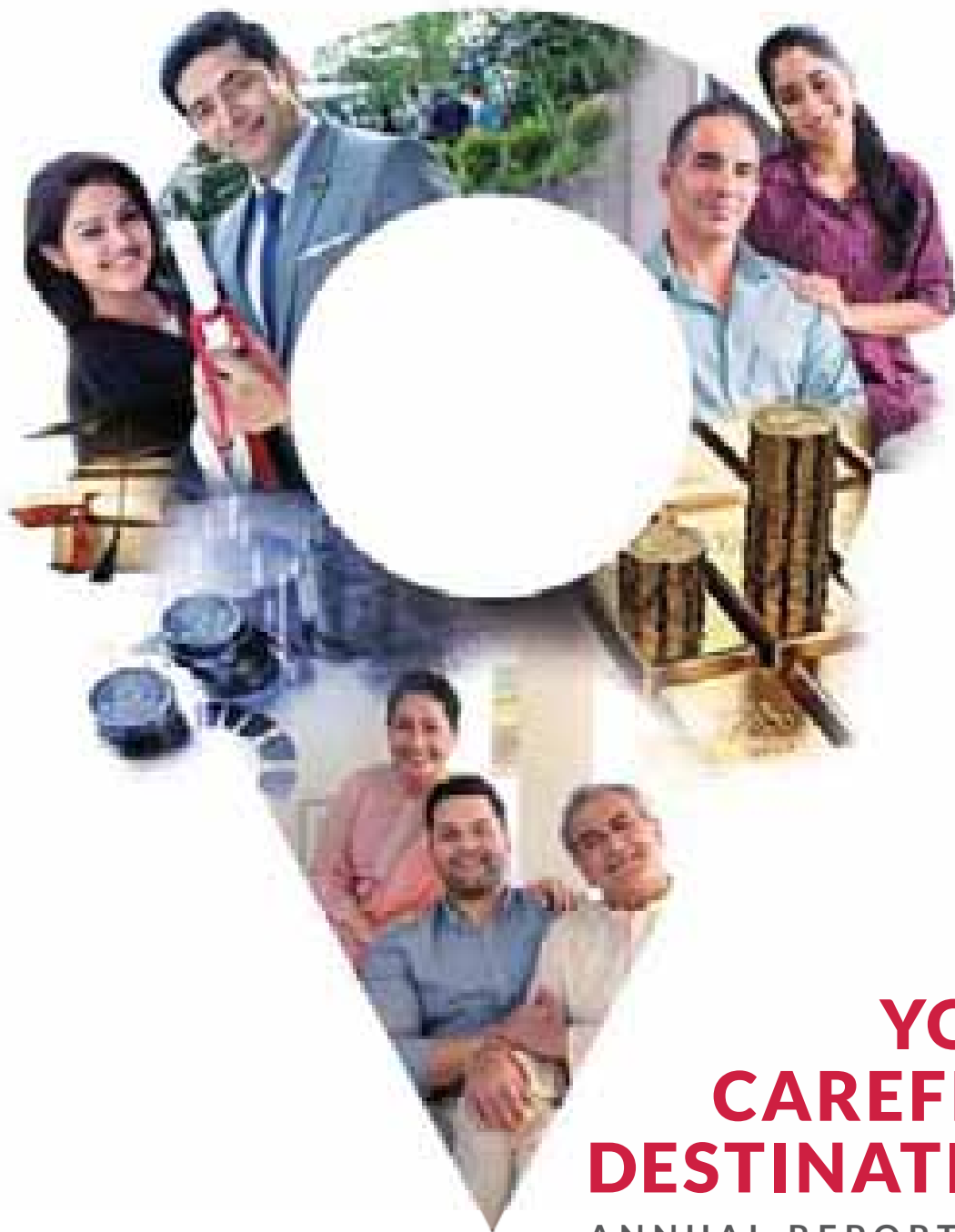


Jubilee
LIFE INSURANCE



**YOUR
CAREFREE
DESTINATION**

ANNUAL REPORT 2019

Jubilee
LIFE INSURANCE



**YOUR
CAREFREE
DESTINATION**



Introduction

As Pakistan's largest private sector insurer, Jubilee Life's footprint on the insurance landscape has been steadily increasing over the last two decades. At the same time, its wide range of products and outstanding customer services has provided millions of families across the country the right insurance coverage, besides savings and investment opportunities for securing the financial futures of those they love – be it through education, marriage or retirement plans. The Company has also been keenly involved in enhancing community development, one such initiative being in respect of financial inclusion of the impoverished section of the population through its micro insurance schemes, and health awareness campaigns throughout the length and breadth of Pakistan, which has benefited over four million individuals during the year 2019. The second initiative is in the arena of sports – an undoubtedly important activity for nation building. Through various sponsorships, Jubilee Life has actively supported the return of international cricket to Pakistan, the Pakistan Super League, and the resultant impact on enhancing upcoming cricketer talent in the nation. Meanwhile, its robust vision and mission, along with its commitment to excellence is evidenced by the most coveted corporate excellence awards such as the PSX Top 25 Listed Companies Award, the Management Association of Pakistan's Corporate Excellence Awards, and the FPCCI Awards, making Jubilee Life the best carefree destination to meet the insurance and savings needs of today, and tomorrow's Pakistan.

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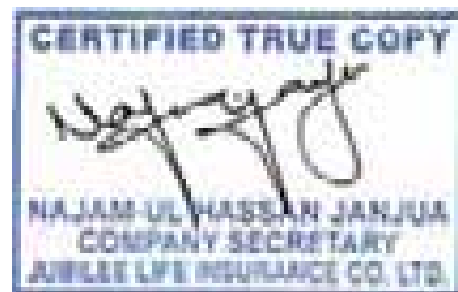
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Vision

**Enabling people to overcome
uncertainty**

Mission

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

Core Values

- **Teamwork**
- **Integrity**
- **Excellence**
- **Passion**



CODE OF CONDUCT

Code of Conduct

Our integrity guides our conduct towards our policyholders, participants, colleagues, shareholders and the general public. This principle constitutes the foundation of our Code of Conduct and ethics as under:

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



OVERALL CORPORATE STRATEGY

Overall Corporate Strategy

Jubilee Life Insurance Company Limited is a growth oriented insurance company in Pakistan. Our strategic objective is to increase our market share and maintain our market leadership position without compromising the customer service level and profitability. We aim to achieve our objective by diversifying our distribution channels, development of innovative products, sustaining profitable growth through employees' training, and enhancing customer satisfaction level.

Company Information

BOARD OF DIRECTORS

Kamal A. Chinoy
Independent
Non-Executive Director
(Chairman)

Shahid Ghaffar
Independent
Non-Executive Director

Sultan Ali Allana
Non-Independent
Non-Executive Director

Sagheer Mufti
Non-Independent
Non-Executive Director

Abyn Currimbhoy
Independent
Non-Executive Director

John Joseph Metcalf
Non-Independent
Non-Executive Director

R. Zakir Mahmood
Non-Independent
Non-Executive Director

Javed Ahmed
Managing Director & Chief Executive Officer
(Executive Director)

BOARD COMMITTEES

Audit Committee

Abyn Currimbhoy	Chairman
John Joseph Metcalf	Member
Shahid Ghaffar	Member
Adeel Ahmed Khan	Head of Internal Audit/Secretary

Risk Management Committee

John Joseph Metcalf	Chairman
R. Zakir Mahmood	Member
Shahid Ghaffar	Member
Sagheer Mufti	Member
Javed Ahmed	Member
Zahid Barki	Member
Shan Rabbani	Secretary

Finance & Investment Committee

Shahid Ghaffar	Chairman
John Joseph Metcalf	Member
R. Zakir Mahmood	Member
Javed Ahmed	Member
Shan Rabbani	Member
Lilly R. Dossabhoy	Member/Secretary

Technical Committee

John Joseph Metcalf	Chairman
Shahid Ghaffar	Member
Javed Ahmed	Member
Sagheer Mufti	Member
Shan Rabbani	Member/Secretary

Human Resource & Remuneration, Ethics & Nomination Committee

Kamal A. Chinoy	Chairman
John Joseph Metcalf	Member
R. Zakir Mahmood	Member
Javed Ahmed	Member
Najam ul Hassan Janjua	Secretary

Construction Advisory Committee

Kamal A. Chinoy	Chairman
R. Zakir Mahmood	Member
Javed Ahmed	Member/Secretary

MANAGEMENT

Javed Ahmed

Managing Director &
Chief Executive Officer

Zahid Barki

Group Head Risk Management,
Compliance & Quality Assurance

Muhammad Sohail Fakhar

Group Head Corporate,
Marketing & Administration

Muhammad Munawar Khalil

Group Head Takaful Retail Distribution

Shan Rabbani

Group Head Retail Operations,
Investments & Actuarial

Faiz ul Hassan

Head of Corporate Business
Distribution

Nadym Chandna

Head of Training & Development

Faisal Qasim

Head of Information Security &
Quality Assurance

Junaid Ahmed

Head of Sales Compliance,
Investigation & Litigation

Lilly R. Dossabhoy

Chief Financial Officer
(Group Head, Finance & Accounts)

Najam ul Hassan Janjua

Company Secretary &
Head of Legal Department

Muhammad Kashif Naqvi

Group Head Digital,
Technology & Strategic Planning

Farhan Akhtar Faridi

Group Head Retail Distribution

Tazeen Shahid

Group Head Human Resource
Management & Development

Muhammad Aamir

Head of Corporate Business
Operations

Syed Rizwan Azeiz

Head of Bancassurance

Adeel Ahmed Khan

Head of Internal Audit

Faizan Farooque

Head of Actuarial

Company Secretary

Najam ul Hassan Janjua

Compliance Officer

Zahid Barki

Head of Internal Audit

Adeel Ahmed Khan

Company Information

MANAGEMENT COMMITTEE

Javed Ahmed	Chairman
Zahid Barki	Member
Muhammad Sohail Fakhar	Member
Farhan Akhtar Faridi	Member
Lilly R. Dossabhoy	Member
Muhammad Munawar Khalil	Member
Shan Rabbani	Member
Tazeen Shahid	Member
Muhammad Kashif Naqvi	Member & Secretary

CLAIMS COMMITTEE

Javed Ahmed	Chairman
Zahid Barki	Member
Muhammad Sohail Fakhar	Member
Muhammad Kashif Naqvi	Member
Junaid Ahmed	Member & Secretary

UNDERWRITING & REINSURANCE COMMITTEE

Javed Ahmed	Chairman
Shan Rabbani	Member
Muhammad Aamir	Member
Faizan Farooque	Member
Raja Naveed	Member & Secretary

RISK MANAGEMENT & COMPLIANCE COMMITTEE

Javed Ahmed	Chairman
Zahid Barki	Member
Shan Rabbani	Member
Lilly R. Dossabhoy	Member
Najam ul Hassan Janjua	Member & Secretary

INVESTMENT MANAGEMENT COMMITTEE

Javed Ahmed	Chairman
Zahid Barki	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member
Muhammad Kashif Naqvi	Member
Dileep Kumar	Member
Asif Mobin	Member & Secretary

IT STEERING COMMITTEE

Javed Ahmed	Chairman
Zahid Barki	Member
Farhan Akhtar Faridi	Member
Shan Rabbani	Member
Muhammad Kashif Naqvi	Member & Secretary

MARKETING COMMITTEE

Javed Ahmed	Chairman
Farhan Akhtar Faridi	Member
Muhammad Munawar Khalil	Member
Muhammad Sohail Fakhar	Member
Usman Qaiser	Member & Secretary

DISASTER STEERING COMMITTEE

Javed Ahmed	Chairman
Zahid Barki	Member
Muhammad Sohail Fakhar	Member
Muhammad Kashif Naqvi	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member
Faisal Qasim	Secretary

Company Information

REGISTERED OFFICE

26-D, 3rd Floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad, Pakistan.

Tel: +92 (51) 2206930-6, +92 (51) 2821903

Web: www.jubileelife.com E-mail: info@jubileelife.com

HEAD OFFICE

74/1-A, Lalazar, M. T. Khan Road, Karachi-74000, Pakistan.

Tel: +92 (21) 35205094, +92 (21) 32120201

Web: www.jubileelife.com E-mail: info@jubileelife.com

APPOINTED ACTUARY

Nauman Associates

249-CCA, Sector FF, Phase IV, DHA, Lahore, Pakistan.

Tel: +92 (42) 35741827-29

AUDITORS

A.F. Ferguson & Co., Chartered Accountants

Engagement Partner: Farrukh Rehman

State Life Building, 1-C, I.I. Chundrigar Road,

P.O. Box 4716, Karachi-74000, Pakistan.

Tel: +92 (21) 32426682-6 Fax: +92 (21) 32415007

Web: www.pwc.com.pk

BANKERS

Habib Bank Limited (Conventional & Islamic Window)

Standard Chartered Bank (Pakistan) Limited

(Conventional & Islamic Window)

LEGAL ADVISORS

Kabraji & Talibuddin

Advocates & Legal Counsellors,

406-407, 4th Floor, The Plaza at Do Talwar, Block 9, Clifton, Karachi-75600, Pakistan.

Tel: +92 (21) 35838871-6 Fax: +92 (21) 35838879

REGISTRAR & SHARE TRANSFER OFFICE

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block-B, S.M.C.H.S.,

Main Shahrah-e-Faisal, Karachi-74400, Pakistan.

Tel: +92 (21) 111-111-500

SHARIAH ADVISOR

Mufti Zeeshan Abdul Aziz



RATING OF THE COMPANY

Rating of the Company

Insurer Financial Strength (IFS) Rating: AA+ (Double A Plus)

Outlook: Stable

Rating Agency: JCR VIS

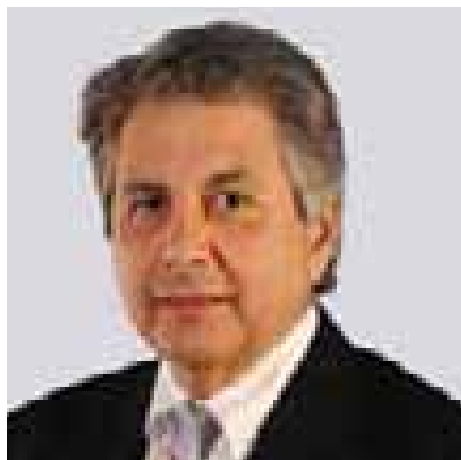
Rating Date: December 19, 2019



BOARD OF DIRECTORS



Director's Profile



Kamal A. Chinoy

Independent Director

Mr. Kamal A. Chinoy is an Advisor and Executive Director of Pakistan Cables Limited. He graduated from the Wharton School, University of Pennsylvania, USA.

He serves on the Board of Directors of ICI Pakistan Limited, International Industries Limited, International Steels Limited, Askari Bank Limited and Atlas Power Limited as well as being Chairman of Jubilee Life Insurance. He is also Honorary Consul General of the Republic of Cyprus.

Mr. Kamal A. Chinoy is a member of the Executive Committee of the International Chamber of Commerce (ICC) Pakistan and Past President of the Management Association of Pakistan (MAP). He also served on the Board of Governors of Army Burn Hall Institutions.

He has previously served as the Chairman of the Aga Khan Foundation (Pakistan) as well as a Director of Pakistan Centre for Philanthropy, Pakistan Security Printing Corporation, Atlas Insurance Ltd. and First International Investment Bank. He has also served on the Undergraduate Admissions Committee of the Aga Khan University and the University of Pennsylvania Alumni Committee for Pakistan.

Mr. Chinoy is a Certified Director.



Aryn Currimbhoy

Independent Director

Mr. Aryn Currimbhoy is a Chartered Accountant and has extensive experience at a senior management level in Finance and General Management in a manufacturing environment.

Mr. Currimbhoy spent 19 years with J & P Coats Pakistan (Private) Limited, a wholly owned subsidiary of the Coats Group plc, UK, which has operations in more than seventy countries and is the global market leader in sewing threads; he was initially the Finance Director and became Managing Director in October 2006 until his retirement in August 2016. Earlier he was with ICI Pakistan Limited, where he worked in Group Treasury; the Soda Ash business in Khewra; and the PTA project, where he was seconded to ICI Polyesters UK for preparing the feasibility of a PTA plant in Pakistan, and was subsequently part of the implementation team heading the Finance and IT functions.

Mr. Currimbhoy is a Chartered Accountant from Institute of Chartered Accountants in England and Wales; and an alumnus of the University of Sunderland, UK.

Mr. Currimbhoy is also a Director of Jubilee General Insurance Company Limited.



Sultan Ali Allana

Director

Mr. Sultan Ali Allana is a Director of the Aga Khan Fund for Economic Development (AKFED) and has the oversight responsibilities for AKFED's investments in Banking, Insurance and Aviation. Mr. Allana is a career banking professional with over 33 years of experience in retail, corporate and investment banking. Mr. Allana is also the Chairman of Habib Bank Limited, which is the largest bank in Pakistan with over 1,700 branches and with presence in over 20 countries around the world.

Since 1997, Mr. Allana has also been serving as a Director of the Tourism Promotion Services Pakistan Limited, the owners and the operators of the Serena Hotels in Pakistan. He also serves on the Board of AQA Holding, majority owners of Meridiana/Air Italy and on the Board of Geasar, operators of Olbia airport in Sardinia.

Mr. Allana holds Undergraduate and Post Graduate degrees from McGill University and the University of Wisconsin in Engineering and Management.



John Joseph Metcalf

Director

Mr. John Joseph Metcalf is a Chartered Insurer and Fellow of the Chartered Insurance Institute of UK who has extensive international experience within the insurance industry.

Mr. Metcalf started his insurance career in the UK, where he held various positions within insurance companies and brokers before embarking on his international career in 1990 in the Sultanate of Oman and then the United Arab Emirates. In 1996 Mr. Metcalf joined the Allianz Group, with whom he was engaged as Regional General Manager for Life in Asia-Pacific prior to taking up the appointment as Executive Chairman of Allianz Life Assurance Company and Allianz Insurance Company of Egypt.

Since 2006 he has been Head of Insurance with responsibility for the insurance business of AKFED, including management oversight of all AKFED investments in the insurance sector comprised of 10 insurance operations in 7 countries in Africa, Pakistan and Kyrgyzstan.

Mr. Metcalf currently holds Board appointments for the Jubilee General Insurance Company Limited, Pakistan (Listed), Jubilee Holdings Limited, Kenya (Listed), Jubilee Life Insurance Company of Kenya, Jubilee General Insurance Kenya, Jubilee Health Insurance Kenya, Jubilee Life Insurance Company of Uganda, Jubilee Insurance Company of Tanzania, Jubilee Life Insurance Company Tanzania, Jubilee Insurance Company Burundi, Jubilee Life Insurance Company Burundi, Jubilee Insurance Company of Mauritius and Jubilee Kyrgyzstan Insurance Company, Kyrgyzstan.



Shahid Ghaffar

Independent Director

Mr. Shahid Ghaffar possesses vast experience of working at top positions in the financial market. He has served as Chairman and Managing Director, National Investment Trust Limited 2014 – 2017. Prior to that he was Head of Investor Relations and Corporate Representation and Member Management Forum at Habib Bank Limited (HBL) during the period 2012 – 2014. He was involved in the formation and development of HBL Asset Management Limited and was its Chief Executive Officer from 2005-2012.

Mr. Ghaffar has vast experience in Capital Market Regulations and Governance. He was Executive Director/Commissioner, Securities & Exchange Commission of Pakistan and was instrumental towards implementation of wide ranging reforms in the capital market and capacity building of the Securities Market Division during the period 2000 – 2005. He was also Managing Director of Pakistan Stock Exchange (Former Karachi Stock Exchange) from 1998 – 2000 and was actively involved in introducing effective risk management measures, automation of trading system and enhancing capacity building of the exchange. During the period 1977-1998 he served National Investment Trust Limited in various capacities in the Asset Management Division and was responsible for managing equity, fixed income portfolio and trading desk.

Mr. Ghaffar is presently Member, Audit Oversight Board, Pakistan and Independent Director of HBL Asset Management Limited, Awwal Modaraba Management Limited, Habib Insurance Company Limited, Jubilee Life Insurance Company Limited and Archroma Pakistan Limited. He is also an External Member of VIS Rating Committee of VIS Credit Rating Company Limited.

Mr. Ghaffar holds a Master's in business administration from Gomal University, D.I. Khan, Khyber Pakhtunkhwa, Pakistan. He has attended several courses on Securities Regulations including the prestigious course conducted by Securities & Exchange Commission in Washington D.C., USA.



R. Zakir Mahmood

Director

Mr. R. Zakir Mahmood retired as President and CEO of HBL after over 12 years in office. He played a major role in the restructuring of HBL and its growth.

Mr. R. Zakir Mahmood holds a Master's in Engineering and an M.B.A. majoring in Finance both from University of California at Los Angeles (UCLA). He has over 40 years of working experience with international and local banks in various parts of the world including Europe, Middle East and Pakistan.

Prior to joining HBL, Mr. R. Zakir Mahmood served Credit Agricole Indosuez as General Manager UAE and Head of Corporate Banking and as Senior Vice President Pakistan during the period 1991-2000. He has also served at various senior positions with Bank of America in various facets of banking in Europe, Middle East and Pakistan during the period from 1977 to 1991.

He is currently serving on the Boards of Jubilee General Insurance Company Limited (Listed), the Aga Khan University (Unlisted), Kyrgyz Investment and Credit Bank, Closed Joint Stock Company (Unlisted), and First Micro Finance Bank, Tajikistan.



Sagheer Mufti

Director

Mr. Sagheer Mufti is the COO for HBL Pakistan. He is responsible for building a corporate culture based on operational excellence & technology capabilities for fulfilment of client services to over 14 million customers, HBL serves in 20 plus countries. He oversees the bank's operations, shared services, control functions including cyber security and business continuity, legal, marketing and also leads the digital transformation agenda for HBL. He served as the COO for ADIB based in Abu Dhabi for 3 ½ years prior to his current role and also previously spent 34 years at Citi in different management and leadership roles where he led various enterprise transformation programs and business redesign responsibilities regionally and globally. In his last role at Citi he served as the Global Head of Anti Money Laundering Operations.

Mr. Mufti has done his Master's in Business Administration from The George Washington University, Washington DC, USA. He possesses overall experience of more than 38 years within the financial industry working international network. He brings multi-dimensional exposure of working in almost all the areas of banking business including fields of operations, technology, compliance, risk and business development globally.



Javed Ahmed

Managing Director & CEO

Mr. Javed Ahmed is the Managing Director and Chief Executive Officer of Jubilee Life Insurance Company Limited. He also serves as a Director on the Board of Jubilee Kyrgyzstan Insurance Company, CJSC, Kyrgyzstan, and is a member of the Executive Committee of the Management Association of Pakistan.

Mr. Ahmed has been associated with Jubilee Life since 1997 when he joined the Company as the Head of Operations. In 1999, he was made responsible for Business Development as Head of Sales & Marketing. He was elevated as the Managing Director and Chief Executive Officer in 2002 when the Company was acquired by AKFED. Under his leadership, Jubilee Life has emerged as one of the leading private sector insurers in Pakistan.

Prior to joining Jubilee Life, he was associated with EFU Life for 4 years and State Life for 7 years where he worked in Operations, Group & Pensions, Sales & Marketing and Actuarial.

Mr. Ahmed is a Fellow of the Society of Actuaries (USA), Associate of Institute of Actuaries (Australia) and Fellow of the Pakistan Society of Actuaries.



AWARDS AND ACCOLADES

Awards and Accolades

Jubilee Life's excellent performance is multidimensional – in corporate performance, HR, marketing and branding, as well as CSR. This has been recognized by various independent bodies, and each year, JLI adds more feathers to its cap. The awards include:

1. PSX Top 25 Listed Companies Award, 2014
2. PSX Top 25 Listed Companies Award, 2016
3. 1st, 2nd, 3rd, 5th & 6th FPCCI Achievement Awards – 2012, 2013, 2014, 2016 and 2017
4. Putting the Consumers First Award, 2013
5. Brands of the Year Award, 2015-16
6. HR Leadership Award, 2012
7. HR Leadership Award, 2013
8. Training Leader of the Year Award, 2013
9. LOMA – Excellence in Education Award, 2013
10. LOMA – Excellence in Education Award, 2016
11. Management Association of Pakistan – 33rd Corporate Excellence Award in the Insurance Sector in 2018
12. Management Association of Pakistan – 34th Corporate Excellence Award – Top Award in the Financial Sector in 2019
13. Marie Adelaide Leprosy Center – Long standing Partnership & Support Award 2018
14. Pakistan Digi Awards 2019 – Award for Best Short Video Content – Web



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- ✔ Risk profiler*
- ✔ Financial calculator
- ✔ Subscription to Alerts (event notifications, corporate and regulatory actions)
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Jampunji App

*Mobile apps are also available for download for android and ios devices.



KEY FINANCIAL DATA

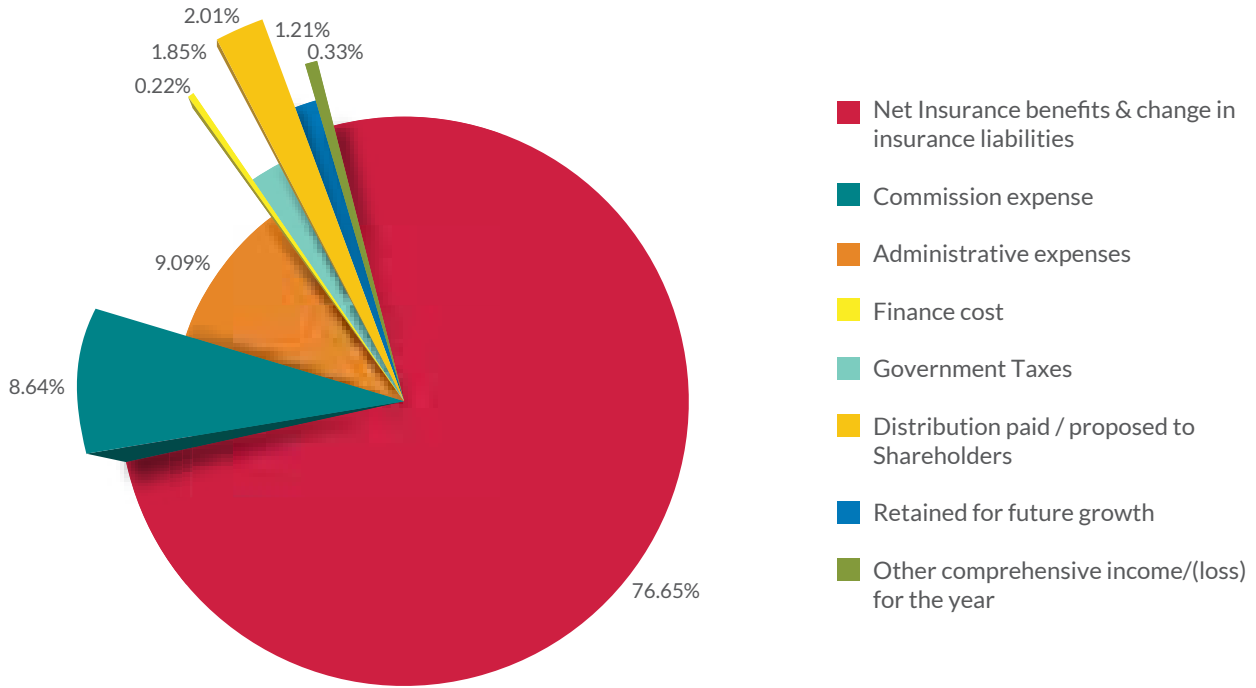
Statement of Value Additions

For The Year Ended December 31, 2019

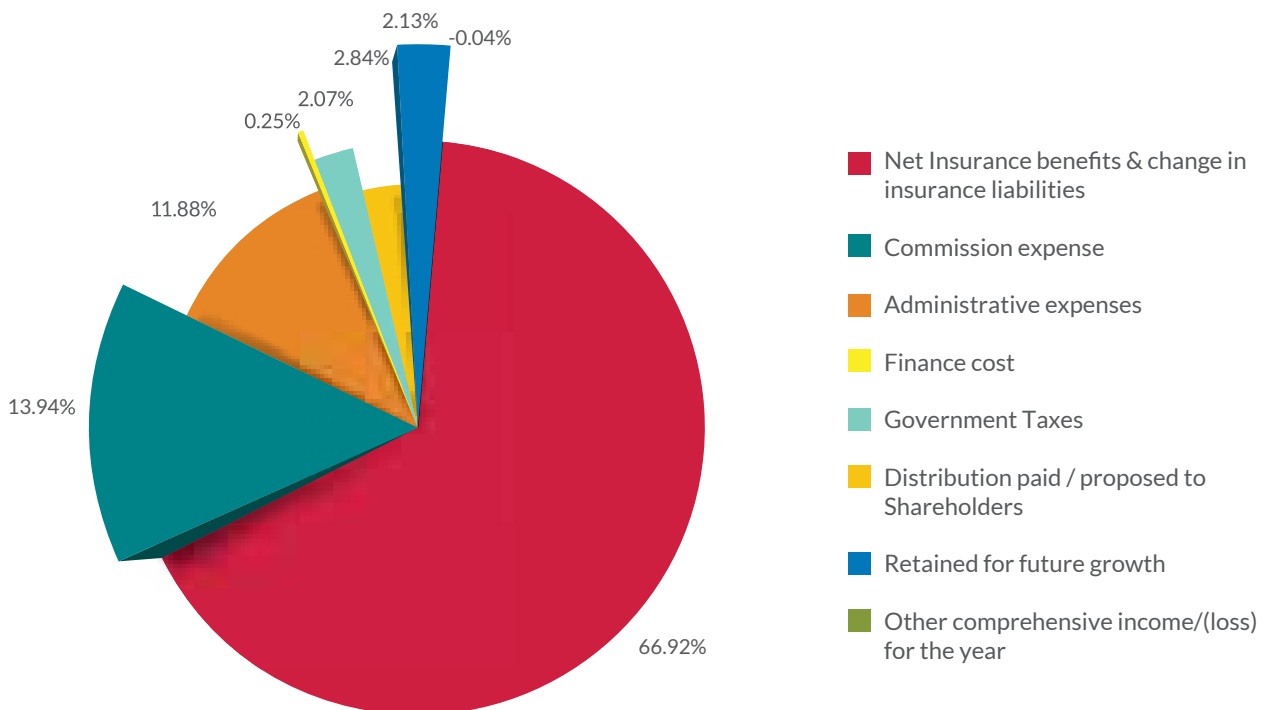
Description	2019		2018	
	Amount	%	Amount	%
	(Rupees in '000)			
Wealth Generated				
Net premium	48,396,019	70.05	50,670,972	103.81
Investment income	20,338,115	29.44	(2,257,321)	(4.62)
Other income	349,712	0.51	397,067	0.81
Net Wealth	<u>69,083,846</u>	<u>100.00</u>	<u>48,810,718</u>	<u>100.00</u>
Distribution of Wealth				
Net Insurance benefits	22,471,614	32.53	16,315,729	33.43
Change in insurance liabilities	30,483,396	44.13	16,349,025	33.49
Commission expense	5,971,348	8.64	6,802,407	13.94
Administrative expenses	6,276,720	9.09	5,799,757	11.88
Finance cost	152,782	0.22	120,491	0.25
Government Taxes	1,275,562	1.85	1,010,075	2.07
Distribution paid / proposed to Shareholders	1,388,287	2.01	1,388,287	2.84
Retained for future growth	835,940	1.21	1,042,044	2.13
Other comprehensive income/(loss) for the year	228,197	0.33	(17,097)	(0.04)
Total	<u>69,083,846</u>	<u>100.00</u>	<u>48,810,718</u>	<u>100.00</u>

Statement of Value Additions

Distribution of Wealth 2019



Distribution of Wealth 2018



Key Operating and Financial Data

Six Years Summary	2019	2018	2017	2016	2015	2014
			(restated)			
			(Rupees in '000)			
Gross Premium / Contribution	49,627,409	51,887,073	46,816,891	38,003,577	29,929,196	21,823,383
Revenue, P&L Account and OCI Statement						
Premium / Contribution - net of reinsurance / retakaful	48,396,019	50,670,972	45,905,895	36,988,234	29,120,815	21,085,925
Investment Income / other income / share in profit of associate	11,477,657	7,753,228	4,065,957	7,672,924	5,313,534	3,899,068
Net fair value gains / (losses) on financial assets at fair value through profit or loss	8,902,717	(9,744,798)	(8,147,144)	7,850,041	906,239	2,294,248
Total inflow	68,776,393	48,679,402	41,824,708	52,511,199	35,340,588	27,279,241
Net Insurance Benefits	22,471,614	16,315,729	12,969,716	9,473,846	7,021,641	5,082,604
Acquisition, marketing, administrative & other expenses	12,248,068	12,602,164	11,048,001	9,082,472	7,959,013	6,209,704
Finance costs and other gains / (losses)	156,948	(36,107)	44,430	-	-	-
Net change in insurance liabilities	30,483,396	16,349,025	12,902,620	30,084,859	17,597,155	13,680,727
Total outflow	65,360,026	45,230,811	36,964,767	48,641,177	32,577,809	24,973,035
Surplus retained in statutory funds	-	-	-	931,178	437,104	380,626
Profit before tax	3,416,367	3,448,591	4,859,941	2,938,844	2,325,675	1,925,580
Income Tax expense	(1,192,140)	(1,018,260)	(1,598,104)	(830,946)	(704,115)	(564,048)
Profit after tax	2,224,227	2,430,331	3,261,837	2,107,898	1,621,560	1,361,532
Other comprehensive income / (loss) for the year - net of tax	228,197	(17,097)	(542,953)	-	-	-
Total comprehensive income for the year	2,452,424	2,413,234	2,718,884	2,107,898	1,621,560	1,361,532

Key Operating and Financial Data

Balance Sheet	2019	2018	2017	Jan. 1, 2017	2015	2014
			(restated)	(restated)		
			(Rupees in '000)			
Investments including bank deposits	162,938,187	134,122,822	114,903,830	100,052,806	64,499,033	45,308,749
Other assets	5,703,207	2,177,091	2,350,411	2,009,369	4,185,379	3,814,993
Property and equipment / Intangible assets / Rights-of-use assets	4,719,129	3,326,101	3,258,660	734,591	539,522	489,761
Total assets	173,360,523	139,626,014	120,512,901	102,796,766	69,223,934	49,613,503
- Issued, subscribed and Paid up capital	793,307	793,307	793,307	721,188	721,188	721,188
- Unappropriated profit/Surplus on revaluation of AFS investments/Waqf fund	7,176,008	6,395,607	6,022,460	5,118,646	3,189,049	2,438,677
- Retained balance in Ledger Account D	3,436,246	3,152,755	2,500,955	1,825,362	-	-
Total Equity	11,405,561	10,341,669	9,316,722	7,665,196	3,910,237	3,159,865
Insurance liabilities / Statutory Funds (as applicable)	153,633,665	122,000,509	104,941,249	91,387,760	62,205,691	44,020,932
Long term / Deferred liabilities	3,307,324	2,437,432	2,563,427	1,000,539	21,334	-
Other liabilities	5,013,973	4,846,404	3,691,503	2,743,271	3,086,672	2,432,706
Total equity & liabilities	173,360,523	139,626,014	120,512,901	102,796,766	69,223,934	49,613,503

NOTE:

Presentation has been realigned for the purposes of better comparison.

Key Operating and Financial Data

Financial Ratios	2019	2018	2017	2016	2015	2014
			(restated)			
Profitability						
Profit / (loss) Before Tax / Gross Premium / Contribution	7%	7%	10%	8%	8%	9%
Profit / (loss) Before Tax / Net Premium / Contribution	7%	7%	11%	8%	8%	9%
Profit / (loss) After Tax / Gross Premium / Contribution	4%	5%	7%	6%	5%	6%
Profit / (loss) After Tax / Net Premium / Contribution	5%	5%	7%	6%	6%	6%
Net claims / Net premium / Contribution	46%	32%	28%	26%	24%	24%
Commission expenses / Net premium / Contribution	12%	13%	13%	15%	16%	18%
Administration Expenses / Net premium / Contribution	13%	11%	11%	10%	11%	11%
Change in PHL & Technical Reserves / Net Inflow	44%	34%	31%	57%	50%	50%
Net investment income / Net premium / contribution	42%	-4%	-9%	42%	21%	29%
Return to Shareholders						
Return on equity including retained balance in Ledger Account D	20%	24%	35%	27%	41%	43%
Earnings per share (pre-tax)	43.06	43.47	61.26	40.75	32.25	26.70
Earnings per share (after-tax)	28.04	30.64	41.12	29.23	22.48	18.88
Price Earning Ratio - PAT	14	16	17	20	22	23
Net Assets per share	143.77	130.36	117.44	106.29	54.22	43.81
Return on assets	1%	2%	3%	2%	2%	3%
Market Value						
Face value per share (Rs.)	10	10	10	10	10	10
Break up value per share (Rs.)	100.46	90.62	85.92	80.98	54.22	43.81
Market price per share at the end of the year (Rs.)	400.00	498.20	705.00	569.99	504.00	436.50
Cash dividend per share	16.50	17.50	17.50	14.50	13.50	9.50
Cash dividend	165%	175%	175%	145%	135%	95%
Dividend yield	4%	4%	2%	3%	3%	2%
Dividend payout	59%	57%	43%	50%	60%	50%
Dividend cover - (Times)	1.70	1.75	2.35	2.02	1.67	1.99
Issue of Bonus shares	10%	0%	0%	10%	0%	0%
Performance Liquidity						
Current Ratio - (Times)	1.06	1.07	1.08	1.08	1.05	1.06
Total Liabilities / Equity - (Times)	14.20	13	12	16	17	15
Return on Capital employed	30%	33%	52%	38%	59%	61%
Paid up capital / Total Assets	0%	1%	1%	1%	1%	1%
Equity / Total Assets	7%	7%	8%	6%	6%	6%
Cash Flows						
Net cash flow from operating activities	13,027,353	22,499,257	22,157,759	18,136,828	14,024,645	9,457,705
Net cash flow from investing activities	(22,082,889)	(6,224,662)	(20,002,547)	(14,393,362)	(12,999,941)	(9,535,174)
Net cash flow from financing activities	(1,872,826)	(1,494,411)	383,902	(969,228)	(715,821)	(396,847)
Net change in cash and cash equivalents	(10,928,362)	14,780,184	2,539,114	2,774,238	308,883	(474,316)

Vertical Analysis

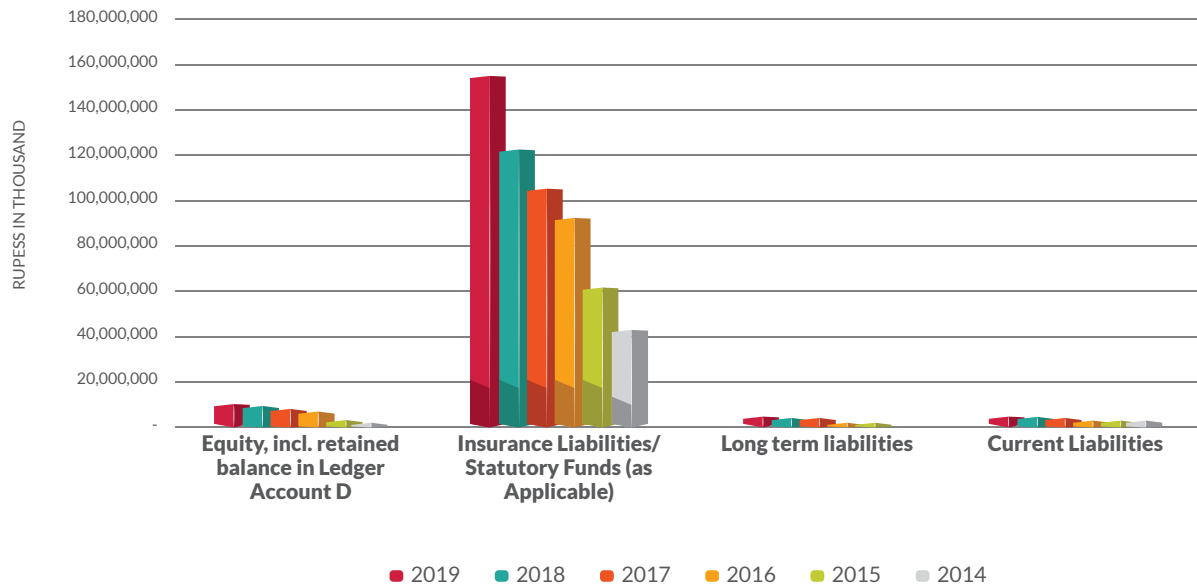
Balance Sheet	2019		2018		2017 (restated)		Jan.1, 2017 (restated)		2015		2014	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Net equity	11,405,561	6.58	10,341,669	7.41	9,316,722	7.73	7,665,196	7.46	3,910,237	5.65	3,159,865	6.37
Insurance liabilities / Statutory Funds (as applicable)	153,633,665	88.62	122,000,509	87.37	104,941,249	87.08	91,387,760	88.90	62,205,691	89.86	44,020,932	88.73
Long term liabilities	3,307,324	1.91	2,437,432	1.75	2,563,427	2.13	1,000,539	-	21,334	-	-	-
Current liabilities	5,013,973	2.89	4,846,404	3.47	3,691,503	3.06	2,743,271	2.67	3,086,672	4.46	2,432,706	4.90
Total equity and Liabilities	173,360,523	100.00	139,626,014	100.00	120,512,901	100.00	102,796,766	100.00	69,223,934	100.00	49,613,503	100.00
Total non-current assets	4,738,059	2.73	3,326,101	2.38	3,258,660	2.70	734,591	0.71	559,617	0.81	513,982	1.04
Investments	162,938,187	93.99	134,122,822	96.06	114,903,830	95.35	100,052,806	97.33	64,499,033	93.17	45,308,749	91.32
Current assets	5,684,277	3.28	2,177,091	1.56	2,350,411	1.95	2,009,369	1.95	4,165,284	6.02	3,790,772	7.64
Total assets	173,360,523	100.00	139,626,014	100.00	120,512,901	100.00	102,796,766	100.00	69,223,934	100.00	49,613,503	100.00
Revenue and Profit & Loss Account												
Net Income	69,083,846	100.00	48,810,718	100.00	41,004,630	100.00	52,511,199	100.00	35,340,588	100.00	27,279,241	100.00
Net insurance benefits / change in insurance liabilities	(52,955,010)	(76.65)	(32,664,754)	(66.92)	(25,872,336)	(63.10)	(39,558,705)	(75.33)	(24,618,796)	(69.66)	(18,763,331)	(68.78)
Contribution to / (from) opening Retained Earnings	(Note)	-	(Note)	-	(Note)	-	1,664,971	3.17	1,227,867	3.47	847,241	3.11
Solvency Margin	(Note)	-	(Note)	-	(Note)	-	(2,596,149)	(4.94)	(1,664,971)	(4.71)	(1,227,867)	(4.50)
Profit before tax	3,416,367	4.95	3,448,591	7.07	4,859,941	11.85	2,938,844	5.60	2,325,675	6.58	1,925,580	7.06
Income tax expense	(1,192,140)	(1.73)	(1,018,260)	(2.09)	(1,598,104)	(3.90)	(830,946)	(1.58)	(704,115)	(1.99)	(564,048)	(2.07)
Profit for the year	2,224,227	3.22	2,430,331	4.98	3,261,837	7.95	2,107,898	4.01	1,621,560	4.59	1,361,532	4.99

NOTE:

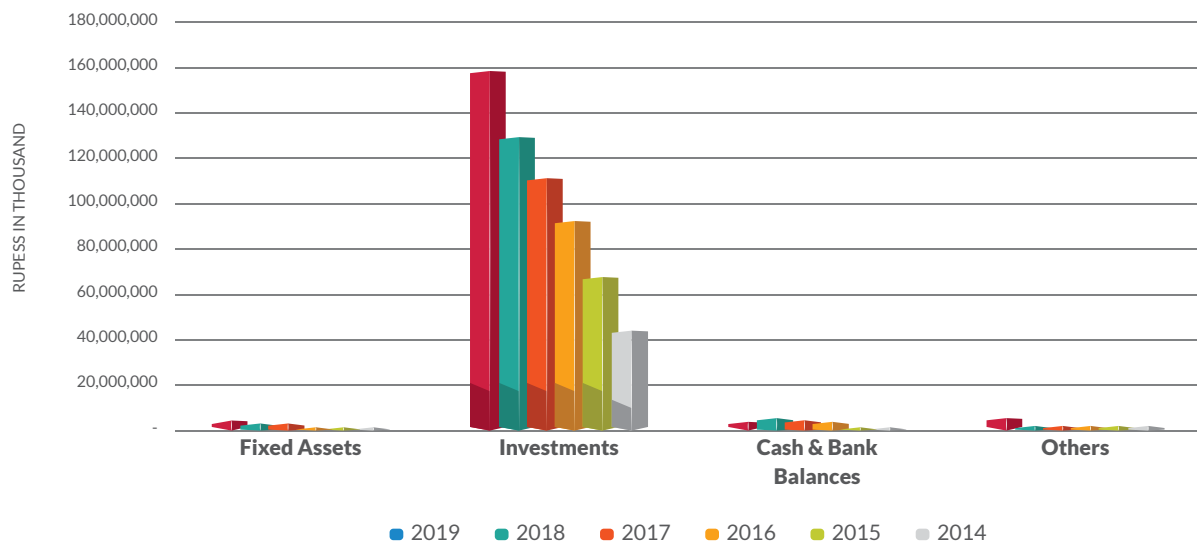
Not required to be presented separately under the new presentation of the financial statements as the Profit & Loss Account is prepared on Consolidated basis.

Vertical Analysis

Total Equity & Liabilities



Total Assets



Horizontal Analysis

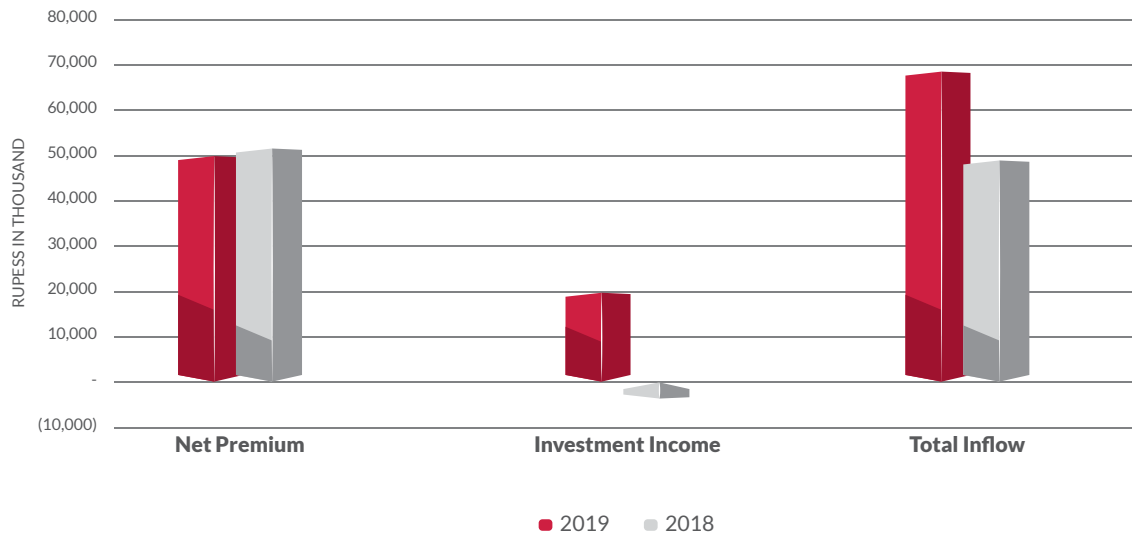
	2019	2018	2017 (Restated)	Jan. 1, 2017 (Restated)	2015	2014	2019	2018	2017	2016	2015	2014
	Rupees in '000						% increase / (decrease) over preceding year					
Balance Sheet												
Net equity	11,405,561	10,341,669	9,316,722	7,665,196	3,910,237	3,159,865	10.29	11.00	21.55	96.03	23.75	40.87
Insurance liabilities / Statutory Funds (as applicable)	153,633,665	122,000,509	104,941,249	91,387,760	62,205,691	44,020,932	25.93	16.26	14.83	46.91	41.31	47.16
Long term liabilities	3,307,324	2,437,432	2,563,427	1,000,539	21,334	-	35.69	(4.92)	60.97	-	-	-
Current liabilities	5,013,973	4,846,404	3,691,503	2,743,271	3,086,672	2,432,706	3.46	31.29	34.57	(11.13)	26.88	14.06
Total equity and Liabilities	173,360,523	139,626,014	120,512,901	102,796,766	69,223,934	49,613,503	24.16	15.86	17.23	48.50	39.53	44.69
Total non-current assets	4,738,059	3,326,101	3,258,660	734,591	559,617	513,982	42.45	2.07	343.60	31.27	8.88	33.38
Investments	162,938,187	134,122,822	114,903,830	100,052,806	64,499,033	45,308,749	21.48	16.73	14.84	55.12	42.35	38.47
Current assets	5,684,277	2,177,091	2,350,411	2,009,369	4,165,284	3,790,772	161.10	(7.37)	16.97	(51.76)	9.88	219.82
Total assets	173,360,523	139,626,014	120,512,901	102,796,766	69,223,934	49,613,503	24.16	15.86	17.23	48.50	39.53	44.69
Revenue and Profit & Loss Account												
Net Income	69,083,846	48,810,718	41,004,630	52,511,199	35,340,588	27,279,241	41.53	19.04	(21.91)	48.59	29.55	35.87
Net insurance benefits / change in insurance liabilities	(52,955,010)	(32,664,754)	(25,872,336)	(39,558,705)	(24,618,796)	(18,763,331)	62.12	26.25	(34.60)	60.68	31.21	2.22
Contribution to / (from) opening Retained Earnings	(Note)	(Note)	(Note)	1,664,971	1,227,867	847,241	-	-	-	35.60	44.93	64.05
Solvency Margin	(Note)	(Note)	(Note)	(2,596,149)	(1,664,971)	(1,227,867)	-	-	-	55.93	35.60	44.93
Profit before tax	3,416,367	3,448,591	4,859,941	2,938,844	2,325,675	1,925,580	(0.93)	(29.04)	65.37	26.37	20.78	38.54
Income tax expense	(1,192,140)	(1,018,260)	(1,598,104)	(830,946)	(704,115)	(564,048)	17.08	(36.28)	92.32	18.01	24.83	25.77
Profit for the year	2,224,227	2,430,331	3,261,837	2,107,898	1,621,560	1,361,532	(8.48)	(25.49)	54.74	29.99	19.10	44.62

NOTE:

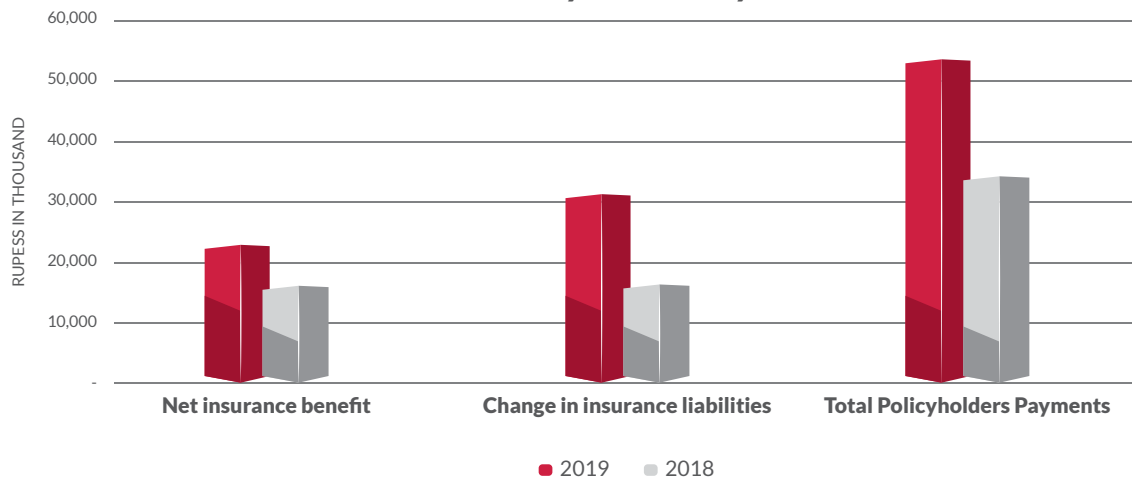
Not required to be presented separately under the new presentation of the financial statements as the Profit & Loss Account is prepared on Consolidated basis.

Horizontal Analysis

Net Premium, Investment Income = Total Inflow

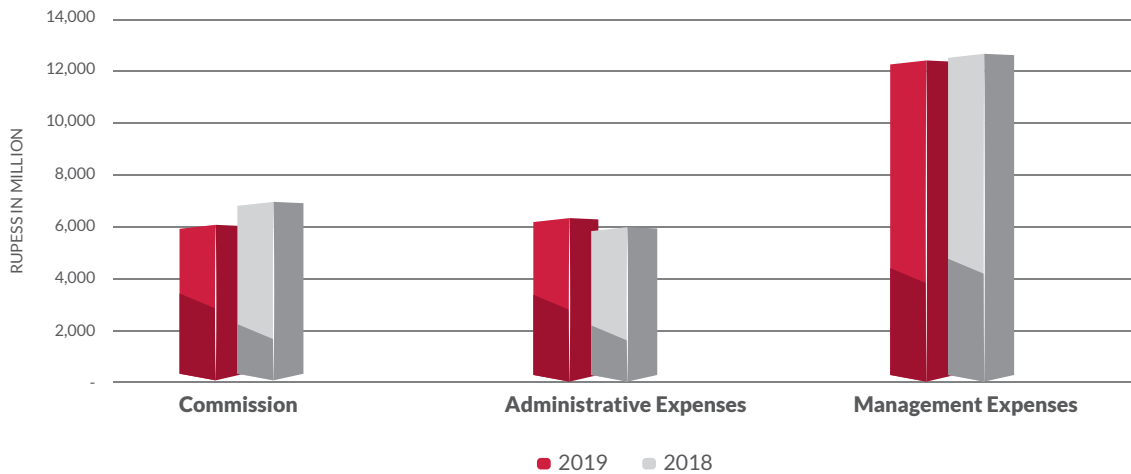


Net Insurance Benefits, change in insurance liabilities = Total Policyholders Payments

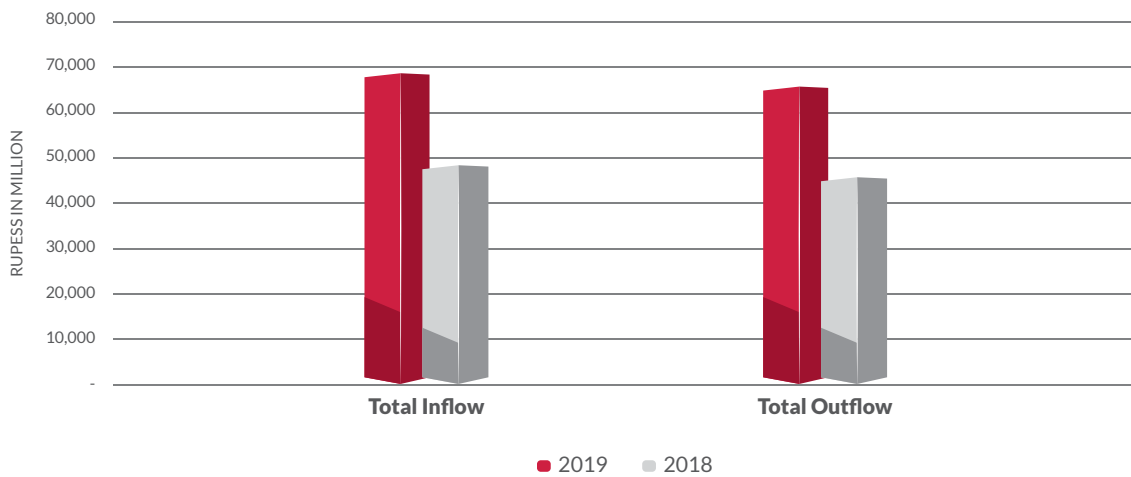


Horizontal Analysis

Commission & Administrative Expenses = Management Expenses

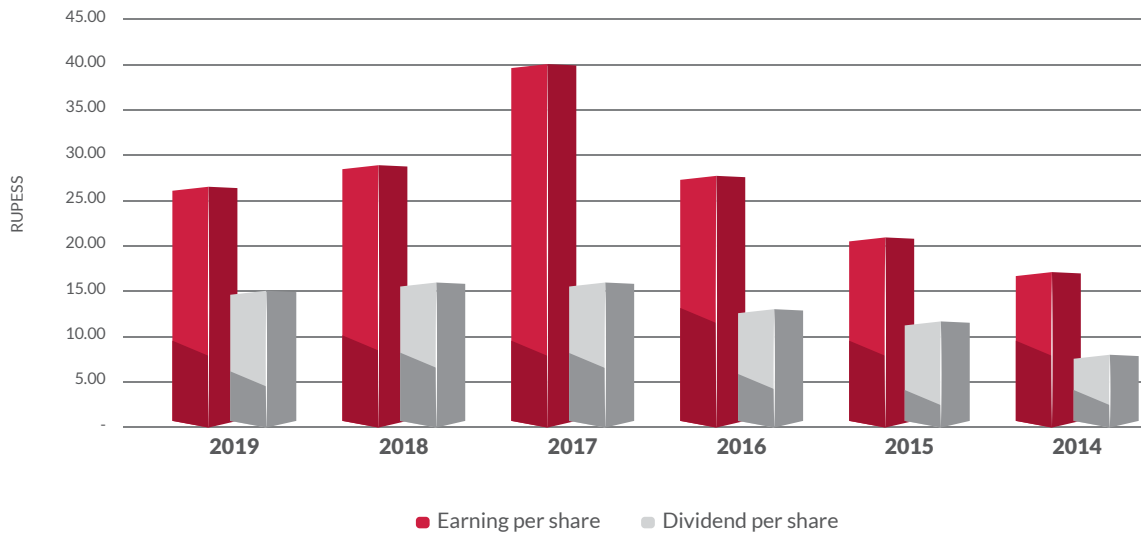


Total Inflow & Total Outflow

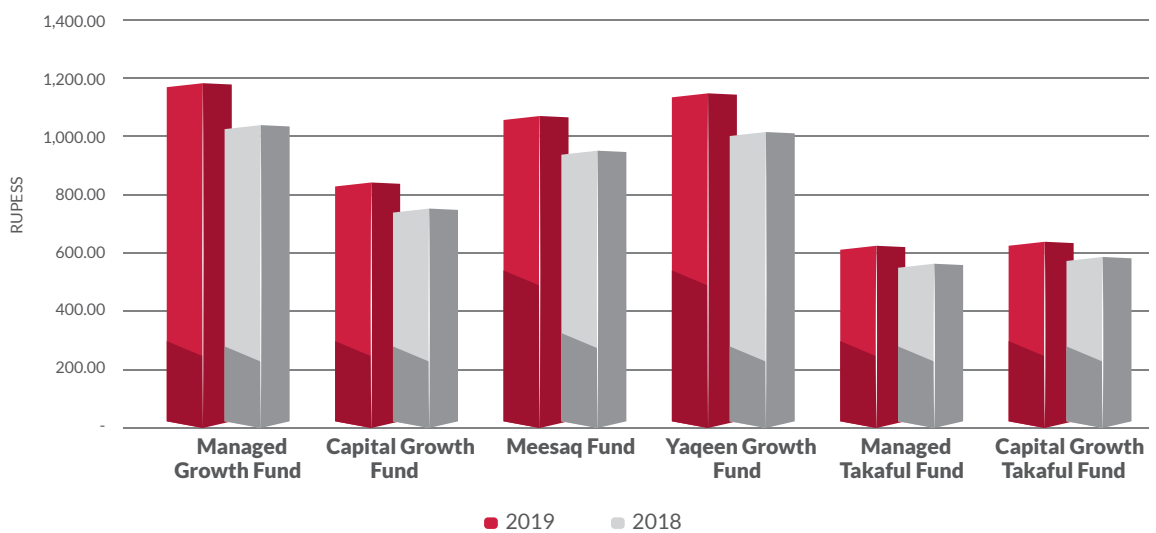


Horizontal Analysis

Earning per share & Dividend per share



Unit Bid Prices



The background features a complex arrangement of 3D rectangular blocks in various shades of red and pink. These blocks are oriented in different directions, creating a sense of depth and movement. Some blocks are stacked, while others are scattered, forming a dynamic, abstract composition. The lighting is soft, highlighting the edges and faces of the blocks.

LIFE AT JUBILEE

Awards and Accolades



Ms. Lilly R. Dossabhoj, Chief Financial Officer, receiving the Top Trophy in the Financial Category on behalf of JLI, in the 34th Corporate Excellence Awards Ceremony of the Management Association of Pakistan on April 9, 2019



Mr. Farhan Akhtar Faridi, Group Head, Retail Distribution, receiving the PSX Top 25 Companies Award for 2016 on behalf of JLI December 27, 2019

Awards and Accolades



Mr. Usman Qaiser, Head of Marketing & Brand Management, receiving the Best Short Video Content (Web) Award on behalf of JLI at the Pakistan Digi Awards 2019 on June 28, 2019

Corporate Social Responsibility - Contribution to Society



Blood donation drive in collaboration with Indus Hospital – January 2019

Corporate Social Responsibility - Health Awareness Camps 2019



Corporate Social Responsibility - Health Awareness Camps 2019



Contribution to Education - Charter for Compassion



Annual Corporate Event 2019



Launch of Cancer Protection Plan



Mr. Javed Ahmed, MD & CEO, welcoming the Hon'ble President of Pakistan, Dr. Arif Alvi, at the launch of the Cancer Protection Plan Event on November 19, 2019



Independence Day Celebrations



PSL 4 / Pakistan Sri Lanka Cricket Series



Polo



The background consists of numerous overlapping, semi-transparent red rectangular blocks of various sizes and orientations, creating a sense of depth and movement. The blocks are arranged in a way that they appear to be floating or stacked, with some in the foreground and others receding into the background. The overall effect is a dynamic, geometric composition.

CORPORATE GOVERNANCE



Calendar of Major Events - 2019

Financial

Results

First quarter ended 31 March 2019	Announcement date	26 April 2019
Half year ended 30 June 2019	Announcement date	20 August 2019
Third quarter ended 30 September 2019	Announcement date	24 October 2019
Year ended 31 December 2019	Announcement date	11 February 2020

Dividends

Final 2019 (Cash Dividend: 135% and Bonus Shares 10%)	Announcement date	11 February 2020
	Entitlement date	20 March 2020
	Statutory limit up to which payable	17 April 2020
Interim 2019 (Cash Dividend: 30%)	Announcement date	20 August 2019
	Payment date	23 September 2019
Final 2018 (Cash Dividend: 145%)	Announcement date	27 April 2019
	Payment date	10 May 2019
Issuance of Annual Report		09 March 2020
Annual General Meeting		30 March 2020

Operational

Major Product Innovations

Product Name	Launch Month
MSO Rider	March-19
Sehat Kafala Plan	May-19
Cancer Protection Plan	November-19

System Enhancements

Insurance Solution Framework	Life Policy Administration System - Go live of Conventional Business	February 2019
Genesys Omnichannel Contact Center Solution	To provide superior services to customer through channels of their choice, the Company implemented a state-of-the-art Genesys Omnichannel Contact Center Solution. The Contact Center Solution along with already implemented CRM Solution provides a 360 view of customer interactions.	September 2019
Insurance Solution Framework	Life Policy Administration System - Go live of Individual Family Takaful	October 2019

Share Price Analysis

Volume Analysis

JLI Share Price on the PSX in the year 2019 was as follows:

Month	Highest Rupees	Lowest Rupees	Average Daily Volume Number of Shares
January	540.00	490.05	4,242
February	515.00	422.75	1,095
March	480.37	389.99	2,071
April	371.00	290.00	2,179
May	322.00	288.10	945
June	290.70	223.25	2,205
July	236.25	199.50	311
August	220.00	196.00	640
September	338.78	202.10	2,115
October	340.00	302.13	638
November	381.99	317.30	8,236
December	407.00	361.00	1,653

Sensitivity Analysis

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

- Economic Conditions;
- Political Stability/Instability;
- Stock Market/Investor Sentiments;
- Foreign Investors' Outlook;
- Company's Performance;
- Dividend Announcements;
- Change in Government Policies, Regulations, and Taxes Relating to Insurance Business; and
- Company's Financial Strength Rating

Chairman's Review

I am pleased to present the Annual Report of the Company for the year ended December 31, 2019.

Economy and capital market

It is heartening to note that the year 2019, nine months of which remained negative, bounced back with a recovery in the last quarter, and ended with indications of improvement and upcoming stability. After two successive years of negative returns, the KSE 100 index, commencing from a level of 37,066 points, closed at 40,735 points on December 31, 2019, to record a growth of 9.9% for the year.

Other macro-economic indicators reflect improvement - a reduction in the Current Account Deficit, strengthening of the Pak Rupee, fiscal developments remaining on track as per the commitments under the IMF program, and the business community's improved confidence in the economic activity outlook have contributed to the turnaround. The beneficial effect of these positive indicators is expected to reflect in 2020 operational results.

The Company

I am happy to report that despite a challenging year 2019, which impacted the entire economy and the Company, through prudent management and expense controls, the Company was able to maintain its pre-tax profits aggregating to Rs.3.42 billion, at nearly the same level of Rs.3.45 billion last year. A robust growth of 31% in GWP in the Accident & Health Business (both Conventional & Takaful), and a growth of 8% in the Individual Family Takaful line of business, enabled the dip in Individual Life Unit Linked Fund's new business to be contained. Aggregate Gross Written Premium of the Company, recorded at Rs.49.6 billion, was lower by 4.4% as compared to Rs.51.9 billion of 2018. It is a pleasure to note that the Company's balance sheet size has crossed Rs.170 billion at year end, a manifestation of the trust and confidence of our policyholders/participants, and contribution of all our employees towards the growth and success of the Company.

Awards and accolades

During 2019, the Company won the coveted Top Trophy in the Financial sector, at the 34th Corporate Excellence Awards, 2019, by the Management Association of Pakistan (MAP). The Company's digital marketing efforts were also recognized during the year, as it won the Best Short Video Content (Web) Award at the Pakistan Digi Awards 2019.

Marketing and sports

Sports and sporting spirit are deeply inbuilt in the Company, and its support for sports highlights a commitment to the spirit of partnership and winning plans. Pakistan is a cricket crazy nation, and so also, the Company's biggest passion in sports is cricket. Last year, with great pride, the Company's role in enabling the return of international cricket back to the home ground in Pakistan was instrumental. In 2019, the Company was the Gold Sponsor for the 4th season of the Pakistan Super League (PSL 4), thereby providing the nation, an opportunity for witnessing world class cricket.

Besides cricket, the Company also supports snooker, golf and polo through sponsorship of various tournaments.

CSR activities

The Corporate Social Responsibility (CSR) and Donations Policy of the Company provides a guiding framework for achieving the Company's vision by creating a strong focus and channelizing the efforts that positively impact the Company's CSR endeavors and donations. The details are contained in the Directors' Report.

Board of Directors

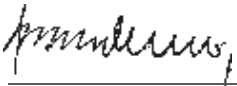
There was no casual vacancy arising in the Board of Directors of the Company during 2019.

Outlook

As witnessed from time to time, it is good to note that the economy is showing signs of recovery. With this new positivity, the opportunities for tapping the uninsured population of Pakistan, and the enhanced focus of the SECP on improved regulatory environment, I am confident that the Company will maintain its position as the largest private sector life insurance company of Pakistan and increase its growth impetus.

Acknowledgement

On behalf of the Board, I would like to thank our shareholders, valued policy holders and Window Takaful participants, business partners including our bankers, suppliers and other stakeholders for their confidence and support. I would also like to acknowledge the support of the Government as well as the Securities & Exchange Commission of Pakistan for their positive role in bringing reforms in the life insurance business. I would like to acknowledge the recent positive measures of dialogue displayed by all the provincial revenue authorities towards the formation of a joint committee, in an effort to resolve the provincial sales tax matter. Lastly, I would also like to acknowledge the contribution of our employees towards the success of the Company, without whom, this level of success would not have been possible.



Kamal A. Chinoy
Chairman

Karachi, February 11, 2020

Directors' Report to the Shareholders

The Directors take pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended December 31, 2019.

Achievements

The year 2019, which faced various challenges for a major part of the year, staged a comeback commencing September 2019, and ended on a positive note, with indications of improvement and upcoming stability, as macro-economic indicators commenced improvement. The PSX 100 index closed on a positive note after two consecutive years of negative returns, current account deficit reduced, US Dollar/Pak Rupee parity rate stabilized, and the fixed income/money market continued to remain attractive. Also, fiscal developments remained on track and in line with commitments made under the IMF-supported program, giving a positive touch to the overall economic reform sentiment.

The Company, in this dynamic environment, continued its focus on business development through multiple distribution channels and continued its commitment towards maintaining high service and persistency standards, which enabled it to maintain its position in premium revenue, besides achieving landmarks of success, and sustainable profitability.

The significant achievements of 2019 include:

- Despite a challenging major part of the year, the Profit Before Tax (PBT) recorded at Rs.3.42 billion was almost in line with the PBT of 2018, recorded at Rs.3.45 billion.
- The Gross Written Premium (GWP) closed at Rs.49.6 billion, as compared to Rs.51.9 billion in 2018, i.e. a marginal 4.4% decline.
- Individual Family Takaful Fund recorded a Gross Written Contribution (GWC) of Rs.10.6 billion (2018: Rs.9.8 billion), a growth of 8%.
- Crossing the level of Rs.7.3 billion in Corporate Business, both, Conventional and Window Takaful, as against Rs.5.9 billion in 2018, an increase of 23.7%.
- The Company further strengthened its position as the largest underwriter of Health Insurance business in the country with an aggregate premium of Rs.4.7 billion in both, Conventional and Family Takaful lines, as compared to Rs.3.7 billion in 2018, representing an increase of 27%. This robust growth is attributed largely to the high standards of customer services, leading to our customers' confidence, for which we are thankful.

Business Performance and Operating Results

The overall operating results of the main lines are summarized below:

- Individual Life Unit Linked Business recorded a Net Written Premium (NWP) of Rs.31.7 billion as compared to Rs.36.04 billion, a decline of 12%, which was reflected in both, new business as well as single premium, owing to the uncertainty in economic conditions prevailing for major part of the year. This was however, offset by revaluation gains in investment income in the last quarter of 2019, due to which the surplus in this line of business at Rs.2.9 billion was up by a significant 21% over the surplus of Rs.2.4 billion recorded in 2018.

- Conventional Business, which comprises mainly Group Life Insurance, recorded a Net Written Premium (NWP) of Rs.1.42 billion as against Rs.1.18 billion in 2018, a healthy growth of 20%. A surplus of Rs.161 million (2018: Rs.75 million) was achieved in the current year.
- Accident and Health business recorded a NWP of Rs.4.5 billion in contrast to Rs.3.4 billion in 2018, again, a healthy growth of 32%. A surplus of Rs.318 million was achieved as against Rs.533 million in 2018, the decline being mainly attributed to a 40% increase in claims largely corresponding to the increase in business volumes and high medical inflation.
- The Window Takaful Operations continues to receive an overwhelming response, and in aggregate, all three lines of business, i.e. Individual Family Takaful, Group Family Takaful and Accident & Health Takaful recorded a Net Written Contribution (NWC) of Rs.10.7 billion as compared to Rs.10.00 billion in 2018, an increase of 7.5%. The aggregate surplus for the year was recorded at Rs.153.8 million as compared to Rs.244.2 million in 2018, a decline of 37.02% mainly attributed to increase in expenses incurred on expansion of distribution network, which will help the Company in generating more business in future.
- The overall surplus from all business lines was recorded at Rs.3.55 billion, up 8% as against the overall surplus of Rs.3.28 billion in 2018. A surplus transfer of Rs.2.78 billion as compared to Rs.2.66 billion has been made from the Revenue Account to the Shareholders' Fund, based upon the recommendation and approval of the Appointed Actuary. This is contained in note 45.1 to the financial statements under the Segmental Information, i.e. Revenue Account by Statutory Funds.
- Shareholders' equity and reserves, including the retained balance in statutory funds (Ledger Account D balances) was Rs.11.4 billion as compared to Rs.10.3 billion in 2018, an increase of 10%.
- The Company has decided to continue to be prudent in maintaining reserves; hence the solvency margins of the Company's funds are significantly higher than the minimum statutory solvency requirements.

Investment Performance

After two successive years of negative returns, the KSE 100 index, commencing from a level of 37,066 points, closed at 40,735 points on December 31, 2019, to record a growth of 9.9%, with recovery commencing from September 2019. The reduction in Current Account Deficit, decline in long-term fixed income yields, strengthening of the Pak Rupee, fiscal developments remaining on track as per the commitments under the IMF program, and an improvement in the business community's confidence in the economic activity outlook contributed to the turnaround.

The Company pursues a prudent investment policy and monitors the market position aggressively. Given the significant fall in equity market for a major part of the year, coupled with very attractive yields in the money market, the Company took various measures towards protecting the funds, including rebalancing of the asset allocations of the funds, increased investments in Government securities and other fixed income securities/term deposits. During the year, the Company built up a significant portfolio of Pakistan Investment Bonds of over Rs.65 billion in different tenors at attractive yields, which boosted the investment income of the Company. This, combined with the recovery of the equity market, led to a net investment income of Rs.20.03 billion in 2019, as compared to a net investment loss of Rs.2.24 billion in 2018. This increase in investment income, combined with additional cash inflows from new and renewal business (net of claims, surrenders and partial withdrawals), led to an increase of over 25% in the closing net assets of the unit linked funds which aggregated to Rs.146.24 billion, reflecting the trust and confidence reposed in us by our policyholders/participants, for which we are grateful.

Both, Conventional and Shariah Compliant options are offered by the Company to its customers. The Company offers four unit linked funds to its Individual Life policyholders on the conventional side, and two unit linked funds to its individual participants in the Individual Family Takaful operations. These funds have

varying risk exposure and are chosen by the individual policyholders/participants as per their individual risk appetite. The returns for 2019 are summarized below:

S. No.	Name of Fund	Launch Date	Return for the Year 2019
Individual Life Unit Linked Fund (Conventional)			
1	Managed Fund	December 31, 1996	13.99%
2	Capital Growth Fund	July 28, 2004	11.11%
3	Meesaq Fund	March 27, 2008	11.55%
4	Yaqeen Growth Fund	June 1, 2009	13.76%
Individual Family Takaful Fund			
5	Managed Takaful Fund	July 7, 2015	9.99%
6	Capital Growth Takaful Fund	July 7, 2015	9.57%

Profit & Loss Account

The Profit & Loss Account of the Company shows a pre-tax profit of Rs.3.42 billion for the year, which is almost in line with the PBT of 2018, aggregating to Rs.3.45 billion, this being achieved through the prudent management and expense control. The Profit After Tax for the year 2019 is Rs.2.22 billion as compared to Rs.2.43 billion, the decline being contained to 8%, which was mainly attributed to the increase in corporate tax rates implemented through the Finance Act, 2019, which reversed the benefits of reduction in corporate taxation rates and fixed the corporate tax rate at 29%.

The Company is one of the significant tax payers to the national exchequer. During 2019, the Company contributed Rs.2.3 billion as direct and indirect taxes (2018: 2.69 billion) to the government treasury.

Earnings per Share

The basic and diluted earnings per share for the year 2019 amount to Rs.28.04 as compared to EPS of Rs.30.64 in 2018, a decline of 8%, for reasons explained above.

Dividends to Shareholders

The Board of Directors has recommended a final cash dividend of Rs.13.50 per share, i.e. 135% per share, [2018: Rs.14.50 per share (145%)]. The Company had paid an interim cash dividend of Rs.3.00 per share (30%) during the year, [2018: Rs.3.00 per share (30%)], thereby making a total cash dividend of Rs.16.50 per share, i.e. 165% for the year 2019 (2018: Rs.17.50 per share i.e. 175%). In addition, the Board of Directors has also recommended a bonus issue of 1 bonus share for every 10 shares held, i.e. 10%, (2018: Nil), subject to the approval of the shareholders at the Annual General Meeting of the Company.

Insurer Financial Strength Rating (IFS Rating)

The Company's IFS Rating review process is conducted on annual basis by JCR VIS Credit Rating Company Limited. The latest annual review was concluded on December 19, 2019, wherein the Company's IFS Rating was maintained at AA+ (Double A Plus), with a "Stable" Outlook. The rating takes into account the very high capacity of the Company to meet policyholder and contractual obligations. In its rating report, the JCR VIS acknowledged that the Company's business under both, the Conventional and the Window Takaful Operations depicted growth trends and premium base which compared favorably to peers.

Human Capital

The Company firmly believes that its human resources are its biggest strength behind its success, and hence, invests heavily in HR, and their training is one of its highest priorities.

A continuous learning environment exists within the Company, which ensures that the employees build their business knowledge quickly. The year 2019 was a very active year for Human Resource team, with various initiatives being introduced. The HR Department arranged Employee Engagement and Team Building training events for various departmental teams during the year.

Mandatory training for Anti Money Laundering and Information Security was conducted in the 3rd quarter of 2019 via the E-Learning Portal, wherein the employees were provided study materials and tested regarding their overall knowledge of these subjects through online examinations.

Besides the above, the Company continually encourages its employees to pursue professional excellence by taking the examinations of world recognized professional organizations such as Society of Actuaries (USA), Institute and Faculty of Actuaries (UK), Chartered Insurance Institute (UK) and Life Office Management Association (USA), and nominates its senior executives for executive management programs in prestigious international business schools.

The Company takes pride in being an equal opportunity employer. Both, men and women, are given an equal chance to prove their worth based on competency and merit. The Company takes initiatives towards supporting and encouraging the employment of women due to which, female headcounts, at the end of 2019, stood at 26.24%. The Company is also a signatory to the OICCI Women initiative.

Information Technology and Operational Efficiencies

Company's technology initiatives revolve around creating exceptional customer experiences and improving operational efficiencies.

Aided by technological advancements, customers today rely on multiple communication channels to contact the provider. Staying committed to providing superior services to customer through channels of their choice, the Company implemented a state-of-the-art Genesys Omnichannel Contact Center Solution in September 2019. The Contact Center Solution along with already implemented CRM solution provides 360 view of customer interactions.

The Company also facilitates customers by providing policy information through SMS service, Online Portal and Mobile Applications.

The Company also made available simple and affordable Life and Health Insurance products on online portal and mobile applications, with a range of features and payment options.

The Company also implemented Datawarehouse and Analytics solution using IBM's technology tools. This provides advanced analytics with business insights. The Company will continue to enhance this solution to include more business use cases.

The Company continues to enhance its paperless environment using MS Sharepoint, and during 2019, further applications were developed to facilitate employees for internal functions related to HR and Administration. These not only reduce paper consumption and storage space, but also result in greater employee productivity.

During 2017, the Company had implemented the new life insurance business administration system, the Insurance Solution Framework (ISF), developed by AETINS SDN BHD of Malaysia and successfully migrated the Individual Life Unit Linked Business (Conventional) to the ISF. The year 2019 witnessed the ISF System being implemented full-fledged in respect of Group Life Conventional, which went live in February 2019, as well as Individual Family Takaful, which went live, as per plan, in October 2019.

The Company will continue to strive to create more opportunities for engaging its customers in the digital arena and provide services when and how customers desire.

Awards and Accolades

As in the previous years, the Company continued to add more feathers to its cap during the year 2019:

- The Company won the coveted Top Trophy in the Financial Sector, in the 34th Corporate Excellence Awards, 2019, of the Management Association of Pakistan (MAP);
- The Company won the Best Short Video Content (Web) Award at the Pakistan Digi Awards 2019, recognizing the best in digital marketing campaigns and talent across the country.

Code of Conduct & Business Ethics

The Company's Code of Conduct, Corporate Strategy, Vision, Mission, and Core Values have been adopted by the Board, and conforming to the same is an integral part of the entire Jubilee Life family.

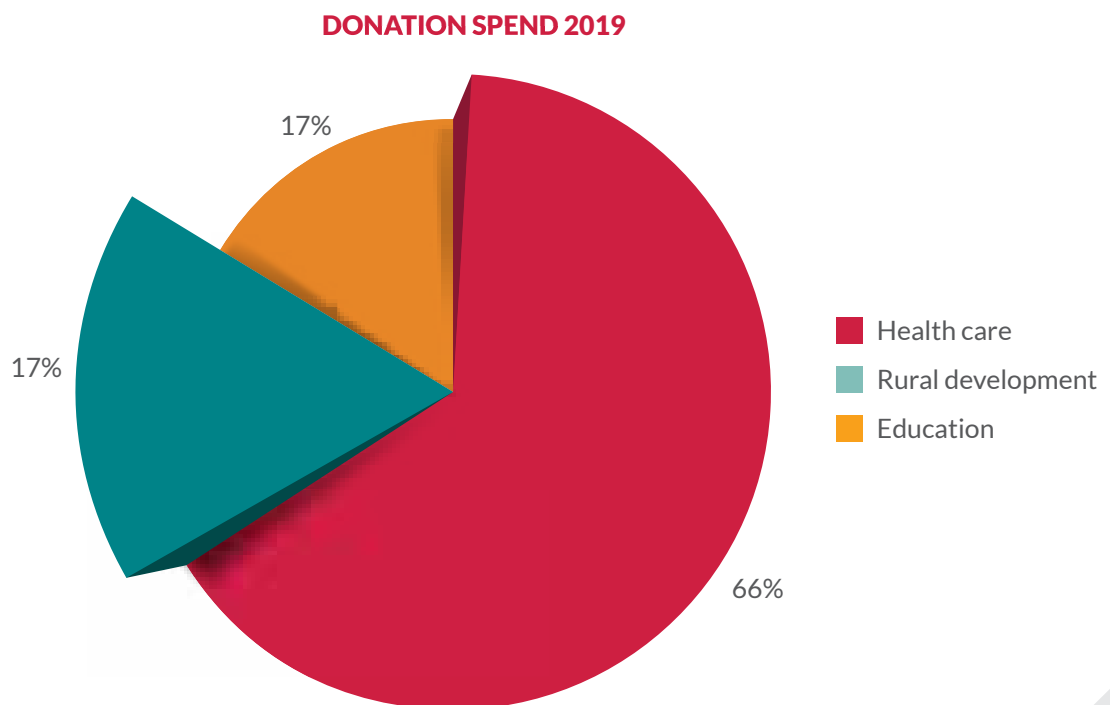
The Code, which is available on the Company's website, defines the obligations and responsibilities of all – the Board members, the employees, and the Company towards its various stakeholders, towards each other, and towards the society as a whole. Necessary steps have been taken to disseminate the same throughout the Company.

Corporate Social Responsibility

Jubilee Life is a responsible corporate citizen and is guided by its vision “enabling people to overcome uncertainty”. The Corporate Social Responsibility (CSR) and Donations Policy approved by the Board provides a guiding framework for achieving our vision by creating a strong focus and channelizing efforts that positively impact the Company's CSR endeavors and donations.

• Donations

In line with the approved CSR and Donations Policy, the Company's total donation expense during 2019 aggregated to Rs.14.5 million (2018: Rs.20.5 million), aimed at the support of health care, education, rural development, and cultural heritage. The sector wise allocation of the spend is given below:



- **Micro-insurance & Health Awareness Campaigns**

Each year, the Company makes a significant contribution towards financial inclusion of the low-income strata of population, and its CSR initiatives also leverage on its core business expertise to create and provide sustainable life and health micro-insurance solutions at affordable cost. With an aim of improving quality of life of the low-income sector of the society, the Company extended its micro-insurance facilities to over 4 million individuals in 2019.

The Company also organizes Health Awareness Campaigns in the rural areas of all four provinces as well as the Northern areas, directly as well as in collaboration with other organizations to enable the creation of wider awareness on issues relating to health care and healthy lifestyle. The Company invested Rs.6.4 million (2018: Rs.7 million) in these initiatives, besides the time spent by its employees. The Company encourages its employees to contribute their time and knowledge towards social causes.

- **Social Health Protection Initiative – Gilgit Baltistan**

Since June 2016, the Company has been affiliated with the Social Health Protection Initiative in Gilgit Baltistan (GB). The initiative is basically an Aga Khan Foundation (AKF) led AKDN consortium that includes AKRSP, AKHS and the Company, who all signed a micro health insurance project with the Government of Gilgit-Baltistan (GB). During 2019, over 35,000 lives spread over 5,340 households were covered by the Company.

Engagement with the society

The Company is actively involved with the society, through other aspects as well, as depicted below:

- **Enterprise Challenge Pakistan**

The Company's collaboration with SEED Ventures for the 3rd Enterprise Challenge Pakistan, a Prince's Trust International Program, continues since 2017. Enterprise Challenge Pakistan (ECP) is a Pan-Pakistan, inter-school competition that encourages secondary school students in the age bracket of 13-16 years to explore entrepreneurship as a career path. The ECP is essentially a simulation business challenge where students, playing in teams, employ their creativity in cyber-scenarios. Industry experts help these students understand the basics of an enterprise, business strategy and financials, with the objective to profitably run an enterprise. The team with the highest net profit is declared the winner.

- **Collaborative Libraries Project**

In 2018, Jubilee Life, in collaboration with the Charter for Compassion, launched the Collaborative Libraries Project. The purpose of this project is to inculcate the habit of reading in our future generations by developing libraries in the less affluent areas of Karachi and compensate for the lack of libraries in our country, which is depriving children today from the fulfilling experience of reading books. After successful development of the libraries, engagement activities were arranged which comprised of Dramatic Readers Club, Compassionate Talks & Big Sister & Big Brother Mentorship Programs.

- **Sports promotion**

Jubilee Life has become a recognized name due to its efforts for the revival of international cricket in Pakistan. The Company strives to become a catalyst for the revival of cricket and envisions Pakistan to welcome other countries and organize various tournaments in the future. During 2019, as in the previous year, the Company partnered with the Pakistan Cricket Board (PCB) as the Gold Sponsor for the 4th season of the Pakistan Super League (PSL 4), thereby providing the people of the country an opportunity for witnessing world class cricket. The sponsorship featured presence across all media including TV, On Ground, Digital and PR during the event. In addition, the Company also sponsored the Pakistan vs Sri Lanka series, as the Title Sponsor for the T20 one day internationals, and as Co-sponsor of the ODI & Test series.

Besides passion for cricket, sports and sporting spirit is deeply inbuilt in the Company's human resources, and the Company's support for sports highlights a commitment not only to cricket, but also snooker, golf and polo through sponsorship of various tournaments.

Board Evaluation Mechanism

The Board of Directors of the Company has an approved mechanism for the annual evaluation of the Board's performance as well as that of its Committees, as envisaged under the Regulations. The Board of Directors and the Board Committees, carry out such evaluation exercises on annual basis.

Compliance with the Code of Corporate Governance for Insurers, 2016, Listed Companies (Code of Corporate Governance) Regulations, 2019 and with PSX Rule Book

Being a listed life insurance company, the Company complies with the requirements of the specific Code of Corporate Governance for Insurers, 2016, as well as the Listed Companies (Code of Corporate Governance) 2019, and the PSX Rule Book. In respect of these requirements, the Statement of Compliance with the best corporate practices is annexed on page 69 of the Annual Report.

The Directors are pleased to confirm the following:

- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, with the exception of the changes brought about by the implementation of IFRS 16 – Leases, as explained in note 5 to the financial statements, and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, International Financial Reporting Standards, or any other regulation or law (including but not limited to the Shariah guideline/principles) as applicable in Pakistan, the Insurance Ordinance, 2000, the Insurance Accounting Regulations, 2017 the Insurance Rules, 2017, the directives issued under the Companies Act, 2017, and the Takaful Rules, 2012 have been followed in the preparation of financial statements and any departure therefrom has been adequately disclosed;
- The system of internal control is sound and adequate in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance;
- Information regarding outstanding taxes is given in note 29 to the audited financial statements;
- The pattern of shareholding and the information regarding trading in the shares of the Company by Directors, CEO, CFO, Company Secretary, Appointed Actuary, Executives and their spouses and minor children is given on page 188 of the Annual Report.

Board of Directors

The Board of Directors of the Company comprises of one executive and seven non-executive Directors, of which three are independent, non-executive Directors.

The Board of Directors shall be reconstituted in accordance with the required gender diversity upon the expiry of its current term in March 2020. The Board currently comprises of the following:

- Mr. Kamal A. Chinoy (Chairman)
- Mr. Aryn Currimbhoy
- Mr. John Joseph Metcalf
- Mr. Sultan Ali Allana
- Mr. R. Zakir Mahmood
- Mr. Shahid Ghaffar
- Mr. Sagheer Mufti
- Mr. Javed Ahmed (Managing Director & Chief Executive Officer)

No casual vacancy occurred during the year 2019.

During the year 2019, five meetings of the Board of Directors were held. The Annual General Meeting (AGM) was held on April 27, 2019. The BoD meetings and AGM were attended as follows:

S. No.	Director's Name	Board Meetings Attended	AGM Attendance
1	Mr. Kamal A. Chinoy	5	-
2	Mr. Aryn Currimbhoy	5	P
3	Mr. John Joseph Metcalf	4	-
4	Mr. Sultan Ali Allana	3	-
5	Mr. R. Zakir Mahmood	5	-
6	Mr. Shahid Ghaffar	5	P
7	Mr. Sagheer Mufti	4	-
8	Mr. Javed Ahmed	5	P

Five meetings of the Board Audit Committee were held during 2019, and attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. Aryn Currimbhoy	5
2	Mr. John Joseph Metcalf	3
3	Mr. Shahid Ghaffar	5

The Board Human Resource & Remuneration, Ethics & Nominations Committee of the Board held one meeting during 2019, which was attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. Kamal A. Chinoy	1
2	Mr. John Joseph Metcalf	1
3	Mr. R. Zakir Mahmood	1
4	Mr. Javed Ahmed	1

The Board Finance & Investment Committee met five times during the year, and the meetings were attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. Shahid Ghaffar	5
2	Mr. John Joseph Metcalf	5
3	Mr. R. Zakir Mahmood	5
4	Mr. Javed Ahmed	5
5	Ms. Lilly R. Dossabhoy (Management Executive)	5
6	Mr. Shan Rabbani (Management Executive)	5

The Board Technical Committee met four times during the year, and the meetings were attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. John Joseph Metcalf	4
2	Mr. Shahid Ghaffar	4
3	Mr. Sagheer Mufti	1
4	Mr. Javed Ahmed	4
5	Mr. Shan Rabbani (Management Executive)	4

The Board Risk Management Committee met five times during the year, and the meetings were attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. John Joseph Metcalf	5
2	Mr. R. Zakir Mahmood	4
3	Mr. Shahid Ghaffar	5
4	Mr. Sagheer Mufti	2
5	Mr. Javed Ahmed	5
6	Mr. Zahid Barki (Management Executive)	4
7	Mr. Shan Rabbani (Management Executive)	5

The Board Construction Advisory Committee held three meetings during the year, which were attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. Kamal A. Chinoy	3
2	Mr. R. Zakir Mahmood	3
3	Mr. Javed Ahmed	3

The terms of reference of the various Board Committees have been determined by the Board in accordance with the guidelines provided in the Code/the Regulations.

Management Committee

The governance of day-to-day operations in all functional areas, is carried out by the Company's Management Committee, chaired by the Managing Director & Chief Executive Officer of the Company, and meets on monthly basis. Members of the Management Committee are stated on page 10 of the Annual Report.

Other committees include the Investment Management Committee (IMC), the IT Steering Committee, Disaster Steering Committee, and the Marketing Committee, all of which are chaired by the Managing Director & Chief Executive Officer of the Company. The members of these committees are stated on page 10 of the Annual Report.

Management Committees under the Code of Corporate Governance for Insurers, 2016

In addition to the above, the following three committees function as per the terms of reference specified in the Code of Corporate Governance for Insurers, 2016, and are also chaired by the Managing Director & Chief Executive Officer of the Company:

1. Underwriting and Reinsurance Committee
2. Claims Committee
3. Risk Management & Compliance Committee

Members of these committees are mentioned on page 10 of the Annual Report.

Internal Audit Function

The Company has an Internal Audit Department, whose scope and authority is defined in the duly approved Internal Audit Charter. The Internal Audit Department has adopted a risk based approach to conduct internal audits, and monitors and evaluates the efficacy and adequacy of internal controls, consistency in application of policies and procedures and compliance with laws and regulations. Based on the report of the internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. To maintain its objectivity and independence, the Internal Audit Department reports functionally to the Board Audit Committee and administratively to the CEO.

Risk and Opportunity Report

The major risks facing the Company, and their mitigation factors, the uncertainties facing the Company, and the opportunities are summarized in the Risk and Opportunity Report as covered on pages 64 to 67 of the Annual Report.

Key Operating and Financial Information

A summary of the Key Operating and Financial Information of the last six years is shown on page 26 of the Annual Report.

Retirement Benefits

The fair value of investments made by the staff retirement funds, operated by the Company, as per their respective financial statements as at December 31, 2019, the audits of which are in progress, are as follows:

Provident Fund	Rs. 510.57 million
Gratuity Fund	Rs. 481.70 million

Material Changes

There have been no material changes since December 31, 2019 to the date of this report.

Statutory Auditors

The present Auditors, M/s. A. F. Ferguson & Co. Chartered Accountants, retire after the completion of the present term and are eligible for re-appointment.

In line with the requirement of the Code and the Regulations, the Board Audit Committee has recommended the appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, as the Auditors of the Company, including as Shariah Compliance Auditors, for the year 2020, and the Board endorses this recommendation.

Holding Company

The Company is a subsidiary of the Aga Khan Fund for Economic Development S.A., Switzerland.

Outlook

The economy of Pakistan, after two relatively challenging years, appears to be heading towards positive development. Whilst inflation remains high, primarily attributed to increase in food and utility prices, it is expected to go down over the course of year 2020, mainly attributed to the transition to a market-based exchange rate system, improvement in the business community's outlook of the economy, and fiscal developments remaining on track, as per commitments under the IMF program.

Life Insurance Industry's biggest challenge continues to be the imposition of provincial sales taxes by the provincial revenue authorities, and the Company and other Life Insurance industry players, took legal recourse during the year 2019. However, it is heartening to note that in January 2020, the provincial tax authorities reopened the channel of discussion and dialogue, by the formation of a joint committee comprising of the senior representatives of the provincial revenue authorities, the Insurance Association of Pakistan, as well as life and general insurance companies. Jubilee Life is also represented on this joint committee by the MD & CEO.

Another significant challenge for the Life insurance Industry is the implementation of the stringent AML and KYC regime and hesitation of the population at large to use regulated channels for money management. The support from Government for the development of insurance sector will play a key role in increasing insurance penetration and resolving the current issues being faced.

Despite all challenges, Jubilee Life has performed well both, over the past years, and consistently outpaced the growth of the industry. In the challenging year 2019 as well, as demonstrated by the results, the Company has

reflected sustainable profitability. With continued support of all stakeholders, the Company will strive to achieve a healthy growth in future as well.

Acknowledgements

The Company thanks all its valued customers and business partners for their confidence and patronage and reaffirms its commitment to serve them in the best possible manner.

The significant growth and financial strength achieved by the Company over the last several years has been made possible through the dedication and hard work of the management team, ably supported by their colleagues. The Board appreciates their efforts and contribution.

The Board also records their appreciation of the positive regulatory role adopted by the Securities & Exchange Commission of Pakistan for their continuing efforts in promoting the growth and functioning of the Life Insurance business on a sound basis.

The Board also thanks the provincial revenue authorities for opening a new window of discussion and dialogue with the Life Insurance Industry, and is hopeful of a positive outcome of the matter.

On behalf of the Board of Directors



KAMAL A. CHINOY
Chairman



JAVED AHMED
Managing Director & CEO

Karachi, February 11, 2020

Risk and Opportunity Report

The Company faces the following major risks, and strategizes the mitigation factors there against as follows:

S. No.	Risk	Mitigation Strategy
1	<p>Regulatory Risk</p> <p>Life Insurance Industry is a highly regulated industry and subject to frequent changes in applicable laws, rules and regulations. Any omission or failure to meet regulatory compliance may expose the Company to penalties, fines and reputational risks.</p>	<p>Company takes cognizance of these changes through updates from legal services, auditors and tax advisors, websites etc. A summary of significant changes in the regulatory requirement is reported to the Board, whose guidance is sought by the management.</p> <p>Also, the Company interacts with the regulators directly, as well as through the collective forum of the Insurance Association of Pakistan, to ensure that industry views are represented.</p>
2	<p>Operational Risks</p> <ul style="list-style-type: none"> ● Human Resource ● Business Continuity 	<ul style="list-style-type: none"> ● The Company provides a congenial working environment and opportunities for professional development and growth to all employees, besides rotation within the departments, to enrich their exposure. A succession plan is in place in respect of Chief Executive as well as all senior executives, to ensure that work does not suffer in case of their departure. ● Realtime data replication at Disaster Recovery Site/Data Center ensures that the business continuity is not endangered in any way. The Company has also developed a Disaster Recovery Plan to take care of any eventuality.
3	<p>Economic/Political Risks</p> <p>The economy of Pakistan is subject to significant ups and downs attributed to current account deficit, exchange rates and equity market movements; whilst the political environment is uncertain and lacks stability, hampering the cause of business activities.</p>	<p>A wide product range catering to different classes of risk appetite is available to balance out such variations. Further, the Company follows a prudent and cautious investment policy to safeguard the returns against such volatile situations.</p>

S. No.	Risk	Mitigation Strategy
4	<p>Underwriting Risks</p> <p>These are risks undertaken by the Company via the contracts that it writes, i.e. the possibility of the contingent event occurring, giving rise to the claim for the event insured. The risks in this category are associated with the perils covered (death, accident, catastrophe etc.) and with the specific processes associated with the conduct of life insurance business.</p>	<p>The Company has developed comprehensive Underwriting Guidelines to identify and evaluate this risk. Further, various reinsurance arrangements have been put in place to mitigate the effects of potential loss to the Company from large individual or catastrophic insured events.</p>
5	<p>Market Risks</p> <p>These are risks arising from movement of financial variables such as interest rates, capital market changes etc.</p>	<p>The Company manages this through a diversified investment portfolio comprising of a combination of equity securities, Government securities, other fixed income securities and money market instruments, taking into account the maturity profile of these assets and that of the liability base. The portfolio is actively managed by an Investment Department. The activities and decisions of the Investment Department are constantly monitored through a management level Investment Management Committee which meets on weekly basis, and through a Board level Finance & Investment Committee, which reviews the same on quarterly basis, or, as required.</p>
6	<p>Credit Risks</p> <p>These are risks arising due to default by and change in credit rating of those with whom the Company has an exposure, such as banks, brokers, issuers of debt instruments etc. These risks also include external events affecting the credit worthiness of counterparties.</p>	<p>This risk is managed by establishment of counter party limits, by spreading the volume of transactions over various counter parties and monitoring the credit worthiness of counter parties through their rating reports.</p>
7	<p>Reinsurance Risks</p> <p>These risks relate to the failure of the reinsurers to discharge their obligations on the claims reinsured, as a consequence of which the Company has to incur additional cost.</p>	<p>To mitigate this risk, the Company has entered into reinsurance treaties with multiple internationally recognized reinsurers who have a high credit rating.</p>

S. No.	Risk	Mitigation Strategy
8	<p>Liquidity Risk</p> <p>This is the risk of losses in the event of insufficient liquid assets to meet cash flow requirements for policyholder obligations.</p>	<p>This risk is mitigated by managing a balance between healthy cash and cash equivalents and other liquid assets balances, and monitoring the maturity profile of financial assets and liabilities, so that any mismatches arising are taken care of and eliminated. This risk is actively managed by the Investment Department. The Investment Management Committee also reviews the asset allocation and investment portfolio on weekly basis to monitor the same.</p>
9	<p>Strategic Risk</p> <p>This is the risk of untapped opportunities, as well as the risk of increased competition from existing/new players entering the field.</p>	<p>The Company manages this risk through quality service to its customers, product range catering to various classes of customers, brand equity and goodwill, to maintain a competitive advantage over peer group or new entrants. Further, the Company keeps exploring new avenues for business opportunities and growth.</p>
10	<p>Reputational Risk</p> <p>This is the risk of damage to the Company's reputation which can result in a slowdown in business growth, caused by an event such as mis-selling, misconduct on part of its distribution team, non-compliance with the regulatory regime etc.</p>	<p>The Company mitigates this risk by placing the highest emphasis on its Code of Conduct and best business practices, which are applicable across the Company. All sales team members are imparted rigorous training to eliminate chances of mis-selling, and internal controls are in place to ensure regulatory compliance to all concerned stakeholders.</p>

Key Opportunities

With less than 1% penetration (ratio of insurance premium as a percentage of the Gross Domestic Product), Life Insurance has a great potential of growth in Pakistan, particularly in the following dimensions:

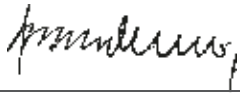
1. Increasing education and awareness regarding life insurance amongst the masses, to enlighten them about the benefits of life insurance coverage and as a savings tool.
2. Increasing outreach across Pakistan through not only the conventional distribution networks, but also using latest technology including branchless, online sales, and mobile apps to attract the young population of Pakistan.
3. Financial inclusion, i.e. affordable insurance solutions through micro insurance for the mass segments of society at Company level, as well as in collaboration with the Government, for the benefit of the common public at large.

Key Uncertainties affecting the business

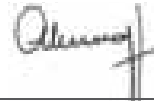
The key sources of uncertainty, which have a significant impact on the business include the following:

- Unexpected changes in claims ratios and trends
- Occurrence of catastrophic event(s)
- Political turmoil affecting the economy, and in particular, the equity market
- Unexpected interest rate movements
- Failure of a major product/distribution channel
- Threats to the national security and peace of the country ultimately affecting economy and business of the Company
- Threat of international sanctions
- Unexpected changes in the Regulatory Regime

On behalf of the Board of Directors



KAMAL A. CHINOY
Chairman



JAVED AHMED
Managing Director & CEO

Karachi, February 11, 2020

Independent Auditor's Review Report

To the members of Jubilee Life Insurance Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of Jubilee Life Insurance Company Limited ('the Company') for the year ended December 31, 2019 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision Ixxvi of the Code of Corporate Governance for Insurers, 2016.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2019.



A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: March 3, 2020

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019

For The Year Ended December 31, 2019

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company, being an insurer, has applied the principles contained in the Code and the Regulations in the following manner:

1. The total number of elected directors are seven, as per the following:
 - a) Male: Seven
 - b) Female: Nil

The Board of Directors shall be reconstituted in accordance with the required gender diversity upon the expiry of its current term in March 2020.

2. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. The composition of the Board is as follows:

Category	Names
Independent Directors	Kamal A. Chinoy Aryn Currimbhoy Shahid Ghaffar
Non-Executive Directors	Sultan Ali Allana R. Zakir Mahmood John Joseph Metcalf Sagheer Mufti
Executive Director	Javed Ahmed
Female Directors	Nil

The Independent Directors meet the criteria of independence under the Code.

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) listed companies, excluding the listed subsidiary of a listed holding company, including this Company.
4. All the resident Directors of the Company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII. None of the Directors or their spouses is engaged in business of stock brokerage.
5. No casual vacancy arose during the year.

6. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
7. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
8. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations. These include material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive and non-executive Directors, and other key officers.
9. The meetings of the Board were presided over by the Chairman and the Board met at-least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations, with respect to frequency, recording, and circulating minutes of meetings of the Board.
10. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act, 2017 and these Regulations.
11. All the Board members have attended orientation courses to acquaint them with the Code, the Regulations, applicable laws and their duties and responsibilities.
12. The Board has established a system of sound internal controls, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
13. The Board has approved appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with the relevant requirements of the Regulations.
14. The Directors’ Report for this year has been prepared in compliance with the requirements of the Code and the Regulations and fully describes the salient matters required to be disclosed.
15. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before the approval of the Board.
16. The Directors, Chief Executive Officer and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code.
18. The Board has formed the following Management Committees under the Code:

Underwriting & Reinsurance Committee:

Name of the Member	Category
Javed Ahmed	Chairman
Shan Rabbani	Member
Muhammad Aamir	Member
Raja Naveed	Member & Secretary

Claims Committee

Name of the Member	Category
Javed Ahmed	Chairman
Zahid Barki	Member
Muhammad Sohail Fakhar	Member
Muhammad Kashif Naqvi	Member
Junaid Ahmed	Member & Secretary

Risk Management and Compliance Committee

Name of the Member	Category
Javed Ahmed	Chairman
Zahid Barki	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member
Najam ul Hassan Janjua	Member & Secretary

19. The Board has formed the following Board Committees under the Code/Regulations, comprising of the members mentioned below:

Board Human Resource & Remuneration, Ethics, and Nominations Committee

Name of the Member	Category
Kamal A. Chinoy	Chairman
John Joseph Metcalf	Member
R. Zakir Mahmood	Member
Javed Ahmed	Member
Najam ul Hassan Janjua	Secretary

Board Finance & Investment Committee

Name of the Member	Category
Shahid Ghaffar	Chairman
R. Zakir Mahmood	Member
John Joseph Metcalf	Member
Javed Ahmed	Member
Shan Rabbani	Member
Lilly R. Dossabhoy	Member & Secretary

Board Risk Management Committee

Name of the Member	Category
John Joseph Metcalf	Chairman
R. Zakir Mahmood	Member
Sagheer Mufti	Member
Shahid Ghaffar	Member
Javed Ahmed	Member
Zahid Barki	Member
Shan Rabbani	Secretary

20. The Board has formed an Audit Committee. It comprises of three (3) members; all of whom are non-executive Directors and two are independent Directors, including the Chairman of the Committee. The composition of the Audit Committee is as follows:

Name of the Member	Category
Amyr Currimbhoy	Chairman, Independent Non-Executive Director
Shahid Ghaffar	Member, Independent Non-Executive Director
John Joseph Metcalf	Member, Non-Executive Director
Adeel Ahmed Khan	Secretary

21. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance.
22. The meetings of the Committees, except for those of the Ethics, Human Resource & Remuneration and Nominations Committee, were held at least once every quarter, prior to the approval of the interim and final results of the Company, as required by the Code/Regulations.
23. The Board has set up an effective Internal Audit Department, whose scope and authority is defined in the duly approved Internal Audit Charter.
24. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the person heading the underwriting, claims, reinsurance, risk management and grievance functions/departments possess qualification and experience of direct relevance to their respective functions, as required under Section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of the Person	Designation
Javed Ahmed	Managing Director & Chief Executive Officer
Lilly R. Dossabhoy	Chief Financial Officer
Najam ul Hassan Janjua	Company Secretary
Zahid Barki	Compliance Officer - Group Head, Risk Management, Compliance & Quality Assurance (covers Risk Management, Compliance and Grievance responsibilities)
Shan Rabbani	Group Head Retail Operations, Investments & Actuarial (covers Underwriting, Reinsurance, Claims Administration, and Actuarial Responsibilities).
Adeel Ahmed Khan	Head of Internal Audit

25. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance no. xxxix of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP, and that they, and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

26. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Regulations, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
27. The Appointed Actuary of the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.
28. The Board ensures that the Appointed Actuary complies with the requirements set for him in the Code.
29. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
30. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
31. The Board has set up a risk management function/department, which carries out its tasks as covered under the Code.
32. The Board ensures that as part of the risk management system, the Company gets rated from JCR-VIS, which is being used by its risk management function/department and the respective committee as a risk monitoring tool. The Insurer Financial Strength (IFS) rating assigned by the said rating agency, as per their latest notification dated December 19, 2019 is AA+ (Double A plus) with stable outlook.
33. The Board has set up a grievance department/function, which complies with the requirements of the Code.
34. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the Code.
35. The Company is in the process of compliance with the requirements and regulations laid down in Section 208 of the Companies Act, 2017. The compliance is dependent on the clarification/amendment in the law from SECP with respect to definition of related parties. In the meantime, the Company has continued to present the details of all related party transactions as disclosed in the financial statements before the Board Audit Committee and upon their recommendation to the Board for review and approval.
36. We confirm that all requirements of Regulation Nos. 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations, and all other material principles contained in the Code have been complied with.

On behalf of the Board of Directors



KAMAL A. CHINOY
Chairman



JAVED AHMED
Managing Director & CEO

Karachi, February 11, 2020

Shariah Advisor's Report to the Board of Directors

For The Year Ended December 31, 2019

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

I have reviewed the accompanying financial statements, Takaful products including all related documents, as well as, the Participant Takaful Fund Policy, Investment Policy, Re-Takaful arrangements and the related transactions of Jubilee Life Insurance - Window Takaful Operations (hereafter referred to as "Takaful Operator") for the year ended 31st December 2019.

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

It is the responsibility of the Takaful Operator to ensure that the rules, principles and guidelines set by the Shariah Advisor and Takaful Rules 2012 are complied with, and that all investments done, products and services being offered are duly approved by the Shariah Advisor.

The primary objective of Shariah Advisor's report is to inform about the Takaful Operator's compliance with Shariah Guidelines, including the transactions undertaken by the Takaful Operator during the year ended 31 December 2019 and to express his opinion on the transactions and operational aspects of Window Takaful Operations.

Progress of the Year:

During the year under review; Jubilee Life - Window Takaful Operations has achieved significant successes, details of which are as follows:

1. Alhamdulillah, Jubilee Life - Window Takaful Operations has maintained its position as the market leader in the Family Takaful Industry of the country, in terms of new business.
2. Jubilee Life - Window Takaful Operator opened a number of dedicated Takaful branches across the country in strategic locations and also the additional distribution channels for Takaful business growth.
3. Significant success was achieved in continuous development of DSF & Banca-Takaful business across the country.
4. Under the guidance of the undersigned, Jubilee Life - Window Takaful Operations has developed and launched different Family Takaful Products, for its DSF & Banca-Takaful segment, focusing on savings and investment-based plans.
5. All the distribution channels of Jubilee Life - Window Takaful Operations has performed well and underwritten significant business in Takaful.
6. During the year, a number of Religious Institutions from different parts of the country reviewed the Takaful Products of Jubilee Life - Window Takaful Operations and with the grace of Allah they showed full satisfaction of the system and products of Jubilee Life - Window Takaful Operations and issued Shariah Compliance Certificates (Shariah Verdicts) in favor of Jubilee Family Takaful.

Shariah Certification:

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

- i. Transactions undertaken by the Takaful Operator for the period ended 31 December 2019 were in accordance with the guidelines issued by Shariah Advisor, as well as the requirements of Takaful Rules 2012;
- ii. The investments have been made from the Participant Takaful Fund (PTF), Participant Investment Fund (PIF) and Operator's Fund, into Shariah Compliant avenues only, including Islamic Banks, Sukuks and Shariah Compliant Equities, with prior Shariah approval. Further all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) or Islamic Branches/Windows of conventional banks with prior Shariah approval;
- iii. Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that Jubilee Life - Window Takaful Operations has realized its criticality and Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept completely separate from its conventional insurance business, as per requirement of Shariah and Takaful Rules 2012.
- iv. During the year, an amount of Rs.5,549,024/- has been realized as charity through dividend-income purification process, out of which Rs.2,989,010/- has already been disbursed to the approval charitable institutions.
- v. The transactions and activities of Jubilee Life Insurance - Window Takaful Operations are in accordance with the Shariah principles, while considering the accompanying financial statements of the Participants' Takaful Fund (Waqf Fund), Participants' Investment Fund, and the Operator's Sub Fund (OSF). However, there have been few areas of concern from Shariah compliance point of view:
 - a) It was observed that during the year, mortality charges (Tabarru amount) deducted from the Participant Investment Fund (PIF) was required to be credited to Participant Takaful Fund (PTF) within seven days of receipt as per the Takaful Rules 2012, were credited to the PTF in certain cases with a time lag. Necessary steps should be taken to rectify the same and the amount should be credited to the PTF within the stipulated timelines.
 - b) The Company has paid certain claims, being in the nature of ex-gratia death claims, to the Individual Family Takaful PTF account, based on its understanding that the claims paid are in relation to risks covered under the PTF and are being paid in the overall interest of the PTF. However, the ex-gratia claims should not be paid from the PTF account.

While concluding, I state that the Shariah principles were followed in every aspect of practical implementation of Jubilee Life - Window Takaful Operations (except for the above-mentioned areas of concern) during the year. I am grateful to the Board of Directors of Jubilee Life, Management and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shariah Compliance in our Takaful practices.

"And Allah Knows Best"



Mufti Zeeshan Abdul Aziz
Shariah Advisor

Date: 08th February, 2020

Independent Assurance Report on the Statement of Management's Assessment of Compliance with the Shariah Principles

To the Board of Directors of Jubilee Life Insurance Company Limited

We were engaged by the Board of Directors of Jubilee Life Insurance Company Limited (the Company) to report on the management's assessment of compliance of the Window Takaful Operations (Takaful Operations) of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2019, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholars.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

Management's Responsibility for Shariah Compliance

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

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

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standards on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, And Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of the work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statements reflect the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations' compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

In this connection, we have designed and performed necessary verification procedures on various financial arrangements, contracts, classes of transactions and related policies and procedures based on judgmental and systematic samples with regard to the compliance with the Takaful Rules, 2012 and Shariah guidelines issued by the Shariah Advisor of the Company. In performing our audit procedures necessary guidance on Shariah matters was provided by independent Shariah scholars referred above.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the annexed statement of compliance, presents fairly, in all material respects, the status of Company's compliance with the Takaful Rules, 2012, for the year ended December 31, 2019.



A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Farrukh Rehman**
Dated: March 3, 2020

Karachi

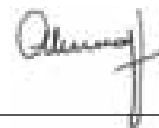
Statement of Compliance with the Shariah Principles

The financial arrangements, contracts and transactions, entered into by Jubilee Life Insurance Company Limited - Window Takaful Operations (the Company) for the year ended December 31, 2019 are in compliance with the Takaful Rules, 2012, with the exception of two items mentioned in paragraph (i) below.

Further, we confirm that:

- i. The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance, except for i(a) and i(b) below. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee/Shariah Advisor and the Board of Directors have been implemented:
 - a) During the year, mortality charges deducted from Individual Family Takaful Participant Investment Fund (PIF) in respect of risk related contribution required to be credited to Participant Takaful Fund (PTF) within seven days of receipt, were credited to the PTF with a time lag. Necessary steps are being taken to rectify the same within the stipulated timelines.
 - b) The Company has charged certain claims, being in the nature of ex-gratia death claims to the Individual Family Takaful PTF account, based on its understanding that the claims paid are in relation to risks covered under the PTF, and have been made in the overall interest of the PTF. Further, there is no explicit restriction in Rule 19(2) of the Takaful Rules, 2012, debarring payment of the same from the PTF, given that all risks are covered in the pool created for the benefit of the participants. This, in the view of the Company, is open to interpretation, and it will further consult the treatment of such claims with the Shariah Advisor, to ensure clarity thereon.
- ii. The Company has imparted trainings/orientations and ensured availability of all manuals/agreements approved by the Shariah Advisor/Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management.
- iii. All the products and policies have been approved by the Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the polices approved by the Shariah Advisor.
- iv. The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's Sub Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

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



Javed Ahmed
Managing Director &
Chief Executive Officer

Karachi: February 8, 2020

Independent Auditor's Report

To the members of Jubilee Life Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Jubilee Life Insurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity, cashflow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the cashflow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 29.1.2 to the accompanying financial statements which describes the chargeability of sales tax on premium by provincial revenue authorities.

Our opinion is not qualified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No. Key audit matters

How the matter was addressed in our audit

(i) Allocation of units in respect of unit-linked policies

(Refer note 20.3 to the financial statements)

As at 31 December 2019, the Company has investment component of unit-linked policies amounting to Rs. 146.24 billion. These policies are issued under Individual Life Unit Linked fund and Individual Family Takaful fund. The Company uses forward pricing mechanism under which units are allocated based on unit price prevailing on the day of issuance of the policy.

There are two main variables used in the calculation of unit price i.e. net asset value of the fund and total number of units in the fund. The NAV is calculated through valuation of investment portfolio of respective funds at fair value and deducting the investment charges and other charges. The NAV is divided by the total number of units in-force on the valuation date to arrive at the unit price. The computation of units, which mainly includes allocated premium, deduction on account of withdrawal, cancellation, surrender and risk and other charges, is carried out through the core insurance application.

Due to complex process involved in computation of units, significance of the investment component of unit-linked policies, we have considered this as a higher risk area and have therefore identified allocation of units in respect of unit-linked policies as a key audit matter.

(ii) Incurred But Not Reported (IBNR) claims

(Refer note 20.2 to the financial statements)

The Company's valuation of IBNR claims, amounting to Rs. 1,053.56 million as at December 31, 2019, involves complex judgments about future events affecting the business. Actuarial assumptions used in the valuation of these liabilities with respect to interest rates, mortality, morbidity, lapse in coverage, longevity, expenses and future policyholder behavior may result in material impacts on the valuation of IBNR claims.

Our audit procedures, amongst others, included:

- Obtained understanding of pricing mechanism used in calculation of unit price.
- Tested compliance of the pricing mechanism with the Unit Linked Products and Fund Rules, 2015.
- Tested on sample basis that correct net asset value of sub funds was used in the calculation.
- Tested on sample basis movement in units in each sub fund which comprise of addition to units on premium allocation, deduction of unit due to withdrawal, cancellation and surrender of policies. Moreover, units are deducted on account of mortality charges, administrative charges and other policy charges.
- Recomputed investment management charges deducted from the investment income based on the rates approved by SECP.

Our procedures, amongst other, included:

- Obtained an understanding of the actuarial assumptions and methodologies used for estimating the IBNR claims at December 31, 2019.
- Inquired about the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at December 31, 2019 to establish whether these had been subject to any arbitrary discontinuities from those used at December 31, 2018.

S. No. Key audit matters

Further, policyholder data is a key input into the valuation process. The valuation of IBNR claims is, therefore, conditional upon the accuracy and completeness of the data used.

Due to the materiality of the amount of IBNR claims and the complex process for determining the underlying assumptions and judgements, the measurement of IBNR claims was of significance in the context of our audit and hence considered to be a key audit matter.

How the matter was addressed in our audit

- Reviewed the report submitted by the Appointed Actuary to the Board of Directors of the Company expressing his satisfaction over the valuation of IBNR claims.
- Tested the accuracy and completeness of the underlying data utilized for the purposes of measurement by reference to its source.
- Engaged an independent actuarial expert to assess whether the reserving methodology for IBNR claims, used with respect to all statutory funds maintained by the Company was in line with the Minimum Valuation Basis given in Annexure V to Rule 23 of the Insurance Rules, 2017 and was further in accordance with generally accepted actuarial principles.
- Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.

(iii) Investments

(Refer note 8 to 13 to the financial statements)

As at 31 December 2019, the Company has investments classified as “Available-for-sale”, “Fair value through profit and loss”, “Held to maturity” and “Investment in associate” amounting to Rs. 158.84 billion which in aggregate represent 91.63% of the total assets of the Company.

Investments are carried at amortized cost or fair value in accordance with the Company’s accounting policy relating to their recognition. Provision against investment is made based on impairment policy of the Company which includes both objective and subjective factors.

The existence and valuation of investment is significant to the financial statements and a higher risk area for the audit and hence we have considered this to be a key audit matter.

Our audit procedures, amongst others, included:

- Tested the design, implementation and operating effectiveness of key controls over the valuation process, including the Company’s review and approval of the estimates and assumptions used for the valuation.
- Tested, on a sample basis, specific purchases and sale transactions recorded during the year by reference to its source.
- Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2019 and reconciled it with the books and records of the Company. Where such confirmations were not available, alternate audit procedures were performed.
- Tested the valuation of investments by agreeing the prices to supporting documents and externally quoted market prices.
- Assessed the appropriateness of impairment in the value of available for sale securities in accordance with the requirements of accounting and reporting standards.

S. No. Key audit matters

How the matter was addressed in our audit

(iv) IFRS 16 “Leases”

(Refer note 5.1 to the financial statements)

‘IFRS 16 – Leases’ becomes effective for annual reporting beginning on or after 1 January 2019. The application of the new standard gives rise to a right of use asset and a corresponding increase in lease liabilities. The Company has chosen to apply the provisions of IFRS 16 and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

The assessment of the impact of the new standard is significant to our audit, as the balances recorded are material, the update of the accounting policy requires policy elections, the implementation process to identify and process all relevant data associated with the leases is complex and the measurement of the right-of-use asset and lease liability is based on assumptions such as discount rates and the lease terms, including termination and renewal options. Therefore, we have considered this to be a key audit matter.

- Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.

Our audit procedures, amongst others, included:

- Evaluated management's implementation process and reviewed the updated accounting policy and policy election.
- For a sample of leases, computed the right-of-use assets and corresponding lease liabilities independently and compared the results to that of the management.
- Considered the completeness of leases identified by testing the reconciliation to the Company's operating lease commitments (as disclosed in prior year financial statements) and by going through key service contracts to assess whether they contained a lease under IFRS 16.
- Assessed the reasonableness of management's assumptions used especially in respect of determination of discount rates for a portfolio of leases and the assessment of renewal and termination options contained in the lease agreements.
- Checked the accuracy of the underlying lease data on test basis by agreeing each lease to the original contract or other supporting information.
- Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the cashflow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account;
- (c) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;
- (d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

The financial statements of the Company for the year ended December 31, 2018 were audited by another auditor whose audit report dated March 28, 2019 expressed a qualified opinion thereon. A qualified opinion was expressed as the Company had not recorded applicable provincial sales tax liability on premium charged to policyholders in respect of health and life insurance in the financial statements for the year ended December 31, 2018 (as more fully explained in note 26.2 to those financial statements). The potential liability on Group Health (in Sindh) and Health insurance (in Punjab) was estimated at Rs. 739 million as at December 31, 2018. However, the Company considered that it was premature to estimate the liability for sales tax on premium charged to policyholders in respect of life insurance at that stage. In this regard, the auditor considered that the liability for sales tax on premium charged to policyholders in respect of life insurance could be estimated.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.



A. F. Ferguson & Co.
Chartered Accountants

Karachi

Date: March 3, 2020



FINANCIAL STATEMENTS

Statement of Financial Position

As at December 31, 2019

	Note	2019	2018
		(Rupees in '000)	
Assets			
Property and equipment	6	3,571,757	3,151,784
Intangible assets	7	214,183	174,317
Right-of-use assets	5	933,189	-
Investment in an associate	8	152,294	129,502
Investments			
Equity securities	9	66,290,510	48,566,870
Government securities	10	71,008,039	55,559,018
Debt securities	11	8,729,952	6,494,073
Term deposits	12	11,350,000	17,700,000
Open-ended mutual funds	13	1,312,395	-
Insurance / reinsurance receivables	14	1,189,148	991,149
Derivative financial instrument	15	97,389	154,605
Other loans and receivables	16	4,169,873	762,441
Taxation - payments less provision		162,941	140,463
Retirement benefit prepayment	22	18,930	-
Prepayments	17	64,926	128,433
Cash & Bank	18	4,094,997	5,673,359
Total Assets		173,360,523	139,626,014
Equity and Liabilities			
Capital and reserves attributable to the Company's equity holders			
Issued, subscribed, paid-up share capital and reserves			
Share capital	19	793,307	793,307
Money ceded to waqf fund		500	500
Gain / (loss) on revaluation of available-for-sale investments		172,026	(21,492)
Unappropriated profit		7,003,482	6,416,599
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		3,436,246	3,152,755
Total Equity		11,405,561	10,341,669
Liabilities			
Insurance liabilities	20	153,633,665	122,000,509
Retirement benefit obligations	22	-	842
Borrowing	23	1,375,000	1,500,000
Lease liabilities	24	1,012,846	-
Premium received in advance		1,165,320	1,177,266
Insurance / reinsurance payat	25	39,124	19,509
Other creditors and accruals	26	3,270,198	3,472,585
Deferred tax	27	1,392,874	1,061,590
Financial charges payable		26,916	20,499
Dividend payable	28	39,019	31,545
Total Liabilities		161,954,962	129,284,345
Total Equity and Liabilities		173,360,523	139,626,014
Contingencies and commitments			
	29		


The annexed notes 1 to 56 form an integral part of these financial statements.


Kamal A. Chinoy
 Chairman


Amyr Currimbhoy
 Director


Shahid Ghaffar
 Director


Javed Ahmed
 Managing Director &
 Chief Executive Officer


Lilly R. Dossabhoy
 Chief Financial Officer

Profit and Loss Account

For the Year ended December 31, 2019

	Note	2019 (Rupees in '000)	2018
Premium / contribution revenue		49,627,409	51,887,073
Premium / contribution ceded to reinsurers		(1,231,390)	(1,216,101)
Net premium / contribution revenue	30	48,396,019	50,670,972
Fee income		32,881	41,808
Investment income	31	12,591,769	7,237,757
Net realised fair value (losses) / gains on financial assets	32	(1,454,728)	267,071
Net fair value gains / (losses) on financial assets at fair value through profit or loss	33	8,902,717	(9,744,798)
Other income	34	297,593	196,675
		20,370,232	(2,001,487)
Net income		68,766,251	48,669,485
Insurance benefits		23,629,644	17,294,771
Recoveries from reinsurers		(1,165,313)	(985,886)
Claims related expenses		7,283	6,844
Net Insurance Benefits	35	22,471,614	16,315,729
Net change in insurance liabilities (other than outstanding claims)		30,483,396	16,349,025
Acquisition expenses	36	9,060,494	9,795,739
Marketing and administration expenses	37	3,159,770	2,776,756
Other expenses	38	27,804	29,669
Total Expenses		42,731,464	28,951,189
Realised gain / (loss) on derivative financial instrument		43,651	(25,200)
Unrealised (loss) / gain on derivative financial instrument		(47,817)	181,798
Finance cost	39	(152,782)	(120,491)
		(156,948)	36,107
Results of operating activities		3,406,225	3,438,674
Share of profit of associate	8	10,142	9,917
Profit before tax (refer note below)		3,416,367	3,448,591
Income tax expense	40	(1,192,140)	(1,018,260)
Profit for the year		2,224,227	2,430,331
Earnings per share - Rupees	41	28.04	30.64

The annexed notes 1 to 56 form an integral part of these financial statements.

Note:


Profit before tax is inclusive of the amount of the profit before tax of the Shareholders' Fund, the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund based on the advice of the Appointed Actuary, and the undistributed surplus in the Revenue Account of the Statutory Funds which also includes the solvency margins maintained in accordance with the Insurance Rules, 2017. For details of the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund aggregating to Rs.2,775 million (2018: Rs.2,660 million), please refer to note 45.1, relating to Segmental Information - Revenue Account by Statutory Fund.


Kamal A. Chinoy
Chairman


Amyr Currimbhoy
Director


Shahid Ghaffar
Director


Javed Ahmed
Managing Director &
Chief Executive Officer


Lilly R. Dossabhoy
Chief Financial Officer

Statement of Comprehensive Income

For the Year ended December 31, 2019

	Note	2019 (Rupees in '000)	2018
Profit for the year - as per Profit and Loss Account		2,224,227	2,430,331
Other comprehensive income:			
Items that may be classified to profit and loss in subsequent period:			
Currency translation differences (related to net investment in foreign currency)	8	15,880	24,559
Related deferred tax on currency differences		(4,605)	(5,440)
Change in unrealised gains / (losses) on available-for-sale financial assets		282,133	(11,368)
Loss on disposal or reclassification to profit and loss account		(9,798)	(40,459)
		272,335	(51,827)
Related deferred tax		(78,817)	15,245
Change in unrealised gains / (losses) on available-for-sale financial assets - net		193,518	(36,582)
		204,793	(17,463)
Items that will not be classified to profit and loss in subsequent period:			
Actuarial gain on retirement benefit schemes		23,404	1,986
Related deferred tax		-	(1,620)
Other comprehensive income / (loss) for the year		228,197	(17,097)
Total comprehensive income for the year		2,452,424	2,413,234


The annexed notes 1 to 56 form an integral part of these financial statements.


Kamal A. Chinoy
 Chairman


Amyr Currimbhoy
 Director


Shahid Ghaffar
 Director


Javed Ahmed
 Managing Director &
 Chief Executive Officer


Lilly R. Dossabhoy
 Chief Financial Officer

Cash Flow Statement

For the Year ended December 31, 2019

	Note	2019	2018
		(Rupees in '000)	
Operating Cash flows			
(a) Underwriting activities			
Insurance premium / contribution received		49,360,551	52,125,532
Reinsurance premium / contribution paid		(1,282,463)	(1,263,998)
Claims paid		(9,740,218)	(6,342,484)
Surrenders paid		(12,762,146)	(10,248,896)
Reinsurance and other recoveries received		1,240,745	1,061,340
Commission paid		(6,883,427)	(7,668,840)
Commission received		67,366	61,251
Marketing and administrative expenses paid		(542,677)	(543,482)
Other acquisition cost paid		(4,003,687)	(3,834,472)
Net cash inflow from underwriting activities		15,454,044	23,345,951
(b) Other operating activities			
Income tax paid		(967,003)	(1,306,177)
Other operating payments		(1,884,281)	434,383
Other operating receipts		442,432	30,983
Unsecured advances paid to employees		(236,669)	(161,344)
Recovery of unsecured advances to employees		218,830	155,461
Net cash outflow from other operating activities		(2,426,691)	(846,694)
Total cash inflow from all operating activities		13,027,353	22,499,257
Investment activities			
Profit / return received		3,208,255	6,191,715
Dividend received		2,395,917	1,942,714
Payment for investments		(390,285,032)	(290,215,186)
Proceeds from disposal of investments		363,288,994	276,297,941
Fixed capital expenditure		(707,303)	(468,963)
Proceeds from sale of property and equipment		16,280	27,117
Total cash outflow from investing activities		(22,082,889)	(6,224,662)
Financing activities			
Dividends paid		(1,380,813)	(1,380,492)
Financial charges paid		(183,183)	(113,919)
Loan paid		(125,000)	-
Payments against lease liabilities		(183,830)	-
Total cash outflow from financing activities		(1,872,826)	(1,494,411)
Net cash (outflow) / inflow from all activities		(10,928,362)	14,780,184
Cash and cash equivalents at beginning of the year		23,373,359	8,593,175
Cash and cash equivalents at the end of the year	18	12,444,997	23,373,359

(Continued...)

Cash Flow Statement

For the Year ended December 31, 2019

	Note	2019	2018
		(Rupees in '000)	
Reconciliation to Profit and Loss Account			
Operating cash flows		13,027,353	22,499,257
Depreciation expense		(535,946)	(266,075)
Amortisation expense		(83,357)	(115,766)
Share of profit from associate		10,142	9,917
Profit on disposal of property and equipment		4,051	7,435
Increase in assets other than cash		1,272,526	489,184
(Increase) in liabilities		(31,773,639)	(18,080,365)
(Loss) / gain on sale of investments		(1,454,728)	267,069
Revaluation gain / (loss) on investments		9,741,354	(9,728,155)
Investment income		12,169,251	7,461,750
Financial charges		(40,581)	(113,920)
Finance cost on lease liabilities		(112,199)	-
Profit after taxation		2,224,227	2,430,331


The annexed notes 1 to 56 form an integral part of these financial statements.


Kamal A. Chinoy
 Chairman


Amyr Currimbhoy
 Director


Shahid Ghaffar
 Director


Javed Ahmed
 Managing Director &
 Chief Executive Officer


Lilly R. Dossabhoy
 Chief Financial Officer

Statement of Changes in Equity

For the Year ended December 31, 2019

	Attributable to equity holders of the Company					Total
	Share capital	Unappropriated profit	Money ceded to waqf fund	Surplus on revaluation of available-for-sale investments	Retained earnings arising from business other than participating business attributable to shareholders (Ledger Account D) - net of tax*	
	(Rupees in '000)					
Balance as at January 01, 2018	793,307	6,006,870	500	15,090	2,500,955	9,316,722
Total comprehensive income for the year						
Profit for the year after tax	-	2,430,331	-	-	-	2,430,331
Other comprehensive income - net of tax	-	19,485	-	(36,582)	-	(17,097)
	-	2,449,816	-	(36,582)	-	2,413,234
Transactions with the owners recorded directly in equity						
Final cash dividend for the year ended December 31, 2017 @ 145% (Rs. 14.50 per share)	-	(1,150,295)	-	-	-	(1,150,295)
Interim cash dividend for the half year ended June 30, 2018 @ 30% (Rs. 3.00 per share)	-	(237,992)	-	-	-	(237,992)
Surplus for the year retained in statutory funds	-	(651,800)	-	-	651,800	-
	-	(2,040,087)	-	-	651,800	(1,388,287)
Balance as at December 31, 2018	793,307	6,416,599	500	(21,492)	3,152,755	10,341,669
Total comprehensive income for the year						
Profit for the year after tax	-	2,224,227	-	-	-	2,224,227
Other comprehensive income - net of tax	-	34,679	-	193,518	-	228,197
Reversal of prior year's deferred tax on actuarial gain / loss on retirement benefits scheme	-	(245)	-	-	-	(245)
	-	2,258,661	-	193,518	-	2,452,179
Transactions with the owners recorded directly in equity						
Final cash dividend for the year ended December 31, 2018 @ 145% (Rs. 14.50 per share)	-	(1,150,295)	-	-	-	(1,150,295)
Interim cash dividend for the half year ended June 30, 2019 @ 30% (Rs. 3.00 per share)	-	(237,992)	-	-	-	(237,992)
Surplus for the year retained in statutory funds	-	(283,491)	-	-	283,491	-
	-	(1,671,778)	-	-	283,491	(1,388,287)
Balance as at December 31, 2019	793,307	7,003,482	500	172,026	3,436,246	11,405,561

* This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for carrying on of the life insurance business.


The annexed notes 1 to 56 form an integral part of these financial statements.


Kamal A. Chinoy
Chairman


Amyr Currimbhoy
Director


Shahid Ghaffar
Director


Javed Ahmed
Managing Director &
Chief Executive Officer


Lilly R. Dossabhoy
Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the Year ended December 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Jubilee Life Insurance Company Limited (the Company) was incorporated in Pakistan on June 29, 1995 as a public limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange. The Company started its business on June 20, 1996. The addresses of its registered and principal office are 26 - D, 3rd Floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad and Jubilee Life Insurance Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi, respectively.

The Company is engaged in life insurance, carrying on non-participating business. In accordance with the requirements of the Insurance Ordinance, 2000 the Company has established a shareholders' fund and following statutory funds in respect of each class of its life insurance business:

- Individual Life Unit Linked
- Conventional Business
- Accident & Health
- Overseas Group Life and Health Business
- Individual Family Takaful (note 1.2)
- Group Family Takaful (note 1.2)
- Accident & Health Family Takaful (note 1.2)

1.2 The Company was issued the Certificate of authorization for commencement of Window Takaful Operations under Rule 6 of the Takaful Rules, 2012 by the Securities and Exchange Commission of Pakistan (SECP) vide Authorization Reference no. 7 dated June 17, 2015 and the Company launched the Window Takaful Operations on July 13, 2015.

1.3 The Company is a subsidiary of Aga Khan Fund For Economic Development, S.A., Switzerland.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012.

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 and the Takaful Rules, 2012, have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for valuation of certain investments at their market value.

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumption are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of accounting and reporting standards as applicable in Pakistan that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4 to the financial statements.

2.3 Functional and presentation currency

These financial statements have been presented in Pak Rupee, which is the Company's functional and presentation currency. Amounts presented have been rounded off to the nearest thousand.

2.4 Standards, interpretations of and amendments to existing accounting standards that have become effective during the year

IFRS 16, the accounting standard for leases, became effective for annual reporting periods commencing on or after January 1, 2019. The impact of the adoption of IFRS 16 on the Company's financial statements is disclosed in note 5.

IFRS 9 'Financial Instruments' and amendment (effective for period ending on or after June 30, 2019) replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from the profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9 until December 31, 2021.

For the companies adopting the temporary exemption, the IFRS 4 requires certain disclosures which have been disclosed as follows:

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. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

Financial assets not measured at fair value

	2019	2018	Change during the year
	(Rupees in '000)		
Pakistan Investment Bonds - held to maturity	9,619	9,010	609

Except for above, all financial assets are measured either at fair value through profit and loss or Available-for-sale.

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

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2020:

Standards, amendments or interpretations	Effective date
- IAS 1 - Presentation of financial statements (amendments)	January 1, 2020
- IAS 8 - Accounting policies, changes in accounting estimates and errors	January 1, 2020

The management is in the process of assessing the impacts of above amendments on the financial statements of the Company.

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, 2020 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies and methods of computation adopted in the preparation of this financial statement are same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2018, with the exception mentioned in note 5.

3.2 Property and equipment

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any, except for capital work in progress which is stated at cost. Assets having cost exceeding the minimum threshold as determined by the management are capitalized. All other assets are charged in the year of acquisition. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to profit and loss account during the year in which they are incurred.

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are charged to profit and loss account.

Depreciation

Depreciation is charged to profit and loss account using the straight line method at the rates specified in note 6 on all assets available for use at the end of each month. When parts of an item of asset have different useful lives, they are accounted for as separate property and equipment items.

Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged in the month of disposal.

The assets' residual value and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

Gains and losses on disposal

An item of tangible assets is derecognised upon disposal or where no future economic benefits are expected to be realised from its use or disposal. Gains or losses on disposal of an item of tangible assets are recognised in the profit and loss account.

Capital work in progress

Capital work in progress is stated at cost and consists of expenditure incurred and advances made in respect of assets in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

3.3 Intangible assets

These represent assets with finite lives and are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged over the estimated useful life of the asset applying the straight line method at the rates specified in note 7 to the financial statements.

Software development costs are only capitalised to the extent that future economic benefits are expected to be derived by the Company.

3.4 Types of Insurance / Window Takaful Operations

a) Individual life unit linked

Individual life contracts are mainly regular premium unit linked policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Family Income Benefit, etc.) are also sold along with the basic policies. Some of these riders are charged through deductions from policyholders' fund value, while others are conventional i.e. additional premium is charged there against. Policies are sold to a wide cross-section of population with different income levels. The risk underwritten is mainly death and sometimes disability and/or critical illness. This business is written through two distribution channels, namely, the direct sales force and bancassurance.

Individual life single premium policies are also issued and their value is determined as per underlying assets' value of the fund.

b) Conventional business

i) Individual life conventional business

Individual life conventional contracts are mainly protection policies sold to a wide cross-section of population with different income levels. The risk underwritten is mainly death and sometimes critical illness. This business is written through direct sales force.

ii) Group life business

Group life contracts are mainly issued to employers to insure their commitments to their employees as required under The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968. The Company also writes business for consumer banking related schemes and micro-insurance schemes. The risk underwritten is mainly death and sometimes disability. This business is written through direct sales force and bancassurance.

c) Accident & health business

i) Individual accident & health business

Individual accident and health contracts are mainly protection policies sold to a wide cross-section of population with different income levels. The risk underwritten is medical expenses related to out patient services and hospitalisation. This business is written through direct sales force.

ii) Group health business

Group health contracts are mainly issued to employers to insure their commitments to their employees. The Company also writes business for micro-insurance schemes. The risk underwritten is medical expenses related to out patient services and hospitalisation. This business is written through direct sales force.

d) Overseas group life and health business

The Company has issued group life and health policies to a policyholder based in Afghanistan. The risk underwritten under life policy is mainly death and sometimes disability while the risk underwritten under health policy is medical expenses related to hospitalisation and out-patient.

e) Family Takaful Contracts

The Company offers Family Takaful Contracts. Family Takaful Contract is an arrangement which rests on key Shariah principles of mutual cooperation, solidarity and well being of a community, and is based on the principles of Wakala Waqf Model. Under a Takaful arrangement, individuals come together and contribute towards the common objective of protecting each other against financial losses by sharing the risk on the basis of mutual assistance.

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In case there is a deficit in the Waqf Fund, the Window Takaful Operator shall grant an interest free loan (Qard-e-Hasna) to make good the deficit. The loan shall be repayable from the future surpluses generated in the Waqf Fund, without any excess of the actual amount given to it. Repayment of Qard-e-Hasna shall receive priority over surplus distribution to Participants from the Waqf Fund. The detailed disclosures of window takaful operations are presented in note 46.

i) Individual Family Takaful Contracts Unit - Linked

The Company offers Unit Linked Takaful Plans which provide Shariah Compliant financial protection and investment vehicle to individual participants. These plans carry cash value and offer investment choices to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants.

ii) Group Family Takaful

The Group Family Takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life and group credit plans to its participants.

iii) Accident & Health Family Takaful

The Accident & Health Family Takaful contracts are mainly issued to employers to insure their commitments to employees. The Company offers medical expenses related to out patient services and hospitalisation to its participants.

3.5 Recognition of Policyholders' liabilities / Technical Reserves

a) Individual life unit linked

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-unit reserves of these linked contracts. Non-linked reserves constitute liability kept to account for risks such as death, disability, critical illness, etc. Incurred But Not Reported (IBNR) claims and non-linked riders (Accidental Death and Disability, Waiver of Premium, etc.).

Reserves for risks such as death, disability, etc. are kept on the basis of risk charges deducted for these risks.

- Incurred But Not Reported (IBNR) claims

For IBNR, the Company uses statistical methods to incorporate assumptions made in order to estimate the ultimate cost of claims. The claims experience for this line of business has not developed sufficiently to attach full credibility to the experience. Hence, IBNR reserves are being kept as a percentage of risk charges. A lag study has been conducted at various points of time to attach greater credibility to the experience in order to determine the amount of IBNR claims.

The method involves the analysis of historical claims and the lags are estimated based on this historical pattern. Actual IBNR claims experience at various points of time is compared to the IBNR reserves kept at these time periods, to determine the adequacy of IBNR reserves. This validates the factor that is applied to risk charges in order to arrive at IBNR reserves. Adequate margins are also built-in to compensate for any adverse deviations in claims experience. In view of grossly insufficient claims experience, IBNR reserves for non-linked riders have been held in proportion to the premium earned in the valuation year.

- Unearned premium and premium deficiency reserve

Unearned premium reserve is not applicable to main policies. The rider premium proportionate to the unexpired duration of the period for which the respective premiums have been received are held as unearned premium reserves. Liabilities for claims in course of payment for Family Income Benefit rider and Waiver of Premium rider are held in accordance with the advice of the appointed actuary.

The Premium Deficiency Reserve (PDR) is not applicable to these policies. For riders, there is no need to hold a PDR since these maintain very reasonable claim ratios.

b) Conventional business

i) Individual life conventional

Policyholders' liabilities constitute the reserves for base plans, riders attached to the base plans and reserves for IBNR claims.

For base plans, policyholders' liabilities are determined as per the minimum criteria given in Insurance Rules, 2017. Discount rate used in this calculation is 3.75% and the mortality rates assumed are those according to EFU (61-66) table. For critical illness policies, the future incidence of critical illness is according to a percentage of reinsurer's risk premium rates for this coverage.

- Incurred But Not Reported (IBNR) claims.

IBNR reserves for riders are held as a percentage of rider premium earned in the valuation year in view of grossly insufficient claims experience.

- Unearned premium and premium deficiency reserve

Unearned Premium Reserves (UPR) methodology is applied to rider premium to arrive at riders' reserves. The rider premium proportionate to the unexpired duration of the period for which the respective premiums have been received are held as unearned premium reserves.

Tests are conducted periodically on the basis of gross premium valuation to confirm the adequacy of reserves kept on modified net premium basis. For riders, there is no requirement to hold premium deficiency reserves since these maintain very reasonable claims ratios.

ii) Group life business

Policyholders' liabilities comprise of Unearned Premium Reserves (UPR), reserves for Incurred But Not Reported (IBNR) claims and pay-continuation reserves.

- Incurred But Not Reported (IBNR) claims

For purposes of estimation, the business has been split into two categories, namely, normal and other than normal schemes (including consumer banking schemes and micro-insurance). IBNR reserves are calculated on separate basis for these two categories. IBNR is based upon reported claims for normal schemes and on earned premium for other than normal schemes due to lack of fully credible experience. For IBNR reserves based on reported claims, the Company uses the chain-ladder method (a statistical technique) to estimate the ultimate cost of claims.

- Unearned premium and premium deficiency reserve

Gross premium proportionate to the unexpired duration of the period for which the respective premiums have been billed are held as unearned premium reserves.

The unearned premium reserve can deem to become insufficient if either there is gross deterioration in mortality, there is an occurrence of a catastrophic event, or there is a reduction in asset value on potential encashment of assets. No requirement for holding premium deficiency reserve was found since the Company has a good combined ratio and it is unlikely that there will be a sudden, significant worsening of mortality due to good dispersion of risk across various geographical and income stratas. Also, the Company holds a catastrophe reinsurance cover which reduces its exposure to large number of claims arising from any one incident.

- Liabilities for claims in course of payment (pay continuation reserves) are held in accordance with the advice of the appointed actuary.

c) Accident & health business

Policy holder liability comprises of Unearned Premium Reserves (UPR) and reserves for Incurred But Not Reported (IBNR) claims.

- Incurred But Not Reported (IBNR) claims

For purposes of estimation, the business has been split into two categories, namely, non-micro non-outpatient and other (includes non-micro-insurance schemes' outpatient components and micro-insurance schemes). IBNR reserve is calculated on separate basis for these two categories. IBNR is based upon reported claims for the non-micro-insurance non-outpatient category and on earned premium for the other category due to lack of fully credible experience.

For IBNR reserves based on reported claims, the Company uses the chain-ladder method (a statistical technique) to estimate the ultimate cost of claims.

- Unearned premium and premium deficiency reserve

Gross premium proportionate to the unexpired duration of the period for which the respective premiums have been billed are held as unearned premium reserves.

The unearned premium reserve can deem to become insufficient if either there is sudden worsening of morbidity or inflationary increase in claims. No requirement for holding premium deficiency reserve was found at present since the portfolio has a combined ratio of less than 100% and the average claims have been low in spite of overall inflation.

d) Overseas group life and health fund

Policy holder liability comprises of Unearned Premium Reserves (UPR) and reserves for Incurred But Not Reported (IBNR) claims.

- Incurred But Not Reported (IBNR) claims

This reserve has been set as Nil as at the valuation date in view of the reinsurance arrangements in place.

- Unearned premium and premium deficiency reserve

Gross premium proportionate to the unexpired duration of the period for which the respective premiums have been billed are held as unearned premium reserves.

The unearned premium reserve can deem to become insufficient if either there is gross deterioration in mortality, sudden worsening of morbidity, occurrence of a catastrophic event, reduction in asset value on potential encashment of assets or inflationary increase in claims. No requirement for holding premium deficiency reserve was found at present since the portfolio has a good combined ratio and the average claims have been low in spite of overall inflation.

e) Reserve for claims - Incurred but not reported (IBNR) - Takaful Contracts

The liability for claims - IBNR, is determined by the Appointed Actuary and is included in the technical reserves. The IBNR is expressed on the basis of past claims reporting pattern as a percentage of earned contribution.

f) Reserve for unearned contribution - Takaful Contracts

The unearned portion of gross contribution, net off wakala fee, is set aside as a reserve and included in the technical reserves. Such reserve is calculated as a portion of the gross contribution of each policy, determined according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

g) Contribution Deficiency Reserve - Takaful Contracts

The Company maintains a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after retakaful claims and other supplementary expenses expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. Provision for contribution deficiency reserve is made as per the advice of the appointed actuary.

h) Technical Reserves

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date, in accordance with Section 50 of the Insurance Ordinance, 2000.

3.6 Reinsurance / Retakaful contracts held

3.6.1 Conventional

Reinsurance premiums

Reinsurance premium is recognised at the same time when the premium income is recognised. It is measured in line with the terms and conditions of the reinsurance treaties.

Claim recoveries

Claim recoveries from reinsurers are recognised at the same time as the claims are intimated in line with the terms and conditions of the reinsurance arrangements.

Experience refund of premium

Experience refund receivable from reinsurers is included in the reinsurance recoveries of claims.

Individual life unit linked and conventional policies are reinsured under an individual life reinsurance agreement whereas group life policies are reinsured under a group life reinsurance agreement.

All receivables (reinsurer's share in claims, inward commission and experience refund) and payables (reinsurance premium) under reinsurance agreements are recognised net in the Company's financial statements, under the circumstances only that there is a clear legal right of off-set of the amounts. Furthermore, credit is taken on account of reinsurer's share in policyholders' liabilities as advised by the appointed actuary.

3.6.2 Takaful

Retakaful Contribution

These contracts are entered into by the Company with the retakaful operator under which the retakaful operator cedes the Takaful risk assumed during normal course of its business, and according to which the Waqf is compensated for losses on contracts issued by it.

Retakaful contribution is recorded at the time the retakaful is ceded.

Retakaful liabilities represent balances due to retakaful companies. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful Expenses

Retakaful expenses are recognized as a liability.

Retakaful assets represent balances due from retakaful operator. Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful assets are not offset against related Retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related Retakaful contracts as required by the Insurance Ordinance, 2000. Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired.

3.7 Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents and policyholders.

3.8 Operating Segments

Operating segments are reported in a manner consistent with that provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The Company has five operating segments for reporting purposes namely; Individual life unit linked, Conventional business, Accident & Health, Overseas Group Life & Health and the Window Takaful Operations. The details of all operating segments are described in note 45 to these financial statements.

The Window Takaful has three primary business segments for reporting purposes - the Individual Family Takaful, Group Family Takaful, and Accident & Health Family Takaful.

- a) The Individual Family Takaful segment provides family takaful coverage to individuals under unit based policies issued by the PTF.
- b) The Group Family Takaful segment provides family takaful coverage to members of business enterprises, corporate entities, and common interest groups under Group Family Takaful schemes issued by the PTF.
- c) The Accident & Health Family Takaful segment provides accident coverage and inpatient / outpatient health coverage to members of business enterprises and corporate entities under Accident & Health Family Takaful schemes issued by the PTF.

3.9 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include the following:

- Cash at bank in current and saving accounts
- Cash and stamps in hand
- Term deposits receipts with original maturity upto three months
- Certificate of Islamic Investment with original maturity upto three months

3.10 Revenue recognition

3.10.1 Premiums

First year, renewal and single premium are recognised once resulted policies are issued / renewed against receipt and realisation of premium except for Group life, Accident & Health and Overseas group life and health business.

Premium for group life, accident & health and overseas group life and health business are recognised as and when due. The Company continues to provide the cover even if the premium is received after the grace period.

3.10.2 Contributions

a) Individual Life Family Takaful

First year, renewal and single contributions are recognized once the related policies are issued / renewed against receipt of contribution.

b) Group Family Takaful

Group Family contributions are recognized as and when due. In respect of these policies, the Company will continue to provide cover even if the contribution is received after grace period.

c) Accident & Health Family Takaful

Accident & Health Family Takaful contributions are recognized as and when due. In respect of these policies, the Company will continue to provide cover even if the contribution is received after grace period.

3.10.3 Reinsurance Commission

Commission from reinsurers is recognized as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Commission, if any, under the terms of reinsurance arrangements is recognised when the Company's right to receive the same is established.

3.10.4 Experience refund of premium

Experience refund of premium payable to policyholders except for individual life unit linked is included in insurance liabilities.

3.10.5 Other revenue recognition

Mark-up / Interest

- Mark-up / interest income on bank deposits and government securities is recognised on time proportion basis, using effective yield method.
- Interest / mark-up on fixed income securities is recognised on time proportion basis using effective yield method.

Dividends

Dividend income is recognised when Company's right to receive dividend is established.

3.11 Investments

Classification

The Company has classified its investment portfolio except for investment in associate into 'held-to-maturity', 'held for trading', 'at fair value through profit or loss', and 'available-for-sale' categories as follows:

- Held-to-maturity – These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold till maturity.
- At fair value through profit or loss - this category relates to all investments of unit linked funds of the Individual Life Unit Linked and Individual Family Takaful Fund which have been reclassified by the Company under this category, to eliminate the accounting mismatch arising from the measurement of assets and liabilities.
- Available-for-sale – These are investments that do not fall under the Held-to-maturity, Held-for-Trading, and At fair value through profit or loss categories.

Initial recognition

All investments are initially recognised at cost, being the fair value of the consideration given, including transaction costs associated with the investments, except for Fair Value through Profit or Loss category, wherein the transaction costs are charged to the profit and loss account.

All regular way purchases / sales of investment are recognised on the trade date, i.e., the date the Company commits to purchase / sell the investments. Regular way purchases or sales of investment require delivery of securities within the time frame generally established by regulation or convention in the market place.

Subsequent measurement

Investments classified as held-to-maturity are subsequently measured at amortised cost, taking into account any discount or premium on acquisition, using the effective interest rate method.

Investments classified as 'at fair value through profit or loss' are subsequently measured at their market values, with any gain or loss being recorded in the Profit and Loss Account.

Investments classified as 'available-for-sale' are subsequently measured at their market values, with any gain or loss recorded in the Statement of Comprehensive Income. Cumulative gains and losses on mark to market of available-for-sale investments are reclassified to profit and loss account on disposal of investments. When the decline in value of an equity security is significant or prolonged, the cumulative loss (measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account) that had been recognised in other comprehensive income shall be reclassified from equity to the profit and loss account even though the financial asset has not been derecognised.

Investment in an associate - equity method

Associates are those entities in which the company has significant influence, but does not have control, over the financial and operating policies. These financial statements include the company's share of total recognized gains and losses of associates on the equity accounting basis, from the date significant influence commences until the date that significant influence ceases. When the company's share of losses exceeds its interest in an associate, the investment's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the company has incurred legal or constructive obligation.

Fair / market value measurements

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

3.12 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3.13 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.14 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to the items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income. Charge for the current tax includes adjustments, where considered necessary, relating to prior years.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and the credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

3.15 Staff retirement benefits

3.15.1 Defined benefit plan

The Company operates an approved funded gratuity scheme for all permanent employees who have completed minimum qualifying eligible service of 5 years. Contribution to the fund is made and expense is recognised on the basis of actuarial valuation carried out as at each year end using the projected unit credit method.

The measurement differences representing actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost / income are recognised immediately with a charge or credit to Other Comprehensive Income (OCI).

3.15.2 Defined contribution plan

The Company operates an approved contributory provident fund for all its permanent employees. Equal monthly contributions are made by both the Company and the employees to the fund at the rate of 10% of basic salary. Contributions made by the Company are recognised as expense.

3.15.3 Accumulated compensated absences

The Company makes provision in the financial statements for its liabilities towards vested and non vested compensated absences accumulated by its employees on the basis of anticipated utilisation of such leaves based on past trends.

3.16 Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account.

3.17 Others

3.17.1 Acquisition cost

These are costs incurred in acquiring insurance policies / takaful contracts, maintaining such policies / takaful contracts, and include without limitation, all forms of remuneration paid to insurance / takaful agents.

Commission and other expenses are recognised as expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except that commission and other expenses which are directly referable to the acquisition or renewal of specific contracts are recognised not later than the period in which the premium to which they refer is recognised as revenue.

3.17.2 Claim expenses

Claim expenses are recognised on the date the insured event is intimated except for individual life unit linked where claim expenses are recognised earlier of the date the policy cease to participate in the earnings of the fund and the date insured event is intimated.

Surrenders of individual life unit linked are recognised after these have been approved in accordance with the Company's policy.

Liability for outstanding claims is recognised in respect of all claims intimated up to the balance sheet date. Claims liability includes amounts in relation to unpaid reported claims.

Liability for claims "Incurred But Not Reported" (IBNR) is included in policyholders' liabilities.

3.17.3 Statutory funds

The Company maintains statutory funds in respect of each class of life insurance business. Assets, liabilities, revenues and expenses of the Company are referable to respective statutory funds, however, where these are not referable to statutory funds, these are allocated to the shareholders' fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

3.17.4 Takaful Operator's Fee

The shareholders of the Company manage the Window Takaful operations for the participants. Accordingly, the Company is entitled to Takaful Operator's Fee for the management of Window Takaful Operations under the Waqf Fund, to meet its general and administrative expenses. The Takaful Operator's fee, termed Wakala Fee, is recognised upfront.

3.17.5 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Foreign currency transactions are recorded using the rates of exchange prevailing at the date of transaction. Exchange gains and losses on translation are included in profit and loss account.

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

3.17.6 Financial assets and liabilities

All financial assets and liabilities are initially measured at fair value. These financial assets and liabilities are subsequently measured at fair / market value or amortised cost as the case may be.

3.17.7 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

3.17.8 Derivative Financial Instruments

Derivatives that do not qualify for hedge accounting are recognized in the statement of financial position at estimated fair value with corresponding effect in the profit and loss account. Derivative financial instruments are carried as assets when fair value is positive, and as liabilities when fair value is negative.

3.17.9 Dividend and appropriation to reserves

Dividend and appropriation to reserves except appropriations required by the law are recognised in the year in which these are approved.

4 FINANCIAL RISK MANAGEMENT / ACCOUNTING ESTIMATES AND JUDGEMENTS

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2018. In preparing these financial statement, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended December 31, 2018.

4.1 Policyholders' liabilities / technical reserves

4.1.1 Valuation discount rate

The valuation of policyholders' liabilities has been based on a discount rate of 3.75%, which is in line with the requirements under the repealed Insurance Act, 1938 and is considerably lower than the actual investment return the Company is managing on its conventional portfolio. The difference each year between the above and the actual investment return is intended to be available to the Company for meeting administration expenses and provide margins for adverse deviation.

4.1.2 Mortality assumption

For the purpose of valuing the insurance contracts, the mortality assumption used is based on EFU (61-66) table. This table is constructed on the basis of EFU (61-66) table, adjusted to reflect the mortality expectation in Pakistan. In the opinion of appointed actuary the adjusted table gives the closest match to the underlying mortality of the covered population. SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC (2001 - 05) Individual Life Ultimate Mortality Table published by Pakistan Society of Actuaries (PSOA) be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(1)/2012. However, existing valuation basis is considered to be more prudent than the minimum.

4.1.3 Claims

The calculation of Incurred But Not Reported Claims Reserve for both Group Life under Conventional Business and Accident and Health lines has been based on the assumption that the claims lag pattern would follow the trend experienced over the past 3 years.

The reserving basis has been formulated on the recent claims lag pattern and experience of the Company for each line of business separately. Appropriate margins have been added to ensure that the reserve set aside is resilient to changes in the experience.

4.1.4 Surrenders

For the purpose of valuation of conventional business, no provision has been made for lapses and surrenders. This gives prudence to the value placed on the liability by not taking any credits for the profits made on surrenders.

4.2 Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on disputed issues in the past.

4.3 Impairment in respect of listed securities

The Company determines that listed available-for-sale securities are impaired when there has been a significant or prolonged decline in fair value below its cost. In making this judgment, the Company evaluates, among other factors, volatility in the share prices in normal course. In addition, impairment may be appropriate when there is evidence of deterioration in financial health of the investee, industry or sector performance.

5 ACCOUNTING FOR LEASES UNDER IFRS 16

Effective January 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an arrangement contains a lease", SIC 15 'Operating leases – Incentives' and SIC 27 'Evaluating the substance of transactions involving the legal form of a lease'. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides single, on-balance sheet lease accounting model for all lessees, requiring lessees to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments during the lease term. The impact of the transition is shown in note 5.1 below. The Company's accounting policy under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, if there is a change in the Company's estimate of the amount expected to

be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component and not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

5.1 Impact of transition to IFRS 16

Effective January 01, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 reporting year has not been restated. It remains as previously reported under IAS 17 and the related interpretations.

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before January 01, 2019. Right-of-use assets and lease liabilities of Rs 1,142.96 million and Rs 1,057.58 million respectively were recorded as of January 01, 2019, with no net impact on unappropriated profit. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rates ranging from 12.30% to 12.80% at January 01, 2019.

The Company has elected to apply the practical expedient to grandfather the assessment of which transactions are leases on the date of initial application, as previously assessed under IAS 17 and IFRIC 4 and applied the definition of a lease under IFRS 16 to contracts entered into or changed on or after January 01, 2019.

The following summary reconciles the Company's operating lease commitments at December 31, 2018, as previously disclosed in the Company's annual financial statements as at December 31, 2018, to the lease liabilities recognised on initial application of IFRS 16 at January 01, 2019.

	Rupees in '000s
Operating lease commitments disclosed in annual financial statements as at December 31, 2018	1,311,642
Discounted using the Company's incremental borrowing rates	(409,675)
Adjustments as a result of a different treatment of extension and termination options	155,609
Lease liabilities recognised as at January 1, 2019	1,057,576

	Note	2019	2018
		(Rupees in '000)	
6	PROPERTY AND EQUIPMENT		
Operating assets	6.1	858,830	732,016
Capital work in progress	6.2	2,712,927	2,419,768
		3,571,757	3,151,784

6.1 Operating assets

	2019									
	Cost			Depreciation				Written down value as at December 31	Depreciation rate %	
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals			As at December 31
	(Rupees in '000)									
Leasehold improvements	337,791	59,980	14,058	383,713	215,720	50,921	14,058	252,583	131,130	20
Furniture and fixtures	230,869	36,283	4,412	262,740	179,475	33,113	4,410	208,178	54,562	20
Office equipment	188,032	39,795	4,511	223,316	116,177	29,013	4,280	140,910	82,406	20-33
Computer equipment	377,383	52,841	11,369	418,855	272,112	74,431	11,311	335,232	83,623	30
Vehicles	576,017	262,275	49,781	788,511	194,592	117,727	30,917	281,402	507,109	20
	1,710,092	451,174	84,131	2,077,135	978,076	305,205	64,976	1,218,305	858,830	

	2018									
	Cost			Depreciation				Written down value as at December 31	Depreciation rate %	
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals			As at December 31
	(Rupees in '000)									
Leasehold improvements	280,334	62,110	4,653	337,791	175,784	44,589	4,653	215,720	122,071	20
Furniture and fixtures	222,238	30,195	21,564	230,869	163,355	37,668	21,548	179,475	51,394	20
Office equipment	177,642	40,650	30,260	188,032	122,121	24,018	29,962	116,177	71,855	20-33
Computer equipment	361,950	39,924	24,491	377,383	218,471	77,910	24,269	272,112	105,271	30
Vehicles	393,473	243,452	60,908	576,017	152,895	83,459	41,762	194,592	381,425	20
	1,435,637	416,331	141,876	1,710,092	832,626	267,644	122,194	978,076	732,016	

The tangible assets (note 6.1) include items costing Rs. 575.83 million (2018: 484.25 million) which are fully depreciated as of December 31, 2019 but are still in active use.

The tangible assets (note 6.1) include items costing Rs. 0.75 million (2018: 0.75 million) are placed in the third parties locations.

6.1.1 Disposal of fixed assets during the year made to chief executive or a director or an executive or a shareholder holding not less than ten percent of the voting shares of the company or any related party, irrespective of the value, and in the case of any other person having cost or net book value (NBV) of Rs. 1,000,000 or Rs. 250,000 and above are as follows:

	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	(Rupees in '000)					
Vehicles	1,844	277	272	(5)	Company Policy	Mr. Muhammad Tahir Aziz Khan, Plot #1-F, 4/5, Flat # 101, Nazimabad #1, Karachi
	1,250	258	271	13	Company Policy	Mr. Abbas Dosten Hote, House # 96/1/2, Lane 9, Commercial Avenue, Near Masjid-e-Khadija, DHA Phase 7, Karachi
	1,500	225	225	-	Company Policy	Mr. Basit Aijaz, Flat # A/3- 501, Civic View Appartment, Block 13-D, Gulshan-e-Iqbal, Karachi
	1,522	228	228	-	Company Policy	Mr. Muhammad Shakeel Ahmed Qureshi, House No. A-25, Block #3, Sector U, Gulshan-e-Maymar, Karachi
	2,322	414	426	12	Company Policy	Mr. Raja Naveed Ashfaq, House No. 26, Street No. 13, River Gardens, Main Express Way, Islamabad
	3,500	1,120	1,575	455	Company Policy	Mr. Nadyam Chandna, J-501, Creek Vista Apartment, DHA-8, Karachi
	3,300	1,056	1,155	99	Company Policy	Mr. Faiz Ul Hassan, H. No. 426, Block 12, FB Area, Karachi
	1,829	922	1,280	358	Company Policy	Mr. Syed Adnan Hussain, House # 221 - F, Block 2, P.E.C.H.S, Karachi
	17,067	4,500	5,432	932		
Office equipment	69	-	12	12	Trade In	Mr. Najam Ul Hassan Janjua, Flat # B-3, Nadia Apartments, Block 6, P.E.C.H.S, Karachi
	50	12	3	(9)	Trade In	Mr. Syed Adnan Hussain, House # 221 - F, Block 2, P.E.C.H.S, Karachi
	91	15	40	25	Trade In	Mr. Muhammad Aamir, Flat # B-1, Plot D-2, Friends Garden, Block 13-D, Gulshan-e-Iqbal, Karachi
	75	31	5	(26)	Trade In	Mr. Abbas Tirmizey, Flat No. SF-3, Block 30, Sea View Township Phase 5, DHA, Karachi
	100	33	40	7	Trade In	Mr. Faisal Qasim, House No. 11A, Block-3, Overseas Co-Operating Housing Society, Alamgir Road, Karachi
	75	27	30	3	Trade In	Mr. Abbas Dosten Hote, House # 96/1/2, Lane 9, Commercial Avenue, Near Masjid-e-Khadija, DHA Phase 7, Karachi
	460	118	130	12		
Insurance Claims received / receivable from Related party:						
Computer equipment	219	12	12	-	Insurance Claim	Jubilee General Insurance Company Limited
	219	12	12	-		
Vehicles	840	672	824	152	Insurance Claim	Jubilee General Insurance Company Limited
	1,500	1,500	1,500	-	Insurance Claim	Jubilee General Insurance Company Limited
	2,340	2,172	2,324	152		
Office equipment	15	7	11	4	Insurance Claim	Jubilee General Insurance Company Limited
	15	7	11	4		

Cost	Net book value	Sale proceeds	Gain / (Loss)
(Rupees in '000)			

Net Book Value less than 50,000.

Vehicles	1,907	42	469	427
Office equipment	4,036	106	428	322
Computer equipment	11,150	47	71	24
Lease hold improvement	14,058	-	125	125
Furniture and fixtures	4,412	1	253	252
	35,563	196	1,346	1,150

6.1.2 Disposal of fixed assets during the year having net book value (NBV) of Rs. 50,000 and above (excluding those disclosed in 6.1.1) are as follows:

Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
(Rupees in '000)					
Vehicles	1,250	188	188	-	Company Policy Mr. Muhammad Umer Siddiqi, House No. 1404, St # 14, Sector I-10/2, Islamabad
	1,250	188	188	-	Company Policy Mr. Muhammad Irfan Ahmed , Pona Wala Homes, Jamshed # 2, Flat # 101, Fatima Jinnah Colony, Karachi
	1,250	188	188	-	Company Policy Mr. Wakil Abbas, H-71, Sadat Colony, Drigh Road, Shah Faisal Colony, Karachi
	1,250	188	188	-	Company Policy Mr. Muhammad Tahir, P/44, Kehkashan, Colony #2, Jariwala Road, Sialkot
	1,500	225	225	-	Company Policy Mr. Mobeen Ahmed Ansari, A-224, Block 12, F.B. Area, Karachi
	1,500	225	225	-	Company Policy Mr. Muhammad Faraz Ahmed, R-656, Sector 10, North Karachi, Karachi
	1,250	188	271	83	Company Policy Mr. Mudassar Hussain, House # L 129, Street No 2, Millat Colony, Muhallah Roshandin, Rawalpindi
	1,500	416	525	109	Company Policy Mr. Aamir Shahzad, H. No. 46, Block 12-B-1, Township, Lahore
	1,250	347	458	111	Company Policy Mr. Faizan Ahmed, House # 90, Block-2, Near Rab Medical Center, Gulshan-e-Iqbal, Karachi
	2,000	697	867	170	Company Policy Mr. Muhammad Faizan, House 402 FF, DHA Phase 4, Lahore Cantt, Lahore
	2,000	1,207	0	(1,207)	Company Policy Dependent of Mr. Syed Rashid Farooqi (Late employee), House # 31, Street # 1, Block Z, Model Town, DG Khan
	1,750	1,254	1,633	379	Company Policy Mr. Noor Baz Khan, C-14, Hassan Mansion, F.B. Area, Block-7, Karachi
	1,500	969	1,450	481	Company Policy Mr. Danish, House # A - 443, Block C, Hyderi, North Nazimabad, Karachi
	1,391	898	1,043	145	Company Policy Mr. Muhammad Imran Shaikh, House # A-137, Sector 15A/5, Buffer Zone, Karachi
	1,750	1,079	1,662	583	Company Policy Mr. Adnan Ahmed, Altaf Town, Street # 01, Tariq Road, Multan
	1,500	1,075	1,300	225	Company Policy Mr. Hasan Ejaz, House #166/1, Khayaban-e-Tariq, DHA Phase VI, Karachi
	1,750	1,502	1,867	365	Company Policy Ms. Syeda Nargis Mairaj, House # 137, Harley Street, Lane # 10, Rawalpindi
	1,500	1,118	1,475	357	Company Policy Mr. Muhammad Ahmed, House # 215-A, Street 6, Garden Colony, Faisalabad
	663	99	99	-	Company Policy Mr. Muhammad Asif Khan, R-466, Sector 15/A/5, Buffer Zone, Karachi
	663	99	99	-	Company Policy Mr. Muhammad Shahid, House # 191, Moinabad, Phase III, Model Colony, Malir, Karachi
	28,467	12,150	13,951	1,801	

	Note	2019	2018
		(Rupees in '000)	
6.2 Capital Work-In-Progress			
Opening balance		2,419,768	2,408,052
Additions			
Leasehold Land and Building		171,453	1,606
Others		257,325	125,164
Transfer to asset		(135,619)	(115,054)
Closing balance	6.2.1	2,712,927	2,419,768

6.2.1 This includes cost of land purchased for construction of Head Office building, related acquisition and other costs in respect of construction of the Company's Head Office building, including borrowing costs capitalized in accordance with IAS 23, "Borrowing Costs". As discussed in detail in note 23.1 to the financial statements, the Company has obtained a long-term loan amounting to Rs. 1,500 million to finance this acquisition and hence, as per IAS 23 'Borrowing Costs' borrowing costs aggregating to Rs. 217 million (2018: Rs.67.78 million) have so far been capitalized.

7 INTANGIBLE ASSETS

	Cost			Amortisation			Written down value as at December 31	Amortisation Periods		
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year			Disposals	
	(Rupees in '000)									
7.1	Computer softwares & licences	520,175	123,272	1,876	641,571	345,858	83,406	1,876	427,388	214,183
	As At December 31, 2019	520,175	123,272	1,876	641,571	345,858	83,406	1,876	427,388	214,183
	As At December 31, 2018	479,874	42,489	2,188	520,175	232,277	115,767	2,186	345,858	174,317

7.2 The intangible assets include items costing Rs. 183.92 million (2018: Rs. 169.46 million) which are fully amortised as of December 31, 2019 but are still in active use.

7.3 During the year, the Company revised the estimated useful life of some of its business systems and softwares from the prevailing 40 months to 60 months, based on their expected utilization for a five year period. Had the useful life not been extended, the amortization would have been higher and the profit before taxation would have been lower by Rs.25.50 million.

8 INVESTMENT IN AN ASSOCIATE

8.1 Particulars of investment in an associate - unquoted

	2019	2018	Face value per share (KGS)	Percentage of holding	Main area of Operation	Nature of Activities	2019	2018
	Number of shares						(Rupees in '000)	
Jubilee Kyrgyzstan Insurance Company - CJSC (Incorporated outside Pakistan)	<u>29,250,000</u>	<u>29,250,000</u>	1	19.5	Kyrgyzstan	Insurance	<u>152,294</u>	<u>129,502</u>

In 2014, the Company invested Rs. 43.88 million to acquire a 19.5% holding in Jubilee Kyrgyzstan Insurance Company (JKIC), a Closed Joint Stock Company (CJSC), incorporated in the Republic of Kyrgyzstan. In 2016, the Company made additional investment of Rs. 29.187 million to subscribe to 19,143,309 right shares after obtaining necessary approvals from the members of the Company, and the State Bank of Pakistan.

	2019	2018
	(Rupees in '000)	
8.2 Movement of investment in associate		
Balance as at January 1	129,502	97,627
Share in profit for the year	10,142	9,917
Dividend received	(3,230)	(2,601)
	<u>136,414</u>	<u>104,943</u>
Exchange gain	15,880	24,559
Balance as at December 31	<u>152,294</u>	<u>129,502</u>

8.3 The following information has been summarized based on the financial statements of Jubilee Kyrgyzstan Insurance Company (JKIC) as at December 31, 2019 (audited). The functional and presentation currency of JKIC is Kyrgyz Som. All assets and liabilities for each statement of financial position presented have been translated at the closing rate at the date of financial statements and all income and expenses for each statement presenting profit and loss (i.e. including comparatives) have been translated at average rate.

	Country of Incorporation	Assets	Liabilities	Revenues	Total Comprehensive Income	% Interest held
Jubilee Kyrgyzstan Insurance Company	Kyrgyzstan	1,037,242	307,454	121,096	52,012	19.50%
December 31, 2019		1,037,242	307,454	121,096	52,012	19.50%
Jubilee Kyrgyzstan Insurance Company	Kyrgyzstan	795,813	177,912	93,849	50,856	19.50%
December 31, 2018		795,813	177,912	93,849	50,856	19.50%

	Note	2019	2018
		(Rupees in '000)	
9 INVESTMENTS IN EQUITY SECURITIES			
At fair value through profit or loss	9.1	64,716,257	47,615,126
Available-for-sale	9.2	1,574,253	951,744
		<u>66,290,510</u>	<u>48,566,870</u>

9.1 At fair value through profit or loss

	2019			2018		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)			(Rupees in '000)		
Related parties						
Listed shares	2,373,621	-	2,050,396	2,366,537	-	1,568,861
Others						
Listed shares	59,822,268	-	62,665,861	54,700,265	-	46,046,265
	<u>62,195,889</u>	<u>-</u>	<u>64,716,257</u>	<u>57,066,802</u>	<u>-</u>	<u>47,615,126</u>

9.2 Available-for-sale

	2019			2018		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)			(Rupees in '000)		
Related parties						
Listed shares	35,942	-	46,328	35,942	-	51,474
Others						
Listed shares	1,612,535	(253,658)	1,527,925	1,187,032	(237,251)	900,270
	1,648,477	(253,658)	1,574,253	1,222,974	(237,251)	951,744

10 INVESTMENT IN GOVERNMENT SECURITIES

	Note	2019	2018
		(Rupees in '000)	
Held to maturity	10.1	9,975	19,969
At fair value through profit or loss	10.2	55,440,381	45,349,920
Available-for-sale	10.3	15,557,683	10,189,129
		71,008,039	55,559,018

10.1 Held to maturity

			2019		
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
			(Rupees in '000)		
20 Years Pakistan Investment Bonds	2024	11.19%	9,975	10,000	9,975
			9,975	10,000	9,975

10.2 At fair value through profit or loss

10 Years Pakistan Investment Bonds	2028	11.00%	3,133,266	4,000,000	3,509,659
5 Years Pakistan Investment Bonds	2024	10.99%	10,576,335	11,800,000	11,160,677
5 Years Pakistan Investment Bonds	2023	11.41%	15,700,987	18,000,000	16,253,244
3 Years Pakistan Investment Bonds	2022	11.77%	20,857,147	22,600,000	21,172,824
03 Months Treasury Bills	2020	13.40%	233,002	240,000	237,384
06 Months Treasury Bills	2020	13.41%	213,954	225,000	213,840
12 Months Treasury Bills	2020	13.12%	2,667,058	3,000,000	2,663,100
3 Years GoP Ijarah Sukuk	2020	7.31%	144,369	147,000	145,530
8 Years WAPDA Bond	2021	12.48%	84,787	81,429	84,123
			53,610,905	60,093,429	55,440,381

10.3 Available-for-sale

20 Years Pakistan Investment Bonds	2024	11.08%	75,909	86,000	82,812
3 Years Pakistan Investment Bonds	2022	11.77%	13,334,290	14,300,000	13,396,969
03 Months Treasury Bills	2020	13.40%	118,755	120,000	118,692
06 Months Treasury Bills	2020	13.41%	736,890	775,000	736,560
3 Years GoP Ijarah Sukuk	2020	7.31%	1,227,105	1,235,000	1,222,650
			15,492,949	16,516,000	15,557,683

		2018				
		Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
		(Rupees in `000)				
10.4	Held to maturity					
	15 years Pakistan Investment Bonds	2019	10.23%	9,998	10,000	9,998
	20 years Pakistan Investment Bonds	2024	12.71%	9,971	10,000	9,971
				19,969	20,000	19,969
10.5	At fair value through profit or loss					
	5 years Pakistan Investment Bonds	2019	10.62%	546,495	523,700	526,040
	20 years Pakistan Investment Bonds	2024	12.77%	54,746	50,000	44,680
	03 Months Treasury Bills	2019	4.40%	42,819,692	42,850,000	42,832,860
	3 Years GoP Ijara	2019	5.81%	298,150	300,000	300,060
	3 Years GoP Ijara	2019	6.83%	100,000	100,000	99,680
	3 Years GoP Ijara	2020	6.51%	1,444,990	1,447,000	1,421,099
	8 Years WAPDA Bond	2021	9.41%	127,615	162,857	125,501
				45,391,688	45,433,557	45,349,920
10.6	Available-for-sale					
	20 years Pakistan Investment Bonds	2024	12.77%	36,065	36,000	32,170
	03 Months Treasury Bills	2019	4.40%	9,093,525	9,100,000	
	3 Years GoP Ijara	2019	6.83%	49,975	50,000	49,840
	3 Years GoP Ijara	2019	5.81%	363,102	362,500	362,573
	3 Years GoP Ijara	2020	6.51%	649,582	660,000	648,186
				10,192,249	10,208,500	1,092,769

Note **2019** 2018

(Rupees in `000)

11 INVESTMENTS IN DEBT SECURITIES

At fair value through profit or loss	11.1	8,174,077	5,947,464
Available-for-sale	11.2	555,875	546,609
		8,729,952	6,494,073

11.1 At fair value through profit or loss

	Note	2019			2018		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		(Rupees in `000)			(Rupees in `000)		
Term Finance Certificates	11.1.1	4,900,285	-	4,899,549	3,925,574	-	3,919,754
Corporate Sukuks	11.1.2	3,276,682	-	3,274,528	2,046,985	-	2,027,710
		8,176,967	-	8,174,077	5,972,559	-	5,947,464

	Number of Certificates		Face Value	Carrying Value	
	2019	2018		2019	2018
(Rupees in `000)					
11.1.1 Term Finance Certificates					
- Askari Bank Limited	5,000	5,000	5,000	24,388	24,835
- Bank Alfalah Limited	51,994	51,994	5,000	259,294	256,860
- Soneri Bank Limited	227,360	167,360	5,000	1,135,227	838,059
- Bank Al Habib Limited	296,200	160,000	5,000	1,480,640	800,000
- United Bank Limited	400,000	400,000	5,000	2,000,000	2,000,000
				4,899,549	3,919,754

	Number of Certificates		Face Value	Carrying Value	
	2019	2018		2019	2018
(Rupees in '000)					
11.1.2 Corporate Sukuks					
- HASCOL Petroleum Limited - Sukuk	46,000	46,000	5,000	104,276	152,565
- K-Electric Limited - Sukuk	20,000	20,000	5,000	50,295	70,819
- Meezan Bank Limited - Sukuk	960	960	1,000,000	956,523	960,066
- Engro Fertilizers Limited - Sukuk	-	8,000	5,000	-	14,000
- Fatima Fertilizers Limited - Sukuk	10,000	10,000	5,000	20,157	30,261
- Dawood Hercules Corporation Limited - Sukuk	9,600	7,000	100,000	835,410	699,999
- Dubai Islamic Bank Pakistan Limited - Sukuk	20,000	20,000	5,000	100,000	100,000
- Dubai Islamic Bank Pakistan Limited - Sukuk	25	-	1,000,000	25,025	-
- HUBCO - Sukuk	1,000	-	100,000	100,900	-
- HUBCO - Sukuk	137	-	1,000,000	131,720	-
- Neelum Jehlum - Sukuk	10,000	-	100,000	831,980	-
- International Brands Limited - Sukuk	1,400	-	100,000	118,242	-
				3,274,528	2,027,710

11.2 Available-for-sale

	Note	2019			2018		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in '000)							
Term Finance Certificates	11.2.1	525,000	-	523,921	500,000	-	507,245
Corporate Sukuks	11.2.2	32,939	-	31,954	40,294	-	39,364
		557,939	-	555,875	540,294	-	546,609

	Number of Certificates		Face Value	Value of Certificates	
	2019	2018		2019	2018
(Rupees in '000)					
11.2.1 Term Finance Certificates					
- Bank Alfalah Limited	100,000	100,000	5,000	500,000	507,245
- Kashf Foundation	5,000	-	5,000	23,921	-
				523,921	507,245
11.2.2 Corporate Sukuks					
- K-Electric Limited - Sukuk	5,000	5,000	5,000	12,574	17,705
- Meezan Bank Limited - Sukuk	15	15	1,000,000	14,920	15,002
- Al Baraka Bank (Pakistan) Limited - Sukuk	15	15	1,000,000	4,460	6,657
				31,954	39,364

Note 2019 2018
(Rupees in '000)

12 INVESTMENTS IN TERM DEPOSITS

Deposits maturing within 12 months	12.1	11,350,000	17,700,000
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12.1 The rates of return on these term deposit receipts during the year ranges from 8.5% to 14.5% per annum (2018: 8.5% to 12% per annum) and will mature between January 2, 2020 and June 24, 2020 (2018: January 4, 2019 and March 20, 2019).

	Note	2019	2018
		(Rupees in '000)	
13 INVESTMENTS IN OPEN-ENDED MUTUAL FUNDS			
At fair value through profit or loss	13.1	1,112,358	-
Available-for-sale	13.2	200,037	-
		1,312,395	-

13.1 At fair value through profit or loss

	2019			2018		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)			(Rupees in '000)		
Related Parties	-	-	-	-	-	-
Others	1,100,000	-	1,112,358	-	-	-
	1,100,000	-	1,112,358	-	-	-

13.2 Available-for-sale

Related Parties	-	-	-	-	-	-
Others	200,000	-	200,037	-	-	-
	200,000	-	200,037	-	-	-

	Note	2019	2018
		(Rupees in '000)	
14 INSURANCE / REINSURANCE RECEIVABLES			
Due from insurance contract holders		895,276	614,686
Less: provision for impairment of receivables from Insurance contract holders		(20,776)	(10,295)
		874,500	604,391
Due from reinsurers / retakaful		314,648	386,758
Less: provision for impairment of due from reinsurers / retakaful		-	-
		314,648	386,758
		1,189,148	991,149

15 DERIVATIVE FINANCIAL INSTRUMENT

Unrealized gain on derivative financial instrument	15.1	97,389	154,605
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15.1 The Company has entered into an interest rate swap arrangement whereby the Company has converted the PKR floating rate liability as discussed in note 23.1 into fixed rate liability. The notional amount against interest rate swap amounted to Rs.1,500 million.

	Note	2019	2018
		(Rupees in '000)	
16 OTHER LOANS AND RECEIVABLES			
Accrued investment income		2,610,371	290,747
Advance against Pre-IPO of Sukuk	16.1	1,250,000	-
Investment income due but outstanding		3,933	-
Due from brokers		-	31,142
Security deposits		104,575	93,434
Advances to suppliers		38,038	84,800
Unsecured advances to employees		42,631	24,792
Other receivables		120,325	237,526
		4,169,873	762,441

16.1 This represents Pre-IPO subscription in K Electric Limited's upcoming Sukuk issue, and carries rental at the rate of 3 Months KIBOR + 1.7%. The expected subscription end date is March 27, 2020.

	Note	2019	2018
		(Rupees in '000)	
17 PREPAYMENTS			
Prepaid rent		-	90,381
Prepaid miscellaneous expenses		64,926	38,052
		64,926	128,433

	Note	2019	2018
		(Rupees in '000)	
18 CASH & BANK			
Cash and stamps in hand			
- Cash in hand		-	-
- Policy & revenue stamps and bond papers		10,216	28,371
		10,216	28,371
Cash at bank			
- In Current accounts		191,399	178,620
- In Savings accounts	18.1	3,893,382	5,466,368
		4,084,781	5,644,988
		4,094,997	5,673,359

18.1 These carry mark-up ranging from 7.5% to 13.17% (2018: 4.10% to 10.00%) per annum

	2019	2018
	(Rupees in '000)	
Cash and cash equivalents include the following for the purposes of the cash flow statement		
Cash and bank	4,094,997	5,673,359
Term deposits receipt with original maturity of three months or less	8,350,000	17,700,000
	12,444,997	23,373,359

19 SHARE CAPITAL

19.1 Authorized Capital

2019	2018		2019	2018
(No. of shares in '000)			(Rupees in '000)	
<u>200,000</u>	<u>200,000</u>	Ordinary Shares of Rs.10 each	<u>2,000,000</u>	<u>2,000,000</u>

19.2 Issued, subscribed and paid-up share capital

2019	2018		2019	2018
(No. of shares in '000)			(Rupees in '000)	
62,712	62,712	Ordinary Shares of Rs.10 each fully paid in cash	627,120	627,120
16,619	16,619	Ordinary Shares of Rs.10 each issued as fully paid bonus shares	166,187	166,187
<u>79,331</u>	<u>79,331</u>		<u>793,307</u>	<u>793,307</u>

As at December 31, 2019 Aga Khan Fund for Economic Development S.A., Switzerland and its nominees held 45,913,037 ordinary shares (2018: 45,913,037 ordinary shares) of Rs.10 each.

	Note	2019	2018
		(Rupees in '000)	
20 INSURANCE LIABILITIES			
Reported outstanding claims (including claims in payment)	20.1	4,060,733	2,887,985
Incurred but not reported claims	20.2	1,053,557	786,646
Investment component of unit-linked and account value policies	20.3	146,240,265	116,659,009
Liabilities under individual conventional insurance contracts	20.4	1,449	1,369
Liabilities under group insurance contracts (other than investment linked)	20.5	1,157,528	929,551
Participant Takaful Fund balance	20.6	465,476	193,749
Other Insurance liabilities	20.7	654,657	542,200
		<u>153,633,665</u>	<u>122,000,509</u>
20.1 Reported outstanding claims (including claims in payment)			
Gross of reinsurance			
Payable within one year		3,091,220	2,103,491
Payable over a period of time exceeding one year		969,513	784,494
		<u>4,060,733</u>	<u>2,887,985</u>
20.2 Incurred but not reported claims			
Gross of reinsurance		1,297,636	992,785
Reinsurance recoveries		(244,079)	(206,139)
Net of reinsurance		<u>1,053,557</u>	<u>786,646</u>

	2019	2018
	(Rupees in '000)	
20.3 Investment component of unit-linked policies		
Investment component of unit-linked policies	146,240,265	116,659,009
20.4 Liabilities under individual conventional insurance contracts		
Gross of reinsurance	1,746	1,649
Reinsurance credit	(297)	(280)
Net of reinsurance	1,449	1,369
20.5 Liabilities under group insurance contracts (other than investment linked)		
Gross of reinsurance	1,445,119	1,172,974
Reinsurance credit	(287,591)	(243,423)
Net of reinsurance	1,157,528	929,551

20.6 This comprises of surplus of Individual Family Takaful - Participant Takaful Fund, which relates exclusively to participants of the Individual Family Takaful Fund and is not available for distribution to shareholders. Under the Waqf Deed of Individual Family Takaful Fund read with Rule 21 of Takaful Rules, 2012, the surplus arising in the Participants Sub Fund can only be distributed to the Participants of that Fund based on approval of the Appointed Actuary. The surplus has been classified under insurance liabilities as clarified by SECP.

	2019	2018
	(Rupees in '000)	
20.7 Other Insurance liabilities		
Gross of reinsurance	726,841	610,165
Reinsurance credit	(72,185)	(67,965)
Net of reinsurance	654,657	542,200

21 UNCLAIMED INSURANCE BENEFIT

Circular 11 of 2014 dated May 19, 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) has established requirement for all insurers to disclose age wise break up of unclaimed insurance benefits in accordance with format prescribed in the annexure to the said circular.

The unclaimed benefits are described in the circular as the amounts which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the policyholders or their beneficiaries. Such unclaimed amounts may fall into the following categories:

	Age-wise break up					
	Total Amount	Total Amount	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	(Rupees in '000)					
Unclaimed maturity benefits	1,186,852	865,606	209,567	109,141	2,326	212
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	30,292	22,217	-	1,348	2,746	3,981
Other unclaimed benefits	-	-	-	-	-	-
Total	1,217,144	887,823	209,567	110,489	5,072	4,193

22 RETIREMENT BENEFIT PREPAYMENTS / OBLIGATIONS

As stated in note 3.15, the Company operates an approved funded gratuity scheme for all permanent employees who have completed minimum qualifying eligible service of 5 years.

Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust Deed of the plan. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

The latest actuarial valuation of the scheme as at December 31, 2019 was carried out using the Projected Unit Credit Method. The results of actuarial valuation are as follows:

	Gratuity Fund	
	2019	2018
	(Rupees in '000)	
Balance Sheet Reconciliation		
Fair value of plan assets	517,406	436,424
Present value of defined benefit obligations	(498,476)	(437,266)
Recognized asset / (liability)	18,930	(842)
Movement in the fair value of plan assets		
Fair value as at January 1	436,424	350,720
Expected return on plan assets	61,610	36,384
Actuarial loss	(3,924)	(15,129)
Employer contributions	52,169	79,554
Benefits paid	(28,873)	(15,105)
Fair value as at December 31	517,406	436,424
Movement in the defined benefit obligations		
Obligation as at January 1	437,266	380,127
Current service cost	56,680	52,518
Past service cost	2,592	1,446
Interest cost	58,139	35,395
Actuarial gain	(27,328)	(17,115)
Benefits paid	(28,873)	(15,105)
Obligations as at December 31	498,476	437,266
Cost recognised in profit and loss		
Current service cost	56,680	52,518
Past service cost	2,592	1,446
Interest cost	58,139	35,395
Expected return on plan assets	(61,610)	(36,384)
	55,801	52,975

	Gratuity Fund	
	2019	2018
	(Rupees in '000)	
Remeasurements recognised in OCI		
(Gains) / losses on obligation		
- Demographic assumptions	-	(4,447)
- Financial assumptions	(1,496)	2,780
- Experience adjustment	(25,832)	(15,448)
	<u>(27,328)</u>	<u>(17,115)</u>
Return on plan assets, excluding interest income	3,924	15,129
	<u>(23,404)</u>	<u>(1,986)</u>
Total remeasurement gains recognised in OCI		
Principal actuarial assumptions used are as follows:		
Discount rate & expected return on plan assets	11.75%	13.75%
Future salary increases	11.75%	13.75%

Expected mortality was based on SLIC (2001 - 05) mortality table.

The Company's contribution to the fund in 2020 is expected to amount to Rs. 58.87 million (2019: Rs. 51.32 million).

Comparison for five years:	2019	2018	2017	2016	2015
	(Rupees in '000)				
As at December 31					
Fair value of plan assets	517,406	436,424	350,720	288,140	227,439
Present value of defined benefit obligations	(498,476)	(437,266)	(380,127)	(306,415)	(248,773)
Surplus / (deficit)	<u>18,930</u>	<u>(842)</u>	<u>(29,407)</u>	<u>(18,275)</u>	<u>(21,334)</u>
Experience adjustments					
Gain / (loss) on plan assets (as percentage of plan assets)	-1%	3%	-5%	0%	-2%
Gain / (loss) on obligations (as percentage of plan obligations)	5%	4%	-1%	-4%	-6%

Sensitivity analysis for actuarial assumptions

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	(Rupees in '000)		
Discount rate at December 31	(102,255)	451,160	553,415
Future salary increases	103,635	553,694	450,059

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

Plan assets comprise of the following:

	2019		2018	
	(Rupees in '000)	%	(Rupees in '000)	%
Debts	446,702	86%	148,332	34%
Term Deposit Receipt	-	0%	275,000	63%
Defence Saving Certificates	35,000	7%	-	0%
Others	35,704	7%	13,092	3%
	517,406	100%	436,424	100%

	2019	2018
	(Rupees in '000)	
Assets and liabilities of Defined Benefit Plan		
Assets		
Investments	481,702	423,332
Balance with banks	18,870	11,826
Accrued interest	16,925	1,357
	517,497	436,515
Liabilities		
Payable to outgoing employees	91	91
	91	91

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

The actuary conducts valuations for calculating contribution rates and the Company contributes to the fund according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

22.1 Defined Contribution Plan

The Company's contributions towards the provident fund for the year ended December 31, 2019 amounted to Rs. 68.91 million (2018: Rs. 61.96 million).

	Note	2019	2018
		(Rupees in '000)	
23 BORROWING			
Bank Loan	23.1	1,375,000	1,500,000
Current portion		250,000	125,000
Non-current portion		1,125,000	1,375,000

23.1 In May 2017, the Company obtained a long term finance from Habib Bank Limited (HBL), a related party, against a Term Finance Agreement on mark-up basis, to finance the acquisition of immovable property for the purpose of construction of the Company's Head Office building thereon. The Term finance agreement is for a period of 8 years maturing on May 9, 2025, with a 2 years' grace period for repayment of principal, payable in 12 equal semi-annual instalments commencing after the expiry of grace period. The first instalment was due on November 11, 2019. The Term Finance carries mark-up at the rate of 3 Months KIBOR + 0.9% and is payable quarterly from the effective date of the drawdown, i.e. May 11, 2017. The facility is

secured by way of first equitable mortgage in favour of HBL, by deposit of title deeds in respect of the property in favour of the Bank, up to the amount of Rs. 2,000 million. The Company has also executed an interest rate swap with HBL, to hedge the Company's PKR floating rate liability on the notional amount of Rs.1,500 million.

	Note	2019	2018
		(Rupees in '000)	
24 LEASE LIABILITIES			
Lease liabilities under IFRS 16	24.1	1,012,846	-
Current portion		223,396	-
Non-current portion		789,450	-

24.1 Finance cost on lease liabilities for the year ended December 31, 2019 was Rs. 112.20 million (2018: Nil). Total cash outflow for leases was Rs. 183.83 million.

	2019	2018
	(Rupees in '000)	
25 INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / reinsurers	39,124	19,509
26 OTHER CREDITORS AND ACCRUALS		
Agents commission payable	993,172	856,895
Accrued expenses	1,364,420	1,227,816
Withholding tax payable	58,553	65,651
Payable to suppliers	455,003	1,096,657
Other liabilities	399,050	225,566
	3,270,198	3,472,585

27 DEFERRED TAXATION

Deferred debits arising in respect of:

Fixed assets	42,523	39,164
Unrealized gain / (loss) on available-for-sale securities	-	8,779
Gratuity	-	245
Finance lease liability	293,725	-
Others	64,073	-
	400,321	48,188

Deferred credits arising in respect of:

On investment in associate	(22,976)	(16,366)
Derivative financial instrument	(28,243)	(44,322)
Unrealized gain / (loss) on Available-for-sale securities	(70,038)	-
Right-of-use assets	(270,625)	-
On retained balance of Ledger Account D	(1,401,313)	(1,049,090)
	(1,793,195)	(1,109,778)
	(1,392,874)	(1,061,590)

	Balance as at January 1, 2019	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income	Recognized in Unappropriated Profit	Balance as at December 31, 2019
(Rupees in '000)					
Deferred debits arising in respect of:					
Fixed assets	39,164	3,359	-	-	42,523
Gratuity	245	-	-	(245)	-
Finance lease liability	-	293,725	-	-	293,725
Others	-	64,073	-	-	64,073
Deferred credits arising in respect of:					
On investment in associate	(16,366)	(2,005)	(4,605)	-	(22,976)
Derivative financial instrument	(44,322)	16,079	-	-	(28,243)
Unrealized gain / (loss) on Available-for-sale securities	8,779	-	(78,817)	-	(70,038)
Right-of-use assets	-	(270,625)	-	-	(270,625)
On retained balance of Ledger Account D	(1,049,090)	(352,223)	-	-	(1,401,313)
Net deferred Tax (liabilities) / assets	(1,061,590)	(247,617)	(83,422)	(245)	(1,392,874)

	Balance as at January 1, 2018	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income	Recognized in Unappropriated Profit	Balance as at December 31, 2018
(Rupees in '000)					
Deferred debits arising in respect of:					
Fixed Assets	33,647	5,517	-	-	39,164
Derivative financial instrument	(6,466)	-	15,245	-	8,779
Gratuity	8,823	(6,958)	(1,620)	-	245
Deferred credits arising in respect of:					
On investment in associate	(7,368)	(3,558)	(5,440)	-	(16,366)
On Retained balance of Ledger Account D	(1,069,488)	20,398	-	-	(1,049,090)
Unrealized gain/(loss) on Available-for-sale securities	6,832	(51,154)	-	-	(44,322)
Net Deferred Tax (liabilities) / assets	(1,034,020)	(35,755)	8,185	-	(1,061,590)

	2019	2018
(Rupees in '000)		
28 DIVIDEND PAYABLE		
Unpaid dividend	8,288	814
Unclaimed dividend	30,731	30,731
	39,019	31,545

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 Income tax assessments

The income tax assessments for the tax years 2011 through 2016, in respect of which assessment orders u/s 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) were issued, raising demands of Rs. 3 million, Rs. 39 million, Rs. 27 million, Rs. 108.72 million, Rs. 112.74 million, and Rs. 79.8 million respectively are pending at the second stage of appeal before the Appellate Tribunal Inland Revenue (ATIR), on account of

appeals filed either by the Company for addbacks / disallowances maintained by the Commissioner Inland Revenue - Appeals (CIR-A), or by the tax department, for the decisions in favor of the Company. The main issue in these tax years was the taxation of dividend income at corporate tax rates on account of one basket income rule, despite the fact that this was only made part of the law by virtue of an amendment through the Finance Act, 2016, to Rule 6B of the Fourth Schedule to the Ordinance. The subsequent amendment in the law substantiated the Company's contention that prior to July 1, 2016, these heads of income were taxable at the lower rates prescribed for them, and the CIR-A, in his orders, decided this issue in favor of the Company. The tax department has thereafter filed an appeal in the ATIR, which is pending.

The other addbacks to income in these assessments included difference between assumed market value of motor vehicles and the sale value recovered from employees in respect of motor vehicles sold under the Company car policy, disallowances of provision for doubtful debts in the Statutory Funds, disallowance of provision for impairment in investments held by the Statutory Funds and write off of certain uncollectible receivables in the Statutory Funds. Non-adjustment of determined refunds of TY 2004 & TY 2013 against the tax liability of TY 2015 and 2016 was another issue, and in TY 2016, there was also a disallowance of money ceded to Waqf Fund upon the launch of Window Takaful Operations.

The CIR-A, in his order, remanded back for re-examination the issue of unrealised loss on investments, fair market value of vehicles sold to employees under the Company car policy, provision of doubtful debts and disallowing the adjustment of determined refund, but confirmed the disallowances of write off of certain uncollectible receivable in the Statutory Funds. The Company has filed an appeal in the ATIR against this disallowance.

The Additional Commissioner Inland Revenue (ADCIR) conducted the remanded back proceedings and passed the set aside order in August 2018 in favour of the Company on the issue of taxation of dividend income and provision for impairment in values of shares. However, the ADCIR decided in favour of the tax authorities, the disallowance of provision of doubtful debts and fair market value of vehicles sold to employees under the Company car policy. The Company has filed appeal on the decisions in favour of tax department, which is pending.

During February 2019, the tax authorities passed assessment orders u/s 122(5A) for TY 2017 & TY 2018, raising tax demands of Rs.76 million and Rs.3.2 billion respectively. The main additions to income related to tax deducted on dividend income under FTR to the extent of surplus retained by statutory funds, and addback of the unrealised loss on investments in the Statutory Funds on the grounds that the same is notional in nature, and therefore inadmissible. Other addbacks included difference between assumed market value of motor vehicles and the sale value recovered from employees in respect of vehicles sold under Company car policy, disallowance of provision for doubtful debts, and unencashed claims in the Statutory Funds. The ACIR erred in law by not considering that since the amount of tax on dividend under FTR principally relates to Statutory Funds, the same does not warrant addition to taxable income of the Company by virtue of Rule 2 of the Fourth Schedule, as Income Tax can only be levied on the Surplus appropriated to the Profit and Loss Account as per advice of the Appointed Actuary. The ACIR also misinterpreted the provisions of Rule 3(1)(b) of the Fourth Schedule by assuming that only "actual" loss or realised loss is allowed to be claimed under the said Rule. The said Rule explicitly provides that whilst calculating the Surplus, any amount either written off or reserved in the accounts, or through the actuarial valuation balance sheet to meet depreciation, or loss on the realisation of investments is allowed as a deduction.

In April / May 2019, the CIR-A passed appeal orders for both the tax years in favour of the Company against disallowances of provision for impairment in value of investments, provision for doubtful debts and addition of claims not encashed. The tax department has filed appeal before the ATIR against the above decisions of favour of the Company. On the the disallowance of unrealised loss on investment for the TY 2018, and the common issues to both the tax years, relating to add backs / disallowances on account of tax deducted from dividend income of the Statutory Funds under FTR, disallowance for refund adjustment of prior years, difference between the sales price & fair value of motor vehicles disposed off, the CIR-A has remanded back these matters for re-examination. The Company has filed appeals before the ATIR for both the tax years, on these issues. Both the cross appeals are pending. The ACIR, has, in October 2019, issued notices for commencement of remand back proceedings, which are currently in progress.

No provision has been made in these financial statements, as the Company is confident that the final outcome will be in its favour.

29.1.2 Contingent liability - provincial sales tax on life and health insurance

With effect from November 1, 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on both, life and health insurance, and subjected the same to the levy of Punjab Sales Tax (PST). Previously, also in Sindh, the Sindh Revenue Board (SRB) had withdrawn the similar exemption, however during 2019, the Sindh Revenue Board, vide notification no. SRB 3-4/5/2019 dated May 8, 2019, restored the exemption on both, life and health insurance business upto June 30, 2019. In the Khyber Pakhtunkhwa province (KPK), the KPK Revenue Authority (KPKRA) has granted exemption to life and health insurance with effect from July 1, 2019, whereas in Balochistan, both, life and health insurance are taxable at the rate of 15%.

With effect from July 1, 2019, in Sindh, the SRB extended the exemption to health insurance upto June 30, 2020, and for individual life insurance, prescribed a reduced rate of 3% on GWP. The exemption to Group Life insurance lapsed on June 30, 2019, hence Group Life Insurance was made taxable at the full rate of 13%.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter extensively with PRA and SRB for restoration of the exemptions that were withdrawn, besides seeking legal advice. The legal advisors of the IAP/Company have confirmed the contention of the Company that insurance is not a service, but infact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

The legal advisors have also raised the important question of constitutionality of the levy of provincial sales tax on life insurance, which is a Federal subject, and have expressed the view that under Article 142 of the Constitution of Pakistan, only those matters which are not enumerated in the Federal Legislative List, may be legislated upon by the provinces. In their view, since the Federation has retained a legislative mandate over all laws relating to insurance under Entry 29 of the said List, therefore, only the Federation is entitled to levy any tax in relation to insurance business.

Without prejudice to the main contentions as stated above, even otherwise, the legal advisors have expressed in their opinion a further illegality and critical flaw in the context of the manner in which the entire premium payment, i.e. Gross Written Premium (GWP) is being charged to the levy of provincial sales tax. This is despite the fact that there are two distinct elements of GWP (i) the amount allocated towards the policy holders' investment, which belongs to them and (ii) the difference between the GWP charged and the investment amount allocated. Thus, in their view, if the entire GWP is subjected to the provincial sales tax, then this is akin to a direct tax on policy holders, in the nature of income tax, wealth tax, or capital value tax, all of which fall exclusively within the domain of Federal Legislature.

Based on the above contentions, the Company and other life insurance / health insurance companies challenged the levy of PST on life and health insurance in the Punjab through a writ petition in the Hon'ble Lahore High Court (LHC) in September 2019. Subsequent to the filing of the petition, in October 2019, the PRA issued a show cause notice to the Company and other life insurance companies, with mala fide intentions, attempting to levy PST on the Pan Pakistan GWP, i.e. beyond their jurisdiction, and for the entire calendar year 2018, besides other inaccuracies. The Company and other life insurance companies have filed further Writ Petitions in the Hon'ble LHC against the same. In the hearing held on January 14, 2020, the Hon'ble LHC has directed that no final order shall be passed in pursuance of the impugned show cause notice until the next date of hearing, which is scheduled for 11 February 2020.

In Sindh, extensive discussions were held at the collective level of IAP with the SRB for the restoration of exemption on life insurance, which remained inconclusive. In November 2019, the Company, and other life insurance companies received show cause notices from the SRB, requiring the companies to deposit the SST on life insurance. Based on the same contentions as PST, the Company and other life insurance companies, have filed a Petition in the Hon'ble Sindh High Court (SHC) in November 2019, challenging the levy of SST. The Hon'ble SHC, in their interim order dated December 2, 2019, directed that the request of the petitioners, seeking exemption in terms of Section 10 of the SST Act, 2011, shall be considered by the SRB in accordance with the law. The Petition is pending adjudication.

In January 2020, the SRB, PRA and BRA invited the IAP and insurance industry to hold a dialogue for an amicable settlement of the matter. The Company, along with the IAP and other insurance companies participated in the meeting convened by Chairman SRB, and will continue its efforts to convince the provincial revenue authorities about the merits of the case.

The legal advisors, in their opinion, have expressed the view that the Company has a reasonably strong case on the merits of the Petitions filed in both, the Hon'ble LHC and Hon'ble SHC, against the imposition of the provincial sales taxes on life and health insurance in the Punjab, and on life insurance in Sindh.

In view of the opinion of the legal advisors, and pending the adjudication of the petitions filed, the Company has neither billed its customers, nor recognized the contingent liability for PST, SST, and KPKST, which, calculated on the basis of risk premium and excluding the investment amount allocated to unit linked policies as per the opinion of the legal advisors, aggregated to Rs.1,469 million in its books of account. In Balochistan province, given that the Company has limited operations in that province, the amount of contingent sales tax liability for BSTS, calculated on the similar basis as PST, SST and KPKST, is immaterial. The management contends that should the administrative efforts fail, the amount will be charged to the policy holders.

	2019	2018
	(Rupees in `000)	
29.2 Commitments		
29.2.1 Commitments for the acquisition of operating fixed assets		
Not later than one year	<u>207,110</u>	<u>47,110</u>

29.2.2 Commitments in respect of bank guarantee

The Company has, at the request of corporate clients arranged performance guarantees from a bank for Rs. 6.52 million (2018: Rs.106.47 million), which is secured by the lien of the same amount against bank deposits held with the bank. The bank guarantees will expire by October 13, 2021.

	2019	2018
	(Rupees in `000)	
30 NET PREMIUM / CONTRIBUTION REVENUE		
Gross Premium / Contribution		
Regular Premium / Contribution Individual Policies*		
First year	9,320,223	11,627,611
Second year renewal	8,691,258	8,905,078
Subsequent year renewal	23,772,374	21,719,033
Total Regular Premium / Contribution Individual Policies	<u>41,783,855</u>	<u>42,251,722</u>
Single premium / contribution individual policies	797,526	3,974,576
Group policies without cash values	7,336,938	5,885,105
Less: Experience refund	(290,910)	(224,330)
Total Gross Premium / Contribution	<u>49,627,409</u>	<u>51,887,073</u>
Less: Reinsurance Premium / Contribution ceded		
On individual life first year business	(58,238)	(97,463)
On individual life second year business	(60,039)	(77,452)
On individual life renewal business	(253,589)	(231,368)
On single premium / contribution individual policies	(8)	(74)
On group policies	(985,302)	(890,741)
Less: Experience refund from reinsurers	58,420	19,746
Less: Reinsurance commission on risk premium / contribution	67,366	61,251
	<u>(1,231,390)</u>	<u>(1,216,101)</u>
Net Premium / Contribution	<u>48,396,019</u>	<u>50,670,972</u>

* Individual policies are those underwritten on an individual basis, and include joint life policies underwritten as such.

31 INVESTMENT INCOME

2019

2018

(Rupees in '000)

Income from equity securities

Fair value through profit or loss

- Dividend income

2,355,826

1,844,727

Available-for-sale

- Dividend income

44,024

40,523

2,399,850

1,885,250

Income from debt securities

Held to maturity

- Return on debt securities

1,005

1,912

Fair value through profit or loss

- Return on debt securities

7,317,266

3,987,494

Available-for-sale

- Return on debt securities

1,558,862

713,958

8,877,133

4,703,364

Income from term deposits

- Return on term deposits

1,314,786

649,143

12,591,769

7,237,757

32 NET REALISED FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS

At fair value through profit or loss

Realised gains on:

- Equity securities

2,400

1,332,436

- Debt securities

277,216

2,642

279,616

1,335,078

Realised losses on:

- Equity securities

(1,869,976)

(866,486)

- Debt securities

(3,200)

(232,846)

(1,873,176)

(1,099,332)

Available-for-sale

Realised gains on:

- Equity securities

23,692

63,265

- Debt securities

199,310

417

223,002

63,682

Realised losses on:

- Equity securities

(82,595)

(28,021)

- Debt securities

(1,575)

(4,336)

(84,170)

(32,357)

(1,454,728)

267,071

	2019	2018
	(Rupees in `000)	
33 NET FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net unrealised gains / (losses) on investments at fair value through profit or loss	8,970,626	(9,518,539)
Less: Impairment in value of available-for-sale securities	(16,407)	(164,402)
Less: Investment related expenses	(51,502)	(61,857)
	<u>8,902,717</u>	<u>(9,744,798)</u>
34 OTHER INCOME		
Return on bank balances	285,801	178,779
Gain on sale of fixed assets	4,051	7,435
Foreign exchange gain or loss	6,035	1,869
Miscellaneous income	1,706	8,592
	<u>297,593</u>	<u>196,675</u>
35 NET INSURANCE BENEFITS		
Gross Claims		
Claims under individual policies		
by death	1,807,237	1,464,975
by insured event other than death	39,768	20,919
by maturity	3,144,344	1,149,790
by surrender	9,846,341	7,584,000
by partial withdrawal	2,884,827	2,664,896
Total gross individual policy claims	<u>17,722,517</u>	<u>12,884,580</u>
Claims under group policies		
by death	1,993,488	1,568,578
by insured event other than death	3,913,639	2,841,613
Total gross policy claims	<u>5,907,127</u>	<u>4,410,191</u>
Total Gross Claims	<u>23,629,644</u>	<u>17,294,771</u>
Less: Reinsurance recoveries		
On individual life claims	(220,807)	(207,671)
On group life claims	(944,506)	(778,215)
	<u>(1,165,313)</u>	<u>(985,886)</u>
Claim related expenses	7,283	6,844
Net Insurance benefit expense	<u>22,471,614</u>	<u>16,315,729</u>

35.1 Claim Development

The table below illustrates claim development pattern for last five years (including current year) where more than 10% of claims are normally reported after the end of the year in which the claim event occurred. The pattern is shown separately for group and individual business (excluding those disclosed in 35.1.3 and 35.1.4).

	Note	2019 ... (Rupees in '000) ...
Reported outstanding claims		
Individual Life Unit Linked	35.1.1	311,120
Group Life	35.1.2	419,014
Accident & Health	35.1.3	422,997
Overseas	35.1.4	51,541
Individual Family Takaful	35.1.5	88,208
Group Family Takaful	35.1.5	30,025
Accident & Health Family Takaful	35.1.5	25,544
Other reserves		2,712,284
	20.1	4,060,733

35.1.1 Individual Life Unit Linked

Accident year	2015	2016	2017	2018	2019
Estimate of ultimate claims costs:					
At end of accident year	485,951	660,171	843,460	929,280	1,150,643
One year later	681,411	869,845	1,152,165	1,267,135	
Two years later	696,142	898,577	1,180,039		
Three years later	704,874	908,858			
Four years later	709,430				
Current estimate of cumulative claims	709,430	908,858	1,180,039	1,267,135	1,150,643
Less: Cumulative payments to date	(709,244)	(908,358)	(1,177,567)	(1,264,092)	(924,827)
	186	500	2,472	3,043	225,816
Sum of 2015 to 2019 outstanding claims					232,017
Claims prior to 2015					79,103
Liability recognised in the statement of financial position					311,120

35.1.2 Conventional Business

Accident year	2015	2016	2017	2018	2019
Estimate of ultimate claims costs:					
At end of accident year	855,565	1,078,361	1,256,871	1,357,885	1,710,387
One year later	950,361	1,239,725	1,400,521	1,582,076	
Two years later	953,172	1,246,871	1,403,117		
Three years later	953,284	1,247,899			
Four years later	953,499				
Current estimate of cumulative claims	953,499	1,247,899	1,403,117	1,582,076	1,710,387
Less: Cumulative payments to date	(950,489)	(1,238,400)	(1,378,816)	(1,540,916)	(1,388,313)
	3,010	9,499	24,301	41,160	322,074
Sum of 2015 to 2019 outstanding claims					400,044
Claims prior to 2015					18,970
Liability recognised in the statement of financial position					419,014

- 35.1.3** For Accident and Health business, claims experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore, the claim development table for Accident & Health business is not disclosed.
- 35.1.4** In Overseas business, as the policy is issued to a single policy holder group which does not reflect claim development as a whole, nor would it reflect a purposeful analysis, hence the same has not been disclosed.
- 35.1.5** For the Window Takaful Operations launched in July 2015, as there have been only four and a half year of operations therefore, the Company has not yet developed sufficient credible experience to generate claim development table.

36 ACQUISITION EXPENSES

	2019	2018
	(Rupees in '000)	
Remuneration to insurance intermediaries on individual policies:		
Commission to agents on first year premiums / contributions	3,160,996	4,012,373
Commission to agents on second year premiums / contributions	376,499	388,670
Commission to agents on subsequent renewal premiums / contributions	524,178	473,537
Commission to agents on single premiums / contributions	17,331	73,150
Overriding commission to supervisors	627,046	705,480
Salaries, allowances and other benefits	866,476	841,144
Other benefits to insurance intermediaries	1,048,356	1,040,858
Remuneration to insurance intermediaries on group policies:		
Commission	398,822	308,053
Other benefits to insurance intermediaries	35,536	14,147
Other acquisition costs		
Employee benefit costs	1,212,046	1,064,954
Travelling expenses	61,554	45,683
Printing and stationery	31,735	24,292
Depreciation	130,271	95,681
Depreciation - Right-of-use assets	104,321	-
Amortization	13	70
Rent, rates and taxes	3,872	86,199
Legal and professional charges	19,436	18,058
Utilities	54,997	40,640
Entertainment	26,061	33,833
Motor vehicle & conveyance	107,488	92,891
Repair & maintenance	45,491	40,490
Training expenses	1,871	159
Postages, telegrams and telephones	37,867	36,958
Staff welfare	25,576	18,095
General insurance	12,508	1,578
Policy stamps	114,819	321,285
Initial medical fees	7,425	4,754
Miscellaneous expenses	7,903	12,707
	9,060,494	9,795,739

37	MARKETING AND ADMINISTRATION EXPENSES	Note	2019	2018
			(Rupees in '000)	
	Employee benefit cost	37.1	1,141,311	971,032
	Traveling expenses		44,732	46,407
	Advertisements & sales promotion		719,958	797,744
	Printing and stationery		81,949	69,803
	Depreciation		173,595	170,394
	Depreciation - Right-of-use assets		127,758	-
	Amortisation		83,345	115,694
	Rent, rates and taxes		222,294	115,396
	Legal and professional charges		32,559	33,812
	Utilities		50,019	55,326
	Entertainment		9,964	17,061
	Vehicle running expenses		18,351	15,481
	Office repairs and maintenance		193,476	144,986
	Appointed actuary fees		13,798	19,413
	Bank charges		16,323	18,463
	Postages, telegrams and telephone		109,998	85,297
	Staff welfare		20,819	20,768
	General insurance		11,260	16,995
	Training expenses		16,520	7,972
	Annual Supervision fees to SECP		50,000	50,000
	Bad and doubtful debts		10,482	(5,096)
	Miscellaneous expenses		11,259	9,808
			<u>3,159,770</u>	<u>2,776,756</u>

37.1 Employee benefit cost

Salaries, allowance and other benefits	1,069,466	903,273
Charges for post employment benefit	71,845	67,759
	<u>1,141,311</u>	<u>971,032</u>

37.2 Administration expenses are net of common costs amounting to Rs. 40.85 million (2018: Rs.41.09 million) shared with Jubilee General Insurance Company Limited, an associated undertaking, on account of joint operating activities for Accident & Health Business.

38	OTHER EXPENSES	2019	2018
		(Rupees in '000)	
	Auditors' remuneration - note 38.1	12,974	8,900
	Donation - note 38.2	14,500	20,500
	Subscriptions	330	269
		<u>27,804</u>	<u>29,669</u>
38.1	Auditors' remuneration		
	Audit fee	2,024	2,024
	Half yearly review	380	379
	Shariah Compliance Audit - Window Takaful Operations	550	550
	Taxation services	5,600	-
	Fee for the audit of provident and gratuity funds	160	-
	Certification charges & other Professional Services	2,092	4,413
	Out-of-pocket expenses	1,207	900
	Sindh Sales Tax on services	961	634
		<u>12,974</u>	<u>8,900</u>

38.2 Details of Donations	2019	2018
	(Rupees in '000)	
Patient Behbud Society of AKUH	4,500	4,500
Aga Khan Rural Support Programme	2,500	7,500
The Layton Rahmatulla Benevolent Trust	1,000	2,000
Marie Adelaide Leprosy Centre	1,000	1,500
Aga Khan Education Services Pakistan	2,500	-
The Aman Foundation	1,000	-
Al-Mehrab Tibbi Imdad	1,000	-
Shaukat Khanum Memorial Trust	1,000	-
Aga Khan Cultural Services, Pakistan	-	2,000
Aziz Jehan Begum Trust For The Blind	-	1,000
The Indus Hospital	-	1,000
Pink Ribbon Pakistan	-	1,000
39 FINANCE COST		
Mark up on bank loan	40,581	120,491
Interest expense on lease liability	112,201	-
	152,782	120,491
40 INCOME TAX EXPENSE		
For the year		
Current	921,659	866,990
Deferred	247,616	35,755
	1,169,275	902,745
For prior year	22,865	115,515
	1,192,140	1,018,260
40.1 Relationship between tax expense and accounting profit		
Profit before tax	3,416,367	3,448,591
Tax at the applicable rate of 29%	990,746	1,000,091
Tax on dividends under Final Tax Regime	(35,529)	(26,819)
Super Tax Nil (2018: 2%)	-	171,542
Permanent difference	130,322	18,448
Effect of change in tax rate	-	(204,636)
Others	106,601	59,634
Tax expense for the year	1,192,140	1,018,260

41 EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2019	2018
	(Rupees in '000)	
Profit (after tax) for the year	<u>2,224,227</u>	<u>2,430,331</u>
	(Number of shares in '000)	
Weighted average number of ordinary shares outstanding as at year end	<u>79,331</u>	<u>79,331</u>
	(Rupees)	
Basic earnings per share	<u>28.04</u>	<u>30.64</u>

42 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2019	2018	2019	2018	2019	2018
	(Rupees in '000)					
Fees	-	-	6,400	4,950	-	-
Managerial remuneration	31,987	29,900	-	-	256,096	229,146
Leave encashment	-	-	-	-	11,100	9,259
Bonus	21,890	19,550	-	-	131,076	118,243
Charge for defined benefit plan	2,559	2,370	-	-	18,789	17,422
Contribution to defined contribution plan	3,199	2,990	-	-	23,471	21,976
House rent allowance	12,795	11,960	-	-	115,243	103,116
Utilities	3,199	2,990	-	-	25,610	22,914
Medical	26	40	-	-	9,658	6,664
Commission	-	-	-	-	21,379	30,873
Others	-	-	-	-	26,769	31,401
Total	<u>75,655</u>	<u>69,800</u>	<u>6,400</u>	<u>4,950</u>	<u>639,191</u>	<u>591,014</u>
Number of Persons	<u>1</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>83</u>	<u>82</u>

The Chairman of the Board and the Chief Executive Officer are provided with the Company maintained cars, whereas the executives are provided with cars in accordance with the Company policy.

43 NUMBER OF EMPLOYEES

	2019	2018
	(Numbers)	
Number of employees at December 31,	<u>2,587</u>	<u>2,347</u>
Average number of employees at December 31,	<u>2,545</u>	<u>2,242</u>

44. RELATED PARTY TRANSACTIONS

The Company is controlled by Aga Khan Fund for Economic Development, S.A Switzerland, which owns 57.87% (2018: 57.87%) of the Company's shares. Associated undertakings comprise Habib Bank Limited, Jubilee General Insurance Company Limited and Jubilee Kyrgyzstan Insurance Company (CJSC), Kyrgyzstan, being under the common control of the parent Company.

The related parties comprise related group companies, local associated companies, directors of the Company, key management employees, staff retirement funds and statutory funds.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statement are as follows:

Relationship with the Company	Nature of transactions	2019	2018
		----- (Rupees in '000) -----	
i. Parent Company	Dividend paid	803,478	803,478
	Individual life policy premium / contribution	22,650	17,325
ii. Associated companies	Group insurance premiums / contributions	845,338	827,219
	Incurred claims against insurance cover	593,539	562,946
	Rent of building	-	39,999
	Recognition of Right-of-use asset	205,163	-
	Payment for premiums / contributions against general insurance	23,065	19,803
	Claims lodged against general insurance	2,373	4,609
	Claims received against general insurance	3,406	5,044
	Purchase of government securities	63,623,828	85,715,026
	Sales of government securities	48,762,221	-
	Agency commission	1,998,468	2,603,993
	Interest income on profit and loss sharing account	287,694	125,333
	Dividend paid	357,245	357,245
	Dividend earned	71,463	58,133
	Donations	5,000	9,500
	Finance cost	40,581	120,491
	Capitalization of borrowing cost	149,019	-
	Realised gain / (loss) on derivative financial instruments	43,651	(25,200)
Unrealised (loss) / gain on derivative financial instruments	(47,818)	181,799	
Receipt of grant	-	5,000	
Principal payment against bank loan	125,000	-	
Income from claim administration services	20,867	31,655	
iii. Staff retirement funds	Expense charged for retirement benefit plans	123,075	112,203
	Payments to retirement benefit plans	142,709	140,650

TRANSACTIONS WITH RELATED PARTIES (Continued.....)

Relationship with the Company	Nature of transactions	2019	2018
		----- (Rupees in '000) -----	
iv. Key management personnel	Salaries and other short-term employee benefits	326,503	260,809
	Post-employment benefits	23,217	20,941
	Dividend paid	3,654	3,625
	Consideration received against sale of assets	2,822	2,072
	Individual life policy premiums / contributions	26,400	24,393
	Individual Life surrender / partial withdrawal claims paid	9,411	7,630
	Advances to key management personnels	27,709	15,626
	Recovery against advances from key management personnels	(22,589)	(13,964)
			4,950
v. Directors	Directors' fee	6,400	1,270
	Dividend paid	1,270	
Relationship with the Company	Receivable / (Payable)	2019	2018
		----- (Rupees in '000) -----	
i. Associated companies	Bank account balance	2,362,549	3,016,270
	Investment in shares - listed equities	2,096,723	1,620,336
	Investment in shares - unlisted equities	152,294	129,502
	Interest accrued on profit and loss sharing account	21,083	4,231
	Agency commission payable	(213,804)	(198,386)
	Group premium receivable	103,765	49,020
	Claims lodged and outstanding	(161,597)	(125,328)
	Claims receivable against general insurance policies	1,860	2,405
	(Payable) / Receivable against common back office operations	(3,064)	717
	Payable against claims administration services	(116,718)	(15,306)
	Prepaid rent	-	17,881
	Lease liability Right-of-use asset	(162,581)	-
	Long term loan	(1,375,000)	(1,500,000)
	Derivative financial instrument receivable	97,389	154,605
	Financial charges payable	(26,916)	(20,499)
	Prepaid general insurance premium	477	529
	Deferred grant payable	(784)	(743)
ii. Staff retirement funds	Receivable / (payable) from retirement benefit plans	18,930	(842)
iii. Key management personnel	Advance against salary	13,026	7,907

The above transactions are settled in the ordinary course of business. The receivables and payables are mainly unsecured in nature and bear no interest except for long term loan, which is secured, as well as interest bearing.

45 SEGMENTAL INFORMATION

45.1 REVENUE ACCOUNT BY STATUTORY FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Statutory Funds							Aggregate
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019
----- (Rupees in '000) -----								
Income								
Premium / Contribution less reinsurances	31,668,324	1,420,957	4,546,708	11,668	10,529,339	38,228	180,795	48,396,019
Net investment income	17,890,899	233,070	456,066	20,400	1,715,191	5,656	7,939	20,329,221
Total Net income	49,559,223	1,654,027	5,002,774	32,068	12,244,530	43,884	188,734	68,725,240
Insurance benefits and expenditures								
Insurance benefits, including bonuses	16,115,143	1,153,830	3,671,635	-	1,362,876	33,512	134,618	22,471,614
Management expenses less recoveries	7,021,157	263,588	682,981	2,384	3,927,313	13,165	36,568	11,947,156
Total Insurance benefits and Expenditures	23,136,300	1,417,418	4,354,616	2,384	5,290,189	46,677	171,186	34,418,770
Excess of Income over Insurance benefits and Expenditures	26,422,923	236,609	648,158	29,684	6,954,341	(2,793)	17,548	34,306,470
Net change in insurance liabilities (other than outstanding claims)	23,280,236	75,026	328,633	-	6,785,175	(3,056)	17,382	30,483,396
Surplus before tax	3,142,687	161,583	319,525	29,684	169,166	263	166	3,823,074
Taxes chargeable to statutory funds								
Current - Tax on Dividend under FTR	(250,397)	(945)	(1,079)	-	(15,768)	-	-	(268,189)
Surplus after tax	2,892,290	160,638	318,446	29,684	153,398	263	166	3,554,885
Movement in policyholder liabilities	23,280,236	75,026	328,633	-	6,785,175	(3,056)	17,382	30,483,396
Transfer (to) and from Shareholders' Fund								
Surplus appropriated to Shareholders' Fund	(2,527,500)	-	(107,500)	-	(140,000)	-	-	(2,775,000)
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	8,000	5,000	13,000
Qard-e-Hasna paid from Operators' Sub Fund to PTF	-	-	-	-	-	(8,000)	(5,000)	(13,000)
Capital contributions from Shareholders' Fund	-	-	-	-	-	-	-	-
Net transfers (to) / from Shareholders' Fund	(2,527,500)	-	(107,500)	-	(140,000)	-	-	(2,775,000)
Balance of Statutory Fund as at January 1, 2019	110,195,485	1,007,536	2,178,223	137,677	10,294,942	61,201	97,873	123,972,937
Balance of Statutory Fund as at December 31, 2019	133,840,511	1,243,200	2,717,802	167,361	17,093,515	58,408	115,421	155,236,218

REVENUE ACCOUNT BY STATUTORY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Statutory Funds						Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018
----- (Rupees in '000) -----								
Income								
Premium / Contribution less reinsurances	36,044,421	1,176,849	3,433,121	13,800	9,780,220	52,784	169,777	50,670,972
Net investment income	(2,221,165)	77,692	196,986	11,632	(34,872)	3,763	4,451	(1,961,513)
Total Net income	33,823,256	1,254,541	3,630,107	25,432	9,745,348	56,547	174,228	48,709,459
Insurance benefits and expenditures								
Insurance benefits, including bonuses	12,078,396	860,518	2,602,040	-	588,829	41,178	144,768	16,315,729
Management expenses less recoveries	7,990,117	281,181	486,104	8,730	3,627,868	10,184	37,135	12,441,319
Total Insurance benefits and Expenditures	20,068,513	1,141,699	3,088,144	8,730	4,216,697	51,362	181,903	28,757,048
Excess of Income over Insurance benefits and Expenditures	13,754,743	112,842	541,963	16,702	5,528,651	5,185	(7,675)	19,952,411
Net change in insurance liabilities (other than outstanding claims)	11,041,397	37,463	8,996	-	5,270,242	395	(9,468)	16,349,025
Surplus before tax	2,713,346	75,379	532,967	16,702	258,409	4,790	1,793	3,603,386
Taxes chargeable to statutory funds								
Current - Tax on Dividend under FTR	(304,571)	(824)	(618)	-	(20,747)	-	-	(326,760)
Surplus after tax	2,408,775	74,555	532,349	16,702	237,662	4,790	1,793	3,276,626
Movement in policyholder liabilities	11,041,397	37,463	8,996	-	5,270,242	395	(9,468)	16,349,025
Transfer (to) and from Shareholders' Fund								
Surplus appropriated to Shareholders' Fund	(2,160,000)	-	(375,000)	-	(125,000)	-	-	(2,660,000)
Qard-e-Hasna received from Operators' Sub Fund by PTF	-	-	-	-	-	(17,000)	(31,500)	(48,500)
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	17,000	31,500	48,500
Capital contributions from Shareholders' Fund	-	-	-	-	-	12,000	24,000	36,000
Net transfer to / from Shareholders' Fund	(2,160,000)	-	(375,000)	-	(125,000)	12,000	24,000	(2,624,000)
Balance of Statutory Fund as at January 1, 2018	98,905,313	895,518	2,011,878	120,975	4,912,038	44,016	81,548	106,971,286
Balance of Statutory Fund as at December 31, 2018	110,195,485	1,007,536	2,178,223	137,677	10,294,942	61,201	97,873	123,972,937

45.2 SEGMENTAL RESULTS BY CHANNELS OF BUSINESS FOR THE YEAR ENDED DECEMBER 31, 2019

	Individual Life Unit Linked			Individual Family Takaful			Non Reportable Segments	2019
	DSF	Banca	Total	DSF	Banca	Total		
Income								
Gross premium / contribution								
- First Year Individual Regular Premium / Contribution	798,413	4,307,426	5,105,839	1,621,916	2,547,794	4,169,710	44,673	9,320,222
- Individual Renewal Premium / Contribution	3,494,779	22,905,615	26,400,394	1,562,721	4,491,268	6,053,989	9,248	32,463,631
- Individual Single Premium / Contribution	234,988	220,612	455,600	190,174	148,196	338,370	3,557	797,527
- Group Premium / Contribution	-	-	-	-	-	-	7,046,029	7,046,029
Total Gross Premium / Contribution	4,528,180	27,433,653	31,961,833	3,374,811	7,187,258	10,562,069	7,103,507	49,627,409
Reinsurance premium / Retakaful contribution ceded								
- Individual	(108,452)	(185,059)	(293,511)	(14,071)	(18,659)	(32,730)	-	(326,241)
- Group	-	-	-	-	-	-	(905,149)	(905,149)
Total Reinsurance Premium / Retakaful contribution ceded	(108,452)	(185,059)	(293,511)	(14,071)	(18,659)	(32,730)	(905,149)	(1,231,390)
Net Premium Revenues / Retakaful	4,419,728	27,248,594	31,668,322	3,360,740	7,168,599	10,529,339	6,198,358	48,396,019
Net Investment Income *	3,260,016	14,630,884	17,890,900	443,220	1,271,971	1,715,191	723,130	20,329,221
Total Net Income	7,679,744	41,879,478	49,559,222	3,803,960	8,440,570	12,244,530	6,921,488	68,725,240

* Investment Income is gross of "Tax on Dividend under FTR"

FOR THE YEAR ENDED DECEMBER 31, 2018

	Individual Life Unit Linked			Individual Family Takaful			Non Reportable Segments	2018
	DSF	Banca	Total	DSF	Banca	Total		
Income								
Gross Premium / Contribution								
- First Year Individual Regular Premium / Contribution	940,085	5,924,641	6,864,726	1,713,146	3,014,073	4,727,219	35,665	11,627,610
- Individual Renewal Premium / Contribution	3,720,345	23,306,160	27,026,505	583,128	3,009,641	3,592,769	4,838	30,624,112
- Individual Single Premium / Contribution	558,040	1,888,248	2,446,288	364,995	1,163,277	1,528,272	15	3,974,575
- Group Premium / Contribution	-	-	-	-	-	-	5,660,775	5,660,775
Total Gross Premium / Contribution	5,218,470	31,119,049	36,337,519	2,661,269	7,186,991	9,848,260	5,701,293	51,887,072
Reinsurance premium / Retakaful contribution ceded								
- Individual	(111,566)	(181,532)	(293,098)	(21,094)	(46,946)	(68,040)	-	(361,138)
- Group	-	-	-	-	-	-	(854,962)	(854,962)
Total Reinsurance Premium / Retakaful contribution ceded	(111,566)	(181,532)	(293,098)	(21,094)	(46,946)	(68,040)	(854,962)	(1,216,100)
Net Premium Revenues / Retakaful	5,106,904	30,937,517	36,044,421	2,640,175	7,140,045	9,780,220	4,846,331	50,670,972
Net Investment Income *	(310,594)	(1,910,572)	(2,221,166)	28,468	(63,340)	(34,872)	294,525	(1,961,513)
Total Net Income	4,796,310	29,026,945	33,823,255	2,668,643	7,076,705	9,745,348	5,140,856	48,709,459

* Investment Income is gross of "Tax on Dividend under FTR"

45.2.1 During the year 2018, when the new format of the financial statements prescribed under the Insurance Accounting Regulations, 2017 read with the Insurance Rules, 2017 became effective, the Company had sought the clarification of the Securities & Exchange Commission of Pakistan (SECP) with regard to the segment wise and channel of business wise disclosure of revenue account, for those lines of business where the Gross Written Premium (GWP), of that particular line of business was 10% or more of the aggregate GWP. The management of the Company was of the view that the segmental revenue account

by statutory funds as already being disclosed was sufficient for the purpose of segmental information, further disclosure by channels of business was not necessary, and had sought the clarification of the SECP. Detailed deliberations explaining the Company's viewpoint were further exchanged through letters, discussions and videocon session with the SECP, wherein the Company presented a proposal for an alternate disclosure in the financial statements, and suggested that the prescribed disclosure may be made part of the reporting process to the SECP.

The SECP, vide their letter no. ID/MDPR/MISC/2020/703 dated January 29, 2020 have informed that they have considered the Company's proposal on the subject and agree that necessary changes in the accounting formats prescribed in the Insurance Rules, 2017 shall be initiated by them. Accordingly, the Company has presented these financial statements, the disclosure in note 45.2 above, in accordance with the alternate proposal presented to the SECP during the deliberations.

45.3 Segmental Statement of Financial Position As at December 31, 2019

	Statutory Funds	Shareholders Fund	Total
	----- (Rupees in '000) -----		
Property and equipment	-	3,571,757	3,571,757
Intangible assets	-	214,183	214,183
Right-of-use assets	-	933,189	933,189
Investments in an associate	-	152,294	152,294
Investments			
Equity securities	65,720,989	569,521	66,290,510
Government securities	66,666,901	4,341,138	71,008,039
Debt Securities	8,729,952	-	8,729,952
Term deposits	11,300,000	50,000	11,350,000
Open-ended mutual funds	1,312,395	-	1,312,395
Insurance / reinsurance receivables	1,189,148	-	1,189,148
Derivative financial instrument	-	97,389	97,389
Other loans and receivables	3,916,232	253,641	4,169,873
Taxation - payments less provision	-	162,941	162,941
Retirement benefit prepayment	12,400	6,530	18,930
Prepayments	17,693	47,233	64,926
Cash and Bank	3,942,299	152,698	4,094,997
Total Assets	<u>162,808,009</u>	<u>10,552,514</u>	<u>173,360,523</u>
Liabilities			
Insurance liabilities	153,633,665	-	153,633,665
Borrowing	-	1,375,000	1,375,000
Finance lease liability	-	1,012,846	1,012,846
Premium received in advance	1,165,320	-	1,165,320
Insurance / reinsurance payables	39,124	-	39,124
Other creditors and accruals	2,843,328	426,870	3,270,198
Financial charges payable	-	26,916	26,916
Deferred taxation	-	1,392,874	1,392,874
Dividend payable	-	39,019	39,019
Total Liabilities	<u>157,681,437</u>	<u>4,273,525</u>	<u>161,954,962</u>

**Segmental Statement of Financial Position
As at December 31, 2018**

	Statutory Funds	Shareholders Fund	Total
	----- (Rupees in '000) -----		
Property and equipment	-	3,151,784	3,151,784
Intangible assets	-	174,317	174,317
Investment in an associates	-	129,502	129,502
Investments			
Equity securities	48,219,113	347,757	48,566,870
Government securities	51,609,096	3,949,921	55,559,017
Debt securities	6,494,073	-	6,494,073
Term deposits	17,700,000	-	17,700,000
Insurance / reinsurance receivables	991,149	-	991,149
Derivative financial instrument	-	154,605	154,605
Other loans and receivables	651,281	111,160	762,441
Taxation - payments less provision	-	140,463	140,463
Prepayments	75,962	52,471	128,433
Cash and Bank	5,113,531	559,829	5,673,360
Total Assets	<u>130,854,205</u>	<u>8,771,809</u>	<u>139,626,014</u>
Liabilities			
Insurance liabilities	122,000,509	-	122,000,509
Retirement benefit obligations	516	326	842
Borrowing	-	1,500,000	1,500,000
Premium received in advance	1,177,266	-	1,177,266
Insurance / reinsurance payables	19,509	-	19,509
Financial charges payable	-	20,499	20,499
Deferred taxation	-	1,061,590	1,061,590
Other creditors and accruals	3,309,718	162,867	3,472,585
Dividend payable	-	31,545	31,545
Total Liabilities	<u>126,507,518</u>	<u>2,776,827</u>	<u>129,284,345</u>

46 WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at December 31, 2019 and its financial performance for the year ended December 31, 2019 is as follows:

Balance Sheet As at December 31, 2019	Operator's Sub Fund	Statutory Funds			Aggregate	
		Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
----- (Rupees in '000) -----						
Share capital and reserves						
Fund received from Shareholder's Fund	266,000	-	-	-	266,000	266,000
Capital returned to Shareholder's Fund	(130,000)	-	-	-	(130,000)	(130,000)
Accumulated surplus	306,863	-	-	-	306,863	291,281
Qard-e-Hasna contributed by the Takaful window operator	(109,500)	-	-	-	(109,500)	(96,500)
Net shareholders' equity	333,363	-	-	-	333,363	330,781
Balance of statutory fund including Technical Reserves of Rs. 16,379.26 million (2018: Rs. 9,851.49 million)	-	16,791,493	50,285	50,285	16,933,978	10,123,235
Deferred Liabilities						
Staff retirement benefits	-	-	-	-	-	57
Creditors and accruals						
Outstanding claims	-	88,208	30,025	30,025	143,777	100,258
Contributions received in advance	109,412	-	2,396	2,396	112,892	186,470
Amounts due to takaful / re-takaful operators	-	-	-	-	-	17,600
Amounts due to agents	495,500	-	-	-	495,500	354,968
Accrued expenses	341,671	-	-	-	341,671	315,992
Other creditors and accruals	45,880	11,463	-	-	57,634	88,404
Inter-fund payable	-	31,754	-	-	31,754	182,952
	992,463	131,425	32,421	32,421	1,183,228	1,246,644
Total liabilities	992,463	16,922,918	82,706	82,706	18,117,206	11,369,936
Commitments	-	-	-	-	-	-
Total equity and liabilities	1,325,826	16,922,918	82,706	82,706	18,450,569	11,700,717

Balance Sheet As at December 31, 2019	Operator's Sub Fund	Statutory Funds			Aggregate	
		Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
----- (Rupees in '000) -----						
Cash and bank deposits						
Cash and others	5,194	-	-	-	5,194	12,161
Current and other accounts	237,068	1,821,131	5,311	24,478	2,087,988	1,335,546
Deposits maturing within 12 months	-	4,625,000	-	-	4,625,000	2,850,000
	242,262	6,446,131	5,311	24,478	6,718,182	4,197,707
Investments						
Government securities	731,610	529,155	48,510	58,905	1,368,180	2,881,437
Other fixed income securities	31,953	1,195,972	-	-	1,227,925	739,063
Listed equities	-	6,878,889	-	-	6,878,889	3,559,316
Open ended mutual funds	200,037	908,603	-	-	1,108,640	-
	963,600	9,512,619	48,510	58,905	10,583,634	7,179,816
Deferred Assets						
Staff retirement benefits	1,599	-	-	-	1,599	-
Other assets - current						
Contributions due but unpaid	-	-	3,430	29,005	32,435	23,925
Investment income due but outstanding	-	2,177	-	-	2,177	-
Investment income accrued	1,186	205,539	7	9	206,741	61,109
Amounts due from takaful / re-takaful operators	-	6,452	19,985	-	26,437	14,699
Prepayments	6,545	-	-	-	6,545	9,807
Sundry receivable	94,661	750,000	-	-	844,661	15,620
Inter-fund receivable	15,973	-	5,463	6,722	28,158	198,034
	118,365	964,168	28,885	35,736	1,147,154	323,194
Total assets	1,325,826	16,922,918	82,706	119,119	18,450,569	11,700,717

46.1 Revenue Account For the year ended December 31, 2019

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
----- (Rupees in '000) -----					
46.1.1 Participants' Investment Fund (PIF)					
Income					
Allocated Contribution	6,379,257	-	-	6,379,257	5,845,099
Investment income / (loss)	1,569,873	-	-	1,569,873	(115,923)
Total net income	7,949,130	-	-	7,949,130	5,729,176
Less: Claims and Expenditures					
Claims net of re-takaful	1,207,680	-	-	1,207,680	506,075
Takaful Operator Fee	329,481	-	-	329,481	165,948
Bank Charges	-	-	-	-	3
Total	1,537,161	-	-	1,537,161	672,026
Excess of income over claims and expenditures	6,411,969	-	-	6,411,969	5,057,150
Technical reserves at beginning of the year	9,670,852	-	-	9,670,852	4,613,702
Technical reserves at end of the year	16,082,821	-	-	16,082,821	9,670,852
Movement in technical reserves	(6,411,969)	-	-	(6,411,969)	(5,057,150)
Surplus / (Deficit)	-	-	-	-	-
Movement in Technical reserves	6,411,969	-	-	6,411,969	5,057,150
Balance of PIF at beginning of the year	9,670,852	-	-	9,670,852	4,613,702
Balance of PIF at end of the year	16,082,821	-	-	16,082,821	9,670,852

46.1.2 Participants' Takaful Fund (PTF)

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
(Rupees in '000)					
Income					
Contribution net of re-takaful	704,151	38,228	180,795	923,174	637,232
Investment income	37,469	4,733	5,876	48,078	20,270
Total net income	741,620	42,961	186,671	971,252	657,502
Less: Claims and Expenditures					
Claims net of re-takaful recoveries	155,196	33,512	134,617	323,325	268,700
Takaful Operator's Fee	197,043	10,012	32,698	239,753	179,348
Mudarib Fee	14,987	1,893	2,350	19,230	8,114
Bank Charges	34	12	2	48	27
Medical examination charges	2,569	20	-	2,589	1,751
Provision for doubtful debts	-	55	478	533	259
Total	369,829	45,504	170,145	585,478	458,199
Excess of income over claims and expenditures	371,791	(2,543)	16,526	385,774	199,303
Technical reserves at beginning of the year	118,037	9,239	34,360	161,636	98,580
Technical reserves at end of the year	213,918	8,825	52,940	275,683	161,636
Income	275,910	(2,129)	(2,054)	271,727	136,247
Movement in technical reserves	(371,791)	2,543	(16,526)	(385,774)	(199,303)
Surplus / (Deficit) before distribution	-	-	-	-	-
Movement in Technical reserves	371,791	(2,543)	16,526	385,774	199,303
Transfers from					
Qard-e-Hasna contributed by Window Takaful Operator	-	8,000	5,000	13,000	48,500
Balance of PTF at beginning of the year - Restated	336,881	44,828	70,674	452,383	204,580
Balance of PTF at end of the year	708,672	50,285	92,200	851,157	452,383

46.1.3 Operators' Sub Fund (OSF)

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
----- (Rupees in '000) -----					
Income					
Unallocated contributions	3,445,933	-	-	3,445,933	3,520,450
Takaful Operator Fee	526,667	10,012	32,698	569,377	345,296
Mudarib Fee	14,987	1,893	2,350	19,230	8,114
Investment income	92,081	922	2,061	95,064	48,248
	<u>4,079,668</u>	<u>12,827</u>	<u>37,109</u>	<u>4,129,604</u>	<u>3,922,108</u>
Less: Expenditures					
Acquisition costs	3,169,917	8,680	26,863	3,205,460	3,103,691
Administration cost	754,943	4,392	9,227	768,562	569,456
Total Management cost	<u>3,924,860</u>	<u>13,072</u>	<u>36,090</u>	<u>3,974,022</u>	<u>3,673,147</u>
Excess / (deficit) of income over expenditures	<u>154,808</u>	<u>(245)</u>	<u>1,019</u>	<u>155,582</u>	<u>248,961</u>
Technical reserves at beginning of the year	9,422	2,052	7,525	18,999	14,283
Technical reserves at end of the year	10,836	1,540	8,381	20,757	18,999
Movement in technical reserves	<u>(1,414)</u>	<u>512</u>	<u>(856)</u>	<u>(1,758)</u>	<u>(4,716)</u>
Surplus / (deficit) for the year	<u>153,394</u>	<u>267</u>	<u>163</u>	<u>153,824</u>	<u>244,245</u>
Movement in technical reserves	<u>1,414</u>	<u>(512)</u>	<u>856</u>	<u>1,758</u>	<u>4,716</u>
Surplus transfer to Shareholders' fund	(140,000)	-	-	(140,000)	(125,000)
Contribution received from Shareholders' Fund	-	-	-	-	36,000
Qard-e-Hasna contributed to the Participants' Takaful Fund	-	(8,000)	(5,000)	(13,000)	(48,500)
Balance of Operator Sub Fund at beginning of the year	287,209	16,373	27,199	330,781	219,320
Balance of OSF at end of the year	<u>302,017</u>	<u>8,128</u>	<u>23,218</u>	<u>333,363</u>	<u>330,781</u>

46.2

Statement of Contribution For the year ended December 31, 2019

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
----- (Rupees in '000) -----					
Gross Contribution					
Regular Contributions - individual policies					
First year	4,142,153	16	1,889	4,144,058	6,173,977
Second year renewal	3,357,476	23	943	3,358,442	1,610,569
Subsequent years renewal	2,663,999	-	42	2,664,041	496,046
Single Contribution individual policies	338,369	3,557	-	341,926	1,528,273
Non Linked Riders	60,073	-	-	60,073	43,756
Group policies without Cash values	-	63,759	177,921	241,680	254,245
Total Gross Contribution	10,562,070	67,355	180,795	10,810,220	10,106,866
Participants' Investment Fund (PIF)					
Allocated Regular Contribution	6,040,888	-	-	6,040,888	4,316,826
Allocated Single Contribution	338,369	-	-	338,369	1,528,273
Total Allocated Contribution	6,379,257	-	-	6,379,257	5,845,099
Participants' Takaful Fund (PTF)					
Gross contribution	736,881	67,355	180,795	985,031	741,317
Add: Retakaful Commission	7,630	-	-	7,630	21,791
Less: Retakaful contribution ceded					
On individual life first year business	(7,832)	-	-	(7,832)	(47,114)
On individual life second year business	(18,029)	-	-	(18,029)	(29,633)
On individual life subsequent renewal business	(14,491)	-	-	(14,491)	(13,011)
On single contributions individual policies	(8)	-	-	(8)	(74)
On group policies	-	(29,127)	-	(29,127)	(36,044)
Total retakaful contribution ceded	(40,360)	(29,127)	-	(69,487)	(125,876)
Net risk contribution of PTF	704,151	38,228	180,795	923,174	637,232
Operators' Sub Fund (OSF)					
Unallocated regular contribution	3,445,933	-	-	3,445,933	3,520,450

**46.3 Statement of Claims
For the year ended December 31, 2019**

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
----- (Rupees in '000) -----					
Gross claims					
Claims under individual policies					
by death	228,250	228,250	-	228,250	105,398
by insured event other than death	1,819	1,819	256	2,075	1,247
by maturity	-	-	-	-	-
by surrender	737,943	737,943	-	737,943	243,387
by partial withdrawal	437,405	437,405	-	437,405	255,779
Total gross individual policy claims	1,405,417	1,405,417	256	1,405,673	605,811
Claims under group policies					
by death	-	-	-	54,088	83,762
by insured event other than death	-	-	134,361	140,124	146,623
experience refund	-	-	-	-	-
Total group policy claims	-	-	134,361	194,212	230,385
Total gross claims	1,405,417	1,405,417	134,617	1,599,885	836,196

46.3.1 Participants' Investment Fund (PIF)

Claims under individual policies					
by death	32,332	-	-	32,332	6,909
by surrender	737,943	-	-	737,943	243,387
by partial withdrawal	437,405	-	-	437,405	255,779
	1,207,680	-	-	1,207,680	506,075

46.3.2 Participants' Takaful Fund (PTF)

Gross claims					
Claims under individual policies - by death	195,918	-	-	195,918	98,489
Claims under individual policies - by insured event other than death	1,819	-	256	2,075	1,247
Claims under group policies - by death	-	54,088.00	-	54,088	83,762
Claims under group policies - by insured event other than death	-	5,763	134,361	140,124	146,623
	197,737	59,851	134,617	392,205	330,121
Less: Retakaful recoveries					
On individual life first year business claims	(22,838)	-	-	(22,838)	(3,604)
On individual life second year business claims	(15,111)	-	-	(15,111)	(12,341)
On individual life renewal business claims	(4,592)	-	-	(4,592)	-
On group life claims	-	(26,339)	-	(26,339)	(45,476)
On experience refund of contributions	-	-	-	-	-
	(42,541)	(26,339)	-	(68,880)	(61,421)
Net claims	155,196	33,512	134,617	323,325	268,700

Statement of Expenses For the year ended December 31, 2019

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
----- (Rupees in '000) -----					
Operators' Sub Fund (OSF)					
Acquisition costs					
Remuneration to takaful intermediaries on individual policies					
Commission on first year contributions	1,739,203	1,306	748	1,741,257	1,832,772
Commission on second year contributions	146,747	-	47	146,794	122,205
Commission on subsequent renewal contributions	60,325	-	1	60,326	19,658
Commission on single contributions	6,536	1,446	-	7,982	28,703
	<u>1,952,811</u>	<u>2,752</u>	<u>796</u>	<u>1,956,359</u>	<u>2,003,338</u>
Remuneration to insurance intermediaries on group policies:					
Commission	-	3,138	16,985	20,123	15,948
Branch overheads					
Salaries & allowances and other branch overheads	917,200	2,707	9,020	928,927	681,725
Overriding commission	255,519	-	(3)	255,516	286,052
	<u>1,172,719</u>	<u>2,707</u>	<u>9,017</u>	<u>1,184,443</u>	<u>967,777</u>
Other acquisition costs:					
Policy stamps	43,831	83	65	43,979	116,506
Others	556	-	-	556	122
Total acquisition cost	<u>3,169,917</u>	<u>8,680</u>	<u>26,863</u>	<u>3,205,460</u>	<u>3,103,691</u>
Administration expenses					
Salaries and other benefits	222,022	1,563	2,900	226,485	156,449
Charge for defined benefit plan	6,622	51	81	6,754	4,959
Contribution to defined contribution plan	8,219	65	102	8,386	6,103
Travelling expenses	10,685	86	227	10,998	9,159
Auditors' fees	2,907	32	115	3,054	2,085
Actuary's fees	2,761	-	-	2,761	2,428
Advertisements	292,361	653	1,327	294,341	254,488
Printing and stationary	17,854	65	1,097	19,016	12,880
Depreciation	30,323	423	1,070	31,816	26,705
Depreciation - Right of Use Assets	30,542	292	546	31,380	-
Amortization	31,646	136	222	32,004	14,957
Rent Expense	98	-	-	98	18,123
Legal and Professional charges	3,937	24	50	4,011	5,822
Supervision fees	10,579	67	181	10,827	9,619
Utilities	5,136	40	73	5,249	6,448
Entertainment	2,476	13	24	2,513	3,195
Vehicle running	2,527	13	25	2,565	3,664
Repair and maintenance	39,348	569	664	40,581	16,556
Bank charges and brokerage	3,328	11	13	3,352	2,446
Training expenses	2,677	22	14	2,713	866
Postages, telegrams and telephones	9,449	57	110	9,616	7,046
Staff welfare	2,593	20	33	2,646	1,893
General Insurance	2,214	25	49	2,288	3,487
Finance Cost	14,514	164	302	14,980	-
Miscellaneous expenses	125	1	2	128	78
	<u>754,943</u>	<u>4,392</u>	<u>9,227</u>	<u>768,562</u>	<u>569,456</u>
Gross management expenses	<u>3,924,860</u>	<u>13,072</u>	<u>36,090</u>	<u>3,974,022</u>	<u>3,673,147</u>

Statement of Investment Income For the year ended December 31, 2019

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019	2018
----- (Rupees in '000) -----					
Participants' Investment Fund (PIF)					
Government securities	59,924	-	-	59,924	98,731
Other fixed income securities and deposits	646,026	-	-	646,026	145,676
Dividends	194,014	-	-	194,014	141,941
(Loss) / gain on sale of investments	(157,874)	-	-	(157,874)	95,139
Amortisation of premiums / contributions	574	-	-	574	(8,565)
Unrealised gain / (loss) on investments	850,371	-	-	850,371	(560,921)
Less: Investment related expenses	(7,394)	-	-	(7,394)	(7,177)
Less: Tax on dividend under FTR	(15,768)	-	-	(15,768)	(20,747)
Net Investment income / (loss) of PIF (a)	1,569,873	-	-	1,569,873	(115,923)
Participants' Takaful Fund (PTF)					
Government securities	19,609	2,576	3,149	25,334	15,826
Other fixed income securities and deposits	16,590	2,004	2,410	21,004	4,565
Loss on sale of investments	-	-	-	-	(127)
Amortisation of premiums	3,126	676	479	4,281	(236)
Unrealised (loss) / gain on investments	(1,856)	(523)	(322)	(2,701)	142
Other income	-	-	160	160	100
Net Investment income of PTF (b)	37,469	4,733	5,876	48,078	20,270
Operators' Sub Fund (OSF)					
Government securities	33,402	472	1,167	35,041	36,042
Other fixed income securities and deposits	52,694	379	899	53,972	24,760
Loss on sale of investments	-	-	-	-	(8,133)
Amortisation of premiums	5,615	48	123	5,786	(3,008)
Unrealised gain / (loss) on investments	392	23	(128)	287	(1,407)
Less: Investment related expenses	(22)	-	-	(22)	(6)
Net Investment income of OSF (c)	92,081	922	2,061	95,064	48,248
Net Investment Income / (loss) (a+b+c)	1,699,423	5,655	7,937	1,713,015	(47,405)

47 MOVEMENT IN INVESTMENTS

	Held to maturity	Available-for-sale	At fair value through profit or loss	Total
----- (Rupees in '000) -----				
At beginning of current year	17,719,969	11,687,482	98,912,510	128,319,961
Additions	52,200,000	101,250,367	286,057,844	439,508,211
Disposals (sale and redemptions)	(55,800,000)	(96,085,664)	(267,203,329)	(419,088,993)
Amortisation of discount / (premium)	5	660,852	64,306	725,163
Fair value net gains	-	272,335	8,970,626	9,242,961
Impairment losses	-	(16,407)	-	(16,407)
At end of current year	14,119,974	17,768,965	126,801,957	158,690,896

48 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

48.1 Insurance Risk

48.1.1 Individual life unit linked

The risk underwritten is mainly death and sometimes disability and / or critical illness. The risk of death and disability will vary from region to region. The Company may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one policyholder. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

a) Frequency and severity of claims

Concentration of risk is not a factor of concern due to spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company charges for mortality risk on a monthly basis for all insurance contracts without a fixed term. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the Company.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life

Assured at the end of 2019 Total benefits assured

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	75,210,911	18.51%	73,810,226	24.95%
500,001 - 1,000,000	98,217,452	24.17%	91,022,528	30.76%
1,000,001 - 1,500,000	61,507,038	15.14%	49,014,661	16.57%
1,500,001 - 2,000,000	40,326,775	9.92%	26,930,550	9.10%
More than 2,000,000	131,089,005	32.26%	55,098,359	18.62%
Total	406,351,181	100.00%	295,876,324	100.00%

Assured at the end of 2018 Total benefits assured

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	72,191,933	17.12%	70,987,416	23.28%
500,001 - 1,000,000	98,832,466	23.45%	91,302,203	29.94%
1,000,001 - 1,500,000	64,315,301	15.25%	51,858,454	17.01%
1,500,001 - 2,000,000	42,198,983	10.01%	28,631,156	9.39%
More than 2,000,000	144,087,283	34.17%	62,162,249	20.38%
Total	421,625,966	100.00%	304,941,478	100.00%

b) Source of uncertainty in the estimate of future benefits payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term unit linked insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behaviour.

Factors impacting future benefit payments and premium receipts are as follows:

- Mortality: The Company assumes the expected mortality at 80% of LIC (94-96) since the current experience for this line of business is not credible.

- **Persistency:** The Company conducts a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) **Process used to decide on assumptions**

For long-term unit linked insurance contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

- **Mortality:** The expected mortality is assumed at 80% of LIC (94-96) since the current experience for this line of business is not credible.
- **Persistency:** A periodic analysis of the Company's recent and historic experience is performed and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- **Expense levels and inflation:** A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns are based on the historic performance of the fund.

d) **Changes in assumptions**

The valuation as at December 31, 2019 includes a change in reserving basis. The reserving basis has been changed to maintain the adequacy of IBNR pertaining to the direct sales agency. The change in valuation basis has resulted in an increase in policyholder liabilities by R.s. 11 million including both Takaful and Non Takaful lines of business, with corresponding impact on the profit or loss.

There have also been additional reserves kept, reflecting the unearned revenue, and these reserves further increase the policyholder liabilities by R.s. 34.98 million for Non-Takaful line of business, with corresponding impact on the profit or loss.

e) **Sensitivity analysis**

The table below indicates the level of the respective variable that will trigger an adjustment and then indicates the liability adjustment required as a result of a further deterioration in the variable:

Variables	Trigger level	Change in variable	Increase in liability 2019	Increase in liability 2018
----- (Rupees in '000) -----				
Worsening of mortality rates for risk policies	306%	+10% p.a.	146,900	148,800
Worsening of persistency rates for long term individual policies *	-	-	-	-
Increase in expense levels and inflation	210%	+10% p.a.	134,600	140,100
Decrease in investment returns *	-	-	-	-

* Due to sufficient margins, liability adequacy test does not trigger at any value.

The above analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated – for example, change in interest rate and change in market values; and change in lapses and future mortality.

48.1.2 Conventional business

48.1.2.1 Individual life conventional business

The risk underwritten, i.e. the risk of death and critical illness will vary from region to region. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be as a result of anti-selection and fraudulent claims. The Company also faces a risk of under-pricing due to long-term nature of the contract.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals, while critical illness policies are rarely offered with effective screening of pre-existing conditions. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure adequacy of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure of any policyholder. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification and conducts detailed investigation of all apparently doubtful claims.

a) Frequency and severity of claims

The Company measures concentration of risk in terms of exposure by geographical area and by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Company maintains a catastrophe excess of loss reinsurance cover which ensures that the Company's liability in respect of catastrophic events remains within reasonable limits.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the Company.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life

Assured at the end of 2019 Total benefits assured

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	52,194	30.81%	47,516	53.42%
500,001 - 1,000,000	21,909	12.93%	13,189	14.83%
1,000,001 - 1,500,000	8,848	5.22%	4,985	5.60%
1,500,001 - 2,000,000	13,968	8.25%	6,968	7.83%
More than 2,000,000	72,481	42.79%	16,298	18.32%
Total	169,400	100.00%	88,956	100.00%

Assured at the end of 2018 Total benefits assured

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	67,586	34.02%	66,657	55.95%
500,001 - 1,000,000	27,087	13.63%	20,251	17.00%
1,000,001 - 1,500,000	13,698	6.89%	9,548	8.02%
1,500,001 - 2,000,000	1,610	0.81%	80	0.07%
More than 2,000,000	88,703	44.65%	22,585	18.96%
Total	198,684	100.00%	119,121	100.00%

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term conventional insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and critical illness incidence rates.

Mortality rates are assumed as EFU (61-66). Critical Illness (CI) incidence rates are taken as a percentage of reinsurer's risk premium rate.

c) Process used to decide on assumptions

For long-term conventional insurance contracts, the Company determines assumptions on future mortality and morbidity. At regular intervals, tests are conducted on main policies. Assumptions used to profit test the main policies are as follows:

Mortality rates are assumed as EFU (61-66). Critical Illness (CI) incidence rates are taken as a percentage of reinsurer's risk premium rate.

d) Changes in assumptions

There have been no change in assumptions.

e) Sensitivity analysis

The overall liability for this business stands at less than 2% of the total policyholder liability held in the fund. Due to its immateriality, sensitivity analysis has not been conducted.

48.1.2.2 Group life

The main risk written by the Company is mortality. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The Company also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure of any life. The Company also has a catastrophe excess of loss cover with respect to group life. The intent of the cover is to limit the liability of the Company in a single happening that results in multiple claims. At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business have a short duration, thus mitigating the risk of asset value deterioration.

a) Frequency and severity of claims

The Company measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Company maintains a catastrophe excess of loss reinsurance cover which ensures that the Company's liability in respect of catastrophic events remains within reasonable limits.

The following table presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the Company.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life

**Assured at the end of 2019
Total benefits assured**

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	376,660,215	27.28%	237,637,492	39.43%
500,001 - 1,000,000	170,657,371	12.37%	86,434,412	14.34%
1,000,001 - 1,500,000	122,081,022	8.84%	60,467,084	10.03%
1,500,001 - 2,000,000	115,972,967	8.40%	57,237,697	9.50%
More than 2,000,000	595,193,507	43.11%	160,979,590	26.71%
Total	1,380,565,082	100.00%	602,756,275	100.00%

**Assured at the end of 2018
Total benefits assured**

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	524,669,402	37.70%	331,362,702	50.54%
500,001 - 1,000,000	164,113,252	11.79%	83,429,635	12.73%
1,000,001 - 1,500,000	91,867,417	6.60%	48,008,116	7.32%
1,500,001 - 2,000,000	80,052,715	5.75%	39,342,537	6.00%
More than 2,000,000	530,849,982	38.15%	153,470,255	23.41%
Total	1,391,552,768	100.00%	655,613,245	100.00%

b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

An investigation into group's experience over the last ten years was performed, and statistical methods are used to adjust the rates to a best estimate of mortality. For this purpose, the crude rates were adjusted to reflect the slope in mortality as per India's mortality table of LIC (94-96). Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

d) Changes in assumptions

The valuation as at December 31, 2019 contains changes in reserving basis. The reserving basis has been changed for Employer / Employee Schemes to maintain the adequacy of IBNR within the target range based on claim development factor. Reserving basis has been changed for Depositor / Micro Finance Schemes to maintain the adequacy within the target range based on earned premium. The change in valuation basis has resulted in increase in policyholders' liability by Rs. 37.9 million with corresponding impact on the profit or loss.

e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2019	Increase in liability 2018
		----- (Rupees in '000) -----	
Worsening of mortality rates for risk policies	+10% p.a.	6,672	4,568
Increase in reporting lag	+10% p.a.	6,672	4,568

48.1.2.3 Accident & Health

The main risk written by the Company is morbidity. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of high exposure in a particular geographical area (Micro-Insurance in Northern Areas), medical expense inflation, fraudulent claims and catastrophic event. The Company potentially faces the risk of lack of adequate claims control (such as for very large groups). The Company also faces a risk of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with potentially high health related risk exposure such as Government Schemes. Any pre-existing conditions are screened at this stage. Pricing is done as per actual experience of the Company's portfolio. The premium charged takes into account the actual experience of the client and an MIS is maintained to track the adequacy of the premium charged. The Company has pre-determined charges for certain illnesses with its panel hospitals, and to keep a check on medical inflation, it continues to negotiate these rates.

The portfolio has a spread across various geographical regions. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, the claims are reviewed and managed by technical staff and doctors while an on-site monitoring and checking is performed. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days.

a) Frequency and severity of claims

Company measures risk accumulation in terms of potentially high exposure concentration in a particular geographical area (such as micro insurance policy in Northern Areas).

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life

**Assured at the end of 2019
Total benefits assured**

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	223,213,025	79.76%	220,859,612	79.98%
500,001 - 1,000,000	49,733,635	17.78%	48,635,677	17.61%
1,000,001 - 1,500,000	6,115,031	2.19%	5,859,637	2.12%
1,500,001 - 2,000,000	661,232	0.24%	650,298	0.24%
More than 2,000,000	128,404	0.05%	128,404	0.05%
Total	279,851,327	100.00%	276,133,628	100.00%

**Assured at the end of 2018
Total benefits assured**

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	200,467,866	84.93%	198,310,600	85.25%
500,001 - 1,000,000	29,610,722	12.54%	28,641,528	12.31%
1,000,001 - 1,500,000	5,362,761	2.27%	5,094,047	2.19%
1,500,001 - 2,000,000	523,634	0.22%	514,984	0.22%
More than 2,000,000	74,377	0.03%	74,377	0.03%
Total	236,039,360	100.00%	232,635,536	100.00%

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate morbidity for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

An investigation into group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. For this purpose, the experience is adjusted as per the international experience studies such as HIPE. Where data is sufficient to be statistically credible, the statistics generated by the data are assigned appropriate credibility factors to account for the group's experience.

d) Changes in assumptions

The valuation as at December 31, 2019 contains changes in reserving basis. The reserving basis has been changed for Non-micro Insured Schemes to maintain the adequacy of IBNR within the target range based on claim development factor. Reserving basis has been changed for Non-Micro Hospital schemes, Micro (Other than Kashf) and Out-Patient (Jazz) schemes to maintain the adequacy within the target range based on earned premium. The change in valuation basis has resulted in a decrease in policyholders' liability by Rs. 41 million with corresponding impact on the profit or loss.

e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2019	Increase in liability 2018
		------(Rupees in '000)-----	
Worsening of morbidity rates for risk policies	+10% p.a.	43,601	28,102
Increase in reporting lag	+10% p.a.	43,601	28,102
Increase in average claim amount	+10% p.a.	43,601	28,102

48.1.2.4 Overseas group life and health business

The risk underwritten by the Company is mainly mortality and morbidity. The Company may be exposed to the risk of unexpected claim severity and / or frequency. With regards to mortality, the risk can be a result of writing business with higher than expected mortality (such as terrorism in the region), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. As for the morbidity, the risk may stem from higher than assumed medical expenses, fraudulent claims, inadequate claims control or catastrophic events (including terrorism). The Company also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time.

The Company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. As part of its risk management, the Company has in place reinsurance arrangement to fully cover the mortality and morbidity risks underwritten. At the same time, the Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual experience of the client and the nature of mortality and morbidity exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the premium charged. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days.

As part of the risk management process, the Company has fully reinsured the underwritten risks and hence the primary risk to which the Company may be exposed to is that of reinsurer defaulting on its obligations. Presently as per the requirements of the State Bank of Pakistan, the Company is required to settle all claims under this business from its reinsurance recoveries.

a) Frequency and severity of claims

The Company measures concentration of risk in terms of its exposure to catastrophic events. As the portfolio for this line of business is relatively small, concentration of risk arising from geographical area is a source of concern. To mitigate this risk Company maintains reinsurance which ensures that the Company's liability in respect of concentration of risk remains within reasonable limits.

The following table presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross of the reinsurance contracts described above. Since the Company maintains a 100% reinsurance, benefits insured net of the reinsurance contracts are practically Nil.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life

Assured at the end of 2019 Total benefits assured

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	-	0%	-	-
500,001 - 1,000,000	190,759	4.14%	-	-
1,000,001 - 1,500,000	90,310	1.96%	-	-
1,500,001 - 2,000,000	119,303	2.59%	-	-
More than 2,000,000	4,209,889	91.33%	-	-
Total	4,610,261	100.00%	-	-

Assured at the end of 2018 Total benefits assured

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	-	0.00%	-	-
500,001 - 1,000,000	147,019	2.45%	-	-
1,000,001 - 1,500,000	150,352	2.50%	-	-
1,500,001 - 2,000,000	192,282	3.20%	-	-
More than 2,000,000	5,512,967	91.84%	-	-
Total	6,002,620	100.00%	-	-

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

There is no need to estimate mortality and morbidity for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

An investigation into group's experience is performed periodically and statistical methods are used to adjust the rates to a best estimate of mortality and morbidity. For this purpose, the crude rates for mortality were adjusted to reflect the slope in mortality as per India's mortality table of LIC (94-96) while for morbidity, international experience studies such as HIPE are used. Reinsurance rates provided by the reinsurer are also kept under consideration.

d) Changes in assumptions

There have been no change in assumptions.

e) Sensitivity analysis

The Company has fully reinsured its underwritten risks and therefore a sensitivity analysis has not been conducted.

48.1.3 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

The Company is responsible for managing contracts that result in the transfer of Takaful and Financial Risk from the Participant to the respective PTF. This section summarizes the risks and the way the Company manages them, as part of the Company's Window Takaful Operations.

Takaful Risk

The PTF issues Takaful contracts that are classified in the following segments:

Individual Family Takaful
Group Family Takaful
Accident and Health Family Takaful

Individual Family Takaful

The risk covered is mainly death and sometimes disability and / or critical illness. The risk of death and disability will vary from region to region. The PTF may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The PTF may also face the risk of poor investment return, and liquidity issues on monies invested in the fund.

The PTF faces the risk of inadequacy of the Mortality Charge (Takaful Contribution) particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency can lead to an impact on the size of the PTF. A larger PTF may allow for a greater degree of cross subsidization of Mortality Risk, increasing the probability of convergence between actual and expected Mortality experience.

The Company manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids issuing cover to high risk individuals. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure reasonableness of Takaful Contributions charged for risk underwritten by the PTF. Retakaful contracts have been purchased by the Company to limit the maximum exposure on any one participant. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency, the Company applies quality controls on the standard of service provided to Participants of the PTF and has placed checks to curb mis-selling and improvement in the standard of customer service. For this, a regular branch wise monitoring of lapsation rates is conducted.

On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, a Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in assets underlying the PTF to accommodate claims from Participants. The Company reserves the right to review the Takaful Contributions deductible under the contracts, thus limiting the risk of under-pricing.

a) Frequency and severity of claims

The Company has not had a concern from the concentration of risk because of the ability to spread risks across various parts of the country. The Company issues Takaful Contracts through a large network of its own branches and branches belonging to partner banks in Bancassurance. This ascertains a spread of geographical risk. However, a risk of concentration of risk on any one Participant of the PTF still exists. The Company caters to this risk by entering into suitable Retakaful arrangements.

The Company charges for mortality risk (credited to the PTF) on a monthly basis for all Takaful contracts without a fixed term. It has the right to alter these charges (on behalf of the PTF) based on the PTF's mortality experience. This minimises the PTF's exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce this mitigating effect. The Company manages these risks through the underwriting strategy and retakaful arrangements used for the PTF.

The table below presents the concentration of covered benefits across five bands of benefits covered per Participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits covered per Participant

**Assured at the end of 2019
Total benefits covered**

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	15,485,047	12.13%	15,415,691	17.67%
500,001 - 1,000,000	23,599,134	18.49%	22,965,538	26.32%
1,000,001 - 1,500,000	18,226,391	14.28%	15,480,038	17.74%
1,500,001 - 2,000,000	13,182,864	10.33%	9,460,586	10.84%
More than 2,000,000	57,115,839	44.76%	23,926,458	27.42%
Total	127,609,275	99.99%	87,248,311	100.00%

**Assured at the end of 2018
Total benefits covered**

Rupees	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	9,897,832	9.89%	9,853,332	14.69%
500,001 - 1,000,000	16,664,247	16.65%	16,269,824	24.25%
1,000,001 - 1,500,000	14,837,321	14.83%	12,701,499	18.93%
1,500,001 - 2,000,000	9,656,166	9.65%	7,141,923	10.65%
More than 2,000,000	49,005,538	48.98%	21,114,209	31.48%
Total	100,061,104	100.00%	67,080,787	100.00%

b) Source of uncertainty in the estimate of future benefits payments and contributions receipts

Uncertainty in the estimation of future benefit payments and contribution receipts for long-term unit linked takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participant's behaviour.

Factors impacting future benefit payments and contribution receipts are as follows:

- Mortality: The Company assumes the expected mortality at 80% of LIC (94-96) since the current claims experience for this line of business is too limited to be credible.
- Persistency: The Company conducts a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

For long-term unit linked takaful contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on flagship products. Assumptions used for profit testing of the flagship products are as follows:

- Mortality: The expected mortality is assumed at 80% of LIC (94-96) since the current claims experience for this line of business is too limited to be credible.
- Persistency: A periodic analysis of the Company's recent and historic experience is performed and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- Expense levels and inflation: A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns are based on anticipated future performance of the fund.

d) Sensitivity analysis

The experience of the fund is not adequate enough to perform sensitivity analysis.

Group Life Family Takaful

The main exposure of the PTF is to mortality risk. The PTF may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The PTF also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of takaful contributions due to policy lapsations. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Company manages these risks through underwriting, retakaful, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the PTF. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the takaful contribution charged. Retakaful contracts have been purchased by the Company to limit the maximum mortality exposure of the PTF. The Company is also contemplating a catastrophe excess of loss cover for the Group Family Takaful Business. The intent of the

cover is to limit the liability of the PTF in a single happening that results in multiple claims. At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days.

a) Frequency and severity of claims

The Company measures concentration of risk by the PTF's exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Company is considering a catastrophe excess of loss retakaful cover which ensures that the PTF's liability in respect of catastrophic events remains within reasonable limits.

The following table presents the concentration of covered benefits across five bands of covered benefits per individual life covered. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits covered per Participant

Assured at the end of 2019 Total benefits covered

Rupees	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	18,517,319	31.85%	9,258,765	33.83%
500,001 - 1,000,000	11,037,387	18.99%	5,518,694	20.16%
1,000,001 - 1,500,000	3,504,209	6.03%	1,752,104	6.40%
1,500,001 - 2,000,000	1,588,915	2.73%	794,457	2.90%
More than 2,000,000	23,486,119	40.40%	10,047,644	36.71%
Total	58,133,949	100.00%	27,371,664	100.00%

Assured at the end of 2018 Total benefits covered

Rupees	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	26,968,154	35.18%	13,497,952	34.64%
500,001 - 1,000,000	29,062,520	37.90%	14,564,010	37.38%
1,000,001 - 1,500,000	1,997,467	2.60%	1,057,983	2.72%
1,500,001 - 2,000,000	5,539,109	7.22%	2,784,555	7.15%
More than 2,000,000	13,111,294	17.10%	7,057,890	18.11%
Total	76,678,544	100.00%	38,962,390	100.00%

b) Sources of uncertainty in the estimation of future benefits payments and contribution receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

An investigation into group's experience over the last ten years was performed, and statistical methods are used to adjust the rates to a best estimate of mortality. For this purpose, the crude rates were adjusted to reflect the slope in mortality as per India's mortality table of LIC (94-96). Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

d) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2019	Increase in liability 2018
		----- (Rupees in '000) -----	
Worsening of morbidity rates for risk policies	+10% p.a.	81	127
Increase in reporting lag	+10% p.a.	81	127

Accident & Health Family Takaful

The main risk exposure of the PTF is morbidity. The PTF may be exposed to the risk of unexpected claim severity or frequency. This can be a result of high exposure in a particular geographical area, medical expense inflation, fraudulent claims and catastrophic event. The PTF potentially faces the risk of lack of adequate claims control (such as for very large groups). The PTF also faces a risk from under-pricing to acquire business in a competitive environment and of non-receipt of contribution in due time.

The Company manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with potentially high health related risk exposure such as Government Schemes. Any pre-existing conditions are screened at this stage. Pricing is done as per actual experience of the risks already covered by the PTF. The takaful contribution charged takes into account the actual experience of the client and an MIS is maintained to track the adequacy of the takaful contribution charged. The Company has pre-determined charges for certain illnesses with its panel hospitals, and to keep a check on medical inflation, it continues to negotiate these rates. The portfolio will be diversified to spread across various geographical regions. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, the claims are reviewed and managed by technical staff and doctors while an on-site monitoring and checking is performed. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days.

a) Frequency and severity of claims

Company measures risk accumulation in the PTF in terms of potentially high exposure concentration in a particular geographical area.

The table below presents the concentration of covered benefits across five bands of benefits covered per individual life covered. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits covered per Participant

**Assured at the end of 2019
Total benefits covered**

Rupees	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	7,241,972	63.79%	7,241,972	63.79%
500,001 - 1,000,000	3,821,437	33.66%	3,821,437	33.66%
1,000,001 - 1,500,000	289,600	2.55%	289,600	2.55%
1,500,001 - 2,000,000	-	0.00%	-	0.00%
More than 2,000,000	-	0.00%	-	0.00%
Total	11,353,009	100.00%	11,353,009	100.00%

**Assured at the end of 2018
Total benefits covered**

Rupees	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	8,604,081	83.22%	8,604,081	83.22%
500,001 - 1,000,000	1,633,354	15.80%	1,633,354	15.80%
1,000,001 - 1,500,000	101,318	0.98%	101,318	0.98%
1,500,001 - 2,000,000	-	0.00%	-	0.00%
More than 2,000,000	-	0.00%	-	0.00%
Total	10,338,753	100.00%	10,338,753	100.00%

b) Sources of uncertainty in the estimation of future benefits payments and contribution receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate morbidity for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

An investigation into group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. For this purpose, the experience is adjusted as per the international experience studies such as HIPE. Where data is sufficient to be statistically credible, the statistics generated by the data are assigned appropriate credibility factors to account for the group's experience.

d) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2019	Increase in liability 2018
		------(Rupees in '000)-----	
Worsening of morbidity rates for risk policies	+10% p.a.	1,400	1,078
Increase in reporting lag	+10% p.a.	1,400	1,078
Increase in average claim amount	+10% p.a.	1,400	1,078

48.2 Financial risk

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure that adequate liquidity is maintained.

Interest rate risk

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return on its interest bearing securities. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated. The Company's interest rate sensitivity and liquidity positions based on maturities is given in note 48.2.1.

48.2.1 MATURITY PROFILE

Maturity profile of financial assets and liabilities for 2019 is given below:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
(Rupees in '000)							
FINANCIAL ASSETS							
Investment in an associate	-	-	-	-	152,294	152,294	152,294
Investments							
- Listed Equities	-	-	-	66,290,510	-	66,290,510	66,290,510
- Government Securities	5,337,756	65,670,283	71,008,039	-	-	-	71,008,039
- Debt Securities	131,720	8,598,232	8,729,952	-	-	-	8,729,952
- Term Deposits	11,350,000	-	11,350,000	-	-	-	11,350,000
- Open Ended Mutual Fund	-	-	-	1,312,395	-	1,312,395	1,312,395
Insurance / reinsurance receivables	-	-	-	1,189,148	-	1,189,148	1,189,148
Derivative financial instrument	-	-	-	-	97,389	97,389	97,389
Other loans and receivables	-	-	-	4,169,873	-	4,169,873	4,169,873
Cash & Bank	-	-	-	4,094,997	-	4,094,997	4,094,997
As at December 31, 2019	16,819,476	74,268,515	91,087,991	77,056,923	249,683	77,306,606	168,394,597
FINANCIAL LIABILITIES							
Insurance liabilities	-	-	-	153,633,665	-	153,633,665	153,633,665
Borrowing	250,000	1,125,000	1,375,000	-	-	-	1,375,000
Premium received in advance	-	-	-	1,165,320	-	1,165,320	1,165,320
Insurance / reinsurance payables	-	-	-	39,124	-	39,124	39,124
Other creditors and accruals	-	-	-	3,270,198	-	3,270,198	3,270,198
Financial charges payable	-	-	-	26,916	-	26,916	26,916
Lease Liabilities	223,396	789,450	1,012,846	-	-	-	1,012,846
Dividend payable	-	-	-	39,019	-	39,019	39,019
As at December 31, 2019	473,396	1,914,450	2,387,846	158,174,242	-	158,174,242	160,562,088
Off Balance Sheet Financial Instruments	-	-	-	-	-	-	-
As at December 31, 2019	16,346,080	72,354,065	88,700,145	(81,117,319)	249,683	(80,867,636)	7,832,509

Maturity profile of financial assets and liabilities for 2018:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
(Rupees in '000)							
FINANCIAL ASSETS							
Investment in an associate	-	-	-	-	129,502	129,502	129,502
Investments							
- Listed Equities	-	-	-	48,566,870	-	48,566,870	48,566,870
- Government Securities	53,277,411	2,281,607	55,559,018	-	-	-	55,559,018
- Debt Securities	14,000	6,480,073	6,494,073	-	-	-	6,494,073
- Open Ended Mutual Fund	-	-	-	-	-	-	-
- Term Deposits	17,700,000	-	17,700,000	-	-	-	17,700,000
Insurance / reinsurance receivables	-	-	-	991,149	-	991,149	991,149
Derivative financial instrument	-	-	-	-	154,605	154,605	154,605
Other loans and receivables	-	-	-	651,798	-	651,798	651,798
Cash & Bank	-	-	-	5,673,359	-	5,673,359	5,673,359
As at December 31, 2018	70,991,411	8,761,680	79,753,091	55,883,176	284,107	56,167,283	135,920,374
FINANCIAL LIABILITIES							
Insurance liabilities	-	-	-	122,000,509	-	122,000,509	122,000,509
Retirement benefit obligations	-	-	-	842	-	842	842
Borrowings	125,000	1,375,000	1,500,000	-	-	-	1,500,000
Premium received in advance	-	-	-	1,177,266	-	1,177,266	1,177,266
Insurance / reinsurance payables	-	-	-	19,509	-	19,509	19,509
Other creditors and accruals	-	-	-	3,361,942	-	3,361,942	3,361,942
Financial charges payable	-	-	-	20,499	-	20,499	20,499
Unclaimed dividend	-	-	-	31,545	-	31,545	31,545
As at December 31, 2018	125,000	1,375,000	1,500,000	126,612,112	-	126,612,112	128,112,112
Off Balance Sheet Financial Instruments	-	-	-	100,073	6,401	106,474	106,474
As at December 31, 2018	70,866,411	7,386,680	78,253,091	(70,829,009)	284,107	(70,551,303)	7,701,788

a) **Sensitivity analysis - interest rate risk**

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

Debt securities held to maturity are accounted for at amortised cost and their carrying amounts are not sensitive to changes in the level of interest rates.

Management monitors the sensitivity of reported interest rate movements periodically by assessing the expected changes in the different portfolios due to parallel movements of 100 basis points in all yield curves.

An increase in 100 basis points in interest yields would result in a loss of 2,160 million (2018: Rs.281.53 million).

A decrease in 100 basis points in interest yields would result in a gain of 2,248 million (2018: Rs.299.24 million).

b) **Sensitivity analysis - currency risk**

Except for business underwritten in Overseas group life and health fund, the Company primarily underwrites insurance contracts in Pak Rupees and invests in assets denominated in the same currency, which eliminates the foreign currency exchange rate risk for these operations.

48.3 Foreign Currency Risk

As at balance sheet date, there are no material financial instruments denominated in foreign currency. Therefore, the Company is not materially exposed to risk from foreign currency exchange rate fluctuation.

48.4 MARKET RISK

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The Company is exposed to market risk with respect to its investments.

The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity and term finance certificates in the market. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

Sensitivity analysis - equity risk

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

In case of 5% increase / decrease in PSX 100 index on December 31, 2019, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 3,315 million (2018: 2,428 million) as a result of gains / (losses) on equity securities.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2018 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 index.

49 CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner.

Major credit risk is in premiums receivable, reinsurance receivables, bank balances and investments. The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties.

	AAA	AA+	AA	AA-	AA+	A	A-	BBB+	BBB	BBB-	Not Rated	Total
(Rupees in '000)												
December 31, 2019												
Government securities	84,123	-	-	-	-	-	-	-	-	-	70,923,916	71,008,039
Debt securities	831,980	2,295,490	3,665,028	569,570	435,227	828,381	-	104,276	-	-	-	8,729,952
Term Deposits	5,000,000	2,700,000	1,550,000	1,500,000	350,000	250,000	-	-	-	-	-	11,350,000
Premium due but unpaid	-	-	-	-	-	-	-	-	-	-	874,500	874,500
Reinsurance receivable	-	-	142,106	-	126,483	-	46,059	-	-	-	-	314,648
Derivative financial instrument	-	-	-	-	-	-	-	-	-	-	97,389	97,389
Accrued Interest	160,611	179,922	101,741	25,537	34,953	9,203	-	3,697	-	-	2,094,707	2,610,371
Investment income due but outstanding	-	-	-	3,933	-	-	-	-	-	-	-	3,933
Loans and receivables	-	-	-	-	-	-	-	-	-	-	1,515,396	1,515,396
Cash and bank	3,049,117	419,717	390,865	146,318	62,131	6,561	-	-	-	10,072	10,216	4,094,997
	9,125,831	5,595,129	5,849,740	2,245,358	1,008,794	1,094,145	46,059	107,973	-	10,072	75,516,124	100,599,225
December 31, 2018												
Government securities	125,501	-	-	-	-	-	-	-	-	-	55,433,517	55,559,018
Debt securities	-	88,524	3,405,737	55,096	838,059	106,657	-	-	-	-	2,000,000	6,494,073
Term Deposits	5,800,000	6,000,000	-	2,400,000	300,000	3,200,000	-	-	-	-	-	17,700,000
Premium due but unpaid	-	-	-	-	-	-	-	-	-	-	604,391	604,391
Reinsurance receivable	-	-	-	-	-	-	-	-	-	-	386,758	386,758
Derivative financial instrument	154,605	-	-	-	-	-	-	-	-	-	-	154,605
Accrued Interest	15,087	29,666	59,295	13,128	22,311	49,248	-	-	-	-	102,012	290,747
Loans and receivables	-	-	-	-	-	-	-	-	-	-	336,260	336,260
Cash and bank	4,149,552	742,965	281,444	254,792	80,738	33,592	101,904	-	-	-	-	5,644,987
	10,244,745	6,861,155	3,746,476	2,723,016	1,241,108	3,389,497	101,904	-	-	-	58,862,938	87,170,839

Due to the nature of its business the Company is not exposed to concentration of credit risk.

The carrying values of financial assets which are neither past due nor impaired are as under:

	2019	2018
	(Rupees in '000)	
Cash and bank deposits	4,094,997	5,673,360
Government securities	71,008,039	55,559,018
Term Deposits	11,350,000	17,700,000
Debt securities	8,729,952	6,494,073
Unsecured advances to employees	42,631	24,792
Premiums / Contributions due but unpaid	620,865	427,619
Investment income due but outstanding	3,933	-
Investment income accrued	2,610,371	290,747
Sundry receivable	1,472,765	336,260
The carrying values of financial assets which are past due but not impaired are as under:		
Premiums / Contributions due but unpaid	173,823	150,018
The carrying values of financial assets which are past due and impaired are as under:		
Premiums / Contributions due but unpaid	79,812	26,754

49.1 REINSURANCE RISK

In order to minimise the financial exposure arising from large claims, the Company, in the normal course of business, enters into agreement with other reinsurers.

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

In order to manage this risk, the Company obtains reinsurance cover only from companies with sound financial health.

50 CAPITAL MANAGEMENT

The Company's goals and objectives when managing capital are:

- to comply with the minimum paid-up capital requirements as prescribed by SECP;
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for the other stakeholders;
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;
- maintain strong ratings and to protect the Company against unexpected events / losses; and
- to ensure a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

As prescribed by SECP, the Company is required to maintain the minimum capital and to comply with the solvency requirements both for Shareholders' and Statutory Funds in accordance with the Insurance Ordinance, 2000 and the Insurance Rules, 2017 (previously the SEC (Insurance) Rules, 2002 as amended by S.R.O. 16 (1)/2012 dated January 9, 2012), with which the Company is in compliance.

51 FAIR VALUE OF FINANCIAL INSTRUMENTS

AS AT DECEMBER 31, 2019

	Through profit or loss	Available- for-sale	Held-to- maturity	Loans and receivables	Other financial asset/ liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
- Listed equity securities	64,716,257	1,574,253	-	-	-	66,290,510	66,290,510	-	-	66,290,510
- Government securities										
Market treasury bills	3,114,324	855,252	-	-	-	3,969,576	-	3,969,576	-	3,969,576
Pakistan investment bonds	52,096,404	13,479,781	-	-	-	65,576,185	-	65,576,185	-	65,576,185
WAPDA bonds	84,123	-	-	-	-	84,123	-	84,123	-	84,123
GOP - Ijarah Sukuks	145,530	1,222,650	-	-	-	1,368,180	-	1,368,180	-	1,368,180
- Debt securities										
Term Finance Certificates	4,899,549	523,921	-	-	-	5,423,470	-	5,423,470	-	5,423,470
Ijarah Sukuks	3,274,528	31,954	-	-	-	3,306,482	-	3,306,482	-	3,306,482
- Mutual Funds	1,112,358	200,037	-	-	-	1,312,395	1,312,395	-	-	1,312,395
- Derivative financial instrument	-	-	-	-	97,389	97,389	-	97,389	-	97,389
Financial assets not measured at fair value										
- Shares of unlisted associates	-	-	-	-	152,294	152,294				
- Government securities										
Pakistan Investment Bonds	-	-	9,975	-	-	9,975	-	9,619	-	9,619
- Term deposits	-	-	11,350,000	-	-	11,350,000				
- Other loans and receivables	-	-	-	4,169,873	-	4,169,873				
- Insurance / reinsurance receivables	-	-	-	1,189,148	-	1,189,148				
- Cash and bank balances	-	-	-	4,094,997	-	4,094,997				
	129,443,073	17,887,848	11,359,975	9,454,018	249,683	168,394,597				
Financial liabilities not measured at fair value										
- Insurance Liabilities	-	-	-	-	153,633,665	153,633,665				
- Borrowing	-	-	-	-	1,375,000	1,375,000				
- Lease liabilities	-	-	-	-	1,012,846	1,012,846				
- Premiums / Contributions received in advance	-	-	-	-	1,165,320	1,165,320				
- Insurance / reinsurance payables	-	-	-	-	39,124	39,124				
- Other creditors and accruals	-	-	-	-	3,270,198	3,270,198				
- Financial charges payable	-	-	-	-	26,916	26,916				
- Dividend payable	-	-	-	-	39,019	39,019				
	-	-	-	-	160,562,088	160,562,088				

AS AT DECEMBER 31, 2018

	Through profit or loss	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial asset/ liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
- Listed equity securities	47,615,126	951,744	-	-	-	48,566,870	48,566,870	-	-	48,566,870
- Government securities										
Market treasury bills	42,832,860	9,096,360	-	-	-	51,929,220	-	51,929,220	-	51,929,220
Pakistan investment bonds	570,720	32,170	-	-	-	602,890	-	602,890	-	602,890
WAPDA Bonds	125,501	-	-	-	-	125,501	-	125,501	-	125,501
GOP Ijarah Sukuks	1,820,839	1,060,599	-	-	-	2,881,438	-	2,881,438	-	2,881,438
- Debt securities										
Term Finance Certificates	3,919,754	507,245	-	-	-	4,426,999	-	4,426,999	-	4,426,999
Ijarah Sukuks	2,027,710	39,364	-	-	-	2,067,074	-	2,067,074	-	2,067,074
- Derivative financial instrument	-	-	-	-	154,605	154,605	-	154,605	-	154,605
Financial assets not measured at fair value										
- Shares of unlisted associates	-	-	-	-	129,502	129,502				
- Government securities										
Pakistan Investment Bonds	-	-	19,969	-	-	19,969	-	19,003	-	19,003
- Term deposits	-	-	17,700,000	-	-	17,700,000				
- Other loans and receivables	-	-	-	762,441	-	762,441				
- Insurance / reinsurance receivables	-	-	-	991,149	-	991,149				
- Cash and bank balances	-	-	-	5,673,359	-	5,673,359				
	98,912,510	11,687,482	17,719,969	7,426,949	284,107	136,031,017				
Financial liabilities not measured at fair value										
- Insurance Liabilities	-	-	-	-	122,000,509	122,000,509				
- Borrowing	-	-	-	-	1,500,000	1,500,000				
- Premiums / Contributions received in advance	-	-	-	-	1,177,266	1,177,266				
- Insurance / reinsurance payables	-	-	-	-	19,509	19,509				
- Other creditors and accruals	-	-	-	-	3,472,585	3,472,585				
- Financial charges payable	-	-	-	-	20,499	20,499				
- Unclaimed dividend	-	-	-	-	31,545	31,545				
	-	-	-	-	128,221,913	128,221,913				

The fair value of financial assets and liabilities not carried at fair value is not significantly different from their carrying values since assets and liabilities are short term in nature, except for long term loan.

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

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	2019							
	Shareholders' fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family takaful
(Rupees in '000)								
Assets								
Property and equipment	3,571,757	-	-	-	-	-	-	-
Intangible assets	214,183	-	-	-	-	-	-	-
Right-of-use assets	933,189	-	-	-	-	-	-	-
Investments in associates	152,294	-	-	-	-	-	-	-
Investments								
Equity securities	569,521	58,532,303	131,813	177,984	-	6,878,889	-	-
Government securities	4,341,138	60,681,186	1,619,117	2,872,123	126,295	1,227,105	57,420	83,655
Debt securities	-	7,478,106	-	23,921	-	1,227,925	-	-
Term deposits	50,000	6,599,600	-	75,400	-	4,625,000	-	-
Open ended mutual fund	-	203,755	-	-	-	1,108,640	-	-
Insurance / reinsurance receivables	-	26,782	481,295	530,883	91,316	6,452	23,415	29,005
Derivative Financial Instrument	97,389	-	-	-	-	-	-	-
Other loans and receivables	253,641	2,628,089	86,144	146,358	-	1,051,068	2,758	1,815
Taxation - payments less provision	162,941	-	-	-	-	-	-	-
Deferred Taxation	39,748	-	-	-	-	-	-	-
Retirement benefit prepayments	6,530	8,020	1,411	1,370	-	1,599	-	-
Prepayments	47,233	11,148	-	-	-	6,545	-	-
Cash & Bank	152,698	1,750,832	58,446	37,819	2,020	2,045,446	9,288	38,448
Total Assets (A)	10,592,262	137,919,821	2,378,226	3,865,858	219,631	18,178,669	92,881	152,923

Inadmissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000

(a) Interfund balances	30,780	-	-	7,330	-	-	1,585	478
(b) excess of prescribed limit	-	-	84,602	357	-	-	17,064	-
(d) Unsecured advances	42,631	-	-	-	-	-	-	-
(i) Intangible asset	214,183	-	-	-	-	-	-	-
(g) Balances with related party	155,630	8,422	7,614	16,271	85,251	3,433	-	11,449
(h) premium more than 90 days	-	-	35,434	41,250	-	-	789	2,339
(w) Associate company	152,294	-	-	-	-	-	-	-
(t) Retirement benefits prepayments	6,531	8,020	1,411	1,370	-	1,599	-	-
(U)-(i) Tangible asset	3,571,757	-	-	-	-	-	-	-
(U)-(i) Rights-of-use assets	933,189	-	-	-	-	-	-	-
Total of In-admissible assets (B)	5,106,995	16,442	129,061	66,578	85,251	5,032	19,438	14,266
Total Admissible Assets (C=A-B) C/f	5,485,267	137,903,379	2,249,165	3,799,280	134,380	18,173,637	73,443	138,657

2019

	Shareholders' fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family takaful
(Rupees in '000)								
Total Admissible Assets (C=A-B) B/f	5,485,267	137,903,379	2,249,165	3,799,280	134,380	18,173,637	73,443	138,657

Total Liabilities

Insurance liabilities net of reinsurance recoveries	-	1,678,680	904,471	745,550	51,541	88,208	30,025	25,544
Borrowing	1,375,000	-	-	-	-	-	-	-
Lease liabilities	1,012,846	-	-	-	-	-	-	-
Premium received in advance	-	627,946	146,189	278,293	-	109,412	2,396	1,084
Insurance / reinsurance payables	-	34,553	3,906	-	665	-	-	-
Other creditors and accruals	426,870	1,738,134	80,459	124,213	64	887,533	2,051	10,874
Deferred taxation	-	-	-	-	-	-	-	-
Financial charges payable	26,916	-	-	-	-	-	-	-
Unclaimed dividend	39,019	-	-	-	-	-	-	-
Total Liabilities (D)	2,880,651	4,079,313	1,135,025	1,148,056	52,270	1,085,153	34,472	37,502

Total Net Admissible Assets (E=C-D)	2,604,616	133,824,066	1,114,140	2,651,224	82,110	17,088,484	38,971	101,155
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Minimum Solvency Requirement

Shareholder's Fund	165,000	-	-	-	-	-	-	-
Policyholders Liability	-	131,408,798	503,112	1,352,998	-	16,307,576	10,365	61,321
Solvency Margin	-	1,505,991	389,402	903,189	4,773	221,478	16,180	32,795
	165,000	132,914,789	892,514	2,256,187	4,773	16,529,054	26,545	94,116

Excess in Net Admissible Assets over

Minimum Requirements	2,439,616	909,277	221,626	395,037	77,337	559,430	12,426	7,039
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Basis of preparation:

The Insurance Accounting Regulations, 2017 have retained the Statutory Fund wise accounting for regulatory returns. The above Statement of Solvency has been prepared in accordance with the requirements of Section 32 of the Insurance Ordinance, 2000, and the format prescribed in regulatory returns for solvency statement.

53. SUBSEQUENT EVENTS - NON ADJUSTING

The Board of Directors, in their meeting held on February 11, 2020 proposed a final cash dividend of Rs. 13.50 per share (2018: Rs. 14.50 per share) for the year ended December 31, 2019 amounting to Rs. 1,070.96 (2018: Rs.1,150.29 million), and a transfer of Rs. 79.33 million (2018: Nil) from unappropriated profit to reserve for issue of bonus shares, for the issuance of one bonus share for every ten shares held, subject to approval of the members at the forthcoming Annual General Meeting.

Interim dividend declared and already paid in respect of half year ended June 30, 2019 was Rs. 3.00 per share (2018: Rs.3.00 per share) amounting to Rs.237.99 million (2018: Rs. 237.99 million).

These financial statements do not recognise the proposed final dividend which will be recognized in the financial statements for the year ending December 31, 2020.

54. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison and better presentation including a reclassification as mentioned below:

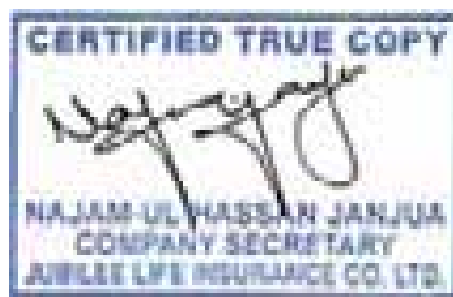
The Company previously presented tax deducted under Final Tax Regime (FTR) on dividend income of Statutory funds under income tax expense in profit and loss account. However, during the period, the amount of tax deducted was reclassified and presented as a deduction from investment income.

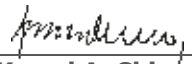
55. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 11, 2020 by the Board of Directors of the Company.

56. GENERAL

Figures in the financial statement have been rounded off to the nearest thousand of rupees, unless otherwise stated.




Kamal A. Chinoy
Chairman


Amyr Currimbhoy
Director


Shahid Ghaffar
Director


Javed Ahmed
Managing Director &
Chief Executive Officer


Lilly R. Dossabhoy
Chief Financial Officer

Statement of Directors

As per the requirement of section 46(6) and section 52(2) (c) of the Insurance Ordinance, 2000

Section 46(6)

- a) In our opinion, the annual audited financial statements of Jubilee Life Insurance Company Limited for the year ended December 31, 2019, set out in the forms attached to the statements have been drawn up in accordance with the Ordinance and any rules made thereunder;
- b) Jubilee Life Insurance Company Limited has at all the times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance/retakaful arrangements; and
- c) As at December 31, 2019, Jubilee Life Insurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance/retakaful arrangements.

Section 52(2) (c)

- d) In our opinion, each statutory fund of Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000, and the Insurance Rules, 2017.


Kamal A. Chinoy
Chairman


Aryn Currimbhoy
Director


Shahid Ghaffar
Director


Javed Ahmed
Managing Director &
Chief Executive Officer

Karachi, February 11, 2020

Statement by the Appointed Actuary Required Under Section 52(2)(a) & (b) of the Insurance Ordinance, 2000

In my opinion:

- a) The policyholder liabilities/technical liabilities in the balance sheet of Jubilee Life Insurance Company Limited as at 31.12.2019 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- b) Each Statutory Fund of Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000.



Nauman A. Cheema

Appointed Actuary of the Company
Fellow of the Society of Actuaries (USA)
Fellow of the Pakistan Society of Actuaries

Date: January 20, 2020



SHAREHOLDERS INFORMATION



Notice of 25th Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of Jubilee Life Insurance Company Limited "Company" will be held on Monday, March 30, 2020 at 02:30 p.m. at Serena Hotel, Islamabad to transact the following business:

Agenda

Ordinary Business

1. To confirm the Minutes of 24th Annual General Meeting held on April 27, 2019.
2. To consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2019 together with the Chairman's Review, Directors' Report and Auditors' Report thereon.
3. To consider and approve the payment of final cash dividend of 135% (Rs. 13.50 per ordinary share of Rs. 10 each) for the year ended December 31, 2019 as recommended by the Directors of the Company, in addition to the interim dividend of Rs. 3.00 per share i.e. 30% already paid to shareholders during the year, thus making a total of Rs. 16.50 per share i.e. 165% for the year ended December 31, 2019.
4. To appoint External Auditors and Shariah Compliance Auditors for the Year 2020 and to fix their remuneration. The retiring auditors, M/s. A.F. Ferguson & Co., Chartered Accountants, being eligible offer themselves for re-appointment as Statutory Auditors and Shariah Compliance Auditors.
5. To elect nine (9) Directors of the Company as fixed by the Board in the meeting held on October 24, 2019 in accordance with the provisions of Section 159 of the Companies Act, 2017 for a period of three (3) years commencing from March 31, 2020 in place of retiring Directors namely:
 - i) Mr. Kamal A. Chinoy
 - ii) Mr. Aryn Currimbhoy
 - iii) Mr. Shahid Ghaffar
 - iv) Mr. John Joseph Metcalf
 - v) Mr. Sultan Ali Allana
 - vi) Mr. R. Zakir Mahmood and
 - vii) Mr. Sagheer Mufti

The retiring Directors are eligible for re-election.

Special Business

1. To authorize the issuance of Bonus Shares in the proportion of 1 (one) share for every 10 (ten) shares held, to shareholders whose names appear in the Register of members at close of business on March 23, 2020, and to approve the disposal of fractional shares created out of the issuance of Bonus Shares.

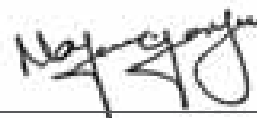
Accordingly, it is proposed to consider and pass the following Resolution as a Special Resolution:

Resolved that:

- i. Ordinary Shares of Rs. 10 each be issued as Bonus Shares and that the said shares be allotted as fully paid Ordinary Shares to the members of the Company whose names appear on the Register of members as at the close of business on March 23, 2020 in the proportion of 1 (one) Bonus Share for every 10 (ten) Shares held, and that such Bonus Shares shall rank *pari passu* in future as regards dividends and in all other respects with the existing Ordinary Shares of the Company.

- ii. In the event of any Member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted in the Stock Market and to pay the proceeds thereof to the members entitled to the fraction in proportion to their respective entitlements.
 - iii. For the purpose of giving effect to the foregoing, the Managing Director, Chief Executive Officer and/or the Company Secretary be and are hereby singly authorized to do and cause to be done all acts, deeds and things that may be necessary and to settle any question or difficulties that may arise in regard to the allotment and the distribution of the said Bonus Shares and in regard to fractional entitlements and the sale of consolidated shares and the distribution of the sale proceeds of the consolidated shares to those entitled to fractional entitlements, as is thought fit.
2. To transact any other business as may be placed before the Meeting with the permission of the Chair.

By order of the Board



Najam ul Hassan Janjua
Company Secretary

Dated: March 9, 2020
Karachi

Notes:

1. Any person who seeks to contest the election of Directors shall, whether he is retiring Director or otherwise, file with the Company the following documents at its registered office not later than fourteen days before the date of the Meeting his/her intention to offer himself/herself for the election of Directors in terms of Section 159(3) of the Companies Act, 2017 together with:
 - i. His/Her Folio No./CDC Investor Account No./CDC Participant No./Sub-Account No.
 - ii. Notice of his/her intention to offer himself/herself for the election of Directors in terms of Section 159(3) of the Companies Act, 2017.
 - iii. Consent to act as Director in Form-28 under Section 167(1) of the Companies Act, 2017.
 - iv. Detailed profile along with his/her office address as required under SRO 1222(I) 2015 dated December 10, 2015 of the Securities and Exchange Commission of Pakistan (SECP).
 - v. An attested copy of valid Computerized National Identity Card.
 - vi. Signed declarations in respect of being compliant with the requirements to become a Director of the Company under applicable laws and regulations including PSX Regulations, Listed Companies (Code of Corporate Governance) Regulations, 2019, Code of Corporate Governance for Insurers, 2016 and the eligibility criteria as set out in the Companies Act, 2017.
 - vii. Information on Annexure-A and affidavits on Annexure-B & C required under the Insurance Companies (Sound and Prudent Management) Regulations 2012 notified by the SECP vide SRO 15(1) / 2012 dated January 9, 2012 and SRO 1165(I)/2016 dated December 22, 2016. Annexure-A, B and C are available at SECP website and can also be obtained from the registered office of the Company.
2. Approval from Securities and Exchange Commission of Pakistan is needed to become Director of the Company.

3. The Share transfer books of the Company shall remain closed from 24-03-2020 to 30-03-2020 (both days inclusive). Transfers received in order by our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, SMCHS, Main Sharah-e-Faisal, Karachi-74400, at the close of business on 23-03-2020 will be treated in time for the purpose of attending the Meeting.
4. A Member of the Company entitled to attend and vote at this Meeting shall be entitled to appoint another Member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a Member.
5. A Member shall not be entitled to appoint more than one proxy to attend any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.
6. Proxies, in order to be effective, must be received by/lodged with the Company at its Registered Office 26-D, 3rd floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad not less than 48 hours before the Meeting.
7. Members are requested to immediately notify any change in their addresses.
8. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
9. Shareholders possessing physical shares are requested to immediately send a copy of their Computerized National Identity Card (CNIC) to our Share Registrar Office, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, SMCHS, Main Sharah-e-Faisal, Karachi. Corporate entities are also requested to submit their NTN at the address of our Registrar as given above.
10. Please further note that the rates for deduction of withholding tax on the amount of dividend paid by the companies are @ 15% for filers of income tax returns and @30% for non-filers of income tax returns. All members are advised to ensure their names are on Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue (FBR) otherwise tax on dividend will be deducted @30% instead of 15%.

In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal Shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follows before 23-03-2020 positively; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

Name	Folio / CDS Accounts No.	Total Shares	Principal Shareholder		Joint Shareholding	
			Name & CNIC No.	Shareholding Proportion (No. of Shares)	Name & CNIC No.	Shareholding Proportion (No. of Shares)

11. Payment of Cash Dividend Electronically (e-Dividend)

In accordance with the provision of Section 242 of the Companies Act, 2017 (Act) all listed Companies including Jubilee Life Insurance Company Limited are required to pay dividends to the entitled shareholders only through electronic mode directly in the bank account of the said Shareholders.

Keeping in view the mandatory requirement of Section 242 of the Act, all listed companies are advised to approach their Shareholders for obtaining electronic dividend mandate, update their bank account records and put a system in place, as all dividend payments with effect from November 01, 2017 shall be paid through electronic mode only. In this regard, Company has already issued letters on October 06, 2017 to such Shareholders on their addresses available in Company's record through registered post.

In pursuance of the directives of SECP, Shareholders are advised to provide their dividend mandate with complete bank account details along with International Bank Account Numbers (IBANs) for payment of cash dividend directly in the bank accounts instead of issuance of physical Cash Dividend Warrants. In this regard the Shareholders may obtain Bank Mandate Form from the Company's website <https://jubileelife.com/wp-content/uploads/2016/06/Bank-Mandate-Form.pdf>.

Shareholders are advised once again to please submit the referred form duly filled to the Share Registrar "CDC Share Registrar Services Limited" in case of physical holding and in case of CDC account/sub-account to Investor Account Services or to their Brokerage Firm as the case may be.

A. FOR ATTENDING THE MEETING:

- (i) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) The Shareholders registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- (iii) In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. FOR APPOINTMENT OF PROXIES:

- (i) In case of individuals, the account holder or sub-account holder and/or the persons whose registration details are uploaded as per the Regulations shall submit the proxy form as per requirement notified by the Company.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- (v) In case of corporate entity being a Member, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee/attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

Pattern of Shareholding

As at December 31, 2019

Number of Shareholders	Shareholdings' Slab			Total Shares Held
208	1	to	100	6,973
184	101	to	500	56,610
433	501	to	1000	300,708
321	1001	to	5000	797,928
114	5001	to	10000	820,549
27	10001	to	15000	327,760
13	15001	to	20000	226,311
12	20001	to	25000	261,952
11	25001	to	30000	299,727
6	30001	to	35000	193,319
2	35001	to	40000	72,860
1	40001	to	45000	42,777
1	45001	to	50000	50,000
2	50001	to	55000	106,630
5	55001	to	60000	285,557
2	65001	to	70000	133,155
1	70001	to	75000	70,950
1	75001	to	80000	77,443
1	80001	to	85000	81,577
1	85001	to	90000	90,000
2	90001	to	95000	186,175
1	95001	to	100000	100,000
3	100001	to	105000	305,522
1	105001	to	110000	105,107
1	110001	to	115000	113,332
1	125001	to	130000	125,402
1	130001	to	135000	132,327
1	140001	to	145000	141,200
2	145001	to	150000	300,000
3	150001	to	155000	452,237
1	155001	to	160000	158,125
2	235001	to	240000	474,764
1	310001	to	315000	310,313
1	315001	to	320000	316,021
1	320001	to	325000	321,650
1	360001	to	365000	361,284
1	385001	to	390000	386,589
1	400001	to	405000	404,604
1	620001	to	625000	622,810
1	675001	to	680000	679,995
1	945001	to	950000	949,096
1	1150001	to	1155000	1,154,029
1	1225001	to	1230000	1,226,257
1	5100001	to	5105000	5,101,448
1	14685001	to	14690000	14,689,730
1	45905001	to	45910000	45,909,877
1379				79,330,680

Pattern of Shareholding

As at December 31, 2019

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
1. Directors, Chief Executive Officer, their spouse and minor children:	9	180,404	0.23%
Kamal A. Chinoy		70,950	
Javed Ahmed		986	
Sultan Ali Allana		632	
Shahid Ghaffar		550	
R. Zakir Mahmood		547	
John Joseph Metcalf		632	
Amyr Currimbhoy		500	
Sagheer Mufti		500	
Hina Javed		105,107	
2. Associated Companies, Undertakings & related parties:	4	66,323,865	83.60%
Aga Khan Fund for Economic Development S.A. Switzerland*		45,909,877	
Habib Bank Limited - Treasury Division		14,689,730	
Jubilee General Insurance Company Limited		5,101,448	
The Aga Khan University Foundation		622,810	
3. NIT and ICP	1	629	0.00%
Investment Corporation of Pakistan		629	
4. Public Sector Companies & Corporations	-	-	
5. Banks, Development Financial Institutions & Non Banking Financial Institutions	1	20,148	0.03%
MCB Bank Limited - Treasury		20,148	
6. Insurance Companies	3	1,165,558	1.47%
EFU General Insurance Limited		1,154,029	
The Premier Insurance Company of Pakistan		629	
Asia Insurance Company Limited		10,900	
7. Modarbas and Mutual Funds	2	7,424	0.01%
First Equity Modarba		3,777	
CDC - Trustee AKD Index Tracker Fund		3,647	
8. Others	88	1,242,805	1.57%

Pattern of Shareholding

As at December 31, 2019

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
9. Executives	10	102,710	0.13%
Muhammad Sohail Fakhar		58,700	
Muhammad Munawar Khalil		22,300	
Shan Rabbani		1,852	
Zahid Barki		11,000	
Faisal Qasim		632	
Najam ul Hassan Janjua		11	
Muhammad Aamir		3,300	
Faiz ul Hassan		2,000	
Muhammad Junaid Ahmed		1,650	
Nadym Chandna		1,265	
10. General Public - Local	1251	5,478,309	6.91%
- Foreign	10	4,808,828	6.06%
ACACIA Partners LP		1,226,257	
ACACIA Institutional Partners LP		949,096	
ACACIA II Partners LP		113,332	
ACACIA Conservation Master Fund-Offshore Ltd.		386,589	
Florida Retirement System		404,604	
Aberdeen Institutional Commingled Funds LLC		361,284	
Aberdeen Frontier Markets Investment Company Limited		321,650	
Aberdeen Standard SICAV I-Frontier Markets Equity Fund		316,021	
ACACIA Conserveation Fund LP		679,995	
Mahmood Ahmed Chaudhry		50,000	
TOTAL	1379	79,330,680	100.00%

*Excluding 1264 shares held by Nominee Directors

Pattern of Shareholding

As at December 31, 2019

Categories of Shareholders	Designation	Transaction	No. of Shares
11. Trading in shares by the Directors, CEO & Spouse and Executives during the year 2019	-	-	-

12. Categories of Shareholders as at December 31, 2019	Number of Shareholders	Shares Held	Percentage
Individuals	1,270	5,761,423	7.26%
Insurance Companies	4	6,267,006	7.90%
Joint Stock Companies	88	1,242,805	1.57%
Financial Institutions	4	60,620,384	76.41%
Modarbas and Mutual Funds	2	7,424	0.01%
Non Residential Shareholders	10	4,808,828	6.06%
Others	1	622,810	0.79%
TOTAL	1,379	79,330,680	100.00%

13. Shareholders holding 5% or more voting interest

Aga Khan Fund for Economic Development S.A. Switzerland	45,909,877	57.87%
Habib Bank Limited - Treasury Division	14,689,730	18.52%
Jubilee General Insurance Company Limited	5,101,448	6.43%

Jubilee
INSURANCE



GOING FROM STRENGTH TO STRENGTH

Jubilee Life wins the top award at MAP's 34th Corporate Excellence Awards

How do Jubilee Life, we have been named the Financial Center for the 2018 MAP Award. But we are proud to be named as the 2018 MAP's 34th Corporate Excellence Award in the insurance sector. Our awards are not just a celebration of our achievements – they are also a reflection of our commitment towards our customers.

Thanks to their confidence about our strong financials, we deliver the best of customer service, in products and solutions. It's essential – and that's all, in the service of a better tomorrow.

www.jubilee.co.uk | 0800 200 111 | 111 111 111 |  [JubileeInsurance](#)

Proxy Form

I/We _____ of _____ (full address)
being member(s) of Jubilee Life Insurance Company Limited and holder of _____
Ordinary Shares as per Share Register Folio No. _____ CDC Participant ID _____
CDC Account No. _____ hereby appoint Mr./Mrs./Miss _____
of _____ (full address) or failing him/her _____ of
_____ or failing him/her _____ of _____ as my
proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Monday,
March 30, 2020 at 02:30 p.m. at Serena Hotel, Islamabad and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2020.

Signature and Address of Witness
CNIC/ Passport No. _____

Please affix
Revenue Stamp

Signature and Address of Witness
CNIC/ Passport No. _____

Signature of Member(s)

A member entitled to attend and vote at the Annual General Meeting to appoint another member as proxy to attend, speak and vote instead of him/her.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized. A proxy must be a member of the Company.

The instrument appointing a proxy, together with the power of attorney if any under which it is signed or a notarial certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time of holding the meeting.

AFFIX
CORRECT
POSTAGE

Jubilee
LIFE INSURANCE

If undelivered please return to:
Jubilee Life Insurance Company Limited

74/1-A, Lalazar, M. T. Khan Road, Karachi-74000
Phone : (0092) (21) 35205095
Fax : (0092) (21) 35610959

Fold : Here

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Fold : Here

Fold : Here

The background consists of numerous overlapping, semi-transparent red rectangular blocks of varying sizes and orientations, creating a complex, layered 3D effect. The blocks are scattered across the white background, with some appearing to be stacked or interlocked.

BRANCH NETWORK

Branch Network

INDIVIDUAL LIFE OFFICES

SOUTH REGION

Royal Branch
Shaheen Branch
Alpha Branch

Office No. 601, 6th Floor,
Progressive Centre, PECHS,
Block 6, Karachi.
021-34663421

Liberty Branch
Karachi Indus Branch
United Branch

Office No. 105-A & 106
Asia Pacific Trade Centre, Opposite
Drive-In-Cinema, Main Rashid
Minhas Road, Karachi.
021-34663421

Nobel Branch
Progressive Center

Office No. 403, 4th Floor,
Progressive Center, Block 6,
P.E.C.H.S. Karachi.
021-34322463

Galaxy Branch

B-1 & B-2, Anarkali Apartment,
F.B Area, Ayesha Manzil Block-7,
Karachi.
021-363201613

Horizon Branch
Platinum Branch
Imperial Branch

G-5, Adenwella Appartment,
GRE325 / 2, Garden East, Karachi.
021-32259560

Gulshan-e-Iqbal Branch

Plot # 6 / FL-6, 2nd Floor,
Block -6, KDA Scheme # 24,
Gulshan-e-Iqbal, Karachi.
021-34834216

Crescent Branch

Office # 302 & 303, 3rd Floor,
Arab Busniess Center, Plot # 5,
Block # 3, Karachi Cooperative
Housing Society,
Main Bahadurabad Chowrangi
(4 Meenar), Aalamgeer Road,
Bahadurabad, Karachi.
021-34123264

Diamond Branch

Flat No. 9, Afzal Apartment,
KDA Scheme 1-A, Stadium Road,
Karachi.
021-34188115 - 118

Thandi Sadak Branch

1st Floor, CC-1 Block, Civic Centre,
Thandi Sarak, Hyderabad.
0222-786194

Mirpurkhas City Branch

Adam Tower Mirpur Khas,
Plot No. 864/4, Mirpurkhas.
072-3652191

Khipro Branch

Sanghar Road,
Opposite forest office Khipro.
0235-879969

Naushero Feroz City Branch

2nd Floor, Property located at
Near Muhammadi Iron Store &
Jalbani Petoral Pump,
Naushero Feroz.
024-2448424

Mehran Branch

Ghotki at 1st floor , Green Hotel
Building, near Mian Chowk, Ghotki.
072-3600612 / 3

Mehar City Branch

Eri Building, Girls School Road,
Mehar.
025-4730765, 025-4730406

Pano Aqil Branch

Opposite Caltex Petrol Pump,
Baiji Chowk, National Highway,
Panu Aqil.
071-5691717 / 8

Sukkur City Branch

1st Floor, Lala AzamPlaza,
Opposite Excise Office,
Station Road, Sukkur.
071-5614261

Larkana City Branch
Larkana Royal Branch
Station Road Branch

1364/2, Block-C,
Nawatak Mohallah, Larkana.
074-4057486-7

Khairpur Branch

Ghareeb Nawaz Hotel,
Opp. Curcit House, Khairpur.
0243-714872 - 73

MULTAN REGION

Dera Ghazi Khan Branch

2nd Floor, Ejaz Plaza Blokck # 9,
Urdu bazar, Dera Gazi khan.
064-2460250-51

Abdali Road Branch
Multan Royal Branch

NIPCO Building,
63-Abdali Road, Multan .
061-4573301 - 02

Rahimyar Khan Branch

24-Model Town, First Floor,
City Chowk Hospital,
RahimYar Khan.
068-5887601

Sahiwal Branch

1st Floor, Alpha Tower, 276/B-1,
High Street, Sahiwal
040-4220503

CENTRAL REGION

Faisalabad City Branch Satiana Road Branch

577-B, Peoples Colony,
Main Satiana Road,
Near Saleemi Chowk, Faisalabad.
041-8720984

G.T. Road Branch 1

Chughtai Centre, G.T. Road,
Shaheenabad, Gujranwala.
055-3824735

Club Road Branch

405 Club Road, Sargodha.
048-3768468,9

Hafizabad Branch

House # A-1481, Post Office Road,
above Aga Khan Laboartary,
Hafizabad.
0547-524879

Okara Branch

2nd Floor, Nasir Plaza,
Depalpur Chowk, Okara.
044-2520477

New Cavalry Branch Jinnah Branch

Cantt Branch
Elite Branch
3rd Floor, Plot No. 79,
Commercial Area Officers Scheme,
Cavalry Ground, Lahore.
042-6619966

Ravi Branch

Plot # 43, Block L,
M.A. Johar Town, Lahore.
042-36619962-4

Premier Branch

Plot # 43, Block L, M.A. Johar Town,
Near Emporium Mall, Lahore.
042-35941897

Lahore Prime Branch

2nd Floor, Plot # 30, Y Block,
Commercial Area, Phase 3,
DHA, Lahore.
042-35897740 - 47

Lahore Pioneer Branch Lahore Champions Branch Lahore Defence Branch

1st Floor, 41 Civic Center,
Barkat Market, New Garden Town,
Lahore.
042-3597189

Lahore United Branch

1st Floor, Khalid Plaza,
25 - Gulshan Block, Main Road,
Allama Iqbal Town, Lahore.
042-35139508

Chenab Branch

B-1 / 421, Iqbal Center,
Near Prince Chowk,
Khawajgan Road, Gujrat.
0533-535115

Paris Road Branch

1st Floor, Al Amin Centre,
bearing serial No. B1- 16 S -98 B
Paris Road, Sialkot.
052-4265041

Jehlum Buraq Branch

1st and 2nd floor, Saran plaza,
Near MCB Bank, G.T Road,
Jada, Jehlum.
0544-720681,2,3

Bahawalpur Sadiq Branch

Shah Jamat Plaza,
Near Abbasia Cinema,
Saraiki Chowk, Railway Road,
Bahawalpur.
0300-9682667

Bahawalnagar Crown Branch

1st Floor, Choudhary Plaza College
Road, Waheed Arshad Chowk,
Bahawalnagar.
0300-7585325

Mandi Bahuddin Branch

Upper old passport office,
Q mart Plaza, Ward # 05,
Mandibahuddin.
0349-5282898

Gladiators Branch

Bhutta Plaza, Mumtaz Market,
Opposite Chase UP, G.T. Road.
Gujranwala.

NORTH REGION

Twin City Branch

2nd Floor, Hall # 3, Bilal Plaza,
Grindly Market,
Haider Road, Rawalpindi.
051-35111335

Margalla Hills Branch Blue Area Branch

Jinnah Avenue Branch
Islamabad Branch
Capital Branch

Main Civic Centre, 3rd Floor,
Kashmir Plaza, Blue Area,
Sector G-6, F-6, Islamabad.
051-2206934

G-9 Branch

2nd Floor, Right Hand Side Wing,
Plot # 39, Paragon Plaza,
G-9 Markaz, Islamabad.

Peshawar Cant. Branch University Road Branch

Office # UG-422, 1st Floor,
Upper Ground Deans Trade
Centre, Islamia Road,
Peshawar Cantt.
091-5253262

Lakki Marwat, Sub Office - University Road Branch

Upper Ground Floor,
Asmat Ali Market,
Mian Wali Road,
near Kargal Chowk,
Lakki Marwat.
0969-512006

Chitral Branch

Ground Floor,
Terichmir View Hotel,
Shahi Qilla Road,
Main Bazar, Chitral.
0943-412207

Mirpur A.K. Branch

Chinar branch, 1st Floor,
Bank Square, Allam Iqbal Road,
Mipru AK.
05822-445041 / 44315

Muzaffarabad Branch

2nd Floor, Bilal Shopping Plaza,
Upper Adha, Muzaffarabad.
05822-445041 / 443315

Kotli Branch

2nd Floor, Ghulastan Plaza,
Pindi Road, Kotli, Azad Kashmir.
05826-444475

Gilgit Branch

2nd Floor, ZS-Plaza,
in front of Radio Pakistan,
Main Sharah-e-Quaid-e-Azam,
Jutial, Gilgit.
05811-457070

Hunza Branch

1st Floor, Gulzar-e-Hunza Market,
Bank Square, Aga Khan Abad,
Ali Abad, main Karakoram Highway,
Hunza.
0581-1450092

Ghizer Branch

Shop # 10-17, Ground Floor,
Shahbaz Market, Raja Bazar,
near DHQ Hospital,
Gahkuch Ghizer.
05814- 451511

Rawalpindi Behria Town Branch

2nd Floor, Plot # 180, Block-D,
Civic Center, Phase 4, Behria Town,
Rawalpindi.
051-5731452-53 / 051-5731423,
051-5731479

Bagh Branch

1st Floor, Upper Floor of JS Bank
By Pass Road Bagh, Azad Kashmir.

Skardu Branch

2nd Floor, Ali Shopping Mall,
Husaini Chowk, Skardu.

Kharian Branch

2nd Floor, Mian Jamil Plaza,
Upper to Bank Islamic,
G.T. Road, Kharian, Pakistan.
053-7603535

Gojal Branch

Hamid 3 Star Market,
Pologround Chowk, Gulmit,
Gojal, Hunza.
0346-5352335 / 0343-2309889

Nagar Branch

Shops # 1&2, Main Market,
Mehdiabad, Sumayar, P.O. Box
Sumayar Division & Dst Nagar.
0343-5786278

Danyore Branch

Jubilee Baig Market,
Danyore near DJ School, Danyore.
0346-3115596

Korattia Branch

Main Kachari, 1st Floor, Azam
Plaza, Korattia, Azad Kashmir.
0346-5352335

Dudayal Branch

Thara Center, Arra Jattan,
Dudayal, AJK, Pakistan.
0344-7767677

Garam Chashma Branch

1st Floor, Pamir Market,
Infront Pir Nasir, Darba,
Garam Chashma, Chitral.
0349-5282898

Booni Branch

Shah Wazir Market, Main Bazar,
Booni Market, Booni, Chitral.
0349-5282898

BANCASSURANCE OFFICES**Karachi Bancassurance**

Office # 211, 213, 2nd Floor,
Business Avenue,
Shahrah-e-Faisal, Karachi.
Office # M1 / M2, Mezzanine
Floor, Business Avenue,
Shahrah-e-Faisal, Karachi.
021-34374310

Hyderabad Bancassurance

1st Floor, Noor Place,
near KASB Bank, Saddar,
Cantonment, Hyderabad.
0222-786082-3

Sukkur Bancassurance

1st Floor, Bilal Plaza,
Opposite Jatoi House,
Military Road, Sukkur.
071-5631169

Bahawalpur Bancassurance

1st Floor, H# 1-B,
Model Town - B, Main Ghalla
Mandi Road, Bahawalpur.
0622-882237-9

Multan Bancassurance

10-A, Ist. Floor, Twin Towers,
Tehsil Chowk, Gulgasht Colony,
Near Silk Bank, Bosan Road,
Multan.
061-6212052

Sahiwal Bancassurance

1st Floor, Naveed Plaza,
Jinnah Road, High Street, Sahiwal.
052-4603161

Faisalabad Bancassurance

3rd Floor, Office # 09,
Legacy Tower, Main Boulevard,
Kohinoor City, Faisalabad.
041-8555061-63

Lahore Bancassurance

1st and 2nd floor,
57 Shadman Market,
Near Post Office Shadman,
Lahore.
042-37529600

Sargodha Bancassurance

Al-Rehman Trade Centre,
2nd Floor, Office # 55,
Sargodha.
048-3768646-7

Gujranwala Bancassurance

3rd Floor, Zaheer Plaza,
G.T Road, Gujranwala.
055-3736611-13

Jehlum Bancassurance

1st Floor, Mian GT Road,
Behind Caltex Petrol Pump,
near HBL Jadah Branch, Jehlum.
0544-720681-83

Gujrat Bancassurance

Sadiq Centre,
Ground Floor, Left Wing,
(G1, G2, G3, G4),
Rehman Sahaheed Road,
Opposite Total Petrol Pump,
Gujrat.
053-3533020-2

Sialkot Bancassurance

Plot # 16 S, 71/A/1,
Moon Tower, Shop # 1,2,3,
2nd Floor, Opp. Mission Hospital,
Paris Road, Sialkot.
052-4603161

Islamabad Bancassurance

1st & 2nd Floor, Plot # 21,
I & T Center, Sector G/6,
main Khayaban-e-Suharwardi,
Aabpara, Islamabad.
051-4602900

Peshawar Bancassurance

No. 501-502 B, 5th Floor,
City Towers, University Road,
Peshawar.
091- 5842175-7 & 9

Muzaffarabad Bancassurance

D-141, Stree # 17, Upper Chittar
Housing Scheme, Muzaffarabad,
Azad Kashmir.
058-22432195-6

Mardan Bancassurance

1st Floor, Sheikh Enayat Plaza,
Opposite Askari Bank,
The Mall Road, Mardan.
0937-874021-23

Quetta Bancassurance

1st Floor, A-7, Swiss Plaza,
Jinnah Road, Quetta.
081-2829822 / 2822439

Mirpur AJK Bancassurance

1st Floor, Plot # 2 Sector B2,
main Allama Iqbal Road, Mirpur,
Azad Kashmir.
05827-445808, 446505 & 446504

TAKAFUL FAMILY LIFE OFFICES

Prime Branch

Johar Branch
Pioneer Branch
United Branch
Falcon Branch
Rehbar Branch
Mehran Branch

Mezzanine Floor, Alif Residency,
SB-8, Block-2, near Rab Medical,
Gulshan-e-Iqbal, Karachi.
021-34984617

Meezan Branch

OFFICE # 601, 6th Floor,
Park Avenue, PECHS, Block 6,
main Shahra-e-Faisal, Karachi.
021-34326081-88

Premier 1 Branch

Rawal Branch
Rawalpindi Branch

1st Floor, Minhas Shopping Centre,
Shamsabad, Muree Road,
Rawalpindi.
051-4935501-4

Khyber Branch

Eagles Branch
Zarrar Branch
Alpha Branch

2nd Floor, Samad Plaza,
Gap CNG, Tehkal, University Road,
Peshawar.
091-5850520 / 5842449

Sultan Branch

Plot # 217-218, BP GESH, Lahore,
1st Floor on Punjab Bank,
Model Town, Link Road, Lahore.
042-35970127

Bahawalpur Branch

First Floor, Mushtaq Memorial
Hospital Building,
University Chowk, Bahawalpur.
021-34991848

D.G. Khan Branch

Al-Ajwa Plaza, 1st Floor,
Bank Road, Block-1,
Dera Ghazi Khan.
064-2470893, 2466500

Gujranwala Branch

Star Branch

Shareef Pura Chowk,
Upper Story MCB Islamic Branch,
G.T. Road, Gujranwala.
055-3847301-07 & 055-3847309

Multan Branch

6th Floor, Chenone Tower,
Abdali Road, Multan.
061-4577102-09

Sargodha Branch

1st Floor, Luqman Center,
Plot # 96, Civil Lines, Club road,
Sargodha, Punjab.
048-3720281-88

Franchise Model Branch

2nd & 3rd Floor, 56-A,
Shadman Commercial Market,
Tufail Plaza, Lahore.
042-37529600

Lions Branch

Plot # 01, Block C-1,
main Boulevard Road,
Faisal Town Scheme, Lahore.
042-35201600 - 606
(Seven Lines)

Faisalabad Branch

4th Floor, Media Com Trade City,
Kohinoor, Faisalabad.
042-8733305-7

Bhittai Branch

Building # 97, Mazanine Floor,
Opp. Bank Al - Habib,
Doctor Line, Saddar Bazar.
022-2720814-18

Sialkot Branch

Right Wing, 2nd floor,
Moon Tower. Opp DHL Office,
Paris Road, Sialkot.
052-4293529

Mian Chunnu Branch

1st Floor on Khushali Bank,
Opposite Kacheri, G.T. Road,
Mian Chunnu.
0300-3446616

Bahawalnagar Branch

Plot # 80, 1st Floor, Jail Road,
Mahajir Colony, Bahawalnagar.
0303-6688493

Eagle Branch

Office # 4, 4th Floor,
Malik Tower, 20-B Defence More,
Walton Road, Lahore.
042-36626293-98 (6 Lines)

Lahore City Branch

Lahore Hawk Branch Takaful
122-A, 1st Floor,
MCB Ichra branch, Ferozpur Road,
Near Ichra, Lahore.
042-37426012-16 (Six Lines)

Gujrat Branch

Majeed Plaza,
near Kids Galaxy School,
Rehman Shaheed Road, Gujrat.
053-3709027

Jhelum Branch

3rd Floor, Paswal arcade,
GTS Chowk, Jhelum Cantt.
054-4274131-32

Chakwal Branch

2nd Floor, Abbas Arcade,
Opposite Allieance travell,
Talagang Road, Chakwal.
054-3552282 - 4 (3 lines)

Eagle Branch

1st Floor, Al Razzaq Plaza,
Opposite Children Complex,
Near UBL Bank Abdali Road
Multan.
061-4589993

Tiger Branch

1st Floor, Al Razzaq Plaza,
Opposite Children Complex,
near UBL Bank Abdali Road,
Multan.
061-4589993

Shaikupura Branch

Mian Shopping Mall,
near Trama Center, Lahore.
Sargodah Road Sheikhpura
056-3613007 - 09 (3 Lines)

Kot Momin Branch

Al-Aiman Plaza, 1st Floor
Opposite NBP, Chenab Bazar,
Tehsil Kot Momin District,
Sargodha.
048-6681400

Abbottabad Branch

1st Floor, Al Murtaza Hajj Umrah
Office, Khankhail Plaza,
Mansehra Road, Abbotabad.
0300-8110436

Taxila Branch

1st Floor, Mir Tower,
G.T. Road, Taxila.
0300-5327071 & 0312-5327071

Khanpur Branch

Near MCB Bank,
Model Town Branch, Khanpur.
0300-8678686

Jampur Branch

Opposite Eidgah, near BOP,
Dera Road, Jampur.
0334-7361122

Bhalwal Branch

Near Galla Mandi,
Mandir Road, Bhalwal, Sargodha.
0300-6000767

Harya Branch

Near Shell Pump
main Farooqa Road, Silanwali,
Sargodha.
0306-5000136

Rahimyar Khan Branch

Jamiat-ul-Farooq Road,
near Rehman Dental Clinic,
Rahimyar Khan.
0300-9674333

Jazba Branch

House # 22, Block # 3, Sector A2,
Town Ship Lahore,
near Hamdard Chowk.
0322-4590842

Ghazi Branch

Mughairi Plaza,
Near Al-Karim Center, Jampur Road,
Dera Ghazi Khan.
0334-6763521

Lahore Falcon Branch

3rd Floor Shan Arcade Office # 4,
Barkat Market, New Garden Town,
Lahore.
0321-9468536

Sangla Hill Lions Branch

First Floor, Butt Plaza,
Clock Tower Chowk, Sangla Hill.
0321-9468536

Nowshera Branch

1st Floor, Taj building,
Shobra Chowk, G.T. Road,
Nowshera.
0333-9134512

Swat Branch

2nd Floor, Faisal Plaza,
Bypass Road,
Opp Swat Hujra Hotel, Swat.
0345-9519373

Ugoki Branch

Near Askari Bank,
main Wazirabad Road, Ugoki City,
Tehsil and Dis Sialkot, Pakistan.
0345-6685157

Chichawatni Branch

Near Peer G Daras, Block # 5,
Chichawatni, Pakistan.
0300-8850851

Bait-ul-Mukarram Branch**Karachi Mehran Branch**

2nd Floor, Data Trade Centre,
Plot # SB-7, Block 13-B,
Gulshan-e-Iqbal, University Road,
Karachi.
34991500-02

Tawakul Branch

Plot # 123-127-R, First Floor,
Sadiq Plaza, Begum Kot Chowk,
Shekhupura Road, Shahadra,
Lahore.
0302-4012006

Pattoki Branch

Opposite Al-Raheem City,
1st Floor, Multan Road, Pattoki.
0300-4448133

Khairpur City Branch

2nd Floor of Bank Alfah, opposite,
Syed Ghous Ali Shah Banglow
Kachahri Road, Taluka & Disstt
Khairpur.
0300-9318295

Larkana City Branch

Near City Bakery, Station Road,
Larkana, Taluka & District Larkana.
0333-7531459

Ghotki Branch

Dewri Road, Bago Waah, Ghotki,
Taluka & District Ghotki.
0304-1360068

Moro Branch

Opposite Al-Ameen Restaurant &
Guest House, By-Pass Road, Moro,
Taluka Moro, Naushero Feroze.
0300-3840371

Naushero Feroz Branch

Near Zarai Taraqiati Bank (ZTBL),
Moro Road, Naushero Feroze.
0300-4475660

Pano Aqil Branch

Baiji Road Panu Aqil,
Taluka Pano Aqil, Disstt Sukkur.
0302-2610173

Dadu Branch

Near Bank Islami & Bank Al-Falah,
Opposite SP Office Road Dadu,
Taluka & Disstt. Dadu.
0312-7701254

Barkat Branch

Central Flats Chowk, I-C1
Faisal Town, Lahore.
0300-8181589

Baghtanwala Branch

Madina Colony, Phase 2,
Bhadru plaza main road,
Bhagtanwala.
0340-1756911

Juharabad Branch

Upper Story, J.S. Bank, Jouharabad.
0321-5830797

Mardan Branch

3rd Floor, Walyan Commercial
Center, Opp Sugar Mills,
main Mardan Road, Mardan.
03319596472 / 03009391338 /
03129596472

Daska Branch

1st Floor, UBL Bank Building,
Bank Road, Daska City, Sialkot.

Narowal Branch

1st Floor, UBL Bank Building,
Bank Road, Daska City, Sialkot.

Pioneer Branch

Office # 3, Mezzanine Floor,
C-25, Mehmood Center,
Water Pump, F.B. Area, Karachi.
0333-2243934

Defence Branch

Plot # 202, Lane 12-A, Off
Khayaban-e-Etihaad Phase II Ext,
Karachi.
0300-2209788

Badin Branch

Ward # 04 Shaikh Mohalla,
PIR Malook Shah Kot, Badin.

Jhang Saddar Branch

Rehan Falex Plaza, First Floor,
Session Chowk Jhang, Sadar.
0300-7505897

Bosan Road Branch

Bosan Road, Gulgasht Colony,
Multan.
0300-8735440

Superior Branch

Ground Floor, Model Town,
Rahimyar Khan.
0300-8677267

Khanpur Branch

First Floor, Gateway Marriage Hall,
Quaid-e-Millat Road, Tehsil Khanpur.
0300-4041345

Gulberg Branch

4th Floor, Regency Plaza,
Mini Market, Gulberg II, Lahore.
0300-8732530

Mid City Branch

2nd Floor, Office # SF-01,
Mid City Mall, near Rehmanabad
metro Station.
0314-5155777

United Branch

3rd Floor, Shahid Siraf Plaza NBO
G.T. Road Gujar Khan.
0300-5433141

Potohar Branch

Khalid Toor Plaza, 2nd Floor,
UBL Bank, Kazim Kamal Road,
Jhelum Road.
0333-5835787

Shaheen Branch

Office # 204 & 205, Block A,
2nd Floor, City Tower,
Jahangirabad, University Road,
Peshawar, KPK.
0343-7777788

Ghazi Branch

JLI 1st Floor Shahzad Plaza
near bank of punjab (taqwa)
Rawalpindi Road, Chakwal.
0343-2804439

Federal Capital Branch

3rd floor, Moscow Plaza,
Jinnah Avenue Blue Area,
Islamabad.
0333-5357989

CORPORATE OFFICES

Corporate Office, Faisalabad
Saleemi Tower, 1st & 2nd Floors,
Dground, Faisalabad.
041-8559849

Corporate Office, Lahore
2nd & 3rd Floor, Tufail Plaza,
56 Shadman 1, Post Office,
Shadman, Lahore.
042-7421793

Corporate Office, Multan
10-A, 1st Floor, Twin Towers,
Tehsil Chowk, Gulgasht Colony,
Near Silk Bank, Bosan Road,
Multan.
061-6212052

Corporate Office, Rawalpindi
1st & 2nd Floor, DD-79,
Asad Plaza, Shamsabad,
Murree Road.
051- 4935549

Corporate Office, Sialkot
Right wing, 2nd Floor,
Moon Tower. Opp DHL Office,
Paris Road, Sialkot.
052-4293529

CSD Center, Gilgit
2nd Floor, ZS-Plaza,
in front of Radio Pakistan,
Main Sharah-e-Quaid-e-Azam,
Jutial, Gilgit.
05811-457070

CSD Center, Peshawar
2nd Floor, Samad Plaza, Tehkal,
Main University Road, Peshawar
091-5850520 / 5842449

CSD Center, Sukkur
1st Floor, Lala Azam, Plaza,
Opposite Excise Office,
Station Road, Sukkur.
071-5614261

CORPORATE DISTRIBUTION

Karachi
2nd Floor, PNSC Building,
M.T. Khan Road, Lalazar, Karachi.
021- 35657886

Lahore
2nd & 3rd Floor, Tufail Plaza,
56 Shadman 1, Post Office,
Shadman, Lahore.
042-37529600 & 37421793

Faisalabad
Saleemi Tower, 1st Floor,
Dground, Faisalabad.
041-8559849

Rawalpindi
2nd Floor, DD-79, Asad Plaza,
Shamsabad, Murree Road.
051- 4935549

Multan
10-A, 1st. Floor, Twin Towers,
Tehsil Chowk, Gulgasht Colony,
Near Silk Bank, Bosan Road,
Multan.
061-6212052

Peshawar
2nd Floor, Samad Plaza, Tehkal,
Main University Road,
Peshawar.
091-5850520 / 5842449

Hyderabad
1st Floor, Noor Place,
near KASB Bank, Saddar,
Cantonment, Hyderabad.
0222-786082-3

OTHER OFFICES / BACK OFFICES

Head Office
74/1-A Lalazar, MT Khan Road.
021- 35205094 -5

PNSC 2nd Floor Karachi
2nd Floor, PNSC Building,
M.T. Khan Road, Lalazar, Karachi.
021- 35657886

PNSC 11th Floor Karachi
11th Floor, PNSC Office,
Lalazar, M.T. Khan Road, Karachi.
021- 35809200

Lalazar I.T. Office
36-A/3, 1st floor,
opposite Beach Luxury Hotel,
Lalazar, M.T. Khan Road,
Karachi.
021 - 35205096

**I.T. / Call Center / Approval
Center at Lalazar**
Building # 36-A/2,
(Ground, Mezzanine & 1st Floor),
Lalazar, M.T.Khan Road,
Karachi.
021 - 35205096

Retail Business Center (RBC)
Banglow # 245/6/2/O,
Block -6, P.E.C.H.S., Karachi.
021- 34315970

New I.T. Lalazar Office
36-A/1, Lalazar, M.T.Khan Road,
Opposite Beach Luxury Hotel,
karachi.

بیمہ زندگی کی صنعت کا سب سے بڑا چیلنج بدستور یہ ہے کہ صوبائی محصولات کے حکام نے سیکرٹریس کا نفاذ کیا ہے جس کے خلاف جو بی لائف اور لائف انشورنس کی دیگر کمپنیوں نے سال 2019 کے دوران قانونی تحفظ اپنایا ہے۔ تاہم خوشی کی بات ہے کہ جنوری 2020 میں صوبائی ٹیکس حکام نے مشترکہ کمیٹی کے قیام کے ذریعے اس معاملے پر مذاکرات اور بات چیت کا دروازہ دوبارہ کھولا ہے۔ اس کمیٹی میں صوبائی ٹیکس حکام کے سینیئر نمائندے، انشورنس ایسوسی ایشن آف پاکستان، لائف و جنرل انشورنس کمپنیوں کے سینئر نمائندے شامل ہیں۔ اس مشترکہ کمیٹی میں جو بی لائف کی نمائندگی ایم ڈی اوری ای او کر رہے ہیں۔

بیمہ زندگی کی صنعت کے لیے ایک اور اہم چیلنج سخت KYC اور AML قواعد کا نفاذ ہے کیونکہ ملکی عوام کی اکثریت کو منشی منجمنٹ کے لیے انضباطی چینل استعمال کرنے میں ہچکچاہٹ ہے۔ بیمہ سیکٹر کی ترقی کے لیے حکومت کی معاونت، بیمہ کا دائرہ کار بڑھانے اور درپیش موجودہ مسائل کو حل کرنے میں کلیدی کردار ادا کرے گی۔

تمام مسائل کے باوجود جو بی لائف نے گزشتہ برس بھی اور مشکل سال 2019 کے دوران بھی مستحکم کارکردگی کا مظاہرہ کیا ہے اور اس صنعت کی ترقی میں مستقل طور پر سب سے آگے رہی ہے، جیسا کہ نتائج سے ظاہر ہوتا ہے کمپنی پائیدار بنیادوں پر منافع بخش رہی ہے۔ تمام اسٹیک ہولڈرز کی مستقل حمایت کے ساتھ کمپنی مستقبل میں بھی صحت مند نمو حاصل کرنے کے لیے کوشاں رہے گی۔

اظہار تشکر

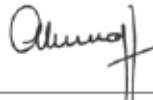
ہم اپنے معزز صارفین اور کاروباری شرکاء کے شکرگزار ہیں کہ انہوں نے ہم پر اعتماد کیا اور ہماری سرپرستی کی اور ہمیں ان کے لیے بہترین انداز میں خدمات فراہم کرنے کے عزم کو تقویت دی۔

کمپنی کے کاروبار میں مستقل نمایاں اضافہ اور مالیاتی استحکام، اس کی انتظامی ٹیم کی لگن اور سخت محنت کا نتیجہ ہے جس میں ہمارے تمام کارکنوں کا تعاون بھی شامل ہے۔ ہم ان سب کی کاوشوں پر ان کے ممنون ہیں۔

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مثبت ضابطوں کو اپنانے پر بھی ان کے ممنون ہیں جو بیمہ زندگی کے کاروبار کو مضبوط بنیادوں پر فروغ دینے اور جاری رکھنے کے لیے ان کی بہترین کاوش ہے۔

بورڈ، بیمہ زندگی کی صنعت کے ساتھ گفتگو اور بات چیت کا ایک نیا درکھولنے پر صوبائی محصولات کے حکام کا بھی شکریہ ادا کرتا ہے، اور اس معاملے کے مثبت نتائج کے لیے پُر امید ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



جاوید احمد
ٹیگ ڈائریکٹر اینڈ سی ای او



کمال اے۔ چٹائے
چیئر مین



کراچی 11 فروری 2020

انٹرنل آڈٹ کے امور

کمپنی کا اپنا انٹرنل آڈٹ ڈپارٹمنٹ ہے جس کا دائرہ کار (Scope) اور اختیار (Authority) اندرونی محاسبہ چارٹر (Internal Audit Charter) سے باقاعدہ منسوخ شدہ ہے۔ انٹرنل آڈٹ ڈپارٹمنٹ نے داخلی محاسبہ (Internal Audit) کے اہتمام کے لیے خطرے پر مبنی طریقہ کار اختیار کیا ہے (Risk Based Approach) اور یہ اندرونی کنٹرول کی استعداد اور دستی پالیسیوں اور طریقہ کار پر عمل کے تسلسل اور قواعد و ضوابط کی پیروی کی نگرانی کرتا ہے۔ اندرونی آڈٹ کی رپورٹ کی بنیاد پر عمل کے ممالکان اپنے متعلقہ شعبے میں دستی کا انتظام کرتے ہیں اور اس طرح کنٹرول کو تقویت حاصل ہوتی ہے۔ اپنے مقاصد اور خود مختاری کو برقرار رکھنے کے لیے اندرونی آڈٹ ڈپارٹمنٹ عملی طور پر بورڈ آڈٹ کمیٹی اور انتظامی طور پر سی ای او کو رپورٹ کرتا ہے۔

خطرات اور مواقع کی رپورٹ

کمپنی کو لاحق بڑے خطرات، ان کو عمل کرنے کے امور، کمپنی کو لاحق ہونے والے اندیشے اور مواقع سے متعلق معلومات رنگ اینڈ اپروپریٹی رپورٹ (Risk and Opportunity Report) میں دی گئی ہے جس کا احاطہ سالانہ رپورٹ کے صفحات 64 سے 67 میں کیا گیا ہے۔

کلیدی آپریٹنگ اور مالیاتی معلومات

گزشتہ چھ (6) سال کی کلیدی آپریٹنگ اور مالیاتی معلومات کا خلاصہ سالانہ رپورٹ کے صفحہ نمبر 26 پر دیا گیا ہے۔

نوائے بعد از ریٹائرمنٹ

کمپنی کے پروڈیونٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کی مناسب قدر متعلقہ مالیاتی گوشواروں کے مطابق 31 دسمبر 2019 کو جس کے آڈٹ کا کام چھاری ہے، درج ذیل ہیں:

پراویڈنٹ فنڈ	510.57 ملین روپے
گریجویٹ فنڈ	481.70 ملین روپے

مادی تبدیلیاں

31 دسمبر 2019 سے اس رپورٹ کے آنے کے وقت تک کوئی معنی خیز تبدیلی واقع نہیں ہوئی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف ٹرکون اینڈ کو چارٹرزڈ اکاؤنٹنٹس، کراچی موجودہ مدت پوری ہونے کے بعد ریٹائر ہو گئے اور دوبارہ تقرری کے اہل ہیں۔ کوڈ اور ریگولیشنز کی ضرورت کے مطابق سال 2020 کے لیے بورڈ آڈٹ کمیٹی نے میسرز اے ایف ٹرکون اینڈ کو چارٹرزڈ اکاؤنٹنٹس، کراچی کی بطور کمیٹی کے آڈیٹرز اور مشیر پر عمل درآمد کے آڈیٹرز کے لیے تقرری کی سفارش کی ہے اور بورڈ نے اس سفارش کی تائید کی ہے۔

ہولڈنگ کمپنی

کمپنی، آغا خان فنڈ برائے معاشی ترقی ایس۔ اے۔ سوئٹزرلینڈ کی ذیلی کمپنی ہے۔

نقطہ نظر

پاکستان کی معیشت، نسبتاً مشکل سال کے بعد ترقی کی طرف گامزن دکھائی دیتی ہے۔ افرامرز کی سطح زیادہ ہے جس کی بنیاد پر ایشیا اور ایشیائی ترقیوں میں اضافہ ہے۔ توقع ہے کہ سال 2020 کے دوران اس میں کمی واقع ہوگی، کیونکہ روپے کی قدر مارکیٹ پر مبنی شرح تبادلہ انتظام میں مختل ہو چکی ہے، کاروباری برابری کے معیشت سے متعلق نقطہ نظر میں بہتری آئی ہے اور آئی ایم ایف پر وگرام کے تحت وعدوں کے مطابق معیشت اور مالیاتی پیشرفت درست سمت میں گامزن ہیں۔

بورڈ کی رسک مینجمنٹ کمیٹی نے سال کے دوران پانچ (5) اجلاس منعقد کیے جن میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
1	جناب جون جوزف مینکاف	5
2	جناب آر۔ ڈاکٹر محمود	4
3	جناب شاہد ظفار	5
4	جناب صغیر مفتی	2
5	جناب جاوید احمد	5
6	جناب زاہد برکی (مینجمنٹ ایگزیکٹو)	4
7	جناب شان ربانی (مینجمنٹ ایگزیکٹو)	5

بورڈ کی کسٹمر سٹیشن ایڈوائزر کی کمیٹی نے سال کے دوران تین (3) اجلاس منعقد کیے جن میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
1	جناب کمال اسے۔ چنائے	3
2	جناب آر۔ ڈاکٹر محمود	3
3	جناب جاوید احمد	3

بورڈ کے ادریہ مختلف بورڈ کمیٹیوں کے احوال کی شراکتہ کا تعین شاہدہ اناحاق رضا بلبلہ میں فراہم کر دیا گیا ہے۔

مینجمنٹ کمیٹی

کمیٹی کے تمام انتظامی شیڈول کے روز مزہ کے معاملات کی نگرانی کمیٹی کی مینجمنٹ کمیٹی کے تحت کی جاتی ہے۔ یہ کمیٹی ہر ماہ شیڈول ڈائریکٹر اور چیف ایگزیکٹو آفیسر کی سربراہی میں اجلاس منعقد کرتی ہے۔ اس کمیٹی کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 10 پر دی گئی ہے۔

دیگر کمیٹیوں میں انویسٹمنٹ مینجمنٹ کمیٹی، آئی ٹی کی اسٹریٹجک کمیٹی، ڈیزائن اسٹریٹجک کمیٹی اور مارکیٹنگ کمیٹی شامل ہیں جن کی سربراہی بھی شیڈول ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں۔ ان کمیٹیوں کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 10 پر موجود ہے۔

گورننگ بورڈ کی رپورٹ گورننگ بورڈ کی رپورٹ 2016 کے تحت مینجمنٹ کمیٹیاں

گورننگ بورڈ کی رپورٹ گورننگ بورڈ کی رپورٹ 2016 کے تحت درج ذیل کمیٹیاں کام کر رہی ہیں اور ان کی سربراہی بھی کمیٹی کے چیف ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں:

1. انٹرنیٹ اور ڈیجیٹل انشورنس کمیٹی
2. کلیم کی کمیٹی
3. رسک مینجمنٹ اور کمپلائنس کمیٹی

ان کمیٹیوں کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 10 پر موجود ہے۔

سال 2019 کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے، اور اس میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
1	جناب امین کریم بھائی	5
2	جناب جون جوزف مینکاف	3
3	جناب شاہد حفار	5

بورڈ کی افرادی قوت اور معاوضہ، اخلاقیات اور ناحرہ دیوں کی کمیٹی نے 2019 کے دوران ایک (1) اجلاس منعقد کیا جس میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
1	جناب کمال اسے۔ چٹائے	1
2	جناب جون جوزف مینکاف	1
3	جناب آر۔ ڈاکٹر محمود	1
4	جناب جاوید احمد	1

بورڈ کی فنانس اینڈ انویسٹمنٹ کمیٹی نے سال کے دوران پانچ (5) اجلاس منعقد کیے جس میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
1	جناب شاہد حفار	5
2	جناب جون جوزف مینکاف	5
3	جناب آر۔ ڈاکٹر محمود	5
4	جناب جاوید احمد	5
5	محترمہ علی آر دو ساہوئی (ممبرٹ ایگزیکٹو)	5
6	جناب شان رہانی (ممبرٹ ایگزیکٹو)	5

بورڈ کی نیکیٹنگ کمیٹی نے سال کے دوران چار (4) اجلاس منعقد کیے جن میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں شرکت
1	جناب جون جوزف مینکاف	4
2	جناب شاہد حفار	4
3	جناب صفیر ملتی	1
4	جناب جاوید احمد	4
5	جناب شان رہانی (ممبرٹ ایگزیکٹو)	4

بورڈ آف ڈائریکٹرز

کمپنی کا بورڈ آف ڈائریکٹرز، ایک (1) ایگزیکٹو ڈائریکٹر اور سات (7) نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے، جن میں سے تین (3) آزادانہ ایگزیکٹو ڈائریکٹرز ہیں۔ مارچ 2020 میں اپنی موجودہ معاہدہ ختم ہونے پر مطلوبہ صنف سماج کے مطابق تفصیلی نوکی جائے گی۔ بورڈ اس وقت درج ذیل حضرات پر مشتمل ہے:

- جناب کمال اے۔ چنائے (چئیرمین)
 - جناب امین کریم بھائی
 - جناب جون جوزف مینکاف
 - جناب سلطان علی الان
 - جناب آر۔ ڈاکر محمود
 - جناب شاہد فگار
 - جناب صفیر مٹھی
 - جناب جاوید احمد (ٹیگنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر)
- سال 2019 کے دوران کوئی عارضی اسامی ثانی نہیں ہوئی۔

سال 2019 کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے۔ سالانہ اجلاس عام (AGM) 27 اپریل، 2019 کو منعقد ہوا۔ بورڈ میٹنگز اور سالانہ اجلاس عام (AGM) میں حاضری درج ذیل ہے:

نمبر	ڈائریکٹر کا نام	بورڈ میٹنگز میں شرکت	سالانہ اجلاس عام (AGM) میں شرکت
1	جناب کمال اے۔ چنائے	5	-
2	جناب امین کریم بھائی	5	P
3	جناب جون جوزف مینکاف	4	-
4	جناب سلطان علی الان	3	-
5	جناب آر۔ ڈاکر محمود	5	-
6	جناب شاہد فگار	5	P
7	جناب صفیر مٹھی	4	-
8	جناب جاوید احمد	5	P

کھیں۔ اس اسپانسر شپ کے تحت کھٹی ٹی وی سمیت تمام میڈیا، گراؤنڈ میں، ڈیجیٹل میڈیا میں اور ایونٹ کی پریس کانفرنسوں میں نمایاں رہی۔ اس کے ساتھ ساتھ کھٹی پاکستان، مقابلہ سری لنکا سیریز میں ٹی ٹو ٹی اور ون ایسے میں ناکمل اسپانسر اور ون ایسے اور ٹیسٹ سیریز میں شریک اسپانسر رہی۔

کرکٹ کے جنون کے ساتھ دیگر کھیلوں کی رغبت اور بلند کرداری کھٹی کے انسانی وسائل کا لازمی وصف ہے اور کھٹی کی نہ صرف کرکٹ بلکہ اسٹوکر، گولف اور پولو سمیت مختلف کھیلوں کے مقابلوں کے انعقاد میں محاذات کھٹی کے عزم کی عکاس ہے۔

بورڈ کی کارکردگی کے جائزے کا طریقہ کار

کھٹی کے بورڈ آف انڈیکٹرز نے بورڈ اور بورڈ کی مختلف کمیٹیوں کی کارکردگی کے سالانہ جائزے کی منظوری دی ہوئی ہے اور بورڈ اس کو سالانہ انجام دیتا ہے۔

کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 (کوڈ آف کارپوریٹ گورننس) ریکمینیڈیشنز، 2019 اور بشمول بی ایس ایکس رول بک کے ساتھ بیرونی

کھٹی، ایک سطح پر زندگی کھٹی ہونے کی حیثیت سے کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 پر عمل کرتی ہے۔ اس کے علاوہ سطح کی کمیٹی (کوڈ آف کارپوریٹ گورننس) ریکمینیڈیشنز، 2019 اور بی ایس ایکس رول بک کی پابندی بھی کرتی ہے۔ ان تمام شرائط کے سلسلے میں انٹیمٹ آف گپ انٹیمٹ مع بہترین مرہبہ کارپوریٹ اصولوں کے بارے میں سالانہ رپورٹ کے صفحہ نمبر 68 پر منسلک ہے۔

15 انڈیکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں کہ:

- کھٹی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں میں کھٹی کے معاملات، آپریشنز کے نتائج، رقابت کے بہاؤ اور انکوائری میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔
- کھٹی کے حسابات کو جملہ قواعد و ضوابط کے مطابق تیار کیا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں مرہبہ کا ڈھنگ پالیسیوں پر مستقل بنیادوں پر عمل کیا جاتا ہے سوائے IFRS 16 - Leases کے نفاذ میں الٹی جانے والی تبدیلیوں کو چھوڑ کر، جیسا کہ مالی گوشواروں میں نوٹ 5 میں بیان کیا گیا ہے اور اکاؤنٹنگ کا تقیید مستعمل اور تمام اندازوں پر مبنی ہے۔
- مالیاتی گوشواروں کی تیاری میں بین الاقوامی حسابات کے معیارات، بین الاقوامی مالیاتی رپورٹنگ کے معیارات یا پاکستان میں لاگو دیگر قوانین و ضوابط (بشمول شریعہ رجحان) ہدایات اور اصول، لیکن ان تک محدود نہیں (انشورنس آرڈیننس، 2000، انشورنس اکاؤنٹنگ ریکمینیڈیشنز، 2017، انشورنس رولز، 2017، کمیٹی ایکٹ، 2017 کے تحت جاری شدہ ہدایات، اور ٹیکس رولز، 2012 کی بیرونی کی گئی ہے اور گپ ان سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کیا گیا ہے۔
- داخلی کنٹرول کا نظام مفہم طور پر ترتیب دیا گیا ہے اور موثر طور پر عمل درآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔
- کھٹی کے قائم رہنے کی صلاحیت کسی شک و شبہ سے بالاتر ہے۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ کے ضوابط میں درج ہیں، کوئی قابل اثر اعزاز انحراف نہیں کیا گیا۔
- واجب الادا کیسز کے بارے میں معلومات آڈٹ شدہ مالیاتی گوشوارے کے نوٹ نمبر 29 میں دی گئی ہیں۔
- شیئرز ہولڈنگ کا بیرون اور ڈائریکٹرز، ای او ای ایف او اور کھٹی نیکرز ٹری، مقرر کردہ ایپنٹڈ ٹری (Appointed Actuary)، ایگزیکٹو بورڈ اور ان کے شریک حیات اور نائبین بچوں کی کھٹی میں حصص کی تجارت کے بارے میں معلومات، صفحہ نمبر 188 پر درج ہیں۔

• مائیکرو انشورنس اور صحت کی آگاہی کی مہمات

کمپنی ہر سال کم آمدنی والے طبقے کی مالی شمولیت کے لیے نمایاں حصہ لیتی ہے اور ہماری کارپوریٹ سماجی ذمہ داری کے اقدامات کے ذریعے مرکزی کاروباری مہارتوں کو بروئے کار لاکر ایسے طبقات کے لیے صحت اور زندگی کے پائیدار مائیکرو انشورنس حل مناسب ترین ترنوں پر فراہم کیے جاتے ہیں۔ معاشرے کے کم آمدنی والے طبقے کا صدیوں زندگی بہتر بنانے کے عزم کے تحت کمپنی نے 2019 میں چارٹین افراد کو مائیکرو انشورنس سہولت فراہم کی۔

کمپنی اس کے ساتھ ساتھ چاروں صوبوں اور شمالی علاقہ جات میں صحت کی آگاہی کے لیے از خود یا دیگر اداروں کے ساتھ مل کر مہمات چلاتی ہے تاکہ صحت سے متعلق امور اور صحت مند طرز زندگی کی آگہی کو فروغ دیا جاسکے۔ 2019 کی ان مہمات میں کمپنی کے انسانی وسائل کے وقت کے علاوہ 6.4 ملین روپے کے اخراجات کیے گئے۔ (2018: 7.0 ملین روپے)۔ کمپنی اپنے انسانی وسائل کی حوصلہ افزائی کرتی ہے کہ وہ سماجی خدمات میں اپنے وقت اور مہلکات کے ذریعے حصہ لیں۔

• سوشل ہیلتھ پروٹیکشن ایسوسی ایشن - گلگت بلتستان

کمپنی نے جون 2016 سے سوشل ہیلتھ پروٹیکشن ایسوسی ایشن - گلگت بلتستان سے الحاق کر رکھا ہے۔ یہ بنیادی طور پر آغا خان فاؤنڈیشن کی سربراہی میں قائم کنسورشیم کا اقدام ہے جس میں آغا خان رول سپورٹ پروگرام، آغا خان ہیلتھ سروسز اور جوہلی لائف سٹریک ہیں۔ اس کنسورشیم نے گلگت بلتستان کی حکومت کے ساتھ مائیکرو ہیلتھ انشورنس منصوبے کا معاہدہ کیا ہے۔ 2019 کے دوران 5,340 گھرانوں کے 35,000 کے زائد افراد کو کمپنی نے بیمہ صحت فراہم کیا۔

• سماج کے ساتھ اشتراک

جوہلی لائف درج ذیل دیگر پہلوؤں کے ذریعے بھی سماج کے ساتھ سرگرمی سے اشتراک رکھتی ہے۔

• انٹری پرائز چیلنج پاکستان

پرنسز ڈسٹ انٹرنیشنل کے سیڈ ڈیپارٹمنٹ کے تحت تیسرے انٹری پرائز چیلنج پاکستان میں کمپنی کا اشتراک 2017 سے جاری ہے۔ انٹری پرائز چیلنج پاکستان ملکی بنیادوں پر اسکولوں کے درمیان ہونے والا مقابلہ ہے جو سینکڑوں اسکولوں کے 13 سے 16 سالہ بچوں کی حوصلہ افزائی کرتا ہے کہ وہ کاروباری مہم جوئی کو بیلور کر بیزا بنانے کی راہیں دریافت کریں۔ ای سی بی بنیادی طور پر فرضی کاروبار کا مقابلہ ہے جس میں طلبہ ٹیم بنا کر حصہ لیتے ہیں اور سائبر سس منظر میں اپنی تخلیقی صلاحیتوں کو بروئے کار لاتے ہیں۔ انٹرنیٹری ماہرین کاروباری مبادیات، حکمت عملی اور مالیات سمجھنے میں طلبہ کو مدد فراہم کرتے ہیں کہ کیسے کسی ادارے کو منافع بخش طور پر چلایا جاسکتا ہے۔ سب سے زیادہ خاص منافع حاصل کرنے والی ٹیم کو قانع قرار دیا جاتا ہے۔

• لائبریریوں کے مشترکہ منصوبے

2018 میں جوہلی لائف نے چارٹرڈ آرگنائزیشن (CFG) کے اشتراک سے لائبریریوں کے مشترکہ منصوبے کا آغاز کیا۔ اس منصوبے کا مقصد گراہی کے نسبتاً کم خوشحال علاقوں میں لائبریریاں قائم کر کے ہماری مستقبل کی نسل میں مطالعے کے شوق کو پروان چڑھانا ہے تاکہ ملک میں لائبریریوں کی کمی کے اثرات کو بھی ڈال کیا جاسکے جس کی وجہ سے بچے اپنا مطالعے کا شوق پورا کرنے سے محروم ہیں۔ لائبریریوں کے کامیابی سے قیام کے بعد وہاں مختلف قسم کی سرگرمیوں کا بھی انعقاد کیا جا رہا ہے جن میں ڈرائنگ ریڈر کلب، ادا کرے اور بک سٹور، بک برادر سٹور شپ پروگرام وغیرہ شامل ہیں۔

• کھیلوں کا فروغ

جوہلی لائف پاکستان میں عالمی کرکٹ کی بحالی کی کوششوں کے باعث ایک معروف نام بن چکا ہے۔ کمپنی کی کاوشیں پاکستان میں کرکٹ کی بحالی کے لیے عمل انگیز ثابت ہوئیں اور اب پاکستان میں دیگر ممالک کی ٹیموں کی آمد اور مختلف ٹورنامنٹ کے انعقاد کی راہ ہموار ہوئی ہے۔ گزشتہ سال کی طرح 2019 میں بھی کمپنی نے پاکستان کرکٹ بورڈ کے ساتھ اشتراک کیا اور پاکستان پیرٹنر کے چوتھے ایڈیشن میں گولڈ اسپانسر بن کر ملک کی آبادی کو یہ موقع فراہم کیا کہ وہ عالمی معیار کے مقابلے اپنی سر زمین پر دیکھ

کھپتی اپنے صارفین کو انجینئرنگ میڈان میں خود سے منسلک رکھنے اور انہیں ان کی مہارت کے مطابق خدمات فراہم کرنے کے لیے نئے مواقع پیدا کرنے کی کوششوں کے عزم پر کاربند رہے گی۔

ایوارڈ اور اعزازات

گزشتہ برسوں کی طرح 2019 میں بھی کھپتی نے اپنی شاندار کارکردگی سے گراں قدر اعزازات حاصل کرنے کا سلسلہ برقرار رکھا۔

- کھپتی نے ٹینٹ ایسوسی ایشن آف پاکستان MAP کے 34 ویں کارپوریٹ ایکسی لینس ایوارڈ میں مالیاتی شعبہ (Financial Sector) میں سب سے اعلیٰ اعزاز پایا۔
- کھپتی نے پاکستان ڈیجیٹل ایوارڈز 2019 میں بہترین ٹکنالوجی (ویب) کا ایوارڈ حاصل کیا۔ یہ ایوارڈ بہترین ڈیجیٹل مارکیٹنگ مہمات اور ملک بھر کے ٹیلنٹ کے اعتراف میں دیا جاتا ہے۔

کاروباری ضابطہ اخلاق (Code of Conduct)

کھپتی کا ضابطہ اخلاق کاروباری حکمت عملی، وژن، میشن اور بنیادی اقدار کو پورڈ کی منظوری حاصل ہے اور اس پر عمل چھایا جاتا ہے جو بی ایٹف انٹرنیشنل کی ایک لازمی حصہ ہے۔

یہ ضابطہ اخلاق جو کھپتی کی ویب سائٹ پر دستیاب ہے، پورڈ کے ممبران، انسانی وسائل اور کھپتی کے مختلف اسٹیک ہولڈرز کی ایک دوسرے کی طرف اور مجموعی طور پر سماج کی طرف، سب کی ذمہ داریوں کی وضاحت کرتا ہے۔ کھپتی میں ان ذمہ داریوں کی تقسیم کے لیے ضروری اقدامات کیے گئے ہیں۔

کارپوریٹ سماجی ذمہ داری (Corporate Social Responsibility)

جو بی ایٹف ایک ذمہ دار کارپوریٹ شہری ہے اور اپنے وژن یعنی لوگوں کو اس قابل بنانا کہ وہ "غیر تقینی صورت حال پر قابو پائیں" سے رہنمائی لیتا ہے۔ کارپوریٹ سماجی ذمہ داری اور عطیات کی پالیسی جو پورڈ کی طرف سے منظور کی گئی ہے جو عمل تو جہاں کثیر راہی کوششوں کے ذریعے ہمارے وژن کے حصول کا رہنما ڈھانچا فراہم کرتا ہے جس کا کھپتی کی کارپوریٹ سماجی ذمہ داری اور عطیات کی پالیسی پر مثبت اثر ہوتا ہے۔

• عطیات

کارپوریٹ سماجی ذمہ داری اور عطیات کی پالیسی پر عمل کرتے ہوئے 2019 میں کھپتی کے مجموعی عطیات کی مالیت 14.5 ملین روپے رہی (2018 میں 20.5 ملین روپے)۔ ان عطیات کا مقصد صحت و تقسیم کے شعبے میں مدد اور دینی ترقی شامل ہے۔ شعبوں کے لحاظ سے عطیات کی تقسیم حسب ذیل رہی۔

2019 میں عطیات پر خرچ



انسانی سرمایہ (Human Capital)

کھپنی یہ پختہ یقین رکھتی ہے کہ اس کے انسانی وسائل اس کی کامیابی کا سب سے بڑا ذریعہ ہیں اسی لیے ہم اس شعبے پر بھاری سرمایہ کاری کرتے ہیں اور انسانی وسائل کی تربیت ہماری اولین ترجیحات میں شامل ہے۔

کھپنی میں ایک مسلسل تعلیمی ماحول موجود ہے جو کہ اس بات کو یقینی بناتا ہے کہ انسانی وسائل کا وہ ہاری معلومات جلد از جلد اہل کار رہیں۔ یہ سال ہادی ہدی میں ریورس میم کے لیے سرگرمیوں سے بھرپور رہا، جس میں متعدد نئے اقدامات متعارف کرائے گئے۔ اس سال کے دوران ایچ آر ڈی پی ارنٹ نے مختلف شعبوں میں انسانی وسائل کی شمولیت اور نیم سازی کی تربیت کے ایجنٹ منصفہ کرائے۔

ایفنی منی لائونرگ اور اطلاعات کی حفاظت کی لازمی تربیت (AML & KYC) کا انعقاد سال کی آخری ماہی میں ای لرننگ پورٹل (E Learning Portal) کے ذریعے کیا گیا۔ انسانی وسائل کو مطالعے کے لیے مواد فراہم کیا گیا اور ان شعبوں میں ان کی مجموعی معلومات کو آن لائن (Online) امتحان کے ذریعے جانچا گیا۔

اس کے ساتھ ساتھ کھپنی اپنے انسانی وسائل کی بھرپور حوصلہ افزائی کرتی ہے کہ وہ بین الاقوامی طور پر مستند اداروں مثلاً سوسائٹی آف ایچ آر اینڈ یو ایس، انٹرنیٹ ٹیوٹ ایجنڈ قیلمی آف ایچ آر اینڈ یو ایس، پارٹنرز انشورنس انٹرنیٹ ٹیوٹ UK اور لائف آفس ٹیچنٹ ایسوسی ایشن USA وغیرہ کے امتحانات دے کر پیشہ ورانہ اہلیت کا اعلیٰ معیار حاصل کریں۔ اس کے علاوہ کھپنی معروف بین الاقوامی بزنس اسکولوں کے پروگراموں کے لیے اپنے سینئر افسران کو نامزد بھی کرتی ہے۔

کھپنی کو فریے کہ وہ یکساں مواقع فراہم کرنے والا آجر ہے۔ مردوں یا خواتین دونوں کو اپنی اہلیت اور قابلیت کے مطابق اپنا اشتقاق ثابت کرنے کا مساوی موقع دیا جاتا ہے۔ کھپنی خواتین کو روزگار کے مواقع اختیار کرنے کے لیے حوصلہ افزائی اور معاونت فراہم کرتی ہے یہی وجہ ہے کہ کھپنی میں سال 2019 کے اختتام پر خواتین کا تناسب 26.24 فیصد رہا۔ کھپنی اس کے ساتھ ساتھ OICCI دوسن ایٹھیلے پر دستخط کرنے والوں میں بھی شامل ہے۔

انفارمیشن ٹیکنالوجی (IT) اور انتظامی معیار

کھپنی کے ٹیکنالوجی کے میدان میں اقدامات کا مقصد صارفین کو خدمات کا شاندار معیار فراہم کرنا اور انتظامی معیار میں اضافہ کرنا ہے۔

ٹیکنالوجی میں روز بروز ہونے والی ترقی کے باعث آج کا صارف خدمات فراہم کرنے والے ادارے سے رابطے کے لیے مختلف طرح کے وسائل استعمال کرتا ہے۔ ہم صارفین کو ان کے انتخاب کے ذریعے شاندار خدمات فراہم کرنے کے عزم پر کار بند ہیں۔ اسی لیے کھپنی ستمبر 2019 میں جدید ترین Genesys Omnichannel Contact Center Solution کا قیام عمل میں لائی۔ یہ کالٹنٹ سینٹرو سولوشن اور پبلے سے لاگو CRM Solution صارفین کو رابطے کا کثیرالجہتی تجربہ فراہم کرتے ہیں۔

کھپنی صارفین کو ایس ایم ایس، آن لائن پورٹل اور موبائل ایپلی کیشن کے ذریعے بھی پالیسی کی اطلاعات دینے کی سہولت فراہم کر رہی ہے۔

کھپنی نے صارفین کے لیے آن لائن پورٹل اور موبائل ایپلی کیشن کے ذریعے بھی زندگی اور صحت جیسی مصنوعات کا حصول ممکن بنایا ہے جس میں پالیسی کے مختلف خصوصیات اور ادائیگی کے مختلف اختیارات دیے گئے ہیں۔

کھپنی نے IBM کے ٹیکنالوجی ٹول استعمال کرتے ہوئے ایک ڈیٹا ویئر ہاؤس اور تجزیاتی پروگرام بھی تشکیل دیا ہے جس کے ذریعے اعلیٰ ترین تجزیے اور کاروبار کے مختلف پہلوؤں کے جائزے کا موقع ملتا ہے۔ کھپنی اس پروگرام کو مزید فروغ دے گی تاکہ کاروبار کو مزید وسعت دی جاسکے۔

کھپنی ایم ایس سینٹرو ارنٹ کے ذریعے بھی ایس ماحول کو مزید فروغ دے رہی ہے اور سال 2019 کے دوران مزید ایپلی کیشن تیار کی گئیں تاکہ ایچ آر اور انتظامی شعبے کے اندرونی کام کا نڈ کے بغیر انجام دیے جاسکیں۔ اس سے نہ صرف کا نڈ اور اس کو محفوظ رکھنے کی جگہ کی پختہ ہوئی ہے بلکہ انسانی وسائل کی بیرونی صلاحیتوں میں بھی اضافہ ہوا ہے۔

2017 میں کھپنی نے لائف انشورنس بزنس ایڈیٹیشن کا نیا سسٹم نافذ کیا تھا اور اپنے انفرادی بیرونی زندگی یونٹ لائف بزنس (روایتی) کو کامیابی سے ایک مائیکرو سٹین کھپنی AETINS SDN BHD کے تیار کردہ انشورنس سولوشن فریم ورک ISF پر منتقل کر دیا تھا۔ فروری 2019 میں گروپ لائف انشورنس بزنس (روایتی) کو بھی ISF پر منتقل کر دیا گیا جس کے بعد اکتوبر 2019 میں منصوبے کے عین مطابق انفرادی فیملی کائل کو بھی اس سسٹم پر منتقل کیا جانا چاہیے۔

نمبر شمار	لذا کا نام	تاریخ اجرا	منافع برائے سال 2019
انفرادی پیرسٹنڈنگ یونٹ لکھلا کلا (روایتی)			
1	مینیجڈ فنڈ	31 دسمبر 1996	13.99%
2	کنسول گرو تھ فنڈ	28 جولائی 2004	11.11%
3	بیٹائی فنڈ	27 مارچ 2008	11.55%
4	یقین گرو تھ فنڈ	یکم جون 2009	13.76%
انفرادی فیملی کلائل فنڈ			
5	مینیجڈ کلائل فنڈ	7 جولائی 2015	9.99%
6	کنسول گرو تھ کلائل فنڈ	7 جولائی 2015	9.57%

نفع و نقصان کا اکاؤنٹ (Profit & Loss Account)

سال 2019 کے لیے کمپنی کے نفع و نقصان کے اکاؤنٹ میں قبل از منافع 3.42 ارب روپے رہا جو سال 2018 کے قبل از ٹیکس منافع کے 3.45 ارب روپے کے مطابق ہے۔ یہ استحکام طلبہ کی صورت اور اخراجات کو کم کرنے میں مددگار رہا۔ سال 2019 کا اعداد و گنتی منافع 2.22 ارب روپے رہا جو 2018 کے 2.43 ارب روپے کے مقابلے میں 8% کم ہے۔ اس کی سب سے بڑی وجہ ٹیکس ایکٹ 2019 کے ذریعے کارپوریٹ ٹیکس کی شرح میں اضافہ ہے جس نے 2018 کے کارپوریٹ ٹیکس میں کمی کے اثرات کو زائل کر دیا اور کارپوریٹ ٹیکس کو 29% کی شرح پر مقرر کر دیا۔

کمپنی کو قومی خزانے میں زیادہ ٹیکس جمع کرانے والوں میں ایک عبوری مقام حاصل ہے۔ 2019 میں کمپنی نے براہ راست اور بالواسطہ ٹیکسوں کی مدد سے سرکاری خزانے میں 2.3 ارب روپے کے ٹیکس جمع کرائے جبکہ 2018 میں 2.69 ارب روپے ٹیکس جمع کرایا گیا تھا۔

فی حصص آمدنی (EPS)

2019 کی بنیادی (Basic) اور ڈائلوٹڈ (Diluted) آمدنی 28.04 روپے فی حصص (Earnings Per Share) رہی جو 2018 کی فی حصص آمدنی 30.64 روپے کے مقابلے میں 8 فیصد کمی، مذکورہ بالا اسباب کی وجہ سے ریکارڈ کی گئی۔

حصص یافتگان کے لیے منافع مقررہ

بورڈ آف ڈائریکٹرز نے حتمی نقد تقسیم شدہ منافع بحساب 13.50 روپے فی حصص یعنی 135% فی حصص (Share) کا اعلان کیا ہے۔ (2018: 14.50 روپے فی حصص یعنی 145%)۔ اسکے علاوہ دوران سال کمپنی نے عبوری نقد تقسیم شدہ منافع بحساب 3.00 روپے فی حصص (30%) بھی ادا کیا (2018: 3.00 روپے فی حصص یعنی 30%)۔ اس طرح 2019 کے لیے کل نقد تقسیم شدہ منافع 16.50 روپے فی حصص یعنی 165% رہا۔ (2018: 17.50 روپے فی حصص یعنی 175%)۔ اس کے علاوہ بورڈ آف ڈائریکٹرز نے دس فیصد بونس حصص دینے کی بھی سفارش کی (2018: NIL) ہے جو کمپنی کے سالانہ اجلاس عام میں حصص یافتگان کی منظوری سے مشروط ہے۔

انشوررنا فنڈل اسٹریٹجی ریٹنگ (IFS rating)

کمپنی کی آئی ایف ایس ریٹنگ کا جائزہ JCR VIS کریڈٹ ریٹنگ ایجنسی سالانہ بنیادوں پر لیتی ہے موجودہ سالانہ جائزہ انھیں دسمبر 2019 میں فراہم کیا گیا جس میں کمپنی کی آئی ایف ایس ریٹنگ AA+ (ڈبل اے پلس) برقرار رہی اور امکانات کو مستحکم قرار دیا گیا۔ یہ ریٹنگ کمپنی کی Policyholders' Liabilities اور معاہدے کی شرائط پر پورا اترنے کی اعلیٰ صلاحیت کو مد نظر رکھ کر کی گئی ہے۔ JCR VIS نے اپنی رپورٹ میں یہ تسلیم کیا ہے کہ کمپنی کے روایتی اور نئے کلائل، وڈوں شعبوں میں ترقی کی شرح اور اقساط بیکری کی وسعت بھرپور کمپنیوں کی نسبت بہتر ہے۔

- روایتی کاروبار نے (جز زیادہ تر گروپ لائف انشورنس پر مشتمل ہے) اس میں مجموعی تحریری اقساط بے 1.42 ارب روپے رہا یعنی سال 2018 کے 1.18 ارب روپے کے مقابلے میں 20% کا نمایاں اضافہ ہوا۔ موجودہ سال میں 161 ملین روپے (2018: 75 ملین روپے) کا سربٹس بھی حاصل ہوا۔
- حادثات اور صحت سے متعلق کاروبار میں خالص تحریری اقساط بے 4.5 ارب روپے رہا جو 2018 میں 3.4 ارب روپے تھا یعنی 32% کا خاطر خواہ اضافہ دیکھنے میں آیا اس کے ساتھ 318 ملین کا سربٹس رہا جو گزشتہ سال 533 ملین روپے تھا۔ اس کمی کی بنیادی وجہ وٹوں کی رقم میں 40% اضافہ تھا جو کاروباری حجم میں وسعت اور طبی اخراجات میں اضافے کے باعث ہوا۔
- وڈو کفیل آپریشن کو شاندار پرنڈ برائی ملنے کا سلسلہ جاری ہے اور اس کے نتیجے میں انفرادی فیملی کفیل گروپ فیملی کفیل اور حادثات و صحت کفیل کے شعبے میں خالص تحریری اعانت 10.7 ارب روپے رہا جو 2018 میں 10 ارب روپے تھا، یعنی 7.5% کا اضافہ ہوا۔ مجموعی سربٹس 153.8 ملین روپے رہا جو 2018 کے 244.2 ملین روپے سے 37% کم ہے۔ اس کمی کی بڑی وجہ فروخت کاری کے نظام کو وسعت دینا ہے جس سے سال 2019 کے اخراجات میں اضافہ ہوا ہے لیکن مستقبل میں کفیل کے کاروبار کو تقویت ملے گی۔
- تمام کاروباری شعبہ جات سے مجموعی سربٹس 3.55 ارب روپے رہا جو 2018 کے دوران 3.28 روپے کے مجموعی سربٹس کے مقابلے میں 8% اضافی ہے۔ محصولات کے اکاؤنٹ (Revenue Account) سے 2.78 ارب روپے (2018: 2.66 ارب روپے) کا سربٹس مقرر کردہ ایچ جی کی منظوری سے شیئر ہولڈرز فنڈ میں منتقل کیا گیا۔ یہ سیکٹریٹل معلومات کے تحت مالیاتی گوشواروں کے نوٹ 45.1 میں موجود ہے۔
- حصص یافتگان کی انکویٹی اور ذخائر بشمول قانونی فنڈ (Statutory Fund) میں برقرار شدہ بیلنس (Ledger Account D) 11.4 ارب روپے رہا جو 2018 کے 10.3 ارب روپے کے مقابلے میں 10% زیادہ ہے۔
- کفیل نے فیصلہ کیا ہے کہ ذخائر برقرار رکھنے میں احتیاط جاری رکھا جائے اسی لیے کفیل کی ادائے قرض کی صلاحیت کا تناسب کم از کم لازمی قانونی لازمی شرط سے نمایاں طور پر زیادہ ہے۔

سرمایہ کاری کی کارکردگی

مستقل دو سال کی حقیقی کارکردگی کے بعد کے ایس ای 100 انڈیکس جو سال کے آغاز پر 37,066 پر تھا، ستمبر سے آغاز ہونے والی معاشی بہتری کے بعد 9.9% اضافے کے ساتھ 31 دسمبر 2019 کو 40,735 پر بند ہوا۔ جاری کماتوں کے حمارے میں کمی، طویل مدتی سرمایہ کاری کی شرح منافع میں کمی، پاکستانی روپے کی قدر میں استحکام، مالیاتی ترقی اور آئی ایم ایف پروگرام کی شرائط پر کاربند رہنے اور معاشی سرگرمیوں میں تاجر برادری کے اعتماد نے روحان کو مثبت درجہ دینے میں ماہم کردار ادا کیا۔

کفیل سرمایہ کاری کی حفاظت پالیسی پر عمل پیرا رہتی ہے اور مارکیٹ کے رجحان کی مسلسل نگرانی کرتی ہے۔ سال کے بیشتر حصے میں حصص مارکیٹ میں نمایاں کمی اور زری مارکیٹ میں پرکشش منافع کے باعث کفیل نے اپنے فنڈز محفوظ رکھنے کے لیے مشہور اقدامات کیے جن میں فنڈز کے اثاثہ جات مختص کرنے کے توازن، گورننسٹ سیکورٹیز اور دیگر مقررہ آمدنی / فرم / پارت کی سرمایہ کاری میں اضافہ شامل ہے۔ 2019 میں کفیل نے پرکشش شرح منافع پر مختلف مدتوں کے پاکستان انویسٹمنٹ بانڈ 65 ارب روپے سے زائد کا پورٹ فولیو بنایا جس کے نتیجے میں کفیل کی سرمایہ کاری سے آمدنی میں خاطر خواہ اضافہ ہوا۔ اس کے ساتھ ساتھ حصص مارکیٹ میں بہتری نے کفیل کی سرمایہ کاری کے خالص منافع کو 2019 میں 20.03 ارب روپے تک پہنچا دیا جب کہ اس کے مقابلے میں سال 2018 میں 2.24 ارب روپے کا نقصان ہوا تھا۔ سرمایہ کاری کے منافع میں اس اضافے، نئی اور تجدیدی پالیسیوں کی فنڈ آمدن (وجوہ کی ادائیگی، پالیسیوں کی دست برداری، جزوی رقم کی کشید کے بعد) سے کفیل کے اینڈ لفٹ فنڈز 25% اضافے کے ساتھ 146.2 ارب روپے پر بند ہوئے جو ہمارے بے دردا مان اور شرکاء کے ہم پر اعتماد کا واضح ثبوت ہے اور جس کے لیے ہم ان کے شکر گزار ہیں۔

کفیل روایتی بے کاروبار میں انفرادی زندگی کے بے درداوں کو چار (4) اینڈ لفٹ فنڈز (Unit Linked Funds) اور شریعت کے مطابق دو (2) اینڈ لفٹ فنڈز پیش کرتی ہے۔ ان فنڈز کا انتخاب انفرادی بے دردا مان / شرکاء مختلف سرمایہ کاری کے خطرات کے حوالے سے اپنی مرضی سے کرتے ہیں۔ 2019 میں منافع کا خلاصہ درج ذیل ہے۔

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹرز سمرت کمپنی کی سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال 2019 تک 31 دسمبر 2019 پیش کرتے ہیں۔

کامیابیاں

سال 2019 کا زیادہ تر حصہ مختلف دشواریوں میں گزرنے کے بعد تجربے سے حالات میں بہتری آئی اور سال کا اختتام مثبت طور پر ہوا۔ معاشی استحکام اور بہتری کے اشارے نئی معاشی اشاریوں سے نمایاں ہوئے۔ کے ایس ای 100 انڈیکس جو مسلسل دو سال سے منفی رجحان پر تھا اس سال مثبت رجحان کے ساتھ بند ہوا۔ جاری کھاتوں کے خسارے میں کمی آئی۔ امریکی ڈالر پاکستانی روپے کی شرح تبادلہ میں استحکام رہا اور مقررہ آمدنی اور زرعی مارکیٹ کی شرح منافع پر کشش رہی۔ اس کے ساتھ ساتھ آئی ایم ایف سپورٹ پروگرام کے تحت کیے گئے وعدوں کے مطابق معاشی ترقی کی رفتار اطمینان بخش رہی جس کے باعث معاشی اصلاحات کا مجموعی تاثر بھی مثبت رہا۔

اس متحرک ماحول میں کمپنی نے کثیرالجہتی تنظیم کارروائی کے تحت کاروباری ترقی پر توجہ مرکوز رکھی اور خدمات و مستقل مزاجی کے اعلیٰ معیار کو قائم رکھنے کے عزم پر کاربند رہی جس کے نتیجے میں کمپنی نے بیرون آمدنی میں اپنا مقام برقرار رکھے، کامیابیوں کے نئے سبب میل میو کرنے اور پائیدار منافع اندوڑی میں کامیاب رہی۔

2019 کی نمایاں کامیابیاں حسب ذیل ہیں:

- سال کا بیشتر حصہ مشکل ہونے کے باوجود کمپنی کا قبل از ٹیکس منافع 3.42 ارب روپے یا جو سال 2018 کے قبل از ٹیکس منافع 3.45 ارب روپے کے مطابق ہے۔
- مجموعی تحریری اقساط بھر 49.6 ارب روپے یا جو سال 2018 میں 51.9 ارب روپے تھا یعنی %4.4 کی معمولی کمی رہی۔
- انفرادی فیملی کفالت نڈا میں مجموعی تحریری شراکت 10.6 ارب روپے رہی جو سال 2018 کے 9.8 ارب روپے کے مقابلے میں %8 زیادہ ہے۔
- کارپوریٹ بزنس کے دونوں شعبوں یعنی روایتی بصر اور وڈ کفالت نے 7.3 ارب روپے کی حد عبور کی جو سال 2018 کے 5.9 ارب روپے کے مقابلے میں %23.7 زیادہ ہے۔
- کمپنی نے بصر حادثات اور صحت کے شعبے میں (روایتی اور فیملی کفالت دونوں میں) مجموعی طور پر 2018 کے 3.7 ارب روپے کے مقابلے میں %27 اضافہ کے ساتھ 2019 میں 4.7 ارب روپے اقساط بصر حاصل کر کے اپنی قیادت برقرار رکھی۔ یہ مضبوط اضافہ خدمات کے اعلیٰ معیار کا نتیجہ ہے جس سے صارفین نے ہم پر بھرپور اعتماد کیا اور ہم ان کے شکرگزار ہیں۔

کاروباری کارکردگی اور انتظامی نتائج

مرکزی شعبوں کے مجموعی انتظامی نتائج کا خلاصہ حسب ذیل ہے:

- انفرادی بصر زندگی یونٹ لنکڈ (Individual Life Unit Linked) کے کاروبار میں خاص تحریری اقساط بصر (NWP) 31.7 ارب روپے یا جو گزشتہ سال کے 36.04 ارب روپے کے مقابلے میں %12 کم ہے۔ یہ کمی نئے کاروبار کے ساتھ ساتھ یک قسطی بصر (Single Premium) میں بھی ظاہر ہوئی ہے جس کی بنیادی وجہ سال کے زیادہ تر حصے میں معاشی غیر یقینی صورت حال کا نلب ہونا ہے۔ تاہم اس کے اثرات 2019 کی آخری سہ ماہی میں سرمایہ کاری کے ضمن نو سے ہونے والے منافع سے زائل ہو گئے جس کے نتیجے میں کمپنی کے اس شعبہ میں سربمیس %21 فیصد اضافے کے ساتھ 2.9 ارب روپے یا جو سال 2018 میں 2.4 ارب روپے تھا۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) اور عطیات کی پالیسی کمپنی کی کارپوریٹ سماجی سرگرمیوں سے متعلق اقدامات اور تعاون کو مثبت انداز میں جاری رکھنے کے لیے کمپنی کے نظریے کے عین مطابق ایک رہنما اصول فراہم کرتی ہے۔ اس حوالے سے متعلق تفصیلات ڈائریکٹرز رپورٹ میں موجود ہیں۔

بورڈ آف ڈائریکٹرز

سال 2019 کے دوران کمپنی کے بورڈ آف ڈائریکٹرز میں کوئی عارضی اسامی پیدا نہیں ہوئی۔

جائزہ

وفاقی وقتاً مشاہدہ کے پیش نظر یہ خوش آئند بات ہے کہ معیشت کی بحالی کے آثار دکھائی دے رہے ہیں۔ اس نئی مثبت جہت کے ساتھ، پاکستان میں غیر بیمہ شدہ آبادی کو بروئے کار لانے کے لیے مواقع اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی بہتر انتظامی ماحول پر بڑھتی ہوئی توجہ کے ساتھ میں پُر امید ہوں کہ کمپنی اپنی ترقی کی رفتار میں اضافہ کرے گی اور پاکستان کے نجی شعبے کی سب سے بڑی بیمہ زندگی کمپنی کے طور پر اپنی حیثیت برقرار رکھے گی۔

اظہار تشکر

بورڈ کی جانب سے میں اپنے حصص داران، معزز بیمہ داران، وٹنڈو ٹیکافل حصہ داران، کاروباری شرکاء بشمول ہمارے مینکوز، سپلائرز، اور دیگر شراکت داران کے اعتماد اور بھروسے کے لیے شکریہ ادا کرتا ہوں۔ میں حکومت پاکستان کے تعاون کے ساتھ بیمہ زندگی کے کاروبار میں اصلاحات لانے کے حوالے سے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی مسلسل کوششوں کے لیے اُن کے مثبت کردار کا بھی اعتراف کرتا ہوں۔ میں صوبائی سلیزنگس کے معاملے کو حل کرنے کی کوشش میں، مشنر کے کمیشن کے قیام کے سلسلے میں تمام صوبائی محصولات کے حکام کی جانب سے مزاکرات کے حالیہ مثبت اقدامات کا اعتراف کرنا چاہتا ہوں۔ آخر میں، کمپنی کی کامیابی کے حوالے سے میں کمپنی کے تمام انسانی وسائل کے تعاون کا اعتراف کرتا ہوں جن کے بغیر اس سطح کی کامیابی ہرگز ممکن نہ ہوتی۔



(Handwritten Signature)

کمال اے۔ چنائے

چیرمین

کراچی، 11 فروری 2020

چیمبرمین کی جائزہ رپورٹ

میں 31 دسمبر 2019 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ بعد سرت پیش کرتا ہوں۔

معیشت اور کینٹیل مارکیٹ

یہ بڑی حوصلہ افزا بات ہے کہ 2019 جس کے نو (9) ماہ تک رہے، آخری سہ ماہی میں شمالی کے ساتھ رونما ہوئی اور بہتری اور آئندہ استحکام کے اشاروں کے ساتھ اختتام پذیر ہوئی۔ مسلسل دو (2) سال کے قحطی زمانے کے بعد، 31 دسمبر 2019 کو کے ایس ای (KSE) 100 انڈیکس 37,066 پر آئٹس کی سطح سے شروع ہو کر 40,735 پر آئٹس پر بند ہوا، جو سال کے لیے 9.9 فیصد اضافے کو ریکارڈ کرتا ہے۔

دیگر کل معاشی اشارے بہتری کی عکاسی کرتے ہیں۔ جاری کھاتے کے خسارے میں کمی، پاکستانی روپے کا استحکام، آئی ایم ایف پروگرام کے تحت وعدوں کے مطابق مالی پیش رفت کے برقرار رہنے اور معاشی سرگرمیوں کے آئندہ امکانات میں کاروباری برادری کے بڑھتے ہوئے اعتماد نے غیر متوقع تبدیلی میں اہم کردار ادا کیا۔ توقع کی جارہی ہے کہ ان مثبت اشاروں کے قائم و مضام اثرات 2020 کے آپریشنل نتائج میں ظاہر ہوں گے۔

کمپنی

مجھے مطلع کرنے پر اطمینان ہے کہ سال 2019 کے دشوار ہونے کے باوجود، جس کی وجہ سے ملک کی معیشت اور کمپنی پر اثر پڑا، مطلق انتظام اور فراہمات پر قابو پانے کی وجہ سے کمپنی قبل از ٹیکس منافع کو مجموعی طور پر 3.42 ارب روپے تک برقرار رکھنے میں کامیاب رہی جو گزشتہ برس تقریباً اسی سطح پر 3.45 ارب روپے تھا۔ حادثات اور صحت سے متعلق کاروبار (روایتی اور تکامل دونوں) کے اندر مجموعی تحریری اقساط بیمہ (GWP) میں 31 فیصد کے طوس اضافے اور انفرادی فیملی تکامل کاروبار میں 8 فیصد اضافے نے انفرادی بیمہ زندگی یونٹ لکڈ فنڈ (روایتی) کے نئے کاروبار میں کمی کو متوازن کیا۔ کمپنی کا مجموعی تحریری پری میٹم 49.6 ارب روپے ریکارڈ کیا گیا جو 2018 کے 51.9 ارب روپے کے مقابلے میں 4.4 فیصد کم ہے۔ یہ بات خوش آئند ہے کہ کمپنی کی نیٹس شیٹ کا ساڑھے سال کے آخر میں 170 ارب روپے کو عبور کر چکا ہے، جو ہمارے پالیسی ہولڈرز اثرات وادوں کے اختیار و اعتماد اور کمپنی کی ترقی اور کامیابی میں ہماری کمپنی کے انسانی وسائل کی کاوشوں کا مظہر ہے۔

انعامات اور اعزازات

2019 کے دوران ٹینٹ ایسوسی ایشن آف پاکستان کی جانب سے مالیاتی شعبے میں کمپنی کو پینجیویں (34th) کارپوریٹ ایکسیٹنس ایوارڈ - 2019 میں اعلیٰ اعزاز کی لرائی سے نوازا گیا۔ سال کے دوران کمپنی کی ڈیجیٹل مارکیٹنگ کی کوششوں کو بھی سراہا گیا اور اس نے پاکستان ڈیجیٹل ایوارڈز 2019 میں بہترین مختصر ویڈیو سواد (ویب) ایوارڈ حاصل کیا۔

مارکیٹنگ اور اسپورٹس

کمپنی میں کھیل اور کھیلوں کا جنون گہرائی کے ساتھ جوست ہیں، اور کھیلوں کے لیے اس کی حمایت، شراکت داری کے رجحان اور جیتنے والے منصوبوں کے عزم کو اجاگر کرتی ہے۔ پاکستانی قوم کرکٹ کی دیوانی ہے اور اسی طرح، کھیلوں میں کمپنی کا سب سے بڑا جذبہ بھی کرکٹ ہے۔ گزشتہ سال، بڑے فخر کے ساتھ اندرون پاکستان بین الاقوامی کرکٹ کی واپسی کے حوالے سے کمپنی نے اہم کردار ادا کیا۔ اسی طرح قوم کو عالمی معیاری کرکٹ دیکھنے کا موقع فراہم کرتے ہوئے 2019 میں، پاکستان سوپر لیگ (PSL4) کے چوتھے سیزن کے لیے کمپنی کو لڈ اسپانسر تھی۔

کرکٹ کے علاوہ، کمپنی مختلف ٹورنامنٹس کی اسپانسر شپ کے ذریعے اسٹوکر، گولف اور پولو کی بھی حمایت کرتی ہے۔

مختار نامہ (پراکسی فارم)

میں / ہم _____ ساکن _____
 بحیثیت ممبر (رکن) جو بلی لائف انشورنس کمپنی لمیٹڈ اور حال _____ عام حصص، بمطابق شیئر رجسٹر فوئیو نمبر اسی ڈی سی اکاؤنٹ اور
 پارٹنیشن آئی ڈی نمبر _____ ممبر (رکن) محترم / محترمہ _____
 فوئیو نمبر اسی ڈی سی اکاؤنٹ اور پارٹنیشن آئی ڈی نمبر _____ کو یا ان کی غیر حاضری میں ممبر (رکن)
 محترم / محترمہ _____ فوئیو نمبر اسی ڈی سی اکاؤنٹ اور پارٹنیشن آئی ڈی نمبر _____

کو اپنے / ہمارے ایما پر بروز پیر، ۳۰ مارچ ۲۰۲۰ء، دوپہر ۲:۳۰ بجے، سرینا ہوٹل، اسلام آباد میں منعقد ہونے والے برائے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے
 یا کسی بھی التوا کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں / کرتے ہیں۔



رائیوٹکٹ پر دستخط

آج بروز _____ بتاریخ _____ ۲۰۲۰ء کو دستخط کیے گئے۔

گواہ کا پتہ اور دستخط _____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

گواہ کا پتہ اور دستخط _____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

دستخط ممبر (رکن)

ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو، اپنی جگہ اور ممبر (رکن) کو بطور مختار (پراکسی) شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔

سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی۔ مختار (پراکسی) کو
 اجلاس کے وقت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد /
 پاور آف اٹارنی مع نمونہ دستخط ہمراہ مختار نامہ (پراکسی فارم) جمع کرانا ہوں گے۔

مختار نامہ (پراکسی فارم) پر ممبر (رکن) یا ان کے اٹارنی کے دستخط ہونا لازمی ہے۔ کارپوریٹ ادارہ ہونے کی صورت میں مختار نامہ (پراکسی فارم) پر کمپنی کی مہر ہونا بھی ضروری ہے۔
 مختار نامہ (پراکسی فارم) ہم نامزد کرنے والے شخص کی تصدیق شدہ پاور آف اٹارنی (حسب ضرورت) کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل
 جمع کرانا ضروری ہے۔

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