


ANNUAL REPORT 2021




**DEMONSTRATING
COMMITMENT
DELIVERING
RESULTS**





Over the last two years, the world has indeed morphed into a different place – more fraught with challenges, more rife with changes – than ever before in recent memory. But as in every challenge, great or small, there is also opportunity: to demonstrate resilience, to learn how to adapt and do better, to test ourselves, and in some cases to exceed expectations and produce unexpected results.

This is the story at Jubilee General Insurance. Over the course of the year, we have not only adapted to the needs of the hour and stayed constant in our customer promise, but we have also managed to deliver robust financial growth and innovation in the way we do business. And this success in an acutely challenging year has been the result of the Company's long standing commitment to excellence, intelligent planning and focused effort.





AA+
PACRA

AA+
VIS

B+
AM BEST

MAP

Top Position in Insurance Sector (Financial Category) 36th MAP Corporate Excellence Award

ICAP & ICMAP

Third Position among Insurance Companies for Best Corporate Report & Sustainability Award

Lloyd's Register LRQA

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

FPCCI

Outstanding Service in Insurance

Insurance Journal

Corporate Social Responsibility Highest Donation (2013-2015)

SAFA

Joint 2nd Runner-up Position (Insurance Sector)

THE HIGHEST PROFIT ACHIEVEMENT

At Jubilee General Insurance, we believe our success is a reflection of the trust invested in us by our customers and stakeholders, particularly our shareholders. With our profit after tax exceeding Rs. 1.6 billion, we thank everyone profoundly for this confidence. Thank you!

Our journey of growth over the last 69 years has been defined by this trust which drives us to forge ahead towards new achievements.

FINANCIAL HIGHLIGHTS 2021

WRITTEN PREMIUM/
CONTRIBUTION

RUPEES
12,005
MILLION

NET PREMIUM/
CONTRIBUTION
REVENUE

RUPEES
5,882
MILLION

UNDERWRITING
PROFIT

RUPEES
512
MILLION

INVESTMENT
INCOME

RUPEES
1,585
MILLION

PROFIT AFTER
TAX

RUPEES
1,649
MILLION

SHAREHOLDERS'
EQUITY

RUPEES
10,190
MILLION

CLAIMS PAID

RUPEES
4,278
MILLION

OPERATING
CASH FLOWS

RUPEES
773
MILLION

INVESTMENTS &
PROPERTIES

RUPEES
15,701
MILLION

TOTAL ASSETS

RUPEES
26,194
MILLION

EARNINGS PER
SHARE

RUPEES
8.31

DIVIDEND PER
SHARE

RUPEES
4.00
CASH

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ORGANISATION OVERVIEW & EXTERNAL ENVIRONMENT



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)

Shariah 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

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



R. ZAKIR MAHMOOD

CHAIRMAN

(Director since June 25, 2008)

Mr. R. Zakir Mahmood has a vast banking experience. He had been President and CEO of Habib Bank Limited for 12 years. Mr. Mahmood is the Chairman of 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 enable them to form appropriate judgments;
- engage the Board in discussions to promote constructive session which results in effective decision making;
- ensure effective operations of the Board and its Committees; and
- engage into 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 the 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, Cherat Packaging Limited, Air Asia Limited and Air Safira 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), 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 Insurance Company of Kenya, Limited
- Jubilee Kyrgyzstan Insurance Company - CJSC
- Jubilee Life Insurance Co., Uganda
- The Jubilee Insurance Co. of Tanzania Limited
- Jubilee Life Insurance Co., Tanzania
- The Jubilee Insurance Co. of Mauritius Limited
- Jubilee Life Insurance Co., Burundi
- The Jubilee Insurance Co. of Burundi Limited
- 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 CHINYOY

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 Managing Director of Yaqin Steels Limited. He is the Chairman of Pakistan Institute of Corporate Governance (PICG). He is founding trustee of Citizen Trust Against Crime and trustee in Patron of Expo 2020 Trust. He has served as the Chairman of the Landhi Association of Trade and Industry.

Other Corporate Directorships include:

- Indus Motor Company Limited
- Bulleh Shah Packaging (Private) Limited
- The Institute of Engineering Pakistan
- Packages Convertors (Private) Limited
- Pakistan Engineering Council
- The Citizens Foundation
- Water Foundation



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



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:

- HBL 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.

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
- Meezan Bank Limited
- Altern Energy Limited

MATTERS DELEGATED BY THE BOARD OF DIRECTORS

The management is primarily responsible for implementing the approved strategies and 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.

In 2021, an online presentation arranged for the newly appointed female director of the Company, providing her a general understanding of the affairs of the Company.

SECURITY CLEARANCE OF A FOREIGN DIRECTOR

As at 31st December 2021, 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 in the form of a resolution with respect to the remuneration of Non-executive Directors including Independent Directors of the Company.

In the Company, besides the Board, there are four 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 from time to time. As per the policy, no attending fee is paid to the Executive Directors including Managing Directors 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 add value and help the organisation achieve its goals. At Jubilee, 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

During the year, there was no significant change in board of the Directors, however, following change occurred in the board.

Casual vacancy on the board

During the year, the independent director of the Company, Ms. Saba Kamal has resigned from the directorship, therefore, a casual vacancy had arisen on the board w.e.f February 09, 2021.

Appointment of Ms. Nausheen Ahmad

During the year, Ms. Nausheen Ahmad has been appointed on May 21, 2021, as independent director to fill the casual vacancy arisen on the resignation of Ms. Saba Kamal.

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, 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 Committee Meetings due to COVID-19 Pandemic and all meetings were held as per the regulatory requirements.

During the year all Board and Committees' meeting have been conducted through remote access in order to follow Standing Operating Procedures (SOPs) issued by the Govt. of Pakistan with regard to social distancing for health safety of the Company's employees and Directors.





VISION

| Enabling people to overcome uncertainty |

MISSION

| To provide solutions that protect the future of our customers |

CORE VALUES

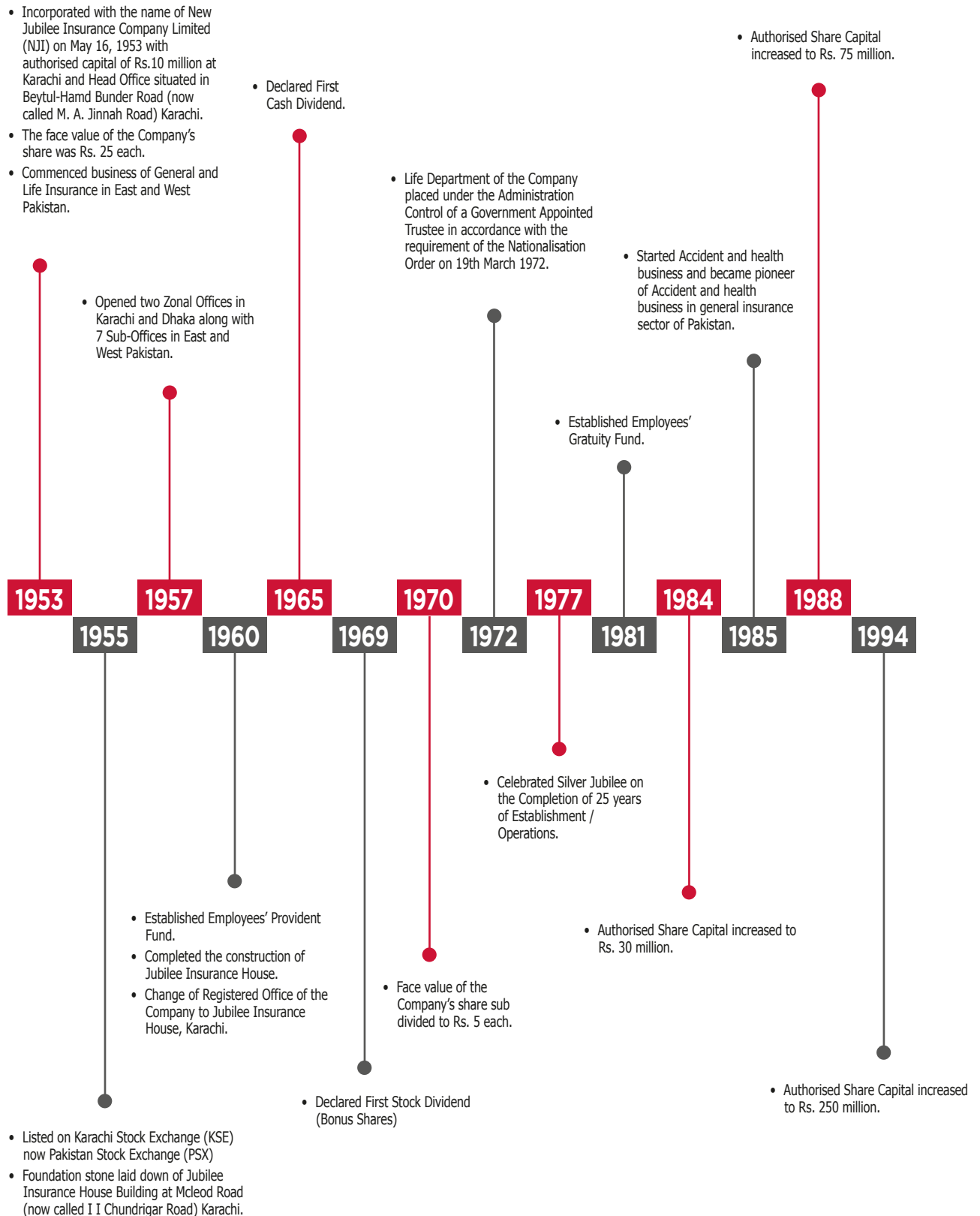
| Teamwork | Integrity | Excellence | Passion |

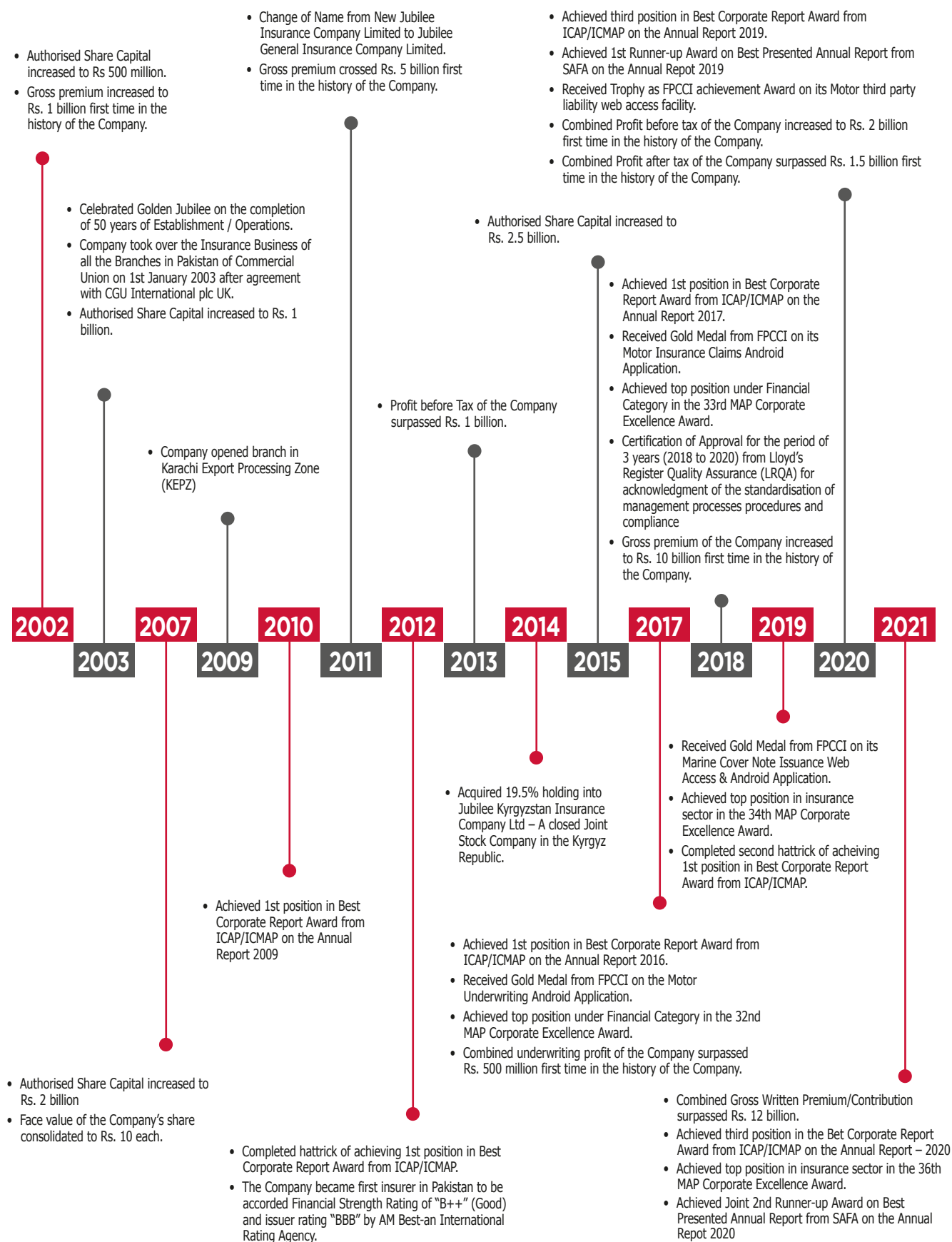
OBJECTIVE

| 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 70th 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 the 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, Allianz Re, China Re, ACKO Re, Malaysian 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, Services (Hospitals & Hotels), Oil & Energy, Manufacturing, FMCG, Engineering, Banking and Financial sectors.

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

As pioneers in Group Health Insurance, Jubilee General continues to develop new, flexible and customised plans to suit the diverse needs of our many blue-chip Pakistani companies and multinational clients. Jubilee General 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.

Jubilee General has been recognized by Management Association of Pakistan in 2021 with Corporate Excellence award in the Non-Life Insurance sector.

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 recognises 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 contain an online motor renewal facility where any Jubilee client can renew their policy from the luxury of their home or office hassle free. Jubilee General has also developed a motor claims application which is available to all our customers on our website as well as on Google Playstore. Our customers can now report losses on real time basis on the application which automatically locates and appoints the nearest surveyor. 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 is cognisant 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 (CMI)
- Civil Engineering Complete Risk (CECR)
- Property All Risks
- Industrial All Risks
- Ship Breaking



ENGINEERING

- Contractor's All Risk (CAR)
- Erection All Risks (EAR)
- Comprehensive Project
- Advance Loss of Profit following (CAR) / (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



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



MARINE

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



GROUP HEALTH

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



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
- Off Shore Construction Project
- Control of Well Policy
- Oil Liability
- Livestock
- Employment Practice Liability
- Contractual Legal Liability
- Package Policies
- SFIP (Stock Brokers Policy)
- AMV (Guard)
- Delinquency
- Loss of License
- Export Credit Risk
- Sovereign 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 UZAIR
MIRZA**
CHIEF RISK OFFICER



MOHAMMAD SAFDAR
HEAD OF REINSURANCE



**MUHAMMAD NADEEM
IRSHAD**
HEAD OF ACCIDENT
& HEALTH



KAMRAN ARIF
HEAD OF CLAIMS



TALHA UL ISLAM
HEAD OF ENGG PROJECTS,
BONDS & RISK



ZAHEER A. QADIR
CHIEF SALES OFFICER



NARESH KUMAR
HEAD OF INVESTMENTS



SYED SOHAIL AHMED
HEAD OF WINDOW
TAKAFUL OPERATIONS



SYED ATHER ABBAS
HEAD OF CORPORATE
SERVICES



**MUHAMMAD AZFAR
SABIH**
CHIEF INFORMATION
OFFICER



SYED IMRAN RABBANI
NATIONAL SALES
OFFICER



ABDUL WAHID
COMPANY SECRETARY

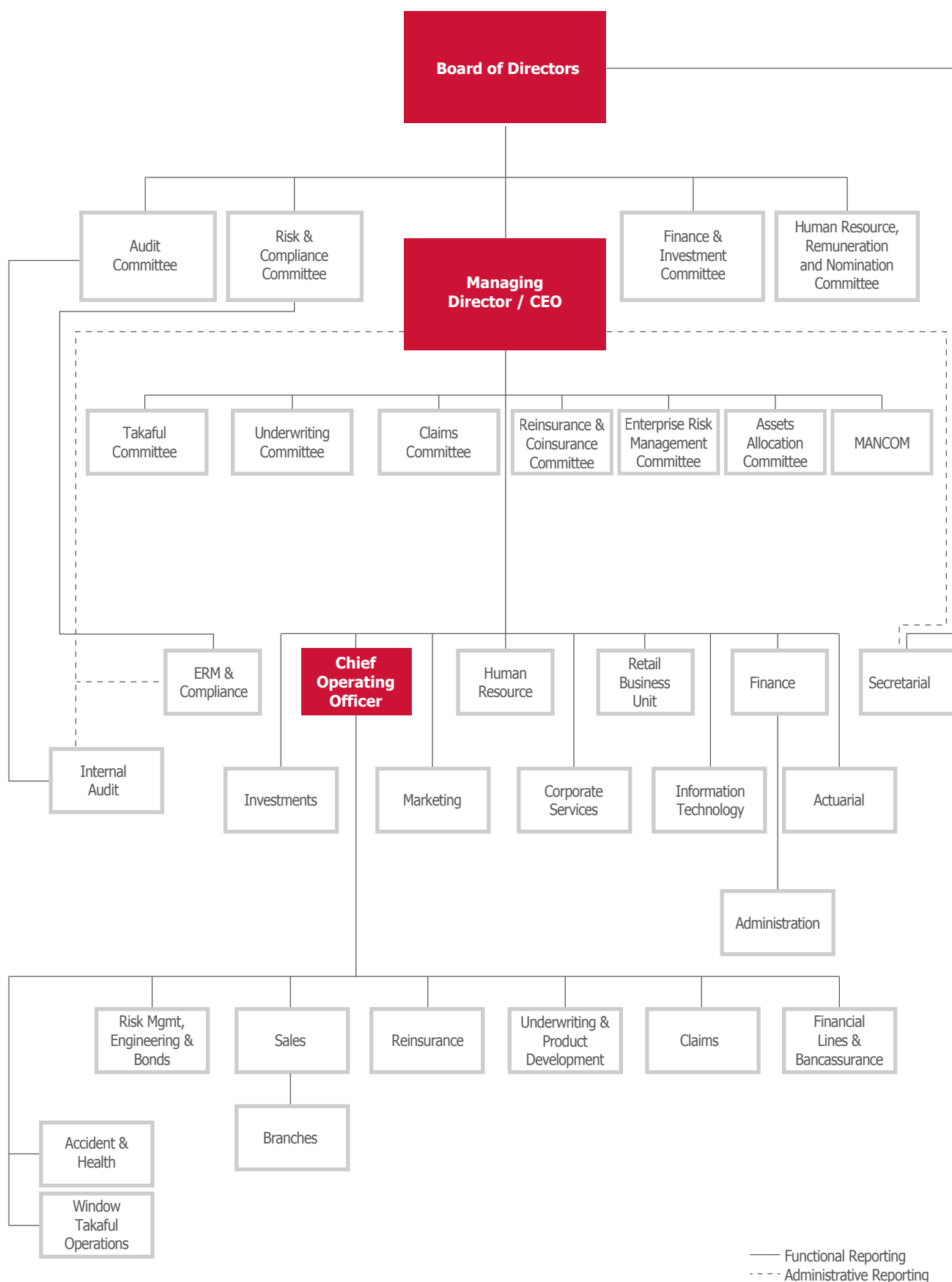


SAFAR ALI
HEAD OF INTERNAL
AUDIT



HASHIM SHAMIM
SENIOR ADVISOR

ORGANISATION STRUCTURE



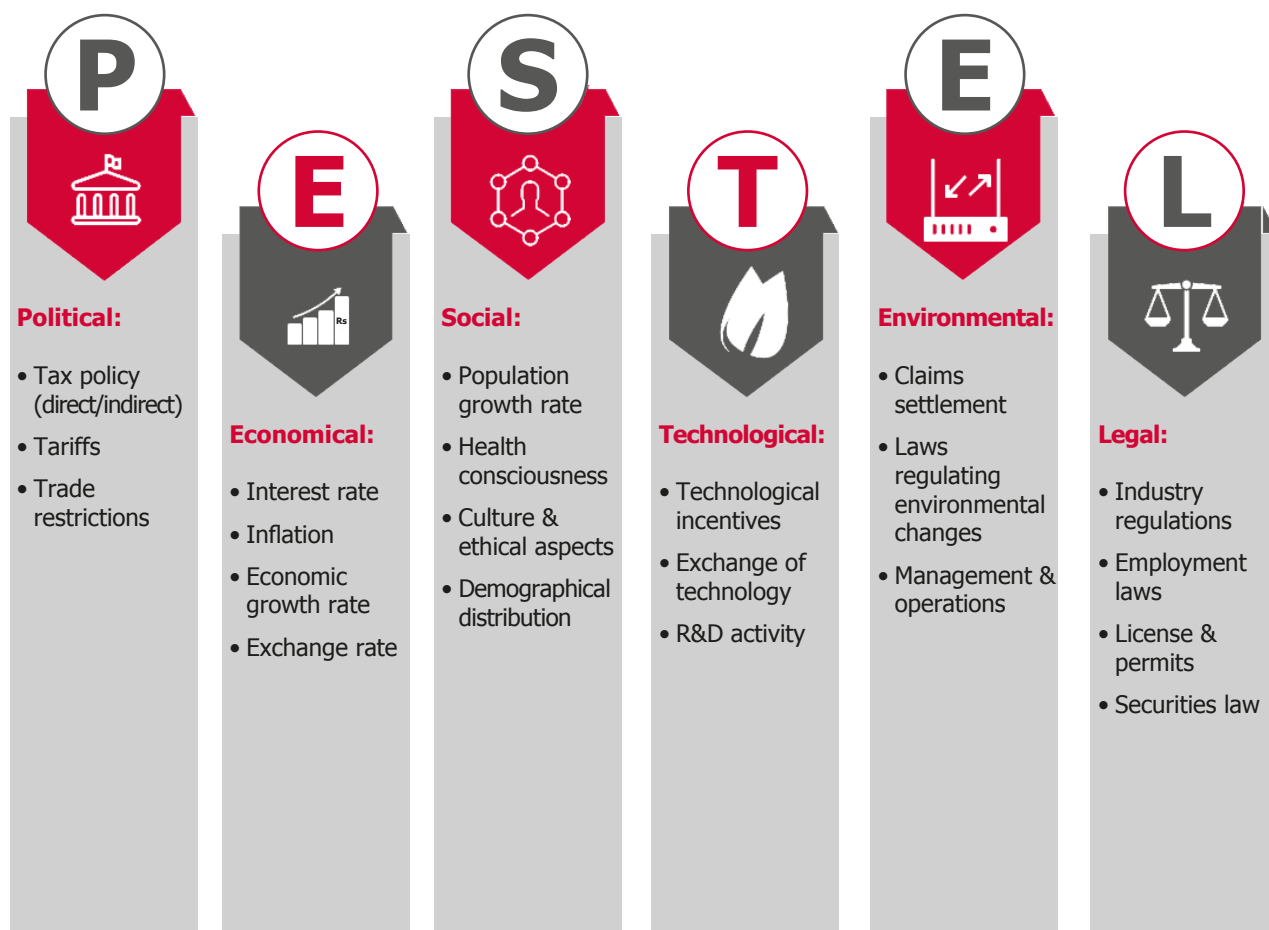
PESTEL ANALYSIS

A PESTEL analysis examines the important external elements that influence an organisation (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 Insurance, 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.



UPSTREAM AND DOWNSTREAM

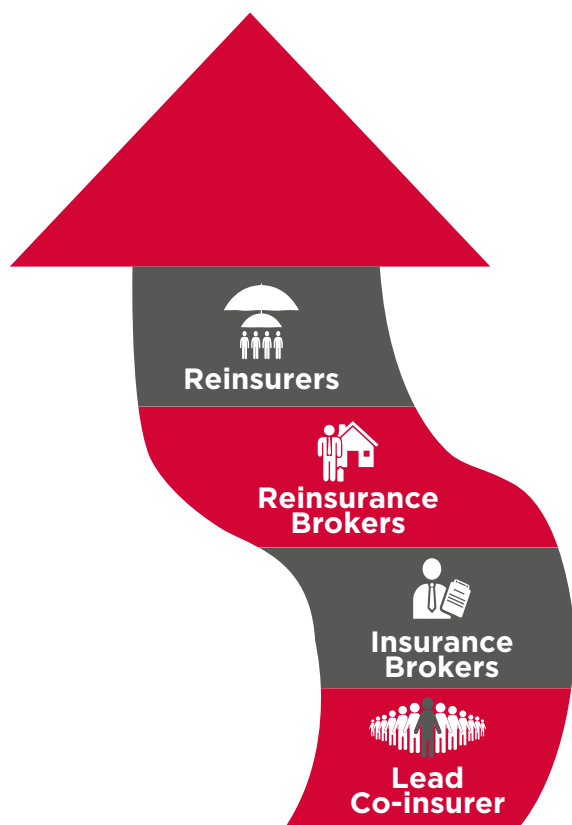
Insurance sector upstream value chain activities are those which are carried out by the insurance company in order to offer better risk coverage services to its target market/customers. However, the downstream activities are related to the connections of insurance company necessary to approach the customers 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 and brokers 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



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 minimize the risk exposure. Company pays reinsurance premium against covering the risk by charging the under return 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 find out robust and appropriate reinsurance policies through the reinsurance brokers hence the Company enable 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

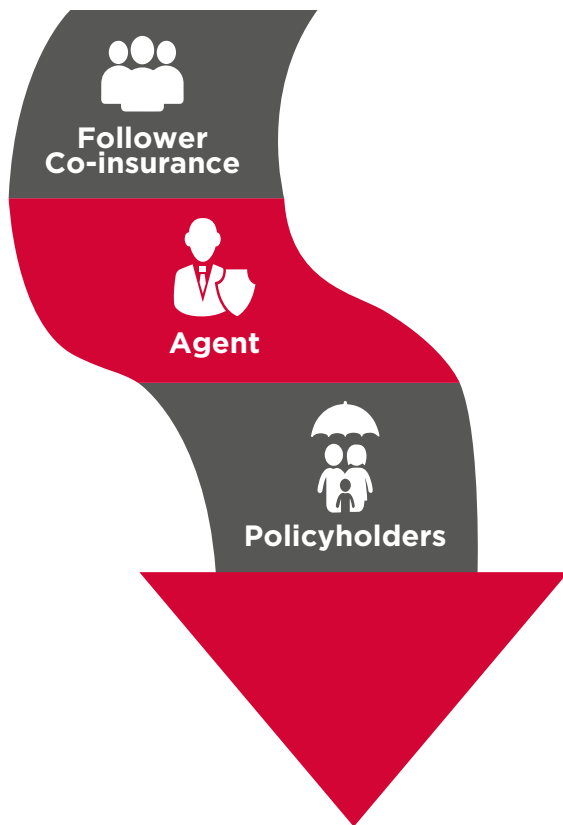
Currently the role of Insurance brokers became very significant in the insurance sector. Large conglomerate and giant corporates acquire the services of Insurance brokers to find out an appropriate risk coverage solution for their insurable interest.

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-insurer

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 provide 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



Follower Co-insurance

The Company also share premium with the other insurance company in those policies where it wants to reduce the exposure with respect to any insurance policy. The co-insurance received 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 to provide services to the insured under the leadership of the Company. The value addition is made in the services in shape of reducing risk to the Company and providing more strong support to the insured along with Co-Insurer followers.

Agent

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.

Policyholders

The ultimate beneficiary of the Company's insurance products are policy holders. 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.

OUR BUSINESS MODEL



INPUT AND OUTPUT UNDER BUSINESS MODEL

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

QUANTATIVE INPUTS:	2021	2020
• Assets Total Rs. 26.1 billion	↑	↑
• Paid-Up Capital Rs. 1.99 billion	-	↑
• Total Investment, Cash, and Bank Portfolio Rs. 17.2 billion	↑	↑
• Total number of employees: 666	↓	↓
• Non-Current Assets Rs 4.17 billion	↓	↓
• Separate window takaful activities with a total asset value of Rs 4.49 million	↑	↑

QUALITATIVE INPUTS:
• The technological infrastructure is built around a centralized 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 board with existing and new health insurance packages
• Dedicated CPEC and broker division is available
• Network with 27 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:	2021	2020
• Gross written premium/ contribution Rs. 12 billion	↑	↓
• Technical profit stood at Rs. 629 million	↑	↓
• Profit before tax Rs. 2.3 billion	↑	↑
• Profit from window takaful operations 147 million	↑	↑
• Investment income Rs. 1.59 billion	↓	↑
• Earnings per share reached to Rs. 8.31	↑	↑
• Dividend declared by the directors for 2021 is Rs. 4.00 (cash) per share	↑	↓
• No. of employee trainings conducted 17	↑	↓
• Policies issued digitally 12.9 thousand	↑	↑

QUALITATIVE OUTPUTS:
• Recognition by numerous bodies for the company's achievement and excellence in various segments of business and financial reporting
• Employee engagement programs: 1 Annual Picnic

Impact of Internal and External Changes on Business Strategies and Components of Business Model

Business Strategy as well as business dynamics take a considerable impact of various internal and external changes. Although, the internal changes are 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, environmental have deep impact on the business and related strategies. Therefore, for the continuation of a profitable business model and effective and efficient strategy, the Company has to adept the external changes so that all the component of business model remain valid hence profitable and effective, respectively. In Jubilee General Insurance, a significant help is taken from PESTEL and SWOT Analysis to devise a strong business model and effective strategies. In the Company, this process is ongoing in nature and business strategies and model of the Company always respond to the changes in the external environment.

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. However, in Pakistan, it is not expected that things will change with the same pace as currently changing in the west, however, the demand to use telematics to enable the insurer to assess the risk 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 Insurance takes every step to work with the advance technology in order to coup-up with the technological changes in the society. Therefore greatest attention is giving to the IT Systems to automate the processes covering from providing insurance services till the settlement of claims. Furthermore, the Company also considering the use of advance 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.

Population Changes

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 product and distribution channel may vanish. Furthermore, increase in proportion of educated and younger generation in the society will have grate impact on the demand of certain services and technological based consumer journey i.e., through Mobile Applications. Jubilee General Insurance 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 advances IT technologies and hence embrace itself to coup-up 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 considered while making developing new products/services and choosing distribution channels for its marketing and sales so that these challenges can be addressed accordingly.

Climate Change

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, 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 Insurance, this is considered a very important and, therefore, underwriting risks are minimised by ensuring the mitigating factors which are necessary to avoid perils cause by the climate change. As it is understood that the climate in not controllable, therefore, the mitigating actions/tools that can be implemented by the insured are only remedy of any loss cause to the insurable Interest.

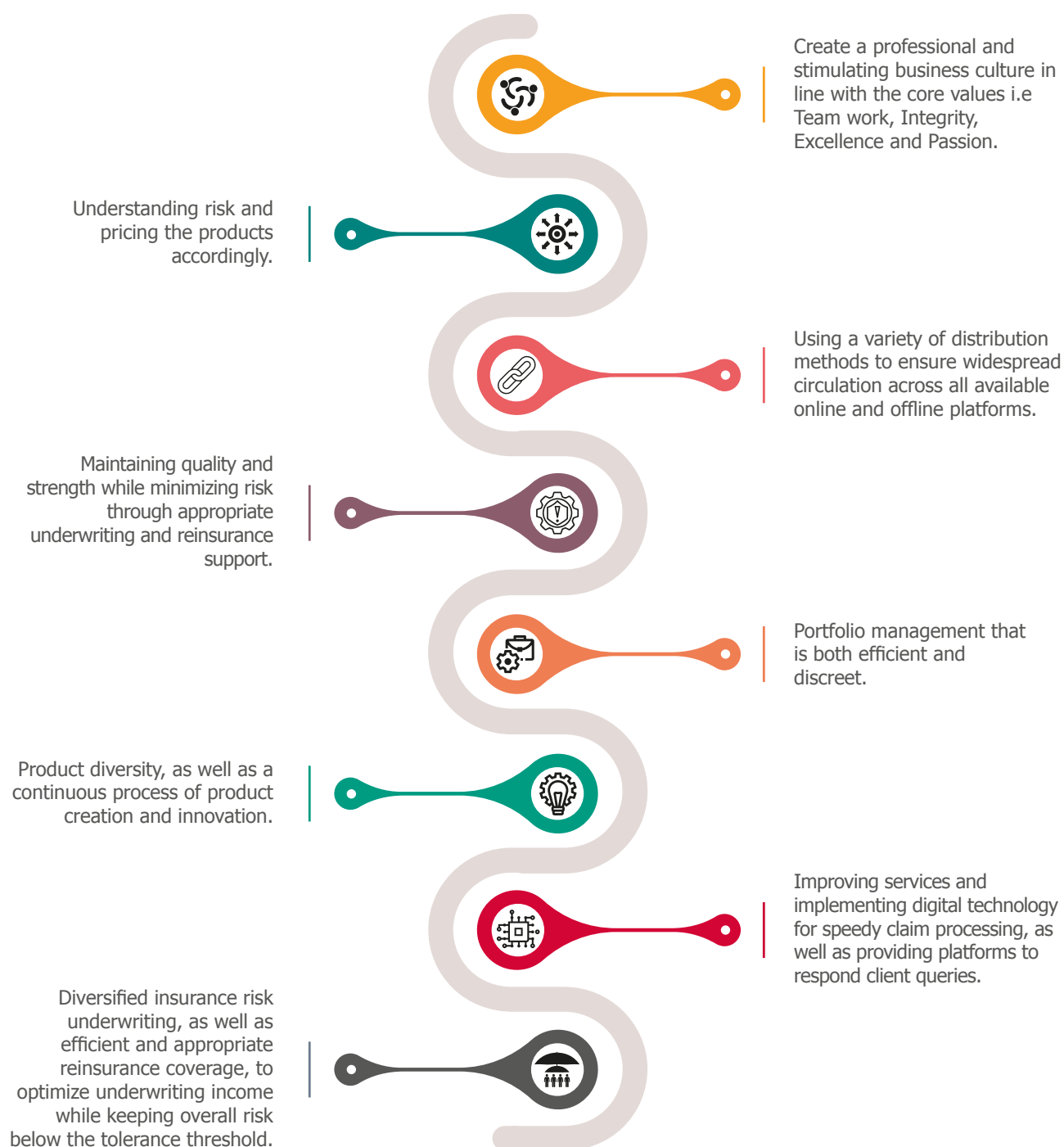
Jubilee General Insurance has robust risk assessment procedure for the underwriting purpose so that the negative impact on the business due to climate change can be minimized. The company apply modren tools to monitor the risk concentration at any particular location.

Beside the above changes, there are certain traditional challenges i.e., scarcity of resources and idle capacity which are addressed thorough modern tools by measuring marginal contribution from the limited resources in order to get maximum benefit. Furthermore, idle capacity challenges are 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 Company take utmost care while devising future strategies to make the business more value added and successful.

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 the 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.



CODE OF CONDUCT

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

- Compliance with law and the legal system is a fundamental principle for Jubilee. Every employee, agent and director shall obey the laws and regulations of the legal systems in letter and spirit within which he / she acts. Regardless of the sanctions foreseen by the law, any director, employee or an agent guilty of a violation will be liable to disciplinary consequences related to such violation.
- Respect for personal integrity, privacy and personal right of every individual is a fundamental principle. We work together with individuals of various backgrounds, ethnic types, different cultures, gender, religions, ages and disabilities.
- We compete fairly with the quality and the price of our innovative products and services, not by offering improper benefits to others.
- Employees are not permitted to use their jobs to solicit, to demand, accept, obtain or be promised advantages.
- Jubilee does not make political contributions (donations to politicians, political parties or political organisations). As a responsible member of society and a good corporate citizen, Jubilee makes donations for education, health, and social and humanitarian projects.
- It is Jubilee's objective to conduct business with reputable clients and business partners who are involved in lawful business activities. We do not facilitate money laundering.
- It is the duty of Jubilee employees to make business decisions in the best interest of Jubilee Insurance and not based on their personal interest. Conflict of interest situation(s) is strictly prohibited for any financial and/or non-financial gains both directly and indirectly that have the potential to compromise job performance of an employee.
- Employees are required to comply with rules and regulation of the Company and maintain the office discipline by following the directives of their supervisors in the best interest of Jubilee.
- Employees are forbidden from illegal use /consumption of any drug. The Company does not permit employees to keep /consume alcohol while at work and on Company premises.
- 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 to promote sound environment friendly business practices.

ORGANISATIONAL CULTURE

Jubilee General firmly believes that employees are its most valuable assets and encourages a culture of meritocracy and equal opportunity for all. We emphasize on communication and transparency to embody hard work, perseverance, proactive customer service and light hearted fun in everything we do. We make all our employees feel safe and welcome and arrange creative events for them to make them feel like a family. Employees enjoy annual companywide celebrations such as Family Picnics, Annual Sales Conferences, Cricket, Golf, Snooker tournaments, Women's Day Celebrations, Eid Milan get togethers etc. On top of company-sponsored events, employees are recognised for dedication and loyalty by conferring long service awards to them.

This has resulted in a culture of openness and transparency, embodying our values of team work, integrity, excellence and passion. The trust we have in our employees goes a long way towards a positive company culture, leading to independent employees who have helped the Company to grow. The Company operates under Zero tolerance policy for any misconduct and compromise on business ethics.

With the ongoing COVID-19 pandemic, many organisations have to rapidly adjust their way of working. For Jubilee General Insurance the focus continued to be maintaining customer relationship and ensuring continuity of business by navigating the changing work environment. It is critically important for us to consider impact of new normal on our employees and our overall organisational culture. During the testing times of COVID-19 pandemic, the Company's employees have responded confidently to the outbreak by immediately adopting the fundamental change in working conditions and environment.

Simultaneously, the Company's senior management considering the importance of employees' safety and security continued to provide upmost support to activate Work from Home (WFH) policy. The Company has made all the arrangements on continuous basis to safeguard the health of its employees who are attending the office as part of allowable attendance at the workplace. The pandemic situation has been continuously monitored by the management for last two years and necessary steps were taken to safeguard the health and security of its employees.

Since the start of the Pandemic and its followup with different variants, all employees of the Company are successful to ensure continuance of the operations smoothly without facing any disruption or interference to provide efficient services to our valued customers and stakeholders.

ORGANISATIONAL ETHICS

At Jubilee General our work ethics are governed by our values and we are morally and socially committed to look after the interests of the society as a whole. We demonstrate integrity and honesty in all our business dealings and conform to the highest standards of customer service. The respect for law, respecting different viewpoints and above all causing no willful harm is ingrained in our DNA right from the top to the lowest echelon.

We ensure compliance to all the applicable laws and principles. We have clear cut policies on ethical and social behavior guiding our employees in a unified direction. We promote team work, dignity, sharing, cooperation, harmony, trust and above all we strive for excellence in all that we practice and do towards the common good of society.





SHAREHOLDERS' & INVESTORS' INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 69th Annual General Meeting (AGM) of Jubilee General Insurance Company Limited will be held on Thursday, March 24, 2022 at 9:00 a.m. at Karachi via Video Conferencing 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, 2021 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, 2021, as recommended by the Board of Directors of the Company.
3. To appoint Auditors of the Company for the year ending December 31, 2022 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 investment of up to Rs.150 million each, in the purchase of ordinary shares of Cherat Cement Company Limited (CHCC), Cherat Packaging Limited (CPPL), Agha Steel Industries Limited (AGHA), Pakistan Cables Limited (PCAL), Indus Motor Company Limited (INDU), Meezan Bank Limited (MEBL), 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.

In view of the prevailing situation of post-pandemic waves of infection and in line with the directions issued to listed companies by the Securities and Exchange Commission of Pakistan, vide its Circular No.4 of 2021 dated February 15, 2021 and subsequent Circular No. 6 of 2021 dated March 3, 2021, the Company has decided to hold its Annual General Meeting through electronic means.

The Special arrangements for attending the AGM through electronic means will be as under:

- a) AGM will be held through Zoom Application – a video link facility.
- b) Shareholders interested in attending the AGM through Zoom Application will be requested to get themselves registered with the Company Secretary office at least two working days before the AGM 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.

- c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary office at least two working days before the AGM, at above given email address, WhatsApp, or SMS on 0333 2134113.

- d) Shareholders are required to mention their full name, CNIC No. and Folio/CDS No. for this purpose.
- e) Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

By Order of the Board



Abdul Wahid

Company Secretary

Karachi: February 09, 2022

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 March 18, 2022 to March 24, 2022 (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 March 17, 2022, will be treated in time for the purpose of Cash Dividend entitlement to the transferees.
2. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend, speak and vote at the Meeting on his/her behalf. The proxy forms must be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.
3. 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.
4. Any company or other body corporate which is a member of the company may, by resolution of its Directors or appropriate governing body, authorize an individual to act as its representatives at the meeting and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which they represent.
5. Members are requested to immediately inform the Share Registrar of any change in their addresses.
6. **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.**
7. 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.
8. Members are requested to submit declaration as per Zakat & Usher Ordinance, 1980 for zakat exemption to Company's Share Registrar.
9. 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.

10. 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 March 17, 2022. 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.

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

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on March 24, 2022.

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	Agha Steel Industries Limited (AGHA)		
d	Pakistan Cables Limited (PCAL)		
e	Indus Motor Company Limited (INDU)		Riyaz Ali Towfiq Chinoy
f	Meezan Bank Limited (MEBL)		Nausheen Ahmad
g	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 companies or associated undertakings for the last three years.

Name of Listed Securities	Earnings per share		
	(Amount in Rupees)		
	2019	2020	2021
Cherat Packaging Limited (CPPL)	13.24	1.65	20.12
Cherat Cement Company (CHCC)	9.07	(9.74)	16.50
Agha Steel Industries (AGHA)	2.13	2.96	3.80
Pakistan Cables Limited (PCAL)	3.56	(2.58)	15.56
Indus Motor Company (INDU)	174.49	64.66	163.21
Meezan Bank Limited (MEBL) *	7.00	10.80	15.70
International Steels Limited (ISL)	6.12	1.14	17.16

- Meezan bank's basic earnings per share for 2018, 2019 and 2020.

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, 2021
	(Amount in Rupees)
Cherat Packaging Limited (CPPL)	142.09
Cherat Cement Company (CHCC)	69.94
Agha Steel Industries (AGHA)	23.98
Pakistan Cables Limited (PCAL)	150.34
Indus Motor Company (INDU)	613.25
Meezan Bank Limited (MEBL)	48.90*
International Steels Limited (ISL)	43.42

* Breakup value as at December 31, 2020

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, 2021

	-----Rupees in Millions-----						
Name of listed Securities	CPPL	CHCC	AGHA	PCAL	INDU	MEBL*	ISL
Total Assets	12,587	34,194	35,411	11,032	133,906	1,521,559	41,720
Current Assets	6,608	7,846	17,782	6,054	114,712	-NA-	22,520
Non-Current Assets	5,979	26,348	17,629	4,978	19,194	-NA-	19,200
Total Liabilities	6,547	20,604	21,600	5,683	85,704	1,452,404	22,832
Current Liabilities	3,904	7,273	13,889	4,843	84,959	-NA-	16,357
Non-Current Liabilities	2,643	13,331	7,711	840	745	-NA-	6,475
Shareholders' Equity	6,040	13,590	13,811	5,349	48,201	69,155	18,888
Total Revenue	11,255	25,207	19,858	13,145	179,162	74,921	69,796
Gross Profit	1,938	6,728	4,503	1,526	16,654	-NA-	13,492
Profit before Tax	1,199	4,337	2,553	750	18,199	36,936	10,295
Profit after Tax	855	3,205	2,036	554	12,828	22,166	7,466

*Meezan Bank financial position as of December 31, 2020

(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 conceptualization
- II. Starting 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 amount of investments.

Rs. 150 millions for each company aggregating to Rs. 1,050 million.

(II) Purpose, benefits 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.

Company's own funds

(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	Agha Steel Industries Limited (AGHA)	Akbarali Pesnani
b	Cherat Cement Company Limited (CHCC)	Akbarali Pesnani
c	Cherat Packaging Limited (CPPL)	Akbarali Pesnani
d	Pakistan Cables Limited (PCAL)	Akbarali Pesnani
e	Indus Motor Company Limited (INDU)	Riyaz Ali Towfiq Chinoy
f	Meezan Bank Limited (MEBL)	Nausheen Ahmad
g	International Steels Limited (ISL)	Nausheen Ahmad

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 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.	Agha Steel Industries Limited (AGHA)	NIL
d.	Pakistan Cables Limited (PCAL)	NIL
e.	International Steels Limited (ISL)	NIL
f.	Meezan Bank Limited (MEBL)	NIL
g.	Indus Motor Company (INDU)	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 (February 09, 2022)	12-week average price (From November 17, 2021 to February 09, 2022)
	(Amount in Rupees)	
Cherat Packaging Limited (CPPL)	158.56	145.73
Cherat Cement Company (CHCC)	143.53	142.40
Agha Steel Industries (AGHA)	23.84	25.11
Pakistan Cables Limited (PCAL)	171.29	161.15
Indus Motor Company (INDU)	1,330.00	1,253.76
Meezan Bank Limited (MEBL)	138.53	140.07
International Steels Limited (ISL)	69.43	68.07

(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.

CALENDAR OF MAJOR EVENTS

Financial

Results

First quarter ended 31 March 2021	Announced on	27 April 2021
Half year ended 30 June 2021	Announced on	24 August 2021
Third quarter ended 30 September 2021	Announced on	26 October 2021
Year ended 31 December 2021	Announced on	09 February 2022

Dividends

Final Cash 2021 (40%)	Announced on	09 February 2022
	Entitlement date	16 March 2022
	Statutory limit upto which payable	13 April 2022

Final Cash (2020) (35%)	Announced on	23 February 2021
	Paid on	29 April 2021

Issuance of Annual Report

		03 March 2022

69th Annual General Meeting

24 March 2022

Operational

Learning Management System- LMS (Internal system for providing online training, maintaining training records and issuance of training certificates)

Implemented in

January 2021

Case Management System - CMS
(Comprehensive system for handling and resolving corporate inquiries and leads.)

Implemented in

March 2021

Kashtkar Crop. Portal (Comprehensive Crop. Insurance certificate issuance and policy management application)

Launched in

May 2021

ACCESS TO REPORTS AND ENQUIRIES

Financial Reports

Annual Report 2021 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 2021 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.

ISSUES RAISED AT THE LAST ANNUAL GENERAL MEETING

In the 68th Annual General Meeting of the Company held on Monday April 12, 2021, only ordinary 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 68th Annual General Meeting (AGM) of the Company held on Monday April 12, 2021, 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.

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 2021, due to COVID-19, 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.

SHARE PRICE ANALYSIS

Volume Analysis

JGI Share Price and Volume on the PSX in the year 2021:

Months	Highest	Lowest	Per Day Average Volume
	----- Rupees -----		Number of Shares
January	55.25	47.50	8,381
February	62.25	45.82	9,632
March	44.99	41.61	2,182
April	42.04	39.21	4,841
May	43.40	39.40	3,500
June	44.00	42.00	2,091
July	44.55	42.40	59,342
August	43.90	42.00	29,625
September	44.50	42.00	2,636
October	42.95	39.50	2,600
November	50.49	41.20	2,205
December	47.99	42.70	5,543

Total number of shares traded during the year are 2,618,000 (2020: 1,744,000).

SHARE PRICE SENSITIVITY ANALYSIS

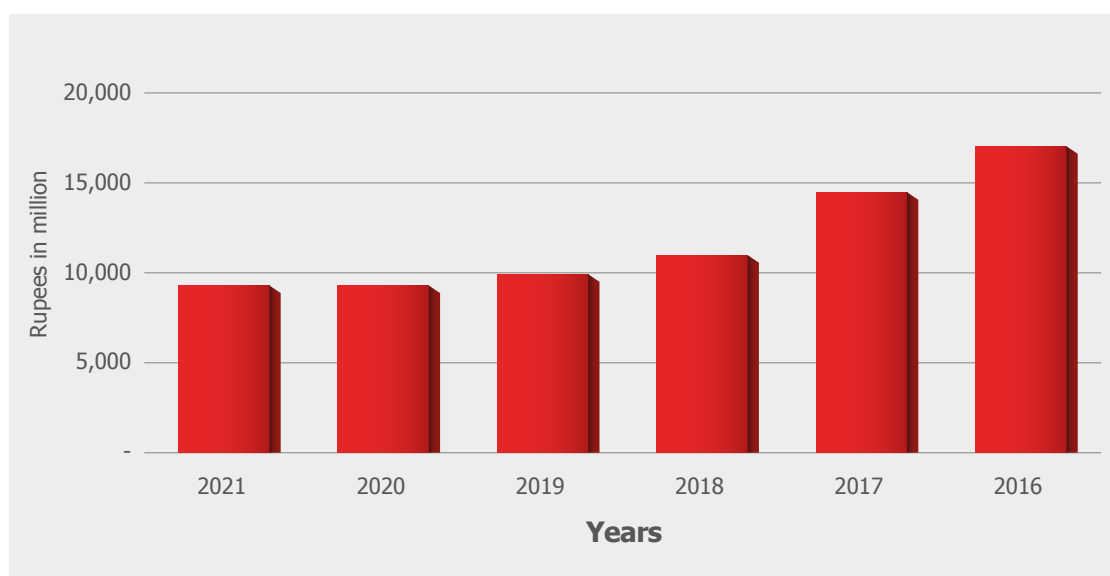
The Company's share price is sensitive to the following factors:

- 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.

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 2021, which definitely effected the market price of the Company's share in the last five years, however, notable growth in market capitalisation of the Company's shares till the year 2016 can be witnessed from the following

Particulars	Years					
	2021	2020	2019	2018	2017	2016
Number of Shares Outstanding (in million)	198	198	180	180	180	157
Market closing price of share as on 31 December (PSX) (Rupees)	42.70	47.10	54.01	60.01	80.00	108.50
Market Share Capitalisation (Rupees in million)	8,455	9,326	9,722	10,802	14,400	17,034



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 2020 and nine months ended September 30, 2021 was held on December 13, 2021 for the shareholders and business analysts. The management has presented the detailed analysis of financial results of year 2020 and nine months ended September 30, 2021 for the information of attendees. The outlook of year end 2021 was also discussed and explained in detail.

PATTERN OF SHAREHOLDING

As of 31 December 2021

Number of Shareholder(s)	Shareholding(s)		Number of Shares held	Percentage
	From	To		
392	1	100	9,198	0.0046
202	101	500	55,640	0.0280
142	501	1,000	106,823	0.0538
372	1,001	5,000	928,845	0.4680
105	5,001	10,000	788,662	0.3973
59	10,001	15,000	714,495	0.3600
26	15,001	20,000	459,158	0.2313
33	20,001	25,000	752,850	0.3793
10	25,001	30,000	273,763	0.1379
8	30,001	35,000	260,017	0.1310
8	35,001	40,000	310,646	0.1565
3	40,001	45,000	129,752	0.0654
9	45,001	50,000	421,897	0.2126
3	50,001	55,000	155,063	0.0781
4	55,001	60,000	229,585	0.1157
4	60,001	65,000	254,645	0.1283
3	65,001	70,000	202,995	0.1023
1	70,001	75,000	70,557	0.0355
2	75,001	80,000	152,484	0.0768
1	80,001	85,000	82,476	0.0416
2	90,001	95,000	184,001	0.0927
3	95,001	100,000	295,339	0.1488
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	150,001	155,000	150,096	0.0756
2	165,001	170,000	334,618	0.1686
2	175,001	180,000	352,400	0.1775
2	185,001	190,000	376,213	0.1895
2	195,001	200,000	393,207	0.1981
1	200,001	205,000	203,834	0.1027
1	215,001	220,000	218,211	0.1099
1	225,001	230,000	226,453	0.1141
1	230,001	235,000	234,682	0.1182

Number of Shareholder(s)	Shareholding(s)		Number of Shares held	Percentage
	From	To		
2	250,001	255,000	502,467	0.2531
1	265,001	270,000	267,065	0.1345
1	305,001	310,000	307,587	0.1550
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
1	1,095,001	1,100,000	1,096,500	0.5524
2	1,140,001	1,145,000	2,288,311	1.1529
1	1,500,001	1,505,000	1,503,982	0.7577
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	2,765,001	2,770,000	2,767,684	1.3944
1	2,855,001	2,860,000	2,858,604	1.4402
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
1,446			198,491,241	100.0000

PATTERN OF SHAREHOLDING ADDITIONAL INFORMATION

As of 31 December 2021

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	
The Aga Khan Hospital & Medical College Foundation		40,881,871	
Jubilee Life Insurance Company Limited		943,541	
The Aga Khan University Foundation		7,254,786	
Pakistan Services Limited		15,056,661	
NIT and ICP			
Investment Corporation of Pakistan	1	45	-
Directors, CEO & their Spouse and Minor Children	8	3,120,027	1.57
R. Zakir Mahmood		298	
Akbarali Pesnani		113,850	
Amin A. Hashwani		2,858,604	
Amyn 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	2	208,647	0.11
Azfar Arshad Inam		39,095	
Syed Sohail Ahmed		169,552	
Public Sector Companies and Corporations		-	
Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and ICP Mutual Funds	6	419,522	0.21
Individuals	1,393	45,680,105	23.01
Others	29	6,823,687	3.44
Total	1,446	198,491,241	100.00

Particulars of Shareholders	Number of Shares held	Percentage
-----------------------------	-----------------------	------------

Shareholders holding 5 percent or more shares in the Company

- The Aga Khan Hospital & 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

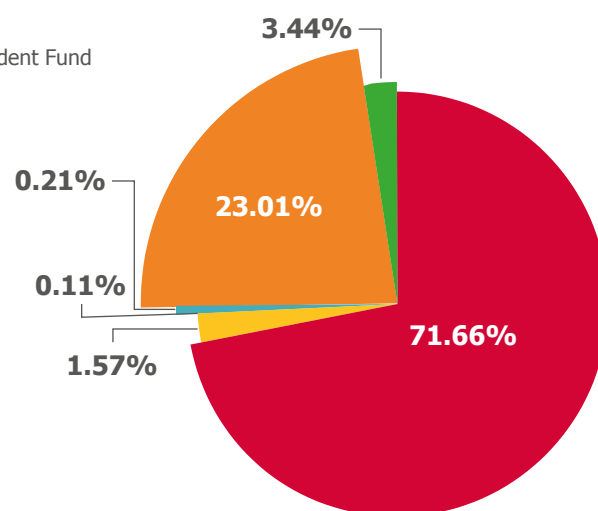
Trading in shares by Directors, CEO, CFO, Company Secretary & their spouses and minor children during the year 2021

Name	Designation	Transaction	No. of Shares
Nausheen Ahmad	Independent Director	Acquired	2,500
Murtaza Hashwani	Non-Executive Director	Acquired	65,000

Categories of Shareholders	Number of Shareholder(s)	Shares held	Percentage of Total
Individuals	1,364	35,582,423	17.93
Insurance Companies	3	1,358,623	0.68
Joint Stock Companies	23	28,375,861	14.30
Financial Institutions	5	39,312,284	19.80
Modarabas & Mutual Funds	1	198	-
Non Resident Shareholders	40	41,309,577	20.81
Others - see below	10	52,552,275	26.48
	1,446	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 Pakistan Services Ltd., Employees Provident Fund
- V. Trustees Hashwani Hotels Ltd. Employees Provident Fund
- VI. Trustees of Gray Mackenzie Restaurants Int'l Ltd. Employees Provident Fund
- VII. Trustees Saeeda Amin Wakf
- VIII. Trustee Mohammed Amin Wakf Estate
- IX. Hamdard Laboratories (Waqf) Pakistan
- X. Federal Board of Revenue

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







GOVERNANCE

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 modes operandi:

The Board of the Directors is comprised of 10 directors including CEO & Managing Director which is headed by the Chairman-Board. 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 keep an eye on 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;
- 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 comes across situations where they need guidance of superior authority, the CEO refers these matters 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 affairs 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 tasks efficiently and effectively by the employees 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.

CHAIRMAN'S REVIEW REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2021

I am pleased to present the Chairman's Review to the stakeholders of Jubilee General Insurance.

Pakistan's economy performed well during the year 2021 as the Country effectively contained the emerging variants of COVID-19 and maintained an expansionary economic policy for most part of the year. Aided by favorable macroeconomic environment, your Company's Gross Written Premium and Contribution posted a growth of 16% to cross Rs. 12 billion. Fire & Property and Engineering portfolios posted significant growth of 38% and 133%, respectively. Marine portfolio also closed the year at 40% growth. While Motor portfolio grew by 12% and Accident & Health increased by 1%, however, Miscellaneous portfolios contracted by 23%. The Window Takaful Operations continued its upward trajectory with a 16% YoY growth in Gross Contributions. Your Company's Net Profit increased by 8% YoY to Rs. 1.65 billion supported by robust growth in the Underwriting Income.

The rising Current Account Deficit (CAD) and high inflation in recent months have led the SBP and the government to take demand-moderating measures to ensure sustainability of economic growth. The expected slowdown in inflationary pressures in the coming months and the resumption of IMF program will improve the business sentiments and stimulate economic progress. For the near future, your Company is focused on modernizing its technological infrastructure, growing market share and consolidating position in the retail market.

Your Board discharges its fiduciary duties judiciously with due 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 digitalization. Your Company continues its journey towards technological innovation with an aim of achieving greater operational efficiencies for the benefit of our customers and to increase our market share.

The Board has a comprehensive self-evaluation mechanism in place for assessment of its own performance in core areas of its functioning. The evaluation questionnaire, which is sent to each director, allows the board to evaluate its own quality of governance and enables them to fulfill their responsibilities more effectively. In order to ensure transparency, the directors submit their responses to the questionnaire in confidence to the external auditors directly. The Directors reviewed and discussed the annual evaluation report for the year 2021 in their meeting held on 9 February 2022 and expressed their satisfaction on the overall result against the set performance criteria.

I would like to extend my gratitude to all our employees and business partners for their dedication and hard work. I am also grateful to the Board members for their commitment and shareholders for their confidence in the Company.



R. Zakir Mahmood

Chairman

Karachi: 09 February 2022

میں جو بلی جزل کے اسٹیک ہولڈرز کے لیے اس جائزہ کو پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

پاکستان کی معیشت نے سال 2021 کے دوران بہتر کارکردگی کا مظاہرہ کیا اور ملک نے COVID-19 کے نئے ویرینٹس پر موثر انداز میں قابو پا کر سال بھر تو سبھی معاشی پالیسی کو برقرار رکھا۔ پسندیدہ میکرو اکنامک ماحول میں، آپ کی کمپنی نے 16 فیصد ترقی کے ساتھ 12 بلین روپے کے مجموعی پریکٹس اور کنٹریبیوشن حاصل کیا۔ فائر اور پراپرٹی، اور انجینئرنگ پورٹ فولیوز نے بالترتیب 38 فیصد اور 133 فیصد کی قابل قدر ترقی کی۔ میرین پورٹ فولیو نے بھی سال کے اختتام پر 40 فیصد ترقی حاصل کرنے میں کامیابی حاصل کی۔ موٹر پورٹ فولیو نے 12 فیصد، ایکسیڈنٹ اور ہیلتھ 1 فیصد سے بڑھا جبکہ متفرک پورٹ فولیو 21 فیصد سے سکڑ گیا۔ ہمارے ونڈو ٹکافل آپریشنز نے شاندار کارکردگی جاری رکھی اور گراس نے کنٹریبیوشن میں سال کے اعتبار سے 12 فیصد ترقی حاصل کی۔ آپ کی کمپنی نے انڈر رائٹنگ آمدنی میں زبردست اضافے کی بدولت 1.65 بلین روپے کا خالص منافع حاصل کیا۔

بڑھتے ہوئے کرٹ اکاؤنٹ خسارے اور حالیہ مہینوں میں مہنگائی میں ہوشربا اضافے نے اسٹیٹ بینک آف پاکستان اور حکومت کو معاشی ترقی کے استحکام کو یقینی بنانے کے لیے طلب کے مطابق اقدامات اٹھانے پر مجبور کیا ہے۔ آنے والے مہینوں میں مہنگائی میں کمی کی توقع اور آئی ایم ایف پروگرام کی دوبارہ بحالی سے کاروباری صورتحال اور معاشی ترقی میں بہتری آئے گی۔ مستقبل قریب کے لیے، آپ کی کمپنی اپنے ڈھانچے کو ٹیکنالوجی کے اعتبار سے نئی وضع دینے، مارکیٹ شیئر میں اضافے اور ریٹیل مارکیٹ میں اپنی پوزیشن مزید مستحکم کرنے کے لیے کوشاں ہے۔

آپ کے بورڈ نے اپنے فرائض منصبی شاندار طریقہ سے انجام دیتے ہوئے چار کمیٹیوں بنام آڈٹ، فنانس اینڈ انوسٹمنٹ، ہیومن ریسورسز ریونیویشن اینڈ نووینیشن اور رسک اینڈ کمپلائنس کمیٹی کی بھرپور انداز میں رہنمائی کی۔ کمپنی نے آئی ٹی اسٹریٹجی کی بھی تشکیل دے رکھی ہے تاکہ ڈیجیٹلائزیشن کے دور میں انتظامیہ کے اقدامات کی نگرانی اور رہنمائی فراہم کی جائے۔ آپ کی کمپنی اپنے صارفین کے فائدے اور مارکیٹ شیئر کو بڑھانے کے لیے صلاحیتوں میں بہتری کے مقصد سے ٹیکنالوجیکل جدت کے سفر پر گامزن ہے۔

بورڈ نے سوانامے کے ذریعے خود تشخیصی طریقہ کار کو اپناتے ہوئے اپنی کارکردگی کا جائزہ لینے کے لیے ایک خود کار میکانزم تیار کر رکھا ہے۔ ہر ڈائریکٹر کو بھیجا جانے والا سوالنامہ بورڈ کو اپنی گورننس کو معیار کو جانچنے کی اجازت دیتا ہے اور انہیں اپنی ذمہ داریاں مزید بہتر انداز میں انجام دینے کے قابل بناتا ہے۔ شفافیت کو برقرار رکھنے کے لیے، ڈائریکٹرز سوالنامے میں اپنے جوابات رازداری سے خارجی آڈیٹرز کو براہ راست جمع کراتے ہیں۔ ڈائریکٹرز کی جانب سے 9 فروری، 2022 کو منعقد ہونے والے بورڈ اجلاس میں سال 2021 کی جائزہ رپورٹ زیر بحث لائی گئی۔ بورڈ نے متعین کارکردگی کے معیار کے مطابق مجموعی نتائج پر اطمینان کا اظہار کیا۔

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

Dr. Mahesh

آرڈر محمد

چیئر مین

کراچی: 9 فروری، 2022

THE DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2021

The Directors are pleased to present the Annual Report and the Audited Accounts for the year ended 31st December 2021.

Overview

The global economy recovered in 2021 from the lows of 2020 aided by strong fiscal and monetary support and rapid vaccine rollouts. However, continued supply disruptions, high inflation due to commodity super cycle and resurgence of COVID-19 variants kept the activities subdued. According to the World Bank, global GDP is estimated to have grown by 5.5% in CY2021 as compared to a contraction of 3.4% in 2020.

Pakistan was once again able to control the spread of COVID-19 despite experiencing recurring waves of infections in 2021. With due support from accommodative fiscal and monetary environment and efficient rollout of vaccines, Pakistan's real GDP growth in FY 2021 was 5.57% as compared to -1% for FY 2020. However, rising inflation and deteriorating Current Account Deficit (CAD) led to a reversal of the interest rate cycle and transition of the expansionary monetary policy into a contractionary one in the latter half of the year. The State Bank raised the policy rate by a cumulative 275 basis points, to 9.75%, in CY 2021 in order to moderate the aggregate demand and to control the rising CAD.

Insurance Sector Review

Ongoing pandemic and natural disasters have contributed to hardening of the global non-life insurance markets with an upward revision in the premium rates. The local non-life insurance industry benefited well from the robust demand during the year. Based on latest available data, we are of the view that the industry growth will remain modest for the year 2021.

Company Performance

Gross Written Premium (including Contribution Written in Takaful Operations) has crossed Rs. 12 billion (2020: Rs. 10.31 billion) reflecting healthy growth of 16%, however the combined net premium / contribution increased by 6% to Rs. 5.88 billion (2020: Rs. 5.55 billion). Although the macroeconomic conditions remained unfavorable, there was positive year-on-year growth in Fire & Property, Motor, Marine, Accident & Health and Miscellaneous portfolios. The Company's technical profit during the year has substantially increased to Rs. 629 million as compared to Rs. 103 million last year.

During 2021, the Investment Income (including Window Takaful Operations) saw a decline of 17% to Rs. 1.59 billion as compared to Rs. 1.92 billion in 2020 which is mainly due to volatile performance of the Stock market during the year.

Insurance

The Company's Gross Written Premium increased by 16% to Rs. 10.61 billion (2020: Rs. 9.11 billion) and Net Premium increased by 5% to Rs. 5.20 billion (2020: Rs. 4.96 billion). We achieved Underwriting Profit of Rs. 512 million as compared to Rs. 24 million achieved in 2020.

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

	2021	2020
	.....(Rupees in '000).....	
Gross Premium	10,614,596	9,109,975
Net Premium Revenue	5,197,050	4,959,025
Underwriting Result	511,761	23,946
Investment Income including Capital Gain and Rent	1,564,528	1,874,090
Profit Before Tax	2,329,995	2,113,708
Profit After Tax for the year	1,649,327	1,532,738
Earnings Per Share of Rs. 10 each	8.31	7.72

Takaful

Window Takaful Operations is still in a nascent phase and continues to grow; this year the Gross Written Contribution grew by 17% to Rs. 1.4 billion (2020: Rs. 1.2 billion), the major contributions were from the Fire, Motor and Accident & Health portfolios. Net contribution also grew by 16% to reach Rs. 685 million (2020: Rs. 588 million).

The Participants' Takaful Fund contracted by 62% to Rs. 20 million (2020: Rs. 52 million) which is mainly due to increase in claims incurred during the year. The Operator's Profit for the year is Rs. 104 million (2020: Rs. 91 million)

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

	2021	2020
	.....(Rupees in '000).....	
Participants' Fund		
Gross Contribution	1,390,651	1,201,291
Net Contribution	684,633	588,262
(Deficit) before Investment Income	(10,859)	(4,719)
Investment Income	39,045	71,463
Surplus for the year	20,080	52,219
Operator's Fund		
Revenue Account	128,267	83,501
Investment Income	20,728	46,511
Profit Before Tax	146,970	128,146
Profit after tax for the year	104,349	90,984

Segment Analysis

Fire & Property

Fire & Property contributes 37% to the overall written premium and contribution and is the largest portfolio of the Company. It grew by 38% aided by robust growth in the LSM sector. There were a few fire losses during the 2nd quarter; however, the portfolio yielded a profit of Rs. 128 million (2020: loss of Rs. 220 million).

Accident and Health

Accident & Health business remained almost flat, increasing by 1% during the year; the slowdown was in the micro-health segment, while the group health and individual segments performed satisfactorily. The portfolio contributes 17% to our business and the company expects to continue focusing on this vital segment in the coming year. Higher inflation in the medical sector and utilization levels reverting to pre-pandemic base affected the result of this portfolio, registering a loss of Rs. 16 million.

Motor

Motor portfolio now has the 2nd largest share in our business mix and contributes 18% to the gross premiums/contributions. After contracting in 2020 by 3%, the portfolio grew by 12% in 2021 and yielded a combined profit of Rs. 412 million inclusive of surplus from Window Takaful Operations.

Marine, Aviation & Transport

Marine, Aviation & Transport portfolio contributes 9% to the total written premium and contribution. The portfolio witnessed a growth of 40% during the year. Rise in commodity prices, especially oil and increasing imports were some of the factors behind this high growth. The portfolio continued to remain profitable with a combined underwriting profit of Rs. 91 million (2020: Rs. 26 million).

Miscellaneous

Miscellaneous portfolio contributes 18% to the overall business and includes Engineering; Bonds; Terrorism; Bankers Blanket Bond; and Travel business lines, among others. The portfolio increased by 12% overall during the year. The combined portfolio incurred loss of Rs. 1 million (2020: Loss of Rs. 92 million).

Liability

The liability portfolio constitutes of the overall business, and generated underwriting profit of Rs. 15 million (2020: Rs. 12 million).

Investment Income

The capital markets remained highly volatile during the year 2021. Despite a positive start to the year, the performance of equity markets was adversely impacted by the worsening external account situation and reversal in interest rates during the second half of the year. The benchmark KSE 100 index provided a return of 1.9% during the calendar year 2021. Fixed income markets saw an increase in yields as the policy rate was increased by a cumulative 275 basis points during the year. Your Company's cautious approach on the highly volatile stock market resulted in the contraction of overall investment income by 17% to Rs. 1.59 billion as compared to Rs. 1.92 billion in 2020.

Market Share

Your Company's market share stands at 11.36% as per the results for nine months ended September 2021 published by the Insurance Association of Pakistan. The Company expects to strengthen its market share in the year 2022.

Reinsurance

Extreme weather events in 2021, including a deep winter freeze, floods, severe thunderstorms, and a major hurricane, resulted in an annual global insured losses from natural catastrophes estimated at USD 115 billion, the fourth highest since 1970.

The two costliest natural disasters of the year were both recorded in the US. Hurricane Ida wreaked USD 30 – 32 billion in estimated insured damages, including flooding in New York, and winter storm Uri caused USD 15 billion in insured losses. All these losses affected the reinsurance pricing for 2022.

Jubilee General Insurance was successfully able to renew its reinsurance and retakaful covers in line with the growing needs of our clients. Being a highly rated insurer, we partner with the best securities including Swiss Re, Hannover Re, Lloyd's of London, SCOR etc.

Product Development

Jubilee General is focused on leveraging technology to develop innovative products and offer efficient delivery of service. The Company continues to build new partnerships and integration with multi-brand retail platforms to expand its 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
Profit after tax for the year
Actuarial gain on defined benefit plan
Adjustment of ledger D balance of an associate

225,481
1,649,327
15,681
(21,620)

1,868,869

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

Transfer to special reserves
Transfer to general reserve
Proposed final cash dividend @ [40%]
Carry forward to next year

500,000
300,000
793,965
274,904

1,868,869

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 Committee 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 under:

Name of Directors	Meeting Attended	AGM Attendance
Mr. R. Zakir Mahmood	4	✓
Mr. Akbarali Pesnani	4	✓
Mr. John Joseph Metcalf	4	✓
Mr. Amin A. Hashwani	4	✓
Mr. Aryn Currimbhoy	4	✓
Mr. Murtaza Hashwani	3	✓
Mr. Riyaz Ali Towfiq Chinoy	4	✓
Mr. Abrar Ahmed Mir	3	✓
Ms. Nausheen Ahmad (Joined w.e.f. May 21, 2021)	2	N/A
Mr. Hassan Khan - Chief Executive Officer and Managing Director.	4	✓

Board Meeting Convened through Resolution by Circulation

During the year, five (5) 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 and Board Information Technology Steering Committee and seven (7) meetings of the Board Human Resource, Remuneration & Nomination 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, 2017, the Insurance Accounting Regulations 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations 2019. 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.
- There are adequate Internal Financial Controls in place in the Company.

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 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.

The Board has 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.

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 capitalization 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 capitalization, 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 digitalization 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. We also hold the distinction of being the first insurer in Pakistan to launch an online portal providing end-to-end insurance solution complete with payment options. The Company also pioneered the first ever android application for motor insurance and intends to introduce more applications using mobile technology to increase insurance penetration in the retail segment.

Auditors

Messrs. A.F. Ferguson & Co., Chartered Accountants have audited the financial statements for the year 2021 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 at a remuneration of Rs. 4.675 millions and the Board endorses this recommendation.

Outlook

The rising inflation and trade deficit, and contractionary monetary policy setting continue to pose a risk to macroeconomic growth. SBP expects the real GDP growth to be around 4% -5% in FY 2022. The commodity prices are expected to revert in the second half of the calendar year 2022 which is expected to ease the pressure on external front and bring down inflation. The resumption of IMF program will be key towards financing the fiscal and trade deficits. Your company remains optimistic about the revival of economic growth in FY 2023 on the back of the expected improvement in the macroeconomic environment.

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



Amyn Currimbhoy
Director

Karachi: 09 February, 2022

انفارمیشن ٹیکنالوجی

جوبلی جنرل 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 سے تعلق سے لیکر کلیمز 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 رابطہ کے ذریعے بے مثال تبادلہ خیال، مرنٹس، کنزرویٹور اور بزنسز کے ساتھ بروقت اور باسہولت ٹرانزیکشن کے امور بہم پورے ہوں گے۔ اس طرح، کمپنی پاکستان میں پہلی انشورنس بن چکی ہے جس نے تمام انشورنس سلوشن بشمول ادائیگی کے اختیارات کی مکمل سہولت فراہم کرنے کے لیے آن لائن پورٹل کا آغاز کیا۔ کمپنی کو موثر انشورنس کے لیے سب سے پہلی اینڈرائڈ ایپلی کیشن لانے کا اعزاز بھی حاصل ہے اور اپنے ریٹیل مارکیٹ میں مزید رسائی کے لیے موبائل ٹیکنالوجی کے استعمال کو بروئے کار لانے کے لیے مزید ایپلی کیشن بھی متعارف کرانے کا ارادہ رکھتی ہے۔

آڈیٹرز

سال 2021 کے مالیاتی گوشواروں کو میسرز اے ایف فرگوسن لینڈ 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 لینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 4.675 ملین روپے کے مشاہرے پر قانونی آڈیٹرز کے طور پر مقرر کر لیا جائے۔ بورڈ نے اس سفارش کی توثیق بھی کی ہے۔

مستقبل کا منظر نامہ

بڑھتی ہوئی مہنگائی اور تجارتی خسارہ، اور مانیٹری پالیسی میں کمی کا جاری رہنا میکرو اکنامک ترقی کے لیے خطرہ بنے ہوئے ہیں۔ اسٹیٹ بینک آف پاکستان نے مالی سال 2022 میں جی ڈی پی 4 سے 5 فیصد کے درمیان رہنے کی پیش گوئی کی ہے۔ کلینڈر سال کی دوسری ششماہی میں اجناس کی قیمتوں کم ہونے کی توقع ہے جس سے خارجی محاذ پر دباؤ میں کمی اور مہنگائی کم ہونے کی امید ہے۔ آئی ایم ایف پروگرام کی دوبارہ بحالی تجارتی اور مالیاتی خسارے میں فنانسنگ کے لیے بہت اہم ثابت ہوگی۔ آپ کی کمپنی میکرو اکنامک صورتحال میں بہتری کی توقع پر مالی سال 2023 میں معیشت کی بحالی کے لیے پرامید ہے۔

اظہار تشکر

ہم اپنے کلائنٹس کے مشکور ہیں کہ ان کی وفاداری اور اعتماد نے ہمیں تقویت دی اور اپنے شیئر 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 انشورنس بزنس پارٹنرز کے پیشہ ورانہ تعاون اور قابل قدر معاونت کا بھی شکریہ ادا کرتے ہیں۔ ہم ایس ای سی پی کی جانب سے رہنمائی اور تعاون کے لئے بھی ان کے بے حد شکر گزار ہیں۔ ہم اپنے بزنس 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 بھٹی
ڈائریکٹر



حسان خان
مینجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو

کراچی: 9 فروری، 2022

- 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 نکافل رولز، 2012 اور جنرل نکافل اکاؤنٹنگ ریگولیشن 2019 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 بڑی کوتاہی نہیں ہوئی۔
- کمپنی میں مناسب مالیاتی انٹرئل کنٹرولز موجود ہیں۔

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 یعنی کہ پیئرن آف شیئر ہولڈنگ (بشمول کمپنی کے ڈائریکٹرز اور ایگزیکٹوز کی کمپنی کے حصص میں خرید و فروخت کی تفصیلات) انٹرئل کنٹرول فریم ورک، مالیاتی پوزیشن اور کارکردگی، سسٹین ایبلٹی اور رسک و مواقع اس رپورٹ کے ختمیہ میں ملاحظہ فرمائیں۔

بورڈ کارکردگی کا جائزہ

ایس ای سی پی کے ایس آر او نمبر 301 (1) 2020 میں فراہم کردہ ہدایات کے مطابق بورڈ نے اپنی، اپنی کمیٹیوں اور ممبرز کی کارکردگی کا جائزہ لینے کے لئے ایک سوالنامے کے ذریعے ایک خود مختار طریقہ کار اختیار کیا ہوا ہے جو بورڈ کے کام کرنے کے بنیادی امور کا احاطہ کرتا ہے۔ اس جائزے کا بنیادی مقصد بورڈ کو اپنا معیار اور اپنی صلاحیتوں کا اندازہ کرنا ہے، جس سے بورڈ کے ارکان کمپنی کی ترقی میں زیادہ موثر کردار ادا کر سکیں گے۔ سوالنامے میں جن اہم حصوں کو شامل کیا گیا ہے ان میں ذیل بھی شامل ہے:

- بورڈ آف ڈائریکٹرز کی بنیادی تنظیم سے آگاہی
 - بورڈ کی مجموعی ذمہ داریوں اور اس کے دائرہ کار کا جائزہ
 - انتظامیہ کی جانب سے بورڈ کو پیش کی جانے والی معلومات کی جانچ پڑتال
 - کمپنی کے امور کا جائزہ اور بہتری کے اقدامات کی تجویز
 - بورڈ اور اس کی کمیٹیوں کے آپریشنز، کارکردگی، اور ان کے موثر ہونے کی صلاحیت
 - انفرادی بورڈ ممبران کی شرکت اور کارکردگی کا جائزہ
- بورڈ نے ڈائریکٹرز کی جانب سے بھیجی گئی تجاویز کے نتائج مرتب کرنے کے لیے خود مختار اور مایہ ناز آڈٹ فرم کو مشغول کیا ہے تاکہ اس عمل کی درستگی اور شفافیت کو مزید بہتر کیا جائے۔

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

انشورر فنانشل اسٹریٹج (آئی ایف ایس) ریٹنگ

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

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

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز 10 افراد پر مشتمل ہے جنہیں کمپنی کی نگرانی اور کاروباری جائزہ لینے کی صلاحیت، معلومات اور تجربہ حاصل ہے۔ چیف ایگزیکٹو آفیسر کے علاوہ تمام ڈائریکٹر کمپنی کے نان ایگزیکٹو ڈائریکٹرز ہیں جن میں تین آزاد ڈائریکٹرز بھی شامل ہیں۔

بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو ڈائریکٹر بشمول آزاد ڈائریکٹرز کی جانب سے بورڈ اور اس کی کمیٹی میٹنگز میں شرکت کے لئے حاضری کی فیس منظور کی ہے۔

بورڈ کے اجلاس

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

ڈائریکٹرز کے نام	میٹنگ میں حاضری	سالانہ جنرل میٹنگ
آرڈاکر محمود	4	✓
اکبر علی پسنانی	4	✓
جان جوزف بیٹکاف	4	✓
امین اے ہاشوانی	4	✓
امین کریم بھائی	4	✓
مرتضیٰ ہاشوانی	3	✓
ریاض علی توفیق چنائے	4	✓
ابرار احمد میر	3	✓
نوشین احمد (21 مئی 2021 کو مقرر ہوئیں)	2	N/A
حسان خان چیف ایگزیکٹو آفیسر اور مینیجر ڈائریکٹر	4	✓

سرکیولیشن سے قرارداد کے ذریعے بورڈ میٹنگ کا انعقاد

دوران سال، بورڈ آف ڈائریکٹرز کی جانب سے سرکیولیشن کے ذریعے پانچ (5) قراردادیں منظور کی گئیں۔

بورڈ کمیٹیاں

زیر جائزہ سال کے دوران فنانس اینڈ انوٹسٹ کمیٹی، بورڈ آڈٹ کمیٹی، بورڈ رسک اینڈ کمپلائنس کمیٹی اور بورڈ انفارمیشن ٹیکنالوجی اسٹیرنگ کمیٹی ہر ایک کے چار (4) اجلاس اور بورڈ ہیومن ریسورس، ریہونریشن اینڈ نامینیشن کے سات (7) اجلاس ہوئے۔ بورڈ کمیٹیوں کے ارکان کے نام اور ضابطہ کار اس رپورٹ کے ضمیمے میں دیئے گئے ہیں۔ بورڈ آڈٹ کمیٹی کے چیئر مین اور بورڈ ہیومن ریسورس ریہونریشن اینڈ نامینیشن کمیٹی کی چیئر پرسن نان ایگزیکٹو اور خود مختار ڈائریکٹرز ہیں۔

مینجمنٹ کمیٹیاں

کمپنی میں چھ مینجمنٹ 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 ڈائریکٹر مندرجہ ذیل امور کی تصدیق کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، معاملات کی شفافیت، آپریشنز کے نتائج، کیش فلو اور لیویٹی میں تبدیلیوں کی درست صورت حال کی عکاسی کرتے ہیں؛
- کمپنی کے اکاؤنٹس کی بکس باقاعدگی کے ساتھ مرتب کئے 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؛

ذمہ داری (لائسبلٹی)

لائسبلٹی پورٹ فولیو کا مجموعی بزنس پر محیط ہے، اس کا انڈر رائٹنگ منافع 15 ملین روپے حاصل ہوا (2020: 12 ملین روپے)۔

سرمایہ کاری کی آمدنی

سال 2021 کے دوران کیپٹل مارکیٹس میں بہت زیادہ اتار چڑھاؤ کی صورت حال رہی۔ سال کے مثبت آغاز کے باوجود، ایکوٹی مارکیٹوں کی کارکردگی پر بیرونی اکاؤنٹ کی خراب صورت حال اور سال کی دوسری شہ ماہی کے دوران شرح سود میں دوبارہ اضافہ نے منفی اثرات مرتب کئے۔ بیچ مارک KSE 100 انڈیکس نے کلینڈر سال 2021 کے دوران 1.9 فیصد منافع فراہم کیا۔۔ فلڈ مارکٹس میں سرمایہ میں اضافہ دیکھا گیا کیونکہ پالیسی ریٹ میں 275 بیس پوائنٹس کے ساتھ مجموعی اضافہ ہوا۔ آپ کی کمپنی کی سرمایہ کاری سے متعلق مختلط منصوبہ بندی کے نتیجے میں سرمایہ کاری کی آمدنی 17 فیصد اضافہ کے ساتھ 2020 میں 1.92 بلین روپے کے مقابلے میں 1.59 بلین روپے رہی۔

مارکیٹ شیئر

انشورنس ایسوسی ایشن آف پاکستان کی جانب سے شائع کردہ ستمبر 2021 کو ختم شدہ 9 ماہ کے لیے نتائج کی تفصیلات کے مطابق آپ کی کمپنی کا مارکیٹ شیئر 11.36 فیصد تک پہنچ گیا ہے۔ کمپنی مالیاتی سال 2022 میں اپنے مارکیٹ شیئر میں مزید اضافے کے لیے پرامید ہے۔

ری انشورنس

2021 میں شدید موسمی حالات، بشمول سردیوں میں شدید ٹھنڈ، سیلاب، شدید قسم کے طوفان اور بڑے سمندری طوفان کے نتیجے میں عالمی طور پر انشورنس انڈسٹری کو تقریباً 115 بلین ڈالر کے نقصانات ہوئے۔ یہ 1970 کے بعد چوتھے بڑے نقصانات تھے۔ سال کے سب سے بڑے قدرتی نقصانات دونوں ہی امریکہ میں وقوع پذیر ہوئے۔ سمندری طوفان آئیڈا سے تقریباً 30-32 بلین امریکی ڈالر کے انشورنس نقصانات ہوئے، جس میں نیویارک میں سیلاب، سردیوں میں یوری طوفان سے 15 بلین امریکی ڈالر کا انشورنس نقصان ہوا۔ ان تمام نقصانات سے 2022 کے لیے ری انشورنس کی قیمتوں پر اثرات مرتب ہوئے

جوبلی جنرل انشورنس اپنے صارفین کی ضروریات کے مطابق ری انشورنس اور ری ٹیکافل کورز کو دوبارہ فعال کرنے میں کامیاب رہی۔ ایک اعلیٰ سطح کے ری انشورنر کی حیثیت سے ہم نے سوئس ری، پیٹورری، لائیڈ آف لندن، SCOR، وغیرہ جیسی مایہ ناز سیکورٹیز کے ساتھ شراکت داری کی ہوئی ہے۔

مصنوعات کی ترقی

جوبلی جنرل ٹیکنالوجی کے ذریعے اپنے کاروبار میں جدید مصنوعات کو فروغ دینے اور موثر سروس کے لیے کوشاں ہے۔ کمپنی نئی شراکت داریوں اور ملٹی برانڈ ٹیلی 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....

225,481
1,649,327
15,681
(21,620)
1,868,869
500,000
300,000
793,965
274,904
1,868,869

گذشتہ سال سے آنے والی رقم

اس سال کا بعد از ٹیکس منافع

مقررہ فائدے کے پلان پر آپکوریٹیل (خسارہ)

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

کمپنی کے پارٹنیشنز تکافل فنڈ 62 فیصد کمی کے ساتھ 20 ملین روپے تک سکڑ گیا (2020 میں 52 ملین روپے) کیونکہ دوران سال کلیمز کا بوجھ زیادہ تھا، جبکہ سال کے لیے آپریٹر کا منافع 104 ملین روپے (2020 میں 91 ملین روپے) تک پہنچ گیا۔

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

2020	2021	پارٹنیشنز فنڈ
.....'000' روپے میں.....		
1,201,291	1,390,651	مجموعی کنٹریبیوشن
588,262	684,633	خالص کنٹریبیوشن
(4,719)	(10,859)	سرمایہ کاری آمدنی سے قبل (خسارہ)
71,463	39,045	سرمایہ کاری آمدنی
52,219	20,080	سال کا مجموعی سرپلس / اضافہ
83,501	128,267	آپریٹر فنڈ
46,511	20,728	ریونیو اکاؤنٹ
128,146	146,970	سرمایہ کاری آمدنی
90,984	104,349	قبل از ٹیکس منافع
		بعد از ٹیکس سالانہ منافع

شعبہ جات کا جائزہ

آئینزدگی اور جائیداد (فائر لینڈ پراپرٹی)

فائر اور پراپرٹی کمپنی کا سب سے بڑا پورٹ فولیو ہے اور کمپنی کے مجموعی پرمیسم اور کنٹریبیوشن میں اس کا 37 فیصد حصہ ہے۔ لارج اسکیل مینوفیکچرنگ کے شعبے میں زبردست ترقی کے سبب اس پورٹ فولیو نے 38 فیصد ترقی کی۔ دوسری سہ ماہی کے دوران آگ کے کچھ نقصانات کے باوجود پورٹ فولیو نے 128 ملین روپے (2020: 220 ملین روپے نقصان) کا منافع حاصل ہوا۔

حادثات اور صحت (ایکسیڈنٹ لینڈ، ہیلتھ)

دوران سال ہیلتھ اور ایکسیڈنٹ بزنس نے ایک فیصد اضافہ کے ساتھ تقریباً مساوی سطح پر رہا کیونکہ مائیکرو ہیلتھ، ہیلتھ کی کارکردگی سست روی کا شکار رہی جبکہ گروپ، ہیلتھ اور انفرادی شعبوں میں بہتر کارکردگی دیکھی گئی۔ یہ پورٹ فولیو ہمارے بزنس کو تقریباً 17 فیصد معاونت دیتا ہے اور کمپنی آنے والے سال میں اس شعبے کی مزید ترقی کے لیے پرامید ہے۔ میڈیکل کے شعبے میں ہونے والی مہنگائی اور کرونا سے قبل کی طلب نے اس پورٹ فولیو پر اثرات مرتب کئے ہیں نتیجتاً 16 ملین کا نقصان سامنے آیا۔

موٹر

موٹر پورٹ فولیو ہمارے کاروبار میں دوسرا بڑا حصہ فراہم کرتا ہے اور مجموعی پرمیسم اور کنٹریبیوشن کا 18 فیصد اس پورٹ فولیو سے حاصل ہوتا ہے۔ 2020 میں 3 فیصد تک کمی کے بعد، پورٹ فولیو نے 2021 میں 12 فیصد ترقی کی اور ونڈو تکافل آپریشنز سے حاصل ہونے والے سرپلس کے ساتھ 412 ملین روپے کا مجموعی منافع کمایا۔

میرین، ایوی ایشن اور ٹرانسپورٹ

میرین، ایوی ایشن اور ٹرانسپورٹ کو پورٹ فولیو کمپنی کے مجموعی پرمیسم اور کنٹریبیوشن میں 9 فیصد فراہم کرتا ہے۔ اس پورٹ فولیو میں دوران سال 40 فیصد اضافہ ہوا۔ اجناس کی قیمتوں میں تیزی خصوصاً تیل کی درآمد اور بڑھتی ہوئی ایپورٹس اس تیزی کا بڑا سبب تھے۔ پورٹ فولیو نے 91 ملین روپے (2020: 26 ملین روپے) کے انڈر رائٹنگ منافع سے اپنی پوزیشن مستحکم رکھی۔

متفرق

یہ پورٹ فولیو کمپنی کے مجموعی کاروبار میں 18 فیصد کا حصہ دار ہے اور اس میں مختلف کاروباری شعبے جیسے انجینئرنگ، بوئرز، دہشت گردی، بینکرز بلینٹک بانڈ، اور ٹریول وغیرہ شامل ہیں۔ دوران سال اس پورٹ فولیو نے 12 فیصد ترقی کی۔ اس پورٹ فولیو میں مجموعی طور پر 1 ملین روپے (2020: 92 ملین روپے نقصان) کا نقصان ہوا۔

ڈائریکٹر 31 دسمبر 2021 کو اختتام پذیر ہونے والے سال کے لیے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

جائزہ

عالمی معیشت 2020 کے اختتام پر ویکسین پروگرام میں تیزی اور زبردست مالی اور مانیٹری سپورٹ کے نتیجے میں 2021 میں بحال ہوئی۔ البتہ سپلائی میں تعطل، کموڈٹی سپرائیکل کے سبب مہنگائی میں اضافہ اور COVID-19 کے مختلف پرنسٹنس نمودار ہونے سے کاروباری سرگرمیاں متاثر رہیں۔ عالمی بینک کے مطابق، بین الاقوامی جی ڈی پی کی شرح 2020 میں 3.4 فیصد تک سکڑنے کے مقابلے میں سال 2021 میں 5.5 فیصد تک بڑھنے کی پیش گوئی ہے۔

پاکستان ایک بار پھر Covid-19 کے پھیلاؤ پر کنٹرول میں کامیاب رہا حالانکہ 2021 میں کرونا کی دیگر لہریں بھی متاثر کرتی رہیں۔ بہتر مالی اور مانیٹری ماحول کے تعاون اور ویکسین پروگرام کے موثر ہونے کی بدولت، پاکستان کی جی ڈی پی ترقی سال 2021 میں 5.57 فیصد رہی جو کہ سال 2020 میں 1 فیصد تک جا پہنچی تھی۔ تاہم مہنگائی میں اضافہ اور کرنٹ اکاؤنٹ کی بگڑتی صورت حال کے نتیجے میں شرح سود میں دوبارہ اضافہ اور سال کے دوسرے حصے میں توسیعی مانیٹری پالیسی میں کمی واقع ہوئی۔ اسٹیٹ بینک نے سال 2021 کے لیے 275 بیسیس پوائنٹس کے اضافے سے پالیسی ریٹ 9.75 فیصد تک بڑھا دیا تاکہ کرنٹ اکاؤنٹ خسارے پر قابو پایا جائے اور مجموعی طلب میں اعتدال واقع ہو۔

انشورنس کے شعبہ کا جائزہ

وبائی صورت حال اور قدرتی آفات کے نتیجے میں عالمی طور پر نان لائف انشورنس مارکیٹوں میں مندی کا رجحان رہا جبکہ پریکٹس میں تیزی رہی۔ مقامی نان لائف انشورنس انڈسٹری نے دوران سال زبردست طلب سے فائدہ اٹھایا۔ تازہ ترین ڈیٹا کی بنیاد پر، ہم توقع رکھتے ہیں کہ سال 2021 کے لیے انڈسٹری میں بتدریج ترقی کا سفر جاری رہے گا۔

کمپنی کی کارکردگی

بشمول نکافل آپریٹنگز سے حاصل شدہ کنٹریبیوشن 12 بلین روپے سے بڑھ گیا (سال 2020 میں 10.31 بلین روپے) جس سے 16 فیصد کی صحت مند ترقی واضح ہوئی، تاہم مشترکہ خالص پریکٹس / کنٹریبیوشن 6 فیصد اضافے کے ساتھ 5.88 بلین روپے ہو گیا (2020 میں 5.55 بلین روپے)۔ دوسری جانب میکرو اکنامک حالات مناسب نہیں تھے پھر بھی فائز اور پراپرٹی، موٹر، میرین، ایکسیڈنٹ اینڈ ہیلتھ اور متفرق پورٹ فولیو میں سال کے اعتبار سے مثبت صورت حال رہی۔ دوران سال کمپنی کا ٹیکنیکل منافع گزشتہ سال کے 103 بلین روپے کے مقابلے میں 629 بلین روپے کے ساتھ بہتر انداز میں بڑھ گیا۔

2021 کے دوران، سرمایہ کاری سے حاصل ہونے والی آمدنی (بشمول ونڈو نکافل آپریٹنگز) 2020 کے 1.92 بلین کے مقابلے میں 1.59 بلین روپے کے ساتھ 17 فیصد کم رہی کیونکہ دوران سال اسٹاک مارکیٹ کی صورت حال اتنا چڑھاؤ کا شکار رہی۔

انشورنس

زیر جائزہ مدت کے دوران کمپنی کا مجموعی پریکٹس 16 فیصد اضافے کے ساتھ 10.61 بلین روپے (2020 میں 9.11 بلین روپے) اور خالص پریکٹس 5 فیصد اضافے کے ساتھ 5.20 بلین روپے (2020 میں 4.96 بلین روپے) رہا۔ اس سال ہم نے 2020 میں 24 بلین روپے کے مقابلے میں 512 بلین روپے کا انڈر رائٹنگ منافع حاصل کیا۔

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

2020	2021
.....'000' روپے میں.....	
9,109,975	10,614,596
4,959,025	5,197,050
23,946	511,761
1,874,090	1,564,528
2,113,708	2,329,995
1,532,738	1,649,327
7.72	8.31

مجموعی پریکٹس

خالص پریکٹس آمدنی

انڈر رائٹنگ کے نتائج

سرمایہ کاری سے آمدنی (بشمول کرایہ اور کیپٹل گین)

قبل از ٹیکس منافع

بعد از ٹیکس سالانہ منافع

فی شیئر منافع ہر 10 روپے کے شیئر پر

ونڈو نکافل

ونڈو نکافل آپریٹنگز نے اس سال بھی روایتی کاروبار کو پیچھے چھوڑتے ہوئے شاندار کارکردگی کا مظاہرہ کیا اور 17 فیصد اضافے کے ساتھ مجموعی کنٹریبیوشن 1.4 بلین روپے (2020: 1.2 بلین روپے) حاصل کرنے میں کامیاب رہا۔ اس میں فائز، موٹر اور ایکسیڈنٹ ہیلتھ پورٹ فولیو نے زبردست کارکردگی دکھائی۔ خالص کنٹریبیوشن بھی 16 فیصد اضافے کے ساتھ 685 بلین روپے ہو گیا (2020: 588 بلین روپے)۔

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.

Name of Members	Attendance
Amyn Currimbhoy – Chairman	4/4
Akbarali Pesnani	4/4
John Joseph Metcalf	4/4
Riyaz Ali Towfiq Chinoy	4/4
Nausheen Ahmad (joined on 24 August 2021)	1/4

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.

Name of Members	Attendance
Akbarali Pesnani – Chairman	4/4
R. Zakir Mahmood	4/4
John Joseph Metcalf	4/4
Riyaz Ali Towfiq Chinoy	3/4
Murtaza Hashwani	4/4
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.

Name of Members	Attendance
John Joseph Metcalf - Chairman	4/4
R. Zakir Mahmood	4/4
Amyr Currimbhoy	4/4
Murtaza Hashwani	1/4
Abrar Ahmed Mir	0/4
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.

Name of Members	Attendance
Nausheen Ahmad - Chairperson (Joined on 24 August 2021)	2/7
John Joseph Metcalf	7/7
Amin A. Hashwani	7/7
Hassan Khan	7/7

Information Technology Steering Committee

The Information Technology Steering Committee (ITSC) is responsible to oversee the development, implementation, monitoring and review of the JGI 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 JGI'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 organization'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 nonexecutive Director and the Chief Executive.

Name of Members	Attendance
John Joseph Metcalf – Chairman	4/4
Amin A. Hashwani	3/4
Abrar Ahmed Mir	4/4
Hassan Khan	4/4

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
- Talha Ul Islam

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 Safdar
- Mohammad Nadeem Irshad

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 | - Talha UI Islam |
| - Uzair Mirza | - Mohammad Safdar |
| - Nadeem Irshad | |

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

MANCOM (Executive Management Committee)

The function of this Committee 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 | - Talha UI Islam |

Assets Allocation Committee

The function of this Committee 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 | |

GOVERNANCE POLICIES

Human Resource Development

The long-term sustainability of any good organisation, especially in a daunting business environment, is not possible without its invaluable Human Capital. In line with this, the Company places a high priority on employees' training & development, enabling them to upgrade their knowledge and skills for better productive gains.

The Company's "enabling environment" offers various avenues to employees such as classroom training, job rotation/sharing, cross-functional move, additional responsibilities, short attachment program, coaching, various business magazines and formal education, etc.

The Company has its in-house training facility and employees are also sent on external training programmes both locally and internationally.

The Company also encourages its employees to acquire Post-Graduate Diploma in insurance from Karachi University in addition to the global recognition insurance qualification, Advanced Diploma - ACII, from the Chartered Insurance Institute, UK. Both qualifications are fully financed by the Company.

Succession Planning

A successful organisational roadmap is determined by its leadership, especially in a volatile business environment that keeps evolving. Jubilee General has a structured succession planning in place, wherein key positions and their successors are identified. The Company provides various crucial development opportunities to the successors, before assuming the higher positions, that facilitate both professional development of individuals and organisation's growth trajectory. The Succession Plan is regularly updated by the Management and reviewed by the Board.

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, 2020, are as follows:

Rupees in '000

Staff Provident Fund
Employees' Gratuity Fund

650,871
368,105

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).

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.

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 is speedy 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.

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.

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.37.82 million (2020: Rs. 31.12 million) for employee Staff Provident Fund in accordance with the staff provident fund Rules, and Rs. 33.93 million (2020: Rs. 33.24 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 a lease agreement with the associate bank to provide office premises.

Common Call Center Operations

During the year the Company has signed an arrangement with Jubilee Life Insurance Company Limited whereby a joint Call Center for attending in and out bond calls is arranged. 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, 2021 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 • Aga Khan Hospital & Medical College Foundation • Aga Khan University Foundation • Bulleh Shah Packaging (Pvt) Limited • Cherat Cement Company Limited • Cherat Packaging Limited • Habib Bank Limited • Habib Currency Exchange (Private) Limited • Hasan Ali & Co., (Pvt) Limited • Hashoo Holdings (Pvt) Limited • Hashwani Hotels Limited • HBL Asset Management Company Limited • Indus Motors Limited • International Industries Limited (till October 28,2021) • International Steel Limited • Tourism Promotion Services (Pakistan) Limited • 1 Link Private Limited • Murtaza Construction Corp. Ltd • The Citizen Foundation • Jubilee General Window Takaful Operations • Jubilee Kyrgyzstan Insurance Company Limited • Jubilee Life Insurance Company Limited • 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 	<p>Common Directorship</p> <p>Associate due to investment in shares of the Company (14.05%)</p> <p>Associate due to investment in shares of the Company (20.60%)</p> <p>Associate due to direct 3.65% and in-direct investment in the shares of the Company</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Associated Banking Company having 19.80% direct investment in shares of the Company along with having a nominee Director on the Board of Directors</p> <p>Wholly-owned Subsidiary of an associate</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Wholly-owned Subsidiary of an associate</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Window Operations</p> <p>The Company having 19.50% shareholding and the CEO of the Company is Director of foreign investee company</p> <p>The Company having 6.43% shareholding and three Directors are common</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Common Directorship</p> <p>Subsidiary of an associate</p> <p>Defined Contribution Plan for the Company's Employees</p> <p>Defined Benefit Plan for the Company's Employees</p>

ENGAGEMENT WITH STAKEHOLDERS

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

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.

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 also has a call center with toll free number to provide better services to all its clients, mainly focusing on retail segment of the market. The Company has strong presence on social media to engage with customers and visitors in an efficient manner. The Company's website also has complaint form for the customers to register 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 of its products, signing of major agreements with business partners and other organised promotional and social activities.

Regulatory Bodies

The Company ensures compliance of all regulatory requirements and submits periodic reports to the regulators. The Company also interacts with various regulators through 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. During the year a staff picnic has been arranged in order to keep employees motivated and catered.

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, Chief Compliance Officer (CCO) is responsible for the Compliance Function. The CCO takes steps to improve the control environment connected to compliance of various applicable laws and regulations. The CCO 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. The CCO reviews system and procedures in order to update and make them more effective in preventing the occurrence of compliance lapses in the Company. The CCO 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 Chief Risk Officer (CRO), responsible for the ERM in the Company, 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 Chief Compliance Officer 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.

It 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.

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 Bord 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.
- Insurance Ordinance, 2000 requires every life insurance company to appoint an actuary to perform certain actuarial services. Jubilee General by adopting best business practices has set up an Actuarial Services Department in the Company.
- 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.

CYBERSECURITY FRAMEWORK

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, and of its partners and intermediaries, secure and resilient.

Keeping in view of the above, 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 (CIOS).
- (iii) The CIOS 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) During the year, 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's 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.





CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

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.

The CSR activities of the Company focuses on to provide quality healthcare to the under privileged in collaboration with National Rural Support Programme (NRSP). The Company under the supervision of professionals, organizes free medical camps providing access to healthcare to the underprivileged having little access to healthcare services.

In 2020, the Company has participated with its full strength in the distribution of Ration Bags to support the people needed food during the testing times of lockdown.

During the year, in adherence to the Standing Operating Procedures (SOPs) with respect to social distancing as implemented by the government, the Company could not perform its CSR activities which were planned for the year as it remained more focused on the health safety of employees and other stakeholders due to emerging variants of COVID-19.

We are fully committed to continue to invest in social activities for the betterment of our communities.

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. Jubilee in past always support healthy sports activities like snooker, cricket and table tennis etc. During the year, as precautionary measures and for the sake of health safety of the employees, the Company has followed SOPs issued by Government of Pakistan due to post Covid multiple waves of infections and did not organise any sport activity/event.

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.

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.

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.

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 complete 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".

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.

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.
- Hygienic food is available for the employees at subsidised rates in the Head Office of the Company.
- Fire extinguishers along with smoke alarms duly installed at various points within the office premises.
- All the employees are provided mineral 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 current year, due to lockdown and also as precautionary measures of COVID-19, 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 taken in office premises during the pandemic:

- 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, the Company has also continued follow SOPs with regards to social distancing in the office premises during the time period of post Covid multiple waves of infection for the health safety of its employees.

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.

Rural Development Programme

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

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.

Financial Contribution to the National Exchequer

The Company has contributed Rs. 2,271 million (2020: Rs. 2,182 million) to the National Exchequer during the year in the form of direct and indirect taxes and other mandatory contributions.

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.

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 36th MAP Corporate Excellence Award. This award is a valuable addition to the top positions secured by Company in 34th, 33rd and 32nd MAP Corporate Excellence Awards consecutively in the Insurance Sector and Financial Category respectively. 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 2021, the Company has achieved 3rd position among insurance companies of Pakistan for its Annual Report of 2020. This award is a worthy addition to the 3rd position award secured by the Company in 2020 and 1st position awards in 2019, 2018, 2017 and constantly in 2009 till 2011. Overall, the Company has received this prestigious award twelve 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.

This year, 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 with a validity upto 2021. This Certification for 3 years long validity from LRQA 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
- Federation of Afro-Asian Insurers & Reinsurers
- Asia Insurance Review
- International Chamber of Commerce

The Company currently holds the Chairmanship position in Insurance Association of Pakistan and its Senior executives are actively taken part in various working Committees of IAP.

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 by 2025. This entails:

- Development of necessary capabilities to systematically measure progress in reducing emissions towards achieving net zero or negative emissions.
- Establishment of specific carbon reduction targets, including a timeframe for achieving net zero carbon emissions for the Company's operation.
- Identification, assessment, and prioritisation of measures to reduce cost effectively the Company's carbon footprint, including new and innovative emissions reduction solutions.

During the year, Jubilee engaged environmental consultants to assess the current Carbon footprint of the company and devise the roadmap to achieve the Net Zero status. The Consultant report has identified the areas of Carbon footprint of the Company and has suggested various steps to reduce the emissions to the lower level. 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.





MANAGEMENT REPRESENTATION & OUTLOOK

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 16% and the Company has achieved the inspirational target of gross premium/contribution of Rs. 12 billion in 2021.
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. 629 million reflecting a robust growth over the last year. The investment income has contracted by 18% However, the Company has been able to achieve. The highest level of after-tax profit Rs. 1.65 billion.
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 contracted by 17% over the last year due to judicious strategy adopted to manage the investment portfolio and less capital gains were realised.
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 6% 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 2021 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.

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 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 during 2020 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.

During the year, 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.

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 Insurance 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

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 cyclicalities 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

The rising inflation and trade deficit, and contractionary monetary policy setting continue to pose a risk to macroeconomic growth. SBP expects the real GDP growth to be around 4% -5% in FY 2022. The commodity prices are expected to revert in the second half of the calendar year 2022 which is expected to ease the pressure on external front and bring down inflation. The resumption of IMF program will be key towards financing the fiscal and trade deficits. Your company remains optimistic about the stability of economic growth in FY 2023 on the back of the expected improvement in the macroeconomic environment.

Our strategic priorities for the year are to modernize our business structure and processes through end-to-end digitalization 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 2021.

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 2022:

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.

In the year 2021, the Country has faced post Covid multiple waves of infection and the economy of the Country remained volatile, however, no lockdown situation witnessed during the year. The world faced the same situation due to multiple waves of the infection. In Future infections seems to be wiped-off and we expect improvement in economy. The Company is looking the future to achieve further milestones in the growth of the Gross Premium/Contribution by capturing the business through innovative channel of digital marketing of insurance products.

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 2022, however the management will continue its judicious strategy to management the investment portfolio.

Analysis of Prior Year's Forward Looking Disclosure

Including 2021 despite post Covid multiple waves of infection and volatile situation of the economy, the Company has witnessed a robust growth of 16% in the premium/contribution underwritten over the last year and surpassed the level of underwriting Rs. 12 billion gross premium / contribution first time in history of the Company. However, due to volatile 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 contracted by 17%.

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 40% 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. Furthermore, by contributing in the welfare projects through our business in relation to Microfinance Institutions and Rural Support Network Programme for the individual and families of our people living just above or below the poverty line in rural areas to spread benefit of insurance to them. 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.

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 pe 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.

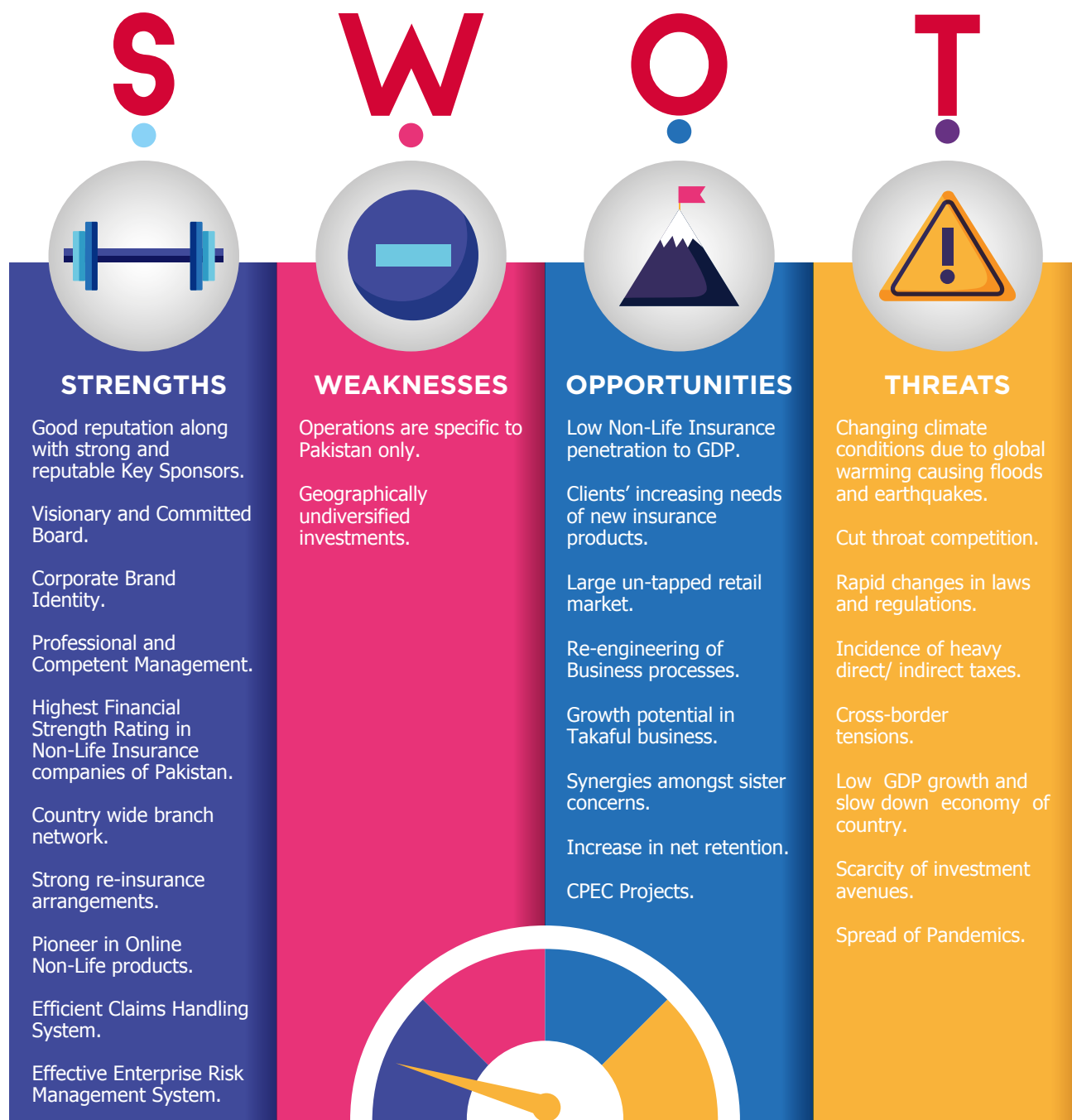
A detailed exercise carried out at IAP level in which presentation and discussion were held and after detail deliberations and analysis, the following phases of IFRS implementation has been identified.

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

The Company has completed 1st phase of "Initial Gap Assesment" and duly submitted it to SECP on 30th September 2021.

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, 2021:

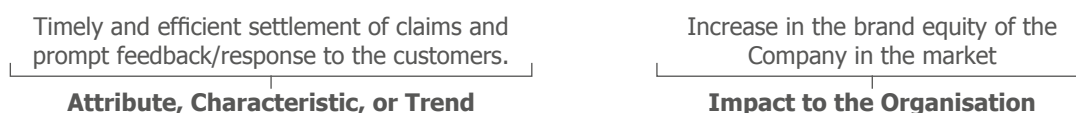


SWOT Statement

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



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 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 the above statement.

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 2021 report covers the period 1 January to 31 December 2021.

Company's operations

The Company is engaged in insurance business since 1953 (69 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

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.

JGICL 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 and external environment
- Shareholders' and investors information.
- Governance
- Corporate Social Responsibility and Sustainability
- Management Representations and Outlook.
- Resource Allocation and Strategy
- Risks and Opportunities
- Performance and Position

In addition to above, the stakeholders' relationship and engagement has been given under the following contents element of this Annual Report:

- Shareholders' and investors information.
- Governance.

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.

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.

COVID-19: THE PANDEMIC

The first COVID-19 case in Pakistan was reported on 26th February 2020 and as of now more than 1.5 million confirmed cases have been reported. Further, more than 30,000 people are reported to die because of this WHO declared pandemic. Initially, the Country had faced severe lockdown situation which continued for few months. The lockdown continuation crippled many businesses operating in Pakistan, thereby further adding to the financial and economic woes of the Country. The lifting of lockdown in second half of 2020 has provided some momentum to halted economic activities as signs of recovery has emerged, however, as multiple waves of infection reported subsequently, the status of economy remained volatile.

As the Insurance business is also directly linked with the economic condition of the Country, the impact of COVID-19 is significant to the general insurance business in Pakistan. The relevant agencies in Pakistan have not yet been able to assess the complete macro-economic impact at this stage as the pandemic has crossed its third phase. While we have assessed the situation continuously since its birth in Pakistan, however, we can not make certain assessment of complete impact on the economy and business at this stage.

The management was keeping a watchful eye on the developing situation in the wake of the COVID-19 pandemic. The management has developed a comprehensive 'COVID-19 Business Continuity Plan' (COVID-19 BCP) in the wake of the Pandemic and has continued Company's operations from remote locations by following the routine of Working from Home (WFH). The COVID-19 BCP contains all necessary steps of business continuation, alternate site arrangements, proper guidelines of WFH and telecommute of cyber threat mitigation. The results of business activities of WFH were being monitored by the senior management on daily basis. The BCP was activated in the month of March 2020 and still continues with modification.

The Company with the help of safety steps in place continued its operation and while year 2020 remained very tough year for growth of premium / contribution, we are able to maintain the gross premium / contribution level similar to year 2019. Despite the volatile economy in 2021 the Company is able to post 16% growth in its written premium / contribution in year 2021.

Based on our assessment, following significant business areas of the Company are affected due to COVID-19- Pandemic:

Fire & Property

Coverage for loss stemming from pandemics and epidemics is generally not covered under our property policies. Even without policy exclusions relating to such events, in many cases property insurance coverage is contingent upon physical loss or damage to insured property due to insured perils. Standard commercial property policy forms tie coverage for Business Interruption (BI) and Contingent Business Interruption (CBI) to physical damage or loss to the insured's property or to the property of the insured's suppliers or customers.

Travel

Our travel insurance policy cover trip cancellations and initially few claims were reported, however, subsequently to declaration of the Pandemic, we have incorporated a COVID-19 - Pandemic exclusion to all our travel policies.

Workers' Compensation

Initially, there was a possibility of claims arising out of workers alleging industrial exposure to COVID-19. However, we did not encounter any significant reported claims relating to the epidemic break out at workplace.

Health

The group health policies issued by the Company is covering any COVID-19 related expense that results in hospitalisation up to the eligible limit of the insured. The retail health policy contains waiting period to avoid obvious case of anti-selection. During the pandemic period cases affected from the pandemic has been reported but in year 2020 and till year end 2021 number of reported cases were below the expectations.

Investments

The Company manages a large investment portfolio comprising of both equity securities and fixed income instruments. During the early months the equity markets witnessed a sharp decline due to the economic fallout of COVID-19 pandemic. However, the markets have recovered well since then and posted strong growth on the back of a faster than expected decline in the spread of the virus and positive turnaround in the economic momentum.

On the fixed income front, SBP reduced the Policy Rate by a total of 625 basis points in 2020 along with several other incentives to provide monetary stimulus to the economy. The Company's pragmatic investment strategy during the year lead to a 66% growth in the Investment Income (including Window Takaful Operations) for the year 2020 and healthy return in year 2021 as well.

Liquidity Management

During the pandemic, the Company continued monitoring of liquidity position regularly. All customers have been communicated the banking details to pay their due premium through online banking channels and our field officers were following up accordingly. The Company continued settlement of reported claims and reinsurers obligation as part of business continuity. The Company follows the policy of keeping majority of its investments liquid to timely discharge its obligations.

Considering all the aspects the management has evaluated the impacts of COVID-19, the pandemic and does not foresee any going concern risk in the Operations of the Company and believe the operations and financial position will not be impacted significantly and same are gradually have returned to normal.

Post-Covid Multiple Waves of Infection

Although by the end of the December 31, 2020, the impact of COVID-Pandemic starts declining, however, in 2021, the world has faced a distinct scenario of post pandemic multiple waves of infection wherein various variant of Corona Virus spread in the world. Until today, the world has witnessed five waves of COVID-19 which include Alpha, Beta, Gamma, Delta and Omicron. However, the severity was low therefore through partial/smart lockdown, implementation of Standing Operating Procedure with regard to social distancing and administration of COVID Vaccines, the infection was stopped from spreading. Pakistan also affected by these variants of COVID-19, however, the rate of infection was not significant and it has been controlled through implementing SOPs with respect to social distancing, vaccination compiegne and imposing partial/smart lockdown in certain areas of the Country.

Post-Covid scenario also impacted the economy of the Country, however, on overall basis, the economy has grown. The Company also implemented SOPs in the office premises for the health safety of the employees as well as to continue the operations in all respects.

ALLOCATION OF RESOURCES





RESOURCE ALLOCATION & STRATEGY

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 Resources
2. Human Resources
3. Physical Resources
4. Information Resources

1. Financial Resources

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 resources 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.4,278 million and Rs.674 million (2020: Rs.4,295 million and Rs.532 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 1.08 and 66% of the total assets are liquid as at December 31, 2021.

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 Resources

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 Resources

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, following are important and valuable constituent of the Company's total assets.

a) Real Estate Properties

Most prominent and valuable among the physical assets are Company's properties which include land and buildings. JGI, 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.

b) 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.

4. Information Resources

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. Data is considered an intangible asset of the Company. In addition to data, there is an important intangible asset which is known as Social and Relationship Capital.

• 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 bondage 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.

RESOURCE ALLOCATION

It is not necessary that a company should have all the resources in plenty of quantity and it is a fact that resources are always 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, 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 1 year which is also broken down on monthly basis to compare the same with actual results and for detailed variance analysis.

3. Logistic management

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.

CAPITAL STRUCTURE

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
Capital Reserve	9,384
Revenue Reserves	8,195,404
Shareholders' Equity	10,189,700

The Revenue Reserves included Rs. 1.8 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 profitability, achieved by the Company in 2021, made its equity more robust.

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:

- 84% growth in cash and bank balances
- 12% growth in book value of total assets
- 8% 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, 2021 is 1.08 times (2020: 1.17 times).

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 JGI, 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. These objectives along with related strategies and performance of the Company have been given in "Management Representations & Outlook" section of this Annual Report.

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

Long term Strategic Objectives

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.

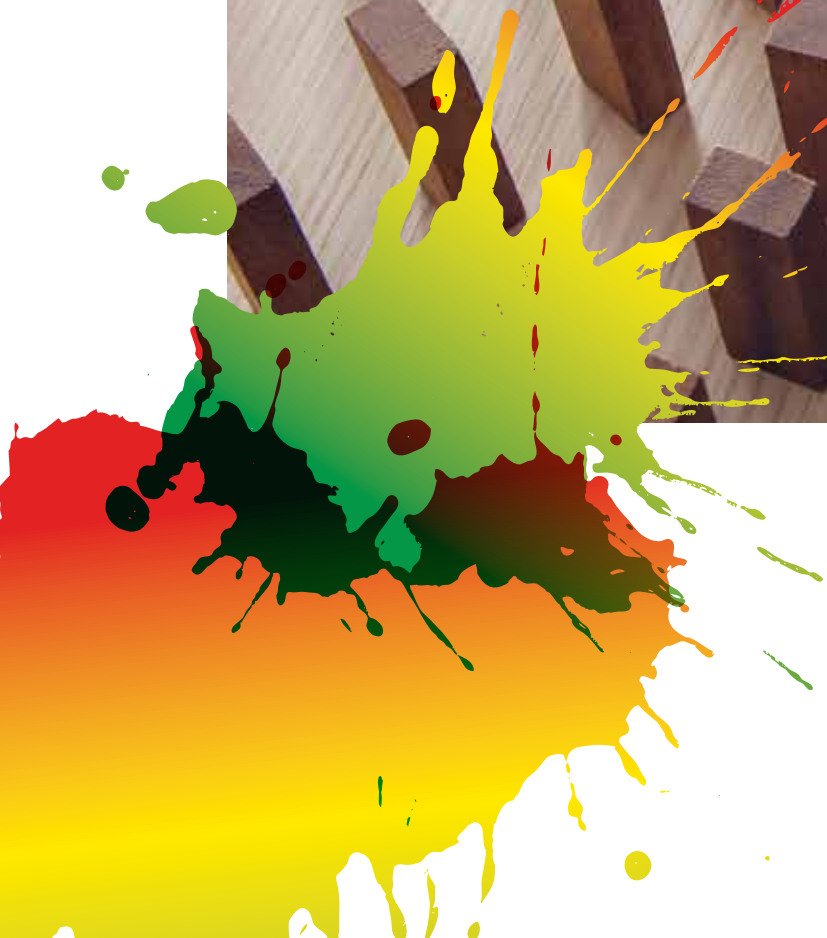
Medium Term Strategic Objectives.

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 JGI, the medium-term strategic objectives are part of long-term plans which keep an imperative position in achieving long term strategic objectives.

Short-term objectives

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.





RISKS & 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

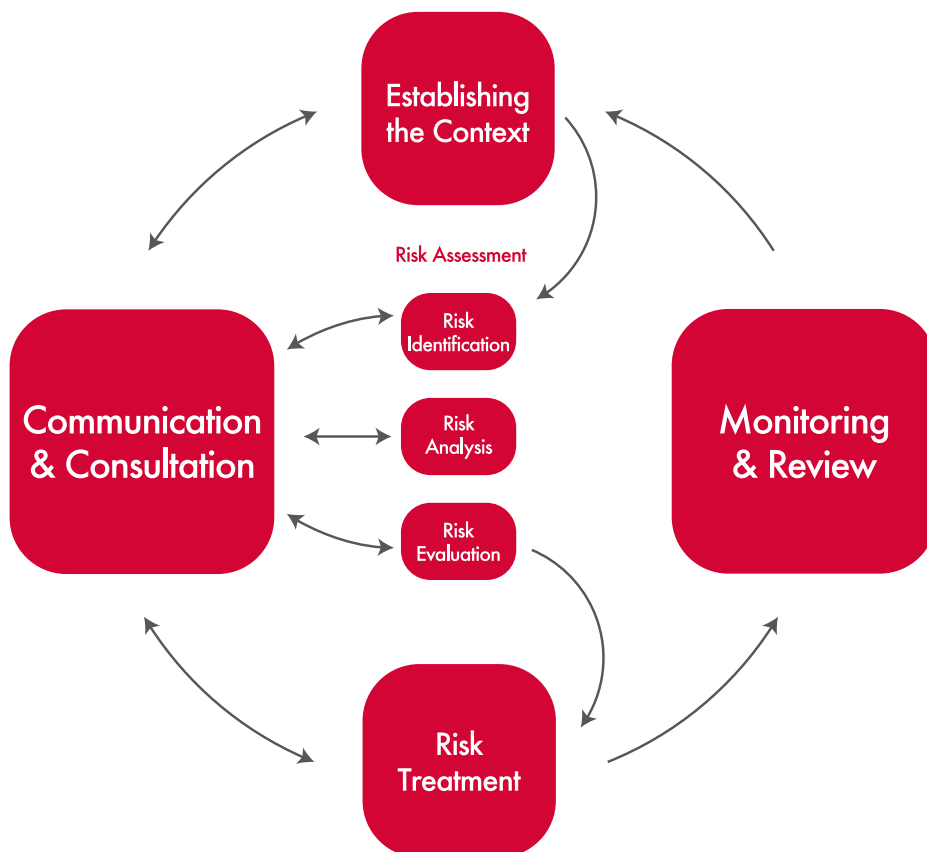
The Board of Directors of Jubilee General Insurance Company (the Company) are entrusted for ensuring that the Company has a robust process in place for assessment of principal risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity. 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 flowchart of ERM function in the Company is as under:



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.

Following are major risks faced by the Company and strategies for mitigating them:

Functions	Risks Type	Area of Impact	Risk Category	Risks Level	Impact	Mitigation Strategy
Economic and 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 objectives	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.
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.

Functions	Risks Type	Area of Impact	Risk Category	Risks Level	Impact	Mitigation Strategy
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	Unfavourable 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.
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.
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.
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.

Functions	Risks Type	Area of Impact	Risk Category	Risks Level	Impact	Mitigation Strategy
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.
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.
Liquidity Risk The Company may encounter difficulty in meeting financial obligations associated with insurance and reinsurance.	Financial and 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.
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.
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.	Operational and 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.
Safety and Security Risk Risk of loss/damage to the resources of the Company from external deliberate/ accidental attack/ threats.	Operational and Financial	Financial / Intellectual / Human Capital	External & Internal	Low	Unfavourable impact on operational activity and profitability	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.

OPPORTUNITIES

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

Opportunities	Area of Impact	Source	Key source opportunity	Strategy to materialise
Branch network	Financial / Human Capital	Internal	Low market penetration creates future opportunities to explore untapped market segments and increase market share.	The Company has 27 fully functional branches spread over in three provinces and Capital territory of the country and these branches have sufficient skilled staff to generate business efficiently.
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 69 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.
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.
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.
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).
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.
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.

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.

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 revitalization 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 digitalization 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 11.57% (2020: 11.65%). 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.12.61 million (2020 Rs.4.55 million) which is 0.54% (2020:0.22%) 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. 46.98 million which is 0.39% 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, 2021, the amount of the investment in JKIC is Rs. 169.15 million which is 0.65% of the total assets and 1% 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 & POSITION



KEY FINANCIAL DATA

(SIX YEARS)

2021	2020	2019	2018	2017	2016
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..... Rs. in million

FINANCIAL DATA

Paid-up Capital	1,985	1,985	1,804	1,804	1,804	1,569
General & Capital Reserves	8,205	7,562	6,908	6,104	6,509	7,204
Equity	10,190	9,547	8,712	7,908	8,313	8,773
Total Liabilities	16,004	13,748	13,377	13,405	11,385	11,743
Investment - at carrying value	15,060	14,586	13,270	11,564	11,371	12,861
Investment Property- (at book value)	641	646	651	657	659	665
Cash and Bank	2,160	1,176	1,343	1,839	2,042	1,578
Other assets - Current	8,194	6,686	6,576	7,001	5,415	5,210
Other assets - Non-Current	93	138	196	181	188	180
Intangible Assets	46	63	53	71	23	22
Total assets (Book value)	26,194	23,295	22,089	21,313	19,698	20,516
Total assets (Market value)	29,705	27,574	26,253	25,534	25,077	24,612

OPERATING DATA (UNDERWRITING)

CONVENTIONAL

Gross Premium Revenue	10,615	9,110	9,375	9,161	7,694	7,851
Net Premium Revenue	5,197	4,959	5,279	4,923	4,611	4,171
Net Claims	2,860	3,058	2,828	2,691	2,450	2,030
Management Expenses	1,546	1,536	1,703	1,607	1,360	1,257
Underwriting Results	512	24	372	212	409	473

COMBINED*

Gross Premium / Gross Contribution	12,005	10,311	10,477	10,069	8,336	8,253
Net Premium / Contribution Revenue	6,318	5,918	6,140	5,637	5,107	4,353
Net Claims	3,566	3,659	3,427	3,082	2,743	2,160
Management Expenses	1,700	1,691	1,803	1,693	1,415	1,292
Underwriting Results (Technical Profit)	629	103	431	369	502	468

OPERATING DATA (COMBINED)

Investment Income	1,564	1,874	1,134	1,188	1,041	1,316
Profit before Taxation	2,330	2,114	1,725	1,631	1,664	1,854
Taxation - Net	(681)	(581)	(501)	(565)	(547)	(675)
Profit After Taxation	1,649	1,533	1,224	1,066	1,117	1,179

CASH FLOW SUMMARY

Operating Activities	773	(88)	417	422	(373)	229
Investing Activities	3,360	417	(186)	(80)	952	(758)
Financing Activities	(680)	(548)	(723)	(706)	(539)	(462)
Cash & Cash Equivalents at the year end	4,435	980	1,199	1,691	2,054	2,014

* Inclusive of Window Takaful Operations

FINANCIAL RATIOS

		2021	2020	2019	2018	2017	2016
Profitability (Conventional)							
Underwriting Result / Gross Premium	%	4.82	0.26	3.97	2.31	5.32	6.02
Underwriting Result / Net Premium	%	9.85	0.48	7.05	4.31	8.87	11.34
Combined ratio	%	90.15	99.52	92.95	95.69	91.13	88.66
Net Claims / Net Premium	%	55.03	61.67	53.57	54.66	53.13	48.67
Management Expense / Net Premium	%	29.75	30.97	32.26	32.64	29.49	30.14
Profitability (Combined)							
Underwriting Result / Gross Premium & Contribution	%	5.24	1.00	4.11	3.66	6.02	5.67
Underwriting Result / Net Premium & Contribution	%	9.96	1.74	7.02	6.55	9.83	10.75
Combined ratio	%	90.04	98.26	92.98	93.45	90.17	89.25
Net Claims / Net Premium & Contribution	%	56.44	61.83	55.81	54.67	53.71	49.62
Management Expense / Net Premium & Contribution	%	26.91	28.57	29.36	30.03	27.71	29.68
Overall Profitability							
Profit Before Tax / Gross Premium	%	21.95	23.21	18.40	17.80	21.63	23.61
Profit Before Tax / Net Premium	%	44.83	42.63	32.68	33.13	36.09	44.45
Profit After Tax / Gross Premium	%	15.53	16.83	13.06	11.64	14.52	15.02
Profit After Tax / Net Premium	%	31.73	30.91	23.19	21.65	24.22	28.27
Profit Before Tax / Total Income	%	34.46	30.94	26.90	26.69	29.44	33.79
Profit After Tax / Total Income	%	24.39	22.44	19.09	17.44	19.76	21.49
Return to Share Holders							
Return on Equity - (after tax)	%	16.18	16.06	14.05	13.48	13.44	13.44
Earnings Per Share (pre tax)	Rs.	11.74	10.65	9.56	9.04	9.22	11.82
Earnings Per Share (after tax)	Rs.	8.31	7.72	6.78	5.91	6.19	7.51
Earnings Per Share (pre tax)-Restated	Rs.	11.74	10.65	8.69	8.22	8.38	9.34
Earnings Per Share (after tax)-Restated	Rs.	8.31	7.72	6.17	5.37	5.63	5.94
Earning growth	%	7.57	25.25	14.82	(4.57)	(5.26)	(12.80)
Price Earning Ratio - PAT	Times	5.14	6.10	8.76	11.17	14.22	18.27
Price to Book Ratio	Times	0.32	0.40	0.44	0.51	0.73	0.83
Breakup value per share (Book value)	Rs.	51.34	48.10	48.29	43.84	46.08	55.91
Breakup value per share (Market value)	Rs.	69.02	69.65	71.37	67.23	75.90	82.02
Return on Assets (Book value)	%	6.30	6.58	5.54	5.00	5.67	5.75
Return on Assets (Market value)	%	5.55	5.56	4.66	4.17	4.45	4.79
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.	42.70	47.10	54.01	60.01	80.00	108.50
Market Price per share - Highest during the year	Rs.	63.90	60.75	65.00	89.99	128.00	120.00
Market Price per share - Lowest during the year	Rs.	38.50	34.00	35.21	60.01	76.00	95.30
Pakistan Stock Exchange Index	Points	44,596	43,755	40,735	37,067	40,471	47,807
Market Capitalization	(Rs. M)	8,476	9,349	9,743	10,826	14,432	17,024
Cash Dividend Per Share	Rs.	4.00	3.50	3.00	4.00	4.00	3.50
Cash Dividend	%	40.00	35.00	30.00	40.00	40.00	35.00
Stock Dividend Per Share	Rs.	-	-	1.00	-	-	1.50
Stock Dividend	%	-	-	10.00	-	-	15.00
Dividend Yield	%	9.37	7.43	5.55	6.67	5.00	3.23
Dividend Pay out	%	48.15	45.32	48.65	74.48	71.08	58.93
Dividend Cover	Times	2.08	2.21	2.06	1.34	1.41	1.70
Performance / Liquidity							
Current Ratio	Times	1.59	1.66	1.62	1.55	1.74	1.83
Liquid Ratio	Times	1.08	1.17	1.12	1.02	1.24	1.34
Cash / Current Liabilities	%	13.55	8.70	10.27	13.94	18.82	14.68
Total Assets Turnover	Times	0.41	0.39	0.42	0.43	0.39	0.38
Fixed Assets Turnover	Times	13.10	10.49	10.46	10.43	9.00	9.30
Total Liabilities / Equity	Times	1.57	1.44	1.54	1.70	1.37	1.34
Return on Capital Employed (RoCE)	%	23.61	23.16	20.76	20.11	19.48	23.43
Liquid Assets / Total Assets	%	65.74	67.66	66.16	62.89	68.09	70.38
Paid-up Capital / Total Assets	%	7.58	8.52	8.17	8.46	9.16	7.65
Earning assets / Total Assets	%	68.19	70.44	69.10	65.97	71.44	73.62
Equity / Total Assets	%	38.90	40.98	39.44	37.10	42.20	42.76
Solvency							
Solvency Ratio (Based on Market Value)	Times	9.69	9.68	7.96	6.94	8.23	7.92

FINANCIAL STATEMENTS ANALYSIS

(SIX YEARS)

Vertical Balance Sheet

Tangible and Intangible Fixed Assets	
Investment properties	
Investments	
Insurance / reinsurance receivables	
Other Assets	
Cash and Bank	
Total assets of Window Takaful Operations - Operator's Fund	
Total Assets	
Total Equity	
Underwriting Provisions	
Deferred liabilities	
Insurance / Reinsurance Payables & Advances	
Other Creditors and Accruals	
Deposits and other payables	
Taxation - provision less payments	
Total liabilities of Window Takaful Operations - Operator's Fund	
Total Shareholders ' Equity & Liabilities	
Profit & Loss Account	
Net premium revenue	
Net claims	
Expenses	
Net commission	
Investment income including rental & bank deposits returns	
Other income including share of profit of an associates	
General and administration expenses	
Profit / (loss) from Window Takaful Operations	
Profit before tax	
Taxation - net	
Profit after tax	

2021		2020	
(Rupees '000)		(Rupees '000)	
	%		%
137,019	0.52	197,462	0.85
640,648	2.45	645,896	2.77
15,004,350	57.28	14,530,916	62.38
1,525,775	5.82	1,074,028	4.61
6,494,336	24.79	5,462,493	23.45
1,901,990	7.26	965,862	4.15
489,886	1.87	418,313	1.80
26,194,004	100.00	23,294,970	100.00
10,189,700	38.90	9,547,009	40.98
9,547,867	36.45	8,381,972	35.98
67,596	0.26	232,143	1.00
3,001,918	11.46	2,277,294	9.78
1,166,102	4.45	1,025,929	4.40
1,617,132	6.17	1,424,498	6.12
314,855	1.20	173,500	0.74
288,834	1.10	232,625	1.00
26,194,004	100.00	23,294,970	100.00
5,197,050	100.00	4,959,025	100.00
2,860,391	55.04	3,058,182	61.67
1,545,956	29.75	1,536,093	30.98
278,942	5.37	340,804	6.87
1,564,528	30.10	1,874,090	37.79
167,322	3.22	196,381	3.96
60,586	1.17	108,855	2.20
146,970	2.83	128,146	2.58
2,329,995	44.83	2,113,708	42.62
(680,668)	(13.10)	(580,970)	(11.72)
1,649,327	31.74	1,532,738	30.91

Horizontal Balance Sheet

Tangible and Intangible Fixed Assets	
Investment properties	
Investments	
Insurance / reinsurance receivables	
Other Assets	
Cash and Bank	
Total assets of Window Takaful Operations - Operator's Fund	
Total Assets	
Total Equity	
Underwriting Provisions	
Deferred liabilities	
Insurance / Reinsurance Payables & Advances	
Other Creditors and Accruals	
Deposits and other payables	
Taxation - provision less payments	
Total liabilities of Window Takaful Operations - Operator's Fund	
Total Shareholders ' Equity & Liabilities	
Profit & Loss Account	
Net premium revenue	
Net claims	
Expenses	
Net commission	
Investment income including rental & bank deposits returns	
Other income including share of profit of an associates	
General and administration expenses	
Profit / (loss) from Window Takaful Operations	
Profit before tax	
Taxation - net	
Profit after tax	

2021	2020	2019	2018
(Rupees '000)			
137,019	197,462	242,542	241,992
640,648	645,896	651,142	656,871
15,004,350	14,530,916	13,198,762	11,527,926
1,525,775	1,074,028	1,304,973	1,718,328
6,494,336	5,462,493	5,133,273	5,176,859
1,901,990	965,862	1,148,951	1,669,039
489,886	418,313	409,281	322,137
26,194,004	23,294,970	22,088,924	21,313,152
10,189,700	9,547,009	8,712,061	7,908,055
9,547,867	8,381,972	7,914,842	7,997,798
67,596	232,143	296,709	209,388
3,001,918	2,277,294	2,078,018	1,949,273
1,166,102	1,025,929	1,032,602	1,229,204
1,617,132	1,424,498	1,582,179	1,616,174
314,855	173,500	250,595	236,052
288,834	232,625	221,918	167,208
26,194,004	23,294,970	22,088,924	21,313,152
5,197,050	4,959,025	5,279,188	4,922,929
2,860,391	3,058,182	2,827,884	2,691,068
1,545,956	1,536,093	1,702,929	1,606,545
278,942	340,804	376,049	413,589
1,564,528	1,874,090	1,134,021	1,187,743
167,322	196,381	147,178	219,414
60,586	108,855	53,298	70,017
146,970	128,146	124,789	82,411
2,329,995	2,113,708	1,725,016	1,631,278
(680,668)	(580,970)	(500,731)	(564,973)
1,649,327	1,532,738	1,224,285	1,066,305

2019		2018		2017		2016	
(Rupees `000)		(Rupees `000)		(Rupees `000)		(Rupees `000)	
	%		%		%		%
242,542	1.10	241,992	1.14	198,596	1.01	187,010	0.91
651,142	2.95	656,871	3.08	658,873	3.34	665,263	3.24
13,198,762	59.75	11,527,926	54.09	11,340,106	57.57	12,827,410	62.52
1,304,973	5.91	1,718,328	8.06	1,782,824	9.05	1,528,452	7.45
5,133,273	23.24	5,176,859	24.29	3,556,443	18.06	3,617,407	17.63
1,148,951	5.20	1,669,039	7.83	1,893,276	9.61	1,504,687	7.33
409,281	1.85	322,137	1.51	267,446	1.36	185,969	0.91
22,088,924	100.00	21,313,152	100.00	19,697,564	100.00	20,516,198	100.00
8,712,061	39.44	7,908,055	37.10	8,312,970	42.20	8,773,381	42.76
7,914,842	35.83	7,997,798	37.53	6,503,336	33.02	6,289,692	30.66
296,709	1.34	209,388	0.98	533,565	2.71	995,906	4.85
2,078,018	9.41	1,949,273	9.15	1,294,932	6.57	1,470,100	7.17
1,032,602	4.67	1,229,204	5.77	1,032,519	5.24	969,121	4.72
1,582,179	7.16	1,616,174	7.58	1,665,900	8.46	1,693,482	8.25
250,595	1.13	236,052	1.11	227,839	1.16	240,029	1.17
221,918	1.00	167,208	0.78	126,503	0.64	84,487	0.41
22,088,924	100.00	21,313,152	100.00	19,697,564	100.00	20,516,198	99.59
5,279,188	100.00	4,922,929	100.00	4,610,717	100.00	4,170,928	100.00
2,827,884	53.57	2,691,068	54.66	2,450,107	53.14	2,030,292	48.68
1,702,929	32.26	1,606,545	32.63	1,360,183	29.50	1,256,675	30.13
376,049	7.12	413,589	8.40	391,738	8.50	410,982	9.85
1,134,021	21.48	1,187,743	24.13	1,041,638	22.59	1,315,975	31.55
147,178	2.79	219,414	4.46	219,114	4.75	125,048	3.00
53,298	1.01	70,017	1.42	65,246	1.42	76,064	1.82
124,789	2.36	82,411	1.67	60,109	1.30	16,187	0.39
1,725,016	32.68	1,631,278	33.14	1,664,304	36.10	1,854,125	44.45
(500,731)	(9.49)	(564,973)	(11.48)	(547,319)	(11.87)	(674,694)	(16.18)
1,224,285	23.19	1,066,305	21.66	1,116,985	24.23	1,179,431	28.28

2017	2016	2021	2020	2019	2018	2017	2016
----- (Rupees `000)-----		----- % increase / (decrease) over preceding year -----					
198,596	187,010	(30.61)	(18.59)	0.23	21.85	6.20	13.60
658,873	665,263	(0.81)	(0.81)	(0.87)	(0.30)	(0.96)	(0.95)
11,340,106	12,827,410	3.26	10.09	14.49	1.66	(11.59)	22.45
1,782,824	1,528,452	42.06	(17.70)	(24.06)	(3.62)	16.64	32.40
3,556,443	3,617,407	18.89	6.41	(0.84)	45.56	(1.69)	23.41
1,893,276	1,504,687	96.92	(15.94)	(31.16)	(11.84)	25.83	10.58
267,446	185,969	17.11	2.21	27.05	20.45	43.81	58.48
19,697,564	20,516,198	12.44	5.46	3.64	8.20	(3.99)	21.57
8,312,970	8,773,381	6.73	9.58	10.17	(4.87)	(5.25)	24.37
6,503,336	6,289,692	13.91	5.90	(1.04)	22.98	3.40	11.25
533,565	995,906	(70.88)	(21.76)	41.70	(60.76)	(46.42)	84.39
1,294,932	1,470,100	31.82	9.59	6.60	50.53	(11.92)	38.27
1,032,519	969,121	13.66	(0.65)	(15.99)	19.05	6.54	27.42
1,665,900	1,693,482	13.52	(9.97)	(2.10)	(2.98)	(1.63)	12.39
227,839	240,029	81.47	(30.76)	6.16	3.60	(5.08)	(10.01)
126,503	84,487	24.16	4.82	32.72	32.18	49.73	178.38
19,697,564	20,516,198	12.44	5.46	3.64	8.20	(3.99)	21.57
4,610,717	4,170,928	4.80	(6.06)	7.24	6.77	10.54	0.48
2,450,107	2,030,292	(6.47)	8.14	5.08	9.83	20.68	(6.63)
1,360,183	1,256,675	0.64	(9.80)	6.00	18.11	8.24	15.83
391,738	410,982	(18.15)	(9.37)	(9.08)	5.58	(4.68)	(3.01)
1,041,638	1,315,975	(16.52)	65.26	(4.52)	14.03	(20.85)	7.90
219,114	125,048	(14.80)	33.43	(32.92)	0.14	75.22	5.52
65,246	76,064	(44.34)	104.24	(23.88)	7.31	(14.22)	(4.41)
60,109	16,187	14.69	2.69	51.42	37.10	271.34	(207.92)
1,664,304	1,854,125	10.23	22.53	5.75	(1.98)	(10.24)	8.35
(547,319)	(674,694)	17.16	16.02	(11.37)	3.23	(18.88)	88.12
1,116,985	1,179,431	7.61	25.19	14.82	(4.54)	(5.29)	(12.81)

COMMENTS ON KEY FINANCIAL DATA AND PERFORMANCE RATIOS

(SIX YEARS)

Performance Ratios

- The Claims ratio including Window Takaful Operations (WTO) has increased to 62% in 2020 which is mainly due to few significant fire and rain losses reported during these years. However, in 2021, it has reduced to 56% as one major claim was reported during the year, however, overall claims remained under control. The Combined ratio has remained up to 98% till 2020 despite heavy inflation and high pressure on premium rates particularly during the last three years. The combined ratio has decreased to 90% due to decrease in claims and commission during the year ended December 31, 2021.
- 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 despite 16% increase in premium/contribution.
- The return on equity in 2021 has improved over the last six years to 16% from 13% in 2016. The underwriting income has contributed substantially in the increase of return on equity as compared to last year.
- The Pre-tax earnings per share for the year 2021 is Rs. 11.74 as compared to last year's Rs. 10.65 reflecting an increase of 10% which is mainly due to increase in the underwriting income during the year.
- 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 handfull profit to the shareholders. Further, 35% cash dividend in the 2020 despite the lockdown situation due to COVID-19 and declaration of 40% cash dividend in 2021 endorsed the commitment of the Company to increase the shareholders' wealth.

Balance Sheet

- The Company's assets have increased to Rs. 26.19 billion in 2021 from Rs.20.51 billion in 2016 reflecting a substantial increase over the period of six years which is in line with business growth of the Company.
- The carrying value of total investments have increased to Rs. 15.06 billion as at 31 December 2021 in comparison to Rs. 12.86 billion as at December 31, 2016, reflecting increase of 17% over the period of six years.
- The total equity and technical reserves stood at Rs. 19.74 billion as at December 31, 2021 in comparison to Rs.15.06 billion as at December 31, 2016 reflecting increase of 31% over the last six years and depicting a robust financial strength of the Company.
- A continuous improvement in the size of investments has been witnessed over the years until 2016. Despite slight decrease in the year 2017, an increasing trend can be witnessed in 2018 and onwards, particularly in 2021 where the size of investments has increased by 30% as compared to 2018.
- Total assets of the Company in terms of market value have reached to Rs. 29.71 billion depicting remarkable growth of 21% over 2016.

Profit and loss Account

- The gross and net premium / contribution both increased by 45% over the period of 6 years depicting Company's robust earning capacity the achieved CAGR for six year is 6.44%..
- The underwriting profit has increased to Rs. 512 million mainly due to decrease in claims and expenses during the year. Underwriting results including Window Takaful Operation's (technical profit) has reached to Rs. 629 million which is all time high in the history of the Company.
- Investment income has increased by 19% over the last six years. However, in 2021 it has reduced to Rs. 1.5 billion as compared to last year Rs. 1.8 billion which is mainly due to fluctuation in the stock market.
- The profit before tax crossed Rs. 2.3 billion for the year ended December 31, 2021, 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. 1.65 billion which reflects a robust growth of 40% over the last six years and a remarkable addition in maintaining the glowing history of high profit earnings.

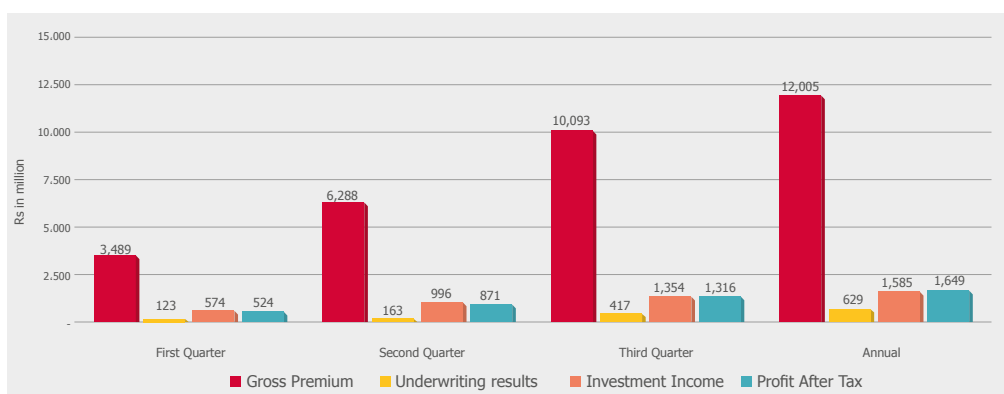
Cash Flows

- Cash inflow of Rs. 773 million as at December 31, 2021, from operating activities as compared to cash outflow of Rs. 88 million as at December 31, 2020, reflecting management's vigorous efforts to collect premium and substantial increase in the underwriting income.
- Cash Inflow from investing activities is also representing judicious investment strategy despite the volatile situation of stock market during the year ended December 31, 2021.
- Due to consistent policy of paying handsome dividend to the shareholders, a consistent cash outflow can be witnessed under financing activities since 2016.
- Cash & Cash Equivalents have substantially increased to Rs. 4,435 million as compared to last year is mainly due to net cash inflow from operating activities and substantial increase in the placement of funds with banks keeping in view the volatile situation in the stock market during the year and comparatively less profitable opportunities available in the money market at year end.

Solvency

- The market value of the Company's assets has increased by 21% to Rs. 29.71 billion at the end of 2021 from Rs.24.61 billion at the end of 2016 reflecting a strong balance sheet footing. This is also evident from the robust solvency, based on market value, which stood at 9.69 times in 2021.

QUARTERLY ANALYSIS



Gross Premium:

The major amount of premium/contribution is underwritten in first and third quarters 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. 12 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 half of the year. Due to vigilant underwriting strategy, the Company was able to post underwriting profit including technical profit from Window Takaful Operations aggregating to Rs. 629 million (2020: Rs. 103 million).

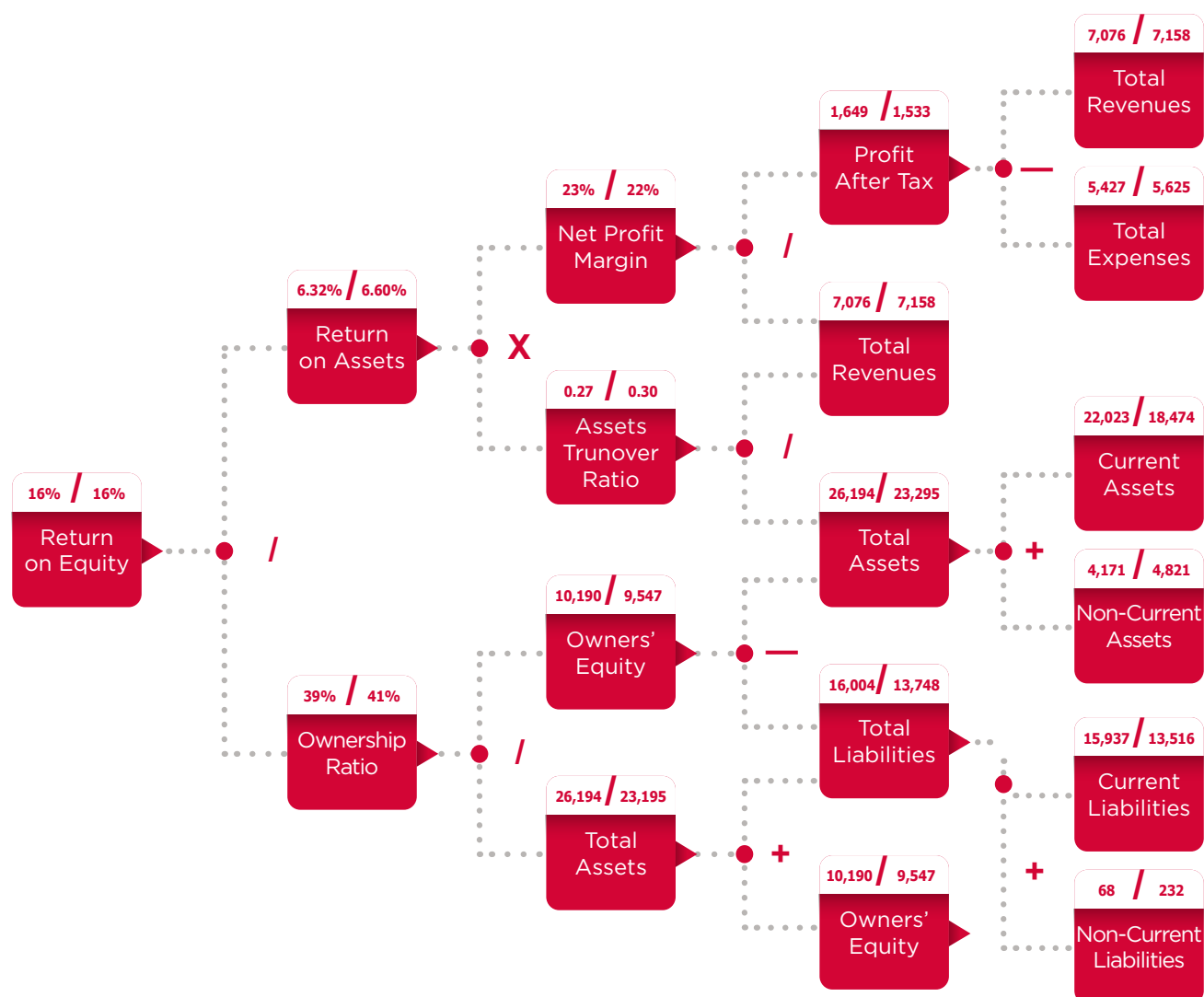
Investment Income:

Noticeable amount of investment income has been recorded in the first and second quarter of the year due to realization of capital gains and increase in return on government securities and the same has contributed significantly in achieving annual investment income of Rs. 1.585 billion. This level of investment income reflects judicious investment decisions of the Company despite the volatility in the stock market during the year.

Profit After Tax:

The profit after tax has witnessed tremendous growth in the first and third quarter mainly due to healthy growth in premium received and investment income and, therefore, the Company has achieved Rs. 1.6 billion marks in 2021. Hence, maintained the impressive history of achieving more than Rs. 1 billion profits after tax in the ninth year consecutively.

DUPONT ANALYSIS 2021 and 2020

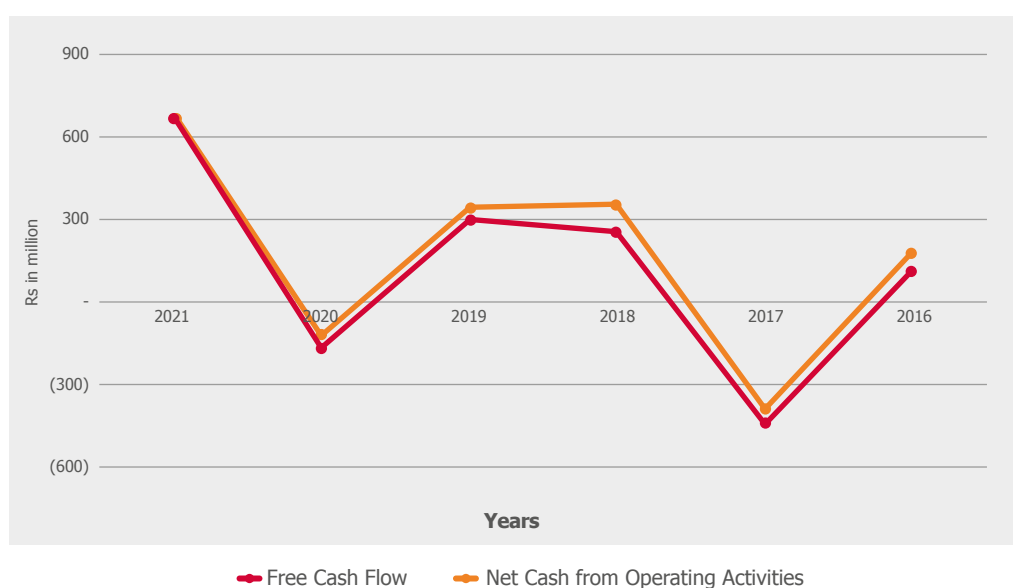


Comments on DuPont Analysis

- The Net Profit Margin increased by 1% in year 2021 due to increase in the underwriting income of the Company as compared to last year.
- The Company's Return on Equity remained at the same level as compared to last year despite uncertainty in the stock market and unfavorable economic condition in the Country.
- Although the economy of the Country was not favorable during the year, however, the Return on Assets has slightly decreased as compared to last year.
- The ownership ratio has decreased by 2% from the last year despite distribution of healthy cash dividend during the year. Furthermore, the equity of the Company has improved by 7% as compared to last year due to highly profitable operations.

FREE CASH FLOW

Description	2021	2020	2019	2018	2017	2016
..... (Rupees in '000)						
Net cash flows generated from principle business	854,568	673,915	937,086	869,469	313,273	633,664
Net cash flows used in other operating activities	(81,156)	(761,534)	(519,793)	(447,295)	(686,923)	(405,153)
Total cash (outflow) / inflow generated from all operating activities	773,412	(87,619)	417,293	422,174	(373,650)	228,511
Less: Capital Expenditures	14,047	44,121	52,269	106,701	65,764	69,947
Free cash flow	759,365	(131,740)	365,024	315,473	(439,414)	158,564

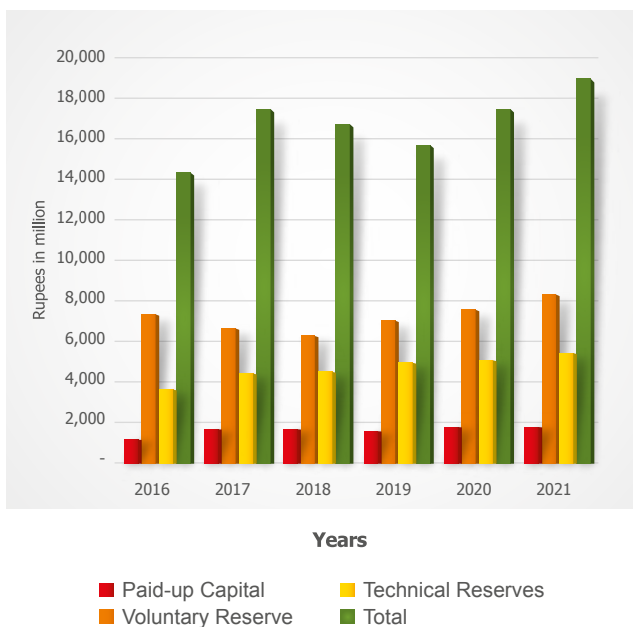


Comments on Free Cash Flow:

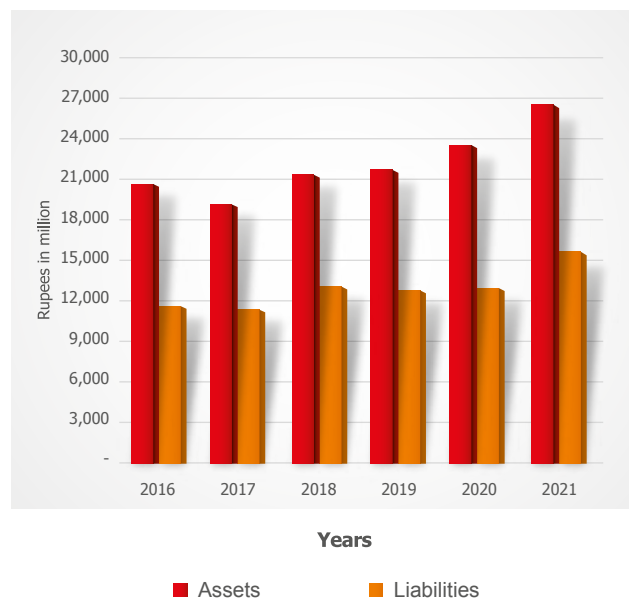
- The Company has recovered from net outflow of Rs. 132 million last year to net inflow of Rs. 759 million in 2021 which is mainly due to the management efforts in collecting outstanding premiums and remarkable growth in underwriting income for the year.
- Free Cash Flow for 2021 is 98% of the total operating cash flow which is mainly due to decrease in capital expenditure as compared to last year.
- In 2021, the Company incurred Rs. 14 million of capital expenditures which is perfectly in line with the requirements of business.

PERFORMANCE AT A GLANCE - SIX YEARS

Capital & Reserves



Assets & Liabilities



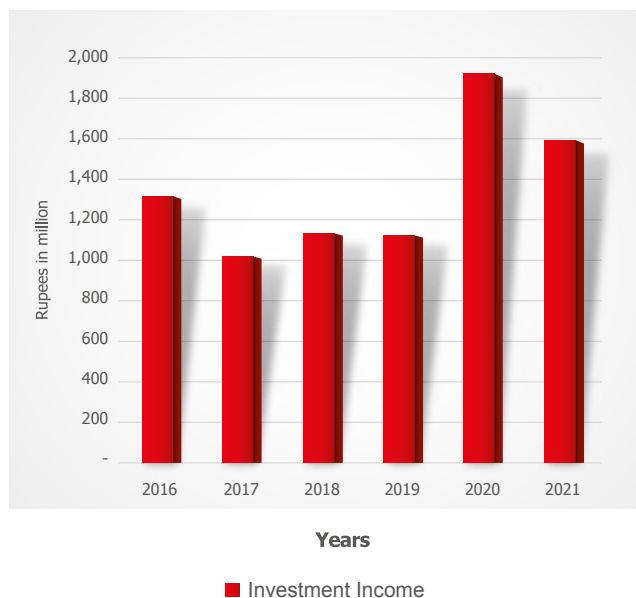
Gross Premium & Net Premium



Net Premium & Underwriting Result



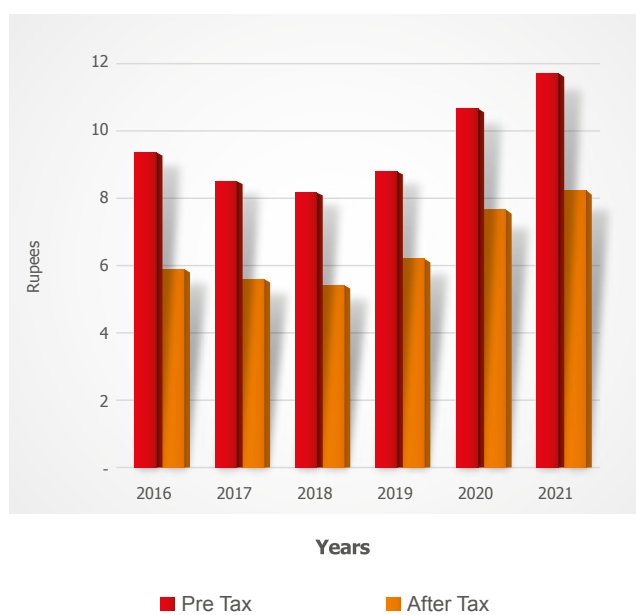
Investment Income



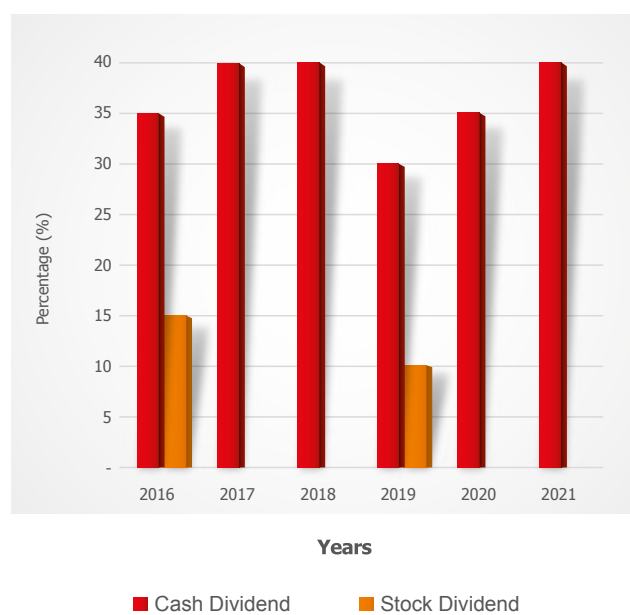
Profit (Before & After Tax)



Earning Per Share (Pre Tax & After Tax)

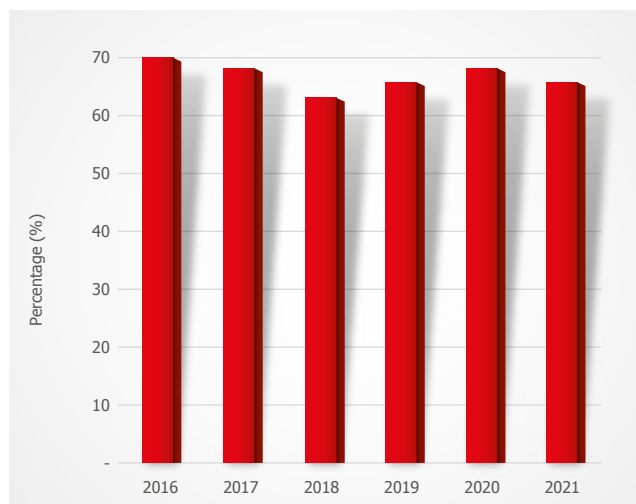


Dividends



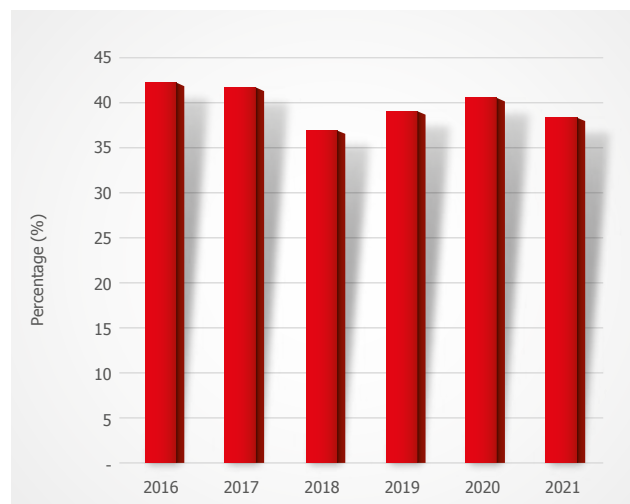
PERFORMANCE AT A GLANCE - SIX YEARS

Liquid Assets / Total Assets



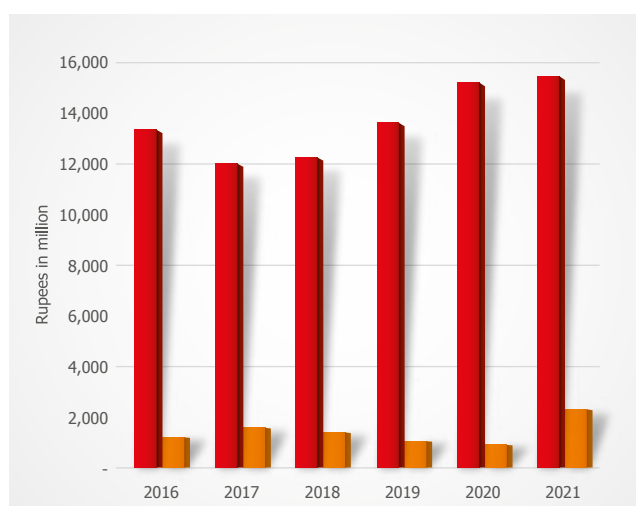
■ Liquid Assets / Total Assets

Equity / Total Assets



■ Equity / Total Assets

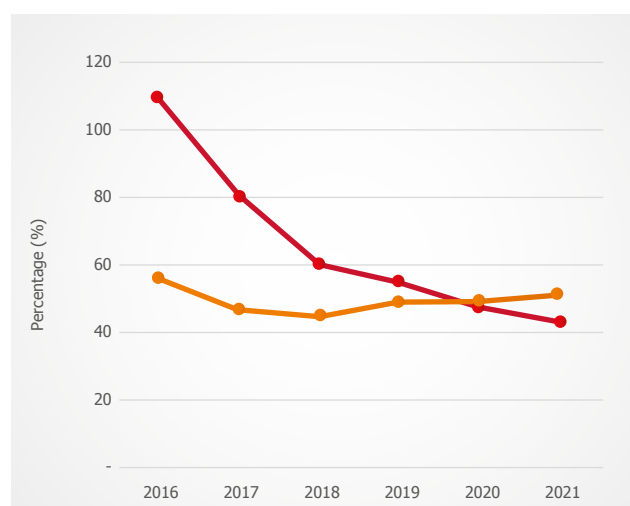
Investments and Cash & Bank



■ Investment

■ Cash & Bank

Market Value vs Breakup Value per Share



■ Market Value per Share

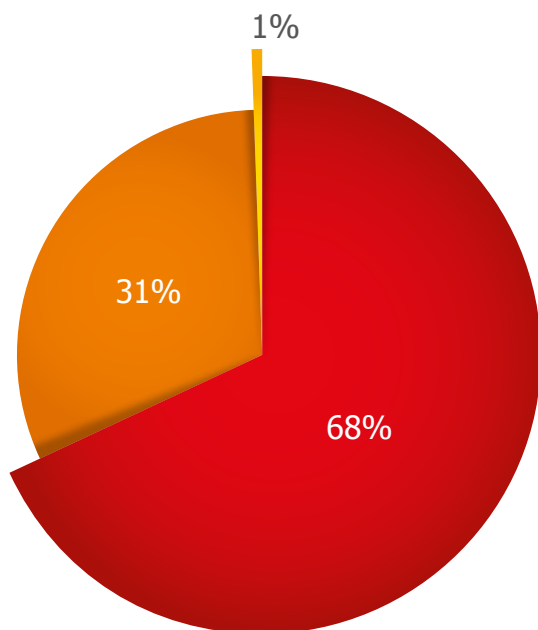
■ Breakup Value per Share

GRAPHICAL COMPOSITION OF FINANCIAL STATEMENTS

BALANCE SHEET

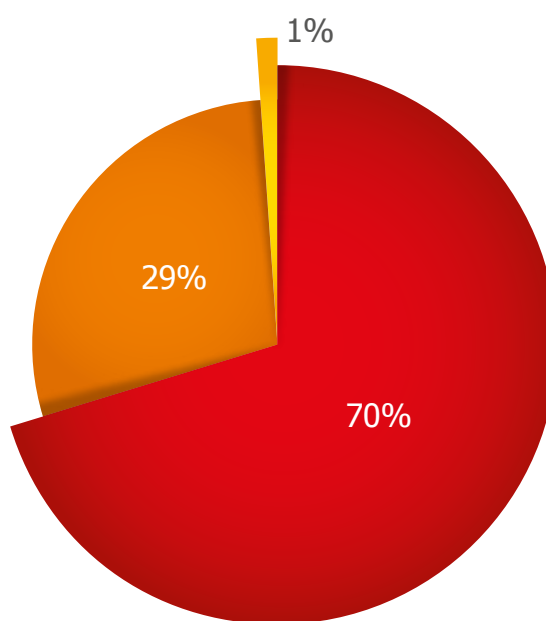
Assets 2021

- Earning Assets
- Current Assets-others
- Fixed Assets



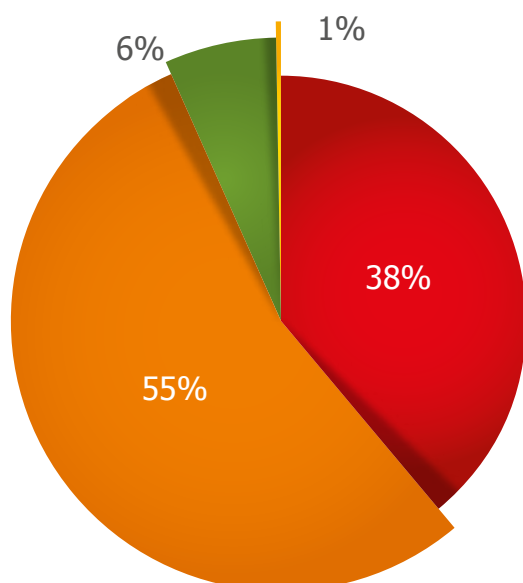
Assets 2020

- Earning Assets
- Current Assets-others
- Fixed Assets



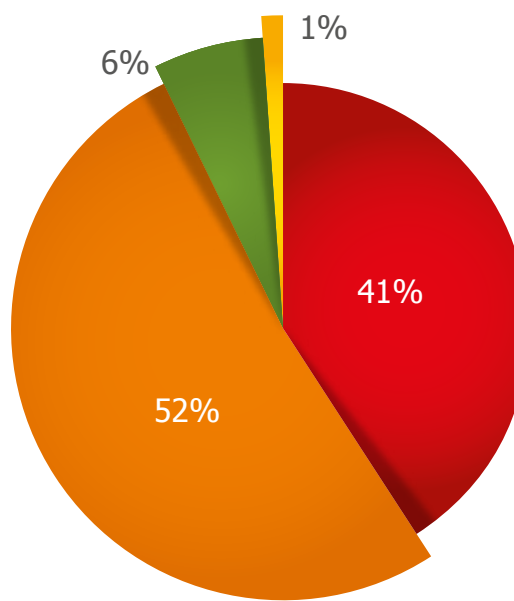
Shareholders' Equity and Liabilities 2021

- Share Capital & Reserves
- Current Liabilities
- Non Current Liabilities
- Deferred Liabilities



Shareholders' Equity and Liabilities 2020

- Share Capital & Reserves
- Current Liabilities
- Non Current Liabilities
- Deferred Liabilities

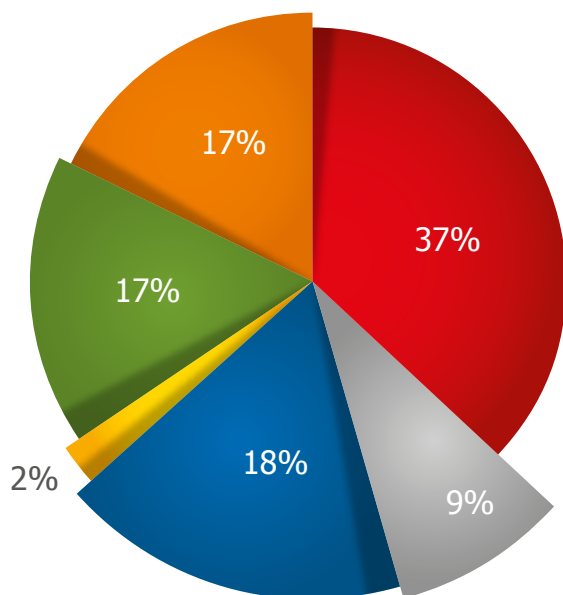


GRAPHICAL COMPOSITION OF FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT

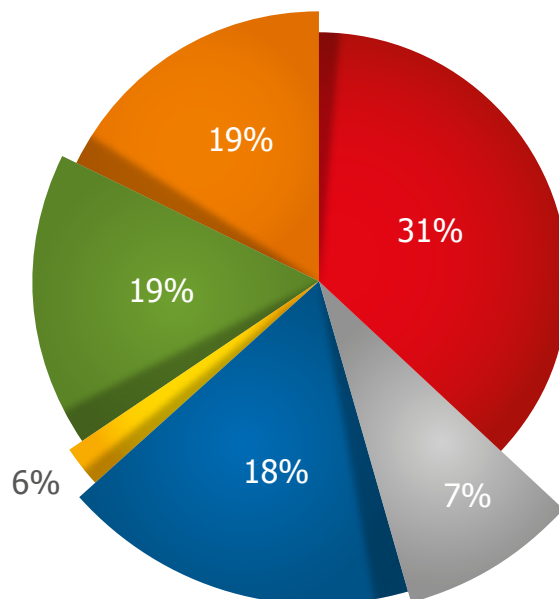
Gross Premium Classwise 2021

- Fire
- Marine
- Motor
- Liability
- Accident & Health
- Miscellaneous



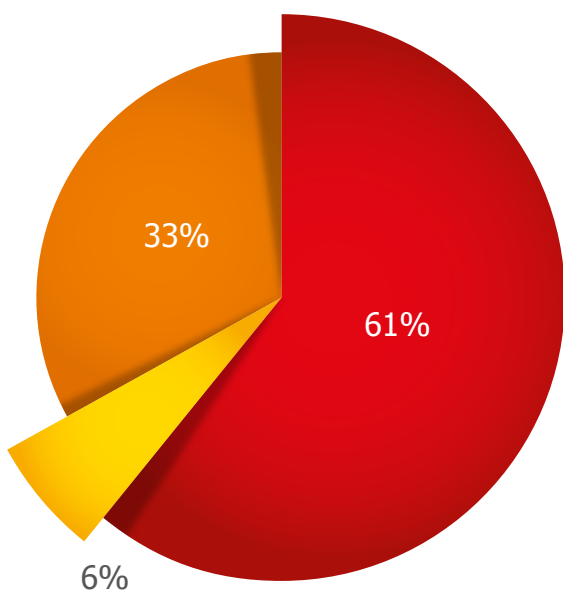
Gross Premium Classwise 2020

- Fire
- Marine
- Motor
- Liability
- Accident & Health
- Miscellaneous



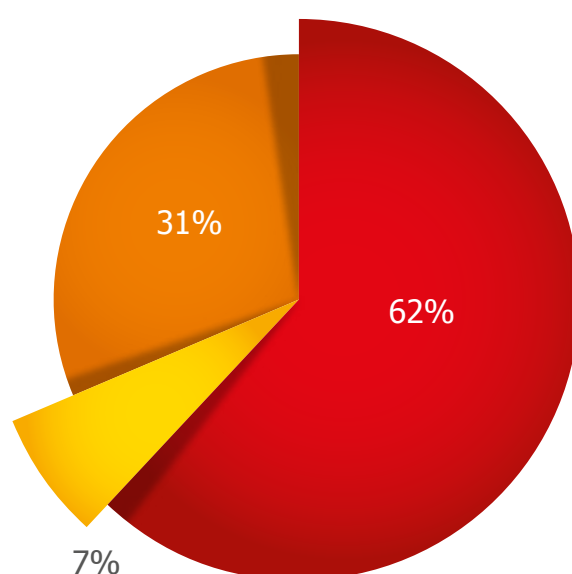
Combined Ratio 2021

- Net Claims
- Net Commission
- Expenses



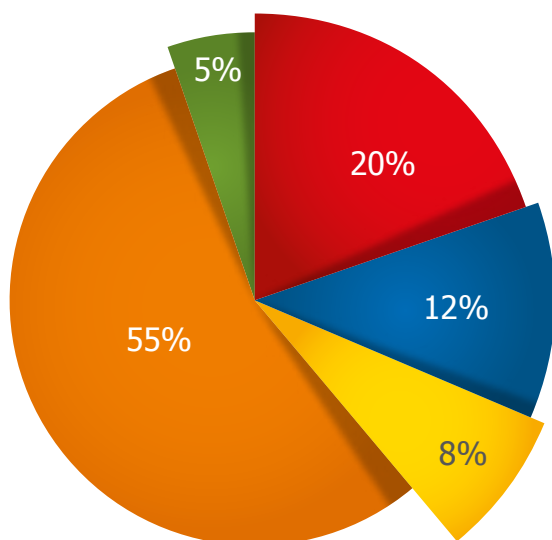
Combined Ratio 2020

- Net Claims
- Net Commission
- Expenses



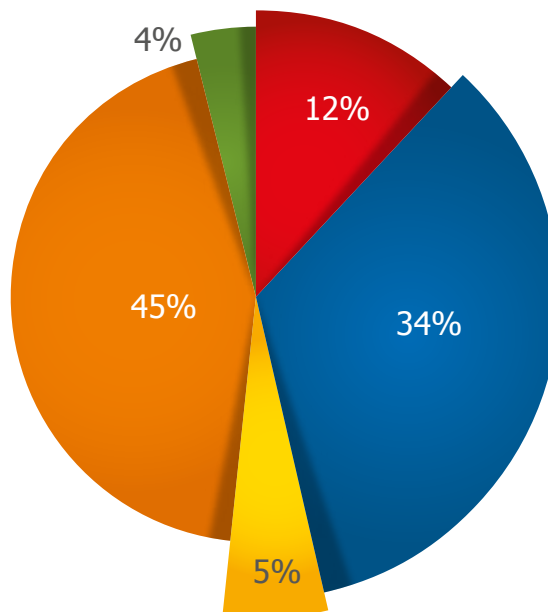
Investment Income 2021

- Dividend income
- Capital gains
- Return on bank deposits
- Return on Govt. Securities
- Rental income



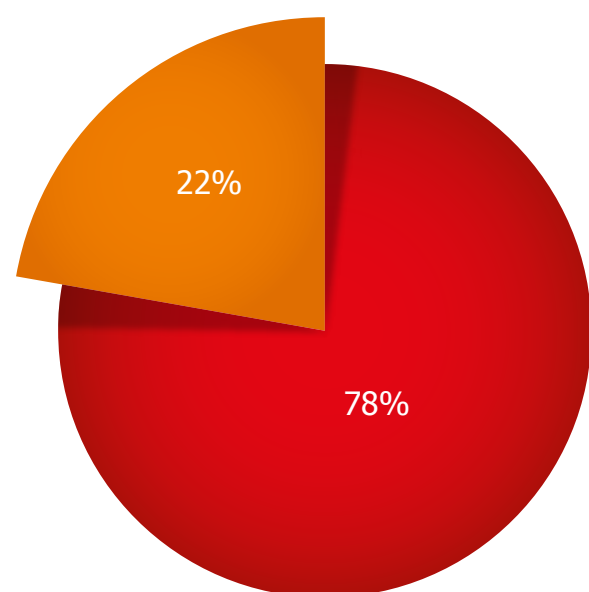
Investment Income 2020

- Dividend income
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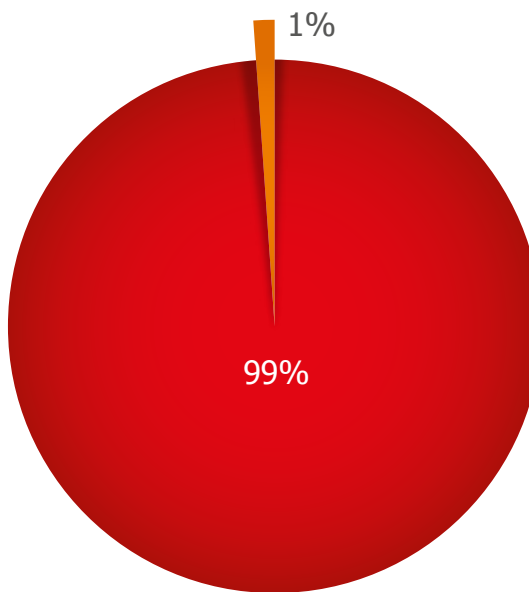
Profit before Tax 2021

- Investment and Other Income
- Underwriting Income



Profit before Tax 2020

- Investment and Other Income
- Underwriting Income

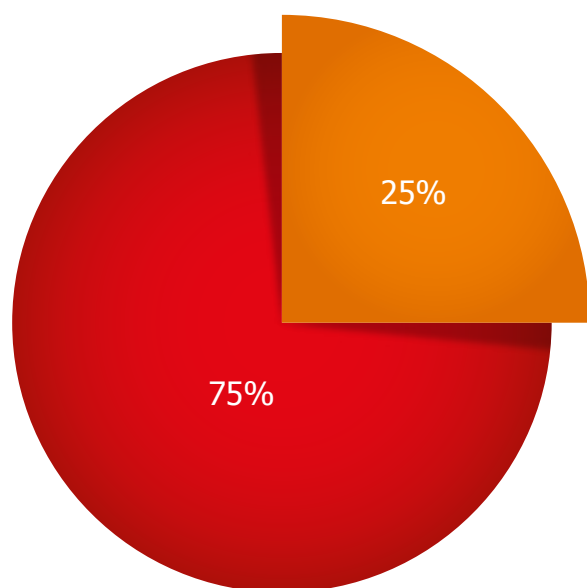


GRAPHICAL COMPOSITION OF FINANCIAL STATEMENTS

CASH FLOW

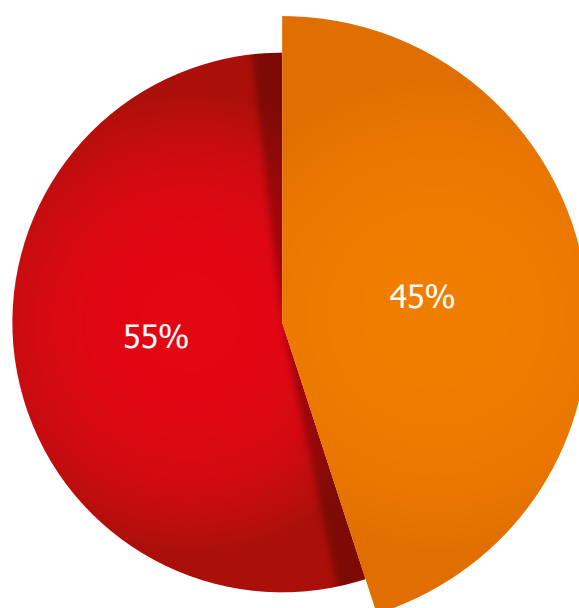
Cash Generated 2021

- Operating activities
- Investing activities



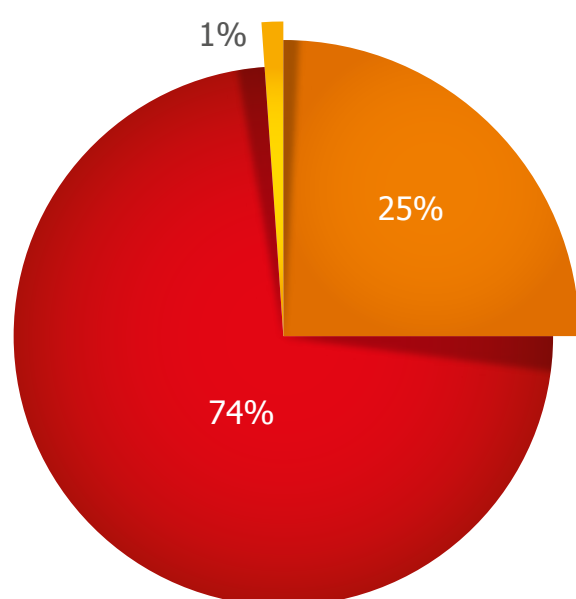
Cash Generated 2020

- Operating activities
- Investing activities



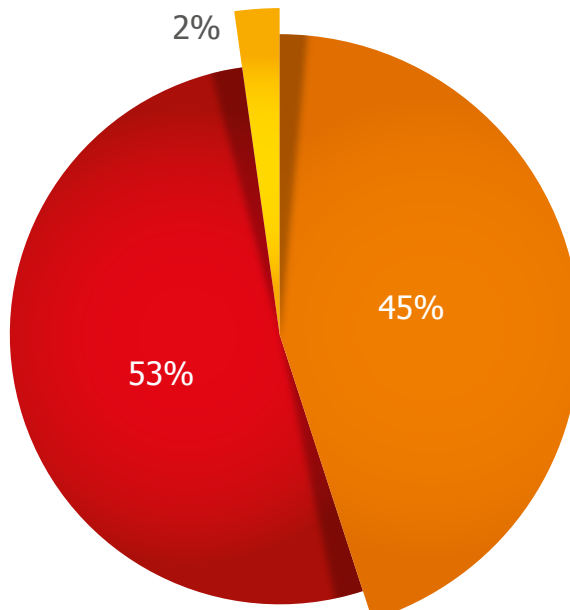
Cash Consumed 2021

- Operating Activities
- Investing Activities
- Financing Activities



Cash Consumed 2020

- Operating Activities
- Investing Activities
- Financing Activities



STATEMENT OF VALUE ADDED

WEALTH GENERATED

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

Less:

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

Net Wealth Generated

WEALTH DISTRIBUTION

Employees remuneration

Government taxes

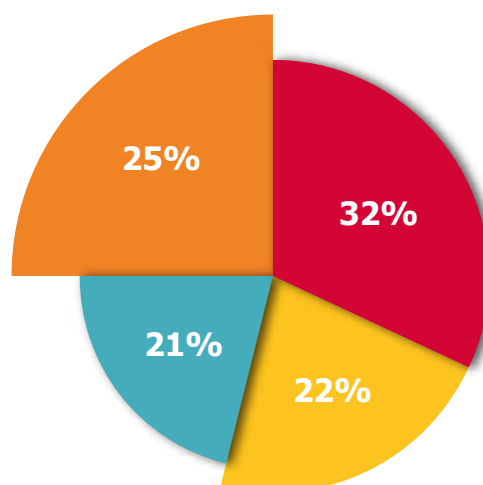
Dividend to shareholders
- Cash

Retained in business
- Depreciation and Amortisation
- Earnings

2021	2020
..... (Rupees in '000)	
5,197,050	4,959,025
332,386	242,970
1,794,812	2,060,529
134,346	109,587
162,688	135,513
7,621,282	7,507,624
3,911,330	4,017,332
3,709,952	3,490,292
1,187,444	1,172,167
797,322	689,464
793,965	694,719
75,859	91,376
855,362	842,566
931,221	933,942
3,709,952	3,490,292

Distribution of wealth - 2021

- Employees remuneration
- Government taxes
- Dividend to shareholders
- Retained in business



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.

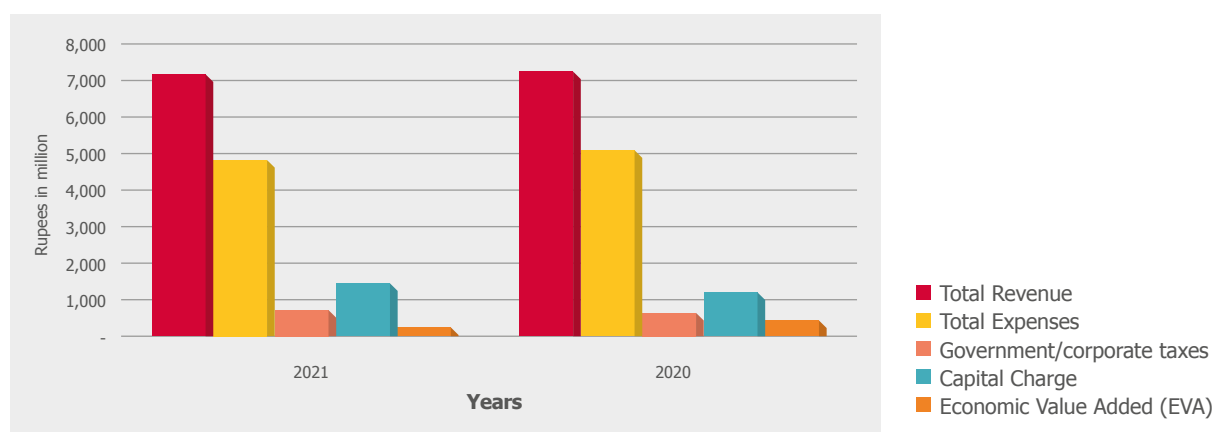
ECONOMIC VALUE ADDED

Economic Value Added (EVA) is a measurement of a Company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit after adjustment of tax. 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 2021, the Company generated economic value of Rs. 231 million (2020: Rs. 398 million). Although, the EVA of the Company has decreased substantially in 2021 as compared to last year however in both the years the Company has added economic value from its operations.

Following is a table indicates the EVA at the year ended 31 December 2021 and 2020:

PARTICULARS

	2021	2020
.....(Rupees in million).....		
Total Revenue	7,076	7,158
Less:		
Total Expenses	4,746	5,044
Government/corporate taxes	681	581
Capital charges	1,418	1,135
Economic Value Added (EVA)	231	398



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 terms 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 JGI's share versus its book value.

As at December 31, 2021, the market value of total outstanding shares of the Company stood at Rs. 8.73 billion (2020: Rs. 9.35 billion) and the total book value of outstanding share as at December 31, 2020, reflected Rs. 10.2 billion (2020: Rs. 9.5 billion). Therefore, the market value is less than book value of the Company in 2021 by Rs. 1.47 billion (2020: Rs. 0.15 more than book value)

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, due to lockdown of COVID-19 pandemic, 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.

During the year, 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 Rs. 96.58 million which shows the commitment of the Company to equip 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.

REPORT OF THE BOARD AUDIT COMMITTEE

FOR THE YEAR ENDED DECEMBER 31, 2021

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) 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, 2021 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 comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards 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, 2021, 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, 2021 and shall stand retire on the conclusion of the 69th 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, 2022 on terms to be approved by the Board of Directors.



Aryn Currimbhoy
Chairman, Board Audit Committee
Karachi
February 08, 2022

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, 2021

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 2021.

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 despite the pandemic situation in the country.
4. Significant success has been achieved in the Banca-Takaful Agreements with Islamic Banks. 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 2021 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. 160,404/- and Rs. 252,961/- from OTF 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 2022

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, 2021 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision lxvi 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.

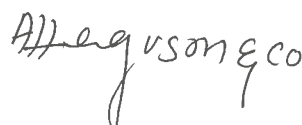
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control 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, 2021.

Further, we highlight below the instance of non-compliance with the requirement of the Regulations as reflected in paragraph reference where it is stated in the Statement of Compliance.

Paragraph reference	Description
5	During the year, the Company has filled a casual vacancy by appointing an independent director. The casual vacancy was filled with a delay of 11 days to the statutory time period of 90 days from the date of occurrence of the casual vacancy as required by clause viii of the Code of Corporate Governance for Insurers, 2016. However, as explained in the Statement of Compliance of the Company, it had sought extension of time from the Securities and Exchange Commission of Pakistan (the SECP) to fill the casual vacancy of independent director. The SECP responded that it did not have the power to grant such extension and on receipt of this response from the SECP, the Company took immediate steps and appointed an independent director.



A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: 28 February, 2022

UDIN: CR202110061FwNKXYHAD

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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

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 had sought extension of time from SECP for appointment of an Independent Director to fill the casual vacancy arising due to the resignation of Ms. Saba Kamal. However, the Company received a response from SECP that it was not empowered to grant such extension in time. On receipt of the SECP response the Company took immediate steps and the Independent Director was appointed with a delay of 11 days to the statutory time period. Such appointment was subsequently confirmed by SECP.
6. 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.
7. 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.
8. 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.

9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. 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.
10. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
11. 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.
12. 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

13. 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. During the year Syed Muhammad Ali Hasnain has been appointed in place of Mr. Abdul Wahid and then upon the resignation of Syed Muhammad Ali Hasnain, Mr. Abdul Wahid has been appointed as Company Secretary.
14. 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.
15. Chief Executive Officer (CEO) and CFO duly endorsed the financial statements before approval of the Board.
16. 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.
17. The Company has complied with all the corporate and financial reporting requirements of the Code.
18. The Board has formed the following Management Committees:

Underwriting Committee:

Name of Member	Category
Hassan Khan	Chairman
Talha Islam	Member
Azfar Arshad	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
Uzair Mirza	Member
Muhammad Aamir Ali Khan	Member & Secretary

Takaful Committee:

Name of Member	Category
Hassan Khan	Chairman
Azfar Arshad	Member
Nawaid Jamal	Member
Syed Sohail Ahmed	Member & Secretary

19. 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. Aamir 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 Towfiq Chinoy	Member (Independent Director)
Ms. Nausheen Ahmad	Member (Independent Director)

20. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
21. 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.
22. 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.
23. 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 Financial Lines (including Grievance)
Muhammad Aamir Ali Khan	Head of Risk Management
Tariq Mushtaq	Head of Underwriting
Mohsin Hafiz	Chief Compliance Officer

24. 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.
25. 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.

26. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
27. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
28. The Company has set up a risk management function / department, which carries out its tasks as covered under the Code.
29. 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)	Stable	09 December 2021
PACRA – Pakistan	AA+	Stable	05 November 2021
VIS – Pakistan	AA+	Stable	20 December 2021

30. The Board has set up a grievance function, which fully complies with the requirements of the Code.
31. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
32. 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: 09 February, 2022



Amyn 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 2021 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 sensitization 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 policies 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.



Hassan Khan
Managing Director
(Chief Executive Officer)

Karachi: February 09, 2022

INDEPENDENT ASSURANCE REPORT ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE SHARIA'H 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, 2021, 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 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.

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.

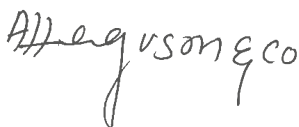
The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations' compliance with the 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, 2021.



A. F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Noman Abbas Sheikh**
Karachi
Dated: 28 February, 2022



FINANCIAL STATEMENTS

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, 2021, 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, 2021 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	Valuation & impairment of investments (Refer notes 3.19, 9, 10 and 11 of the annexed financial statements)	
	The investments of Rs 14,030.670 million as at December 31, 2021 held by the Company constitute a significant component of total assets of the Company. The proper valuation and assessment of impairment of the investments portfolio of the Company as at December 31, 2021 was considered a significant area of estimation and therefore, we considered this as a key audit matter.	Our audit procedures included the following: <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, 2021 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	Valuation of Incurred But Not Reported (IBNR) claims reserves (Refer notes 3.16 and 27 of the annexed financial statements)	
	<p>As at December 31, 2021, provision for IBNR amounted to Rs 218.339 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"> ^a 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 statement 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.

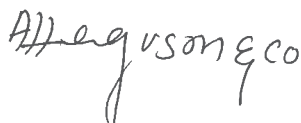
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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 the statement of cash flows 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: February 28, 2022

UDIN: AR202110061wGWvfm3hX

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		2021	2020
Assets	Note	.....(Rupees in '000).....	
Property and equipment	5	90,933	135,500
Intangible assets	6	46,086	61,991
Investment properties	7	640,648	645,896
Investments in associates	8	973,680	911,059
Investments			
Equity securities	9	3,081,110	3,731,766
Debt securities	10	8,280,257	9,747,624
Term deposits	11	2,669,303	140,467
Loans and other receivables	12	251,212	303,535
Insurance / reinsurance receivables	13	1,525,775	1,074,028
Reinsurance recoveries against outstanding claims		3,593,493	3,231,138
Salvage recoveries accrued		24,531	28,750
Deferred commission expense / acquisition cost	28	247,251	210,288
Prepayments	15	2,377,849	1,688,753
Cash and bank	16	1,901,990	965,862
		25,704,118	22,876,657
Total assets of Window Takaful Operations - Operator's Fund	17	489,886	418,313
Total assets		26,194,004	23,294,970



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive

		2021	2020
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	6,335,919	5,941,897
Unappropriated profit		1,868,869	1,620,200
Total equity		10,189,700	9,547,009
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	27	5,154,819	4,807,405
Unearned premium reserves	26	4,244,992	3,465,728
Unearned reinsurance commission	28	148,056	108,839
Deferred taxation	20	67,596	232,143
Premium received in advance		316,455	288,059
Insurance / reinsurance payables	21	2,685,463	1,989,235
Other creditors and accruals	22	1,166,102	1,025,929
Deposits and other payables	23	1,617,132	1,424,498
Taxation - provision less payments	24	314,855	173,500
		15,715,470	13,515,336
Total liabilities of Window Takaful Operations - Operator's Fund	17	288,834	232,625
Total liabilities		16,004,304	13,747,961
Total equity and liabilities		26,194,004	23,294,970
Contingencies and Commitments			
	25		

The annexed notes 1 to 48 form an integral part of these financial statements.



Amyn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2021

		2021	2020
	Note	.....(Rupees in '000).....	
Net insurance premium	26	5,197,050	4,959,025
Net insurance claims	27	2,860,391	3,058,182
Net commission expense / acquisition cost	28	278,942	340,804
Insurance claims and acquisition expenses		3,139,333	3,398,986
Management expenses	29	1,545,956	1,536,093
Underwriting results		511,761	23,946
Investment income	30	1,385,277	1,709,685
Rental income	31	82,161	69,575
Other income	32	112,808	102,197
Other expenses	33	(60,586)	(108,855)
Results of operating activities		2,031,421	1,796,548
Share of profit of associates	8	151,604	189,014
Profit from Window Takaful Operations - Operator's Fund	17	146,970	128,146
Profit before tax		2,329,995	2,113,708
Taxation - net	34	(680,668)	(580,970)
Profit after tax		1,649,327	1,532,738
Earnings (after tax) per share - Rupees	35	8.31	7.72

The annexed notes 1 to 48 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Amyn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	.....(Rupees in '000).....	
Profit after tax	1,649,327	1,532,738
Other comprehensive income / (loss)		
Items that will never be reclassified to the profit and loss account in subsequent years		
Actuarial gain on defined benefit plan - net of tax	15,681	4,366
Share in other comprehensive income of an associate		
Actuarial gain on defined benefit plan - net of tax	949	181
Items that may be reclassified to the profit and loss account in subsequent years		
Foreign currency translation difference - net of tax	8,463	(14,000)
Unrealised (loss) / gain on revaluation of available-for-sale investments - net of tax	(165,905)	73,676
Reclassification adjustment for net gain on sale of available-for-sale investments included in the profit and loss account - net of tax	(167,656)	(218,675)
	(333,561)	(144,999)
Share in other comprehensive (loss) / income of an associate		
Unrealised (loss) / gain on revaluation of available-for-sale investments - net of tax	(5,311)	3,436
Foreign currency translation difference - net of tax	(137)	(1,375)
	(5,448)	2,061
Other comprehensive income / (loss) of Window Takaful Operations - Operator's Fund		
Unrealised gain / (loss) on revaluation of available-for-sale investments - net of tax	1,999	(3,287)
Reclassification adjustment for net gain on sale of available-for-sale investments included in the profit and loss account - net of tax	-	(772)
	1,999	(4,059)
Other comprehensive income / (loss) of Window Takaful Operations - Operator's Fund		
Other comprehensive loss for the year	(311,917)	(156,450)
Total comprehensive income for the year	1,337,410	1,376,288

The annexed notes 1 to 48 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Amyn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	.....(Rupees in '000).....	
Operating Cash flows		
(a) Underwriting activities		
Insurance premium received	10,146,981	9,278,069
Reinsurance premium paid	(4,669,172)	(4,009,049)
Claims paid	(3,557,349)	(3,649,795)
Reinsurance and other recoveries received	730,501	841,557
Commission paid	(639,000)	(606,911)
Commission received	332,386	242,971
Management expenses paid	(1,489,779)	(1,422,927)
Net cash generated from underwriting activities	854,568	673,915
(b) Other operating activities		
Income tax paid	(570,183)	(659,414)
General and administration expenses paid	(16,925)	(24,426)
Other operating payments	(1,194,154)	(1,343,164)
Other operating receipts	1,700,471	1,264,940
Loans advanced	(2,425)	(486)
Loan repayments received	2,060	1,016
Net cash used in other operating activities	(81,156)	(761,534)
Total cash generated from / (used in) from all operating activities	773,412	(87,619)
Investment activities		
Profit / return received	912,437	809,918
Dividends received	321,775	215,464
Rentals received - net of expenses	118,587	64,453
Payments for investments	(34,825,966)	(13,616,861)
Proceeds from investments	36,843,467	12,984,760
Fixed capital expenditure	(14,047)	(44,121)
Proceeds from sale of property and equipment	3,983	3,213
Total cash generated from investing activities	3,360,236	416,826
Financing activities		
Dividends paid	(674,041)	(531,538)
Principal repayment of lease liabilities against right-of-use asset	(5,254)	(16,657)
Total cash used in financing activities	(679,295)	(548,195)
Net cash generated from / (used in) all activities	3,454,353	(218,988)
Cash and cash equivalents at the beginning of the year	980,289	1,199,277
Cash and cash equivalents at the end of the year	16.3 4,434,642	980,289

2021 **2020**
(Rupees in '000).....

Reconciliation to the profit and loss account

Operating cash flows	773,412	(87,619)
Depreciation / amortisation expense	(70,611)	(86,130)
Gain on disposal of property and equipment and investment properties	75	142
Unrealised diminution on revaluation of investments classified as at fair value through profit or loss	(5,049)	-
Profit on disposal of investments	316,386	686,456
Rental income	82,161	69,575
Dividend income	312,170	225,069
Other investment income	858,860	892,990
Share of profit of associates	151,604	189,014
Profit from Window Takaful Operations - Operator's Fund - net of tax	104,349	90,984
Actuarial gain on defined benefit plan - net of tax	(22,086)	(6,149)
Increase / (decrease) in assets other than cash	1,427,098	(1,966)
Increase in liabilities other than borrowings	(2,279,042)	(439,628)

Profit after tax

1,649,327 1,532,738

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

Cash and other equivalents

Cash in hand	56	31
Policy and revenue stamps, bond papers	2,817	4,149
	2,873	4,180

Cast at bank

Current accounts	84,031	55,957
Savings accounts	1,815,086	905,725
	1,899,117	961,682

Deposits having original maturity within 3 months

Term deposits - local currency	2,500,000	-
Term deposits - foreign currency	32,652	14,427
	2,532,652	14,427

4,434,642 980,289

Reconciliation of liabilities arising out of financing activities

Unclaimed dividend as at January 1	121,872	112,070
Changes from financing activities		
Dividend paid	(674,041)	(531,538)
Others		
Final cash dividend for the year ended December 31, 2020 @ 35% (2019: 30%)	694,719	541,340
Unclaimed dividend as at December 31	142,550	121,872

The annexed notes 1 to 48 form an integral part of these financial statements.

 R. Zakir Mahmood Chairman	 Hassan Khan Chief Executive	 Aamyn Currimbhoy Director	 Amin A. Hashwani Director	 Nawaid Jamal Chief Financial Officer
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

Attributable to equity holders of the Company							
Share capital	Capital reserve			Revenue reserves			
	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
							Total

(Rupees in '000)

Balance as at January 1, 2020

Changes in equity for the year ended
December 31, 2020

Total comprehensive income for the year

Profit after tax

Ledger D balances

Other comprehensive income / (loss)

Actuarial gain 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 loss of Window

Takaful Operations - Operator's Fund - net of tax

Unrealised appreciation 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 3 (30%) per share for the year

ended December 31, 2019 approved on April 21, 2020

Issuance of bonus shares @ Re. 1.00 per share (10%) for the

year ended December 31, 2019 approved on April 21, 2020

Transfer to general reserve

Transfer to special reserve

Balance as at December 31, 2020

1,804,465 9,384 627,144 24,729 3,650,000 1,200,000 209,752 32 1,186,555 8,712,061

-	-	-	-	-	-	-	-	1,532,738	1,532,738
-	-	-	-	-	-	31,853	-	(31,853)	(31,853)
-	-	-	-	-	-	-	-	4,366	4,366
-	-	-	(14,000)	-	-	-	-	-	(14,000)
-	-	3,436	(1,375)	-	-	-	-	181	2,242
-	-	(4,059)	-	-	-	-	-	-	(4,059)
-	-	73,676	-	-	-	-	-	-	73,676
-	-	(218,675)	-	-	-	-	-	-	(218,675)
-	-	(145,622)	(15,375)	-	-	31,853	-	1,505,432	1,376,288

-	-	-	-	-	-	-	-	(541,340)	(541,340)
180,447	-	-	-	-	-	-	-	(180,447)	-
-	-	-	-	150,000	-	-	-	(150,000)	-
-	-	-	-	-	200,000	-	-	(200,000)	-
180,447	-	-	-	150,000	200,000	-	-	(1,071,787)	(541,340)
1,984,912	9,384	481,522	9,354	3,800,000	1,400,000	241,605	32	1,620,200	9,547,009

**Changes in equity for the year ended
December 31, 2021**

Total comprehensive income for the year

Profit after tax

Ledger D balance

Other comprehensive income / (loss)

Actuarial gain on defined benefit plan - net of tax

Foreign currency translation difference - net of tax

Share in other comprehensive (loss) / income 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

Redclassification 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. 3.5 (35%) per share for the year

ended December 31, 2020 approved on April 12, 2021

Transfer to general reserve

Transfer to special reserve

Balance as at December 31, 2021

The annexed notes 1 to 48 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Amyn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

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 fund by an associate	Unappropriated profit	
-	-	-	-	-	-	-	-	1,649,327	1,649,327
-	-	-	-	-	-	22,569	-	(22,569)	-
-	-	-	-	-	-	-	-	15,681	15,681
-	-	-	8,463	-	-	-	-	-	8,463
-	-	(5,311)	(137)	-	-	-	-	949	(4,499)
-	-	1,999	-	-	-	-	-	-	1,999
-	-	(165,905)	-	-	-	-	-	-	(165,905)
-	-	(167,656)	-	-	-	-	-	-	(167,656)
-	-	(336,873)	8,326	-	-	22,569	-	1,643,388	1,337,410
-	-	-	-	-	-	-	-	(694,719)	(694,719)
-	-	-	-	300,000	-	-	-	(300,000)	-
-	-	-	-	-	400,000	-	-	(400,000)	-
-	-	-	-	300,000	400,000	-	-	(1,394,719)	(694,719)
1,984,912	9,384	144,649	17,680	4,100,000	1,800,000	264,174	32	1,868,869	10,189,700

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021 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, 2022:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	April 1, 2021
- IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
- IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2022
- IAS 1 - 'Presentation of financial statements' (amendments)	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 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, 2021 and change in the fair values during the year ended December 31, 2021

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	As at December 31, 2021 (Rupees in '000)
Debt securities - Held to maturity (note 10)	
Opening fair value	212,283
Disposals during the year - net	(156,075)
Decrease in fair value	(7,423)
Closing fair value	48,785
Debt Securities - Available for sale (note 10)	
Opening fair value	9,539,056
Disposals during the year - net	(1,092,022)
Decrease in fair value	(218,518)
Closing fair value	8,228,516
Financial assets that do not meet the SPPI criteria	
Equity Securities - Available for sale (note 9)	
Opening fair value	3,731,766
Disposals during the year - net	(442,692)
Impairment	(129,191)
Decrease in fair value	(251,286)
Closing fair value	2,908,597

- 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, 2022 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 there against.

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 statement of cash flows 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 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)

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, 2021 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, 2021.

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, 2021.

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 and payables 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 (notes 3.17 and 34); and
- j) lease liability and right-of-use asset (notes 3.25 and 5).

4.2 Change in accounting estimate

During the year, the estimated residual value of the tracker equipment has been reviewed and based on the management experience the estimated residual value has been revised from 5% to 0% of its cost. This change has been accounted for as change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS-8) "Accounting Policies, Changes in Estimates and Errors" whereby the effect of the change has been recognised prospectively by including the same in the profit and loss account in the period of the change. Had the Company's accounting estimate not been changed, property and equipment of the Company and profit after tax for the year would have been higher by Rs. 6,107 thousands and Rs. 4,336 thousands respectively.

5. PROPERTY AND EQUIPMENT

2021	Furniture, fixtures and equipment							
	Buildings	Furniture and fixtures	Office equipment	Tracker equipment	Computer equipment	Sub total	Motor vehicles	Right-of-use assets
(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
Accumulated depreciation	(2,797)	(69,331)	(69,709)	(85,683)	(58,776)	(283,499)	(5,878)	(30,447)
Net book value as at January 1, 2021	4,272	27,720	35,322	28,450	21,461	112,953	7,034	11,241
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
Additions	-	414	2,071	-	5,392	7,877	84	-
Disposals								
- Cost	-	(4,275)	(11,929)	(59,540)	(12,051)	(87,795)	(1,225)	-
- Accumulated depreciation	-	3,849	10,294	59,540	10,694	84,377	735	-
Depreciation charge	(228)	(4,859)	(7,163)	(18,911)	(6,738)	(37,671)	(802)	(9,919)
Net book value as at December 31, 2021	4,044	22,849	28,595	9,539	18,758	79,741	5,826	1,322
As at December 31, 2021								
Cost	7,069	93,190	95,173	54,593	73,578	316,534	11,771	41,688
Accumulated depreciation	(3,025)	(70,341)	(66,578)	(45,054)	(54,820)	(236,793)	(5,945)	(40,366)
Net book value as at December 31, 2021	4,044	22,849	28,595	9,539	18,758	79,741	5,826	1,322
Annual rate of depreciation	3%	17%	17% - 33%	20%	25%		20%	33% - 40%

2020	Furniture, fixtures and equipment							
	Buildings	Furniture and fixtures	Office equipment	Tracker equipment	Computer equipment	Sub total	Motor vehicles	Right-of-use assets
(Rupees in '000)								
As at January 1, 2020								
Cost	7,069	95,211	110,022	131,662	75,985	412,880	13,605	41,688
Accumulated depreciation	(2,569)	(64,211)	(68,496)	(75,543)	(53,425)	(261,675)	(5,042)	(14,728)
Net book value as at January 1, 2020	4,500	31,000	41,526	56,119	22,560	151,205	8,563	26,960
For the year ended December 31, 2020								
Opening net book value	4,500	31,000	41,526	56,119	22,560	151,205	8,563	26,960
Additions	-	3,190	3,444	13	6,355	13,002	122	-
Disposals								
- Cost	-	(1,350)	(8,435)	(17,542)	(2,103)	(29,430)	(815)	-
- Accumulated depreciation	-	1,213	7,231	16,665	1,818	26,927	247	-
Depreciation charge	(228)	(6,333)	(8,444)	(26,805)	(7,169)	(48,751)	(1,083)	(15,719)
Net book value as at December 31, 2020	4,272	27,720	35,322	28,450	21,461	112,953	7,034	11,241
As at December 31, 2020								
Cost	7,069	97,051	105,031	114,133	80,237	396,452	12,912	41,688
Accumulated depreciation	(2,797)	(69,331)	(69,709)	(85,683)	(58,776)	(283,499)	(5,878)	(30,447)
Net book value as at December 31, 2020	4,272	27,720	35,322	28,450	21,461	112,953	7,034	11,241
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							
Motor vehicles							
- Toyota Corolla	600	360	240	1,250	1,010	Negotiation	Mr. Mehran Shah Babar
- Suzuki Alto	508	305	203	373	170	Negotiation	Mr. Rehan Ahmed
Office equipment							
- Generator	6,057	5,451	606	1,035	429	Negotiation	Mr. Ahsan Aziz
- Generator	1,733	1,560	173	50	(123)	Auction	Pakistan International SF General Trading
- Air conditioners	290	100	190	154	(36)	Auction	Pakistan International SF General Trading
- Computers	1,116	853	263	23	(240)	Auction	Jilani Computers Scrap
Disposals having book value not exceeding Rs. 50,000 individually							
Furniture and fixtures	4,275	3,849	426	315	(111)	Negotiation	Various
Office equipment	3,849	3,183	666	556	(110)	Negotiation	Various
Tracker equipment	59,540	59,540	-	-	-	Write-off	Various
Computer equipment	7,174	6,466	708	-	(708)	Write-off	Various
Computer equipment	3,761	3,375	386	196	(190)	Negotiation	Various
Motor vehicles	117	70	47	31	(16)	Negotiation	Various
2021	89,020	85,112	3,908	3,983	75		
2020	30,245	27,174	3,071	2,213	(858)		

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)							
Pakistan International SF General Trading							
Tables, chairs and stools	Furniture and fixtures	1,014	913	101	101	-	Auction
Iron grills, paintings, false ceiling and tiles	Furniture and fixtures	495	445	50	50	-	Auction
Electric wiring, sign boards and fire alarms	Office equipment	764	687	77	67	(10)	Auction
Blocks, plasters, carpets and blinds	Furniture and fixtures	411	370	41	34	(7)	Auction
Work stations, cabinets and doors	Furniture and fixtures	1,616	1,454	162	79	(83)	Auction
Sanitary fittings	Furniture and fixtures	462	416	46	46	-	Auction
Generator and air conditioners	Office equipment	2,521	2,042	479	323	(156)	Auction
		7,283	6,327	956	700	(256)	
Mr. Ahsan Aziz							
Generator	Office equipment	6,057	5,451	606	1,035	429	Negotiation
Jilani Computers Scrap							
Laptops, computers and servers	Computer equipment	3,416	2,923	493	114	(379)	Auction
Printer and scanners	Computer equipment	1,161	1,045	116	86	(30)	Auction
		4,577	3,968	609	200	(409)	

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. 34,526 thousands (2020: Rs. 21,207 thousands).

6. INTANGIBLE ASSETS

	Cost			Amortisation			Written down value as at	Amortisation period
	As at January 1	Additions/ (Writeoffs)	As at December 31	As at January 1	For the year	As at December 31	December 31	
(Rupees in '000)								
Computer software - 2021	118,056	6,086	124,142	56,065	21,991	78,056	46,086	5 years
Computer software - 2020	110,848	30,997 (23,789)	118,056	59,505	20,349	56,065 (23,789)	61,991	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. 15,548 thousands (2020: Rs. 10,290 thousands).

7. INVESTMENT PROPERTIES

	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	47,474	78,089	40-80 years
Lifts and other installations	29,187	-	29,187	21,431	1,797	23,228	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 (2020: Rs. 3,453,729 thousands).

8. INVESTMENTS IN ASSOCIATES

2021 Number of shares	2020 Number of shares	Face value per share (Rupees)	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Quoted					
5,611,592	5,611,592	10	8.1	804,534	766,222
(KGS) Unquoted					
29,250,000	29,250,000	1	8.2	169,146	144,837
				973,680	911,059

8.1 JLICL is engaged in the business of life insurance. The market value of investment is Rs. 1,212,104 thousands (2020: Rs. 2,233,919 thousands) and percentage of holding in associate is 6.43% (2020: 6.43%).

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. 5.60 (2020: Rs. 4.76) per share and percentage of holding in associate is 19.5% (2020: 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, 2021 (2020: Nil).

8.3 Movement of investment in associates is as follows:

	JLICL		JKIC		Total	
	2021	2020	2021	2020	2021	2020
(Rupees in '000)						
Opening balance	766,222	679,026	144,837	147,556	911,059	826,582
Share of profit of associates	137,240	169,741	14,364	19,273	151,604	189,014
Dividend received	(92,591)	(85,704)	(1,975)	(2,274)	(94,566)	(87,978)
Foreign currency translation difference - net	(193)	(1,936)	11,920	(19,718)	11,727	(21,654)
Net unrealised (diminution) / appreciation on revaluation of available-for-sale investments	(7,480)	4,840	-	-	(7,480)	4,840
Actuarial gain on defined benefit plan	1,336	255	-	-	1,336	255
Closing balance	804,534	766,222	169,146	144,837	973,680	911,059

8.4 Following is the summarised financial information of JLICL and JKIC:

	JLICL		JKIC	
	September 30		December 31	
	2021	2020	2021	2020
(Note 8.4.1) (Rupees in '000)				
For the period / year ended				
Revenue	33,433,718	31,538,730	320,842	261,193
Profit after tax	1,216,148	1,966,282	72,290	98,837
Share of profit of associates	137,240	169,741	14,364	19,273
Other comprehensive (loss) / income	(136,317)	(126,733)	-	-
Share of other comprehensive (loss) / income	(6,337)	3,159	-	-
Total comprehensive income	1,079,831	1,839,549	72,290	98,837
Share of total comprehensive income	130,903	172,900	14,364	19,273
As at				
Total assets	189,325,734	184,379,051	1,182,488	1,056,951
Total liabilities	176,813,548	172,462,696	343,132	342,261
Net assets	12,512,186	11,916,355	839,356	714,690
Share of net assets	804,534	766,222	163,674	139,365
Fair value of consideration net of exchange translation	-	-	5,472	5,472
Carrying value of investment	804,534	766,222	169,146	144,837

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, 2021 (2020: September 30, 2020).

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, 2021. The functional and presentational currency of JKIC is Kyrgyz Som (KGS).

9. INVESTMENTS IN EQUITY SECURITIES

Note	2021			2020		
	Cost / Carrying value	Impairment / provision for the year	Market value	Cost / Carrying value	Impairment / provision for the year	Market value
Available-for-sale						
(Rupees in '000)						
Related parties						
Mutual funds	1,268	-	4,609	1,268	-	5,078
Listed shares	560,975	60,000	497,967	620,975	-	564,836
	562,243	60,000	502,576	622,243	-	569,914
Others						
Listed shares / certificates	2,163,834	69,191	2,403,521	2,675,713	42,483	3,159,352
Unlisted shares						
- Matari Sugar Mills Limited [951,665 shares (2020: 951,665 shares)]						
Name of CEO: Syed Shafqat Ali Shah						
Break-up value: Rs. 106.44 (2020: Rs. 110.75)	2,500	-	2,500	2,500	-	2,500
	2,166,334	69,191	2,406,021	2,678,213	42,483	3,161,852
At fair value through profit or loss						
Listed shares	177,562	-	172,513	-	-	-
	2,906,139	129,191	3,081,110	3,300,456	42,483	3,731,766

9.1 Investments - Available-for-sale

9.1.1 Related parties

9.1.1.1 Mutual funds

Name of Fund	Number of units		2021		2020	
	2021	2020	Cost / Carrying value	Market value	Cost / Carrying value	Market value
(Rupees in '000)						
HBL Growth Fund Class B	146,124	142,500	457	2,500	457	2,602
HBL Investment Fund Class B	103,333	100,379	107	903	107	947
HBL Growth Fund Class A	142,500	142,500	607	955	607	1,211
HBL Investment Fund Class A	100,379	100,379	97	251	97	318
			1,268	4,609	1,268	5,078

9.1.1.2 Listed shares

Name of Investee Company	Number of units		2021		2020	
	2021	2020	Cost / Carrying value	Market value	Cost / Carrying value	Market value
(Rupees in '000)						
Commercial Banks						
Habib Bank Limited	4,270,000	4,270,000	560,975	497,967	620,975	564,836

9.1.2 Others

9.1.2.1 Listed shares / certificates

Name of Investee Company	Number of units		2021		2020	
	2021	2020	Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)						
MODARABAS						
Orix Modaraba	1,297,972	1,297,972	8,839	20,768	8,839	22,779
First Habib Modaraba	2,000,000	2,000,000	11,345	17,920	11,345	19,800
			20,184	38,688	20,184	42,579
LEASING COMPANIES						
OLP Financial Services Pakistan Limited (formerly Orix Leasing Pakistan Limited)	456,526	456,526	2,300	9,815	2,300	12,326
COMMERCIAL BANKS						
Bank Al Habib Limited	850,000	962,500	29,941	58,659	33,904	66,990
National Bank of Pakistan	-	1,250,000	-	-	50,402	53,700
United Bank Limited	2,400,000	3,050,000	340,335	327,792	436,171	383,874
Bank Alfalah Limited	5,450,000	4,800,000	192,100	188,570	171,317	169,584
The Bank of Punjab	1,175,000	1,175,000	11,152	9,952	11,152	10,892
Faysal Bank Limited	-	172,500	-	-	2,649	2,981
Habib Metropolitan Bank Limited	475,000	475,000	15,581	20,344	15,581	18,520
Askari Bank Limited	650,000	-	14,964	14,313	-	-
MCB Bank Limited	1,100,000	1,042,654	198,810	168,690	194,197	193,184
Allied Bank Limited	685,000	585,000	56,355	56,355	56,043	49,941
			859,238	844,675	971,416	949,666
TEXTILE COMPOSITE						
Nishat Mills Limited	500,000	900,000	43,833	39,790	78,899	91,594
TEXTILE SPINNING						
Service Textiles Industries Limited	199,420	199,420	100	2,393	100	2,947
AUTOMOBILE PARTS & ACCESSORIES						
Thal Limited	199,500	200,000	10,240	76,347	10,266	94,536
INSURANCE						
Adamjee Insurance Company Limited	275,000	871,000	10,680	11,000	33,826	34,248
POWER GENERATION & DISTRIBUTION						
The Hub Power Company Limited	2,000,000	2,200,000	122,496	142,680	134,746	174,527
Kot Addu Power Company Limited	-	400,000	-	-	7,716	10,880
Nishat Power Limited	571,000	-	10,953	11,351	-	-
K-Electric Limited	3,200,000	2,000,000	12,272	11,008	8,740	7,820
			145,721	165,039	151,202	193,227
OIL & GAS MARKETING COMPANIES						
Attock Petroleum Limited	85,000	110,000	26,690	26,690	47,721	36,809
Pakistan State Oil Company Limited	175,000	250,000	23,400	31,831	33,429	53,826
			50,090	58,521	81,150	90,635
OIL & GAS EXPLORATION COMPANIES						
Pakistan Oilfields Limited	390,305	326,000	143,857	139,581	119,790	128,905
Pakistan Petroleum Limited	1,590,000	1,640,000	150,361	125,674	158,582	148,141
Oil & Gas Development Company Limited	1,900,000	2,400,000	163,780	163,780	284,695	249,048
Mari Petroleum Company Limited	50,000	56,918	63,048	82,712	71,771	76,260
			521,046	511,747	634,838	602,354
ENGINEERING						
International Industries Limited	592,100	1,600,000	30,631	82,189	82,773	282,560
Mughal Iron & Steels Industries Limited	-	650,000	-	-	26,347	49,225
Amreli Steels Limited	-	542,000	-	-	18,683	26,157
			30,631	82,189	127,803	357,942

Name of Investee Company	Number of units		2021		2020	
	2021	2020	Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)						
AUTOMOBILE ASSEMBLER						
Millat Tractors Limited	74,360	100,000	6,416	76,939	9,706	109,409
AUTOMOBILE PARTS & ACCESSORIES						
The General Tyre and Rubber Company of Pakistan Limited	-	50,000	-	-	2,753	4,146
TECHNOLOGY & COMMUNICATION						
Pakistan Telecommunication Company Limited	5,000,000	8,250,000	46,800	43,500	77,220	75,076
FERTILIZER						
Fauji Fertilizer Company Limited	1,300,000	1,327,600	123,574	130,338	126,197	144,045
Fauji Fertilizer Bin Qasim Limited	200,000	200,000	3,904	4,956	3,904	5,064
Engro Corporation Limited	300,000	430,432	72,100	81,726	103,446	132,299
Engro Fertilizers Limited	2,800,000	2,850,000	204,688	213,052	208,344	180,206
			404,266	430,072	441,891	461,614
FOOD & PERSONAL CARE PRODUCTS						
Al Shaheer Corporation Limited	950,000	950,000	12,289	12,806	12,289	14,764
MISCELLANEOUS						
TPL Properties Limited	-	2,394,000	-	-	19,870	22,289
			2,163,834	2,403,521	2,675,713	3,159,352

9.2 At fair value through profit and Loss

Listed shares

Name of Investee Company	Number of units		2021		2020	
	2021	2020	Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)						
FERTILIZER						
Engro Corporation Limited	25,000	-	6,763	6,811	-	-
Engro Fertilizers Limited	200,000	-	15,220	15,218	-	-
			21,983	22,029	-	-
TECHNOLOGY & COMMUNICATION						
Pakistan Telecommunication Company Limited	400,000	-	3,949	3,480	-	-
COMMERCIAL BANKS						
MCB Bank Limited	80,000	-	12,207	12,268	-	-
Bank Al Habib Limited	250,000	-	17,697	17,253	-	-
			29,904	29,521	-	-
TEXTILE COMPOSITE						
Nishat Mills Limited	125,600	-	10,936	9,995	-	-
CEMENT						
Lucky Cement Limited	20,000	-	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	100,000	-	8,798	8,620	-	-
Pakistan Oilfields Limited	120,418	-	44,610	43,063	-	-
Pakistan Petroleum Limited	125,000	-	9,611	9,880	-	-
Pakistan State Oil Company Limited	145,000	-	27,365	26,374	-	-
			90,384	87,937	-	-
POWER GENERATION & DISTRIBUTION						
The Hub Power Company Limited	25,000	-	1,788	1,784	-	-
			177,562	172,513	-	-

10. INVESTMENTS IN DEBT SECURITIES

INVESTMENTS IN DEBT SECURITIES		2021		2020	
		Cost	Carrying value	Cost	Carrying value
Government securities		..... (Rupees in '000)			
Others		..... (Rupees in '000)			
Held to maturity					
Pakistan Investment Bonds	10.1.1	51,741	51,741	208,568	208,568
Available-for-sale					
Pakistan Investment Bonds	10.2.1	2,329,775	2,365,344	3,285,975	3,534,550
Treasury Bills	10.2.2	5,867,970	5,863,172	6,003,818	6,004,506
		8,197,745	8,228,516	9,289,793	9,539,056
		8,249,486	8,280,257	9,498,361	9,747,624

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	2021		2020	
					Cost	Carrying value	Cost	Carrying value
..... (Rupees in '000)								
160,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years		-	-	156,075	156,075
50,000,000	10	Semi annually	Pakistan Investment Bond - 20 years	20-01-2024	51,741	51,741	52,493	52,493
					51,741	51,741	208,568	208,568

10.1.1.1 The market value of these investments amounted to Rs 48,785 thousands (2020: Rs 212,283 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	2021		2020	
					Cost	Carrying value	Cost	Carrying value
..... (Rupees in '000)								
125,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	120,852	125,038
100,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	96,974	100,030
50,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	48,405	50,015
75,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	72,517	75,023
37,500,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	36,577	37,511
50,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	48,475	50,015
125,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	120,772	125,038
56,200,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	54,876	56,217
37,500,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	36,617	37,511
100,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	97,620	100,030
50,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	48,417	50,015
100,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	96,834	100,030
50,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	48,393	50,015
50,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	48,357	50,015

Face value (Rupees)	Profit rate %	Profit payment	Type of Security	Maturity date	2021		2020	
					Cost	Carrying value	Cost	Carrying value
..... (Rupees in '000)								
50,000,000	7.25	Semi annually	Pakistan Investment Bond - 3 years	12-07-2021	-	-	48,381	50,015
150,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	146,173	147,613	141,334	152,610
100,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	98,193	98,410	95,908	101,740
100,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	98,202	98,410	95,911	101,740
50,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	49,068	49,205	47,952	50,870
135,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	132,283	132,854	128,827	137,349
50,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	49,100	49,205	47,915	50,870
100,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	98,203	98,410	95,889	101,740
50,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	49,084	49,205	47,881	50,870
200,000,000	9.00	Semi annually	Pakistan Investment Bond - 3 years	19-09-2022	196,271	196,820	191,520	203,480
100,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	92,378	95,390	88,155	99,550
75,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	69,488	71,543	66,426	74,663
50,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	46,223	47,695	44,130	49,775
100,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	92,257	95,390	88,163	99,550
150,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	138,461	143,085	132,072	149,325
75,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	69,218	71,543	66,016	74,663
100,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	92,384	95,390	88,541	99,550
50,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	46,160	47,695	44,130	49,775
50,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	46,129	47,695	44,034	49,775
100,000,000	8.00	Semi annually	Pakistan Investment Bond - 5 years	12-07-2023	92,632	95,390	87,971	99,550
100,000,000	9.50	Semi annually	Pakistan Investment Bond - 5 years	19-09-2024	93,542	95,630	91,643	102,000
75,000,000	9.50	Semi annually	Pakistan Investment Bond - 5 years	19-09-2024	71,554	71,723	70,525	76,500
200,000,000	9.50	Semi annually	Pakistan Investment Bond - 5 years	19-09-2024	191,098	191,260	188,437	204,000
75,000,000	9.50	Semi annually	Pakistan Investment Bond - 5 years	19-09-2024	72,156	71,723	71,301	76,500
37,500,000	8.75	Semi annually	Pakistan Investment Bond - 10 years	12-07-2028	30,466	32,850	29,830	35,471
37,500,000	8.75	Semi annually	Pakistan Investment Bond - 10 years	12-07-2028	29,977	32,850	29,306	35,471
50,000,000	10.00	Semi annually	Pakistan Investment Bond - 10 years	19-09-2029	44,719	46,120	44,323	50,215
50,000,000	10.00	Semi annually	Pakistan Investment Bond - 10 years	19-09-2029	47,566	46,120	47,373	50,215
50,000,000	10.00	Semi annually	Pakistan Investment Bond - 10 years	19-09-2029	46,790	46,120	46,539	50,215
					2,329,775	2,365,344	3,285,975	3,534,550

10.2.2 Treasury Bills

Face value (Rupees)	Profit rate %	Profit payment	Type of Security	Maturity date	2021		2020	
					Cost	Carrying value	Cost	Carrying value
..... (Rupees in '000)								
375,000,000	13.12	On maturity	Treasury Bills	14-01-2021	-	-	373,455	374,067
312,500,000	7.18	On maturity	Treasury Bills	14-01-2021	-	-	311,716	311,723
250,000,000	7.16	On maturity	Treasury Bills	28-01-2021	-	-	248,700	248,705
199,000,000	7.16	On maturity	Treasury Bills	28-01-2021	-	-	197,970	197,969
250,000,000	7.15	On maturity	Treasury Bills	11-02-2021	-	-	248,027	248,036
54,000,000	7.15	On maturity	Treasury Bills	11-02-2021	-	-	53,573	53,576
200,000,000	7.15	On maturity	Treasury Bills	11-02-2021	-	-	198,426	198,429
400,000,000	7.15	On maturity	Treasury Bills	11-02-2021	-	-	396,853	396,857
312,500,000	7.14	On maturity	Treasury Bills	25-02-2021	-	-	309,195	309,206
500,000,000	7.14	On maturity	Treasury Bills	25-02-2021	-	-	494,708	494,730
464,000,000	7.12	On maturity	Treasury Bills	11-03-2021	-	-	457,855	457,863
500,000,000	7.12	On maturity	Treasury Bills	11-03-2021	-	-	493,384	493,387
405,000,000	7.12	On maturity	Treasury Bills	11-03-2021	-	-	399,637	399,643
500,000,000	7.12	On maturity	Treasury Bills	11-03-2021	-	-	493,388	493,387
500,000,000	7.12	On maturity	Treasury Bills	11-03-2021	-	-	493,388	493,387
500,000,000	7.15	On maturity	Treasury Bills	25-03-2021	-	-	492,047	492,055
217,000,000	7.15	On maturity	Treasury Bills	25-03-2021	-	-	213,558	213,552
130,000,000	7.15	On maturity	Treasury Bills	25-03-2021	-	-	127,938	127,934
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	-	-
					5,867,970	5,863,172	6,003,818	6,004,506

10.3 Pakistan Investment Bonds with face value of Rs. 200,000 thousands (2020: Rs. 210,000 thousands) are placed with the State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

11. INVESTMENTS IN TERM DEPOSITS

INVESTMENTS IN TERM DEPOSITS		2021	2020
Held to maturity	Note	.....(Rupees in '000).....	
Deposits maturing within 12 months			
Term deposits - local currency	11.1 & 11.2	2,530,750	29,860
Term deposits - foreign currency		138,553	110,607
	11.3	2,669,303	140,467

11.1 These include an amount of Rs. 5,750 thousands (2020: Rs. 4,860 thousands) placed under lien with commercial banks against bank guarantees.

11.2 These include an amount of Rs. 1,525,000 thousands (2020: Rs. 25,000 thousands) held with related parties. Term deposit with related parties carry profit rates ranging from 8.50% to 13.00% (2020: 9.50%) per annum and having maturity up to May 19, 2022.

11.3 Term deposits carry interest rates ranging from 7.2% to 13.00% (2020: 5% to 9.50%) per annum and having maturity up to December 29, 2022. Foreign deposits carry interest rates ranging from 0.15% to 1.00% (2020: 0.1% to 1.3%) per annum and having maturity up to January 22, 2022.

	2021	2020
.....(Rupees in '000).....		
Rent receivable	-	2,547
Accrued investment income	96,900	134,089
Security deposit	36,280	66,912
Advance to suppliers	78,049	64,158
Loans to employees	1,091	726
Sales tax recoverable	20,947	18,385
Medical claims recoverable	6,118	8,406
Receivable against sale of investments	5,031	5,042
Other receivable	6,796	3,270
	251,212	303,535

			2021	2020
13.	INSURANCE / RE-INSURANCE RECEIVABLES			
	Unsecured and considered good	Note	.....(Rupees in '000).....	
	Due from insurance contract holders	13.1	1,636,124	1,140,113
	Less: provision for impairment of receivables from insurance contract holders		(174,961)	(174,961)
			1,461,163	965,152
	Due from other insurers / reinsurers		81,612	125,876
	Less: provision for impairment of due from other insurers / re-insurers		(17,000)	(17,000)
			64,612	108,876
			1,525,775	1,074,028

13.1 This includes Rs. 73,188 thousands (2020: Rs. 101,510 thousands) receivable from related parties.

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 12.00% (2020: 9.75%) per annum.
- Expected rate of increase in the salaries of the employees 12.00% (2020: 9.75%) per annum.
- Expected interest rate on plan assets 9.75% (2020: 12.00%) per annum.
- Average service length of the employees 11.4 years (2020: 11 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.

		2021	2020
14.1.1	Asset / (liability) appearing on the statement of financial position	Note	.....(Rupees in '000).....
	Present value of defined benefit obligation	14.1.3	397,481
	Fair value of plan assets	14.1.4	(397,481)
			-
14.1.2	Movement in asset / (liability) during the year		
	Opening balance		-
	Charge to the profit and loss account	14.1.5	31,303
	Charge to the statement of comprehensive income	14.1.6	(22,085)
	Contributions to the Fund during the year	14.1.4	(9,218)
	Closing balance		-
14.1.3	Reconciliation of the present value of the defined benefit obligations		
	As at January 1		367,833
	Current service costs		31,303
	Interest costs		34,675
	Benefits paid		(24,393)
	Actuarial loss / (gain) from changes in financial assumptions		643
	Experience adjustments		(12,580)
	As at December 31		397,481
14.1.4	Changes in the fair value of plan assets		
	As at January 1		367,833
	Interest income on plan assets		34,675
	Contribution to the Fund		9,218
	Benefits paid		(24,393)
	Return on plan assets, excluding interest income		10,148
	As at December 31		397,481
14.1.5	Charge to the profit and loss account		
	Current service costs	14.1.3	31,303
	Interest costs	14.1.3	34,675
	Interest income on plan assets	14.1.4	(34,675)
			31,303
14.1.6	Remeasurements recognised in the statement of comprehensive income during the year		
	Actuarial loss / (gain) from changes in financial assumptions	14.1.3	643
	Experience adjustments	14.1.3	(12,580)
	Return on plan assets, excluding interest income	14.1.4	(10,148)
			(22,085)

		2021		2020	
		Fair value	Percentage	Fair value	Percentage
		(Rupees in '000)		(Rupees in '000)	
14.1.7	Composition of plan assets				
	Equity instruments	8,479	2.13	11,257	3.06
	Government securities	373,052	93.85	350,622	95.32
	Others	15,950	4.02	5,954	1.62
	Total	397,481	100.00	367,833	100.00
14.1.8	Historical data	2021	2020	2019	2018
		(Rupees in '000)			
	Present value of defined benefit obligations	397,481	367,833	368,427	312,094
	Fair value of plan assets	(397,481)	(367,833)	(368,427)	(312,094)
	(Surplus) / deficit	-	-	-	-
	Experience adjustments				
	- Actuarial (gain) / loss on defined benefit obligation	(12,580)	(15,852)	35	31,100
	- Actuarial gain / (loss) on plan assets	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, 2022 would be Rs. 32,930 thousands.				
14.1.10	Sensitivity analysis on significant actuarial assumptions	2021	2020		
	Defined benefit obligation	(Rupees in '000)			
	Discount rate +1%	362,994	334,090		
	Discount rate -1%	420,079	391,628		
	Future salary increases +1%	420,094	391,637		
	Future salary increases -1%	362,497	333,586		
14.1.11	Number of employees covered under the scheme	2021	2020		
		(Number)			
	Defined benefit plan	525	536		
14.2	Defined contribution plan	2021	2020		
		(Un-audited)	(Audited)		
14.2.1	Provident fund trust	(Rupees in '000)			
	Size of the fund	717,016	675,157		
	Cost of investments made	648,709	618,676		
	Percentage of investments made (based on fair value)	95%	96%		
	Fair value of investments	684,557	650,871		
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:				
		2021	2020		
		(Un-audited)	(Audited)		
		(Rupees in '000)			
	Listed shares / mutual funds	60,370	61,508		
	Government securities	624,187	589,363		
		684,557	650,871		

		2021	2020
15. PREPAYMENTS	Note	.....(Rupees in '000).....	
Prepaid reinsurance premium ceded	26	2,339,417	1,663,576
Prepaid rent		17,140	10,278
Prepaid miscellaneous expenses		21,292	14,899
		<u>2,377,849</u>	<u>1,688,753</u>

16. CASH AND BANK

Cash and cash equivalents

- Cash in hand
- Policy and revenue stamps, bond papers

Cash at bank

- Current accounts
- Savings accounts

56	31
2,817	4,149
2,873	4,180
84,031	55,957
1,815,086	905,725
1,899,117	961,682
1,901,990	965,862

16.1 Savings accounts carry interest rates ranging from 5.50% to 10.00% (2020: 5.50% to 6.75%) per annum.

16.2 Cash at bank includes Rs. 104,676 thousands (2020: Rs. 55,418 thousands) held with related parties. Savings accounts with related parties carry profit rates ranging from 5.51% to 7.26% (2020: 5.51%) per annum.

16.3 Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	2021	2020
	.....(Rupees in '000).....	
Cash and other equivalents		
Cash in hand	56	31
Policy and revenue stamps, bond papers	2,817	4,149
	2,873	4,180
Cash at bank		
Current accounts	84,031	55,957
Savings accounts	1,815,086	905,725
	1,899,117	961,682
Deposits having original maturity within 3 months		
Term deposits - local currency	2,500,000	-
Term deposits - foreign currency	32,652	14,427
	2,532,652	14,427
	<u>4,434,642</u>	<u>980,289</u>

17. WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

Assets

- Cash and bank
- Investments
- Property and equipment and intangible assets
- Other assets

Total assets

Total liabilities

Profit before tax

2021	2020
.....(Rupees in '000).....	
258,206	210,422
56,261	54,786
2,224	3,799
173,195	149,306
489,886	418,313
288,834	232,625
146,970	128,146

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, 2021.

18. SHARE CAPITAL

18.1 Authorised capital

2021 (Number of shares in '000)	2020		2021 .....(Rupees in '000).....	2020
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. 1,455,679 thousands (145,567,882 shares of Rs. 10 each) [2020: Rs. 1,460,559 thousands (146,055,929 shares of Rs. 10 each)].

19. RESERVES	Note	2021 .....(Rupees in '000).....	2020
Capital reserves			
Reserve for exceptional losses	19.1	9,384	9,384
Net unrealised appreciation on revaluation of available-for-sale investments - net of tax		144,649	481,522
Foreign currency translation difference - net of tax		17,680	9,354
Revenue reserves			
General reserve	19.2	4,100,000	3,800,000
Special reserve	19.3	1,800,000	1,400,000
Company's share of retained earnings arising from business other than participating business attributable to shareholder Ledger D of an associate	19.4	264,174	241,605
Company's share of money ceded to waqf fund by an associate	19.4	32	32
		6,335,919	5,941,897

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.

19.2 General reserve

Balance at the beginning of the year	3,800,000	3,650,000
Transfer from unappropriated profit	300,000	150,000
Balance at the end of the year	4,100,000	3,800,000

19.3 Special reserve

Balance at the beginning of the year	1,400,000	1,200,000
Transfer from unappropriated profit	400,000	200,000
Balance at the end of the year	1,800,000	1,400,000

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.

20. DEFERRED TAXATION - net**Note****2021****2020**

.....(Rupees in '000).....

Deferred tax credits arising in respect of:

Share of profit of associates	255,986	239,444
Right-of-use asset - net	383	1,736
Foreign currency translation difference	7,021	3,564
Unrealised appreciation on revaluation of available-for-sale investments	60,480	196,723

323,870

441,467

Deferred tax debits arising in respect of:

Accelerated tax depreciation	(881)	(3,065)
Share in other comprehensive (loss) / income of an associate	(467)	1,758
Actuarial loss on defined benefit plan	(17,746)	(24,538)
Provision for doubtful debts	(55,669)	(55,669)
Impairment on available-for-sale investments	(109,993)	(70,417)
Other provisions	(71,518)	(57,393)

(256,274)

(209,324)

67,596

232,143

20.1 Movement in net deferred tax liability is as follows:

Opening deferred tax

232,143

296,709

Reversal / (charge) to the profit and loss account

Accelerated tax depreciation	2,184	(5,815)
Share of profit of associates	16,542	28,092
Right-of-use asset - net	(1,353)	160
Impairment on available-for-sale investments	(39,576)	(13,243)
Other provisions	(14,125)	(11,516)

(36,328)

(2,322)

Charge to other comprehensive income

Foreign currency translation difference	3,457	(5,718)
Unrealised appreciation on revaluation of available-for-sale investments	(136,243)	(59,225)
Share in other comprehensive (loss) / income of an associate	(2,225)	916
Actuarial loss on defined benefit plan	6,792	1,783

(128,219)

(62,244)

67,596

232,143

Closing deferred tax

21. INSURANCE / REINSURANCE PAYABLES

Due to insurance contract holders	101,744	50,467
Due to other insurers / reinsurers	2,583,719	1,938,768

2,685,463

1,989,235

22. OTHER CREDITORS AND ACCRUALS

Agent commission payable	439,315	469,240
Federal excise duty / sales tax	134,588	45,317
Federal insurance fee	4,985	2,941
Sindh Workers' Welfare Fund	275,563	231,902
Tax deducted at source	11,143	6,544
Accrued expenses	49,622	50,957
Claims payable - stale cheques	74,173	61,335
Unpaid and unclaimed dividend	142,550	121,872
Lease liability against right-of-use asset	-	5,097
Others	34,163	30,724

1,166,102

1,025,929

23. DEPOSITS AND OTHER PAYABLES

Advance rent	23.1	50,842	22,210
Security deposits against bond insurance	23.2	1,558,527	1,400,696
Other deposits		7,763	1,592

1,617,132

1,424,498

23.1 This includes advance rent from a related party amounting to Rs. 40,981 thousands (2020: Rs. 12,367 thousands).**23.2** This represents margin deposit on account of performance and other bond policies issued by the Company.

24.	TAXATION - PROVISION LESS PAYMENTS	Note	2021	2020
			.....(Rupees in '000).....	
	Provision for taxation		5,161,329	4,449,791
	Less: advance tax including tax deducted at source		(4,846,474)	(4,276,291)
			314,855	173,500

- 24.1** The Company has filed returns up to tax year 2021. 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 and 2020 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 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 Commissioner of Inland Revenue (Appeals) who had maintained the order passed by the Taxation Officer. The Company filed an appeal to the ATIR and the ATIR 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 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 2009 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. 42,920 thousand. The Company had filed an appeal before the Commissioner Inland Revenue (Appeals) (CIRA) the CIRA had confirmed the additional tax demand created by ACIR in his orders pertaining to both the tax years. Subsequently, the Company had filed appeal with Appellate Tribunal Inland Revenue (ATIR) for the tax years 2009. The ATIR decided the appeal and accordingly, CIRA had issued the appellate orders in favour of the Company, Appeal effect for tax year 2010 had been given by ACIR with a tax liability of Rs. 330 thousands for the tax year 2010 has been issued. The 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 Appellate Tribunal Inland Revenue 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 year 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 has 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 Additional Commissioner Inland Revenue (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 Commissioner of Inland Revenue (Appeals) (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** 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, 2021. 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. 219.553 million (December 31, 2020: Rs. 133.369 million) 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.
- 24.14** 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, 2021 is Rs 350.195 million (2020: Rs 356.63 million).

25. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments except for tax matters which are disclosed in note 24 to these financial statements.

26. NET INSURANCE PREMIUM

2021 **2020**
.....(Rupees in '000).....

Written gross premium	10,614,596	9,109,975
Add: Unearned premium reserves opening	3,465,728	3,556,851
Less: Unearned premium reserves closing	4,244,992	3,465,728
Premium earned	9,835,332	9,201,098
Less: Reinsurance premium ceded	5,314,123	4,286,689
Add: Prepaid reinsurance premium ceded opening	1,663,576	1,618,960
Less: Prepaid reinsurance premium ceded closing	2,339,417	1,663,576
Reinsurance expense	4,638,282	4,242,073
	5,197,050	4,959,025

27. NET INSURANCE CLAIMS

Claims paid	3,557,349	3,649,795
Add: Outstanding claims including IBNR closing	5,154,819	4,807,405
Less: Outstanding claims including IBNR opening	4,807,405	4,240,397
Claims expense	3,904,763	4,216,803
Less: Reinsurance and other recoveries received	686,236	877,645
Add: Reinsurance and other recoveries against outstanding claims closing	3,618,024	3,259,888
Less: Reinsurance and other recoveries against outstanding claims opening	3,259,888	2,978,912
Reinsurance and other recoveries revenue	1,044,372	1,158,621
	2,860,391	3,058,182

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	2016 & prior	2017	2018	2019	2020	2021 (including IBNR)	Total
..... (Rupees in '000)							
Gross estimate of ultimate claims cost:							
- At end of accident year	4,265,608	3,462,817	4,937,574	4,001,491	4,547,765	4,616,595	
- One year later	4,131,246	3,694,646	4,370,222	3,899,748	4,169,623	-	
- Two years later	3,848,623	3,635,296	4,193,865	3,925,750	-	-	
- Three years later	3,757,781	3,556,431	4,190,963	-	-	-	
- Four years later	3,756,063	3,544,919	-	-	-	-	
- Five years later	3,707,916	-	-	-	-	-	
Current estimate of cumulative claims	3,707,916	3,544,919	4,190,963	3,925,750	4,169,623	4,616,595	24,155,766
Cumulative payments to date	(2,735,058)	(3,178,302)	(3,936,473)	(3,263,838)	(3,279,882)	(2,607,394)	(19,000,947)
Liability recognised in the statement of financial position	972,858	366,617	254,490	661,912	889,741	2,009,201	5,154,819

27.2 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2021 amounted to Rs 218,339 thousands (2020: Rs 297,130 thousands).

		2021	2020
		.....(Rupees in '000).....	
28. NET COMMISSION EXPENSE / ACQUISITION COST	Note		
Commission paid or payable		609,074	554,968
Add: Deferred commission expense / acquisition cost opening		210,288	247,849
Less: Deferred commission expense / acquisition cost closing		247,251	210,288
Net commission		572,111	592,529
Less: Commission received or recoverable		332,386	242,970
Add: Unearned reinsurance commission opening		108,839	117,594
Less: Unearned reinsurance commission closing		148,056	108,839
Commission from reinsurers		293,169	251,725
		278,942	340,804
29. MANAGEMENT EXPENSES			
Employees benefit cost	29.1	1,187,444	1,172,167
Travelling expenses		6,677	5,522
Advertisement and sales promotion		25,303	36,257
Printing and stationery		15,339	31,675
Depreciation	29.2	45,635	61,895
Amortisation	29.3	20,641	19,147
Rent, rates and taxes		31,116	21,489
Legal and professional charges - business related		15,618	17,610
Electricity, gas and water		20,391	16,253
Entertainment		12,078	10,909
Vehicle running expenses		3,281	2,663
Office repairs and maintenance		9,219	7,428
Bank charges		2,578	2,001
Postage, telegrams and telephone		17,741	16,887
Annual supervision fee to the SECP		14,043	17,202
IT related expenses		79,878	59,689
Directors' fee and expenses		5,772	6,422
Statutory levies		5,112	4,818
Inspection fee		5,575	5,881
Insurance expense		2,448	1,965
Other expenses		20,067	18,213
	29.4 & 29.5	1,545,956	1,536,093

			2021	2020
29.1	Employee benefit cost	Note	.....(Rupees in '000).....	
	Salaries, allowance and other benefits		1,126,785	1,107,804
	Charges for post employment benefits	29.1.1	60,659	64,363
			1,187,444	1,172,167
29.1.1	This represents Rs. 31,277 thousands (2020: Rs. 31,121 thousands) being contribution for employee provident fund and Rs. 29,382 thousands (2020: Rs. 33,242 thousands) in respect of defined benefit plan - employee gratuity.			
29.2	Depreciation	Note	2021	2020
			.....(Rupees in '000).....	
	Depreciation charged during the year	5	48,620	65,781
	Less: depreciation allocated to Window Takaful Operations		(2,985)	(3,886)
			45,635	61,895
29.3	Amortisation			
	Amortisation charged during the year	6	21,991	20,349
	Less: amortisation allocated to Window Takaful Operations		(1,350)	(1,202)
			20,641	19,147
29.4	This includes costs amounting to Rs. 37,856 thousands (2020: Rs. 40,020 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. 98,655 thousands (2020: Rs. 93,929 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	Note	2021	2020
			.....(Rupees in '000).....	
	Income from equity securities			
	Available-for-sale			
	Dividend income		35,227	10,675
	- related parties		270,560	201,856
	- others		305,787	212,531
	At fair value through profit or loss			
	Dividend income		6,383	12,538
	- others		312,170	225,069
	Income from debt securities			
	Held to maturity			
	- return on government securities		11,123	16,579
	- amortisation of discount		3,173	6,142
			14,296	22,721
	Available-for-sale			
	- return on government securities		787,424	723,011
	- amortisation of discount		100,025	114,980
			887,449	837,991
			901,745	860,712
	Income from term deposits			
	- return on term deposits	30.1	20,866	4,448

Net realised gains / (losses) on investments

2021 **2020**
(Rupees in '000).....

Available-for-sale

- gain on sale of equity securities
- loss on sale of equity securities
- (loss) / gain on sale of government securities

323,687	694,258
(20,639)	(48,455)
(2)	2,715
303,046	648,518

At fair value through profit or loss

- gain on sale of equity securities
- loss on sale of equity securities

15,289	70,687
(1,949)	(32,749)
13,340	37,938

Unrealised diminution on revaluation of investments
 classified as at fair value through profit or loss

(5,049)	-
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Total investment income

1,546,118	1,776,685
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Less: impairment in value of available-for-sale equity securities

(129,191)	(42,483)
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Less: investment related expenses

(31,650)	(24,517)
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1,385,277	1,709,685
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30.1 This includes return on term deposits of Rs. 15,440 thousands (2020: Rs. 2,517 thousands) from a related party.

31. RENTAL INCOME

2021 **2020**
(Rupees in '000).....

Rental income

134,346	109,587
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Less: expenses of investment property

(52,185)	(40,012)
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82,161	69,575
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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, 2021 fall within one year amounting to Rs 35,523 thousands (2020: Rs 33,036 thousands).

32. OTHER INCOME

2021 **2020**
(Rupees in '000).....

Return on bank balances

32.1	97,090	94,830
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Gain on sale of property and equipment and investment properties

75	142
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Return on loans to employees

31	34
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Exchange gain

12,608	4,555
--------	-------

Others

3,004	2,636
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112,808	102,197
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32.1 This includes return on bank balances of Rs. 2,984 thousands (2020: Rs. 28,760 thousands) from related parties.

33. OTHER EXPENSES

2021 **2020**
(Rupees in '000).....

Legal and professional fee other than business related

33.1	11,753	9,414
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Auditors' remuneration

3,222	4,604
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Subscription

1,163	3,338
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Donations

-	5,102
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Sindh Workers' Welfare Fund

43,661	39,711
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Write-off against advance to supplier

-	44,718
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Others

787	1,968
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60,586	108,855
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33.1	Auditors' remuneration	Note	2021(Rupees in '000).....	2020(Rupees in '000).....
	Audit fee		1,200	1,100
	Interim review fee		350	330
	Special certifications and sundry advisory services		1,000	960
	Other advisory services		-	1,680
	Out-of-pocket expenses including government levy		672	534
			3,222	4,604
	IT related services	33.1.1	5,201	-
			8,423	4,604

33.1.1 This relates to IT advisory services acquired for business purposes and has been recorded under management expenses (note 29). Rs 319 thousands (2020: Nil) out of this has been allocated to Window Takaful Operations in accordance with the exercise carried out by the management.

34.	TAXATION - net	2021 .....(Rupees in '000).....	2020 .....(Rupees in '000).....
	Current tax		
	- current year	716,996	613,148
	- prior year	-	(29,856)
		716,996	583,292
	Deferred tax	(36,328)	(2,322)
		680,668	580,970

34.1 Relationship between tax expense and accounting profit

	2021 (Effective tax rate) (Percentage)	2020	2021 .....(Rupees in '000).....	2020 .....(Rupees in '000).....
Profit before tax			2,329,995	2,113,708
Tax at the applicable rate of 29% (2020: 29%)	29.00	29.00	675,699	612,975
Effect of prior year adjustment	-	(1.41)	-	(29,856)
Tax effect of others	0.21	(0.10)	4,969	(2,149)
	29.21	27.49	680,668	580,970

35.	EARNINGS PER SHARE	2021 .....(Rupees in '000).....	2020 .....(Rupees in '000).....
	Profit after tax for the year	1,649,327	1,532,738
		(Number of shares in '000)	
	Weighted average number of shares of Rs. 10 each	198,491	198,491
		(Rupees)	
	Basic earnings per share	8.31	7.72

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	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in '000)							
Fees	-	-	6,150	6,825	-	-	6,150	6,825
Managerial remuneration	37,440	31,200	-	-	284,325	260,607	321,765	291,807
Leave encashment	1,560	1,300	-	-	12,423	9,276	13,983	10,576
Bonus	7,020	3,057	-	-	39,445	37,344	46,465	40,401
Charge for defined contribution plan	2,013	1,677	-	-	13,845	12,867	15,858	14,544
Medical	975	1,186	-	-	3,492	4,031	4,467	5,217
Conveyance	2,484	2,484	-	-	48,207	45,296	50,691	47,780
Others	1,351	763	-	-	26,330	22,591	27,681	23,354
	52,843	41,667	6,150	6,825	428,067	392,012	487,060	440,504
Number of persons	1	1	9	9	56	49	66	59

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:

	2021	2020
	(Rupees in '000)	
Associated companies		
Insurance premium written (including government levies, administrative surcharge and policy stamps)	804,872	671,153
Insurance premium received / adjusted during the year	771,397	830,076
Commission paid	10,874	13,748
Insurance claims paid	371,164	444,983
Purchases of goods and services	21,006	20,525
Dividend income	35,228	10,675
Dividend received from associates under equity method (note 8)	94,566	87,978
Dividend paid	493,026	391,197
Rental income	73,950	58,294
Disposal of shares	-	139,455
Directors and key management personnel		
Insurance premium written (including government levies, administrative surcharge and policy stamps)	788	592
Insurance premium received / adjusted during the year	691	347
Claims paid	27	358
Dividend paid	10,719	11,536
Employees' funds		
Contributions to staff retirement plans	71,141	82,964

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:

	2021						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(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	61,301	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

	2020						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Premium receivable (inclusive of federal excise duty, federal insurance fee, administrative surcharge and others)	3,476,819	767,082	1,580,517	660,481	1,664,781	2,095,980	10,245,660
Less: federal excise duty / sales tax	419,230	82,019	188,354	76,360	-	256,796	1,022,759
federal insurance fee	30,207	6,519	13,738	5,779	16,478	18,126	90,847
others	(8,168)	25,040	3,354	69	547	1,237	22,079
Written gross premium (inclusive of administrative surcharge)	3,035,550	653,504	1,375,071	578,273	1,647,756	1,819,821	9,109,975
Gross direct premium	3,019,403	635,111	1,337,883	577,577	1,647,756	1,795,561	9,013,291
Facultative inward premium	7,250	-	-	-	-	17,839	25,089
Administrative surcharge	8,897	18,393	37,188	696	-	6,421	71,595
	3,035,550	653,504	1,375,071	578,273	1,647,756	1,819,821	9,109,975
Insurance premium earned	3,003,729	646,221	1,377,301	600,470	1,725,872	1,847,505	9,201,098
Insurance premium ceded to reinsurers (reinsurance expense)	2,070,348	114,547	41,428	572,720	3,037	1,439,993	4,242,073
Net insurance premium	933,381	531,674	1,335,873	27,750	1,722,835	407,512	4,959,025
Commission income from reinsurers	89,331	4,338	548	27,781	-	129,727	251,725
Net underwriting income	1,022,712	536,012	1,336,421	55,531	1,722,835	537,239	5,210,750
Insurance claims expense	1,538,210	235,456	550,524	185,329	1,537,896	169,388	4,216,803
Insurance claims recovered from reinsurers and other recoveries revenue	939,337	26,397	5,710	182,221	12,527	(7,571)	1,158,621
Net insurance claims	598,873	209,059	544,814	3,108	1,525,369	176,959	3,058,182
Commission expense	209,761	91,040	123,368	9,039	72,676	86,645	592,529
Management expense	375,024	194,045	394,526	30,925	182,248	359,325	1,536,093
Net insurance claims and expenses	1,183,658	494,144	1,062,708	43,072	1,780,293	622,929	5,186,804
Underwriting results	(160,946)	41,868	273,713	12,459	(57,458)	(85,690)	23,946
Net investment income							1,709,685
Rental income							69,575
Other income							102,197
Other expenses							(108,855)
Share of profit of associates							189,014
Profit from Window Takaful Operations - Operator's Fund							128,146
Profit before tax							2,113,708
Segment assets	2,262,546	170,284	274,710	1,447,793	228,847	1,832,006	6,216,186
Unallocated corporate assets							16,660,471
Unallocated assets of Window Takaful Operation - Operator's Fund							418,313
Total assets	2,262,546	170,284	274,710	1,447,793	228,847	1,832,006	23,294,970
Segment liabilities	3,697,386	585,691	1,242,150	1,601,219	1,447,009	2,752,869	11,326,324
Unallocated corporate liabilities							2,189,012
Unallocated liabilities of Window Takaful Operation - Operator's Fund							232,625
Total liabilities	3,697,386	585,691	1,242,150	1,601,219	1,447,009	2,752,869	13,747,961
Depreciation and amortisation (including allocation to Window Takaful Operations)	19,810	11,628	23,324	1,619	10,301	19,448	86,130
Unallocated capital expenditure	-	-	-	-	-	-	13,124

39. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through Profit or Loss	Total
..... (Rupees in '000)				
As at January 1, 2020	372,023	11,706,153	294,004	12,372,180
Additions	140,467	12,700,229	788,272	13,628,968
Disposals (sales and redemptions)	(169,597)	(11,436,566)	(1,082,276)	(12,688,439)
Fair value net loss (excluding net realised gains)	-	(204,218)	-	(204,218)
Interest income	-	432,727	-	432,727
Amortisation of discount	6,142	114,980	-	121,122
Impairment losses	-	(42,483)	-	(42,483)
As at December 31, 2020	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

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	2021				2020			
	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	20.17%	23.16%	44.28%	26.25%	27.65%	29.63%	39.20%	22.70%
Marine, aviation and transport	6.98%	19.05%	2.05%	3.30%	6.32%	15.28%	2.16%	3.37%
Motor	3.66%	10.67%	16.52%	35.51%	3.64%	9.45%	18.06%	33.14%
Liability	29.96%	1.47%	2.34%	0.26%	26.47%	1.13%	3.70%	0.90%
Accident and health	6.08%	20.31%	12.06%	26.56%	6.68%	20.61%	16.55%	31.65%
Miscellaneous	33.15%	25.34%	22.75%	8.12%	29.24%	23.90%	20.33%	8.24%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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:

	Maximum gross risk exposure	
	2021	2020
	.....(Rupees in '000).....	
Fire and property damage	86,053,160	69,629,036
Marine, aviation and transport	4,170,483	2,469,317
Motor	80,000	80,000
Liability	8,050,000	122,250,000
Accident and health	7,550,400	10,235,920
Miscellaneous	127,500,000	104,908,495

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 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). 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).

The assumed net of reinsurance loss ratios for each class of business for estimation of premium deficiency reserves are as follows:

Class	Assumed net loss ratio	
	2021	2020
Fire and property damage	35%	38%
Marine, aviation and transport	34%	26%
Motor	42%	41%
Liability	15%	14%
Accident and health	89%	88%
Miscellaneous	42%	39%

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)				
2021	+ 10%	390,476	286,037	280,428	199,104
2020	+ 10%	421,680	305,928	299,930	212,950

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	91,120	42,973	3,395	4,910	7,336	32,506

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	2021	2020
Rating	(Rupees in '000)				
A or above including Pakistan Reinsurance Company Limited	27,609	3,537,857	34,195	3,599,661	3,275,429
BBB	-	43,801	-	43,801	43,606
Others	2,540	11,835	268	14,643	20,979
	<u>30,149</u>	<u>3,593,493</u>	<u>34,463</u>	<u>3,658,105</u>	<u>3,340,014</u>

40.2 Financial risk management objectives and policies

The Board of Directors of the Company have 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:

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

ates which never is earlier as follows.

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	
..... (Rupees in '000)								
Financial assets								
Investments		-	-	-	3,081,110	-	3,081,110	3,081,110
Equity securities	7.43 to 11.78	6,783,306	1,496,951	8,280,257	-	-	-	8,280,257
Debt securities	0.15 to 13	2,669,303	-	2,669,303	-	-	-	2,669,303
Term deposits	6	305	507	812	151,404	-	151,404	152,216
Loans and other receivables		-	-	-	1,525,775	-	1,525,775	1,525,775
Insurance / reinsurance receivables		-	-	-	3,593,493	-	3,593,493	3,593,493
Reinsurance recoveries against outstanding claims		-	-	-	24,531	-	24,531	24,531
Salvage recoveries accrued	5.50 to 10	1,815,086	-	1,815,086	86,904	-	86,904	1,901,990
Cash and bank		-	-	-	-	-	-	-
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					

2020								
	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	
..... (Rupees in '000)								
Financial assets								
Investments		-	-	-	3,731,766	-	3,731,766	3,731,766
Equity securities	7.12 to 14.15	7,217,099	2,530,525	9,747,624	-	-	-	9,747,624
Debt securities	0.1 to 9.5	140,467	-	140,467	-	-	-	140,467
Term deposits	6	163	212	375	220,646	-	220,646	221,021
Loans and other receivables		-	-	-	1,074,028	-	1,074,028	1,074,028
Insurance / reinsurance receivables		-	-	-	3,231,138	-	3,231,138	3,231,138
Reinsurance recoveries against outstanding claims		-	-	-	28,750	-	28,750	28,750
Salvage recoveries accrued	5.50 to 6.75	905,725	-	905,725	60,137	-	60,137	965,862
Cash and bank		-	-	-	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund		210,419	-	210,419	138,278	-	138,278	348,697
		8,473,873	2,530,737	11,004,610	8,484,743	-	8,484,743	19,489,353
Financial liabilities								
Outstanding claims including IBNR		-	-	-	(4,807,405)	-	(4,807,405)	(4,807,405)
Insurance / reinsurance payables		-	-	-	(1,989,235)	-	(1,989,235)	(1,989,235)
Other creditors and accruals		-	-	-	(738,936)	-	(738,936)	(738,936)
Deposits and other payables		-	-	-	(1,402,288)	-	(1,402,288)	(1,402,288)
Total liabilities of Window Takaful Operations - Operator's Fund		-	-	-	(45,491)	-	(45,491)	(45,491)
		-	-	-	(8,983,355)	-	(8,983,355)	(8,983,355)
Interest risk sensitivity gap		8,473,873	2,530,737	11,004,610	(498,612)	-	(498,612)	10,505,998
Cumulative interest risk sensitivity gap		8,473,873	11,004,610					

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 (Rupees in '000)	Effect on equity
December 31, 2021	100 (100)	18,151 (18,151)	12,887 (12,887)
December 31, 2020	100 (100)	9,057 (9,057)	6,430 (6,430)

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, 2021, 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. 1.691 million (2020: Rs. 1.448 million) and Rs. 1.386 million (2020: Rs. 1.106 million) 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, 2021 and 2020. 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 (Rupees in '000)	Price change	Effect on fair value (Rupees in '000)
December 31, 2021	3,078,610 (3,078,610)	+5% -5%	153,931 (153,931)
December 31, 2020	3,729,266 (3,729,266)	+5% -5%	186,463 (186,463)

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.

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
	10,198,625	-	10,198,625
2020			
Within one year	Over one year to five years	Over five years	Total
.....(Rupees in '000).....			
Financial liabilities			
Outstanding claims including IBNR	4,807,405	-	4,807,405
Insurance / reinsurance payables	1,989,235	-	1,989,235
Other creditors and accruals	738,936	-	738,936
Deposits and other payables	1,402,288	-	1,402,288
Total liabilities of Window Takaful Operations - Operator's Fund	45,491	-	45,491
	8,983,355	-	8,983,355

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, 2021, the Company is exposed to major credit risk on investments in term deposits, insurance / reinsurance receivables, reinsurance recoveries against outstanding claims and bank balances.

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+	27,616	-
Soneri Bank Limited	PACRA	AA-	A1+	989,471	148,001
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+	820,407	683,175
Habib Bank Limited - a related party	VIS	AAA	A-1+	1,604,676	55,418
Bank Alfalah Limited	PACRA	AA+	A1+	909,102	30,436
United Bank Limited	VIS	AAA	A-1+	188,893	152,493
Khushhali Microfinance Bank Limited	VIS	A+	A-1	927	3,083
Silk Bank Limited	VIS	A-	A-2	-	364
MCB Islamic Bank Limited	PACRA	A	A1	-	71
MCB Bank Limited	PACRA	AAA	A1+	-	2,790
Samba Bank Limited	VIS	AA	A-1	1,958	1,050
Mobilink Microfinance Bank Limited	PACRA	A	A1	370	268
The First MicroFinance Bank Limited	VIS	A+	A-1	25,000	25,000
				4,568,420	1,102,149

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. 1,461,163 thousands (2020: Rs. 965,152 thousands) and Nil (2020: Nil) net of provision for impairment of receivables from insurance contract holders respectively.

Assets that pass the SPPI test include government securities and term deposits. Government securities are unrated while credit quality of term deposits have been given above in bank-wise ratings.

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, 2021, the Company's paid-up capital is in excess of the prescribed limit.

		2021	2020
42. STATEMENT OF SOLVENCY	Note	.....(Rupees in '000).....	
Assets			
Property and equipment		90,933	135,500
Intangible assets		46,086	61,991
Investment properties		640,648	645,896
Investments in associates		973,680	911,059
Investments			
Equity securities		3,081,110	3,731,766
Debt securities		8,280,257	9,747,624
Term deposits		2,669,303	140,467
Loans and other receivables		251,212	303,535
Insurance / reinsurance receivables		1,525,775	1,074,028
Reinsurance recoveries against outstanding claims		3,593,493	3,231,138
Salvage recoveries accrued		24,531	28,750
Deferred commission expense / acquisition cost		247,251	210,288
Prepayments		2,377,849	1,688,753
Cash and bank		1,901,990	965,862
Total assets of Window Takaful Operations - Operator's Fund		489,886	418,313
Total assets (A)		26,194,004	23,294,970
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000			
Property and equipment	42.2	86,889	131,199
Intangible assets		46,086	61,991
Investments		583,184	660,564
Term deposits		5,750	4,500
Loans and other receivables		37,371	67,638
Insurance / reinsurance receivables		1,077,664	639,621
Security deposits against bond insurance		1,558,527	1,400,696
Total assets of Window Takaful Operations - Operator's Fund		3,571	5,962
Total of in-admissible assets		3,399,042	2,972,171
Total admissible assets		22,794,962	20,322,799

	2021	2020
	.....(Rupees in '000).....	
Liabilities		
Underwriting provisions		
Outstanding claims including IBNR	5,154,819	4,807,405
Unearned premium reserves	4,244,992	3,465,728
Unearned reinsurance commission	148,056	108,839
Deferred taxation	67,596	232,143
Premium received in advance	316,455	288,059
Insurance / reinsurance payables	2,685,463	1,989,235
Other creditors and accruals	1,166,102	1,025,929
Deposits and other payables	1,617,132	1,424,498
Taxation - provision less payments	314,855	173,500
Total liabilities of Window Takaful Operations - Operator's Fund	288,834	232,625
Total liabilities	16,004,304	13,747,961
Total net admissible assets	6,790,658	6,574,838
Minimum solvency requirement (higher of following)	1,039,410	991,805
- Method A - U/s 36(3)(a)	150,000	
- Method B - U/s 36(3)(b)	1,039,410	
- Method C - U/s 36(3)(c)	896,597	
Excess in net admissible assets over minimum requirement	5,751,248	5,583,033

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.

42.2 SECP vide its letter no. ID/MDPR/IAP/2020/713 has granted a temporary relaxation to insurers from the application of IFRS 16 (Leases), only to the extent of solvency. This relaxation was further extended via letter no. ID/MDPR/IAP/2021/1402 which was valid till June 30, 2021. Since the matter is under further deliberation with the SECP through Insurance Association of Pakistan for an exemption, the Company has not availed the temporary relaxation.

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.

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
2020										
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	-	3,729,266	-	-	-	3,729,266	3,724,188	5,078	-	3,729,266
- Debt securities	-	9,539,056	-	-	-	9,539,056	-	9,539,056	-	9,539,056
Assets of Window Takaful Operations - Operator's Fund	-	54,786	-	-	-	54,786	54,786	-	-	54,786
Financial assets not measured at fair value										
Investments										
- Equity securities*	-	2,500	-	-	-	2,500	-	-	-	-
- Debt securities	-	-	208,568	-	-	208,568	-	212,283	-	212,283
- Term deposits*	-	-	140,467	-	-	140,467	-	-	-	-
Loans and other receivables*	-	-	-	221,021	-	221,021	-	-	-	-
Insurance / reinsurance receivables*	-	-	-	1,074,028	-	1,074,028	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	3,231,138	-	3,231,138	-	-	-	-
Salvage recoveries accrued*	-	-	-	28,750	-	28,750	-	-	-	-
Cash and bank*	-	-	-	965,862	-	965,862	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*	-	-	-	293,911	-	293,911	-	-	-	-
Financial liabilities not measured at fair value										
Outstanding claims (including IBNR)*	-	-	-	-	(4,807,405)	(4,807,405)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	(1,989,235)	(1,989,235)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(738,936)	(738,936)	-	-	-	-
Deposits and other payables*	-	-	-	-	(1,402,288)	(1,402,288)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	-	(45,491)	(45,491)	-	-	-	-
-	13,325,608	349,035	5,814,710	-	(8,983,355)	10,505,998	3,778,974	9,756,417	-	13,535,391

* 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 February 9, 2022 have proposed a final cash dividend in respect of the year ended December 31, 2021 of Rs 4.0 per share (40%) [December 31, 2020: Rs. 3.5 per share (35%)]. In addition, the Board of Directors have also approved the transfer of Rs. 500,000 thousands (December 31, 2020: Rs. 400,000 thousands) to special reserve and Rs. 300,000 thousands (December 31, 2020: 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.

	2021	2020
	.....(Number).....	
46. NUMBER OF EMPLOYEES		
As at December 31	666	690
Average number of employees during the year	674	716

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 February 9, 2022.

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



Amyn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer



WINDOW TAKAFUL OPERATIONS



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, 2021, 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, 2021 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.

Board of directors are responsible for overseeing the Operator's financial reporting process.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Tel: +92 (21) 32426682-6/32426711-5, Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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.

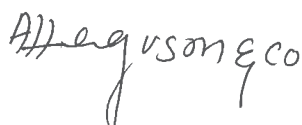
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 statement of cash flows 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: 28 February, 2022

UDIN: AR2021100611ETSP1ioq

STATEMENT OF FINANCIAL POSITION OF OPF AND PTF

AS AT DECEMBER 31, 2021

	Note	OPF		PTF	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
(Rupees in '000)					
Assets					
Property and equipment	5	1,636	2,645	-	-
Intangible assets	6	588	1,154	-	-
Investments					
Equity securities	7	56,261	54,786	85,204	79,320
Term deposits	8	-	-	200,000	-
Loans and other receivables	9	41	370	6,525	4,100
Takaful / re-takaful receivables	10	-	-	298,100	224,958
Salvage recoveries accrued		-	-	9,567	4,840
Deferred taxation	12	1,347	2,163	-	-
Deferred wakala fee	23	-	-	203,065	159,231
Receivable from PTF	11	102,562	83,157	-	-
Re-takaful recoveries against outstanding claims / benefits		-	-	304,534	336,732
Deferred commission expense	22	68,165	62,536	-	-
Prepayments	13	1,080	1,080	112,297	80,104
Cash and bank	14	258,206	210,422	505,559	632,062
Total assets		489,886	418,313	1,724,851	1,521,347



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive

Funds and Liabilities

Funds attributable to:

Operator's Fund (OPF)

Statutory fund
Reserves
Accumulated profit

Balance of Operator's Fund

Participants' Takaful Fund (PTF)

Seed money
Reserves
Accumulated surplus

Balance of Participants' Takaful Fund

Liabilities

PTF underwriting provisions

Outstanding claims including IBNR
Unearned contribution reserves
Reserve for unearned re-takaful rebate

Unearned wakala fee

Contribution received in advance

Takaful / re-takaful payables

Other creditors and accruals

Taxation - provision less payments

Payable to OPF

Total liabilities

Total funds and liabilities

Contingencies and commitments

Note (Rupees in '000)

		OPF		PTF	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		100,000	100,000	-	-
		(3,297)	(5,296)	-	-
		104,349	90,984	-	-
		201,052	185,688	-	-
		-	-	500	500
		-	-	(11,915)	(10,108)
		-	-	201,209	181,129
		-	-	189,794	171,521
		-	-	-	-
		-	-	587,984	542,576
		-	-	559,455	482,542
		-	-	8,752	3,167
		-	-	1,156,191	1,028,285
		203,065	159,231	-	-
		-	-	26,547	25,920
		-	-	224,298	193,992
		52,583	45,593	25,459	18,472
		33,186	27,801	-	-
		-	-	102,562	83,157
		288,834	232,625	1,535,057	1,349,826
		489,886	418,313	1,724,851	1,521,347

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The annexed notes 1 to 39 form an integral part of these financial statements.

Aryn Currimbhoy
Director

Amin A. Hashwani
Director

Nawaid Jamal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2021

		2021	2020
	Note	.....(Rupees in '000).....	
PTF			
Contribution earned		877,489	800,389
Less: Contribution ceded to re-takaful		(192,856)	(212,127)
Net contribution revenue	18	684,633	588,262
Re-takaful rebate earned	19	11,220	8,405
Net underwriting income		695,853	596,667
Net claims - reported / settled		(669,157)	(616,078)
- IBNR		(36,482)	15,582
Other direct expenses	20	(705,639)	(600,496)
Deficit before investment income		(1,073)	(890)
Investment income	25	(10,859)	(4,719)
Other income	26	5,209	32,197
Less: Modarib's share of investment income	27	33,539	39,033
		(7,809)	(14,292)
Surplus transferred to accumulated surplus		20,080	52,219
OPF			
Wakala fee	23	436,249	371,159
Commission expense	22	(154,870)	(133,952)
General, administrative and management expenses	24	(153,112)	(153,706)
		128,267	83,501
Modarib's share of PTF investment income	27	7,809	14,292
Investment (loss) / income	25	(1,801)	16,164
Direct expenses	28	(2,067)	(1,976)
Other income	26	14,762	16,165
Profit before taxation		146,970	128,146
Taxation	29	(42,621)	(37,162)
Profit after taxation		104,349	90,984

The annexed notes 1 to 39 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	.....(Rupees in '000).....	
PTF		
Surplus during the year	20,080	52,219
Other comprehensive loss:		
Items that may be reclassified to the profit and loss account in subsequent years		
Net unrealised loss arising during the year on revaluation of available-for-sale investments	(1,807)	(8,278)
Reclassification adjustment for net gain on sale of available-for-sale investments included in the profit and loss account	-	(1,159)
Other comprehensive loss for the year	(1,807)	(9,437)
Total comprehensive income for the year	18,273	42,782
OPF		
Profit after tax	104,349	90,984
Other comprehensive income / (loss):		
Item 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 - net of tax	1,999	(3,287)
Reclassification adjustment for net gain on available-for-sale investments included in the profit and loss account - net of tax	-	(772)
Other comprehensive income / (loss) for the year	1,999	(4,059)
Total comprehensive income for the year	106,348	86,925

The annexed notes 1 to 39 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Amyn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

STATEMENT OF CHANGES IN OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND

AS AT DECEMBER 31, 2021

	Attributable to Operator's Fund			
	Statutory Fund	Available for sale investment revaluation reserve	Unappropriated profit	Total
.....(Rupees in '000).....				
Balance as at January 01, 2020	100,000	(1,237)	88,600	187,363
Profit after tax for the year	-	-	90,984	90,984
Transfer of profit to the Company	-	-	(88,600)	(88,600)
Other comprehensive loss for the year	-	(4,059)	-	(4,059)
Balance as at December 31, 2020	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

	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, 2020	500	(671)	128,910	128,739
Surplus for the year	-	-	52,219	52,219
Other comprehensive loss for the year	-	(9,437)	-	(9,437)
Balance as at December 31, 2020	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

The annexed notes 1 to 39 form an integral part of these financial statements.


R. Zakir Mahmood
Chairman


Hassan Khan
Chief Executive


Amyn Currimbhoy
Director


Amin A. Hashwani
Director


Nawaid Jamal
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	OPF		PTF	
	2021	2020	2021	2020
Operating cash flows				
(a) Takaful activities				
Contribution received	-	-	1,366,149	1,171,066
Re-takaful contribution paid	-	-	(196,828)	(154,086)
Claims / benefits paid	-	-	(720,226)	(645,025)
Re-takaful and other recoveries received	-	-	41,537	108,551
Commission paid	(153,680)	(133,560)	-	-
Commission received	-	-	16,805	6,589
Wakala fee received	459,980	369,812	-	-
Wakala fee paid	-	-	(459,980)	(369,812)
Modarib share received	8,507	15,083	-	-
Modarib share paid	-	-	(8,507)	(15,083)
Net cash generated from takaful activities	314,807	251,335	38,950	102,200
(b) Other operating activities				
Income tax paid	(9,434)	(624)	-	-
General and other expenses paid	(153,699)	(153,411)	(288)	(172)
Other operating payments	(27,832)	(36,251)	(155,806)	(132,418)
Other operating receipts	526	1,608	162,201	135,132
Net cash (used in) / generated from other operating activities	(190,439)	(188,678)	6,107	2,542
Total cash generated from all operating activities	124,368	62,657	45,057	104,742
Investment activities				
Profit / return received	14,720	16,055	34,171	39,350
Dividend received	5,527	4,108	7,536	5,599
Payment for investments	(5,937)	(39,966)	(13,433)	(98,033)
Proceeds from investments	90	62,428	166	122,467
Total cash generated from investing activities	14,400	42,625	28,440	69,383
Financing activities - profit paid to the Operator	(90,984)	(88,600)	-	-
Net cash generated from all activities	47,784	16,682	73,497	174,125
Cash and cash equivalents at the beginning of year	210,422	193,740	632,062	457,937
Cash and cash equivalents at the end of year	258,206	210,422	705,559	632,062

Note (Rupees in '000)

14.4

Reconciliation to profit and loss account

	OPF		PTF	
	2021	2020	2021	2020
..... (Rupees in '000)				
Operating cash flows	124,368	62,657	45,057	104,742
Depreciation expense	(1,009)	(2,347)	-	-
Amortisation	(566)	(911)	-	-
Profit / return received	14,720	16,055	34,171	39,350
Net realised gain on sale of investments	90	15,113	166	26,388
Dividend income	5,387	4,248	7,306	5,829
Impairment in value of available-for-sale securities	(7,278)	(3,182)	(5,742)	-
Increase in assets other than cash	24,845	10,059	80,518	342,648
Increase in liabilities other than borrowings	(56,208)	(10,708)	(141,396)	(466,738)
Net profit / surplus for the year	104,349	90,984	20,080	52,219

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

CASH AND BANK

Cash and cash equivalent

Policy, revenue stamps and
bond papers

Cash at bank

Current accounts
Savings accounts

Deposits having maturity within 3 months

Term deposits

	OPF		PTF	
	2021	2020	2021	2020
..... (Rupees in '000)				
Policy, revenue stamps and bond papers	12	3	709	957
Current accounts	-	-	18,893	23,266
Savings accounts	258,194	210,419	485,957	607,839
	258,194	210,419	504,850	631,105
Term deposits	-	-	200,000	-
	258,206	210,422	705,559	632,062

The annexed notes 1 to 39 form an integral part of these financial statements.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Amyn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021 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, 2022:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	April 1, 2021
- IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
- IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2022
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- 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 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, 2021 and changes in the fair values during year ended December 31, 2021

	As at December 31, 2021 (Rupees in '000)
Financial assets that do not meet the SPPI criteria	
Operator's Fund	
Equity Securities - Available for sale (note 7)	
Opening fair value	54,786
Net additions during the year - net	5,937
Impairment during the year	(7,278)
Increase in fair value	2,816
Closing fair value	56,261
Participants' Takaful Fund	
Equity Securities - Available for sale (note 7)	
Opening fair value	79,320
Net additions during the year - net	13,433
Impairment during the year	(5,742)
Decrease in fair value	(1,807)
Closing fair value	85,204

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, 2022 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 statement of cash flows include policy, revenue stamps and bond papers, cash at bank and deposits having 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.

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.

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)

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, 2021 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 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.

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	2021 Percentage	2020 Percentage
Fire and property damage	35%	33.5%
Marine, aviation and transport	35%	35%
Motor	35%	29%
Motor Ijara	40%	40%
Health	25%	25%
Health Bancatakaful*	72%	72%
Miscellaneous	35%	27.5%

* 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 fulfill 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:

- provision for unearned contribution (notes 3.5 and 18);
- provision for receivables and payables related to takaful contracts (notes 3.8 and 10);
- provision for outstanding claims including IBNR (notes 3.15 and 20);
- contribution deficiency reserve (note 3.6);
- provision for unearned wakala fee (notes 3.22 and 23);
- classification and impairment of investments (notes 3.12, 3.19 and 7);
- residual values and useful lives of property and equipment and intangible assets (notes 3.1, 3.2, 5 and 6);
- allocation of management expenses (notes 3.20 and 24); and
- taxation (notes 3.16, 12 and 29).

		2021	2020
	Note	.....(Rupees in '000).....	
5. PROPERTY AND EQUIPMENT - OPF			
Operating assets	5.1	<u>1,636</u>	<u>2,645</u>

5.1 Operating assets

	OPF									
	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% - 25%
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>	
	2020									
	Cost			Depreciation				Written down value as at December 31, 2020	Depreciation rate %	
	As at January 01, 2020	Addition / (disposals)	Adjustments	As at December 31, 2020	As at January 01, 2020	For the year / (disposals)	Adjustments	As at December 31, 2020		
	..... (Rupees in '000)									
Furniture and fixtures	9,208	-	-	9,208	6,324	1,381	-	7,705	1,503	17%
Office equipment	6,111	-	-	6,111	4,178	917	-	5,095	1,016	17% - 25%
Computer equipment	816	-	-	816	641	49	-	690	126	25%
	<u>16,135</u>	<u>-</u>	<u>-</u>	<u>16,135</u>	<u>11,143</u>	<u>2,347</u>	<u>-</u>	<u>13,490</u>	<u>2,645</u>	

6. INTANGIBLE ASSETS - OPF

	2021								
	Cost			Amortisation				Written down value as at December 31, 2021	Amortisation period
	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)								
Computer software	4,933	-	-	4,933	3,779	566	-	4,345	588
	<u>4,933</u>	<u>-</u>	<u>-</u>	<u>4,933</u>	<u>3,779</u>	<u>566</u>	<u>-</u>	<u>4,345</u>	<u>588</u>
	2020								
	Cost			Amortisation				Written down value as at December 31, 2020	Amortisation period
	As at January 01, 2020	Addition / (disposals)	Adjustments	As at December 31, 2020	As at January 01, 2020	For the year / (disposals)	Adjustments	As at December 31, 2020	
	..... (Rupees in '000)								
Computer software	4,933	-	-	4,933	2,868	911	-	3,779	1,154
	<u>4,933</u>	<u>-</u>	<u>-</u>	<u>4,933</u>	<u>2,868</u>	<u>911</u>	<u>-</u>	<u>3,779</u>	<u>1,154</u>

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. 3,144 thousands (2020: Rs. 644 thousands).

7. INVESTMENT IN EQUITY SECURITIES - AVAILABLE-FOR-SALE

		2021			2020		
		Cost / Carrying value	Impairment for the year	Market value	Cost / Carrying value	Impairment for the year	Market value
	Note	(Rupees in '000)					
OPF							
Listed shares	7.1	60,905	7,278	56,261	62,245	3,182	54,786
PTF							
Listed shares	7.2	97,119	5,742	85,204	89,428	-	79,320

7.1 Available-for-sale securities - OPF

2021	2020	Face value per share (Rupees)	Name of Investee Company	2021		2020	
Number of shares				Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)							
Ordinary Shares							
TEXTILE COMPOSITE							
80,000	60,000	10	Nishat Mills Limited	8,870	6,367	7,047	6,106
REFINERY							
4,000	4,000	10	National Refinery Limited	454	1,138	454	1,399
OIL & GAS MARKETING COMPANIES							
60,000	60,000	10	Sui Northern Gas Pipelines Limited	2,007	2,007	2,665	2,665
5,000	-	10	Pakistan State Oil Company Limited	1,007	910	-	-
				3,014	2,917	2,665	2,665
OIL & GAS EXPLORATION COMPANIES							
70,000	70,000	10	Oil & Gas Development Company Limited	6,034	6,034	9,114	7,264
29,000	29,000	10	Pakistan Oilfields Limited	12,470	10,371	12,470	11,467
95,000	70,000	10	Pakistan Petroleum Limited	7,509	7,509	8,876	6,323
1,500	1,500	10	Mari Petroleum Company Limited	1,840	2,481	1,840	2,010
				27,853	26,395	32,300	27,064
FERTILIZER							
19,500	15,000	10	Engro Corporation Limited	5,665	5,312	4,448	4,610
115,000	115,000	10	Engro Fertilizer Limited	7,737	8,750	7,737	7,272
				13,402	14,062	12,185	11,882
TECHNOLOGY & COMMUNICATION							
575,000	575,000	10	Pakistan Telecommunication Company Limited	6,933	5,003	6,933	5,233
FOOD & PERSONAL CARE PRODUCTS							
28,140	28,140	10	Al Shaheer Corporation Limited	379	379	661	437
				60,905	56,261	62,245	54,786

7.2 Available for sale securities - PTF

2021	2020	Face value per share (Rupees)	Name of Investee Company	2021		2020	
Number of shares				Cost / Carrying value	Market value	Cost / Carrying value	Market value
..... (Rupees in '000)							
170,000	130,000	10	TEXTILE COMPOSITE Nishat Mills Limited	18,283	13,529	14,642	13,230
525,000	525,000	10	TECHNOLOGY & COMMUNICATION Pakistan Telecommunication Company Limited	6,281	4,568	6,281	4,778
50,000	50,000	10	FERTILIZER Engro Corporation Limited	15,118	13,621	15,118	15,368
100,000	100,000	10	Engro Fertilizer Limited	6,659	7,609	6,659	6,323
				21,777	21,230	21,777	21,691
52,210	52,210	10	FOOD & PERSONAL CARE PRODUCTS Al Shaheer Corporation Limited	704	704	1,017	811
30,000	-	10	OIL & GAS MARKETING COMPANIES Pakistan State Oil Company Limited	6,005	5,456	-	-
115,000	115,000	10	OIL AND GAS EXPLORATION COMPANIES Oil & Gas Development Company Limited	9,913	9,913	15,341	11,934
35,000	35,000	10	Pakistan Oilfields Limited	14,419	12,517	14,420	13,839
135,000	85,000	10	Pakistan Petroleum Limited	14,853	10,670	11,066	7,678
4,000	4,000	10	Mari Petroleum Company Limited	4,884	6,617	4,884	5,359
				44,069	39,717	45,711	38,810
				97,119	85,204	89,428	79,320

8. INVESTMENT IN TERM DEPOSITS

		OPF		PTF	
		2021	2020	2021	2020
		(Rupees in '000)			
Held to maturity					
Deposits maturing within 12 months					
- term deposit receipts	8.1	-	-	200,000	-

8.1 Term deposits carry interest rates ranging from 7.25% to 7.35% (2020: Nil) per annum having maturity upto January 10, 2022.

9. LOANS AND OTHER RECEIVABLES

	OPF		PTF	
	2021	2020	2021	2020
(Rupees in '000)				
Accrued investment income	-	140	3,757	843
Sales tax recoverable	14	38	2,687	2,559
Medical claims recoverable	-	-	81	181
Other receivables	27	192	-	517
	41	370	6,525	4,100

			2021	2020
10.	TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF	Note	.....(Rupees in '000).....	
	Due from takaful participants holders	10.1	214,386	187,172
	Due from other takaful / re-takaful operators	10.2	83,714	37,786
			<u>298,100</u>	<u>224,958</u>
10.1	This includes Rs. 76 thousands (2020: Nil) receivable from related parties.			
10.2	This includes Rs. 3,285 thousands (2020: Rs. 676 thousands) receivable from a related party.			
11.	RECEIVABLE / PAYABLE (Current account between OPF and PTF)			
			OPF	PTF
			2021	2020
			2021	2020
			..... (Rupees in '000)	
	Wakala fee		100,994	80,891
	Modarib fee		1,568	2,266
			<u>102,562</u>	<u>83,157</u>
			OPF	PTF
12.	DEFERRED TAXATION	Note	2021	2020
			.....(Rupees in '000).....	
	Deferred debits arising in respect of: revaluation of available-for-sale equity investments	12.1	1,347	2,163
12.1	The movement in deferred tax asset is as follows:			
	Opening deferred tax asset		2,163	505
	(Charge) / reversal to the statement of comprehensive income		(816)	1,658
	Closing deferred tax asset		<u>1,347</u>	<u>2,163</u>
			OPF	PTF
			2021	2020
13.	PREPAYMENTS	Note	..... (Rupees in '000)	
	Prepaid re-takaful contribution ceded		-	-
	Prepaid miscellaneous expenses		1,080	1,080
			<u>1,080</u>	<u>1,080</u>
14.	CASH AND BANK			
	Cash and cash equivalent			
	Policy, revenue stamps and bond papers		12	3
			709	957
	Cash at bank			
	Current accounts		-	-
	Savings accounts	14.1	258,194	210,419
		14.2 & 14.3	258,194	210,419
			<u>258,206</u>	<u>210,422</u>
14.1	Savings accounts carry profit rates ranging from 4.40% to 9.50% (2020: 3.60% to 6.50%) per annum.			
14.2	Cash at bank of OPF include Rs. 100,624 thousands (2020: Rs. 118,605 thousands) held with a related party. Savings accounts with related party carry profit rate of 9.20% (2020: 6.10%) per annum.			
14.3	Cash at bank of PTF includes Rs. 146,913 thousands (2020: Rs. 113,993 thousands) held with a related party. Savings accounts with related party carry profit rate of 9.20% (2020: 6.10%) per annum.			

14.4 Cash and cash equivalents include the following for the purpose of the statement of cash flows:

		OPF		PTF	
		2021	2020	2021	2020
Note		(Rupees in '000)			
Cash and bank	14	258,206	210,422	505,559	632,062
Short term investments with 3 months or less maturity	8	-	-	200,000	-
		258,206	210,422	705,559	632,062

		PTF	
		2021	2020
		.....(Rupees in '000).....	
15. TAKAFUL / RE-TAKAFUL PAYABLES			
Due to takaful participants / re-takaful payable		224,298	193,992

16.	OTHER CREDITORS AND ACCRUALS	OPF		PTF	
		2021	2020	2021	2020
..... (Rupees in '000)					
	Agents commission payable	50,509	43,690	-	-
	Federal excise duty / sales tax	-	-	10,858	7,396
	Federal insurance fee	-	-	1,013	739
	Accrued expenses	1,214	1,309	4,551	3,073
	Other tax payables	353	102	1,062	1,210
	Miscellaneous	507	492	7,975	6,054
		52,583	45,593	25,459	18,472

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 December 31, 2021. 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. 7,961 thousands (December 31, 2020: Rs. 3,776 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 the financial statements.

17.1.2 There were no contingencies and commitments outstanding as at December 31, 2021 and December 31, 2020 other than that disclosed above.

	PTF	
	2021	2020
.....(Rupees in '000).....		
18. NET CONTRIBUTION REVENUE		
Written gross contribution	1,390,651	1,201,291
Less: Wakala fee	480,083	378,272
Contribution net of Wakala fee	910,568	823,019
Add: Unearned contribution reserve - opening	323,311	300,681
Less: Unearned contribution reserve - closing	356,390	323,311
Contribution earned	877,489	800,389
Less:		
Re-takaful contribution ceded	225,049	217,284
Add: Prepaid re-takaful contribution - opening	80,104	74,947
Less: Prepaid re-takaful contribution - closing	112,297	80,104
Re-takaful expense	192,856	212,127
Net contribution	684,633	588,262

19. RE-TAKAFUL REBATE EARNED

Retakaful rebate / commission received
Add: Unearned re-takaful rebate / commission - opening
Less: Unearned re-takaful rebate / commission - closing

PTF	
2021	2020
.....(Rupees in '000).....	
16,805	6,589
3,167	4,983
8,752	3,167
11,220	8,405

20. NET CLAIMS

Benefits / claims paid
Add: Outstanding benefits / claims including IBNR - closing
Less: Outstanding benefits / claims including IBNR - opening
Claims expense

Less:

Re-takaful and other recoveries received
Add: Re-takaful and other recoveries in respect of
outstanding claims - closing
Less: Re-takaful and other recoveries in respect of
outstanding claims - opening
Re-takaful and other recoveries revenue

Net claims expense

720,225	645,025
587,984	542,576
542,576	180,708
765,633	1,006,893
87,465	85,099
314,101	341,572
341,572	20,274
59,994	406,397
705,639	600,496

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	2017	2018	2019	2020	2021 Including IBNR
..... (Rupees in '000)					
Gross estimate of ultimate claims cost:					
- At end of accident year	281,984	387,629	618,559	1,025,814	842,200
- One year later	287,063	468,314	617,622	990,279	-
- Two years later	284,153	466,081	609,293	-	-
- Three years later	283,985	463,752	-	-	-
- Four years later	283,424	-	-	-	-
Current estimate of cumulative claims	283,424	463,752	609,293	990,279	842,200
Cumulative payments to date	(281,125)	(462,837)	(603,673)	(722,176)	(531,153)
Liability recognised in the statement of financial position	2,299	915	5,620	268,103	311,047

21.1 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2021 amounted to Rs 66,296 thousands (2020: Rs 29,814 thousands).

22. COMMISSION EXPENSE

Commission paid or payable
Add: Deferred commission expense - opening
Less: Deferred commission expense - closing

OPF	
2021	2020
.....(Rupees in '000).....	
160,499	137,372
62,536	59,116
68,165	62,536
154,870	133,952

		OPF	
		2021	2020
		.....(Rupees in '000).....	
23.	WAKALA FEE INCOME		
	Gross Wakala fee	480,083	378,272
	Add: Unearned Wakala fee - opening	159,231	152,118
	Less: Unearned Wakala fee - closing	203,065	159,231
		<u>436,249</u>	<u>371,159</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	
		2021	2020
		.....(Rupees in '000).....	
24.	GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES		
	Employee benefit cost	112,687	113,455
	Travelling expenses	441	354
	Advertisement and sales promotion	1,655	2,276
	Printing and stationery	10,412	10,711
	Depreciation	4,219	6,233
	Amortisation	1,919	2,113
	Rent, rates and taxes	4,629	3,707
	Legal and professional charges - business related	1,020	1,742
	Electricity, gas and water	2,167	1,699
	Entertainment	988	837
	Office repairs and maintenance	742	565
	Bank charges	201	179
	Postage, telegrams and telephone	1,383	1,343
	Shariah Advisor's fee	2,988	2,732
	Annual supervision fee to the SECP	2,680	2,894
	Miscellaneous	4,981	2,866
		<u>153,112</u>	<u>153,706</u>
24.1	Employee benefit cost		
	Salaries, allowance and other benefits	109,627	110,195
	Charges for post employment benefit	3,060	3,260
		<u>112,687</u>	<u>113,455</u>
24.1.1	This includes Rs. 14,894 thousands (2020: Rs. 13,151 thousands) in respect of remuneration of key management personnel and allocation of personnel expenses amounting to Rs. 74,096 thousands (2020: Rs. 69,918 thousands) by the Operator.		
24.1.2	This represents Rs. 1,138 thousands (2020: Rs. 1,235 thousands) being contribution for employees' provident fund and allocation of Rs. 1,922 thousands (2020: Rs. 2,025 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	
		2021	2020
		.....(Rupees in '000).....	
24.2	Depreciation		
	Depreciation charged during the year	1,009	2,347
	Add: depreciation allocated by the Company and common back office	3,210	3,886
		<u>4,219</u>	<u>6,233</u>
24.3	Amortisation		
	Amortisation charged during the year	566	911
	Add: amortisation allocated by the Company and common back office	1,353	1,202
		<u>1,919</u>	<u>2,113</u>

24.4 This includes rent amounting to Rs. 2,593 thousands (2020: Rs. 2,358 thousands) paid to the Operator.

24.5 This includes costs amounting to Rs. 98,655 thousands (2020: Rs. 93,929 thousands) with respect to the allocation of expenses to the Operations by the Company in accordance with the exercise carried out by the management.

		OPF		PTF	
		2021	2020	2021	2020
Note		(Rupees in '000)			
25.	INVESTMENT INCOME				
	Income from equity securities				
	Available-for-sale				
	Dividend income	5,387	4,248	7,306	5,829
	Income from term deposits				
	Return on term deposits	-	-	3,479	-
		5,387	4,248	10,785	5,829
	Net realised gains / (losses) on investments				
	Available-for-sale				
	Realised gain on sale of equity securities	90	15,307	166	27,553
	Realised loss on sale of equity securities	-	(194)	-	(1,165)
		90	15,113	166	26,388
	Total investment income	5,477	19,361	10,951	32,217
	less: Impairment in value of available-for-sale equity securities	(7,278)	(3,182)	(5,742)	-
	less: Investment related expenses	-	(15)	-	(20)
		(1,801)	16,164	5,209	32,197
26.	OTHER INCOME				
	Return on bank balances	14,720	16,055	33,836	39,266
	Miscellaneous	42	110	(297)	(233)
		14,762	16,165	33,539	39,033

26.1 This includes Rs. 8,884 thousands (2020: Rs. 10,267 thousands) profit on bank balances - OPF held with a related party.

26.2 This includes Rs. 6,544 thousands (2020: Rs. 9,960 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% (2020: 20%) Modarib's share of the investment income (including profit on bank balances) earned by PTF.

		OPF	
		2021	2020
28. DIRECT EXPENSES	Note	.....(Rupees in '000).....	
Auditors' remuneration (other than shariah audit)	28.1	1,307	1,304
Shariah audit fee		600	550
Non-shariah compliant income		160	122
		2,067	1,976
28.1 Auditors' remuneration			
Audit fee		1,100	1,020
Out-of-pocket expenses		207	284
		1,307	1,304

29. TAXATION

The current tax charge for the year is Rs. 42,621 thousands at the tax rate of 29 percent (2020: Rs. 37,162 thousands at the tax rate of 29 percent) 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	
	2021	2020	2021	2020
	..... (Rupees in '000)			
Managerial remuneration	11,363	9,810	6,359	3,406
Leave encashment	473	425	236	57
Bonus	1,275	1,202	934	380
Contribution to defined contribution plan	611	527	345	180
Medical	60	57	275	79
Conveyance	1,049	1,049	2,139	1,246
Others	63	81	97	60
	14,894	13,151	10,385	5,408
Number of persons	1	1	6	3

Executives mean employees, other than the Chief Executive and Directors, whose basic salary exceed five hundred thousand rupees in a financial year.

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	
		2021	2020	2021	2020
		..... (Rupees in '000)			
Associated companies / undertakings					
Contribution written		-	-	2,735	-
Takaful contribution received / adjusted during the year		-	-	2,637	17
Rent paid	31.1	2,593	2,358	-	-
Reimbursement of expenses	31.2	99,209	94,417	-	-
Others					
Contributions to staff retirement plans		3,060	3,260	-	-

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 Operations.

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:

	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	47,159	927,643
Corporate unallocated assets						797,208
Total assets	459,729	48,790	247,818	124,147	47,159	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
	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

	2020 - 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)	218,093	114,054	586,255	339,078	81,481	1,338,961
Less: Federal excise duty	26,308	12,124	70,608	-	9,364	118,404
Federal takaful fee	1,899	956	5,082	3,355	711	12,003
Others	256	5,278	1,503	189	37	7,263
Gross written contribution (inclusive of administrative surcharge)	189,630	95,696	509,062	335,534	71,369	1,201,291
Gross direct contribution	187,898	92,689	494,686	335,534	70,753	1,181,560
Administrative surcharge	1,732	3,007	14,376	-	616	19,731
	189,630	95,696	509,062	335,534	71,369	1,201,291
Takaful contribution earned	126,548	61,359	355,697	209,642	47,143	800,389
Takaful contribution ceded to re-takaful	(125,001)	(34,659)	(25,098)	-	(27,369)	(212,127)
Net takaful contribution	1,547	26,700	330,599	209,642	19,774	588,262
Re-takaful rebate	6,887	229	72	-	1,217	8,405
Net underwriting income	8,434	26,929	330,671	209,642	20,991	596,667
Takaful claims	(483,137)	(47,845)	(239,335)	(203,719)	(32,857)	(1,006,893)
Takaful claims recovered from re-takaful	399,730	1,993	3,156	-	1,518	406,397
Net claims	(83,407)	(45,852)	(236,179)	(203,719)	(31,339)	(600,496)
Other direct expenses	-	-	(890)	-	-	(890)
(Deficit) / surplus before investment income	(74,973)	(18,923)	93,602	5,923	(10,348)	(4,719)
Net investment income						32,197
Other income						39,033
Modarib share of investment income						(14,292)
Surplus transferred to balance of PTF						52,219
Corporate segment assets	437,779	28,740	192,173	102,482	44,872	806,046
Corporate unallocated assets	-	-	-	-	-	715,301
Total assets	437,779	28,740	192,173	102,482	44,872	1,521,347
Corporate segment liabilities	513,159	73,707	436,415	242,170	84,375	1,349,826
Corporate unallocated liabilities	-	-	-	-	-	-
Total liabilities	513,159	73,707	436,415	242,170	84,375	1,349,826
	2020 - OPF					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees in '000)					
Wakala fee	63,775	33,042	153,300	103,175	17,867	371,159
Commission expense	(28,635)	(15,029)	(48,302)	(38,110)	(3,876)	(133,952)
Management expenses	(19,461)	(15,297)	(74,349)	(34,447)	(10,152)	(153,706)
	15,679	2,716	30,649	30,618	3,839	83,501
Modarib share of PTF investment income						14,292
Investment income						16,164
Direct expenses						(1,976)
Other income						16,165
Profit before tax						128,146
Taxation						(37,162)
Profit after tax						90,984
Corporate segment assets	28,978	9,680	58,614	42,158	6,263	145,693
Corporate unallocated assets						272,620
Total assets	28,978	9,680	58,614	42,158	6,263	418,313
Corporate segment liabilities	38,707	8,399	89,994	56,053	11,671	204,824
Corporate unallocated liabilities						27,801
Total liabilities	38,707	8,399	89,994	56,053	11,671	232,625

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, 2020	-	-	71,035	86,801	71,035	86,801
Additions	-	-	39,966	98,033	39,966	98,033
Disposals	-	-	(47,316)	(96,077)	(47,316)	(96,077)
Fair value net losses (excluding net realised gains)	-	-	(5,717)	(9,437)	(5,717)	(9,437)
Impairment losses	-	-	(3,182)	-	(3,182)	-
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 gain / (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 December 31, 2021	-	200,000	56,261	85,204	56,261	285,204

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	2021				2020			
	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	63.85%	28.59%	20.46%	8.86%	67.93%	21.32%	18.91%	11.33%
Marine, aviation and transport	6.85%	13.67%	3.30%	2.43%	6.83%	17.02%	2.49%	1.91%
Motor	13.35%	25.00%	48.16%	56.89%	12.51%	29.39%	46.76%	53.03%
Accident and health	8.51%	18.27%	21.83%	27.32%	7.09%	19.12%	24.77%	29.70%
Miscellaneous	7.44%	14.47%	6.25%	4.50%	5.64%	13.15%	7.07%	4.03%
	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 retakaful 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	
	2021	2020
	..... (Rupees in '000)	
Fire and property damage	6,191,448	5,168,000
Marine, aviation and transport	2,045,185	851,597
Motor	54,974	40,246
Accident and health	3,078,377	2,487,027
Miscellaneous	4,969,488	5,178,360

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 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 (%)	
	2021	2020
Fire and property damage	55%	50%
Marine, aviation and transport	66%	74%
Motor	49%	47%
Accident and health	82%	84%
Miscellaneous	67%	49%

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)			
2021	+ 10%	76,563	70,564	70,564	70,564
2020	+ 10%	100,689	60,050	60,050	60,050

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	2021	2020
A or above including Pakistan Reinsurance Company Limited	83,714	304,534	388,248	374,518

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 interest 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 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 Operator invests in securities and has deposits that are subject to interest / mark-up rate risk. The Operator 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 maturity profile of financial assets and liabilities is as follows:

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	
..... (Rupees in '000)								
Financial assets								
Investments in equity securities	7.25% to 7.35%	-	-	-	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	4.40% to 9.50%	-	-	-	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)
Interest risk sensitivity gap		944,151	-	944,151	(99,893)	-	(99,893)	844,258
Cumulative interest risk sensitivity gap		944,151	944,151					

2020								
	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	
..... (Rupees in '000)								
Financial assets								
Investments in equity securities		-	-	-	134,106	-	134,106	134,106
Loans and other receivables		-	-	-	1,873	-	1,873	1,873
Takaful / re-takaful receivables		-	-	-	224,958	-	224,958	224,958
Receivable from PTF		-	-	-	83,157	-	83,157	83,157
Re-takaful recoveries against outstanding claims		-	-	-	336,732	-	336,732	336,732
Salvage recoveries accrued	3.60% to 6.50%	-	-	-	4,840	-	4,840	4,840
Cash and bank		818,258	-	818,258	24,226	-	24,226	842,484
		818,258	-	818,258	809,892	-	809,892	1,628,150
Financial liabilities								
Outstanding claims including IBNR		-	-	-	(542,576)	-	(542,576)	(542,576)
Payable to OPF		-	-	-	(83,157)	-	(83,157)	(83,157)
Takaful / re-takaful payables		-	-	-	(193,992)	-	(193,992)	(193,992)
Other creditors and accruals		-	-	-	(54,618)	-	(54,618)	(54,618)
		-	-	-	(874,343)	-	(874,343)	(874,343)
Interest risk sensitivity gap		818,258	-	818,258	(64,451)	-	(64,451)	753,807
Cumulative interest risk sensitivity gap		818,258	818,258					

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 (Rupees in '000)	Effect on operator fund (Rupees in '000)
December 31, 2021	100 (100)	2,582 (2,582)	1,833 (1,833)
December 31, 2020	100 (100)	2,104 (2,104)	1,494 (1,494)

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 interest 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 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 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, 2021 and December 31, 2020. 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 (Rupees in '000)	Price change	Effect on fair value (Rupees in '000)
Operator's Fund			
December 31, 2021	56,261 (56,261)	+5% -5%	2,813 (2,813)
December 31, 2020	54,786 (54,786)	+5% -5%	2,739 (2,739)
Participants' Takaful Fund			
December 31, 2021	85,204 (85,204)	+5% -5%	4,260 (4,260)
December 31, 2020	79,320 (79,320)	+5% -5%	3,966 (3,966)

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.

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>
2020				
	Within one year	Over one year to five years	Over five years	Total
.....(Rupees in '000).....				
Financial liabilities				
Outstanding claims including IBNR	542,576	-	-	542,576
Payable to OPF	83,157	-	-	83,157
Takaful / re-takaful payables	193,992	-	-	193,992
Other creditors and accruals	54,618	-	-	54,618
	<u>874,343</u>	<u>-</u>	<u>-</u>	<u>874,343</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, 2021, the Operator is exposed to major credit risk on investments in term deposits, 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 and term deposit receipts 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).....					
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+	47,511	82,506
Habib Bank Limited	VIS	AAA	A-1+	247,537	232,598
- a related party	PACRA	AA-	A1+	194,968	168,170
Soneri Bank Limited	VIS	AA	A-1+	49,827	5,226
Faysal Bank Limited	PACRA	AA+	A1+	112,662	14,342
Bank Alfalah Limited	VIS	AA	A-1+	81,425	117,848
Dubai Islamic Bank Pakistan Limited	PACRA	A+	A1	224,494	216,909
BankIslami Pakistan Limited	PACRA	A	A1	4,620	3,925
MCB Islamic Bank Limited				963,044	841,524

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

STATEMENT OF SOLVENCY PART I

		2021	2020
Assets			
	Note	.....(Rupees in '000).....	
Investments			
Equity securities		85,204	79,320
Term deposits		200,000	-
Loans and other receivables		6,525	4,100
Takaful / re-takaful receivables		298,100	224,958
Salvage recoveries accrued		9,567	4,840
Deferred wakala fee		203,065	159,231
Re-takaful recoveries against outstanding claims		304,534	336,732
Prepayments	35.1	112,297	80,104
Cash and bank		505,559	632,062
Total assets		1,724,851	1,521,347
In-admissible assets as per following clauses section 32(2) of the Insurance Ordinance, 2000			
Takaful / re-takaful receivables		131,981	55,276
Total of admissible assets		1,592,870	1,466,071
Liabilities			
PTF underwriting provisions			
Outstanding claims including IBNR		587,984	542,576
Unearned contribution reserves		559,455	482,542
Reserve for unearned re-takaful rebate		8,752	3,167
Contribution received in advance		26,547	25,920
Takaful / re-takaful payables		224,298	193,992
Other creditors and accruals		25,459	18,472
Payable to OPF		102,562	83,157
Total liabilities		1,535,057	1,349,826
Total net admissible assets		57,813	116,245

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.

2021								
	Carrying amount				Fair value			
	Available -for-sale	Held-to- maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)								
Financial assets measured at fair value								
Investments in equity securities	141,465	-	-	-	141,465	141,465	-	-
Financial assets not measured at fair value								
Investments in term deposit receipts	-	200,000	-	-	200,000	-	-	-
Loans and 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	-	-
2020								
	Carrying amount				Fair value			
	Available -for-sale	Held-to- maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
(Rupees in '000)								
Financial assets measured at fair value								
Investments in equity securities	134,106	-	-	-	134,106	134,106	-	-
Financial assets not measured at fair value								
Loans and receivables*	-	-	1,873	-	1,873	-	-	-
Takaful / re-takaful receivables*	-	-	224,958	-	224,958	-	-	-
Receivable from PTF*	-	-	83,157	-	83,157	-	-	-
Re-takaful recoveries against outstanding claims*	-	-	336,732	-	336,732	-	-	-
Salvage recoveries accrued*	-	-	4,840	-	4,840	-	-	-
Cash and bank*	-	-	842,484	-	842,484	-	-	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*	-	-	-	(542,576)	(542,576)	-	-	-
Payable to OPF *	-	-	-	(83,157)	(83,157)	-	-	-
Takaful / re-takaful payables*	-	-	-	(193,992)	(193,992)	-	-	-
Other creditors and accruals*	-	-	-	(54,618)	(54,618)	-	-	-
	134,106	-	1,494,044	(874,343)	753,807	134,106	-	-

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

37. SUBSEQUENT EVENTS

There are no subsequent events that need to be disclosed for the year ended December 31, 2021.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on February 09, 2022.

39. GENERAL

39.1 Figures in these financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

39.2 No significant rearrangements or reclassifications have been made in these financial statements during the current year.



R. Zakir Mahmood
Chairman



Hassan Khan
Chief Executive



Aryn Currimbhoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

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 tahat 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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MULTAN

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Fax: (9242) 36283285

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SALES UNIT – V

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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 March 24, 2022 at
09:00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2022.

WITNESS

1. Signature: _____
Name: _____
Address: _____
CNIC No: _____
2. Signature: _____
Name: _____
Address: _____
CNIC No: _____

Signature

Revenue
Stamp

Note:

1. Signature should agree with the specimen signature registered with the Company.
2. The Proxy Form must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting.
3. No person shall act as proxy unless he/she is a member of the Company.
4. CDC Shareholders and their proxies are each requested to attach an attested Photocopy of their Computerised National Identity Card or Passport with this proxy form before submission to the Company.

مختارنامہ (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 فیو نمبر _____ اور ری ای سی ڈی سی پارٹنرسپٹ (شرکت)
آئی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____
محترم / محترمہ _____ ساکن _____ یا ان کی غیر حاضری کی صورت میں
محترم / محترمہ _____ ساکن _____ جو کہ خود بھی جوبلی جنرل انشورنس کمپنی لمیٹڈ کا رکن ہے۔

۲۴ مارچ، ۲۰۲۲ء، 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 _____، ۲۰۲۲ء 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 ۴۸ 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 / پاسپورٹ پیش کرے۔

ریونیواسٹیمپ

دستخط



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