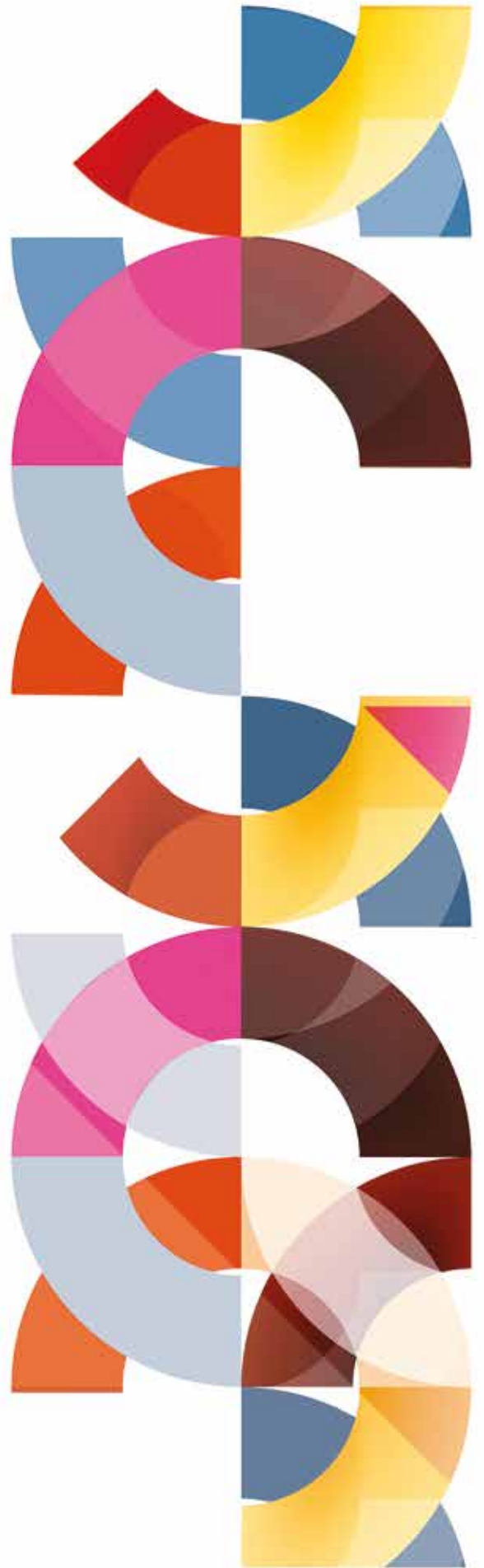


Jubilee
GENERAL INSURANCE

Reimagining Insurance

HALF YEARLY REPORT
(Un-audited) 2023





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PACRA

AA+++
VIS

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

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FPCCI

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CORPORATE INFORMATION

Chairman of the Board of Directors

Akbarali Pesnani (Non-Executive Director)

Directors

John Joseph Metcalf (Non-Executive Director)

Amin A. Hashwani (Non-Executive Director)

Riyaz Ali Towfiq Chinoy (Independent Director)

Abrar Ahmed Mir (Non-Executive Director)

Nausheen Ahmad (Independent Director)

Mohammad Akhtar Bawany (Non-Executive Director)

Ava Ardeshir Cowasjee (Non-Executive Director)

Badaruddin Fatehali Vellani (Independent Director)

Managing Director and Chief Executive

Hassan Khan (Executive Director)

Chief Financial Officer

Nawaid Jamal

Company Secretary

Abdul Wahid

Auditors

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

Sharia'h Advisor

Mufti Zeeshan Abdul Aziz

Legal Advisor

Surr ridge & Beecheno

Bankers

Habib Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

Soneri Bank Limited

Bank Alfalah Limited

BankIslami Pakistan Limited

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Share Registrar

THK Associates (Pvt.) Limited,

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

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

Head Office / Registered Office

2nd Floor, Jubilee Insurance House,
I. I. Chundrigar Road, Karachi, Pakistan.

UAN: (92-21) 111-654-111 Toll Free: 0800-03786

Tel: (92-21) 32416022-26

Fax: (92-21) 34216728 - 32438738

E-Mail: info@jubileegeneral.com.pk

Website: www.jubileegeneral.com.pk

Quick Response (QR) Code:



National Tax Number

0711347-1

Sales Tax Registration Number

1600980500182

THE DIRECTORS' REVIEW

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

The Directors are pleased to present before you the unaudited financial statements for the half year ended 30th June 2023

Overview

During the half year under review, the country continued to face unfavorable macroeconomic situation, political uncertainty, and external financing crisis. Rapid depreciation of PKR, introduction of new taxes and upward adjustments in energy tariffs led to historic-high inflation. In order to control inflationary pressures, SBP raised the Policy Rate by a cumulative 600 bps during the period under review. The external financing situation eased slightly towards the end of the period as the country signed a Stand-by Agreement with IMF for USD 3 billion leading to further inflows from friendly countries as well.

Company Performance

During the period under review the Gross Written Premium (including Contribution written in Takaful Operations) increased by 36% to PKR 11 billion (2022: PKR 8.11 billion) while the combined Net Premium / Contribution grew by 31% to PKR 3.90 billion (2022: PKR 2.96 billion). The combined technical profit reached PKR 450.53 million (2022: PKR 40.62 million) due to healthy growth in topline and lower claim expenses during the period.

The investment income (including Window Takaful Operations) for the half year increased by 77% to PKR 1.53 billion (2022: PKR 868.41 million) primarily due to the increase in income from government securities.

Conventional Insurance Operations

The Gross Written Premium (GWP) increased by 36% in the half year under review to PKR 9.93 billion (2022: PKR 7.28 billion), primarily due to a major project. The Net Premium for the period increased by 30% to PKR 3.41 billion (2022: PKR 2.63 billion). The underwriting results for the half year reached PKR 336.15 million (2022: Loss of PKR 46.85 million) due to significant growth in the net premium and lower claim expenses during the period.

The summarised results of the Company's insurance business for the half year ended 30th June 2023 are as follows:

	30th June 2023	30th June 2022
	.....(Rupees in '000).....	
Gross Premium	9,926,068	7,281,338
Net Premium Revenue	3,408,277	2,627,574
Underwriting Results	336,146	(46,854)
Investment Income including Capital Gain and Rent	1,498,105	857,774
Profit Before Tax	2,100,153	979,613
Profit After Tax for the period	1,106,002	552,728
Earnings Per Share of PKR 10 each	5.57	2.78

Window Takaful Operations

Window Takaful Operations posted a growth of 31% in gross written contributions to reach PKR 1.1 billion (2022: PKR 824 million) during the period under review. Net contributions increased by 45% to PKR 490 million (2022: PKR 337 million).

The Participants' Takaful Fund reported a surplus of PKR 40.29 million (2022: PKR 29.45 million) while the Operator's Profit after tax during the half year under review was PKR 96.38 million (2022: PKR 51.25 million).

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

	30th June 2023	30th June 2022
	.....(Rupees in '000).....	
Participants' Fund		
Gross Contribution	1,075,593	823,701
Net Contribution	490,073	337,015
(Deficit) / Surplus before Investment Income	(18,384)	14,975
Investment Income	73,792	18,323
Surplus for the period	40,285	29,454
Operator's Fund		
Revenue Account	132,765	72,501
Investment Income	36,188	10,635
Profit Before Tax	182,062	85,264
Profit after tax for the period	96,381	51,248

Outlook

The IMF Stand-by Agreement has provided temporary relief to the economy. However, the near-term outlook remains challenging. The interest rates may remain at current levels in the near future as the IMF's requirement of market-based exchange rate, further increase in energy prices and ease in import restrictions may keep inflation high.

The strong performance in the half year under review has positioned your company well to capitalize on any potential improvements in the political and macroeconomic environment in the second half of the year.



Hassan Khan
Managing Director & Chief Executive



Riyaz Ali Towfiq Chinoy
Director

Karachi: 11 August 2023

زیر جائزہ مدت کے دوران کمپنی کے پارٹنرسز کا فنڈ میں 40.29 ملین روپے (2022: 29.45 ملین روپے) سرپلس حاصل ہوا جبکہ آپریٹنگ کا بعد از ٹیکس منافع 96.38 ملین روپے (2022: 51.25 ملین روپے) رہا۔


زیر جائزہ ششماہی کے لئے کمپنی کے ونڈو کفائل آپریٹنگ کے نتائج درج ذیل ہیں:


30 جون 2022	30 جون 2023	
823,701	1,075,593	پارٹنرسز کا فنڈ
337,015	490,073	مجموعی کنٹریبیوشن
14,975	(18,384)	خالص کنٹریبیوشن
18,323	73,792	سرمایہ کاری کی آمدنی سے قبل (خسارہ)/اضافہ
29,454	40,285	سرمایہ کاری کی آمدنی
		اس مدت کے لیے سرپلس
72,501	132,765	آپریٹنگ فنڈ
10,635	36,188	ریونیو اکاؤنٹ
85,264	182,062	سرمایہ کاری سے آمدنی
51,248	96,381	قبل از ٹیکس منافع
		اس مدت کے لیے بعد از ٹیکس منافع

مستقبل پر نظر

آئی ایم ایف کے اسٹینڈ بائی ایگریمنٹ کی بدولت معیشت کو عارضی طور پر سہارا ملا ہے۔ البتہ قلیل مدتی جائزہ مشکل دکھائی دے رہا ہے۔ مارکیٹ میں ایکسچینج ریٹ کو برقرار رکھنے کے آئی ایم ایف کی شرط کے نتیجے میں مستقبل قریب میں شرح سود موجودہ سطح پر برقرار رہنے کا امکان ہے۔ علاوہ ازیں، بجلی کی قیمتوں میں اضافہ اور امپورٹ پر پابندیوں میں نرمی سے مہنگائی کی صورت حال برقرار رہے گی۔

زیر جائزہ ششماہی کے دوران زبردست کارکردگی نے سیاسی اور میکرو اکنامک صورت حال میں کسی بھی قسم کی بہتری سے کمپنی کو شاندار فائدہ اٹھانے کے قابل بنا دیا ہے۔


ریاض علی توین چنائے
ڈائریکٹر


حسان خان
مینجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو

کراچی: 11 اگست 2023

ڈائریکٹرز کا تجزیہ

برائے مدت ختم شدہ 30 جون 2023

ڈائریکٹرز 30 جون 2023 کو اختتام پذیر ہونے والی ششماہی کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

جائزہ

زیر جائزہ ششماہی کے دوران ملک کو غیر موزوں میکرو اکنامک صورتحال، سیاسی غیر یقینی اور خارجی مالی مسائل کا سامنا جاری رہا۔ پاکستانی روپے کی شدید ناقدری، نئے ٹیکسز کا نفاذ اور بجلی کی قیمتوں میں ہوشربا اضافہ تاریخی مہنگائی کا سبب بنا۔ مہنگائی کے دباؤ کو کم کرنے کے لئے، اسٹیٹ بینک آف پاکستان نے زیر جائزہ مدت کے دوران پالیسی ریٹ میں 600bps تک اضافہ کر دیا۔ خارجی مالی صورتحال میں زیر جائزہ مدت کے اختتامی دنوں میں کچھ بہتری آئی کیونکہ آئی ایم ایف کی جانب سے 3 بلین امریکی ڈالر کا اسٹینڈ بائی ایگریمنٹ ہوا اور بعد ازاں دوست ممالک نے بھی مالی امداد کی۔

کمپنی کی کارکردگی

زیر جائزہ مدت کے دوران کمپنی کا مجموعی پریمیم (GWP) بشمول ہیکافل آپریشنز سے حاصل شدہ کنٹریبیوشن 36 فیصد اضافے کے ساتھ 11 بلین روپے رہا (2022: 8.11 بلین روپے) جبکہ مشترکہ خالص پریمیم / کنٹریبیوشن 31 فیصد اضافے کے ساتھ 3.90 بلین روپے ہو گیا (2022: 2.96 بلین روپے)۔ زیر جائزہ مدت کے دوران مشترکہ ٹیکنیکل منافع 450.53 بلین روپے (2022: 40.62 بلین روپے) کے ساتھ بہتر رہا جسکی وجہ اس مدت میں ٹاپ لائن میں صحت مند اضافہ اور کم کلیمز ہیں۔

ششماہی کے لیے سرمایہ کاری سے حاصل ہونے والی آمدنی (بشمول ونڈو ہیکافل آپریشنز) 77 فیصد اضافے کے ساتھ 1.52 بلین روپے (2022: 868.41 بلین روپے) رہی کیونکہ حکومتی سیکورٹیز سے اضافی آمدنی حاصل ہوئی۔

کنوینشنل انشورنس آپریشن

زیر جائزہ مدت کے دوران کمپنی کا مجموعی پریمیم ایک بڑے پروجیکٹ کی بدولت 36 فیصد اضافے کے ساتھ 9.93 بلین روپے (2022: 7.28 بلین روپے) رہا۔ اس مدت کے لیے خالص پریمیم 30 فیصد اضافے کے ساتھ 3.41 بلین روپے (2022: 2.63 بلین روپے) رہا۔ خالص پریمیم میں موزوں ترقی اور کلیم کے اخراجات میں کمی کی بدولت ششماہی کے دوران انڈر رائٹنگ منافع 336.15 بلین روپے (2022: 46.85 بلین روپے نقصان) رہا۔

30 جون 2023 کو ختم ہونے والی ششماہی کے دوران کمپنی کے انشورنس کاروبار کے نتائج کا خلاصہ درج ذیل ہے:

30 جون 2022	30 جون 2023	
7,281,338	9,926,068	مجموعی پریمیم
2,627,574	3,408,277	خالص پریمیم
(46,854)	336,146	انڈر رائٹنگ رزلٹ
857,774	1,498,105	سرمایہ کاری کی آمدنی بشمول کپیٹل گینز اور کرایہ
979,613	2,100,153	قبل از ٹیکس منافع
552,728	1,106,002	زیر جائزہ مدت کے لیے بعد از ٹیکس منافع
2.78	5.57	10 روپے والے ہر ایک شیئر پر منافع (روپوں میں)

ہیکافل آپریشن

ونڈو ہیکافل آپریشنز نے شاندار کارکردگی کا مظاہرہ کیا اور 31 فیصد اضافے کے ساتھ مجموعی کنٹریبیوشن 1.1 بلین روپے (2022: 824 بلین روپے) حاصل کرنے میں کامیاب رہا۔ خالص کنٹریبیوشن 45 فیصد اضافے کے ساتھ 490 بلین روپے ہو گیا (2022: 337 بلین روپے)۔



Financial Statements



Independent auditor's review report to the members of Jubilee General Insurance Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Jubilee General Insurance Company Limited (the Company)** as at June 30, 2023 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim cash flow statement, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the three months period ended June 30, 2023 and June 30, 2022 in the condensed interim profit and loss account, condensed interim statement of comprehensive income and relevant notes have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Noman Abbas Sheikh**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: August 24, 2023
UDIN: RR202310061OQYSWyJKk

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5, Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

		June 30 2023	December 31, 2022
		(Un-audited)	(Audited)
Assets	Note	.....(Rupees in '000).....	
Property and equipment	7	118,684	137,551
Intangible assets	8	31,535	41,970
Investment properties	9	632,403	634,924
Investments in associates	10	1,146,204	1,083,391
Investments			
Equity securities	11	2,729,619	2,486,743
Debt securities	12	12,998,991	11,988,082
Term deposits	13	284,610	256,302
Loans and other receivables	14	498,214	455,625
Insurance / re-insurance receivables	15	5,751,477	2,690,657
Re-insurance recoveries against outstanding claims		5,941,775	5,191,022
Salvage recoveries accrued		37,645	23,065
Deferred commission expense / acquisition cost	26	271,417	252,739
Deferred taxation	19	374,655	226,215
Prepayments	16	5,175,320	3,101,717
Cash and bank	17	1,696,323	2,823,766
		37,688,872	31,393,769
Total assets of Window Takaful Operations - Operator's Fund	18	689,285	633,940
Total assets		38,378,157	32,027,709



Akbarali Pesnani
Chairman



Hassan Khan
Chief Executive

		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
Equity and Liabilities		Note .....(Rupees in '000).....	
Capital and reserves attributable to Company's equity holders			
Authorised share capital:			
600,000,000 (December 31, 2022: 250,000,000) ordinary shares of Rs. 10 each		6,000,000	2,500,000
Issued, subscribed and paid-up share capital [198,491,241 (December 31, 2022: 198,491,241) ordinary shares of Rs. 10 each]		1,984,912	1,984,912
Reserves		7,400,610	6,766,604
Unappropriated profit		1,287,844	1,784,824
Total equity		10,673,366	10,536,340
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	25	8,031,166	7,001,923
Unearned premium reserves	24	7,987,857	5,221,846
Unearned reinsurance commission	26	156,124	138,267
Premium received in advance		358,388	592,438
Insurance / re-insurance payables	20	5,968,785	4,585,914
Other creditors and accruals	21	1,863,536	1,180,121
Deposits and other payables	22	1,877,343	1,856,446
Taxation - provision less payments		967,991	538,100
		27,211,190	21,115,055
Total liabilities of Window Takaful Operations - Operator's Fund	18	493,601	376,314
Total liabilities		27,704,791	21,491,369
Total equity and liabilities		38,378,157	32,027,709
Contingencies and commitments		23	

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.



Riyaz Ali Towfiq Chinoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Note	Three months period ended		Six months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
(Rupees in '000)					
Net insurance premium	24	1,778,677	1,456,803	3,408,277	2,627,574
Net insurance claims	25	1,000,501	642,270	1,874,840	1,602,494
Net commission expense / other acquisition cost	26	79,236	71,261	155,627	152,240
Insurance claims and acquisition expenses		1,079,737	713,531	2,030,467	1,754,734
Management expenses		518,588	469,192	1,041,664	919,694
Underwriting results		180,352	274,080	336,146	(46,854)
Net investment income	27	644,559	273,958	1,214,289	697,751
Rental income	28	21,568	21,697	46,368	44,757
Other income	29	116,432	90,012	297,601	154,359
Other expenses		(24,106)	(16,419)	(56,373)	(23,792)
Results of operating activities		938,805	643,328	1,838,031	826,221
Share of profit of associates	10	35,957	31,656	80,060	68,128
Profit from Window Takaful Operations	18	100,825	36,462	182,062	85,264
Profit before tax		1,075,587	711,446	2,100,153	979,613
Income tax expense - Current		(474,208)	(279,443)	(831,894)	(348,680)
- Prior		(199,002)	(102,761)	(199,002)	(102,761)
- Deferred		34,863	32,161	36,745	24,556
		(638,347)	(350,043)	(994,151)	(426,885)
Profit after tax		437,240	361,403	1,106,002	552,728
Earnings (after tax) per share - Rupees	30	2.20	1.82	5.57	2.78

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.


Akbarali Pesnani
Chairmen


Hassan Khan
Chief Executive


Riyaz Ali Towfiq Chinoy
Director


Amin A. Hashwani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
..... (Rupees in '000)				
Profit after tax for the period	437,240	361,403	1,106,002	552,728
Other comprehensive income / (loss)				
Item that will not be reclassified to the profit and loss account in subsequent periods				
Share in actuarial (loss) / gain on defined benefit plan of an associate - net of tax	(319)	19	3,241	(315)
Item that may be reclassified to the profit and loss account in subsequent periods				
Foreign currency translation difference - net of tax	(1,426)	16,306	31,078	22,935
Unrealised loss on revaluation of available-for-sale investments - net of tax	(95,766)	(108,441)	(217,197)	(126,346)
Reclassification adjustment for net loss / (gain) on sale of available-for-sale investments included in the profit and loss account - net of tax	23,577	(43,049)	18,784	(55,020)
	(72,189)	(151,490)	(198,413)	(181,366)
Unrealised (loss) / gain on available-for-sale investments of Window Takaful Operations - net of tax	(1,052)	3,467	(521)	3,904
Reclassification adjustment for net loss on sale of available-for-sale investments included in profit and loss account of Window Takaful Operations - net of tax	213	274	213	149
	(839)	3,741	(308)	4,053
Share in other comprehensive income / (loss) of an associate				
Net unrealised (loss) / gain on revaluation of available-for-sale investments - net of tax	(6,436)	214	(11,175)	(628)
Foreign currency translation difference - net of tax	1,403	239	566	477
	(5,033)	453	(10,609)	(151)
Total comprehensive income for the period	357,434	230,432	930,991	397,884

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.


Akbarali Pesnani
Chairmen


Hassan Khan
Chief Executive


Riyaz Ali Towfiq Chinoy
Director


Amin A. Hashwani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Attributable to equity holders of the Company								Total	
	Capital reserve				Revenue reserves					
	Share capital	Reserve for exceptional losses	Unrealised appreciation / (diminution) on revaluation of available-for-sale investments - net of tax	Foreign currency translation difference - net of tax	General reserve	Special reserve	Company's share of retained earnings arising from business other than participating business attributable to shareholders of an associate	Company's share of money ceded to waqf fund by an associate		Unappropriated profit
Balance as at December 31, 2021 (audited)	1,984,912	9,384	144,649	17,680	4,100,000	1,800,000	264,174	32	1,868,869	10,189,700
Total comprehensive income	-	-	-	-	-	-	-	-	552,728	552,728
Profit after taxation	-	-	-	-	-	-	21,905	-	(21,905)	-
Share in Ledger D balance of an associate	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss)	-	-	-	22,935	-	-	-	-	-	22,935
Foreign currency translation difference - net of tax	-	-	-	22,935	-	-	-	-	-	-
Share in other comprehensive (loss) / income of an associate - net of tax	-	-	(628)	477	-	-	-	-	(315)	(466)
Net unrealised diminution arising during the period on revaluation of available-for-sale investments (including WTO) - net of tax	-	-	(122,442)	-	-	-	-	-	-	(122,442)
Reclassification adjustment for net gain on available-for-sale investments included in the profit and loss account (including WTO) - net of tax	-	-	(54,871)	-	-	-	-	-	-	(54,871)
Transactions with owners recorded directly in equity	-	-	(177,941)	23,412	-	-	21,905	-	530,508	397,884
Final cash dividend at Rs. 4.0 per share (40%) for the year ended December 31, 2021 approved on March 24, 2022	-	-	-	-	-	-	-	-	(793,965)	(793,965)
Transfer to general reserve	-	-	-	-	300,000	-	-	-	(300,000)	-
Transfer to special reserve	-	-	-	-	-	500,000	-	-	(500,000)	-
Balance as at June 30, 2022 (un-audited)	1,984,912	9,384	(33,292)	41,092	4,400,000	2,300,000	286,079	32	805,412	9,793,619
Balance as at June 30, 2023 (un-audited)	1,984,912	9,384	(33,292)	41,092	4,400,000	2,300,000	286,079	32	805,412	9,793,619

(Rupees in '000)

Balance as at December 31, 2021 (audited)**Total comprehensive income**

Profit after taxation

Share in Ledger D balance of an associate

Other comprehensive income / (loss)

Foreign currency translation difference - net of tax

Share in other comprehensive (loss) / income of an associate - net of tax

Net unrealised diminution arising during the period on revaluation of available-for-sale investments (including WTO) - net of tax

Reclassification adjustment for net gain on available-for-sale investments included in the profit and loss account (including WTO) - net of tax

Transactions with owners recorded directly in equity

Final cash dividend at Rs. 4.0 per share (40%)

for the year ended December 31, 2021 approved on March 24, 2022

Transfer to general reserve

Transfer to special reserve

Balance as at June 30, 2022 (un-audited)**Balance as at June 30, 2023 (un-audited)**

Attributable to equity holders of the Company										
	Capital reserve				Revenue reserves					Total
	Reserve for exceptional losses	Unrealised appreciation / (diminution) on 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 in Ledger D of an associate	Company's share of money ceded to waqf fund by an associate	Unappropriated profit		
Balance as at December 31, 2022 (audited)	9,384	(275,168)	49,055	4,400,000	2,300,000	283,301	32	1,784,824	10,536,340	
Total comprehensive income	-	-	-	-	-	-	-	1,106,002	1,106,002	
Profit after taxation	-	-	-	-	-	12,258	-	(12,258)	-	
Share in Ledger D balance of an associate	-	-	-	-	-	-	-	-	-	
Other comprehensive income / (loss)	-	-	31,078	-	-	-	-	-	31,078	
Foreign currency translation difference - net of tax	-	-	31,078	-	-	-	-	-	-	
Share in other comprehensive (loss) / income of an associate - net of tax	-	(11,175)	566	-	-	-	-	3,241	(7,368)	
Net unrealised diminution arising during the period on revaluation of available-for-sale investments (including WTO) - net of tax	-	(217,718)	-	-	-	-	-	-	(217,718)	
Reclassification adjustment for net loss on available-for-sale investments included in profit and loss account (including WTO) - net of tax	-	18,997	-	-	-	-	-	-	18,997	
Transactions with owners recorded directly in equity	-	(209,896)	31,644	-	-	12,258	-	1,096,985	930,991	
Final cash dividend at Rs. 4.0 per share (40%) for the year ended December 31, 2022 approved on April 25, 2023	-	-	-	-	-	-	-	(793,965)	(793,965)	
Transfer to general reserve	-	-	-	300,000	-	-	-	(300,000)	-	
Transfer to special reserve	-	-	-	-	500,000	-	-	(500,000)	-	
Balance as at June 30, 2023 (un-audited)	9,384	(485,064)	80,699	4,700,000	2,800,000	295,559	32	1,287,844	10,673,366	

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.



Akbarali Pesnani
Chairman



Hassan Khan
Chief Executive



Riyaz Ali Towfiq Chinoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Six months period ended	
	June 30, 2023	June 30, 2022
	.....(Rupees in '000).....	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	6,801,533	4,901,466
Reinsurance premium paid	(4,519,958)	(1,868,470)
Claims paid	(2,027,112)	(1,943,512)
Reinsurance and other recoveries received	342,475	427,812
Commission paid	(320,576)	(314,770)
Commission received	184,198	155,217
Management expenses paid	(973,838)	(908,099)
Net cash (used in) / generated from underwriting activities	(513,278)	449,644
(b) Other operating activities		
Income taxes paid	(515,324)	(314,115)
General and administration expenses paid	(18,004)	(5,904)
Other operating payments	(894,067)	(585,827)
Other operating receipts	1,554,128	1,102,787
Loans advanced	(497)	(435)
Loans repayments received	536	369
Net cash generated from other operating activities	126,772	196,875
Total cash (used in) / generated from all operating activities	(386,506)	646,519
Investment activities		
Profit / return received	1,099,303	671,214
Dividends received	202,547	160,453
Rentals received - net of expenses	34,765	23,552
Payments for investments	(11,635,982)	(20,847,402)
Proceeds from investments	10,237,289	17,889,545
Fixed capital expenditure	(8,237)	(8,331)
Proceeds from sale of property and equipment	15	10,504
Total cash used in investing activities	(70,300)	(2,100,465)
Financing activities		
Dividends paid	(684,979)	(771,574)
Principal repayment of lease liabilities against right-of-use asset	(6,149)	(5,424)
Total cash used in financing activities	(691,128)	(776,998)
Net cash used in all activities	(1,147,934)	(2,230,944)
Cash and cash equivalents at the beginning of the period	2,887,158	4,434,642
Cash and cash equivalents at the end of the period	1,739,224	2,203,698

Six months period ended	
June 30, 2023	June 30, 2022
.....(Rupees in '000).....	

Reconciliation to the condensed interim profit and loss account

Operating cash flows	(386,506)	646,519
Depreciation / amortisation expense	(37,536)	(26,519)
Gain on sale of property and equipment	12	8,504
Unrealised diminution on revaluation of investments classified as 'at fair value through profit or loss'	(18,901)	(17,072)
Profit on disposal of investments	41,471	57,000
Dividend income	205,803	160,453
Rental income	46,368	44,757
Other investment income	1,303,423	680,763
Profit for the period from Window Takaful Operations (Operator's Fund) - net of tax	96,381	51,248
Increase in assets other than cash	5,856,756	4,326,732
Increase in liabilities other than borrowings	(6,001,269)	(5,379,657)
Profit after taxation	1,106,002	552,728

Cash and cash equivalents for the purpose of the condensed interim cash flow statement include the following:**Cash and other equivalents**

Cash in hand	1,237	929
Policy and revenue stamps and bond papers	1,243	1,261
	2,480	2,190

Cash at bank

Current accounts	97,918	148,718
Savings accounts	1,595,925	1,696,277
	1,693,843	1,844,995

Deposits having maturity within 3 months

Term deposits - local currency	-	300,000
Term deposits - foreign currency	42,901	56,513
	42,901	356,513

	1,739,224	2,203,698
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Reconciliation of liabilities arising out of financing activities

Unclaimed dividend as at January 1	164,139	142,550
<i>Changes from financing activities</i>		
Dividend paid	(684,979)	(771,574)
<i>Others</i>		
Final cash dividend for the year ended December 31, 2022 @ 40% (December 31, 2021: 40%)	793,965	793,965
Unclaimed dividend as at June 30	273,125	164,941

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.



Akbarali Pesnani
Chairmen



Hassan Khan
Chief Executive



Riyaz Ali Towfiq Chinoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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 (the SECP) and subsequently the Company commenced Window Takaful Operations on May 7, 2015.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the format prescribed under Insurance Rules, 2017 and these should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2022.

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34 (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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.

2.1.2 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 condensed interim financial statements in accordance with the requirements of the General Takaful Accounting Regulations, 2019.

2.1.3 A separate set of condensed interim financial statements of the Window Takaful Operations has been annexed to these condensed interim financial statements as per the requirements of the Takaful Rules, 2012.

2.1.4 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2022.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair values, 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 presentation currency

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

2.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period

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, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been detailed in these condensed interim 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 and amendments of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2024:

Standard and amendments	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IFRS 9 - 'Financial instruments'	January 1, 2023*
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 but is yet to be notified by the Securities and Exchange Commission of Pakistan.

* The management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 are given in notes 2.5.1 and 2.5.1.1 to these condensed interim financial statements.

The management is in the process of assessing the impacts of these standards and amendments on the condensed interim financial statements.

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 June 30, 2023 and change in the fair values during the six months period ended June 30, 2023

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading

**As at
June 30, 2023**

(Rupees in '000)

Pakistan Investment Bonds - Held-to-maturity (note 12)

Opening fair value	46,750
Increase in fair value	45
Closing fair value	46,795

Debt securities - Available-for-sale (note 12)

Opening fair value	11,937,155
Additions during the period - net	1,394,237
Decrease in fair value	(382,900)
Closing fair value	12,948,492

Financial assets that do not meet the SPPI criteria

Equity securities - Available-for-sale (note 11)

Opening fair value	2,305,030
Additions during the period - net	130,656
Increase in fair value	57,633
Closing fair value	2,493,319

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, 2024 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 condensed interim financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation followed in these condensed interim financial statements are same as compared to the annual audited financial statements of the Company as at and for the year ended December 31, 2022.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim 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 application of accounting policies and the reported amounts of assets and liabilities and incomes and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2022.

5. INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended December 31, 2022.

6. PREMIUM DEFICIENCY RESERVE

No provision has been made in the condensed interim financial statements as the unearned premium reserve for each class of business at period 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 the reporting date.

		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
	Note	.....(Rupees in '000).....	
7. PROPERTY AND EQUIPMENT			
Operating assets	7.1	118,684	137,551
7.1	The break-up of operating assets as at the period / year end is given below:		
	Buildings	3,702	3,816
	Furniture and fixtures	16,340	18,077
	Office equipment	32,968	34,684
	Tracker equipment	674	2,140
	Motor vehicles	5,092	5,369
	Computers and related accessories	25,546	23,393
	Right-of-use asset - buildings	34,362	50,072
		118,684	137,551
7.2	Movement of property and equipment during the period / year is as follows:		
	Opening book value (audited)	137,551	90,933
	Add: Additions during the period / year		
	Owned assets	7,917	26,447
	Right-of-use assets	-	66,856
		145,468	184,236
	Less: Net book value of assets disposed of during the period / year	(3)	(2,865)
	Less: Depreciation for the period / year	(26,781)	(43,820)
		118,684	137,551
8. INTANGIBLE ASSETS			
Computer software	8.1	31,535	41,970
8.1	Movement of intangible assets during the period / year is as follows:		
	Opening book value (audited)	41,970	46,086
	Add: Additions during the period / year	320	17,559
		42,290	63,645
	Less: Net book value of assets disposed of during the period / year	-	(701)
	Less: Amortisation for the period / year	(10,755)	(20,974)
		31,535	41,970
9. INVESTMENT PROPERTIES			

The market value of the investment properties as per valuations carried out by the professional valuers in 2021 and as ascertained by the management is Rs. 3,746,714 thousands.

10. INVESTMENTS IN ASSOCIATES

June 30, 2023	December 31, 2022	Face value per share (Rupees)	Note	June 30, 2023	December 31, 2022
Number of shares				(Un-audited)	(Audited)
6,543,331	5,611,592	10	Quoted Jubilee Life Insurance Company Limited (JLICL) (Chief Executive Officer - Javed Ahmed)	863,724	862,123
29,250,000	29,250,000	1		Unquoted Jubilee Kyrgyzstan Insurance Company Limited (JKIC) (incorporated in Kyrgyzstan) (Chief Executive Officer: Khegai V.I.)	282,480	221,268
					1,146,204

10.1 JLICL is engaged in the business of life insurance. The market value of investment and percentage of holding in associate are Rs. 732,259 thousands and 6.43% (December 31, 2022: Rs. 780,011 thousands and 6.43%) respectively.

10.2 JKIC is a closed joint stock company and is engaged in life and non-life insurance business. The Company holds 19.5% (December 31, 2022: 19.5%) shares in JKIC. The break-up value of the investment based on un-audited financial statements for the six months period ended June 30, 2023 is Rs. 8.97 per share (December 31, 2022: Rs. 7.43 per share).

10.3 Movement of investment in associates is as follows:

	JLICL		JKIC		Total	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Balance at the beginning of the period / year	862,123	804,534	221,268	169,146	1,083,391	973,680
Share of profit during the period / year	69,796	133,018	10,264	13,572	80,060	146,590
Less: Dividend received during the period / year	(56,116)	(81,368)	-	(5,298)	(56,116)	(86,666)
Foreign currency translation difference	928	2,981	50,948	43,848	51,876	46,829
Unrealised (diminution) / appreciation on available-for-sale investments	(18,320)	3,428	-	-	(18,320)	3,428
Actuarial gain / (loss) on defined benefit plan	5,313	(470)	-	-	5,313	(470)
Balance at the end of the period / year	863,724	862,123	282,480	221,268	1,146,204	1,083,391

11. INVESTMENTS IN EQUITY SECURITIES

	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Cost / Carrying value	Market value	Cost / Carrying value	Market value
Available for sale				
Related parties				
Listed shares	272,127	312,906	272,127	272,127
Mutual Funds	564	2,416	564	2,396
	272,691	315,108	272,691	274,523
Others				
Listed Shares	2,197,450	2,175,711	2,066,793	2,028,007
Unlisted Shares	2,500	2,500	2,500	2,500
	2,199,950	2,178,211	2,069,293	2,030,507
Investment at fair value through profit or loss				
Listed Shares	255,200	236,300	197,129	181,713
	2,727,841	2,729,619	2,539,113	2,486,743

12. INVESTMENTS IN DEBT SECURITIES

	June 30, 2023		December 31, 2022	
	(Un-audited)		(Audited)	
	Cost / Carrying value	Market value	Cost / Carrying value	Market value
Government securities				
..... (Rupees in '000)				
Held-to-maturity				
Pakistan Investment Bonds	50,499	50,499	50,927	50,927
Available-for-sale				
Pakistan Investment Bonds	7,481,313	6,754,258	7,344,974	7,004,762
Treasury Bills	6,224,124	6,194,234	4,966,231	4,932,393
	13,705,437	12,948,492	12,311,205	11,937,155
Total	13,755,936	12,998,991	12,362,132	11,988,082

12.1 Pakistan Investment Bonds with face value of Rs. 200,000 thousands (December 31, 2022: Rs. 200,000 thousands) are placed with the State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

13. INVESTMENTS IN TERM DEPOSITS

	Note	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
Held to maturity		.....(Rupees in '000).....	
Deposits maturing within 12 months			
Term deposits - local currency	13.1 & 13.2	41,000	45,750
Term deposits - foreign currency		243,610	210,552
	13.3	284,610	256,302

13.1 These include Rs. 1,000 thousands (December 31, 2022: Rs. 5,750 thousands) placed under lien with commercial banks against bank guarantees.

13.2 These include an amount of Rs. 40,000 thousands (December 31, 2022: Rs. 40,000 thousands) held with a related party. These term deposits carry an interest rate of 21.00% (December 31, 2022: 15%) per annum and have maturity up to May 24, 2024.

13.3 Term deposits carry interest rates ranging from 12.73% to 21.00% (December 31, 2022: 7.20% to 15.00%) per annum and having maturity up to May 24, 2024. Foreign deposits carry interest rate ranging from 3.75% to 4.25% (December 31, 2022: 1.50% to 3.00%) per annum and having maturity up to July 19, 2023.

14. LOANS AND OTHER RECEIVABLES - CONSIDERED GOOD

	June 30, 2023	December 31, 2022
	(Un-audited)	(Audited)
.....(Rupees in '000).....		
Accrued investment income	206,401	214,996
Security deposits	37,278	36,720
Advance to suppliers	187,145	112,688
Sales tax recoverable	21,714	29,574
Loans to employees	1,097	1,136
Medical claims recoverable	3,532	2,324
Receivable against sale of investments	23,216	37,774
Other receivables	17,831	20,413
	498,214	455,625

		June 30, 2023	December 31, 2022	
		(Un-audited)	(Audited)	
15.	INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good	.....(Rupees in '000).....		
		Note		
	Due from insurance contract holders	15.1	5,782,752	2,795,640
	Less: provision for impairment of receivables from insurance contract holders		(174,961)	(174,961)
			5,607,791	2,620,679
	Due from other insurers / re-insurers		143,686	86,978
	Less: provision for impairment of due from other insurers / re-insurers		-	(17,000)
			143,686	69,978
			5,751,477	2,690,657

15.1 Due from insurance contract holders include Rs. 303,370 thousands (December 31, 2022: Rs. 113,861 thousands) receivable from related parties.

16. PREPAYMENTS

Prepaid reinsurance premium ceded	24	5,125,935	3,071,540
Prepaid rent		7,939	9,171
Prepaid miscellaneous expenses		41,446	21,006
		5,175,320	3,101,717

17. CASH & BANK

Cash and cash equivalents			
- Cash in hand		1,237	75
- Policy and revenue stamps and Bond papers		1,243	9,216
		2,480	9,216
Cash at bank			
- Current accounts		97,918	83,031
- Savings accounts	17.1	1,595,925	2,731,444
	17.2	1,693,843	2,814,475
		1,696,323	2,823,766

17.1 Saving accounts carry interest rates ranging from 18.50% to 20.75% (December 31, 2022: 14.50% to 16.00%) per annum.

17.2 Cash at bank includes Rs. 488,377 thousands (December 31, 2022: Rs. 92,858 thousands) held with related parties.

18. WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

Assets			
Cash and bank		216,668	233,356
Investments		237,135	202,409
Property and equipment and intangible assets		1,865	1,933
Other assets		233,617	196,242
Total assets		689,285	633,940
Total liabilities			
		493,601	376,314

Three months period ended		Six months period ended	
June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
(Un-audited)		(Un-audited)	
..... (Rupees in '000)			
100,825	36,462	182,062	85,264

Details of assets and liabilities and segment information of Window Takaful Operations - Operator's Fund are stated in the annexed condensed interim financial statements for the six months period ended June 30, 2023.

		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		.....(Rupees in '000).....	
19.	DEFERRED TAXATION - NET		
	Deferred tax credits arising in respect of:		
	Share of profit of associates	(377,102)	(311,184)
	Right-of-use assets - net	(1,046)	(4,739)
	Accelerated tax depreciation	(19,593)	(16,480)
	Share in other comprehensive income of an associate	-	(1,648)
	Foreign currency translation difference	(41,361)	(21,491)
		(439,102)	(355,542)
	Deferred tax debits arising in respect of:		
	Share in other comprehensive loss of an associate	5,135	-
	Actuarial loss on defined benefit plan	17,964	20,036
	Provision for doubtful debts	68,235	63,347
	Impairment on available-for-sale investments	319,504	267,695
	Unrealised diminution on revaluation of available-for-sale investments	263,131	136,277
	Other provisions	139,788	94,402
		813,757	581,757
	Deferred tax assets - net	374,655	226,215
20.	INSURANCE / RE-INSURANCE PAYABLES		
	Due to insurance contract holders	205,668	109,015
	Due to other insurers / re-insurers	5,763,117	4,476,899
		5,968,785	4,585,914
21.	OTHER CREDITORS AND ACCRUALS		
	Agent commission payable	428,462	408,392
	Federal excise duty and sales tax	501,727	63,096
	Federal insurance fee	32,123	3,687
	Sindh Workers' Welfare Fund	358,430	320,061
	Tax deducted at source	5,618	12,545
	Accrued expenses	94,733	47,352
	Claims payable - stale cheques	109,186	95,914
	Unpaid and unclaimed dividend	273,125	164,139
	Lease liability against right-of-use assets	31,680	35,711
	Others	28,452	29,224
		1,863,536	1,180,121
22.	DEPOSITS AND OTHER PAYABLES		
	Advance rent	47,628	61,752
	Security deposits against bond insurance	1,821,922	1,786,902
	Other deposits	7,793	7,792
		1,877,343	1,856,446
22.1	This includes an advance rent from a related party amounting to Rs. 44,016 thousands (December 31, 2022: Rs. 22,903 thousands).		
22.2	These represent margin deposit on account of performance and other bond policies issued by the Company.		

23. CONTINGENCIES AND COMMITMENTS

23.1 The status of contingencies and commitments remains unchanged as disclosed in the annual audited financial statements as at December 31, 2022 except for the following:

23.1.1 During the period, the DCIR passed an order under section 122(4)/122(5) for the tax year 2017 and made certain disallowances / additions mainly on account deductions not allowed under section 21 of the Income Tax Ordinance, 2001, bad debts written off and super tax, thereby creating a demand of Rs. 20,523 thousands. The Company has filed an appeal against these disallowances / additions which is pending adjudication. Based on the tax advisor's opinion, the management is confident of favourable outcome of the appeal.

23.1.2 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 June 30, 2023. 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. 386,231 thousands (December 31, 2022: Rs. 325,575 thousands) by the Company would be recoverable from the customers in case of any adverse outcome of the aforementioned negotiations. The outcome of the matter is uncertain and therefore, no amount has been recorded in the condensed interim financial statements.

23.1.3 During the year 2022, the DCIR issued an order under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The DCIR in his order created a demand of Rs. 93,071 thousands on account of super tax. The Company had filed an appeal against the order passed by DCIR before the CIRA. During the current period, the CIRA has decided the appeal against the Company. The Company has filed an appeal with the ATIR against the order of CIRA which is pending adjudication. Based on the tax advisor's opinion, the management is confident of favourable outcome of the appeal. However, the Company has provided the amount of super tax in these condensed interim financial statements.

23.2 There are no material commitments outstanding as at June 30, 2023 and December 31, 2022.

Three months period ended		Six months period ended	
June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
(Un-audited)		(Un-audited)	

24. NET INSURANCE PREMIUM

..... (Rupees in '000)

Written gross premium	5,331,895	3,718,215	9,926,068	7,281,338
Add: Unearned premium reserve opening	6,376,578	5,048,813	5,221,846	4,244,992
Less: Unearned premium reserve closing	7,987,857	5,959,919	7,987,857	5,959,919
Premium earned	3,720,616	2,807,109	7,160,057	5,566,411
Less: Reinsurance premium ceded	3,949,321	2,280,368	5,806,175	3,922,760
Add: Prepaid reinsurance premium opening	3,118,553	2,393,278	3,071,540	2,339,417
Less: Prepaid reinsurance premium closing	5,125,935	3,323,340	5,125,935	3,323,340
Reinsurance expense	1,941,939	1,350,306	3,751,780	2,938,837
	1,778,677	1,456,803	3,408,277	2,627,574

	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Un-audited)		(Un-audited)	
25. NET INSURANCE CLAIMS	..... (Rupees in '000)			
Claims paid	961,145	1,020,267	2,027,112	1,943,512
Add: Outstanding claims including IBNR closing	8,031,166	6,177,891	8,031,166	6,177,891
Less: Outstanding claims including IBNR opening	7,527,413	6,844,082	7,001,923	5,154,819
Claims expense	1,464,898	354,076	3,056,355	2,966,584
Reinsurance and other recoveries received	174,757	332,909	416,183	494,349
Add: Reinsurance and other recoveries received in respect of outstanding claims closing	5,979,420	4,487,765	5,979,420	4,487,765
Less: Reinsurance and other recoveries received in respect of outstanding claims opening	5,689,780	5,108,868	5,214,088	3,618,024
Reinsurance and other recoveries revenue	464,397	(288,194)	1,181,515	1,364,090
	1,000,501	642,270	1,874,840	1,602,494
26. NET COMMISSION EXPENSE / OTHER ACQUISITION COST				
Commission paid or payable	108,117	113,068	340,646	315,608
Add: Deferred commission expense / other acquisition cost opening	329,639	283,507	252,739	247,251
Less: Deferred commission expense / other acquisition cost closing	271,417	240,781	271,417	240,781
Net commission	166,339	155,794	321,968	322,078
Less: Commission received or receivable	83,274	48,092	184,198	155,217
Add: Unearned reinsurance commission opening	159,953	169,876	138,267	148,056
Less: Unearned reinsurance commission closing	156,124	133,435	156,124	133,435
Commission from reinsurers	87,103	84,533	166,341	169,838
	79,236	71,261	155,627	152,240

27. NET INVESTMENT INCOME

Income from equity securities

Available-for-sale

- Dividend income
- related parties
- others

At fair value through profit or loss

- Dividend income - others

Income from debt securities

Held-to-maturity

- return on government securities
- amortisation of premium - net

Available-for-sale

- return on government securities
- amortisation of discount - net

Income from term deposits

- return on term deposits

Net realised gains / (losses) on investments

Available-for-sale

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

At fair value through profit or loss

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

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

Total investment income

Less: Impairment in value of available-for-sale equity securities

Less: Investment related expenses

Note

	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Un-audited)		(Un-audited)	
	(Rupees in '000)			
Income from equity securities				
<i>Available-for-sale</i>				
Dividend income				
- related parties	6,405	9,607	12,810	19,215
- others	85,439	41,616	185,041	133,011
	91,844	51,223	197,851	152,226
<i>At fair value through profit or loss</i>				
Dividend income - others	2,782	2,314	7,952	8,227
Income from debt securities				
<i>Held-to-maturity</i>				
- return on government securities	1,247	1,247	2,459	2,459
- amortisation of premium - net	(216)	(200)	(428)	(396)
	1,031	1,047	2,031	2,063
<i>Available-for-sale</i>				
- return on government securities	473,256	311,737	853,269	568,163
- amortisation of discount - net	69,698	24,358	136,341	42,490
	542,954	336,095	989,610	610,653
Income from term deposits				
- return on term deposits	4,417	1,916	8,170	11,348
Net realised gains / (losses) on investments				
<i>Available-for-sale</i>				
- gain on sale of equity securities	6,984	37,281	19,159	72,830
- loss on sale of equity securities	(2,157)	(22,403)	(2,186)	(22,403)
	4,827	14,878	16,973	50,427
<i>At fair value through profit or loss</i>				
- gain on sale of equity securities	9,151	112	26,003	11,882
- loss on sale of equity securities	(328)	(4,632)	(1,505)	(5,309)
	8,823	(4,520)	24,498	6,573
Net unrealised diminution on revaluation of investments classified as at fair value through profit or loss	(4,958)	(11,470)	(18,901)	(17,072)
Total investment income	651,720	391,483	1,228,184	824,445
Less: Impairment in value of available-for-sale equity securities	-	(110,857)	-	(110,857)
Less: Investment related expenses	(7,161)	(6,668)	(13,895)	(15,837)
	644,559	273,958	1,214,289	697,751

27.1 This includes Rs. 3,176 thousands (June 30, 2022: Rs. 3,661 thousands) in respect of return on term deposits from related parties.

		Three months period ended		Six months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		(Un-audited)		(Un-audited)	
28. RENTAL INCOME	Note	..... (Rupees in '000)			
Rental income		37,557	34,488	74,349	69,809
Less: expenses related to investment properties		(15,989)	(12,791)	(27,981)	(25,052)
		<u>21,568</u>	<u>21,697</u>	<u>46,368</u>	<u>44,757</u>
29. OTHER INCOME					
Return on bank balances	29.1	115,240	56,893	237,448	115,266
Exchange gain		431	22,464	57,811	27,093
Return on loans to employees		10	14	20	26
Gain on sale of fixed assets		12	8,521	12	8,504
Others		739	2,120	2,310	3,470
		<u>116,432</u>	<u>90,012</u>	<u>297,601</u>	<u>154,359</u>

29.1 This includes Rs. 19,178 thousands (June 30, 2022: Rs. 2,649 thousands) in respect of return on bank balances from a related party.

30. EARNINGS PER SHARE - BASIC AND DILUTED

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

	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Un-audited)		(Un-audited)	
	..... (Rupees in '000)			
Profit after taxation	437,240	361,403	1,106,002	552,728
	----- (Number of shares in '000) -----			
Weighted average number of shares of Rs. 10 each	198,491	198,491	198,491	198,491
	----- (Rupees) -----			
Earnings per share of Rs. 10 each - basic	2.20	1.82	5.57	2.78

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

31. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, companies under common control, companies with common directors, major shareholders, directors, key management personnel and employees' funds. 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 condensed interim financial statements, are as follows:

	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Un-audited)		(Un-audited)	
..... (Rupees in '000)				
Associated companies				
Insurance premium written (including government levies, administrative surcharge and policy stamps)	187,068	45,138	731,863	331,264
Insurance premium received / adjusted during the period	127,418	80,855	571,272	357,980
Insurance claims paid	61,837	90,644	163,087	181,999
Commission paid	233	79	430	522
Purchases of goods and services	3,918	44	31,865	23,818
Dividend income	6,405	9,607	12,810	19,215
Dividend received from associates under equity method	56,116	64,533	56,116	64,533
Dividend paid	568,957	468,957	568,957	468,957
Rental income	27,830	22,427	55,322	44,693
Directors and Key management personnel				
Insurance premium written (including government levies, administrative surcharge and policy stamps)	931	44	1,251	601
Insurance premium received / adjusted during the period	491	110	1,280	677
Claims paid	93	-	93	-
Directors' fee	2,600	2,300	5,500	3,950
Remuneration	54,184	55,687	85,665	86,368
Dividend paid	11,620	12,520	11,620	12,520
Employees' funds				
Contribution to provident fund	9,630	8,830	19,264	17,698
Provision for gratuity fund	8,250	8,250	16,500	16,500
Others				
Reimbursement of expenses *	1,155	18,517	28,513	29,017
Expense allocated to Window Takaful Operations	40,426	41,306	77,822	66,413
Rental income	326	709	642	1,379

* These expenses pertain to accident and health business and common back office operations jointly shared with Jubilee Life Insurance Company Limited, an associated company.

32. SEGMENT INFORMATION

Following segment information 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 and results are as follows:

For the three months period ended June 30, 2023 (Un-audited)							
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 / sales tax, federal insurance fee and administrative surcharge)	3,547,154	296,298	450,110	146,969	385,983	1,282,882	6,109,396
Less: federal excise duty / sales tax	444,163	29,826	53,828	18,148	-	167,469	713,434
federal insurance fee	30,626	2,542	3,915	1,259	3,821	12,256	54,419
others	(174)	9,706	(94)	2	108	100	9,648
Gross written premium (inclusive of administrative surcharge)	3,072,539	254,224	392,461	127,560	382,054	1,103,057	5,331,895
- Gross direct premium	3,070,599	248,206	382,393	127,407	382,054	1,101,498	5,312,157
- Facultative inward premium	-	-	-	-	-	-	-
- Administrative surcharge	1,940	6,018	10,068	153	-	1,559	19,738
	3,072,539	254,224	392,461	127,560	382,054	1,103,057	5,331,895
Insurance premium earned	1,573,163	291,015	474,106	126,280	567,069	688,983	3,720,616
Insurance premium ceded to re-insurers	1,170,293	91,228	18,290	121,274	-	540,854	1,941,939
Net insurance premium	402,870	199,787	455,816	5,006	567,069	148,129	1,778,677
Commission income from re-insurers	39,439	2,952	322	6,084	-	38,305	87,103
Net underwriting income	442,309	202,739	456,138	11,090	567,069	186,434	1,865,780
Insurance claims expense	713,122	107,533	183,471	70,429	416,411	(26,068)	1,464,898
Insurance claims recovered from re-insurers	464,723	(415)	(11,157)	69,721	-	(58,475)	464,397
Net insurance claims	248,399	107,948	194,628	708	416,411	32,407	1,000,501
Commission expense	65,726	28,851	27,113	1,275	22,180	21,194	166,339
Management expense	124,409	72,914	165,793	4,512	57,252	93,708	518,588
Net insurance claims and expenses	438,534	209,713	387,534	6,495	495,843	147,309	1,685,428
Underwriting results	3,775	(6,974)	68,604	4,595	71,226	39,125	180,352
Net investment income							644,559
Rental income							21,568
Other income							116,432
Other expenses							(24,106)
Share of profit of associates							35,957
Profit from Window Takaful Operations - Operator's Fund							100,825
Profit before tax							1,075,587

For the six months period ended June 30, 2023 (Un-audited)							
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 / sales tax, federal insurance fee and administrative surcharge)	5,350,433	704,778	1,214,766	483,492	1,305,531	2,210,218	11,269,218
Less: federal excise duty / sales tax	666,886	73,012	144,720	57,069	-	276,557	1,218,244
federal insurance fee	46,245	6,023	10,595	4,206	12,923	20,377	100,369
others	(130)	23,527	322	6	339	473	24,537
Gross written premium (inclusive of administrative surcharge)	4,637,432	602,216	1,059,129	422,211	1,292,269	1,912,811	9,926,068
- Gross direct premium	4,632,744	590,490	1,036,772	421,801	1,292,269	1,908,957	9,883,033
- Facultative inward premium	-	-	-	-	-	-	-
- Administrative surcharge	4,688	11,726	22,357	410	-	3,854	43,035
	4,637,432	602,216	1,059,129	422,211	1,292,269	1,912,811	9,926,068
Insurance premium earned	2,996,865	578,870	938,365	242,016	1,082,263	1,321,678	7,160,057
Insurance premium ceded to re-insurers	2,285,989	149,549	34,513	232,038	416	1,049,275	3,751,780
Net insurance premium	710,876	429,321	903,852	9,978	1,081,847	272,403	3,408,277
Commission income from re-insurers	76,864	3,584	557	11,113	-	74,223	166,341
Net underwriting income	787,740	432,905	904,409	21,091	1,081,847	346,626	3,574,618
Insurance claims expense	1,069,896	178,499	406,274	130,790	868,378	402,518	3,056,355
Insurance claims recovered from re-insurers	699,553	6,742	15,391	129,392	-	330,437	1,181,515
Net insurance claims	370,343	171,757	390,883	1,398	868,378	72,081	1,874,840
Commission expense	123,879	55,213	56,279	2,516	41,795	42,286	321,968
Management expense	249,895	146,458	333,020	9,062	115,000	188,229	1,041,664
Net insurance claims and expenses	744,117	373,428	780,182	12,976	1,025,173	302,596	3,238,472
Underwriting results	43,623	59,477	124,227	8,115	56,674	44,030	336,146
Net investment income							1,214,289
Rental income							46,368
Other income							297,601
Other expenses							(56,373)
Share of profit of associates							80,060
Profit from Window Takaful Operations - Operator's Fund							182,062
Profit before tax							2,100,153

For the three months period ended June 30, 2022 (Un-audited)							
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 and administrative surcharge)	2,292,514	247,541	419,356	89,272	236,131	978,142	4,262,956
Less: federal excise duty / sales tax	282,525	25,617	50,255	11,180	-	127,798	497,375
federal insurance fee	19,792	2,104	3,653	757	2,337	8,399	37,042
others	(128)	9,611	144	2	62	633	10,324
Gross written premium (inclusive of administrative surcharge)	1,990,325	210,209	365,304	77,333	233,732	841,312	3,718,215
- Gross direct premium	1,983,818	204,548	354,465	77,181	233,732	838,948	3,692,692
- Facultative inward premium	4,740	-	-	-	-	-	4,740
- Administrative surcharge	1,767	5,661	10,839	152	-	2,364	20,783
	1,990,325	210,209	365,304	77,333	233,732	841,312	3,718,215
Insurance premium earned	1,107,327	226,103	416,759	101,404	442,051	513,465	2,807,109
Insurance premium ceded to re-insurers	756,553	71,720	13,952	94,470	6,240	407,371	1,350,306
Net Insurance premium	350,774	154,383	402,807	6,934	435,811	106,094	1,456,803
Commission income from re-insurers	36,924	2,183	199	7,610	-	37,617	84,533
Net underwriting income	387,698	156,566	403,006	14,544	435,811	143,711	1,541,336
Insurance claims expense	(334,879)	29,262	197,827	12,477	359,864	89,525	354,076
Insurance claims recovered from re-insurers	(370,392)	4,646	7,463	7,175	(7,251)	70,165	(288,194)
	35,513	24,616	190,364	5,302	367,115	19,360	642,270
Commission expense	57,160	28,395	26,942	2,209	16,676	24,412	155,794
Management expense	112,560	65,968	150,000	4,082	51,799	84,783	469,192
Net insurance claims and expenses	205,233	118,979	367,306	11,593	435,590	128,555	1,267,256
Underwriting results	182,465	37,587	35,700	2,951	221	15,156	274,080
Net investment income							273,958
Rental income							21,697
Other income							90,012
Other expenses							(16,419)
Share of profit of associates							31,656
Profit from Window Takaful Operations - Operator's Fund							36,462
Profit before tax							711,446

For the six months period ended June 30, 2022 (Un-audited)							
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 and administrative surcharge)	3,490,318	605,399	1,063,349	373,211	1,080,408	1,636,428	8,249,113
Less: federal excise duty / sales tax	432,739	63,162	126,492	44,013	-	205,674	872,080
federal insurance fee	30,187	5,151	9,275	3,234	10,695	14,143	72,685
Others	(280)	22,064	495	7	232	492	23,010
Gross written premium (inclusive of administrative surcharge)	3,027,672	515,022	927,087	325,957	1,069,481	1,416,119	7,281,338
- Gross direct premium	3,018,613	503,145	903,838	325,449	1,069,481	1,411,383	7,231,909
- Facultative inward premium	4,740	-	-	-	-	-	4,740
- Administrative surcharge	4,319	11,877	23,249	508	-	4,736	44,689
	3,027,672	515,022	927,087	325,957	1,069,481	1,416,119	7,281,338
Insurance premium earned	2,173,686	490,079	819,431	190,669	860,502	1,032,044	5,566,411
Insurance premium ceded to re-insurers	1,779,615	135,297	27,059	176,117	8,698	812,051	2,938,837
Net Insurance premium	394,071	354,781	792,373	14,551	851,804	219,993	2,627,574
Commission income from re-insurers	73,719	4,083	409	15,908	-	75,719	169,838
Net underwriting income	467,790	358,864	792,782	30,459	851,804	295,712	2,797,412
Insurance claims expense	1,656,159	84,692	365,409	18,408	687,512	154,404	2,966,584
Insurance claims recovered from re-insurers	1,234,113	8,332	9,249	13,231	(8,628)	107,793	1,364,090
	422,046	76,360	356,160	5,177	696,139	46,611	1,602,494
Commission expense	114,987	63,811	54,591	4,295	33,320	51,074	322,078
Management expense	220,635	129,309	294,026	8,001	101,534	166,189	919,694
Net insurance claims and expenses	757,668	269,480	704,777	17,473	830,994	263,874	2,844,266
Underwriting results	(289,878)	89,384	88,005	12,986	20,811	31,838	(46,854)
Net investment income							697,751
Rental income							44,757
Other income							154,359
Other expenses							(23,792)
Share of profit of associates							68,128
Profit from Window Takaful Operations - Operator's Fund							85,264
Profit before tax							979,613

The class wise assets and liabilities are as follows:

As at June 30, 2023 (Un-audited)							
Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total	
(Rupees in '000)							
Segment assets	7,922,723	607,720	900,058	2,062,408	908,728	4,726,612	17,128,249
Unallocated corporate assets							20,560,623
Unallocated assets of Window Takaful Operation - Operator's Fund							689,285
Consolidated total assets	7,922,723	607,720	900,058	2,062,408	908,728	4,726,612	38,378,157
Segment liabilities	10,197,105	1,257,868	2,192,796	2,189,048	2,373,959	5,881,953	24,092,730
Unallocated corporate liabilities							3,118,460
Unallocated liabilities of Window Takaful Operation - Operator's Fund							493,601
Consolidated total liabilities	10,197,105	1,257,868	2,192,796	2,189,048	2,373,959	5,881,953	27,704,791
Depreciation and amortisation (including allocation to Window Takaful Operations)	7,829	4,728	9,954	110	11,915	3,000	37,536
Unallocated capital expenditure	-	-	-	-	-	-	7,917

	As at December 31, 2022 (Audited)						
	Fire and property damage	Marine, aviation and transport	Motor	Liability	Accident and health	Miscellaneous	Total
	(Rupees in '000)						
Segment assets	4,732,608	369,064	493,905	1,656,676	434,759	3,542,011	11,229,023
Unallocated corporate assets							20,164,746
Unallocated assets of Window Takaful Operation - Operator's Fund							633,940
Consolidated total assets	4,732,608	369,064	493,905	1,656,676	434,759	3,542,011	32,027,709
Segment liabilities	6,970,533	1,050,606	1,851,312	1,814,643	1,966,271	4,903,005	18,556,370
Unallocated corporate liabilities							2,558,685
Unallocated liabilities of Window Takaful Operation - Operator's Fund							376,314
Consolidated total liabilities	6,970,533	1,050,606	1,851,312	1,814,643	1,966,271	4,903,005	21,491,369
Depreciation and amortisation (including allocation to Window Takaful Operations)	11,057	8,635	18,613	278	20,773	5,438	64,794
Unallocated capital expenditure	-	-	-	-	-	-	26,447

33. 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.

33.1 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 amount 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.

June 30, 2023 (Un-audited)									
At fair value through profit or loss	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
Investments									
- Equity securities	236,300	2,490,819	-	-	2,727,119	2,724,703	2,416	-	2,727,119
- Debt securities	-	12,948,492	-	-	12,948,492	-	12,948,492	-	12,948,492
Assets of Window Takaful Operations - Operator's Fund									
-	237,135	-	-	-	237,135	40,485	196,650	-	237,135
Financial assets not measured at fair value									
Investments									
- Equity securities	-	2,500	-	-	2,500	-	-	-	-
- Debt securities	-	-	50,499	-	50,499	-	46,795	-	46,795
- Term deposits*	-	-	284,610	-	284,610	-	-	-	-
Loans and other receivables*	-	-	-	289,174	289,174	-	-	-	-
Insurance / reinsurance receivables*	-	-	-	5,751,477	5,751,477	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	5,941,775	5,941,775	-	-	-	-
Salvage recoveries accrued*	-	-	-	37,645	37,645	-	-	-	-
Cash and bank*	-	-	-	1,696,323	1,696,323	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*									
-	-	-	373,513	-	373,513	-	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*									
-	-	-	-	(8,031,166)	(8,031,166)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	(5,968,785)	(5,968,785)	-	-	-	-
Other creditors and accruals*	-	-	-	(965,638)	(965,638)	-	-	-	-
Deposits and other payables*	-	-	-	(1,829,715)	(1,829,715)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*									
-	-	-	-	(65,688)	(65,688)	-	-	-	-
236,300	15,678,946	335,109	14,089,907	(16,860,992)	13,479,270	2,765,188	13,194,353	-	15,959,541

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

December 31, 2022 (Audited)									
At fair value through profit or loss	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investments									
- Equity securities	181,713	2,302,530	-	-	2,484,243	2,481,847	2,396	-	2,484,243
- Debt securities	-	11,937,155	-	-	11,937,155	-	11,937,155	-	11,937,155
Assets of Window Takaful Operations - Operator's Fund									
-	202,409	-	-	-	202,409	43,074	159,335	-	202,409
Financial assets not measured at fair value									
Investments									
- Equity securities*	-	2,500	-	-	2,500	-	-	-	-
- Debt securities	-	-	50,927	-	50,927	-	46,750	-	46,750
- Term deposits*	-	-	256,302	-	256,302	-	-	-	-
Loans and other receivables*	-	-	-	311,943	311,943	-	-	-	-
Insurance / reinsurance receivables*	-	-	-	2,690,657	2,690,657	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	5,191,022	5,191,022	-	-	-	-
Salvage recoveries accrued*	-	-	-	23,065	23,065	-	-	-	-
Cash and bank*	-	-	-	2,823,766	2,823,766	-	-	-	-
Assets of Window Takaful Operations - Operator's Fund*									
-	-	-	355,505	-	355,505	-	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*									
-	-	-	-	(7,001,923)	(7,001,923)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	(4,585,914)	(4,585,914)	-	-	-	-
Other creditors and accruals*	-	-	-	(780,732)	(780,732)	-	-	-	-
Deposits and other payables*	-	-	-	(1,794,694)	(1,794,694)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*									
-	-	-	-	(60,777)	(60,777)	-	-	-	-
181,713	14,444,594	307,229	11,395,958	(14,224,040)	12,105,454	2,524,921	12,145,636	-	14,670,557

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

34. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on August 11, 2023.

35. GENERAL

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



Akbarali Pesnani
Chairman



Hassan Khan
Chief Executive



Riyaz Ali Tawfiq Chinoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

Window Takaful Operations



Independent auditor's review report to the members of Jubilee General Insurance Company Limited - Window Takaful Operations

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of OPF and PTF of **Jubilee General Insurance Company Limited – Window Takaful Operations (the Operator)** as at June 30, 2023 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in operator's fund and participants' takaful fund, and condensed interim cash flow statement, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the three months period ended June 30, 2023 and June 30, 2022 in the condensed interim profit and loss account, condensed interim statement of comprehensive income and relevant notes have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Noman Abbas Sheikh**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: August 24, 2023
UDIN: RR202310061HPpTcAeaf

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5, Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION OF OPF AND PTF (UN-AUDITED)

AS AT JUNE 30, 2023

	Note	OPF		PTF	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
(Rupees in '000)					
Assets					
Property and equipment	7	1,756	1,695	-	-
Intangible assets		109	238	-	-
Investments					
Equity securities	8	237,135	202,409	385,324	383,601
Loans and other receivables	9	117	75	19,491	7,711
Takaful / re-takaful receivables	10	-	-	559,522	353,218
Salvage recoveries accrued		-	-	6,550	24,350
Deferred taxation		446	192	-	-
Deferred wakala fee		-	-	281,945	249,200
Receivable from PTF	11	154,497	120,019	-	-
Re-takaful recoveries against outstanding claims / benefits		-	-	291,477	363,198
Deferred commission expense	21	77,344	74,686	-	-
Prepayments	12	1,213	1,270	116,552	138,841
Cash and bank	13	216,668	233,356	645,001	659,248
Total assets		689,285	633,940	2,305,862	2,179,367
Funds and Liabilities					
Funds attributable to:					
Operator's Fund (OPF)					
Statutory fund		100,000	100,000	-	-
Reserves		(697)	(389)	-	-
Accumulated profit		96,381	158,015	-	-
Balance of Operator's Fund		195,684	257,626	-	-
Participants' Takaful Fund (PTF)					
Seed money		-	-	500	500
Reserves		-	-	(2,395)	1,717
Accumulated surplus		-	-	318,690	278,405
Balance of Participants' Takaful Fund		-	-	316,795	280,622
Liabilities					
PTF underwriting provisions					
Outstanding claims including IBNR	19	-	-	616,074	691,467
Unearned contribution reserves		-	-	840,804	724,082
Reserve for unearned re-takaful rebate	18	-	-	7,628	12,288
				1,464,506	1,427,837
Unearned wakala fee	20	281,945	249,200	-	-
Contribution received in advance		-	-	34,327	32,732
Takaful / re-takaful payables	14	-	-	297,026	286,377
Other creditors and accruals	15	65,972	61,106	38,711	31,780
Taxation - provision less payments		145,684	66,008	-	-
Payable to OPF	11	-	-	154,497	120,019
Total liabilities		493,601	376,314	1,989,067	1,898,745
Total funds and liabilities		689,285	633,940	2,305,862	2,179,367
Contingencies and commitments	16				

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



Akbarali Pesnani
Chairman



Hassan Khan
Chief Executive



Riyaz Ali Towfiq Chinoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Note	Three months period ended		Six months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
(Rupees in '000)					
PTF					
Contribution earned		328,620	242,216	644,737	472,370
Less: Contribution ceded to re-takaful		(80,529)	(67,874)	(154,664)	(135,355)
Net contribution revenue	17	248,091	174,342	490,073	337,015
Re-takaful rebate earned	18	5,209	5,060	11,070	9,622
Net underwriting income		253,300	179,402	501,143	346,637
Net claims	19	(253,714)	(162,154)	(514,364)	(330,894)
Other direct expenses		(4,844)	(374)	(5,163)	(768)
(Deficit) / surplus before investment income		(5,258)	16,874	(18,384)	14,975
Investment income / (loss)	22	23,683	(10,592)	34,300	(6,954)
Other income	23	21,376	14,693	39,127	25,098
Less: Modarib's share of investment income	24	(9,219)	(854)	(14,758)	(3,665)
Surplus transferred to accumulated surplus		30,582	20,121	40,285	29,454
OPF					
Wakala fee	20	159,668	126,678	314,134	248,715
Commission expense	21	(42,902)	(37,885)	(86,718)	(75,260)
General, administrative and management expenses		(45,998)	(54,839)	(94,651)	(100,954)
		70,768	33,954	132,765	72,501
Modarib's share of PTF investment income	24	9,219	854	14,758	3,665
Investment income / (loss)	22	11,692	(4,969)	17,884	(3,251)
Direct expenses		(920)	(632)	(1,549)	(1,532)
Other income	23	10,066	7,255	18,204	13,881
Profit before taxation		100,825	36,462	182,062	85,264
Income tax expense - Current		(44,196)	(13,984)	(71,004)	(28,137)
- Prior		(5,879)	(5,879)	(14,677)	(5,879)
		(50,075)	(19,863)	(85,681)	(34,016)
Profit after taxation		50,750	16,599	96,381	51,248

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.


Akbarali Pesnani
Chairmen


Hassan Khan
Chief Executive


Riyaz Ali Towfiq Chinoy
Director


Amin A. Hashwani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023

Three months period ended		Six months period ended	
June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022

(Rupees in '000)

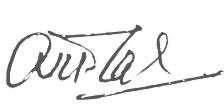
PTF

Surplus during the period	30,582	20,121	40,285	29,454
Other comprehensive (loss) / income for the period:				
<i>Item that may be reclassified to the profit and loss account in subsequent period</i>				
- Net unrealised (loss) / gain arising during the period on revaluation of available-for-sale investments	(6,117)	10,424	(4,677)	11,215
- Reclassification adjustment for net loss on available-for-sale investments included in profit and loss account	565	690	565	500
Other comprehensive (loss) / income for the period	(5,552)	11,114	(4,112)	11,715
Total comprehensive income for the period	25,030	31,235	36,173	41,169

OPF

Profit after tax for the period	50,750	16,599	96,381	51,248
Other comprehensive (loss) / income for the period:				
<i>Item that may be reclassified to the profit and loss account in subsequent period</i>				
- Net unrealised (loss) / gain arising during the period on revaluation of available-for-sale investments - net of tax	(1,052)	3,467	(521)	3,904
- Reclassification adjustment for net loss on available-for-sale investments included in profit and loss account - net of tax	213	274	213	149
Other comprehensive (loss) / income for the period	(839)	3,741	(308)	4,053
Total comprehensive income for the period	49,911	20,340	96,073	55,301

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



Akbarali Pesnani
Chairmen



Hassan Khan
Chief Executive



Riyaz Ali Towfiq Chinoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Attributable to Operator's Fund			Total
	Statutory Fund	Available for sale investment revaluation reserve	Unappropriated profit	
.....(Rupees in '000).....				
Balance as at January 01, 2022 (audited)	100,000	(3,297)	104,349	201,052
Profit after tax for the period	-	-	51,248	51,248
Transfer of profit to the Company	-	-	(104,349)	(104,349)
Other comprehensive income for the period	-	4,053	-	4,053
Balance as at June 30, 2022 (un-audited)	<u>100,000</u>	<u>756</u>	<u>51,248</u>	<u>152,004</u>
Balance as at January 01, 2023 (audited)	100,000	(389)	158,015	257,626
Profit after tax for the period	-	-	96,381	96,381
Transfer of profit to the Company	-	-	(158,015)	(158,015)
Other comprehensive loss for the period	-	(308)	-	(308)
Balance as at June 30, 2023 (un-audited)	<u>100,000</u>	<u>(697)</u>	<u>96,381</u>	<u>195,684</u>

	Attributable to participants of the PTF			Total
	Seed money	Available for sale investment revaluation reserve	Accumulated surplus	
.....(Rupees in '000).....				
Balance as at January 01, 2022 (audited)	500	(11,915)	201,209	189,794
Surplus for the period	-	-	29,454	29,454
Other comprehensive income for the period	-	11,715	-	11,715
Balance as at June 30, 2022 (un-audited)	<u>500</u>	<u>(200)</u>	<u>230,663</u>	<u>230,963</u>
Balance as at January 01, 2023 (audited)	500	1,717	278,405	280,622
Surplus for the period	-	-	40,285	40,285
Other comprehensive loss for the period	-	(4,112)	-	(4,112)
Balance as at June 30, 2023 (un-audited)	<u>500</u>	<u>(2,395)</u>	<u>318,690</u>	<u>316,795</u>


The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.


Akbarali Pesnani
Chairmen


Hassan Khan
Chief Executive


Riyaz Ali Towfiq Chinoy
Director


Amin A. Hashwani
Director


Nawaid Jamal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	OPF		PTF	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Operating Cash flows				
(a) Takaful activities				
Contribution received	-	-	879,690	690,233
Re-takaful contribution paid	-	-	(121,058)	(109,180)
Claims / benefits paid	-	-	(621,914)	(335,746)
Re-takaful and other recoveries received	-	-	112,204	62,813
Commission paid	(84,000)	(74,140)	-	-
Commission received	-	-	6,410	9,433
Wakala fee received	316,337	261,347	-	-
Wakala fee paid	-	-	(316,337)	(261,347)
Modarib share received	10,822	4,338	-	-
Modarib share paid	-	-	(10,822)	(4,338)
Net cash generated from / (used in) takaful activities	243,159	191,545	(71,827)	51,868
(b) Other operating activities				
Income tax paid	(26,601)	(2,477)	(11,874)	(5,024)
General and other expenses paid	(94,558)	(102,281)	(1,967)	(989)
Other operating payments	437	(291)	(91,406)	(88,576)
Other operating receipts	-	77	99,722	93,182
Net cash used in other operating activities	(120,722)	(104,972)	(5,525)	(1,407)
Total cash generated from / (used in) all operating activities	122,437	86,573	(77,352)	50,461
Investment activities				
Profit / return received	18,304	13,886	39,985	30,505
Dividend received	2,090	2,276	3,868	2,987
Payment for investments	(96,039)	(77,417)	(125,190)	(159,896)
Fixed capital expenditure	(71)	-	-	-
Proceeds from investments	94,606	3,868	144,442	5,707
Total cash generated from / (used in) investing activities	18,890	(57,387)	63,105	(120,697)
Financing activities - profit paid to the Company	(158,015)	(104,349)	-	-
Net cash used in all activities	(16,688)	(75,163)	(14,247)	(70,236)
Cash and cash equivalents at the beginning of the period	233,356	258,206	659,248	705,559
Cash and cash equivalents at the end of the period	216,668	183,043	645,001	635,323
Reconciliation to condensed interim profit and loss account				
Operating cash flows	122,437	86,573	(77,352)	50,461
Depreciation expense	(9)	(13)	-	-
Amortisation	(129)	(179)	-	-
Profit / return received	18,304	13,886	39,985	30,505
Profit / (loss) on disposal of investments	643	157	653	(456)
Dividend income	18,619	3,404	33,647	5,176
Impairment in value of available-for-sale securities	(1,378)	(6,812)	-	(13,652)
Increase in assets other than cash	37,121	13,045	100,929	116,332
Increase in liabilities other than borrowings	(99,227)	(58,813)	(57,577)	(158,912)
Net profit / surplus for the period	96,381	51,248	40,285	29,454
Cash and cash equivalents include the following for the purpose of the cash flow statement:				
CASH AND BANK				
Cash and cash equivalent				
Policy, revenue stamps and bond papers	4	3	436	81
Cash at bank				
Current accounts	-	-	3,469	15,360
Savings accounts	216,664	183,040	641,096	619,882
	216,664	183,040	644,565	635,242
	216,668	183,043	645,001	635,323

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



Akbarali Pesnani
Chairmen



Hassan Khan
Chief Executive



Riyaz Ali Tawfiq Chinoy
Director



Amin A. Hashwani
Director



Nawaid Jamal
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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 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, Pakistan.

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 the Takaful Rules, 2012 to carry on general takaful operations in Pakistan. The Waqf deed was executed on April 30, 2015 and 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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34 (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Window Takaful Operations for the year ended December 31, 2022.

2.1.2 These condensed interim 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 condensed interim financial statements have been prepared under the historical cost convention except for certain investments which are stated at their fair values.

2.3 Functional and presentational currency

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Operator operates. The condensed interim financial statements are presented in Pakistani Rupees, which is the Operator's functional and presentational currency.

2.4 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain amendments that are mandatory for the Operator's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Operator's operations and are therefore not detailed in these condensed interim financial statements.

2.5 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective

The following standards and amendments of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2024:

Standards and amendments	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- 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 but is yet to be notified by the Securities and Exchange Commission of Pakistan.

* The management has opted for 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 interim condensed financial statements.

The management is in the process of assessing the impact of these standards and amendments on the condensed 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 June 30, 2023 and changes in fair values during the six months period ended June 30, 2023

	As at June 30, 2023
Financial assets that do not meet the SPPI criteria	(Rupees in '000)
Operator's Fund	
<i>Equity securities - Available-for-sale (note 8)</i>	
Opening fair value	202,409
Additions during the period - net	23,076
Increase in fair value / dividend reinvested	11,650
Closing fair value	237,135
Participants' Takaful Fund	
<i>Equity securities - Available-for-sale (note 8)</i>	
Opening fair value	383,601
Disposals during the period - net	(18,598)
Increase in fair value / dividend reinvested	20,321
Closing fair value	385,324

2.5.2 There are certain other amendments that are mandatory for the Operator's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or will not have significant effect on the Operator's operations and are therefore not stated in these condensed interim financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2022.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Operator's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Operator as at and for the year ended December 31, 2022.

5. TAKAFUL AND FINANCIAL RISK MANAGEMENT

The takaful and financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Operator for the year ended December 31, 2022.

6. CONTRIBUTION DEFICIENCY RESERVE

No provision has been made in these condensed interim financial statements as the unearned contribution reserve for each class of business at period end is adequate to meet the expected future liability after re-takaful from claims and other expenses expected to be increased after the reporting date in respect of policies in force at the reporting date.

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		.....(Rupees in '000).....	
7. PROPERTY AND EQUIPMENT	Note		
Operating assets	7.1	1,756	1,695
7.1	The break-up of operating assets as at June 30, 2023 is given below:		
	Furniture and fixtures	921	920
	Office equipment	686	693
	Computers and related accessories	149	82
		1,756	1,695
7.2	Movement of property and equipment during the six months period ended June 30, 2023 is as follows:		
	Opening book value	1,695	1,636
	Add: Additions during the period / year	70	82
	Less: depreciation for the period / year	9	23
	Closing book value	1,756	1,695

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

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Cost / Carrying value	Impairment for the period	Market value	Cost / Carrying value	Impairment for the period	Market value
	..... (Rupees in '000)					
OPF						
Listed shares	41,628	1,378	40,485	44,930	9,287	43,074
Mutual funds	176,000	-	196,650	158,062	-	159,335
	217,628	1,378	237,135	202,992	9,287	202,409
PTF						
Listed shares	71,728	-	69,333	70,327	21,580	69,438
Mutual funds	277,000	-	315,991	311,557	-	314,163
	348,728	-	385,324	381,884	21,580	383,601

9. LOAN AND OTHER RECEIVABLES

	OPF		PTF	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	..... (Rupees in '000)			
Accrued investment income	-	-	2,341	2,834
Sales tax recoverable	80	74	4,017	4,796
Medical claims recoverable	-	-	269	81
Other receivables	37	1	12,864	-
	<u>117</u>	<u>75</u>	<u>19,491</u>	<u>7,711</u>

10. TAKAFUL / RE-TAKAFUL RECEIVABLES

	Note	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		.....(Rupees in '000).....	
Due from takaful participant holders	10.1	514,635	313,376
Less: provision for impairment of receivables from takaful participants holders		(12,627)	(8,198)
		502,008	305,178
Due from other takaful / re-takaful operators	10.2	57,514	48,040
		<u>559,522</u>	<u>353,218</u>

10.1 This includes Rs. 4,074 thousands (December 31, 2022: Nil) receivable from related parties.

10.2 This includes Rs. 574 thousands (December 31, 2022: Rs. 1,143 thousands) receivable from a related party.

11. RECEIVABLE / (PAYABLE)
(Current account between OPF and PTF)

	Note	OPF		PTF	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
		..... (Rupees in '000)			
Wakala fee		145,278	114,736	(145,278)	(114,736)
Modarib fee		9,219	5,283	(9,219)	(5,283)
		<u>154,497</u>	<u>120,019</u>	<u>(154,497)</u>	<u>(120,019)</u>

12. PREPAYMENTS

Prepaid re-takaful contribution ceded	-	-	116,552	138,841
Prepaid miscellaneous expenses	1,213	1,270	-	-
	<u>1,213</u>	<u>1,270</u>	<u>116,552</u>	<u>138,841</u>

13. CASH AND BANK

Cash and cash equivalents
Policy and revenue stamps

	4	7	436	1,235
Cash at bank				
- Current accounts	-	-	3,469	13,831
- Savings accounts	216,664	233,349	641,096	644,182
	216,664	233,349	644,565	658,013
	<u>216,668</u>	<u>233,356</u>	<u>645,001</u>	<u>659,248</u>

13.1 Savings accounts carry profit rates ranging from 6.67% to 18.50% (December 31, 2022: 4.15% to 13.50%) per annum.

13.2 Cash and bank balances of OPF include Rs. 41,536 thousands (December 31, 2022: Rs.19,043 thousands) held with a related party. Savings accounts with the related party carry interest rate of 6.67% (December 31, 2022: 6.28%) per annum.

- 13.3** Cash and bank balances of PTF include Rs. 112,085 thousands (December 31, 2022: Rs. 76,654 thousands) held with a related party. Savings accounts with the related party carry interest rate of 6.67% (December 31, 2022: 6.28%) per annum.

PTF	
June 30, 2023	December 31, 2022
(Un-audited)	(Audited)
.....(Rupees in '000).....	

14. TAKAFUL / RE-TAKAFUL PAYABLES

Due to takaful participants / re-takaful payable	297,026	286,377
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15. OTHER CREDITORS AND ACCRUALS

OPF		PTF	
June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
(Un-audited)	(Audited)	(Un-audited)	(Audited)
..... (Rupees in '000)			

Agents commission payable	63,469	58,093	-	-
Federal excise duty / sales tax	-	-	14,572	10,691
Federal takaful fee	-	-	1,264	979
Accrued expenses	1,741	2,206	7,480	5,605
Other tax payables	284	329	1,182	1,136
Miscellaneous	478	478	14,213	13,369
	<u>65,972</u>	<u>61,106</u>	<u>38,711</u>	<u>31,780</u>

16. CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments remains unchanged as disclosed in the annual audited financial statements as at December 31, 2022, except for the following:

- 16.1** 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 June 30, 2023. 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. 19,729 thousands (December 31, 2022: Rs. 15,591 thousands) by the Operator would be recoverable from the customers in case of any adverse outcome of the aforementioned negotiations. The outcome of the matter is uncertain and therefore, no amount has been recorded in these condensed interim financial statements.

	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Un-audited)		(Un-audited)	
	(Rupees in '000)			
17. NET CONTRIBUTION REVENUE	PTF			
Written gross contribution	447,907	352,905	1,075,593	823,701
Less: Wakala fee	145,367	116,482	346,879	276,834
Contribution net of Wakala fee	302,540	236,423	728,714	546,867
Add: Unearned contribution reserve - opening	584,939	436,680	474,882	356,390
Less: Unearned contribution reserve - closing	558,859	430,887	558,859	430,887
Contribution earned	328,620	242,216	644,737	472,370
Re-takaful contribution ceded	71,904	49,821	132,375	132,145
Add: Prepaid re-takaful contribution - opening	125,177	127,140	138,841	112,297
Less: Prepaid re-takaful contribution - closing	116,552	109,087	116,552	109,087
Re-takaful expense	80,529	67,874	154,664	135,355
Net contribution	248,091	174,342	490,073	337,015
18. RE-TAKAFUL REBATE EARNED	PTF			
Re-takaful rebate / commission received	3,032	2,315	6,410	9,433
Add: Unearned re-takaful rebate / commission - opening	9,805	11,308	12,288	8,752
Less: Unearned re-takaful rebate / commission - closing	7,628	8,563	7,628	8,563
	5,209	5,060	11,070	9,622
19. NET CLAIMS	PTF			
Benefits / claims paid	280,747	172,237	621,914	335,746
Add: outstanding benefits / claims including IBNR - closing	616,074	614,274	616,074	614,274
Less: outstanding benefits / claims including IBNR - opening	624,008	647,354	691,467	587,984
Claims expense	272,813	139,157	546,521	362,036
Re-takaful and other recoveries received	14,067	24,423	121,678	34,628
Add: Re-takaful and other recoveries in respect of outstanding claims - closing	298,027	310,615	298,027	310,615
Less: Re-takaful and other recoveries against outstanding claims - opening	292,995	358,035	387,548	314,101
Re-takaful and other recoveries revenue	19,099	(22,997)	32,157	31,142
Net claims expense	253,714	162,154	514,364	330,894
20. WAKALA FEE INCOME	OPF			
Gross Wakala fee	145,367	116,482	346,879	276,834
Add: Unearned Wakala fee income - opening	296,246	241,380	249,200	203,065
Less: Unearned Wakala fee income - closing	281,945	231,184	281,945	231,184
	159,668	126,678	314,134	248,715
21. COMMISSION EXPENSE	OPF			
Commission paid or payable	36,461	32,697	89,376	73,531
Add: Deferred commission expense - opening	83,785	71,624	74,686	68,165
Less: Deferred commission expense - closing	77,344	66,436	77,344	66,436
	42,902	37,885	86,718	75,260

		Three months period ended		Six months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		(Un-audited)		(Un-audited)	
22. INVESTMENT INCOME		OPF			
Income from equity securities - Available-for-sale					
Dividend income		12,427	1,954	18,619	3,404
Net realised gains / (losses) on investments					
Available-for-sale					
Realised gain on sale of equity securities		643	-	643	268
Realised loss on sale of equity securities		-	(111)	-	(111)
		643	(111)	643	157
Less: Impairment in value of available-for-sale equity securities		(1,378)	(6,812)	(1,378)	(6,812)
Total investment income		11,692	(4,969)	17,884	(3,251)
		PTF			
Income from equity securities - Available-for-sale					
Dividend income		23,030	3,345	33,647	5,176
Income from term deposits					
Return on term deposits		-	453	-	1,978
Net realised gains / (losses) on investments					
Available-for-sale					
Realised gain on sale of equity securities		653	-	653	282
Realised loss on sale of equity securities		-	(738)	-	(738)
		653	(738)	653	(456)
Less: Impairment in value of available-for-sale equity securities		-	(13,652)	-	(13,652)
Total investment income		23,683	(10,592)	34,300	(6,954)
23. OTHER INCOME		OPF			
Return on bank balances	23.1	10,156	7,169	18,304	13,886
Miscellaneous		(90)	86	(100)	(5)
		10,066	7,255	18,204	13,881
		PTF			
Return on bank balances	23.2	22,412	14,860	39,492	25,277
Miscellaneous		(1,036)	(167)	(365)	(179)
		21,376	14,693	39,127	25,098
23.1	This includes Rs. 1,996 thousands (June 30, 2022: Rs. 6,898 thousands) in respect of return on bank balances held with a related party.				
23.2	This includes Rs. 11,759 thousands (June 30, 2022: Rs. 5,475 thousands) in respect of return on bank balances held with a related party.				

24. MODARIB'S FEE

The Operator manages the participants' investments as a Modarib and charges 20% (June 30, 2022: 20%) Modarib's share of the investment income (including profit on bank balances) earned by PTF.

25. TRANSACTIONS WITH RELATED PARTIES

Related parties include 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 condensed interim financial statements, are as follows:

	Note	Three months period ended		Six months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		(Un-audited)		(Un-audited)	
Note (Rupees in '000)					
Associated companies / undertakings					
Contribution written		1,513	1,277	3,030	2,324
Contribution received / adjusted during the period		1,173	261	2,260	1,291
Rent	25.1	326	709	642	1,379
Reimbursement of expenses	25.2	38,643	39,434	77,822	68,905
Insurance claims paid		29	-	29	-
Purchases of goods and services		-	-	-	556
Others					
Remuneration of key management personnel		815	5,813	1,426	8,929
Contributions to staff retirement plans		-	-	21	153

25.1 This represents rent paid to the Operator.

25.2 These expenses pertain to accident and health business, common back office operations jointly shared with Jubilee Life Insurance Company Limited (an associated company) and allocation of management expenses including personnel expenses from the Company to the Operations.

26. 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:

The class wise revenues and results are as follows:

Three months period ended June 30, 2023 (Un-audited) - 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 / Sales Tax, Federal Takaful Fee and administrative surcharge)	54,829	49,006	172,966	197,009	16,814	490,624
Less: Federal excise duty	6,902	5,753	20,543	-	1,995	35,193
Federal takaful fee	475	404	1,519	1,948	149	4,495
Others	164	2,521	145	191	8	3,029
Gross written contribution (inclusive of administrative surcharge)	47,288	40,328	150,759	194,870	14,662	447,907
Gross direct contribution	46,731	38,723	146,728	194,870	14,460	441,512
Administrative surcharge	557	1,605	4,031	-	202	6,395
	47,288	40,328	150,759	194,870	14,662	447,907
Takaful contribution earned	47,080	21,967	111,680	135,144	12,749	328,620
Takaful contribution ceded to re-takaful	(47,199)	(14,071)	(9,748)	-	(9,511)	(80,529)
Net takaful contribution	(119)	7,896	101,932	135,144	3,238	248,091
Re-takaful rebate	4,630	98	35	-	446	5,209
Net underwriting income	4,511	7,994	101,967	135,144	3,684	253,300
Takaful claims	(13,226)	(6,477)	(98,330)	(141,018)	(13,762)	(272,813)
Takaful claims recovered from re-takaful	5,264	(378)	10,418	-	3,795	19,099
Net claims	(7,962)	(6,855)	(87,912)	(141,018)	(9,967)	(253,714)
Other direct expenses	(692)	(706)	(2,117)	(1,051)	(278)	(4,844)
(Deficit) / surplus before investment income	(4,143)	433	11,938	(6,925)	(6,561)	(5,258)
Net investment income						23,683
Other income						21,376
Modarib share of investment income						(9,219)
Surplus transferred to balance of PTF						30,582

Three months period ended June 30, 2023 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
..... (Rupees in '000)						
Wakala fee	25,345	11,638	61,369	54,474	6,842	159,668
Commission expense	(9,370)	(5,276)	(13,167)	(13,825)	(1,264)	(42,902)
Management expenses	(6,573)	(6,712)	(20,097)	(9,981)	(2,635)	(45,998)
	9,402	(350)	28,105	30,668	2,943	70,768
Modarib share of PTF investment income						9,219
Investment income						11,692
Direct expenses						(920)
Other income						10,066
Profit before tax						100,825
Taxation						(50,075)
Profit after tax						50,750

Three months period ended June 30, 2022 (Un-audited) - 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 / Sales Tax, Federal Takaful Fee and administrative surcharge)	48,853	31,491	170,847	131,493	7,841	390,525
Less: Federal excise duty	6,206	4,153	20,345	-	1,116	31,820
Federal takaful fee	392	252	1,487	1,301	66	3,498
Others	178	1,868	172	63	21	2,302
Gross written contribution (inclusive of administrative surcharge)	42,077	25,218	148,843	130,129	6,638	352,905
Gross direct contribution	41,575	24,172	144,284	130,129	6,521	346,681
Administrative surcharge	502	1,046	4,559	-	117	6,224
	42,077	25,218	148,843	130,129	6,638	352,905
Takaful contribution earned	41,531	18,480	107,163	63,756	11,286	242,216
Takaful contribution ceded to re-takaful	(40,127)	(10,520)	(9,481)	-	(7,746)	(67,874)
Net takaful contribution	1,404	7,960	97,682	63,756	3,540	174,342
Re-takaful rebate	4,442	162	29	-	427	5,060
Net underwriting income	5,846	8,122	97,711	63,756	3,967	179,402
Takaful claims	29,916	(4,177)	(74,808)	(78,892)	(11,196)	(139,157)
Takaful claims recovered from re-takaful	(19,345)	-	(2,902)	-	(750)	(22,997)
Net claims	10,571	(4,177)	(77,710)	(78,892)	(11,946)	(162,154)
Other direct expenses	(50)	(70)	(170)	(69)	(15)	(374)
Surplus / (deficit) before investment income	16,367	3,875	19,831	(15,205)	(7,994)	16,874
Net investment income						(10,592)
Other income						14,693
Modarib share of investment income						(854)
Surplus transferred to balance of PTF						20,121

Three months period ended June 30, 2022 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Wakala fee	22,467	10,116	58,862	29,096	6,137	126,678
Commission expense	(8,098)	(4,587)	(15,136)	(8,891)	(1,173)	(37,885)
Management expenses	(7,421)	(9,772)	(24,619)	(10,401)	(2,626)	(54,839)
	6,948	(4,243)	19,107	9,804	2,338	33,954
Modarib share of PTF investment income						854
Investment income						(4,969)
Direct expenses						(632)
Other income						7,255
Profit before tax						36,462
Taxation						(19,863)
Profit after tax						16,599

Six months period ended June 30, 2023 (Un-audited) - 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 / Sales Tax, Federal Takaful Fee and administrative surcharge)	126,007	78,348	456,909	473,511	39,998	1,174,773
Less: Federal excise duty	15,786	9,178	54,068	-	4,699	83,731
Federal takaful fee	1,099	646	3,995	4,686	350	10,776
Others	207	3,949	311	192	14	4,673
Gross written contribution (inclusive of administrative surcharge)	108,915	64,575	398,535	468,633	34,935	1,075,593
Gross direct contribution	107,898	62,063	390,122	468,633	34,577	1,063,293
Administrative surcharge	1,017	2,512	8,413	-	358	12,300
	108,915	64,575	398,535	468,633	34,935	1,075,593
Takaful contribution earned	95,207	41,918	222,913	259,369	25,330	644,737
Takaful contribution ceded to re-takaful	(89,917)	(25,702)	(20,532)	-	(18,513)	(154,664)
Net takaful contribution	5,290	16,216	202,381	259,369	6,817	490,073
Re-takaful rebate	9,771	254	76	-	969	11,070
Net underwriting income	15,061	16,470	202,457	259,369	7,786	501,143
Takaful claims	(50,824)	(13,064)	(178,635)	(287,671)	(16,327)	(546,521)
Takaful claims recovered from re-takaful	10,874	(420)	16,042	-	5,661	32,157
Net claims	(39,950)	(13,484)	(162,593)	(287,671)	(10,666)	(514,364)
Other direct expenses	(738)	(753)	(2,256)	(1,120)	(296)	(5,163)
(Deficit) / surplus before investment income	(25,627)	2,233	37,608	(29,422)	(3,176)	(18,384)
Net investment income						34,300
Other income						39,127
Modarib share of investment income						(14,758)
Surplus transferred to balance of PTF						40,285

Six months period ended June 30, 2023 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Wakala fee	51,361	22,536	122,389	104,212	13,636	314,134
Commission expense	(18,494)	(10,347)	(29,110)	(26,294)	(2,473)	(86,718)
Management expenses	(13,526)	(13,810)	(41,353)	(20,539)	(5,423)	(94,651)
	19,341	(1,621)	51,926	57,379	5,740	132,765
Modarib share of PTF investment income						14,758
Investment income						17,884
Direct expenses						(1,549)
Other income						18,204
Profit before tax						182,062
Taxation						(85,681)
Profit after tax						96,381

Six months period ended June 30, 2022 (Un-audited) - 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 / Sales Tax, Federal Takaful Fee and administrative surcharge)	130,839	70,739	449,964	233,638	32,719	917,899
Less: Federal excise duty	15,893	8,244	53,335	-	3,875	81,347
Federal takaful fee	1,114	584	3,928	2,312	287	8,225
Others	246	3,883	354	106	37	4,626
Gross written contribution (inclusive of administrative surcharge)	113,586	58,028	392,347	231,220	28,520	823,701
Gross direct contribution	112,578	55,778	383,163	231,220	28,184	810,923
Administrative surcharge	1,008	2,250	9,184	-	336	12,778
	113,586	58,028	392,347	231,220	28,520	823,701
Takaful contribution earned	81,568	40,961	209,065	118,044	22,732	472,370
Takaful contribution ceded to re-takaful	(90,584)	(15,865)	(15,198)	-	(13,708)	(135,355)
Net takaful contribution	(9,016)	25,096	193,867	118,044	9,024	337,015
Re-takaful rebate	8,419	380	37	-	786	9,622
Net underwriting income	(597)	25,476	193,904	118,044	9,810	346,637
Takaful claims	(41,987)	(13,103)	(149,662)	(142,873)	(14,411)	(362,036)
Takaful claims recovered from re-takaful	33,454	1,521	(4,197)	-	364	31,142
Net claims	(8,533)	(11,582)	(153,859)	(142,873)	(14,047)	(330,894)
Other direct expenses	(110)	(112)	(336)	(167)	(43)	(768)
(Deficit) / surplus before investment income	(9,240)	13,782	39,709	(24,996)	(4,280)	14,975
Net investment income						(6,954)
Other income						25,098
Modarib share of investment income						(3,665)
Surplus transferred to balance of PTF						29,454

Six months period ended June 30, 2022 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
(Rupees in '000)						
Wakala fee	44,080	22,351	114,756	55,237	12,291	248,715
Commission expense	(16,938)	(10,215)	(27,647)	(18,087)	(2,373)	(75,260)
Management expenses	(14,426)	(14,729)	(44,107)	(21,907)	(5,785)	(100,954)
	12,716	(2,593)	43,002	15,243	4,133	72,501
Modarib share of PTF investment income						3,665
Investment income						(3,251)
Direct expenses						(1,532)
Other income						13,881
Profit before tax						85,264
Taxation						(34,016)
Profit after tax						51,248

The classwise assets and liabilities are as follows:

June 30, 2023 (Un-audited) - PTF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
..... (Rupees in '000)						
Corporate segment assets	458,829	54,558	357,136	323,513	56,164	1,250,200
Corporate unallocated assets						1,055,662
Total assets						2,305,862
Corporate segment liabilities	529,519	95,117	649,918	606,454	108,059	1,989,067
Corporate unallocated liabilities						-
Total liabilities						1,989,067

June 30, 2023 (Un-audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
..... (Rupees in '000)						
Corporate segment assets	39,536	14,527	92,584	75,570	9,624	231,841
Corporate unallocated assets						457,444
Total assets						689,285
Corporate segment liabilities	48,622	11,904	151,401	121,096	14,896	347,919
Corporate unallocated liabilities						145,682
Total liabilities						493,601

December 31, 2022 (Audited) - PTF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
..... (Rupees in '000)						
Corporate segment assets	574,420	48,578	283,297	171,599	50,994	1,128,888
Corporate unallocated assets						1,050,479
Total assets						2,179,367
Corporate segment liabilities	659,181	105,684	584,435	443,555	105,378	1,898,233
Corporate unallocated liabilities						512
Total liabilities						1,898,745

December 31, 2022 (Audited) - OPF						
Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total	
..... (Rupees in '000)						
Corporate segment assets	39,596	14,103	81,232	51,089	8,172	194,192
Corporate unallocated assets						439,748
Total assets						633,940
Corporate segment liabilities	61,411	12,506	133,585	86,498	16,306	310,306
Corporate unallocated liabilities						66,008
Total liabilities						376,314

27. 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.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Operator to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Valuation techniques used in determination of fair values within level 2

Items	Valuation technique
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

	June 30, 2023 (Un-audited)								
	Carrying amount				Fair value				
	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
Financial assets measured at fair value									
Investments in equity securities	622,459	-	-	-	622,459	109,818	512,641	-	622,459
Financial assets not measured at fair value									
Loans and other receivables*	-	-	15,511	-	15,511	-	-	-	-
Takaful / re-takaful receivables*	-	-	559,522	-	559,522	-	-	-	-
Receivable from PTF*	-	-	154,497	-	154,497	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	-	291,477	-	291,477	-	-	-	-
Salvage recoveries accrued*	-	-	6,550	-	6,550	-	-	-	-
Cash and bank*	-	-	861,669	-	861,669	-	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(616,074)	(616,074)	-	-	-	-
Takaful / re-takaful payables*	-	-	-	(297,026)	(297,026)	-	-	-	-
Payable to OPF*	-	-	-	(154,497)	(154,497)	-	-	-	-
Other creditors and accruals*	-	-	-	(87,381)	(87,381)	-	-	-	-
	<u>622,459</u>	<u>-</u>	<u>1,889,226</u>	<u>(1,154,978)</u>	<u>1,356,707</u>	<u>109,818</u>	<u>512,641</u>	<u>-</u>	<u>622,459</u>

December 31, 2022 (Audited)									
Carrying amount					Fair value				
Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
Financial assets measured at fair value									
Investments in equity securities	586,010	-	-	-	586,010	112,512	473,498	-	586,010
Financial assets not measured at fair value									
Loans and other receivables*	-	-	2,916	-	2,916	-	-	-	-
Takaful / re-takaful receivables*	-	-	353,218	-	353,218	-	-	-	-
Receivable from PTF*	-	-	120,019	-	120,019	-	-	-	-
Re-takaful recoveries against outstanding claims / benefits*	-	-	363,198	-	363,198	-	-	-	-
Salvage recoveries accrued*	-	-	24,350	-	24,350	-	-	-	-
Cash and bank*	-	-	892,604	-	892,604	-	-	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(691,467)	(691,467)	-	-	-	-
Payable to OPF*	-	-	-	(120,019)	(120,019)	-	-	-	-
Takaful / re-takaful payables*	-	-	-	(286,377)	(286,377)	-	-	-	-
Other creditors and accruals*	-	-	-	(79,751)	(79,751)	-	-	-	-
	<u>586,010</u>	<u>-</u>	<u>1,756,305</u>	<u>(1,177,614)</u>	<u>1,164,701</u>	<u>112,512</u>	<u>473,498</u>	<u>-</u>	<u>586,010</u>

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

28. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on August 11, 2023.

29. GENERAL

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


Akbarali Pesnani
Chairmen


Hassan Khan
Chief Executive


Riyaz Ali Towfiq Chinoy
Director


Amin A. Hashwani
Director


Nawaid Jamal
Chief Financial Officer



Email: info@jubileegeneral.com.pk
Website: www.jubileegeneral.com.pk

Jubilee General Insurance Company Limited

2nd Floor, Jubilee Insurance House,
I.I. Chundrigar Road, P.O. Box: 4795,
Karachi-74000, Pakistan.

UAN: (9221) 111-654-111

Fax: (9221) 32416728/32438738

Toll Free: 0800-03786, SMS: 82665