead. Due to the same reason, the Company is engaged in the development of various Android Applications for its insurance products and services. Furthermore, the Company has added various additional payment methods in its existing online products available to the customers in order to facilitate them. During the year, the Company has revamped its websites for its customers/consumers in order to improve their experience while interacting with the Company through these websites in order to avail the services of the Company.

In order to make the Claims Settlement Process swift and smooth, the Company has already developed a Motor Claims Android Application so that the insured can lodge their legitimate claims online and get paid in the minimum possible time span.

The modern business environment becoming paperless rapidly and the same trend is also being following in Pakistan. In order to create a Paperless Environment in the organisation, the Company implemented "Document Management System (DMS)" in order to avoid pile of documents and made the relevant documents available on a single click.

In order to facilitate our customers in obtaining Marine Insurance, A Marine Cover Note Issuance Web Access & Android Application has already been developed. This Web Access facilitates our customers to get marine insurance through hassle free process.

In 2019, Internet Protocol Phone (IP Phone System) was implemented throughout the Company whereby all officials in Head Office and Zone/Branches are now connected with each other through IP lines rather than traditional telephone line. This facility will save the time of employees to connect with each other and will also decrease the future expenses of the Company as IP Phones are cheaper source of communication as compared to traditional phone lines.

In 2020 & 2021, due to lockdown of COVID-19 pandemic Partial lockdown respectively, the Company has faced the challenge to continue its operations. The Company during this testing time, with the help of advance IT tools and facilities, enabled its employees to work-from-home and continued the operations and hence provided the services to the customers without any interruption.

In 2021, all over the world and in Pakistan, IT Systems of various organisation have threatened by cyber-attacks and hackers particularly the 'Ransomware' which is a type of malware that encrypts the computer systems of its victims and the users can no longer access their data or files after a ransomware assault has been carried out. The IT professionals of the Company, being well aware with the situation, have worked hard to make the Company's IT Systems more robust in order to resist and avoid any such threats and cyber-attacks. The Company has also taken step to make fire-wall of the systems more robust and resilient to safeguard the IT Systems as well the information.

Furthermore, IT department has also initiated an awareness campaign through sending emails to all the employees of the Company in order to educate them therefore they can avoid such malwares, identify spam & suspicious emails and avoid websites which may cause to any cyber-attack or create threat to Personal Computers and Systems.

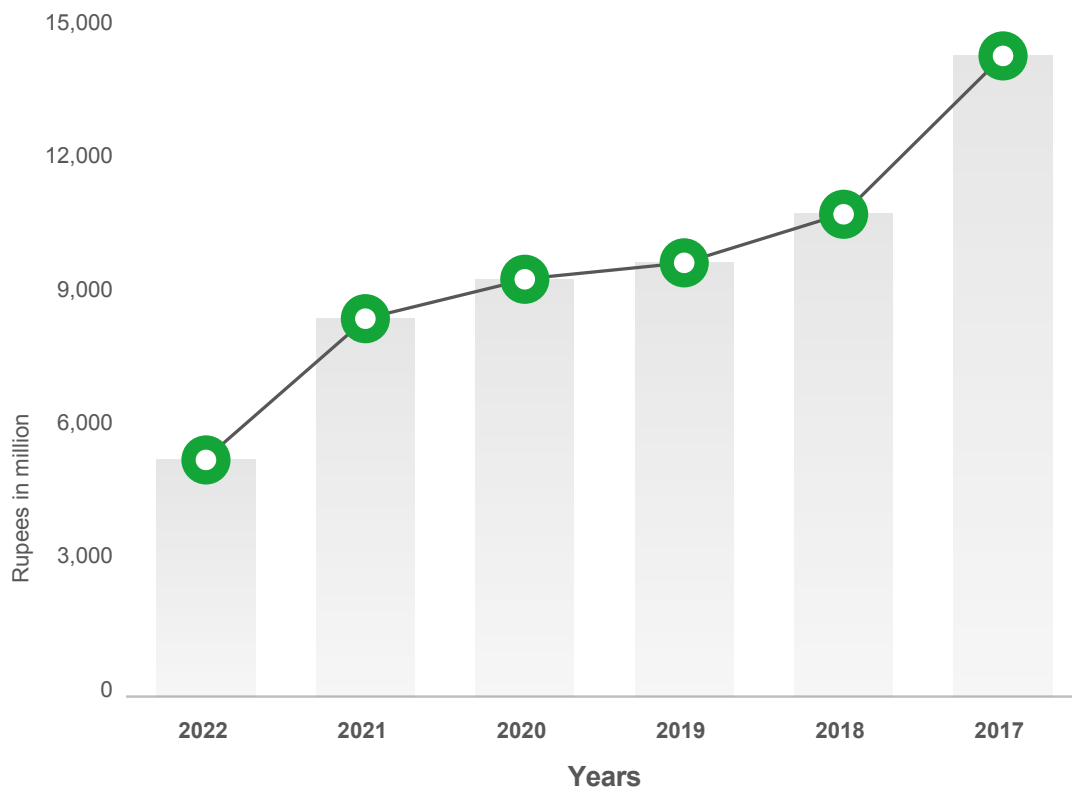
Furthermore, in order to work efficiently in the modern business environment, it is necessary that the officials of the Company should be fully equipped with modern business working tools. During the year, the Company has incurred on IT related expense including capital expenditure of Rs. 122 million (2021: Rs. 96.58 million) which shows the commitment of the Company to equipped itself with modern IT tools, software along with communication tools in order to increase the efficiency and effectiveness as well as to enhance the customer services experience.

During the year, the Company was totally focused on making the IT infrastructure more robust and resilient.

MARKET CAPITALISATION

Market capitalisation refers to the total market value of a Company's outstanding shares. The amount of Market Capitalisation is considered to determine the Company size as compared to using sales or total assets. Although, the stock market remained volatile in 2017 to 2022, which is definitely effected the market price of the Company's share in the last five years, however, a notable growth in market capitalisation of the Company's shares till the year 2017 can be witnessed from the following:

Particulars	Years					
	2022	2021	2020	2019	2018	2017
Number of Shares Outstanding (in million)	198	198	198	180	180	180
Market closing price of share as on 31 December (PSX) (Rupees)	27.00	42.70	47.10	54.01	60.01	80.00
Market Share Capitalisation (Rupees in million)	5,346	8,455	9,326	9,722	10,802	14,400



SHARE PRICE ANALYSIS

Volume Analysis

Jubilee General's Share Price and Volume on the PSX in the year 2022:

Months	Highest	Lowest	Per Day Average Volume
	----- Rupees -----		Number of Shares
January	47.85	43.13	5,095
February	46.90	43.00	10,700
March	44.00	35.02	8,523
April	37.90	36.00	2,750
May	34.85	31.48	4,083
June	33.40	31.10	705
July	32.89	30.50	9,222
August	31.75	29.51	2,119
September	32.00	27.81	3,386
October	32.00	26.40	7,738
November	28.43	26.40	20,929
December	28.74	27.00	2,750

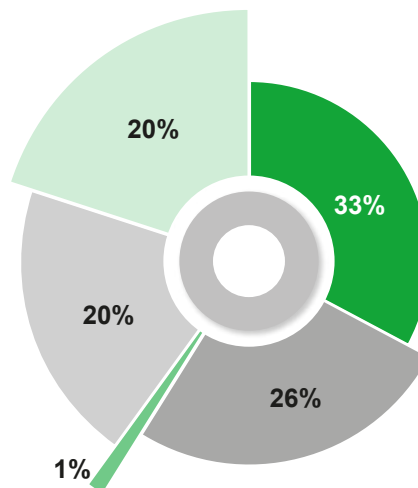
Total number of shares traded during the year are 1,600,000 (2021: 2,618,000).

STATEMENT OF VALUE ADDED

	2022	2021
WEALTH GENERATED		
..... (Rupees in '000)		
Net premium revenue	5,688,759	5,197,050
Commission from reinsurers	327,376	332,386
Investment income	2,344,798	1,794,812
Rental income	140,818	134,346
Other income	313,399	162,688
	8,815,150	7,621,282
Less:		
Claims, Commission and expenses (excluding employees remuneration, depreciation, and other taxes)	4,812,934	3,911,330
Net Wealth Generated	4,002,216	3,709,952
WEALTH DISTRIBUTION		
Employees remuneration	1,310,432	1,187,444
Government taxes (includes income tax, WWF , and others taxes)	1,059,372	797,322
Contribution to society	28,194	-
Dividend to shareholders - Cash	793,965	793,965
Retained in business - Depreciation and Amortisation	70,518	75,859
- Earnings	739,735	855,362
	810,253	931,221
	4,002,216	3,709,952

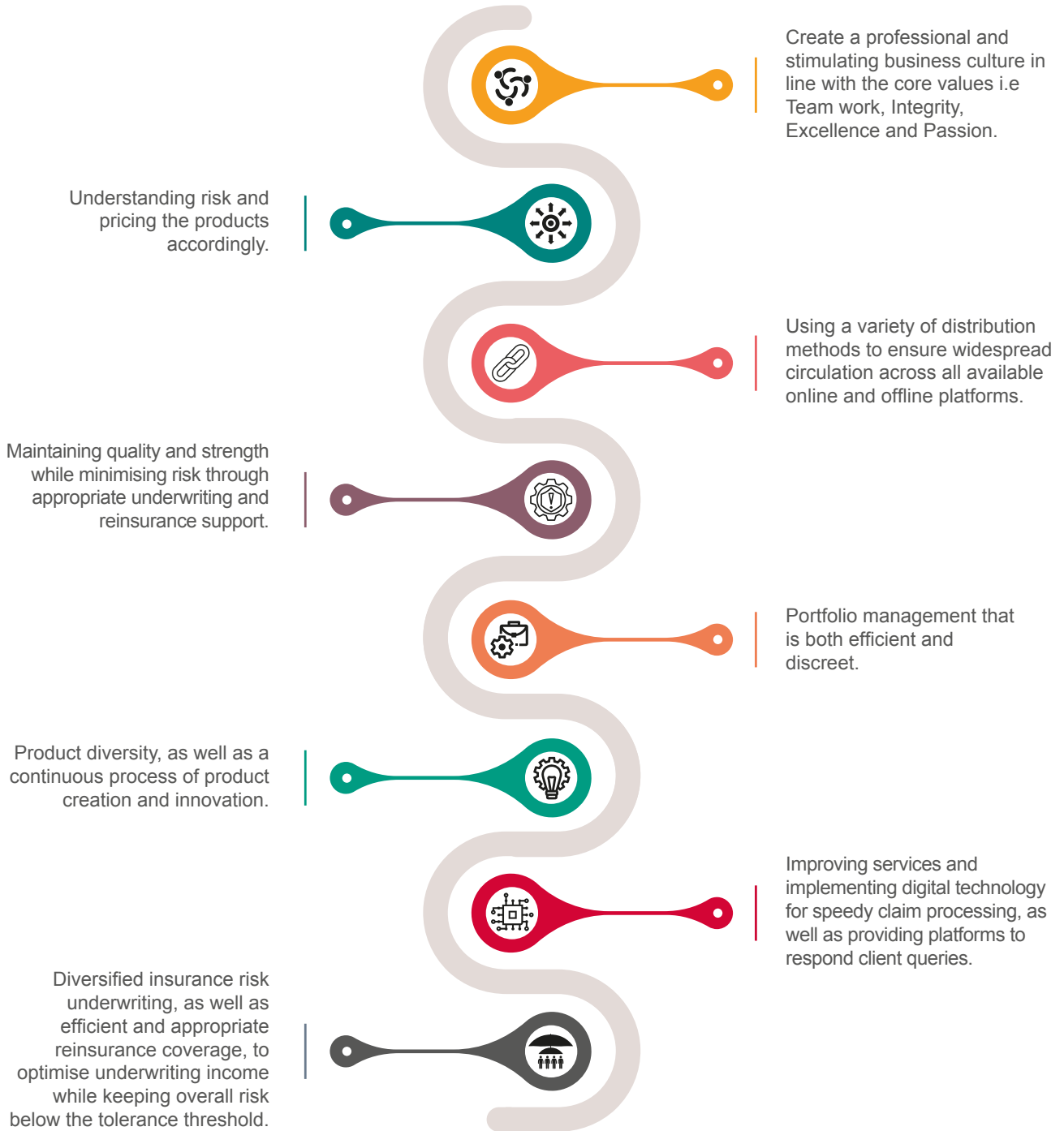
DISTRIBUTION OF WEALTH - 2022

- Employees remuneration
- Government taxes
- Contribution to society
- Dividend to shareholders
- Retained in business



VALUE CHAIN

A value proposition is a pledge to deliver, convey, and acknowledge value. It's also the customer's expectation of how value will be supplied, experienced, and gained. A value proposition can be applied to a full company, or sections of it, as well as customer accounts, products, and services. Jubilee General methodology of doing business is based on value creation. Therefore, the Company always strive to provide best insurance protection to its customers. Following are major aspect of value creation in the Company.



REPORT OF THE BOARD AUDIT COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2022

The Board Audit Committee comprises of Five (5) non-executive directors, out of which three (3) are independent directors. The Chairman of the Committee is an independent director. All independent directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016 (the code). The Head of Internal Audit, who is also a Secretary of the Committee, attends Audit Committee meetings. The Chief Executive Officer (CEO), Chief Operating Officer (COO) and Chief Financial Officer (CFO) attends Audit Committee meetings by invitation.

The Audit Committee consist of at least two members that has relevant financial experience and necessary knowledge relating to finance and accounting as required by the Code. The Board has satisfied themselves that the current members of the Audit Committee are competent with excellent mix of skills and possesses enrich experience in commercial, financial and audit matters.

The role and responsibilities of Board Audit Committee is determined by Terms of Reference, which are reviewed by the Committee and are in line with relevant legislations and the Code. The role of the Committee in the context of the Board's broader governance framework is to oversee:

- i. The integrity, accuracy and reliability of Company's financial statements;
- ii. Risk management and internal controls arrangements and effectiveness;
- iii. Compliance with applicable laws and regulatory requirements;
- iv. The qualification, independence and performance of Internal Audit function;
- v. The appointment, qualification, independence and performance of External Auditors;
- vi. Appropriate measures taken up by the management to safeguard the Company's assets.

The Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended December 31, 2022 and reports that:

- Four (4) Audit Committee meetings were held and presided by the Chairman of the Committee out of which two (2) were also attended by the External Auditor of the Company.
- The Committee reviewed the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
- The Committee has reviewed all Related Party transactions and recommended the same for approval of the Board of Directors.
- The Company has issued a Statement of Compliance with the Code of Corporate Governance, which has also been reviewed and certified by the external auditors of the Company.
- The Chief Executive Officer and the Chief Financial Officer have reviewed and endorsed the Financial Statements, the Chairman's and 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 comprising of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as applicable in Pakistan and are notified under the Companies Act, 2017, the Insurance Ordinance, 2000 and Insurance Rules, 2017.
- Appropriate accounting policies have been applied consistently and accounting estimates are based on reasonable and prudent judgement. 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, 2022, 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 Act, 2017.

INTERNAL AUDIT FUNCTION

- The Internal Control framework has been defined and elaborated in the relevant section. The Company's system of internal control is sound in design and internal control framework has been effectively implemented.
- The internal control framework has been continually evaluated for effectiveness and adequacy through an independent in-house Internal Audit function established by the Board, which is independent of the External Audit function.
- The Internal Audit Department has carried out independent audits in accordance with the risk-based internal audit plan which was approved by Board Audit Committee. The Committee has reviewed material internal audit findings along with management's response, taking appropriate action or bringing the matters to the Board's attention, wherever required.
- The Head of Internal Audit has direct access to the Chairman Audit Committee and members and has full liberty to discuss issues having concern over the organisation's internal control, governance and risk. The Committee met independently with the Head of Internal Audit during the year without the presence of the management.
- The Committee has ensured adequate staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to the Management and the right to seek information and explanations.
- The progress of Internal Audit function was duly discussed and evaluated in the Committee's meeting held during the year, to ensure that the Audit function has effectively performed its assigned task and the Committee is satisfied with the effectiveness of the function.
- 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. A. F. Ferguson & Co., Chartered Accountants, have completed their audit assignment of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the year ended December 31, 2022 and shall stand retire on the conclusion of the 70th Annual General Meeting.
- The Audit Committee has reviewed and discussed all Key Audit Matters and other issues identified during the external audit with the External Auditors and management, along with the methods used to address the same.
- The Committee held independent meeting with the External Auditors during the year without the presence of management.
- 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 be discussed accordingly 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 the listing regulations, the Board Audit Committee has recommended the reappointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as External Auditors of the Company for the year ending December 31, 2023 on terms to be approved by the Board of Directors.



Aryn Currimbhoy
Chairman, Board Audit Committee
Karachi
March 21, 2023

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) with majoring in Islamic Banking & Finance.

He is serving as the Shariah Advisor of “Jubilee General Takaful” since its commencement and looking after the transactions, day-to-day Shariah matters and services provided by Jubilee General Takaful. His specialties include Shariah Compliant investments, development of takaful products, policies, manuals and drafting of all its Shariah related documents. Mufti Zeeshan is also involved in delivering detailed trainings to the management of all levels, marketing and distribution force of Jubilee General Takaful on Takaful, its Shariah related issues and requirements in the light of Takaful Rules 2012.

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 Family Takaful, NIT Islamic Investment Funds and Shariah Review Bureau, Bahrain and has been frequently debating and speaker on Shariah & technical aspects related to Islamic Finance nationally and internationally as well.

Mufti Zeeshan has been associated with various Halal Certification bodies of several countries and has performed around 300 Halal Certification audits of different food, beverages, cosmetics and pharmaceuticals companies in different parts of the world.

SHARIAH ADVISOR'S REPORT TO THE BOARD OF DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 2022

الحمد لله رب العالمين والصلوة والسلام على سيد الأنبياء والمرسلين وبعد

I have reviewed the General 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") for the year ended 31 December 2022.

It is the responsibility of the Takaful Operator to ensure that the rules, principles and guidelines set by the Shariah Advisor and Takaful Rules 2012 are complied with in all its business operations, and that all products and policies are duly approved by the Shariah Advisor.

My responsibility is to approve the products and policies, and express an opinion that the financial arrangements, Re-Takaful arrangements, contracts and transactions entered into by the Takaful Operator with its participants and stakeholders are in accordance with the requirements of Shariah rules and principles.

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

PROGRESS OF THE YEAR:

During the period under review; Jubilee General Window Takaful Operations has achieved significant successes, details of which are as follows:

1. Alhamdulillah, Jubilee General - Window Takaful Operations has maintained its position as one of the Market Leaders in the General Takaful Industry of the country.
2. Under the guidance of undersigned and after getting Shariah approval, during the year the Takaful Operator has developed and offered a number of new products, main related to the Retail & Banca-Takaful Products, for its Customers/Participants, which have also shown positive results in the market.
3. Divisions and Branches of the Company have fully participated in the business & growth of Takaful from different locations of the country.
4. At this stage, I am also thankful to the Partners Banks for the confidence they have shown on Jubilee General-WTO's Takaful Products and Services.

SHARIAH CERTIFICATION:

I confirm that in my opinion and to the best of my understanding based on the provided information and explanations:

- i. transactions undertaken by the Takaful Operator for the year ended 31 December 2022 were in accordance with guidelines issued by Shariah Advisor as well as requirements of Takaful Rules 2012;
- ii. for the investment purpose of Takaful Funds, the Shari'ah Compliant Investment Policy had already been approved by the undersigned and the investments have been done from the Operator's Fund & Participant Takaful Fund into Shariah Compliant Investment avenues only, including Islamic Banks, Islamic Funds and Shariah Compliant Equities, with prior Shariah approvals. Further, all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) with Shariah Advisor's prior approval, which are completely separate from the conventional insurance business;
- iii. 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 (OF);
- iv. during the year, Rs.201,575 and Rs.277,217 pertaining to OPF and PTF respectively, has been realized and disbursed as Charity amount through dividend income purification process, with prior Shariah approval.

While concluding; I state that the Shari'ah principles were followed in every aspect of practical implementation of Jubilee General-WTO during the year. I am grateful to the Board of Directors of Jubilee General, Management, Head of Window Takaful Operations, Divisional & Branch Heads and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shari'ah Compliance in our Takaful practices and operations.

"And Allah Knows Best"



Mufti Zeeshan Abdul Aziz
Shariah Advisor

Date: 03 February 2023



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Jubilee General Insurance Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of Jubilee General Insurance Company Limited ('the Company') for the year ended December 31, 2022 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision Ixxvi of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations require 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. 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.

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 requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2022.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: 31 March, 2023

UDIN: CR202210061POdu2jyJK

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STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 AND THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

JUBILEE GENERAL INSURANCE COMPANY LIMITED (THE COMPANY) FOR THE YEAR ENDED DECEMBER 31, 2022

This statement is being presented in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) and the Code of Corporate Governance for Insurers, 2016 (the Code) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance.

The Company has complied with the requirements of the Code and the Regulations in the following manner:

1. The total number of directors are ten (10), as per the following:
 - a. Male: 9
 - b. Female: 1
2. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). The composition of the Board is as follows:

Category	Names
Independent Directors	Amyr Currimbhoy
	Riyaz Ali Towfiq Chinoy
	Nausheen Ahmad
Executive Director (Chief Executive Officer)	Hassan Khan
Non-Executive Directors	R. Zakir Mahmood
	Akbarali Pesnani
	John Joseph Metcalf
	Amin A. Hashwani
	Murtaza Hashwani
	Abrar Ahmed Mir
Female Director	Nausheen Ahmad

The number of elected/nominated directors on the Board are nine (9) whereas the Chief Executive is a “deemed director” under section 188(3) of the Companies Act, 2017.

The independent directors meets the criteria of independence as laid down under the Code. The Board has fixed the number of independent directors at three considering the required skills set and experience. Therefore, the fraction contained in calculating one-third for the independent directors on the Board of ten (10) directors (including the Chief Executive) has not been rounded-up

3. 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 in which each one of them is a director).
4. 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 a stock exchange
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. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
7. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act), the Code and the Regulations.
8. 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. The Board has complied with the requirements of the Act, the Code and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

9. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
10. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
11. All the Directors have either attended the orientation course or have been provided appropriate guidelines in this regard and as such they are fully aware of their duties and responsibilities. Following directors have completed the Director's Training:

Name of Directors
R. Zakir Mahmood
Akbarali Pesnani
John Joseph Metcalf
Amyr Currimbhoy
Riyaz Ali Towfiq Chinoy
Abrar Ahmed Mir
Nausheen Ahmad

12. The Board has approved appointment of the Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Code and the Regulations.
13. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
14. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board.
15. The directors, CEO and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
16. The Company has complied with all the corporate and financial reporting requirements of the Code.
17. The Board has formed the following Management Committees:

UNDERWRITING COMMITTEE:

Name of Member	Category
Hassan Khan	Chairman
Azfar Arshad	Member
Asadullah Javeed	Member & Secretary

CLAIM SETTLEMENT COMMITTEE:

Name of Member	Category
Hassan Khan	Chairman
Nawaid Jamal	Member
Uzair Mirza	Member
Kamran Arif	Member & Secretary

REINSURANCE & CO-INSURANCE COMMITTEE:

Name of Member	Category
Hassan Khan	Chairman
Mohammad Nadeem Irshad	Member
Mohammad Safdar	Member & Secretary

RISK MANAGEMENT & COMPLIANCE COMMITTEE:

Name of Member	Category
Hassan Khan	Chairman
Azfar Arshad	Member
Nawaid Jamal	Member
Mohammad Safdar	Member
Mohammad Nadeem Irshad	Member
Fahad Ahmed	Member
Uzair Mirza	Member & Secretary

TAKAFUL COMMITTEE:

Name of Member	Category
Hassan Khan	Chairman
Azfar Arshad	Member
Nawaid Jamal	Member
Munaf Ahmad Khokhar	Secretary

18. The Board has formed committees comprising of members given below:

HUMAN RESOURCE, REMUNERATION & NOMINATION COMMITTEE:

Name of Member	Category
Ms. Nausheen Ahmad	Chairperson (Independent Director)
Mr. John Joseph Metcalf	Member (Non-Executive Director)
Mr. Amin A. Hashwani	Member (Non-Executive Director)
Mr. Hassan Khan	Member (Executive Director- Chief Executive Officer)

FINANCE AND INVESTMENT COMMITTEE:

Name of Member	Category
Mr. Akbarali Pesnani	Chairman (Non-Executive Director)
Mr. R. Zakir Mahmood	Member (Non-Executive Director)
Mr. John Joseph Metcalf	Member (Non-Executive Director)
Mr. Riyaz Ali Towfiq Chinoy	Member (Independent Director)
Mr. Murtaza Hashwani	Member (Non-Executive Director)
Mr. Hassan Khan	Member (Executive Director - Chief Executive Officer)
Mr. Nawaid Jamal	Member (Chief Financial Officer)

RISK AND COMPLIANCE COMMITTEE:

Name of Member	Category
Mr. John Joseph Metcalf	Chairman (Non-Executive Director)
Mr. R. Zakir Mahmood	Member (Non-Executive Director)
Mr. Aryn Currimbhoy	Member (Independent Director)
Mr. Murtaza Hashwani	Member (Non-Executive Director)
Mr. Abrar Ahmed Mir	Member (Non-Executive Director)
Mr. Hassan Khan	Member (Executive Director - Chief Executive Officer)

AUDIT COMMITTEE:

The Board has formed an Audit Committee. It comprises of five members, of whom three are independent directors and two are non-executive directors. The chairman of the committee is an independent director. The composition of the Audit Committee is as follows:

Name of Member	Category
Mr. Aryn Currimbhoy	Chairman (Independent Director)
Mr. Akbarali Pesnani	Member (Non-Executive Director)
Mr. John Joseph Metcalf	Member (Non-Executive Director)
Mr. Riyaz Ali Tawfiq Chinoy	Member (Independent Director)
Ms. Nausheen Ahmad	Member (Independent Director)

19. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
20. The frequency of meetings of the committees were as per following:
 - a) Audit Committee: quarterly meetings;
 - b) Human Resource, Remuneration & Nomination Committee: half yearly;
 - c) Finance and Investment Committee: quarterly meetings; and
 - d) Risk and Compliance Committee: quarterly meetings.
21. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a regular basis
22. The Chief Executive Officer, Chief Financial Officer, Chief Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The persons heading the underwriting, claim, reinsurance and risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000).

Name of the person	Designation
Hassan Khan	Chief Executive Officer
Nawaid Jamal	Chief Financial Officer
Abdul Wahid	Company Secretary
Safar Ali	Head of Internal Audit
Azfar Arshad	Chief Operating Officer
Kamran Arif	Head of Claims
Mohammad Safdar	Head of Reinsurance
Uzair Mirza	Head of Compliance and Enterprise Risk Management
Tariq Mushtaq	Head of Underwriting

23. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000. 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan, that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or Directors of the Company and that they or any partners of the firm, their spouses and minor children do not hold shares of the Company.
24. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations, the Code or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

25. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
26. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
27. The Company has set up a risk management function / department, which carries out its tasks as covered under the Code.
28. The Board ensures that as part of the risk management system, the Company gets itself rated from the credit rating agencies which is being used by its risk management function / department and the respective Committee as a risk monitoring tool. The rating assigned by the rating agencies are as follows:

Rating agency	Rating	Outlook	Date
AM Best – UK	B+ (Good)(FSR)	Negative	13 October 2022
PACRA – Pakistan	AA++(IFS)	Stable	03 November 2022
VIS – Pakistan	AA++(IFS)	Stable	30 December 2022

29. The Board has set up a grievance function, which fully complies with the requirements of the Code.
30. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
31. We confirm that all other material principles contained in the Code have been complied with.

By Order of the Board



Hassan Khan
 Managing Director & Chief Executive
 Karachi: March 22, 2023



Aryn Currimbhoy
 Director

STATEMENT OF COMPLIANCE WITH THE SHARIA'H PRINCIPLES

The financial arrangements, contracts and transactions, entered into by Jubilee General Insurance Company Limited - Window Takaful Operations ('the Company') for the year ended 31 December 2022 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 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 sensitisation of the staff and, the 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.

Karachi: March 22, 2023



Hassan Khan

Managing Director
(Chief Executive Officer)

INDEPENDENT ASSURANCE REPORT ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

TO THE BOARD OF DIRECTORS OF JUBILEE GENERAL INSURANCE COMPANY LIMITED

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 year ended December 31, 2022, with the Takaful Rules, 2012, in the form of an independent limited assurance conclusion about whether the annexed statement reflects the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholars.

APPLICABLE CRITERIA

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

MANAGEMENT'S RESPONSIBILITY FOR SHARIAH COMPLIANCE

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

Management's Responsibility for Shariah Compliance

The management of the Company is 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.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standards on Quality Control 1 "Quality Control For Firms That Perform Audits and Reviews of Historical Financial Information, And Other Assurance And Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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OUR RESPONSIBILITY AND SUMMARY OF THE WORK PERFORMED

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements 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 plan and perform our procedures to obtain limited assurance about whether the annexed statements reflect the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

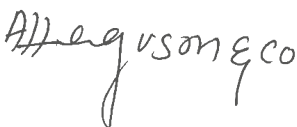
The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations' compliance with the 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. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with the Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with the 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.

In this connection, we have also reviewed the work carried out by the Internal Shariah Compliance Department and the Shariah reviews carried out by the Internal Shariah Compliance Department. We have designed and performed necessary verification procedures on various financial arrangements, contracts, classes of transactions and related policies and procedures based on judgmental and systematic samples with regard to the compliance with the Takaful Rules, 2012 and Shariah guidelines issued by the Shariah Advisor of the Company. In performing our audit procedures necessary guidance on Shariah matters was provided by independent Shariah scholars referred above.

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

CONCLUSION

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the annexed statement does not reflect the Company's status of compliance, in all material respects, with the Takaful Rules, 2012 for the year ended December 31, 2022.



A. F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Noman Abbas Sheikh**
Karachi
Dated: 31 March, 2023



Financial Statements

NAVIGATING
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INDEPENDENT AUDITOR'S REPORT

To the members of Jubilee General Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Jubilee General Insurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2022, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2022 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	<p>Valuation & impairment of investments</p> <p>(Refer notes 3.19, 9, 10 and 11 of the annexed financial statements)</p>	
	<p>The investments of Rs 14,731.127 million as at December 31, 2022 held by the Company constitute a significant component of total assets of the Company.</p> <p>The proper valuation and assessment of impairment of the investments portfolio of the Company as at December 31, 2022 was considered a significant area of estimation and therefore, we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Tested the design and operating effectiveness of the relevant controls for valuation of investments. Checked that the investments were valued appropriately in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

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S. No.	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> • Checked that net unrealised gains / losses arising on the subsequent measurement of investments were appropriately accounted for in the financial statements. • Evaluated the management's assessment of available-for-sale investments for any additional impairment in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions. • Obtained independent confirmations for checking the existence of the investments portfolio as at December 31, 2022 and traced balances in these confirmations with the books and records of the company. • Assessed the relevant presentation and disclosures made in the financial statements to ascertain whether these are complied with the accounting and reporting standards as applicable in Pakistan.
2	<p>Valuation of Incurred But Not Reported (IBNR) claims reserves</p> <p>(Refer notes 3.16 and 27 of the annexed financial statements)</p>	
	<p>As at December 31, 2022, provision for IBNR amounted to Rs 156.050 million.</p> <p>The provision for IBNR claims is calculated by the Company as required under Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP). As per the SECP Circular No. 9 of 2016, an insurer shall estimate and maintain the provision for IBNR for each class of business by using the prescribed method which is "Chain Ladder Method" or any other alternate method as allowed under the provisions of the Guidelines.</p> <p>The calculation of provision for IBNR claims involves estimation and judgment. Because of the significance of the impact of these judgments / estimations, we considered the area of IBNR as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the design and operating effectiveness of the relevant controls over the measurement and calculation of IBNR reserves and evaluated the appropriateness of methodologies and assumptions used. • Evaluated the completeness, accuracy and reliability of the underlying data utilised by the management to support the actuarial valuation. • Involved an independent actuarial expert to test the assumptions and assess the reasonableness of the assumptions used therein. • Checked the adequacy of IBNR reserves and assessed an internal consistency and a reasonableness of basic actuarial figures with the prior year. • Assessed whether the financial statements disclosures in relation to the valuation of IBNR reserves are compliant with the relevant accounting and reporting standards applicable in Pakistan.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, the Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

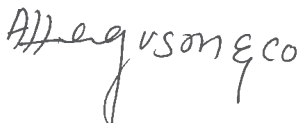
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; 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.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.



A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: 31 March, 2023

UDIN: AR202210061Ym0pz4v9G

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

Assets	Note	2022	2021
		.....(Rupees in '000).....	
Property and equipment	5	137,551	90,933
Intangible assets	6	41,970	46,086
Investment properties	7	634,924	640,648
Investments in associates	8	1,083,391	973,680
Investments			
Equity securities	9	2,486,743	3,081,110
Debt securities	10	11,988,082	8,280,257
Term deposits	11	256,302	2,669,303
Loans and other receivables	12	455,625	251,212
Insurance / reinsurance receivables	13	2,690,657	1,525,775
Reinsurance recoveries against outstanding claims		5,191,022	3,593,493
Salvage recoveries accrued		23,065	24,531
Deferred commission expense / acquisition cost	28	252,739	247,251
Prepayments	15	3,101,717	2,377,849
Deferred taxation	20	226,215	-
Cash and bank	16	2,823,766	1,901,990
		31,393,769	25,704,118
Total assets of Window Takaful Operations - Operator's Fund	17	633,940	489,886
Total assets		32,027,709	26,194,004



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive

		2022	2021
Equity and liabilities	Note	.....(Rupees in '000).....	
Capital and reserves attributable to the Company's equity holders			
Share capital	18	1,984,912	1,984,912
Reserves	19	6,766,604	6,335,919
Unappropriated profit		1,784,824	1,868,869
Total equity		10,536,340	10,189,700
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	27	7,001,923	5,154,819
Unearned premium reserves	26	5,221,846	4,244,992
Unearned reinsurance commission	28	138,267	148,056
Deferred taxation	20	-	67,596
Premium received in advance		592,438	316,455
Insurance / reinsurance payables	21	4,585,914	2,685,463
Other creditors and accruals	22	1,180,121	1,166,102
Deposits and other payables	23	1,856,446	1,617,132
Taxation - provision less payments	24	538,100	314,855
		21,115,055	15,715,470
Total liabilities of Window Takaful Operations - Operator's Fund	17	376,314	288,834
Total liabilities		21,491,369	16,004,304
Total equity and liabilities		32,027,709	26,194,004
Contingencies and Commitments	25		

The annexed notes 1 to 48 form an integral part of these financial statements.



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2022

		2022	2021
	Note	.....(Rupees in '000).....	
Net insurance premium	26	5,688,759	5,197,050
Net insurance claims	27	3,386,419	2,860,391
Net commission expense / acquisition cost	28	300,005	278,942
Insurance claims and acquisition expenses		3,686,424	3,139,333
Management expenses	29	1,753,228	1,545,956
Underwriting results		249,107	511,761
Investment income	30	1,436,822	1,385,277
Rental income	31	84,525	82,161
Other income	32	392,987	112,808
Other expenses	33	(85,092)	(60,586)
Results of operating activities		2,078,349	2,031,421
Share of profit of associates	8	146,590	151,604
Profit from Window Takaful Operations - Operator's Fund	17	244,618	146,970
Profit before tax		2,469,557	2,329,995
Taxation - net	34	(935,857)	(680,668)
Profit after tax		1,533,700	1,649,327
Earnings (after tax) per share - Rupees	35	7.73	8.31

The annexed notes 1 to 48 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	.....(Rupees in '000).....	
Profit after tax	1,533,700	1,649,327
Other comprehensive loss		
Items that will never be reclassified to the profit and loss account in subsequent years		
Actuarial (loss) / gain on defined benefit plan - net of tax	(4,338)	15,681
Share in other comprehensive (loss) / income of an associate		
Actuarial (loss) / gain on defined benefit plan - net of tax	(315)	949
Items that may be reclassified to the profit and loss account in subsequent years		
Foreign currency translation difference - net of tax	29,378	8,463
Unrealised loss on revaluation of available-for-sale investments - net of tax	(336,085)	(165,905)
Reclassification adjustment for net gain on sale of available-for-sale investments included in the profit and loss account - net of tax	(88,937)	(167,656)
	(425,022)	(333,561)
Share in other comprehensive income / (loss) of an associate		
Unrealised gain / (loss) on revaluation of available-for-sale investments - net of tax	2,297	(5,311)
Foreign currency translation difference - net of tax	1,997	(137)
	4,294	(5,448)
Other comprehensive income of Window Takaful Operations - Operator's Fund		
Unrealised gain on revaluation of available-for-sale investments - net of tax	656	1,999
Reclassification adjustment for net loss on sale of available-for-sale investments included in the profit and loss account - net of tax	2,252	-
	2,908	1,999
Other comprehensive income of Window Takaful Operations - Operator's Fund		
Other comprehensive loss for the year	(393,095)	(311,917)
Total comprehensive income for the year	1,140,605	1,337,410

The annexed notes 1 to 48 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	Note .....(Rupees in '000).....	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	12,180,936	10,146,981
Reinsurance premium paid	(5,230,712)	(4,669,172)
Claims paid	(4,413,656)	(3,557,349)
Reinsurance and other recoveries received	1,272,911	730,501
Commission paid	(673,579)	(639,000)
Commission received	327,376	332,386
Management expenses paid	(1,679,508)	(1,489,779)
Net cash generated from underwriting activities	1,783,768	854,568
(b) Other operating activities		
Income tax paid	(779,978)	(570,183)
General and administration expenses paid	(40,592)	(16,925)
Other operating payments	(1,625,470)	(1,194,154)
Other operating receipts	1,944,035	1,700,471
Loans advanced	(833)	(2,425)
Loan repayments received	788	2,060
Net cash used in other operating activities	(502,050)	(81,156)
Total cash generated from all operating activities	1,281,718	773,412
Investment activities		
Profit / return received	1,478,146	912,437
Dividends received	337,382	321,775
Rentals received - net of expenses	101,158	118,587
Payments for investments	(36,606,530)	(34,825,966)
Proceeds from investments	32,695,049	36,843,467
Fixed capital expenditure	(44,006)	(14,047)
Proceeds from sale of property and equipment	14,743	3,983
Total cash (used in) / generated from investing activities	(2,024,058)	3,360,236
Financing activities		
Dividends paid	(772,376)	(674,041)
Principal repayment of lease liabilities against right-of-use asset	(32,768)	(5,254)
Total cash used in financing activities	(805,144)	(679,295)
Net cash (used in) / generated from all activities	(1,547,484)	3,454,353
Cash and cash equivalents at the beginning of the year	4,434,642	980,289
Cash and cash equivalents at the end of the year	2,887,158	4,434,642

16.3

	2022	2021
.....(Rupees in '000).....		
Reconciliation to the profit and loss account		
Operating cash flows	1,281,718	773,412
Depreciation / amortisation expense	(64,794)	(70,611)
Gain on disposal of property and equipment	11,177	75
Unrealised diminution on revaluation of investments classified as at fair value through profit or loss	(15,416)	(5,049)
Profit on disposal of investments	109,317	316,386
Rental income	84,525	82,161
Dividend income	337,382	312,170
Other investment income	1,329,745	858,860
Share of profit of associates	146,590	151,604
Profit from Window Takaful Operations - Operator's Fund - net of tax	158,015	104,349
Actuarial gain on defined benefit plan	6,475	(22,085)
Increase in assets other than cash	3,472,300	1,427,098
Increase in liabilities other than borrowings	(5,323,334)	(2,279,043)
Profit after tax	1,533,700	1,649,327
Cash and cash equivalents include the following for the purpose of the cash flow statement:		
Cash and other equivalents		
Cash in hand	75	56
Policy and revenue stamps, bond papers	9,216	2,817
	9,291	2,873
Cast at bank		
Current accounts	83,031	84,031
Savings accounts	2,731,444	1,815,086
	2,814,475	1,899,117
Deposits having original maturity within 3 months		
Term deposits - local currency	-	2,500,000
Term deposits - foreign currency	63,392	32,652
	63,392	2,532,652
	2,887,158	4,434,642
Reconciliation of liabilities arising out of financing activities		
Unclaimed dividend as at January 1	142,550	121,872
Changes from financing activities		
Dividend paid	(772,376)	(674,041)
Others		
Final cash dividend for the year ended December 31, 2021 @ 40% (2020: 35%)	793,965	694,719
Unclaimed dividend as at December 31	164,139	142,550

The annexed notes 1 to 48 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

	Attributable to equity holders of the Company							Total	
	Capital reserve			Revenue reserves					
	Share capital	Reserve for exceptional losses	Unrealised appreciation / (diminution) on revaluation of available-for-sale investments - net of tax	Foreign currency translation difference - net of tax	General reserve	Special reserve	Company's share of retained earnings arising from business other than participating businesses attributable to shareholders Ledger D of an associate	Company's share of money held to wait fund by an associate	Unappropriated profit

	1,984,912	9,384	481,522	9,354	3,800,000	1,400,000	241,605	32	1,620,200	9,547,009
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..... (Rupees in '000)

Balance as at January 1, 2021

Changes in equity for the year ended December 31, 2021

Total comprehensive income for the year

Profit after tax	-	-	-	-	-	-	-	-	1,649,327	1,649,327
Ledger D balances	-	-	-	-	-	-	22,569	-	(22,569)	-
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	15,681	15,681
Actuarial gain on defined benefit plan - net of tax	-	-	-	8,463	-	-	-	-	-	8,463
Foreign currency translation difference - net of tax	-	-	(5,311)	(137)	-	-	-	-	949	(4,499)
Share in other comprehensive (loss) / income of an associate	-	-	1,999	-	-	-	-	-	-	1,999
Other comprehensive income of Window Takaful Operations - Operator's Fund - net of tax	-	-	(165,905)	-	-	-	-	-	-	(165,905)
Unrealised diminution on revaluation of available-for-sale investments - net of tax	-	-	(167,656)	-	-	-	-	-	-	(167,656)
Reclassification adjustment for net gain on sale of available-for-sale investments included in the profit and loss account - net of tax	-	-	(336,873)	8,326	-	-	22,569	-	1,643,388	1,337,410

Transactions with owners recorded directly in equity

Final cash dividend at Rs 3.5 (35%) per share for the year ended December 31, 2020 approved on April 12, 2021	-	-	-	-	-	-	-	-	(694,719)	(694,719)
Transfer to general reserve	-	-	-	-	300,000	-	-	-	(300,000)	-
Transfer to special reserve	-	-	-	-	-	400,000	-	-	(400,000)	-
	-	-	-	-	300,000	400,000	-	-	(1,394,719)	(694,719)

Balance as at December 31, 2021

	1,984,912	9,384	144,649	17,680	4,100,000	1,800,000	264,174	32	1,868,869	10,189,700
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Attributable to equity holders of the Company										
Share capital	Capital reserve				Revenue reserves					Total
	Reserve for exceptional losses	Unrealised appreciation / (diminution) on revaluation of available-for-sale investments - net of tax	Foreign currency translation difference - net of tax	General reserve	Special reserve	Company's share of retained earnings arising from business other than participating business attributable to shareholders Ledger D of an associate	Company's share of money ceded to waqf fund by an associate	Unappropriated profit		

Changes in equity for the year ended December 31, 2022

Share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,533,700
Profit after tax	-	-	-	-	-	-	-	-	-	19,127	-	-	-	-	-	-	-	-	-	1,533,700
Ledger D balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,127)
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,338)
Actuarial loss on defined benefit plan - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation difference - net of tax	-	-	-	-	-	29,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share in other comprehensive income / (loss) of an associate	-	-	-	-	-	1,997	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income of Window	-	-	-	-	-	2,297	-	-	-	-	-	-	-	-	-	-	-	-	-	(315)
Takaful Operations - Operator's Fund - net of tax	-	-	-	-	-	2,908	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealised diminution on revaluation of available-for-sale investments - net of tax	-	-	-	-	-	2,908	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification adjustment for net gain on sale of available-for-sale investments included in the profit and loss account - net of tax	-	-	-	-	-	(336,085)	-	-	-	-	-	-	-	-	-	-	-	-	-	(336,085)
	-	-	-	-	-	(88,937)	-	-	-	-	-	-	-	-	-	-	-	-	-	(88,937)
	-	-	-	-	-	(419,817)	-	-	-	-	-	-	-	-	-	-	-	-	-	19,127
	-	-	-	-	-	31,375	-	-	-	-	-	-	-	-	-	-	-	-	-	1,509,920
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final cash dividend at Rs. 4.0 (40%) per share for the year ended December 31, 2021 approved on March 24, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(793,965)
Transfer to general reserve	-	-	-	-	-	300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	(300,000)
Transfer to special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(500,000)
	-	-	-	-	-	300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,593,965)
Balance as at December 31, 2022	1,984,912	9,384	(275,168)	49,055	4,400,000	2,300,000	283,301	32	1,784,824	10,536,340										

Total comprehensive income for the year
 Profit after tax
 Ledger D balances
Other comprehensive (loss) / income
 Actuarial loss on defined benefit plan - net of tax
 Foreign currency translation difference - net of tax
 Share in other comprehensive income / (loss) of an associate
 Other comprehensive income of Window
 Takaful Operations - Operator's Fund - net of tax
 Unrealised diminution on revaluation of available-for-sale investments - net of tax
 Reclassification adjustment for net gain on sale of available-for-sale investments included in the profit and loss account - net of tax

Transactions with owners recorded directly in equity
 Final cash dividend at Rs. 4.0 (40%) per share for the year ended December 31, 2021 approved on March 24, 2022
 Transfer to general reserve
 Transfer to special reserve

The annexed notes 1 to 48 form an integral part of these financial statements.


R. Zakir Mahmood
 Chairman


Amyn Currimbhoy
 Director


Akbarali Pesnani
 Director


Nawaid Jamal
 Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on May 16, 1953. The Company is listed on the Pakistan Stock Exchange Limited 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 March 10, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on May 7, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 shall prevail.

2.1.1 Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company (referred to as the Operator's Fund) have been presented in these financial statements in accordance with the requirements of the General Takaful Accounting Regulations, 2019.

2.1.2 A separate set of financial statements of the Window Takaful Operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair values, obligation in respect of staff retirement benefits which are carried at present value of the defined benefit obligation less fair value of plan assets, investment in associate is valued under equity method of accounting and right-of-use assets and their related lease liability which are measured at their present values.

2.3 Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentational currency.

2.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year

2.4.1 There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been stated in these financial statements.

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2023:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023 & January 1, 2024
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments'	January 1, 2023*

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 but is yet to be notified by the Securities and Exchange Commission of Pakistan.

* The management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 are given in notes 2.5.1 and 2.5.1.1 to these financial statements.

The management is in the process of assessing the impacts of these standards and amendments on the financial statements of the Company.

2.5.1 Temporary exemption from application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 2.5.1.1 below.

2.5.1.1 Fair value of financial assets as at December 31, 2022 and change in the fair values during the year ended December 31, 2022

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	As at December 31, 2022 (Rupees in '000)
<i>Debt securities - Held to maturity (note 10)</i>	
Opening fair value	48,785
Decrease in fair value	(2,035)
Closing fair value	46,750
<i>Debt Securities - Available for sale (note 10)</i>	
Opening fair value	8,228,516
Additions / (Disposals) during the year - net	4,113,430
Decrease in fair value	(404,791)
Closing fair value	11,937,155
Financial assets that do not meet the SPPI criteria	
<i>Equity Securities - Available for sale (note 9)</i>	
Opening fair value	2,908,597
Additions / (Disposals) during the year - net	23,089
Impairment	(409,677)
Decrease in fair value	(216,979)
Closing fair value	2,305,030

2.5.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as stated below have been applied consistently to all years presented in these financial statements.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged using the straight line method in accordance with the rates specified in note 5 to these financial statements and after taking into account residual values, if significant.

Depreciation on additions is charged from the month the assets are available for use, while no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognised 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. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. 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 derecognised. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

3.2 Intangible assets

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.

Intangibles having indefinite useful life

These are stated at cost less impairment losses, if any.

Intangibles having definite useful life

These are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over its estimated useful life as specified in note 6 to these financial statements after taking into account residual values, if significant. Amortisation on additions is charged from the month in which the asset is put to use, whereas no amortisation is charged in the month the asset is disposed of. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss account when the asset is derecognised.

3.3 Investment property

Investment properties are accounted for under the cost model in accordance with the requirements of International Accounting Standard (IAS) 40, "Investment Property".

- Leasehold land is stated at cost.
- Buildings on leasehold land are depreciated to their estimated salvage value on a straight line basis over their useful lives, which are estimated to be 40 - 80 years.

- Lifts and other installations forming part of buildings on leasehold land but having separate useful lives are depreciated at 10 years under the straight line method.

Depreciation charge, subsequent capital expenditure on existing properties, normal repairs and maintenance and gains or losses on disposals are accounted for in similar manner as those applicable to property and equipment (note 3.1).

3.4 Insurance contracts

Insurance contracts are those contracts under which the Company as an 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 expired.

The Company's insurance contracts are classified into the 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 damage

Fire and property damage 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 compensates hospitalisation and out-patient medical coverage to the insured. These contracts are generally one year contracts.

f) Miscellaneous

All other types of insurance contracts 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, normal 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 damage, marine, aviation and transport, accident and health and other commercial line products are provided to commercial organisations.

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.

The accounting policies of the above mentioned insurance contracts have been disclosed in their respective notes to these financial statements.

3.5 Deferred commission expense / acquisition cost

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

3.6 Provision for unearned premium

Provision for unearned premium is calculated by applying twenty fourths' method, except in accident and health insurance for which unearned premium is calculated by applying 365 days method.

3.7 Premium deficiency reserve

The Company is required as per the Insurance Accounting Regulations, 2017, 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.

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. 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.

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.

3.8 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 recognises the entitled benefits under the contracts as various reinsurance assets and liabilities. Reinsurance assets and liabilities are derecognised when contractual rights are extinguished or expired.

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

3.9 Receivables and payables related to insurance contracts

Receivables including premium due but unpaid, relating to insurance contracts are recognised when due. The claim payable is recorded when intimation is received. These are recognised at cost, which is the fair value of the consideration given less provision for impairment losses, if any. Premium received in advance is recognised as liability till the time of issuance of insurance contract thereagainst.

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 recognises the provision in the profit and loss account.

3.10 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 Accounting Regulations, 2017. 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 3.4.

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. Further, the management expenses were allocated to each segment on the basis disclosed in note 3.21.

3.11 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement includes policy and revenue stamps, bond papers, cash at bank and term deposits having original maturity within 3 months.

3.12 Revenue recognition

a) Premium

Premium including administrative surcharge under all types of insurance contracts is recognised as written from the date of issuance of policy / cover note (i.e. the date of attachment of risk).

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognised as a liability (refer note 3.6).

Reinsurance premium is recognised as an 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.

b) Commission income

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.

c) Rental income

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

d) Investment income

- Unrealised gain or loss on revaluation of investments classified as at fair value through profit or loss is included in the profit and loss account in the period to which it relates.
- Gain or loss on sale of investments is accounted for in the profit and loss account in the period to which it relates.
- Dividend income is recognised when the Company's right to receive the dividend is established.
- Interest / mark-up on bank balances, term deposits and government securities is recognised on an accrual basis using the effective interest method.

e) Other income

- Gain or loss on sale of property and equipment, intangible assets and investment properties is recognised when the asset is derecognised.
- Return on loan to employees is recognised on an accrual basis.

3.13 Investments

3.13.1 Classification and recognition

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction costs, except for investments at fair value through profit or loss in which case transaction costs are charged to the profit and loss account.

These are recognised and classified as follows:

- 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.

3.13.2 Measurement

3.13.2.1 At fair value through profit or loss

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in the profit and loss account for the period to which it relates.

3.13.2.2 Held to maturity

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

Subsequently, these are measured at amortised cost using the effective yield less provision for impairment losses, if any.

Any premium paid or discount availed on acquisition of held to maturity investments is deferred and amortised over the term of investment using the effective yield method.

3.13.2.3 Available-for-sale

Investments which are not eligible to be classified as at fair value through profit or loss or held to maturity are classified as 'available-for-sale'.

Quoted

Subsequent to initial recognition, these investments are remeasured at fair value. Gains or losses on remeasurement of these investments are recognised in the statement of comprehensive income.

Unquoted

Unquoted investments are recognised at fair value of the consideration paid less accumulated impairment losses, if any.

3.13.3 Fair value measurements

The fair value of investments in listed equity securities is determined by reference to the stock exchange's quoted market prices at the close of period end.

The fair value of investments in mutual funds is determined by reference to the net asset values as published by Mutual Funds Association of Pakistan at period end.

The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Mutual Funds Association of Pakistan's website.

3.13.4 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 recognise the investor's share of the profit or loss, distribution received and change in the comprehensive income and equity of the investee at the end of each reporting period.

The carrying amount of investments in associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount and is charged to the profit and loss account. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognised. A reversal of impairment loss is recognised in the profit and loss account.

3.13.5 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.

3.14 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position 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.

3.15 Provisions

Provisions are recognised in the statement of financial position 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.

3.16 Provisions for outstanding claims including Incurred But Not Reported (IBNR) claims

Provisions for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Outstanding claims

This represents the amount of claims that have been reported and are yet unpaid or partially unpaid at the end of reporting year for a given accident year.

A liability for outstanding claims (claim incurred) is recognised for all claims incurred 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 liability in respect of unpaid reported claims is made on the basis of individual case estimates while taking into consideration the past claims settlement experience including handling costs and the Company's reserving policy. Where applicable, deductions are made for salvage and their recoveries.

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

Incurred But Not Reported (IBNR) claims

This represents losses that have incurred or are in the occurrence period at the end of the reporting year and have not been intimated to the Company by the end of the reporting year.

The Company is required, as per the SECP circular no. 9 of 2016 dated March 9, 2016 "Guidelines for Estimation of Incurred But Not Reported (IBNR) Claims Reserve, 2016" to estimate and maintain the provision for claims incurred but not reported for each class of business by using the prescribed method which is "Chain Ladder Method" or any other alternate method as allowed under the provisions of the Guidelines.

The actuarial valuation as at December 31, 2022 has been carried out by an independent firm of actuaries for determination of IBNR for each class of business.

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 the statement of comprehensive income, in which case it is recognised in equity or in the statement of comprehensive income respectively.

Current tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current period for such years.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.18 Staff benefits

3.18.1 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 recognised in the statement of financial position 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 recognised immediately in the statement of comprehensive income. The Company makes contributions to the plan on the basis of advice of its actuary.

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 recognised in the profit and loss account and actuarial gains / losses are recognised in the statement of comprehensive income as they occur and are not reclassified to the profit and loss account in subsequent periods.

The latest actuarial valuation of the Company's defined benefit plan was carried out as of December 31, 2022.

3.18.2 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.

3.18.3 Employees' compensated absences

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

3.19 Impairment of assets

The management assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and included in the profit and loss account. Impairment losses recognised in the profit and loss account on equity securities are only reversed when the equity securities are derecognised.

3.20 Dividend distribution and reserve appropriation

Dividend distribution and reserve appropriation are recognised when approved.

3.21 Management and other expenses

Management expenses are allocated to various classes of business and Window Takaful Operations as deemed equitable by the management based on the detailed exercise carried out by the management on an annual basis.

Expenses not directly attributable to the underwriting business are charged under other expenses.

3.22 Foreign currency

3.22.1 Foreign currency transactions

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

Non-monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the date of initial recognition of the non-monetary assets / liabilities.

3.22.2 Foreign operations

The assets and liabilities of foreign operations (associate) are translated to rupees at exchange rates prevailing at the reporting date. The results of foreign operations are translated at the average rates of exchange for the year.

3.22.3 Translation gains and losses

Translation gains and losses are taken to the profit and loss account, except those arising on translation of the net investment in foreign operations (associate) which are taken to the statement of comprehensive income under "Foreign Currency Translation Difference" until the disposal of the net investment, at which time these are recognised in the profit and loss account.

3.23 Financial instruments

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 are derecognised when the Company loses control of contractual rights that comprise 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 the profit and loss account in the period in which financial instrument is derecognised.

3.24 Window Takaful Operations

The accounting policies followed by Window Takaful Operations are stated in the annexed financial statements of Window Takaful Operations for the year ended December 31, 2022.

3.25 Lease liability and right-of-use asset

The Company leases certain branches. Rental contracts are typically for a period of 3 years and may have extension options as described below. At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease term are negotiated on an individual basis and contain different terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payments that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty of exercising the extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit and loss account if the carrying amount of right-of-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right-of-use asset is subsequently measured at cost model. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient of not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

3.26 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.27 Share capital

Ordinary shares are classified as equity and recognised at their face value.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- a) provision for unearned premium (notes 3.6 and 26);
- b) provision for receivables related to insurance contracts (notes 3.9 and 13);
- c) provision for outstanding claims including IBNR (notes 3.16 and 27);
- d) premium deficiency reserve (note 3.7);
- e) defined benefit plan (notes 3.18.1 and 14.1);
- f) classification and impairment of investments (notes 3.13, 3.19, 9, 10 and 11);
- g) residual values and useful lives of property and equipment, intangible assets and investment properties (notes 3.1, 3.2, 3.3, 5, 6 and 7);
- h) allocation of management expenses (notes 3.21 and 29);
- i) taxation and deferred taxation (notes 3.17, 20, 24 and 34); and
- j) lease liability and right-of-use asset (notes 3.25 and 5).

5. PROPERTY AND EQUIPMENT

Furniture, fixtures and equipment									
2022	Buildings	Furniture and fixtures	Office equipment	Tracker equipment	Computer equipment	Sub total	Motor vehicles	Right-of-use assets	Total
(Rupees in '000)									
As at January 1, 2022									
Cost	7,069	93,190	95,173	54,593	73,578	316,534	11,771	41,688	377,062
Accumulated depreciation	(3,025)	(70,341)	(66,578)	(45,054)	(54,820)	(236,793)	(5,945)	(40,366)	(286,129)
Net book value as at January 1, 2022	4,044	22,849	28,595	9,539	18,758	79,741	5,826	1,322	90,933
For the year ended December 31, 2022									
Opening net book value	4,044	22,849	28,595	9,539	18,758	79,741	5,826	1,322	90,933
Additions	-	456	14,167	-	11,554	26,177	270	66,856	93,303
Disposals									
- Cost	-	(11,228)	(11,686)	(33,071)	(2,044)	(58,029)	(90)	-	(58,119)
- Accumulated depreciation	-	10,092	10,335	33,054	1,719	55,200	54	-	55,254
Depreciation charge	(228)	(4,092)	(6,727)	(7,382)	(6,594)	(24,795)	(691)	(18,106)	(43,820)
Net book value as at December 31, 2022	3,816	18,077	34,684	2,140	23,393	78,294	5,369	50,072	137,551
As at December 31, 2022									
Cost	7,069	82,418	97,654	21,522	83,088	284,682	11,951	108,544	412,246
Accumulated depreciation	(3,253)	(64,341)	(62,970)	(19,382)	(59,695)	(206,388)	(6,582)	(58,472)	(274,695)
Net book value as at December 31, 2022	3,816	18,077	34,684	2,140	23,393	78,294	5,369	50,072	137,551
Annual rate of depreciation	3%	17%	17%-33%	20%	25%		20%	45%-50%	

Furniture, fixtures and equipment									
2021	Buildings	Furniture and fixtures	Office equipment	Tracker equipment	Computer equipment	Sub total	Motor vehicles	Right-of-use assets	Total
(Rupees in '000)									
As at January 1, 2021									
Cost	7,069	97,051	105,031	114,133	80,237	396,452	12,912	41,688	458,121
Accumulated depreciation	(2,797)	(69,331)	(69,709)	(85,683)	(58,776)	(283,499)	(5,878)	(30,447)	(322,621)
Net book value as at January 1, 2021	4,272	27,720	35,322	28,450	21,461	112,953	7,034	11,241	135,500
For the year ended December 31, 2021									
Opening net book value	4,272	27,720	35,322	28,450	21,461	112,953	7,034	11,241	135,500
Additions	-	414	2,071	-	5,392	7,877	84	-	7,961
Disposals									
- Cost	-	(4,275)	(11,929)	(59,540)	(12,051)	(87,795)	(1,225)	-	(89,020)
- Accumulated depreciation	-	3,849	10,294	59,540	10,694	84,377	735	-	85,112
Depreciation charge	(228)	(4,859)	(7,163)	(18,911)	(6,738)	(37,671)	(802)	(9,919)	(48,620)
Net book value as at December 31, 2021	4,044	22,849	28,595	9,539	18,758	79,741	5,826	1,322	90,933
As at December 31, 2021									
Cost	7,069	93,190	95,173	54,593	73,578	316,534	11,771	41,688	377,062
Accumulated depreciation	(3,025)	(70,341)	(66,578)	(45,054)	(54,820)	(236,793)	(5,945)	(40,366)	(286,129)
Net book value as at December 31, 2021	4,044	22,849	28,595	9,539	18,758	79,741	5,826	1,322	90,933
Annual rate of depreciation	3%	17%	17%-33%	20%	25%		20%	33%-40%	

5.1 Disposal of property and equipment

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
(Rupees in '000)							
Disposals having book value exceeding Rs. 50,000 individually							
Office equipment							
- Generator	652	587	65	300	235	Insurance Claim	EFU General Insurance
- Generator	1,810	1,629	181	1,000	819	Insurance Claim	EFU General Insurance
- Generator	1,082	974	108	800	692	Negotiation	Virtual Engineering Company
- Generator	837	701	136	200	64	Insurance Claim	EFU General Insurance
- Metal detectors	256	203	53	-	(53)	Write-off	EFU General Insurance
Disposals having book value not exceeding Rs. 50,000 individually							
Furniture and fixtures	11,228	10,092	1,136	6,706	5,570	Negotiation	Various
Office equipment	7,049	6,241	808	3,657	2,849	Negotiation	Various
Tracker equipment	33,071	33,054	17	-	(17)	Write-off	Various
Computer equipment	2,044	1,719	325	2,047	1,722	Negotiation	Various
Motor vehicles	90	54	36	33	(3)	Negotiation	Various
2022	58,119	55,254	2,865	14,743	11,878		
2021	89,020	85,112	3,908	3,983	75		

5.2 Purchaser wise disposal of property and equipment

Particulars of buyer and asset	Category	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal
(Rupees in '000)							
EFU General Insurance Company Limited							
Tables and chairs	Furniture and fixtures	869	782	87	1,043	956	Insurance Claim
Paintings and false ceiling	Furniture and fixtures	1,284	1,156	128	1,541	1,413	Insurance Claim
Sign boards	Office equipment	106	96	10	128	118	Insurance Claim
Blocks, plasters, carpets and blinds	Furniture and fixtures	456	410	46	547	501	Insurance Claim
Work stations, cabinets and doors	Furniture and fixtures	2,834	2,550	284	4,005	3,721	Insurance Claim
Computer accessories	Computers Tangible	1,540	1,364	176	1,847	1,671	Insurance Claim
Motor vehicle	Motor Vehicle	44	26	18	22	4	Insurance Claim
Phone sets, speakers and amplifiers	Office equipment	73	38	35	88	53	Insurance Claim
Cameras and radiator	Office equipment	253	194	59	304	245	Insurance Claim
Fax machine	Office equipment	30	27	3	36	33	Insurance Claim
Air conditioners and fans	Office equipment	620	558	62	744	682	Insurance Claim
		8,109	7,201	908	10,305	9,397	
Virtual Engineering Company							
Generator	Office equipment	1,082	974	108	800	692	Negotiation
Al-Haram Associates							
Air conditioners and cassettes	Office equipment	1,666	1,500	166	183	17	Auction
Microwave oven, geyser, and water dispenser	Office equipment	254	218	36	40	4	Auction
		1,920	1,718	202	223	21	

5.3 Cost and accumulated depreciation in respect of fully depreciated property and equipment still in use at the end of the year amounted to Rs. 191,812 thousands and Rs. 173,886 thousands respectively (2021: Rs. 139,815 thousands and Rs. 124,712 thousands respectively).

6. INTANGIBLE ASSETS

	Cost			Amortisation			Written down value as at December 31	Amortisation period
	As at January 1	Additions/ (Writeoffs)	As at December 31	As at January 1	For the year	As at December 31		
(Rupees in '000)								
Computer software - 2022	124,142	17,559 (1,168)	140,533	78,056	20,974 (467)	98,563	41,970	5 years
Computer software - 2021	118,056	6,086	124,142	56,065	21,991	78,056	46,086	5 years

6.1 Cost and accumulated amortisation in respect of fully amortised intangible assets still in use at the end of the year amounted to Rs. 27,008 thousands (2021: Rs. 15,548 thousands).

7. INVESTMENT PROPERTIES

2022							
Cost			Depreciation			Written down value as at December 31, 2022	Useful life
As at January 01, 2022	Addition / (disposal)	As at December 31, 2022	As at January 1, 2022	For the year	As at December 31, 2022		
(Rupees in '000)							
Leasehold land	556,600	-	556,600	-	-	556,600	
Buildings on leasehold land	125,563	-	125,563	47,474	3,484	74,605	40-80 years
Lifts and other installations	29,187	-	29,187	23,228	2,240	3,719	10 years
	-	-	-	-	-	-	
	711,350	-	711,350	70,702	5,724	76,426	634,924
	-	-	-	-	-	-	-

2021							
Cost			Depreciation			Written down value as at December 31, 2021	Useful life
As at January 01, 2021	Addition / (disposal)	As at December 31, 2021	As at January 1, 2021	For the year	As at December 31, 2021		
(Rupees in '000)							
Leasehold land	556,600	-	556,600	-	-	556,600	
Buildings on leasehold land	125,563	-	125,563	44,023	3,451	78,089	40-80 years
Lifts and other installations	29,187	-	29,187	21,431	1,797	5,959	10 years
	-	-	-	-	-	-	
	711,350	-	711,350	65,454	5,248	70,702	640,648
	-	-	-	-	-	-	-

7.1 The market value of investment properties as per the valuations carried out by the professional valuers in 2021 and as ascertained by the management is Rs. 3,746,714 thousands (2021: Rs. 3,746,714 thousands).

8. INVESTMENTS IN ASSOCIATES

2022	2021	Face value per share	Note	2022	2021
Number of shares				(Rupees in '000)	
(Rupees)					
5,611,592	5,611,592	10	8.1	862,123	804,534
Quoted Jubilee Life Insurance Company Limited (JLICL) (Chief Executive Officer - Javed Ahmed)					
(KGS)					
29,250,000	29,250,000	1	8.2	221,268	169,146
Unquoted Jubilee Kyrgyzstan Insurance Company Limited (JKIC) (incorporated in Kyrgyzstan) (Chief Executive Officer: Khegai V.I.)					
				1,083,391	973,680

8.1 JLICL is engaged in the business of life insurance. The market value of investment is Rs. 780,011 thousands (2021: Rs. 1,212,104 thousands) and percentage of holding in associate is 6.43% (2021: 6.43%). Although the Company holds less than 20% shares in JLICL, it exercises significant influence through representation on the board of directors of JLICL.

8.2 JKIC is a closed joint stock company and is engaged in the business of life and non-life insurance. The break-value of the investment is Rs. 7.43 (2021: Rs. 5.60) per share and percentage of holding in associate is 19.5% (2021: 19.5%). The Company assessed the recoverable amount of investment in JKIC based on value-in-use calculation. Based on the valuation, the recoverable amount exceeds the carrying amount and accordingly, no impairment has been recognised in respect of JKIC for the year ended December 31, 2022 (2021: Nil).

8.3 Movement of investment in associates is as follows:

	JLICL		JKIC		Total	
	2022	2021	2022	2021	2022	2021
(Rupees in '000)						
Opening balance	804,534	766,222	169,146	144,837	973,680	911,059
Share of profit of associates	133,018	137,240	13,572	14,364	146,590	151,604
Dividend received	(81,368)	(92,591)	(5,298)	(1,975)	(86,666)	(94,566)
Foreign currency translation difference - net	2,981	(193)	43,848	11,920	46,829	11,727
Net unrealised appreciation / (diminution) on revaluation of available-for-sale investments	3,428	(7,480)	-	-	3,428	(7,480)
Actuarial (loss) / gain on defined benefit plan	(470)	1,336	-	-	(470)	1,336
Closing balance	862,123	804,534	221,268	169,146	1,083,391	973,680

8.4 Following is the summarised financial information of JLICL and JKIC:

	JLICL		JKIC	
	September 30		December 31	
	2022	2021	2022	2021
(Rupees in '000)				
(Note 8.4.1) (Note 8.4.2)				
For the period / year ended				
Revenue	33,234,773	33,433,718	486,062	320,842
Profit after tax	1,491,594	1,216,148	71,380	72,290
Share of profit of associates	133,018	137,240	13,572	14,364
Other comprehensive income / (loss)	112,919	(136,317)	-	-
Share of other comprehensive income / (loss)	5,939	(6,337)	-	-
Total comprehensive income	1,604,513	1,079,831	71,380	72,290
Share of total comprehensive income	138,957	130,903	13,572	14,364
As at				
Total assets	187,908,746	189,325,734	1,577,392	1,182,488
Total liabilities	174,500,925	176,813,548	458,279	343,132
Net assets	13,407,821	12,512,186	1,119,113	839,356
Share of net assets	862,123	804,534	218,227	163,674
Fair value of consideration net of exchange translation	-	-	3,041	5,472
Carrying value of investment	862,123	804,534	221,268	169,146

8.4.1 The annual financial statements of JLICL have not been published till the date of authorisation of the financial statements of the Company. Therefore, the above information has been summarised based on the most recent available unaudited condensed interim financial statements of JLICL for the period ended September 30, 2022 (2021: September 30, 2021).

8.4.2 The above information has been summarised based on the most recent available audited financial statements of JKIC for the year ended December 31, 2022 (2021: December 31, 2021). The functional and presentational currency of JKIC is Kyrgyz Som (KGS).

9. INVESTMENTS IN EQUITY SECURITIES

Note	2022			2021		
	Cost / Carrying value	Impairment for the year	Market value	Cost / Carrying value	Impairment for the year	Market value
Available-for-sale	..... (Rupees in '000)					
Related parties						
Mutual funds	564	-	2,396	1,268	-	4,609
Listed shares	272,127	288,848	272,127	560,975	60,000	497,967
	272,691	288,848	274,523	562,243	60,000	502,576
Others						
Listed shares / certificates	2,066,793	120,829	2,028,007	2,163,834	69,191	2,403,521
Unlisted shares						
- Matari Sugar Mills Limited [951,665 shares (2021: 951,665 shares)]						
Name of CEO: Syed Shafqat Ali Shah						
Break-up value per share: Rs. 163.64 (2021: Rs. 106.44)	2,500	-	2,500	2,500	-	2,500
	2,069,293	120,829	2,030,507	2,166,334	69,191	2,406,021
At fair value through profit or loss						
Listed shares	197,129	-	181,713	177,562	-	172,513
	2,539,113	409,677	2,486,743	2,906,139	129,191	3,081,110

9.1 Investments - Available-for-sale

9.1.1 Related parties

9.1.1.1 Mutual funds

Name of Fund	Number of units		2022		2021	
	2022	2021	Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)						
HBL Growth Fund Class B	146,124	146,124	457	1,775	457	2,500
HBL Investment Fund Class B	103,333	103,333	107	621	107	903
HBL Growth Fund Class A	-	142,500	-	-	607	955
HBL Investment Fund Class A	-	100,379	-	-	97	251
			564	2,396	1,268	4,609

9.1.1.2 Listed shares

Name of Investee Company	Number of shares		2022		2021	
	2022	2021	Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)						
Commercial Banks						
Habib Bank Limited	4,270,000	4,270,000	272,127	272,127	560,975	497,967

9.1.2 Others

9.1.2.1 Listed shares / certificates

Name of Investee Company	Number of shares		2022		2021	
	2022	2021	Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)						
MODARABAS						
OLP Modaraba (formerly Orix Modarba)	1,297,972	1,297,972	8,839	16,485	8,839	20,768
First Habib Modaraba	2,000,000	2,000,000	11,345	15,000	11,345	17,920
			20,184	31,485	20,184	38,688
LEASING COMPANIES						
OLP Financial Services Pakistan Limited	456,526	456,526	2,300	8,902	2,300	9,815
COMMERCIAL BANKS						
Bank Al Habib Limited	550,000	850,000	26,633	30,404	29,941	58,659
United Bank Limited	2,515,000	2,400,000	355,653	253,388	340,335	327,792
Bank Alfalah Limited	5,850,000	5,450,000	205,827	176,321	192,100	188,570
The Bank of Punjab	-	1,175,000	-	-	11,152	9,952
Faysal Bank Limited	340,000	-	9,554	8,782	-	-
Habib Metropolitan Bank Limited	475,000	475,000	15,581	16,127	15,581	20,344
Askari Bank Limited	-	650,000	-	-	14,964	14,313
MCB Bank Limited	1,100,000	1,100,000	127,777	127,777	198,810	168,690
Allied Bank Limited	685,000	685,000	56,355	43,819	56,355	56,355
			797,380	656,618	859,238	844,675
TEXTILE COMPOSITE						
Nishat Mills Limited	-	500,000	-	-	43,833	39,790
TEXTILE SPINNING						
Service Textiles Industries Limited	199,420	199,420	100	1,635	100	2,393
AUTOMOBILE PARTS & ACCESSORIES						
Thal Limited	-	199,500	-	-	10,240	76,347
INSURANCE						
Adamjee Insurance Company Limited	-	275,000	-	-	10,680	11,000
POWER GENERATION & DISTRIBUTION						
The Hub Power Company Limited	2,100,000	2,000,000	129,812	132,469	122,496	142,680
Nishat Power Limited	-	571,000	-	-	10,953	11,351
K-Electric Limited	-	3,200,000	-	-	12,272	11,008
			129,812	132,469	145,721	165,039
OIL & GAS MARKETING COMPANIES						
Attock Petroleum Limited	143,750	85,000	38,510	41,646	26,690	26,690
Pakistan State Oil Company Limited	380,000	175,000	59,588	54,718	23,400	31,831
			98,098	96,364	50,090	58,521
OIL & GAS EXPLORATION COMPANIES						
Pakistan Oilfields Limited	350,305	390,305	129,114	137,618	143,857	139,581
Pakistan Petroleum Limited	2,290,000	1,590,000	156,041	156,041	150,361	125,674
Oil & Gas Development Company Limited	2,550,000	1,900,000	218,531	203,134	163,780	163,780
Mari Petroleum Company Limited	50,000	50,000	63,048	77,349	63,048	82,712
			566,734	574,142	521,046	511,747
ENGINEERING						
International Industries Limited	592,100	592,100	30,631	44,799	30,631	82,189

Name of Investee Company	Number of shares		2022		2021	
	2022	2021	Cost / Carrying value	Market value	Cost / Carrying value	Market value
AUTOMOBILE ASSEMBLER						
Millat Tractors Limited	95,098	89,232	3,957	46,134	6,416	76,939
PHARMACEUTICALS						
GlaxoSmithKline Pakistan Limited	35,000	-	5,737	5,737	-	-
TECHNOLOGY & COMMUNICATION						
Systems Limited	23,447	-	11,274	11,348	-	-
Pakistan Telecommunication Company Limited	-	5,000,000	-	-	46,800	43,500
			11,274	11,348	46,800	43,500
FERTILIZER						
Fauji Fertilizer Company Limited	1,435,000	1,300,000	139,306	141,649	123,574	130,338
Fauji Fertilizer Bin Qasim Limited	-	200,000	-	-	3,904	4,956
Lotte Chemical Pakistan Limited	550,000	-	15,030	14,246	-	-
Engro Corporation Limited	483,000	300,000	117,018	126,551	72,100	81,726
Engro Fertilizers Limited	1,767,807	2,800,000	129,232	135,928	204,688	213,052
			400,586	418,374	404,266	430,072
FOOD & PERSONAL CARE PRODUCTS						
Al Shaheer Corporation Limited	-	950,000	-	-	12,289	12,806
			2,066,793	2,028,007	2,163,834	2,403,521

9.2 At fair value through profit and loss

Name of Investee Company	Number of shares		2022		2021	
	2022	2021	Cost / Carrying value	Market value	Cost / Carrying value	Market value
Listed shares						
FERTILIZER						
Engro Corporation Limited	45,000	25,000	11,286	11,790	6,763	6,811
Engro Fertilizers Limited	-	200,000	-	-	15,220	15,218
			11,286	11,790	21,983	22,029
TECHNOLOGY & COMMUNICATION						
Pakistan Telecommunication Company Limited	-	400,000	-	-	3,949	3,480
COMMERCIAL BANKS						
MCB Bank Limited	249,513	80,000	33,678	28,983	12,207	12,268
Faysal Bank Limited	450,000	-	11,155	11,624	-	-
United Bank Limited	420,906	-	52,180	42,406	-	-
Bank Al Habib Limited	442,845	250,000	24,371	24,480	17,697	17,253
			121,384	107,493	29,904	29,521
TEXTILE COMPOSITE						
Nishat Mills Limited	-	125,600	-	-	10,936	9,995
CEMENT						
Pioneer Cement Limited	130,527	-	8,167	6,713	-	-
Lucky Cement Limited	-	20,000	-	-	13,750	13,586
			8,167	6,713	13,750	13,586
OIL & GAS MARKETING COMPANIES						
Sui Northern Gas Pipelines Limited	-	125,000	-	-	4,868	4,181
OIL & GAS EXPLORATION COMPANIES						
Oil & Gas Development Company Limited	303,045	100,000	24,768	24,141	8,798	8,620
Pakistan Oilfields Limited	-	120,418	-	-	44,610	43,063
Pakistan Petroleum Limited	400,000	125,000	27,028	27,256	9,611	9,880
Pakistan State Oil Company Limited	30,000	145,000	4,496	4,320	27,365	26,374
			56,292	55,717	90,384	87,937
POWER GENERATION & DISTRIBUTION						
The Hub Power Company Limited	-	25,000	-	-	1,788	1,784
			197,129	181,713	177,562	172,513

10. INVESTMENTS IN DEBT SECURITIES

Government securities

Others

Held to maturity

Pakistan Investment Bonds

Available-for-sale

Pakistan Investment Bonds

Treasury Bills

	2022		2021	
	Cost	Carrying value	Cost	Carrying value
Note	..... (Rupees in '000)			
10.1.1	50,927	50,927	51,741	51,741
10.2.1	7,344,974	7,004,762	2,329,775	2,365,344
10.2.2	4,966,231	4,932,393	5,867,970	5,863,172
	12,311,205	11,937,155	8,197,745	8,228,516
	12,362,132	11,988,082	8,249,486	8,280,257

10.1 Government securities - held to maturity

10.1.1 Pakistan Investment Bonds

Face value (Rupees)	Profit rate %	Profit payment	Type of Security	Maturity date	2022		2021	
					Cost	Carrying value	Cost	Carrying value
..... (Rupees in '000)								
50,000,000	10	Semi annually	Pakistan Investment Bond - 20 years	20-01-2024	50,927	50,927	51,741	51,741
					50,927	50,927	51,741	51,741

10.1.1.1 The market value of these investments amounted to Rs 46,750 thousands (2021: Rs 48,785 thousands).

10.2 Government securities - available-for-sale

10.2.1 Pakistan Investment Bonds

Face value (Rupees)	Profit rate %	Profit payment	Type of Security	Maturity date	2022		2021	
					Cost	Carrying value	Cost	Carrying value
..... (Rupees in '000)								
150,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	146,173	147,613
100,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	98,193	98,410
100,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	98,202	98,410
50,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	49,068	49,205
135,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	132,283	132,854
50,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	49,100	49,205
100,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	98,203	98,410
50,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	49,084	49,205
200,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	-	-	196,271	196,820
100,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	97,200	95,590	92,378	95,390
75,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	72,977	71,693	69,488	71,543
50,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	48,613	47,795	46,223	47,695
100,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	97,154	95,590	92,257	95,390
150,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	145,759	143,385	138,461	143,085
75,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	72,875	71,693	69,218	71,543

Face value (Rupees)	Profit rate %	Profit payment	Type of Security	Maturity date	2022		2021	
					Cost	Carrying value	Cost	Carrying value
..... (Rupees in '000)								
100,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	97,202	95,590	92,384	95,390
50,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	48,589	47,795	46,160	47,695
50,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	48,577	47,795	46,129	47,695
100,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	97,296	95,590	92,632	95,390
100,000,000	9.50	Semi annually	Pakistan Investment Bond - 5 years	19-09-2024	95,683	89,810	93,542	95,630
75,000,000	9.50	Semi annually	Pakistan Investment Bond - 5 years	19-09-2024	72,705	67,358	71,554	71,723
200,000,000	9.50	Semi annually	Pakistan Investment Bond - 5 years	19-09-2024	194,073	179,620	191,098	191,260
75,000,000	9.50	Semi annually	Pakistan Investment Bond - 5 years	19-09-2024	73,109	67,358	72,156	71,723
37,500,000	8.75	Semi annually	Pakistan Investment Bond - 10 years	12-07-2028	31,216	29,625	30,466	32,850
37,500,000	8.75	Semi annually	Pakistan Investment Bond - 10 years	12-07-2028	30,771	29,625	29,977	32,850
50,000,000	10.00	Semi annually	Pakistan Investment Bond - 10 years	19-09-2029	45,165	41,355	44,719	46,120
50,000,000	10.00	Semi annually	Pakistan Investment Bond - 10 years	19-09-2029	47,781	41,355	47,566	46,120
50,000,000	10.00	Semi annually	Pakistan Investment Bond - 10 years	19-09-2029	47,070	41,355	46,790	46,120
250,000,000	7.50	Semi annually	Pakistan Investment Bond - 5 years	15-10-2025	222,429	204,575	-	-
1,000,000,000	10.00	Semi annually	Pakistan Investment Bond - 3 years	04-08-2025	918,529	877,500	-	-
900,000,000	10.00	Semi annually	Pakistan Investment Bond - 3 years	04-08-2025	825,775	789,750	-	-
150,000,000	7.50	Semi annually	Pakistan Investment Bond - 5 years	29-04-2027	124,231	116,655	-	-
500,000,000	7.50	Semi annually	Pakistan Investment Bond - 5 years	29-04-2027	410,477	388,850	-	-
1,400,000,000	7.50	Semi annually	Pakistan Investment Bond - 5 years	29-04-2027	1,141,709	1,088,780	-	-
600,000,000	7.50	Semi annually	Pakistan Investment Bond - 5 years	29-04-2027	486,767	466,620	-	-
1,400,000,000	7.50	Semi annually	Pakistan Investment Bond - 5 years	29-04-2027	1,139,731	1,088,780	-	-
250,000,000	7.50	Semi annually	Pakistan Investment Bond - 5 years	29-04-2027	202,457	194,425	-	-
500,000,000	7.50	Semi annually	Pakistan Investment Bond - 5 years	29-04-2027	409,054	388,850	-	-
					<u>7,344,974</u>	<u>7,004,762</u>	<u>2,329,775</u>	<u>2,365,344</u>

10.2.2 Treasury Bills

Face value (Rupees)	Profit rate %	Profit payment	Type of Security	Maturity date	2022		2021	
					Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)								
500,000,000	7.54	On maturity	Treasury Bills	13-01-2022	-	-	498,808	498,352
650,000,000	7.54	On maturity	Treasury Bills	13-01-2022	-	-	648,459	647,858
500,000,000	7.52	On maturity	Treasury Bills	27-01-2022	-	-	497,426	496,422
500,000,000	7.43	On maturity	Treasury Bills	24-02-2022	-	-	494,701	492,546
500,000,000	8.50	On maturity	Treasury Bills	10-02-2022	-	-	495,432	494,484
500,000,000	11.78	On maturity	Treasury Bills	10-03-2022	-	-	490,309	490,604
263,000,000	11.60	On maturity	Treasury Bills	24-03-2022	-	-	257,083	257,041
500,000,000	11.60	On maturity	Treasury Bills	24-03-2022	-	-	488,591	488,671
500,000,000	11.60	On maturity	Treasury Bills	24-03-2022	-	-	488,644	488,671
500,000,000	11.60	On maturity	Treasury Bills	24-03-2022	-	-	488,698	488,671
543,500,000	11.60	On maturity	Treasury Bills	24-03-2022	-	-	531,215	531,181
500,000,000	11.60	On maturity	Treasury Bills	24-03-2022	-	-	488,604	488,671
250,000,000	12.25	On maturity	Treasury Bills	24-03-2023	243,871	241,075	-	-
250,000,000	12.28	On maturity	Treasury Bills	24-03-2023	243,857	241,075	-	-
250,000,000	13.25	On maturity	Treasury Bills	20-04-2023	241,292	238,050	-	-
323,000,000	13.30	On maturity	Treasury Bills	20-04-2023	311,636	307,561	-	-
250,000,000	13.35	On maturity	Treasury Bills	20-04-2023	241,262	238,050	-	-
314,000,000	13.20	On maturity	Treasury Bills	20-04-2023	302,989	298,991	-	-
250,000,000	15.73	On maturity	Treasury Bills	04-05-2023	239,643	236,550	-	-
500,000,000	15.67	On maturity	Treasury Bills	19-10-2023	445,990	440,300	-	-
500,000,000	15.70	On maturity	Treasury Bills	26-01-2023	494,811	494,850	-	-
200,000,000	15.73	On maturity	Treasury Bills	04-05-2023	190,170	189,240	-	-
500,000,000	15.73	On maturity	Treasury Bills	02-11-2023	443,201	437,800	-	-
500,000,000	16.88	On maturity	Treasury Bills	23-02-2023	488,203	488,800	-	-
350,000,000	16.80	On maturity	Treasury Bills	23-02-2023	341,780	342,160	-	-
500,000,000	16.96	On maturity	Treasury Bills	06-04-2023	478,887	479,150	-	-
270,000,000	16.90	On maturity	Treasury Bills	06-04-2023	258,639	258,741	-	-
					4,966,231	4,932,393	5,867,970	5,863,172

10.3 Pakistan Investment Bonds with face value of Rs. 200,000 thousands (2021: Rs. 200,000 thousands) are placed with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

11. INVESTMENTS IN TERM DEPOSITS

		2022	2021
Held to maturity	Note	.....(Rupees in '000).....	
Deposits maturing within 12 months			
Term deposits - local currency	11.1 & 11.2	45,750	2,530,750
Term deposits - foreign currency		210,552	138,553
	11.3	256,302	2,669,303

11.1 These include an amount of Rs. 5,750 thousands (2021: Rs. 5,750 thousands) placed under lien with commercial banks against bank guarantees.

11.2 These include an amount of Rs. 40,000 thousands (2021: Rs. 1,525,000 thousands) held with a related party. Term deposits with the related party carry profit at the rate of 15.00% (2021: 8.50% to 13.00%) per annum and having maturity up to May 24, 2023.

11.3 Term deposits carry interest rates ranging from 7.2% to 15.00% (2021: 7.2% to 13.00%) per annum and having maturity up to December 29, 2023. Foreign deposits carry interest rates ranging from 1.50% to 3.00% (2021: 0.15% to 1.00%) per annum and having maturity up to January 19, 2023.

12. LOANS AND OTHER RECEIVABLES - Considered good

	2022	2021
.....(Rupees in '000).....		
Accrued investment income	214,996	96,900
Security deposit	36,720	36,280
Advance to suppliers	112,688	78,049
Loans to employees	1,136	1,091
Sales tax recoverable	29,574	20,947
Medical claims recoverable	2,324	6,118
Receivable against sale of investments	37,774	5,031
Other receivable	20,413	6,796
	455,625	251,212

		2022	2021
13.	INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good		
		.....(Rupees in '000).....	
	Due from insurance contract holders	2,795,640	1,636,124
	Less: provision for impairment of receivables from insurance contract holders	(174,961)	(174,961)
		2,620,679	1,461,163
	Due from other insurers / reinsurers	86,978	81,612
	Less: provision for impairment of due from other insurers / reinsurers	(17,000)	(17,000)
		69,978	64,612
		2,690,657	1,525,775

13.1 This includes Rs. 113,861 thousands (2021: Rs. 73,188 thousands) receivable from related parties.

13.2 The Company has entered into coinsurance and reinsurance arrangements with various other insurance companies and one local reinsurance company. As at December 31, 2022, the aggregate net balance due to other insurers and local reinsurer arising from such arrangements amounts to Rs 874.353 million (2021: Rs 798.707 million).

In respect of these balances, during the year the Company has exchanged balance information with them based on the significance of the respective balances. This information corroborates the balance position of the Company in all material respects taking into account the underlying contracts and transactions supported by appropriate evidence.

The reconciliation process of these balances with the respective insurance companies is carried out on ongoing basis. However, as advised by the SECP, this process will be formalised as per the guidelines suggested by Insurance Association of the Pakistan (IAP) for the insurance industry.

14. EMPLOYEE BENEFITS

14.1 Defined benefit plan

The Company offers defined benefit plan to all its permanent employees. The gratuity fund is governed under the repealed Trusts Act, 1882, the Trust Deed, the Rules of the fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of the defined benefit plan including investment decisions and contribution schedule lies with the Board of Trustees of the fund.

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 14.50% (2021: 12.00%) per annum.
- Expected rate of increase in the salaries of the employees 14.50% (2021: 12.00%) per annum.
- Expected interest rate on plan assets 14.50% (2021: 9.75%) per annum.
- Average service length of the employees 11.4 years (2021: 11.4 years).

The benefit plan exposes the Company to the following risks:

Mortality risks

This is the risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks

This is the risk that the final salary at the time of cessation of service is higher than expectation. Since the benefit is calculated on the basis of final salary, the benefit amount increases proportionately.

Withdrawal risks

This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Investment risk

This is the risk of the investments underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plan for the fund.

Risk of insufficiency of assets

This is managed by making regular contributions to the fund as advised by the actuary.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings, if any.

		2022	2021
14.1.1	Asset / (liability) appearing on the statement of financial position	Note .....(Rupees in '000).....	
	Present value of defined benefit obligation	428,493	397,481
	Fair value of plan assets	(428,493)	(397,481)
		-	-
14.1.2	Movement in asset / (liability) during the year		
	Opening balance	-	-
	Charge to the profit and loss account	32,930	31,303
	Charge to the statement of comprehensive income	6,475	(22,085)
	Contributions to the Fund during the year	(39,405)	(9,218)
	Closing balance	-	-
14.1.3	Reconciliation of the present value of the defined benefit obligations		
	As at January 1	397,481	367,833
	Current service costs	32,930	31,303
	Interest costs	46,359	34,675
	Benefits paid	(55,969)	(24,393)
	Actuarial loss from changes in financial assumptions	4,704	643
	Experience adjustments	2,988	(12,580)
	As at December 31	428,493	397,481
14.1.4	Changes in the fair value of plan assets		
	As at January 1	397,481	367,833
	Interest income on plan assets	46,359	34,675
	Contribution to the Fund	39,405	9,218
	Benefits paid	(55,969)	(24,393)
	Return on plan assets, excluding interest income	1,217	10,148
	As at December 31	428,493	397,481
14.1.5	Charge to the profit and loss account		
	Current service costs	32,930	31,303
	Interest costs	46,359	34,675
	Interest income on plan assets	(46,359)	(34,675)
		32,930	31,303
14.1.6	Remeasurements recognised in the statement of comprehensive income during the year		
	Actuarial loss from changes in financial assumptions	4,704	643
	Experience adjustments	2,988	(12,580)
	Return on plan assets, excluding interest income	(1,217)	(10,148)
		6,475	(22,085)

14.1.7	Composition of plan assets	2022		2021	
		Fair value	Percentage	Fair value	Percentage
		(Rupees in '000)		(Rupees in '000)	
	Equity instruments	12,846	3.00	8,479	2.13
	Government securities	310,506	72.46	373,052	93.85
	Others	105,141	24.54	15,950	4.02
	Total	428,493	100.00	397,481	100.00

14.1.8	Historical data	2022	2021	2020	2019	2018
		(Rupees in '000)				
	Present value of defined benefit obligations	428,493	397,481	367,833	368,427	312,094
	Fair value of plan assets	(428,493)	(397,481)	(367,833)	(368,427)	(312,094)
	(Surplus) / deficit	-	-	-	-	-
	Experience adjustments					
	- Actuarial loss / (gain) on defined benefit obligation	2,988	(12,580)	(15,852)	35	31,100
	- Actuarial gain / (loss) on plan assets	1,217	10,148	(10,346)	15,625	2,782

14.1.9 The estimated charge to the profit and loss account in respect of defined benefit plan for the year ending December 31, 2023 would be Rs. 32,974 thousands.

14.1.10	Sensitivity analysis on significant actuarial assumptions - Defined benefit obligation	2022	2021
		(Rupees in '000)	
	Discount rate +0.5%	413,986	362,994
	Discount rate -0.5%	443,875	420,079
	Future salary increases +0.5%	436,598	420,094
	Future salary increases -0.5%	420,724	362,497

14.1.11	Number of employees covered under the scheme	2022	2021
		(Number)	
	Defined benefit plan	502	525

14.2	Defined contribution plan	2022	2021
		(Un-audited)	(Audited)
		(Rupees in '000)	
14.2.1	Provident fund trust		
	Size of the fund	967,207	716,294
	Cost of investments made	724,471	648,709
	Percentage of investments made (based on fair value)	76%	95%
	Fair value of investments	735,461	682,314

14.2.2 Investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. The break-up value of investments is as follows:

	2022	2021
	(Un-audited)	(Audited)
	(Rupees in '000)	
Listed shares / mutual funds	57,770	60,370
Government securities	662,089	621,944
Cash and bank	15,602	-
	735,461	682,314

		2022	2021
15.	PREPAYMENTS	Note	.....(Rupees in '000).....
	Prepaid reinsurance premium ceded	26	3,071,540
	Prepaid rent		9,171
	Prepaid miscellaneous expenses		21,006
			<u>3,101,717</u>
			<u>2,339,417</u>
16.	CASH AND BANK		
	Cash and cash equivalents		
	- Cash in hand		75
	- Policy and revenue stamps, bond papers		9,216
			<u>9,291</u>
			<u>2,817</u>
			<u>2,873</u>
	Cash at bank		
	- Current accounts		83,031
	- Savings accounts	16.1	2,731,444
		16.2	2,814,475
			<u>2,823,766</u>
			<u>1,815,086</u>
			<u>1,899,117</u>
			<u>1,901,990</u>

16.1 Savings accounts carry interest rates ranging from 14.50% to 16.00% (2021: 5.50% to 10.00%) per annum.

16.2 Cash at bank includes Rs. 92,858 thousands (2021: Rs. 104,676 thousands) held with related parties. Savings accounts with related parties carry profit rates ranging from 8.26% to 14.50% (2021: 5.51% to 7.26%) per annum.

16.3 Cash and cash equivalents include the following for the purpose of the cash flow statement:

		2022	2021
		.....(Rupees in '000).....	
	Cash and other equivalents		
	Cash in hand	75	56
	Policy and revenue stamps, bond papers	9,216	2,817
		<u>9,291</u>	<u>2,873</u>
	Cash at bank		
	Current accounts	83,031	84,031
	Savings accounts	2,731,444	1,815,086
		<u>2,814,475</u>	<u>1,899,117</u>
	Deposits having original maturity within 3 months		
	Term deposits - local currency	-	2,500,000
	Term deposits - foreign currency	63,392	32,652
		<u>63,392</u>	<u>2,532,652</u>
		<u>2,887,158</u>	<u>4,434,642</u>

		2022	2021
17.	WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND	.....(Rupees in '000).....	
	Assets		
	Cash and bank	233,356	258,206
	Investments	202,409	56,261
	Property and equipment and intangible assets	1,933	2,224
	Other assets	196,242	173,195
	Total assets	<u>633,940</u>	<u>489,886</u>
	Total liabilities	<u>376,314</u>	<u>288,834</u>
	Profit before tax	<u>244,618</u>	<u>146,970</u>

Details of assets and liabilities and segment information of Window Takaful Operations - Operator's Fund are stated in annexed financial statements for the year ended December 31, 2022.

18. SHARE CAPITAL

18.1 Authorised capital

2022	2021		2022	2021
(Number of shares in '000)			.....(Rupees in '000).....	
250,000	250,000	Ordinary shares of Rs. 10 each	2,500,000	2,500,000

18.2 Issued, subscribed and paid-up capital

210	210	Ordinary shares of Rs.10 each issued as fully paid in cash	2,100	2,100
198,281	198,281	Ordinary shares of Rs.10 each issued as fully paid bonus shares	1,982,812	1,982,812
198,491	198,491		1,984,912	1,984,912

Shares of the Company held by related parties amounted to Rs. 1,453,429 thousands (145,342,882 shares of Rs. 10 each) [2021: Rs. 1,455,679 thousands (145,567,882 shares of Rs. 10 each)].

19. RESERVES

	Note	2022	2021
		.....(Rupees in '000).....	
Capital reserves			
Reserve for exceptional losses	19.1	9,384	9,384
Net unrealised (diminution) / appreciation on revaluation of available-for-sale investments - net of tax		(275,168)	144,649
Foreign currency translation difference - net of tax		49,055	17,680
Revenue reserves			
General reserve	19.2	4,400,000	4,100,000
Special reserve	19.3	2,300,000	1,800,000
Company's share of retained earnings arising from business other than participating business attributable to shareholder Ledger D of an associate	19.4	283,301	264,174
Company's share of money ceded to waqf fund by an associate	19.4	32	32
		6,766,604	6,335,919

19.1 In accordance with the requirements of the repealed Income Tax Act, 1922 which was applicable to insurance companies, the Company had set aside in prior years amounts up to 10 percent of premium earnings, net of reinsurances 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 up to the accounting year ended December 31, 1978. Accordingly, the Company has ceased to set aside such amounts, but has retained the reserve created up to December 31, 1978.

	Note	2022	2021
		.....(Rupees in '000).....	
19.2 General reserve			
Balance at the beginning of the year		4,100,000	3,800,000
Transfer from unappropriated profit		300,000	300,000
Balance at the end of the year		4,400,000	4,100,000

19.3 Special reserve

Balance at the beginning of the year		1,800,000	1,400,000
Transfer from unappropriated profit		500,000	400,000
Balance at the end of the year	19.3.1	2,300,000	1,800,000

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

19.4 In accordance with note 3.13.4, the Company recognises its share in the equity of its associate at the end of each reporting period. These reserves pertain to the Company's investment in Jubilee Life Insurance Company Limited who has maintained reserves for retained earnings arising from business other than participating business attributable to shareholder Ledger D of an associate and for money ceded to waqf fund.

		2022	2021
20. DEFERRED TAXATION - net			
	Note		
		.....(Rupees in '000).....	
Deferred tax credits arising in respect of:			
Share of profit of associates		311,184	255,986
Right-of-use asset - net		4,739	383
Foreign currency translation difference		21,491	7,021
Accelerated tax depreciation		16,480	(881)
Share in other comprehensive income / (loss) of an associate		1,648	(467)
		355,542	262,042
Deferred tax debits arising in respect of:			
Unrealised (diminution) / appreciation on revaluation of available-for-sale investments		(136,277)	60,480
Actuarial loss on defined benefit plan		(20,036)	(17,746)
Provision for doubtful debts		(63,347)	(55,669)
Impairment on available-for-sale investments		(267,695)	(109,993)
Other provisions		(94,402)	(71,518)
		(581,757)	(194,446)
		(226,215)	67,596
20.1	Movement in net deferred tax (asset) / liability is as follows:		
	Opening deferred tax	67,596	232,143
	Reversal / (charge) to the profit and loss account		
	Accelerated tax depreciation	17,361	2,184
	Provision for doubtful debts	(7,678)	-
	Share of profit of associates	55,198	16,542
	Right-of-use asset - net	4,356	(1,353)
	Impairment on available-for-sale investments	(157,702)	(39,576)
	Other provisions	(22,884)	(14,125)
		(111,349)	(36,328)
	Charge to other comprehensive income		
	Foreign currency translation difference	14,470	3,457
	Unrealised appreciation on revaluation of available-for-sale investments	(196,757)	(136,243)
	Share in other comprehensive income / (loss) of an associate	2,115	(2,225)
	Actuarial loss on defined benefit plan	(2,290)	6,792
		(182,462)	(128,219)
	Closing deferred tax	(226,215)	67,596
21. INSURANCE / REINSURANCE PAYABLES			
	Due to insurance contract holders	109,015	101,744
	Due to other insurers / reinsurers	4,476,899	2,583,719
		4,585,914	2,685,463
22. OTHER CREDITORS AND ACCRUALS			
	Agent commission payable	408,392	439,315
	Federal excise duty / sales tax	63,096	134,588
	Federal insurance fee	3,687	4,985
	Sindh Workers' Welfare Fund	320,061	275,563
	Tax deducted at source	12,545	11,143
	Accrued expenses	47,352	49,622
	Claims payable - stale cheques	95,914	74,173
	Unpaid and unclaimed dividend	164,139	142,550
	Lease liability against right-of-use asset	35,711	-
	Others	29,224	34,163
		1,180,121	1,166,102

		2022	2021
23.	DEPOSITS AND OTHER PAYABLES	Note	.....(Rupees in '000).....
	Advance rent	23.1	61,752
	Security deposits against bond insurance	23.2	1,786,902
	Other deposits		7,792
			1,856,446
			1,617,132

23.1 This includes advance rent from a related party amounting to Rs. 22,903 thousands (2021: Rs. 40,981 thousands).

23.2 This represents margin deposit on account of performance and other bond policies issued by the Company.

24. TAXATION - PROVISION LESS PAYMENTS

Provision for taxation	6,164,551	5,161,329
Less: advance tax including tax deducted at source	(5,626,451)	(4,846,474)
	538,100	314,855

24.1 The Company has filed returns up to tax year 2022. The income tax assessments of the Company have been finalised up to and including assessment year 2002-2003 and tax years 2004, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019. The returns filed for tax years 2005, 2006, 2007, 2020 and 2021 are deemed to be orders under the provisions of section 120 of the Income Tax Ordinance, 2001 unless any amendments are made by the tax authorities.

24.2 In the assessment order for the assessment year 2002-2003, made in prior years, certain items had been disallowed and further additional tax had been levied. The appeal against the order filed before the Commissioner of Inland Revenue (Appeals) (CIRA) had been decided mostly in favour of the Company. The Company then 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 the Taxation Officer for reassessment proceedings. The management based on its legal advisor opinion, is confident of a favourable outcome of the petition.

24.3 In 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 were 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 had also not been allowed in full. The Company filed an appeal before the CIRA who maintained the order passed by the Taxation Officer except disallowance of expenses made by allocating the same against dividend income. The ATIR also maintained the order of CIRA. The Company has filed appeal in the Sindh High Court against the said disallowances. The management based on its legal advisor opinion, is confident of a favourable outcome of the petition.

24.4 In prior years, the Taxation Officer passed an assessment order in respect of tax year 2008 consequent to finalisation of tax audit proceedings in which disallowances were made mainly on account of reserve for unexpired risks and allocation of expenses. The Company had filed an appeal before the CIRA who had maintained the order passed by the Taxation Officer. The Company filed an appeal to the ATIR and the ATIR had issued an order in which the main disallowances of unexpired risks and allocation of expenses made by the Taxation Officer are deleted. The appeal effect has been passed by the Deputy Commissioner Inland Revenue (DCIR) in favour of the Company. The tax department has filed an appeal in the Sindh High Court against the deletion of disallowances of unexpired risk made by ATIR. The management based on its legal advisor opinion, is confident of a favourable outcome of the petition.

24.5 In 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 were made on account of bad debts, amortisation of premium, loss on disposal of assets and impairment in the value of investments. This resulted in an aggregate tax liability of Rs. 47,748 thousands, after adjustment of brought forward loss, which has already been accounted for in prior years. Subsequently, adjustment of minimum tax paid in earlier years was adjusted under section 113(2) amounting to Rs. 5,903 thousands. After the adjustment, tax payable was reduced to Rs. 41,845 thousands. The Company filed an appeal before the CIRA who maintained the disallowances made by the Taxation Officer. Thereafter, the Company filed an appeal before ATIR who decided the appeal in favour of the Company and deleted all disallowances made by the Taxation Officer. The appeal effect order is pending. However, the tax department has filed an appeal in the Sindh High Court against the deletion of the disallowances made by ATIR. The management based on its legal advisor opinion, is confident of a favourable outcome of the petition.

24.6 In prior years, the Additional Commissioner Inland Revenue (ACIR) had amended the orders under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 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 the Fourth Schedule of the Income Tax Ordinance, 2001. The ACIR in his order had created tax demand of Rs. 150,000 thousand. The Company had filed an appeal before the CIRA and the CIRA had confirmed the additional tax demand created by ACIR in his orders. Subsequently, the Company had filed appeal with ATIR for the tax year 2010. The ATIR decided the appeal and accordingly, CIRA had issued the appellate order in favour of the Company. Appeal effect for tax year 2010 given by ACIR with a tax liability of Rs. 324 thousands for the tax year 2010 has been issued. The tax department has filed an appeal in the Sindh High Court against the decision of ATIR which is pending adjudication.

- 24.7** In prior years, the ACIR had 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 Fourth Schedule of the Income Tax Ordinance, 2001. In addition, the ACIR had also disallowed bad debts expenses for these 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 for the tax years 2011, 2012 and 2013 respectively. The Company filed appeals before the CIRA for all the three tax years. Appeals filed by the Company before CIRA were decided in favour of the Company. The ACIR filed appeals against the orders of CIRA before the ATIR which are pending adjudication. Based on the opinion of the tax advisor, the management is confident of a favourable outcome of the appeals for the tax years 2011, 2012 and 2013 and accordingly, an aggregate provision of Rs. 183,054 has not been recorded in these financial statements.
- 24.8** In prior years, the ACIR passed an assessment order under section 122(5A) of the Income Tax Ordinance, 2001, for the tax year 2014, mainly on the premise that dividend income is taxable at corporate tax rate instead of reduced rates on account of one basket income concept of the Fourth Schedule of the Income Tax Ordinance, 2001. The ACIR in his order created a demand of Rs. 50,133 thousands. The Company filed an appeal before the CIRA against the order of the ACIR which was decided in favour of the Company. The Commissioner Inland Revenue (CIR) has filed an appeal with the ATIR against the order of CIRA which is pending adjudication. Based on the opinion of the tax advisor, the management is confident of a favourable outcome of the appeal for the tax year 2014 and accordingly the provision of Rs. 50,133 thousands has not been recorded in these financial statements.
- 24.9** In prior years, the ACIR passed assessment orders under section 122(5A) for the tax years 2015 and 2016, mainly on the premise that dividend income is taxable at corporate tax rate instead of reduced rate on account of one basket income concept of Fourth Schedule of the Income Tax Ordinance, 2001. The ACIR also disallowed bad debts in both the tax years and made a disallowance of unpaid commission in the tax year 2016. The ACIR created tax demand of Rs. 76,406 thousands and Rs. 106,965 thousands for the assessment years 2015 and 2016, respectively. The Company filed appeals before the CIRA against the orders of the ACIR in both the years where CIRA decided both appeals in favour of the Company on the issue of dividend income. However, CIRA confirmed the disallowance made by ACIR for bad debts and unpaid commission. The ACIR filed appeals with ATIR on the issue of dividend income which is pending adjudication. The Company has also filed appeals with ATIR against disallowances confirmed by CIRA in both the years 2015 and 2016 which are pending adjudication. Based on the opinion of the tax advisor, the management is confident of a favourable outcome of both the appeals before the ATIR and accordingly no tax provision aggregating to Rs. 183,371 thousands for the tax years 2015 and 2016 has been made in these financial statements.
- 24.10** In prior years, the ACIR passed an order under section 122(5) for the tax year 2017 and made certain disallowances mainly on account of WWF, capital gain, property related expenses and unpaid commission thereby creating a demand of Rs. 25,474 thousands. Subsequently, the Company filed an appeal with the CIRA who in its appellate order deleted the addition made by the ACIR on account of commission payable. During the year ended December 31, 2019, the CIRA confirmed the addition / disallowance made by the ACIR on account of capital gain and property related expenses. The Company filed an appeal before the ATIR against the order issued by the CIRA. The tax department also filed an appeal with ATIR against the order of the CIRA on the issue of commission payable which was decided in favour of the Company by the CIRA. Both the appeals are pending adjudication. Based on the tax advisor's opinion, the management is confident of favourable outcome of both the appeals.
- 24.11** In prior year, the ACIR passed an order under section 122(5A) for tax year 2018 and made certain disallowances / additions mainly on account of property related expenses, commission payable and super tax, thereby creating a demand of Rs. 11,408 thousands. Subsequently, the Company filed an appeal with the CIRA. The CIRA issued the appellate order by deleting the addition made by the ACIR on account commission payable. However, the CIRA confirmed the disallowance / addition made by the ACIR on account of property related expenses and super tax. The Company filed an appeal before the ATIR against the order issued by the CIRA. The tax department also filed an appeal with ATIR against the order issued by CIRA on the issue of commission payable which was decided in favour of the Company. Both the appeals are pending adjudication. Based on the tax advisor's opinion, the management is confident of favourable outcome of both the appeals.
- 24.12** In prior years, the ACIR passed an order under section 122(5A) for tax year 2019 and made certain disallowances / additions mainly on account of property related expenses, commission payable, claims payable and super tax, thereby creating a demand of Rs. 22,858 thousands. Subsequently, the Company filed an appeal against these disallowances with the CIRA which is pending adjudication. Based on the tax advisor's opinion, the management is confident of a favourable outcome of the appeal. Hence, no provision for Rs. 22,858 thousands has been made in these financial statements.
- 24.13** During the year, the DCIR issued an order under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The DCIR in his order created a demand of Rs. 93,071 thousands on account of super tax. The Company filed an appeal against the order passed by DCIR before the CIRA which is pending adjudication. Based on the tax advisor's opinion, the management is confident of favourable outcome of the appeal. However, the Company has provided the amount of super tax in these financial statements.

- 24.14** Under the Punjab Sales Tax Services Act, 2012, the health insurance service provided in the province of Punjab was exempted from the chargeability of sales tax upto October 30, 2018. The aforesaid exemption had been withdrawn through the Punjab Finance Act, 2018 by amending the Second Schedule of the Punjab Sales Tax Services Act, 2012 with effect from November 01, 2018. During the year ended December 31, 2020, the Punjab Revenue Authority (PRA) vide notification no. SO(TAX)1-110/2020 (COVID-19) dated April 2, 2020 revised the rate of sales tax on health insurance to zero percent for the period from April 2, 2020 till June 30, 2020. The Company has not yet billed its customers for health insurance services provided in the province of Punjab for the provincial sales tax for the periods from November 1, 2018 to April 1, 2020 and from July 1, 2020 till December 31, 2022. This matter is already taken up by the insurance industry with the Punjab Revenue Authority in the context of exemption available from the applicability of the sales tax on health insurance in other provinces and in federal territory as well. The management believes that the amount not yet billed aggregating to Rs. 325,575 thousands (December 31, 2021: Rs. 219,553 thousands) by the Company would be recoverable from the customers in case of any adverse outcome of the aforementioned negotiations. The outcome of the matter is uncertain and therefore, no amount has been recorded in the financial statements.
- 24.15** During the current year, the Assistant Commissioner - Sindh Board of Revenue (SRB) has issued an Order under section 23, 43(3), 43(12), and 44 of the Sindh Sales Tax on Services Act, 2011 and has created a demand of Rs. 1,197,631 thousands by charging sales tax on re-insurance premium ceded and commission received by the Company during the period from January 2014 to December 2015. The Company has filed an appeal against the Order with Commissioner - SRB which is pending adjudication. Based on the tax advisor's opinion, the management is confident of a favourable outcome of the appeal. Hence, no provision has been made in these condensed interim financial statements.
- 24.16** Similar matters of provincial sales tax relating to health and life insurance are pending at Jubilee Life Insurance Company Limited (JLIC – an associate) which are being contested at the level of High Courts. JLIC, based on the legal opinion, has neither billed its customers, nor recognised the contingent liability for provincial sales tax and contends that the amount of sales tax would be charged to the policyholders in case of any adverse development. Further, there are certain open income tax assessments which are pending at the appellate tribunal and court level against which JLIC has not recognised provision based on the tax / legal opinions. The proportionate share in contingent liabilities of JLIC as per the latest available un-audited financial statements of JLIC for the period ended September 30, 2022 is Rs. 433,592 thousands (2021: Rs. 350,195 thousands).

25. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments except for tax matters which are disclosed in note 24 to these financial statements.

	2022	2021
26. NET INSURANCE PREMIUM	.....(Rupees in '000).....	
Written gross premium	13,057,381	10,614,596
Add: Unearned premium reserves opening	4,244,992	3,465,728
Less: Unearned premium reserves closing	5,221,846	4,244,992
Premium earned	12,080,527	9,835,332
Less: Reinsurance premium ceded	7,123,891	5,314,123
Add: Prepaid reinsurance premium ceded opening	2,339,417	1,663,576
Less: Prepaid reinsurance premium ceded closing	3,071,540	2,339,417
Reinsurance expense	6,391,768	4,638,282
	5,688,759	5,197,050
27. NET INSURANCE CLAIMS		
Claims paid	4,413,656	3,557,349
Add: Outstanding claims including IBNR closing	7,001,923	5,154,819
Less: Outstanding claims including IBNR opening	5,154,819	4,807,405
Claims expense	6,260,760	3,904,763
Less: Reinsurance and other recoveries received	1,278,277	686,236
Add: Reinsurance and other recoveries against outstanding claims closing	5,214,088	3,618,024
Less: Reinsurance and other recoveries against outstanding claims opening	3,618,024	3,259,888
Reinsurance and other recoveries revenue	2,874,341	1,044,372
	3,386,419	2,860,391

27.1 Claims development

The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance.

Accident year	2017 & prior	2018	2019	2020	2021	2022 (including IBNR)	Total
(Rupees in '000)							
Gross estimate of ultimate claims cost:							
- At end of accident year	3,273,427	4,937,574	4,001,491	4,547,765	4,398,257	7,097,408	
- One year later	3,222,632	4,370,222	3,899,748	4,169,623	4,277,786	-	
- Two years later	3,072,441	4,193,865	3,925,750	3,848,895	-	-	
- Three years later	2,991,858	4,190,963	3,808,422	-	-	-	
- Four years later	2,932,199	4,166,096	-	-	-	-	
- Five years later	2,897,284	-	-	-	-	-	
Current estimate of cumulative claims	2,897,284	4,166,096	3,808,422	3,848,895	4,277,786	7,097,408	26,095,891
Cumulative payments to date	(1,615,261)	(3,938,808)	(3,402,423)	(3,388,602)	(3,297,921)	(3,450,953)	(19,093,968)
Liability recognised in the statement of financial position	1,282,023	227,288	405,999	460,293	979,865	3,646,455	7,001,923

27.2 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2022 amounted to Rs. 156,050 thousands (2021: Rs. 218,339 thousands).

		2022	2021
28. NET COMMISSION EXPENSE / ACQUISITION COST	Note	(Rupees in '000)	
Commission paid or payable		642,658	609,074
Add: Deferred commission expense / acquisition cost opening		247,251	210,288
Less: Deferred commission expense / acquisition cost closing		252,739	247,251
Net commission		637,170	572,111
Less: Commission received or recoverable		327,376	332,386
Add: Unearned reinsurance commission opening		148,056	108,839
Less: Unearned reinsurance commission closing		138,267	148,056
Commission from reinsurers		337,165	293,169
		300,005	278,942
29. MANAGEMENT EXPENSES			
Employees benefit cost	29.1	1,310,432	1,187,444
Travelling expenses		21,399	6,677
Advertisement and sales promotion		24,938	25,303
Printing and stationery		20,825	15,339
Depreciation	29.2	40,766	45,635
Amortisation	29.3	19,512	20,641
Rent, rates and taxes		36,306	31,116
Legal and professional charges - business related		20,370	15,618
Electricity, gas and water		25,834	20,391
Entertainment		13,239	12,078
Vehicle running expenses		4,988	3,281
Office repairs and maintenance		19,131	9,219
Bank charges		2,739	2,578
Postage, telegrams and telephone		26,585	17,741
Annual supervision fee to the SECP		13,523	14,043
IT related expenses		85,968	79,878
Directors' fee and expenses		7,117	5,772
Statutory levies		5,169	5,112
Inspection fee		6,890	5,575
Insurance expense		1,430	2,448
Other expenses		46,067	20,067
	29.4 & 29.5	1,753,228	1,545,956

		2022	2021
29.1	Employee benefit cost		
	Note	.....(Rupees in '000).....	
	Salaries, allowance and other benefits	1,247,409	1,126,785
	Charges for post employment benefits	63,023	60,659
		<u>1,310,432</u>	<u>1,187,444</u>

29.1.1 This represents Rs. 32,388 thousands (2021: Rs. 31,277 thousands) being contribution for employee provident fund and Rs. 30,635 thousands (2021: Rs. 29,382 thousands) in respect of defined benefit plan - employee gratuity.

		2022	2021
29.2	Depreciation		
	Note	.....(Rupees in '000).....	
	Depreciation charged during the year	43,820	48,620
	Less: depreciation allocated to Window Takaful Operations	(3,054)	(2,985)
		<u>40,766</u>	<u>45,635</u>
29.3	Amortisation		
	Amortisation charged during the year	20,974	21,991
	Less: amortisation allocated to Window Takaful Operations	(1,462)	(1,350)
		<u>19,512</u>	<u>20,641</u>

29.4 This includes costs amounting to Rs. 61,806 thousands (2021: Rs. 37,856 thousands) in respect of accident and health business common back office operations jointly shared with Jubilee Life Insurance Company Limited, a related party.

29.5 These are net of costs amounting to Rs. 126,690 thousands (2021: Rs. 98,655 thousands) with respect to the allocation of expenses to Window Takaful Operations in accordance with the exercise carried out by the management.

30. INVESTMENT INCOME

Income from equity securities

Note(Rupees in '000).....

Available-for-sale

Dividend income
- related parties
- others

32,025	35,227
285,238	270,560
<u>317,263</u>	<u>305,787</u>

At fair value through profit or loss

Dividend income
- others

20,119	6,383
<u>337,382</u>	<u>312,170</u>

Income from debt securities

Held to maturity

- return on government securities
- amortisation of (premium) / discount

5,000	11,123
(814)	3,173
<u>4,186</u>	<u>14,296</u>

Available-for-sale

- return on government securities
- amortisation of discount

1,275,420	787,424
143,995	100,025
<u>1,419,415</u>	<u>887,449</u>

Income from term deposits

- return on term deposits

30.1

19,118	20,866
--------	--------

	2022	2021
Net realised gains / (losses) on investments		
	.....(Rupees in '000).....	
Available-for-sale		
- gain on sale of equity securities	132,080	323,687
- loss on sale of equity securities	(26,539)	(20,639)
- loss on sale of government securities	-	(2)
	105,541	303,046
At fair value through profit or loss		
- gain on sale of equity securities	16,622	15,289
- loss on sale of equity securities	(12,846)	(1,949)
	3,776	13,340
Unrealised diminution on revaluation of investments classified as at fair value through profit or loss	(15,416)	(5,049)
Total investment income	1,874,002	1,546,118
Less: impairment in value of available-for-sale equity securities	(409,677)	(129,191)
Less: investment related expenses	(27,503)	(31,650)
	1,436,822	1,385,277

30.1 This includes return on term deposits of Rs. 13,171 thousands (2021: Rs. 15,440 thousands) from a related party.

	2022	2021
31. RENTAL INCOME		
	.....(Rupees in '000).....	
Rental income	140,818	134,346
Less: expenses of investment property	(56,293)	(52,185)
	84,525	82,161

31.1 The Company as a lessor has entered into operating leases on its investment properties portfolio consisting of office premises. Future minimum rentals due under non-cancellable (3 months period) operating leases as at December 31, 2022 fall within one year amounting to Rs 36,731 thousands (2021: Rs 35,523 thousands).

		2022	2021
32. OTHER INCOME	Note		
		.....(Rupees in '000).....	
Return on bank balances	32.1	324,206	97,090
Gain on sale of property and equipment and intangible assets		11,177	75
Return on loans to employees		55	31
Exchange gain		51,687	12,608
Others		5,862	3,004
		392,987	112,808

32.1 This includes return on bank balances of Rs. 13,171 thousands (2021: Rs. 2,984 thousands) from related parties.

		2022	2021
33. OTHER EXPENSES			
		.....(Rupees in '000).....	
Legal and professional fee other than business related		6,926	11,753
Auditors' remuneration	33.1	3,251	3,222
Subscription		719	1,163
Donations	33.2	28,194	-
Sindh Workers' Welfare Fund		44,499	43,661
Others		1,503	787
		85,092	60,586

33.1 Auditors' remuneration

Audit fee		1,320	1,200
Interim review fee		385	350
Special certifications and sundry advisory services		1,100	1,000
Out-of-pocket expenses including government levy		446	672
		3,251	3,222
IT related services	33.1.1	10,653	5,201
		13,904	8,423

33.1.1 This relates to IT advisory services acquired for business purposes and has been recorded under management expenses (note 29). Rs 743 thousands (2021: Rs. 319 thousands) out of this has been allocated to Window Takaful Operations in accordance with the exercise carried out by the management.

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

	Interested Director	Interest in donee	2022	2021
Name and address of donee .....(Rupees in '000).....				
Network of Organisations Working for People with Disabilities Pakistan (NOWPDP) NOWPDP House Bungalow No. 83/1 N I Lines Saghir Hussain Shaheed Road Saddar, Karachi	Amin A. Hashwani	President	3,000	-
Aga Khan Cultural Services, Pakistan 5th Floor, Jubilee Insurance House I.I. Chundrigarh Road, Karachi	Akbarali Pesnani	Chairman	2,000	-
Aga Khan Hospital & Medical College Foundation Stadium Road, Karachi	R. Zakir Mahmood	Chairman	2,500	-
			<u>7,500</u>	<u>-</u>

34. TAXATION - net

	2022	2021
.....(Rupees in '000).....		
Current tax		
- current year	954,134	716,996
- prior year	93,071	-
Deferred tax	1,047,205 (111,348)	716,996 (36,328)
	<u>935,857</u>	<u>680,668</u>

34.1 Relationship between tax expense and accounting profit

	2022	2021	2022	2021
(Effective tax rate) .....(Rupees in '000).....				
(Percentage)				
Profit before tax			2,469,557	2,329,995
Tax at the applicable rate of 29% (2021: 29%)	29.00	29.00	716,172	675,699
Super tax - current year	4.00	-	98,782	-
- prior year	3.77	-	93,071	-
Tax effect of permanent difference	0.26	-	6,499	-
Recognition of deferred tax pertaining to prior years	0.67	-	16,568	-
Tax effect of others	0.19	0.21	4,765	4,969
	<u>37.89</u>	<u>29.21</u>	<u>935,857</u>	<u>680,668</u>

35. EARNINGS PER SHARE

	2022	2021
.....(Rupees in '000).....		
Profit after tax for the year	1,533,700	1,649,327
(Number of shares in '000)		
Weighted average number of shares of Rs. 10 each	198,491	198,491
(Rupees)		
Basic earnings per share	<u>7.73</u>	<u>8.31</u>

35.1 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.

36. COMPENSATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	.....(Rupees in '000).....							
Fees	-	-	7,650	6,150	-	-	7,650	6,150
Managerial remuneration	43,879	37,440	-	-	316,856	284,325	360,735	321,765
Leave encashment	1,828	1,560	-	-	11,769	12,423	13,597	13,983
Bonus	10,483	7,020	-	-	52,074	39,445	62,557	46,465
Charge for defined contribution plan	2,359	2,013	-	-	14,549	13,845	16,908	15,858
Medical	1,133	975	-	-	4,104	3,492	5,237	4,467
Conveyance	3,547	2,484	-	-	66,517	48,207	70,064	50,691
Others	1,009	1,351	-	-	33,948	26,330	34,957	27,681
	<u>64,238</u>	<u>52,843</u>	<u>7,650</u>	<u>6,150</u>	<u>499,817</u>	<u>428,067</u>	<u>571,705</u>	<u>487,060</u>
Number of persons	1	1	9	9	66	56	76	66

Executive means employees, other than the Chief Executive and directors, whose basic salary exceed twelve hundred thousand rupees in a financial year.

37. RELATED PARTY TRANSACTIONS

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

	2022	2021
	.....(Rupees in '000).....	
Associated companies		
Insurance premium written (including government levies, administrative surcharge and policy stamps)	999,154	804,872
Insurance premium received / adjusted during the year	982,215	771,397
Commission paid	1,792	10,874
Insurance claims paid	359,060	371,164
Purchases of goods and services	31,628	21,006
Disinvestment in shares / mutual fund	943	-
Dividend income	32,025	35,228
Dividend received from associates under equity method (note 8)	86,666	94,566
Dividend paid	568,957	493,026
Rental income	99,750	73,950
Directors and key management personnel		
Insurance premium written (including government levies, administrative surcharge and policy stamps)	1,180	788
Insurance premium received / adjusted during the year	1,018	691
Claims paid	214	27
Dividend paid	12,520	10,719
Employees' funds		
Contributions to staff retirement plans	79,743	71,141

38. SEGMENT INFORMATION

Segment information is prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017 for class wise revenues, results, assets and liabilities.

The class wise revenues, results, assets and liabilities are as follows:

	2022						Total
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	
Premium receivable (inclusive of federal excise duty, federal insurance fee, administrative surcharge and others)	6,138,550	1,219,877	2,037,236	518,604	2,020,290	2,814,128	14,748,685
Less: federal excise duty / sales tax	749,020	125,865	242,937	61,385	-	344,751	1,523,958
federal insurance fee	53,311	10,413	17,762	4,527	19,998	24,396	130,407
others	(4,985)	42,325	(1,602)	13	500	688	36,939
Written gross premium (inclusive of administrative surcharge)	5,341,204	1,041,274	1,778,139	452,679	1,999,792	2,444,293	13,057,381
Gross direct premium	5,325,790	1,017,897	1,733,316	451,836	1,999,792	2,434,558	12,963,189
Facultative inward premium	5,593	-	-	-	-	966	6,559
Administrative surcharge	9,821	23,377	44,823	843	-	8,769	87,633
	5,341,204	1,041,274	1,778,139	452,679	1,999,792	2,444,293	13,057,381
Insurance premium earned	4,805,883	1,038,327	1,690,826	416,529	1,840,440	2,288,522	12,080,527
Insurance premium ceded to reinsurers (reinsurance expense)	3,835,106	280,184	56,609	392,189	16,632	1,811,048	6,391,768
Net insurance premium	970,777	758,143	1,634,217	24,340	1,823,808	477,474	5,688,759
Commission income from reinsurers	151,288	7,002	853	27,764	-	150,258	337,165
Net underwriting income	1,122,065	765,145	1,635,070	52,104	1,823,808	627,732	6,025,924
Insurance claims expense	2,615,247	321,728	712,447	(83,124)	1,504,252	1,190,210	6,260,760
Insurance claims recovered from reinsurers and other recoveries revenue	1,891,748	79,871	15,215	(85,874)	(7,587)	980,968	2,874,341
Net insurance claims	723,499	241,857	697,232	2,750	1,511,839	209,242	3,386,419
Commission expense	227,743	131,322	111,252	8,654	69,746	88,453	637,170
Management expense	420,599	246,504	560,507	15,253	193,556	316,809	1,753,228
Net insurance claims and expenses	1,371,841	619,683	1,368,991	26,657	1,775,141	614,504	5,776,817
Underwriting results	(249,776)	145,462	266,079	25,447	48,667	13,228	249,107
Net investment income							1,436,822
Rental income							84,525
Other income							392,987
Other expenses							(85,092)
Share of profit of associates							146,590
Profit from Window Takaful Operations - Operator's Fund							244,618
Profit before tax							2,469,557
Segment assets	4,732,608	369,064	493,905	1,656,676	434,759	3,542,011	11,229,023
Unallocated corporate assets							20,164,746
Unallocated assets of Window Takaful Operation - Operator's Fund							633,940
Total assets	4,732,608	369,064	493,905	1,656,676	434,759	3,542,011	32,027,709
Segment liabilities	6,970,533	1,050,606	1,851,312	1,814,643	1,966,271	4,903,005	18,556,370
Unallocated corporate liabilities							2,558,685
Unallocated liabilities of Window Takaful Operation - Operator's Fund							376,314
Total liabilities	6,970,533	1,050,606	1,851,312	1,814,643	1,966,271	4,903,005	21,491,369
Depreciation and amortisation (including allocation to Window Takaful Operations)	11,057	8,635	18,613	278	20,773	5,438	64,794
Unallocated capital expenditure	-	-	-	-	-	-	26,447

	2021						Total
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	
	(Rupees in '000)						
Premium receivable (inclusive of federal excise duty, federal insurance fee, administrative surcharge and others)	4,842,599	1,056,590	1,739,296	357,514	1,664,752	2,338,705	11,999,456
Less: federal excise duty / sales tax	591,712	113,668	207,920	57,644	-	278,755	1,249,699
federal insurance fee	42,071	8,962	15,171	2,973	16,478	20,253	105,908
others	(5,670)	37,049	(1,977)	12	429	(590)	29,253
Written gross premium (inclusive of administrative surcharge)	4,214,486	896,911	1,518,182	296,885	1,647,845	2,040,287	10,614,596
Gross direct premium	4,199,243	874,483	1,478,705	296,041	1,647,845	2,013,971	10,510,288
Facultative inward premium	5,709	-	-	-	-	18,761	24,470
Administrative surcharge	9,534	22,428	39,477	844	-	7,555	79,838
	4,214,486	896,911	1,518,182	296,885	1,647,845	2,040,287	10,614,596
Insurance premium earned	3,693,415	884,858	1,442,769	325,463	1,709,560	1,779,267	9,835,332
Insurance premium ceded to reinsurers (reinsurance expense)	2,720,915	200,066	39,464	294,654	8,837	1,374,346	4,638,282
Net insurance premium	972,500	684,792	1,403,305	30,809	1,700,723	404,921	5,197,050
Commission income from reinsurers	121,890	7,381	833	27,456	-	135,609	293,169
Net underwriting income	1,094,390	692,173	1,404,138	58,265	1,700,723	540,530	5,490,219
Insurance claims expense	727,441	305,939	592,899	272,722	1,486,985	518,777	3,904,763
Insurance claims recovered from reinsurers and other recoveries revenue	345,980	8,290	2,621	267,521	43,309	376,651	1,044,372
Net insurance claims	381,461	297,649	590,278	5,201	1,443,676	142,126	2,860,391
Commission expense	203,809	124,519	119,420	8,654	68,154	47,555	572,111
Management expense	355,570	208,704	418,645	29,064	184,896	349,077	1,545,956
Net insurance claims and expenses	940,840	630,872	1,128,343	42,919	1,696,726	538,758	4,978,458
Underwriting results	153,550	61,302	275,795	15,346	3,997	1,772	511,761
Net investment income							1,385,277
Rental income							82,161
Other income							112,808
Other expenses							(60,586)
Share of profit of associates							151,604
Profit from Window Takaful Operations - Operator's Fund							146,970
Profit before tax							2,329,995
Segment assets	2,742,734	243,291	323,889	1,669,287	292,371	2,458,895	7,730,467
Unallocated corporate assets							17,973,651
Unallocated assets of Window Takaful Operation - Operator's Fund							489,886
Total assets	2,742,734	243,291	323,889	1,669,287	292,371	2,458,895	26,194,004
Segment liabilities	4,395,415	785,060	1,440,691	1,780,271	1,477,163	3,419,174	13,297,774
Unallocated corporate liabilities							2,417,696
Unallocated liabilities of Window Takaful Operation - Operator's Fund							288,834
Total liabilities	4,395,415	785,060	1,440,691	1,780,271	1,477,163	3,419,174	16,004,304
Depreciation and amortisation (including allocation to Window Takaful Operations)	16,241	9,532	19,121	1,327	8,445	15,945	70,611
Unallocated capital expenditure	-	-	-	-	-	-	7,961

39. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for-sale	At fair value through Profit or Loss	Total
..... (Rupees in '000)				
As at January 1, 2021	349,035	13,270,822	-	13,619,857
Additions	2,669,303	34,097,234	592,081	37,358,618
Disposals (sales and redemptions)	(300,467)	(36,262,354)	(414,519)	(36,977,340)
Fair value net loss (excluding net realised gains)	-	(469,803)	(5,049)	(474,852)
Interest income	-	530,380	-	530,380
Amortisation of discount	3,173	100,025	-	103,198
Impairment losses	-	(129,191)	-	(129,191)
As at December 31, 2021	2,721,044	11,137,113	172,513	14,030,670
Additions	251,552	35,405,180	1,008,445	36,665,177
Disposals (sales and redemptions)	(2,664,553)	(32,297,742)	(983,829)	(35,946,124)
Fair value net loss (excluding net realised gains)	-	(621,781)	(15,416)	(637,197)
Interest income	-	885,097	-	885,097
Amortisation of discount	(814)	143,995	-	143,181
Impairment losses	-	(409,677)	-	(409,677)
As at December 31, 2022	307,229	14,242,185	181,713	14,731,127

40. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

40.1 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 3.4).

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.

a) 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.

Concentration of insurance risk

The Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business at financial statement date:

Class	2022				2021			
	Gross claim liabilities	Net claim liabilities	Gross premium liabilities	Net premium liabilities	Gross claim liabilities	Net claim liabilities	Gross premium liabilities	Net premium liabilities
 % %			
Fire and property damage	28.84	25.30	46.25	20.54	20.17	23.16	44.28	26.25
Marine, aviation and transport	6.11	18.21	1.72	3.19	6.98	19.05	2.05	3.30
Motor	2.79	8.98	15.11	35.36	3.66	10.67	16.52	35.51
Liability	20.84	1.41	2.60	0.40	29.96	1.47	2.34	0.26
Accident and health	5.02	19.65	12.85	31.20	6.08	20.31	12.06	26.56
Miscellaneous	36.40	26.45	21.47	9.31	33.15	25.34	22.75	8.12
	100	100	100	100	100	100	100	100

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk, a particular building and neighbouring buildings which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location.

For marine risks, complete underwriting details such as sums covered, mode of transport (air / inland transit), vessel identification, sailing dates, origin and destination of the shipments, per carry limits, accumulation of sum covered on a single voyage etc. are taken into consideration.

The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

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

Class	Maximum gross risk exposure	
	2022	2021
	.....(Rupees in '000).....	
Fire and property damage	343,130,228	86,053,160
Marine, aviation and transport	6,729,867	4,170,483
Motor	87,965	80,000
Liability	8,550,000	8,050,000
Accident and health	7,844,112	7,550,400
Miscellaneous	161,250,000	127,500,000

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 the Company's net retentions. As the major reinsurance arrangements are on excess of loss basis, therefore the reinsurance coverage against the Company's risk exposures is not quantifiable.

b) Uncertainty in the estimation of future claims payments

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 the management's judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. In estimating provision for IBNR, the Company follows the recommendation of an independent firm of actuaries (note 3.16).

There are several variable factors which affect the amount and timing of recognised 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 recognised 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.

The process for estimation of IBNR and its provisioning mechanism is detailed in key assumptions below.

c) Key assumptions

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserve 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.

Actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required / allowed by the SECP via circular 9 of 2016.

IBNR is determined by using the "Chain Ladder Method" for all classes of business including in-patient claims of accident and health class. Alternative method is used for accident and health out-patient (OP) claims. The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business except for marine which is made on a quarterly basis. For accident and health OP business, IBNR has been set equal to monthly average of OP claims reported in preceding three months, including margins for adverse deviations. For accident and health micro insurance business, a loss ratio method has been used. The methods used, and the estimates made, are reviewed regularly.

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. 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 reserve in relation to accident and health insurance is calculated in accordance with the advice of the actuary (note 3.7).

Class	Assumed net loss ratio	
	2022	2021
Fire and property damage	37%	35%
Marine, aviation and transport	38%	34%
Motor	42%	42%
Liability	13%	15%
Accident and health	85%	89%
Miscellaneous	41%	42%

d) Sensitivity analysis

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 costs	Change in assumption	Impact on gross claim liabilities	Impact on net claim liabilities	Impact on profit before tax	Impact on equity
..... (Rupees in '000)					
2022	± 10%	626,076	338,642	332,002	222,441
2021	± 10%	390,476	286,037	280,428	199,104

e) 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	131,177	66,537	3,041	16,870	4,892	39,837

f) 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 covered through reinsurance 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 coverage 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:

	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Other reinsurance assets	2022	2021
Rating	(Rupees in '000)				
A or above including Pakistan Reinsurance Company Limited	24,274	5,118,193	44,941	5,187,408	3,599,661
BBB	-	45,330	-	45,330	43,801
Others	84	27,499	679	28,262	14,643
	<u>24,358</u>	<u>5,191,022</u>	<u>45,620</u>	<u>5,261,000</u>	<u>3,658,105</u>

40.2 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 Risk 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.

40.2.1 Market risk

Market risk is the risk that the fair value or 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 Company manages the market risk exposures by following internal risk management policies.

40.2.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument 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 the Company's exposure to interest rate risk based on contractual repricing or maturity dates whichever is earlier is as follows:

2022							
Effective rate % per annum	Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
Financial assets							
(Rupees in '000)							
Investments							
Equity securities	-	-	-	2,486,743	-	2,486,743	2,486,743
Debt securities	7.5 to 16.96	5,744,909	6,243,173	11,988,082	-	11,988,082	11,988,082
Term deposits	1.5 to 15	256,302	-	256,302	-	256,302	256,302
Loans and other receivables	6	266	424	690	311,253	311,253	311,943
Insurance / reinsurance receivables		-	-	-	2,690,657	2,690,657	2,690,657
Reinsurance recoveries against outstanding claims		-	-	-	5,191,022	5,191,022	5,191,022
Salvage recoveries accrued		-	-	-	23,065	23,065	23,065
Cash and bank	14.50 to 16	2,731,444	-	2,731,444	92,322	92,322	2,823,766
Total assets of Window Takaful Operations - Operator's Fund		235,917	-	235,917	321,997	321,997	557,914
		8,968,838	6,243,597	15,212,435	11,117,059	11,117,059	26,329,494
Financial liabilities							
Outstanding claims including IBNR		-	-	-	(7,001,923)	(7,001,923)	(7,001,923)
Insurance / reinsurance payables		-	-	-	(4,585,914)	(4,585,914)	(4,585,914)
Other creditors and accruals		-	-	-	(745,020)	(745,020)	(745,020)
Deposits and other payables		-	-	-	(1,794,694)	(1,794,694)	(1,794,694)
Total liabilities of Window Takaful Operations - Operator's Fund		-	-	-	(60,777)	(60,777)	(60,777)
		-	-	-	(14,188,328)	(14,188,328)	(14,188,328)
Interest risk sensitivity gap		8,968,838	6,243,597	15,212,435	(3,071,269)	(3,071,269)	12,141,166
Cumulative interest risk sensitivity gap		8,968,838	15,212,435				

2021							
Effective rate % per annum	Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
Financial assets							
(Rupees in '000)							
Investments							
Equity securities	-	-	-	3,081,110	-	3,081,110	3,081,110
Debt securities	7.43 to 11.78	6,783,306	1,496,951	8,280,257	-	8,280,257	8,280,257
Term deposits	0.15 to 13	2,669,303	-	2,669,303	-	2,669,303	2,669,303
Loans and other receivables	6	305	507	812	151,404	151,404	152,216
Insurance / reinsurance receivables		-	-	-	1,525,775	1,525,775	1,525,775
Reinsurance recoveries against outstanding claims		-	-	-	3,593,493	3,593,493	3,593,493
Salvage recoveries accrued		-	-	-	24,531	24,531	24,531
Cash and bank	5.50 to 10	1,815,086	-	1,815,086	86,904	86,904	1,901,990
Total assets of Window Takaful Operations - Operator's Fund		258,194	-	258,194	158,862	158,862	417,056
		11,526,194	1,497,458	13,023,652	8,622,079	8,622,079	21,645,731
Financial liabilities							
Outstanding claims including IBNR		-	-	-	(5,154,819)	(5,154,819)	(5,154,819)
Insurance / reinsurance payables		-	-	-	(2,685,463)	(2,685,463)	(2,685,463)
Other creditors and accruals		-	-	-	(739,823)	(739,823)	(739,823)
Deposits and other payables		-	-	-	(1,566,290)	(1,566,290)	(1,566,290)
Total liabilities of Window Takaful Operations - Operator's Fund		-	-	-	(52,230)	(52,230)	(52,230)
		-	-	-	(10,198,625)	(10,198,625)	(10,198,625)
Interest risk sensitivity gap		11,526,194	1,497,458	13,023,652	(1,576,546)	(1,576,546)	11,447,106
Cumulative interest risk sensitivity gap		11,526,194	13,023,652				

Cash flow sensitivity analysis for variable rate instruments

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

	Increase / (decrease) in basis points	Effect on profit before tax	Effect on equity
			..... (Rupees in '000)
December 31, 2022	100 (100)	27,314 (27,314)	18,300 (18,300)
December 31, 2021	100 (100)	18,151 (18,151)	12,887 (12,887)

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 the profit and loss account and equity of the Company.

40.2.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present, is exposed to currency risk in respect of its investment in Jubilee Kyrgyzstan Insurance Company Limited (note 8) and term deposit receipts (note 11). As at December 31, 2022, if the Pakistani Rupee had strengthened / weakened by 10% against Kyrgyz Som and US Dollars with all other variables held constant, the impact on the total comprehensive income would have been lower / higher by an amount of Rs. 2,213 thousands (2021: Rs. 1,691 thousands) and Rs. 2,106 thousands (2021: Rs. 1,386 thousands) respectively.

40.2.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign 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 market.

The following table summarises the Company's other price risk as at December 31, 2022 and 2021. 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 listed securities would affect it in a similar and opposite manner.

	Fair value		Price change	Effect on other comprehensive income	Effect on profit before tax
	Available-for-sale	At fair value through profit or loss			
					..... (Rupees in '000)
December 31, 2022	2,302,530 (2,302,530)	181,713 (181,713)	+5% -5%	115,127 (115,127)	9,086 (9,086)
December 31, 2021	2,906,097 (2,906,097)	172,513 (172,513)	+5% -5%	145,305 (145,305)	8,626 (8,626)

40.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or can do so on terms that are materially disadvantageous. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date on an undiscounted cash flow basis.

	2022			
	Within one year	Over one year to five years	Over five years	Total
	.....(Rupees in '000).....			
Financial liabilities				
Outstanding claims including IBNR	7,001,923	-	-	7,001,923
Insurance / reinsurance payables	4,585,914	-	-	4,585,914
Other creditors and accruals	745,020	-	-	745,020
Deposits and other payables	1,794,694	-	-	1,794,694
Total liabilities of Window Takaful Operations - Operator's Fund	60,777	-	-	60,777
	<u>14,188,328</u>	<u>-</u>	<u>-</u>	<u>14,188,328</u>
	2021			
	Within one year	Over one year to five years	Over five years	Total
	.....(Rupees in '000).....			
Financial liabilities				
Outstanding claims including IBNR	5,154,819	-	-	5,154,819
Insurance / reinsurance payables	2,685,463	-	-	2,685,463
Other creditors and accruals	739,823	-	-	739,823
Deposits and other payables	1,566,290	-	-	1,566,290
Total liabilities of Window Takaful Operations - Operator's Fund	52,230	-	-	52,230
	<u>10,198,625</u>	<u>-</u>	<u>-</u>	<u>10,198,625</u>

40.2.3 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 and undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

40.2.3.1 Concentration of credit risk and credit exposure of the financial instruments

Concentration of credit risk arises when a number of counter parties have 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 segments.

As at December 31, 2022, the Company is exposed to major credit risk on investments in term deposits, insurance / reinsurance receivables, reinsurance recoveries against outstanding claims and bank balances.

Government securities maintained by the Company are unrated. Bank balances and investments in term deposits represent low credit risk as they are placed with reputed financial institutions with strong credit ratings. The credit quality of bank balances and investments in term deposits can be assessed with reference to external credit ratings as follows:

Name of Bank	Rating agency	Long term rating	Short term rating	2021	2020
	.....(Rupees in '000).....				
Askari Bank Limited	PACRA	AA+	A1+	4,478	27,616
Soneri Bank Limited	PACRA	AA-	A1+	838,012	989,471
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+	857,702	820,407
Habib Bank Limited*	VIS	AAA	A-1+	92,858	1,604,676
Bank Alfalah Limited	PACRA	AA+	A1+	960,609	909,102
United Bank Limited	VIS	AAA	A-1+	271,169	188,893
Khushhali Microfinance Bank Limited	VIS	A	A-2	3,079	927
Samba Bank Limited	VIS	AA	A-1	2,476	1,958
Mobilink Microfinance Bank Limited	PACRA	A	A1	394	370
HBL MicroFinance Bank Limited*	VIS	A+	A-1	40,000	25,000
				<u>3,070,777</u>	<u>4,568,420</u>

*a related party

The management monitors exposure to credit risk in insurance / reinsurance receivables through regular review of credit exposure and prudent estimates related to provision for doubtful receivables (note 13). The age wise analysis of due from insurance contract holders includes amount receivable within one year and above one year of Rs. 2,620,679 thousands (2021: Rs. 1,461,163 thousands) and Nil (2021: Nil) net of provision for impairment of receivables from insurance contract holders respectively.

The credit quality of amount due from other insurers / reinsurers and reinsurance recoveries against outstanding claims can be assessed from external ratings disclosed in note 40.1(f).

41. 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 the requirements of the Insurance Rules, 2017 issued by the SECP, minimum paid-up capital requirement to be complied with by insurance / takaful companies as at December 31, 2017 and for subsequent years is Rs. 500 million. As at December 31, 2022, the Company's paid-up capital is in excess of the prescribed limit.

42. STATEMENT OF SOLVENCY	Note	2022	2021
		.....(Rupees in '000).....	
Assets			
Property and equipment		137,551	90,933
Intangible assets		41,970	46,086
Investment properties		634,924	640,648
Investments in associates		1,083,391	973,680
Investments			
Equity securities		2,486,743	3,081,110
Debt securities		11,988,082	8,280,257
Term deposits		256,302	2,669,303
Loans and other receivables		455,625	251,212
Insurance / reinsurance receivables		2,690,657	1,525,775
Reinsurance recoveries against outstanding claims		5,191,022	3,593,493
Salvage recoveries accrued		23,065	24,531
Deferred commission expense / acquisition cost		252,739	247,251
Prepayments		3,101,717	2,377,849
Deferred taxation		226,215	-
Cash and bank		2,823,766	1,901,990
Total assets of Window Takaful Operations		2,813,307	2,214,738
Total assets (A)		34,207,076	27,918,855
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000			
Property and equipment		83,663	86,889
Intangible assets		41,970	46,086
Investments		372,337	583,184
Term deposits		5,750	5,750
Loans and other receivables		37,856	37,371
Insurance / reinsurance receivables		2,022,250	1,077,664
Security deposits against bond insurance		1,786,902	1,558,527
Deferred taxation		226,215	-
Total assets of Window Takaful Operations		261,918	135,552
Total of in-admissible assets		4,838,861	3,531,023
Total admissible assets		29,368,215	24,387,832

	2022	2021
	.....(Rupees in '000).....	
Liabilities		
Underwriting provisions		
Outstanding claims including IBNR	7,001,923	5,154,819
Unearned premium reserves	5,221,846	4,244,992
Unearned reinsurance commission	138,267	148,056
Deferred taxation	-	67,596
Premium received in advance	592,438	316,455
Insurance / reinsurance payables	4,585,914	2,685,463
Other creditors and accruals	1,180,121	1,166,102
Deposits and other payables	1,856,446	1,617,132
Taxation - provision less payments	538,100	314,855
Total liabilities of Window Takaful Operations	2,275,059	1,823,891
Total liabilities	23,390,114	17,539,361
Total net admissible assets	5,978,101	6,848,471
Minimum solvency requirement (higher of following)	1,393,042	1,039,410
- Method A - U/s 36(3)(a)	150,000	
- Method B - U/s 36(3)(b)	1,393,042	
- Method C - U/s 36(3)(c)	1,363,932	
Excess in net admissible assets over minimum requirement	4,585,059	5,809,061

42.1 In the absence of any specific guidance, "prepaid reinsurance premium ceded" and "deferred commission expense / acquisition cost" have been treated as admissible assets for the purposes of this statement.

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

43.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Valuation techniques used in determination of fair values within level 2

Items	Valuation technique
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Treasury bills / Pakistan Investment Bonds	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates on the Mutual Funds Association of Pakistan's website.

2022										
At fair value through profit or loss	Available-for-sale	Held-to-maturity	Loans and receivables	Investments in associates	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
Investments										
- Equity securities	181,713	2,302,530	-	-	-	2,484,243	2,481,847	2,396	-	2,484,243
- Debt securities	-	11,937,155	-	-	-	11,937,155	-	11,937,155	-	11,937,155
Assets of Window Takaful Operations - Operator's Fund										
-	202,409	-	-	-	-	202,409	43,074	159,335	-	202,409
Financial assets not measured at fair value										
Investments										
- Equity securities*	2,500	-	-	-	-	2,500	-	-	-	-
- Debt securities	-	50,927	-	-	-	50,927	-	46,750	-	46,750
- Term deposits*	-	256,302	-	-	-	256,302	-	-	-	-
Loans and other receivables*	-	-	311,943	-	-	311,943	-	-	-	-
Insurance / reinsurance receivables*	-	-	2,690,657	-	-	2,690,657	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	5,191,022	-	-	5,191,022	-	-	-	-
Salvage recoveries accrued*	-	-	23,065	-	-	23,065	-	-	-	-
Cash and bank*	-	-	2,823,766	-	-	2,823,766	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*										
-	-	-	355,505	-	-	355,505	-	-	-	-
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*										
-	-	-	-	-	(7,001,923)	(7,001,923)	-	-	-	-
Insurance / reinsurance payables*										
-	-	-	-	-	(4,585,914)	(4,585,914)	-	-	-	-
Other creditors and accruals*										
-	-	-	-	-	(745,020)	(745,020)	-	-	-	-
Deposits and other payables*										
-	-	-	-	-	(1,794,694)	(1,794,694)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*										
-	-	-	-	-	(60,777)	(60,777)	-	-	-	-
181,713	14,444,594	307,229	11,395,958	-	(14,188,328)	12,141,166	2,524,921	12,145,636	-	14,670,557
2021										
At fair value through profit or loss	Available-for-sale	Held-to-maturity	Loans and receivables	Investments in associates	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
Investments										
- Equity securities	172,513	2,906,097	-	-	-	3,078,610	3,074,001	4,609	-	3,078,610
- Debt securities	-	8,228,516	-	-	-	8,228,516	-	8,228,516	-	8,228,516
Assets of Window Takaful Operations - Operator's Fund										
-	56,261	-	-	-	-	56,261	56,261	-	-	56,261
Financial assets not measured at fair value										
Investments										
- Equity securities*	2,500	-	-	-	-	2,500	-	-	-	-
- Debt securities	-	51,741	-	-	-	51,741	-	48,785	-	48,785
- Term deposits*	-	2,669,303	-	-	-	2,669,303	-	-	-	-
Loans and other receivables*	-	-	152,216	-	-	152,216	-	-	-	-
Insurance / reinsurance receivables*	-	-	1,525,775	-	-	1,525,775	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	3,593,493	-	-	3,593,493	-	-	-	-
Salvage recoveries accrued*	-	-	24,531	-	-	24,531	-	-	-	-
Cash and bank*	-	-	1,901,990	-	-	1,901,990	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*										
-	-	-	360,795	-	-	360,795	-	-	-	-
Financial liabilities not measured at fair value										
Outstanding claims (including IBNR)*										
-	-	-	-	-	(5,154,819)	(5,154,819)	-	-	-	-
Insurance / reinsurance payables*										
-	-	-	-	-	(2,685,463)	(2,685,463)	-	-	-	-
Other creditors and accruals*										
-	-	-	-	-	(739,823)	(739,823)	-	-	-	-
Deposits and other payables*										
-	-	-	-	-	(1,566,290)	(1,566,290)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*										
-	-	-	-	-	(52,230)	(52,230)	-	-	-	-
172,513	11,193,374	2,721,044	7,558,800	-	(10,198,625)	11,447,106	3,130,262	8,281,910	-	11,412,172

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

43.2 The value of assets which have not been measured at their fair values but their market values have been disclosed would have been classified at the following fair value hierarchy levels if they were measured at their fair values:

Asset	Hierarchy Level
Investment in associates - Jubilee Life Insurance Company Limited	Level 1 as its fair value is based on the quoted price of JLICL's share
Debt securities classified as held-to-maturity	Level 2 as their fair value is derived using the PKRV rates on the Mutual Funds Association of Pakistan's website.
Investment properties	Level 3 as their fair value is based on the valuer's assessment of the market value of the properties.

44. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

45. SUBSEQUENT EVENT - NON ADJUSTING

The Board of Directors in its meeting held on March 22, 2023 has proposed a final cash dividend in respect of the year ended December 31, 2022 of Rs. 4 per share (40%) [December 31, 2021: Rs. 4 per share (40%)]. In addition, the Board of Directors has also approved the transfer of Rs. 500,000 thousands (December 31, 2021: Rs. 500,000 thousands) to special reserve and Rs. 300,000 thousands (December 31, 2021: Rs. 300,000 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.

46. NUMBER OF EMPLOYEES

As at December 31

Average number of employees during the year

	2022	2021
.....(Number).....		
	651	666
	650	674

47. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on March 22, 2023.

48. GENERAL

Figures in these financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer



Takaful Financials

BROADENING
THE HORIZON

INDEPENDENT AUDITOR'S REPORT

To the members of Jubilee General Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Jubilee General Insurance Company Limited – Window Takaful Operations (the Operator), which comprise the statement of financial position of OPF and PTF as at December 31, 2022, and the profit and loss account, the statement of comprehensive income, the statement of changes in operator's fund and participants' takaful fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position of OPF and PTF, the profit and loss account, the statement of comprehensive income, the statement of changes in operator's fund and participants' takaful fund and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Operator's affairs as at December 31, 2022 and of the profit, total comprehensive income, the changes in operator's fund and participants' takaful fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Operator in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, the Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Operator's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Operator or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Operator's financial reporting process.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Operator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

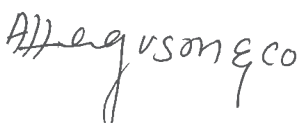
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in operator's fund and participants' takaful fund and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.



A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: 31 March, 2023

UDIN: AR2022100614V2QuKaG3

STATEMENT OF FINANCIAL POSITION OF OPF AND PTF AS AT 31 DECEMBER 2022

	Note	OPF		PTF	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
(Rupees in '000)					
Assets					
Property and equipment	5	1,695	1,636	-	-
Intangible assets	6	238	588	-	-
Investments					
Equity securities	7	202,409	56,261	383,601	85,204
Term deposits	8	-	-	-	200,000
Loans and other receivables	9	75	41	7,711	6,525
Takaful / re-takaful receivables	10	-	-	353,218	298,100
Salvage recoveries accrued		-	-	24,350	9,567
Deferred taxation	12	192	1,347	-	-
Deferred wakala fee	23	-	-	249,200	203,065
Receivable from PTF	11	120,019	102,562	-	-
Re-takaful recoveries against outstanding claims / benefits		-	-	363,198	304,534
Deferred commission expense	22	74,686	68,165	-	-
Prepayments	13	1,270	1,080	138,841	112,297
Cash and bank	14	233,356	258,206	659,248	505,559
Total assets		633,940	489,886	2,179,367	1,724,851



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive

	OPF		PTF	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Funds and liabilities	Note			
Funds attributable to:				
Operator's Fund (OPF)				
Statutory fund	100,000	100,000	-	-
Reserves	(389)	(3,297)	-	-
Accumulated profit	158,015	104,349	-	-
Balance of Operator's Fund	257,626	201,052	-	-
Participants' Takaful Fund (PTF)				
Seed money	-	-	500	500
Reserves	-	-	1,717	(11,915)
Accumulated surplus	-	-	278,405	201,209
Balance of Participants' Takaful Fund	-	-	280,622	189,794
Liabilities				
PTF underwriting provisions				
Outstanding claims including IBNR	20	-	691,467	587,984
Unearned contribution reserves	-	-	724,082	559,455
Reserve for unearned re-takaful rebate	19	-	12,288	8,752
			1,427,837	1,156,191
Unearned wakala fee	23	249,200	203,065	-
Contribution received in advance	-	-	32,732	26,547
Takaful / re-takaful payables	15	-	286,377	224,298
Other creditors and accruals	16	61,106	52,583	31,780
Taxation - provision less payments	-	66,008	33,186	-
Payable to OPF	11	-	-	120,019
Total liabilities		376,314	288,834	1,898,745
Total funds and liabilities		633,940	489,886	2,179,367
Contingencies and commitments	17			

The annexed notes 1 to 41 form an integral part of these financial statements.



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2022

		2022	2021
	Note	.....(Rupees in '000).....	
PTF			
Contribution earned		1,039,564	877,489
Less: Contribution ceded to re-takaful		(300,002)	(192,856)
Net contribution revenue	18	739,562	684,633
Re-takaful rebate earned	19	21,209	11,220
Net underwriting income		760,771	695,853
Net claims - reported / settled		(786,355)	(669,157)
- IBNR		55,143	(36,482)
	20	(731,212)	(705,639)
Other direct expenses		(10,400)	(1,073)
Surplus / (deficit) before investment income		19,159	(10,859)
Investment income	25	7,951	5,209
Other income	26	64,747	33,539
Less: Modarib's share of investment income	27	(14,661)	(7,809)
Surplus transferred to accumulated surplus		77,196	20,080
OPF			
Wakala fee	23	536,891	436,249
Commission expense	22	(159,382)	(154,870)
General, administrative and management expenses	24	(180,493)	(153,112)
		197,016	128,267
Modarib's share of PTF investment income	27	14,661	7,809
Investment income / (loss)	25	7,045	(1,801)
Direct expenses	28	(2,412)	(2,067)
Other income	26	28,308	14,762
Profit before taxation		244,618	146,970
Taxation	29	(86,603)	(42,621)
Profit after taxation		158,015	104,349

The annexed notes 1 to 41 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	.....(Rupees in '000).....	
PTF		
Surplus during the year	77,196	20,080
Other comprehensive income / (loss):		
Items that may be reclassified to the profit and loss account in subsequent years		
Net unrealised gain / (loss) arising during the year on revaluation of available-for-sale investments	12,720	(1,807)
Reclassification adjustment for net loss on sale of available-for-sale investments included in the profit and loss account	912	-
Other comprehensive income / (loss) for the year	13,632	(1,807)
Total comprehensive income for the year	90,828	18,273
OPF		
Profit after tax	158,015	104,349
Other comprehensive income:		
Item that may be reclassified to the profit and loss account in subsequent years		
Net unrealised gain arising during the year on revaluation of available-for-sale investments - net of tax	695	1,999
Reclassification adjustment for net loss on available-for-sale investments included in the profit and loss account - net of tax	2,213	-
Other comprehensive income for the year	2,908	1,999
Total comprehensive income for the year	160,923	106,348

The annexed notes 1 to 41 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF CHANGES IN OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND AS AT DECEMBER 31, 2022

Attributable to Operator's Fund				
Statutory Fund	Available for sale investment revaluation reserve	Unappropriated profit	Total	
.....(Rupees in '000).....				
Balance as at January 01, 2021	100,000	(5,296)	90,984	185,688
Profit after tax for the year	-	-	104,349	104,349
Transfer of profit to the Company	-	-	(90,984)	(90,984)
Other comprehensive income for the year	-	1,999	-	1,999
Balance as at December 31, 2021	100,000	(3,297)	104,349	201,052
Profit after tax for the year	-	-	158,015	158,015
Transfer of profit to the Company	-	-	(104,349)	(104,349)
Other comprehensive income for the year	-	2,908	-	2,908
Balance as at December 31, 2022	100,000	(389)	158,015	257,626

Attributable to participants of the PTF				
Seed money	Available for sale investment revaluation reserve	Accumulated surplus	Total	
.....(Rupees in '000).....				
Balance as at January 01, 2021	500	(10,108)	181,129	171,521
Surplus for the year	-	-	20,080	20,080
Other comprehensive loss for the year	-	(1,807)	-	(1,807)
Balance as at December 31, 2021	500	(11,915)	201,209	189,794
Surplus for the year	-	-	77,196	77,196
Other comprehensive income for the year	-	13,632	-	13,632
Balance as at December 31, 2022	500	1,717	278,405	280,622

The annexed notes 1 to 41 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	OPF		PTF	
	2022	2021	2022	2021
Operating cash flows				
(a) Takaful activities				
Contribution received	-	-	1,648,126	1,366,149
Re-takaful contribution paid	-	-	(264,316)	(196,828)
Claims / benefits paid	-	-	(809,434)	(720,226)
Re-takaful and other recoveries received	-	-	143,932	41,537
Commission paid	(158,319)	(153,680)	-	-
Commission received	-	-	24,745	16,805
Wakala fee received	569,284	459,980	-	-
Wakala fee paid	-	-	(569,284)	(459,980)
Modarib share received	10,946	8,507	-	-
Modarib share paid	-	-	(10,946)	(8,507)
Net cash generated from takaful activities	421,911	314,807	162,823	38,950
(b) Other operating activities				
Income tax paid	(20,594)	(9,434)	-	-
General and other expenses paid	(182,802)	(153,699)	(2,854)	(288)
Other operating payments	(33,490)	(27,832)	(187,414)	(155,806)
Other operating receipts	19	526	189,100	162,201
Net cash (used in) / generated from other operating activities	(236,867)	(190,439)	(1,168)	6,107
Total cash generated from all operating activities	185,044	124,368	161,655	45,057
Investment activities				
Profit / return received	28,332	14,720	68,258	34,171
Dividend received	9,186	5,527	13,926	7,536
Payment for investments	(167,698)	(5,937)	(320,422)	(13,433)
Fixed capital expenditure	(82)	-	-	-
Proceeds from investments	24,717	90	30,272	166
Total cash (used in) / generated from investing activities	(105,545)	14,400	(207,966)	28,440
Financing activities - profit paid to the Operator	(104,349)	(90,984)	-	-
Net cash (used in) / generated from all activities	(24,850)	47,784	(46,311)	73,497
Cash and cash equivalents at the beginning of year	258,206	210,422	705,559	632,062
Cash and cash equivalents at the end of year	233,356	258,206	659,248	705,559

Note (Rupees in '000)

14.4

OPF		PTF	
2022	2021	2022	2021

..... (Rupees in '000)

Reconciliation to profit and loss account

Operating cash flows	185,044	124,368	161,655	45,057
Depreciation expense	(23)	(1,009)	-	-
Amortisation	(350)	(566)	-	-
Profit / return received	28,332	14,720	68,258	34,171
Net realised gain on sale of investments	1,331	90	1,638	166
Dividend income	15,001	5,387	25,915	7,306
Impairment in value of available-for-sale securities	(9,287)	(7,278)	(21,580)	(5,742)
Increase in assets other than cash	25,447	24,845	158,863	80,518
Increase in liabilities other than borrowings	(87,480)	(56,208)	(317,553)	(141,396)
Net profit / surplus for the year	158,015	104,349	77,196	20,080

Cash and cash equivalents include the following for the purpose of the cash flow statement:

OPF		PTF	
2022	2021	2022	2021

..... (Rupees in '000)

CASH AND BANK

Cash and cash equivalent

Policy, revenue stamps and bond papers

7	12	1,235	709
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Cash at bank

Current accounts
Savings accounts

-	-	13,831	18,893
233,349	258,194	644,182	485,957
233,349	258,194	658,013	504,850

Deposits having original maturity within 3 months

Term deposits

-	-	-	200,000
233,356	258,206	659,248	705,559

The annexed notes 1 to 41 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Akbarali Pesnani
Director



Nawaid Jamal
Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

Jubilee General Insurance Company Limited (the Operator) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on May 16, 1953. The Operator is listed on the Pakistan Stock Exchange Limited 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 March 10, 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (the Operations) by the Securities and Exchange Commission of Pakistan (the SECP) under Takaful Rules, 2012 to carry on general takaful operations in Pakistan.

The Operator transferred a 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 issued by the SECP. Thereafter, the Operator has formed a Waqf for Participants' Takaful Fund (PTF) by executing the Waqf deed dated April 30, 2015 and by depositing a seed money of Rs. 500 thousands. The seed money is required to be invested in shariah compliant investments and any profit thereon can be utilised 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 May 7, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 shall prevail.

2.1.1 These financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the OPF and PTF remain separately identifiable.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair values.

2.3 Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Operator operates. The financial statements are presented in Pakistani Rupees, which is the Operator's functional and presentational currency.

2.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year

2.4.1 There are certain new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Operator's operations and therefore, have not been stated in these financial statements.

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2023:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023 & January 1, 2024
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments'	January 1, 2023*

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by the Securities and Exchange Commission of Pakistan.

* The management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 are given in notes 2.5.1 and 2.5.1.1 to these financial statements.

The management is in the process of assessing the impacts of these standards and amendments on the financial statements of the Operator.

2.5.1 Temporary exemption from application of IFRS 9

As a takaful company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with takaful as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with takaful based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 2.5.1.1 below.

2.5.1.1 Fair value of financial assets as at December 31, 2022 and changes in the fair values during year ended December 31, 2022

Financial assets that do not meet the SPPI criteria	As at December 31, 2022 (Rupees in '000)
Operator's Fund	
Equity securities - Available-for-sale (note 7)	
Opening fair value	56,261
Net additions during the year - net	151,374
Impairment during the year	(9,287)
Increase in fair value	4,061
Closing fair value	202,409
Participants' Takaful Fund	
Equity securities - Available-for-sale (note 7)	
Opening fair value	85,204
Net additions during the year - net	306,345
Impairment during the year	(21,580)
Increase in fair value	13,632
Closing fair value	383,601

2.5.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or will not have any significant effect on the Operator's operations and are therefore not stated in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as stated below have been applied consistently to all years presented in these financial statements.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged using the straight line method in accordance with the rates specified in note 5 to these financial statements and after taking into account residual values, if significant.

Depreciation on additions is charged from the month the assets are available for use, while no depreciation is charged in the month of disposal.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. 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 derecognised. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

3.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the Operator 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.

Intangible having indefinite useful life

These are stated at cost less impairment losses, if any.

Intangible having definite useful life

These are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over its estimated useful life as specified in note 6 to these financial statements after taking into account residual values, if significant. Amortisation on additions is charged from the month in which the asset is put to use, whereas no amortisation is charged in the month the asset is disposed of. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss account when the asset is derecognised.

3.3 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 PTF accepts significant takaful risk from another party (the participant) by agreeing to compensate the participant if a specified uncertain future event (the takaful event) adversely affects the participant are classified as takaful contracts. Takaful risk is significant if a takaful event could cause the PTF to pay significant benefits due to the happening of the takaful event compared to its non happening. Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The PTF underwrites non-life takaful contracts that can be categorised into the 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 takaful covered properties in their business activities. These contracts are generally one year contracts.

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

e) Miscellaneous

All other types of takaful contracts are classified in miscellaneous category which mainly includes 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, normal 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 organisations.

The contribution recognition policy and recording mechanism for liabilities against the above contracts and claims recognition have been disclosed in their respective notes to these financial statements.

3.4 Deferred commission expense

Commission expense incurred in obtaining and recording takaful policies are deferred and recognised as an asset. These costs are charged to the profit and loss account based on the pattern of recognition of contribution revenue.

3.5 Reserve for unearned contribution

The unearned portion of contribution written net of Wakala is set aside as a reserve. Reserve for unearned contribution is calculated by applying twenty fourths' method, except in accident and health takaful for which unearned contribution is calculated by applying 365 days method.

3.6 Contribution deficiency reserve

The Operator is required as per the General Takaful Accounting Regulations, 2019, 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 recoveries 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.

The Operator determines the adequacy of liability of contribution deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. 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 contribution. The liability of contribution deficiency in relation to accident and health takaful is calculated in accordance with the advice of the actuary. No provision has been made as the unearned contribution reserve for each class of business as at the year end 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 policies in force at reporting date.

3.7 Re-takaful contracts held

These are contracts entered into by the Operator 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 re-takaful assets. Re-takaful contribution is recognised as an expense when re-takaful is ceded. Re-takaful assets and liabilities are derecognised when contractual rights are extinguished or expired.

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

Assets, liabilities, income and expenses arising from ceded re-takaful contracts are presented separately from the assets, liabilities, income and expenses from the related takaful contracts because the re-takaful arrangements do not relieve the PTF from its direct obligation to its policyholders.

3.8 Amount due to / from takaful contract holders

Receivables including contribution due but unpaid relating to takaful contracts are recognised when due. The claim payable is recorded when intimation is received. These are recognised at cost, which is the fair value of the consideration given less provision for impairment losses, if any. Contribution received in advance is recognised as liability till the time of issuance of takaful contract there against.

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

3.9 Segment reporting

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Operator's other components. All operating segments' results are reviewed regularly by the Operator's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Operator presents segments reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, the Insurance Accounting Regulations, 2017 and the General Takaful Accounting Regulations, 2019. 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 Operator 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 3.3.

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. Further, the management expenses are allocated to each segment on the basis disclosed in note 3.20.

3.10 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement include policy, revenue stamps and bond papers, cash at bank and deposits having original maturity within three months.

3.11 Revenue recognition

a) Contribution

Contribution including administrative surcharge under all types of takaful contracts is recognised as written from the date of issuance of policy / cover note (i.e. the date of the attachment of risk).

Contribution income net of wakala fee is determined after taking into account the unearned portion of contribution income. The unearned portion of contribution income is recognised as a liability in PTF (refer note 3.5).

Re-takaful contribution ceded is recognised as an 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.

b) Wakala fee

Wakala fee is recognised as income in the Operator's Fund on the same basis on which the related contribution revenue is recognised.

c) Re-takaful rebate

Rebate and other forms of revenue (apart from recoveries) from re-takaful operators are deferred and recognised as a 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.

d) Investment income

- Gain or loss on sale of investments is accounted for in the profit and loss account in the period to which it relates.
- Dividend income is recognised when the Operator's right to receive the dividend is established.
- Profit on bank balances and term deposit receipts is recognised on a time proportion basis taking into account the effective yield.

e) Other income

- Gain or loss on sale of property and equipment, and intangible assets is recognised when the asset is derecognised.

3.12 Investments

3.12.1 Classification and recognition

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction costs, except for investments at fair value through profit or loss in which case transaction costs are charged to the profit and loss account.

These are recognised and classified as follows:

- 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 At fair value through profit or loss

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in the profit and loss account for the period to which it relates.

3.12.2.2 Held to maturity

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

Subsequently, these are measured at amortised cost using the effective yield less provision for impairment losses, if any.

Any premium paid or discount availed on acquisition of held to maturity investments is deferred and amortised over the term of investment using the effective yield.

3.12.2.3 Available-for-sale

Investments which are not eligible to be classified as at fair value through profit or loss or held to maturity are classified as 'available-for-sale'.

Subsequent to initial recognition, these investments are remeasured at fair value. Gains or losses on remeasurement of these investments are recognised in the statement of comprehensive income.

3.12.3 Fair value measurements

The fair value of investments in listed equity securities is determined by reference to the stock exchange's quoted market prices at the close of period end.

The fair value of investments in mutual funds is determined by reference to the net asset values as published by Mutual Funds Association of Pakistan at period end.

3.12.4 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 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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.

3.14 Provisions

Provisions are recognised when the Operator 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.

3.15 Provisions for outstanding claims including Incurred But Not Reported (IBNR) claims

Provisions for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Outstanding claims

This represents the amount of claims that have been reported and are yet unpaid or partially unpaid at the end of reporting year for a given accident year.

A liability for outstanding claims (claim incurred) is recognised for all claims incurred 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 liability in respect of unpaid reported claims is made on the basis of individual case estimates while taking into consideration the past claims settlement experience including handling costs and the Operator's reserving policy. Where applicable, deductions are made for salvage and their recoveries.

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

Incurred But Not Reported (IBNR) claims

This represents losses that have incurred or are in the occurrence period at the end of reporting year and have not been intimated to the Operator by the end of reporting year.

The Operator is required, as per the SECP circular no. 9 of 2016 dated March 9, 2016 "Guidelines for Estimation of Incurred But Not Reported (IBNR) Claims Reserve, 2016" to estimate and maintain the provision for claims incurred but not reported for each class of business by using the prescribed method which is "Chain Ladder Method" or any other alternate method as allowed under the provisions of the Guidelines.

The actuarial valuation as at December 31, 2022 has been carried out by an independent firm of actuaries for determination of IBNR for each class of business.

3.16 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Operator's profit and loss account, except to the extent that it relates to items recognised directly in equity or in the statement of comprehensive income, in which case it is recognised in equity or in the statement of comprehensive income respectively.

Current tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current period for such years.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.17 Defined contribution plan

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

3.18 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 year.

3.19 Impairment of assets

The management assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognised in the statement of comprehensive income is removed therefrom and included in the profit and loss account. Impairment losses recognised in the profit and loss account on equity securities are only reversed when the equity securities are derecognised.

3.20 Management and direct expenses

Management expenses are allocated to various classes of business as deemed equitable by the management based on the detailed exercise carried out by the management on an annual basis.

Expenses not directly attributable to the underwriting business are charged under direct expenses.

3.21 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Operator becomes a party to the contractual provisions of the instrument and are derecognised when the Operator loses control of contractual rights that comprise 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 the profit and loss account in the period in which financial instrument is derecognised.

3.22 Provision for unearned wakala fee

The Operator manages the general takaful operations for the participants and charges wakala fee to PTF on gross contributions recognised for each class of business to meet the general and administrative expenses of the Operator including commissions to agents at following rates:

Class	2022	2021
	Percentage	
Fire and property damage	35%	35%
Marine, aviation and transport	35%	35%
Motor	35%	35%
Motor Ijara*	40%	40%
Health	25%	25%
Health Bancatakaful*	72%	72%
Miscellaneous	35%	35%

* The bancatakaful health and motor ijara policies are issued to financial institutions, the rates of which have been approved on the advice of shariah advisor.

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

3.23 Modarib's fee

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

3.24 Qard-e-Hasna

Qard-e-Hasna is provided by the OPF to PTF in case of deficit or to fulfil cash flow requirements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- a) provision for unearned contribution (notes 3.5 and 18);
- b) provision for receivables related to takaful contracts (notes 3.8 and 10);
- c) provision for outstanding claims including IBNR (notes 3.15 and 20);
- d) contribution deficiency reserve (note 3.6);
- e) provision for unearned wakala fee (notes 3.22 and 23);
- f) classification and impairment of investments (notes 3.12, 3.19 and 7);
- g) residual values and useful lives of property and equipment and intangible assets (notes 3.1, 3.2, 5 and 6);
- h) allocation of management expenses (notes 3.20 and 24); and
- i) taxation and deferred taxation (notes 3.16, 12 and 29).

2022	2021
------	------

Note(Rupees in '000).....

5. PROPERTY AND EQUIPMENT

Operating assets 5.1 1,695 1,636

5.1 Operating assets

OPF										
2022										
Cost				Depreciation				Written down value as at December 31, 2022	Depreciation rate %	
As at January 01, 2022	Addition / (disposals)	Adjustments	As at December 31, 2022	As at January 01, 2022	For the year / (disposals)	Adjustments	As at December 31, 2022			
..... (Rupees in '000)										
Furniture and fixtures	9,208	-	-	9,208	8,286	2	-	8,288	920	17%
Office equipment	6,111	82	-	6,193	5,492	8	-	5,500	693	17%
Computer equipment	816	-	-	816	721	13	-	734	82	25%
	<u>16,135</u>	<u>82</u>	<u>-</u>	<u>16,217</u>	<u>14,499</u>	<u>23</u>	<u>-</u>	<u>14,522</u>	<u>1,695</u>	

2021										
Cost				Depreciation				Written down value as at December 31, 2021	Depreciation rate %	
As at January 01, 2021	Addition / (disposals)	Adjustments	As at December 31, 2021	As at January 01, 2021	For the year / (disposals)	Adjustments	As at December 31, 2021			
..... (Rupees in '000)										
Furniture and fixtures	9,208	-	-	9,208	7,705	581	-	8,286	922	17%
Office equipment	6,111	-	-	6,111	5,095	397	-	5,492	619	17%
Computer equipment	816	-	-	816	690	31	-	721	95	25%
	<u>16,135</u>	<u>-</u>	<u>-</u>	<u>16,135</u>	<u>13,490</u>	<u>1,009</u>	<u>-</u>	<u>14,499</u>	<u>1,636</u>	

5.2 Cost and accumulated depreciation in respect of fully depreciated property and equipment still in use at the end of the year amounted to Rs. 16,082 thousands and Rs. 14,474 thousands, respectively (2021: Rs. 15,918 thousands and Rs. 14,327 thousands, respectively).

6. INTANGIBLE ASSETS

2022								
Cost			Amortisation			Written down value as at December 31, 2022	Amortisation period	
As at January 01, 2022	Addition / (disposals)	As at December 31, 2022	As at January 01, 2022	For the year / (disposals)	As at December 31, 2022			
..... (Rupees in '000)								
Computer software	4,933	-	4,933	4,345	350	4,695	238	5 years

2021								
Cost			Amortisation			Written down value as at December 31, 2021	Amortisation period	
As at January 01, 2021	Addition / (disposals)	As at December 31, 2021	As at January 01, 2021	For the year / (disposals)	As at December 31, 2021			
..... (Rupees in '000)								
Computer software	4,933	-	4,933	3,779	566	4,345	588	5 years

6.1 Cost and accumulated amortisation in respect of fully amortised intangible assets still in use at the end of the year amounted to Rs. 3,633 thousands (2021: Rs. 3,144 thousands).

7. INVESTMENT IN EQUITY SECURITIES - AVAILABLE-FOR-SALE

	Note	2022			2021		
		Cost / Carrying value	Impairment for the year	Market value	Cost / Carrying value	Impairment for the year	Market value
(Rupees in '000)							
OPF							
Listed shares	7.1	44,930	9,287	43,074	60,905	7,278	56,261
Mutual funds	7.2	158,062	-	159,335	-	-	-
		202,992	9,287	202,409	60,905	7,278	56,261
PTF							
Listed shares	7.3	70,327	21,580	69,438	97,119	5,742	85,204
Mutual funds	7.4	311,557	-	314,163	-	-	-
		381,884	21,580	383,601	97,119	5,742	85,204

7.1 Available-for-sale securities - OPF

2022		2021		Face value per share (Rupees)	Name of Investee Company	2022		2021	
Number of shares		Number of shares				Cost / Carrying value	Market value	Cost / Carrying value	Market value
(Rupees in '000)									
Ordinary shares									
110,000	80,000	10			TEXTILE COMPOSITE Nishat Mills Limited	6,049	6,049	8,870	6,367
3,000	-	10			CEMENT Lucky Cement Limited	1,340	1,340	-	-
-	4,000	10			REFINERY National Refinery Limited	-	-	454	1,138
65,000	-	10			POWER GENERATION & DISTRIBUTION The Hub Power Company Limited	4,525	4,100	-	-
90,000	60,000	10			OIL & GAS MARKETING COMPANIES Sui Northern Gas Pipelines Limited	3,039	3,380	2,007	2,007
20,000	5,000	10			Pakistan State Oil Company Limited	3,536	2,880	1,007	910
						6,575	6,260	3,014	2,917
40,000	70,000	10			OIL & GAS EXPLORATION COMPANIES Oil & Gas Development Company Limited	3,448	3,186	6,034	6,034
20,000	29,000	10			Pakistan Oilfields Limited	7,857	7,857	12,470	10,371
80,000	95,000	10			Pakistan Petroleum Limited	6,323	5,451	7,509	7,509
2,000	-	10			Attock Petroleum Limited	587	579	-	-
1,500	1,500	10			Mari Petroleum Company Limited	1,840	2,320	1,840	2,481
						20,056	19,393	27,853	26,395
19,500	19,500	10			FERTILIZER Engro Corporation Limited	5,665	5,109	5,665	5,312
10,698	115,000	10			Engro Fertilizers Limited	720	823	7,737	8,750
						6,385	5,932	13,402	14,062
-	575,000	10			TECHNOLOGY & COMMUNICATION Pakistan Telecommunication Company Limited	-	-	6,933	5,003
-	28,140	10			FOOD & PERSONAL CARE PRODUCTS Al Shaheer Corporation Limited	-	-	379	379
						44,930	43,074	60,905	56,261

7.2 Mutual funds - OPF

2022		2021		Name of the Fund	2022		2021	
Number of units		Number of units			Cost / Carrying value	Market value	Cost / Carrying value	Market value
(Rupees in '000)								
488,974	-	-		Faysal Islamic Cash Fund	48,897	48,897	-	-
242,922	-	-		Faysal Halal Amdani Fund	25,000	26,273	-	-
8,416,545	-	-		ABL Islamic Cash Fund	84,165	84,165	-	-
					158,062	159,335	-	-

7.3 Available for sale securities - PTF

2022		2021		Face value per share	Name of Investee Company	2022		2021	
Number of shares						Cost / Carrying value	Market value	Cost / Carrying value	Market value
					(Rupees)	(Rupees in '000)			
					TEXTILE COMPOSITE				
200,000	170,000	10			Nishat Mills Limited	10,998	10,998	18,283	13,529
					CEMENT				
4,000	-	10			Lucky Cement Limited	1,967	1,786	-	-
					TECHNOLOGY & COMMUNICATION				
-	525,000	10			Pakistan Telecommunication Company Limited	-	-	6,281	4,568
					POWER GENERATION AND DISTRIBUTION				
85,000	-	10			The Hub Power Company Limited	5,746	5,362	-	-
					FERTILIZER				
50,000	50,000	10			Engro Corporation Limited	13,101	13,101	15,118	13,621
-	100,000	10			Engro Fertilizers Limited	-	-	6,659	7,609
					FOOD & PERSONAL CARE PRODUCTS				
-	52,210	10			Al Shaheer Corporation Limited	-	-	704	704
					OIL & GAS MARKETING COMPANIES				
30,000	-	10			Sui Northern Gas Pipelines Limited	1,031	1,127	-	-
41,500	30,000	10			Pakistan State Oil Company Limited	5,976	5,976	6,005	5,456
					OIL AND GAS EXPLORATION COMPANIES				
95,000	115,000	10			Oil & Gas Development Company Limited	8,189	7,567	9,913	9,913
7,500	-	10			Attock Petroleum Limited	2,200	2,172	-	-
26,000	35,000	10			Pakistan Oilfields Limited	10,712	10,214	14,419	12,517
118,000	135,000	10			Pakistan Petroleum Limited	7,966	8,041	14,853	10,670
2,000	4,000	10			Mari Petroleum Company Limited	2,442	3,094	4,884	6,617
						31,508	31,088	44,069	39,717
						70,327	69,438	97,119	85,204

7.4 Mutual funds - PTF

2022		2021		Name of the Fund	2022		2021		
Number of units					Cost / Carrying value	Market value	Cost / Carrying value	Market value	
					(Rupees in '000)				
998,065	-			Faysal Islamic Cash Fund	99,807	99,807	-	-	
486,387	-			Faysal Halal Amdani Fund	50,000	52,606	-	-	
16,175,043	-			ABL Islamic Cash Fund	161,750	161,750	-	-	
						311,557	314,163	-	-

8. INVESTMENT IN TERM DEPOSITS

		OPF		PTF	
		2022	2021	2022	2021
		(Rupees in '000)			
Held to maturity	Note				
Deposits maturing within 12 months					
- term deposit receipts	8.1	-	-	-	200,000

8.1 Term deposits carry interest rates at Nil (2021: 7.25% to 7.35%) per annum.

9. LOANS AND OTHER RECEIVABLES

		OPF		PTF	
		2022	2021	2022	2021
(Rupees in '000)					
Accrued investment income		-	-	2,834	3,757
Sales tax recoverable		74	14	4,796	2,687
Medical claims recoverable		-	-	81	81
Other receivables		1	27	-	-
		75	41	7,711	6,525

10.	TAKAFUL / RE-TAKAFUL RECEIVABLES Unsecured and considered good	Note	2022	2021
			.....(Rupees in '000).....	
	Due from takaful participants holders	10.1	313,376	214,386
	Less: provision for impairment of receivables from takaful participants holders		(8,198)	-
	Due from other takaful / re-takaful operators	10.2 & 10.3	305,178 48,040	214,386 83,714
			<u>353,218</u>	<u>298,100</u>

10.1 This includes Nil (2021: Rs. 76 thousands) receivable from related parties.

10.2 This includes Rs. 1,143 thousands (2021: Rs. 3,285 thousands) receivable from a related party.

10.3 The Operations has entered into co-takaful and re-takaful arrangements with various other takaful participant operators and one local re-takaful operator. As at December 31, 2022, the aggregate net balance due to other takaful and local re-takaful operators arising from such arrangements amounts to Rs 114.982 million (2021: Rs 36.312 million).

In respect of these balances, during the year the Operations has exchanged balance information with them based on the significance of the respective balances. This information corroborates the balance position of the Operations in all material respects taking into account the underlying contracts and transactions supported by appropriate evidence.

The reconciliation process of these balances with the respective takaful companies is carried out on ongoing basis. However, as advised by the SECP, this process will be formalised as per the guidelines suggested by Insurance Association of the Pakistan (IAP) for the insurance industry.

11. RECEIVABLE / PAYABLE (Current account between OPF and PTF)

	OPF		PTF	
	2022	2021	2022	2021
	..... (Rupees in '000)			
Wakala fee	114,736	100,994	(114,736)	(100,994)
Modarib fee	5,283	1,568	(5,283)	(1,568)
	<u>120,019</u>	<u>102,562</u>	<u>(120,019)</u>	<u>(102,562)</u>

12. DEFERRED TAXATION

	Note	OPF	
		2022	2021
		.....(Rupees in '000).....	
Deferred debits arising in respect of: revaluation of available-for-sale equity investments	12.1	192	1,347

12.1 The movement in deferred tax asset is as follows:

Opening deferred tax asset	1,347	2,163
Charge to the statement of comprehensive income	(1,155)	(816)
Closing deferred tax asset	<u>192</u>	<u>1,347</u>

13. PREPAYMENTS

	Note	OPF		PTF	
		2022	2021	2022	2021
		..... (Rupees in '000)			
Prepaid re-takaful contribution ceded		-	-	138,841	112,297
Prepaid miscellaneous expenses		1,270	1,080	-	-
		<u>1,270</u>	<u>1,080</u>	<u>138,841</u>	<u>112,297</u>

14. CASH AND BANK

Cash and cash equivalent					
Policy, revenue stamps and bond papers		7	12	1,235	709
Cash at bank					
Current accounts		-	-	13,831	18,893
Savings accounts	14.1	233,349	258,194	644,182	485,957
	14.2 & 14.3	233,349	258,194	658,013	504,850
		<u>233,356</u>	<u>258,206</u>	<u>659,248</u>	<u>505,559</u>

- 14.1 Savings accounts carry profit rates ranging from 4.15% to 13.50% (2021: 4.40% to 9.50%) per annum.
- 14.2 Cash at bank of OPF includes Rs. 19,043 thousands (2021: Rs. 100,624 thousands) held with a related party. Savings account with related party carry profit at the rate of 6.28% (2021: 9.20%) per annum.
- 14.3 Cash at bank of PTF includes Rs. 76,654 thousands (2021: Rs. 146,913 thousands) held with a related party. Savings accounts with related party carry profit at the rate of 6.28% (2021: 9.20%) per annum.
- 14.4 Cash and cash equivalents include the following for the purpose of the cash flow statement:

	Note	OPF		PTF	
		2022	2021	2022	2021
		(Rupees in '000)			
Cash and bank	14	233,356	258,206	659,248	505,559
Short term investments with 3 months or less maturity	8	-	-	-	200,000
		<u>233,356</u>	<u>258,206</u>	<u>659,248</u>	<u>705,559</u>

15. TAKAFUL / RE-TAKAFUL PAYABLES	Note	PTF	
		2022	2021
		(Rupees in '000)	
Due to takaful participants / re-takaful payable	10.3	286,377	224,298

16. OTHER CREDITORS AND ACCRUALS		OPF		PTF	
		2022	2021	2022	2021
		(Rupees in '000)			
Agents commission payable		58,093	50,509	-	-
Federal excise duty / sales tax		-	-	10,691	10,858
Federal takaful fee		-	-	979	1,013
Accrued expenses		2,206	1,214	5,605	4,551
Other tax payables		329	353	1,136	1,062
Miscellaneous		478	507	13,369	7,975
		<u>61,106</u>	<u>52,583</u>	<u>31,780</u>	<u>25,459</u>

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Under the Punjab Sales Tax Services Act, 2012, the health insurance service provided in the province of Punjab was exempted from the chargeability of sales tax upto October 30, 2018. The aforesaid exemption had been withdrawn through the Punjab Finance Act, 2018 by amending Second Schedule of the Punjab Sales Tax Services Act, 2012 with effect from November 01, 2018. During the year ended December 31, 2020, the Punjab Revenue Authority (PRA) vide notification no. SO(TAX)1-110/2020 (COVID-19) dated April 2, 2020 revised the rate of sales tax on health insurance to zero percent for the period from April 2, 2020 till June 30, 2020. The Operator has not yet billed its customers for health insurance services provided in the province of Punjab for the provincial sales tax for the periods from November 1, 2018 to April 1, 2020 and from July 1, 2020 till September 30, 2022. This matter is already taken up by the insurance industry with the Punjab Revenue Authority in the context of exemption available from the applicability of the sales tax on health insurance in other provinces and in federal territory as well. The management believes that the amount not yet billed aggregating to Rs. 15,591 thousands (December 31, 2021: Rs. 7,961 thousands) by the Operator would be recoverable from the customers in case of any adverse outcome of the aforementioned negotiations. The outcome of the matter is uncertain and therefore, no amount has been recorded in these financial statements.

17.1.2 There were no contingencies and commitments outstanding as at December 31, 2022 and December 31, 2021 other than that disclosed above.

18. NET CONTRIBUTION REVENUE	PTF	
	2022	2021
	(Rupees in '000)	
Written gross contribution	1,741,082	1,390,651
Less: Wakala fee	583,026	480,083
Contribution net of Wakala fee	1,158,056	910,568
Add: Unearned contribution reserve - opening	356,390	323,311
Less: Unearned contribution reserve - closing	474,882	356,390
Contribution earned	1,039,564	877,489
Less:		
Re-takaful contribution ceded	326,546	225,049
Add: Prepaid re-takaful contribution - opening	112,297	80,104
Less: Prepaid re-takaful contribution - closing	138,841	112,297
Re-takaful expense	300,002	192,856
Net contribution	<u>739,562</u>	<u>684,633</u>

		PTF	
		2022	2021
19.	RE-TAKAFUL REBATE EARNED	.....(Rupees in '000).....	
	Re-takaful rebate / commission received	24,745	16,805
	Add: Unearned re-takaful rebate / commission - opening	8,752	3,167
	Less: Unearned re-takaful rebate / commission - closing	12,288	8,752
		<u>21,209</u>	<u>11,220</u>
20.	NET CLAIMS		
	Benefits / claims paid	809,434	720,225
	Add: Outstanding benefits / claims including IBNR - closing	691,467	587,984
	Less: Outstanding benefits / claims including IBNR - opening	587,984	542,576
	Claims expense	912,917	765,633
	Less:		
	Re-takaful and other recoveries received	108,258	87,465
	Add: Re-takaful and other recoveries in respect of outstanding claims - closing	387,548	314,101
	Less: Re-takaful and other recoveries in respect of outstanding claims - opening	314,101	341,572
	Re-takaful and other recoveries revenue	181,705	59,994
	Net claims expense	<u>731,212</u>	<u>705,639</u>

21. BENEFIT / CLAIM DEVELOPMENT

The Operator maintains adequate reserves in respect of its takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before re-takaful.

Accident year	2018 & prior	2019	2020	2021	2022 (including IBNR)
Gross estimate of ultimate claims cost: (Rupees in '000)					
- At end of accident year	1,420,364	618,559	1,025,814	775,904	1,050,522
- One year later	904,901	617,622	990,279	724,663	-
- Two years later	902,500	609,293	974,281	-	-
- Three years later	899,610	606,037	-	-	-
- Four years later	898,795	-	-	-	-
Current estimate of cumulative claims	898,795	606,037	974,281	724,663	1,050,522
Cumulative payments to date	(896,396)	(603,580)	(729,046)	(672,210)	(661,599)
Liability recognised in the statement of financial position	<u>2,399</u>	<u>2,457</u>	<u>245,235</u>	<u>52,453</u>	<u>388,923</u>

21.1 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2022 amounted to Rs 55,143 thousands (2021: Rs 66,296 thousands).

		OPF	
		2022	2021
22.	COMMISSION EXPENSE	.....(Rupees in '000).....	
	Commission paid or payable	165,903	160,499
	Add: Deferred commission expense - opening	68,165	62,536
	Less: Deferred commission expense - closing	74,686	68,165
		<u>159,382</u>	<u>154,870</u>

		OPF	
		2022	2021
23.	WAKALA FEE INCOME	.....(Rupees in '000).....	
	Gross Wakala fee	583,026	480,083
	Add: Unearned Wakala fee - opening	203,065	159,231
	Less: Unearned Wakala fee - closing	249,200	203,065
		<u>536,891</u>	<u>436,249</u>

23.1 Wakala fee has been charged by OPF to PTF for managing the general takaful operations. Rates of Wakala fee for each class of business have been disclosed in note 3.22 to these financial statements.

		OPF	
		2022	2021
24.	GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES	.....(Rupees in '000).....	
	Employee benefit cost	128,152	112,687
	Travelling expenses	1,604	441
	Advertisement and sales promotion	5,648	3,730
	Printing and stationery	12,747	10,412
	Depreciation	3,077	4,219
	Amortisation	1,812	1,919
	Rent, rates and taxes	5,432	4,629
	Legal and professional charges - business related	1,526	1,020
	Electricity, gas and water	2,888	2,167
	Entertainment	1,241	988
	Office repairs and maintenance	1,865	742
	Bank charges	221	201
	Postage, telegrams and telephone	2,167	1,383
	Shariah Advisor's fee	3,233	2,988
	Annual supervision fee to the SECP	2,936	2,680
	Miscellaneous	5,944	2,906
		<u>180,493</u>	<u>153,112</u>

24.1 Employee benefit cost

	Salaries, allowance and other benefits	24.1.1	123,430	109,627
	Charges for post employment benefit	24.1.2	4,722	3,060
			<u>128,152</u>	<u>112,687</u>

24.1.1 This includes Rs. 2,964 thousands (2021: Rs. 14,894 thousands) in respect of remuneration of key management personnel and allocation of personnel expenses amounting to Rs. 92,272 thousands (2021: Rs. 74,096 thousands) by the Operator.

24.1.2 This represents Rs. 2,427 thousands (2021: Rs. 1,138 thousands) being contribution for employees' provident fund and allocation of Rs. 2,295 thousands (2021: Rs. 1,922 thousands) by the Operator in respect of defined benefit plan - employees' gratuity. Detailed disclosures as required under General Takaful Accounting Regulations, 2019, have been presented on a collective basis in the separate financial statements of the Operator.

		OPF		
		2022	2021	
24.2	Depreciation	.....(Rupees in '000).....		
	Depreciation charged during the year	5	23	1,009
	Add: depreciation allocated by the Company and common back office		3,054	3,210
			<u>3,077</u>	<u>4,219</u>
24.3	Amortisation			
	Amortisation charged during the year	6	350	566
	Add: amortisation allocated by the Company and common back office		1,462	1,353
			<u>1,812</u>	<u>1,919</u>

- 24.4** This includes rent amounting to Rs. 2,712 thousands (2021: Rs. 2,593 thousands) paid to the Operator.
- 24.5** This includes costs amounting to Rs. 126,689 thousands (2021: Rs. 98,655 thousands) with respect to the allocation of expenses to the Operations by the Operator in accordance with the exercise carried out by the management.

	OPF		PTF	
	2022	2021	2022	2021
25. INVESTMENT INCOME	Note (Rupees in '000)			
Income from equity securities				
Available-for-sale				
Dividend income	15,001	5,387	25,915	7,306
Income from term deposits				
Return on term deposits	-	-	1,978	3,479
	15,001	5,387	27,893	10,785
Net realised gains on investments				
Available-for-sale				
Realised gain on sale of equity securities	1,331	90	1,638	166
Total investment income	16,332	5,477	29,531	10,951
less: Impairment in value of available-for-sale equity securities	(9,287)	(7,278)	(21,580)	(5,742)
	7,045	(1,801)	7,951	5,209
26. OTHER INCOME				
Return on bank balances	28,332	14,720	65,357	33,836
Miscellaneous	(24)	42	(610)	(297)
	28,308	14,762	64,747	33,539

- 26.1** This includes Rs. 8,556 thousands (2021: Rs. 8,884 thousands) profit on bank balances - OPF held with a related party.
- 26.2** This includes Rs. 8,190 thousands (2021: Rs. 6,544 thousands) profit on bank balances - PTF held with a related party.

27. MODARIB'S FEE

The Operator manages the participants' investments as a Modarib and charges 20% (2021: 20%) Modarib's share of the investment income (including profit on bank balances) earned by the PTF.

	Note	OPF	
		2022	2021
28. DIRECT EXPENSES		Note .....(Rupees in '000).....	
Auditors' remuneration (other than shariah audit)	28.1	1,550	1,307
Shariah audit fee		660	600
Non-shariah compliant income		202	160
		2,412	2,067
28.1 Auditors' remuneration			
Audit fee		1,210	1,100
Out-of-pocket expenses		340	207
		1,550	1,307

29. TAXATION

The current tax charge for the year is Rs. 86,603 thousands at the normal tax rate of 29 percent (2021: Rs. 42,621 thousands at the tax rate of 29 percent) and super tax at the rate of 4 percent (2021: Nil) and the same has been recorded in these financial statements hence no tax reconciliation has been made. Deferred tax on unrealised gain / (loss) on available-for-sale investments has been stated separately.

30. COMPENSATION OF HEAD OF WINDOW TAKAFUL OPERATIONS AND EXECUTIVES

	Head of Window Takaful Operations		Executives	
	2022	2021	2022	2021
	..... (Rupees in '000)			
Managerial remuneration	2,841	11,363	6,480	6,359
Leave encashment	-	473	162	236
Bonus	-	1,275	984	934
Contribution to defined contribution plan	153	611	350	345
Medical	-	60	275	275
Conveyance	262	1,049	3,040	2,139
Others	13	63	255	97
	<u>3,269</u>	<u>14,894</u>	<u>11,546</u>	<u>10,385</u>
Number of persons	1*	1	6*	6

Executives mean employees, other than the Chief Executive and Directors, whose basic salary exceed five hundred thousand rupees in a financial year.

* During the year, Syed Sohail Ahmed was transferred to the management team of the Operator with effect from May 9, 2022 and therefore his remuneration is disclosed till this date. Mr. Munaf Khokhar was appointed as the Acting Head of Window Takaful Operations whose compensation has been disclosed in Executives.

31. RELATED PARTY TRANSACTIONS

Related parties comprise of the Operator, associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel of the Operator. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Note	OPF		PTF	
		2022	2021	2022	2021
		..... (Rupees in '000)			
Associated companies / undertakings					
Contribution written		-	-	5,097	2,735
Takaful contribution received / adjusted during the year		-	-	4,689	2,637
Claim paid		-	-	1,427	-
Rent paid	31.1	2,712	2,593	-	-
Reimbursement of expenses	31.2	129,026	99,209	-	-
Others					
Contributions to staff retirement plans		4,722	3,060	-	-

31.1 This represents rent paid to the Operator.

31.2 These expenses pertain to accident and health business common back office operations jointly shared with Jubilee Life Insurance Company Limited (an associated company) and an allocation of management expenses including personnel expenses from the Company to the Operator.

32. SEGMENT INFORMATION

Segment information is prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the General Takaful Accounting Regulations, 2019 for class wise revenues, results, assets and liabilities:

	2022 - PTF					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
Contribution received / receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and Administrative surcharge)	344,339	169,352	793,308	539,430	88,277	1,934,706
Less: Federal excise duty	42,076	19,234	94,193	-	10,331	165,834
Federal takaful fee	2,993	1,401	6,915	5,338	775	17,422
Others	353	8,989	701	268	57	10,368
Gross written contribution (inclusive of administrative surcharge)	298,917	139,728	691,499	533,824	77,114	1,741,082
Gross direct contribution	296,735	134,940	673,608	533,824	76,449	1,715,556
Administrative surcharge	2,182	4,788	17,891	-	665	25,526
	298,917	139,728	691,499	533,824	77,114	1,741,082
Takaful contribution earned	175,206	90,299	432,096	293,760	48,203	1,039,564
Takaful contribution ceded to re-takaful	(208,619)	(26,409)	(31,759)	-	(33,215)	(300,002)
Net takaful contribution	(33,413)	63,890	400,337	293,760	14,988	739,562
Re-takaful rebate	18,366	755	110	-	1,978	21,209
Net underwriting income / (loss)	(15,047)	64,645	400,447	293,760	16,966	760,771
Takaful claims	(189,026)	(21,126)	(330,817)	(346,494)	(25,454)	(912,917)
Takaful claims recovered from re-takaful	154,916	2,086	22,626	-	2,077	181,705
Net claims	(34,110)	(19,040)	(308,191)	(346,494)	(23,377)	(731,212)
Other direct expenses	(1,486)	(1,517)	(4,544)	(2,257)	(596)	(10,400)
(Deficit) / surplus before investment income	(50,643)	44,088	87,712	(54,991)	(7,007)	19,159
Net investment income						7,951
Other income						64,747
Modarib share of investment income						(14,661)
Surplus transferred to balance of PTF						77,196
Corporate segment assets	574,420	48,578	283,297	171,599	50,994	1,128,888
Corporate unallocated assets						1,050,479
Total assets	574,420	48,578	283,297	171,599	50,994	2,179,367
Corporate segment liabilities	659,181	105,684	584,435	443,555	105,378	1,898,233
Corporate unallocated liabilities						512
Total liabilities	659,181	105,684	584,435	443,555	105,378	1,898,745

	2022 - OPF					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
Wakala fee	94,645	48,805	237,396	129,967	26,078	536,891
Commission expense	(34,970)	(21,787)	(59,295)	(38,413)	(4,917)	(159,382)
Management expenses	(25,792)	(26,334)	(78,858)	(39,167)	(10,342)	(180,493)
	33,883	684	99,243	52,387	10,819	197,016
Modarib share of PTF investment income						14,661
Investment income						7,045
Direct expenses						(2,412)
Other income						28,308
Profit before tax						244,618
Taxation						(86,603)
Profit after tax						158,015
Corporate segment assets	39,596	14,103	81,232	51,089	8,172	194,192
Corporate unallocated assets						439,748
Total assets	39,596	14,103	81,232	51,089	8,172	633,940
Corporate segment liabilities	61,411	12,506	133,585	86,498	16,306	310,306
Corporate unallocated liabilities						66,008
Total liabilities	61,411	12,506	133,585	86,498	16,306	376,314

	2021 - PTF					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	..... (Rupees in '000)					
Contribution received / receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and Administrative surcharge)	271,383	180,306	678,257	350,301	78,625	1,558,872
Less: Federal excise duty	33,214	21,077	81,744	-	9,175	145,210
Federal takaful fee	2,357	1,498	5,924	3,466	689	13,934
Others	225	7,869	691	190	102	9,077
Gross written contribution (inclusive of administrative surcharge)	235,587	149,862	589,898	346,645	68,659	1,390,651
Gross direct contribution	233,588	145,677	573,510	346,645	68,009	1,367,429
Administrative surcharge	1,999	4,185	16,388	-	650	23,222
	235,587	149,862	589,898	346,645	68,659	1,390,651
Takaful contribution earned	139,426	93,292	364,078	234,022	46,671	877,489
Takaful contribution ceded to re-takaful	(108,071)	(36,800)	(21,756)	-	(26,229)	(192,856)
Net takaful contribution	31,355	56,492	342,322	234,022	20,442	684,633
Re-takaful rebate	9,031	1,215	20	-	954	11,220
Net underwriting income	40,386	57,707	342,342	234,022	21,396	695,853
Takaful claims	(138,473)	(35,450)	(274,146)	(285,963)	(31,601)	(765,633)
Takaful claims recovered from re-takaful	55,383	(713)	4,060	-	1,264	59,994
Net claims	(83,090)	(36,163)	(270,086)	(285,963)	(30,337)	(705,639)
Other direct expenses	(163)	(115)	(454)	(268)	(73)	(1,073)
(Deficit) / surplus before investment income	(42,867)	21,429	71,802	(52,209)	(9,014)	(10,859)
Net investment income						5,209
Other income						33,539
Modarib share of investment income						(7,809)
Surplus transferred to balance of PTF						20,080
Corporate segment assets	459,729	48,790	247,818	124,147	47,160	927,644
Corporate unallocated assets						797,207
Total assets	459,729	48,790	247,818	124,147	47,160	1,724,851
Corporate segment liabilities	557,926	99,123	505,141	273,224	99,643	1,535,057
Corporate unallocated liabilities	-					
Total liabilities	557,926	99,123	505,141	273,224	99,643	1,535,057
	..... (Rupees in '000)					
	2021 - OPF					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	..... (Rupees in '000)					
Wakala fee	72,959	50,107	181,994	109,987	21,202	436,249
Commission expense	(32,228)	(25,359)	(53,099)	(39,701)	(4,483)	(154,870)
Management expenses	(23,258)	(16,460)	(64,705)	(38,202)	(10,487)	(153,112)
	17,473	8,288	64,190	32,084	6,232	128,267
Modarib share of PTF investment income						7,809
Investment income						(1,801)
Direct expenses						(2,067)
Other income						14,762
Profit before tax						146,970
Taxation						(42,621)
Profit after tax						104,349
Corporate segment assets	32,900	14,886	70,994	44,654	7,293	170,727
Corporate unallocated assets						319,159
Total assets	32,900	14,886	70,994	44,654	7,293	489,886
Corporate segment liabilities	49,209	12,723	120,996	57,821	14,899	255,648
Corporate unallocated liabilities						33,186
Total liabilities	49,209	12,723	120,996	57,821	14,899	288,834

33. MOVEMENT IN INVESTMENTS

	Held to maturity		Available for sale		Total	
	OPF	PTF	OPF	PTF	OPF	PTF
	(Rupees in '000)					
Balance as at January 1, 2021	-	-	54,786	79,320	54,786	79,320
Additions	-	200,000	5,937	13,433	5,937	213,433
Disposals	-	-	-	-	-	-
Fair value net gains / (losses) (excluding net realised gains)	-	-	2,816	(1,807)	2,816	(1,807)
Impairment losses	-	-	(7,278)	(5,742)	(7,278)	(5,742)
Balance as at January 1, 2022	-	200,000	56,261	85,204	56,261	285,204
Additions*	-	-	174,760	334,979	174,760	334,979
Disposals	-	(200,000)	(23,386)	(28,634)	(23,386)	(228,634)
Fair value net gains (excluding net realised gains)	-	-	4,061	13,632	4,061	13,632
Impairment losses	-	-	(9,287)	(21,580)	(9,287)	(21,580)
Balance as at December 31, 2022	-	-	202,409	383,601	202,409	383,601

* including dividend re-invested

34. MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

34.1 Takaful risk

The risk under any takaful contract is the possibility that the covered event occurs, the uncertainty in the amount of compensation to the participant and the actual claims and benefit payments exceed the carrying amount of takaful liabilities. Generally, most takaful contracts carry the takaful risk for a period of one year (refer note 3.3). By the very nature of a takaful contract, the risk is random and therefore, unpredictable.

The Operator accepts 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.

The Operator’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 re-takaful is arranged to mitigate the effect of the potential loss from individual to large or catastrophic insured events. Further, the Operator 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 takaful risk.

a) 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.

Concentration risk

The Operator monitors concentration of takaful risks primarily by class of business. The table below sets out the concentration of the claims and contribution liabilities (in percentage terms) by class of business at financial statement date:

Class	2022				2021			
	Gross claim liabilities	Net claim liabilities	Gross contribution liabilities	Net contribution liabilities	Gross claim liabilities	Net claim liabilities	Gross contribution liabilities	Net contribution liabilities
	%				%			
Fire and property damage	61.55	18.26	19.82	8.43	63.85	28.59	20.46	8.86
Marine, aviation and transport	6.59	13.72	2.64	2.06	6.85	13.67	3.30	2.43
Motor	14.08	28.28	40.25	46.64	13.35	25.00	48.16	56.89
Accident and health	11.34	25.79	32.07	39.68	8.50	18.27	21.83	27.32
Miscellaneous	6.44	13.95	5.22	3.19	7.45	14.47	6.25	4.50
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location.

For marine risks, complete underwriting details such as sums covered mode of transport (air / inland transit), vessel identification, sailing dates, origin and destination of the shipments, per carry limits, accumulation of sum covered on a single voyage etc. are taken into consideration.

The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its re-takaful policy to reduce such exposures to levels acceptable to the Operator.

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

Class	Maximum gross risk exposure	
	2022	2021
	.....(Rupees in '000).....	
Fire and property damage	5,732,895	6,191,448
Marine, aviation and transport	761,401	2,045,185
Motor	50,000	54,974
Accident and health	4,706,935	3,078,377
Miscellaneous	19,385	4,969,488

The re-takaful arrangements against major risk exposure include excess of loss, quota arrangements, facultative arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on the 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.

b) Sources of uncertainty in the estimation of future claims payments

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 Operator. The estimation of the amount is based on the Operator's judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. In estimating Incurred But Not Reported (IBNR) claims reserve, the Operator follows the recommendation of an independent firm of actuaries (note 3.15).

There are several variable factors which affect the amount and timing of recognised claim liabilities. The Operator 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 recognised 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.

The process for estimation of IBNR and its provisioning mechanism is detailed in key assumptions below.

c) Key assumptions

The principal assumption underlying the liability estimation of IBNR and contribution deficiency reserve is that the Operator'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.

Actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required / allowed by the SECP via circular 9 of 2016.

IBNR is determined by using the "Chain Ladder Method" for all classes of business including in-patient claims of accident and health class. Alternative method is used for accident and health out-patient (OP) takaful. The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business except for marine which is made on a quarterly basis. For accident and health OP business, IBNR has been set equal to monthly average of OP claims reported in preceding three months, including margins for adverse deviations. For accident and health takaful business, a loss ratio method has been used. The methods used, and the estimates made, are reviewed regularly.

The Operator determines adequacy of liability of contribution deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. 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 contribution. The liability of contribution deficiency reserve in relation to accident and health takaful is calculated in accordance with the advice of the actuary (refer note 3.6).

The assumed net of re-takaful loss ratios for each class of business for estimation of contribution deficiency reserves is as follows:

Class	Assumed net loss ratio (%)	
	2022	2021
Fire and property damage	44%	55%
Marine, aviation and transport	36%	66%
Motor	49%	49%
Accident and health	77%	82%
Miscellaneous	71%	67%

d) Sensitivity analysis

The takaful 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, surplus / deficit and equity is as follows:

Average claim costs	Change in assumption	Impact on gross claim liabilities	Impact on net claim liabilities	Impact on surplus	Impact on equity (the Fund)
..... (Rupees in '000)					
2022	± 10%	91,292	73,121	73,121	73,121
2021	± 10%	76,563	70,564	70,564	70,564

e) 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 Operator obtain re-takaful coverage 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 / retakaful	Retakaful recoveries against outstanding claims	2022	2021
..... (Rupees in '000)				
A or above including Pakistan Reinsurance Company Limited	48,040	363,198	411,238	388,248

34.2 Financial risk

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

- Market risk
- Liquidity risk
- Credit risk

34.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of profit rate risk, foreign currency risk and other price risk. The Operator manages the market risk exposures by following internal risk management policies.

34.2.1.1 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. The Operator invests in securities and has deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its cash and investments are denominated.

The maturity profile of financial assets and liabilities is as follows:

2022							
Effective rate % per annum	Profit bearing financial instruments			Non-profit bearing financial instruments			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
Note (Rupees in '000)							
Financial assets							
Investments in equity securities	-	-	-	586,010	-	586,010	586,010
Loans and other receivables	-	-	-	2,916	-	2,916	2,916
Takaful / re-takaful receivables	-	-	-	353,218	-	353,218	353,218
Receivable from PTF	-	-	-	120,019	-	120,019	120,019
Re-takaful recoveries against outstanding claims	-	-	-	363,198	-	363,198	363,198
Salvage recoveries accrued	-	-	-	24,350	-	24,350	24,350
Cash and bank	877,531	-	877,531	15,073	-	15,073	892,604
	877,531	-	877,531	1,464,784	-	1,464,784	2,342,315
Financial liabilities							
Outstanding claims including IBNR	-	-	-	(691,467)	-	(691,467)	(691,467)
Payable to OPF	-	-	-	(120,019)	-	(120,019)	(120,019)
Takaful / re-takaful payables	-	-	-	(286,377)	-	(286,377)	(286,377)
Other creditors and accruals	-	-	-	(79,751)	-	(79,751)	(79,751)
	-	-	-	(1,177,614)	-	(1,177,614)	(1,177,614)
Profit risk sensitivity gap	877,531	-	877,531	287,170	-	287,170	1,164,701
Cumulative profit risk sensitivity gap	877,531	877,531					

2021							
Effective rate % per annum	Profit bearing financial instruments			Non-profit bearing financial instruments			Total
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
Note (Rupees in '000)							
Financial assets							
Investments in equity securities	-	-	-	141,465	-	141,465	141,465
Investments in term deposit receipts	200,000	-	200,000	-	-	-	200,000
Loans and other receivables	-	-	-	3,865	-	3,865	3,865
Takaful / re-takaful receivables	-	-	-	298,100	-	298,100	298,100
Receivable from PTF	-	-	-	102,562	-	102,562	102,562
Re-takaful recoveries against outstanding claims	-	-	-	304,534	-	304,534	304,534
Salvage recoveries accrued	-	-	-	9,567	-	9,567	9,567
Cash and bank	744,151	-	744,151	19,614	-	19,614	763,765
	944,151	-	944,151	879,707	-	879,707	1,823,858
Financial liabilities							
Outstanding claims including IBNR	-	-	-	(587,984)	-	(587,984)	(587,984)
Payable to OPF	-	-	-	(102,562)	-	(102,562)	(102,562)
Takaful / re-takaful payables	-	-	-	(224,298)	-	(224,298)	(224,298)
Other creditors and accruals	-	-	-	(64,756)	-	(64,756)	(64,756)
	-	-	-	(979,600)	-	(979,600)	(979,600)
Profit risk sensitivity gap	944,151	-	944,151	(99,893)	-	(99,893)	844,258
Cumulative profit risk sensitivity gap	944,151	944,151					

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in profit rates, with all other variables held constant, to the Operator's profit and equity based upon current year balances and rates:

	Increase / (decrease) in basis points	Effect on profit before tax	Effect on equity
	..... (Rupees in '000)		
December 31, 2022	100	2,333	1,563
	(100)	(2,333)	(1,563)
December 31, 2021	100	2,582	1,833
	(100)	(2,582)	(1,833)

Fair value sensitivity analysis for fixed rate instruments

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

34.2.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At present, the Operator is not exposed to currency risk.

34.2.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or foreign 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 listed securities of OPF and PTF are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Operator limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity market.

The following table summarises the other price risk as at December 31, 2022 and December 31, 2021. 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 listed securities would affect it in a similar and opposite manner.

	Fair value	Price change	Effect on fair value
Operator's Fund	(Rupees in '000)		(Rupees in '000)
December 31, 2022	202,409	+5%	10,120
	(202,409)	-5%	(10,120)
December 31, 2021	56,261	+5%	2,813
	(56,261)	-5%	(2,813)
Participants' Takaful Fund			
December 31, 2022	383,601	+5%	19,180
	(383,601)	-5%	(19,180)
December 31, 2021	85,204	+5%	4,260
	(85,204)	-5%	(4,260)

34.2.2 Liquidity risk

Liquidity risk is the risk that the Operator will not be able to meet its financial obligations as they fall due or can do so on terms that are materially disadvantageous. The Operator's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Operator's reputation.

The table below analyses the Operator's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date on an undiscounted cash flow basis.

	2022			
	Within one year	Over one year to five years	Over five years	Total
	.....(Rupees in '000).....			
Financial liabilities				
Outstanding claims including IBNR	691,467	-	-	691,467
Payable to OPF	120,019	-	-	120,019
Takaful / re-takaful payables	286,377	-	-	286,377
Other creditors and accruals	79,751	-	-	79,751
	<u>1,177,614</u>	<u>-</u>	<u>-</u>	<u>1,177,614</u>

	2021			
	Within one year	Over one year to five years	Over five years	Total
	.....(Rupees in '000).....			
Financial liabilities				
Outstanding claims including IBNR	587,984	-	-	587,984
Payable to OPF	102,562	-	-	102,562
Takaful / re-takaful payables	224,298	-	-	224,298
Other creditors and accruals	64,756	-	-	64,756
	<u>979,600</u>	<u>-</u>	<u>-</u>	<u>979,600</u>

34.2.3 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 Operator attempts to control credit risk by monitoring credit exposures and undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

34.2.3.1 Concentration of credit risk and credit exposure of 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 Operator manages concentration of credit risk through diversification of activities among individuals, groups and industry segment.

As at December 31, 2022, the Operator is exposed to major credit risk takaful / re-takaful receivables, re-takaful recoveries against outstanding claims and bank balances.

Bank balances represents low credit risk as they are placed with reputed financial institutions with strong credit ratings. The credit quality of bank balances can be assessed with reference to external credit ratings as follows:

Name of Bank	Rating agency	Long term rating	Short term rating	2022	2021
.....(Rupees in '000).....					
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+	48,423	47,511
Habib Bank Limited - a related party	VIS	AAA	A-1+	108,705	247,537
Soneri Bank Limited	PACRA	AA-	A1+	157,478	194,968
Faysal Bank Limited	VIS	AA	A-1+	112,650	49,827
Bank Alfalah Limited	PACRA	AA+	A1+	8,108	112,662
Dubai Islamic Bank Pakistan Limited	VIS	AA	A-1+	170,309	81,425
BankIslami Pakistan Limited	PACRA	A+	A1	284,882	224,494
MCB Islamic Bank Limited	PACRA	A	A1	805	4,620
United Bank Limited	VIS	AAA	A-1+	2	-
				891,362	963,044

34.3 Capital management

The Operator's objective when managing capital is to safeguard the Operator'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 Operator manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

35. STATEMENT OF SOLVENCY - PTF

	Note	2022	2021
.....(Rupees in '000).....			
Assets			
Investments			
Equity securities		383,601	85,204
Term deposits		-	200,000
Loans and other receivables		7,711	6,525
Takaful / re-takaful receivables		353,218	298,100
Salvage recoveries accrued		24,350	9,567
Deferred wakala fee		249,200	203,065
Re-takaful recoveries against outstanding claims		363,198	304,534
Prepayments	35.1	138,841	112,297
Cash and bank		659,248	505,559
Total assets		2,179,367	1,724,851
In-admissible assets as per following clauses section 32(2) of the Insurance Ordinance, 2000			
Takaful / re-takaful receivables		196,362	131,981
Investments		63,430	
Total of admissible assets		1,919,575	1,592,870
Liabilities			
PTF underwriting provisions			
Outstanding claims including IBNR		691,467	587,984
Unearned contribution reserves		724,082	559,455
Reserve for unearned re-takaful rebate		12,288	8,752
Contribution received in advance		32,732	26,547
Takaful / re-takaful payables		286,377	224,298
Other creditors and accruals		31,780	25,459
Payable to OPF		120,019	102,562
Total liabilities		1,898,745	1,535,057
Total net admissible assets		20,830	57,813

35.1 In the absence of any specific guidance, "prepaid re-takaful contribution ceded" has been treated as admissible asset for the purposes of this statement.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Operator is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

36.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Operator to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Valuation techniques used in determination of fair values within level 2

Items	Valuation technique
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

	2022								
	Carrying amount				Fair value				
	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
Financial assets measured at fair value									
Investments in equity securities	586,010	-	-	-	586,010	112,512	473,498	-	586,010
Financial assets not measured at fair value									
Loans and other receivables*	-	-	2,916	-	2,916	-	-	-	-
Takaful / re-takaful receivables*	-	-	353,218	-	353,218	-	-	-	-
Receivable from PTF*	-	-	120,019	-	120,019	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	-	363,198	-	363,198	-	-	-	-
Salvage recoveries accrued*	-	-	24,350	-	24,350	-	-	-	-
Cash and bank*	-	-	892,604	-	892,604	-	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(691,467)	(691,467)	-	-	-	-
Payable to OPF *	-	-	-	(120,019)	(120,019)	-	-	-	-
Takaful / re-takaful payables*	-	-	-	(286,377)	(286,377)	-	-	-	-
Other creditors and accruals*	-	-	-	(79,751)	(79,751)	-	-	-	-
	586,010	-	1,756,305	(1,177,614)	1,164,701	112,512	473,498	-	586,010

2021									
Carrying amount					Fair value				
Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
Financial assets measured at fair value									
Investments in equity securities	141,465	-	-	-	141,465	141,465	-	-	141,465
Financial assets not measured at fair value									
Investments in term deposit receipts*	-	200,000	-	-	200,000	-	-	-	-
Loans and other receivables*	-	-	3,865	-	3,865	-	-	-	-
Takaful / re-takaful receivables*	-	-	298,100	-	298,100	-	-	-	-
Receivable from PTF*	-	-	102,562	-	102,562	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	-	304,534	-	304,534	-	-	-	-
Salvage recoveries accrued*	-	-	9,567	-	9,567	-	-	-	-
Cash and bank*	-	-	763,765	-	763,765	-	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(587,984)	(587,984)	-	-	-	-
Payable to OPF *	-	-	-	(102,562)	(102,562)	-	-	-	-
Takaful / re-takaful payables*	-	-	-	(224,298)	(224,298)	-	-	-	-
Other creditors and accruals*	-	-	-	(64,756)	(64,756)	-	-	-	-
	141,465	200,000	1,482,393	(979,600)	844,258	141,465	-	-	141,465

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

37. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

38. SUBSEQUENT EVENTS

There are no subsequent events that need to be disclosed for the year ended December 31, 2022.

39. NUMBER OF EMPLOYEES

As at December 31

Average number of employees during the year

	2022	2021
.....(Number).....		
	9	14
	12	14

40. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on March 22, 2023.

41. GENERAL

41.1 Figures in these financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

 R. Zakir Mahmood Chairman	 Hassan Khan Chief Executive	 Aryn Currimbhoy Director	 Akbarali Pesnani Director	 Nawaid Jamal Chief Financial Officer
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GLOSSARY

Actuary	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.
Actuarial Valuation	A determination by an actuary at a special date of the value of an insurance Company's assets and its liabilities.
Amortisation	The reduction of the value of an asset by prorating its cost over a period of years.
Associate	Is a company / undertaking in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
Authorised Share Capital	The maximum value of share that a company can legally issue.
Best's Capital Adequacy Ratio (BCAR)	BCAR is an integrated review of an insurer's underwriting, financial performance, and asset leverage by rating agency.
Book Value	The value of an asset as entered in a company's books.
Budget	An estimate of income and expenditure for a set period of time.
Business mixes	The combination of different types of business activities that a company is engaged in.
Capital Expenditure	The cost of long-term improvements and fixed assets.
Capital Gain	Portion of the total gain recognised on the sale or exchange of a non inventory asset.
Capital Reserve	Any reserve not regarded free for distribution by way of dividends.
Catastrophe	An event causing great and usually sudden damage or suffering.
Cedant	Client of a reinsurance company.
Combined Ratio	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.
Commission	Remuneration to an intermediary for services such as selling and servicing an insurer's products.
Consumer online Portal	An internet window presence for selling all retails consumer products.
Contact Centre	It is also known as call centre. It is a central location of an enterprise from which all customer contacts are managed.
COVID-19	Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.
Claims	The amount payable under a contract of insurance arising from occurrence of an insured event.
Claims Incurred	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.

Cloud Service	It is a service made available to users on demand via the Internet from a cloud computing provider's server as opposed to being provided from a company's own on-premises servers.
Corporate Social Responsibility (CSR)	It 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.
Cover Note	A cover note is a temporary document issued by an insurance company that provides proof of insurance coverage until a final insurance policy can be issued.
CPEC	The China–Pakistan Economic Corridor (CPEC) is a collection of infrastructure projects currently under construction throughout Pakistan.
Currency Devaluation	Reduction in the value of a country's currency.
Current Account Deficit	The situation where value of the goods and services of a country it imports exceeds the value of the goods and services it exports.
Deferred Commission	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.
Deferred Tax	An accounting concept (also known as future income taxes), meaning a future tax liability or asset in respect of taxable temporary differences.
Defined benefit Plans	Are post-employment benefit plans other than defined contribution plans.
Depreciation	The systematic allocation of the cost of an asset over its useful life.
Dividend cover	Profit after tax divided by Dividend measures the number of times dividends are covered by distributable profit for the period.
Doubtful debts	A debt where circumstances have rendered its ultimate recovery uncertain. Earnings per share Amounts for profit or loss attributable to ordinary shareholders of the entity. Energy Conservation Refers to efforts made to reduce energy consumption.
Equity method	Method of accounting whereby the investment is initially recognised at cost and adjusted hereafter for the post-acquisition changes in the investor's share of net assets of the investee.
Exchange Gain (Loss)	Difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
Facultative reinsurance	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.
Fair Value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing business partners in an arm's length transaction.
Financial Action Task Force (FATF)	It is an intergovernmental organisation founded in 1989 on the initiative of the G7 to develop policies to combat money laundering.
Financial Capital	It is any economic resource measured in terms of money used by entrepreneurs and businesses to buy what they need to make their products or to provide their services.

Fiscal Deficit	When a government's total expenditures exceed the revenue that it generates.
General Insurance	All kind of Insurance except Life Insurance. i-e, Fire. Marine, Motor and Other Insurance.
General Takaful	Protection to participants for losses arising from perils such as accident, fire, flood, liability and burglary.
Gross Contribution	It is the payment of an amount by a participant to the Takaful Participants' Fund, whether direct, through intermediaries for the purpose of mutual protection and assistance.
Gross Domestic Product	The total value of goods produced and services provided in a country during one year.
Gross Written Premium	Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance.
Group Health Insurance	A single health policy covering a group of individuals, usually employees of the same company or members of the same association and their dependents.
Impairment	The amount by which the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.
Incurred but not reported (IBNR)	Claim incurred but not reported to the insurer until the financial statements reporting date.
Inflation	A general increase in prices and fall in the purchasing value of money.
Insurance Contracts	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.
Insurer Financial Strength Rating	Provides an assessment of the financial strength of an insurance company.
Intangibles	An identifiable non-monetary asset without physical substance.
Internal Control	An accounting procedure or system designed to promote efficiency or assure the implementation of a policy to safeguard assets or avoid fraud and error etc.
Intellectual Capital	It refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.
KGS - (Kyrgyz Som)	Code of official currency of the Kyrgyz Republic.
KIBOR – (Karachi Interbank Offered Rate)	Interbank clean (without collateral) lending/borrowing rates quoted by the banks.
Large-Scale Manufacturing (LSM)	It refers to the production of a commodity on a large scale or huge quantity with a large sized firm.
Logistical management	It is used to meet customer demands through the planning, control and implementation of the effective movement and storage of related information, goods and services from origin to destination.
Loss Ratio	Percentage ratio of claims expenses to net premium.
Macroeconomics	Branch of economics dealing with the performance, structure, behavior, and decision-making of an economy as a whole.
Market Share	The portion of a market controlled by a particular company or product.

Market Value	The highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.
MIS	Management Information System
Micro-insurance	It is an insurance arrangement to protect low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved.
Mutual fund	A type of professionally managed investment fund that pools money from many investors to purchase securities.
National Exchequer	The account into which tax funds and other public funds are deposited.
Net Asset Value	The value of all tangible and intangible assets of a company minus its liabilities.
Net Contributions	Gross Contributions less all retakaful contributions payable.
Net Premium Revenue	Gross written premium less Reinsurance expense.
Non-Banking Financial Institution (NBFIs)	Entities that are engaged in specialised financial services other than commercial banking services in Pakistan. These are also known as Non-Banking Finance Companies (NBFCs).
Non-Life Insurance	Non-Life Insurance and General Insurance have the identical meaning.
Open-end mutual fund	Collective Investment Scheme which can issue and redeem shares at any time.
Outstanding Claims	A type of technical reserve or accounting provision in the financial statements of an insurer to provide for the future liability for claims.
Paid up Capital	The amount paid or contributed by shareholders in exchange for shares of a company's stock.
Pakistan Investment Bonds	Long term instruments of the Government of Pakistan with tenors available in 3, 5, 10, 15 and 20 years.
Pandemic	An epidemic occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people.
Participants' Takaful Fund (PTF) / Waqf Fund	An account to credit a portion of contribution from the participant for the purpose of tabarru'.
Peril	It is an event that could cause damage to property, items, or belongings insured.
Present Value	Future amount that has been discounted to the present.
Proxy	Power of attorney by which a shareholder transfers the voting rights to another shareholder.
Qard-e-Hasna	An interest free loan from the Takaful Operator to the Takaful Participant Fund in order to meet any short fall.
Quoted	Being listed on a Stock Exchange.

Registered Office	The registered office is an address which is registered with the government registrar as the official address of a company.
Reinsurance	A method of insurance arranged by insurers to share the exposure of risks accepted.
Re-takaful	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.
Reinsurance Commission	Commission received or receivable in respect of premium paid or payable to a reinsurer.
Reinsurance Premium	The premium payable to the reinsurer in respect of reinsurance contract.
Related Party	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 operational decisions.
Retrocession	Transfer of risk from a reinsurer to another reinsurer.
Revenue Reserves	Reserves that are normally regarded as available for distribution through the profit and loss account, including general reserve and other specific reserves created out of profit and un-appropriated profit.
RFID Card	Radio-Frequency Identification (RFID) card uses electromagnetic fields to automatically identify and track tags attached to an object.
Risk	Condition in which there is a possibility of loss.
Risk Management	Analysing of all exposures to gauge the likelihood of loss and choosing options to better manage or minimise loss.
Secondary Perils	These are defined as small-to-mid-sized events or the secondary effects of a main peril.
Socio-economic	A study relating to or concerned with the interaction of social and economic factors. It links financial and social issues together.
Statutory levies	Fee charged (levied) by a government on a product, income, or activity.
Strategic Objective	A broadly defined objective that an organisation must achieve to make its strategy succeed.
Subsequent Event - Non Adjusting	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.
Tabarru	A portion of participant's contribution for the purpose of mutual helps and used to pay claims submitted by eligible claimants.
Takaful	An Islamic concept of insurance.
Takaful Operator	A legal entity, who underwrites, administers and manages the Takaful program on behalf of the participants.
Takaful Policy	The agreement entered into between the operator and the participant(s) for the purposes of Takaful arrangements.

Tangibles	An asset whose value depends on particular physical properties.
Term Finance Certificate	A debt instrument issued by an entity to raise funds.
Twin Deficit	It occurs when a nation has both a current account deficit and a budget deficit. It is also known as double- deficit.
Underwriting Profit	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.
Unearned Premium	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.
Wakala	Islamic terminology for agent-principal relationship, where a person nominates another to act on his/her behalf.
Workflow applications	These are tools that make certain business processes easier, more efficient and more accessible through automation.



Geographical Presence Branch Network

GEOGRAPHICAL PRESENCE - BRANCH NETWORK

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Fax: (9261) 4588965

BAHAWALPUR

Plot No. 43, C opposite main Gate Fareed Park,
Commercial Area, Satellite Town, 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**MAIN BRANCH, (SALES UNIT-I)**

309, Upper Mall, P.O. Box 368, Lahore - 54000.
Email: info.lzo@jubileegeneral.com.pk
Tel: (9242) 32036300
Fax: (9242) 35199220

Sales Unit – II

309, Upper Mall, P.O. Box 368, Lahore - 54000.
Email: info.su2@jubileegeneral.com.pk
Tel: (9242) 32036300
Fax: (9242) 35199220

Sales Unit – III

309, Upper Mall, P.O. Box 368, Lahore - 54000.
Email: info.su3@jubileegeneral.com.pk
Tel: (9242) 32036300
Fax: (9242) 35199220

MALL MANSION**(Sales Unit-IV)**

309, Upper Mall, P.O. Box 368, Lahore - 54000.
Email: info.mall@jubileegeneral.com.pk
Tel: (9242) 32036300
Fax: (9242) 35199220

SALES UNIT – V

309, Upper Mall, P.O. Box 368, Lahore - 54000.
Email: info.su5@jubileegeneral.com.pk
Tel: (9242) 32036300
Fax: (9242) 35199220

COMMERCIAL UNIT – II

309, Upper Mall, P.O. Box 368, Lahore - 54000.
Email: info.cu2@jubileegeneral.com.pk
Tel: (9242) 32036300
Fax: (9242) 35199220

FAISALABAD

P – 68, 2nd Floor, Above National Bank of Pakistan
Kotwali Road, Faisalabad.

Email: info.fsd@jubileegeneral.com.pk

Tel: (9241) 2643020, 2640782, 2617017

Fax: (9241) 2638782

NORTH ZONE**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

Block 19, 2nd Floor, Sector F6 Markaz,
Aga Khan Road, Islamabad.

Email: info.mrg@jubileegeneral.com.pk

Tel: (9251) 2828513-6

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

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, 2023 at 09:00
a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2023.

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 24 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 جنرل انشورنس کمپنی لمیٹڈ
جوبلی انشورنس ہاؤس
آئی آئی چندریگر روڈ
کراچی۔

میں رہم _____ ساکن _____ بحیثیت رکن
جوبلی جنرل انشورنس کمپنی لمیٹڈ اور حامل _____ حصص۔ برطانیہ ریجر رجسٹرڈ فوئیو نمبر۔ _____ اور ری ای سی ڈی سی پارٹنرسپٹ (شرکت)
آئی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر۔ _____
محترمہ محترمہ _____ ساکن _____ یا ان کی غیر حاضری کی صورت میں
محترمہ محترمہ _____ ساکن _____ جو کہ خود بھی جوبلی جنرل انشورنس کمپنی لمیٹڈ کا رکن ہے۔

۲۵ اپریل، ۲۰۲۳ء، 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 _____ بتاریخ _____، ۲۰۲۳ء 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 ۲۴ 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 اسٹیٹ

دستخط

POSTAL BALLOT PAPER FOR SPECIAL BUSINESS ITEM(S) 70TH ANNUAL GENERAL MEETING OF JUBILEE GENERAL INSURANCE COMPANY LIMITED

To be held on Tuesday April 25, 2023 at 9:00 am at registered office of the Company situated at Jubilee Insurance House I.I. Chundrigar Road, Karachi.
Through Physically and Electronic Means
www.jubileegeneral.com.pk

The designated email address of the Chairman at which the duly filled-in ballot paper be sent is:
cm.agm@jubileegeneral.com.pk

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions. (AGAINST)
1(i)	To consider and approve, in accordance with Section 199 of the Companies Act, 2017, for authorising investments for Jubilee General Window Takaful Operations, up to Rs.3.5 million each by the Operators Fund and Rs. 6.0 million each by the Participants Fund, in the purchase of ordinary shares of Cherat Packaging Limited (CPPL), Cherat Cement Company Limited (CHCC), Pakistan Cables Limited (PCAL), Meezan Bank Limited (MEBL), and International Steels Limited (ISL), associated companies, at the market price prevailing on the date of purchase, in one or more tranches within 3 years.			
(ii)	The Managing Director (Chief Executive) of the Company be and is hereby authorised to take any and all actions which may be required for the investment of the above-mentioned amount in the purchase of the ordinary shares of associated companies mentioned in 1(i) above.			
2	To consider and approve to circulate the Annual Report of the Company to the members through QR enabled code and weblink which will be intimated to shareholders through notice of the meeting			

Signature of shareholder(s)
Place:
Date:

NOTES:

- Duly filled postal ballot should be sent to Chairman Mr. R. Zakir Mahmood, C/o Jubilee General Insurance Company Limited, Jubilee Insurance House, I I Chundrigar Road Karachi at cm.agm@jubileegeneral.com.pk
- Copy of CNIC should be enclosed with the postal ballot form.
- Postal ballot forms should reach Chairman of the meeting on or before 24th April 2023. Any postal ballot received after this date, will not be considered for voting.
- Signature on postal ballot should match with signature on CNIC.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

اسپیشل بزنس آئٹم کے لیے پوسٹل سیٹ پیپر
جوہلی جنرل انشورنس کمپنی لمیٹڈ 706 واں سالانہ اجلاس عام بروز منگل 25 اپریل 2023 کو صبح 9 بجے بمقام کمپنی کے رجسٹرڈ آفس واقع جوہلی انشورنس ہاؤس،

آئی آئی چندریگر روڈ کراچی پر منعقد ہوگا

شخصی اور بذریعہ الیکٹرانک شرکت

www.jubileegeneral.com.pk

چیز میں کامتعمین ای میل ایڈریس جس پر سیٹ پیپر بھیجے جائیں گے: cm.agm@jubileegeneral.com.pk

ٹیکسٹ ہولڈر / جوائنٹ ٹیکسٹ ہولڈر کا نام	
رجسٹرڈ ایڈریس	
ٹیکسٹ کی تعداد اور فوئیو نمبر	
CNIC نمبر (کاپی منسلک کرنی ہوگی)	
اضافی معلومات اور دیگر منسلک دستاویزات (کارپوریٹ ادارے، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)	

میں / ہمہاں پوسٹل سیٹ کے ذریعے مندرجہ ذیل قراردادوں کے حوالے سے میرا / اپنا ووٹ دیتے ہوئے ذیل میں مناسب باکس پر ٹک مارک کے ذریعے اپنی رضامندی یا مخالفت کا اظہار کرتے ہیں (مناسب طور پر حذف کریں)

سیریل نمبر	قراردادوں کی تفصیل اور نوعیت	عمومی ٹیکسٹ کی تعداد جن کے لیے ووٹ دیا	میں / ہم قراردادوں سے متفق ہیں (اتفاق) / میں / ہم قراردادوں سے اتفاق نہیں کرتے (مخالفت)
(i)1	کمپنیز ایکٹ 2017 کے سیکشن 199 کی تعمیل میں اس قرارداد پر غور و خوض اور منظوری، جس کے تحت جوہلی جنرل ونڈ و تکفل آپریشنز کے لیے سرمایہ کارپوں کی منظوری دی جائے گی، جن سے آپریٹرز فنڈ کے ذریعے 3.5 ملین ہر ایک کے لیے اور پارٹنیشنرز فنڈ کے ذریعے 6.0 ملین ہر ایک کے لیے مختص ہوں گے، تاکہ چیراٹ سیکیورٹیز لمیٹڈ (CPPL)، چرٹ سیمنٹ کمپنی لمیٹڈ (CHCC)، پاکستان کیسیلز لمیٹڈ (PCAL)، میزان بینک لمیٹڈ (MEBL)، انٹرنیشنل اسمبلیز لمیٹڈ (ISL)، ایسوسی ایٹڈ کمپنیز کے عمومی ٹیکسٹ کی خریداری کی جائے گی، جو خریداری تاریخ کی مارکیٹ پر اس پر تین سال کے دوران ایک یا زیادہ اقساط میں مکمل ہوگی۔		
(ii)	کمپنی کے مینجنگ ڈائریکٹر (چیف ایگزیکٹو) کو یہاں اس سلسلے میں وہ تمام اقدامات اٹھانے کا مجاز بنایا جاتا ہے جو مذکورہ بالا سرمایہ کارپوں کے لیے ضروریات کی تکمیل اور متعلقہ کمپنیوں کے عبوری ٹیکسٹ کی خریداری کے لیے مطلوب ہوں گے		
2	ممبران کو کمپنی کی سالانہ رپورٹ کی تریسیل QR کے حامل کوڈ اور ویب لنک کے ذریعے کرنے پر غور اور منظوری دینا، ٹیکسٹ ہولڈرز کو اس کی اطلاع اجلاس کے نوٹس کے ذریعے کی جائے گی۔		

ٹیکسٹ ہولڈر کے دستخط

جگہ

تاریخ

نوٹس

- 1- باضابطہ طور پر مکمل کردہ پوسٹل سیٹ چیز میں جناب ڈاکر محمود صاحب کو بھیجنے ہوں گے، معرفت جوہلی جنرل انشورنس کمپنی لمیٹڈ، جوہلی انشورنس ہاؤس، آئی آئی چندریگر روڈ، کراچی بذریعہ ای میل: cm.agm@jubileegeneral.com.pk
- 2- پوسٹل سیٹ فارم کے ساتھ CNIC کی کاپی منسلک کریں۔
- 3- پوسٹل سیٹ فارم 24 اپریل 2023 یا قبل چیز میں کو موصول ہونے چاہئیں۔ تاخیر سے موصول ہونے والے سیٹ پیپر کو ووٹنگ میں شامل نہیں کیا جائے گا۔
- 4- پوسٹل سیٹ پر موجود دستخط CNIC پر موجود دستخط جیسے ہونے چاہئیں۔
- 5- نامکمل، غیر دستخط شدہ، غلط، مستحضرہ، پھٹے ہوئے، گلڑے کئے ہوئے اور بلا ضرورت زیادہ تحریر کردہ سیٹ پیپر منسوخ کئے جائیں گے۔



Email: info@jubileegeneral.com.pk
Website: www.jubileegeneral.com.pk

Jubilee General Insurance Company Limited

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I.I. Chundrigar Road, P.O. Box: 4795,
Karachi-74000, Pakistan.

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Toll Free: 0800-03786, SMS: 82665