



Seasons of Life



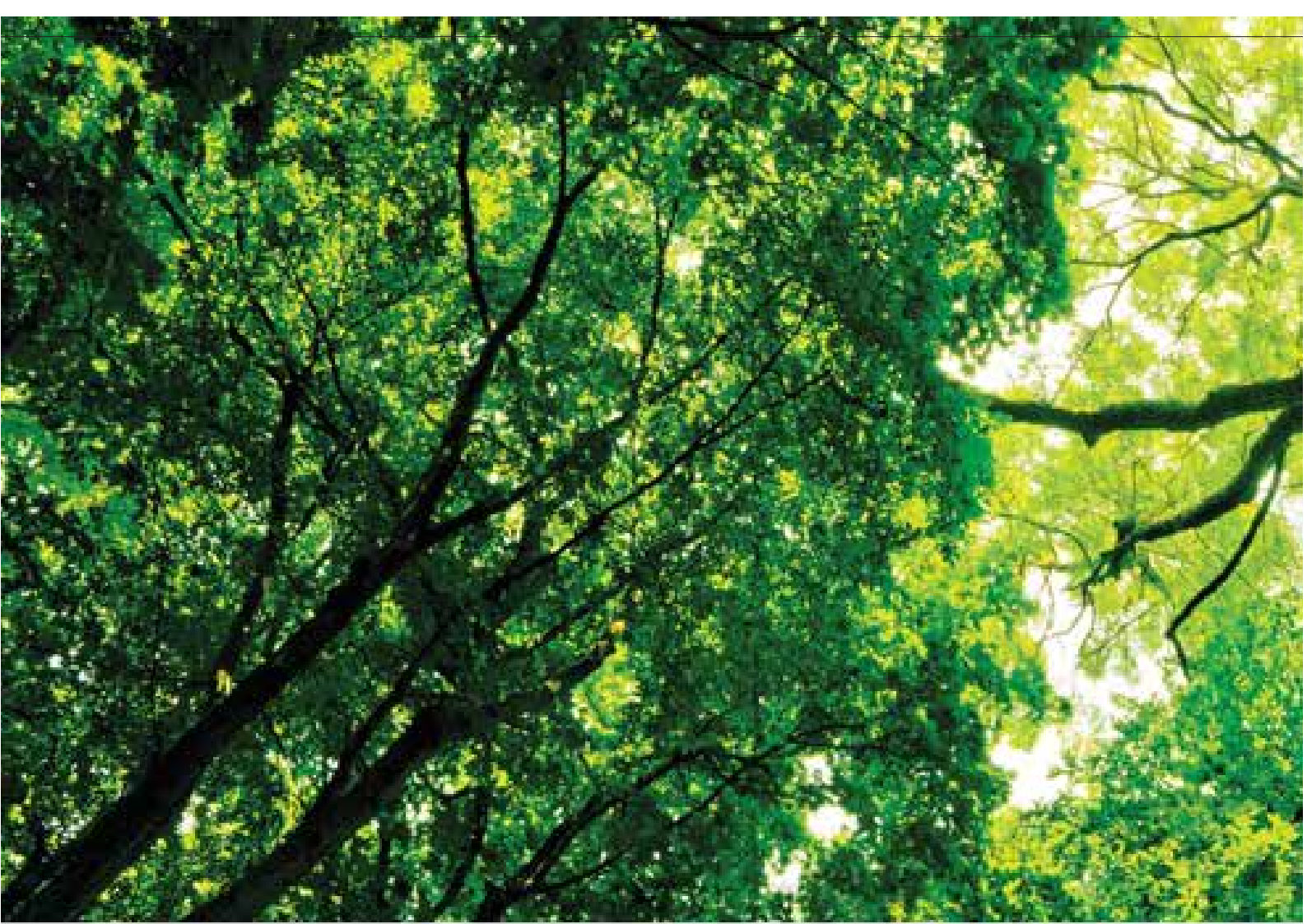
Nature continually evolves much like the life of an ordinary person. With every passing season, the hues of our environment reflect a phase in our evolution and carry us forward to the next stage of the journey. This year in Annual Report 2017, IGI Life discovers the Seasons of Life reflected through the colourful changes we find in nature.

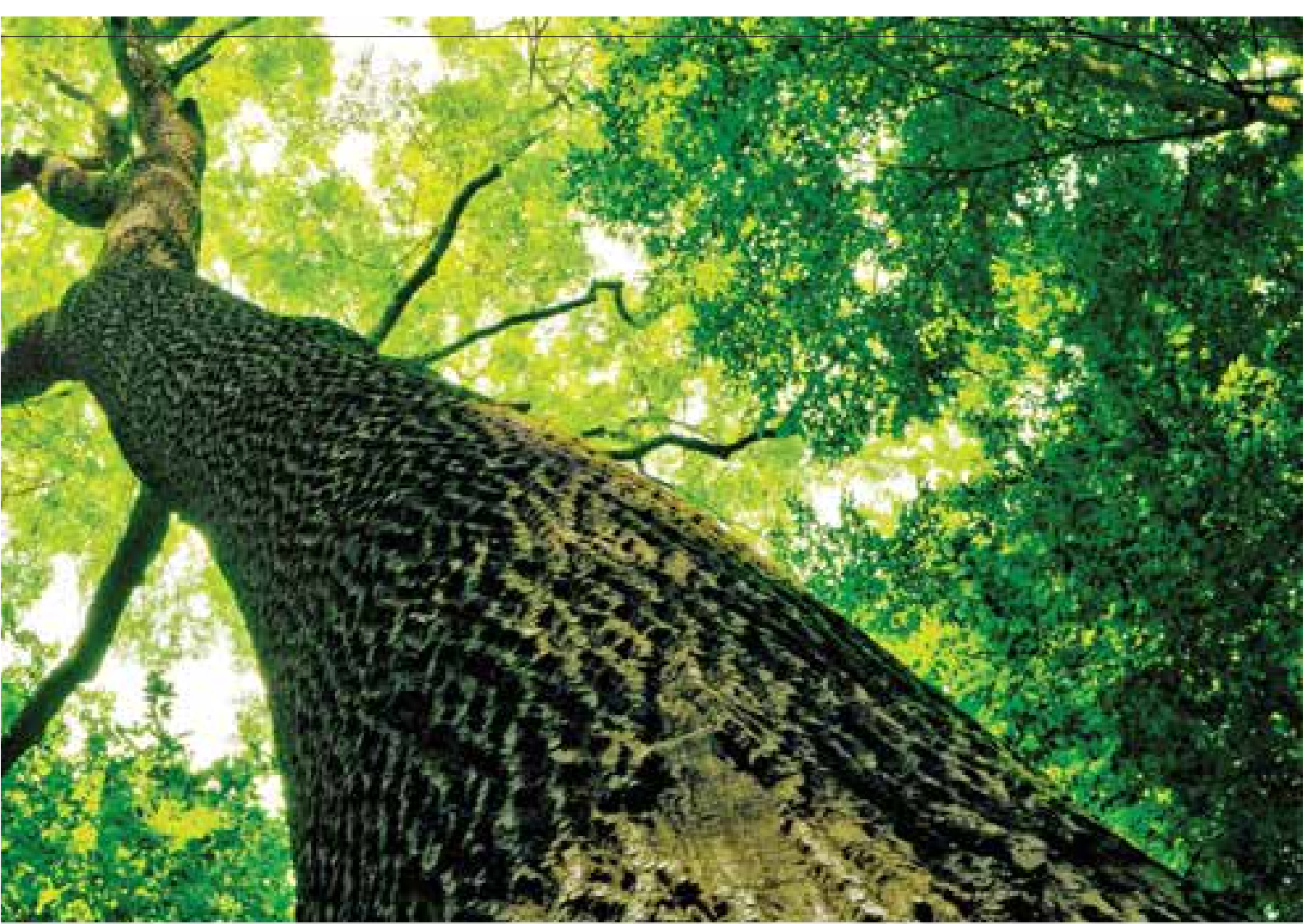




Life Begins Well

The promise of the beginning is as exciting as life itself. From our first steps to discovering our potential, the security of loved ones being closer than ever before and the vitality of youth, our journey always begins full of life.

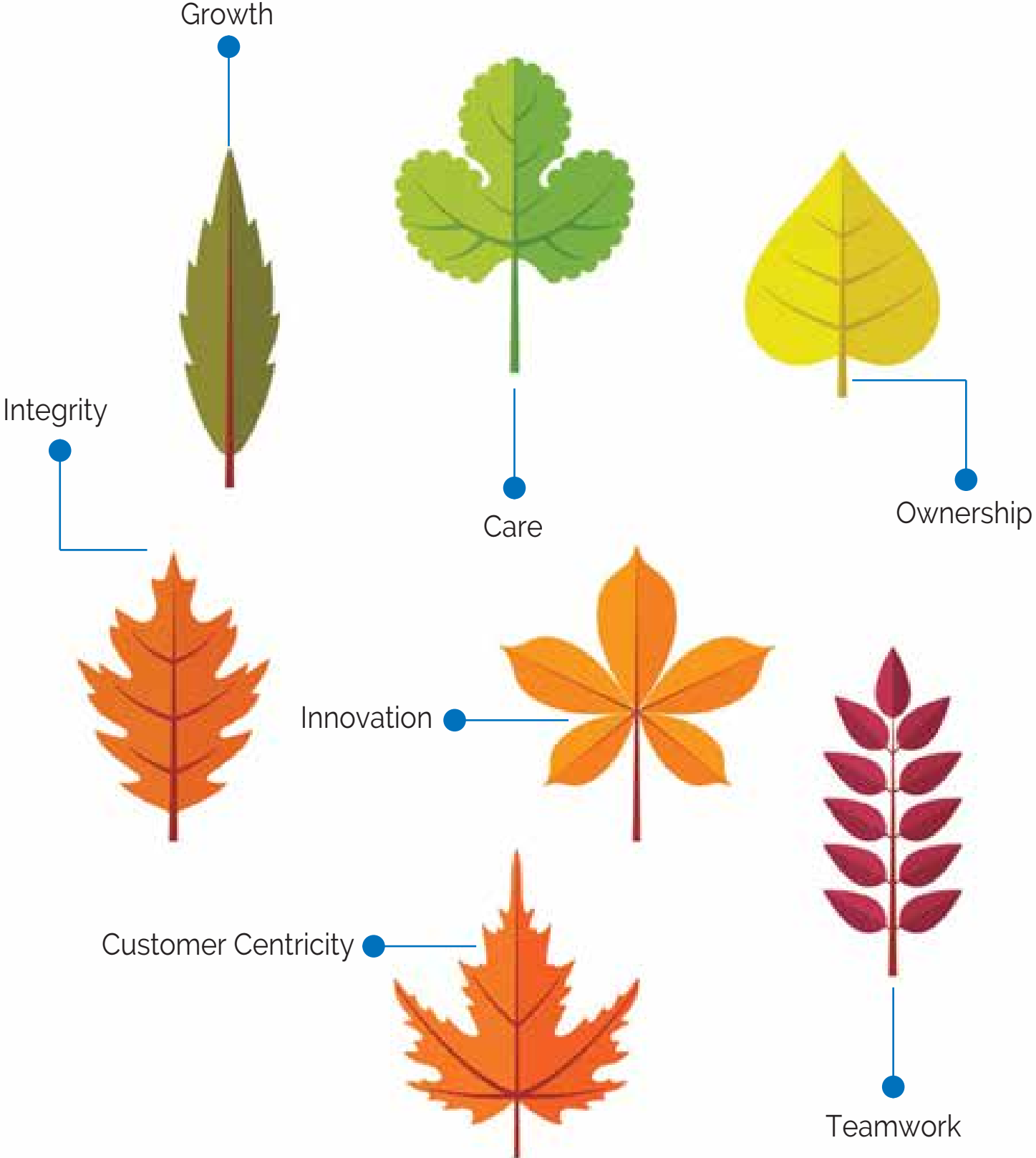




A Life Full of Potential

When you have the right partner beside you achieving your life's goals are even easier. From stepping into the hallways of school where you look for your very first friends, to your first job where you find team mates that help you shine, life is truly what we make of it.

Values





Vision

Assure financial future today for a better tomorrow



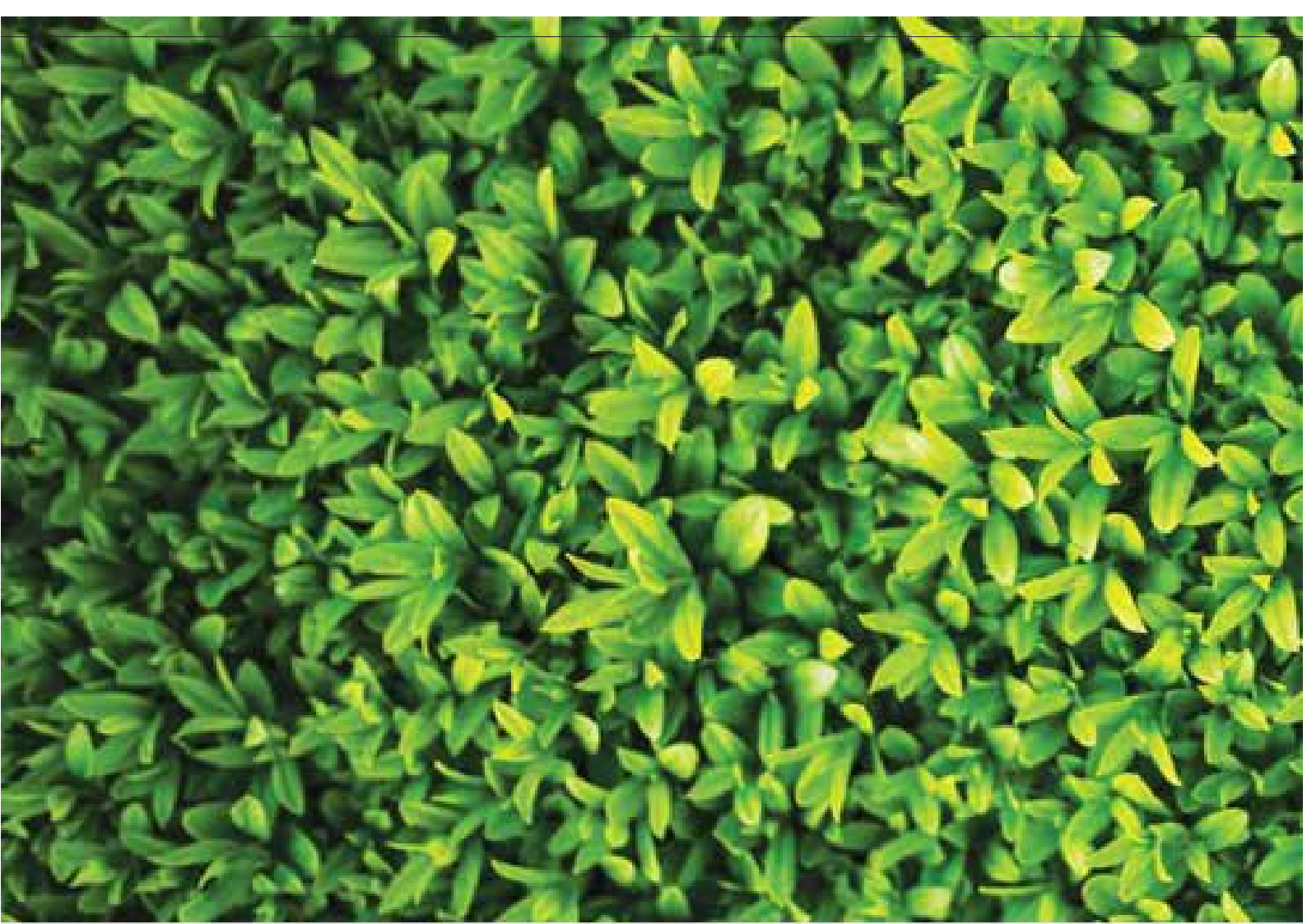


Our Story

The IGI brand has been associated with insurance services since 1953 making it one of the earliest and most respected insurance providers in the Pakistani market. It falls under the IGI Financial Services umbrella which is owned by the Packages Group.

The Packages Group is one of the most well reputed and diversified business conglomerates with investments in packaging, FMCGs, pharmaceutical and financial services sector. The group is also actively involved in and supports the development and nurturing of social, environmental and educational causes.

IGI Life is one of the most recent acquisitions of the group adding further diversity to its financial services portfolio. It was formed with the acquisition of American Life Insurance Company (Pakistan) Limited (Metlife Alico) in 2014. Recognized amongst the leading life insurance companies in the private sector, IGI Life is focused on providing innovative products and comprehensive protection solutions.





What we do

A customer centric company focused on securing the financial future and well-being of its clients.





Individual Insurance

Always striving to ensure the best mix of protection and investments, our individual life plans offer a host of options for you to choose from. Based on risk return appetites, the plans can be tailored to live up to your expectations.



IGI Life Timeline

2017

Family Takaful
Contribution crossed
PKR 1 Billion

2015

Amongst the first few
life insurers granted
license by SECP to commence
Window Takaful Operations

2008

Crossed PKR 1 Billion
of Gross Written Premium

2012

Crossed PKR 4 Billion
of Gross Written Premium

2011

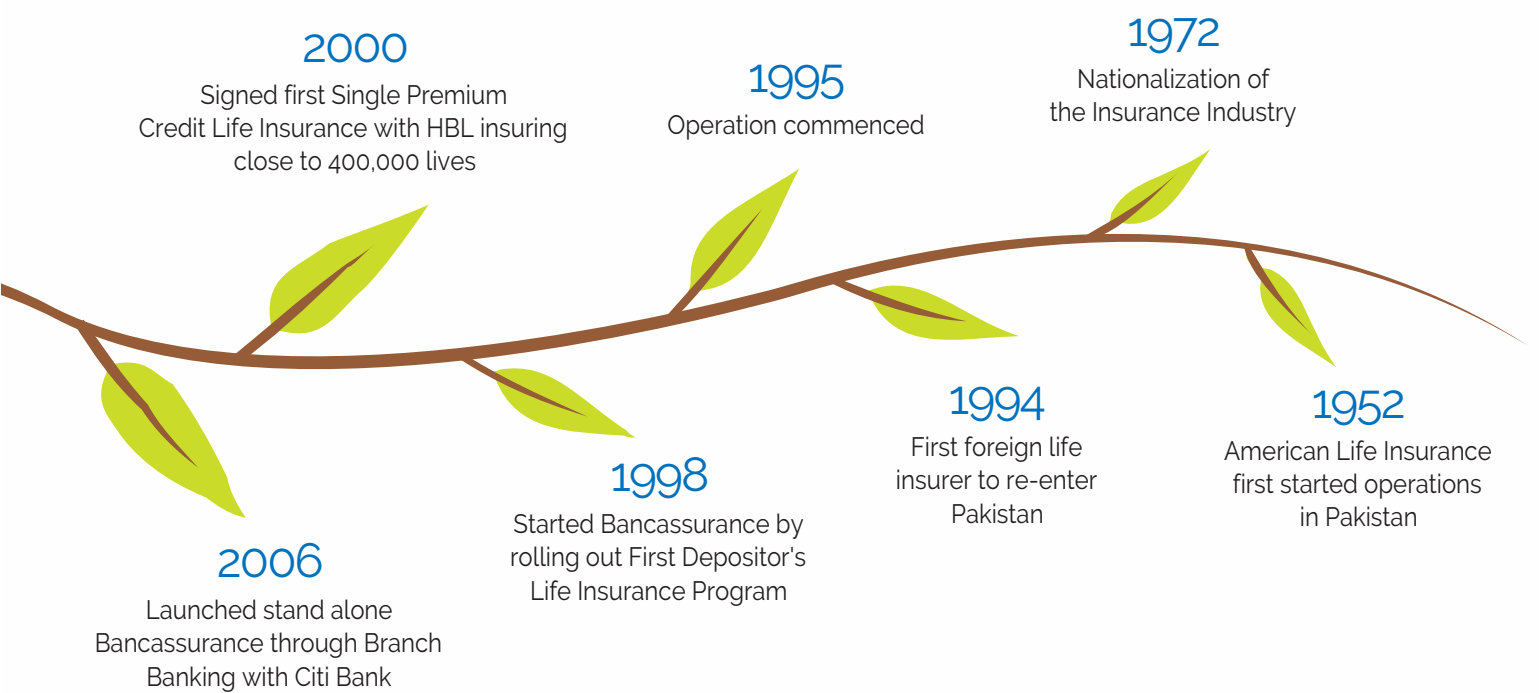
Metlife acquired
Alico to become Metlife Alico

2016

Crossed PKR 7 Billion
of Gross Written Premium

2014

IGI Insurance acquires
controlling stake in Metlife Alico
Pakistan to become IGI Life





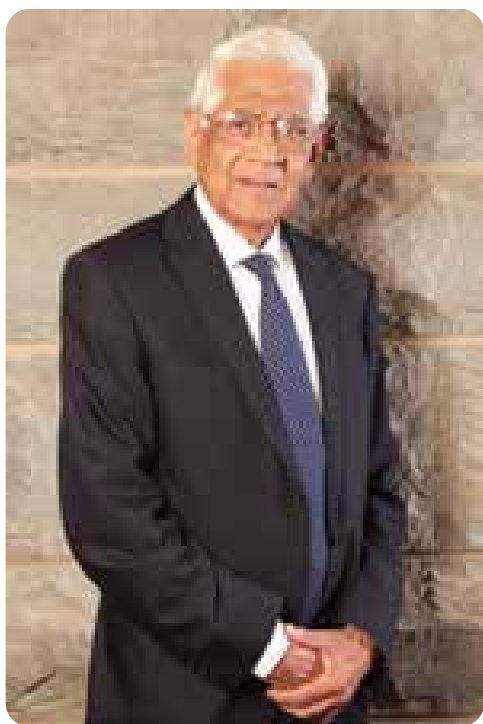
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Board Of Directors



Shamim Ahmad Khan – Chairman

Mr. Shamim Ahmad Khan is the Chairman of the Board of Directors of the company. As a member of Civil Service of Government, he occupied senior positions in the Government particularly in the Ministry of Finance. He retired as Secretary, Ministry of Commerce. For more than ten years, he served the then Corporate Law Authority and was its Chairman for six years. The Authority administered all laws which regulated corporate sector in the country. He led the initiative for restructuring it into Securities and Exchange Commission of Pakistan and became its first chairman. He has undertaken a number of consultancy assignments for the World Bank, ADB and DFID besides authoring papers on Capital Market issues.

Presently, he is serving as non-executive Director of Packages Ltd, IGI Insurance Ltd, Abbott Laboratories Pakistan and Attock Refinery Ltd. He is also associated with non-profit organisations – SDPI, a think tank and Karandaz, promoting SME financing and digital finance. Earlier, he has been non-executive Director of ABN Amro Bank and Royal Bank of Scotland as well as that of BOC Pakistan and Pakistan Reinsurance Company Limited.

Syed Hyder Ali – Chief Executive Officer

Syed Hyder Ali is the Chief Executive Officer and Executive Director of the Company. He is also the Chief Executive and Managing Director of Packages Ltd., Lahore, Pakistan.

Mr. Ali serves on the Board of a number of companies like Bulleh Shah Packaging Private Ltd, Nestle Pakistan Ltd, Packages Lanka Pvt. Ltd, Sanofi-Aventis Pakistan Ltd, Tetra Pak Pakistan Ltd, Tri-Pack Films Ltd, KSB Pumps Company Ltd and International Steels Ltd. He is a member of the Board of Governors/Directors of Babar Ali Foundation (BAF), National Management Foundation (NMF), Ali Institute of Education (AIE), Pakistan Business Council (PBC) and Pakistan Centre for Philanthropy (PCP).

He is also a member of the Executive/Management Committee of Syed Maratib Ali Religious & Charitable Trust Society, Lahore University of Management Sciences (LUMS), World Wide Fund for Nature (WWF) and International Chamber of Commerce, Pakistan.



Board Of Directors



Syed Yawar Ali – Director

Syed Yawar Ali was educated at Aitchison College Lahore and got his Bachelors in Chemical Engineering and Masters in Management Science from Stevens Institute of Technology in New Jersey (USA). He also completed the Advance Management Program from Harvard Business School in 1992. He joined his family business i.e. Packages Limited in 1972 and then became Managing Director of Milk Pak Ltd. In 1988 Milk Pak joined hands with Nestle for a very successful Joint Venture.

Syed Yawar Ali is currently Chairman of Nestlé Pakistan Limited, Wazir Ali Industries Limited and Pakistan Dairy Association. He has also been on the Board of Directors of State Bank of Pakistan, Pakistan International Airlines, Chairman of Lahore Electric Supply Company and Agricultural Development Bank of Pakistan.

He is also Co-Chair of the Pakistan India Joint Business Forum (PIJBF) a committee to "Promote Trade with India", and Director, Punjab Power Development Board, Member of United Nations Committee on Contributions, Chairman, Steering Committee of Dairy & Rural Development Foundation. Member, Pakistan Trade and Investment Policy Program and also a member of the Tax Advisory Council, Federal Board of Revenue.

Nadeem R. Malik – Deputy Chief Executive Officer

Nadeem R. Malik has been appointed as Deputy Chief Executive Officer of IGI Life in January 2016. Mr. Malik is MBA in Marketing and also a Fellow of Life Management Institute (FLMI), USA. He has been associated with the Company for over 21 years and has held various leadership positions and assignments which included Recruitment & Training, Group Life and Health Underwriting and Pensions Administration. He has also attended Managed Care College by United Healthcare International USA. He possesses diverse local experience and international exposure of the life insurance industry. Prior to his current role, he was responsible for overall business of the Company covering all products and distribution channels as Chief Marketing Officer. During his tenure with the company he has won various awards including Employee of the Year award in 2002 and American International Group's GMD Masters Gold Award in 2005 conferred in Chicago, USA. He was also selected for prestigious 12 months AIG's General Management Executive Development Program which included strategic project assignments in USA, Thailand and France. During his career, he has also attended various technical, management & leadership trainings in UAE, Greece and Bangladesh. He has also represented IGI Life at MAXIS Global Benefits Network (MetLife and AXA in partnership) Forums at Frankfurt, Germany & Brussels, Belgium in 2016 and 2017 respectively.





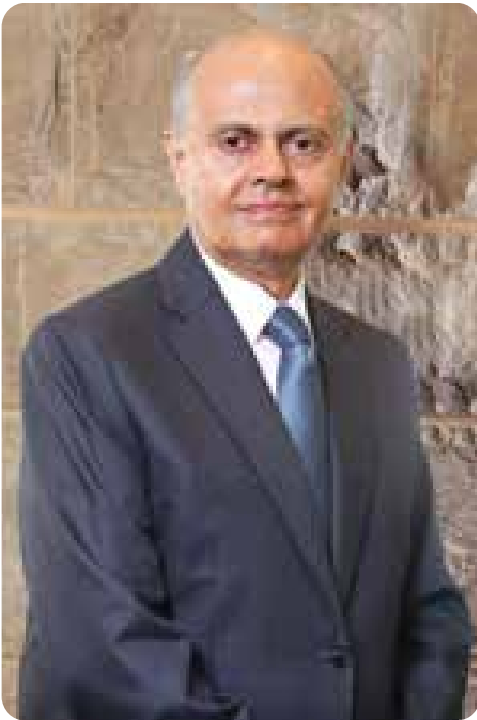
Khurram Raza Bakhtayari – Director

Khurram Raza Bakhtayari is associated with the Company as a Non – Executive Director. He did his Bachelors in Commerce in 1997 from the Hailey College of Commerce, University of the Punjab, Lahore. He qualified his Chartered Accountancy in 2002 from the Institute of Chartered Accountants of Pakistan and became the fellow member of the Institute in January 2013. He is the Chief Financial Officer of Packages Limited. He holds directorship of Bulleh Shah Packaging (Private) Limited, DIC Pakistan Limited, Maxim Feeds (Private) Limited, Packages Lanka (Private) Limited, Packages Construction (Private) Limited and various other companies.

Muhammad Kamal Syed – Director

Mohammad Kamal Syed is associated with the Company as a Non - Executive Director. He is a Managing Director of Coutts & Co. He has a breadth of international experience spanning Investment Banking and the Fund Management industry. Prior to Coutts, he was CEO and founder of Hedge Fund group Axiom, and CEO of a leading multi-family office, MaxCap Partners. He spent nearly two decades working in Investment Banking in senior roles including Managing Director and Regional Head of Asia- Pacific at Barclays Capital. He was also Deputy Head of Global Derivatives and a member of the Management and Operations Committees of Barclays Capital. Subsequently, he ran Bank of Tokyo-Mitsubishi UFJ's Investment Bank and was Chairman of the Executive Committee and member of the Executive Board.





Ehsan Ali Malik – Director

Mr. Ehsan Ali Malik is associated with the Company as Non - Executive Independent Director. He is currently serving as the Chief Executive Officer of Pakistan Business Council. Prior to this Mr. Malik was the Chief Executive Officer of Unilever Pakistan Limited for nine years. His 24 years career with Unilever included five years as CEO of Unilever Sri Lanka and senior roles in Unilever's businesses spanning Egypt, Lebanon, Jordan, Syria and Sudan as well as Unilever's Head Office in UK. These preceded senior commercial and financial roles at Unilever Pakistan. Before joining Unilever, he worked in media and served on the Boards of businesses in hospitality, pharmaceutical and tractor assembly. Currently he is also a Member of the Board of Directors of Abbott Laboratories Pakistan Limited, Gul Ahmed Textiles Limited, International Industries Limited and National Foods Limited. Mr. Malik is a Fellow of the Institute of Chartered Accountants of England and Wales and alumni of the Wharton and Harvard Business Schools.

Corporate Information

Board of Directors

Shamim Ahmad Khan	Chairman	Syed Yawar Ali	Director
Syed Hyder Ali	Chief Executive Officer	Khurram Raza Bakhtayari	Director
Nadeem Rehman Malik	Deputy Chief Executive Officer	Ehsan Ali Malik	Director
		Muhammad Kamal Syed	Director

Audit Committee

Ehsan Ali Malik	Chairman	Khurram Raza Bakhtayari	Member
Muhammad Kamal Syed	Member	Yasir Ali Quraishi	Secretary to Audit Committee
Syed Yawar Ali	Member		

Claims Settlement Committee

Shamim Ahmad Khan	Chairman	Akif Zia Malik	Member
Syed Yawar Ali	Member	Muhammad Wasif Ali	Member
Dr. Bakht Jamal	Member	Dr. Sabeeh Jaffery	Secretary to the Committee

Underwriting & Reinsurance Committee

Syed Hyder Ali	Chairman	Syed Fahad Subhan	Member
Nadeem Rehman Malik	Member	Ali Nadim	Member
Muhammad Kamal Syed	Member	Muhammad Yousuf Ansari	Secretary to the Committee

Investment Committee

Muhammad Kamal Syed	Chairman	Ehsan Ali Malik	Member
Nadeem R Malik	Member	Syed Fahad Subhan	Member
Syed Hyder Ali	Member	Ali Nadim	Member
Syed Yawar Ali	Member	Sajjad Iftikhar	Secretary of the Committee
Khurram Raza Bakhtayari	Member		

Ethics, Human Resources, Nomination & Remuneration Committee

Syed Yawar Ali	Chairman	Syed Hyder Ali	Member
Khurram Raza Bakhtayari	Member	Kaifee Siddiqui	Secretary of the Committee
Ehsan Ali Malik	Member		

Risk Management and Compliance Committee

Shamim Ahmad Khan	Chairman	Muhammad Kamal Syed	Member
Ehsan Ali Malik	Member	Khurram Raza Bakhtayari	Member
Syed Yawar Ali	Member	Roshail Khalid	Secretary of the Committee

Corporate Information

Chief Financial Officer

Syed Fahad Subhan ACA

Appointed Actuary

Shujat Siddiqui MA, FIA, FPSA

Company Secretary

Yasir Ali Quraishi LLB

Head of Internal Audit

Shahzaib Haider ACA

Head of Window Takaful Operations

Dr. Bakht Jamal

Head of Compliance

Rashid Ahmed MBA, CICA

Shariah Advisor

Dr. Mufti Ismatullah

Shariah Compliance Officer

Mufti Muhammad Hanif

Legal Advisor

Surridge and Beecheno
HaidermotaBNR & Co.
OrrDignam & Co.

Rating

Rating Agency : PACRA
Insurance Financial Strength(IFS) Rating : A+
Outlook : Stable

Auditor

A.F.Ferguson & Co.
Chartered Accountant
a member firm of
PriceWater House Coopers

Share Registrar

FAMCO Associates
(Pvt) Ltd.
8-F next to hotel Faran,
Nursery, Block - 6, P.E.C.H.S,
Shahrah-e- Faisal, Karachi

Registered Office

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Website: www.igilife.com.pk

Internal Auditor

Ernst & Young
Ford Rhodes
Sidat Hyder
Chartered Accountant.

Bankers

Bank Alfalah Limited

Standard Chartered Bank (Pakistan) Limited

Bank Al-Habib Limited

Bank Islami Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Soneri Bank Limited

Habib Metropolotan Bank Limited

MCB Bank Limited

Meezan Bank Limited

Summit Bank Limited

Dubai Islamic Bank Pakistan Limited

Samba Bank Limited

United Bank Limited

Bank Al Baraka Limited

Telenor Microfinance Bank Limited

Mobilink Microfinance Bank Limited

U-Micro Finance Bank Limited

FINCA Microfinance Bank Limited

NRSP Microfinance Bank Limited

First Microfinance Bank Limited

Khushali Microfinance Bank Limited





Branching out for your success

No matter where you are in Pakistan, IGI Life is there for you. Trust us to deliver comprehensive coverage through a dedicated team placed strategically across the country that knows how to serve you better.

Our Nationwide Network

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(Email for Corporate Customers)

Customer Services Center

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Mezzanine Floor, Kassam Court, Suite No. 101-103,
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Call: (+92) 21-111-111-711
Email: services.life@igi.com.pk
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Central Region Lahore

Packages Lahore Branch

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Our Nationwide Network

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Central Region

Kasur

Kasur Branch

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Central Region

Okara

Okara

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Central Region

Multan

Multan Branch

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North Region

Rawalpindi

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Our Nationwide Network

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North Region Sialkot

Sialkot Branch

Asif Hussain

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North Region Gujrat

G. T. Road Gujrat Branch

Gujrat Branch

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North Mirpur

Mirpur Branch

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Our Nationwide Network

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Peshawar Branch

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South Region Karachi

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South Region Karachi

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South Region Sukkur

Sukkur Branch

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South Region Hyderabad

Hyderabad Branch

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Health Insurance

You need to be at your best to get the most from life. That's why our health coverage provides security through thick and thin in order to make every journey more satisfying.

Directors' Report to the Members

The Directors of your Company take pleasure in presenting to you the 23rd Annual Report of the Company along with the audited financial statements for the year ended December 31, 2017.

COMPANY PERFORMANCE REVIEW 2017

GROSS PREMIUMS

In 2017, Gross Premium written by your Company (including Family Takaful Contributions) stood at Rs. 5.62 billion. Individual Life regular premium (including Takaful contributions) increased by 12.5% touching a total premium of Rs.2.07 billion (2016: Rs. 1.84 billion). Renewal premium base increased to Rs. 1.46 billion (2016: Rs. 1.28 billion), registering growth of 13.5%. The Company's focus on service quality has resulted in improved persistency during the year. The overall persistency of individual life business stood at 79% in 2017 (2016: 73%).

Individual Family Takaful overall premium written during 2017 amounted to Rs. 1.2 billion (2016: Rs. 383 million), registering a growth of 2.1 times. The Window Takaful Operations of the Company were launched in the 3rd quarter of 2015 and have since witnessed impressive growth.

The Group Life & health premium (including Takaful Group Family and Health) stood at Rs. 1.26 billion (2016: Rs. 943 million), thus posting an accelerated growth of 34% over prior year. The Group business mainly comprises corporate customers. Healthy growth in the Group business is a result of service quality and the trust reposed by the customers.

Single premium (including Takaful contributions) of the Company remained slow this year, and stands at Rs.2.28 billion (2016: 4.8 billion). This is mainly due to the shift in focus of our partner bank who have remained the major contributors to this line of business in the past.

INVESTMENTS

Your Company maintains a strong balance sheet size with an investment portfolio of Rs. 17.5 billion (2016: Rs 16.96 billion) representing 88% (2016: 88%) of the total assets of the Company. The Company is following prudent investment policy.

The Company offers 14 unit-linked funds in the conventional insurance business to the customers, and 3 unit-linked funds to its participants in the Individual Family Takaful operations. These funds have varying risk exposure and are selected by the individual policy holders/participants according to their individual risk and return appetite.

In 2017, PSX 100-index recorded its all-time high level of 52,876 points in May 2017. Subsequently, the market got under pressure and lost 24% of its value till year-end with annual decline of 15% in 2017. On fixed income side, SBP maintained the policy rate at 5.75% during the year and as a result, fixed income yields remained flat during major part of the year across various instruments.

In view of the financial markets situation, the management team took a prudent approach to safeguard policy holders across various funds that has placed your Company among the top performing players in terms of investment returns in the life insurance industry during the year 2017.

Conventional Aggressive, Balanced, Secure and Conservative funds have yielded gross returns of 11.86%, 10.85%, 12.84% and 7.38% respectively since inception of these funds. Despite 15% drop in PSX 100-index, the Aggressive, Balanced, Secure and Conservative funds have yielded gross returns of -8.46%, -1.14%, 6.9% and 3.5% respectively during the year 2017.

The Company launched its Takaful products at the end of 2015 and has built net asset value of Rs. 1.14 billion in two years' time. Takaful Aggressive, Balanced and Conservative funds have generated absolute gross returns of 16.2%, 12.7% and 8.1% respectively during a short period.

Directors' Report to the Members

Despite challenging financial markets position, the Company generated return on investments amounting to Rs. 70 million in 2017 as compared to Rs. 107 million in 2016 in shareholder fund.

PROFITABILITY

The Company's statutory funds excluding Life Participating fund, generated a surplus of Rs. 134.6 million as compared to surplus of Rs. 86.9 million last year. After accounting for the Shareholders' Fund, your Company made a before tax profit of Rs. 231.7 million (2016: Rs 212.4 million), reflecting an increase of 9% compared to last year.

Profit / Loss	2017	2016
	(Rs. in 000')	
Net Surplus of statutory funds - excluding Life participating fund	134,586	86,896
Profit from Shareholders' Fund before appropriation from Retained Account D	97,080	125,539
Taxation	29,174	40,649
	(in Rupees)	
Earnings per share	0.96	1.34
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	23.73	26.14

APPROPRIATIONS

On the recommendation of the appointed actuary and with the approval of the Board, the Company has made capital transfer of Rs. 60 million from Statutory Funds to the Shareholders' Fund. Similarly, a surplus transfer of Rs. 35.3 million from the Statutory Funds to the Shareholders' Fund.

In addition, the Company made a capital transfer to Statutory Funds from Shareholders Funds of Rs. 47.5 million as was recommended by the Appointed Actuary. Although aggregate solvency margin before the said transfer is significantly higher than the prescribed solvency margin, Board's decision in this regard has been made keeping in view fund wise solvency requirements as a prudent measure. It may be stated that Securities and Exchange Commission of Pakistan (SECP) had earlier granted special exemption to your Company from maintaining fund wise solvency.

LIFE PARTICIPATING FUND

Policies sold under the Life Participating fund entitles the policy holder to participate in the Surplus generated during the period upto the limits prescribed by SECP. The distribution is made in the form of bonus to policy holders. The bonus so distributed is recommended by the Appointed Actuary and approved by the Board. During the current year, bonus of Rs. 317.6 million (2016: Rs. 291.9 million) was distributed to the policyholders.

CLAIMS

The prompt settlement of claims has always remained the top priority of the Company. Over the years, your Company has strived to improve its claims settlement processes to reduce turnaround time and have introduced better controls over claim administration.

Directors' Report to the Members

The Claims function is segmented into dedicated teams, catering to different type of claims such as, Life and Disability, In-patient/Out Patient reimbursement and Network Hospital claims. To ease the claim filing procedure not only was the Death Claim Form revised but the requirements were also re-visited and reduced to create ease for the claimant. A communication system was installed to further improve servicing to our clients and policy holders.

In the year 2017, the Company paid claims of Rs. 1.09 billion (2016: Rs.707 million).

PRODUCTS AND DISTRIBUTION CHANNELS

The Company continues to broaden its product range and distribution channel, both for its own Branch network and bancassurance partners.

3 new location offices commenced operations in the year 2017 and 6 new agreements with bancassurance partners were signed. The extension of the distribution and outreach will benefit the Company in the coming years in terms of broad customer base and increased profitability.

The Company continues to expand its Sales Force and provide them with the necessary trainings. During the year 2017, SECP approved your Company to provide in-house trainings for both conventional and takaful business products to its Sales and Managerial staff. A separate training facility has been established to attract young and aspiring talent. An in-house Learning Management System has also been deployed to provide on-going trainings to its sales force and to keep them abreast of the products and other market areas.

UNDERWRITING, REINSURANCE AND RISK MANAGEMENT

Your Company continues to follow its prudent underwriting policies. The Company has made significant investment in its Human Capital, Technology and Infrastructure with the objective of strengthening its underwriting function.

Your Company follows a policy for optimizing retention of risk through a carefully designed program of reinsurance. The Company has reinsurance treaties with reputable international reinsurers to protect the Company from losses above our risk appetite.

CAPITAL MANAGEMENT AND LIQUIDITY

The Company maintains adequate capital to support its existing and planned business activities. The Company's paid-up capital and equity stands at Rs. 706 million and Rs. 848 million respectively.

During the current year, Company's paid up capital has been increased from Rs. 605 million to Rs. 706 million by issue two interim Bonus shares issues of 8% each in June 2017 & October 2017 respectively. After this increase in paid up capital, the company has met the Minimum Capital requirements of Rs. 700 Million as prescribed by SECP for Life insurance companies.

The Company also has a framework in place to ensure that adequate liquidity is available for payment of claims and meeting operating expenses. The Company's cash and cash equivalents as of December 31, 2017 amounts to Rs.898 million (2016: Rs. 1,011 million).

INFORMATION TECHNOLOGY AND OPERATIONAL EFFICIENCY

Your Company continuously strives to provide the highest level customer service to its policy holders, participants and other stakeholders.

Directors' Report to the Members

The Company has entered into an agreement with a globally reputed company to deploy state-of-the-art life insurance administration system. The new system functionality will help improve operational efficiency, speed to market and better customer experience.

RELATED PARTY TRANSACTIONS

At each Board meeting, the Board of Directors approves the Company's transactions made with associated companies and related parties based on the recommendations of the Audit Committee. All such transactions are executed at arm's length method on the basis of comparable uncontrolled price method and cost sharing arrangements.

HUMAN RESOURCE MANAGEMENT

During the current year the Company strengthened its human capital through recruitment of professional and qualified personnel in various departments including in Sales and Marketing, Underwriting, Claims, Finance, Actuarial, Human Resources and Customer Services. During 2017, the Company carried out various training and development programs for staff and sales force.

INTERNAL AUDIT

Your Company has outsourced the internal audit function to Ernst and Young and has also appointed a Head of Internal Audit who is responsible for coordination.

AUDITORS

Based on the suggestion of the Audit Committee, the Board of Directors has recommended appointment of M/s. A.F. Ferguson and Co. Chartered Accountants as external auditors of the Company.

The financial statements of the company have been audited without any qualification.

HOLDING COMPANY

The Company is a subsidiary of IGI Holdings Limited (formerly IGI Insurance Limited) that holds 81.97% (2016: 81.97%) share capital of the Company.

During the current year, the Honorable High Court of Sindh has approved the amalgamation of IGI Investment Bank Limited with and into IGI Insurance Limited and subsequent demerger of the insurance business and certain investments held by IGI Insurance into two wholly owned subsidiaries i.e. IGI General Insurance and IGI Investments respectively.

This restructuring of IGI group's financial services business envisages creation of 'financial services holding company' of the group i.e. IGI Holdings Limited.

The restructuring was carried out by way of court sanctioned Schemes of amalgamation and arrangement filed with the High Court of Sindh at Karachi under Sections 284 to 288 of the now repealed Companies Ordinance, 1984.

APPOINTED ACTUARY

During the current year the company has changed its appointed actuary from Ali Nadeem Associates to Akhter & Hasan (Pvt) Limited.

Directors' Report to the Members

MATERIAL EVENTS

The Board of Directors of the Company in their meeting held on December 23, 2017 has approved to enter into collaboration with Vitality Group International. The collaboration agreement will enable the Company to launch shared value life insurance products in Pakistan. The implementation of the proposed collaboration agreement is subject to procurement of all applicable statutory and regulatory approvals.

INSURER FINANCIAL STRENGTH RATING

During the current year the Company has got its IFS rating from PACRA. The company has been given an A+ IFS rating with a stable outlook.

OUTLOOK

Your Company is optimistic about the long term opportunities while effectively meeting the short term challenges. Its main focus is on customer service par excellence and building an efficient and robust distribution. As part of its ongoing strategy, it closely monitors the market situation and believes that its business model and prudent risk management practice, coupled with a strong customer base and client relationship will provide a base for sustainable long term growth.

GRATITUDE

We take this opportunity to express our appreciation to the Ministry of Commerce, Government of Pakistan, and the Department of Insurance under SECP for their valuable assistance, support and guidance.

The Board of Directors would like to express its sincere thanks and wish to record its appreciation for the contribution made by the employees.

Lastly, our thanks go to thousands of our policyholders and shareholders whose confidence; continued patronage has been a source of encouragement for the Company.

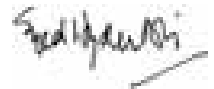
On behalf of the Board of Directors.



Shamim Ahmad Khan

Chairman

Dated: March 03, 2018



Syed Hyder Ali

Chief Executive Officer

Dated: March 03, 2018

Directors' Report to the Members

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Statement under the Code of Corporate Governance

The Board and the management are fully committed to good corporate governance. As required under the Code of Corporate Governance issued by Securities and Exchange Commission of Pakistan (SECP), the Directors are pleased to state the following:

- a) The financial statements along with notes forming an integral part of these financial statements have been prepared by the management of your Company and present its state of affairs, the result of its operations, cash flows and changes in equity fairly.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, International Financial Reporting Standards or any other regulation or law (including but not limited to the Shariah guidelines / principles) as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts about the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in Rule Book and Listing Regulations of the stock exchanges of Pakistan.
- h) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at December 31, 2017, except as those disclosed in the financial statements.
- i) The value of investments by the staff retirement fund operated as per their respective unaudited financial statements as at December 31, 2017 are as follows

Employee Provident Fund	Rs. 34.412 million
Employee Gratuity Fund	Rs. 44.695 million
- j) The Chairman of the Board has obtained exemption from SECP as he is sufficiently experienced as per the criteria and requirement stated in the Code of Corporate Governance. All seven Directors have obtained the training as required by the SECP.
- k) Key operating and financial data for last six year is attached to these financial statements.

As required under the Insurance Ordinance 2000, the Directors confirm that:

- In their opinion and to the best of their belief the annual statutory accounts of the Company set out in forms attached with this statement have been drawn up in accordance with Insurance Ordinance, 2000 and any rules made thereunder;
- The Company has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to the paid-up capital, solvency and re-insurance arrangements; and as at the date of the statement, the Company continues to be in compliance with provisions of the Ordinance and the rules thereunder as mentioned above.

Directors' Report to the Members

Board Meetings and Change in Directorships

The Board of Directors of the company comprises of two independent, two executive and three non-executive directors. No casual vacancy occurred on the Board during the year.

Subsequent to the year end one casual vacancy arose due to resignation of one executive Director of your company, which was filled by appointment of an independent Director within the stipulated time timeframe.

Meetings of the Board of Directors, Audit, Underwriting, Reinsurance, Claims, Investment and Human Resources and Remuneration Committee were held according to schedule. The details of the meetings held and attendance by each Director in the meeting of the Board and its sub-committees are as follows:

The Board granted leave of absence to those Directors who could not attend the Board Meetings.

	Board Committee	Audit Committee	Claims Committee	Underwriting and Reinsurance	Investment Committee	Risk Management and Compliance	Human Resources & Remuneration Committee
Number of meetings held	7	4	4	4	4	2	4
Attendance							
Syed Hyder Ali	7	-	-	4	4	-	4
Shamim Ahmed Khan	7	-	4	-	-	2	-
Nadeem R. Malik**	7	-	-	4	4	-	-
Muhammad Kamal Syed	4	1	-	2	2	-	-
Khurram Raza Bakhtiyari	7	4	-	-	4	2	4
Syed Yawar Ali	7	4	4	-	4	2	4
Ehsan A. Malik	7	4	-	-	4	2	4

** Resigned from directorship subsequent to the year end w.e.f January 31, 2018.

Trade in shares by Directors, executives and their spouses and minor children

During the year, no trading in the shares of the Company was carried out by the Directors, executives and their spouses and minor children, except for the following:

- Syed Hyder Ali purchased 229,000 shares
- Syed Yawar Ali purchased 500 shares
- Syeda Nighat Ali purchased 64,000 shares

Pattern of shareholding

A statement showing pattern of shareholding is attached with the annual report.

Directors' Report to the Members

AUDIT COMMITTEE

The Audit Committee comprises of four non-executive Directors including two independent Directors. The term of reference of the Audit Committee are aligned with the Code of Corporate Governance. The Committee meets at least once in a quarter.

CLAIM SETTLEMENT COMMITTEE

This Committee approves the Claims Settlement policy of the Company. It oversees the claim position of the Company and ensures that adequate claims reserves are maintained. It pays particular attention to extraordinary claim cases. The Claims Settlement Committee ensures prompt settlement of claims and payment. It also reviews all outstanding cases including those before the court, Insurance Ombudsman and the tribunal. It also oversees the implementation of the measures for combating fraudulent claim cases.

UNDERWRITING AND REINSURANCE COMMITTEE

This Committee ensures that adequate reinsurance arrangements are in place for its businesses. It evaluates the proposed reinsurance arrangements prior to execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurer, makes appropriate adjustments as and when necessary. It also assesses the future effectiveness of the reinsurance program

The Committee also formulates the underwriting policy of the Company. It sets out the criteria for assessing various types of insurance risks. It regularly reviews the underwriting policies with due regard to its business portfolio and the market development.

ETHICS, HUMAN RESOURCE, NOMINATION & REMUNERATION COMMITTEE:

The Ethics, Human Resources, Nomination and Remuneration Committee is responsible for formulation of Human Resource policies of the Company. It assist the Board selection, evaluation, compensation of senior officers including Chief Executive Officer, Deputy Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit. It also recommends succession planning of these officers. It regularly reviews the Human Resource policies.

CODE OF CONDUCT

Your Company has been offering traditional life insurance, universal life and unit linked plans to its customers for their future financial security. We strictly comply with the Market Code of Conduct prescribed by SECP and accordingly disclose all the material facts of our products before the prospective clients.

We adhere to the highest standards of business conduct at all times and it is mandatory for all employees. The Company has also introduced Code of Ethics for Employees which they are required to sign each year.

PATTERN OF SHAREHOLDING

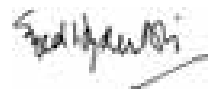
The pattern of Shareholding as at December 31, 2017 as required under section 236 of the Companies Ordinance, 1984 and



Shamim Ahmad Khan

Chairman

Dated: March 03, 2018



Syed Hyder Ali

Chief Executive Officer

Dated: March 03, 2018

Chairman's Review

I am pleased to present you the 23rd Annual Report of the Company along with the audited financial statements for the year ended December 31, 2017.

COMPANY PERFORMANCE REVIEW 2017

IGI Holdings Limited (formerly: IGI Insurance Limited) acquired the controlling stakes in Metlife Alico Pakistan in 2014 and since then IGI Life has been making continuous efforts to strengthen its management and infrastructure. In this direction, the Company has injected professionals in various departments. The Company has also strengthened the infrastructure by opening new branches and increasing the agency work force. Further, the Company has also developed bancassurance relationships with new banks. We are now well poised to meet the challenges of operating in an increasingly competitive market.

As regards the operational results of the Company, regular premium increased by more than 12% and the newly introduced Takaful Window Operations have shown substantial growth. However, performance in the case of Single Premium segment could not match the targets.

The Group Life & health premium (including Takaful Group Family and Health) also posted an accelerated growth of 34% over last year and stood at Rs. 1.26 billion as against Rs. 943 million in 2016.

The Company's statutory funds, other than Life Participating fund, generated a surplus of Rs. 134.6 million as compared to surplus of Rs. 86.9 million last year. After accounting for the Shareholders' Fund, the Company made a before tax profit of Rs. 231.7 million as against Rs 212.4 million, reflecting an increase of 9%.

REGULATORY FRAMEWORK

During 2017 a number of changes in the regulatory framework of companies in general and insurance companies in particular were notified by Securities and Exchange Commission of Pakistan (SECP). The management of the Company is ensuring compliance with all regulations.

In view of some difficulties, your Company along with other insurance companies had requested SECP for exemption for complying with the Insurance Accounting Regulations, 2017 and exemption was granted.

THE BOARD OF DIRECTORS

The previous Board completed its term of office in March 2017, and the directors offered themselves for re-election. Subsequently the directors including myself were re-appointed for a term of 3 years.

In January 2018, a casual vacancy occurred due to the resignation of Mr. Nadeem R. Malik and Mr. Hasan Askari was appointed in his place. The reconstituted Board includes three independent directors and one executive director.

PERFORMANCE EVALUATION OF THE BOARD

The Board comprises directors having varied background and rich experience in the fields of business, insurance, finance and regulations. The Board provides strategic direction to the management and ensures compliance with all regulatory requirements by the management. The Board also provides guidance to the management whenever required. The Board evaluates its own performance annually and for this purpose has devised an evaluation framework. Each member of the Board carries out self-assessment of his own effectiveness as an individual as well as that of the Board as a team.

Chairman's Review

The Board has constituted Audit Committee, Human Resource & Ethics Committee, Claims Settlement Committee, Underwriting & Reinsurance Committee and Risk Management & Compliance Committee. These committees meet before the meeting of the Board and provide valuable input to the Board enabling it to take decisions in the best interest of the Company. The Audit Committee particularly focuses on effectiveness of internal controls while the Risk & Compliance committee identifies risks and recommends mitigation measures.

OUTLOOK

We are confident that in the coming years, the Company will be able to capitalize long term opportunities in the market while effectively meeting the short term challenges. Its main focus is on customer service and strengthening underwriting capability and expanding its outreach. We are hopeful that these measures would help the Company to grow in the future.



Shamim Ahmad Khan
Chairman

Dated: March 03, 2018



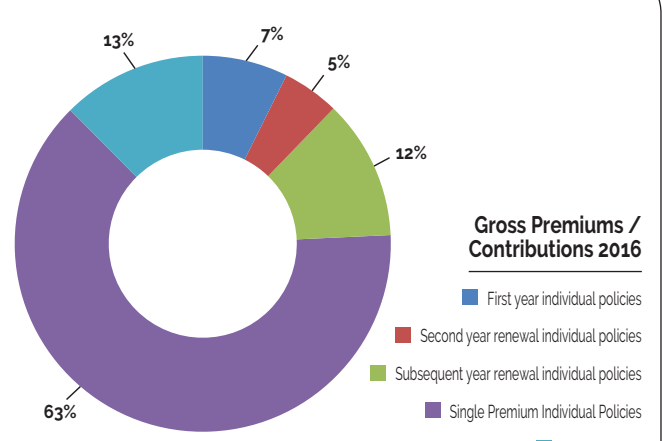
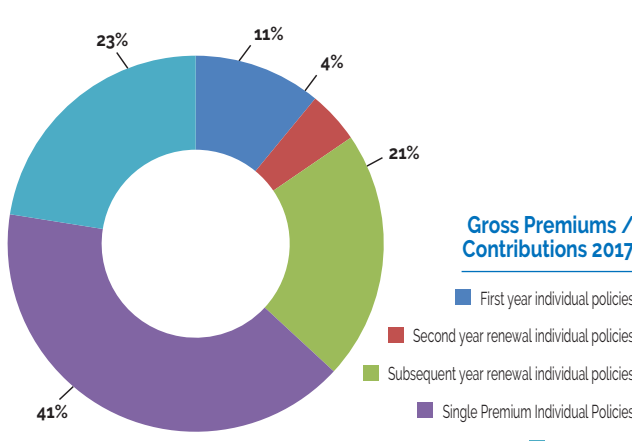
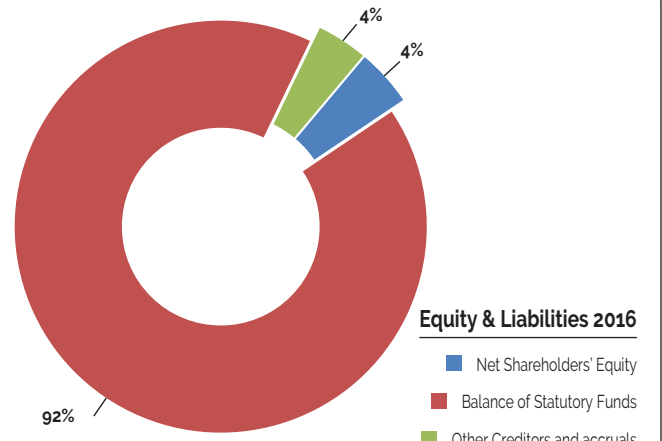
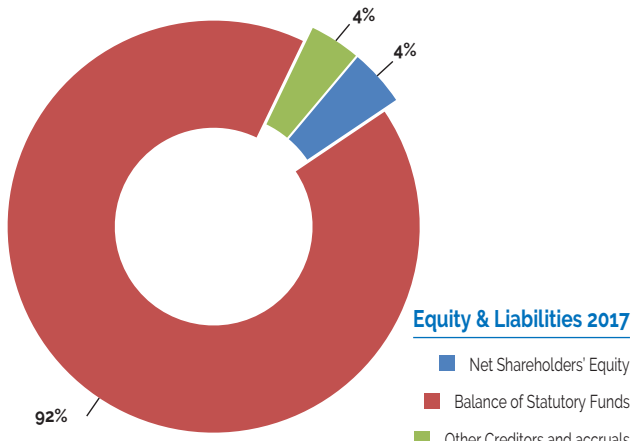
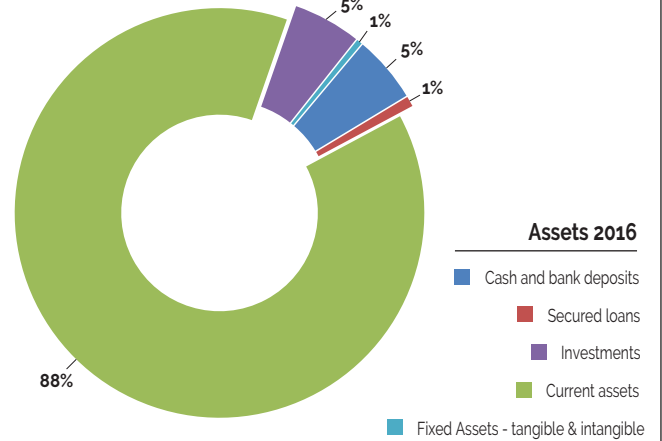
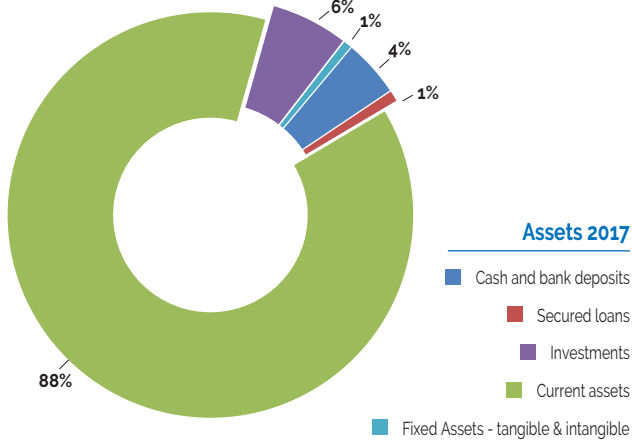


Corporate Solutions

Having large local and multinational conglomerates on-board is a testament of our service standard. We are working constantly with our corporate clientele to enhance their experience. This has proven to be mutually beneficial, where we now come up with products and services, giving:

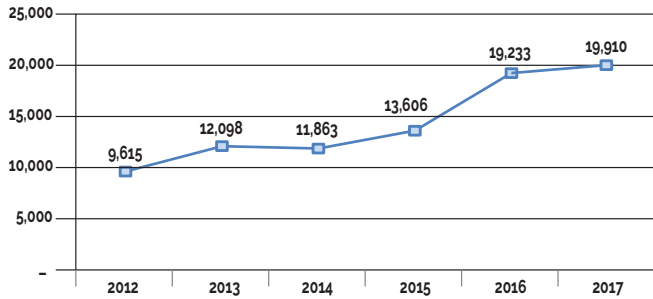
- Comprehensive suite of Employee Benefit Solutions
- Voluntary plans for affinity groups
- Multinational pooling and captive solutions for multinational employers
- Customized service level agreements
- Shariah compliant solutions through Window Takaful Operation

Performance at a Glance

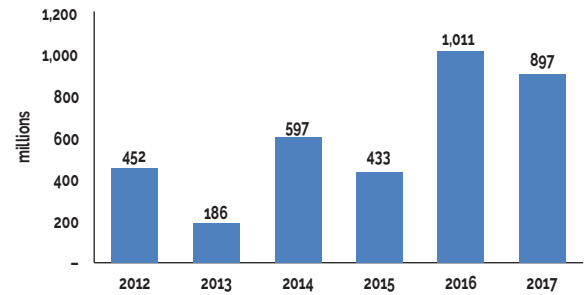


Performance at a Glance

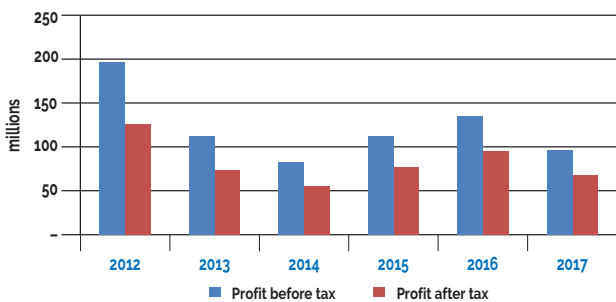
Total Assets over the years



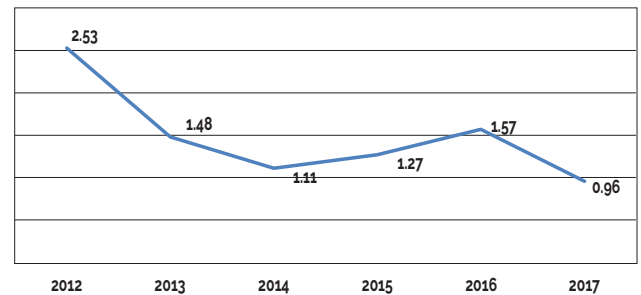
Cash & Bank Balances



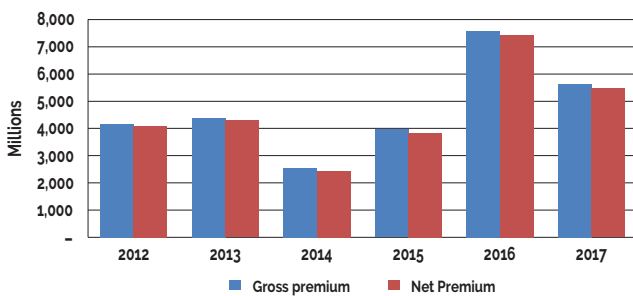
Profit before and after tax



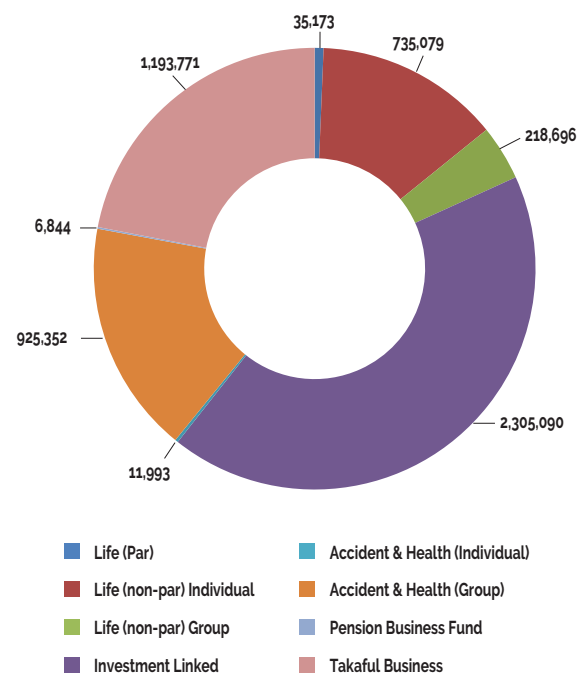
Earning Per Share (EPS)



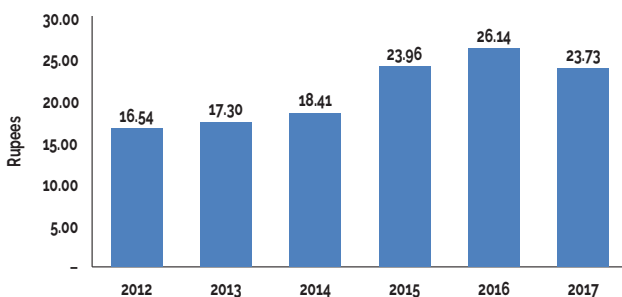
Gross and Net Premium / Contribution



Composition of Net Premiums / Contributions



Net Asset Value per share



Key Financial Data

Six years at Glance

Financial ratios

Profitability / Return to shareholders

		2017	2016	2015	2014	2013	2012
----- (Rupees in '000) -----							
Profit before tax / gross premium / Contributions	%	1.73%	1.79%	2.84%	3.26%	2.55%	4.71%
Expenses / Income	%	86.29%	43.48%	104.10%	54.47%	40.09%	54.05%
Return on assets	%	0.34%	0.49%	0.56%	0.47%	0.61%	1.31%
Return on equity	%	8.00%	11.05%	8.61%	6.71%	8.54%	15.28%
EPS Rs.	0.96	1.34	1.27	1.11	1.48	2.53	
Price earning ratio	times	87.81	63.95	108.76	145.34	24.53	13.26
Net assets per share	Rs.	23.73	26.14	23.96	18.41	17.30	16.54

Market data

Face value per share	Rs.	10	10	10	10	10	10
Market value per share at year end	Rs.	84.50	86.0	138.13	160.9	36.3	33.5
Highest share price during the year	Rs.	131.00	119.8	170.78	197.6	36.3	37.4
Lowest share price during the year	Rs.	80.40	45.6	109	36.3	18.3	14
Market capitalization	'000	5,962,928	5,202,395	8,047,500	1,815,000	1,675,000	700,000

Performance / Liquidity

Earning asset to total asset ratio	%	93.26%	94.22%	94.61%	94.53%	94.09%	90.67%
Net premium / contribution to gross premium / contribution ratio	%	97.29%	98.05%	96.09%	97.82%	97.86%	97.06%
Net claims to net premium / contribution ratio	%	79.02%	42.86%	139.51%	88.72%	30.38%	21.67%
Management expenses to net premium / contribution ratio	%	22.09%	15.38%	32.79%	32.17%	18.62%	25.11%
Current ratio	times	1.89	1.40	1.23	1.34	0.98	0.80
Total assets turnover	times	0.32	0.52	0.39	0.34	0.45	0.54
Fixed assets turnover	times	50.21	118.55	71.92	93.10	123.00	82.25
Equity / total assets	%	4.26%	4.47%	6.54%	6.96%	7.15%	8.56%

Key Financial Data

Six years at Glance

Financial data

	2017	2016	2015	2014	2013	2012
	----- (Rupees in '000) -----					
Paid-up capital	705,672	605,000	500,000	500,000	500,000	500,000
Net shareholders' equity	848,447	858,791	889,901	825,502	865,050	826,798
Investments	17,502,187	16,956,387	12,094,010	10,308,203	11,152,340	8,536,478
Cash and bank deposits	897,460	1,010,880	433,202	596,598	186,462	452,268
Total assets	19,909,844	19,232,731	13,606,156	11,862,586	12,097,502	9,658,168

Operating data

Gross premium/ contributions	5,617,388	7,584,067	3,962,435	2,535,167	4,388,535	4,170,408
Net premium / contributions	5,465,029	7,436,242	3,834,615	2,435,929	4,292,671	4,081,149
Investments and other income	955,927	2,555,514	1,607,984	1,607,984	1,143,591	1,026,345
Profit before taxation	97,080	135,539	112,645	82,615	111,897	196,429
Taxation	29,174	40,649	36,046	27,263	38,045	70,072
Profit after taxation	67,906	94,890	76,599	55,352	73,852	126,357
EPS	0.96	1.34	1.27	1.11	1.48	2.53

Cash flow summary

Net cash flow from operating activities	(411,053)	2,965,665	279,454	(1,880,798)	1,258,411	2,095,960
Net cash flow from investing activities	387,433	(2,338,107)	(442,850)	2,290,936	(1,349,219)	(1,943,749)
Net cash flow from financing activities	(89,800)	(49,880)	-	-	-	-
Net cash flow from all activities	(113,420)	577,678	(163,396)	410,138	(90,808)	152,211
Cash and cash equivalents at the beginning of the year	1,010,880	433,202	596,598	186,460	277,268	125,057
Cash and cash equivalents at the end of the year	897,460	1,010,880	433,202	596,598	186,460	277,268

Balance Sheet and Profit & Loss Analysis

Vertical Analysis

Balance Sheet

	2017		2016	
	Rupees in '000	%	Rupees in '000	%
Net shareholders' equity	848,447	4%	858,791	4%
Balance of statutory funds	18,379,275	92%	17,608,792	92%
Deferred liability	22,377	0%	23,219	0%
Creditors and accruals	658,648	3%	741,782	4%
Dividend	1,097	0%	147	0%
Total equity and liabilities	19,909,844	100%	19,232,731	100%
Cash and bank deposits	897,460	5%	1,010,880	5%
Secured loans	168,046	1%	154,086	1%
Investments	17,502,187	88%	16,956,387	88%
Current assets	1,214,262	6%	1,027,093	5%
Deferred asset	-	0%	-	0%
Fixed Assets – tangible & intangible	127,889	1%	84,285	0%
Total assets	19,909,844	100%	19,232,731	100%
Revenue and Profit & loss account				
Net Income	6,420,956	100%	9,991,756	100%
Claims and Expenditures	(5,540,893)	-86%	(4,344,280)	-43%
Movement in policy holders' liability	(838,953)	-13%	(5,331,770)	-53%
Surplus / Profit before tax	41,110	1%	315,706	3%
Taxation	(29,174)	0%	(40,649)	0%
Surplus / Profit after tax	11,936	0%	275,057	3%

Horizontal Analysis

Balance Sheet

	2017	2016	2015	2014
	----- Rupees in '000 -----			
Net shareholders' equity	848,447	858,791	889,901	825,502
Balance of statutory funds	18,379,275	17,608,792	12,020,855	10,455,853
Deferred liability	22,377	23,219	-	-
Creditors and accruals	658,648	741,782	695,373	581,204
Dividend	1,097	147	27	27
Total equity and liabilities	19,909,844	19,232,731	13,606,156	11,862,586
Cash and bank deposits	897,460	1,010,880	433,202	596,598
Secured loans	168,046	154,086	147,681	134,711
Investments	17,502,187	16,956,387	12,094,010	10,308,203
Current assets	1,214,262	1,027,093	852,161	779,634
Deferred taxation	-	-	5,543	-
Fixed Assets – tangible & intangible	127,889	84,285	73,559	43,440
Total assets	19,909,844	19,232,731	13,606,156	11,862,586
Revenue and Profit & loss account				
Net Income	6,420,956	9,991,756	5,290,175	4,044,378
Claims and Expenditures	(5,540,893)	(4,344,280)	(3,624,728)	(4,210,257)
Movement in policy holders' liability	(838,953)	(5,331,770)	(1,435,553)	452,991
Surplus / Profit before tax	41,110	315,706	229,894	287,112
Taxation	(29,174)	(40,649)	(36,046)	(27,263)
Surplus / Profit after tax	11,936	275,057	193,848	259,849

Balance Sheet and Profit & Loss Analysis

2015		2014		2013		2012	
Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
889,901	7%	825,502	7%	865,050	7%	826,798	9%
12,020,855	88%	10,455,853	88%	10,609,447	88%	8,208,597	85%
-	0%	-	0%	-	0%	-	0%
695,373	5%	581,204	5%	622,978	5%	579,160	6%
27	0%	27	0%	27	0%	27	0%
13,606,156	100%	11,862,586	100%	12,097,502	100%	9,614,582	100%
433,202	3%	596,598	5%	186,460	2%	452,268	5%
147,681	1%	134,711	1%	107,033	1%	99,963	1%
12,094,010	89%	10,308,203	87%	11,152,340	92%	8,536,478	89%
852,161	6%	779,634	7%	607,530	5%	464,910	5%
5,543	0%	-	0%	-	0%	-	0%
73,559	1%	43,440	0%	44,139	0%	60,963	1%
13,606,156	100%	11,862,586	100%	12,097,502	100%	9,614,582	100%
5,290,175	100%	4,044,378	100%	5,441,275	100%	5,197,350	100%
(3,624,728)	-69%	(4,210,257)	-104%	(2,964,128)	-54%	(2,117,265)	-41%
(1,435,553)	-27%	452,991	11%	(2,215,599)	-41%	(2,904,302)	-56%
229,894	4%	287,112	7%	261,548	5%	175,783	3%
(36,046)	-1%	(27,263)	-1%	(38,045)	-1%	(70,072)	-1%
193,848	4%	259,849	6%	223,503	4%	105,711	2%

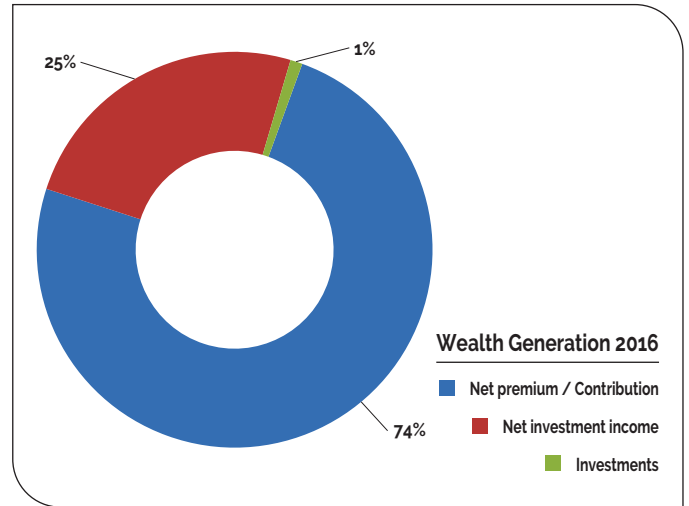
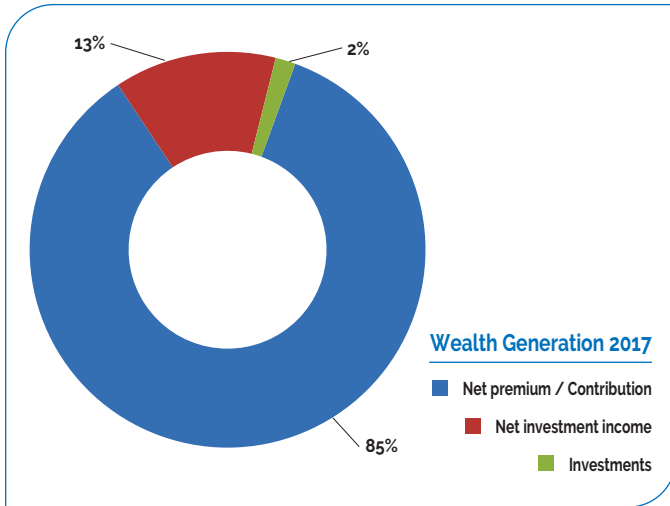
2013	2012	2011	2017	2016	2015	2014	2013	2012
Rupees in '000			% increase / (decrease) over preceding year					
865,050	826,798	734,941	-1%	-3%	8%	-5%	5%	12%
10,609,447	8,208,597	5,269,066	4%	46%	15%	-1%	29%	56%
-	-	-	-4%	0%	0%	0%	0%	0%
622,978	579,160	666,419	-11%	7%	20%	-7%	8%	-13%
27	27	27	646%	444%	0%	0%	0%	0%
12,097,502	9,614,582	6,670,453	4%	41%	15%	-2%	26%	44%
186,460	452,268	125,057	-11%	133%	-27%	220%	-59%	262%
107,033	99,963	90,096	9%	4%	10%	26%	7%	11%
11,152,340	8,536,478	5,833,574	3%	40%	17%	-8%	31%	46%
607,530	464,910	561,509	18%	21%	9%	28%	31%	-17%
-	-	-	0%	-100%	0%	0%	0%	0%
44,139	60,963	60,217	52%	15%	69%	-2%	-28%	1%
12,097,502	9,614,582	6,670,453	4%	41%	15%	-2%	26%	44%
5,441,275	5,197,350	3,646,437	-36%	89%	31%	-26%	5%	43%
(2,964,128)	(2,117,265)	(1,461,799)	28%	20%	-14%	42%	40%	45%
(2,215,599)	(2,904,302)	(1,949,171)	-84%	271%	-417%	-120%	-24%	49%
261,548	175,783	235,467	-87%	37%	-20%	10%	49%	-25%
(38,045)	(70,072)	(67,312)	-28%	13%	32%	-28%	-46%	4%
223,503	105,711	168,155	-96%	42%	-25%	16%	111%	-37%

Statement of Value Addition

Wealth Generation

Net premium / Contribution
 Net investment income
 Other income 105,479
Wealth generated

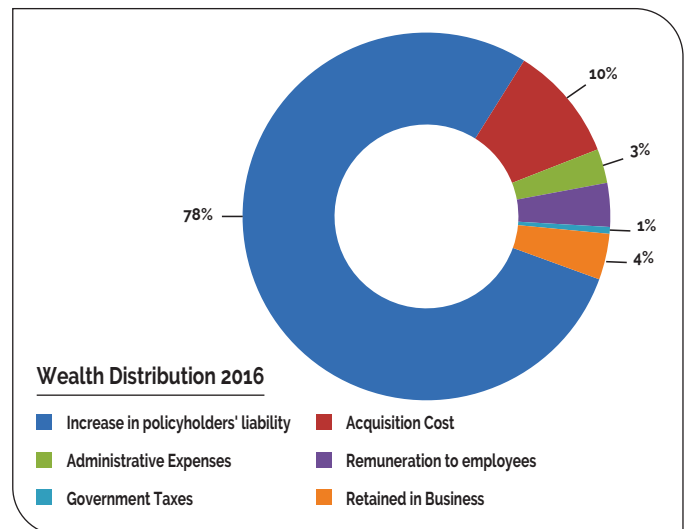
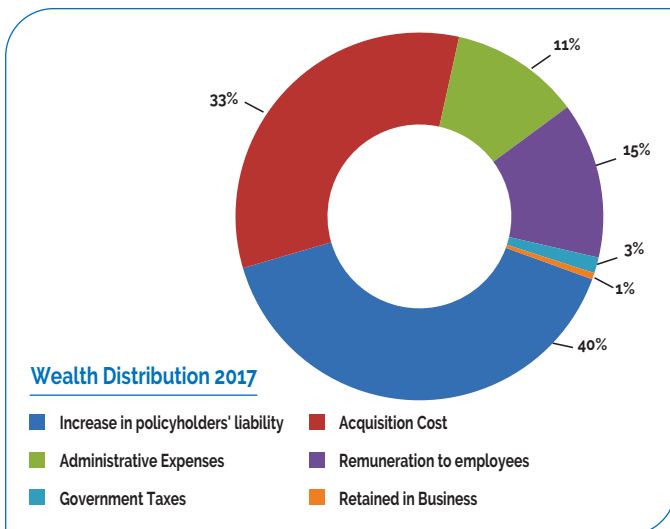
2017		2016	
Amount	%	Amount	%
5,465,029	85%	7,436,242	74%
850,448	13%	2,456,690	25%
105,479	2%	105,479	1%
6,420,956	100%	9,991,756	100%



Wealth Distribution

Claims and Surrenders
 Increase in policyholders' liability
 Acquisition Cost 693,853
 Administrative Expenses
 Remuneration to employees
 Government Taxes
 Retained in Business

2017		2016	
Amount	%	Amount	%
4,318,736	67%	3,186,980	32%
838,953	13%	5,331,770	53%
693,853	11%	693,853	7%
239,641	4%	204,747	2%
288,663	4%	261,859	3%
29,174	0%	40,649	0%
11,936	0%	275,057	3%
6,420,956	100%	9,991,756	100%



Financial / Event Calendar

Event

Results	Date
Financials for the three months ended March 31, 2017	25-Apr-17
Financials for the six months ended June 30, 2017	29-Aug-17
Financials for the nine months ended September 30, 2017	25-Oct-17
Financials for the year ended December 31, 2017	03-Mar-18
Notice to Shareholders with Financial Statements	05-Apr-18
Annual General Meeting	25-Apr-18

Pattern of Shareholding

IGI Life Insurance Limited – as at December 31, 2017

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
460	1	100	8,114
138	101	500	29,093
133	501	1,000	89,764
147	1,001	5,000	355,664
18	5,001	10,000	124,574
18	10,001	15,000	220,877
4	15,001	20,000	64,093
7	20,001	25,000	152,373
5	25,001	30,000	135,738
2	30,001	35,000	65,822
4	35,001	40,000	150,135
2	50,001	55,000	104,183
2	55,001	60,000	115,380
1	80,001	85,000	83,141
1	85,001	90,000	85,425
1	100,001	105,000	102,185
1	105,001	110,000	107,640
1	110,001	120,000	118,859
1	140,001	150,000	144,489
1	180,001	190,000	188,819
1	190,001	200,000	199,040
3	210,001	220,000	644,716
1	260,001	270,000	266,384
1	290,001	300,000	296,472
1	325,001	350,000	326,363
1	1,470,001	1,475,000	1,470,892
1	3,510,001	3,515,000	3,512,851
1	3,775,001	3,780,000	3,776,976
1	57,627,138	57,627,138	57,627,138
958			70,567,200

Pattern of Shareholding

IGI Life Insurance Limited – as at December 31, 2017

Information as required under Code of Corporate Governance

Shareholder's category	Number of Shareholders	Number of shares held
Associated Companies, Undertaking and Related Parties		
IGI Holdings Limited (formerly: IGI Insurance Limited)	1	57,627,138
Total	1	57,627,138
Mutual Funds		
CDC - Trustee First Dawood Mutual Fund	1	266,384
Total	1	266,384
Directors and their spouse		
Muhammed Kamal Syed		701
Ehsan Ali Malik		701
Khurram Raza Bakhtayari		701
Nadeem Rehman Malik		701
Shamim Ahmed Khan		701
Syed Hyder Ali		327,064
Syed Yawar Ali		2,680
Syeda Nighat Ali		199,040
Total	8	532,289
Executives		
	-	-
Public Sector Companies and Corporations, Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds		
Total	3	3,515,765
Shareholder Holding five percent or more voting Rights in the Listed Company		
Gregory Alexander	1	3,776,976
IGI Holdings Limited (formerly: IGI Insurance Limited)	1	57,627,138
Total	2	61,404,114

Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1. Directors, Chief Executive Officer, and their spouse and minor children	8	532,289	0.75
2. Associated Companies, Undertakings and related Parties	1	57,627,138	81.66
3. NIT and ICP	-	-	-
4. Banks, Development Financial Institutions, Non Banking Financial Institutions	3	3,515,765	4.98
5. Insurance Companies			
6. Modarabas and Mutual Funds	1	266,384	0.38
7. Share holders holding 10%	1	56,627,138	81.66
8. General Public:			
a. local	924	8,252,351	11.70
b. Foreign	-	-	-
9. Others	21	373,273	0.53
Total (excluding : share holders holding 10%)	958	70,567,200	100.00

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016

IGI Life Insurance Limited – Year ended December 31, 2017

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation 5.19 of the Pakistan Stock Exchange Regulations issue by the Pakistan Stock Exchange Limited and Code of Corporate Governance for Insurers, 2016 applicable to insurance companies as issued by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of establishing a framework of good governance, whereby a listed Insurance company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name
Independent Directors	Ehsan Ali Malik Muhammad Kamal Syed
Executive Directors	Syed Hyder Ali Nadeem Rehman Malik
Non-Executive Directors	Syed Yawar Ali Khurram Raza Bakhtatyari Shamim Ahmad Khan

The independent directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or Non-Banking Financial Institution, or being a member of stock exchange, has been declared as a defaulter by a stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the Company.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board.
8. The meetings of the Board have been duly presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose 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 (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016

IGI Life Insurance Limited – Year ended December 31, 2017

9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
10. All directors of the company have attended orientation courses to acquaint them with the code, applicable laws and their duties and responsibilities.
11. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.
16. The Board has formed the following Management Committees:

Underwriting & Reinsurance Committee**	
Name of the Member	Category
Syed Hyder Ali	Chairman
Nadeem Rehman Malik	Member
M. Kamal Syed	Member
Syed Fahad Subhan	Member
Ali Nadeem	Member

** Previously company had separate Underwriting and Reinsurance committees which have been merged during the year.

Claim Settlement Committee	
Name of the Member	Category
Shamim Ahmad Khan	Chairman
Syed Yawar Ali	Member
Dr. Bakht Jamal	Member
Akif Zia Malik	Member
Muhammad Wasif Ali	Member

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016

IGI Life Insurance Limited – Year ended December 31, 2017

Risk Management and Compliance Committee	
Name of the Member	Category
Shamim Ahmed Khan	Chairman
Ehsan A. Malik	Member
Syed Yawar Ali	Member
M. Kamal Syed	Member
Khurram Raza Bakhtayari	Member

17. The Board has formed the following Board Committees:

Ethics, Human Resource, Nomination & Remuneration Committee	
Name of the Member	Category
Syed Yawar Ali	Chairman
Syed Hyder Ali	Member
Khurram Raza Bakhtayari	Member
Ehsan A. Malik	Member

Investment Committee	
Name of the Member	Category
M. Kamal Syed	Chairman
Nadeem R. Malik	Member
Syed Hyder Ali	Member
Syed Yawar Ali	Member
Ehsan A. Malik	Member
Khurram Raza Bakhtayari	Member
Syed Fahad Subhan	Member
Ali Nadeem	Member

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016

IGI Life Insurance Limited – Year ended December 31, 2017

18. The Board has formed an Audit Committee. It comprises of four (4) members, of whom two (2) are independent directors and two (2) are non-executive directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

Audit Committee	
Name of the Member	Category
Ehsan A. Malik (Independent Director)	Chairman
M. Kamal Syed (Independent Director)	Member
Syed Yawar Ali (Non-Executive Director)	Member
Khurram Raza Bakhtayari (Non-Executive Director)	Member

19. The meetings of the Committees, including Ethics, Human Resource, Nomination & Remuneration Committees, were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code of Corporate Governance for Insurers, 2016. The terms of references of the Committees have been formed and advised to the Committees for compliance.
20. The Board has outsourced the internal audit function to a firm of Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a regular basis.
21. 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 of Corporate Governance for Insurers, 2016. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, customer service and grievance 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
Syed Hyder Ali	Chief Executive Officer
Nadeem Rehman Malik	Deputy Chief Executive Officer
Syed Fahad Subhan	Chief Financial Officer
Muhammad Yousuf Ansari	Manager Actuarial and Reinsurance
Yasir Ali Quraishi	Legal counsel and Company Secretary
Rashid Ahmed	Head of Internal Audit and Compliance
Kamran Khan	Manager Underwriting
Dr. Sabeeh Jafri	Head of Claims
Aijaz Saleem	Head of Customer Services and Grievance

22. 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 programme of the Institute

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016

IGI Life Insurance Limited – Year ended December 31, 2017

of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

23. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
25. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
26. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
27. The Appointed Actuary of the Company has confirmed that he or his spouse and minor children do not hold shares of the Company.
28. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
29. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.
30. The Board ensures that the risk management system of the Company is in place as per the requirement of the Code of Corporate Governance for Insurers, 2016 within the prescribed timelines.
31. The Company has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016. The risk Management function was established subsequent to the year ended 31 December 2016 within the timelines prescribed by the Code.
32. The Board ensures that as part of the risk management system, the Company gets rated from PACRA, which is being used by its risk management function and respective committee as a risk monitoring tool. The insurer Financial Strength (IFS) rating assigned by the said rating agency, as per their notification dated 29 September, 2017 is A+ (A plus) with stable outlook.
33. The Board has set up a grievance department / function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.
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. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 as applicable for the year ended December 31, 2017 have been complied with.

By Order of the Board



Shamim Ahmad Khan
Date: March 03, 2018

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

IGI Life Insurance Limited – Year ended December 31, 2017

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of IGI Life Insurance Limited ('the Company') for the year ended December 31, 2017 to comply with the requirements of Rule 5.19 of the Pakistan Stock Exchange Regulations issued by the Pakistan Stock Exchange Limited and Code of Corporate Governance for Insurers, 2016 applicable to insurance companies as issued by the Securities and Exchange Commission of Pakistan (SECP).

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended December 31, 2017.



A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: April 02, 2018

Karachi



Auditors' Report to the Members of IGI Life Insurance Limited

IGI Life Insurance Limited – Year ended December 31, 2017

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of comprehensive income
- (iv) statement of changes in equity;
- (v) statement of cash flows;
- (vi) revenue account;
- (vii) statement of premiums;
- (viii) statement of claims;
- (ix) statement of expenses; and
- (x) statement of investment income

of IGI Life Insurance Limited (the Company) as at December 31, 2017 together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the year then ended.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000), and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2017 and of the profit, its cash flows and changes in equity for the year then ended, in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (d) 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; 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.



A. F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: April 02, 2018

Karachi



Management's Statement of Compliance with the Shariah Principles

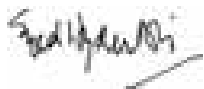
IGI Life Insurance Limited – Year ended December 31, 2017

The financial arrangements, contracts and transactions, entered into by IGI Life Insurance Limited - Window Takaful Operations (the Company) for the year ended December 31, 2017 are in compliance with the Takaful Rules, 2012.

Further we confirm that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance. 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;
- The Company has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor/ Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the polices approved by Shariah Advisor.
- 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.



Syed Hyder Ali
Chief Executive Officer
Dated: March 03, 2018





Family Takaful

Our Shariah Compliant solutions provide peace of mind for you and your family no matter what season of life you are currently in.

Shariah Advisor Report to the Board of Directors

IGI Life Insurance Limited – Year ended December 31, 2017

الحمد لله رب العالمين والصلاة والسلام على سيد الأنبياء والمرسلين
محمد النبي الأمي وعلى آله وأصحابه أجمعين، وبعد!

I have examined the accompanying financial statements of IGI Life - Window Takaful Operations (hereafter referred to as "the Window Takaful") for the year ended 31 December 2017.

I acknowledge that as Shariah Advisor of the Window Takaful, it is my responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Window Takaful with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles. It is the responsibility of the Window Takaful's management to ensure that the rules, principles and guidelines set by the Shariah Advisor are complied with, and that all policies and services being offered are duly approved by the Shariah Advisor.

The primary scope of Shariah Audit is to review the Window Takaful's compliance with Shariah Guidelines, and includes the examination of the appropriate evidence of transactions undertaken by the Window Takaful during the year 2017.

It is the responsibility of the Shariah Advisor to express his opinion on the submitted financial statements. In my opinion, and to the best of my understanding based on the provided information and explanations, below are the findings:

- (i) Financial transactions undertaken by the Window Takaful for the year ended 31 December 2017 were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.
- (ii) Few cases which had some irregularities from the Shariah perspective were discussed with the Management and duly resolved. Furthermore, the management of the Window Takaful has been advised to strictly follow Shariah compliance in future.
- (iii) Consequently, we have found that the Window Takaful is in accordance with the Shariah principles in all transactional aspects.

"And Allah Knows Best"



Dr. Mufti Ismatullah
Shariah Advisor

شریعا ایڈوائزری رپورٹ برائے بورڈ آف ڈائریکٹرز

آئی جی آئی لائف انشورنس لمیٹڈ برائے مالیاتی سال 2017

نحمدہ ونصلی ونسلم علی رسولہ الکریم وعلی آلہ واصحابہ اجمعین، وبعد!

الحمد للہ، میں نے آئی جی آئی لائف، ونڈوٹیکانفل آپریشنز (آئسندہ اسے ونڈوٹیکانفل کہاجائے گا) کے مالیاتی اسٹیٹمنٹس برائے سال 2017 کا شرعی نقطہ نظر سے جانزہ لیا۔

میں ونڈوٹیکانفل کے شریعا ایڈوائزر کی حیثیت سے اس بات سے بخوبی باخبر ہوں کہ ونڈوٹیکانفل کے شرکاء تیکانفل اور شیئر ہولڈرز کے مابین تمام مالی معاملات اور مختلف حقوق و معاہدات کو شرعی قواعد و ضوابط کے مطابق یقینی بنانا میری ذمہ داری ہے۔ اسی طرح ونڈوٹیکانفل کی منظمہ کمیٹی کی بھی یہ ذمہ داری ہے کہ وہ شریعا ایڈوائزر کی طرف سے جاری کردہ اصول و ضوابط اور گائیڈ لائنز پر اہتمام کے ساتھ عمل کرنے کو یقینی بنائے۔ مزید برآں یہ کہ تمام تیکانفل پالیسیاں اور خدمات شرعی قواعد و ضوابط کے مطابق اور باقاعدہ شریعا ایڈوائزر سے منظور شدہ ہوں۔

یہ بات اہم ہے کہ ونڈوٹیکانفل نے ابتداء ہی سے اس بات کا اہتمام کیا ہے کہ شریعا ایڈوائزر کی جانب سے جاری کردہ ہدایات پر اہتمام سے عمل کیا جائے اور تمام تیکانفل پالیسیاں، خدمات اور مختلف فنڈز کی سرمایہ کاری شرعی قواعد و ضوابط کے مطابق انجام دی جائے اور یہ باقاعدہ شریعا ایڈوائزر سے منظور شدہ بھی ہوں۔ بہر حال میری معلومات کے مطابق:

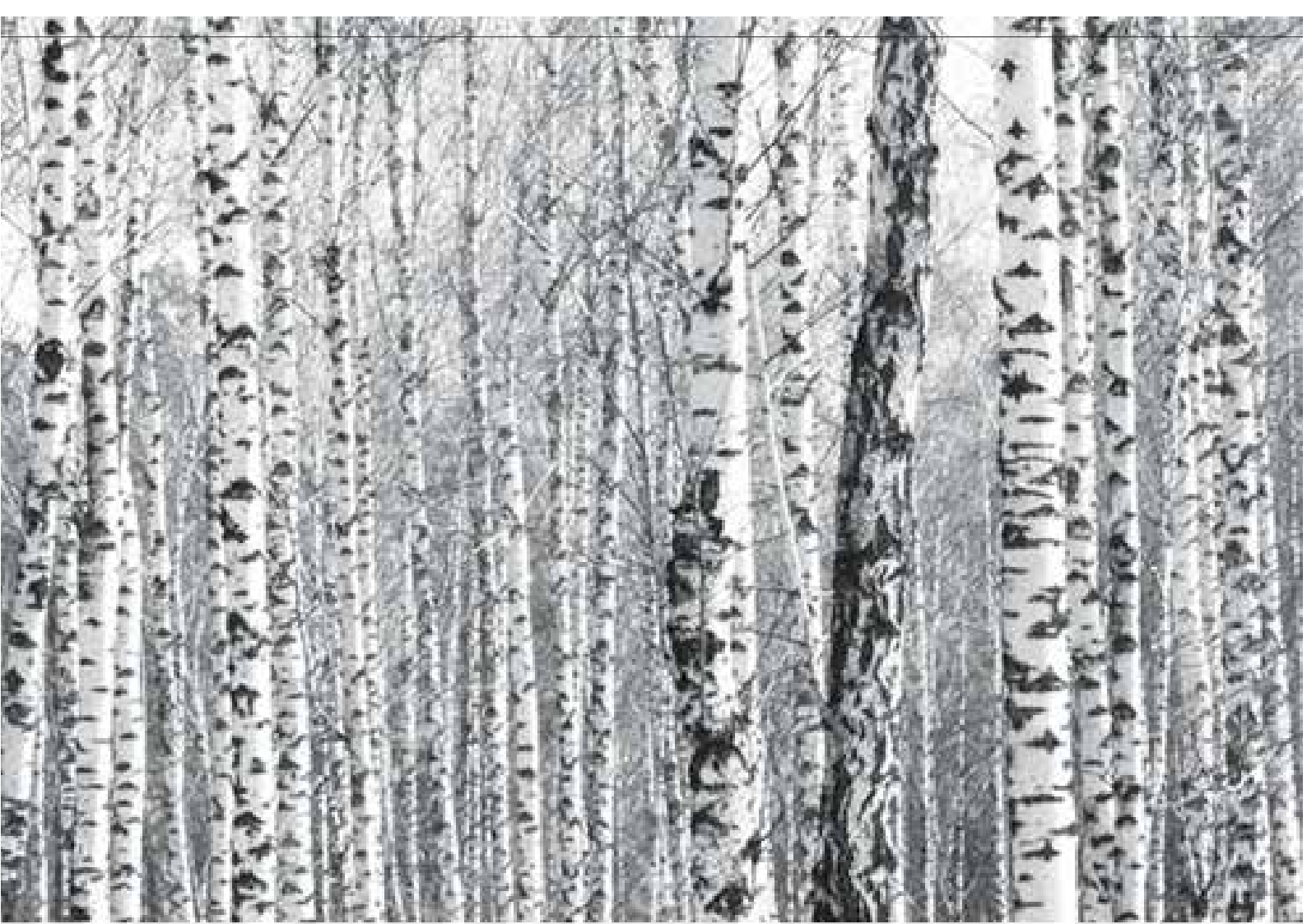
- 1- سال 2017 کے اختتام تک ونڈوٹیکانفل کی جانب سے کئے گئے تمام مالی معاملات شریعا ایڈوائزر کی جانب سے دی گئی گائیڈ لائنز اور تیکانفل رولز 2012 کے مطابق تھے۔
- 2- البتہ ونڈوٹیکانفل کے چند معاملات ایسے تھے، جو شریعت کی رو سے قابل اصلاح تھے، کمپنی کی منظمہ کمیٹی سے ان معاملات پر بات چیت کر کے باقاعدہ ان کی اصلاح کر دی گئی اور شریعا گائیڈ لائنز پر اہتمام سے عمل کرنے کی ہدایت کر دی گئی۔
- 3- الحمد للہ، بحیثیت مجموعی ونڈوٹیکانفل کے تمام معاملات کو شریعا گائیڈ لائنز اور قواعد و ضوابط کے مطابق پایا۔

واللہ اعلم بالصواب وعلمہ تم واحکم

۱۱-۱۱-۱۱

ڈاکٹر مفتی عصمت اللہ
شریعا ایڈوائزر





Financials

Balance Sheet as at December 31, 2017

Note	SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS				TAKAFUL-STATUTORY FUNDS				AGGREGATE	
		Life (Participating)	Life (Non-participating)	Investment Linked	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
	1,000,000	-	-	-	-	-	-	-	-	1,000,000	1,000,000
Share Capital and Reserves Authorised share capital (100,000,000 ordinary shares of Rs. 10 each)	705,672	-	-	-	-	-	-	-	-	705,672	605,000
Issued, subscribed and paid-up share capital (70,567,200 ordinary shares of Rs. 10 each) (December 2016: 60,500,000 ordinary shares of Rs. 10 each)	142,775	-	-	-	-	-	-	-	-	142,775	253,791
Accumulated surplus	848,447	-	-	-	-	-	-	-	-	848,447	858,791
Net Shareholders' Equity											
Balance of Statutory Fund Including policyholders' liabilities Rs. 17,200,818 million (December 2016: Rs. 16,361,865 million) Statutory fund	-	1,929,329	6,345,388	177,432	8,285,832	12,590	389,962	71,666	1,144,832	7,308	14,936
Deferred Liabilities Staff retirement benefits	-	129	2,737	2,771	10,216	355	6,169	-	-	-	23,219
Creditors and Accruals Outstanding claims Premiums / contribution received in advance Amount due to other reinsurers / relakafut Amount due to agents Experience refund payable Accrued expenses Other creditors and accruals	-	10,615	54,578	131,442	15,714	10,811	250	-	6,217	850	265,512
	-	1,740	18,615	-	41,071	694	-	-	19,302	-	144,253
	-	8,103	6,680	-	5,944	1,403	10,374	-	509	-	13,448
	-	24	-	-	28,608	-	-	-	20,467	-	67,939
	-	571	11,447	9,629	41,471	1,530	21,283	-	27,271	-	26,701
	86,637	733	3,673	1,047	7,344	135	2,374	30	2,590	282	36,831
	86,637	21,786	94,993	188,819	140,452	14,573	34,281	30	76,346	1,132	99,164
	1,097	-	-	-	-	-	-	-	-	-	108,292
	15,115	-	-	-	-	-	-	-	-	-	735,439
TOTAL LIABILITIES	102,849	1,951,244	6,443,118	349,022	8,436,200	27,518	430,412	71,696	1,221,178	8,440	18,373,940
TOTAL EQUITY AND LIABILITIES	951,296	1,951,244	6,443,118	349,022	8,436,200	27,518	430,412	71,696	1,221,178	8,440	19,232,731
CONTINGENCIES AND COMMITMENTS	12										

The annexed notes from 1 to 32 form an integral part of these financial statements.

S. Anwar Khan

Chairman

M. Aftab

Director

Syed H. Khan

Chief Executive Officer

Shahid Khan

Chief Financial Officer

Balance Sheet as at December 31, 2017

SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS				TAKAFUL-STATUTORY FUNDS				AGGREGATE	
	Life (Participating)	Life (Non-participating)	Investment Linked	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
25	620	-	-	-	-	-	-	-	620	315
	25,042	-	448,634	2,000	-	161,981	6,000	-	745,657	610,565
	51,183	-	50,000	-	-	-	-	-	151,183	400,000
	76,845	-	498,634	2,000	22,000	161,981	6,000	20,000	897,460	1,010,880
	-	78,231	-	-	-	-	-	-	167,539	153,456
	507	-	-	-	-	-	-	-	507	630
13	112,733	1,781,219	5,511,739	20,634	43,533	-	-	-	13,860,789	14,367,560
	224,992	-	2,192,256	4,349	-	1,029,993	1,124	1,873	3,641,398	2,588,827
	337,725	1,781,219	7,703,995	24,983	43,533	1,029,993	1,124	1,873	17,502,187	16,956,387
	-	-	26,561	-	-	-	752	2,159	176,854	108,148
	-	42,586	74,918	2,661	-	-	-	-	120,165	89,482
	-	5	1,255	204	-	-	-	-	6,901	3,198
	-	368	7,402	989	-	9,168	-	62	64,789	54,804
	3,866	53,684	36,178	(17,162)	3,674	18,359	564	(4,687)	-	-
	1,332	4,031	23,800	(3,505)	174	1,677	-	313	156,654	83,259
	24	33,706	104,736	126	2,315	-	-	-	209,492	303,439
	403,108	-	-	-	-	-	-	-	403,108	12,306
	408,330	91,794	225,331	535	6,163	29,204	1,316	(2,153)	1,214,262	1,027,093
15	89,642	-	-	-	-	-	-	-	89,642	67,136
	20,047	-	-	-	-	-	-	-	20,047	8,409
	15,863	-	-	-	-	-	-	-	15,863	7,836
	2,337	-	-	-	-	-	-	-	2,337	904
	127,889	-	-	-	-	-	-	-	127,889	84,285
	951,296	1,951,244	8,436,200	27,518	71,666	1,221,178	8,440	19,720	19,909,844	19,232,731

The annexed notes from 1 to 32 form an integral part of these financial statements.

S. Anwar Khan

Chairman

M. Aftab

Director

Syed Iqbal Hussain

Chief Executive Officer

Shahid Hussain

Chief Financial Officer

Profit And Loss Account – for the year ended December 31, 2017

	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
Investment income not attributable to statutory funds			
Income from non-trading investments			
Return on government securities		25,456	66,056
Amortisation of premium on government securities		(702)	(3,198)
Dividend income		1,750	2,754
		<u>26,504</u>	<u>65,612</u>
Gain on sale of investments		43,164	41,251
		<u>69,668</u>	<u>106,863</u>
Net investment income			
Return on savings accounts and term deposits		7,002	-
Interest income on loans to employees / agents		26	44
Expenses not attributable to statutory funds	19	(14,901)	(13,800)
		<u>61,795</u>	<u>93,107</u>
Profit before appropriation of surplus to shareholders' fund			
Surplus appropriated to Shareholders' Fund from Ledger Account C	7	35,285	32,432
Surplus appropriated to Shareholders' Fund from Ledger Account D		-	10,000
		<u>97,080</u>	<u>135,539</u>
Profit before tax			
Taxation	21	(29,174)	(40,649)
		<u>67,906</u>	<u>94,890</u>
Earnings per share - basic and diluted			
		<u>0.96</u>	<u>1.34</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chairman



Director



Chief Executive Officer



Chief Financial Officer

Statement of Comprehensive Income – for the year ended December 31,

2017
(Rupees in '000)

2016
(Rupees in '000)

Profit after tax for the year

67,906

94,890

Other comprehensive income

-

-

Total comprehensive income for the year

67,906

94,890

The annexed notes from 1 to 32 form an integral part of these financial statements.

S. Anwar Khan

Chairman

M. A. M. Khan

Director

Syed H. Khan

Chief Executive Officer

S. Anwar Khan

Chief Financial Officer

Statement of Changes in Equity – for the year ended December 31, 2017

	Share capital	Accumulated surplus*	Capital contributed to statutory funds	Net accumulated surplus	Total
(Rupees in '000)					
Balance as at January 1, 2016	500,000	873,553	(483,652)	389,901	889,901
Profit for the year	-	94,890	-	94,890	94,890
Other comprehensive income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	94,890	-	94,890	94,890
Transactions with owners recorded directly in equity					
Final dividend for the year ended December 31, 2015 - Re. 1 per share	-	(50,000)	-	(50,000)	(50,000)
Issuance of bonus shares - 10%	50,000	(50,000)	-	(50,000)	-
Issuance of bonus shares - 10%	55,000	(55,000)	-	(55,000)	-
Capital contributed during the year	-	-	(76,000)	(76,000)	(76,000)
Balance as at December 31, 2016	605,000	813,443	(559,652)	253,791	858,791
Balance as at January 1, 2017	605,000	813,443	(559,652)	253,791	858,791
Profit for the year	-	67,906	-	67,906	67,906
Other comprehensive income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	67,906	-	67,906	67,906
Transactions with owners recorded directly in equity					
Final dividend for the year ended December 31, 2016 - Re. 15 per share	-	(90,750)	-	(90,750)	(90,750)
Issuance of bonus shares - 8%	48,400	(48,400)	-	(48,400)	-
Issuance of bonus shares - 8%	52,272	(52,272)	-	(52,272)	-
Capital returned during the year	-	-	12,500	12,500	12,500
Balance as at December 31, 2017	705,672	689,927	(547,152)	142,775	848,447

* This includes an amount of Rs. 50 million set aside by the Company in respect of Takaful operations

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chairman



Director



Chief Executive Officer



Chief Financial Officer

Statement of Cash Flows – for the year ended December 31, 2017

Note	SHARE HOLDERS' FUND				CONVENTIONAL-STATUTORY FUNDS				TAKAFUL-STATUTORY FUNDS				AGGREGATE		
	Life (Participating)	Life (Non-participating)	Investment Linked		Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016			
			Individual	Group	Individual	Group									
Operating Cash Flows															
a) Underwriting activities															
Premiums received net of policy transfers	-	41,947	766,832	295,869	2,250,852	17,293	859,148	6,844	1,214,060	10,950	22,046	7,660,144	5,485,851		
Reinsurance premiums paid	-	(2,565)	(48,415)	(103,517)	(31,317)	(8,265)	3,265	-	(5,893)	-	-	(260,932)	(106,707)		
Claims paid	-	(39,538)	(67,791)	(166,494)	(82,742)	(4,360)	(719,727)	-	(1,232)	(400)	(13,818)	(707,915)	(1,086,080)		
Surrenders paid	-	(120,961)	(612,423)	-	(2,576,899)	-	-	(635)	(42,381)	-	-	(2,461,455)	(3,355,299)		
Reinsurance recovery received	-	3,712	5,874	(16,414)	36,600	9830	-	-	3,000	-	-	(43,885)	42,802		
Commissions paid	-	(199)	(50,327)	(38,957)	(202,292)	(8,296)	(73,186)	-	(140,671)	(2,339)	(4,35)	(491,805)	(516,702)		
Commissions received	-	1,026	19,366	41,407	12,527	3,306	(716)	-	2,357	-	(4,35)	100,373	79,273		
Net cash (outflow) / inflow from underwriting activities	-	(106,576)	13,096	11,924	(695,071)	9,508	68,784	6,209	1,029,260	8,211	7,793	3,813,915	453,138		
b) Other operating activities															
Income tax paid	(119,915)	-	-	-	-	-	-	-	-	-	-	(144,149)	(119,915)		
General management expenses and other operating payments	-	(6,464)	(101,697)	(48,720)	(315,945)	(43,353)	(166,668)	(128)	(108,698)	249	1,988	(771,923)	(759,446)		
Other operating receipts	(11,374)	13	1,121	-	589	36	22,204	549	-	38	988	74,227	14,164		
Loans advanced	-	-	(7,655)	-	-	-	-	-	-	-	-	104	(7,655)		
Loan repayments received	123	8,538	-	-	-	-	-	-	-	-	-	(6,509)	8,661		
Inter fund transactions	(10,044)	(44,399)	(97,217)	43,407	5,716	(1,011)	141,569	(758)	(39,970)	(4,411)	4,118	-	-		
Net cash (outflow) / inflow from other operating activities	(141,210)	(42,312)	(205,438)	(5,313)	(309,640)	(44,328)	(2,895)	(337)	(148,668)	(1,124)	7,074	(848,250)	(864,191)		
Total cash (outflow) / inflow from all operating activities	(141,210)	(148,888)	(192,342)	6,611	(904,711)	(4,820)	65,889	5,872	880,592	7,087	14,867	2,965,665	(441,053)		
Investment activities															
Profit / return received	44,315	135,632	465,657	17,479	562,390	3,855	21,616	5,128	7,222	-	3	1,220,240	1,263,297		
Payments for investments	(1,601,047)	48,508	(790,210)	(131,345)	(12,522,260)	(200,521)	(741,343)	(72)	(967,504)	(3,260)	(5,468)	(65,099,525)	(16,914,542)		
Proceeds from disposal of investments	1,890,533	33	49,895	106,297	12,975,406	201,473	793,431	72	88,798	2,073	3,455	11,542,821	16,111,466		
Dividend received	1,750	-	-	319	1,912	13	407	-	-	-	-	24,324	4,401		
Fixed capital expenditure	(70,566)	-	-	-	-	-	-	-	-	-	-	(38,374)	(70,566)		
Capital work in progress	(8,027)	-	-	-	-	-	-	-	-	-	-	102	(8,027)		
Proceeds from disposal of fixed assets	1,404	-	-	-	-	-	-	-	-	-	-	2,305	1,404		
Total cash inflow / (outflow) from investing activities	258,362	184,173	(274,658)	(7,250)	1,017,448	4,820	74,111	5,128	(871,484)	(1,207)	(2,010)	(2,338,107)	387,433		
Financing activities															
Capital contribution to statutory funds	(47,500)	-	-	-	-	-	-	-	-	-	-	(51,000)	(47,500)		
Capital payments received by statutory funds	-	-	-	-	-	2,000	-	-	45,000	-	500	51,000	47,500		
Surplus appropriated to Shareholders' fund	35,285	(35,285)	-	-	-	-	(60,000)	-	-	-	-	-	-		
Capital returned to Shareholders' fund	60,000	-	-	-	-	-	-	-	-	-	-	(49,880)	(69,800)		
Dividends paid	(89,800)	-	-	-	-	-	-	-	-	-	-	(49,880)	(89,800)		
Total cash flow from financing activities	(42,015)	(35,285)	-	-	-	2,000	(60,000)	-	45,000	-	500	(49,880)	(89,800)		
Net cash inflow / (outflow) from all activities	75,137	-	(467,000)	(639)	112,737	2,000	80,000	11,000	54,108	5,880	13,357	577,678	(113,420)		
Cash and cash equivalents at the beginning of the year	1,708	-	497,000	639	385,897	-	-	11,000	107,873	120	6,643	433,202	1,010,880		
Cash and cash equivalents at the end of the year 25	76,845	-	30,000	-	498,634	2,000	80,000	22,000	161,981	6,000	20,000	1,010,880	897,460		

Operating Cash Flows

a) Underwriting activities
 Premiums received net of policy transfers
 Reinsurance premiums paid
 Claims paid
 Surrenders paid
 Reinsurance recovery received
 Commissions paid
 Commissions received
Net cash (outflow) / inflow from underwriting activities

b) Other operating activities
 Income tax paid
 General management expenses and other operating payments
 Other operating receipts
 Loans advanced
 Loan repayments received
 Inter fund transactions
Net cash (outflow) / inflow from other operating activities

Total cash (outflow) / inflow from all operating activities

Investment activities
 Profit / return received
 Payments for investments
 Proceeds from disposal of investments
 Dividend received
 Fixed capital expenditure
 Capital work in progress
 Proceeds from disposal of fixed assets
Total cash inflow / (outflow) from investing activities

Financing activities
 Capital contribution to statutory funds
 Capital payments received by statutory funds
 Surplus appropriated to Shareholders' fund
 Capital returned to Shareholders' fund
 Dividends paid
Total cash flow from financing activities

Net cash inflow / (outflow) from all activities
 Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year 25

[Signature]

Chief Financial Officer

[Signature]

Chief Executive Officer

[Signature]

Director

[Signature]

Director

[Signature]

Chairman

Statement of Cash Flows – for the year ended December 31, 2017

	AGGREGATE	
	2017	2016
 (Rupees in '000)	
Reconciliation to Profit and Loss Account		
Operating cash flows	(411,053)	2,965,665
Depreciation and amortisation expenses	(34,439)	(27,420)
Gain on disposal of fixed assets	854	2,179
Increase in assets other than cash	295,076	226,611
Decrease / (increase) in liabilities	(754,977)	(5,401,398)
Investment income	850,448	2,456,690
Profit received on bank deposits	66,027	52,730
Deficit / surplus of statutory funds	20,685	(222,599)
Surplus appropriated to Shareholders' fund	35,285	42,432
	67,906	94,890
Profit after taxation		

The annexed notes from 1 to 32 form an integral part of these financial statements

S. Anurag

Chairman

[Signature]

Director

[Signature]

Chief Executive Officer

[Signature]

Chief Financial Officer

Revenue Account – for the year ended December 31, 2017

Note	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS						AGGREGATE			
	Life (Participating)		Life (Non-participating)		Investment Linked		Accident & Health		Pension Business Fund		Individual Family		Group Family		Group Health	
	Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group	2017	2016
	35,173	735,079	218,696	2,305,090	11,993	925,352	6,844	1,193,771	9,161	23,870	5,465,029	7,436,242				
	125,871	429,581	17,177	237,356	6,841	6,102	4,997	(37,922)	(83)	(140)	780,780	2,349,827				
	7,674	14,628	1,230	37,182	106	29,880	526	7,222	-	3	98,451	98,760				
18	168,718	1,170,288	237,103	2,579,628	18,940	961,334	12,367	1,163,071	9,078	23,733	6,344,260	9,884,849				
	143,912	650,385	150,385	2,593,796	3,193	714,734	635	46,678	1,200	13,818	4,318,736	3,186,980				
	5,458	129,688	74,761	524,925	21,383	187,302	-	262,165	2,339	435	1,207,256	1,143,500				
	149,070	780,073	225,146	3,117,821	24,576	902,036	635	308,843	3,539	14,253	5,525,992	4,330,480				
	19,648	390,215	11,957	(538,193)	(5,636)	59,298	11,732	854,228	5,539	9,480	818,268	5,554,369				
	1,367,408	5,701,085	77,320	8,695,395	9,337	212,747	56,878	239,008	573	3,114	16,361,865	11,030,095				
8	(1,542,327)	(6,004,841)	(75,342)	(8,109,899)	(11,624)	(262,524)	(67,118)	(1,111,274)	(5,397)	(10,502)	(17,200,818)	(16,361,865)				
	(174,919)	(303,756)	1,978	565,526	(2,287)	(49,777)	(11,240)	(872,266)	(4,824)	(7,388)	(838,953)	(5,331,770)				
	(55,271)	86,459	13,935	47,333	(7,923)	9,621	492	(18,038)	715	2,092	(20,685)	222,599				
	174,919	303,756	(1,978)	(585,526)	2,287	49,777	11,240	872,266	4,824	7,388	838,953	5,331,770				
	-	-	-	-	2,000	-	-	45,000	-	500	47,500	151,000				
	-	-	-	-	-	-	-	-	-	(600)	(600)	(700)				
	-	-	-	-	-	-	-	-	-	600	600	700				
	(35,285)	-	-	-	-	(60,000)	-	-	-	-	(60,000)	(75,000)				
	(35,285)	-	-	-	2,000	(60,000)	-	45,000	-	500	(47,785)	33,968				
	1,944,966	5,955,173	165,475	8,824,025	16,226	390,664	59,934	245,604	1,769	4,956	17,608,792	12,020,855				
	1,929,329	6,345,388	177,432	8,285,832	12,590	389,962	71,666	1,144,832	7,308	14,936	18,379,275	17,608,792				
	-	197,562	-	242,100	2,000	4,300	6,000	91,500	1,200	2,500	547,152	559,652				
	1,542,327	6,004,841	75,342	8,109,899	11,624	262,524	67,118	1,111,274	5,397	10,502	17,200,818	16,361,865				
	352,675	-	-	-	-	-	-	-	-	-	352,675	524,175				
	34,327	-	-	-	-	-	-	-	-	-	34,327	53,383				
	-	142,995	102,090	(66,137)	(1,034)	123,138	(1,452)	(57,942)	711	1,934	244,303	109,717				
	1,929,329	6,345,388	177,432	8,285,832	12,590	389,962	71,666	1,144,832	7,308	14,936	18,379,275	17,608,792				

The annexed notes from 1 to 32 form an integral part of these financial statements.

S. Anwar Khan

Chairman

M. Anwar

Director

Syed H. Khan

Chief Executive Officer

S. Anwar Khan

Chief Financial Officer

Statement of Premiums – for the year ended December 31, 2017

	CONVENTIONAL-STATUTORY FUNDS				TAKAFUL-STATUTORY FUNDS				AGGREGATE				
	Life (Participating)		Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
	Individual	Group	Individual	Group		Individual	Group						
Gross premiums													
Regular premium/contribution individual policies*													
First year	34,598	-	306,094	-	16,952	-	257,343	-	-	-	-	615,887	557,188
Second year renewal	79,797	-	98,660	-	-	-	73,957	-	-	-	-	252,314	370,648
Subsequent year renewal	41,705	-	377,850	-	-	-	135,774	-	-	-	-	1,203,327	912,510
Single premium/contribution individual policies	3,147	-	1,547,885	-	-	-	731,235	-	-	-	-	2,282,267	4,800,817
Group policies without cash values	-	296,639	-	927,079	6,844	-	-	9,161	9,161	23,870	-	1,263,593	942,904
Total gross premiums/contribution	41,705	296,639	2,331,389	16,952	927,079	6,844	1,198,309	9,161	9,161	23,870	5,617,388	7,584,067	
Less: Reinsurance/retakaful premiums / contribution ceded													
On individual life / family takaful first year business	16,395	-	6,075	-	-	-	2,680	-	-	-	-	25,060	21,791
On individual life / family takaful second year business	947	-	1,810	-	-	-	1,692	-	-	-	-	4,449	3,547
On individual life / family takaful subsequent renewal business	6,532	-	6,863	-	-	-	99	-	-	-	-	26,603	27,371
On individual life / family takaful Single Premium / contribution policies	-	-	11,551	-	-	-	67	-	-	-	-	11,618	10,212
On individual accident and health first year	-	-	-	-	4,959	-	-	-	-	-	-	4,959	8,520
On group policies	-	77,943	-	1,727	-	-	-	-	-	-	-	79,070	76,384
	6,532	30,36	26,299	4,959	1,727	-	4,538	-	-	-	152,359	147,825	
Net premiums / contribution	35,173	735,079	2,305,090	11,993	925,352	6,844	1,193,771	9,161	9,161	23,870	5,465,029	7,436,242	

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

The annexed notes from 1 to 32 form an integral part of these financial statements.



 Chairman



 Director



 Chief Executive Officer



 Chief Financial Officer

Statement of Claims – for the year ended December 31, 2017

	CONVENTIONAL-STATUTORY FUNDS				TAKAFUL-STATUTORY FUNDS				AGGREGATE	
	Life (Participating)		Investment Linked		Accident & Health		Pension Business Fund			
	Individual	Group	Individual	Group	Individual	Group	Individual	Group	2017	2016
Gross claims										
Claims under individual policies										
by death	16,957	53,516	-	51,697	4,193	-	-	7,274	-	110,471
by insured event other than death	-	-	-	-	-	-	-	23	-	427
by maturity	9,706	-	-	-	-	-	-	-	-	9,996
by surrender	120,961	612,423	-	2,578,899	-	-	-	42,381	-	2,394,381
Total gross individual policy claims	147,624	665,939	-	2,630,596	4,193	-	-	49,678	-	2,515,275
Claims under group policies										
by death	-	-	171,800	-	-	-	-	-	1,200	108,552
by insured event other than death	-	-	-	-	722,915	-	-	-	-	508,561
by surrender	-	-	-	-	-	635	-	-	-	67,074
experience refund	-	-	(7,996)	-	-	(8,181)	-	-	(16,177)	13,967
Total gross group claims	-	-	163,804	-	714,734	635	-	-	1,200	698,154
Total gross claims	147,624	665,939	163,804	2,630,596	4,193	714,734	635	49,678	1,200	3,213,429
Less: Re-insurance recoveries										
On individual life / family takaful first year business claims	-	-	-	-	1,000	-	-	3,000	-	2,500
On individual life / family takaful second year business claims	-	-	-	36,800	-	-	-	-	-	10,265
On individual life / family takaful renewal business claims	3,712	15,554	-	-	-	-	-	-	-	8,568
On individual accident and health business claims	-	-	-	-	-	-	-	-	-	1,620
On group business claims	-	-	13,419	-	-	-	-	-	13,419	3,496
Net claims	3,712	15,554	13,419	36,800	1,000	-	-	3,000	73,485	26,449
	143,912	650,385	150,385	2,593,796	3,193	714,734	635	46,678	1,200	3,186,980

The annexed notes from 1 to 32 form an integral part of these financial statements.

S. An Khan

Chairman

M. A. M. / M. A. M.

Director

Syed H. Khan

Chief Executive Officer

S. An Khan

Chief Financial Officer

Statement of Expenses – for the year ended December 31, 2017

Note	CONVENTIONAL-STATUTORY FUNDS					TAKAFUL-STATUTORY FUNDS					AGGREGATE		
	Life (Participating)		Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
	Individual	Group	Individual	Group		Individual	Group						
Acquisition costs													
Remuneration to insurance intermediaries on individual policies:													
- Commission on first year premiums/contribution	-	15,174	-	138,902	7,658	-	-	-	133,930	-	-	295,664	219,212
- Commission on second year premiums/contribution	-	2,312	-	2,660	-	-	-	-	3,529	-	-	8,501	19,981
- Commission on subsequent renewal premiums/contribution	132	18,989	-	14,642	-	-	-	-	5,466	-	-	39,229	22,779
- Commission on single premiums/contribution	-	-	-	43,465	-	-	-	-	466	-	-	43,931	188,201
- Other benefits to insurance intermediaries	1,052	17,631	-	63,593	2,900	-	-	-	42,861	-	-	127,737	129,848
	1,184	54,106	-	262,962	10,558	-	-	-	186,252	-	-	515,062	590,021
Remuneration to insurance intermediaries on group policies:													
- Commission	-	-	38,957	-	-	73,186	-	-	-	2,339	435	114,917	43,468
- Other benefits to insurance intermediaries	-	-	-	-	-	-	-	-	-	-	-	-	3,128
	-	-	38,957	-	-	73,186	-	-	-	2,339	435	114,917	46,596
Branch overheads:													
- Salaries and other benefits	365	6,099	-	16,658	1,007	-	-	-	-	-	-	24,129	22,208
- Other operational cost	553	9,225	-	25,195	1,523	-	-	-	-	-	-	36,496	30,681
	918	15,324	-	41,853	2,530	-	-	-	-	-	-	60,625	52,889
Other acquisition cost:													
- Policy stamps	-	183	-	1,619	89	-	-	-	1,358	-	-	3,249	11,188
	2,102	69,613	38,957	306,434	13,177	73,186	-	187,610	2,339	435	693,853	690,694	
Salaries, allowances & other benefits	1,410	30,019	30,392	112,026	3,894	67,646	-	43,276	-	-	288,663	261,859	
Travelling expenses	50	1,066	540	4,369	132	1,199	-	1,471	-	-	8,827	12,661	
Directors' fees	22	491	465	1,858	63	1,036	-	603	-	-	4,538	5,718	
Auditors' remuneration	58	1,253	1,188	4,746	160	2,644	-	1,444	-	-	11,493	5,809	
Actuary's fees	135	2,914	2,763	11,037	371	6,148	-	3,361	-	-	26,729	22,140	
Medical fees	-	57	234	509	28	-	-	427	-	-	1,255	938	
Legal and professional charges	13	267	171	984	35	382	-	280	-	-	2,132	948	
Advertisement and publicity	31	643	538	2,643	84	1,200	-	867	-	-	5,996	4,822	
Computer expenses	54	1,041	593	3,512	147	3,321	-	732	-	-	7,400	10,212	
Printing and stationery	56	1,122	1,104	4,483	154	3,141	-	1,810	-	-	11,870	11,281	
Depreciation and amortisation	246	4,751	2,648	16,089	675	5,897	-	4,133	-	-	34,439	27,420	
Rental	135	2,533	1,011	8,260	370	2,249	-	1,467	-	-	16,025	22,361	
	2,210	46,157	41,647	170,516	6,113	92,863	-	59,861	-	-	419,367	386,169	
Other management expenses	846	15,230	9,990	51,868	2,093	21,272	-	16,180	-	-	117,479	89,313	
Gross management expenses	5,158	131,000	90,594	528,618	21,383	187,321	-	283,651	2,339	435	1,230,699	1,166,176	
Commission from reinsurers	-	(1,312)	(6,833)	(4,793)	-	(19)	-	(1,486)	-	-	(23,443)	(22,676)	
Net management expenses	5,158	129,688	74,761	524,025	21,383	187,302	-	282,165	2,339	435	1,207,256	1,143,500	

The annexed notes from 1 to 32 form an integral part of these financial statements.

S. Anwar Khan

Chairman

M. Aftab

Director

Syed Iqbal Hussain

Chief Executive Officer

Shahid Hussain

Chief Financial Officer

Statement of Investment Income – for the year ended December 31, 2017

	CONVENTIONAL-STATUTORY FUNDS				TAKAFUL-STATUTORY FUNDS				AGGREGATE	
	Life (Participating)	Life (Non-participating)	Investment Linked	Accident & Health	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
	Individual	Group	Individual	Group						
	(Rupees in '000)									
Investment income										
Return on government securities	135,116	45,930	444,129	3,610	5,100	-	-	-	1,078,720	1,126,745
Amortisation of (premium) / discount	(9,250)	(5,252)	(2,259)	430	(1,03)	-	-	-	(60,921)	(34,856)
Unrealised gain / (loss) on revaluation of investments	125,866	10,678	441,870	4,040	4,997	-	-	-	1,017,799	1,091,889
Dividend Income	-	-	1,912	13	-	(25,305)	-	-	(236,087)	144,424
Gain/ (loss) on sale of investments	5	319	4,356	2,788	-	(12,617)	(83)	(140)	2,651	21,570
									(3,583)	1,091,944
Net investment income	125,871	420,581	237,356	6,841	4,997	(37,922)	(83)	(140)	780,780	2,349,827

The annexed notes from 1 to 32 form an integral part of these financial statements

S. Anwar Khan

Chairman

M. Aftab

Director

Syed H. Khan

Chief Executive Officer

Shahid Hussain

Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

1 STATUS AND NATURE OF BUSINESS

1.1 IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi which is also the principal office of the Company.

1.2 The Company is a subsidiary of IGI Holdings Limited (formerly: IGI Insurance Limited) that holds 81.97% (2016: 81.97%) share capital of the Company.

1.3 The Company is engaged in life insurance business, carrying on both participating and non-participating businesses. The Company is an approved Window Takaful Operator and is also engaged in providing Shariah compliant takaful products.

1.4 In accordance with the requirements of the Insurance Ordinance, 2000, the Company has established a Shareholders' Fund and Separate Statutory Funds, in respect of each class of life insurance and family takaful business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary are as follows:

- Life (participating)
- Life (non-participating) – Individual
- Life (non-participating) – Group
- Investment Linked
- Accident & Health – Individual
- Accident & Health – Group
- Pension Business Fund
- Individual Family Takaful
- Group Family Takaful
- Group Health Takaful

1.5 The Board of Directors of the Company in their meeting held on December 23, 2017 has approved to enter into collaboration with Vitality Group International. The collaboration agreement will enable the Company to launch shared value life insurance products in Pakistan. The implementation of the proposed collaboration agreement is subject to procurement of all applicable statutory and regulatory approvals.

2 BASIS OF PRESENTATION

These financial statements have been presented in accordance with the requirements of S.R.O. 938 (I)/2002 dated December 12, 2002 issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002].

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, Takaful Rules, 2012 and directives issued by the SECP. Wherever the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 the SEC (Insurance) Rules, Takaful Rules, 2012 or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, Takaful Rules, 2012 or the said directives prevail.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

The Securities and Exchange Commission of Pakistan (SECP) through its notification SRO 89 (1) / 2017 dated February 9, 2017 has issued Insurance Rules, 2017 which have come into force at once. Further, the SECP through SRO 88 (1) / 2017 dated February 9, 2017 has also issued Insurance Accounting Regulations, 2017. The Insurance Accounting Regulations are applicable from April 1, 2017. However, the SECP on application of the Company has allowed to apply Insurance Accounting Regulation, 2017 effective from the accounting year commencing from January 1, 2018. Accordingly, impacts of Insurance Accounting Regulations, 2017 have not been considered in preparation of these financial statements.

The Companies Act, 2017 (the Act) has been enacted on May 30, 2017 superseding the Companies Ordinance, 1984. Subsequent to the promulgation of the Act, the SECP through a circular dated October 04, 2017 has allowed companies whose financial year closes on or before December 31, 2017 to prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, the financial statements of the Company for the year ended December 31, 2017 have been prepared in accordance with the provisions of the Companies Ordinance, 1984. The management of the Company is currently in the process of assessing the impact of the provisions of the Act on the financial statements of the Company.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2017 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised standards, amendments and interpretations with respect to the approved accounting standards would be effective from the dates mentioned below against the respective standard, amendments or interpretation:

Effective date (accounting periods beginning on or after)	Standard, Interpretations or Amendments
- IFRS 9 – Financial Instruments	July 01, 2018
- IFRS 15 – Revenue from contracts	July 01, 2018
- IFRS 16 – Leases	January 01, 2019

The management is in the process of assessing the impact of these standards on the financial statements of the Company.

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2018 but are not considered to be relevant or do not have any significant effect on the Company's operations and, therefore, not detailed in these financial statements.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in accounting policies relating to investments and staff retirement gratuity.

3.1 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

3.2 Use of estimates and judgments

The preparation of financial statements in conformity with the requirements of approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions 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 in accordance with the requirements of International Accounting Standard - 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

Significant areas where assumptions and estimates were exercised in application of accounting policies, otherwise that are disclosed in these financial statements, relate to:

3.2.1 Policyholders' liabilities

Mortality and Interest Bases adopted

SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC(2001-05) Individual Life Mortality Table published by Pakistan Society of Actuaries be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(1)/2012. A test was previously conducted to compare the existing valuation basis i.e. EFU (1961-66) mortality table with the minimum valuation basis SLIC (2001-05) for the relevant reserves. The test revealed that the existing valuation basis was more prudent than the minimum valuation basis and therefore it was considered to be more appropriate to continue with the existing valuation basis.

The rate of discount was taken as 3.75% in line with the requirements under SECP's notification S.R.O 16(1)/2012, for determining reserves of traditional products and supplementary coverage. Any differential between the assumed rate and the actual rate is intended to be available to the Company for meeting its administrative expenses.

General Principles adopted for valuation

The general principles adopted in the actuarial valuation to estimate policyholders' liabilities as at December 31, 2017 are as follows:

- a) Reserves for Endowment Policies with term not less than 20 years have been calculated using Full Preliminary Term Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- b) Reserves for Endowment Policies with term less than 20 years have been calculated using combination of Full Preliminary Term Method and Net Level Premium Method with EFU (1961- 66) Ultimate Mortality Table at 3.75%.
- c) Term Policies are calculated using Net Level Premium Method with EFU (1961- 66) Ultimate Mortality Table at 3.75%.
- d) Reduced Paid-ups and Extended Term insurances have been valued by Net Single Premium Method with EFU (1961- 66) Ultimate Mortality Table at 3.75%.
- e) Bonus Reserves have been valued by Net Single Premium Method with EFU (1961- 66) Ultimate Mortality Table at 3.75%.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

- f) Loyalty Bonus Reserves have been valued by Net Single Premium Method at 3.75% for active policies.
- g) In respect of Unit Linked policies, the reserve for bid value of allocated units is calculated using the latest bid value of units and the total number of units belonging to policyholders' accounts as at the valuation date. The amount is held as a reserve since it represents the current value of amounts that will be payable to policyholders at the time when a maturity, death or surrender claim is filed. The latest bid value is the last "announced" bid price before the valuation date.
- h) Universal Life business has been valued using full Account values. No deduction has been made for surrender charges.
- i) An 'Asset Liability mismatch reserve' has been kept in the Individual Life Non - Participating Fund as a result of the ALM exercise carried out to assess the interest rate risk, credit risk and equity risk.
- j) Group Life Insurance, Individual Accident & Health Insurance and Group Accident & Health have been valued using Unearned Gross Premium.
- k) Pension business has been valued using full Account values.
- l) Unearned premium reserves have been maintained for all riders except Level Term rider reserve which is calculated using Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- m) Reinsurance premium reserves have been maintained on an unearned premium basis.
- n) Reserves have been maintained for Incurred But Not Reported (IBNR) claims which were determined using the Chain-Ladder method based on the claims lag pattern experienced over the past few years.
- o) Reserves for claims payable in instalments have been kept at 3.75%.
- p) Unearned Premium Reserve is kept as half month of Cost of Insurance (COI) for Cost of Insurance (COI) of Universal Life and Unit Linked Policies.
- q) No policy is treated as an asset and in the system if the reserve is negative, the negative value is excluded and the reserves for the policies is set equal to zero.
- r) The Company does not have any insurance policy which is denominated in foreign currency.

The principles adopted in this valuation were same as those followed in previous valuation as at December 31, 2016.

Surrenders

For the purpose of conventional and annuity 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.

Claims provision

- a) Reserves have been made in respect of all intimated claims. Most claims require lump sum payments, and reserves have been maintained in each Statutory Fund, where applicable. In a small number of cases, claims are payable in instalments over a period of more than twelve months after the valuation date. In respect of all such claims, reserves have been calculated using the minimum valuation basis.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

- b) Adequate reserves have also been maintained for Incurred But Not Reported (IBNR) claims which were determined using the Chain and Ladder Method.

3.2.2 Classification of investment and provisions for impairment there against

The Company determines that available for sale investments are impaired when there has been significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in prices. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgment (e.g. valuation, interest rates, etc.) and therefore, cannot be determined with precision.

3.2.3 Income tax

In making the estimates for income taxes currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.2.4 Tangible and intangible assets, depreciation and amortisation In making estimates of the depreciation / amortisation method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Company. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method would be changed to reflect the change in pattern.

The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amounts.

3.2.5 Defined benefits plans and other benefits

Liability / asset is determined on the basis of actuarial valuation carried out using the Projected Unit Credit Method.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

4.1 Insurance / Takaful contracts

Conventional Business

Insurance contracts represent contracts with policy holders and reinsurers.

Those contracts including riders where the Company (the insurer) accepts significant insurance risk from another party i.e. group and individual policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders are insurance policy contracts. Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

The Company enters into reinsurance contracts with foreign reinsurers in the normal course of business in order to limit the potential for losses arising from certain exposures.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its period, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The Company enters into insurance contracts with policyholders which are divided into following major categories:

Group Insurance contracts

The Company offers group life, group accident & health and pension business to its clients. The Company also underwrites business for consumer banking related schemes. The risk underwritten is mainly death, hospitalization and disability. The group insurance contracts are issued typically on Yearly Renewable Term basis (YRT). This business is written through direct sales force as well as bancassurance.

Individual Insurance Contracts

The Company offers Individual Life (Participating), Individual Life (Non-Participating), Individual Accident & Health and Investment Unit Linked Plans which provide the financial protection; protection against the financial consequences of death, disease and disability caused by accidents, sickness or old age and a substantial return at maturity. Investment Unit Linked policies are regular life policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Income Benefit, etc.) are also sold along with the basic policies. Some of these riders are charged through deduction from policyholders' fund value, while others are conventional i.e., additional premium is charged thereagainst. This business is written through direct sales force as well as bancassurance.

Takaful Business

The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a programme based on Shariah compliant, approved concept funded on the principles of mutual cooperation, solidarity and brotherhood. The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there are insufficient funds in Waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the operators' sub fund to the statutory fund (Takaful Business Statutory Funds). The amount of Qard-e-Hasna is refundable to the operators' sub fund.

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.

Group Takaful Contracts

The Company offers Group Family, Group Accident and Health takaful policies to its clients. The group takaful contracts are issued typically on yearly renewable term basis.

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 which is determined as per the underlying asset's value. The death benefit design is based on Constant Sum Risk approach i.e. the sum cover is paid in addition to the cash value. The plans offer investment choices to the customer to direct their investment related contribution based on their risk / return objectives. No investment guarantees are offered. The investment risk is borne by the participants. Various type of supplemental benefits (accidental death, disability, income benefit, etc) are also sold along with basic policies.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

4.1.1 Premiums / Contributions

Conventional Business

- First year individual life premium is recognised when the policy is issued after receipt of that premium. Subsequent premiums falling due under the policy are recognised if received before expiry of the grace period, or if advanced by the Company under the Automatic Premium Loan (APL). Single premiums and top-up premiums are recognised once the related policies are issued against the receipt of premium.
- Group premiums are recognised when due.

Receivables under insurance contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

Takaful Business

- First year individual life contribution is recognised when the policy is issued after receipt of that contribution. Subsequent contributions falling due under the policy are recognised if received before expiry of the grace period, or if advanced by the Company under the Automatic Contribution Loan (ACL). Single contributions and top-up contributions are recognised once the related policies are issued against the receipt of contribution.
- Group contributions are recognised when due.

Receivables under takaful contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

4.1.2 Reinsurance / Retakaful contracts held

Conventional Business

Reinsurance premiums are recognised in accordance with the pattern of recognition of related premium. It is measured in line with the terms and conditions of the reinsurance treaty.

Reinsurance liabilities represent balances due to reinsurance companies. Balances payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contracts are not offset against expenses or income from related insurance assets as required by the Insurance Ordinance, 2000.

The Company assesses its reinsurance assets for impairment on balance sheet date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises it as impairment loss.

Takaful Business

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

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Retakaful Contribution

Retakaful contribution is recorded at the time the retakaful is ceded. Surplus from retakaful operator is recognised in the revenue account.

Retakaful Expenses

Retakaful expenses are recognised as a liability in accordance with the pattern of recognition of related contribution.

Retakaful Assets and Liabilities

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

Retakaful liabilities represent balances due to retakaful operator. Amounts payable are calculated 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 Insurance Ordinance, 2000.

4.1.3 Receivables and payables related to insurance contract

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

4.1.4 Claims

Conventional Business

Claim expense

Insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims and any adjustments to claims outstanding from previous years. Claims are recognised at the earlier of when the policy ceases to participate in the earnings of the fund or insured event occurs.

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the date of the balance sheet. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in policyholders' liabilities.

Claim recoveries

Claims recoveries receivable from reinsurers are recognised as assets at the same time when the corresponding claims are recorded in accordance with the terms of the re-insurance contracts.

Experience refund of premium

Experience refund of premium payable / receivable to / from Group policyholders is presented in the balance sheet.

Takaful Business

Claims expense include all claims occurring during the year, whether reported or not, internal and external claim handling costs that are directly related to the processing and settlement of claims and other recoveries, and any adjustments to claims outstanding from previous years.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the date of the balance sheet. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in technical reserves.

4.1.5 Policyholders' liabilities

Policyholders' liabilities including IBNR are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out at each balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000. In determining the value both acquired policy values as well as estimated values which will be payable against risks which the Company underwrites are considered. The basis used are applied consistently from year to year.

4.1.6 Acquisition cost

These comprise commission and other costs incurred in acquiring and maintaining insurance policies and include without limitation all forms of remuneration paid to insurance intermediaries.

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

4.1.7 Takaful Operator's Fee

The shareholders of the Company manage the family takaful operations for the participants and act as Wakeel of the Waqf fund. The Company is entitled for the wakala fee for the management of takaful operation under Waqf fund to meet its management expenses.

4.2 Staff retirement benefits

4.2.1 Defined benefit plan

The Company operates an approved defined benefit gratuity scheme for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. Contributions to the Fund are made based on actuarial valuation provided by management's expert.

Actuarial gains and losses, past service costs, gains or losses on settlements, and net interest income (expense) are recognised in revenue account in the period in which they occur. 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 revenue account. The accounting standards requires these to be recognised in Other Comprehensive Income (OCI). However, the format of presentation and disclosure of financial statements notified by the SECP does not require presentation of statement of Comprehensive income, resultantly the charge / credit has been taken to the revenue account.

In case the benefits paid under the scheme are reduced, it is treated as past service cost in the period in which change takes place.

4.2.2 Defined contribution plan

The Company operates an approved contributory provident fund which covers all permanent employees. Equal monthly contributions are made both by the Company and the employees to the Fund at the rate of 10 percent of basic salary.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

During the year, Rs. 11.311 million (2016: Rs. 11.185 million) has been recognised in the revenue account in respect of defined contribution plan.

4.3 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the period in which they are vested.

4.4 Cash and cash equivalents

For the purposes of cash flow statement cash and cash equivalents include the following:

- cash and stamps in hand
- cash at bank in current and other accounts
- deposits with original maturity of three months or less

4.5 Loans secured against life insurance policies

Interest bearing loans are available to policyholders of the Company to the extent of ninety percent of cash values built in their policies. These are recognised on disbursement.

4.6 Investments

4.6.1 Classification

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held-to-Maturity. Investments designated at fair value through profit or loss represent investments acquired principally for the purpose of generating profits from short term fluctuations in market prices, interest rate movement, or dealer's margin. Available for sale investments are those investments that do not fall under either fair value through profit or loss or held to maturity categories.

4.6.2 Initial recognition

All investments are initially recognised at cost, being the fair value of the consideration given and includes transaction costs except for investments designated at fair value through profit or loss in which transaction cost is charged to profit and loss / revenue account.

4.6.3 Subsequent measurement

Held to maturity

Subsequently, these are measured at amortised cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective interest method.

Available-for-sale

Shareholder's fund and statutory funds other than investment linked fund and Individual Family Takaful Fund

Investments classified as available-for-sale are subsequently measured at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the Securities and Exchange Commission (Insurance) Rules, 2002 and the difference if any, is recognised as provision for impairment in value of investment. Any change in the provision for impairment in value of an investment is recognised in the profit and loss account / revenue account.

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For the year ended December 31, 2017

Investment linked fund and Individual Family Takaful Fund

Investments classified as available for sale are marked to their market values. Any gain or loss on such available-for-sale investments is recognised in revenue account of the fund.

International Accounting Standard - 39 (IAS-39) "Financial Instruments - Recognition and Measurement" had been revised effective January 1, 2005. In the revised IAS-39 the option of taking the revaluation gain / loss on the available for sale securities to income / revenue account had been deleted and all such gain / loss was to be taken to equity. Further, after revision of IAS-1, this unrealised gain / loss is to be routed through Other Comprehensive Income (OCI). SECP through Insurance Rules, 2002 had prescribed the format of presentation and disclosure of financial statements, according to which the Statutory Funds have no equity or OCI accounts. Resultantly, the changes in IAS-39 and IAS-1 were not implemented.

Fair value through profit and loss

Investments classified 'at fair value through profit or loss' category at inception, are subsequently measured at their fair value and gains and losses arising from changes in fair value are included in the profit and loss / revenue account.

Fair / market value measurement

For investments in Government securities, fair / market value is determined by reference to quotations obtained from Financial Market Association of Pakistan (FMAP) (PKRV) where applicable. The fair / market value of mutual fund units and listed equity securities is determined as per the rates announced by the Mutual Funds Association of Pakistan (MUFAP) and Pakistan Stock Exchange (PSX) respectively.

Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at the settlement date. Settlement date is a date on which a trade (bonds, equities, foreign exchange, commodities, etc.) settles i.e. the actual day on which transfer of cash or assets is completed.

4.7 Taxation

Income tax 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 in which case it is recognised in equity.

4.7.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing laws for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4.7.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

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For the year ended December 31, 2017

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

4.8 Fixed assets

4.8.1 Tangibles

These are initially stated at cost and subsequently at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 15 to the financial statements, after taking into account residual value and charged to revenue account.

Depreciation on additions is charged from the month in which the asset is available for use and on disposal, upto the month the asset is in use.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to revenue account.

An item of tangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the revenue account in the year the asset is derecognised.

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

4.8.2 Capital work in progress

Capital work in progress is stated at cost less any impairment in value. It includes advances to suppliers in respect of tangible fixed assets

4.8.3 Intangibles

These are stated at cost less accumulated amortisation and impairment loss, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 15 to the financial statements.

Amortisation on additions is charged from the month in which the asset is acquired or capitalised and on disposal up to the month the asset is in use.

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

4.9 Impairment of non-financial assets

The carrying amount of assets (other than deferred tax asset) 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.

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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 or revenue account, as appropriate. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.10 Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.11 Investment income

- Income from held to maturity / available for sale investments is recognised using effective interest method. The difference between the redemption value and the purchase price of the held to maturity investments is amortised over the term of the investment and is taken to the profit and loss account and revenue account, for investments relating to shareholders fund and statutory funds respectively.
- Revaluation gain on investments held for available-for-sale in the investment linked fund is recognised as income in the revenue account.
- Dividend income on investments is recognised when the Company's right to receive the payment is established.
- Gain or loss on sale of investments is included in profit and loss account and revenue account, for investments relating to shareholders fund and statutory funds respectively.
- Return on bank deposits, loans to employees and loans to policyholders are recognised on a time proportionate basis taking into account the effective yield.
- Revaluation gain / loss on investment held 'at fair value through profit and loss' in statutory fund is recognised as income / expense in the profit and loss account and revenue account, for measurements relating to shareholder fund and statutory funds respectively.

4.12 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.13 Segment reporting

"An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components.

All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been identified as the Deputy Chief Executive Officer.

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The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and the Takaful Rules, 2012. The Company has 8 Operating segments for reporting purposes namely; a) Individual Life participating business, b) Individual Life non-participating business, c) Accidental & health d) Group Life, e) Group health, f) Individual family takaful, g) Group family takaful and h) Accident & health family takaful.

- The Life (participating) segment provides life insurance coverage to individuals under individual life policies that are entitled to share in the surplus earnings of the statutory fund to which they are referable.
- The Life (non-participating) segment provides life insurance coverage to individuals under individual life policies that are not entitled to share in the surplus earnings of the statutory fund to which they are referable.
- The Life (non-participating) Group segment provides life insurance coverage to employer-employee (and similar) groups of employees / members under a single life policy issued to the employer. The Group policy is not entitled to share in the surplus earnings of the statutory fund to which it is referable.
- The Investment Linked business segment provides life insurance coverage to individuals, whereby the benefits are expressed in terms of units, the value of which is related to the market value of specified assets.
- The Accident and Health –Individual segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals.
- The Accident and Health –Group segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.
- The Pension Fund segment provides coverage for the purposes of a pension or a retirement scheme with or without the payments being guaranteed for a minimum period.

Family Takaful

- The individual family takaful business segment provides family takaful coverage to individuals under unit-linked policies issued by the Company.
- The Group Family Takaful business segments provides family takaful coverage to members of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.
- The Group Health Takaful provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.

Actuarial valuation of life insurance business is required to be carried out annually at the balance sheet date. Policyholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2017.

The Company reviews the basis of estimation used in respect of allocation of assets, liabilities, income and expenses not referable to specific fund with the consultation of Company's appointed actuary.

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4.14 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in income currently.

4.15 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 usually referable to respective statutory funds, however, where these are not referable to statutory funds, these are allocated to 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.

4.16 Financial instruments

Financial instruments carried on the balance sheet include cash and bank deposits, loans secured against other assets, investment in government securities and listed securities, premiums due but unpaid, amount due from / to agents, sundry receivables, accrued interest, accrued expenses, other creditors and accruals, and dividend payable.

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprises the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. At the time of initial recognition all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it. These financial assets and liabilities are subsequently measured at fair market value or amortised cost as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is taken to profit and loss account or revenue account, as appropriate.

4.17 Offsetting of financial assets and liabilities

Financial assets and financial 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 to settle the liabilities simultaneously.

4.18 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.19 Dividend and appropriation of reserve

Dividend and appropriation to reserve except appropriations required by the law or determined by the appointed actuary or allowed by the Insurance Ordinance 2000, are recognised in the year in which these are approved.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2017 (Number of shares in '000)		2016		2017 (Rupees in '000)		2016 (Rupees in '000)	
60,500	50,000	Ordinary Shares of Rs. 10 each fully paid in cash		605,000	500,000		
4,840	5,000	Interim @ 8% (2016: @ 10%) issued in June 2017 (2016: June 2016)		48,400	50,000		
5,227	5,500	Interim Bonus @ 8% (2016: 10%) issued in October 2017 (2016: October 2016)		52,272	55,000		
70,567	60,500			705,672	605,000		

IGI Holdings Limited (formerly: IGI Insurance Limited) (Holding Company) held 57,846,319 (December 31, 2016 : 49,593,895) shares representing 81.97% (December 31, 2016 : 81.97%) of the Company's shares as at December 31, 2017. These include 824,910 shares in respect of withholding tax on bonus shares issued by the Company. These shares have not been released by the Company to the Government Treasury based on a stay order issued by the Honorable High Court of Sindh.

5.1 Bonus shares issued during the year includes 8,252,424 shares issued to IGI Holdings Limited (formerly: IGI Insurance Limited) (Holding Company) and 46,647 shares issued to the Key Management Personnel respectively.

6. ANALYSIS OF ACCUMULATED SURPLUS 2017 AS SHOWN IN THE BALANCE SHEET

	2017 (Rupees in '000)	2016 (Rupees in '000)
Accumulated surplus in the statement of changes in equity ignoring effect of capital transfers at beginning of the year	813,443	873,553
Add: Surplus in profit and loss account for the year	67,906	94,890
	881,349	968,443
Less: Final Dividend for the year ended December 31, 2016 - Rs. 1.5 per share	(90,750)	(50,000)
Less: Issuance of bonus shares - 8% (2016: 10%)	(48,400)	(50,000)
Less: Issuance of bonus shares - 8% (2016: 10%)	(52,272)	(55,000)
	689,927	813,443
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the period/ year	689,927	813,443
Less: Accumulated net capital transfers to statutory funds (note 7)	(547,152)	(559,652)
	142,775	253,791
Accumulated surplus	142,775	253,791

6.1 In order to achieve compliance with the requirements of the Insurance Ordinance, 2000 relating to i) solvency; and ii) return of capital from statutory funds to shareholders' fund, the Company as at December 31, 2017 has retained an amount of Rs. 791,455 million (December 31, 2016: Rs. 669,369 million) in the statutory funds. This has resulted in the shareholders' equity being lower by this amount.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

7. MOVEMENT IN EQUITY OF STATUTORY FUNDS

	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE		
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
----- (Rupees in '000) -----												
Policyholders' liabilities												
Balance at the beginning of the year	1,367,408	5,701,085	77,320	8,695,395	9,337	212,747	55,878	239,008	573	3,114	16,361,865	11,030,095
Increase/(decrease) during the year	174,919	303,756	(1,978)	(585,526)	2,287	49,777	11,240	872,266	4,824	7,388	838,953	5,331,770
Balance at end of the year	1,542,327	6,004,841	75,342	8,109,869	11,624	262,524	67,118	1,111,274	5,397	10,502	17,200,818	16,361,865
Retained earnings on participating business attributable to participating policyholders – Ledger Account A												
Balance at the beginning of the year	524,175	-	-	-	-	-	-	-	-	-	524,175	431,231
Surplus allocated during the year (note 7.1)	162,293	-	-	-	-	-	-	-	-	-	162,293	427,593
Surplus Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
10% surplus transfer to Ledger Account B	(16,229)	-	-	-	-	-	-	-	-	-	(16,229)	(42,759)
Bonus allocated during the year	(317,564)	-	-	-	-	-	-	-	-	-	(317,564)	(291,890)
Closing balance at end of the year	352,675	-	-	-	-	-	-	-	-	-	352,675	524,175
Retained earnings on participating business attributable to shareholders but not distributable – Ledger Account B												
Balance at the beginning of the year	53,383	-	-	-	-	-	-	-	-	-	53,383	43,056
Surplus adjustment	-	-	-	-	-	-	-	-	-	-	-	-
10% surplus transfer from Ledger Account A	16,229	-	-	-	-	-	-	-	-	-	16,229	42,759
Transfer to Ledger Account C	(35,285)	-	-	-	-	-	-	-	-	-	(35,285)	(32,432)
Closing balance at end of the year	34,327	-	-	-	-	-	-	-	-	-	34,327	53,383
Retained earnings on par business – Ledger Account C												
Balance at the beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Ledger Account B	35,285	-	-	-	-	-	-	-	-	-	35,285	32,432
Surplus appropriated to Shareholders' Fund	(35,285)	-	-	-	-	-	-	-	-	-	(35,285)	(32,432)
Closing balance at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings on other than participating business – Ledger Account D												
Balance at the beginning of the year	-	56,536	88,155	(113,470)	6,889	113,617	(1,944)	(39,904)	(4)	(158)	109,717	32,821
(Deficit) / surplus allocated during the year	-	86,459	13,935	47,333	(7,923)	9,521	492	(18,038)	715	2,092	134,586	86,896
Surplus appropriated to shareholders' Fund	-	-	-	-	-	-	-	-	-	-	-	(10,000)
Closing balance at end of the year	-	142,995	102,090	(66,137)	(1,034)	123,138	(1,452)	(57,942)	711	1,934	244,303	109,717
Capital contributed by shareholders' fund												
Balance at the beginning of the year	-	197,552	-	242,100	-	64,300	6,000	46,500	1,200	2,000	559,652	483,652
Capital contributed during the year	-	-	-	-	2,000	-	-	45,000	-	500	47,500	151,000
Cede money – Waqf	-	-	-	-	-	-	-	-	-	-	-	-
Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	(600)	(600)	(700)
Qard-e-Hasna received from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	600	600	700
Capital withdrawn during the year	-	-	-	-	(60,000)	-	-	-	-	-	(60,000)	(75,000)
	-	-	-	-	2,000	(60,000)	-	45,000	-	500	(12,500)	76,000
Balance at end of the year	-	197,552	-	242,100	2,000	4,300	6,000	91,500	1,200	2,500	547,152	559,652
Balance of statutory fund at year end	1,929,329	6,345,388	177,432	8,285,832	12,590	389,962	71,666	1,144,832	7,308	14,936	18,379,275	17,608,792

7.1 This represents surplus earned in life (participating) statutory fund before allocation of bonus. Amount of surplus appearing in the revenue account is net off bonus allocated during the period.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

8. POLICYHOLDERS' LIABILITIES

As per actuary's advice, the policyholders' liabilities as at December 31, 2017 are as follows:

	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS				AGGREGATE	
	Life (Participating)	Life (Non-participating) Individual	Investment Group	Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
----- (Rupees in '000) -----												
Gross of reinsurance												
Actuarial liability relating to future events	1,539,477	6,003,478	65,129	8,102,420	9,420	167,300	67,118	1,109,105	4,895	4,102	17,072,444	16,268,693
Provision for outstanding reported claims payable over a period exceeding twelve months	3,204	10,487	7,837	-	3,415	402	-	-	-	-	25,345	24,479
Provision for incurred but not reported claims	2,715	3,492	26,914	8,357	828	95,515	-	2,304	502	6,400	147,027	114,263
Total	1,545,396	6,017,457	99,880	8,110,777	13,663	263,217	67,118	1,111,409	5,397	10,502	17,244,816	16,407,435
Net of reinsurance												
Actuarial liability relating to future events	1,536,824	5,991,607	40,591	8,101,512	7,406	166,607	67,118	1,108,970	4,895	4,102	17,029,632	16,224,393
Provision for outstanding reported claims payable over a period exceeding twelve months	3,204	10,487	7,837	-	3,415	402	-	-	-	-	25,345	24,479
Provision for incurred but not reported claims	2,299	2,747	26,914	8,357	803	95,515	-	2,304	502	6,400	145,841	112,993
Total	1,542,327	6,004,841	75,342	8,109,869	11,624	262,524	67,118	1,111,274	5,397	10,502	17,200,818	16,361,865

9. DEFINED BENEFIT PLAN – APPROVED GRATUITY FUND

9.1 Salient features

The Company offers an approved gratuity fund for all employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The gratuity scheme is governed under the Trust Act, 1882, Trust Deed and Rules of the Fund, Companies Ordinance, 1984, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002.

The Company faces the following risks on account of gratuity fund:

Final salary risks

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility

Most assets are invested in risk free investments. However, investments in shares, are subject to adverse fluctuation as a result of change in market price.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investments.

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

9.2 Valuation results

The Company operates an approved funded gratuity scheme for all eligible employees. Actuarial valuation is carried out every year and the latest valuation was carried out as at December 31, 2017. The information provided in notes 9.3 to 9.14 has been obtained from the actuarial valuation carried out as at December 31, 2017. The following significant assumptions have been used for valuation of this scheme:

	2017	2016
	Per annum	
a) Expected rate of increase in salary level	9.0%	9.0%
b) Discount rate	9.5%	9.0%
c) Expected return on plan assets	9.0%	9.0%
d) Normal retirement age	65 years	65 years
e) Assumptions regarding future mortality experience are based on actuarial recommendations and published statistics.		

9.3 Amounts recognised in the balance sheet:

	Note	2017	2016
		(Rupees in '000)	
Present value of defined benefit obligation	9.5	67,072	62,674
Less: Fair value of plan assets	9.5	(44,695)	(39,455)
		<u>22,377</u>	<u>23,219</u>

9.4 Movement in liability / (asset) during the year

Obligation at the beginning of the year	23,219	(5,543)
Charge to revenue account	6,238	38,151
Contribution to the fund during the year	(7,080)	(9,389)
Obligation at the end of the year	<u>22,377</u>	<u>23,219</u>

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

9.5 Movement in defined benefit obligation

	2017		
	Present value of obligation	Fair value of plan assets	Total
	----- (Rupees in '000) -----		
As at January 1	62,674	(39,455)	23,219
Current service cost	11,617	-	11,617
Interest expense / (income)	3,231	(2,918)	313
	<u>77,522</u>	<u>(42,373)</u>	<u>35,149</u>
Remeasurements:			
- Loss from change in demographic assumptions	-	-	-
- Gain from change in financial assumptions	-	-	-
- Gain from change in experience adjustments	(5,692)	-	(5,692)
	<u>(5,692)</u>	<u>-</u>	<u>(5,692)</u>
Contributions during the year	-	(7,080)	(7,080)
Benefit payments	(4,758)	4,758	-
As at December 31	<u>67,072</u>	<u>(44,695)</u>	<u>22,377</u>

	2016		
	Present value of obligation	Fair value of plan assets	Total
	----- (Rupees in '000) -----		
As at January 1	78,182	(83,725)	(5,543)
Current service cost	9,525	-	9,525
Prior service cost	1,028	-	1,028
Interest expense / (income)	7,037	(7,535)	(498)
	<u>95,772</u>	<u>(91,260)</u>	<u>4,512</u>
Remeasurements:			
- Loss from change in demographic assumptions	57,419	-	57,419
- Gain from change in financial assumptions	(3,324)	1,346	(1,978)
- Gain from change in experience adjustments	(27,345)	-	(27,345)
	<u>26,750</u>	<u>1,346</u>	<u>28,096</u>
Contributions during the year	-	(9,389)	(9,389)
Benefit payments	(59,848)	59,848	-
As at December 31	<u>62,674</u>	<u>(39,455)</u>	<u>23,219</u>

9.6 Amounts recognised in the revenue account:

	2017	2016
	(Rupees in '000)	
Current service cost	11,617	14,455
Past service cost	-	24,194
Interest cost	313	(498)
Experience adjustment	(5,692)	-
Expense for the year	<u>6,238</u>	<u>38,151</u>

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

9.7 Actual return on plan assets

	2017 (Rupees in '000)	2016
Expected return on assets	2,918	7,535
Actuarial loss	-	(1,346)
	2,918	6,189

9.8 Analysis of present value of defined benefit obligation

Split by vested / non-vested		
(i) Vested benefits	65,827	52,463
(ii) Non-vested benefits	1,245	10,211
	67,072	62,674

9.9 Sensitivity analysis

Particulars	----- As at December 31, 2017 -----				----- As at December 31, 2016 -----			
	Change in assumption	Increase / (decrease) in present value of defined benefit obligation		Change in assumption	Increase / (decrease) in present value of defined benefit obligation			
		%	Rupees in '000		%	Rupees in '000		
Discount rate	+1%	-4.20%	(2,632)	+1%	-4.63%	(2,903)		
	-1%	5.33%	3,340	-1%	5.91%	3,706		
Salary increase rate	+1%	5.35%	3,350	+1%	5.61%	3,516		
	-1%	-4.29%	(2,690)	-1%	-4.51%	(2,825)		
Life expectancy / withdrawal rate	+1%	0.04%	27	+0.5%	-1.92%	(1,202)		
	-1%	-0.23%	(144)	-1.5%	-1.92%	1,202		

The above sensitivity analysis 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 assumptions, 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.

9.10. Plan assets comprise of the following:

	2017		2016	
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
Cash and bank deposits	14,876	33.28%	7,373	18.69%
Government Securities	29,819	66.72%	32,082	81.31%
Fair value of plan assets	44,695	100.00%	39,455	100.00%

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

9.11 As per the actuarial recommendations, the expected return on plan assets was taken as 9% (2016: 9%), which is representative of yields on long-term Government bonds.

9.12 Based on actuarial advice, the Company intends to charge an amount of Rs 13,624 million in the financial statements for the year ending December 31, 2018.

9.13 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At December 31, 2017	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
	----- (Rupees in '000) -----				
Gratuity	986	1,432	8,166	1,615,585	1,626,169

9.14 5 year data on the deficit / (surplus) of the plan is as follows:

	2017	2016	2015	2014	2013
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	67,072	62,674	78,182	87,268	99,916
Fair value of plan assets	(44,695)	(39,455)	(83,725)	(79,530)	(98,649)
Deficit / (surplus)	<u>22,377</u>	<u>23,219</u>	<u>(5,543)</u>	<u>7,738</u>	<u>1,267</u>

10. OTHER CREDITORS AND ACCRUALS

	SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS					TAKAFUL-STATUTORY FUNDS				AGGREGATE		
		Life (Participating)	Life (Non-participating) Individual	Investment Group	Linked	Accident & Health Individual	Group	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
		----- (Rupees in '000) -----											
Withholding tax payable	13,764	-	-	-	-	-	-	-	-	-	-	13,764	11,627
Payable to workers' welfare fund	4,554	-	-	-	-	-	-	-	-	-	-	4,554	14,578
Others	58,319	733	3,673	1,047	7,344	135	2,374	30	2,580	282	4,784	81,301	82,087
	<u>86,637</u>	<u>733</u>	<u>3,673</u>	<u>1,047</u>	<u>7,344</u>	<u>135</u>	<u>2,374</u>	<u>30</u>	<u>2,580</u>	<u>282</u>	<u>4,784</u>	<u>109,619</u>	<u>108,292</u>

11. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The Company has entered into lease agreements with Bank Al-Habib for lease of motor vehicles. The liabilities under these agreements are payable by the year 2016 - 2022 and are subject to finance charge at rates ranging from 6.40% - 6.43% p.a. (December 31, 2016: 6.24% - 6.35% p.a.).

The Company intends to exercise its option to purchase these assets upon the termination of the lease term. The cost of operating and maintaining the leased assets is borne by the Company.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

The amount of future payments for the finance lease and the period in which these payments will become due are as follows:

	2017 (Rupees in '000)	2016 (Rupees in '000)
Present value of minimum lease payments	15,115	6,343
Less: Current portion	3,571	1,283
	<u>11,544</u>	<u>5,060</u>

	2017		2016	
	Minimum Lease Payments	Present value of Minimum Lease Payments	Minimum Lease Payments	Present value of Minimum Lease Payments
	(Rupees in '000)			
Within one year	4,054	3,571	1,607	1,283
After one year but not later than five years	13,431	11,544	5,777	5,060
	<u>17,485</u>	<u>15,115</u>	<u>7,384</u>	<u>6,343</u>
Less: Finance cost allocated to future periods	2,370	-	1,041	-
Present value of minimum lease payments	<u>15,115</u>	<u>15,115</u>	<u>6,343</u>	<u>6,343</u>

12. CONTINGENCIES AND COMMITMENTS

12.1. Commitments in respect of capital expenditure

	2017 (Rupees in '000)	2016 (Rupees in '000)
Not later than one year	-	2,105

- 12.2.** The tax authorities raised tax demand of Rs. 1.029 million and Rs. 6.910 million on the Company for the accounting years ended December 31, 2011 (Tax Year 2012) and December 31, 2012 (Tax Year 2013) respectively on alleged non-deduction of withholding tax under section 151 (1) (d) of the Income Tax Ordinance, 2001 on the amount of surrenders paid during the respective years. The Company filed appeals before Commissioner Inland Revenue Appeals (CIRA) in respect of said tax years which were decided in favour of the Company. The Commissioner Inland Revenue has now filed appeals before Appellate Tribunal Inland Revenue (ATIR) challenging the orders passed by CIRA. The management of the Company is of the view that the matter would be settled in its favour and hence no provision is required.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

13. INVESTMENTS

13.1. Government securities

SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE			
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016	
	Individual	Group		Individual	Group								
----- (Rupees in '000) -----													
Available for sale - lower of cost or market value													
Pakistan Investment Bonds (note 13.1.1)	-	1,781,219	5,701,248	140,826	30,882	-	-	43,533	-	-	-	7,697,708	8,270,159
Treasury bills (note 13.1.1)	112,733	-	397,231	27,997	33,063	20,634	123,629	-	-	-	-	715,287	-
	112,733	1,781,219	6,098,479	168,823	63,945	20,634	123,629	43,533	-	-	-	8,412,995	8,270,159
Available for sale - at fair value													
Pakistan Investment Bonds (note 13.1.1)	-	-	-	-	4,146,839	-	-	-	-	-	-	4,146,839	6,097,401
Treasury bills (note 13.1.1)	-	-	-	-	1,300,955	-	-	-	-	-	-	1,300,955	-
	-	-	-	-	5,447,794	-	-	-	-	-	-	5,447,794	6,097,401
	112,733	1,781,219	6,098,479	168,823	5,511,739	20,634	123,629	43,533	-	-	-	13,860,789	14,367,560

13.1.1. Particulars of Government Securities

	Tenure	Maturity Year	Rate of Return (%) per annum	Profit Payment	2017 (Rupees in '000)	2016 (Rupees in '000)
Available for sale - lower of cost or market value						
Pakistan Investment Bonds	15 years	2021	10.00	Half yearly	-	263,887
Pakistan Investment Bonds	10 years	2019	12.00	Half yearly	310,430	333,187
Pakistan Investment Bonds	10 years	2020	12.00	Half yearly	482,679	524,645
Pakistan Investment Bonds	5 years	2020	9.25	Half yearly	893,855	1,250,728
Pakistan Investment Bonds	15 years	2019	9.00	Half yearly	11,167	43,638
Pakistan Investment Bonds	5 years	2019	11.50	Half yearly	-	421,992
Pakistan Investment Bonds	10 years	2024	12.00	Half yearly	43,533	43,636
Pakistan Investment Bonds	5 years	2021	7.75	Half yearly	152,540	204,274
Pakistan Investment Bonds	5 years	2018	11.50	Half yearly	205,883	216,150
Pakistan Investment Bonds	3 years	2019	7.00	Half yearly	5,597,621	4,561,721
Pakistan Investment Bonds	3 years	2019	6.25	Half yearly	-	406,301
					7,697,708	8,270,159
Treasury Bills	3 months	2018	5.99	On maturity	119,101	-
Treasury Bills	3 months	2018	5.99	On maturity	447,649	-
Treasury Bills	3 months	2018	5.99	On maturity	148,537	-
					715,287	-
					8,412,995	8,270,159

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

13.1.1. Particulars of Government Securities

	Tenure	Maturity Year	Rate of Return (%) per annum	Profit Payment	2017 (Rupees in '000)	2016 (Rupees in '000)
Available for sale – lower of cost or market value						
Pakistan Investment Bonds	10 year	2019	12.00	Half yearly	3,146	141,287
Pakistan Investment Bonds	10 year	2020	12.00	Half yearly	-	1,012,522
Pakistan Investment Bonds	5 year	2018	11.50	Half yearly	1,132,041	1,184,477
Pakistan Investment Bonds	5 year	2020	9.25	Half yearly	9,154	1,723,328
Pakistan Investment Bonds	3 year	2019	7.00	Half yearly	3,001,466	1,339,965
Pakistan Investment Bonds	5 year	2019	11.50	Half yearly	-	222,889
Pakistan Investment Bonds	5 year	2021	7.75	Half yearly	1,032	472,933
					4,146,839	6,097,401
Treasury Bills	6 months	2018	5.99	On maturity	573,066	-
Treasury Bills	3 months	2018	5.99	On maturity	727,889	-
					1,300,955	-
					5,447,794	6,097,401
					13,860,789	14,367,560

13.1.2 As per the Company's accounting policy and SECP's accounting regulations for life insurance companies, certain available-for-sale investments are stated at lower of cost or market value (market value being taken as lower if the reduction is other than temporary). However, International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurements" dealing with the recognition and measurement of financial instruments requires that these instruments should be measured at fair value. Accordingly, had these investments been measured at fair value, their carrying value as on December 31, 2017 would have been higher by Rs. 153.298 million (2016: Rs. 272.783 million).

13.1.3 The Company has deposited 15 years Pakistan Investment Bond amounting to Rs. 65,340 million (2016: Rs. 60.5 million) with State Bank of Pakistan under section 29 of Insurance Ordinance, 2000. The shortfall in deposit amounting to Rs. 5.227 million with respect to minimum deposit was deposited subsequent to the year end.

13.2. Listed Mutual Funds

SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE		
	Life (Participating)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
(Rupees in '000)												
Available for sale – at fair value												
Listed Mutual Funds (Note 13.2.1)	-	-	-	2,047,130	-	-	-	986,270	-	-	3,033,400	2,062,623
Available for sale – lower of cost or market value												
Listed Mutual Funds (Note 13.2.1)	162,959	-	-	83,004	145,126	4,349	103,807	-	43,723	1,124	545,965	526,204
Listed Equity securities (Note 13.2.1)	62,033	-	-	-	-	-	-	-	-	-	62,033	-
	224,992	-	-	83,004	2,192,256	4,349	103,807	-	1,029,993	1,124	3,641,398	2,588,827

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

13.2.1. Particulars of Listed Mutual Funds

SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS							TAKAFUL-STATUTORY FUNDS			AGGREGATE	
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
		Individual	Group		Individual	Group						
(Rupees in '000)												
Available for sale – at fair value												
ABL Cash Fund	-	-	-	51,933	-	-	-	-	-	-	51,933	41,856
ABL Islamic Stock Fund	-	-	-	-	-	-	-	28,813	-	-	28,813	-
ABL Islamic Income Fund	-	-	-	-	-	-	-	87,796	-	-	87,796	-
ABL Government Securities Fund	-	-	-	-	-	-	-	-	-	-	-	14,001
ABL Income Fund	-	-	-	127,183	-	-	-	-	-	-	127,183	61,453
ABL Stock Fund	-	-	-	75,087	-	-	-	-	-	-	75,087	131,674
Al Ameen Islamic Aggressive Income Fund	-	-	-	27,561	-	-	-	72,255	-	-	99,816	66,475
Al Ameen Islamic Cash Fund	-	-	-	17,962	-	-	-	64,356	-	-	82,318	42,162
Al Ameen Islamic Sovereign Fund	-	-	-	-	-	-	-	-	-	-	-	33,890
Al Ameen Islamic Shariah Stock Fund	-	-	-	-	-	-	-	50,962	-	-	50,962	20,470
Alfalah GHP Cash Fund	-	-	-	-	-	-	-	-	-	-	-	974
Class B–Growth Units	-	-	-	-	-	-	-	-	-	-	-	46,392
Alfalah GHP Income Fund	-	-	-	-	-	-	-	-	-	-	-	-
Alfalah GHP Islamic Income Fund	-	-	-	49,222	-	-	-	103,487	-	-	152,709	-
Alfalah GHP Income Multiplier Fund Class B	-	-	-	-	-	-	-	-	-	-	-	67,999
Alfalah GHP Islamic Stock Fund	-	-	-	-	-	-	-	50,378	-	-	50,378	20,275
Alfalah GHP Stock Fund	-	-	-	78,610	-	-	-	-	-	-	78,610	118,745
Alfalah GHP Alpha Fund	-	-	-	-	-	-	-	-	-	-	-	52,857
Alfalah GHP Money Market Fund	-	-	-	-	-	-	-	-	-	-	-	-
Atlas Islamic Income Fund	-	-	-	-	-	-	-	51,572	-	-	51,572	-
Atlas Islamic Stock Fund	-	-	-	-	-	-	-	44,624	-	-	44,624	10,152
Atlas Stock Market Fund	-	-	-	32,640	-	-	-	-	-	-	32,640	30,350
Faysal Income & Growth Fund	-	-	-	-	-	-	-	-	-	-	-	89,538
Faysal Islamic Savings Growth Fund	-	-	-	-	-	-	-	-	-	-	-	42,815
Faysal Money Market Fund	-	-	-	-	-	-	-	-	-	-	-	-
Faysal Savings Growth Fund	-	-	-	-	-	-	-	-	-	-	-	-
HBL Islamic Money Market Fund	-	-	-	-	-	-	-	40,243	-	-	40,243	-
HBL Cash Fund	-	-	-	77,995	-	-	-	-	-	-	77,995	-
HBL Islamic Stock Fund	-	-	-	-	-	-	-	31,507	-	-	31,507	-
HBL Money Market Fund	-	-	-	-	-	-	-	-	-	-	-	95,286
HBL Income Fund	-	-	-	-	-	-	-	-	-	-	-	-
MCB Arif Habib Savings Fund	-	-	-	-	-	-	-	-	-	-	-	2,901
MCB Pakistan Income Fund	-	-	-	2,553	-	-	-	-	-	-	2,553	-
MCB Cash Management Optimizer	-	-	-	208	-	-	-	-	-	-	208	-
MCB Islamic Income Fund	-	-	-	45,289	-	-	-	25,831	-	-	71,120	-
MCB DCF Income Fund	-	-	-	84,608	-	-	-	-	-	-	84,608	-
MCB Islamic Stock Fund	-	-	-	-	-	-	-	44,467	-	-	44,467	-
MCB Pakistan Sovereign Fund	-	-	-	-	-	-	-	-	-	-	-	20,222
MCB Pakistan Stock Market Fund	-	-	-	146,435	-	-	-	-	-	-	146,435	130,452
Meezan Islamic Fund	-	-	-	54,698	-	-	-	16,064	-	-	70,762	40,407
Meezan Islamic Income Fund	-	-	-	39,379	-	-	-	82,987	-	-	122,366	-
Meezan Cash Fund	-	-	-	15,922	-	-	-	56,316	-	-	72,238	16,526
NAFA Islamic Aggressive Income Fund	-	-	-	-	-	-	-	87,257	-	-	87,257	70,805
NAFA Islamic Stock Fund	-	-	-	-	-	-	-	47,355	-	-	47,355	27,438
NAFA Riba-Free Savings Fund	-	-	-	-	-	-	-	-	-	-	-	696
NAFA Income Fund	-	-	-	31,798	-	-	-	-	-	-	31,798	-
NAFA Income Opportunity Fund	-	-	-	-	-	-	-	-	-	-	-	136,812
NAFA Money Market Fund	-	-	-	130,008	-	-	-	-	-	-	130,008	53,742
NAFA Stock Fund	-	-	-	56,560	-	-	-	-	-	-	56,560	183,810
UBL Money Market Fund	-	-	-	41,730	-	-	-	-	-	-	41,730	19,311
UBL Government Securities Fund	-	-	-	-	-	-	-	-	-	-	-	94,367
UBL Income Opportunity Fund	-	-	-	-	-	-	-	-	-	-	-	-
UBL Liquidity Plus Fund	-	-	-	-	-	-	-	-	-	-	-	85,649
United Growth & Income Fund	-	-	-	54,305	-	-	-	-	-	-	54,305	101,359
United Stock Advantage Fund	-	-	-	805,444	-	-	-	-	-	-	805,444	90,762
	-	-	-	2,047,130	-	-	-	986,270	-	-	3,033,400	2,062,623

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE			
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016	
		Individual	Group		Individual	Group							
(Rupees in '000)													
Available for sale - at lower of cost or market value													
ABL Stock Fund	-	-	-	7,884	32,492	1,050	-	-	-	-	41,426	67,000	
ABL Islamic Stock Fund	26,217	-	-	9,920	26,925	709	7,086	-	-	-	70,857	-	
Al Ameen Islamic Aggressive Income Fund	31,020	-	-	22,246	3,665	96	30,592	-	-	-	87,619	-	
Al- Ameen Shariah Stock Fund	-	-	-	-	-	-	-	12,088	310	517	12,915	25,000	
Alfalah GHP Alpha Fund	-	-	-	3,347	18,198	533	-	-	-	-	22,078	12,395	
Alfalah GHP Islamic Income Fund	-	-	-	-	-	-	-	4,363	112	186	4,661	-	
Alfalah GHP Cash Fund	-	-	-	-	-	-	-	-	-	-	-	42,606	
Alfalah GHP Stock Fund	-	-	-	562	3,051	370	-	-	-	-	3,983	23,730	
Atlas Stock Fund	-	-	-	-	-	-	-	-	-	-	-	25,520	
Atlas Income Fund	-	-	-	19,799	-	-	29,699	-	-	-	49,498	-	
Atlas Islamic Income Fund	-	-	-	-	-	-	-	6,984	179	298	7,461	-	
HBL Money market fund	-	-	-	-	-	-	-	-	-	-	-	60,487	
MCB Pakistan Stock Market Fund	-	-	-	-	-	-	-	-	-	-	-	56,385	
MCB Pakistan Cash Management Fund	21,729	-	-	6,199	24,311	868	19,054	-	-	-	72,161	-	
MCB Islamic Income Fund	-	-	-	-	-	-	-	4,407	116	193	4,716	-	
Meezan Islamic Fund	-	-	-	-	-	-	-	-	-	-	-	107,141	
Meezan Islamic Income Fund	6,897	-	-	5,697	11,327	294	3,499	-	-	-	27,714	-	
Meezan Cash Fund	-	-	-	-	-	-	-	7,577	194	324	8,095	-	
NAFA Stock Fund	26,270	-	-	-	-	-	-	-	-	-	26,270	100,000	
NAFA Islamic Stock Fund	1,839	-	-	13	116	-	-	3,624	93	155	5,840	-	
NAFA Islamic Income Fund	-	-	-	-	-	-	-	4,680	120	200	5,000	-	
NAFA Income Fund	29,970	-	-	7,210	24,351	411	3,877	-	-	-	65,819	-	
United Stock Advantage Fund	19,017	-	-	127	690	18	10,000	-	-	-	29,852	5,940	
	162,959	-	-	83,004	145,126	4,349	103,807	-	43,723	1,124	1,873	545,965	526,204

13.2.2 Particulars of Listed Equity securities

SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE		
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
		Individual	Group		Individual	Group						
(Rupees in '000)												
Available for sale - at lower of cost or market value												
Allied Bank Limited	1,618	-	-	-	-	-	-	-	-	-	1,618	-
Abbott Laboratories (Pakistan) Limited	219	-	-	-	-	-	-	-	-	-	219	-
Attock Cement Pakistan Limited	749	-	-	-	-	-	-	-	-	-	749	-
Attock Petroleum Limited	73	-	-	-	-	-	-	-	-	-	73	-
Amreli Steels Limited	100	-	-	-	-	-	-	-	-	-	100	-
Attock Refinery Limited	197	-	-	-	-	-	-	-	-	-	197	-
Bank Alfalah Limited	2,968	-	-	-	-	-	-	-	-	-	2,968	-
Bank AlHabib Limited	1,255	-	-	-	-	-	-	-	-	-	1,255	-
Cherat Cement Company Limited	594	-	-	-	-	-	-	-	-	-	594	-
D.G Khan Cement Limited	825	-	-	-	-	-	-	-	-	-	825	-
Engro Fertilizers Limited	694	-	-	-	-	-	-	-	-	-	694	-
Engro Corporation Limited	3,467	-	-	-	-	-	-	-	-	-	3,467	-
Faysal bank limited	1,178	-	-	-	-	-	-	-	-	-	1,178	-
Fauji Fertilizer Bin Qasim Limited	340	-	-	-	-	-	-	-	-	-	340	-
Fatima Fertilizers Limited	248	-	-	-	-	-	-	-	-	-	248	-
Gul Ahmed Textile Limited	126	-	-	-	-	-	-	-	-	-	126	-
Glaxo SmithKline	241	-	-	-	-	-	-	-	-	-	241	-
Habib Bank Limited	3,193	-	-	-	-	-	-	-	-	-	3,193	-
Honda Atlas Cars Limited	466	-	-	-	-	-	-	-	-	-	466	-
Hub Power Company Limited	2,918	-	-	-	-	-	-	-	-	-	2,918	-
Indus Motors Limited	1,802	-	-	-	-	-	-	-	-	-	1,802	-
International Steels Limited	899	-	-	-	-	-	-	-	-	-	899	-
Kot Addu Power Limited	824	-	-	-	-	-	-	-	-	-	824	-
K-electric Limited	128	-	-	-	-	-	-	-	-	-	128	-
Kohat Cement Limited	118	-	-	-	-	-	-	-	-	-	118	-
Kohat Textile Mills Limited	240	-	-	-	-	-	-	-	-	-	240	-
Lucky Cement Limited	4,437	-	-	-	-	-	-	-	-	-	4,437	-
MARI Petroleum Limited	2,704	-	-	-	-	-	-	-	-	-	2,704	-

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE			
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016	
		Individual	Group		Individual	Group							
(Rupees in '000)													
MCB Bank Limited	3,066	-	-	-	-	-	-	-	-	-	3,066	-	
Maple Leaf	1,163	-	-	-	-	-	-	-	-	-	1,163	-	
Millat Tractors Limited	109	-	-	-	-	-	-	-	-	-	109	-	
Mughal Steels Mills Limited	108	-	-	-	-	-	-	-	-	-	108	-	
Nishat Chunian Limited	268	-	-	-	-	-	-	-	-	-	268	-	
Nishat Mills Limited	1,524	-	-	-	-	-	-	-	-	-	1,524	-	
National Refinery Limited	154	-	-	-	-	-	-	-	-	-	154	-	
Oil and Gas Development Company Limited	4,617	-	-	-	-	-	-	-	-	-	4,617	-	
Pioneer Cement Limited	366	-	-	-	-	-	-	-	-	-	366	-	
Pakistan Oil Fields Limited	3,748	-	-	-	-	-	-	-	-	-	3,748	-	
Pakistan Petroleum Limited	2,910	-	-	-	-	-	-	-	-	-	2,910	-	
Pak Suzuki Motors Limited	501	-	-	-	-	-	-	-	-	-	501	-	
Pakistan State Oil Limited	1,312	-	-	-	-	-	-	-	-	-	1,312	-	
SHELL Pakistan Limited	267	-	-	-	-	-	-	-	-	-	267	-	
Sui Nothem Gas Pipeline Limited	447	-	-	-	-	-	-	-	-	-	447	-	
Synthetic Products Enterprise Limited	184	-	-	-	-	-	-	-	-	-	184	-	
Systems Limited	2,093	-	-	-	-	-	-	-	-	-	2,093	-	
United Bank Limited	3,435	-	-	-	-	-	-	-	-	-	3,435	-	
HASCOL Petroleum Limited	1,011	-	-	-	-	-	-	-	-	-	1,011	-	
International Industries Limited	826	-	-	-	-	-	-	-	-	-	826	-	
Pak Elektron Limited	1,303	-	-	-	-	-	-	-	-	-	1,303	-	
	62,033	-	-	-	-	-	-	-	-	-	62,033	-	
	224,992	-	-	83,004	2,192,256	4,349	103,807	-	1,029,993	1,124	1,873	3,641,398	2,588,827

13.2.3 The aggregate market value of the units of open-end mutual funds carried at cost as at December 31, 2017 was Rs. 568.63 million (2016: Rs. 608.413 million).

13.2.4 The aggregate market value of listed equity securities carried at cost as at December 31, 2017 was Rs. 57.63 million (2016: Rs. Nil).

13.2.5 Had the Company adopted International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" the investments of the Company in listed mutual funds would have been higher by Rs. 48.324 million (2016: Rs. 82.21 million).

13.2.6 Had the Company adopted International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" the investments of the Company in listed equities would have been lower by Rs. 4.40 million (2016: Rs. Nil).

13.2.7 The aggregate cost of the above units of open-end mutual funds in investment linked fund as at December 31, 2017 was Rs. 3,218.776 million (2016: Rs. 1,789.605 million).

14. SUNDRY RECEIVABLES

SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE		
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
		Individual	Group		Individual	Group						
(Rupees in '000)												
Advances to employees against expenses												
- executives	-	230	894	12	1,274	2	39	10	-	-	2,461	438
- others	-	187	730	9	1,039	1	32	8	-	-	2,006	778
	-	417	1,624	21	2,313	3	71	18	-	-	4,467	1,216
Deposits												
Receivable against claim administration services	-	780	3,039	39	4,103	6	133	34	-	-	8,134	5,182
Others	1,332	2,834	11,640	893	17,474	117	2,143	122	1,677	-	38,232	20,917
	1,332	4,031	16,303	953	23,890	126	107,855	174	1,677	-	156,654	83,259

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

15. FIXED ASSETS

	Notes	2017 (Rupees in '000)	2016
Tangible assets	15.1	109,689	75,545
Intangible assets	15.2	2,337	904
Capital work in progress		15,863	7,836
		127,889	84,285

15.1. Tangible assets

	Leasehold Improvements	Computers			Motor Vehicles			Furniture & Fixtures	Office Equipment	Total
		AS 400	Personal Computers	Sub total	Owened	Leased	Sub total			
(Rupees in '000)										
As at January 01, 2016										
Cost	38,808	30,397	25,349	55,746	58,203	-	58,203	26,687	19,924	199,368
Accumulated depreciation	(27,004)	(23,164)	(21,364)	(44,528)	(31,625)	-	(31,625)	(21,494)	(10,158)	(134,809)
Net book value	11,804	7,233	3,985	11,218	26,578	-	26,578	5,193	9,766	64,559
Year ended December 31, 2016										
Opening net book value	11,804	7,233	3,985	11,218	26,578	-	26,578	5,193	9,766	64,559
Additions	3,611	-	4,687	4,687	6,174	9,427	15,601	10,069	3,960	37,928
Disposals										
- Cost	66	-	110	110	6,246	-	6,246	310	-	6,732
- Accumulated depreciation	(66)	-	(10)	(10)	(6,246)	-	(6,246)	(284)	-	(6,606)
Depreciation charge	(2,861)	(1,447)	100	100	(14,282)	(1,018)	(15,300)	(2,203)	(1,771)	(26,816)
Closing net book value	12,554	5,786	5,338	11,124	18,470	8,409	26,879	13,033	11,955	75,545
As at December 31, 2016										
Cost	42,353	30,397	29,926	60,323	58,131	9,427	67,558	36,446	23,884	230,564
Accumulated depreciation	(29,799)	(24,611)	(24,588)	(49,199)	(39,661)	(1,018)	(40,679)	(23,413)	(11,929)	(155,019)
Net book value	12,554	5,786	5,338	11,124	18,470	8,409	26,879	13,033	11,955	75,545
Year ended December 31, 2017										
Opening net book value	12,554	5,786	5,338	11,124	18,470	8,409	26,879	13,033	11,955	75,545
Additions	20,025	-	8,621	8,621	-	16,264	16,264	14,833	8,486	68,229
Disposals										
- Cost	5,155	-	1,501	1,501	3,513	-	3,513	3,727	1,601	15,497
- Accumulated depreciation	(5,048)	-	(1,499)	(1,499)	(3,513)	-	(3,513)	(3,371)	(1,516)	(14,947)
Depreciation charge	107	(1,559)	2	2	(12,345)	(4,626)	(16,971)	(3,002)	85	(33,535)
Closing net book value	28,957	4,227	7,737	11,964	6,125	20,047	26,172	24,508	18,088	109,689
As at December 31, 2017										
Cost	57,223	30,397	37,046	67,443	54,618	25,691	80,309	47,552	30,769	283,296
Accumulated depreciation	(28,266)	(26,170)	(29,309)	(55,479)	(48,493)	(5,644)	(54,137)	(23,044)	(12,681)	(173,607)
Net book value	28,957	4,227	7,737	11,964	6,125	20,047	26,172	24,508	18,088	109,689
Annual rate of depreciation (%)	10	20	33		33	33		10	10	

15.1.1 The cost of fully depreciated tangible assets still in use amounts to Rs. 112.212 million (2016: Rs. 86.383 million).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

15.2. Intangible assets

	Cost		Accumulated amortisation			Carrying value as at December 31, 2017	Amortisation rate (%)	
	January 01, 2017	Additions	December 31, 2017	January 01, 2017	For the year			December 31, 2017
	(Rupees in '000)							
Computer software	6,617	2,337	8,954	5,783	834	6,617	2,337	33
Licences	1,808	-	1,808	1,738	70	1,808	-	33
2017	8,425	2,337	10,762	7,521	904	8,425	2,337	
2016	7,979	446	8,425	6,917	604	7,521	904	

15.2.1. Movement of net book value

	2017			2016
	Computer software	Licenses	Total	
	(Rupees in '000)			
Net book value as at January 1	834	70	904	1,062
Addition	2,337	-	2,337	446
Amortisation	(834)	(70)	(904)	(604)
Net book value as at December 31	2,337	-	2,337	904

15.3. Disposal of fixed assets

Disposal of fixed assets during the year 2017 are as follows:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/loss	Mode of sale	Name of buyer
	(Rupees in '000)						
Assets having WDV greater than Rs.50,000							
Leasehold improvements, furniture & fixtures, office equipments, and computers	11,984	(11,434)	550	720	170	Negotiation	Various
	11,984	(11,434)	550	720	170		
Assets having WDV lower than Rs.50,000							
Motor vehicles - Suzuki Swift	1,120	(1,120)	-	190	190	Company policy	Dr. Nadeem (Ex-Employee)
Motor vehicles - Suzuki Swift	1,323	(1,323)	-	331	331	Company policy	Hammad Iqbal (Employee)
Motor vehicles - Suzuki Cultus	1,070	(1,070)	-	163	163	Company policy	Ashar Hussain (Ex-Employee)
	3,513	(3,513)	-	684	684		
2017	15,497	(14,947)	550	1,404	854		
2016	6,732	(6,606)	126	2,305	2,179		

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

16. AUDITORS' REMUNERATION

	2017	2016
	(Rupees in '000)	
Audit fee	1,500	1,500
Fee for review of half yearly financial information	500	500
Certifications and other services	8,544	3,100
Out of pocket expenses	949	709
	11,493	5,809

17. OTHER MANAGEMENT EXPENSES

	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE		
	Life (Participating)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
	----- (Rupees in '000) -----											
Vehicles and general repair and maintenance	162	1,148	765	3,643	341	734	-	1,461	-	-	8,254	8,651
Utilities-electricity, water and gas	73	1,553	1,324	5,821	201	2,946	-	1,724	-	-	13,642	9,788
Transportation	28	532	326	1,824	75	725	-	576	-	-	4,086	3,562
Communication	128	2,553	782	8,971	350	1,743	-	2,190	-	-	16,717	15,390
Consultancy fee	54	1,164	1,160	4,408	148	2,581	-	2,729	-	-	12,244	5,314
Training and workshop	23	441	120	1,411	66	267	-	253	-	-	2,581	3,246
Insurance	23	487	458	1,836	62	1,025	-	558	-	-	4,449	4,574
Interest on premium deposit in advance	41	918	-	510	-	-	-	-	-	-	1,469	2,205
Social security	6	128	117	484	17	258	-	160	-	-	1,170	1,374
Entertainment	77	1,594	1,160	5,762	212	2,583	-	1,661	-	-	13,049	7,034
Books and subscriptions	3	54	66	203	7	145	-	61	-	-	539	133
Miscellaneous expenses (note 17.1)	228	4,658	3,712	16,995	614	8,265	-	4,807	-	-	39,279	28,042
	846	15,230	9,990	51,868	2,093	21,272	-	16,180	-	-	117,479	89,313

17.1 Branch overheads, administration expenses and other management expenses include an amount of Rs. 38,491 million (2016: 28,539 million) on account of group shared services cost charged to the Company under group shared services agreement between the company and other group companies.

18. OTHER INCOME - NET

	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE		
	Life (Participating)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
	----- (Rupees in '000) -----											
Return on savings accounts with banks	673	2,675	1,230	24,294	70	3,845	29	7,222	-	3	40,041	52,730
Gain on disposal of fixed assets	13	216	-	589	36	-	-	-	-	-	854	2,179
Interest on policy loans	6,988	7,978	-	-	-	-	-	-	-	-	14,966	15,015
Fee for claim administration services (note 18.1)	-	-	-	-	-	17,020	-	-	-	-	17,020	21,803
Others	-	3,759	-	12,299	-	9,015	497	-	-	-	25,570	7,053
	7,674	14,628	1,230	37,182	106	29,880	526	7,222	-	3	98,451	98,780

18.1 This represents claim administrative services provided to various clients.

Notes to and Forming Part of the Financial Statements

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19. EXPENSES NOT ATTRIBUTABLE TO STATUTORY FUND

	2017	2016
	(Rupees in '000)	
Workers' Welfare Fund	-	1,900
Regulators fee	14,007	11,640
Others	894	260
	<u>14,901</u>	<u>13,800</u>

20. DEFINED CONTRIBUTION PLAN - PROVIDENT FUND

The following information is based on the un-audited financial statements of the Fund as at December 31, 2017:

	Note	2017	2016
		(Rupees in '000)	
Size of the fund - total assets		35,181	39,606
Balances with Banks		34,412	37,177
Cost of investments made		34,412	37,177
Percentage of investments made		97.81%	93.87%
Fair value of investments		34,412	37,177

20.1 Number of employees

Number of employees at the end of the year	<u>171</u>	<u>125</u>
Average number of employees during the year	<u>167</u>	<u>131</u>

20.2 During the year, Rs. 11.311 million (2016: Rs. 11.185 million) has been recognised in the revenue account in respect of defined contribution plan.

	2017	2016
	(Rupees in '000)	
Current		
- for the year	29,124	42,017
- for prior years	50	(1,368)
	29,174	40,649

21. TAXATION

21.1 Relationship between tax expense and accounting profit

Profit before tax	97,080	135,539
Tax at the applicable rate of 30% (2016: 31%)	29,124	42,017
Effect of:		
- prior year charge	50	(1,368)
Tax charge for the year	<u>29,174</u>	<u>40,649</u>

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

21.2 Assessments upto assessment year 2002-2003 and tax year 2007 have been finalised. The income tax returns of the Company filed for tax years 2003 to 2006 and 2007 to 2017 are deemed to be assessed in accordance with section 120 of the Income Tax Ordinance, 2001.

21.3 There are no taxable / deductible temporary differences between the tax bases and the carrying amounts of respective assets and liabilities, therefore, as such there is no deferred tax.

22 EARNINGS PER SHARE - basic and diluted

	2016 (Rupees in '000)	2015
Profit after tax	<u>67,906</u>	<u>94,890</u>
	(Number of shares)	
Weighted average number of ordinary shares	<u>70,567,200</u>	<u>70,567,200</u>
	(Rupees)	
Earnings per share - basic and diluted (note 22.1)	<u>0.96</u>	<u>1.34</u>

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

23 REVENUE ACCOUNT - WINDOW TAKAFUL OPERATIONS

23.1 Participants' Investment Fund (PIF)

	TAKAFUL – STATUTORY FUNDS AGGREGATE			AGGREGATE	
	Individual Family	Group Family	Group Health	2017	2016
	----- (Rupees in '000) -----				
Income					
Allocated contribution	951,937	-	-	951,937	200,358
Net investment income	(44,495)	-	-	(44,495)	18,270
Other income	1,557	-	-	1,557	532
Total net income	908,999	-	-	908,999	219,160
Less: Claims and Expenditure					
Surrenders / partial surrenders	37,690	-	-	37,690	11,516
Risk contributions	16,435	-	-	16,435	6,271
Wakalat-ul-Istismar	8,922	-	-	8,922	1,893
Policy admin fee	6,488	-	-	6,488	2,680
	69,535	-	-	69,535	22,360
Excess of Income over Claims and expenditure	839,464	-	-	839,464	196,800
Add: Technical reserves at the beginning of the year	215,730	-	-	215,730	18,930
Less: Technical reserves at the end of the year	(1,055,194)	-	-	(1,055,194)	(215,730)
	(839,464)	-	-	(839,464)	(196,800)
Surplus	-	-	-	-	-
Movement in technical reserves	839,464	-	-	839,464	196,800
Balance of PIF at the beginning of the year	215,730	-	-	215,730	18,930
Balance of PIF at the end of the year	<u>1,055,194</u>	-	-	<u>1,055,194</u>	<u>215,730</u>

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

23.2 Participants' Takaful Fund (PTF)

	TAKAFUL – STATUTORY FUNDS AGGREGATE			AGGREGATE	
	Individual Family	Group Family	Group Health	2017	2016
----- (Rupees in '000) -----					
Income					
Contribution net of retakaful	7,339	3,803	20,742	31,884	9,029
Net investment income	-	-	-	-	-
Other income	1,623	-	3	1,626	701
	8,962	3,803	20,745	33,510	9,730
Less: Claims and Expenditure					
Claims	4,068	1,200	13,818	19,086	5,781
Wakala fee	-	-	-	-	-
	4,068	1,200	13,818	19,086	5,781
Excess of Income over Claims and expenditure	4,894	2,603	6,927	14,424	3,949
Add : Technical reserves at the beginning of the year	3,124	471	2,619	6,214	2,265
Less : Technical reserves at the end of the year	(4,555)	(2,016)	(10,742)	(17,313)	(5,278)
	(1,431)	(1,545)	(8,123)	(11,099)	(3,013)
Surplus / (Deficit)	3,463	1,058	(1,196)	3,325	936
Movement in technical reserves	1,431	1,545	8,123	11,099	3,013
Qard-e-Hasna contributed by Window Takaful Operator	-	-	600	600	700
Balance of PTF at the beginning of the year	3,124	571	3,219	6,914	2,265
Balance of PTF at the end of the year	8,018	3,174	10,746	21,938	6,914

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For the year ended December 31, 2017

23.3 Operators' Sub Fund (OSF)

	TAKAFUL – STATUTORY FUNDS AGGREGATE			AGGREGATE	
	Individual Family	Group Family	Group Health	2017	2016
	----- (Rupees in '000) -----				
Income					
Takaful operators' fee	246,372	5,358	3,128	254,858	184,304
Investment income and other income	7,181	(83)	(140)	6,958	4,747
Wakala fee – PTF	4,557	–	–	4,557	1,787
Policy admin fee	6,488	–	–	6,488	2,694
Takaful operator fee	–	–	–	–	–
Wakalat-ul-istismar	8,922	–	–	8,922	1,893
	273,520	5,275	2,988	281,783	195,425
Less: Expenses					
Acquisition cost	187,610	2,339	435	190,384	148,189
Administration expenses	76,040	–	–	76,040	48,049
	263,650	2,339	435	266,424	196,238
Excess of (expenditure)/ over income	9,870	2,936	2,553	15,359	(813)
Add: Technical reserves at the beginning of the year	20,154	102	495	20,751	3,506
Less: Technical reserves at the end of the year	(48,062)	(2,323)	(956)	(51,341)	(20,751)
	(27,908)	(2,221)	(461)	(30,590)	(17,245)
Surplus / (Deficit)	(18,038)	715	2,092	(15,231)	(18,058)
Movement in technical reserves	27,908	2,221	461	30,590	17,245
Capital Contribution during the year	45,000	–	500	45,500	26,000
Qard-e-Hasna contributed to the Participants Takaful Fund	–	–	(600)	(600)	(700)
Balance of OSF at the beginning of the year	26,750	1,198	1,737	29,685	5,198
Balance of OSF at the end of the year	81,620	4,134	4,190	89,944	29,685
Balance of Family Takaful statutory fund	1,144,832	7,308	14,936	1,167,076	252,329

Notes to and Forming Part of the Financial Statements

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24. ASSETS AND LIABILITIES OF SHARE HOLDER'S FUND

	Conventional	Takaful	Total
	----- (Rupees in '000) -----		
Liabilities			
Accrued expenses	-	-	-
Other creditors and accruals	84,606	2,031	86,637
Unclaimed dividend	1,097	-	1,097
Liabilities against assets subject to finance lease	15,115	-	15,115
Total liabilities	100,818	2,031	102,849
Assets			
Cash and others	620	-	620
Current and other accounts	(90,958)	116,000	25,042
Term deposit receipts	51,183	-	51,183
Loans secured against other assets			
To employees	-	-	-
To agents	507	-	507
Government securities	112,733	-	112,733
Listed mutual funds	162,959	-	162,959
Listed equities	62,033	-	62,033
Inter-fund balances	(10,370)	14,236	3,866
Sundry receivables	2,750	(1,418)	1,332
Accrued interest	24	-	24
Taxation – payments less provision	401,608	1,500	403,108
Fixed Assets			
Tangible	89,642	-	89,642
Motor vehicles subject to finance lease	20,047	-	20,047
Capital Work in Progress	15,863	-	15,863
Intangible	2,337	-	2,337
Total Assets	820,978	130,318	951,296

25. CASH AND CASH EQUIVALENTS

Note	SHARE HOLDERS' FUND	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS			AGGREGATE		
		Life (Participating)	Life (Non-participating)		Investment	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	2017	2016
		Individual	Group	Linked	Individual	Group							
----- (Rupees in '000) -----													
Cash and stamps in hand	620	-	-	-	-	-	-	-	-	-	-	620	315
Current and other accounts	251 25,042	-	30,000	-	448,634	2,000	30,000	22,000	161,981	6,000	20,000	745,657	610,565
Term Deposit Receipts	252 51,183	-	-	-	50,000	-	50,000	-	-	-	-	151,183	400,000
	76,845	-	30,000	-	498,634	2,000	80,000	22,000	161,981	6,000	20,000	897,460	1,010,880

Notes to and Forming Part of the Financial Statements

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25.1 This includes deposits and savings accounts that carry mark-up at rates ranging from 4% to 5.25% (2016: 4% to 5.95%) per annum.

25.2 These represent term deposits with various banks that carry mark-up at rates ranging from 8.75% to 9.4% (2016: 6.25% to 6.75%) per annum.

26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

	2017				2016			
	Chief Executive	Executives	Directors	Total	Chief Executive	Executives	Directors	Total
----- (Rupees in '000) -----								
Fee for attending Board Meetings	-	-	3,360	3,360	-	-	3,275	3,275
Consultancy Fee (note 26.2)	-	-	909	909	-	-	900	900
Managerial remuneration	16,054	171,302	-	187,356	14,672	143,599	-	158,271
Bonus and housing	6,112	8,783	-	14,895	1,539	3,517	-	5,056
Retirement benefits	1,390	15,459	-	16,849	743	67,864	-	68,607
Utilities / Telephone	-	96	-	96	-	139	-	139
Other benefits	-	63	-	63	-	114	-	114
	<u>23,556</u>	<u>195,703</u>	<u>4,269</u>	<u>223,528</u>	<u>16,954</u>	<u>215,233</u>	<u>4,175</u>	<u>236,362</u>
----- (Number) -----								
Number of persons, including those who worked part of the year	<u>1</u>	<u>126</u>	<u>7</u>	<u>134</u>	<u>1</u>	<u>88</u>	<u>7</u>	<u>96</u>

26.1 In addition to the above remuneration, the Deputy Chief Executive, and two executives have been provided with Company maintained cars. Twenty eight executives have been provided with Company cars maintained by them.

26.2 This represents amount paid to one of the directors in respect of legal and professional consultancy provided under group shared services agreement.

27. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Company issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Company manages them.

27.1 Insurance risk

27.1.1 Individual Life (Unit Linked Policies, Universal Life Policies and Traditional Policies)

This section discusses the exposure of insurance risk to the Company under Life Participating, Life Non-participating and Investment Linked statutory funds and the process adopted by the Company to manage these risks.

Notes to and Forming Part of the Financial Statements

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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.
- 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:

- **Pricing:**

All products of this nature are designed by the Actuarial Department along with input from relevant sales team members. Profit testing is conducted for all new products and it is also reviewed by the Appointed Actuary. Embedded value analysis is conducted on a quarterly basis to ensure reasonableness of premiums charged. Additionally, the Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

- **Underwriting:**

Adequate underwriting policies and controls have been put in place which cover various aspects like health, location, nature of work of the insured etc. before issuance of policy. Appropriate underwriting authority limits have been assigned to individual underwriters by the underwriting committee. Furthermore, Underwriting & Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis.

- **Reinsurance:**

Company has entered into both excess of loss and quota share reinsurance agreements covering its individual life products and supplementary riders. Since the Company has liaison with the best reinsurers in the world, it does not only limit the insurance risks but also the credit risk associated with them. Underwriting & Reinsurance Committee reviews, every quarter, the performance of the treaties to ensure that sound reinsurance arrangements are in place.

- **Claims handling policy:**

The Company through its claims-handling policies has procedures and controls in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and doubtful claims is conducted. Moreover, Claims Committee has assigned claims process authority limits for processing of claims. Claims Committee meets on a quarterly basis to review the claims department's performance and ensures that adequate claims controls are in place.

- **Persistency:**

The Company applies controls to curb mis-selling to customers. Persistency for each product, branch and partner bank is closely monitored by the Company and remedial actions are taken immediately upon identifying when persistency level for a distribution channel drops below a certain threshold. Continuous efforts are made to increase and/or maintain the persistency levels for all distribution channels.

Notes to and Forming Part of the Financial Statements

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a) Frequency and severity of claims

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

In order to cover its mortality risk, the Company makes adequate deductions from the insurance contracts. The Company manages these risks through its systematic underwriting processes and adequate reinsurance arrangements.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual

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

Individual Life Participating

Benefits assured per life	Assured at the end of 2017			
	Total benefits assured			
	Before reinsurance (Rupees in '000)		After reinsurance (Rupees in '000)	
		%		%
0 – 200,000	92,826	1.14%	92,739	1.59%
200,001 – 400,000	264,566	3.24%	263,550	4.52%
400,001 – 800,000	786,517	9.62%	756,196	12.97%
800,001 – 1,000,000	658,265	8.05%	619,379	10.62%
More than 1,000,000	6,371,949	77.95%	4,099,478	70.30%
Total	8,174,124	100.00%	5,831,341	100.00%

Individual Life Non-Participating

Benefits assured per life	Assured at the end of 2017			
	Total benefits assured			
	Before reinsurance (Rupees in '000)		After reinsurance (Rupees in '000)	
		%		%
0 – 200,000	257,833	0.91%	257,592	1.45%
200,001 – 400,000	1,220,319	4.29%	1,216,274	6.82%
400,001 – 800,000	3,720,670	13.09%	3,656,911	20.52%
800,001 – 1,000,000	1,733,507	6.10%	1,662,196	9.33%
More than 1,000,000	21,481,036	75.60%	11,028,345	61.88%
Total	28,413,365	100.00%	17,821,318	100.00%

Notes to and Forming Part of the Financial Statements

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Investment Linked

Benefits assured per life	Assured at the end of 2017			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 – 200,000	203,874	1.15%	203,674	2.94%
200,001 – 400,000	419,631	2.37%	418,403	6.04%
400,001 – 800,000	1,407,045	7.94%	1,276,985	18.44%
800,001 – 1,000,000	843,365	4.76%	620,242	8.96%
More than 1,000,000	14,852,584	83.79%	4,406,720	63.63%
Total	17,726,499	100.00%	6,926,023	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 unit linked and universal life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behavior (this primarily impacts persistency).

For this purpose, the Company carried out a Liability Adequacy test, details are provided below, and it was found that the recognised liabilities are adequate and no further provision is required.

c) Process used to decide on assumptions

- **Mortality:** The expected mortality is assumed at 85% of 1975–80 US SOA Select and Ultimate Mortality Table.
- **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.
- **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 assumptions are based on assets backing the portfolio.
- **Liability Adequacy Test**

Liability adequacy test is applied in order to ensure that the liability calculated using conservative assumptions is sufficient in comparison to the liability determined using best estimate assumptions.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. Company used EFU (61–66) mortality table to determine the conservative liabilities. Since the data is insufficient to conduct a detailed mortality study, Company believes that SLIC (2001–05) table better reflects the mortality rates in Pakistan.

The investment return assumed for valuation is 3.75% per annum. On a more realistic basis, Company expects to earn a long term return of 6% based on Pakistan Investment Bond (PIB) rates as at December 31, 2017. Liabilities are also determined on this rate of return assumption for Liability Adequacy Test.

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The table below shows the liability held as at December 31, 2017 and the liability determined through best estimate assumptions:

	Liability Held as at December 31, 2017	Best Estimate Liability
Mortality	17,193,489,752	17,173,430,469
Investment	17,193,489,752	17,147,238,376

Liability adequacy shows that the liability held as at December 31, 2017 is adequate in comparison to the best estimate liability.

d) Change in Assumptions

There has been no material change in assumptions.

27.1.2 Group Life

The main risk written by the Company under the Group Life business is mortality. The Company is 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, and 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.

The Company manages these risks through its:

- Pricing and Underwriting:

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual historical experience as well as the future expected mortality, considering various characteristics of the client.

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.

Also, Underwriting and Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis and tracks the adequacy of premium charged.

- Reinsurance:

Reinsurance agreements are in place to limit the mortality risk exposure. The Company also has a catastrophe cover reinsurance agreement covering group life business. Underwriting & Reinsurance Committee reviews every quarter the performance of the treaties.

- Claims handling policy:

The Company through its claims-handling policies has procedures and controls in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims.

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Claims committee meets on a quarterly basis to review the claims departments' performance and ensures that adequate claims controls are in place.

a) Frequency and severity of claims

The Company has a good spread of business throughout the country thereby ensuring diversification across geographical regions. However, there still is a risk accumulation resulting from catastrophic events which the company mitigates through a catastrophe reinsurance cover.

The following table presents the concentration of insured benefits across six 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.

Group Life

Benefits assured per life

Benefits assured per life	Assured at the end of 2017			
	Total benefits assured			
	Before reinsurance (Rupees in '000)		After reinsurance (Rupees in '000)	
		%		%
0-500,000	5,533,875	6.61%	5,533,875	10.62%
500,001-1,000,000	5,986,546	7.15%	5,986,546	11.48%
1,000,001-1,500,000	9,734,988	11.63%	9,734,988	18.67%
1,500,001-2,000,000	5,564,829	6.65%	5,564,829	10.67%
2,000,001-2,500,000	3,923,229	4.69%	1,568,885	3.01%
More than 2,500,000	52,991,629	63.28%	23,743,088	45.54%
Total	83,735,096	100.00%	52,132,211	100.00%

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

Other than conducting a liability adequacy for unearned premium reserve, 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

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

There has been no material change in assumptions.

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.

	Change in variable	Increase in Liability 2017 (Rupees in '000)
Worsening of mortality rates for risk policies	10%	2,691,367
Increase in reporting lag	10%	2,691,367

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27.1.3 Accident & Health

The products in this fund provide cover against accidental death, disability, sickness and critical illness and are mainly offered as yearly renewable plans. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of fraudulent claims and catastrophic event.

The Company manages these risks through its:

- Pricing and Underwriting:

Products of this nature are prepared by the Actuarial department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done after analysing the actual experience of the Company as well as future expectations. The rates are certified by the Appointed Actuary.

Also, Underwriting Committee reviews the underwriting performance of the Company on a quarterly basis.

- Claims handling policy:

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted.

- Reinsurance:

The Company has reinsurance arrangement in place covering A&H business; the treaty's results are reviewed by the Underwriting and Reinsurance Committee on a quarterly basis.

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.

The following table presents the concentration of insured benefits across five bands of insured benefits. 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.

Individual Accident and Health

Benefits assured per life

	Assured at the end of 2017			
	Total benefits assured			
	Before reinsurance (Rupees in '000)	%	After reinsurance (Rupees in '000)	%
0 – 200,000	1,718	0.02%	1,718	0.03%
200,001 – 400,000	6,845	0.08%	6,707	0.10%
400,001 – 800,000	735,085	8.55%	734,960	10.93%
800,001 – 1,000,000	1,203,400	14.00%	1,202,900	17.90%
More than 1,000,000	6,649,920	77.35%	4,775,205	71.04%
Total	8,596,967	100.00%	6,721,490	100.00%

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

Other than conducting a liability adequacy for unearned premium reserve, 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

The assumptions are set using the data available.

d) Changes in assumptions

There has been no material change in the assumptions.

27.1.4 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
- Group Health Takaful

27.1.4.1 Individual Family Takaful

These risks are managed along similar lines as explained for individual life unit linked and universal life business.

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. 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 fixed term.

Moreover, the Company manages these risks through its underwriting strategy and the results are revised quarterly by the Underwriting and Reinsurance Committee.

The table below presents the concentration of covered benefits across five bands of benefits 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 membership.

Benefits assured per life

	Assured at the end of 2017			
	Total benefits assured			
	Before reinsurance (Rupees in '000)	%	After reinsurance (Rupees in '000)	%
0 – 200,000	59,679	0.90%	59,679	1.76%
200,001 – 400,000	338,049	5.08%	338,049	9.99%
400,001 – 800,000	905,544	13.60%	879,119	25.98%
800,001 – 1,000,000	994,610	14.94%	627,629	18.55%
More than 1,000,000	4,360,986	65.49%	1,479,383	43.72%
Total	6,658,866	100.00%	3,383,859	100.00%

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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 takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participants' behavior (this primarily impacts persistency).

c) Process used to decide on assumptions

- **Mortality:** The expected mortality is assumed at 85% of 1975–80 US SOA Select and Ultimate Mortality Table.
- **Persistency:** A periodic analysis of the Company's recent and historic experience is performed and persistency is calculated every month. Persistency rates vary by products and more importantly the 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 membership expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns assumptions are based on the assets backing the portfolio.

d) Changes in assumptions

There has been no change in assumptions.

27.1.4.2 Group Life Family Takaful

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, and 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 contribution in due time.

The Company manages these risks through its:

a) Pricing and Underwriting:

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces.

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.

Furthermore, the Company also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis.

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b) Retakaful:

Retakaful agreements are in place to limit the mortality exposure. Underwriting & Reinsurance Committee reviews every quarter the performance of the treaties to ensure that adequate retakaful coverage is in place.

c) Claims handling policy:

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and to make sure that adequate claims controls are in place.

d) 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 retakaful agreement which protects the waqf fund from exposure to the catastrophic events.

The concentration of risk for these policies is mentioned in note 27.1.5.

Rupees	Covered at the end of 2017			
	Total takaful benefits			
	Before retakaful (Rupees in '000)		After retakaful (Rupees in '000)	
		%		%
0-500,000	549,055	35.37%	549,055	35.37%
500,001-1,000,000	50,096	3.23%	50,096	3.23%
1,000,001-1,500,000	130,369	8.40%	130,369	8.40%
1,500,001-2,000,000	75,276	4.85%	75,276	4.85%
2,000,001-2,500,000	47,517	3.06%	47,517	3.06%
More than 2,500,000	700,058	45.10%	700,058	45.10%
Total	1,552,371	100.00%	1,552,371	100.00%

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

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) Process used to decide on assumptions

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.

h) Changes in assumptions

There has been no material change in assumptions.

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i) Sensitivity analysis

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

	Change in variable	Increase in Liability 2017 (Rupees in '000)
Worsening of mortality rates	10%	50,156
Increase in reporting lag	10%	50,156

27.1.4.3 Group Health Takaful

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 region, 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 contribution in due time.

The Company manages these risks through its:

a) Pricing and Underwriting:

Products of this nature are prepared by Group Underwriting Department along with input from relevant sales team members and Actuarial Department which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The contribution 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.

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.

Furthermore, the Company also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis.

b) Claims handling policy:

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Also, the claims are reviewed and managed by technical staff and doctors while an on-site monitoring and checking is performed.

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.

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Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and make sure that adequate claims controls are in place.

c) Concentration Risk:

The Company has a good spread of business throughout the country thereby ensuring diversification across geographical regions.

d) 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.

Increase in claims severity due to medical inflation is a risk which is being strictly monitored by the Company through annual claims studies and trend analysis. Such trend analysis is also incorporated in Group Health takaful pricing.

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

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) Process used to decide on assumptions

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.

An investigation into group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. 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.

g) Changes in assumptions

There has been no material change in assumptions.

27.1.5 Concentration of insurance risk

A concentration of risk may arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Company minimises its exposure to significant losses by obtaining reinsurance from foreign reinsurers.

To optimise benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks e.g. financial underwriting ensuring a reasonable relationship between the income and insurance amount of insured, determination of insurance amount through some mechanism which precludes individual choices and anti-selection.

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The concentration of risk by type of contracts is summarised below by reference to liabilities.

	Gross sum insured		Reinsurance / Retakaful		Net	
	2017	2016	2017	2016	2017	2016
----- (Rupees in million) -----						
Life (participating)	8,174	8,546	2,343	2,604	5,831	5,943
Life (non-participating)						
– Individual	28,413	32,362	10,592	11,917	17,821	20,445
Life (non-participating)						
– Group	83,735	71,810	31,603	18,783	52,132	48,667
Investment Linked	17,726	18,821	10,800	12,720	6,926	6,101
Accident & Health						
– Individual	8,597	10,177	1,875	2,501	6,721	7,676
Family Takaful						
– Individual	6,659	3,409	3,275	1,766	3,384	1,642
Family Takaful						
– Group	1,552	1,855	-	-	1,552	1,855
	154,856	146,980	60,488	50,291	94,367	92,329

27.1.6 Claims development tables

The following table shows the development of claims over a period of time on gross basis. For each class of business the uncertainty about the amount and timings of claims payment is usually resolved within a year. Further, claims with significant uncertainties are not outstanding as at December 31, 2017 therefore claim development table is not required to be presented. However, aging of outstanding claims and movement of outstanding claims is presented below:

	2017	2016
	(Rupees in '000)	
Aging of outstanding claims		
Upto 1 year	79,465	109,349
1-2 years	11,655	23,927
2-3 years	18,790	15,533
Over 3 years	120,567	116,703
Total	230,477	265,512
Movement of outstanding claims		
Opening balance	265,512	215,031
Total gross claims	4,376,044	3,199,462
Claims paid /settled	(4,411,079)	(3,148,981)
Closing balance	230,477	265,512

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27.1.7 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 is 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 Breakup					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
----- (Rupees in million) -----						
Unclaimed maturity benefits	-	-	-	-	-	-
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	11,691	-	4,045	2,480	952	4,214
Others unclaimed benefits	-	-	-	-	-	-
Total	11,691	-	4,045	2,480	952	4,214

27.1.8. Assets – Liabilities matching

	2017								
	Fixed and guaranteed insurance and investment contracts	Contracts with DPF		Unit-linked contracts			Corporate		Total
		Insurance contract	Investment contracts	Insurance contract	Investment contracts	Short-term insurance contracts	Other financial assets and liabilities	Other assets and liabilities	
----- (Rupees in million) -----									
Debt securities									
Available for sale – unlisted securities	6,455,098	1,781,219	-	-	5,511,739	-	112,733	-	13,860,789
Equity securities									
Available for sale – listed securities	194,157	-	-	-	3,222,249	-	224,992	-	3,641,398
Loans and receivables									
- Loans secured against life insurance policies	89,308	78,231	-	-	-	-	-	-	167,539
- Others at amortised cost	-	-	-	-	-	-	507	-	507
Reinsurance assets	120,165	-	-	-	-	-	-	-	120,165
Cash and cash equivalents	160,000	-	-	-	660,615	-	76,845	-	897,460
Other assets	335,064	91,794	-	-	262,775	-	1,356	530,997	1,221,986
Total assets	7,353,792	1,951,244	-	-	9,657,378	-	416,433	530,997	19,909,844
Long-term insurance contracts and investment contracts with DPF:									
- Insurance contracts	6,004,841	1,542,327	-	-	9,221,143	-	-	-	16,768,311
Short-term insurance contracts	365,389	-	-	-	-	-	-	-	365,389
Amounts due to related parties, trade payables, and other provisions at amortised cost	62,346	8,698	-	-	124,270	-	-	-	195,314
Other liabilities	917,350	400,219	-	-	311,965	-	102,849	-	1,732,383
Total liabilities	7,349,926	1,951,244	-	-	9,657,378	-	102,849	-	19,061,397

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	2016								Total
	Fixed and guaranteed insurance and investment contracts	Contracts with DPF		Unit-linked contracts			Corporate		
		Insurance contract	Investment contracts	Insurance contract	Investment contracts	Short-term insurance contracts	Other financial assets and liabilities	Other assets and liabilities	
----- (Rupees in million) -----									
Debt securities									
Available for sale - unlisted securities	5,809,223	1,839,005	-	-	6,197,424	-	521,908	-	14,367,560
Equity securities									
Available for sale - listed securities	169,228	-	-	-	2,357,611	-	61,988	-	2,588,827
Loans and receivables									
- Loans secured against life insurance policies	73,675	79,781	-	-	-	-	-	-	153,456
- Others at amortised cost	-	-	-	-	-	-	630	-	630
Reinsurance assets	89,482	-	-	-	-	-	-	-	89,482
Cash and cash equivalents	515,402	-	-	-	493,770	-	1,708	-	1,010,880
Other assets	306,813	45,191	-	-	299,877	-	13,980	356,035	1,021,896
Total assets	6,963,823	1,963,977	-	-	9,348,682	-	600,214	356,035	19,232,731
Long-term insurance contracts and investment contracts with DPF:									
- Insurance contracts	5,701,085	1,367,408	-	-	8,934,403	-	-	-	16,002,896
Short-term insurance contracts	358,969	-	-	-	-	-	-	-	358,969
Amounts due to related parties, trade payables, and other provisions at amortised cost	60,506	3,796	-	-	95,525	-	-	-	159,827
Other liabilities	843,263	592,773	-	-	318,754	-	97,458	-	1,852,248
Total liabilities	6,963,823	1,963,977	-	-	9,348,682	-	97,458	-	18,373,940

27.2 Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign Currency Risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit function. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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27.2.1 Credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

27.2.1.1 Exposure to credit risk

Credit risk of the Company arises principally from the investments (except for government securities), premium due but unpaid, amount due from other insurers / reinsurers, reinsurance recoveries. To reduce the credit risk the Company has developed a formal approval process whereby credit limits are applied to its policyholders and other insurers / reinsurers. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery.

The carrying amount of financial assets represent the maximum credit exposure, as specified below:

	2017 (Rupees in '000)	2016
Bank deposits	745,657	610,565
Term Deposit Receipts	151,183	400,000
Loans – secured		
against life insurance policies	167,539	153,456
to agents	507	630
Investments		
Listed mutual funds	3,579,365	2,588,827
Premiums / contribution due but unpaid	176,854	108,148
Amount due from other insurers / reinsurers / retakaful	120,165	89,482
Amounts due from agents	6,901	3,198
Sundry receivables	156,654	83,259
Experience refund receivable	16,299	12,306
	5,121,124	4,049,871

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency
	Short term	Long term	
Albaraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS
Bank Al-Habib Limited	A1+	AA+	PACRA
Bank Alfalah Limited	A-1+	AA+	JCR-VIS
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS
Faysal Bank Limited	A-1+	AA	JCR-VIS
FINCA Microfinance Bank Limited	A-1	A	JCR-VIS
Habib Bank Limited	A-1+	AAA	JCR-VIS
Meezan Bank Limited	A-1+	AA	JCR-VIS
MCB Bank Limited	A1+	AAA	PACRA
Mobilink Microfinance Bank Limited	A1	A	PACRA
NIB Bank Limited	A1+	AA-	PACRA
NRSP Microfinance Bank Limited	A1	A	PACRA
Samba Bank Limited	A-1	AA	JCR-VIS
Soneri Bank Limited	A1+	AA-	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
Summit Bank Limited	A-1	A-	JCR-VIS
U Microfinance Bank Limited	A-2	A-	JCR-VIS
United Bank Limited	A-1+	AAA	JCR-VIS
Tameer MicroFinance Bank	A+	A1	PACRA

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

The credit quality of Company's bank balances and investment in listed securities is categorised as follows:

Rating	Open end mutual funds	Cash and cash equivalents	Total
	----- (Rupees in '000) -----		
AAA	-	-	-
AA+ / AM2++	720,203	537,992	1,258,195
AA / AM2+	560,278	10,717	570,995
AA-	-	7,245	7,245
A+ / AM1	2,298,884	77,827	2,376,711
A	-	253,948	253,948
A-	-	9,111	9,111
BBB+	-	-	-
BBB	-	-	-
Not Rated	-	-	-
	3,579,365	896,840	4,476,205

Premiums / contribution due but unpaid

Concentration of credit risk

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. Sector-wise analysis of premium due but unpaid at the reporting date was:

	December 31, 2017		December 31, 2016	
	(Rupees in '000)	%	(Rupees in '000)	%
Banks	31,879	18.03	32,315	29.88
Insurance	145	0.08	-	0.00
Textiles	1,173	0.66	532	0.49
Food and allied industries	30,449	17.22	6,990	6.46
Chemical and pharmaceuticals	24,326	13.75	4,291	3.97
Technology & Communication	45,872	25.95	19,582	18.11
Oil and gas	18,826	10.64	17,598	16.27
Miscellaneous	24,184	13.67	26,840	24.82
	176,854	100	108,148	100

The age of premium due but unpaid at the reporting date is less than one year.

Amount due from other insurers / reinsurers / retakaful

The Company enters into re-insurance arrangements with re-insurers having sound credit ratings accorded by reputed credit rating agencies. The Company is required to comply with the requirements of Circular No. 32 / 2009 dated 27 October 2009 issued by SECP which requires an insurance company to place at least 80% of their outward treaty cessions with reinsurers rated 'A' or above by Standard & Poors with the balance being placed with entities rated at least 'BBB' by reputable ratings agency. All reinsurance assets relating to outward treaty cessions are with reinsurer with rating of 'A' or above:

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

Rating	Amounts Due from Reinsurers	Reinsurance Recoveries against Outstanding Claims
	----- (Rupees in '000) -----	
A or Above	-	120,165
BBB	-	-
Others	-	-

The age of amount due from other insurers / reinsurers at the reporting date is less than one year.

In respect of the insurance and reinsurance assets, the Company takes in to account its past history / track record of recoveries and financial position of the counterparties while creating provision for impairment. Further, reinsurance recoveries are made when corresponding liabilities are settled.

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

	2017 (Rupees in '000)	2016 (Rupees in '000)
Bank deposits	745,657	610,565
Term Deposit Receipts	151,183	400,000
Loans secured against life insurance policies	167,539	153,456
Premiums / contribution due but unpaid	65,925	91,088
Amount due to other insurers / reinsurers / retakaful	120,165	89,482
Amount due from agents	6,901	3,198
Sundry receivables	156,654	83,259
Experience refund receivable	16,299	12,306

The carrying value of the financial assets which are past due but not impaired are as under:

Premiums / contribution due but unpaid	110,929	17,060
---	----------------	---------------

27.2.2 Fair value of financial instruments

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

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Fair value of mutual funds is determined on the basis of closing net assets value (NAV) per unit published by Mutual Fund Association of Pakistan (MUFAP).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

- Fair values of Treasury Bills and Pakistan Investment Bonds are derived using the PKRV rates (Reuters page).
- The fair value of all other financial assets and financial liabilities of the Company approximate their carrying amounts due to short term maturities of these instruments.

27.2.2.1 Fair value hierarchy

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

- Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities (Level 1)
- 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 2).
- Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (Level 3).

As at December 31, 2017, the Company held the following financial instruments measured at fair value:

	As at December 31, 2017		
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
Assets carried at fair value			
Available-for-sale investments	3,033,400	5,447,794	-
	<u>3,033,400</u>	<u>5,447,794</u>	<u>-</u>
	As at December 31, 2016		
	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
Assets carried at fair value			
Available-for-sale investments	2,062,623	6,097,401	-
	<u>2,062,623</u>	<u>6,097,401</u>	<u>-</u>

27.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected operational requirements. The Company also manages this risk by investing in deposit accounts that can be readily encashed. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

The following are the contractual maturities of financial liabilities:

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

	2017			2016		
	Carrying Amount	Contractual cash flows upto one year	Contractual cash flows for more than one year	Carrying Amount	Contractual cash flows upto one year	Contractual cash flows for more than one year
----- (Rupees in '000) -----						
Non-derivative financial liabilities						
Outstanding claims	230,477	230,477	-	265,512	265,512	-
Staff gratuity	22,377	-	22,377	23,219	-	23,219
Amount due to other insurers / reinsurers / retakaful	24,930	24,930	-	13,448	13,448	-
Amount due to agents	57,182	57,182	-	67,939	67,939	-
Experience refund	26,701	26,701	-	36,831	36,831	-
Accrued expenses	113,202	113,202	-	99,164	99,164	-
Other creditors and accruals	109,619	109,619	-	82,087	82,087	-
Unclaimed dividend	1,097	1,097	-	147	147	-
Liabilities against assets subject to finance lease	15,115	3,571	11,544	6,343	1,283	5,060
	600,700	566,779	33,921	594,690	566,411	28,279

27.2.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All transactions are carried in Pak Rupees therefore, the Company is not exposed to any significant foreign exchange risk. The Company currently invests in equity mutual funds and listed equity securities which are not accounted for at fair value through profit and loss, therefore the change in equity market prices do not affect the profit and loss and equity of the company. However, the Company is exposed to interest rate risk and other price risk.

27.2.4.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from balances held in profit and loss sharing accounts with reputable banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments is:

	2017 Effective interest rate (in %)	2016 (5.05 to 14.47)	2017 (Rupees in '000)	2016
Fixed rate instruments				
- Government securities	5.99 - 14.10	(5.05 to 14.47)	<u>13,860,789</u>	<u>14,367,560</u>
Variable rate instruments				
- Savings accounts & deposit	4 - 5.25	(4 to 6.75)	<u>896,840</u>	<u>1,010,565</u>

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

The Company is not exposed to significant cash flow interest rate risk in respect of its variable rate instruments.

27.2.4.2 Interest rate profile

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments based on their maturities is:

----- 2017 -----						
Effective Yield / Interest rate %	Total	Upto one year	Over one year upto five years	Over five years upto ten years	Over ten years	Non-interest bearing financial instruments
----- (Rupees in '000) -----						
Balance sheet - financial instruments						
Financial Assets						
Cash and others	620	-	-	-	-	620
Current and other accounts	4 - 5.25 745,657	745,657	-	-	-	-
Term Deposit Receipts	8.75 - 9.40 151,183	151,183	-	-	-	-
Loans - secured						
against life insurance policies	9 - 11 167,539	167,539	-	-	-	-
to agents	9 507	507	-	-	-	-
Investments - Government securities	5.99 - 14.10 13,860,789	3,354,166	10,463,090	43,533	-	-
Investments - Listed mutual funds	3,579,365	-	-	-	-	3,579,365
Investments - Listed equities	62,033	-	-	-	-	62,033
Premiums / contribution due but unpaid	176,854	-	-	-	-	176,854
Amount due from other insurers / reinsurers / retakaful	120,165	-	-	-	-	120,165
Amount due from agents	6,901	-	-	-	-	6,901
Sundry receivables	156,654	-	-	-	-	156,654
Accrued interest	69,492	-	-	-	-	269,492
Experience refund receivable	16,299	-	-	-	-	16,299
	19,314,058	4,419,052	10,463,090	43,533	-	4,388,383
Financial Liabilities						
Outstanding claims	230,477	-	-	-	-	230,477
Staff retirement benefits	22,377	-	-	-	-	22,377
Amount due to other insurers / reinsurers / retakaful	24,930	-	-	-	-	24,930
Amount due to agents	57,182	-	-	-	-	57,182
Experience refund payable	26,701	-	-	-	-	26,701
Accrued expenses	113,202	-	-	-	-	113,202
Other creditors and accruals	109,619	-	-	-	-	109,619
Unclaimed dividend	1,097	-	-	-	-	1,097
Liabilities against assets subject to finance lease	15,115	3,571	11,544	-	-	-
	600,700	3,571	11,544	-	-	585,585
Balance sheet gap	18,713,358	4,415,481	10,451,546	43,533	-	3,802,798
Total yield / interest rate risk sensitivity gap		4,415,481	10,451,546	43,533	-	
Cumulative yield / interest rate risk sensitivity gap		4,415,481	14,867,027	14,910,560	14,910,560	

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

----- 2016 -----						
Effective Yield / Interest rate %	Total	Upto one year	Over one year upto five years	Over five years upto ten years	Over ten years	Non-interest bearing financial instruments
----- (Rupees in '000) -----						
Balance sheet - financial instruments						
Financial Assets						
Cash and others	315	-	-	-	-	315
Current and other accounts	4 - 5.95 610,565	610,565	-	-	-	-
Term Deposit Receipts	6.2 - 6.75 400,000	400,000	-	-	-	-
Loans - secured against life insurance policies to agents	9 - 11 153,456 9 630	153,456 630	-	-	-	-
Investments - Government securities	5.05 - 14.47 14,367,560	-	14,323,922	43,636	-	2
Investments - Listed mutual funds	2,588,827	-	-	-	-	2,588,827
Premiums / contribution due but unpaid	108,148	-	-	-	-	108,148
Amount due from other insurers / reinsurers / retakaful	89,482	-	-	-	-	89,482
Amount due from agent	3,198	-	-	-	-	3,198
Sundry receivables	83,259	-	-	-	-	83,259
Accrued interest	363,439	-	-	-	-	363,439
Experience refund receivable	12,306	-	-	-	-	12,306
	18,781,185	1,164,651	14,323,922	43,636	-	3,248,976
Financial Liabilities						
Outstanding claims	265,512	-	-	-	-	265,512
Staff retirement benefits	23,219	-	-	-	-	23,219
Amount due to other insurers / reinsurers / retakaful	13,448	-	-	-	-	13,448
Amount due to agents	67,939	-	-	-	-	67,939
Experience refund payable	36,831	-	-	-	-	36,831
Accrued expenses	99,164	-	-	-	-	99,164
Other creditors and accruals	82,087	-	-	-	-	82,087
Unclaimed dividend	147	-	-	-	-	147
Liabilities against assets subject to finance lease	6,343	1,283	5,060	-	-	-
	594,690	1,283	5,060	-	-	588,347
Balance sheet gap	18,186,495	1,163,368	14,318,862	43,636	-	2,660,629
Total yield / interest rate risk sensitivity gap		1,163,368	14,318,862	43,636	-	
Cumulative yield / interest rate risk sensitivity gap		1,163,368	15,482,230	15,525,866	15,525,866	

27.2.5 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.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

27.3. FINANCIAL INSTRUMENTS BY CATEGORY

	2017	2016
	(Rupees in '000)	
Financial assets and financial liabilities		
Financial assets		
Loans and receivables - amortised cost		
Cash and bank deposits		
Cash and other equivalents	620	315
Current and other accounts	745,657	610,565
Term Deposit Receipts	151,183	400,000
	897,460	1,010,880
Loans secured against Life Insurance Policies	167,539	153,456
Loans to agents	507	630
Current assets - others		
Premiums / contribution due but unpaid	176,854	108,148
Amount due from other insurers / reinsurers / retakaful	120,165	89,482
Amount due from agents	6,901	3,198
Sundry receivables	156,654	83,259
Accrued interest	269,492	363,439
Experience refund receivable	16,299	12,306
	746,365	659,832
Investments - available for sale	17,502,187	16,956,387
Financial Liabilities		
Amortised cost		
Outstanding claims	230,477	265,512
Amount due to other insurers / reinsurers / retakaful	24,930	13,448
Amount due to agents	57,182	67,939
Experience refund payable	26,701	36,831
Accrued expenses	113,202	99,164
Staff gratuity payable	22,377	23,219
Other creditors and accruals	109,619	82,087
Unclaimed dividend	1,097	147
Liabilities against assets subject to finance lease	15,115	6,343
	600,700	594,690

28. 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;

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

- 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, 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 SEC (Insurance) Rules, 2002 as amended by S.R.O. 16 (1)/2012 dated January 9, 2012, with which the Company is in compliance.

29. TRANSACTIONS WITH RELATED PARTIES

29.1 Related parties comprise of holding company, associated companies, retirement benefit funds, directors and key management personnel. Remuneration to the key personnel are determined in accordance with the terms of their appointments. All transactions involving related parties arise in the normal course of business. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. There are few companies with certain common directors but not considered as related parties in accordance with requirements of IAS 24 Related party Disclosures. Accordingly, transactions with such companies have not been disclosed here.

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

	Holding Company		Post employment benefit plans		Key Management personnel		Other related parties	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Transactions								
Premium underwritten	-	2,930	-	-	11,573	3,852	62,096	40,274
Premium paid for general insurance	-	3,120	-	-	-	-	3,130	-
Claims paid	-	3,577	-	-	-	-	27,042	24,686
Claims received	-	-	-	-	-	-	1,281	-
Charges for administrative services provided	-	-	-	-	-	-	6,192	5,243
Net Payments for group shared services	-	30,815	-	-	-	-	38,491	13,295
Rent expense	-	17,204	-	-	-	-	22,006	-
Brokerage charges	-	-	-	-	-	-	-	-
Net book value of fixed assets disposed	-	-	-	-	-	-	-	-
Mark-up on loan	-	-	-	-	-	-	-	-
Remuneration paid	-	-	-	-	114,042	68,876	-	-
Contribution to gratuity fund	-	-	7,908	9,389	-	-	-	-
Contribution to provident fund	-	-	11,311	11,185	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-
Dividend Paid	74,384	40,989	-	-	-	126	-	-
Balances								
Payable for group shared services	-	13,218	-	-	-	-	24,312	-
Payable for general insurance premium	-	346	-	-	-	-	173	-
Premium receivable	-	-	-	-	-	-	-	2,772
Claims payable	-	-	-	-	-	-	-	-
Receivable against administrative services provided	-	-	-	-	-	-	-	1,756
Payable to provident fund	-	-	7,994	-	-	-	-	-

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2017

30. GENERAL

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

31. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 03, 2018 by the Board of Directors of the Company.

32. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors has proposed a final dividend for the year ended December 31, 2017 of Rs. 1.00 per share (2016: Rs. 1.5 per share), amounting to Rs. 70,567 million (2016: 90.75 million) in its meeting held on March 03, 2018 for the approval of the members at the annual general meeting. The financial statements for the year ended December 31, 2017 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending December 31, 2018.



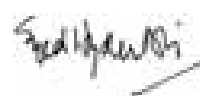
Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

Statement of Directors

(As per the requirement of section 46(6) and section 52 (2) of Insurance Ordinance, 2000)

Section 46 (6)

- a) In our opinion the annual statutory accounts of the IGI Life Insurance Limited set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made thereunder;
- b) IGI Life Insurance Limited has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance arrangements; and
- c) As at December 31, 2017, IGI Life Insurance 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 arrangements.

Section 52 (2)

- c) In our opinion each statutory fund of IGI Life Insurance Limited complies with the solvency requirements of Insurance Ordinance, 2000.



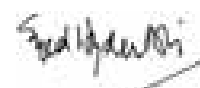
Chairman



Director



Director



Chief Executive Officer

Statement of Actuary

(As per the requirement of section 52(2) (a) & (b) of the Insurance Ordinance, 2000)

In my opinion:

- a) the policyholder liabilities included in the balance sheet of IGI Life Insurance Limited as at December 31, 2017 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- b) Each Statutory fund of the IGI Life Insurance Limited complies with the solvency requirements of the Insurance Ordinance, 2000 as on December 31, 2017.

Date: February 27, 2018
Karachi

Shujat Siddiqui
MA, FIA, FPSA
Appointed Actuary
IGI Life Insurance Limited

Notice of Annual General Meeting

For the year ended December 31, 2017

Notice is hereby given that the 23rd Annual General Meeting of IGI Life Insurance Limited (the "Company") will be held at Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi on April 25, 2017 at 11:00 am to transact the following business: -

Ordinary Business

1. To confirm the minutes of the last Extra Ordinary General Meeting of the Company held on December 7, 2017.
2. To receive, consider and adopt the annual audited financial statements of the Company together with the Directors' and Auditors' report thereon for the year ended December 31, 2017.
3. To consider and approve the payment of final cash dividend @ Rs. 1/- per share (10%) for the financial year ended December 31, 2017 as recommended by the Board of Directors (the "Board") of the Company.
4. To appoint auditors for the year ended December 31, 2017 and fix their remuneration. M/s. A. F. Ferguson & Co. (Chartered Accountants) have consented to be appointed as auditors and the Board of Directors has recommended their appointment.

Special Business

5. To consider, and if thought fit, to pass, with or without modifications, the following special resolution to adopt a new set of Articles of Association of the Company, in compliance with the new Companies Act, 2017, and other applicable laws:

"RESOLVED that the Articles of Association of the Company be and are hereby substituted by a new set of Articles of Association, as laid before the Members, bearing the initials of the Company Secretary for the purpose of identification and prepared by amending the existing Articles of Association in conformity with the Companies Act, 2017 and other Applicable Laws."

6. To obtain consent of the shareholders and pass the following ordinary resolution authorizing the approval of transmission of annual audited financial statements, auditors' report, directors' report and chairman's review report etc., along with notices of general meetings to Members through CD/DVD/USB at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan under SRO 470(1)/2016 dated May 31, 2016:

"RESOLVED THAT the consent and approval of the shareholders of the Company be and is hereby accorded for the transmission of annual audited financial statements, auditor's report, directors' report and chairman's review report etc. ("Annual Audited Accounts") along with notices of general meetings, to members through CD/DVD/USB at their registered addresses in terms of SRO 470(1)/2016 dated May 31, 2016 issued by the Securities and Exchange Commission of Pakistan."

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned special business, as required under Section 134(3) of the Companies Act, 2017.)

By order of the Board

Date: April 05, 2018
Karachi

Yasir Ali Quraishi
Company Secretary

Notice of Annual General Meeting

For the year ended December 31, 2017

NOTES

1. The Share Transfer Books of the Company will remain closed from 19th to 25th April 2018 (both days inclusive).
2. Any member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend, speak and vote on his/her behalf. A corporation being a member may, by means of a resolution of its directors, appoint a person who need not be a member, as proxy or as its representative under section 138 of the Companies Act 2017.
3. The instrument appointing a proxy, in order to be valid, must be deposited at the office of Share Registrar "M/s FAMCO Associates (Pvt.) Limited", at 8-F, Next to Faran Hotel, Nursery, Block-6, P.E.C.H.S. Sharah-e-Faisal, Karachi, duly signed, stamped and witnessed, not less than forty-eight (48) hours before the time of the Meeting. A member shall not be entitled to appoint more than one proxy. If more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. Members whose shares are deposited with Central Depository Company of Pakistan Limited (CDC) are requested to bring their original Computerized National Identity Cards (CNIC) along with the participant's I.D. number and their account numbers in CDC to facilitate identification at the time of Annual General Meeting and in case of proxy, must enclose an attested copy of his/her CNIC. In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee and /or all such other documents, as are required under Circular No.1 dated 26th January 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP") for the purpose, shall be produced at the time of the meeting (unless it has been provided earlier).
5. Members (Non-CDC) are requested to promptly notify to M/s FAMCO Associates (Pvt) Limited of any change in their address to ensure delivery of mail.
6. Pursuant to Section 223(7) of the Companies Act, 2017, the financial statements and reports have been placed on website of the Company.
7. The SECP has vide SRO No. 787(1)2014 dated September 8, 2014 and by the Companies Act 2017 has allowed companies to circulate annual balance sheet, profit and loss account, auditors report and directors' report along with notice of annual general meeting to its members through email. Members who wish to avail this facility should provide their email addresses to the Company Secretary.
8. In compliance with Section 242 of the Companies Act, 2017 and SRO No.1145(II)/2017 dated November 6, 2017, payment of dividend will only be made by way of electronic mode directly to the bank accounts of entitled shareholders. In this regard Electronic Credit Mandate Form [has already been sent to all the shareholders and] has been posted on the Company's website. Members whose shares are deposited in any sub-account or investor account with CDC should submit their E-dividend Mandate to CDC.
9. The Government of Pakistan through Finance Act, 2015 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. The current rates are as under:
 - For filers of income tax returns 15%
 - For non-filers of income tax returns 20%

To enable the Company to make tax deductions on the amount of cash dividend @15% instead of 20% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into the ATL before the book closure of the Company, otherwise tax on their cash dividend will be deducted @ 15% instead of 20%.

For shareholders holding their shares jointly as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on "Filer / Non-Filer" status of the principal shareholder as well as joint-holder(s) based on their shareholding proportions.

Notice of Annual General Meeting

For the year ended December 31, 2017

Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of the principal shareholder and Joint holder(s) in respect of shares held by them to the Share Registrar above-mentioned, in writing as follows:

Company Name	Folio / CDC Account No.	Total shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

- A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Income Tax Ordinance, 2001 and wish to seek exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of book closure otherwise tax will be deducted according to applicable law.
- Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of three (3) years or more from the date due and payable shall be deposited to the credit of the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.
- If Members holding ten (10) percent of the total paid up capital, reside in a city, such Members, may demand the Company to provide them the facility of video-link for attending the Meeting.

If you wish to take benefit of this facility, please fill send a request in the below terms to the Company at its registered address at least seven (7) days prior to the date of the Meeting:

I/We, _____ of _____ being a member of IGI Life Insurance Limited, holder of _____ Ordinary shares as per Register Folio No. / CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of member

- Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Company are requested to send the same at the earliest.

Notice of Annual General Meeting

For the year ended December 31, 2017

IGI Life Insurance Limited
Statement of Material Facts under Section 134 (3) of the Companies Act, 2017

Item No. 4: Adoption of new set of Articles of Association

Pursuant to the enactment of the new Companies Act, 2017 and requirements of other Applicable Laws, changes have been necessitated in the Articles of Association of the Company. A draft of the amended Articles of Association identifying the changes proposed, bearing the initials of the Company Secretary for the purpose of identification, is enclosed herewith. A copy of the Memorandum and Articles of Association of the Company as on date and also indicating the proposed amendments is available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, upto the last working day before the date of the Meeting.

For adopting the said revised Articles, it is proposed to consider and, if thought fit, to pass the resolution set out above in the agenda item as a special resolution.

Item No. 5 Transmission of Annual Audited Accounts through CD/DVD/USB

The Securities and Exchange Commission of Pakistan ("SECP") through its SRO 470(1)/2016 dated May 31, 2016 has allowed companies to circulate the annual balance sheet and profit and loss account (being the annual audited financial statements under the Companies Act, 2017), auditor's report and directors report, etc. (collectively "Annual Audited Accounts"), through CD/DVD/USB to its members at their registered addresses, subject to consent of the shareholders in general meeting.

For the purpose aforesaid, it is proposed to consider and, if thought fit, to pass the ordinary resolution set out above in the agenda item, as an ordinary resolution, with or without modifications, to obtain consent of the shareholders for the transmission of annual audited financial statements and accompanying reports, along with notices of the general meeting by CD/DVD/USB, in the terms proposed in the Notice of Annual General Meeting.

The Company shall, however, supply hard copies of the aforesaid documents to the shareholders on demand, at their registered addresses, free of cost, within one week of such demand. To facilitate Members, the Company shall place on its website a Standard Request Form which Members may use to communicate their preference for hard copies or otherwise (including their preference for all future audited annual financial statements and reports) to the Company Secretary or the Share Registrar.

The Directors are not interested in the above special business, except to the extent of their shareholdings in the Company.

ڈائریکٹرز کی رپورٹ برائے ممبران

آڈٹ کمیٹی

آڈٹ کمیٹی چارنان ایگزیکٹو ڈائریکٹرز بشمول دو آزاد ڈائریکٹرز پر مشتمل ہے۔ آڈٹ کمیٹی کے ڈرم آف ریفرنس کو ڈ آف کارپوریٹ گورننس سے ہم آہنگ ہیں۔ کمیٹی سہ ماہی میں کم از کم ایک بار اجلاس منعقد کرتی ہے۔

کلیئر سیٹلمنٹ کمیٹی

یہ کمیٹی کمپنی کی کلیئر سیٹلمنٹ پالیسی کی منظوری دیتی ہے۔ یہ کمپنی کی کلیئر پوزیشن کی نگرانی کرتی ہے اور اس امر کو یقینی بناتی ہے کہ کلیئر کے لئے اثاثہ جات مناسب حد تک برقرار ہیں۔ یہ کلیئر کے غیر معمولی کلیئر پر خصوصی توجہ دیتی ہے۔ کلیئر سیٹلمنٹ کمیٹی کلیئر کے فوری سیٹلمنٹ اور ادائیگیوں کو یقینی بناتی ہے۔ یہ غیر معمولی کلیئر بشمول عدالت، بیمہ محتسب اور ٹریڈ پبل کے روبرو کلیئر کا بھی جائزہ لیتی ہے۔ یہ فراڈ پر مبنی کیسوں سے نمٹنے کے لئے اقدامات پر عملدرآمد کی نگرانی بھی کرتی ہے۔

انڈر رائٹنگ اور ری انشورنس کمیٹی

یہ کمیٹی اس امر کو یقینی بناتی ہے کہ اس کے کاروباروں کیلئے موزوں و مناسب ری انشورنس انتظامات موجود ہیں۔ یہ مجوزہ ری انشورنس کے انتظامات کا جائزہ ان کی انجام دہی سے قبل کرنے کے ساتھ وقتاً فوقتاً انتظامات کا جائزہ لیتی ہے اور شرکت کرنے والے ری انشورر کی اجازت سے مشروط درست اور موزوں بندوبست کرتی ہے جیسا اور جب ضروری ہو۔ یہ ری انشورنس پروگرام کے مستقبل میں موثر ہونے کا جائزہ بھی لیتی ہے۔

یہ کمیٹی کمپنی کی انڈر رائٹنگ پالیسی بھی تشکیل دیتی ہے۔ یہ بیمہ کے خطرات کی مختلف اقسام کا جائزہ لینے کے لئے معیار بھی طے کرتی ہے۔ کمیٹی باقاعدگی سے اپنے کاروباری پورٹ فولیو اور مارکیٹ کی پیشرفت کا جائزہ لینے کے ساتھ انڈر رائٹنگ پالیسیوں پر باقاعدگی سے نظر ثانی کرتی رہتی ہے۔

آئٹھکس، ہیومن ریسورس، نامزدگی اور ری میوزیشن کمیٹی

آئٹھکس، ہیومن ریسورس، نامزدگی اور ری میوزیشن کمیٹی کمپنی کی ہیومن ریسورس پالیسیاں تشکیل دینے کی ذمہ دار ہے۔ یہ بورڈ کی سینئر افسران بشمول چیف ایگزیکٹو آفیسر، ڈپٹی چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے انتخاب کا جائزہ لینے، زرتلافی و معاوضوں کے ضمن میں معاونت کرتی ہے۔ کمیٹی ان افسران کی وراثتی منصوبہ بندی کی سفارشات بھی طے کرتی ہے۔ یہ باقاعدگی سے ہیومن ریسورس پالیسیوں پر نظر ثانی کرتی ہے۔

ضابطہ اخلاق

آپ کی کمپنی اپنے صارفین کو ان کے مستقبل کے مالیاتی تحفظ کے لئے روایتی بیمہ زندگی، یونیورسل لائف اور یونٹ سے منسلک پلانز کی پیشکش کرتی ہے۔ ہم سختی سے ایس ای سی پی کی جانب سے مقرر کردہ مارکیٹ کے ضابطہ اخلاق پر عملدرآمد کرتے ہیں اور اسی کے مطابق اپنی مصنوعات کے بارے میں تمام ضروری حقائق خواہشمند افراد کے روبرو پیش کرتے ہیں۔

ہم تمام وقتوں میں کاروباری ضوابط کے بلند تر معیار پر عمل کرتے ہیں اور یہ ہمارے تمام ملازمین کے لئے بھی ضروری ہے۔ کمپنی نے ملازمین کے لئے ضابطہ اخلاق بھی متعارف کرایا ہے جس پر ہر سال ان کے دستخط کرنا ضروری ہوتا ہے۔

شیر ہولڈنگ کا طریقہ کار

شیر ہولڈنگ کا طریقہ کار بمطابق 31 دسمبر 2017ء، جیسا کہ کمپنیز آرڈیننس 1984ء کی دفعہ 236 کے تحت لازمی اور کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق ہے، اس رپورٹ میں شامل کر دیا گیا ہے۔

Shimran

شیم احمد خان

چیرمین

مورخہ 03 مارچ 2018

Syed Ali

سید حیدر علی

چیف ایگزیکٹو آفیسر

مورخہ 03 مارچ 2018

ڈائریکٹرز کی رپورٹ برائے ممبران

بورڈ کے اجلاس اور ڈائریکٹر شپس میں تبدیلی

کمپنی کے بورڈ آف ڈائریکٹرز دو انڈیپنڈنٹ، دو ایگزیکٹو اور تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہیں۔ سال کے دوران بورڈ میں کوئی اتفاقی اسامی سامنے نہیں آئی۔ سال کے اختتام پر آپ کی کمپنی کے ایک ایگزیکٹو ڈائریکٹر کے استعفیے کے باعث ایک اتفاقی اسامی سامنے آئی۔ اس اتفاقی اسامی کو مقررہ مدت کے اندر ایک انڈیپنڈنٹ ڈائریکٹر کی تقرری کے ذریعے پُر کر لیا گیا۔ بورڈ آف ڈائریکٹرز، آڈٹ، انڈر رائٹنگ، ری انشورنس، کلیمز، انویسٹمنٹ اور ہیومن ریسورسز اور ری میوزیشن کمیٹی کے اجلاس شیڈول کے مطابق منعقد کئے گئے۔ منعقدہ اجلاسوں کی تفصیل اور بورڈ اور ان کی ذیلی کمیٹیوں کے اجلاس میں ہر ایک ڈائریکٹر کی جانب سے شرکت درج ذیل کے مطابق رہی۔

بورڈ نے اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو ان کی غیر حاضری پر چھٹی منظور کر دی تھی۔

بورڈ کی کمیٹی	آڈٹ کمیٹی	کلیمز کمیٹی	انڈر رائٹنگ وری انشورنس کمیٹی	انویسٹمنٹ کمیٹی	رسک مینجمنٹ اور عملدرآمد	ہیومن ریسورسز اور ری میوزیشن کمیٹی	
7	4	4	4	4	2	4	منعقدہ اجلاسوں کی تعداد
7	-	-	4	4	-	4	شرکت
7	-	4	-	-	2	-	سید حیدر علی
7	-	-	4	4	-	-	شیم احمد خان
7	-	-	4	4	-	-	ندیم آر ملک**
4	1	-	2	2	-	-	محمد کمال سید
7	4	-	-	4	2	4	خرم رضا بختیاری
7	4	4	-	4	2	4	سید یاور علی
7	4	-	-	4	2	4	احسان اے ملک

** سال کے اختتام پر مورخہ 31 جنوری 2018 کو ڈائریکٹر شپ سے استعفی دے دیا۔

ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات و نابالغ بچوں کی جانب سے شیئرز کی خرید و فروخت

سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات و نابالغ بچوں کی جانب سے، ماسوائے درج ذیل کے، کمپنی کے شیئرز میں کوئی خرید و فروخت نہیں کی گئی۔

- سید حیدر علی نے 229,000 شیئرز خریدے
- سید یاور علی نے 500 شیئرز خریدے
- سیدہ گہت علی نے 64,000 شیئرز خریدے

شیئر ہولڈنگ کا طریقہ کار

شیئر ہولڈنگ کے طریقہ کار کی وضاحت کے حوالے سے ایک بیان سالانہ رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز کی رپورٹ برائے ممبران

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کے تحت بیان

بورڈ اور انتظامیہ بہترین کارپوریٹ گورننس پر مکمل کاربند ہیں۔ جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ کارپوریٹ گورننس کے ضابطے کے تحت ضروری ہے، ڈائریکٹرز ہمسرت درج ذیل بیان جاری کرتے ہیں:

(اے) مالیاتی حسابات بشمول ان مالیاتی حسابات کے ایک یقینی حصے کی تشکیل کے نکات آپ کی کمپنی کی انتظامیہ کے ذریعے تیار کئے گئے ہیں اور اس کے شفاف کاروباری امور و معاملات، اس کے آپریشن کے نتائج، نقد فراوانی اور ایکویٹی میں تبدیلیوں کو شفاف طور پر ظاہر کرتے ہیں۔

(بی) کمپنی کے کھاتوں کی باقاعدہ کتب تیار کی گئی ہیں۔

(سی) درست اکاؤنٹنگ پالیسیاں مستقل طور پر مالیاتی حسابات کی تیاری میں لاگو کی جاتی ہیں اور اکاؤنٹنگ کے تخمینہ جات موزوں اور محتاط فیصلے پر منحصر ہوتے ہیں۔

(ڈی) انٹرنیشنل اکاؤنٹنگ کے اسٹینڈرڈز، انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز یا کوئی دیگر ضابطے یا قانون (بشمول تاہم شریعی رہنما ہدایات/اصولوں تک محدود نہیں) جیسا کہ پاکستان میں نافذ العمل ہیں، مالیاتی حسابات کی تیاری میں لاگو کئے جاتے ہیں اور ان سے کسی بھی روگردانی کو مناسب انداز میں واضح کر دیا جاتا ہے۔

(ای) اندرونی کنٹرول کا نظام مستحکم طور پر ڈیزائن کیا گیا ہے اور موثر طور پر نافذ العمل اور زیر نگرانی رہتا ہے۔

(ایف) کاروبار کو آگے بڑھانے کے بارے میں کمپنی کی صلاحیت پر کسی قسم کے شکوک و شبہات نہیں ہیں۔

(جی) کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی اہم روگردانی نہیں کی جاتی جیسا کہ رول بک اور پاکستان کے اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں تفصیلی درج ہے۔

(ایچ) ٹیکسز، ڈیویڈنڈ، لیویز اور چارجز کے ضمن میں کوئی قانونی ادائیگیاں نہیں کرنی ہیں جو 31 دسمبر 2016 تک واجب الادا ہوں ماسوائے ان کے جن کو مالیاتی حسابات میں واضح کر دیا گیا ہے۔

(آئی) ملازمین کے ریٹائرمنٹ فنڈ کے ذریعے سرمایہ کاریوں کی مالیت جیسا کہ ان کے متعلقہ غیر آڈٹ شدہ مالیاتی حسابات کے مطابق آپریٹ کی جارہی ہے برطابق 31 دسمبر 2017 درج ذیل کے مطابق ہیں۔

ملازمین کے پراویڈنٹ فنڈ 34,412 ملین روپے

ملازمین کے گریجویٹ فنڈ 44.695 ملین روپے

(جے) بورڈ کے چیئرمین نے ایس ای سی پی سے استثنیٰ حاصل کر لیا ہے کیونکہ وہ کوڈ آف کارپوریٹ گورننس میں درج اہلیت اور قابلیت کے مطابق مناسب حد تک تجربہ کار ہیں۔ تمام ساتوں ڈائریکٹرز ایس ای سی پی کی جانب سے شرائط کے مطابق تربیت حاصل کر چکے ہیں۔

(کے) گزشتہ چھ سال کے لئے کلیدی آپریٹنگ اور مالیاتی تفصیل ان مالی حسابات کے ساتھ منسلک ہیں۔

جیسا کہ انشورنس آرڈیننس 2000 کے تحت ضروری ہے، ڈائریکٹرز تصدیق کرتے ہیں کہ:

● ان کی رائے میں اور ان کے بہترین یقین کے مطابق کمپنی کے سالانہ قانونی حسابات جو اس بیان کے ساتھ منسلک فارمز میں درج کئے گئے ہیں وہ انشورنس آرڈیننس 2000 اور اس کے تحت آنے والے ضوابط کے مطابق تیار کئے گئے ہیں۔

● کمپنی سال میں تمام اوقات کے دوران ادا شدہ سرمائے، سالوینسی اور ری انشورنس انتظامات سے متعلق آرڈیننس کی شکوہ اور اس کے تحت بنائے گئے ضوابط پر عمل کرتی آئی ہے اور اسٹیٹمنٹ کی تاریخ کے مطابق کمپنی آرڈیننس کی شکوہ اور اس کے تحت آنے والے ضوابط، جیسا کہ اوپر درج ہے، پر عملدرآمد کا سلسلہ جاری رکھے ہوئے ہے۔

ڈائریکٹرز کی رپورٹ برائے ممبران

شکرگزاری

ہم اس موقع پر وزارت تجارت، حکومت پاکستان اور ایس ای سی پی کے تحت قائم ڈپارٹمنٹ آف انشورنس کو ان کی قابل قدر معاونت، حمایت اور رہنمائی پر خراج تحسین پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز اپنے ملازمین کی جانب سے ان کی شراکت اور انتھک جدوجہد پر شکریہ ادا کرنے کے ساتھ ان کو خراج تحسین پیش کرتے ہیں۔ آخر میں ہم اپنے ہزاروں پالیسی ہولڈرز اور شیئرز ہولڈرز کا شکریہ ادا کرنا چاہیں گے جن کا اعتماد، مستقل سرپرستی کمپنی کی حوصلہ افزائی کا اہم ذریعہ ہے۔

منجانب بورڈ آف ڈائریکٹرز



شیم احمد خان
چیئرمین

مورخہ 03 مارچ 2018



سید حیدر علی
چیف ایگزیکٹو آفیسر

مورخہ 03 مارچ 2018

ڈائریکٹرز کی رپورٹ برائے ممبران

ہیومن ریسورس مینجمنٹ

سال رواں کے دوران کمپنی نے مختلف شعبوں مثلاً سبزلو مارکیٹنگ، انڈر رائٹنگ کلیمز، فنانس، ایچ آر، ایچ ڈی، ہیومن ریسورسز اور کسٹمر سروسز میں پروفیشنل اور کوالیفائیڈ افراد کی بھرتیوں کے ذریعے اپنے انسانی وسائل کے سرمائے کو مضبوط بنایا۔ مزید برآں 2017 کے دوران کمپنی نے اسٹاف اور سبزلو فورس کے لئے مختلف تربیتی اور ترقیاتی پروگرام بھی ترتیب دیئے۔

انٹرنل آڈٹ

آپ کی کمپنی انٹرنل آڈٹ کے امور انسٹ ایئرنگ کے ذریعے بیرونی وسائل سے انجام دیتی ہے اور انٹرنل آڈٹ کا ایک سربراہ بھی مقرر کر رکھا ہے جو رابطہ کاری کے لئے ذمے دار ہے۔

آڈیٹرز

آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے میسرز ایف فرگن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو بطور کمپنی کا ایکسٹرنل آڈیٹرز مقرر کرنے کی سفارش کی ہے۔

کمپنی کے مالیاتی حسابات کا کسی کو ایفیکیشن کے بغیر آڈٹ کیا گیا ہے۔

ہولڈنگ کمپنی

کمپنی آئی جی آئی ہولڈنگز لمیٹڈ (سابق آئی جی آئی انشورنس لمیٹڈ) کا ایک ذیلی ادارہ ہے جو کمپنی کے 81.97 فیصد شیئر کپٹل کی حامل ہے۔ (2016: 81.97 فیصد)

سال کے دوران معزز عدالت عالیہ سندھ نے آئی جی آئی انو-سٹمٹ بینک لمیٹڈ کی آئی جی آئی انشورنس لمیٹڈ میں انضمام کی منظوری دی تھی اور اس کے ساتھ آئی جی آئی انشورنس کے پاس موجود بیمے کے کاروبار اور چند سرمایہ کاریوں کو دو مکمل ملکیتی ذیلی اداروں یعنی بالترتیب آئی جی آئی جنرل انشورنس اور آئی جی آئی انو-سٹمٹس میں الگ الگ کرنے کی اجازت دی۔

آئی جی آئی گروپ کی مالیاتی سروسز کے کاروبار کی اس تنظیم نو سے گروپ کی ”فنانشل سروسز ہولڈنگ کمپنی“ یعنی آئی جی آئی ہولڈنگز لمیٹڈ وجود میں آئی۔

یری اسٹریٹجنگ اب متروکہ کمپنیز آرڈیننس 1984 کی دفعات 284 تا 288 کے تحت عدالت عالیہ سندھ بھرتی کرانچ کے پاس دائر انضمام اور رینجمنٹ کی اسکیموں کی عدالت سے منظوری کے تحت عمل میں لائی گئی۔

مقرر کردہ ایگزیکٹو

سال کے دوران کمپنی نے اپنی مقررہ ایگزیکٹو تبدیلی کرتے ہوئے علی ندیم ایسوسی ایٹس سے اختر حسن (پرائیویٹ) لمیٹڈ کو مقرر کر دیا۔

اہم ایونٹس

کمپنی کی بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 23 دسمبر 2017 میں واٹیلٹی گروپ انٹرنیشنل کے ساتھ اشتراک کے لئے معاہدے کی منظوری دی۔ اشتراک کے اس معاہدے سے کمپنی پاکستان میں شیئر ڈیویڈنڈ اور پالیسی بیمہ پروڈکٹس متعارف کرنے کی اہل ہو جائے گی۔ اشتراک کے مجوزہ معاہدے پر عملدرآمد تمام نافذ العمل قانونی اور ریگولیٹری اجازت ناموں کی فراہمی سے مشروط ہے۔

بیمہ دار کے مالی استحکام کی ریٹنگ

سال رواں کے دوران کمپنی نے پیکرا (PACRA) سے آئی ایف ایس (IFS) ریٹنگ حاصل کی، کمپنی کو A+IFS ریٹنگ مستحکم آڈٹ لک کے ساتھ تفویض کی گئی۔

آؤٹ لک

آپ کی کمپنی طویل مدتی مواقعوں کے بارے میں پر عزم ہے جبکہ مختصر مدتی چیلنجوں سے فعال انداز میں نمٹ رہی ہے۔ اس کی بنیادی توجہ صارفین کی سروس اور ایک تیز رفتار و مستحکم ڈسٹری بیوشن نظام قائم کرنے پر ہے۔ اپنی جاری حکمت عملی کے حصے کے طور پر یہ انتہائی باریک بینی سے مارکیٹ کی صورتحال پر نگاہ رکھے ہوئے ہے اور اس امر پر یقین رکھتی ہے کہ کاروباری ماڈل اور خطرات سے نمٹنے کا محتاط طریقہ کار مجموعی طور پر صارفین کی ایک مضبوط و مستحکم بنیاد قائم کرنے اور کلائنٹ کے ساتھ تعلقات پائیدار طویل مدتی شرح نمو کے لئے ایک شاندار بنیاد فراہم کریں گے۔

ڈائریکٹرز کی رپورٹ برائے ممبران

پروڈکٹس اور ڈسٹری بیوشن چینلز

کمپنی اپنی پروڈکٹس کی ریجن اور تقسیم کے نظام کو وسیع کرنے کا سلسلہ اپنے ذاتی براؤنچ نیٹ ورک اور بینک ایٹورنس پارٹنرز دونوں کے لئے جاری رکھے ہوئے ہے۔

سال 2017 میں دفاتر کی تین نئی لوکیشنز نے کام کا آغاز کیا اور بینک ایٹورنس شراکت کاروں کے ساتھ چھ نئے معاہدوں پر دستخط کئے گئے۔ تقسیم کے نظام میں توسیع اور دور تک رسائی سے کمپنی کو آنے والے برسوں میں صارف کے وسیع تر دائرہ کار اور منافع جات میں اضافے کے ضمن میں فوائد حاصل ہوں گے۔

کمپنی اپنی فیلڈ فورس کو توسیع دینے اور انہیں ضروری تربیت فراہم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ سال 2017 کے دوران ایس ای سی پی نے آپ کی کمپنی کے لئے اس کے سبزی اور انتظامی عملے کے لئے روایتی اور تکافل دونوں بزنس پروڈکٹس کے سلسلے میں ان-ہاؤس ٹریننگ کی منظوری دی۔ اس سلسلے میں ایک تربیتی سہولت نوجوانوں اور ابھرتے ہوئے ٹیلنٹ کو متوجہ کرنے کے لئے قائم کی گئی۔ ایک ان-ہاؤس لرننگ مینجمنٹ سسٹم بھی اس کی سبزی فورس کو جاری تربیت کی فراہمی اور انہیں پروڈکٹس اور مارکیٹ کے دیگر شعبوں سے آگاہ رکھنے کے لئے تعینات کیا گیا۔

انڈر رائٹنگ، ری انشورنس اور رسک مینجمنٹ

آپ کی کمپنی نے اپنی محتاط انڈر رائٹنگ پالیسیوں پر عملدرآمد کا سلسلہ جاری رکھا ہوا ہے۔ کمپنی نے اپنے انسانی وسائل کے سرمائے، ٹیکنالوجی اور انفراسٹرکچر میں نمایاں سرمایہ کاری کے ساتھ اپنے انڈر رائٹنگ امور کو مستحکم بنانے پر کام کیا ہے۔

آپ کی کمپنی ری انشورنس کے ایک محتاط تیار کردہ پروگرام کے ذریعے خطرات کی نگرانی کی پالیسی پر عملدرآمد کر رہی ہے۔ کمپنی نے خود کو درپیش مذکورہ بالا خطرات کے باعث نقصانات سے کمپنی کو محفوظ رکھنے کے لئے مشہور و معروف انٹرنیشنل ری انشوررز کے ساتھ ری انشورنس کے معاہدے کر رکھے ہیں۔

کیپٹل مینجمنٹ اور لیکویڈٹی

کمپنی نے اپنی موجودہ اور طے شدہ کاروباری سرگرمیوں میں معاونت کے لئے مناسب حد تک سرمائے کو برقرار رکھا ہوا ہے۔ کمپنی کا ادا شدہ سرمایہ اور لیکویڈٹی کا حجم بالترتیب 706 ملین روپے اور 848 ملین روپے ہے۔

سال رواں کے دوران کمپنی کا ادا شدہ سرمایہ جون 2017 اور اکتوبر 2017 میں 8 فیصد کے دو عبوری بونس شیئرز ایشوز جاری کرنے کے ذریعے 605 ملین روپے سے بڑھ کر 706 ملین روپے ہو گیا۔ ادا شدہ سرمائے میں اس اضافے کے بعد کمپنی نے بیزنس کی کمپنیوں کے لئے ایس ای سی پی کی جانب سے مقرر کردہ 700 ملین کے کم از کم کیپٹل سرمائے کی شرط پوری کر دی۔

کمپنی اس امر کو یقینی بنانے کے لئے بھی ایک فریم ورک کی حامل ہے کہ کلیمز کی ادائیگی اور آپریٹنگ اخراجات سے نمٹنے کے لئے مناسب لیکویڈٹی دستیاب ہے۔ کمپنی کا کیش اور نقد کے مساوی اثاثوں کا حجم 31 دسمبر 2017 کے مطابق 898 ملین روپے تھا۔ (1,011:2016 ملین روپے)

انفارمیشن ٹیکنالوجی اور آپریشنل کارکردگی

آپ کی کمپنی مستقل طور پر اپنے پالیسی ہولڈرز، شراکت کاروں اور دیگر اسٹیک ہولڈرز کو اعلیٰ معیار کی کسٹمر سروس فراہم کرنے کے لئے کوشاں ہے۔

کمپنی نے جدید ترین بیزنس زندگی کے انتظامی نظام کو متعارف کرانے کے لئے ایک عالمی سطح کی معروف کمپنی کے ساتھ معاہدہ کیا ہے۔ یہ نیا نظام ٹیکنیکی طور پر آپریشنل کارکردگی، مارکیٹ تک تیز تر رسائی اور صارف کو بہترین سروس فراہم کرنے میں مدد دے گا۔

متعلقہ پارٹی کی ٹرانزیکشنز

بورڈ کے ہر اجلاس میں بورڈ آف ڈائریکٹرز کے ساتھ آڈٹ کمیٹی کی سفارشات پر مبنی کمپنی کی ٹرانزیکشنز کی منظوری دیتے ہیں۔ تمام ایسی ٹرانزیکشنز مسابقتی غیر کنٹرول شدہ نرخ کے طریقہ کار اور لاگت کے تبادلے کے انتظامات کی بنیاد پر آرمز لیٹھ کے طریقہ کار پر انجام پاتی ہیں۔

ڈائریکٹرز کی رپورٹ برائے ممبران

منافع جات

کمپنی کے قانونی فنڈز کا مساوی لائف پارٹیسپیٹنگ فنڈ نے 134.6 ملین روپے کا سرپلس حاصل کیا اس کے برخلاف گزشتہ سال 86.9 ملین روپے کا سرپلس حاصل کیا گیا تھا۔ شیئر ہولڈرز کے فنڈ کے لئے حساب کتاب کے بعد آپ کی کمپنی نے 231.7 ملین روپے کا منافع قبل از ٹیکس حاصل کیا (2016: 212.4 ملین روپے) جو گزشتہ سال کے مقابلے میں 9 فیصد اضافہ ظاہر کرتا ہے۔

2016	2017	منافع/خسارہ
(روپے 000 میں)		
86,896	134,586	قانونی فنڈز کا مجموعی سرپلس - مساوی لائف پارٹیسپیٹنگ فنڈ
125,539	97,080	برقرار رکھے گئے اکاؤنٹ ڈی سے اختصاصات سے قبل شیئر ہولڈرز کے فنڈ سے منافع
40,649	29,174	ٹیکسیشن
(روپے میں)		
1.34	0.96	آمدنی فی شیئر
26.14	23.73	بریک اپ ویلیو فی شیئر (بشمول انشورنس آرڈیننس کی شرائط پوری کرنے کے لئے قانونی فنڈز میں برقرار رکھی گئی رقم)

اختصاصات (Appropriations)

مقرر کردہ ایکچوری کی سفارشات کے مطابق اور بورڈ کی منظوری کے ساتھ کمپنی قانونی فنڈز سے 60 ملین روپے کے سرمائے کو شیئر ہولڈرز کے فنڈ میں منتقل کرنے کی منظوری دی تھی۔ اسی کے ساتھ قانونی فنڈز سے شیئر ہولڈرز فنڈ میں 35.3 ملین روپے کے سرپلس ٹرانسفر کی منظوری دی گئی۔

علاوہ ازیں قانونی فنڈز کے لئے شیئر ہولڈرز کے فنڈز سے 47.5 ملین روپے کے کیپٹل ٹرانسفر کی بھی منظوری دی گئی جیسا کہ مقرر کردہ ایکچوری کی جانب سے سفارش کی گئی تھی۔ اگرچہ مذکورہ منتقلی سے قبل مجموعی سالوینسی کی شرح مقررہ سالوینسی کی شرح سے نمایاں طور پر زائد ہے پھر بھی بورڈ کا اس ضمن میں یہ فیصلہ ہے کہ فنڈ کے لحاظ سے سالوینسی کی ضروریات کو محتاط پیمانے کے طور پر برقرار رکھا جائے۔ یہاں اس امر سے بھی آگاہ کیا جاتا ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے آپ کی کمپنی کو خصوصی طور پر فنڈ کے لحاظ سے سالوینسی برقرار رکھنے سے مستثنیٰ قرار دیا ہے۔

لائف پارٹیسپیٹنگ فنڈ

لائف پارٹیسپیٹنگ فنڈ کے تحت فروخت کی گئی پالیسیوں میں پالیسی ہولڈرز کو ایس ای سی پی کی جانب سے مقرر کردہ حدود تک کی مدت کے دوران حاصل کردہ سرپلس میں شراکت کا استحقاق حاصل ہوتا ہے۔ پالیسی ہولڈرز کو تقسیم بونس کی صورت میں کی جاتی ہے۔ تقسیم کئے جانے والے بونس کی سفارش مقررہ ایکچوری اور بورڈ کی منظوری سے کی جاتی ہے۔ رواں سال کے دوران 317.6 ملین روپے کا بونس پالیسی ہولڈرز کو تقسیم کیا گیا (2016: 291.9 ملین روپے)۔

کلیمز (دعوے)

کلیمز کو تیزی کے ساتھ نمٹانا کمپنی کی اولین ترجیحات میں شامل رہا ہے گزشتہ چند سالوں سے آپ کی کمپنی مستقل طور پر کلیمز کو نمٹانے کے طریقہ کار میں بہتری لارہی ہے اور اس کے لئے کلیم کی انتظامیہ پر موثر کنٹرول اور اس میں صرف ہونے والے وقت میں کمی لانے کے اقدامات متعارف کرائے گئے ہیں۔

کلیمز کے امور کو وقف کردہ ٹیموں میں بانٹ دیا گیا ہے جو مختلف نوعیت کے کلیمز مثلاً لائف اور معذوری، ان - پیشنٹ / آؤٹ پیشنٹ زرتلافی اور نیٹ ورک اسپتال کے کلیمز کو نمٹا رہی ہیں۔ کلیم داخل کرنے کے طریقہ کار کو سہل بنانے کے لئے نہ صرف انتقال کے دعوے کے فارم پر نظر ثانی کی گئی بلکہ شرائط کو بھی دوبارہ تیار کیا گیا اور دعویٰ کنندہ کے لئے سہولت پیدا کی گئی۔ سروس کے معیار کو مزید بہتر بنانے کے لئے ہمارے کلائنٹس اور پالیسی ہولڈرز کے لئے ایک کمیونیکیشن سسٹم (رابطے کا نظام) بھی نصب کیا گیا ہے۔

سال 2017 میں کمپنی نے 1.09 ارب روپے کے کلیم ادا کئے (2016: 707 ملین روپے)۔

ڈائریکٹرز کی رپورٹ برائے ممبران

آپ کی کمپنی کے ڈائریکٹرز ہمسرت کمپنی کی 23 ویں سالانہ رپورٹ بشمول سال ختمہ 31 دسمبر 2017 کے لئے آڈٹ شدہ مالیاتی حسابات آپ کے سامنے پیش کر رہے ہیں۔

کمپنی کی کارکردگی کا جائزہ 2017

مجموعی پریکٹس

2017 میں آپ کی کمپنی نے (فیملی تکافل شرکت سمیت) 5.62 ارب روپے کا مجموعی پریکٹس ظاہر کیا۔ انفرادی لائف ریگولر پریکٹس (بشمول تکافل شرکت) 12.5 فیصد تک بڑھ جانے سے 2.07 ارب روپے کی مجموعی پریکٹس کے قریب پہنچ گئے (2016: 1.84 ارب روپے)۔ تجدیدی پریکٹس کی بنیاد 1.46 ارب روپے تک بڑھ گئی (2016: 1.28 ارب روپے) جس سے 13.5 فیصد بہتری حاصل ہوئی۔ کمپنی کی جانب سے سروس کے معیار پر توجہ دینے سے سال کے دوران مسلسل بہتری کے نتائج حاصل ہوئے۔ انفرادی لائف برنس میں مجموعی طور پر 2017 میں 79 فیصد بہتری حاصل ہوئی (2016: 73 فیصد)۔

انفرادی فیملی تکافل کا مجموعی پریکٹس کا حجم 2017 کے دوران 1.2 ارب روپے رہا (2016: 383 ملین روپے) جس کے نتیجے میں 2.1 گنا زائد شرح نمور جسٹری گئی۔ کمپنی کے ونڈو تکافل آپریشنز کو 2015 کی تیسری سہ ماہی میں متعارف کرایا گیا تھا اور اس وقت سے متاثر کن شرح نمود کیے میں آ رہی ہے۔

گروپ کا لائف وہیلتھ پریکٹس (بشمول تکافل گروپ فیملی وہیلتھ) 1.26 ارب روپے پر موجود تھا (2016: 943 ملین روپے) جس سے گزشتہ سال کے مقابلے میں 34 فیصد تیز رفتار گروتھ ظاہر ہوتی ہے، گروپ کا کاروبار بنیادی طور پر کارپوریٹ صارفین پر مشتمل ہے، گروپ کے کاروبار میں صحتمندانہ ترقی سروس کے معیار کے نتیجے اور صارف کی جانب سے ظاہر کئے گئے اعتماد کی بدولت ظاہر ہوتی۔

کمپنی کا سڈگل پریکٹس (بشمول تکافل کنٹری بیوشنز) اس سال نسبتاً مست رہا اور 2.28 ارب روپے پر موجود تھا (2016: 4.8 ارب روپے)۔ اس کی بنیادی وجہ ہمارے شرکاتی بینک پر توجہ دینا تھا جو ماضی میں کاروبار کی اس لائن کے لئے نمایاں شرکت کار رہا تھا۔

سرمایہ کاریاں:

آپ کی کمپنی نے ایک مستحکم بیلنس شیٹ کے حجم کے ساتھ سرمایہ کاری کا پورٹ فولیو 17.5 ارب روپے پر برقرار رکھا (2016: 16.96 ارب روپے) جس سے کمپنی کے مجموعی اثاثہ جات کی 88 فیصد نمائندگی ظاہر ہوتی ہے (2016: 88 فیصد)۔ کمپنی ایک محتاط سرمایہ کار پر عمل پیرا ہے۔

کمپنی صارفین کو روایتی بیمہ کاروبار میں 14 یونٹ۔ لیکڈ فنڈز اور انفرادی فیملی تکافل آپریشنز میں اس کے شرکت کاروں کو 3 یونٹ۔ لیکڈ فنڈز پیش کرتی ہے۔ یہ فنڈز مختلف نوعیت کے خدشات و خطرات کے حامل ہیں اور انفرادی پالیسی ہولڈرز/شرکت کاروں کی جانب سے ان کا انتخاب ان کے انفرادی خطرات اور منافع جات کے حصول کو مد نظر رکھ کر کیا جاتا ہے۔

2017 میں پی ایس ایکس 100۔ انڈیکس نے مئی 2017 میں سب سے بلند تر 52,876 پوائنٹس حاصل کئے۔ بعد ازاں مارکیٹ دباؤ میں آ گئی اور سال کے آخر تک اس کی ویلیو کا 24 فیصد نقصان کر کے 2017 میں 15 فیصد کا سالانہ خسارہ حاصل کیا۔ فیکسڈ انکم کی طرف، ایس بی پی نے سال رواں کے دوران پالیسی ریٹ 5.75 فیصد پر برقرار رکھا اور اس کے نتیجے میں فیکسڈ انکم کی پیداوار مختلف انسٹرومنٹس میں سال کے بیشتر حصے کے دوران فلیٹ رہی۔

مالی مارکیٹ کی صورتحال کے پیش نظر انتظامی ٹیم نے مختلف فنڈز کے ضمن میں پالیسی ہولڈرز کو تحفظ دینے کی سمت میں ایک محتاط روش اختیار کی جس کی بدولت آپ کی کمپنی سال 2017 کے دوران بیمہ زندگی کی صنعت میں سرمایہ کاری پر منافع کے ضمن میں سرکردہ اداروں کے درمیان جگہ بنانے میں کامیاب رہی۔

کنوٹشل، ایگریسیو، بیلنسڈ، سکیور اور کنزرویٹو فنڈز نے اپنے قیام سے بالترتیب 11.86 فیصد، 10.85 فیصد، 12.84 فیصد اور 7.38 فیصد کا مجموعی منافع حاصل کیا ہے۔ پی ایس ایکس 100۔ انڈیکس میں 15 فیصد کمی کے باوجود ایگریسیو، بیلنسڈ، سکیور اور کنزرویٹو فنڈز نے سال 2017 کے دوران بالترتیب 8.46 فیصد، 1.14 فیصد، 6.9 فیصد اور 3.5 فیصد کے مجموعی منافع جات حاصل کئے۔

کمپنی نے 2015 کے اختتام پر اپنی تکافل پروڈکٹس متعارف کرائی تھیں اور دو سالہ مدت میں اس کے مجموعی اثاثہ جات کی مالیت 1.14 ارب روپے ہو گئی۔ تکافل ایگریسیو، بیلنسڈ اور کنزرویٹو فنڈز نے ایک مختصر مدت کے دوران بالترتیب 16.2 فیصد، 12.7 فیصد اور 8.1 فیصد کا حقیقی مجموعی منافع حاصل کیا۔

مالیاتی مارکیٹ کی چیلنجنگ صورتحال کے باوجود کمپنی نے 2017 میں سرمایہ کاریوں پر 70 ملین روپے کا منافع حاصل کیا۔ اس کے مقابلے میں 2016 میں شیئرز ہولڈرز فنڈ میں 107 ملین روپے حاصل کئے گئے تھے۔

Proxy Form

Shareholder's Folio No. _____ Number of shares held _____

I/We _____ of (full address) _____
_____ being a member of IGI Life Insurance Limited, hereby appoint.

Mr./Ms. _____ of (full address) _____ or
failing him/her Mr./ Ms. _____ of (full address)
_____ .

as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 25th April, 2018 at 11:00 am. The Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi-75600 and at any adjournment thereof.

Signed this _____ day of _____ 2018

Signed by the members in the presence of;

Witness : _____

Address : _____

Please affix
Rupee Five
Revenue Stamp

Signature of Member

1. The Proxy Form, duly completed, to be effective, should be deposited at the Registrar of the Company "FAMCO Associates (Pvt.) Limited", at 8-F, next to Hotel Faran, Nursery, Block - 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi as soon as possible but not later than 48 hours before the time of holding the Meeting.
2. Both member and non-member can be appointed as a proxy and qualified to vote, and corporation being a member may also appoint as its proxy any officer of such corporation whether a member of the Company or not.

پراکسی فارم

شیر ہولڈر کا فوئیو نمبر _____ موجودہ شیرز کی تعداد _____

میں/ہم _____ ساکن (مکمل پتہ) _____

بحیثیت آئی جی آئی لائف انشورنس لمیٹڈ کا/ کے ایک ممبر بذریعہ بذاتقرر کر رہا ہوں/ رہے ہیں۔

جناب/محترمہ _____ ساکن (مکمل پتہ) _____

یا ان کی غیر حاضری کی صورت میں جناب/محترمہ _____ ساکن (مکمل پتہ) _____

_____ کا بطور اپنا/ ہمارے پراکسی جو میری/ ہماری غیر موجودگی میں کمپنی کے سالانہ اجلاس عام منعقدہ

25 اپریل 2018 بوقت دن کے 11 بجے بمقام دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹ آف پاکستان (آئی سی اے پی)، چارٹرڈ اکاؤنٹینٹس ایونیو، کانٹن، کراچی

75600 میں یا کسی زیر التوا تاریخ پر منعقدہ اجلاس میں شرکت کریں گے۔

برائے مہربانی 5 روپے کا

ریونیو اسٹیپ چسپاں کریں

ممبر کے دستخط

دستخط مورخہ _____ 2018

ممبران کی جانب سے درج ذیل کی موجودگی میں دستخط کئے گئے

گواہ: _____

پتہ: _____

1- ہر طرح سے مکمل پراکسی فارم موثر ہونے کے لئے ضروری ہے کہ یہ کمپنی کے رجسٹرار "فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ" بمقام 8- ایف متصل ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو فوری طور پر یا اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرادیا جائے۔

2- ممبر اور غیر ممبر دونوں کو بطور پراکسی مقرر کیا جاسکتا ہے اور یہ ووٹ دینے کے اہل ہوں گے اور کارپوریشن بھی بطور ممبر اپنی کارپوریشن کے کسی افسر کو اپنا پراکسی مقرر کر سکتی ہے چاہے وہ کمپنی کا ممبر ہو یا نہ ہو۔

IGI | Life

IGI Life Insurance Limited

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