

Jubilee

LIFE INSURANCE

Ref : JLI/CO.SEC./PSX/2018/848

August 24, 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi
UAN Fax # 111 573 329

SUBJECT: DISCLOSURE OF INFORMATION U/S 96 OF THE SECURITIES ACT, 2015 READ WITH RULE 5.6.1(a)(xv) OF THE PSX RULE BOOK

Dear Sir

Pursuant to Section 96 of the Securities Act, 2015 read with Rule 5.6.1(a)(xv) of the Rule Book of the Pakistan Stock Exchange (PSX), we have to inform you of the following material information, subsequent to the announcement of the financial results of the Company for the half year ended June 30, 2018, under cover of our letter no. JLI/CO.SEC./PSX/2018/846 dated August 20, 2018, impacting the financial results of the Company:

SUBSEQUENT EVENT - EXEMPTION FROM SECP FOR HY ACCOUNTS GIVING RISE TO UNQUALIFIED INDEPENDENT AUDITORS' REVIEW REPORT

- 1 As stated in the price sensitive information section of our announcement, the external auditors of the Company, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, Karachi, had issued a qualified conclusion in their Independent Auditors' Review Report, in respect of the Company not accounting for deferred taxation under International Accounting Standard 12 'Income Taxes', arising out of an apparent change in the presentation basis of the financial statements as per the new reporting requirements under the Insurance Accounting Regulations, 2017, which, in the view of the external auditors, represented a timing difference between the accounting base and the tax base of insurance liabilities. The management however, being of the view that the solvency margins maintained in the Statutory Funds were a permanent difference, had sought the clarification of the Securities & Exchange Commission of Pakistan (the Commission), through the forum of the Insurance Association of Pakistan, which the Commission, had referred to the Institute of Chartered Accountants of Pakistan (ICAP) for their opinion. The response of the ICAP / the Commission, was awaited at the time of submission of announcement of results to the PSX.
- 2 We have since received through the IAP, the response of the Commission under cover of their letter no. ID/PRDD/IAP/2018/16188 dated August 20, 2018, whereby the Commission has, in exercise of the powers conferred upon the Commission under Regulation 5 read with Regulation 3(2) of the Insurance Accounting Regulations, 2017, **granted exemption to the life insurers from the application of IAS 12** (Income Taxes) arising from recording of surplus retained in the statutory funds in the Profit and Loss Account and Equity in the published financial statements for the half year ended June 30, 2018.
- 3 In view of the above mentioned subsequent event which has a significant impact on the half yearly financial information of the Company, the external auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, Karachi, have issued an unqualified opinion with an emphasis of matter on the subject.

For the information of the Exchange please.

Yours truly

FOR JUBILEE LIFE INSURANCE COMPANY LIMITED


NAJAM UL HASSAN JANJUA
COMPANY SECRETARY