


PATTERNS OF PAKISTAN



ANNUAL REPORT 2018





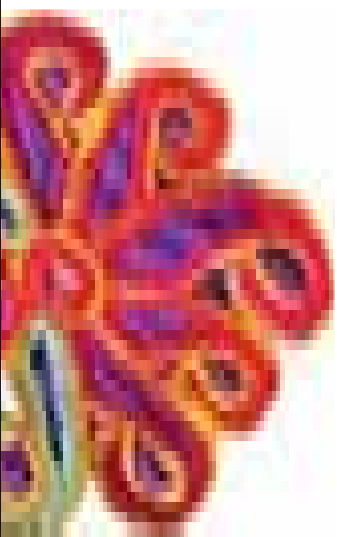


Intricate, Colorful, Inspiring. Everywhere, from art to architecture, from garments to pottery, the patterns of Pakistan add vibrancy to our diversity. As part of our commitment to Pakistan, Jubilee Life celebrates this wonderful aspect of our culture and heritage, by dedicating the Annual Report 2018 to the brilliance of patterns of Pakistan. As the pages unfold, we are confident that our readers will appreciate the aesthetic value of our Country's rich culture and heritage and are proud to present the same to you.

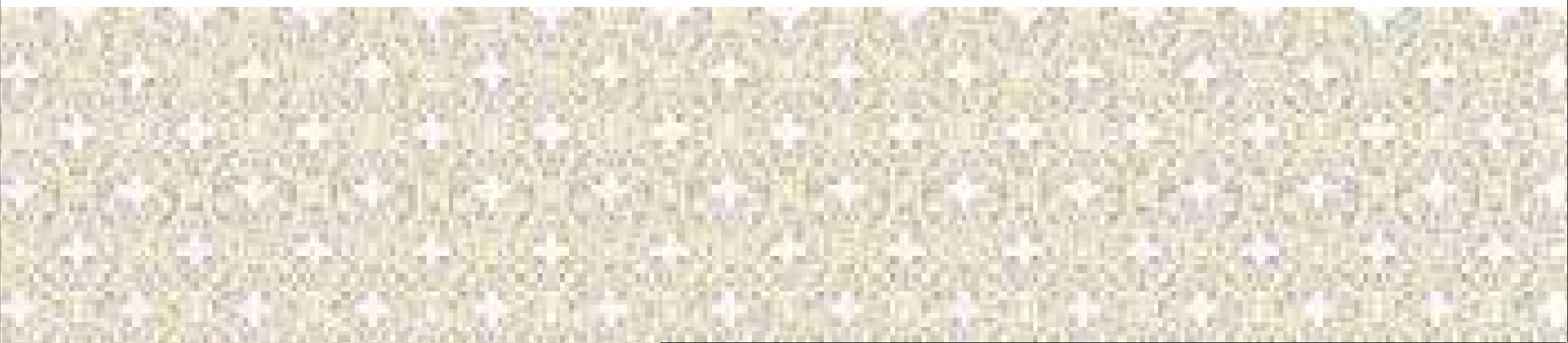


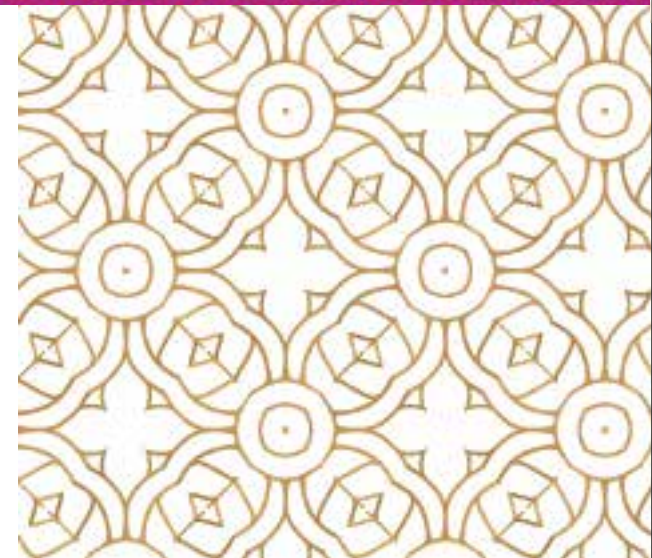
Patterns of Pakistan





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Vision

Enabling people to overcome uncertainty.

Mission

To provide solutions that protect the future of our customers.



Core Values

- Teamwork
- Integrity
- Excellence
- Passion



Code of Conduct

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

- Compliance with law and the legal system is a fundamental principle for Jubilee. Every employee, agent and director shall obey the laws and regulations of the legal systems in letter and spirit within which he / she acts. Regardless of the sanctions foreseen by the law, any director, employee or an agent guilty of a violation will be liable to disciplinary consequences related to such violation.
- Respect for personal integrity, privacy and personal right of every individual is a fundamental principle. We work together with individuals of various backgrounds, ethnic types, different cultures, gender, religions, ages and disabilities.
- We compete fairly with the quality and the price of our innovative products and services, not by offering improper benefits to others. Employees are not permitted to use their jobs to solicit, to demand, accept, obtain or be promised advantages.
- Jubilee does not make political contributions (donations to politicians, political parties or political organizations). As a

responsible member of society and a good corporate citizen, Jubilee makes donations for education, health, and social and humanitarian projects.

- It is Jubilee's objective to conduct business with reputable clients and business partners who are involved in lawful business activities. We do not facilitate money laundering.
- It is the duty of Jubilee employees to make business decisions in the best interest of Jubilee Insurance and not based on their personal interest.
- Jubilee employees are obligated to protect all assets of the Company, including intangible assets and software products, and use these properly only for the benefit of the Company.
- Open and effective communication requires accurate and truthful reporting. Jubilee is required to maintain sound processes and controls so that transactions are executed within approved authorization. Confidentiality is maintained with regard to Jubilee's proprietary information that has not been made known to public.
- Protecting the health and safety of employees in the workplace is a high priority for Jubilee. Jubilee promotes sound environment friendly business practices.

Overall Corporate Strategy

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



Rating of the Company

Insurer Financial Strength (IFS) Rating

AA+ (Double A Plus)

Outlook

Stable

Rating Agency

JCR-VIS

Rating Date

May 30, 2018

Jubilee
INSURANCE



EXCELLENCE IS A TRADITION WITH US

Jubilee Life makes it to the Top 25 Companies list

Jubilee Life is proud to be among the Top 25 Companies on the FORTUNE 500® list for the year 2018. The only insurance company to make it to this prestigious list, Jubilee Life is a testament to the company's commitment to excellence and innovation. For more information, visit www.jubilee.co.uk or contact your local Jubilee Life representative.

www.jubilee.co.uk | www.facebook.com/jubee | www.instagram.com/jubee



Company Information

BOARD OF DIRECTORS

Kamal A. Chinoy

Independent

Non-Executive Director

Amyr Currimbhoy

Independent

Non-Executive Director

Shahid Ghaffar

Independent

Non-Executive Director

John Joseph Metcalf

Non-Independent

Non-Executive Director

Sultan Ali Allana

Non-Independent

Non-Executive Director

R. Zakir Mahmood

Non-Independent

Non-Executive Director

Sagheer Mufti

Non-Independent

Non-Executive Director

Javed Ahmed

Managing Director &

Chief Executive Officer

(Executive Director)

BOARD COMMITTEES

Audit Committee

- **Amyr Currimbhoy**, Chairman
- **John Joseph Metcalf**, Member
- **Shahid Ghaffar**, Member
- **Adeel Ahmed Khan**, Secretary

Finance & Investment Committee

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

Human Resource & Remuneration, Ethics & Nominations Committee

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

Risk Management Committee

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

Technical Committee

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

Construction Advisory Committee

- **Kamal A. Chinoy**, Chairman
- **R. Zakir Mahmood**, Member
- **Javed Ahmed**, Member & Secretary

MANAGEMENT

- **Javed Ahmed**
Managing Director &
Chief Executive Officer
- **Muhammad Sohail Fakhar**
Group Head Corporate,
Marketing & Administration
- **Farhan Akhtar Faridi**
Group Head Retail Distribution
- **Muhammad Kashif Naqvi**
Group Head Digital,
Technology & Strategic Planning
- **Najam ul Hassan Janjua**
Company Secretary &
Head of Legal Department
- **Faiz ul Hassan**
Head of Corporate Business
Distribution
- **Muhammad Aamir**
Head of Corporate Business
Operations
- **Lilly R. Dossabhoy**
Chief Financial Officer
(Group Head, Finance & Accounts)
- **Zahid Barki**
Group Head Risk Management,
Compliance & Quality Assurance
- **Muhammad Munawar Khalil**
Group Head Human Resource
Management & Development
- **Shan Rabbani**
Group Head Retail Operations,
Investments & Actuarial
- **Nadym Chandna**
Head of Window Takaful
- **Faisal Qasim**
Head of Information Security &
Quality Assurance

Company Secretary

- **Najam ul Hassan Janjua**

Compliance Officer

- **Zahid Barki**

Head of Internal Audit

- **Adeel Ahmed Khan**

MANAGEMENT COMMITTEES

Management Committee

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

Underwriting & Reinsurance Committee

- **Javed Ahmed**, Chairman
- **Shan Rabbani**, Member
- **Muhammad Aamir**, Member
- **Hassan Ejaz**, Member
- **Raja Naveed**, Member & Secretary

Claims Committee

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

Risk Management & Compliance Committee

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

Investment Management Committee

- **Javed Ahmed**, Chairman
- **Lilly R. Dossabhoy**, Member
- **Shan Rabbani**, Member
- **Muhammad Kashif Naqvi**, Member
- **Asif Mobin**, Member / Secretary

IT Steering Committee

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

Marketing Committee

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

Registered Office

26-D, 3rd Floor, Kashmir Plaza, Jinnah Avenue,
Blue Area, Islamabad, Pakistan.
Tel: +92 (51) 2206930-6 Fax: +92 (51) 2825372
Web: www.jubileelife.com E-mail: info@jubileelife.com

Appointed Actuary

Nauman Associates
249-CCA, Sector FF, Phase IV, DHA, Lahore, Pakistan.
Tel: +92 (42) 35741827-29

Bankers

Habib Bank Limited (Conventional & Islamic Window)
Standard Chartered Bank (Pakistan) Limited
(Conventional & Islamic Window)

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Legal Advisors

Kabraji & Talibuddin

Advocates & Legal Counsellors,
406-407, 4th Floor, The Plaza at Do Talwar, Block 9, Clifton,
Karachi-75600, Pakistan.
Tel: +92 (21) 35838871-6 Fax: +92 (21) 35838879

Head Office

74/1-A, Lalazar, M. T. Khan Road,
Karachi-74000, Pakistan.
Tel: +92 (21) 35205095
Web: www.jubileelife.com E-mail: info@jubileelife.com

Auditors

KPMG Taseer Hadi & Co., Chartered Accountants

Engagement Partner: Syed Iftikhar Anjum
Sheikh Sultan Trust Building No. 2, Beaumont Road,
Karachi-75530, Pakistan.
Tel: +92 (21) 35685847 Fax: +92 (21) 35685095
Web: www.kpmg.com.pk

Registrar & Share Transfer Office

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi-74400, Pakistan.
Tel: +92 (21) 111-111-500





Be aware, Be alert, Be safe

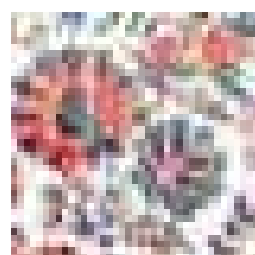
Learn about living safely in your community

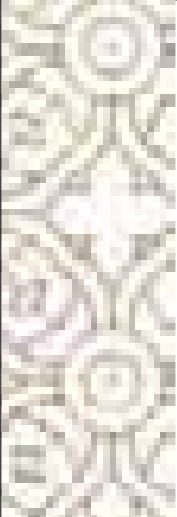
Key messages

- 1. Know your community
- 2. Know your neighbors
- 3. Know your own strengths and weaknesses
- 4. Know your own limits
- 5. Know your own needs
- 6. Know your own responsibilities
- 7. Know your own rights
- 8. Know your own values
- 9. Know your own beliefs
- 10. Know your own attitudes
- 11. Know your own behaviors
- 12. Know your own emotions
- 13. Know your own thoughts
- 14. Know your own feelings
- 15. Know your own actions
- 16. Know your own reactions
- 17. Know your own responses
- 18. Know your own decisions
- 19. Know your own choices
- 20. Know your own preferences
- 21. Know your own interests
- 22. Know your own hobbies
- 23. Know your own passions
- 24. Know your own dreams
- 25. Know your own goals
- 26. Know your own aspirations
- 27. Know your own ambitions
- 28. Know your own desires
- 29. Know your own wishes
- 30. Know your own hopes
- 31. Know your own fears
- 32. Know your own doubts
- 33. Know your own uncertainties
- 34. Know your own questions
- 35. Know your own answers
- 36. Know your own solutions
- 37. Know your own problems
- 38. Know your own challenges
- 39. Know your own obstacles
- 40. Know your own barriers
- 41. Know your own limitations
- 42. Know your own constraints
- 43. Know your own restrictions
- 44. Know your own boundaries
- 45. Know your own limits
- 46. Know your own strengths
- 47. Know your own weaknesses
- 48. Know your own abilities
- 49. Know your own skills
- 50. Know your own talents
- 51. Know your own gifts
- 52. Know your own powers
- 53. Know your own forces
- 54. Know your own energies
- 55. Know your own influences
- 56. Know your own impacts
- 57. Know your own effects
- 58. Know your own consequences
- 59. Know your own results
- 60. Know your own outcomes
- 61. Know your own achievements
- 62. Know your own successes
- 63. Know your own accomplishments
- 64. Know your own victories
- 65. Know your own triumphs
- 66. Know your own conquests
- 67. Know your own battles
- 68. Know your own wars
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- 95. Know your own battles
- 96. Know your own wars
- 97. Know your own struggles
- 98. Know your own fights
- 99. Know your own battles
- 100. Know your own wars



2018





The only way to do great work
is to love what you do.

- ***Steve Jobs***



Board of Directors



Kamal A. Chinoy
Independent Director

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

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

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

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

Mr. Chinoy is also a Certified Director.



Aryn Currimbhoy
Independent Director

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

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

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

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



Sultan Ali Allana
Director

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

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

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



John Joseph Metcalf
Director

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

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

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

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



Shahid Ghaffar
Independent Director

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

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

Mr. Ghaffar is presently Member, Audit Oversight Board, Pakistan and Independent Director of HBL Asset Management Limited, Awwal Modaraba Management Limited, Habib Insurance Company Limited and Archroma Pakistan Limited.

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



R. Zakir Mahmood
Director

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

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

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

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



Sagheer Mufti
Director

Mr. Sagheer Mufti is the Chief Operating Officer for HBL Pakistan. He is responsible for building a corporate culture based on operational excellence & technology capabilities for fulfilment of client services to over 10 million customers HBL serves in 25 countries. He oversees the bank's operations, shared services, control functions including cyber security and business continuity, legal, marketing and also leads the digital transformation agenda for HBL. He served as the COO for ADIB based in Abu Dhabi for 3 ½ years prior to his current role, and also previously spent 34 years at Citi in different management and leadership roles where he led various enterprise transformation programs and business redesign responsibilities regionally and globally. In his last role at Citi he served as the Global Head of Anti Money Laundering Operations.

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



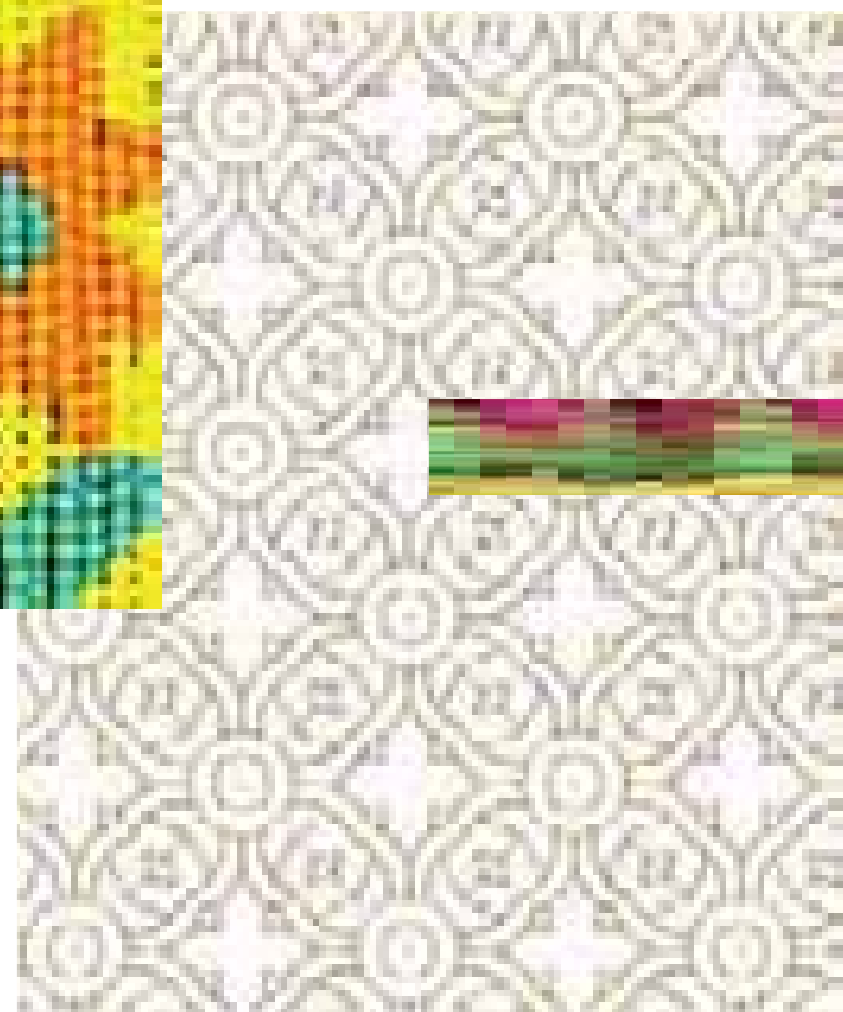
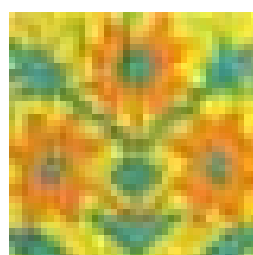
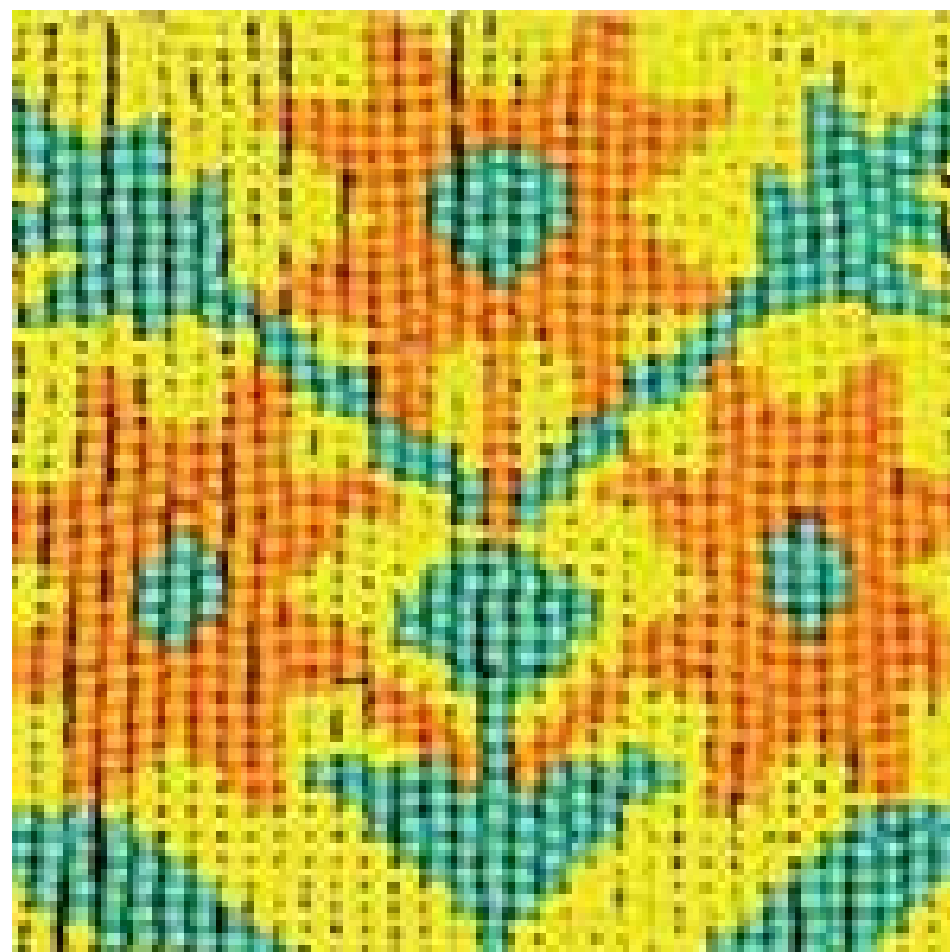
Javed Ahmed
Managing Director & CEO

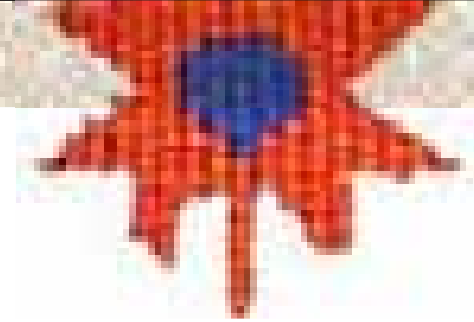
Mr. Javed Ahmed is the Managing Director and Chief Executive Officer of Jubilee Life Insurance Company Limited. He also serves as a Director on the Board of Jubilee Kyrgyzstan Insurance Company, CJSC, Kyrgyzstan.

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

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

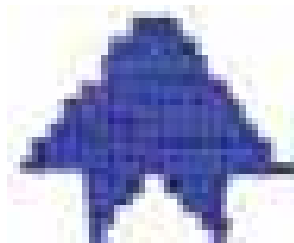
Mr. Ahmed is a Fellow of the Society of Actuaries (USA), Associate of Institute of Actuaries (Australia) and Fellow of the Pakistan Society of Actuaries.





A winner is a dreamer
who never gives up.

- Nelson Mandela



Awards and Accolades

Jubilee Life's excellent performance has been independently recognized by various bodies in a multitude of fields - corporate performance, excellence in HR, branding as well as in CSR.

The awards include:

1. PSX Top 25 Listed Companies Award, 2014
2. PSX Top 25 Listed Companies Award, 2016 (Selection)
3. 1st, 2nd, 3rd, 5th & 6th FPCCI Achievement Awards - 2012, 2013, 2014, 2016 & 2017
4. Putting the Consumers First Award, 2013
5. Brands of the Year Award 2015-16
6. HR Leadership Award 2012
7. HR Leadership Award 2013
8. Training Leader of the Year Award, 2013
9. LOMA - Excellence in Education Award, 2013
10. LOMA - Excellence in Education Award, 2016
11. MAP - 33rd Corporate Excellence Award in the Insurance Sector
12. ACCA Approved Employer - Trainee Development Award
13. MALC - Longstanding Partnership & Support Award



Lilly R. Dossabhoy, Chief Financial Officer, receiving the Management Association of Pakistan's 33rd Corporate Excellence Award.



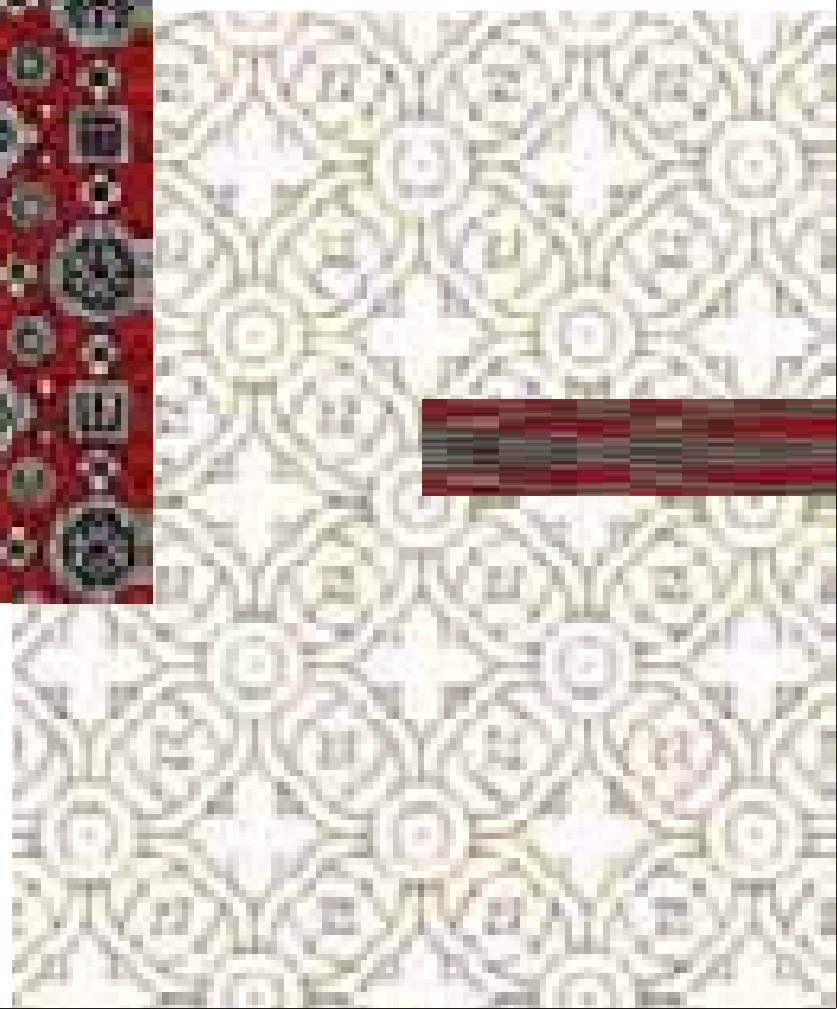
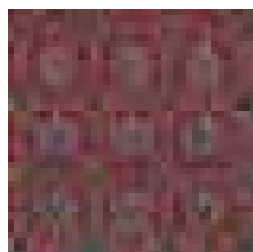
Muhammad Munawar Khalil, Group Head Human Resource Management and Development receiving the 6th FPCCI Award 2017 for outstanding services in Insurance (savings).



Ms. Charlotte D'Souza, Senior Manager Human Resources, receiving the ACCA Approved Employer - Trainee Development Award.



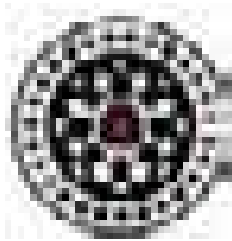
Mr. Faiz ul Hassan, Head of Corporate Business Distribution, receiving the award for long standing partnership and support from the Marie Adelaide Leprosy Center.





Planning before action
saves one from error.

- *Hazrat Ali*



Statement of Value Additions

For the year ended December 31, 2018

WEALTH GENERATED

Net premium

Investment income

Other income

Net wealth

DISTRIBUTION OF WEALTH

Net insurance benefits

Change in insurance liabilities

Commission expense

Administrative expenses

Government taxes

Proposed dividend to shareholders

Retained for future growth

Other comprehensive income / (loss) for the year

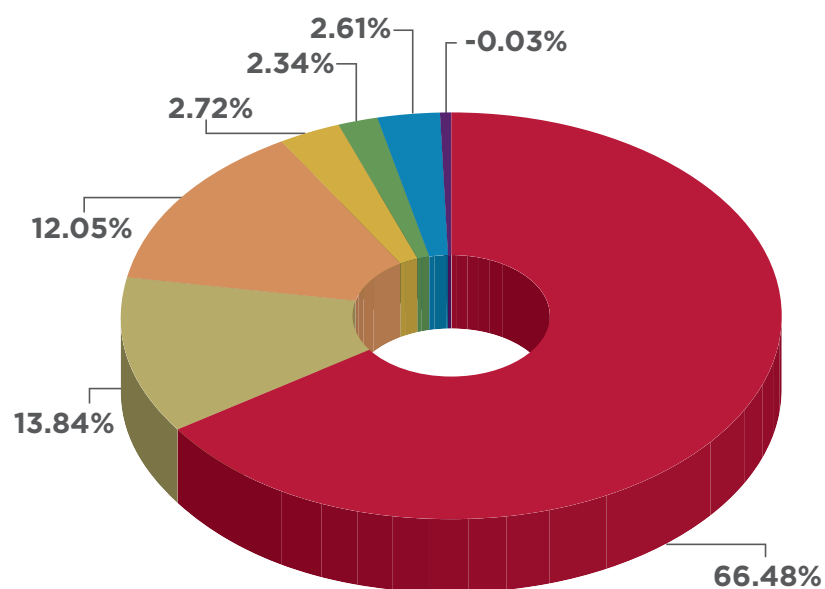
Total

2018		2017 (Restated)	
Amount	%	Amount	%
(Rupees in '000)			
50,670,972	103.12	45,905,895	111.21
(1,930,561)	(3.93)	(4,759,222)	(11.53)
397,067	0.81	133,522	0.32
49,137,478	100.00	41,280,195	100.00
16,315,729	33.20	12,969,716	31.42
16,349,025	33.27	12,902,620	31.26
6,802,407	13.84	6,013,822	14.57
5,920,248	12.05	5,034,179	12.20
1,336,835	2.72	1,640,974	3.98
1,150,295	2.34	1,150,295	2.79
1,280,036	2.61	2,111,542	5.12
(17,097)	(0.03)	(542,953)	(1.32)
49,137,478	100.00	41,280,195	100.00

Statement of Value Additions

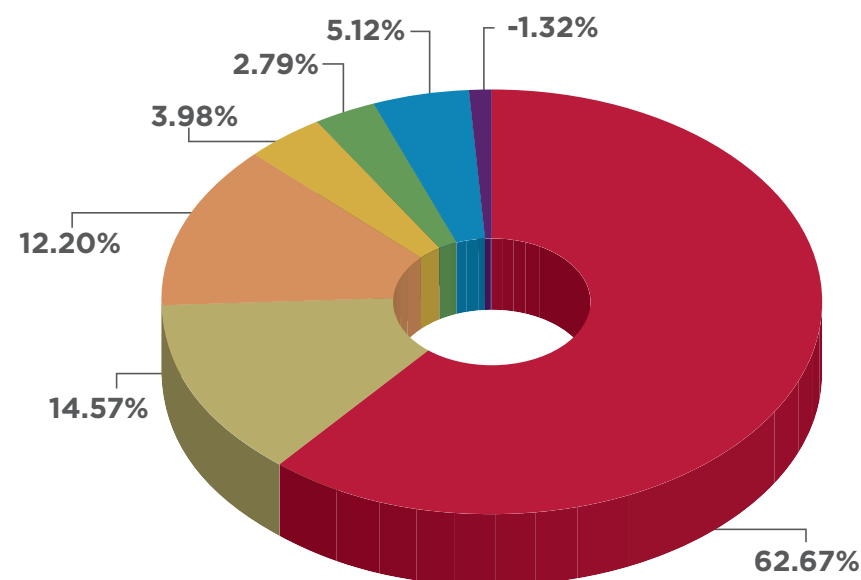
For the year ended December 31, 2018

Distribution of Wealth 2018



- Net insurance benefits & change in insurance liabilities
- Commission expense
- Administrative expenses
- Government taxes
- Dividend to shareholders
- Retained for future growth
- Other comprehensive income / (loss) for the year

Distribution of Wealth 2017



- Net insurance benefits & change in insurance liabilities
- Commission expense
- Administrative expenses
- Government taxes
- Dividend to shareholders
- Retained for future growth
- Other comprehensive income / (loss) for the year

Key Operating and Financial Data

Six Years Summary

		2018	2017 (Restated)	2016	2015	2014	2013
(Rupees in '000)							
Gross Premium / Contribution		51,887,073	46,816,891	38,003,577	29,929,196	21,823,383	17,076,588
Revenue, P&L Account and OCI Statement							
Premium / Contribution - net of reinsurance / retakaful		50,670,972	45,905,895	36,988,234	29,120,815	21,085,925	16,349,900
Net investment (loss) / income / Other income / Share in profit of associate		(1,664,810)	(3,805,622)	15,256,771	5,982,333	6,053,374	3,549,912
Total inflow	A	49,006,162	42,100,273	52,245,005	35,103,148	27,139,299	19,899,812
Net Insurance Benefits		16,315,729	12,969,716				
Net change in insurance liabilities		16,349,025	12,902,620				
Acquisition costs, Marketing, Admin. & Other expenses		12,602,164	11,048,001				
Finance costs and other gains / (losses)		(36,107)	44,430				
Total outgo	B	45,230,811	36,964,767	48,628,827	32,446,044	24,878,673	18,296,038
Surplus in Revenue Account (note 43)		3,276,626	4,033,075	3,616,178	2,657,104	2,260,626	1,603,774
Surplus transfer to P&L		(2,660,000)	(3,165,000)	2,685,000	2,220,000	1,880,000	1,273,000
Profit before tax per P&L Account	C=A-B	3,775,351	5,135,506	3,151,604	2,441,560	2,001,463	1,389,941
Income Tax expense		(1,345,020)	(1,873,669)	(1,043,706)	(820,000)	(639,931)	(448,470)
Profit after tax per P&L Account		2,430,331	3,261,837	2,107,898	1,621,560	1,361,532	941,471
Other comprehensive income / (loss) for the year - net of tax		(17,097)	(542,953)	-	-	-	-
Other comprehensive income for the year		2,413,234	2,718,884	-	-	-	-

NOTE:

The presentation has been modified in the light of the new presentation of the financial statements under the Insurance Accounting Regulations, 2017, for the 2018 and 2017 figures, including the opening balances for the balance sheet as at January 1, 2017, whilst the figures for 2016 through 2013 are on the earlier format.

Key Operating and Financial Data

Six Years Summary

Balance Sheet

	2018	2017 (Restated)	Jan. 1, 2017 (Restated)	2015	2014	2013
	(Rupees in '000)					
Investments including bank deposits	134,122,822	114,903,830	100,052,806	64,499,033	45,308,749	32,719,956
Other assets	2,177,091	2,350,411	2,009,369	4,185,379	3,814,993	1,193,739
Property and equipment / Intangible assets	3,326,101	3,258,660	734,591	539,522	489,761	376,905
Total assets	139,626,014	120,512,901	102,796,766	69,223,934	49,613,503	34,290,600
- Issued, subscribed and paid up capital	793,307	793,307	721,188	721,188	721,188	627,120
- Unappropriated Surplus / Surplus on revaluation of AFS investments / Waqf Fund	6,395,607	6,022,460	5,118,646	3,189,049	2,438,677	1,616,002
- Retained balance in Ledger Account D	3,152,755	2,500,955	1,825,362	-	-	-
Total Equity	10,341,669	9,316,722	7,665,196	3,910,237	3,159,865	2,243,122
Insurance liabilities / Statutory Funds (as applicable)	122,000,509	104,941,249	91,387,760	62,205,691	44,020,932	29,914,579
Long term liability	1,500,000	1,500,000	-	-	-	-
Other liabilities	5,783,836	4,754,930	3,743,810	3,108,006	2,432,706	2,132,899
Total equity & liabilities	139,626,014	120,512,901	102,796,766	69,223,934	49,613,503	34,290,600

NOTE:

The presentation has been modified in the light of the new presentation of the financial statements under the Insurance Accounting Regulations, 2017, for the 2018 and 2017 figures, including the opening balances for the balance sheet as at January 1, 2017, whilst the figures for 2016 through 2013 are on the earlier format.

Key Operating and Financial Data

	2018	2017 (Restated)	2016	2015	2014	2013
Financial Ratios						
Profitability						
Profit / (loss) Before Tax / Gross Premium / Contribution	7%	11%	8%	8%	9%	8%
Profit / (loss) Before Tax / Net Premium / Contribution	7%	11%	9%	8%	9%	9%
Profit / (loss) After Tax / Gross Premium / Contribution	5%	7%	6%	5%	6%	6%
Profit / (loss) After Tax / Net Premium / Contribution	5%	7%	6%	6%	6%	6%
Net claims / Net premium / Contribution	32%	28%	26%	24%	24%	22%
Commission expenses / Net premium / Contribution	13%	13%	15%	16%	18%	20%
Administration Expenses / Net premium / Contribution	12%	11%	10%	11%	11%	11%
Change in PHL & Technical Reserves / Net Inflow	33%	31%	58%	50%	50%	49%
Net investment income / Net premium / contribution	-3%	-8%	41%	21%	29%	22%
Return to Shareholders						
Return on equity including retained balance in Ledger Account D	24%	35%	27%	41%	43%	42%
Earnings per share (pre-tax)	47.59	64.74	43.70	33.85	27.75	22.16
Earnings per share (after-tax)	30.64	41.12	29.23	22.48	18.88	15.01
Price Earning Ratio - PAT	16	17	20	22	23	11
Net assets per share	130.36	117.44	106.29	54.22	43.81	35.77
Return on assets	2%	3%	2%	2%	3%	3%

Key Operating and Financial Data

	2018	2017 (Restated)	2016	2015	2014	2013
Market Value						
Face value per share (Rs.)	10	10	10	10	10	10
Break up value per share (Rs.)	90.62	85.92	80.98	54.22	43.81	35.77
Market price per share at the end of the year (Rs.)	498.20	705.00	569.99	504.00	436.50	164.90
Cash dividend per share	17.50	17.50	14.50	13.50	9.50	6.00
Cash dividend	175%	175%	145%	135%	95%	60%
Dividend yield	4%	2%	3%	3%	2%	4%
Dividend payout	57%	43%	50%	60%	50%	40%
Dividend cover - (Times)	1.75	2.35	2.02	1.67	1.99	2.50
Issue of bonus shares	-	0%	10%	-	-	15%
Performance Liquidity						
Current Ratio - (Times)	1.07	1.07	1.07	1.05	1.06	1.06
Total Liabilities / Equity - (Times)	13	12	16	17	15	14
Return on Capital employed	37%	55%	41%	62%	63%	62%
Paid up capital / Total Assets	1%	1%	1%	1%	1%	2%
Equity / Total Assets	7%	8%	6%	6%	6%	7%
Cash Flows						
Net cash flow from operating activities	22,499,257	22,157,759	18,136,828	14,024,645	9,457,705	7,390,766
Net cash flow from investing activities	(6,224,662)	(20,002,547)	(14,393,362)	(12,999,941)	(9,535,174)	(7,342,780)
Net cash flow from financing activities	(1,494,411)	383,902	(969,228)	(715,821)	(396,847)	(435,169)
Net change in cash and cash equivalents	14,780,184	2,539,114	2,774,238	308,883	(474,316)	(387,183)

Vertical Analysis

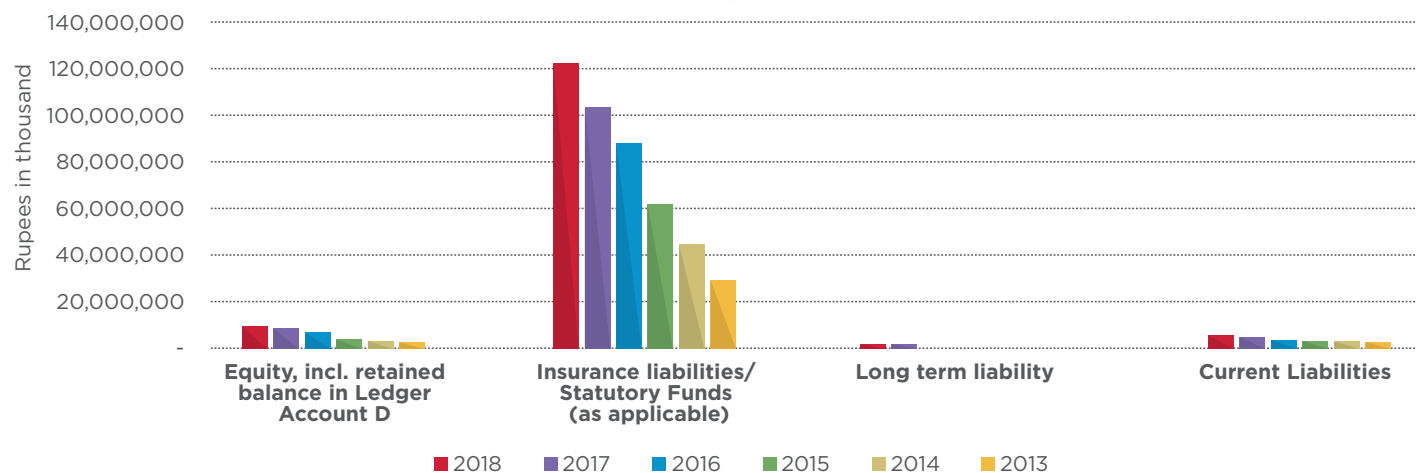
	2018		2017		Jan.1, 2017 (restated)		2015		2014		2014	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Balance Sheet												
Net equity	10,341,669	7.41	9,316,722	7.73	7,665,196	7.46	3,910,237	5.65	3,159,865	6.37	2,243,122	6.54
Insurance liabilities / Statutory Funds (as applicable)	122,000,509	87.38	104,941,249	87.08	91,387,760	88.90	62,205,691	89.86	44,020,932	88.73	29,914,579	87.24
Long term liability	1,500,000	1.07	1,500,000	1.24	-	-	-	-	-	-	-	-
Current liabilities	5,783,836	4.14	4,754,930	3.95	3,743,810	3.64	3,108,006	4.49	2,432,706	4.90	2,132,899	6.22
Total equity and Liabilities	139,626,014	100.00	120,512,901	100.00	102,796,766	100.00	69,223,934	100.00	49,613,503	100.00	34,290,600	100.00
Total non-current assets	3,326,101	2.38	3,258,660	2.70	734,591	0.71	559,617	0.81	505,780	1.02	385,350	1.12
Investments	134,122,822	96.06	114,903,830	95.35	100,052,806	97.33	64,499,033	93.17	45,308,749	91.32	32,719,956	95.42
Current assets	2,177,091	1.56	2,350,411	1.95	2,009,369	1.95	4,165,284	6.02	3,798,974	7.66	1,185,294	3.46
Total assets	139,626,014	100.00	120,512,901	100.00	102,796,766	100.00	69,223,934	100.00	49,613,503	100.00	34,290,600	100.00
Profit and Loss Account												
Net income	49,137,478	100.00	41,280,195	100.00	52,723,959	100.00	35,456,473	100.00	27,355,124	100.00	20,076,747	100.00
Net insurance benefits / change in insurance liabilities	(32,664,754)	(66.48)	(25,872,336)	(62.67)	(39,558,705)	(75.03)	(24,618,796)	(69.43)	(18,763,331)	(68.59)	(18,356,032)	(91.43)
Contribution to / (from) opening Retained Earnings	(Note)	(Note)	(Note)	(Note)	1,664,971	3.16	1,227,867	3.46	847,241	3.10	516,467	2.57
Solvency Margin	(Note)	(Note)	(Note)	(Note)	(2,596,149)	(4.92)	(1,664,971)	(4.70)	(1,227,867)	(4.49)	(847,241)	(4.22)
Profit / (loss) before tax	3,775,351	7.68	5,135,506	12.44	3,151,604	5.98	2,441,560	6.89	2,001,463	7.32	1,389,941	6.92
Income tax expense	(1,345,020)	(2.74)	(1,873,669)	(4.54)	(1,043,706)	(1.98)	(820,000)	(2.31)	(639,931)	(2.34)	(448,470)	(2.23)
Profit / (loss) for the year	2,430,331	4.95	3,261,837	7.90	2,107,898	4.00	1,621,560	4.57	1,361,532	4.98	941,471	4.69

NOTE

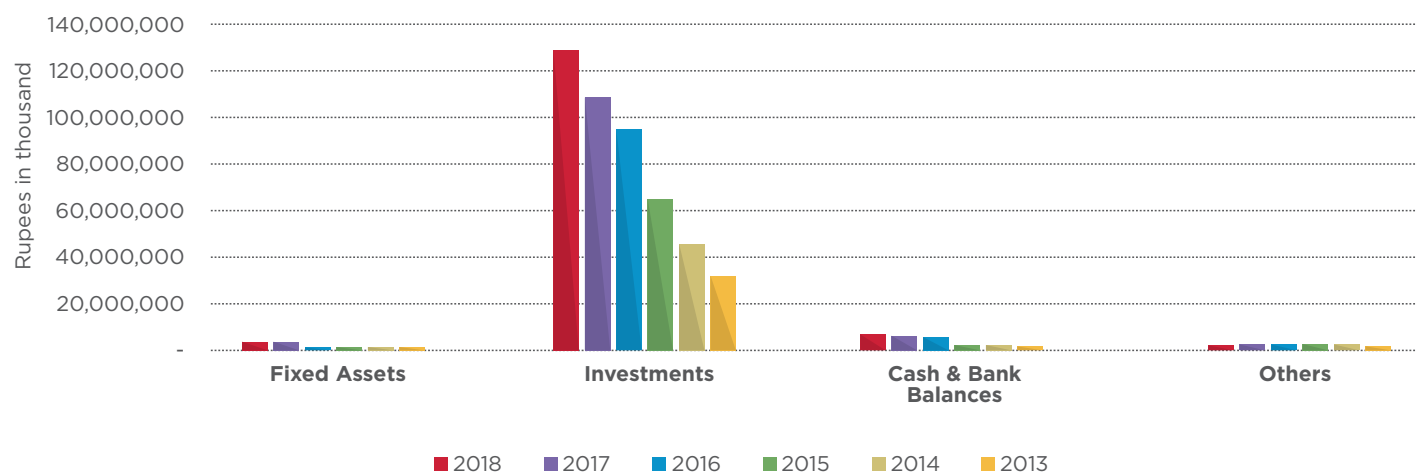
Not required to be presented separately under the new presentation of the financial statements as the Profit and Loss Account is prepared on Consolidated basis.

Vertical Analysis

Total Equity & Liabilities



Total Assets



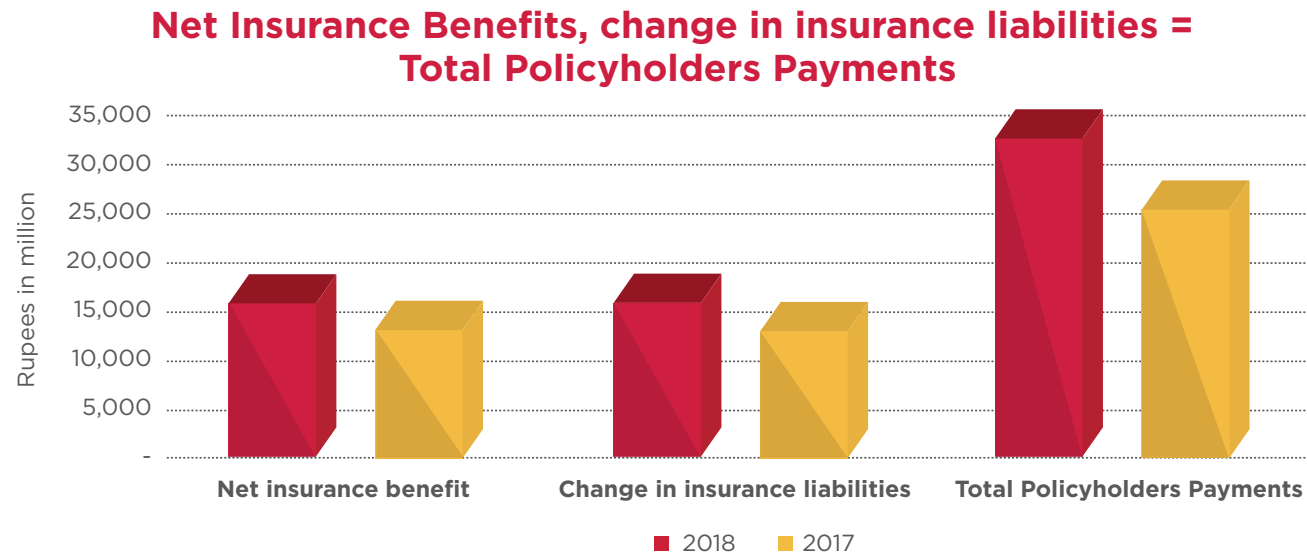
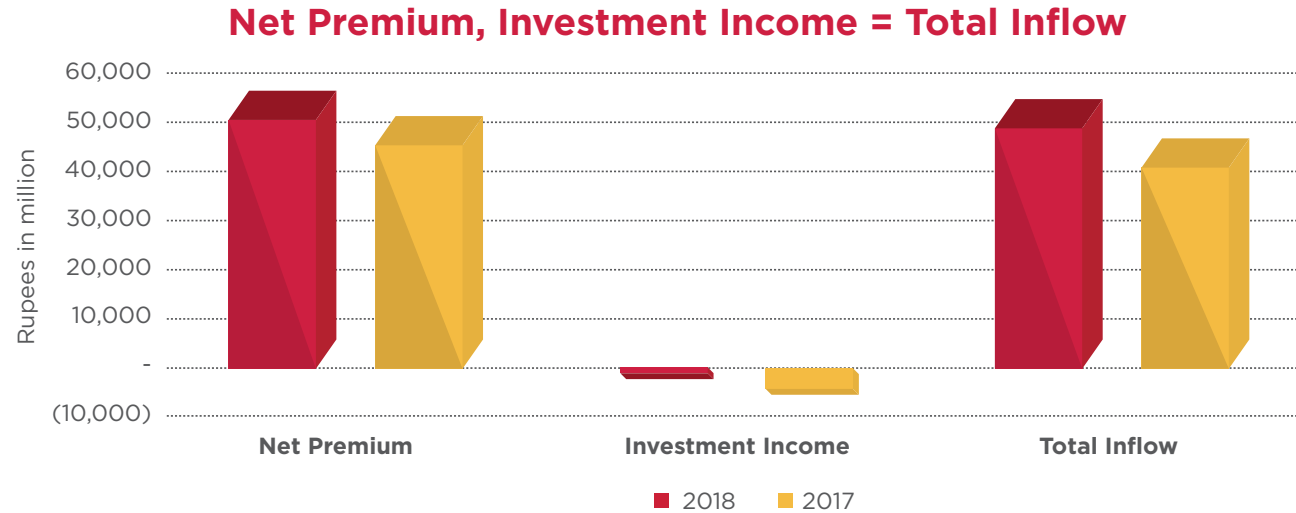
Horizontal Analysis

	2018	2017 (Restated)	Jan. 1, 2017 (Restated)	2015	2014	2013	2018	2017 (Restated)	Jan. 1, 2017 (Restated)	2015	2014	2013
	(Rupees in '000)						% increase / (decrease) over preceeding year					
Balance Sheet												
Net equity	10,341,669	9,316,722	7,665,196	3,910,237	3,159,865	2,243,122	11.00	21.55	96.03	23.75	40.87	24.92
Insurance liabilities / Statutory Funds (as applicable)	122,000,509	104,941,249	91,387,760	62,205,691	44,020,932	29,914,579	16.26	14.83	46.91	41.31	47.16	50.68
Long term liability	1,500,000	1,500,000	-	-	-	-	-	100%	-	-	-	-
Current liabilities	5,783,836	4,754,930	3,743,810	3,108,006	2,432,706	2,132,899	21.64	27.01	20.46	27.76	14.06	12.34
Total equity and Liabilities	139,626,014	120,512,901	102,796,766	69,223,934	49,613,503	34,290,600	15.86	17.23	48.50	39.53	44.69	45.62
Total non-current assets	3,326,101	3,258,660	734,591	559,617	505,780	385,350	2.07	343.60	31.27	10.64	31.25	19.68
Investments	134,122,822	114,903,830	100,052,806	64,499,033	45,308,749	32,719,956	16.73	14.84	55.12	42.35	38.47	49.03
Current assets	2,177,091	2,350,411	2,009,369	4,165,284	3,798,974	1,185,294	(7.37)	16.97	(51.76)	9.64	220.51	(6.69)
Total assets	139,626,014	120,512,901	102,796,766	69,223,934	49,613,503	34,290,600	15.86	17.23	48.50	39.53	44.69	45.62
Profit and Loss Account												
Net income	49,137,478	41,280,195	52,723,959	35,456,473	27,355,124	20,076,747	19.03	(21.71)	48.70	29.62	36.25	39.83
Net insurance benefits / change in insurance liabilities	(32,664,754)	(25,872,336)	(39,558,705)	(24,618,796)	(18,763,331)	(18,356,032)	26.25	(34.60)	60.68	31.21	2.22	38.04
Contribution to / (from) opening Retained Earnings	(Note)	(Note)	1,664,971	1,227,867	847,241	516,467	(Note)	(Note)	35.60	44.93	64.05	94.77
Solvency Margin	(Note)	(Note)	(2,596,149)	(1,664,971)	(1,227,867)	(847,241)	(Note)	(Note)	55.93	35.60	44.93	64.05
Profit / (loss) before tax	3,775,351	5,135,506	3,151,604	2,441,560	2,001,463	1,389,941	(26.49)	62.95	29.08	21.99	44.00	71.88
Income tax expense	(1,345,020)	(1,873,669)	(1,043,706)	(820,000)	(639,931)	(448,470)	(28.21)	79.52	27.28	28.14	42.69	75.67
Profit / (loss) for the year	2,430,331	3,261,837	2,107,898	1,621,560	1,361,532	941,471	(25.49)	54.74	29.99	19.10	44.62	70.13

NOTE:

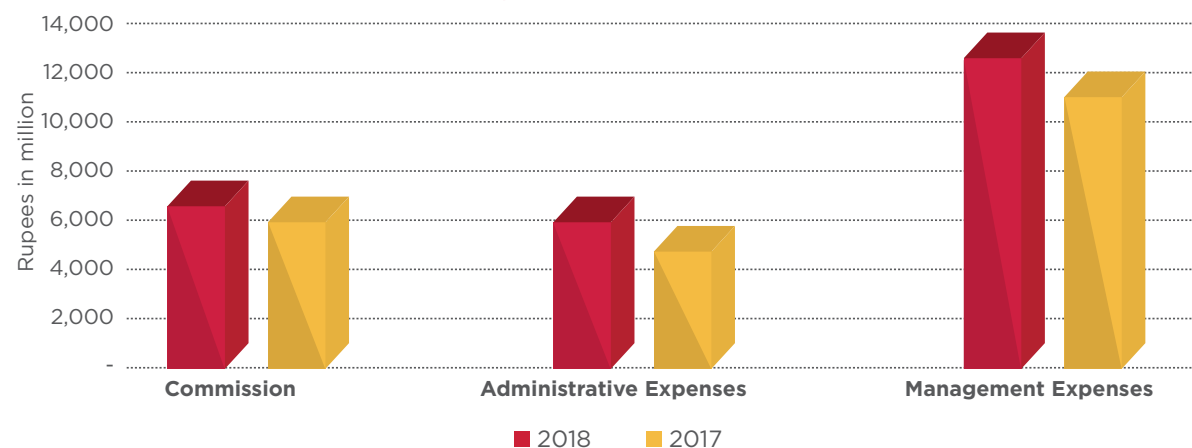
Not required to be presented separately under the new presentation of the financial statements as the Profit and Loss Account is prepared on Consolidated basis.

Horizontal Analysis

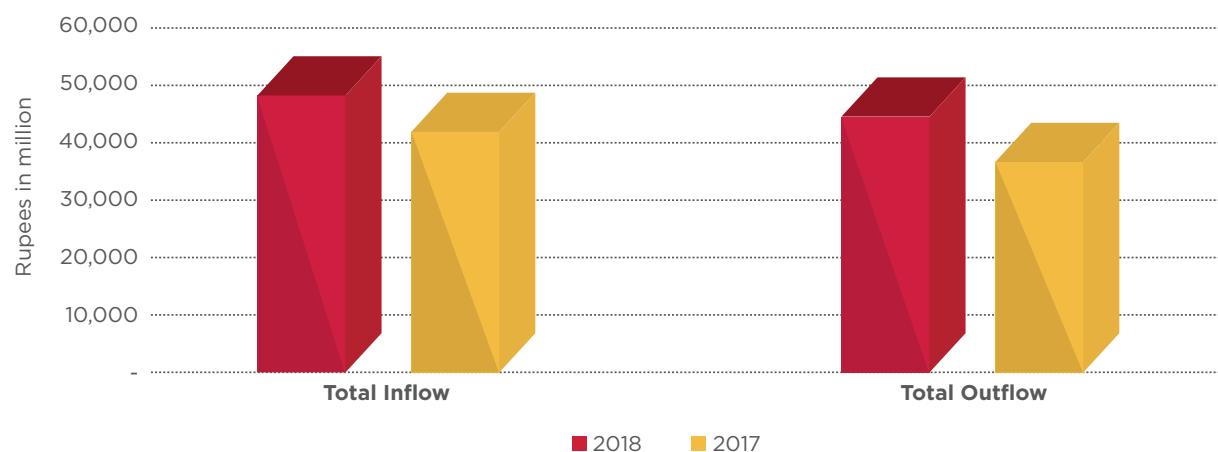


Horizontal Analysis

Commission, Administrative Expenses = Management Expenses

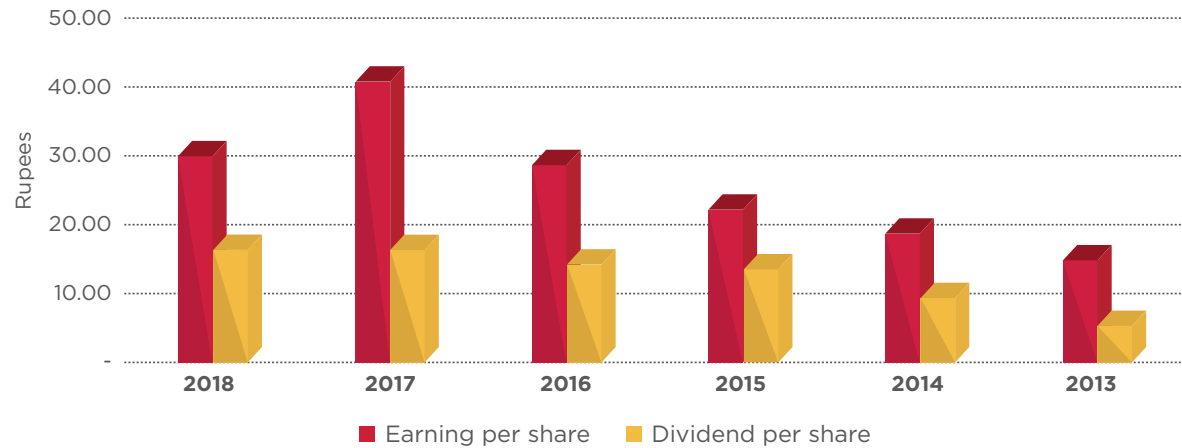


Total Inflow & Total Outflow

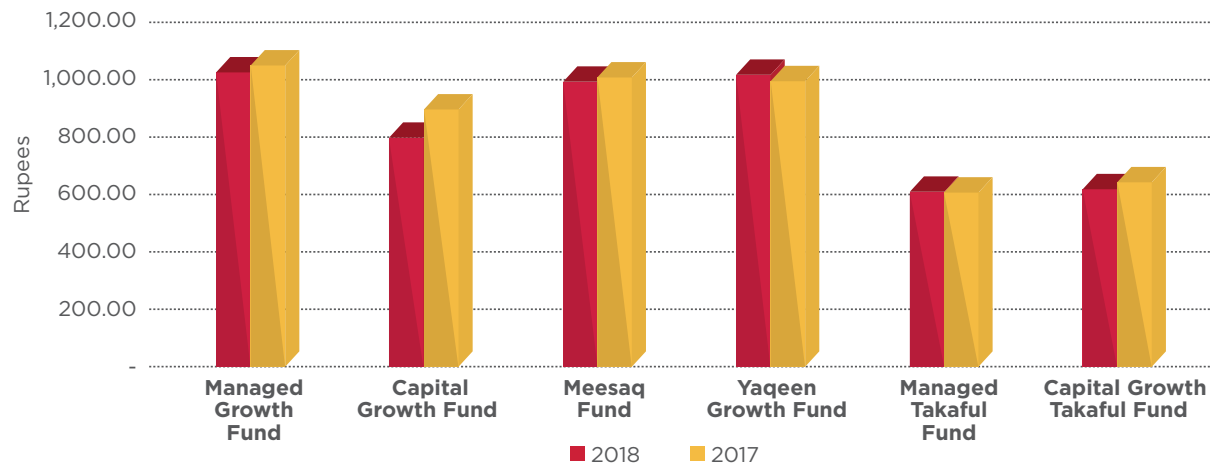


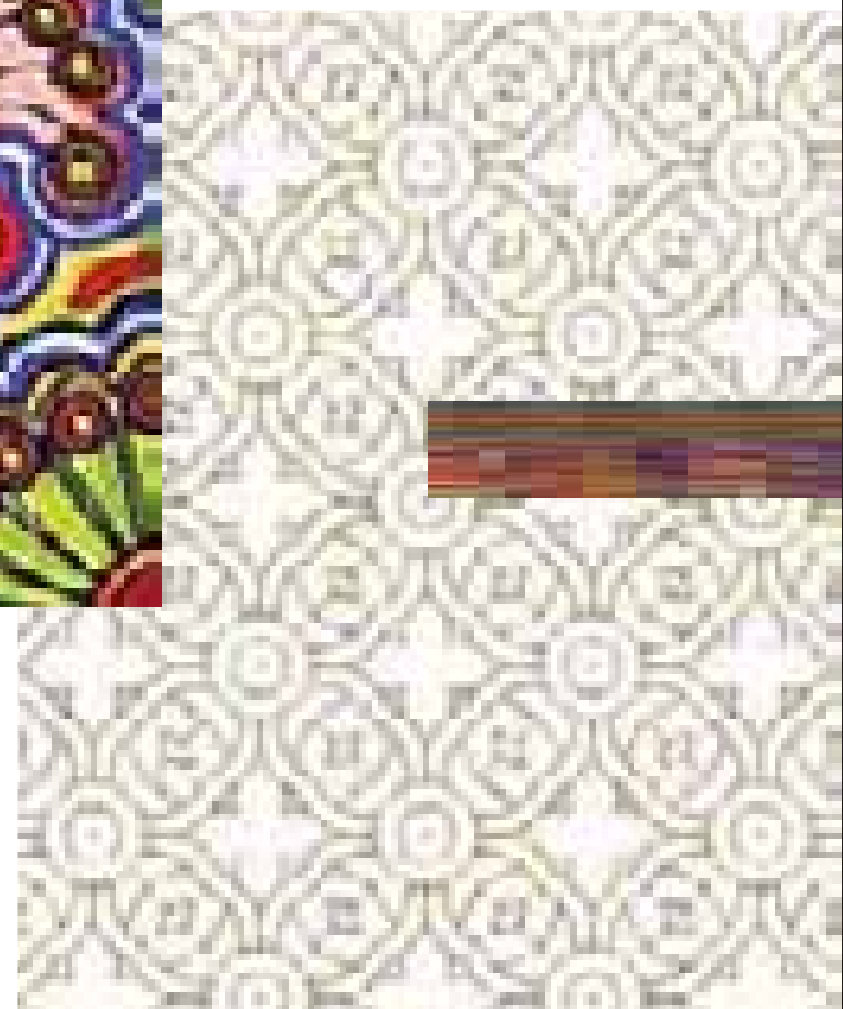
Horizontal Analysis

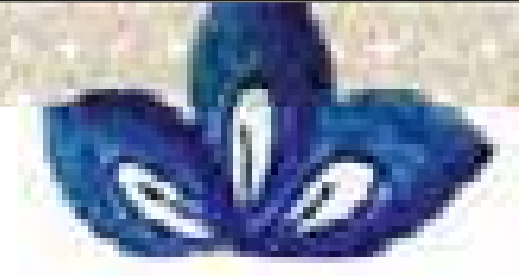
Earning per share & Dividend per share



Unit Bid Prices





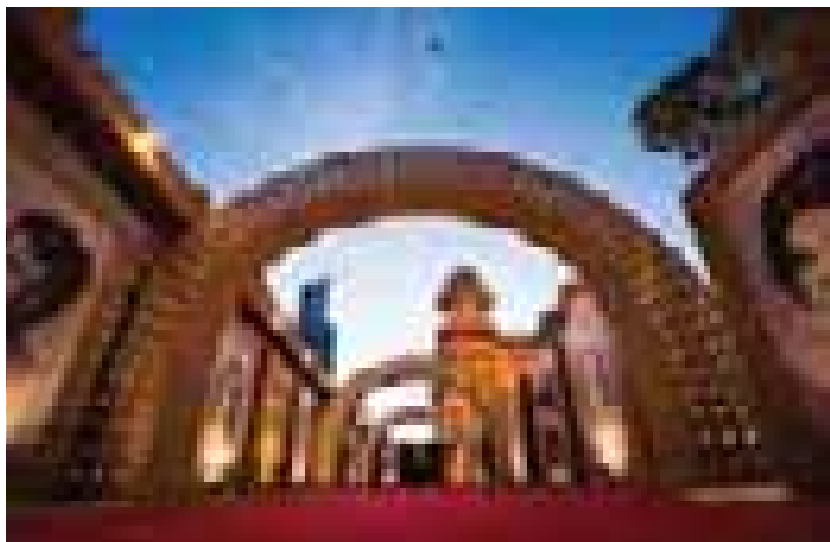


The greatest of wealth
is the richness of the soul.

- Prophet Muhammad PBUH



Annual Corporate Event 2018



Employee Engagement Activities

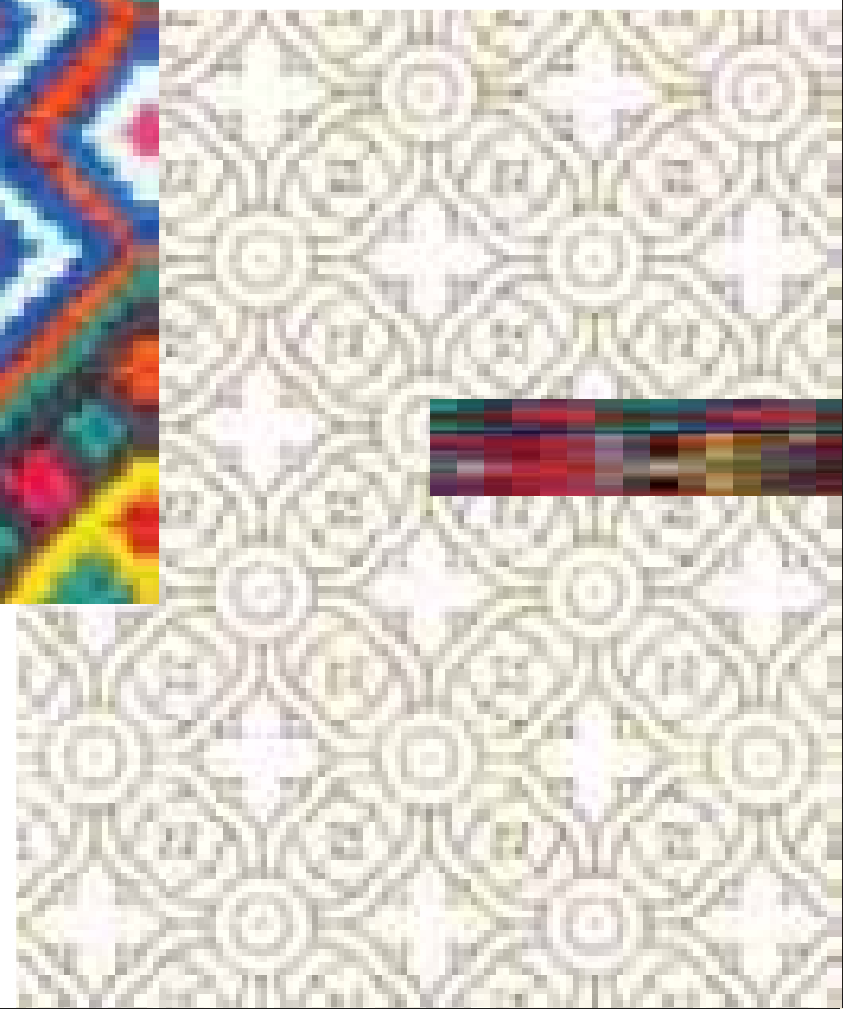
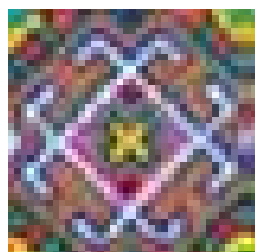


Independence Day Celebrations



Independence Day Celebrations







Education is the most
powerful weapon you can use
to change the world.

- Nelson Mandela



Calendar of Major Events - 2018

Financial

Results

First quarter ended 31 March 2018	Announcement date	26 April 2018
Half year ended 30 June 2018	Announcement date	20 August 2018
Third quarter ended 30 September 2018	Announcement date	25 October 2018
Year ended 31 December 2018	Announcement date	28 March 2019

Dividends

Final 2018 (Cash Dividend: 145%)	Announcement date	28 March 2019
	Entitlement date	20 April 2019
	Statutory limit up to which payable	17 May 2019
Interim Cash 2018 (30%)	Announcement date	20 August 2018
	Payment date	25 September 2018
Final 2017 (Cash Dividend: 145%)	Announcement date	15 February 2018
	Payment date	13 April 2018

Issuance of Annual Report	05 April 2019
Annual General Meeting	27 April 2019

Operational

Product Innovations

Product Name	Channel	Launch Month
Jubilee Medipal Plus Supplementary Takaful Benefit	IL DSF - Takaful	28 February 2018
Eight Pay Takaful Savings Plan	IL DSF - Takaful	13 July 2018
Eight Pay Savings Plan	IL DSF - Conventional	13 July 2018
Taleem Yaqeen Takaful Plan	IL DSF - Takaful	17 July 2018
Term Cover Supplementary Takaful Benefit	IL DSF Takaful	17 July 2018
Ek Do Teen Plan	IL DSF - Conventional	17 October 2018
Shadman Takaful Plan	BankIslami	15 November 2018
Nafay Takaful Plan	BankIslami	15 November 2018
Jeewan Ka Saath Plan	Franchise - Conventional	30 November 2018
Tameer Plan	Franchise - Conventional	30 November 2018
Smart Well-Being Plan	Franchise - Conventional	30 November 2018
Scholar Takaful Plan	Franchise - Takaful	30 November 2018
Aab Yaari Takaful Plan	Franchise - Takaful	30 November 2018
Prepaid Health Plan	Online + Mobile App	31 December 2018
Prepaid Life Plan	Online + Mobile App	31 December 2018

System Enhancements

Customer Relationship Management System	To build and maintain customer relationships by delivering superior value and satisfaction, state-of-the-art Microsoft Dynamics 365 Customer Relationship Management platform was implemented.	14 May 2018
Enhanced Disaster Recovery Site	To further improve and strengthen availability of mission-critical systems, a new Disaster Recovery site was created in Islamabad.	31 August 2018

Share Price Analysis

Volume Analysis

JLI Share Price on the PSX in the year 2018 was as follows:

Month	Highest Rupees	Lowest Rupees	Average Daily Volume Number of Shares
January	730.00	665.00	5,789
February	749.99	700.00	5,985
March	750.00	715.00	1,031
April	778.89	710.61	794
May	749.99	700.00	20,900
June	725.00	684.00	794
July	720.00	631.75	927
August	679.00	620.00	2,888
September	660.00	608.76	2,393
October	620.00	521.00	1,904
November	650.99	549.99	2,046
December	550.00	472.10	2,213

Sensitivity Analysis

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

- Economic conditions;
- Political stability / instability;
- Stock market / investor sentiments;
- Foreign investors' outlook;
- Company's performance;
- Dividend announcements;
- Change in government policies, regulations, and taxes relating to insurance business; and
- Company's Financial Strength Rating.

Chairman's Review

I am pleased to present the Annual Report of the Company for the year ended December 31, 2018.

Economy

A challenging year 2018 has concluded, with major part of the year being impacted by political and economic uncertainty. The State Bank of Pakistan in its Monetary Policy Statement expressed concerns that due the Current Account Deficit (CAD), elevated fiscal deficit, and core inflation being high, economic activities slowed down, particularly in the first half of the year. Measures were taken to contain the CAD including rationalization of tariffs and duties, resulting in deceleration in import of goods and services, and some reduction in the CAD. Also, a marginal increase in exports helped contain the same. Nonetheless, the impact of stabilization measures is likely to take time, to become markedly visible.

Capital Market

Continuing with the negative trend of 2017, for the second year running, the PSX recorded negative performance in 2018. The KSE 100 index, starting from a level of 40,471 points closed at 37,066 points on December 31, 2018, to record a negative return of 8.47%. In addition to the political and economic factors cited above, other major impacts on the stock market included persistent foreign selling and uncertainty on entry into IMF Program.

Regulatory Environment

The year 2018 witnessed the implementation of various regulatory changes from the Securities and Exchange Commission of Pakistan

(the SECP). Salient amongst these were the implementation of the Insurance Accounting Regulations, 2017, which became effective from January 1, 2018, the SECP's Anti Money Laundering & Countering Financing of Terrorism Regulations, 2018 (AML Regulations, 2018) which were implemented in June 2018 in the background of the Financial Action Task Force's (FATF) recommendations on Pakistan. The AML Regulations, 2018 are aimed towards making tougher laws for combating money laundering, and will help increase documentation in the economy, as it will become progressively harder for money launderers and the undocumented economy to function with the implementation of these laws.

The Insurance Accounting Regulations, 2017, with the approval of the SECP, were implemented with effect from January 1, 2018. Their impacts are explained in detail in note 5 to the financial statements.

The Company

I am happy to report that the Company continues to scale new heights of growth and success each year, and in 2018, achieved the landmark of becoming the first ever life insurer in the private sector life insurance industry of Pakistan, to cross the Rs.50 billion threshold and record a Gross Written Premium of Rs.52 billion (2017: Rs.47 billion), an increase of 11%. In addition, the Company also achieved the following landmarks:

- Crossing the Rs.10 billion landmark in terms of Gross Written Contribution (GWC) in Window Family Takaful Operations, another first ever in the private sector Takaful industry of Pakistan;
- Maintaining a total asset size of over Rs.100 billion, closing the year end 2018 at Rs.139.6 billion against Rs.120.5 billion in 2017.

Awards and Accolades

With each passing year, the Company adds new feathers to its cap of laurels. During 2018, the Company achieved the following new accolades:

- The 33rd Corporate Excellence Award, 2018 to the Company in the Insurance Sector, awarded by the Management Association of Pakistan;
- The ACCA Approved Employer – Trainee Development recognition; and
- The Company was accorded recognition on the CSR front also, and for its longstanding partnership and support, won the Dr. Ruth Pfau Award from the Marie Adelaide Leprosy Center.

Besides the above new categories of accomplishments, the Company also received the 6th FPCCI Achievement Award for 2017, on rendering outstanding services in insurance savings.

Marketing and Sports

It is with great pride that I report that not only has the Company achieved landmarks on the business front, but also, made its mark in the field of sports, and in 2018, its biggest contribution to the sports arena of Pakistan, was enabling the return of cricket back to the home ground in Pakistan, through the Jubilee Insurance Cup 2018 series between Pakistan and the West Indies. The Pakistan Cricket Board (PCB) itself acknowledged this contribution of the Company, as the series lifted the spirits of the entire nation.

Today, Jubilee Life is a household name when it comes to the promotion of cricket, snooker, golf, hockey, and squash, through sponsorship of various tournaments. During 2018, the Company also partnered with the Pakistan Cricket Board (PCB) as the Gold Sponsors of the PSL Season 3, and recorded its presence on all media including TV, Print, and Digital. As in 2017, the sponsorship gave a massive mileage to the Company in terms of brand visibility and brand recall. Besides these, the Company also sponsored the Pakistan vs. Australia and Pakistan vs. New Zealand cricket series during the year.

CSR Activities

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

Board of Directors

There were two changes in the Board of Directors during the year 2018. Following the resignation of Mr. Ayaz Ahmed in December 2017, the Board coopted Mr. Shahid Ghaffar as a director in his place. Mr. Shahid Ghaffar was appointed as director of the Company, with the approval of the SECP, with effect from February 8, 2018.

In August 2018, a casual vacancy occurred by the resignation of Mr. Javed Ahmed, from the office of elected director of the Company. The Board coopted Mr. Sagheer Mufti in his place, who was appointed as director of the Company, with the approval of the SECP, from October 3, 2018.

Auditors' Opinion

The external auditors of the Company, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, Karachi, have issued a qualified opinion on the audited financial statements of the Company for the year ended December 31, 2018 on the matter of provincial sales tax on life and health insurance. The response to the same is covered in detail in the Directors' Report, as well as in note 26.2 to the financial statements.

Outlook

Pakistan is a resilient nation, and with each challenge, bounces back. With this resilience, stability in business operations, the opportunities for tapping the uninsured population of Pakistan, and the enhanced focus of the SECP on an improved regulatory environment, I am confident that

the Company will continue to grow and maintain its position as the largest private sector life insurance company of Pakistan.

Acknowledgement

On behalf of the Board, I would like to thank our shareholders, valued policy holders, Window Takaful participants, business partners including our bankers, suppliers and other stakeholders for their confidence and support. I would also like to acknowledge the support of the Government as well as the the Securities & Exchange Commission of Pakistan for their positive role in bringing reforms in the life insurance business. Lastly, I would also like to acknowledge the contribution of all our employees towards the success of the Company, without whom, this level of success would not have been possible.



Kamal A. Chinoy
Chairman

Karachi, March 28, 2019

Directors' Report to the Shareholders

The Directors take pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended December 31, 2018.

Achievements

The year 2018 was a challenging year for the country, particularly on the political and economic front, and the Company was no exception to it. Despite these challenges, the Company, continued its focus on business development through multiple distribution channels and commitment towards maintaining high service and persistency standards, which enabled it to maintain steady growth in premium revenue, achieving higher landmarks of success, and sustainable profitability. The significant landmarks achieved during the year 2018 included:

- Crossing the Rs.50 billion landmark in terms of Gross Written Premium, the first ever in the private sector life insurance industry of Pakistan;
- Crossing the Rs.10 billion landmark in terms of Gross Written Contribution (GWC) in Window Family Takaful Operations, another first ever in the private sector Takaful industry of Pakistan;
- Achieving (GWP) of Rs.5,885 million in Corporate Business, both, Conventional and Window Takaful, as against Rs.5,181 million in 2017, an increase of 13.6%.
- Total asset size of the Company was Rs.139.5 billion as against Rs.120.5 billion in 2017, a 15.7% growth.

- The Company continues to be the largest underwriter of Health Insurance business in the country with an aggregate premium of Rs.3,755 million in both, Conventional and Family Takaful lines, as compared to Rs.3,509 million in 2017, representing an increase of 7%.
- Shareholders' equity and reserves, including the retained balance in statutory funds (Ledger Account D balances) was Rs.10,342 million as compared to Rs.9,316 million in 2017, an increase of 11%.
- Due to prudent reserving, the solvency margins of the Company's funds are significantly higher than the minimum statutory solvency requirements.
- The Company maintained its Insurer Financial Strength (IFS) Rating of AA+ (Double A Plus), with a "Stable" outlook, by JCR-VIS, as per their latest notification of May 30, 2018.

Business Performance and Operating Results

All lines of business performed satisfactorily during the year. The overall operating results are summarized below:

- Individual Life Unit-Linked business remained stable with a Net Written Premium (NWP) of Rs.36,044 million, up 4% in comparison to Rs.34,787 million in 2017 and generated a surplus of Rs.2,408 million this year (2017: Rs.3,129 million). The decline in over last year was attributed to lower new business growth owing to the uncertainty in the political and economic situation faced by the country, as well as increase in claims.

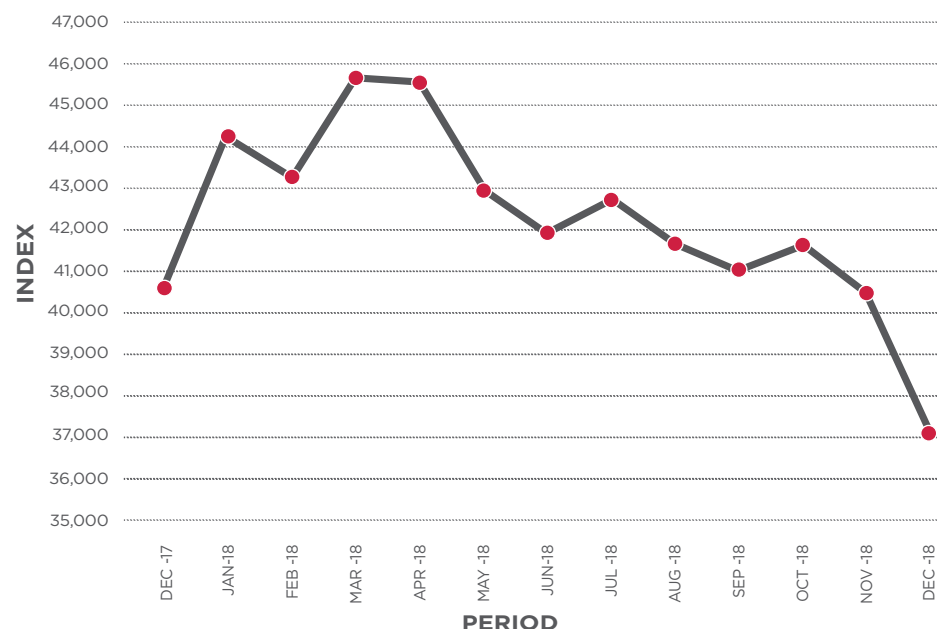
- Conventional Business, which comprises mainly Group Life Insurance, recorded a NWP of Rs.1,177 million as against Rs.1,088 million in 2017, a growth of 8%. A surplus of Rs.75 million (2017: Rs.169 million) was achieved this year.
- Accidental and Health business recorded a NWP of Rs.3,433 million as against Rs.3,093 million in 2017, a growth of 11%. A surplus of Rs.533 million was achieved as against Rs.395 million in 2017, i.e. an increase of 35%.
- Overseas Group Life and Group Health business recorded a NWP of Rs.14 million in comparison to Rs.11 million in 2017, recording a growth of 29%. The surplus in this line of business remained stable and was recorded at Rs.17 million, as compared to Rs.16 million last year.
- The Individual Family Takaful Business, which has received overwhelming response, recorded a Net Written Contribution (NWC) of Rs.9,780 million, as compared to NWC of Rs.6,760 million, an increase of 45%. The surplus for the year 2018 was Rs.258 million (2017: Rs.338 million).
- Group Family Takaful Business, though modest in size, recorded a NWC of Rs.53 million in comparison to Rs.37 million in 2017, a growth of 42%. This business recorded a small surplus of Rs.5 million (2017: Rs.1 million).
- Accident & Health Takaful Business recorded an NWC of Rs.170 million in comparison to Rs.130 million in 2017, recording a growth of 31%. This business reached its break even during the year and recorded a minor surplus of Rs.2 million, as compared to a loss of Rs.14 million in 2017.

- The overall surplus from all business lines was recorded at Rs.3,277 million, a decline of 19% as against the overall surplus of Rs.4,033 million during 2017. A surplus transfer of Rs.2,660 million (2017: Rs.3,165 million), has been made from the Revenue Account to the Shareholders' Fund, based upon the approval of the Appointed Actuary. This is contained in note 43.1 to the financial statements under the Segmental Information, i.e. Revenue Account by Statutory Funds.

Investment Performance

2018 was the second year in succession when the equity market recorded negative performance. The KSE 100 index, starting from a level of 40,471 points closed at 37,066 points on December 31, 2018, to record a negative return of 8.47%. Although 2018 started on a positive note, with the first quarter ending with a 12.6% increase over the year end 2017, the year ended with a decline of 8.47%. This was largely attributed to the deteriorating macroeconomic environment including political uncertainty, persistent foreign selling, uncertainty on entry into IMF Program, and the KSE 100 index continued to decline with each progressing quarter. Current Account Deficit, low foreign exchange reserves and weakening of Pak Rupee / US Dollar parity particularly in November 2018, resulted in the SBP taking measures for tightening of the monetary policy – this included increase in discount rate by a cumulative 4.25% during 2018. The KSE 100 index decline is depicted in the graph below; this impacted the unit linked fund performance, as across the industry and all other sectors too where investments in listed equities are involved:

**KSE 100 Index - Monthly closing
For the year 2018**



Investment income makes a substantial contribution to the profitability of the Company, hence the Company pursues a prudent investment policy. Given the significant fall in equity market, coupled with increase in interest rates in the money market, the Company followed a prudent investment policy and took various measures towards protecting the funds, including rebalancing of the asset allocations of the funds, increased investments in government securities and other fixed income securities / term deposits, which, combined with additional cash inflows from new and renewal business (net of claims, surrenders and partial

withdrawals), led to an increase of 15% in the net assets of the unit linked funds which aggregated to Rs.115.8 billion, as against Rs.100.6 billion on December 31, 2017, a growth of 15%. Despite the volatility in the stock market, there were net inflows of Rs.22.16 billion, reflecting the trust and confidence reposed in us by our policy holders / participants, for which we are grateful.

The Company offers four unit-linked funds to its Individual Life policyholders in the conventional insurance business, and two unit-linked funds to its individual participants in the Individual Family Takaful operations. These funds have varying risk exposure and are chosen by the individual policyholders / participants as per their individual risk appetite. The history of returns over the period is summarized in the table below:

S.No.	Name of Fund	Launch Date	Return for the year 2018	3 Year Return	5 Year Return	10 Year Return	Return since Inception
Conventional Funds							
1	Managed Fund	31 Dec. 1996	-2.02%	9.30%	40.08%	204.96%	974.44%
2	Capital Growth Fund	28 Jul. 2004	-11.31%	8.92%	73.16%	397.98%	695.47%
3	Meesaq Fund	27 Mar. 2008	-0.92%	14.51%	39.77%	125.59%	109.21%
4	Yaqeen Growth Fund	1 Jun. 2009	3.52%	14.65%	43.45%	N/A	120.53%
Individual Family Takaful Funds							
5	Managed Takaful Fund	7 Jul. 2015	0.69%	14.64%	N/A	N/A	21.29%
6	Capital Growth Takaful Fund	7 Jul. 2015	-1.61%	16.43%	N/A	N/A	22.99%

Revised presentation of the Financial Statements under the Insurance Accounting Regulations, 2017

The audited financial statements for the year ended December 31, 2018 are the first financial statements being reported under the revised presentation prescribed by the Securities and Exchange Commission of Pakistan (the SECP) under the Insurance Accounting Regulations, 2017 and the Insurance Rules, 2017. The presentation and disclosures requirements under the new Regulations, as more explained in note 2.3 to the financial statements, have been enhanced and aligned with the International Financial Reporting Standards (IFRS), by introducing a single, Company basis Balance Sheet, Profit & Loss Account, Cash Flow Statement, vis-à-vis the Shareholders' Fund and Statutory Fund wise format in the earlier years, the introduction of the Statement of Other Comprehensive Income, whilst the concept of Revenue Account has been restricted to regulatory returns only. Such change has been applied retrospectively, and the comparative figures are restated. The impacts of these changes are explained in detail in note 5 to the financial statements.

With the introduction of the single Profit and Loss Account and Statement of Comprehensive Income, the surplus retained in the Statutory Funds, which includes the solvency margins required to be maintained under the Insurance Rules, 2017, and is not available for distribution to the shareholders, is included in the Profit and Loss Account for the current year, and in the Statement of Changes in Equity for the previous years. The Ledger Account D balance, and the Surplus on Revaluation of Available for Sale Investments, representing such surplus, has consequently increased the shareholders' equity.

Another significant change brought about by Regulation 11 of the Insurance Accounting Regulations, 2017 was bringing in line the valuation of investments in accordance with the requirements of the IFRS.


This necessitated a reclassification of the investment portfolio of the unit linked funds of the Individual Life Unit Linked Fund and the Individual Family Takaful Fund from the "Available for Sale" category to "at Fair Value through Profit and Loss", to address the mismatch arising from inconsistency in valuation of investments and its policy holder liabilities. The related transaction costs associated with such investments have also been transferred to the Profit and Loss Account. Such reclassification has been applied retrospectively and is explained in note 3.12 to the financial statements.

The above changes in presentation / reclassification of the investment portfolio have had a positive impact on EPS for 2018, amounting to Rs.8.22 , and for 2017: Rs.8.52 per share, and is explained in note 5 to the financial statements.

Profit & Loss Account

The Profit & Loss Account of the Company shows a pre-tax profit of Rs.3,775 million for 2018, (2017: Rs.5,136 million – restated), representing a decline of 26%. The profit after tax for the year 2018 is Rs.2,430 million as compared to Rs.3,262 million in 2017 (restated), a decline of 25%.

As explained in the foregoing paragraphs, 2018 was a challenging year for the entire country, and it had impacted the Company's performance as well. Two major factors in life insurance business's



growth are (1) the new business growth, and (2) the ratio of general and administrative expenses to the Net Written Premium. During 2018, the uncertainty in the macroeconomic environment and political instability, and the persistent decline in the KSE 100 index restricted the new business growth to 5%, vis-à-vis an increase of 14% in the aggregate acquisition costs, administration and marketing expenses, and other expenses. However, it is satisfying to note that despite the uncertain macroeconomic and political environment, the Company's new business was not negatively impacted and continued to grow, and the management has a positive outlook on recovery and growth during 2019.

2018 was also a focus area for the Company on increased penetration through its branch network in the Direct Sales Force lines of both, the ILUL and the IL Takaful, and as such, incurred higher expenses in terms of renovation costs, rental expense, and related Opex and depreciation on the additional Capital expenditure. In addition, increased penetration of branch network required strengthening of the DSF team as well. An expansion of the DSF line is a pressure on short term profitability, which is recovered in the longer term. Accordingly, these measures have led to a decline in the profitability for the year 2018, and the ILUL recorded a 23% decline in surplus, whilst the IL Family Takaful's surplus remained almost stagnant at the level of 2017 and did not record any increase despite a 45% increase in GWP.

The profit before taxation was also impacted by other factors including the increased investment by the Company in the Marketing expense during the year 2018, by 25% over last year, with a view to strengthening the Company's brand, the strengthening of distribution network including new branches, increase in sales force, the investment in IT hardware and system applications.

The profit after taxation incorporates the prospective Super Tax charge for TY 2019, in addition to the TY 2018, as per the amendment brought about in the Income Tax Ordinance, 2001 by the Finance Act, 2018. This incremental charge was however, offset by the progressive decline in corporate tax rates from TY 2019 to TY 2025, and the stage wise reduction of Super Tax, which resulted in a deferred tax credit.

The Company is one of the significant tax payers to the national exchequer. During 2018, the Company contributed Rs.2,695 million as direct and indirect taxes (2017: Rs.2,673 million) to the government treasury.

Earnings per Share

The basic and diluted earnings per share for the year amount to Rs.30.64 as compared to EPS of Rs.41.12 in 2017 (restated), a decline of 25%, for reasons explained above.

Dividends to Shareholders

The Board of Directors has recommended a final cash dividend of Rs.14.50 per share, i.e. 145% per share, [2017: Rs.14.50 per share (145%)]. The Company had paid an interim cash dividend of Rs.3.00 per share (30%) during the year, [2017: Rs.3.00 per share (30%)], thereby making a total cash dividend of Rs.17.50 per share, i.e. 175%. for the year 2018 (2017: Rs.17.50 per share i.e. 175%).

Insurer Financial Strength Rating (IFS rating)

The Company's IFS rating review process is conducted on annual basis by JCR VIS Credit Rating Company Limited. The latest annual review was concluded on May 30, 2018, wherein the Company's IFS rating was maintained at AA+ (Double A Plus), with a "Stable" Outlook. The rating takes into account the capacity of the Company to meet policyholder liabilities as reflected by its strong capitalization levels and adequate liquidity profile. In its rating report, the JCR VIS acknowledged that the Company's business profile derives strength from favorable persistency levels and healthy growth in business volumes and profitability, and during the period under review, the market share of JLIC increased as growth in premiums outpaced sector growth.

Qualified opinion of external auditors

The external auditors of the Company, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, Karachi, have issued a qualified opinion in their independent auditors' report to the members of the Company on the audited financial statements for the year ended December 31, 2018. The qualified opinion is in respect of the provincial sales tax issue, following the discontinuation / withdrawal of exemptions from provincial sales tax on Life and Health insurance by the provinces of Sindh and Punjab on various dates, and is reproduced below:

Qualified Opinion

"In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the

statement of financial position, the profit and loss account, the statement of comprehensive income, the cash flow statement and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affair as at December 31, 2018 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended."

Basis for Qualified Opinion

"As more fully explained in note 26.2 to the financial statements, exemption from provincial Sales Tax on Group Health insurance, Health insurance and life insurance was discontinued / withdrawn on various dates. The Company, notwithstanding the principal stand that life and health insurance are not a service and therefore do not fall within the scope of taxability under the provincial sales tax laws of provinces, along with Insurance Association of Pakistan is currently in negotiations with provincial tax authorities to seek an exemption and to agree the portion of premium which should be subject to sales tax. The potential liability on Group Health (in Sindh) and Health Insurance (in Punjab) is estimated at Rs.739 million. The Company considers that it is premature to estimate the liability for sales tax on life insurance at this stage. We consider that the liability can be estimated based on the current law. Therefore, it was impracticable for us to quantify the full effect of provincial sales tax on the financial statements for the year ended December 31, 2018."

Company's response to auditors' qualified opinion

As explained in detail in note 26.2 to the audited financial statements for the year ended December 31, 2018, the provincial revenue authorities of Sindh and Punjab made significant changes in the provincial sales tax regimes applicable to the insurance industry, making life and corporate health insurance in Sindh, and life and health insurance in Punjab, subject to provincial sales taxes, by lapsation or withdrawal of the exemptions earlier allowed.

The management of the Company is of the view that life and health insurance is not a service, but infact, an underwriter's promise to pay to the policy holder in the future, a specified sum of money, either on occurrence of an identified event causing loss, or upon maturity of the policy. The management has also sought a legal opinion from the Company's legal advisors, who, in their opinion, have confirmed the management's view. The legal advisors have further expressed the opinion that without prejudice to the main contention that life and health insurance do not constitute a service, even otherwise, any amount allocated for investments on behalf of the policy holder does not belong to the Company and cannot be subjected to provincial sales tax.


This being a collective issue of the industry, the Insurance Association of Pakistan (IAP), of which the Company is a member, has actively taken up the matter with the provincial revenue authorities, including, in the alternate scenario, the basis of charging of such tax, if any. Discussions with the other provincial authorities are also in progress. The provincial revenue authorities, acknowledging and the ongoing discussions, have not yet enforced the levy and are allowing time for deliberation and

dialogue, despite lapse of the exemption notifications on their respective dates.

In view of the legal opinion obtained by the Company, the ongoing administrative efforts with the provincial revenue authorities as explained above, the endorsement of the SECP, and the fact that acknowledging the ongoing discussions, the provincial revenue authorities have not enforced the levy and allowing time for deliberation and dialogue, despite lapse of the exemption notifications, the Company has not yet billed its customers for provincial sales tax on life and health insurance since the lapse / withdrawal of the exemptions on their respective dates, nor has it made any provision for the provincial sales taxes in the audited financial statements for the year ended December 31, 2018, as the Company considers it premature to estimate any amount of liability on life insurance, given the above facts as elaborated above. In respect of contingent sales tax liability for health insurance, the aggregate contingent liability as at December 31, 2018 of Rs.739 million, has not been provided for in these financial statements, pending the outcome of the administrative efforts.

Human Capital

Jubilee Life Insurance truly believes in the continuous development of the Company and its employees, who are the pillars of strength behind its success. The Company continually focuses to strengthen its human capital by offering them various avenues of learning and development facilities via collaborations with renowned institutions, engagement with its employees and building talent resources in the Company. The year 2018 was a very active year for the Human Resource team, with many learning initiatives being introduced.



A continuous learning environment exists within the Company, which ensures that the employees build their business knowledge quickly. The Company carries out extensive sales training programs to equip its sales force with skills required for high quality and ethical sales.

During 2018, an Employee Development Plan for back office support employees across all the departments was initiated for management levels wherein senior managers were enrolled at prestigious institutions like the Institute of Business Administration and the Karachi School of Business & Leadership, where flagship Leadership Programs were held in March and April 2018. Middle level management training program was held during October – December 2018. The program consisted of 7 days of training per participant and covered a total of 2,310 learning hours, focused on managerial competencies in line with the Company's core values, and was much appreciated by participants throughout the Company.

In September 2018, the Company's first Management Associate Program was successfully completed, comprising of a batch of 12 associates, all of whom were assessed, qualified for, and placed in their respective departments of interest.

The Human Resources and the IT teams collaborated during the year to launch in October 2018, the Company's own in-house Learning Management System (LMS) Portal, aiming to enhance employee skills and their current qualification. With the LMS in place, the employees have flexibility in managing their own training schedules and upon completion of the enrolled courses; they receive a Certificate of Achievement issued by the Human Resources Department.

Another milestone achieved during the year was the collaboration with renowned institutions like ACCA, who awarded the Approved Employer

Trainee Development Gold Award, in recognition of the support provided to ACCA trainees working towards ACCA Qualifications. Through this association, the Company has developed easy accessibility in acquiring well-groomed and qualified technical resources, as well as training and development facilitation by ACCA for the relevant resources of the Company.

Besides the above specific milestones achieved during 2018, the Company continually encourages its employees to pursue professional excellence by taking the examinations of world recognized professional organizations such as Society of Actuaries (USA), Institute and Faculty of Actuaries (UK), Chartered Insurance Institute (UK) and Life Office Management Association (USA).

The Company takes pride in being an equal opportunity employer and takes initiatives towards supporting and encouraging the employment of women. Both, men and women, are given an equal chance to prove their worth based on competency and merit. In March 2018, the Company signed a pledge with "OICCI Women" initiative to promote gender equality in the organization with the road map in line with United Nation's 'Women Empowerment Principles'. Since the pledge was taken, female headcounts in the Company have increased from 22.17% in end 2017 to 27.1% by December 2018.

Independence Day continues to be a day full of fervor and celebration throughout the Company, with cake cuttings and prayers for the progress and prosperity of the country taking place in the Head Office, Karachi, as well as the regional offices of the Company. The Independence Day celebrations give a very festive look to the Company, and its human resources celebrate the special day by wearing national colors for the occasion.

Information Technology and Operational Efficiencies

Commitment to excellence through a heavy investment in technology has given the Company a competitive edge in maintaining its market leadership position and serving the customers better. In May 2018, as an added step towards customer satisfaction, the Company implemented a state-of-the-art Microsoft Dynamics 365 Customer Relationship Management (CRM) platform, to build and maintain customer relationships by delivering superior value and satisfaction. With the CRM in place, the Company will be able to provide enriched customer services towards acquiring, retaining and growing its customer base.

In August 2018, to further improve and strengthen the availability of mission-critical systems, the Company realized the need to have a new Disaster Recovery (DR) site in another city, and the DR Site was successfully shifted to Islamabad. Two DR drills have taken place since thereafter across all departments and on pan-Pakistan basis, to ensure that all mission-critical systems are up and running from Islamabad, should any unforeseen disaster strike.

During 2017, the Company implemented the new life insurance business administration system, the Insurance Solution Framework (ISF), developed by AETINS SDN. BHD of Malaysia and successfully migrated the Individual Life Unit Linked business (Conventional) to the ISF. In the second phase, in 2018, work was in progress on the switchover of Group Life business (Conventional) to the ISF and has successfully been completed in February 2019, with the other lines of business planned for switched over in different phases during 2019.

On the internal operational efficiency front, the Company enhanced its paperless environment policy, and during 2018, the applications developed on Sharepoint included end to end travel plan approval process, HR

recruitment forms, and stationery requisitions, which will not only reduce paper consumption and storage space, but also result in saving of time.

Awards and Accolades


The Company continued to add more feathers to its cap and its achievements in various areas were accorded further recognition by the following independent bodies during the year 2018:

- The Management Association of Pakistan (MAP) awarded the 33rd Corporate Excellence Award, 2018 to the Company in the Insurance Sector.
- The Company received the 6th FPCCI Achievement Award for 2017, on rendering outstanding services in Insurance savings.
- The Company received recognition as ACCA Approved Employer – Trainee Development.
- The Company was accorded recognition on the CSR front also, and for its longstanding partnership and support, won the Dr. Ruth Pfau Award from the Marie Adelaide Leprosy Center.

Code of Conduct & Business Ethics

Following the highest standards of Corporate Governance, ethics and good business practices is an integral part of the Company's Code of Conduct approved by the Board. The Code of Conduct, Corporate Strategy, Vision, Mission, and Core Values have been adopted by the Board.

The Code defines the obligations and responsibilities of all – the Board members, the employees, and the Company towards its various stakeholders, towards each other, and towards the society as a whole.



Necessary steps have been taken to disseminate the same throughout the Company. The Code is also available on the Company's website.

Corporate Social Responsibility

The Company is committed to act responsibly in its long-term business and is guided by its vision “enabling people to overcome uncertainty”. The Corporate Social Responsibility (CSR) and Donations Policy approved by the Board provides a guiding framework for achieving our vision by creating a strong focus and channelizing efforts that positively impact Company's CSR endeavors and donations.

In line with the approved CSR and Donations Policy, the Company's total donation expense during 2018 aggregated to Rs.20.5 million (2017: Rs.23 million), aimed at the support of health care, education, rural development, and cultural heritage.

The Company continues to make a significant contribution towards financial inclusion of the low-income strata of population, and its CSR initiatives also leverage on its core business expertise to create and provide sustainable life and health micro-insurance solutions at affordable cost. With an aim of improving quality of lives by reducing vulnerability of the low-income sector of the society, the Company enhanced its provision of micro-insurance facilities to reach around 3.5 million persons during 2018.

The summary of CSR activities and engagement with the society are contained in the CSR Report, which shows the ever-increasing span of the Company's activities as a responsible corporate citizen of the country.

Sports Promotion

Sports and sporting spirit is deeply inbuilt in the Company's human resources, and the Company's support for sports highlights a commitment to the spirit of partnership, and winning plans. The Company promotes cricket, snooker, golf, hockey and polo through sponsorship of various tournaments. The sports roundup for the year 2018 is given on pages 77 to 79 of the Annual Report.

Board Evaluation Mechanism

The Board of Directors of the Company has an approved mechanism for the annual evaluation of the Board's performance and that of its Committees, as envisaged under the Regulations. The Board carries out such evaluation exercise each year.

Compliance with the Code of Corporate Governance for Insurers, 2016, Listed Companies (Code of Corporate Governance) Regulations, 2017 and with PSX Listing Regulations

Being a listed life insurance company, the Company complies with the requirements of the specific Code of Corporate Governance for Insurers, 2016, as well as the Listed Companies (Code of Corporate Governance) 2017, and the PSX Regulations. In respect of all these requirements, the Statement of Compliance with the best corporate practices is annexed on page 81 of the Annual Report.

The Directors are pleased to confirm the following:

- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;

- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, with the exception of the changes brought about by application of Insurance Accounting Regulations, 2017 and Insurance Rules 2017, as explained in note 2.3 and 3.12 to the financial statements, and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, International Financial Reporting Standards, or any other regulation or law (including but not limited to the Shariah guideline / principles) as applicable in Pakistan, the Insurance Ordinance, 2000, the Insurance Accounting Regulations, 2017 the Insurance Rules, 2017, the directives issued under the Companies Act, 2017, and the Takaful Rules, 2012 have been followed in the preparation of financial statements and any departure there from has been adequately disclosed;
- The system of internal control is sound and adequate in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance;
- Information regarding outstanding taxes is given in note 26 to the audited financial statements;
- The pattern of shareholding and the information regarding trading in the shares of the Company by Directors, CEO, CFO, Company

Secretary, Appointed Actuary, Executives and their spouses and minor children is given on page 221 of the Annual Report.

Board of Directors

The Board of Directors of the Company comprises of one executive and seven non-executive directors, of which three are independent, non-executive directors. All the eight Board members are presently male, there is no female director.

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

- Mr. Kamal A. Chinoy (Chairman)
- Mr. Aryn Currimbhoy
- Mr. John Joseph Metcalf
- Mr. Sultan Ali Allana
- Mr. R. Zakir Mahmood
- Mr. Shahid Ghaffar (w.e.f. February 8, 2018)
- Mr. Sagheer Mufti (w.e.f. October 3, 2018)
- Mr. Javed Ahmed (Managing Director & Chief Executive Officer)

Effective February 8, 2018, Mr. Shahid Ghaffar was coopted on the Board, with the approval of the Securities and Exchange Commission of Pakistan, in place of Mr. Ayaz Ahmed, who had resigned in December 2017.

A casual vacancy occurred on August 24, 2018, with the resignation of Mr. Javed Ahmed as an elected director, and was filled in by Mr. Sagheer Mufti, who was coopted by the Board, with the approval of the Securities & Exchange Commission of Pakistan, on October 3, 2018.

During the year 2018, five meetings of the Board of Directors were held. Also, the Annual General Meeting (AGM) was held on March 30, 2018. The BoD meetings and AGM were attended as follows:

S. No.	Director's Name	Board Meetings Attended	AGM Attendance
1	Mr. Kamal A. Chinoy	5	-
2	Mr. Aryn Currimbhoy	5	P
3	Mr. John Joseph Metcalf	5	-
4	Mr. Sultan Ali Allana	-	P
5	Mr. R. Zakir Mahmood	4	-
6	Mr. Shahid Ghaffar (w.e.f. February 8, 2018)	5	P
7	Mr. Sagheer Mufti (w.e.f. October 3, 2018)	1 of 1	N/A
8	Mr. Javed Ahmed	5	P

Four meetings of the Board Audit Committee were held during 2018, and attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. Aryn Currimbhoy	4
2	Mr. John Joseph Metcalf	4
3	Mr. Shahid Ghaffar (w.e.f. February 8, 2018)	4

The Board Human Resource & Remuneration, Ethics & Nominations Committee of the Board held four meetings during 2018, which were attended as follows:

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

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

S. No.	Director's Name	Meetings Attended
1	Mr. Shahid Ghaffar (w.e.f. February 8, 2018)	4
2	Mr. John Joseph Metcalf	4
3	Mr. R. Zakir Mahmood	3
4	Mr. Javed Ahmed	4
5	Ms. Lilly R. Dossabhoy (Management Executive)	4
6	Mr. Shan Rabbani (Management Executive)	3

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

S. No.	Director's Name	Meetings Attended
1	Mr. John Joseph Metcalf	4
2	Mr. Shahid Ghaffar (w.e.f. February 8, 2018)	4
3	Mr. Sagheer Mufti (w.e.f. October 3, 2018)	1 of 1
4	Mr. Javed Ahmed	4
5	Mr. Shan Rabbani (Management Executive)	3

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

S. No.	Director's Name	Meetings Attended
1	Mr. John Joseph Metcalf	4
2	Mr. R. Zakir Mahmood	3
3	Mr. Shahid Ghaffar (w.e.f. February 8, 2018)	4
4	Mr. Sagheer Mufti (w.e.f. October 3, 2018)	1 of 1
5	Mr. Javed Ahmed	4
6	Mr. Zahid Barki (w.e.f. April 25, 2018) (Management Executive)	3 of 3
7	Mr. Shan Rabbani (Management Executive)	3

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

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

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

Management Committee

The governance of day to day operations in all functional areas, is carried out by the Company's Management Committee, chaired by the Managing Director and Chief Executive Officer of the Company, and meets on monthly basis. Members of the Management Committee are stated on page 11 of the Annual Report.

Other committees include the Investment Management Committee (IMC), the IT Steering Committee, and the Marketing Committee, all of which are chaired by the Managing Director & Chief Executive Officer of the Company. The members of these committees are stated on page 11 of the Annual Report.

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

In addition to the above, the following three committees function as per the terms of reference specified in the Code of Corporate Governance

for Insurers, 2016, and are also chaired by the Managing Director & Chief Executive Officer of the Company:

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

Members of these committees are mentioned on page 11 of the Annual Report.

Internal Audit Function

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

Risk and Opportunity Report

The major risks facing the Company, and their mitigation factors, the uncertainties facing the Company, and the opportunities are summarized in the Risk and Opportunity Report as covered on pages 69 to 72 of the Annual Report.

Key Operating and Financial Information

A summary of the Key operating and financial information of the last six years is shown on page 28 of the Annual Report.

Retirement Benefits

The fair value of investments made by the staff retirement funds, operated by the Company, as per their respective financial statements as at December 31, 2018, the audits of which are in progress, are as follows:

Provident Fund	Rs.495.12 million
Gratuity Fund	Rs.436.42 million

Material Changes

There have been no material changes since December 31, 2018 to the date of this report.

Statutory Auditors

The present Auditors, M/s. KPMG Taseer Hadi & Co. Chartered Accountants, retire after the completion of the present term. The Board records their appreciation for the valuable services rendered by M/s. KPMG Taseer Hadi & Co., Chartered Accountants, during their tenure over the last five years.

In line with the requirement of the Code and the Regulations, the Board Audit Committee has recommended the appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi as the Auditors of the Company, including as Shariah Compliance Auditors, for the year 2019, and the Board endorses this recommendation.

Holding Company

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

Outlook

The economy of Pakistan is passing through a difficult phase. Fiscal discipline and improved governance can bring a lot of improvement and lead to better economic growth. The measures being taken by the Government will take some time to yield positive results.

Life insurance industry is facing various challenges such as imposition of sales tax, increasing regulatory requirements, stringent AML and KYC regime and reluctance of population at large to use regulated channels for money management. The support from Government for the

development of insurance sector will play a key role in increasing insurance penetration and resolving the current issues being faced.

Despite all challenges, Jubilee Life has performed well over the past years. It has consistently outpaced the growth of the industry. With continued support of all stakeholders, the Company will strive to achieve a healthy growth in future as well.

Acknowledgements

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

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

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

On behalf of the Board of Directors



Kamal A. Chinoy
Chairman



Javed Ahmed
Managing Director & CEO

Karachi, March 28, 2019

Risk and Opportunity Report

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

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

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

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

Key Opportunities

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

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

Key Uncertainties affecting the Business

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

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

On behalf of the Board of Directors



Kamal A. Chinoy
Chairman



Javed Ahmed
Managing Director & CEO

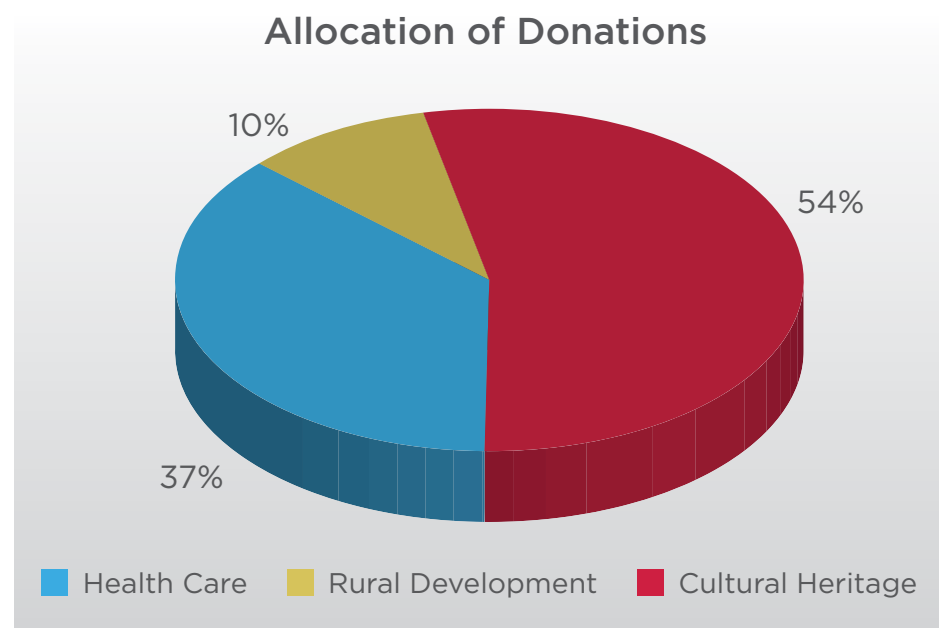
Karachi, March 28, 2019

CSR & Engagement with Society Report 2018

In 2014, the Board of Directors of the Company approved the Corporate Social Responsibility (CSR) & Donations Policy of the Company, with the objective of providing a guiding framework of opportunities relating to the conduct of CSR by the Company, to support the achievement of its vision, “enabling people to overcome uncertainty”, by creating a strong focus and channelizing efforts that positively impact Company’s CSR endeavors and donations.

• Donations

Total donations during 2018 aggregated to Rs.20.5 million (2017: Rs.23 million), aimed at the support of health care, education, rural development, and cultural heritage, and were spread as under:



• Micro Insurance

The Company has made a significant contribution towards financial inclusion of the low-income strata of population, and its CSR initiatives also leverage on its core business expertise to create and provide sustainable life and health micro-insurance solutions at affordable cost. With an aim of improving quality of lives by reducing vulnerability of the low-income sector of the society, the Company enhanced its provision of micro-insurance facilities to reach around 3.5 million persons during 2018.

• Social Health Protection Initiative – Gilgit Baltistan

In June 2016, an Aga Khan Foundation (AKF) led AKDN consortium which includes AKRSP, AKHS and the Company signed a microinsurance project with the Government of Gilgit-Baltistan (GB), being a foreign funding based 5 years’ project where the foreign funding would gradually be reduced and ultimately, all the funding would be provided by the Government. During 2018, the program covered 37,000 lives spread over 5,340 households, organized 11 free medical health camps in different UCs of Gilgit district as part of this initiative. In addition to this, the Company, in collaboration with AKRSP has insured 4,029 families during the year as part of the Social Health Protection Initiative wider enrollment program.



• Collaboration with Khushhali Bank

In 2017, the Company had joined hands with Khushhali Micro Finance Bank Limited (formerly Khushhali Bank Limited), to design a hospitalization product under the title of “Sehat Khushhali Plan”. The product is offered to Khushhali Bank’s customers through its 115 bank branches and is a distinct scheme that protects its customers financially if they get hospitalized due to any reason, with a bare minimum day expense. In the year 2018, this facility enabled coverage of 70,000 lives. The Company and Khushhali Bank also held medical camps to facilitate medical checkups of its customers.



• Health Awareness Campaigns

As in previous years, the Company organized Health Awareness Campaigns during 2018 as well, to complement the micro-insurance initiatives to create a wider awareness on issues relating to health care and healthy living in the less-privileged segments of the population. These health camps were held in liaison with other organizations, largely in the rural areas of all four provinces and the Northern Areas. The Company’s contribution towards the cost of these health camps was Rs.7 million (2017: Rs.3 million), besides the time spent by its employees. The Company encourages its employees to participate directly by contributing their time and knowledge towards social causes.

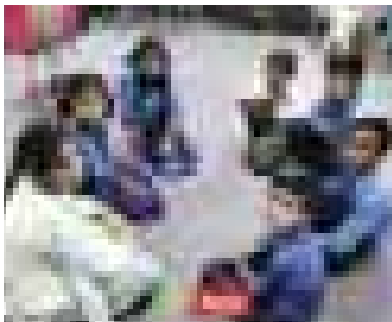


Engagement with the Society

In addition to the formal CSR budget, the Company takes pride in inculcating interaction with the society, whereby the needs of education, rural development, cultural heritage, civil society, humanitarian assistance and sports promotion are facilitated.

• Charter for Compassion (CFC)

Children are the future of our society, and to secure their future through education, during 2018, the Company renewed its sponsorship for an educational project in partnership with the Charter for Compassion under the title “Collaborative Libraries”. The purpose of this project is to inculcate the habit of reading in our future generations by developing libraries in the less affluent areas of Karachi. The lack of libraries in our Country is depriving children today from the gratifying and fulfilling experience of reading books. The project aims to make available for the children, books to read, aimed at enhancing their literary skills, and teaching compassionate values through the process of reading. The Company’s investment in this project, aimed at educational benefit, was over Rs.3.7 million.



• Enterprise Challenge Pakistan

Jubilee Life has collaborated with SEED Ventures for the 2nd and 3rd Enterprise Challenges Pakistan, a Prince’s Trust International Program in 2017 & 2018 respectively.



Enterprise Challenge Pakistan (ECP) is a pan-Pakistan, inter-school competition that encourages young people to explore entrepreneurship as a career path. It is offered to secondary school students within the age bracket of 13-16 years in various schools across the Country. ECP is essentially a simulation business challenge where students playing in teams of four or five employ their creativity in cyber-scenarios. Industry experts, to help these students understand the basics of an enterprise, business strategy and financials, mentor each team. The objective is to profitably run an enterprise and the team with the highest net profit is declared the winner.



Impact on environment

The Company is conscious of maintaining a clean and eco-friendly environment within its offices, as well as towards the cause of the society. Its Head Office surroundings are meticulously clean and green and encourages its employees towards a conscious effort to save paper, and conserve trees. In this connection, the Company has already implemented paperless applications for internal use of the employees, to minimize consumption of paper, reduce storage requirements and costs, as well as promotes recycling of paper and stationery to minimize their consumption. As another step towards conserving the environment, the

Company has installed an On-Grid solar plant at the Head Office premises to generate green energy. This initiative has been successful as it ensures alternate renewable energy resource vis-à-vis environmentally friendly technology (Carbon Free Energy). It is helping to reduce more than 10 tons of carbon dioxide emission in the environment and reduces the burden of 28 MWH on centralized power generation plants on an annual basis. The Government of Sindh, Energy Department, has endorsed and appreciated the Company's efforts in this regard, by issuing a Letter of Appreciation.

In addition to the above, the Company also ensures a healthy and safe working environment for its employees. Utmost care is taken to ensure that the office premises are clean and hygienic; the offices are equipped with smoke detectors and fire extinguishers as protection against any fire hazards. The Company also actively discourages smoking, and all office premises are no smoking zones to protect the health of all employees.

Commitment to Society

The Company takes pride in its ever-increasing involvement with the society in all spheres of life, be it health care, education, rural development, community development, art and culture, or sports. Today, Jubilee Life is a well-known brand with its name entrenched in practically every household. The Board confirms its commitment to the society and to the nation, to further support growth and development of the nation and to keep its flag flying high.

On behalf of the Board of Directors

Kamal A. Chinoy
Chairman

Javed Ahmed
Managing Director & CEO

Karachi, March 28, 2019

Sports Roundup 2018

Being a young and energetic brand that resonates with the sentiments of society, this year, the Company has taken its association with sports up to the next level. Today, Jubilee Life is a household name when it comes to the promotion of cricket, snooker, golf, hockey, polo and squash, through sponsorship of various tournaments. The sports roundup for 2018 for the major sports highlights is summarized below:

Cricket

The biggest contribution to cricket during 2018 was enabling the return of cricket back to home ground in Pakistan, and the Company is proud to have played an integral role in this achievement, through the Jubilee Insurance Cup 2018, for the Pakistan vs. West Indies Cricket Series, as the title sponsor of the series. The Pakistan Cricket Board (PCB) acknowledged the contribution of the Company, as this series lifted the spirits of the Pakistan cricket team and most importantly, of the whole nation.

Commencing with PSL Season 3, wherein the Company partnered with the Pakistan Cricket Board (PCB) as the Gold Sponsors thereof with presence across all mediums including TV, Print, Digital and PR during the event, this was followed by the Jubilee Insurance Cup 2018 which featured T20 series between Pakistan and West Indies in Karachi. This was followed later during the year, by the Pakistan vs. Australia / New Zealand cricket series, where the Company once again partnered with PCB as one of the main sponsors of the series.



Golf

The Company was the leading sponsor of the General Akhtar Abdul Rehman Amateur Golf Tournament in Bhurban, Murree and the 7th Quaid-e-Azam Amateur Golf Tournament 2018. Besides these, it also participated in the LRBT Golf Tournament held at the Karachi Golf Club to raise funds for the treatment of Cataract, Glaucoma, Retinal and Corneal diseases among children and adults who are too poor to afford it. A total of 22 teams participated in the tournament.



Hockey

Hockey is Pakistan's national sports, however, hockey has not been given the recognition it deserves. During 2018, the Company partnered with the Pakistan Hockey Federation for honoring Ten (10) Pakistani and International hockey legends. These included 5 Pakistani legends and 5 international legends, Two exhibition matches were held, one in Karachi and one in Lahore. The legends being honored through the event have been inducted into the Hockey Hall of Fame.



Other sports

In addition to cricket, golf and hockey, the Company also makes its efforts towards the promotion of other sports, these include snooker and squash, from time to time.

Snooker

As part of the ongoing snooker support program of Jubilee Insurance with the Pakistan Billiards and Snooker Association, the Company also supported all the national snooker tournaments held during 2018. This long-standing partnership has created a unique ownership of the sport for the brand and has made Jubilee Life the pioneer in sports sponsorship programs encouraging young talent and providing platform for greater exposure and learning.

Squash

In 2018, the Company joined hands with the Chairman of Sindh Squash Association and the legend of squash, Jahangir Khan for the revival of squash in Pakistan, to support the “Pakistan Open Squash Tournament 2018”. It was acknowledged as an International event by World Squash Association. Top professional players from USA, Europe, Far East, Egypt, Australia and Pakistan were part of the tournament. The event received special coverage on national and international media.

Jubilee Life’s support for sports highlights commitment to the spirit of partnership, winning plans and right choices. The Board confirms its commitment to the society and to the nation, to further support the spirit of sportsmanship in every field of sports, and to keep the national flag flying high.

On behalf of the Board of Directors



Kamal A. Chinoy
Chairman



Javed Ahmed
Managing Director & CEO

Karachi, March 28, 2019

Independent Auditor's Review Report to the Members on Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2017 (combined called 'the Code') prepared by the Board of Directors of Jubilee Life Insurance Company Limited ('the Company') for the year ended December 31, 2018 in accordance with the requirements of the Code.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended December 31, 2018.

Date: 28 March 2019
Karachi



KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 And the Listed Companies (Code Of Corporate Governance) Regulations, 2017

For The Year Ended December 31, 2018

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of the Code, the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations).

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

1. The total number of directors are eight, as per the following:

- a) Male: Eight
- b) Female: Nil

The Board of Directors shall be reconstituted in accordance with the required gender diversity upon the expiry of its current term in March 2020, being later than the period of one year from the effective date of the Regulations;

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

Category	Name
Independent Directors	Kamal A. Chinoy Aryn Currimbhoy Shahid Ghaffar (w.e.f. February 8, 2018)
Executive Director	Javed Ahmed
Non-Executive Directors	Sultan Ali Allana R. Zakir Mahmood John Joseph Metcalf Sagheer Mufti (w.e.f. October 3, 2018)

The independent directors meet the criteria of independence under the Code.

- 3. The directors have confirmed that none of them is serving as a director on more than five (5) listed companies, excluding the listed subsidiary of a listed holding company, including this Company.
- 4. All the resident directors of the company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the directors or their spouses is engaged in business of stock brokerage.

5. A casual vacancy in the Board of Directors occurred on August 24, 2018, which was filled up by the directors within 40 days thereof.
6. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
8. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations. These include material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive and non - executive directors, and other key officers.
9. The meetings of the Board were presided over by the Chairman and the Board met at-least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations, with respect to frequency, recording, and circulating minutes of meetings of the Board.
10. The Board is in the process of finalizing a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations.
11. The Board has arranged Directors' Training Program for Independent Director, Mr. Amyn Currimbhoy, during the year.
12. All Board members have attended orientation courses to acquaint them with the Code, the Regulations, applicable laws and their duties and responsibilities.
13. The Board has established a system of sound internal controls, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
14. The Board has approved appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with the relevant requirements of the Regulations.
15. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and the Regulations and fully describes the salient matters required to be disclosed.
16. The financial statements of the Company were duly endorsed by Chief Executive Officer and the Chief Financial Officer before the approval of the Board.
17. The Directors, Chief Executive Officer and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.
18. The Company has complied with all the corporate and financial reporting requirements of the Code and the Regulations.
19. The Board has formed the following Management Committees under the Code:

Underwriting & Reinsurance Committee

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

Claims Committee

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

Risk Management and Compliance Committee

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

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

Board Human Resource & Remuneration, Ethics, and Nominations Committee

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

Board Finance & Investment Committee

Name of the Member	Category
Shahid Ghaffar (w.e.f. February 8, 2018)	Chairman
R. Zakir Mahmood	Member
John Joseph Metcalf	Member
Javed Ahmed	Member
Shan Rabbani	Member
Lilly R. Dossabhoy	Member & Secretary

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

Name of the Member	Category
Amyn Currimbhoy	Chairman, Independent Non-Executive Director
John Joseph Metcalf	Member, Non-executive Director
Shahid Ghaffar (w.e.f. February 8, 2018)	Member, Independent Non-Executive Director
Najam ul Hassan Janjua (Uptil February 13, 2018)	Secretary
Adeel Ahmed Khan (w.e.f. February 14, 2018)	Secretary

22. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

23. The meetings of the Committees, except for those of the Ethics, Human Resource & Remuneration and Nominations Committee, were held at least once every quarter, prior to the approval of the interim and final results of the Company, as required by the Code / Regulations.

24. The Board has set up an effective Internal Audit Department, whose scope and authority is defined in the duly approved Internal Audit Charter.
25. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the person heading the underwriting, claims, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under Section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

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

26. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance no. xxxix of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with the Audit Oversight Board of Pakistan, 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 International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
27. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Regulations, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
28. The Appointed Actuary of the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.
29. The Board ensures that the Appointed Actuary complies with the requirements set for him in the Code.
30. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
31. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
32. The Board has set up a risk management function / department, which carries out its tasks as covered under the Code.
33. The Board ensures that as part of the risk management system, the Company gets rated from JCR-VIS, which is being used by its risk management function / department and the respective committee as a risk monitoring tool. The Insurer Financial Strength (IFS) rating

assigned by the said rating agency, as per their latest notification dated May 30, 2018 is AA+ (Double A plus) with stable outlook.

34. The Board has set up a grievance department / function, which complies with the requirements of the Code.
35. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the Code.
36. 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.

37. The Company is in the process of compliance with the requirements and regulations laid down in Section 208 of the Companies Act, 2017. The compliance is dependent on the clarification / amendment in the law from SECP with respect to definition of related parties. In the meantime, the Company has continued to present the details of all related party transactions as disclosed in the financial statements before the Board Audit Committee and upon their recommendation to the Board for review and approval.
38. We confirm that all other material principles and requirements contained in the Code and in the Regulations have been complied with.

On behalf of the Board of Directors



Kamal A. Chinoy
Chairman



Javed Ahmed
Managing Director &
Chief Executive Officer

Karachi, March 28, 2019

Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Shari'ah Principles

We were engaged by the Board of Directors of Jubilee Life Insurance Company Limited ("the Company") to report on the management's assessment of compliance of the Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2018, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects.

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012.

Responsibilities of the Management

The Board of Directors / management of the Company are responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

The Board of Directors / management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that

the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.


Our Independence and Quality Control

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

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

Our responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion



based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

Date: 28 March 2019
Karachi

The procedures performed included:

- Evaluating the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shari'ah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shari'ah Advisor and the board of directors;
- Performing test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions for the year ended December 31, 2018 with the Takaful Rules, 2012.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the year ended December 31, 2018, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.



KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with the Shariah Principles

The financial arrangements, contracts and transactions, entered into by Jubilee Life Insurance Company Limited – Window Takaful Operations (the Company) for the year ended December 31, 2018 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 policies 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.

Dated: January 28, 2019



Javed Ahmed
Managing Director &
Chief Executive Officer

Shariah Advisor's Report to the Board of Directors

For the year ended December 31, 2018

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

I have reviewed the accompanying financial statements, Takaful products including all related documents, as well as, the Participant Takaful Fund Policy, Investment Policy, Re-Takaful arrangements and the related transactions of Jubilee Life Insurance - Window Takaful Operations (hereafter referred to as "Takaful Operator") for the year ended December 31, 2018.

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

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

The primary objective of Shariah Advisor's report is to inform about the Takaful Operator's compliance with Shariah Guidelines, including the transactions undertaken by the Takaful Operator during the year ended December 31, 2018 and to express his opinion on the transactions and operational aspects of Window Takaful Operations.

Progress of the Year

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

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

Shariah Certification

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

- i. transactions undertaken by the Takaful Operator for the period ended 31 December 2018 were in accordance with the guidelines issued by Shariah Advisor, as well as the requirements of Takaful Rules 2012;
- ii. the investments have been made from the Participant Takaful Fund (PTF), Participant Investment Fund (PIF) and Operator's Fund, into Shariah Compliant avenues only, including Islamic Banks, Sukuks and Shariah Compliant Equities, with prior Shariah approval. Further all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) or Islamic Branches/Windows of conventional banks with prior Shariah approval;
- iii. segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that Jubilee Life-WTO has realized its criticality and Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept completely separate from its conventional insurance business, as per requirement of Shariah and Takaful Rules 2012.

- iv. during the year, an amount of Rs. 2,450,119/- has been realized as charity through dividend-income purification process, out of which Rs. 1,243,428/- has already been disbursed.
- v. the transactions and activities of Jubilee Life Insurance - Window Takaful Operations are in accordance with the Shariah principles, while considering the accompanying financial statements of the Participants' Takaful Fund (Waqf Fund), Participants' Investment Fund, and the Operator's Sub Fund (OSF).

While concluding; I state that the Shariah principles were followed in every aspect of practical implementation of Jubilee Life-WTO during the year. I am grateful to the Board of Directors of Jubilee Life, Management and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shari'ah Compliance in our Takaful practices.

"And Allah Knows Best"



Mufti Zeeshan Abdul Aziz
Shariah Advisor

Date: 27th January, 2019

Independent Auditors' Report to the members of Jubilee Life Insurance Company Limited

Qualified Opinion

We have audited the annexed financial statements of Jubilee Life Insurance Company Limited ("the Company"), which comprise the statement of financial position as at December 31, 2018, and the profit and loss account, the statement of comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the cash flow statement and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2018 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

As more fully explained in note 26.2 to the financial statements, exemption from provincial Sales Tax on Group Health insurance, Health insurance and Life insurance was discontinued / withdrawn on various dates. The Company, notwithstanding the principal stand that life and health insurance are not a service and therefore do not fall within the scope of taxability under the provincial sales tax laws of the provinces, along with Insurance Association of Pakistan is currently in negotiations with provincial tax authorities to seek an exemption and to agree the portion of

premium which should be subject to sales tax. The potential liability on Group Health (in Sindh) and Health insurance (in Punjab) is estimated at Rs. 739 million. The Company considers that it is premature to estimate the liability for sales tax on life insurance at this stage. We consider that the liability can be estimated based on the current law. Therefore, it was impracticable for us to quantify the full effect of provincial sales tax on the financial statements for the year ended December 31, 2018.

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

Emphasis of Matter

We draw attention to note 43.2 to the financial statements, which describes that the Company has approached the Securities and Exchange Commission of Pakistan for clarification on non-disclosure of the segment information by line of business with analysis by channel of businesses used. Our opinion is not qualified in respect of this matter.

Key Audit Matters

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

S. No.	Key audit matters	How the matters were addressed in our audit
1.	Insurance liabilities	
	<p>Refer to note 19 to financial statements relating to Insurance liabilities.</p> <p>The Company's insurance liabilities represent 95% of its total liabilities. Approximately 96% of these liabilities are for unit linked business. Valuation of insurance / takaful contract liabilities involve significant judgment, actuarial assumptions such as mortality, persistency, morbidity, investment returns, expense levels and inflation and the use of methods adopted for actuarial valuations.</p> <p>For certain lines of businesses reserve for claims incurred but not reported are calculated based on earned premiums due to lack of fully credible experience.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding, assessed the design and tested the operating effectiveness of controls established for unit linked business for allocation and surrender of units and calculation of bid value per unit; • We assessed the adequacy of the reserve for bid value of allocated units of unit linked business, by applying the bid value to the total number of units extracted from the system; • We assessed the adequacy of reserving of various components of insurance liabilities, other than bid value reserves including reserves of non-linked businesses, by testing calculations on the relevant data obtained from system generated reports; • We obtained an understanding, evaluated the design and tested the controls related to reinsurance arrangements; • We obtained understanding of the work performed by the appointed actuary; • We used an external actuarial specialist to assist us in challenging the general principles, actuarial assumptions and methods adopted for actuarial valuations by the appointed actuary of the Company; and • We challenged the assumptions used for incurred but not reported claims of businesses where fully credible experience is not available with the Company's historical data of claims.

S. No.	Key audit matters	How the matters were addressed in our audit
2.	Insurance benefits	
	<p>Refer to note 32 to financial statements for Insurance Benefits.</p> <p>The total claims expense net of reinsurances and related expenses for the year in respect of death, non-death, maturity, surrenders and partial surrender claims amounted to Rs. 16.32 billion.</p> <p>Claim expenses are recognized on intimation of the insured event except for individual life businesses where the same are recognized at the earlier of the maturity of contract and intimation of insured event.</p> <p>The recognition of insurance benefits involves judgment and a risk that claims may not be recognized in the appropriate period.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to the claims; • For a risk based sample of claims outstanding at the year-end other than for unit linked business, we compared the liability recorded with the terms of the policy; and • For a risk based sample of claims reported near to year end and subsequent to year end, we evaluated that these are recorded in the appropriate period;
3.	Classification, valuation and impairment of investments	
	<p>Refer to note 9 to 12 to financial statements and the accounting policies in notes 3.11 for investments.</p> <p>The Company's investment portfolio comprises of government debt securities, equity securities, other fixed income securities and Term deposits.</p> <p>Investments carried at Fair Value through Profit or loss represent 77% of the total investments while investments classified as Available-for-sale and Held to Maturity represent 23% of total investments.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls designed for classifications and valuation of all investments and for impairment of investments classified as available for sale; • We tested, on a sample basis, specific purchases and sale transactions recorded during the year with underlying documentation;

S. No.	Key audit matters	How the matters were addressed in our audit
	<p>We identified the classification, valuation and impairment of investments as key audit matter because of the significance of investments and management's judgment involved in classification and impairment.</p>	<ul style="list-style-type: none"> • We evaluated designation of securities, recording of investments purchased among the statutory funds and creation and settlement of the respective inter fund balances by testing the individual transactions on a sample basis; • For a sample of investments we tested the valuation by agreeing the prices with quoted market yields obtained from Reuters for Government securities, prices quoted on Pakistan Stock Exchange for equity securities and prices quoted by Mutual Funds Association of Pakistan for other debt securities; and • We assessed the appropriateness of impairment in the value of available for sale securities in accordance with the requirements of accounting and reporting standards.
4.	Revenue recognition	
	<p>Refer to note 26 to financial statements for Insurance Premiums / Contributions Revenue and 27 for investment income.</p> <p>The Company receives its revenue primarily from two main sources namely; premiums / contributions and investments income.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to premiums; • For a risk based sample of policies of non-unit linked business where premium is outstanding at the year end, we compared receivable recorded with the terms of policy; • For a risk based sample of policies of which premium / contribution was received / due near to period end and subsequent to period end, we evaluated that these were recorded in the appropriate period; and • For a sample of investment income transactions, we tested that investment income is recorded based on the effective interest method or where right to receive the dividend is established.

S. No.	Key audit matters	How the matters were addressed in our audit
5.	Changes in accounting policies due to introduction of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017	
	<p>Refer to note 2.5 and 5 that describe the changes in accounting policies due to introduction of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017.</p> <p>Insurance rules, 2017 and Insurance Accounting Regulations, 2017 became effective for the year ended December 31, 2018. These regulations contained a new format of financial statements and changed the presentation basis. The changes also required changes in basis of valuation of various investments.</p> <p>Because of the significance of the change, this was identified as key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We evaluated the adequacy and completeness of the disclosures relating to changes in accounting policies and adjustments required in accordance with accounting and reporting standards as applicable in Pakistan; and • We evaluated the adequacy and completeness of additional disclosures as required under new accounting regulations.
6.	Processing through Information System	
	<p>IT systems and controls over financial reporting were identified as a key audit matter because of the pervasive nature and complexity of the IT environment, the extensive volume of transactions and reliance of financial reporting process on IT system.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operating effectiveness of access controls for applications and systems relevant to Company's financial reporting processes. This included controls over system access and system change management and computer operations; • We obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested a resolution of sample of exceptions. We also assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.

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

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended December 31, 2018, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that

may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account;
- c) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;
- d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and

e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Date: 28 March 2019
Karachi

The engagement partner on the audit resulting in this independent auditor's report is Syed Iftikhar Anjum.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Jubilee

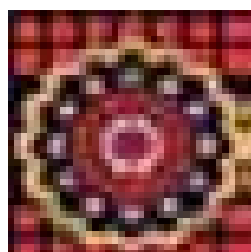
INSURANCE

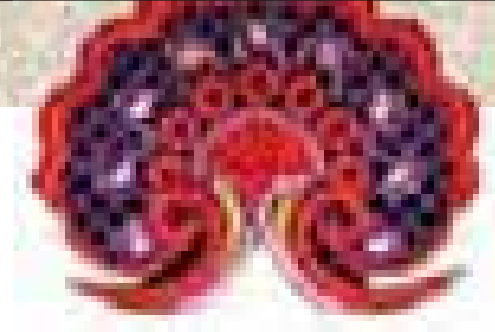
SERVING MORE PEOPLE EVERYDAY

Over 80,000 people served

At Jubilee, we are committed to providing comprehensive insurance solutions for all. Our team of experts is dedicated to helping you protect your family and your future. We offer a wide range of insurance products, including life, health, and property, to meet your unique needs. Our commitment to service is reflected in our 80+ years of experience and our dedication to providing the highest quality of care to our customers.

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A ship is always safe at the shore
but that is not what it's built for.

- ***Albert Einstein***



Statement of Financial Position

As at December 31, 2018

Assets

Property and equipment
Intangible assets
Investment in an associate
Investments
Equity securities
Government securities
Debt securities
Term deposits
Open-ended mutual funds
Insurance / reinsurance receivables
Derivative financial instrument
Other loans and receivables
Taxation - payments less provision
Prepayments
Cash & Bank

Total Assets

Equity and Liabilities

Capital and reserves attributable to the Company's equity holders

Ordinary share capital
Money ceded to Waqf Fund
Surplus on revaluation of available-for-sale investments
Unappropriated profit
Retained earnings arising from business other than participating business attributable to shareholders
(Ledger account D)

Total Equity



Notes	2018	2017 (Restated)	1 January 2017 (Restated)
	(Rupees in '000)		
6	3,151,784	3,011,063	587,169
7	174,317	247,597	147,422
8	129,502	97,627	86,114
9	48,566,870	41,449,755	40,558,276
10	55,559,018	56,147,541	43,671,434
11	6,494,073	1,188,732	1,011,161
12	17,700,000	11,127,000	8,927,000
	-	-	1,394,760
13	991,149	1,086,855	538,118
14	154,605	-	-
15	762,441	1,168,775	1,380,440
	140,463	-	-
16	128,433	94,781	90,811
17	5,673,359	4,893,175	4,404,061
	139,626,014	120,512,901	102,796,766
18	793,307	793,307	721,188
	500	500	500
	(21,492)	15,090	544,802
	6,416,599	6,006,870	4,573,344
	3,152,755	2,500,955	1,825,362
	10,341,669	9,316,722	7,665,196

Kamal A. Chinoy
Chairman

Aryn Currimbhoy
Director

Shahid Ghaffar
Director

Javed Ahmed
Managing Director &
Chief Executive Officer

Lilly R. Dossabhoy
Chief Financial Officer

Statement of Financial Position

As at December 31, 2018

Liabilities

Insurance liabilities
Retirement benefit obligations
Borrowings
Premium received in advance
Insurance / reinsurance payables
Other creditors and accruals
Derivative financial instrument
Financial charges payable
Deferred taxation
Unclaimed dividend
Taxation - provision less payments

Total Liabilities

Total Equity and Liabilities

Contingencies and commitments

The annexed notes 1 to 53 form an integral part of these financial statements.

Notes	2018	2017 (Restated)	1 January 2017 (Restated)
		(Rupees in '000)	
19	122,000,509	104,941,249	91,387,760
21	842	29,407	18,275
22	1,500,000	1,500,000	-
	1,177,266	959,059	681,986
23	19,509	6,155	79,186
24	3,472,585	2,478,209	1,903,974
	-	27,193	-
	20,499	13,927	-
25	1,061,590	1,034,020	982,264
	31,545	23,750	18,639
	-	183,210	59,486
	129,284,345	111,196,179	95,131,570
	139,626,014	120,512,901	102,796,766

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Kamal A. Chinoy
Chairman



Aryn Currimbhoy
Director



Shahid Ghaffar
Director



Javed Ahmed
Managing Director &
Chief Executive Officer



Lilly R. Dossabhoy
Chief Financial Officer

Profit and Loss Account

For the year ended December 31, 2018

Premiums / Contributions Revenue
Premiums / Contributions ceded to reinsurers
Net premiums / contributions revenue

Fee income
Investment income
Net realised fair value gains / (losses) on financial assets
Net fair value loss on financial assets at fair value through profit or loss
Other income

Net income

Insurance benefits
Recoveries from reinsurers
Claims related expenses
Net insurance benefits

Net Change in insurance liabilities (other than outstanding claims)
Acquisition expenses
Marketing and administration expenses
Other expenses
Total expenses

Realized loss on derivative financial instrument
Unrealized gain / (loss) on derivative financial instrument
Finance cost

Results of operating activities

Share of profit of associate
Profit before tax (refer note below)

Income tax expense
Profit for the year

Earnings (after tax) per share - Rupees

The annexed notes 1 to 53 form an integral part of these financial statements.

Note: Profit before tax is inclusive of the amount of the profit before tax of the Shareholders' Fund, the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund based on the advice of the Appointed Actuary, and the undistributed surplus in the Revenue Account of the Statutory Funds which is inclusive of the solvency margins maintained in accordance with the Insurance Rules, 2017. For details of the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund aggregating to Rs.2,660 million (2017: Rs.3,165 million), please refer to note 43.1, relating to Segmental Information - Revenue Account by Statutory Fund.

Notes	2018	2017 (Restated)
	(Rupees in '000)	
	51,887,073	46,816,891
	(1,216,101)	(910,996)
27	50,670,972	45,905,895
28	41,808	49,838
29	7,564,517	5,959,850
30	267,071	(1,829,697)
31	(9,744,798)	(8,147,144)
32	196,675	152,560
	(1,674,727)	(3,814,593)
	48,996,245	42,091,302
	17,294,771	14,015,203
	(985,886)	(1,050,959)
	6,844	5,472
33	16,315,729	12,969,716
	16,349,025	12,902,620
34	9,795,739	8,506,503
35	2,776,756	2,510,813
36	29,669	30,685
	28,951,189	23,950,621
	(25,200)	(17,237)
	181,798	(27,193)
37	(120,491)	-
	36,107	(44,430)
	3,765,434	5,126,535
	9,917	8,971
	3,775,351	5,135,506
38	(1,345,020)	(1,873,669)
	2,430,331	3,261,837
39	30.64	41.12

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Statement of Comprehensive Income

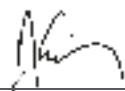
For the year ended December 31, 2018

	Notes	2018	2017 (Restated)
		(Rupees in '000)	
Profit for the year - as per Profit and Loss Account		2,430,331	3,261,837
Other comprehensive income:			
Items that may be reclassified to profit and loss in subsequent periods:			
Currency translation differences (related to net investment in foreign currency)	8	24,559	5,530
Related deferred tax on currency differences		(5,440)	(1,659)
Change in unrealised losses on available-for-sale financial assets		(11,368)	(107,837)
Reclassification adjustment relating to available-for-sale investments sold during the year		(40,459)	(648,895)
		(51,827)	(756,732)
Related deferred tax		15,245	227,020
Change in unrealised losses on available-for-sale financial assets - net of deferred tax		(36,582)	(529,712)
		(17,463)	(525,841)
Items that will not be reclassified to profit and loss account in subsequent periods:			
Actuarial gains / (losses) on retirement benefit schemes	21	1,986	(24,446)
Related deferred tax		(1,620)	7,334
Other comprehensive income for the year - net of tax		(17,097)	(542,953)
Total comprehensive income for the year		2,413,234	2,718,884

The annexed notes 1 to 53 form an integral part of these financial statements.



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Chief Executive Officer



Lilly R. Dossabhoy
Chief Financial Officer

Cash Flow Statement

For the year ended December 31, 2018

Operating Cash flows

(a) Underwriting activities

Insurance premium received

Reinsurance premium paid

Claims paid

Surrenders paid

Reinsurance and other recoveries received

Commission paid

Commission received

Marketing and administrative expenses paid

Other acquisition cost paid

Net cash flow from underwriting activities

(b) Other operating activities

Income tax paid

Other operating payments

Other operating receipts

Unsecured advances paid to employees

Recovery of unsecured advances to employees

Net cash flow from other operating activities

Total cash flow from all operating activities

Investment activities

Profit / return received

Dividend received

Payment for investments

Proceeds from disposal of investments

Fixed capital expenditure

Proceeds from sale of property and equipment

Total cash flow from investing activities

2018	2017 (Restated)
..... (Rupees in '000)	
52,125,532	47,256,162
(1,263,998)	(1,061,586)
(6,342,484)	(4,713,512)
(10,248,896)	(8,956,642)
1,061,340	671,666
(7,668,840)	(6,015,514)
61,251	46,267
(3,834,472)	(2,447,937)
(543,482)	(1,913,264)
23,345,951	22,865,640
(1,306,177)	(1,189,930)
434,383	(40,324)
30,983	532,130
(161,344)	(158,375)
155,461	148,618
(846,694)	(707,881)
22,499,257	22,157,759
6,191,715	4,527,143
1,942,714	1,592,009
(290,215,186)	(141,137,735)
276,297,941	117,867,513
(468,963)	(2,864,822)
27,117	13,345
(6,224,662)	(20,002,547)

Cash Flow Statement

For the year ended December 31, 2018

Financing activities

Loan received

Dividends paid

Financial charges paid

Total cash flow from financing activities

Net cash flow from all activities

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

Reconciliation to Profit and Loss Account

Operating cash flows

Depreciation expense

Amortisation expense

Share of profit from associate

Profit on disposal of property and equipment

Increase in assets other than cash

(Increase) in liabilities

Profit / (loss) on sale of investments

Revaluation loss on investments

Investment income

Financial charges paid

Profit after taxation

2018	2017 (Restated)
..... (Rupees in '000)	
-	1,500,000
(1,380,492)	(1,062,247)
(113,919)	(53,851)
(1,494,411)	383,902
14,780,184	2,539,114
8,593,175	6,054,061
23,373,359	8,593,175
22,499,257	22,157,759
(266,075)	(224,423)
(115,766)	(105,174)
9,917	8,971
7,435	2,189
489,184	387,096
(18,080,365)	(14,834,692)
267,069	(1,177,231)
(9,728,155)	(8,979,327)
7,461,750	6,080,520
(113,920)	(53,851)
2,430,331	3,261,837

The annexed notes 1 to 53 form an integral part of these financial statements.

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Chief Financial Officer

Statement of Changes In Equity

For the year ended December 31, 2018

Balance as at January 01, 2017 - as reported

Effect of change in accounting policy for revenue account - ledger account D balance
Money ceded to Waqf Fund
Capital contribution to statutory funds - eliminated
Effect of changes in accounting policies for investments
Tax effect of changes in accounting policies
Balance as at January 01, 2017 - restated

Total comprehensive income for the year - restated

Profit for the year - restated
Other comprehensive income for the year - net of tax - restated

Transactions with the owners recorded directly in equity

Final cash dividend for the year ended December 31, 2016 @ 115% (Rs. 11.50 per share)
Issue of Bonus shares for the year ended December 31, 2016 @ 10%
Interim dividend for the half year ended June 30, 2017 @ 30% (Rs. 3.00 per share)
Surplus for the year retained in statutory funds - net of tax

Balance as at December 31, 2017 - restated

Total comprehensive income for the year

Profit for the year
Other comprehensive income for the year - net of tax

Transactions with the owners recorded directly in equity

Final cash dividend for the year ended December 31, 2017 @ 145% (Rs. 14.50 per share)
Interim cash dividend for the half year ended June 30, 2018 @ 30% (Rs. 3.00 per share)
Surplus for the year retained in statutory funds - net of tax

Balance as at December 31, 2018

Note: This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 (previously the SEC Insurance Rules, 2002) to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business.

The annexed notes 1 to 53 form an integral part of these financial statements.



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Chief Executive Officer



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Chief Financial Officer

Attributable to equity holders of the Company

Share capital	Unappropriated profit	Money ceded to Waqf Fund	Surplus on revaluation of available-for-sale investments	Retained earnings arising from business other than participating business attributable to shareholders (Ledger Account D) Refer note	Total
(Rupees in '000)					
721,188	4,348,344	-	-	-	5,069,532
-	-	-	-	2,821,624	2,821,624
-	-	500	-	-	500
-	225,000	-	-	(225,000)	-
-	-	-	567,501	3,203	570,704
-	-	-	(22,699)	(774,465)	(797,164)
721,188	4,573,344	500	544,802	1,825,362	7,665,196
-	3,261,837	-	-	-	3,261,837
-	(13,241)	-	(529,712)	-	(542,953)
-	3,248,596	-	(529,712)	-	2,718,884
-	(829,366)	-	-	-	(829,366)
72,119	(72,119)	-	-	-	-
-	(237,992)	-	-	-	(237,992)
-	(675,593)	-	-	675,593	-
72,119	(1,815,070)	-	-	675,593	(1,067,358)
793,307	6,006,870	500	15,090	2,500,955	9,316,722
-	2,430,331	-	-	-	2,430,331
-	19,485	-	(36,582)	-	(17,097)
-	2,449,816	-	(36,582)	-	2,413,234
-	(1,150,295)	-	-	-	(1,150,295)
-	(237,992)	-	-	-	(237,992)
-	(651,800)	-	-	651,800	-
-	(2,040,087)	-	-	651,800	(1,388,287)
793,307	6,416,599	500	(21,492)	3,152,755	10,341,669

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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



Incase requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012, shall prevail.

2.1 Basis of measurement

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

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

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

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

2.2 Functional and presentation currency

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards effective during the year

The standards, amendments and interpretations of accounting and reporting standards were effective for accounting periods beginning on or after January 1, 2018 and were applied for the first time during the year. These standards / amendments did not have any impact on the financial statements except the application of Insurance Accounting Regulations, 2017 and Insurance Rules, 2017.

The Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 became effective from January 1, 2018. The following changes have been brought about by the application of the Insurance Accounting Regulations, 2017 and the Insurance Rules, 2017, the impacts of which are disclosed in note 5 to the financial statements:

- A new format of financial statements has been prescribed where statement of comprehensive income has been added and revenue account, statement of premiums / contributions, statement of claims, statement of expenses and statement of investment income have been done away with;

- Full premiums and claims of insurance business are now being recorded in profit and loss account. Previously only surplus as recommended by the appointed actuary was included in profit and loss account; and
- The accounting policies for investments have been brought in line with requirements of IAS 39 Financial Instruments: Recognition and Measurement. Previously these investments were valued at lower of cost or market value. The new policies are set out in note 3.11.

In addition, the Companies Act, 2017 also became effective for the financial statements for the year ended December 31, 2018. As the Company's financial statements are prepared in accordance with the format prescribed by Insurance Rules, 2017, it did not have a direct impact on the financial statements except that for disclosure of related parties transactions, as required by fourth schedule of the Companies Act, 2017 the definition of related parties as given in IAS 24 - Related parties has been followed.

2.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following IFRS, amendments and interpretations will be effective for accounting periods beginning on or after January 1, 2019:


- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 1, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after July 1, 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The adoption of the standard is not likely to have an impact on Company's financial statements.
- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after July 1, 2018 and January 1, 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. However the Company has opted for temporary exemption available from adoption of IFRS 9 under IFRS 4 as explained below. Therefore, IFRS 9 will be adopted together with adoption of IFRS 17.
- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after July 1, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 1, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

- IFRS 16 'Leases' (effective for annual periods beginning on or after January 1, 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, the development of the Company's leases portfolio, the Company's assessment of whether it will exercise any lease renewal options and the extent to which the Company chooses to use practical expedients and recognition exemptions. The nature of expenses related to these leases will now change because IFRS 16 replaces the straight line operating lease expense with a depreciation charge for right-of-use assets and profit expense on lease liabilities.

The Company plans to apply IFRS 16 initially on January 1, 2019, using a modified retrospective approach. Based on Company's initial assessment as at January 1, 2019, the Company is estimated to record a right-of-use assets and lease liability of around Rs. 900 million.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after January 1, 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 1, 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.
- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual periods beginning on or after January 1, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 1, 2020). The amendments are intended to make the definition of material in



IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS.

Annual Improvements to IFRS 2015 - 2017 Cycle - the improvements address amendments to following accounting and reporting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual periods beginning on or after January 1, 2019 and are not likely to have an impact on the Company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies and methods of computation adopted in the preparation of these financial statements are consistent with those of the previous financial year, with the exception of the changes brought about by application of Insurance Accounting Regulations, 2017 and Insurance Rules, 2017, as explained in note 2.3 above.

3.2 Property and equipment

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

Subsequent costs

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

Borrowing costs

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

Depreciation

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

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

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

Gains and losses on disposal

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

Capital work in progress

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

3.3 Intangible assets


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

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

3.4 Types of Insurance / Window Takaful Operations

a) Individual life unit linked

Individual life contracts are mainly regular premium unit linked policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Family Income Benefit, etc.) are also sold along with the basic policies. Some of these riders are



charged through deductions from policyholders' fund value, while others are conventional i.e. additional premium is charged there against. Policies are sold to a wide cross-section of population with different income levels. The risk underwritten is mainly death and sometimes disability and/or critical illness. This business is written through two distribution channels, namely, the direct sales force and bancassurance.

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

b) Conventional business

i) Individual life conventional business

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

ii) Group life business

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

c) Accident & health business

i) Individual accident & health business

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

ii) Group health business

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

d) Overseas group life and health business

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

e) Family Takaful Contracts

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

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In case there is a deficit in the Waqf Fund, the Window Takaful Operator shall grant an interest free loan (Qard-e-Hasna) to make good the deficit. The loan shall be repayable from the future surpluses generated in the Waqf Fund, without any excess of the actual amount given to it. Repayment of Qard-e-Hasna shall receive priority over surplus distribution to Participants from the Waqf Fund. The detailed disclosures of window takaful operations are presented in note 45.

i) Individual Family Takaful Contracts Unit - Linked

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

ii) Group Family Takaful

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

iii) Accident & Health Family Takaful

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

3.5 Recognition of Policyholders' liabilities / Technical Reserves

a) Individual life unit linked

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



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

- Incurred But Not Reported (IBNR) claims

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

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

- Unearned premium and premium deficiency reserve

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

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

b) Conventional business

i) Individual life conventional

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

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

- Incurred But Not Reported (IBNR) claims
- IBNR reserves for riders are held as a percentage of rider premium earned in the valuation year in view of grossly insufficient claims experience.

- Unearned premium and premium deficiency reserve
- Unearned Premium Reserves (UPR) methodology is applied to rider premium to arrive at riders' reserves. The rider premium proportionate to the unexpired duration of the period for which the respective premiums have been received are held as unearned premium reserves.
- Tests are conducted periodically on the basis of gross premium valuation to confirm the adequacy of reserves kept on modified net premium basis. For riders, there is no requirement to hold premium deficiency reserves since these maintain very reasonable claims ratios.

ii) **Group life business**

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

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



c) Accident & health business

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

- Incurred But Not Reported (IBNR) claims

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

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

- Unearned premium and premium deficiency reserve

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

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

d) Overseas group life and health fund

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


- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

The unearned premium reserve can deem to become insufficient if either there is gross deterioration in mortality, sudden worsening of morbidity, occurrence of a catastrophic event, reduction in asset value on potential encashment of assets or inflationary increase



in claims. No requirement for holding premium deficiency reserve was found at present since the portfolio has a good combined ratio and the average claims have been low in spite of overall inflation.

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

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

f) Reserve for unearned contribution - Takaful Contracts

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

g) Contribution Deficiency Reserve - Takaful Contracts

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

h) Technical Reserves

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

3.6 Reinsurance / Retakaful contracts held

3.6.1 Conventional

Reinsurance premiums

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

Claim recoveries

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



Experience refund of premium

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

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

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

3.6.2 Takaful

Retakaful Contribution

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

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

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

Retakaful Expenses

Retakaful expenses are recognized as a liability.

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

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

3.7 Receivables and payables related to insurance contracts

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

3.8 Operating Segments

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

The Company has five operating segments for reporting purposes namely; Individual life unit linked, Conventional business, Accident & Health, Overseas Group Life & Health and the Window Takaful Operations. The details of all operating segments are described in note 43 to these financial statements.

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

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

3.9 Cash and cash equivalents

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

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

3.10 Revenue recognition

3.10.1 Premiums

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

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

3.10.2 Contributions

i) Individual Life Family Takaful

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

ii) Group Family Takaful

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

ii) Accident & Health Family Takaful

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

3.10.3 Reinsurance commission

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

3.10.4 Experience refund of premium

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

3.10.5 Other revenue recognition

Mark-up / Interest

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

Dividends

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

3.11 Investments

Classification

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

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

Initial recognition


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

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

Subsequent measurement

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

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



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

Investment in an associate - equity method


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

Fair / market value measurements

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

3.12 Reclassification of Available-for-sale portfolio of unit linked funds

The investment portfolios of the unit linked funds of the Individual Life Unit Linked Fund and the Individual Family Takaful Fund were earlier classified by the Company under the "Available-for-sale" (AFS) category. As per the requirements of International Accounting Standard IAS-39 "Financial Instruments - Recognition and Measurement" which was revised effective from January 1, 2005, the option of taking the revaluation gains / (losses) on the available-for-sale securities to income / revenue account was deleted and all such gains / (losses) were to be taken directly into the Other Comprehensive Income Statement. However, the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2002, now repealed through the Insurance Rules, 2017, had prescribed the format of presentation and disclosure of financial statements, according to which the Statutory Funds had no equity accounts and resultantly, the valuation gains / (losses) on the AFS portfolios were recorded in the Revenue Account, through Statement of Investment Income of the Statutory Funds.



However, following the implementation of the Insurance Accounting Regulations, 2017, Regulation 11 requires that investments in statutory funds shall be classified in accordance with the requirements of the IFRS, ensuring that there is no accounting mismatch arising as a result of inconsistency in valuation of investments and liabilities of the statutory funds. Hence, the investment portfolio of the unit linked funds of the Individual Life Unit Linked Fund and the Individual Family Takaful Fund classified under the AFS category has been reclassified as fair value through profit or loss to avoid inconsistency in value of investments and liabilities of these businesses.

3.13 Off-setting of financial assets and financial liabilities

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

3.14 Provisions

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

3.15 Taxation

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

Current

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

Deferred

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

3.16 Staff retirement benefits

3.16.1 Defined benefit plan

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

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

3.16.2 Defined contribution plan

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

3.16.3 Accumulated compensated absences

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

3.17 Impairment of Assets

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

3.18 Others

3.18.1 Acquisition cost

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

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

3.18.2 Claim expenses

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

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

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

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

3.18.3 Statutory funds

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

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

3.18.4 Takaful Operator's Fee

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

3.18.5 Foreign currencies

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

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

3.18.6 Financial assets and liabilities

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

3.18.7 Borrowings

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

3.18.8 Derivative Financial Instruments

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

3.18.9 Dividend and appropriation to reserves

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

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates relating to insurance contracts are based on the advice of the appointed actuary. Some of the critical accounting estimates and judgments are as follows:

4.1 Policyholders' liabilities / technical reserves

4.1.1 Valuation discount rate

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

4.1.2 Mortality assumption

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

4.1.3 Claims

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

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

4.1.4 Surrenders

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

4.2 Income taxes

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

4.3 Impairment in respect of listed securities

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

5 CHANGE IN ACCOUNTING POLICY - ADOPTION OF INSURANCE ACCOUNTING REGULATIONS, 2017

The changes in accounting policies have been applied retrospectively. The effect of the significant changes in accounting policies on the current and prior period financial statements are summarized below:

	2018	2017
	(Rupees in '000)	
Impact on Statement of Financial Position		
(Decrease) / increase in Investments	(51,827)	69,519
Increase in deferred tax liability	1,083,114	1,067,131
Increase in Equity - Ledger Account D balance	3,152,755	2,500,955
Impact on Profit and Loss Account		
Increase in Profit before tax	631,402	965,134
(Decrease) / increase on current taxation	(20,398)	289,540
Increase in profit after tax	651,800	675,594
(Decrease) in Other Comprehensive Income	(17,097)	(542,953)
Increase in EPS - Rupees per share	8.22	8.52

- 5.1** As explained in note 3.2, under the Insurance Accounting Regulations, 2017, the concept of Statutory Fund has been done away with for the purpose of published financial statements and accordingly, full surplus arising on the insurance business is taken to the profit and loss account. There is no change however, in the Fourth Schedule to Income Tax Ordinance, 2001 (ITO, 2001), and accordingly, the amount subject to tax will be restricted to surplus appropriated to shareholders fund from ledger account 'D' as recommended by the appointed actuary. As advised by the Securities and Exchange Commission of Pakistan, vide letter no. ID/PRDD/IAP/2018/17030 dated November 2, 2018, the Company has made a provision for deferred taxation on the retained surplus in the statutory funds, including solvency margins, as required under IAS 12 - Income Taxes.
- 5.2** There is a reversal of deferred tax in 2018 due to reduction in tax rate for current and future years. The corporate tax rates according to First Schedule to the Income Tax Ordinance, 2001 notified by Finance Act, 2018 are scheduled to reduced by 1% each year to reach 25% for tax year 2023 and onwards. Super Tax enacted for rehabilitation of IDPs u/s 4B of the ITO, 2001 would also be reduce to NIL by that time.

6 PROPERTY & EQUIPMENT

Notes	2018	2017
	(Rupees in '000)	
6.1	732,016	603,011
6.2	2,419,768	2,408,052
	3,151,784	3,011,063

Operating assets
Capital work in progress

6.1 Operating Assets

	2018									
	Cost				Depreciation					
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals	As at December 31	Written down value as at December 31	Depreciation rate %
	(Rupees in '000)									
Leasehold improvements	280,334	62,110	4,653	337,791	175,784	44,589	4,653	215,720	122,071	20
Furniture and fixtures	222,238	30,195	21,564	230,869	163,355	37,668	21,548	179,475	51,394	20
Office equipment	177,642	40,650	30,260	188,032	122,121	24,018	29,962	116,177	71,855	20-33
Computer equipment	361,950	39,924	24,491	377,383	218,471	77,910	24,269	272,112	105,271	30
Vehicles	393,473	243,452	60,908	576,017	152,895	83,459	41,762	194,592	381,425	20
	1,435,637	416,331	141,876	1,710,092	832,626	267,644	122,194	978,076	732,016	
	2017									
	Cost				Depreciation					
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals	As at December 31	Written down value as at December 31	Depreciation rate %
	(Rupees in '000)									
Leasehold improvements	224,146	56,802	614	280,334	133,597	42,787	600	175,784	104,550	20
Furniture and fixtures	183,876	43,758	5,396	222,238	138,482	30,136	5,263	163,355	58,883	20
Office equipment	161,113	19,438	2,909	177,642	104,750	20,072	2,701	122,121	55,521	20-33
Computer equipment	236,277	150,908	25,235	361,950	166,186	75,654	23,369	218,471	143,479	30
Vehicles	285,521	134,827	26,875	393,473	113,732	57,105	17,942	152,895	240,578	20
	1,090,933	405,733	61,029	1,435,637	656,747	225,754	49,875	832,626	603,011	

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

	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	(Rupees in '000)					
Computer equipment	60	30	30	-	Sale	Mr. Muhammad Ali Ameen, House A-43, Block 13-D, Gulshan e Iqbal, Karachi
	60	30	30	-		
Vehicles	2,447	367	367	-	Company Policy	Mr. Shan Rabbani, House # 63-Q, Block-2, PECHS, Karachi
	2,447	367	367	-	Company Policy	Mr. Farhan Akhtar Faridi, House B-2/3, Maymar Heights, Block 14, Gulshan e Iqbal, Near Mashriq Centre, Karachi
	1,828	895	1,005	110	Company Policy	Mr. Munawar Khalil, House # 11-C, Street 7, Phase 1, DHA, Karachi
	2,217	333	333	-	Company Policy	Mr. Faisal Qasim, House No: 11-A, Block-3, Overseas Co-op. Housing Society, Alamgir Road, Karachi
	3,000	875	950	75	Company Policy	Mr. Muhammad Ali Ameen, House A-43, Block 13-D, Gulshan e Iqbal, Karachi
	1,814	632	786	154	Company Policy	Mr. Abbas Tirmizey, Flat # SF-3, Block 30, Sea View Township, Phase 5, DHA, Karachi
	2,156	751	898	147	Company Policy	Mr. Syed Rizwan Aziz, House # 27, Street 9, Misrail Road, Rawalpindi
	2,000	300	300	-	Company Policy	Mr. Syed Rehan Ahmed, Banglow # 296, Block 15, Gulistan e Johar, Karachi
	1,500	310	325	15	Company Policy	Mr. Abdul Rasheed Shoro, House # 1449, Street # 2, Khar Para, Mirpurkhas
	1,752	759	935	176	Company Policy	Mr. Muhammad Anwar, Flat C-4/32, 3rd Floor, Rabia City Apartments, Gulistan e Johar, Karachi
	1,500	225	225	-	Company Policy	Mr. Sajid Rahim, House # 5C, 17/9, Nazimabad, Karachi
	1,250	188	188	-	Company Policy	Mr. M.Imran Chohan, House # R-74, Rehman Villas, Scheme 33, Main University, Karachi
	23,911	6,002	6,679	677		
Office equipment	61	-	-	-	Obsoleted	Mr. Muhammad Ali Ameen, House A-43, Block 13-D, Gulshan e Iqbal, Karachi
	73	22	-	(22)	Obsoleted	Mr. Adeel Ahmed, House B449, Block B, FB Area Karachi
	75	67	65	(2)	Sale	Mr. Syed Rizwan Aziz, House # 27, Street 9, Misrail Road, Rawalpindi
	209	89	65	(24)		

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

Insurance Claims received / receivable from Related party:

Computer equipment	75	58	62	4	Insurance Claim	Jubilee General Insurance Company Limited
	64	58	58	-	Insurance Claim	Jubilee General Insurance Company Limited
	11	3	3	-	Insurance Claim	Jubilee General Insurance Company Limited
	60	37	37	-	Insurance Claim	Jubilee General Insurance Company Limited
	210	156	160	4		
Vehicles	758	543	675	132	Insurance Claim	Jubilee General Insurance Company Limited
	758	556	675	119	Insurance Claim	Jubilee General Insurance Company Limited
	657	117	505	388	Insurance Claim	Jubilee General Insurance Company Limited
	703	539	539	-	Insurance Claim	Jubilee General Insurance Company Limited
	1,500	1,318	1,325	7	Insurance Claim	Jubilee General Insurance Company Limited
	732	610	610	-	Insurance Claim	Jubilee General Insurance Company Limited
	5,108	3,683	4,329	646		
Office equipment	76	51	59	8	Insurance Claim	Jubilee General Insurance Company Limited
	88	66	77	11	Insurance Claim	Jubilee General Insurance Company Limited
	72	14	55	41	Insurance Claim	Jubilee General Insurance Company Limited
	236	131	191	60		

Net Book Value less than 50,000.

Vehicles	3,344	-	1,578
Office equipment	29,816	78	1,073
Computer equipment	22,842	36	252
Leasehold improvement	1,779	-	79
Furniture and fixtures	21,564	16	436
	79,345	130	3,418

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

	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	(Rupees in '000)					
Vehicles	1,375	1,100	1,375	275	Company Policy	Mr. Arif Zahoor, House # 1384, Street 89, Sector I-10, Islamabad
	1,100	697	917	220	Company Policy	Dr. Muzna Asrar, Flat # 502, Floor 5th, Block 6, Al-Kamran Centre, PECHS, Karachi
	1,500	1,125	1,500	375	Company Policy	Ms. Saima Nadeem, House # L-55 56, Haroon Banglows, Phase 2, Scheme 33, Safora Chowk, Karachi
	1,500	1,050	1,350	300	Company Policy	Mr. Babar Mahmood, House # R-86, Block 15, FB Area, Karachi
	1,000	150	150	-	Company Policy	Mr. M.Waseem Ahmed, House E85/2, Street # 1, Qadri Colony, Walton Road, Lahore Cantt, Lahore
	1,250	188	188	-	Company Policy	Mr. Muhammad Kashif Noor, House E-311/B, Rabbai Road, Nishat Colony, Lahore Cantt, Lahore
	1,250	187	187	-	Company Policy	Mr. Saad Islam Jarrar, House # 128, Nizami Block, Allama Iqbal Town, Lahore
	1,000	150	150	-	Company Policy	Mr. Safdar Raza, House # B4, Block 20, FB Area, Karachi
	1,500	225	225	-	Company Policy	Mr. Shahneel Ahmed, House # 86, Street # 118, Sector I-10/4, Islamabad
	1,500	225	225	-	Company Policy	Mr. Sher Ali, P/O Oshikhandas, Tehsil District Gilgit
	1,250	187	187	-	Company Policy	Mr. Zia Munis Shehzad, House #281/185 RH Writer's Colony, Masoom Shaheed Road, Bahar Chowk, Multan
	1,000	150	150	-	Company Policy	Mr. Asif Akber Ali, Flat # 604, 3E/2, Al Kausar Welfare Trust, Nazimabad 3, Karachi
	1,500	247	250	3	Company Policy	Mr. Faisal Sohail, House # 186/1, Street 40, Office Khayaban e Ittehad, Phase 6, DHA, Karachi
	1,500	225	225	-	Company Policy	Mr. Imtiaz Ahmed, House # 2702/1, Bilal Town, GT Road, Peshawar City, Peshawar
	1,250	771	1,021	250	Company Policy	Mr. Kaleemullah Siyal, House A-733, Phase 2, Gulshan e Hadeed, Bin Qasim Town, Karachi
	1,250	667	917	250	Company Policy	Mr. Qazi Irfan Aslam, House 2632/26, Street 4, Mohallah Rahim Colony, Nishtar Road, Multan
	1,500	437	625	188	Company Policy	Mr. Sheikh Waheed Ali, House # KK-244, Street 1, Rafiqabad, P/O Raja Town, Rawalpindi
	1,500	225	225	-	Company Policy	Mr. Usman Butt, House # B-198, Block 13D/1, Gulshan e Iqbal, Karachi
	1,250	104	354	250	Company Policy	Mr. Zahoor Ahmed, Rehman Housing Society, Near Huziafa Masjid Babu Gari, Stop Warsak Road, Peshawar
	1,250	188	187	(1)	Company Policy	Mr. Bilal Umer, House # 124-Sahi Colont 49-Tail, Sargodha
	1,099	756	916	160	Company Policy	Mr. Muhammad Farhan, Flat # 202, plot # 93-94, Garden View Appartments, KMCHS, Karachi
	1,220	407	667	260	Company Policy	Ms. Sumaira Tahir, House # 9, Hazim Uddin Road, Sector F-10/4, Islamabad
	28,544	9,461	11,991	2,530		
Computer hardware	1,379	-	142	142	Traded in	Wateen Solutions (Pvt) LTD. 6th Floor, Parsa Tower , Plot # 31-I-A,Block 6, PECHS, Main Shahra-e-Faisal, Karachi
	1,379	-	142	142		
Leasehold improvement	1,874	-	59	59	Auction	Mr. Sarfraz Ahmed , Office Suite # 23 Flak Naz Tower Opposite Jinnah Terminal, Karachi
	1,000	-	55	55	Auction	Hasan Enterprise, 183-Gulshan Block, Allama Iqbal Town, Lahore
	2,874	-	114	114		

6.1.3 The tangible assets (note 6.1) include items costing Rs. 484.25 million (2017: 393.98 million) which are fully depreciated as of December 31, 2018 but are still in active use.

6.1.4 The tangible assets (note 6.1) include items costing Rs. 0.75 million (2017: Nil) are placed in the third parties locations.

6.2 Capital Work-in-Progress

Opening balance

Additions

Leasehold Land and Building

Others

Transfer to asset

Closing balance

Note	2018	2017
	(Rupees in '000)	
6.2.1	2,408,052	152,983
	1,606	2,371,196
	125,164	192,131
	(115,054)	(308,258)
	2,419,768	2,408,052

6.2.1 In 2017, the Company purchased an immovable property for the purpose of construction of the Company's Head Office building thereon, against a long term finance facility from Habib Bank Limited (HBL), as more explained in detail in note 22.1 to the financial statements. The property is currently mortgaged to the HBL as a security against the financing facility, as well as deposit of the title deeds in respect of the property in favour of the HBL, up to the amount of Rs. 2,000 million.

7 INTANGIBLE ASSETS

		Cost				Amortisation				Written down value as at December 31	Amortisation period
		As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals	As at December 31		
7.1	Computer softwares & licences	(Rupees in '000)									
		479,874	42,489	2,188	520,175	232,277	115,767	2,186	345,858	174,317	40 months
	As At December 31, 2018	479,874	42,489	2,188	520,175	232,277	115,767	2,186	345,858	174,317	
	As At December 31, 2017	277,965	205,376	3,467	479,874	130,543	105,201	3,467	232,277	247,597	40 months

7.2 The intangible assets include items costing Rs.169.46 million (2017: Rs. 55.151 million) which are fully amortised as of December 31, 2018 but are still in active use.

8 INVESTMENT IN AN ASSOCIATE

8.1 Particulars of investment in an associate - unquoted

Name of associate	2018	2017	Face value	Percentage	Main area	Nature of	2018	2017
	Number of shares		per share	of holding	of Operations	Activities	(Rupees in '000)	
			(KGS)					
Jubilee Kyrgyzstan Insurance Company - CJSC (Incorporated outside Pakistan)	29,250,000	29,250,000	1	19.5	Kyrgyzstan	Insurance	129,502	97,627

In 2014, the Company invested Rs. 43.88 million to acquire a 19.5% holding in Jubilee Kyrgyzstan Insurance Company (JKIC), a Closed Joint Stock Company (CJSC), incorporated in the Republic of Kyrgyzstan. In 2016, the Company made additional investment of Rs. 29.187 million to subscribe to 19,143,309 right shares after obtaining necessary approvals from the members of the Company, and the State Bank of Pakistan. The total holding of the Company, in terms of no. of shares of JKIC, is 29.25 million shares.

JKIC is considered as an associate because of the significant influence the Company is able to exercise over its management and its financial and operating policies. Significant influence is evidenced largely through the representation on the board of directors of the company and participation in the decisions over its financial and operating policies.

8.2 Movement of investment in associate

	2018	2017
	(Rupees in '000)	
Balance as at January 1, 2018	97,627	86,114
Share in profit for the year	9,917	8,971
Dividend received	(2,601)	(2,988)
	104,943	92,097
Exchange gain	24,559	5,530
Balance as at December 31, 2018	129,502	97,627

8.3 The following information has been summarized based on the financial statements of Jubilee Kyrgyzstan Insurance Company (JKIC) as at December 31, 2018 (audited). The functional and presentation currency of JKIC is Kyrgyz Som. All assets and liabilities for each statement of financial position presented have been translated at the closing rate at the date of financial statements and all income and expenses for each statement presenting profit and loss (i.e. including comparatives) have been translated at average rate.

Name

Jubilee Kyrgyzstan Insurance Company

December 31, 2018

Jubilee Kyrgyzstan Insurance Company

December 31, 2017

Country of Incorporation

Kyrgyzstan

Kyrgyzstan

Assets Liabilities Revenues Total Comprehensive Income % interest held

795,813 177,912 93,849 50,856 19.50%

795,813 177,912 93,849 50,856 19.50%

597,777 133,180 66,878 46,004 19.50%

597,777 133,180 66,878 46,004 19.50%

9 INVESTMENTS IN EQUITY SECURITIES

At fair value through profit or loss
Available-for-sale

Notes	2018	2017 (Restated)
 (Rupees in '000)	
9.1	47,615,126	40,765,555
9.2	951,744	684,200
	48,566,870	41,449,755

9.1 AT FAIR VALUE THROUGH PROFIT OR LOSS

Related parties

Listed shares

Others

Listed shares

2018			2017 (Restated)		
Cost	impairment / provision	Carrying value	Cost	impairment / provision	Carrying value
2,366,537	-	1,568,861	2,111,403	-	1,291,104
54,700,265	-	46,046,265	46,236,736	-	39,474,451
57,066,802	-	47,615,126	48,348,139	-	40,765,555

9.2 AVAILABLE-FOR-SALE

Related parties

Listed shares

Others

Listed shares

2018			2017 (Restated)		
Cost	impairment / provision	Carrying value	Cost	impairment / provision	Carrying value
35,942	-	51,474	35,942	-	68,621
1,187,032	237,251	900,270	709,300	72,849	615,579
1,222,974	237,251	951,744	745,242	72,849	684,200

10 GOVERNMENT SECURITIES

Held to maturity
At fair value through profit or loss
Available-for-sale

Notes	2018	2017 Restated
	(Rupees in '000)	
10.1 / 10.4	19,969	19,957
10.2 / 10.5	45,349,920	46,512,729
10.3 / 10.6	10,189,129	9,614,855
	55,559,018	56,147,541

10.1 Held to maturity

15 Years Pakistan Investment Bonds
20 Years Pakistan Investment Bonds

10.2 At fair value through profit or loss

5 Years Pakistan Investment Bonds
20 Years Pakistan Investment Bonds
03 Months Treasury Bills
3 Years GoP Ijara
3 Years GoP Ijara
3 Years GoP Ijara
8 Years WAPDA Bond

2018				
Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value
(Rupees in '000)				
2019	10.23%	9,998	10,000	9,998
2024	12.71%	9,971	10,000	9,971
		19,969	20,000	19,969
2019	10.62%	546,495	523,700	526,040
2024	12.77%	54,746	50,000	44,680
2019	4.40%	42,819,692	42,850,000	42,832,860
2019	5.81%	298,150	300,000	300,060
2019	6.83%	100,000	100,000	99,680
2020	6.51%	1,444,990	1,447,000	1,421,099
2021	9.41%	127,615	162,857	125,501
		45,391,688	45,433,557	45,349,920
2024	12.77%	36,065	36,000	32,170
2019	4.40%	9,093,525	9,100,000	9,096,360
2019	6.83%	49,975	50,000	49,840
2019	5.81%	363,102	362,500	362,573
2020	6.51%	649,582	660,000	648,186
		10,192,249	10,208,500	10,189,129

10.3 Available-for-sale

20 Years Pakistan Investment Bonds
03 Months Treasury Bills
3 Years GoP Ijara
3 Years GoP Ijara
3 Years GoP Ijara

10.4 Held to maturity

15 Years Pakistan Investment Bonds
20 Years Pakistan Investment Bonds

10.5 At fair value through profit or loss

03 Months Treasury Bills
03 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
3 Years Pakistan Investment Bonds
5 Years Pakistan Investment Bonds
5 Years Pakistan Investment Bonds
20 Years Pakistan Investment Bonds
3 Years GoP Ijara
3 Years GoP Ijara
3 Years GoP Ijara
8 Years WAPDA Bond

10.6 Available-for-sale

03 Months Treasury Bills
03 Months Treasury Bills
03 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
06 Months Treasury Bills
12 Months Treasury Bills
3 Years Pakistan Investment Bonds
5 Years Pakistan Investment Bonds
10 Years Pakistan Investment Bonds
20 Years Pakistan Investment Bonds
3 Years GoP Ijara
3 Years GoP Ijara

		2017		
Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value
(Rupees in '000)				
2019	9.08%	9,990	10,000	9,990
2024	10.04%	9,967	10,000	9,967
		19,957	20,000	19,957
2018	5.98%	3,473,981	3,500,000	3,473,750
2018	5.98%	5,928,246	6,000,000	5,928,000
2018	5.99% - 6.00%	10,390,084	10,420,000	10,389,782
2018	6.00%	2,735,954	2,750,000	2,735,425
2018	6.00%	1,237,994	1,250,000	1,237,750
2018	6.00%	1,676,111	1,700,000	1,675,690
2018	6.00%	2,692,793	2,750,000	2,692,250
2018	6.00%	691,719	700,000	691,600
2018	8.26% - 9.32%	8,961,736	8,825,000	8,878,180
2018	10.66% - 14.45%	6,352,215	5,871,541	6,042,234
2019	11.46% - 11.56%	569,087	523,700	562,249
2024	10.93%	55,140	50,000	54,815
2019	5.72% - 5.75%	306,620	300,000	304,050
2019	5.39%	100,910	100,000	100,740
2020	5.22% - 5.24%	1,578,650	1,577,000	1,576,054
2021	8.07%	171,858	162,857	170,160
		46,923,098	46,480,098	46,512,729
2018	6.00%	49,855	50,000	49,855
2018	6.00%	495,113	500,000	495,100
2018	5.98%	1,488,829	1,500,000	1,488,750
2018	5.99%	822,627	825,000	822,608
2018	5.94% - 5.99%	1,492,332	1,500,000	1,492,050
2018	6.00%	489,624	500,000	489,500
2018	6.00%	741,125	750,000	741,000
2018	6.00%	490,741	500,000	490,600
2018	6.00%	808,930	824,195	808,700
2018	7.29% - 7.59%	1,570,090	1,562,600	1,572,016
2018	9.66% - 10.89%	280,371	278,459	286,554
2018	10.63%	41,048	40,000	41,520
2024	9.98%	36,074	36,000	39,466
2019	5.56% - 6.04%	368,352	362,500	367,394
2020	5.23% - 5.24%	430,077	430,000	429,742
		9,605,188	9,658,754	9,614,855

11 INVESTMENTS IN DEBT SECURITIES

Fair value through profit or loss
Available-for-sale

Notes	2018	2017 (Restated)
	(Rupees in '000)	
11.1	5,947,464	1,141,479
11.2	546,609	47,253
	6,494,073	1,188,732

11.1 At fair value through profit or loss

Note

Others

Term Finance Certificates / Corporate Sukuks 11.1

2018			2017 (Restated)		
Cost	impairment / provision	Carrying value	Cost	impairment / provision	Carrying value
(Rupees in '000)			(Rupees in '000)		
5,972,559	-	5,947,464	1,155,735	-	1,141,479
5,972,559	-	5,947,464	1,155,735	-	1,141,479

11.1.1 Term Finance Certificates / Corporate Sukuks

- Askari Bank Limited
- Bank Alfalah Limited
- Soneri Bank Limited
- Soneri Bank Limited
- Bank Al Habib Limited
- United Bank Limited
- HASCOL Petroleum Limited - Sukuk
- K-Electric Limited - Sukuk
- Meezan Bank Limited - Sukuk
- Engro Fertilizers Limited - Sukuk
- Fatima Fertilizers Limited - Sukuk
- Dawood Hercules Corporation Limited - Sukuk
- Dubai Islamic Bank Pakistan Limited - Sukuk

Number of Certificates		Face Value	Carrying Value	
2018	2017		2018	2017 (Restated)
..... (Rupees in '000)				
5,000	5,000	4,992	24,835	25,028
51,994	51,994	4,989	256,860	264,119
87,360	87,360	4,994	438,059	436,887
80,000	-	5,000	400,000	-
160,000	-	5,000	800,000	-
400,000	-	5,000	2,000,000	-
46,000	46,000	3,250	152,565	201,386
20,000	20,000	3,500	70,819	92,025
960	50	1,000,000	960,066	52,261
8,000	8,000	1,750	14,000	28,673
10,000	10,000	3,000	30,261	41,100
7,000	-	100,000	699,999	-
20,000	-	5,000	100,000	-
			5,947,464	1,141,479

11.2 Available-for-sale

Others

Term Finance Certificates / Corporate Sukuks

Note	2018			2017 (Restated)		
	Cost	impairment / provision	Carrying value	Cost	impairment / provision	Carrying value
	(Rupees in '000)			(Rupees in '000)		
11.2.1	540,294	-	546,609	47,686	-	47,253
	540,294	-	546,609	47,686	-	47,253

11.2.1 Term Finance Certificates / Corporate Sukuks

- Bank Alfalah Limited
- K-Electric Limited - Sukuk
- Meezan Bank Limited - Sukuk
- Al Baraka Bank (Pakistan) Limited - Sukuk

Number of Certificates		Face Value	Carrying Value	
2018	2017		2018	2017 (Restated)
(Rupees in '000)			(Rupees in '000)	
100,000	-	5,000	507,245	-
5,000	5,000	3,500	17,705	23,006
15	15	1,000,000	15,002	15,679
15	15	428,571	6,657	8,568
			546,609	47,253

12 INVESTMENTS IN TERM DEPOSITS

Term Deposits with Banks maturing within 12 months - Held to maturity

Note	2018	2017
	(Rupees in '000)	
12.1	17,700,000	11,127,000

12.1 The rates of return on these term deposit receipts range between 8.50% to 12.00% (2017 : 5.80% to 9.00%) per annum and will mature between January 4, 2019 and March 20, 2019.

13 INSURANCE / REINSURANCE RECEIVABLES

Due from insurance contract holders
Less provision for impairment of receivables from Insurance contract holders

Due from reinsurers / retakaful
Less provision for impairment of due from reinsurers / retakaful

2018	2017
(Rupees in '000)	
614,686	640,033
(10,295)	(15,390)
604,391	624,643
386,758	462,212
-	-
386,758	462,212
991,149	1,086,855

14 DERIVATIVE FINANCIAL INSTRUMENT

Unrealized gain / (loss) on derivative financial instrument

Note	2018	2017
	(Rupees in '000)	
14.1	154,605	(27,193)

- 14.1** The Company has entered into an interest rate swap arrangement whereby the Company has converted the PKR floating rate liability as discussed in note 22.1 into fixed rate liability. The notional amount against interest rate swap amounted to Rs.1,500 million.

15 OTHER LOANS AND RECEIVABLES

Accrued investment income
Investment income due but outstanding
Due from brokers
Security deposits
Advances to suppliers
Unsecured advances to employees
Other receivables

Note	2018	2017
	(Rupees in '000)	
	290,747	905,964
	-	57,463
	31,142	-
	93,434	50,020
	84,800	86,332
	24,792	18,909
	237,526	50,087
	762,441	1,168,775

16 PREPAYMENTS

Prepaid rent
Prepaid miscellaneous expenses

	90,381	77,992
	38,052	16,789
	128,433	94,781

17 CASH & BANK

Cash and cash equivalent

- Cash in hand
- Policy & revenue stamps

Cash at bank

- Current accounts
- Savings accounts

	-	-
	28,371	42,943
	178,620	41,681
17.1	5,466,368	4,808,551
	5,673,359	4,893,175

- 17.1** These carry mark-up ranging from 4.10% to 10.00% (2017: 2.95% to 6.6%) per annum.

17.2 Cash and cash equivalent for the purposes of the cash flow statement includes the following:

Cash & Bank
Term deposits receipt with original maturity of three months or less

2018	2017
(Rupees in '000)	
5,673,359	4,893,175
17,700,000	3,700,000
23,373,359	8,593,175

17.3 Reconciliation of debt arising from financing activities

	Financial Charges on long term loan	Long term loan received	Unclaimed dividend	2018	2017
(Rupees in '000)					
Opening balance at January 01, 2018	13,927	1,500,000	23,750	1,537,677	18,639
Changes from financing activities					
Loan amount received	-	-	-	-	1,500,000
Dividend paid	-	-	(1,380,492)	(1,380,492)	(1,062,247)
Financial charges paid	(113,919)	-	-	(113,919)	(53,851)
Other changes					
Final cash dividend for the year ended December 31, 2017 @ 145% (2016: 115%)	-	-	1,150,295	1,150,295	829,366
Interim dividend for the half year ended June 30, 2018 @ 30% (2016: @ 30%)	-	-	237,992	237,992	237,992
Financial charges Expense	120,491	-	-	120,491	67,778
Balance at December 31, 2018	20,499	1,500,000	31,545	1,552,044	1,537,677
Total cash flows from financing activities	(113,919)	-	(1,380,492)	(1,494,411)	383,902

18 SHARE CAPITAL

18.1 Authorized Capital

2018	2017	
(No. of shares in '000)		
200,000	200,000	Ordinary shares of Rs. 10 each

2018	2017
(Rupees in '000)	
2,000,000	2,000,000

18.2 Issued, subscribed and paid-up Capital

2018	2017	
(No. of shares in '000)		
62,712	62,712	Ordinary shares of Rs. 10 each fully paid in cash
16,619	16,619	Ordinary shares of Rs. 10 each issued as fully paid bonus shares
79,331	79,331	

2018	2017
(Rupees in '000)	
627,120	627,120
166,187	166,187
793,307	793,307

As at December 31, 2018 Aga Khan Fund for Economic Development S.A., Switzerland and its nominees held 45,913,037 ordinary shares (2017: 45,913,037 ordinary shares) of Rs.10 each.

19 INSURANCE LIABILITIES

Reported outstanding claims (including claims in payment)
 Incurred but not reported claims
 Investment component of unit-linked and account value policies
 Liabilities under individual conventional insurance contracts
 Liabilities under group insurance contracts (other than investment linked)
 Participant Takaful Fund balance
 Other insurance liabilities

Notes	2018	2017
	(Rupees in '000)	
19.1	2,887,985	2,157,043
19.2	786,646	698,129
19.3	116,659,009	100,668,874
19.4	1,369	2,327
19.5	929,551	870,529
19.6	193,749	57,502
19.7	542,200	486,845
	122,000,509	104,941,249

19.1 Reported outstanding claims

Gross of reinsurance

Payable within one year
 Payable over a period of time exceeding one year

2,103,491	1,486,676
784,494	670,367
2,887,985	2,157,043

19.2 Incurred but not reported claims

Gross of reinsurance
 Reinsurance recoveries
 Net of reinsurance

992,785	868,477
(206,139)	(170,348)
786,646	698,129

19.3 Investment Component of Unit Linked

Investment component of unit linked policies

19.4 Liabilities under individual conventional insurance contracts

Gross of reinsurance

Reinsurance credit

Net of reinsurance

19.5 Liabilities under group insurance contracts (other than investment linked)

Gross of reinsurance

Reinsurance credit

Net of reinsurance

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

19.7 Other insurance liabilities

Gross of reinsurance

Reinsurance credit

Net of reinsurance

20 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.

2018	2017
..... (Rupees in '000)	
116,659,009	100,668,874
1,649	2,804
(280)	(477)
1,369	2,327
1,172,974	1,066,844
(243,423)	(196,315)
929,551	870,529
610,165	542,085
(67,965)	(55,240)
542,200	486,845

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

	Age-wise break up					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	(Rupees in '000)					
Unclaimed maturity benefits	481,745	426,976	44,130	10,427	212	-
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	20,243	12,545	958	2,746	2,297	1,697
Other unclaimed benefits	-	-	-	-	-	-
Total	501,988	439,521	45,088	13,173	2,509	1,697

21 RETIREMENT BENEFIT OBLIGATIONS

As stated in note 3.16, the Company operates an approved funded gratuity scheme for all permanent employees who have completed minimum qualifying eligible service of 5 years.

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

The latest actuarial valuation of the scheme as at December 31, 2018 was carried out using the Projected Unit Credit Method. The results of actuarial valuation are as follows:

Balance Sheet Reconciliation

Fair value of plan assets
Present value of defined benefit obligations
Recognized asset / (liability)

Gratuity Fund	
2018	2017
(Rupees in '000)	
436,424	350,720
(437,266)	(380,127)
(842)	(29,407)

Movement in the fair value of plan assets

Fair value as at January 1
 Expected return on plan assets
 Actuarial gains / (losses)
 Employer contributions
 Benefits paid
 Fair value as at December 31

Movement in the defined benefit obligations

Obligation as at January 1
 Current service cost
 Past service cost
 Interest cost
 Actuarial losses / (gains)
 Benefits paid
 Obligations as at December 31

Cost

Current service cost
 Past service cost
 Interest cost
 Expected return on plan assets
 Recognition of actuarial loss
 Expense
 Actual return on plan assets

Principal actuarial assumptions used are as follows:

Discount rate & expected return on plan assets
 Future salary increases

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

The Company's contribution to the fund in 2019 is expected to amount to Rs. 51.32 million (2018: Rs. 50.14 million).

Gratuity Fund**2018****2017**

(Rupees in '000)

350,720	288,140
36,384	29,831
(15,129)	(18,998)
79,554	57,918
(15,105)	(6,171)
436,424	350,720
380,127	306,415
52,518	43,720
1,446	1,913
35,395	28,802
(17,115)	5,448
(15,105)	(6,171)
437,266	380,127
52,518	43,720
1,446	1,913
35,395	28,802
(36,384)	(29,831)
(1,986)	24,446
50,989	69,050
15,129	18,998
13.75%	9.50%
13.75%	9.50%

Comparison for five years:

As at December 31

Fair value of plan assets
Present value of defined benefit obligations
(Deficit) / surplus

Experience adjustments

Gain / (loss) on plan assets (as percentage of plan assets)
Gain / (loss) on obligations (as percentage of plan obligations)

Sensitivity analysis for actuarial assumptions

Discount rate at December 31
Future salary increases

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

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

2018	2017	2016	2015	2014
(Rupees in '000)				
436,424	350,720	288,140	227,439	202,237
(437,266)	(380,127)	(306,415)	(248,773)	(194,035)
(842)	(29,407)	(18,275)	(21,334)	8,202
3%	-5%	0%	-2%	-2%
4%	-1%	-4%	-6%	-8%
Impact on defined benefit obligation				
Change in assumption	Increase in assumption	Decrease in assumption		
(Rupees in '000)				
1%	(396,743)	484,280		
1%	484,532	(395,802)		

Plan assets comprise of the following:

Equity
Debts
Term Deposit Receipt
Others

2018		2017	
Rupees in '000	%	Rupees in '000	%
-	0%	35,996	10%
148,332	34%	283,120	81%
275,000	63%	-	0%
13,092	3%	31,604	9%
436,424	100%	350,720	100%

Assets and liabilities of Defined Benefit Plan

Assets

Investments
Balance with banks
Accrued interest
Advance tax receivable

Liabilities

Payable to outgoing employees

2018	2017
(Rupees in '000)	
423,332	319,113
11,826	31,375
1,357	523
-	1
436,515	351,012
91	292
91	292

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

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

21.1 Defined Contribution Plan

The Company's contributions towards the provident fund for the year ended December 31, 2018 amounted to Rs. 61.96 million (2017: Rs. 53.02 million).

22 BORROWINGS

	Note	2018	2017
(Rupees in '000)			
Bank loans	22.1	1,500,000	1,500,000
Current portion		125,000	-
Non-current portion		1,375,000	1,500,000

22.1 In 2017, the Company obtained a long term finance from Habib Bank Limited (HBL), a related party, against a Term Finance Agreement on mark-up basis, to finance the acquisition of immovable property for the purpose of construction of the Company's Head Office building thereon. The Term Finance agreement is for a period of 8 years maturing on May 9, 2025, with a 2 years' grace period for repayment of principal, payable in 12 equal semi-annual instalments commencing after the expiry of grace period. The first instalment is due on November 11, 2019. The Term Finance carries mark-up at the rate of 3 Months KIBOR + 0.9% and is payable quarterly from the effective date of the drawdown, i.e. May 11, 2017. The facility is secured by way of first equitable mortgage in favour of HBL, by deposit of title deeds in respect of the property in favour of the Bank, up to the amount of Rs.2,000 million. The Company has also executed an interest rate swap with HBL, to hedge the Company's PKR floating rate liability on the notional amount of Rs.1,500 million.

23 INSURANCE / REINSURANCE PAYABLES

Due to other insurers / reinsurers

24 OTHER CREDITORS AND ACCRUALS

Agents commission payable

Accrued expenses

Withholding tax payable

Payable to suppliers

Other liabilities

25 DEFERRED TAX

Deferred debits arising in respect of:

Fixed Assets

Unrealized gain / (loss) on Available-for-sale securities

Gratuity

Deferred credits arising in respect of:

On investment in associate

Derivative financial instrument

On Retained balance of Ledger Account D

2018	2017
(Rupees in '000)	
19,509	6,155
856,895	682,470
1,227,816	1,263,224
-	51,586
1,096,657	354,866
291,217	126,063
3,472,585	2,478,209
39,164	33,647
8,779	(6,466)
245	8,823
48,188	36,004
(16,366)	(7,368)
(44,322)	6,832
(1,049,090)	(1,069,488)
(1,109,778)	(1,070,024)
(1,061,590)	(1,034,020)

Deferred debits arising in respect of:

Fixed Assets	33,647	5,517	-	39,164
Unrealized gain / (loss) on Available-for-sale securities	(6,466)	-	15,245	8,779
Gratuity	8,823	(6,958)	(1,620)	245

Deferred credits arising in respect of:

On investment in associate	(7,368)	(3,558)	(5,440)	(16,366)
On Retained balance of Ledger Account D	(1,069,488)	20,398	-	(1,049,090)
Derivative financial instrument	6,832	(51,154)	-	(44,322)

Net deferred Tax (liabilities) / assets

	Balance as at January 1, 2018	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income	Balance as at December 31, 2018
(Rupees in '000)				
	33,647	5,517	-	39,164
	(6,466)	-	15,245	8,779
	8,823	(6,958)	(1,620)	245
	(7,368)	(3,558)	(5,440)	(16,366)
	(1,069,488)	20,398	-	(1,049,090)
	6,832	(51,154)	-	(44,322)
	(1,034,020)	(35,755)	8,185	(1,061,590)

Deferred debits arising in respect of:

Fixed Assets	29,601	4,046	-	33,647
Derivative financial instrument	-	6,832	-	6,832
Gratuity	5,483	(3,994)	7,334	8,823

Deferred credits arising in respect of:

On investment in associate	(3,915)	(1,794)	(1,659)	(7,368)
On Retained balance of Ledger Account D	(779,948)	(289,540)	-	(1,069,488)
Unrealized gain/(loss) on Available-for-sale securities	(233,486)	-	227,020	(6,466)

Net Deferred Tax (liabilities) / assets

	Balance as at January 1, 2017	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income	Balance as at December 31, 2017
(Rupees in '000)				
	29,601	4,046	-	33,647
	-	6,832	-	6,832
	5,483	(3,994)	7,334	8,823
	(3,915)	(1,794)	(1,659)	(7,368)
	(779,948)	(289,540)	-	(1,069,488)
	(233,486)	-	227,020	(6,466)
	(982,265)	(284,450)	232,695	(1,034,020)

26 CONTINGENCIES AND COMMITMENTS

26.1 Income tax assessments

In 2017, the tax authorities passed assessment orders u/s 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) for the Tax Years 2011, 2012, 2013, 2014, 2015 and 2016, raising tax demands of Rs. 2 million, Rs. 39 million, Rs. 27 million, Rs. 108.72 million, Rs. 112.74 million, and Rs. 79.8 million respectively. The main issue in all the above years, largely creating such demand, was taxing the dividend income at corporate tax rates on account of one basket income rule. It is pertinent to mention that by virtue of an amendment through the Finance Act, 2016, Rule 6B of the Fourth Schedule to the Income Tax Ordinance, 2001, was amended, whereby in determining the income under the Fourth Schedule, dividend income and capital gains in the profit and loss account of the insurer have been made taxable at the corporate tax rates. The subsequent amendment in the law substantiated the Company's contention that prior to July 1, 2016, these heads of income were taxable at the lower rates prescribed for them. In addition, the Additional Commissioner Inland Revenue (ACIR) also made certain arbitrary add backs to income on account of difference between assumed market value of motor vehicles and the sale value recovered from employees in respect of motor vehicles sold to them under the Company car policy, disallowances of provision for doubtful debts in the Statutory Funds, disallowance of provision for impairment in investments held by the Statutory Funds and write off of certain uncollectible receivables in the Statutory Funds, erred in the non-adjustment of determined refund of TY 2004 & TY 2013 against the tax liability of TY 2015 and 2016 respectively, and other such arbitrary add backs / disallowances, including disallowance of money ceded to Waqf Fund upon the launch of Window Takaful Operations in TY 2016. The Company filed an appeal with the Commissioner Inland Revenue - Appeals (CIRA) against all the above add backs / disallowances, and also obtained stay against the demands for TY 2014 through TY 2016 from the Hon'ble Sindh High Court, and by payment of 25% of the demand for the TY 2011 to 2013.

The CIRA has passed orders for all the above tax years from 2011 to 2016. The decisions on the main issue of dividend income were in favour of the Company and Tax department has challenged the same in the Appellate Tribunal Inland Revenue (ATIR). Some of the other issues were remanded back by the CIR Appeals for re-examination. CIRA has remanded back for re-examination the issue of unrealized loss on investments, fair market value of vehicles sold to employees under the Company car policy, provision of doubtful debts and disallowing the adjustment of determined refund. CIRA decided in favour of the Tax authorities, the disallowances of write off of certain uncollectible receivable in the Statutory Funds. Company has filed appeal in the Appellate Tribunal Inland Revenue (ATIR) on the decisions in favour of Tax department. The Additional Commissioner Inland Revenue (ADCIR) has passed set aside order dated August 30, 2018 in favour of the Company, regarding taxation of dividend income and provision for impairment in values of shares. ADCIR decided in favour of the tax authorities, the disallowance of provision of doubtful debts and fair market value of vehicles sold to employees under the Company car policy. The company has filed appeal on the decisions in favour of tax department.

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

During the year, the Tax authorities have passed an assessment order u/s 161 of the Ordinance for TY 2015 and 2016, raising a tax demand of Rs. 27.97 million and 16.05 million respectively, on account of alleged non-deduction of withholding tax from certain payments. The company filed appeal before Commissioner Inland Revenue Appeal (CIRA) who have adjudicated in favour of tax department. The alleged non-deductions are disputed and the management has filed appeal for the TY 2015 before the Appellate Tribunal Inland Revenue (ATIR) against aforementioned order which is currently pending adjudication and intend to file appeal in the tribunal for TY 2016. The company has obtained automatic stay against the coercive recovery by virtue of section 140(1) of the Ordinance by paying minimum 10% of the demand.

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

During 2018, the provincial revenue authorities of Sindh and Punjab made a significant change in the provincial sales tax regimes applicable to the insurance industry. In respect of life insurance, the exemption allowed to life insurance in the province of Sindh expired after June 30, 2018, as the Sindh Revenue Board (SRB) did not renew the same, making life insurance subject to Sindh Sales Tax on services (SST) with effect from July 1, 2018. On the other hand, the Punjab Revenue Authority (PRA), withdrew the exemption on both, life and health insurance, with effect from November 1, 2018. In respect of health insurance in the province of Sindh, the exemption to health insurance from the scope and applicability of SST earlier granted by the SRB vide notification no. SRB 3-4/7/2013 dated June 13, 2013, and thereafter renewed on annual basis, had lapsed on July 1, 2016, and remains under discussion with the SRB since thereafter, which was taken up at the collective level of the Insurance Association of Pakistan (IAP) with the SRB through its tax consultants. The SRB, vide notification no. 3-4/3/2017 dated January 12, 2017, had restored the exemption to cover individual health insurance with effect from July 1, 2016, but made corporate health insurance taxable. The renewal of exemption for corporate health insurance has since remained under discussion with the SRB, both, at the collective level of the IAP as well as the Company level. There has been no change in the Balochistan Revenue Authority Act, 2015, wherein sales tax has been imposed on life insurance.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) has actively taken up the matter with both the provincial revenue authorities for restoration of the exemptions that lapsed, or, were withdrawn, as applicable. The industry's main contention is that life and health insurance is not a service, but infact, an underwriter's promise to pay to the policyholder in the future, a specified sum of money, either on occurrence of an identified event causing loss, or upon maturity of the policy, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. On the basis of this definition, "Insurance" is actually a contract of indemnification from loss, dependent on a contingent event, and does not constitute a "service". Such contention of the insurance industry has also been upheld in the superior courts of foreign jurisdiction.

The management of the Company sought a legal opinion from the Company's legal advisors on the alleged applicability of sales tax on life and health insurance. The legal advisors, in their opinion, have expressed the view that an insurance contract is not a service as it is an underwriter's promise to pay to the policyholder in the future, a specified sum of money, either on occurrence of an identified event or upon maturity of the policy. An insurance contract is essentially a financial transaction, which is unrelated to the sale of any identifiable consumer good or service, and as such, in leading jurisdictions, it has been widely held that insurance is not a service, hence, it does not fall within the scope of taxability under the provincial sales tax laws.

The legal advisors have opined that the applicability of sales tax on the provision of life and health insurance would be in contravention of global norms where insurance is held to be not a service, but rather, a financial transaction, and further, any such applicability of tax will greatly inhibit the ability of the Company and the country's other insurance providers to allow for access to life and health insurance as a basic personal right of a citizen to enjoy life according to the law. In other foreign jurisdictions including UK and Malaysia, life and permanent health insurance are either exempt, or, excluded from taxable services.

Based on the above, the legal advisors of the Company have expressed the opinion that there are sufficient grounds available to the Company for filing a Constitutional Petition to challenge the levy of provincial sales tax on life and health insurance, and in their opinion, it is likely that the Court may allow the same accordingly. However, in view of the ongoing discussions with the provincial tax authorities to resolve this matter administratively, the Company has not yet exercised its right to legal recourse, as the management is hopeful of a successful conclusion of discussions with both, the SRB and the PRA.

Subsequent to the year end, on January 2, 2019, the Company received a show cause notice no. SRB.COM - I/AC - 10/JLI/2018/000324 dated December 31, 2018 from the SRB, requiring the Company to show cause as to why SST should not be imposed amounting to Rs. 422.33 million in respect of corporate health insurance pertaining to the period July 1, 2016 to December 31, 2017 as disclosed in its annual audited financial statements for the year ended December 31, 2017. The assessment proceedings for the same are currently in progress, and the Company has sought extensions of time, which have been granted by the SRB from time to time, in view of the ongoing discussions and dialogue. The next hearing is scheduled for April 8, 2019.

In a recent development in respect of SST, the SRB has taken up the matter with the Government of Sindh in the light of representations made by the insurance industry through IAP, and based on discussions held with the SRB, the management understands that the matter will be resolved positively.

Without prejudice to the contention that life and health insurance is not a service, and hence, sales tax on services cannot be applied thereto, even otherwise, the Company's legal advisors have expressed the view that there are two distinct elements forming part of the Gross Written Premium (GWP) charged for a life insurance policy: (i) the amount allocated for investments / savings on behalf of the policy holders and (ii) the difference between the GWP charged and the investment amount allocated. The investment amount is reserved for the policy holder and does not belong to the insurer. Even in other jurisdictions in the region where sales tax has been imposed on life insurance, the applicable laws there clearly provide that the GWP would be reduced by the amount allocated for investment or saving, on behalf of the policy holder, if such amount is intimated to the policy holder. In respect of Individual Life insurance, the Company is engaged in non-participating life insurance business, and offers unit linked products to the customers, where investment component is a significant portion of the gross premium. Thus, even in the otherwise scenario, if at all any provincial sales taxes were to be levied, these cannot be levied on the investment component of the premium. Hence, the basis of valuation of sales tax, if at all any, has also been taken up with both, the SRB and the PRA at the collective level of the IAP, who have taken cognizance of the same for further discussion.

Given the ongoing discussions with the provincial revenue authorities as explained above, the Company and other life / health insurance companies have not yet billed their customers for provincial sales tax on life and health insurance since the lapse / withdrawal of the exemptions on their respective dates as mentioned above. The IAP has also sought the support of the Securities & Exchange Commission of Pakistan (SECP) in this regard, and the SECP has endorsed the insurance industry's requests to the SRB and the PRA to restore the earlier exemptions. The management is hopeful that the recommendations of the SECP will be considered positively.

In view of the legal opinion obtained by the Company, the ongoing administrative efforts with the provincial revenue authorities at the collective level of the IAP as well as the individual level, and the endorsement of the SECP, as the matter is still under the process of review of and discussions with the relevant provincial revenue authorities, including the basis of charging of such tax, if at all, any, and the fact that acknowledging the ongoing discussions, the provincial revenue authorities have not enforced the levy despite lapse of the exemption notifications, the Company considers that it is premature to estimate any amount of liability on account of life insurance, nor has made any provision for provincial sales tax thereon in these financial statements. The aggregate contingent sales tax liability on health insurance for all provinces, upto December 31, 2018 works out to Rs. 738.85 million, however, for reasons cited in the foregoing paragraphs, no provision has been made in these financial statements.

26.3 Commitments for the acquisition of operating fixed assets

Not later than one year

2018	2017
..... (Rupees in '000)	
47,110	31,448

26.4 Commitment in respect of operating leases

Not later than one year
Later than one year and not later than five years
Later than five years

2018**2017**

(Rupees in '000)

222,136

198,589

746,197

826,427

343,309

485,216

26.5 Bank guarantees

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

27 NET INSURANCE PREMIUM REVENUE

2018**2017**

(Rupees in '000)

Gross Premiums / Contributions

Regular Premium / Contribution Individual Policies *

First year

11,627,611

11,071,052

Second year renewal

8,905,078

7,768,170

Subsequent year renewal

21,719,033

17,021,774

Single Premium / Contribution Individual Policies

3,974,576

5,863,737

Group Policies without Cash Values

5,885,105

5,392,507

Less: Experience refund

(224,330)

(300,349)

Total Gross Premiums

51,887,073

46,816,891

Less: Reinsurance Premiums Ceded

On individual life First year business

(97,463)

(57,438)

On individual life Second year business

(77,452)

(34,960)

On individual life Renewal business

(231,368)

(91,921)

On single premiums / contributions individual policies

(74)

(129)

On group policies

(890,741)

(804,107)

Less: Experience refund

19,746

31,292

Less: Reinsurance commission on risk premiums

61,251

46,267

(1,216,101)

(910,996)

Net Premiums

50,670,972

45,905,895

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

28 FEE INCOME

41,808

49,838

29 INVESTMENT INCOME

Income from equity securities

At fair value through profit or loss

- Dividend income

Available-for-sale

- Dividend income

Income from debt securities

Held to maturity

- Return on debt securities

At fair value through profit or loss

- Return on debt securities

Available-for-sale

- Return on debt securities

Income from term deposits

- Return on term deposits

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

At fair value through profit or loss

Realised gains on:

- Equity securities

- Debt securities

Realised losses on:

- Equity securities

- Debt securities

Available-for-sale

Realised gains on:

- Equity securities

- Debt securities

Realised losses on:

- Equity securities

- Debt securities

2018	2017
(Rupees in '000)	
2,167,535	1,797,266
44,475	65,354
2,212,010	1,862,620
1,912	1,911
3,987,494	2,980,926
713,958	495,629
649,143	618,764
7,564,517	5,959,850
1,332,436	677,251
2,642	19,028
(866,486)	(3,153,090)
(232,846)	(37,599)
63,265	666,315
417	973
(28,021)	(1,136)
(4,336)	(1,439)
267,071	(1,829,697)

31 NET FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net unrealised loss on investments at fair value through profit or loss (designated upon initial recognition)
Less: Impairment in value of available-for-sale securities
Less: Investment related expenses

32 OTHER INCOME

Return on bank balances
Gain on sale of fixed assets
Foreign exchange gain or loss
Miscellaneous income

33 NET INSURANCE BENEFITS

Gross Claims

Claims under individual policies
by death
by insured event other than death
by maturity
by surrender
by partial withdrawal

Total gross individual policy claims

Claims under group policies
by death
by insured event other than death

Total gross group policy claims

Total Gross Claims

Less: Reinsurance Recoveries

On Individual life claims
On Group life claims

Claim related expenses

Net Insurance benefit expense

2018	2017
(Rupees in '000)	
(9,518,539)	(8,007,209)
(164,402)	(72,849)
(61,857)	(67,085)
(9,744,798)	(8,147,144)
178,779	149,431
7,435	2,189
1,869	11
8,592	929
196,675	152,560
1,464,975	1,203,405
20,919	9,600
1,149,790	34,399
7,584,000	6,805,696
2,664,896	2,150,946
12,884,580	10,204,046
1,568,578	1,475,122
2,841,613	2,336,035
4,410,191	3,811,157
17,294,771	14,015,203
(207,671)	(315,431)
(778,215)	(735,528)
(985,886)	(1,050,959)
6,844	5,472
16,315,729	12,969,716

33.1 Claim Development

The table below illustrates claim development pattern for last five years (including current year) where more than 10% of claims are normally reported after the end of the year in which the claim event occurred. The pattern is shown separately for group and individual business (excluding those disclosed in 33.1.3 and 33.1.4).

	Notes	2018
	(Rupees in '000)
Reported outstanding claims	33.1.1	346,971
Individual Life Unit Linked	33.1.2	330,237
Group Life	33.1.3	346,384
Accident & Health	33.1.4	35,478
Overseas	33.1.5	54,353
Individual Family Takaful	33.1.5	23,552
Group Family Takaful	33.1.5	22,353
Accident & Health Family Takaful		1,728,657
Other reserves	19.1	2,887,985

Individual Life Unit Linked

Accident year	2014	2015	2016	2017	2018
Estimate of ultimate claims costs:					
At end of accident year	303,479	485,951	660,971	844,036	910,347
One year later	403,878	681,411	871,908	1,146,508	
Two years later	413,164	696,277	899,817		
Three years later	417,517	704,488			
Four years later	420,035				
Current estimate of cumulative claims	420,035	704,488	899,817	1,146,508	910,347
Less: Cumulative payments to date	(413,578)	(687,082)	(871,029)	(1,112,732)	(663,127)
	6,457	17,406	28,788	33,776	247,220
Sum of 2014 to 2018 outstanding claims					333,647
Claims prior to 2014					13,324
Liability recognised in the statement of financial position					346,971

Conventional Business

Accident year

	2014	2015	2016	2017	2018
Estimate of ultimate claims costs:					
At end of accident year	748,070	863,750	1,078,959	1,256,281	1,339,724
One year later	835,271	958,546	1,241,127	1,396,588	
Two years later	836,182	961,358	1,248,360		
Three years later	837,189	961,469			
Four years later	837,189				
Current estimate of cumulative claims	837,189	961,469	1,248,360	1,396,588	1,339,724
Less: Cumulative payments to date	(836,134)	(950,486)	(1,238,872)	(1,367,622)	(1,064,681)
	1,055	10,983	9,488	28,966	275,043
Sum of 2014 to 2018 outstanding claims					325,536
Claims prior to 2014					4,701
Liability recognised in the statement of financial position					330,237

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

34 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:

- Commission to agents on first year premiums / contributions
- Commission to agents on second year premiums / contributions
- Commission to agents on subsequent renewal premiums / contributions
- Commission to agents on single premiums / contributions
- Overriding commission to supervisors
- Other benefits to insurance intermediaries
 - Salaries, allowances and other benefits
 - Cost of contests, conventions, etc

Remuneration to insurance intermediaries on group policies:

- Commission
- Other benefits to insurance intermediaries:

Other acquisition costs

- Employee benefit cost
- Travelling expenses
- Printing and stationery
- Depreciation
- Amortisation
- Rent, rates and taxes
- Legal and professional charges
- Electricity, gas and water
- Entertainment
- Vehicle running expense
- Repair & maintenance
- Training expenses
- Postages, telegrams and telephones
- Staff welfare
- General insurance
- Policy stamps
- Initial medical fees
- Miscellaneous expenses

2018	2017
(Rupees in '000)	
4,012,373	3,679,792
388,670	356,493
473,537	363,160
73,150	112,579
705,480	557,776
841,141	710,905
1,040,858	974,790
308,053	233,117
14,147	41,711
1,064,954	867,447
45,683	26,568
24,292	22,201
95,681	61,385
70	234
86,199	64,153
18,058	19,525
40,640	27,975
33,833	19,779
92,891	61,405
40,490	12,572
159	4,302
36,958	38,928
18,095	8,778
1,578	5,692
321,285	220,798
4,754	5,283
12,707	9,155
9,795,739	8,506,503

35 MARKETING AND ADMINISTRATION EXPENSES

	2018	2017
	(Rupees in '000)	
Employee benefit cost - note 35.1	971,032	868,583
Traveling expenses	46,407	38,157
Advertisements & sales promotion	797,744	759,657
Printing and stationery	69,803	61,961
Depreciation	170,394	163,037
Amortisation	115,694	104,939
Rent, rates and taxes	115,396	104,405
Legal and professional charges - business related	33,812	31,548
Electricity, gas and water	55,326	47,587
Entertainment	17,061	17,227
Vehicle running expenses	15,481	11,281
Office repairs and maintenance	144,986	87,794
Appointed actuary fees	19,413	13,785
Bank charges	18,463	16,555
Postages, telegrams and telephone	85,297	84,678
Staff welfare	20,768	16,837
General insurance	16,995	8,810
Training expenses	7,972	9,680
Annual supervision fee SECP	50,000	50,000
Bad and doubtful debts	(5,096)	6,418
Miscellaneous expenses	9,808	7,874
	2,776,756	2,510,813
35.1 Employee benefit cost		
Salaries, allowance and other benefits	903,273	821,879
Charges for post employment benefit	67,759	46,704
	971,032	868,583

35.2 Administration expenses are net of common costs amounting to Rs. 41.09 million (2017: Rs. 35.55 million) shared with Jubilee General Insurance Company Limited, an associated undertaking, on account of joint operating activities for Accident & Health Business.

36 OTHER EXPENSES

Auditors' remuneration - note 36.1
Subscriptions
Donations - note 36.2

36.1 Auditors' remuneration

Audit fee
Half Yearly review
Shariah Compliance Audit - Window Takaful Operations
Certification Charges & other Professional Services
Sindh Sales Tax on services
Out-of-pocket expenses

36.2 Details of Donations

Aga Khan Rural Support Programme
Patient Behbud Society of AKUH
The Layton Rahmatulla Benevolent Trust
Aga Khan Cultural Services, Pakistan
Marie Adelaide Leprosy Centre
Aziz Jehan Begum Trust For The Blind
The Indus Hospital
Pink Ribbon Pakistan
The Aga Khan University
The Aman Foundation
Al-Mehrab Tibbi Imdad
Aga Khan Education Services, Pakistan

36.2.1 In 2017, the Company donated Rs.0.5 million to the Aga Khan University Hospital, Stadium Road, P. O. Box 3500, Karachi, in which Mr. R. Zakir Mahmood, Director, is on the Board of Governors.

37 FINANCE COST

Mark up on Long term loan

Note	2018	2017
	(Rupees in '000)	
	8,900	7,429
	269	256
	20,500	23,000
	29,669	30,685
	2,024	1,840
	379	345
	550	500
	4,413	3,601
	634	413
	900	730
	8,900	7,429
	7,500	7,500
	4,500	2,000
	2,000	1,500
	2,000	4,000
	1,500	1,500
	1,000	1,000
	1,000	1,000
	1,000	-
36.2.1	-	500
	-	1,500
	-	1,000
	-	1,500
	20,500	23,000

Note	2018	2017
	(Rupees in '000)	
22.1	120,491	-

38 TAXATION

For the year

Current

Deferred

For prior year

Current

2018	2017
(Rupees in '000)	
1,193,750	1,497,149
35,755	284,450
1,229,505	1,781,599
115,515	92,070
1,345,020	1,873,669

Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), as per an amendment introduced through the Finance Act, 2018, for tax year 2019 and onwards, tax u/s 5A of the Ordinance has been revised to 5% of the accounting profit of every public company (excluding a banking company and a modaraba), that derives profits for a tax year but does not distribute at least 20% of its after tax profits within six months of the end of the tax year, through cash dividend.

However, no provision has been made for this tax as the Company intends to distribute sufficient cash dividend for the year ended December 31, 2018, so that such tax is not required to be paid.

38.1 Relationship between tax expense and accounting profit

Profit before tax

Tax at the applicable rate of 29% (2017: 30%)

Tax on dividends under Final Tax Regime

Super Tax @ 2% (2017: 3%)

Permanent difference

Effect of change in tax rate

Others

Income tax expense for the year

2018	2017
(Rupees in '000)	
3,775,351	5,135,506
1,094,852	1,540,652
205,180	152,011
171,542	92,070
18,448	52,111
(204,636)	-
59,634	36,825
1,345,020	1,873,669

39 EARNINGS PER SHARE

Profit (after tax) for the year

Weighted average number of ordinary shares outstanding as at year end

2018	2017
(Rupees in '000)	
2,430,331	3,261,837
(Number of shares in '000)	
79,331	79,331
(Rupees)	
30.64	41.12

40 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2018	2017	2018	2017	2018	2017
	(Rupees in '000)					
Fees	-	-	4,950	4,200	-	-
Managerial remuneration	29,900	26,000	-	-	229,146	193,769
Leave encashment	-	-	-	-	9,259	7,788
Bonus	19,550	17,000	-	-	118,243	107,752
Charge for defined benefit plan	2,370	2,600	-	-	17,422	23,697
Contribution to defined contribution plan	2,990	3,283	-	-	21,976	18,768
House rent allowance	11,960	10,400	-	-	103,116	87,196
Utilities	2,990	2,600	-	-	22,914	19,377
Medical	40	15	-	-	6,664	5,042
Commission	-	-	-	-	30,873	31,649
Others	-	-	-	-	31,401	31,543
	69,800	61,898	4,950	4,200	591,014	526,581
Number of Persons	1	1	5	5	82	69

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

41 RELATED PARTY TRANSACTIONS

The Company is controlled by Aga Khan Fund for Economic Development, S.A, Switzerland, which owns 57.87% (2017: 57.87%) of the Company's shares. Associated undertakings comprise Habib Bank Limited, Jubilee Kyrgyzstan Insurance Company (CJSC) and Jubilee General Insurance Company Limited, being under common control of the parent Company.

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

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

		2018	2017
		(Rupees in '000)	
Relationship with the Company	Nature of transactions		
i. Parent	Cash dividend paid	803,478	617,739
	Bonus shares issued (number of shares: 4,173,913)	-	-
	Individual Life premium	17,325	15,750
ii. Associated companies	Group insurance premium	827,219	785,733
	Incurred claims against insurance cover	562,946	578,572
	Rent of building	39,999	38,115
	Payment for premium against general insurance	19,803	14,490
	Claims lodged against general insurance	4,609	176
	Purchase of Government securities	85,715,026	25,778,575
	Placement of Term Deposits	-	1,500,000
	Sale proceeds of equity securities	-	1,270,012
	Agency commission expense	2,603,993	2,704,681
	Interest income on profit and loss sharing account	125,333	125,670
	Dividend received	58,133	119,055
	Bonus shares received (number of shares: 111,882)	-	-
	Cash dividend paid	357,245	274,661
	Bonus shares issued (number of shares: 1,855,817)	-	-
	Donations	9,500	6,000
	Long term loan obtained	-	1,500,000
	Capitalization of borrowing cost	-	67,778
	Finance Cost	120,491	-
	Realized loss on derivative financial instrument	(25,200)	(17,237)
	Unrealized gain on derivative financial instrument	181,799	(27,193)
	Receipt of grant	5,000	-
	Income from claim administration services	31,655	40,073
iii. Staff retirement funds	Expense charged for retirement benefit plans	112,203	119,528
	Payments to retirement benefit plans	140,650	108,565
iv. Key management personnel	Salaries and other short-term employee benefits	260,809	236,007
	Post-employment benefits	20,941	24,001
	Cash dividend paid	3,625	2,423
	Bonus shares issued (number of shares: 15,832)	-	-
	Consideration received against sale of assets	2,072	3,223
	Individual Life policy premium / contributions	24,393	5,223
	Advances to key management personnels	15,626	9,110
	Recovery against advance from key management personnel	(13,964)	(3,928)
v. Directors	Director's fee	4,950	4,200
	Cash dividend paid	1,270	813
	Bonus shares issued (number of shares: 5,175)	-	-

Relationship with the Company	Receivable / (Payable)	2018	2017
		(Rupees in '000)	
i. Associated companies	Bank account balance	3,016,270	2,659,073
	Investment in shares - listed equities	1,620,336	1,327,047
	Investment in shares - unlisted equities	129,502	97,627
	Interest accrued on profit and loss sharing account	4,231	1,524
	Agency commission payable	(198,386)	(167,121)
	Group premium receivable	49,020	90,741
	Claims lodged and outstanding	(125,328)	(133,111)
	Claims receivable against general insurance policies	2,405	88
	Receivable against common back office operations	717	2,846
	Advance against claims administration services	(15,306)	22,755
	Prepaid rent	17,881	17,089
	Long term loan	(1,500,000)	(1,500,000)
	Derivative financial instrument receivable / (payable)	154,605	(27,193)
	Financial charges payable	(20,499)	(13,927)
	Prepaid general insurance premium	529	-
	Deferred grant payable	(743)	-
ii. Staff retirement funds	Payable to retirement benefit plans	(842)	(29,407)
iii. Key management personnel	Advance against salary	7,907	6,245

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

42 NUMBER OF EMPLOYEES

	2018	2017
	(Numbers)	
Number of employees at December 31,	2,347	1,965
Average number of employees at December 31,	2,242	1,816

43 SEGMENTAL INFORMATION

43.1 REVENUE ACCOUNT BY STATUTORY FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	Statutory Funds							Aggregate
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018
(Rupees in '000)								
Income								
Premiums / Contributions less reinsurances	36,044,421	1,176,849	3,433,121	13,800	9,780,220	52,784	169,777	50,670,972
Net investment income	(2,221,165)	77,692	196,986	11,632	(34,872)	3,763	4,451	(1,961,513)
Total Net income	33,823,256	1,254,541	3,630,107	25,432	9,745,348	56,547	174,228	48,709,459
Insurance benefits and expenditures								
Insurance benefits, including bonuses	12,078,396	860,518	2,602,040	-	588,829	41,178	144,768	16,315,729
Management expenses less recoveries	7,990,117	281,181	486,104	8,730	3,627,868	10,184	37,135	12,441,319
Total Insurance benefits and expenditures	20,068,513	1,141,699	3,088,144	8,730	4,216,697	51,362	181,903	28,757,048
Excess of income over Insurance benefits and expenditures	13,754,743	112,842	541,963	16,702	5,528,651	5,185	(7,675)	19,952,411
Net change in insurance liabilities (other than outstanding claims)	11,041,397	37,463	8,996	-	5,270,242	395	(9,468)	16,349,025
Surplus / (Deficit) before tax	2,713,346	75,379	532,967	16,702	258,409	4,790	1,793	3,603,386
Taxes chargeable to statutory funds								
- Current - Tax on dividend under FTR	(304,571)	(824)	(618)	-	(20,747)	-	-	(326,760)
Surplus / (Deficit) after tax	2,408,775	74,555	532,349	16,702	237,662	4,790	1,795	3,276,626
Movement in policyholder liabilities	11,041,397	37,463	8,996	-	5,270,242	395	(9,468)	16,349,025
Transfer to and from Shareholders' Fund								
Surplus appropriated to Shareholders' Fund	(2,160,000)	-	(375,000)	-	(125,000)	-	-	(2,660,000)
Capital contributions from Shareholders' Fund	-	-	-	-	-	12,000	24,000	36,000
Qard-e-Hasna returned to Operators' Sub Fund by PTF	-	-	-	-	-	(17,000)	(31,500)	(48,500)
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	17,000	31,500	48,500
Net transfers (to) / from Shareholders' Fund	(2,160,000)	-	(375,000)	-	(125,000)	12,000	24,000	(2,624,000)
Balance of Statutory Fund at beginning of the year (restated)	98,905,313	895,518	2,011,878	120,975	4,912,038	44,016	81,548	106,971,286
Balance of Statutory Fund at the end of the year	110,195,485	1,007,536	2,178,223	137,677	10,294,942	61,201	97,873	123,972,937

FOR THE YEAR ENDED DECEMBER 31, 2017

	Statutory Funds							Aggregate
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017
Income	(Rupees in '000)							
Premiums / Contributions less reinsurances	34,787,125	1,088,316	3,093,018	10,724	6,760,015	37,122	129,575	45,905,895
Net Investment Income	(4,904,191)	54,791	147,629	7,379	(101,846)	1,609	2,544	(4,792,085)
Total Net Income	29,882,934	1,143,107	3,240,647	18,103	6,658,169	38,731	132,119	41,113,810
Insurance benefits and expenditures								
Insurance benefits, including bonuses	9,782,210	826,320	2,139,196	-	107,531	25,047	89,411	12,969,715
Management expenses less recoveries	7,688,088	193,347	460,425	2,389	2,536,846	10,670	41,070	10,932,835
Total Insurance Benefits and Expenditures	17,470,298	1,019,667	2,599,621	2,389	2,644,377	35,717	130,481	23,902,550
Excess of Income over Insurance benefits and Expenditures	12,412,636	123,440	641,026	15,714	4,013,792	3,014	1,638	17,211,260
Net Change in Insurance liabilities (other than outstanding claims)	9,015,874	(46,177)	245,681	-	3,669,175	2,235	15,832	12,902,620
Surplus / (Deficit) Before Tax	3,396,762	169,617	395,345	15,714	344,617	779	(14,194)	4,308,640
Taxes chargeable to statutory funds								
Current - Tax on Dividend under FTR	(268,004)	(679)	(475)	-	(6,407)	-	-	(275,565)
Surplus / (Deficit) after tax	3,128,758	168,938	394,870	15,714	338,210	779	(14,194)	4,033,075
Movement in policyholder liabilities	9,015,874	(46,177)	245,681	-	3,669,175	2,235	15,832	12,902,620
Transfer to and from Shareholders' Fund								
Surplus appropriated to Shareholders' Fund	(2,675,000)	(30,000)	(160,000)	-	(300,000)	-	-	(3,165,000)
Capital contributed from Shareholders' Fund	-	-	-	-	-	30,000	25,000	55,000
Capital returned to Shareholders' Fund	-	-	-	-	(130,000)	-	-	(130,000)
Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	(23,000)	-	(23,000)
Qard-e-Hasna received from Operators' Sub Fund by PTF	-	-	-	-	-	23,000	-	23,000
Qard-e-Hasna received from PTF by Operators' Sub Fund	-	-	-	-	12,000	-	-	12,000
Qard-e-Hasna returned by PTF to Operators' Sub Fund	-	-	-	-	(12,000)	-	-	(12,000)
Net transfers (to) / from Shareholders' Fund	(2,675,000)	(30,000)	(160,000)	-	(430,000)	30,000	25,000	(3,240,000)
Balance of Statutory Funds at the beginning of the year (restated)	89,435,681	802,757	1,531,327	105,261	1,334,653	11,002	54,910	93,275,591
Balance of Statutory Funds at the end of the year	98,905,313	895,518	2,011,878	120,975	4,912,038	44,016	81,548	106,971,286

43.2 The format of the financial statements prescribed under the Insurance Accounting Regulations, 2017 for life insurance companies contains a requirement, where the gross premium revenue of a particular business segment is 10% or more of the gross premium revenue of the Company, for an analysis between the distribution by channels of business, such as individual life distributed through a direct sales force, individual life sold through banks, and other channels. The management of the Company is of the view that disclosure relating to segmental information is already adequately disclosed in terms of segmental results by lines of business, i.e. Statutory Fund wise, further, distribution by channels of business is not really relevant to segmental information and hence, sought the clarification of the Securities and Exchange Commission of Pakistan (SECP), through letter numbers JLICL/F&A/CFO/SECP/2018/533 dated November 27, 2018 and JLICL/F&A/CFO/SECP/2019/109 dated January 7, 2019. The SECP, vide email dated January 29, 2019, has informed the Company that the matter has been referred to the Institute of Chartered Accountants of Pakistan (ICAP) for their opinion thereon. Given that the request for clarification made by the Company is currently under the review and examination of the SECP / ICAP, such disclosure has not currently been made in these financial statements.

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

	Statutory Funds	Shareholders Fund	Total
	(Rupees in '000)		
Property and equipment	-	3,151,784	3,151,784
Intangible assets	-	174,317	174,317
Investment in an associate	-	129,502	129,502
Investments			
Equity securities	44,332,984	4,233,886	48,566,870
Government securities	51,609,096	3,949,921	55,559,017
Debt securities	6,494,073	-	6,494,073
Term deposits	17,700,000	-	17,700,000
Insurance / reinsurance receivables	991,149	-	991,149
Derivative financial instrument	-	154,605	154,605
Other loans and receivables	651,281	111,160	762,441
Taxation - payments less provision	-	140,463	140,463
Prepayments	75,962	52,471	128,433
Cash & Bank	5,113,531	559,829	5,673,360
Total Assets	126,968,076	12,657,938	139,626,014
Insurance Liabilities net of reinsurance recoveries	122,000,509	-	122,000,509
Retirement benefit obligations	516	326	842
Borrowings	-	1,500,000	1,500,000
Premium received in advance	1,177,266	-	1,177,266
Insurance / reinsurance payables	19,509	-	19,509
Other creditors and accruals	3,309,718	162,867	3,472,585
Financial charges payable	-	20,499	20,499
Deferred taxation	-	1,061,590	1,061,590
Unclaimed dividend	-	31,545	31,545
Total Liabilities	126,507,518	2,776,827	129,284,345

**Segmental Statement of Financial Position
As at December 31, 2017 (Restated)**

	Statutory Funds	Shareholders Fund	Total
	(Rupees in '000)		
Property and equipment	-	3,011,063	3,011,063
Intangible assets	-	247,597	247,597
Investment in an associate	-	97,627	97,627
Investments			
Equity securities	41,208,965	240,790	41,449,755
Government securities	52,294,262	3,853,279	56,147,541
Debt securities	1,188,732	-	1,188,732
Term deposits	11,127,000	-	11,127,000
Insurance / reinsurance receivables	1,086,855	-	1,086,855
Other loans and receivables	1,017,849	150,926	1,168,775
Prepayments	58,805	35,976	94,781
Cash and bank balances	3,918,468	974,707	4,893,175
Total Assets	111,900,936	8,611,965	120,512,901
Insurance liabilities net of reinsurance recoveries	104,941,249	-	104,941,249
Retirement benefit obligations	19,145	10,262	29,407
Borrowings	-	1,500,000	1,500,000
Premium received in advance	959,059	-	959,059
Insurance / reinsurance payables	6,155	-	6,155
Other creditors and accruals	2,281,268	196,941	2,478,209
Financial charges payable	-	13,927	13,927
Deferred taxation	-	1,034,020	1,034,020
Derivative financial instrument	-	27,193	27,193
Unclaimed dividend	-	23,750	23,750
Taxation - provision less payments	-	183,210	183,210
Total Liabilities	108,206,876	2,989,303	111,196,179

44 WINDOW TAKAFUL OPERATIONS

As explained in note 2, the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated February 9, 2017, had issued the Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 (the new Rules and Regulations), which specified the new format for the published financial statements of life insurance companies. The new Rules and Regulations do not specify the presentation of the financial position and the financial performance of the Window Family Takaful Operations, for life insurance companies undertaking this line of business. Under the Takaful Rules, 2012, the form of statements to be prescribed under sections 46(1) and 46(2) of the Insurance Ordinance, 2000 is also currently under active consideration of the SECP and the Institute of Chartered Accountants of Pakistan

(ICAP), and the life insurance companies undertaking Window Takaful Operations are currently following an agreed basis on statutory fund wise presentation, adapted in line with the format of financial statements issued by the SECP through the repealed SEC (Insurance) Rules, 2012 vide SRO 938(I)/2002 dated December 12, 2002. The management of the Company sought the guidance of the SECP in this regard, who, through their letter no. ID/OSM/Jubilee Life/2018/17330 dated November 29, 2018, advised the Company that in view of the fact that the matter of reporting of Window Family Takaful Operations of life insurers is currently under the active consideration of the SECP and the ICAP, the Company may follow the industry practice if considered appropriate, till specific guidance is provided by the SECP in this regard. Accordingly, in line with the clarification received from the SECP, the management has decided to follow the currently prevalent industry practice for the presentation of the financial statements of the Window Family Takaful Operations, until specific guidance from the SECP becomes available.

The Statement of financial position of Window Takaful Operations as at December 31, 2018 and its financial performance for the year ended December 31, 2018 are as follows:

Balance Sheet
As at December 31, 2018

Share capital and reserves

Funds received from Shareholder's Fund

Capital returned to Shareholders' fund

Accumulated Surplus

Qard-e-Hasna contributed by the Window Takaful Operator

Net shareholders' equity

**Balance of statutory fund including Technical Reserves
of Rs. 9,851.49 million (2017: Rs. 3,275.71 million)**

Deferred liabilities

Staff retirement benefits

Creditors and accruals

Outstanding claims

Contributions received in advance

Amounts due to takaful / re-takaful operators

Amounts due to agents

Accrued expenses

Other creditors and accruals

Inter-fund payable

Total liabilities

Total equity and liabilities

	Statutory Funds				Aggregate	
	Operator's Sub Fund	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018	2017 (Restated)
(Rupees in '000)						
Funds received from Shareholder's Fund	266,000	-	-	-	266,000	230,000
Capital returned to Shareholders' fund	(130,000)	-	-	-	(130,000)	(130,000)
Accumulated Surplus	291,281	-	-	-	291,281	167,320
Qard-e-Hasna contributed by the Window Takaful Operator	(96,500)	-	-	-	(96,500)	(48,000)
Net shareholders' equity	330,781	-	-	-	330,781	219,320
Balance of statutory fund including Technical Reserves of Rs. 9,851.49 million (2017: Rs. 3,275.71 million)	-	10,007,733	44,828	70,674	10,123,235	4,818,282
Deferred liabilities						
Staff retirement benefits	57	-	-	-	57	2,681
Creditors and accruals						
Outstanding claims	6,627	47,726	23,552	22,353	100,258	72,499
Contributions received in advance	176,565	-	2,335	7,570	186,470	161,778
Amounts due to takaful / re-takaful operators	-	17,600	-	-	17,600	3,172
Amounts due to agents	354,968	-	-	-	354,968	295,015
Accrued expenses	315,992	-	-	-	315,992	249,362
Other creditors and accruals	30,828	57,416	-	160	88,404	38,356
Inter-fund payable	181,405	-	1,547	-	182,952	16,050
	1,066,385	122,742	27,434	30,083	1,246,644	836,232
Total liabilities	1,066,442	10,130,475	72,262	100,757	11,369,936	5,657,195
Total equity and liabilities	1,397,223	10,130,475	72,262	100,757	11,700,717	5,876,515

Balance Sheet
As at December 31, 2018

Cash and bank deposits

Cash and others
Current and other accounts
Deposits maturing within 12 months

Investments

Government securities
Other fixed income securities
Listed equities

Other assets - current

Contributions due but unpaid
Investment income due but outstanding
Investment income accrued
Amounts due from takaful / re-takaful operators
Prepayments
Sundry receivable
Inter-fund receivable

Total assets

	Statutory Funds			Aggregate	
	Operator's Sub Fund	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018 2017 (Restated)
(Rupees in '000)					
Cash and others	12,161	-	-	-	12,161 16,525
Current and other accounts	572,179	754,298	352	8,717	1,335,546 693,095
Deposits maturing within 12 months	115,000	2,735,000	-	-	2,850,000 775,000
	699,340	3,489,298	352	8,717	4,197,707 1,484,620
Government securities	626,665	2,139,104	50,485	65,183	2,881,437 2,528,131
Other fixed income securities	39,363	699,700	-	-	739,063 215,300
Listed equities	-	3,559,316	-	-	3,559,316 1,522,675
	666,028	6,398,120	50,485	65,183	7,179,816 4,266,106
Contributions due but unpaid	-	-	6,214	17,711	23,925 27,432
Investment income due but outstanding	-	-	-	-	- 4,750
Investment income accrued	6,428	53,167	512	1,002	61,109 77,531
Amounts due from takaful / re-takaful operators	-	-	14,699	-	14,699 5,021
Prepayments	9,807	-	-	-	9,807 3,934
Sundry receivable	15,620	-	-	-	15,620 7,121
Inter-fund receivable	-	189,890	-	8,144	198,034 -
	31,855	243,057	21,425	26,857	323,194 125,789
Total assets	1,397,223	10,130,475	72,262	100,757	11,700,717 5,876,515

44.1 Revenue Account For the year ended December 31, 2018

44.1.1 Participants' Investment Fund (PIF)

Income

Allocated contribution

Investment income

Total net income

Less: Claims and expenditures

Claims net of re-takaful

Takaful Operator fee

Bank charges

Total claims and expenditures

Excess of income over claims and expenditures

Technical reserves at beginning of the year

Technical reserves at end of the year

Movement in technical reserves

Surplus / (Deficit)

Movement in Technical reserves

Balance of PIF at beginning of the year

Balance of PIF at end of the year

Statutory Funds			Aggregate	
Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018	2017
(Rupees in '000)				
5,845,099	-	-	5,845,099	3,862,464
(115,923)	-	-	(115,923)	(148,920)
5,729,176	-	-	5,729,176	3,713,544
506,075	-	-	506,075	87,149
165,948	-	-	165,948	70,011
3	-	-	3	34
672,026	-	-	672,026	157,194
5,057,150	-	-	5,057,150	3,556,350
4,613,702	-	-	4,613,702	1,057,352
9,670,852	-	-	9,670,852	4,613,702
(5,057,150)	-	-	(5,057,150)	(3,556,350)
-	-	-	-	-
5,057,150	-	-	5,057,150	3,556,350
4,613,702	-	-	4,613,702	1,057,352
9,670,852	-	-	9,670,852	4,613,702

44.1.2 Participants' Takaful Fund (PTF)

Income

Contribution net of re-takaful

Investment income

Total net income

Less: Claims and expenditures

Claims net of re-takaful recoveries

Takaful Operator fee

Mudarib fee

Bank charges

Medical examination charges

Doubtful debts

Total claims and expenditures

Excess income over claims and expenditures

Technical reserves at beginning of the year

Technical reserves at end of the year

Surplus / (Deficit) retained in PTF

Movement in technical reserves

Surplus / (Deficit) before distribution

Movement in Technical reserves

Transfers from (to)

Qard-e-Hasna contributed by Window Takaful Operator

Qard-e-Hasna returned to Window Takaful Operator

Balance of PTF at beginning of the year - restated

Balance of PTF at end of the year

Statutory Funds			Aggregate	
Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018	2017 (Restated)
(Rupees in '000)				
414,671	52,784	169,777	637,232	355,388
14,113	3,248	2,909	20,270	7,155
428,784	56,032	172,686	657,502	362,543
82,754	41,178	144,768	268,700	134,840
129,565	14,016	35,767	179,348	102,901
5,652	1,299	1,163	8,114	1,665
5	11	11	27	45
1,680	69	2	1,751	1,330
-	51	208	259	68
219,656	56,624	181,919	458,199	240,849
209,128	(592)	(9,233)	199,303	121,694
67,742	2,288	28,550	98,580	34,862
118,037	9,239	34,360	161,636	98,580
158,833	(7,543)	(15,045)	136,247	57,976
(209,128)	592	9,233	(199,303)	(121,694)
-	-	-	-	-
209,128	(592)	(9,233)	199,303	121,694
-	17,000	31,500	48,500	23,000
-	-	-	-	(12,000)
127,753	28,420	48,407	204,580	71,886
336,881	44,828	70,674	452,383	204,580

44.1.3 Operators' Sub Fund (OSF)

Income

Unallocated contributions
Takaful Operator fee
Mudarib fee
Investment income

Less: Expenditures

Acquisition costs
Administration cost
Total management cost

Excess / (deficit) of income over expenditures

Technical reserves at beginning of the year
Technical reserves at end of the year

Movement in technical reserves

Surplus / (Deficit) for the year

Movement in technical reserves

Surplus appropriated to Shareholders' Fund
Contribution received from Shareholders' Fund
Capital returned to Shareholders' Fund
Qard-e-Hasna contributed to the Participants' Takaful Fund
Qard-e-Hasna returned from Participants' Takaful Fund
Balance of Operator Sub Fund at beginning of the year - restated
Balance of OSF at end of the year

Statutory Funds			Aggregate	
Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018	2017 (Restated)
(Rupees in '000)				
3,520,450	-	-	3,520,450	2,708,860
295,513	14,016	35,767	345,296	172,912
5,652	1,299	1,163	8,114	1,665
46,191	515	1,542	48,248	37,665
3,867,806	15,830	38,472	3,922,108	2,921,102
3,073,759	5,754	24,178	3,103,691	2,245,364
552,421	4,299	12,736	569,456	341,745
3,626,180	10,053	36,914	3,673,147	2,587,109
241,626	5,777	1,558	248,961	333,993
5,458	1,065	7,760	14,283	5,085
9,422	2,052	7,525	18,999	14,283
(3,964)	(987)	235	(4,716)	(9,198)
237,662	4,790	1,793	244,245	324,795
3,964	987	(235)	4,716	9,198
(125,000)	-	-	(125,000)	(300,000)
-	12,000	24,000	36,000	55,000
-	-	-	-	(130,000)
-	(17,000)	(31,500)	(48,500)	(23,000)
-	-	-	-	12,000
170,583	15,596	33,141	219,320	271,327
287,209	16,373	27,199	330,781	219,320

44.2 Statement of Contribution For the year ended December 31, 2018

Gross contribution

Regular contributions - individual policies

First year

Second year renewal

Subsequent years renewal

Single contribution individual policies

Non Linked riders

Group policies without cash values

Total gross contribution

Participants' Investment Fund (PIF)

Allocated regular contribution

Allocated single contribution

Total allocated contribution

Participants' Takaful Fund (PTF)

Allocated gross contribution

Add: Retakaful commission

Less: Retakaful contribution ceded

On individual life first year business

On individual life second year business

On individual life subsequent renewal business

On single contributions individual policies

On group policies

Total retakaful contribution ceded

Net risk contribution of PTF

Operators' Sub Fund

Unallocated regular contribution

Statutory Funds			Aggregate	
Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018	2017
(Rupees in '000)				
6,169,716	-	4,261	6,173,977	3,773,782
1,610,569	-	-	1,610,569	1,087,128
496,046	-	-	496,046	8,949
1,528,273	-	-	1,528,273	1,899,141
43,657	99	-	43,756	25,575
-	88,729	165,516	254,245	197,084
9,848,261	88,828	169,777	10,106,866	6,991,659
4,316,826	-	-	4,316,826	1,963,323
1,528,273	-	-	1,528,273	1,899,141
5,845,099	-	-	5,845,099	3,862,464
482,712	88,828	169,777	741,317	420,335
21,791	-	-	21,791	16,559
(47,114)	-	-	(47,114)	(33,750)
(29,633)	-	-	(29,633)	(16,872)
(13,011)	-	-	(13,011)	(238)
(74)	-	-	(74)	(129)
-	(36,044)	-	(36,044)	(30,517)
(89,832)	(36,044)	-	(125,876)	(81,506)
414,671	52,784	169,777	637,232	355,388
3,520,450	-	-	3,520,450	2,708,860

44.3 Statement of Claims
For the year ended December 31, 2018

		Notes	Statutory Funds			Aggregate		
			Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018	2017	
			(Rupees in '000)					
44.3 Statement of Claims For the year ended December 31, 2018	Gross claims							
	Claims under individual policies							
	by death		44.3.1 & 44.3.2	105,398	-	-	105,398	48,617
	by insured event other than death			210	-	1,037	1,247	120
	by maturity			-	-	-	-	-
	by surrender			243,387	-	-	243,387	31,600
	by partial withdrawal			255,779	-	-	255,779	54,514
	Total gross individual policy claims			604,774	-	1,037	605,811	134,851
	Claims under group policies							
	by death			-	83,762	-	83,762	49,625
	by insured event other than death			-	2,892	143,731	146,623	91,259
	bonus in cash			-	-	-	-	-
	experience refund			-	-	-	-	-
	Total group policy claims			-	86,654	143,731	230,385	140,884
	Total gross claims			604,774	86,654	144,768	836,196	275,735
	44.3.1 Participants' Investment Fund (PIF)							
	Claims under individual policies							
by death			6,909	-	-	6,909	1,035	
by surrender			243,387	-	-	243,387	31,600	
by partial withdrawal			255,779	-	-	255,779	54,514	
			506,075	-	-	506,075	87,149	
44.3.2 Participants' Takaful Fund (PTF)								
Gross claims								
Claims under individual policies - by death			98,489	-	-	98,489	47,582	
Claims under individual policies - by insured event other than death			210	-	1,037	1,247	120	
Claims under group policies - by death			-	83,762	-	83,762	49,625	
Claims under group policies - by insured event other than death			-	2,892	143,731	146,623	91,259	
			98,699	86,654	144,768	330,121	188,586	
Less: Retakaful recoveries								
On individual life first year business claims			(3,604)	-	-	(3,604)	(27,320)	
On individual life second year business claims			(12,341)	-	-	(12,341)	-	
On individual life renewal business claims			-	-	-	-	-	
On group life claims			-	(45,476)	-	(45,476)	(26,426)	
On experience refund of contributions			-	-	-	-	-	
			(15,945)	(45,476)	-	(61,421)	(53,746)	
Net claims			82,754	41,178	144,768	268,700	134,840	

44.4 Statement of Expenses For the year ended December 31, 2018

Operators' Sub Fund (OSF)

Acquisition costs

Remuneration to takaful intermediaries on individual policies

Commission on first year contributions
Commission on second year contributions
Commission on subsequent renewal contributions
Commission on single contributions

Remuneration to insurance intermediaries on group policies

Commission

Branch overheads

Salaries & allowances and other branch overheads
Overriding commission

Other acquisition costs:

Policy stamps
Others

Total acquisition cost

Administration expenses

Salaries, allowances and other benefits
Charge for defined benefit plan
Contribution to defined contribution plan
Travelling expenses
Auditors' remuneration
Appointed actuary's fees
Advertisements
Printing and stationery
Depreciation
Amortisation
Rent, rates and taxes
Legal and professional charges
Supervision fees
Utilities
Entertainment
Vehicle running expenses
Repairs and maintenance
Bank charges and brokerage
Training expenses
Postages, telegrams and telephone
Staff welfare
General insurance
Provision for doubtful debts
Miscellaneous expenses

Gross management expenses

Statutory Funds			Aggregate	
Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018	2017 (Restated)
(Rupees in '000)				
1,831,454	13	1,305	1,832,772	1,465,810
122,202	-	3	122,205	51,761
19,658	-	-	19,658	221
28,703	-	-	28,703	37,026
2,002,017	13	1,308	2,003,338	1,554,818
-	3,006	12,942	15,948	15,600
669,825	2,716	9,184	681,725	429,849
285,512	-	540	286,052	181,466
955,337	2,716	9,724	967,777	611,315
116,283	19	204	116,506	63,170
122	-	-	122	461
3,073,759	5,754	24,178	3,103,691	2,245,364
148,832	1,965	5,652	156,449	108,049
4,709	65	185	4,959	5,547
5,792	80	231	6,103	3,699
8,706	111	342	9,159	6,400
2,037	16	32	2,085	700
2,357	26	45	2,428	2,056
252,513	726	1,249	254,488	129,896
12,186	56	638	12,880	10,426
25,329	374	1,002	26,705	16,486
14,572	160	225	14,957	5,581
17,874	98	151	18,123	11,191
5,550	75	197	5,822	3,430
9,371	85	163	9,619	7,423
6,324	49	75	6,448	5,711
3,067	34	94	3,195	1,988
2,197	17	1,450	3,664	2,386
15,938	244	374	16,556	6,686
2,436	4	6	2,446	1,059
840	9	17	866	1,174
6,483	51	512	7,046	6,828
1,842	17	34	1,893	1,713
3,390	36	61	3,487	3,112
-	-	-	-	-
76	1	1	78	204
552,421	4,299	12,736	569,456	341,745
3,626,180	10,053	36,914	3,673,147	2,587,109

44.5 Statement of Investment Income For the year ended December 31, 2018

Participants' Investment Fund (PIF)

Government securities
Other fixed income securities and deposits
Dividends
Gain / (loss) on sale of investments
Amortisation of premium
Unrealised (loss) / gain on investments
Less: Investment related expenses
Less: Tax on dividend under FTR
Net Investment income of PIF

Participants' Takaful Fund (PTF)

Government securities
Other fixed income securities and deposits
Gain / (loss) on sale of investments
Amortisation of premium
Unrealised (loss) / gain on investments
Other income
Net Investment income of PTF

Operators' Sub Fund (OSF)

Government securities
Other fixed income securities and deposits
Gain / (loss) on sale of investments
Amortisation of premium
Unrealised (loss) / gain on investments
Less: Investment related expenses
Net Investment income of OSF

Net Investment Income

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2018	2017 (Restated)
	(Rupees in '000)				
(a)	98,731	-	-	98,731	29,652
	145,676	-	-	145,676	45,275
	141,941	-	-	141,941	40,613
	95,139	-	-	95,139	(36,734)
	(8,565)	-	-	(8,565)	(4,845)
	(560,921)	-	-	(560,921)	(216,316)
	(7,177)	-	-	(7,177)	(158)
	(20,747)	-	-	(20,747)	(6,407)
	(115,923)	-	-	(115,923)	(148,920)
(b)	12,133	1,976	1,717	15,826	4,798
	2,297	1,050	1,218	4,565	3,191
	-	(106)	(21)	(127)	(1)
	56	(77)	(215)	(236)	(950)
	(373)	405	110	142	22
	-	-	100	100	95
	14,113	3,248	2,909	20,270	7,155
(c)	34,256	328	1,458	36,042	18,432
	24,063	304	393	24,760	26,098
	(8,099)	(27)	(7)	(8,133)	(1,492)
	(2,704)	(13)	(291)	(3,008)	(3,164)
	(1,319)	(77)	(11)	(1,407)	(2,189)
	(6)	-	-	(6)	(20)
	46,191	515	1,542	48,248	37,665
(a+b+c)	(55,619)	3,763	4,451	(47,405)	(104,100)

45 MOVEMENT IN INVESTMENTS


	Held to maturity	Available -for-sale	At fair value through profit or loss	Total
At beginning of previous year (restated)	8,946,945	6,470,661	80,145,025	95,562,631
Additions	15,877,000	18,325,332	122,447,402	156,649,734
Disposals (sale and redemptions)	(13,677,000)	(13,583,643)	(101,715,696)	(128,976,339)
Amortisation of discount / (premium)	12	(36,461)	(207,207)	(243,656)
Fair value net gains / (losses)	-	(756,732)	(12,249,761)	(13,006,493)
Impairment losses	-	(72,849)	-	(72,849)
At beginning of current year	11,146,957	10,346,308	88,419,763	109,913,028
Additions	33,980,000	54,405,322	235,809,865	324,195,187
Disposals (sale and redemptions)	(27,407,000)	(52,761,850)	(215,762,773)	(295,931,623)
Amortisation of discount / (premium)	12	(13,220)	(35,806)	(49,014)
Fair value net gains / (losses)	-	(51,827)	(9,518,539)	(9,570,366)
Impairment losses	-	(237,251)	-	(237,251)
At end of current year	17,719,969	11,687,482	98,912,510	128,319,961

46 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

46.1 Insurance Risk

46.1.1 Individual life unit linked

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



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

a) Frequency and severity of claims

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

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

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

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

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

Benefits assured per life**Rupees**

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Assured at the end of 2018
Total benefits assured

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

Assured at the end of 2017
Total benefits assured
Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
66,424,960	16.23%	65,245,579	22.22%
93,792,673	22.91%	85,675,459	29.17%
61,400,753	15.00%	49,811,761	16.96%
41,435,674	10.12%	28,583,227	9.73%
146,324,584	35.74%	64,369,608	21.92%
409,378,644	100.00%	293,685,634	100.00%

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

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

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

- Mortality: The Company assumes the expected mortality at 80% of LIC (94-96) since the current experience for this line of business is not credible.
- Persistency: The Company conducts a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

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

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

d) Changes in assumptions

There have been no change in assumptions.

e) Sensitivity analysis

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

	Trigger level	Change in variable	Increase in liability 2018	Increase in liability 2017
		 (Rupees in '000)	
Worsening of mortality rates for risk policies	300%	10% p.a	148,800	93,419
Worsening of persistency rates for long term individual policies *	-	-	-	-
Increase in expense levels and inflation	206%	10% p.a	140,100	131,110
Decrease in investment returns *	-	-	-	-

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

The above 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 – for example, change in interest rate and change in market values; and change in lapses and future mortality.

46.1.2 Conventional business

46.1.2.1 Individual life conventional business

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

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

a) Frequency and severity of claims

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

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

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

Benefits assured per life

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Assured at the end of 2018 Total benefits assured

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
67,586	34.02%	66,657	55.96%
27,087	13.63%	20,251	17.00%
13,698	6.89%	9,548	8.02%
1,610	0.81%	80	0.07%
88,703	44.65%	22,585	18.95%
198,684	100.00%	119,121	100.00%

Assured at the end of 2017 Total benefits assured

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
9,840	8.07%	6,869	19.73%
3,130	2.57%	2,415	6.93%
1,076	0.88%	28	0.08%
19,963	16.36%	12,551	36.04%
87,977	72.12%	12,962	37.22%
121,986	100.00%	34,825	100.00%

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

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

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

c) Process used to decide on assumptions

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

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

d) Changes in assumptions

There have been no change in assumptions.

e) Sensitivity analysis

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

46.1.2.2 Group life

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

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

a) Frequency and severity of claims

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

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

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

Benefits assured per life

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Assured at the end of 2018 Total benefits assured

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
524,669,402	37.70%	331,362,702	50.54%
164,113,252	11.80%	83,429,635	12.73%
91,867,417	6.60%	48,008,116	7.32%
80,052,715	5.75%	39,342,537	6.00%
530,849,982	38.15%	153,470,255	23.41%
1,391,552,768	100.00%	655,613,245	100.00%

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Assured at the end of 2017 Total benefits assured

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
417,568,127	36.32%	248,239,134	47.79%
173,395,085	15.08%	87,269,042	16.80%
99,197,854	8.63%	51,037,872	9.83%
81,240,674	7.07%	39,275,133	7.56%
378,274,485	32.90%	93,570,693	18.02%
1,149,676,225	100.00%	519,391,874	100.00%

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

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

c) Process used to decide on assumptions

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

d) Changes in assumptions

The valuation as at December 31, 2018 contains changes in reserving basis. The reserving basis has been changed for Employer / Employee Schemes to maintain the adequacy of IBNR within the target range based on claim development factor. Reserving basis has been changed for Depositor / Micro Finance Schemes to maintain the adequacy within the target range based on earned premium. The change in valuation basis has resulted in increase in policyholders' liability by Rs. 10.8 million with corresponding impact on the profit or loss.

e) Sensitivity analysis

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

Variables	Change in variable	Increase in liability 2018	Increase in liability 2017
	 (Rupees in '000)	
Worsening of mortality rates for risk policies	+10% p.a	4,568	3,988
Increase in reporting lag	+10% p.a	4,568	3,988

46.1.2.3 Accident & Health

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

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

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

a) Frequency and severity of claims

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

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

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

Benefits assured per life

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Assured at the end of 2018 Total benefits assured

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
200,467,866	84.93%	198,310,600	85.25%
29,610,722	12.55%	28,641,528	12.31%
5,362,761	2.27%	5,094,047	2.19%
523,634	0.22%	514,984	0.22%
74,377	0.03%	74,377	0.03%
236,039,360	100.00%	232,635,536	100.00%

Assured at the end of 2017 Total benefits assured

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
173,680,340	82.45%	171,577,984	82.90%
32,580,587	15.47%	31,280,705	15.11%
4,086,183	1.94%	3,830,000	1.85%
254,411	0.12%	245,761	0.12%
44,140	0.02%	44,140	0.02%
210,645,661	100.00%	206,978,590	100.00%

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

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

c) Process used to decide on assumptions

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

d) Changes in assumptions

There have been no 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.

Variables	Change in variable	Increase in liability 2018	Increase in liability 2017
	 (Rupees in '000)	
Worsening of morbidity rates for risk policies	+10% p.a	28,102	31,650
Increase in reporting lag	+10% p.a	28,102	31,650
Increase in average claim amount	+10% p.a	28,102	31,650

46.1.2.4 Overseas group life and health business

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

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

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

a) Frequency and severity of claims

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

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

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

Benefits assured per life**Rupees**

0 - 500,000
 500,001 - 1,000,000
 1,000,001 - 1,500,000
 1,500,001 - 2,000,000
 More than 2,000,000
Total

Assured at the end of 2018
Total benefits assured

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
-	-	-	-
147,019	2.45%	-	-
150,352	2.50%	-	-
192,282	3.20%	-	-
5,512,967	91.85%	-	-
6,002,620	100.00%	-	-

Rupees

0 - 500,000
 500,001 - 1,000,000
 1,000,001 - 1,500,000
 1,500,001 - 2,000,000
 More than 2,000,000
Total

Assured at the end of 2017
Total benefits assured

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
-	0.00%	-	-
263,472	6.15%	-	-
184,102	4.30%	-	-
113,855	2.66%	-	-
3,720,062	86.89%	-	-
4,281,491	100.00%	-	-

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

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

c) Process used to decide on assumptions

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

d) Changes in assumption

There have been no change in assumptions.

e) Sensitivity analysis

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

46.1.3 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

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

Takaful Risk

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

Individual Family Takaful
Group Family Takaful
Accident and Health Family Takaful

Individual Family Takaful

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

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

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

a) Frequency and severity of claims

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

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

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

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

Benefits covered per Participant

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000

Total

Assured at the end of 2018 Total benefits assured

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

Assured at the end of 2017 Total benefits assured

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
5,238,058	9.36%	5,214,572	13.91%
8,855,189	15.83%	8,683,453	23.16%
8,208,850	14.68%	7,164,182	19.11%
5,139,300	9.19%	3,927,561	10.48%
28,491,500	50.94%	12,500,626	33.34%
55,932,897	100.00%	37,490,394	100.00%

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

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

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

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

c) Process used to decide on assumptions

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

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

d) Sensitivity analysis

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

Group Life Family Takaful

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

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

a) Frequency and severity of claims

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

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

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

Benefits covered per Participant

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Assured at the end of 2018 Total benefits assured

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
26,968,154	35.17%	13,497,952	34.64%
29,062,520	37.90%	14,564,010	37.38%
1,997,467	2.60%	1,057,983	2.72%
5,539,109	7.22%	2,784,555	7.15%
13,111,294	17.11%	7,057,890	18.11%
76,678,544	100.00%	38,962,390	100.00%

Assured at the end of 2017 Total benefits assured

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
15,602,469	28.33%	7,801,234	30.11%
26,255,962	47.66%	13,127,981	50.67%
2,659,599	4.83%	1,329,799	5.13%
3,676,586	6.67%	1,838,293	7.09%
6,890,370	12.51%	1,814,000	7.00%
55,084,986	100.00%	25,911,307	100.00%

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

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

c) Process used to decide on assumptions

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

d) Sensitivity analysis

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

Variables	Change in variable	Increase in liability 2018	Increase in liability 2017
		(Rupees in '000)	
Worsening of morbidity rates for risk policies	+10% p.a	127	112
Increase in reporting lag	+10% p.a	127	112

Accident & Health Family Takaful

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

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

a) Frequency and severity of claims

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

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

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

Benefits covered per Participant

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Assured at the end of 2018 Total benefits assured

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

Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
Total

Assured at the end of 2017 Total benefits assured

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
5,934,779	81.20%	5,934,779	81.20%
1,373,632	18.80%	1,373,632	18.80%
-	0.00%	-	0.00%
-	0.00%	-	0.00%
-	0.00%	-	0.00%
7,308,411	100.00%	7,308,411	100.00%

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

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

c) Process used to decide on assumptions

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

d) Sensitivity analysis

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

Variables	Change in variable	Increase in liability 2018	Increase in liability 2017
..... (Rupees in '000)			
Worsening of morbidity rates for risk policies	+10% p.a	1,078	615
Increase in reporting lag	+10% p.a	1,078	615
Increase in average claim amount	+10% p.a	1,078	615

46.2 Financial risk

Liquidity risk

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

Interest rate risk

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return on its interest bearing securities. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated. The Company's interest rate sensitivity and liquidity positions based on maturities is given in note 46.2.1.

46.2.1 MATURITY PROFILE

Maturity profile of financial assets and liabilities for 2018 is given below:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
FINANCIAL ASSETS	(Rupees in '000)						
Investment in an associate	-	-	-	-	129,502	129,502	129,502
Investments							
- Listed Equities	-	-	-	48,566,870	-	48,566,870	48,566,870
- Government Securities	53,277,411	2,281,607	55,559,018	-	-	-	55,559,018
- Debt Securities	14,000	6,480,073	6,494,073	-	-	-	6,494,073
- Term Deposits	17,700,000	-	17,700,000	-	-	-	17,700,000
Insurance / reinsurance receivables	-	-	-	991,149	-	991,149	991,149
Derivative financial instrument	-	-	-	154,605	-	154,605	154,605
Other loans and receivables	-	-	-	651,798	-	651,798	651,798
Cash & Bank	-	-	-	5,673,359	-	5,673,359	5,673,359
As at December 31, 2018	70,991,411	8,761,680	79,753,091	56,037,781	129,502	56,167,283	135,920,374
FINANCIAL LIABILITIES							
Insurance liabilities	-	-	-	122,000,509	-	122,000,509	122,000,509
Retirement benefit obligations	-	-	-	842	-	842	842
Borrowings	125,000	1,375,000	1,500,000	-	-	-	1,500,000
Premium received in advance	-	-	-	1,177,266	-	1,177,266	1,177,266
Insurance / reinsurance payables	-	-	-	19,509	-	19,509	19,509
Other creditors and accruals	-	-	-	3,361,942	-	3,361,942	3,361,942
Financial charges payable	-	-	-	20,499	-	20,499	20,499
Unclaimed dividend	-	-	-	31,545	-	31,545	31,545
As at December 31, 2018	125,000	1,375,000	1,500,000	126,612,112	-	126,612,112	128,112,112
Off Balance Sheet Financial Instruments	-	-	-	100,073	6,401	106,474	106,474
As at December 31, 2018	70,866,411	7,386,680	78,253,091	(70,674,404)	123,101	(70,551,303)	7,701,788

Maturity profile of financial assets and liabilities for 2017:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
FINANCIAL ASSETS	(Rupees in '000)						
Investment in an associate Investments	-	-	-	-	97,627	97,627	97,627
- Listed Equities	-	-	-	41,449,755	-	41,449,755	41,449,755
- Government Securities	52,522,914	3,624,627	56,147,541	-	-	-	56,147,541
- Debt Securities	-	1,188,732	1,188,732	-	-	-	1,188,732
- Term Deposits	11,127,000	-	11,127,000	-	-	-	11,127,000
Insurance / reinsurance receivables	-	-	-	1,086,855	-	1,086,855	1,086,855
Other loans and receivables	-	-	-	1,136,704	-	1,136,704	1,136,704
Cash & Bank	-	-	-	4,893,175	-	4,893,175	4,893,175
As at December 31, 2017	63,649,914	4,813,359	68,463,273	48,566,489	97,627	48,664,116	117,127,389
FINANCIAL LIABILITIES							
Insurance liabilities	-	-	-	104,941,249	-	104,941,249	104,941,249
Retirement benefit obligations	-	-	-	29,407	-	29,407	29,407
Borrowings	-	1,500,000	1,500,000	-	-	-	1,500,000
Premium received in advance	-	-	-	959,059	-	959,059	959,059
Insurance / reinsurance payables	-	-	-	6,155	-	6,155	6,155
Other creditors and accruals	-	-	-	2,446,138	-	2,446,138	2,446,138
Financial charges payable	-	-	-	13,927	-	13,927	13,927
Derivative Financial Instrument	-	-	-	27,193	-	27,193	27,193
Unclaimed dividend	-	-	-	23,750	-	23,750	23,750
As at December 31, 2017	-	1,500,000	1,500,000	108,446,878	-	108,446,878	109,946,878
Off Balance Sheet Financial Instruments	-	-	-	-	-	-	-
As at December 31, 2017	63,649,914	3,313,359	66,963,273	(59,880,389)	97,627	(59,782,762)	7,180,511

a) Sensitivity analysis - interest rate risk

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

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

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

An increase in 100 basis points in interest yields would result in a loss of Rs.281.53 million (2017: Rs.220.65 million).

A decrease in 100 basis points in interest yields would result in a gain of Rs.299.24 million (2017: Rs.230.28 million).

b) Sensitivity analysis - currency risk

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

46.3 Foreign Currency Risk

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

46.4 Market Risk

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

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

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

Sensitivity analysis - equity risk

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

In case of 5% increase / decrease in PSX 100 index on December 31, 2018, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 2,428 million (2017: Rs. 2,072 million) as a result of gains / (losses) on equity securities.

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

46.5 Credit Risk and Concentration of Credit Risk

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

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

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

December 31, 2018

(Rupees in '000)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	Not Rated	Total
Government securities	125,501	-	-	-	-	-	-	-	-	55,433,517	55,559,018
Debt securities	-	88,524	3,405,737	55,096	838,059	106,657	-	-	-	2,000,000	6,494,073
Term Deposits	5,800,000	6,000,000	-	2,400,000	300,000	3,200,000	-	-	-	-	17,700,000
Premium due but unpaid	-	-	-	-	-	-	-	-	-	604,391	604,391
Reinsurance receivable	-	-	-	-	-	-	-	-	-	386,758	386,758
Derivative financial instrument	154,605	-	-	-	-	-	-	-	-	-	154,605
Accrued Interest	15,087	29,666	59,295	13,128	22,311	49,248	-	-	-	102,012	290,747
Loans and receivables	-	-	-	-	-	-	-	-	-	336,260	336,260
Cash and bank	4,149,552	742,965	281,444	254,792	80,738	33,592	101,904	-	-	-	5,644,987
	10,244,745	6,861,155	3,746,476	2,723,016	1,241,108	3,389,497	101,904	-	-	58,862,938	87,170,839

December 31, 2017

Government securities	170,160	-	-	-	-	-	-	-	-	55,977,381	56,147,541
Debt securities	436,886	264,119	208,000	69,773	201,386	8,568	-	-	-	-	1,188,732
Term Deposits	3,501,000	3,450,000	1,600,000	2,375,000	-	150,000	51,000	-	-	-	11,127,000
Premium due but unpaid	-	-	-	-	-	-	-	-	-	624,643	624,643
Reinsurance receivable	-	-	-	-	-	-	-	-	-	462,212	462,212
Accrued Interest	-	16,073	6,998	6,718	-	167	-	-	-	876,008	905,964
Loans and receivables	-	-	-	-	-	-	-	-	-	154,368	154,368
Cash and bank	3,338,634	632,997	227,938	150,448	79,409	21,939	398,868	-	-	-	4,850,233
	7,446,680	4,363,189	2,042,936	2,601,939	280,795	180,674	449,868	-	-	58,094,612	75,460,693

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

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

	2018	2017
 (Rupees in '000)	
Cash and bank deposits	23,459,379	16,020,175
Government securities	55,559,018	56,147,541
Term Deposits	17,700,000	11,127,000
Debt securities	6,494,073	1,188,732
Unsecured advances to employees	24,792	18,909
Premiums / Contributions due but unpaid	427,619	407,296
Investment income due but outstanding	-	57,463
Investment income accrued	290,747	905,964
Sundry receivable	236,260	154,368

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

Premiums / Contributions due but unpaid	150,018	171,287
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The carrying values of financial assets which are past due and impaired are as under:

Premiums / Contributions due but unpaid	26,754	46,060
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46.6 Reinsurance Risk

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

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

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

47 CAPITAL MANAGEMENT

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

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


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

48 FAIR VALUE OF FINANCIAL INSTRUMENTS

As at December 31, 2018										
	Designated at fair value	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial asset / liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	(Rupees in '000)									
- Listed equity securities	47,615,126	951,744	-	-	-	48,566,870	48,566,870	-	-	48,566,870
- Government securities										
Market treasury bills	42,832,860	9,096,360	-	-	-	51,929,220	-	51,929,220	-	51,929,220
Pakistan Investment Bonds	570,720	32,170	-	-	-	602,890	-	602,890	-	602,890
WAPDA Bonds	125,501	-	-	-	-	125,501	-	125,501	-	125,501
GOP - Ijarah Sukuks	1,820,839	1,060,599	-	-	-	2,881,438	-	2,881,438	-	2,881,438
- Debt securities										
Term Finance Certificates	3,919,754	507,245	-	-	-	4,426,999	-	4,426,999	-	4,426,999
Ijarah Sukuks	2,027,710	39,364	-	-	-	2,067,074	-	2,067,074	-	2,067,074
- Derivative financial instrument	-	-	-	-	154,605	154,605	-	154,605	-	154,605
Financial assets not measured at fair value										
- Shares of unlisted associates	-	-	-	-	129,502	129,502				
- Government securities										
Pakistan Investment Bonds	-	-	19,969	-	-	19,969	-	19,003	-	19,003
- Term deposits	-	-	17,700,000	-	-	17,700,000				
- Other loans and receivables	-	-	-	762,441	-	762,441				
- Insurance / reinsurance receivables	-	-	-	991,149	-	991,149				
- Cash and bank balances	-	-	-	5,673,359	-	5,673,359				
	98,912,510	11,687,482	17,719,969	7,426,949	284,107	136,031,017				
Financial liabilities not measured at fair value										
- Insurance liabilities	-	-	-	-	122,000,509	122,000,509				
- Borrowing	-	-	-	-	1,500,000	1,500,000				
- Premiums / Contributions received in advance	-	-	-	-	1,177,266	1,177,266				
- Insurance / reinsurance payables	-	-	-	-	19,509	19,509				
- Other creditors and accruals	-	-	-	-	3,472,585	3,472,585				
- Financial charges payable	-	-	-	-	20,499	20,499				
- Unclaimed dividend	-	-	-	-	31,545	31,545				
	-	-	-	-	128,221,913	128,221,913				

As at December 31, 2017 (Restated)

	Designated at fair value	Available- for-sale	Held-to- maturity	Loans and receivables	Other financial asset / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
- Listed equity securities	40,765,555	684,200	-	-	-	41,449,755	41,449,755	-	-	41,449,755
- Government securities										
Market treasury bills	28,824,247	6,878,163	-	-	-	35,702,410	-	35,702,410	-	35,702,410
Pakistan investment bonds	15,537,478	1,939,556	-	-	-	17,477,034	-	17,477,036	-	17,477,036
WAPDA Bonds	170,160	-	-	-	-	170,160	-	170,160	-	170,160
GOP - Ijarah Sukuks	1,980,844	797,136	-	-	-	2,777,980	-	2,777,980	-	2,777,980
- Debt securities										
Term Finance Certificates	726,034	-	-	-	-	726,034	-	726,034	-	726,034
Ijarah Sukuks	415,445	47,253	-	-	-	462,698	-	462,698	-	462,698
Financial assets not measured at fair value										
- Shares of unlisted associates	-	-	-	-	97,627	97,627				
- Government securities										
Pakistan investment bonds	-	-	19,957	-	-	19,957	-	10,945	-	10,945
- Term deposits	-	-	11,127,000	-	-	11,127,000				
- Insurance / reinsurance receivables	-	-	-	1,086,855	-	1,086,855				
- Other loans and receivables	-	-	-	1,168,775	-	1,168,775				
- Cash and bank balances	-	-	-	4,893,175	-	4,893,175				
	<u>88,419,763</u>	<u>10,346,308</u>	<u>11,146,957</u>	<u>7,148,805</u>	<u>97,627</u>	<u>117,159,460</u>				
Financial liabilities measured at fair value										
- Derivative Financial Instrument	-	-	-	-	27,193	27,193	-	27,193	-	27,193
Financial liabilities not measured at fair value										
- Insurance liabilities	-	-	-	-	104,941,249	104,941,249				
- Retirement benefit obligations	-	-	-	-	29,407	29,407				
- Borrowing	-	-	-	-	1,500,000	1,500,000				
- Premium / Contributions received in advance	-	-	-	-	959,059	959,059				
- Insurance / reinsurance payables	-	-	-	-	6,155	6,155				
- Other creditors and accruals	-	-	-	-	2,478,209	2,478,209				
- Derivative Financial Instrument	-	-	-	-	27,193	27,193				
- Unclaimed dividend	-	-	-	-	23,750	23,750				
- Financial charges payable	-	-	-	-	13,927	13,927				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,006,142</u>	<u>110,006,142</u>				



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

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

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

49 STATEMENT OF SOLVENCY

		2018							
		Shareholders' fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful
		(Rupees in '000)							
Assets									
Property and equipment		3,151,784	-	-	-	-	-	-	-
Intangible assets		174,317	-	-	-	-	-	-	-
Investments in associates		129,502	-	-	-	-	-	-	-
Investments									
Equity securities		347,757	44,248,817	181,200	229,780	-	3,559,316	-	-
Government securities		3,949,921	45,256,890	1,086,748	2,269,067	114,954	2,740,427	59,324	81,686
Debt securities		-	5,755,010	-	-	-	739,063	-	-
Term deposits		-	14,850,000	-	-	-	2,850,000	-	-
Insurance / reinsurance receivables		-	163,042	325,819	407,768	55,896	-	20,913	17,711
Derivative Financial Instrument		154,605	-	-	-	-	-	-	-
Other loans and receivables		111,160	356,417	58,239	143,867	945	80,652	2,152	9,009
Taxation - payments less provision		140,463	-	-	-	-	-	-	-
Prepayments		52,471	59,662	74	6,419	-	9,807	-	-
Cash & Bank		559,829	3,353,761	177,464	233,197	1,402	1,313,338	6,603	27,766
Total Assets (A)		8,771,809	114,043,599	1,829,544	3,290,098	173,197	11,292,603	88,992	136,172
Inadmissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000									
(a) Interfund balances		6,968	77,555	10,090	-	945	7,719	1,174	6,191
(b) excess of prescribed limit		6	-	47,209	34,801	-	-	11,639	-
(d) Unsecured advances		24,792	-	-	-	-	-	-	-
(i) Intangible asset		174,317	-	-	-	-	-	-	-
(g) Balances with related party		227,126	176	5,635	16,623	54,801	-	-	-
(h) premium more than 90 days		-	-	5,417	17,788	-	-	1,943	1,605
(w) Associate company		129,502	-	-	-	-	-	-	-
(U)-(i) Assets		3,151,784	-	-	-	-	-	-	-
Total of In-admissible assets (B)		3,714,495	77,731	68,351	69,212	55,746	7,719	14,756	7,796
Total Admissible Assets (C=A-B)	C/f	5,057,314	113,965,868	1,761,193	3,220,886	117,451	11,284,884	74,236	128,376

2018

		Shareholders' fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful
		(Rupees in '000)							
Total Admissible Assets (C=A-B)	B/f	5,057,314	113,965,868	1,761,192	3,220,886	117,451	11,284,884	74,236	128,376
Total Liabilities									
Insurance liabilities net of reinsurance recoveries	-	980,205	654,226	604,092	35,478	54,353	23,552	22,353	
Staff retirement benefits	326	334	66	59	-	57	-	-	
Borrowings	1,500,000	-	-	-	-	-	-	-	
Premium received in advance	-	673,894	49,369	267,533	-	176,565	2,335	7,570	
Insurance / reinsurance payables	-	-	1,909	-	-	17,600	-	-	
Other creditors and accruals	162,867	2,193,684	116,437	240,191	42	749,085	1,903	8,376	
Financial charges payable	20,499	-	-	-	-	-	-	-	
Deferred taxation	23,236	-	-	-	-	-	-	-	
Unclaimed dividend	31,545	-	-	-	-	-	-	-	
Total Liabilities (D)		1,738,473	3,848,117	822,007	1,111,875	35,520	997,660	27,790	38,299
Total Net Admissible Assets (E=C-D)		3,318,841	110,117,751	939,186	2,109,011	81,931	10,287,224	46,446	90,077
Minimum Solvency Requirement									
Shareholder's Fund	165,000	-	-	-	-	-	-	-	-
Policyholders Liability	-	108,128,562	428,086	1,024,365	-	9,798,311	11,292	41,885	
Solvency Margin	-	1,280,230	368,612	697,255	5,887	141,759	21,017	33,747	
	165,000	109,408,792	796,698	1,721,620	5,887	9,940,070	32,309	75,632	
Excess in Net Admissible Assets over Minimum Requirements		3,153,841	708,959	142,488	387,391	76,044	347,154	14,137	14,445

Statement of preparation:

The Insurance Accounting Regulations, 2017 have retained the Statutory Fund wise accounting for regulatory returns. The Statement of Solvency has been prepared in accordance with the format prescribed in regulatory returns for solvency statement. The transfer of surplus to Shareholders' Fund and the related deferred tax implications have been restricted to amount of surplus recommended by the Appointed Actuary for transfer.

50 SUBSEQUENT EVENTS - NON ADJUSTING

The Board of Directors, in their meeting held on March 28, 2019 proposed a final cash dividend of Rs. 14.50 per share (2017: Rs. 14.50 per share) for the year ended December 31, 2018 amounting to Rs.1,150.29 million (2017: Rs.1,150.29 million), subject to approval of the members at the forthcoming Annual General Meeting.

Interim dividend declared and already paid in respect of half year ended June 30, 2018 was Rs. 3.00 per share (2017: Rs.3.00 per share) amounting to Rs.237.99 million (2017: Rs. 237.99 million).

These financial statements do not recognise the proposed final dividend which will be recognized in the financial statements for the year ending December 31, 2019.

51 CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified, wherever necessary to align them with the presentation requirements of the Insurance Accounting Regulations, 2017.

52 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 28, 2019 by the Board of Directors of the Company.

53 GENERAL

The figures in the financial statements may be rounded off to the nearest thousand.



Kamal A. Chinoy
Chairman

Amyn Currimbhoy
Director

Shahid Ghaffar
Director

Javed Ahmed
Managing Director &
Chief Executive Officer

Lilly R. Dossabhoy
Chief Financial Officer

Statement of Directors

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

Section 46(6)

- a) In our opinion, the annual audited financial statements of Jubilee Life Insurance Company Limited for the year ended December 31, 2018, set out in the forms attached to the statements have been drawn up in accordance with the Ordinance and any rules made there under;
- b) Jubilee Life Insurance Company Limited has at all the times in the year complied with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance / retakaful arrangements; and
- c) As at December 31, 2018, Jubilee Life Insurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance / retakaful arrangements.

Section 52(2) (c)

- d) In our opinion, each statutory fund of Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000, and the Insurance Rules, 2017.



Kamal A. Chinoy
Chairman



Amyn Currimbhoy
Director



John Joseph Metcalf
Director



Javed Ahmed
Managing Director &
Chief Executive Officer

Karachi, March 28, 2019

Statement by the Appointed Actuary Required Under Section 52(2)(a) & (b) of the Insurance Ordinance, 2000.

In my opinion:

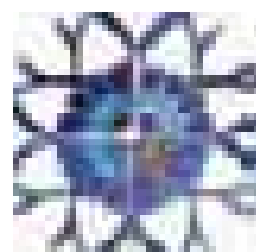
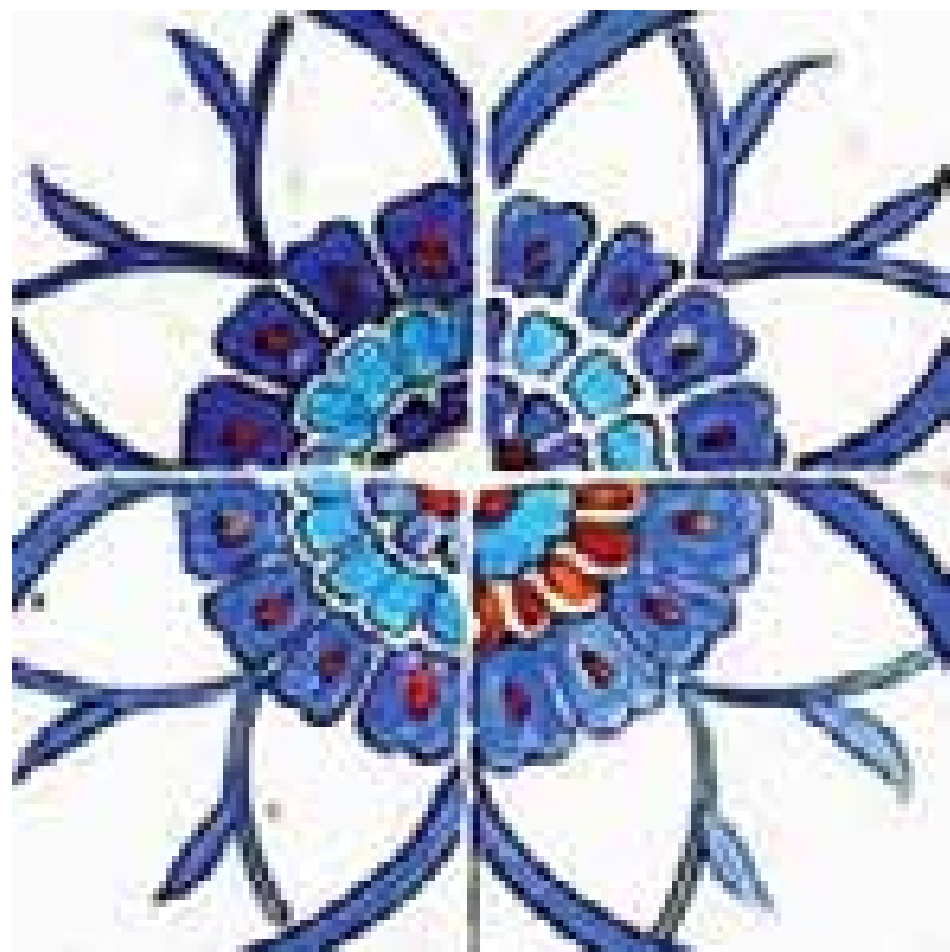
- (a) the policyholder liabilities / technical liabilities in the balance sheet of Jubilee Life Insurance Company Limited as at December 31, 2018 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- (b) each statutory fund of the Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000.

Karachi, January 26, 2019



Nauman A. Cheema

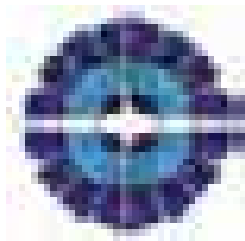
Appointed Actuary of the Company
Fellow of the Society of Actuaries (USA)
Fellow of the Pakistan Society of Actuaries





Yesterday, I was clever,
so I wanted to change the world.
Today I am wise,
so I am changing myself.

- *Rumi*



Notice of 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of Jubilee Life Insurance Company Limited "Company" will be held on Saturday, April 27, 2019 at 11:00 a.m. at the Auditorium, Habib Bank Tower, Jinnah Avenue, Islamabad to transact the following business:

Agenda

Ordinary Business

1. To Confirm the Minutes of 23rd Annual General Meeting held on March 30, 2018.
2. To consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2018 together with the Chairman's Review, Directors' Report and Auditors' Report thereon.
3. To consider and approve the payment of final cash dividend of 145% (Rs.14.50 per ordinary share of Rs.10 each) for the year ended December 31, 2018 as recommended by the Directors of the Company, in addition to the interim dividend of Rs.3.00 per share i.e. 30% already paid to shareholders, thus making a total of Rs.17.50 per share i.e. 175% for the year ended December 31, 2018.
4. To appoint External Auditors and Shariah Compliance Auditors for the Year 2019 and to fix their remuneration. The board and the audit committee have recommended the appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, as statutory auditors and Shariah compliance auditors of the Company in place of the retiring auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants, who have completed the five (5) years tenure as external auditors of the Company. Accordingly, the members are hereby given the notice as required under Section 246(2) of the Companies Act, 2017 proposing the name of an auditor other than the retiring auditors.
5. To transact any other business as may be placed before the Meeting with the permission of the Chair.

By order of the Board



Najam ul Hassan Janjua
Company Secretary

Dated: April 5, 2019
Karachi

Notes:

1. The Share transfer books of the Company shall remain closed from 21-04-2019 to 27-04-2019 (both days inclusive). Transfers received in order by our registrar, M/s Central Depository Company of Pakistan Limited, CDC Share Registrar Services, CDC House, 99-B, Block-B, SMCHS, Main Sharah-e-Faisal, Karachi-74400, at the close of business on 20-04-2019 will be treated in time for the purpose of attending the meeting.
2. A Member of the Company entitled to attend and vote at this Meeting shall be entitled to appoint another member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member.
3. A Member shall not be entitled to appoint more than one proxy to attend any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.
4. Proxies, in order to be effective, must be received by / lodged with the Company at its Registered Office 26-D, 3rd floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad not less than 48 hours before the Meeting.
5. Members are requested to immediately notify any change in their addresses.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
7. Shareholders possessing physical shares are requested to immediately send a copy of their Computerized National Identity Card (CNIC) to our Registrar Office, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, SMCHS, Main Sharah-e-Faisal, Karachi. Corporate entities are also requested to submit their NTN at the address of our Registrar as given above.
8. Please further note that the rates for deduction of withholding tax on the amount of dividend paid by the companies are @ 15% for filers of income tax returns and @ 20% for non-filers of income tax returns. All members are advised to ensure their names are on Active Tax-Payers List (ATL) provided on the website of Federal Board of Revenue (FBR), otherwise tax on dividend will be deducted @20% instead of 15%.

In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follows before 20-04-2019 positively; otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

Name	Folio / CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholding	
			Name & CNIC No.	Shareholding Proportion (No. of Shares)	Name & CNIC No.	Shareholding Proportion (No. of Shares)

9. **Payment of Cash Dividend Electronically (e-Dividend)**

In accordance with the provision of Section 242 of the Companies Act, 2017 (Act) all listed Companies including Jubilee Life Insurance Company Limited are required to pay dividends to the entitled shareholders only through electronic mode directly in the bank account of the said shareholders.

Keeping in view the mandatory requirement of Section 242 of the Act, all listed companies are advised to approach their Shareholders for obtaining electronic dividend mandate, update their bank account records and put a system in place, as all dividend payments with effect from November 1, 2017 shall be paid through electronic mode only. In this regards the Company has already issued letters on October 6, 2017 to such shareholders on their addresses available in the Company's record through registered post.

In pursuance of the directives of SECP, Shareholders are advised to provide their dividend mandate with complete bank account details along with International Bank Account Numbers (IBAN's) for payment of cash dividend directly in the bank accounts instead of issuance of physical Cash Dividend Warrants. In this regard the Shareholders may obtain Bank Mandate Form from the Company's website <https://jubileelife.com/wp-content/uploads/2016/06/Bank-Mandate-Form.pdf>.

Shareholders are advised once again to please submit the referred form duly filled to the Share Registrar "Central Depository Company of Pakistan Limited" in case of physical holding and in case of CDC account / sub-account to investor Account Services, or to their Brokerage firm as the case may be.

A. FOR ATTENDING THE MEETING:

- (i) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.
- (ii) The shareholders registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- (iii) In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. FOR APPOINTMENT OF PROXIES:

- (i) In case of individuals, the account holder or sub-account holder and / or the persons whose registration details are uploaded as per the Regulations shall submit the proxy form as per requirement notified by the Company.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- (v) In case of corporate entity being a Member, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee / attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

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Pattern of Shareholding

As of December 31, 2018

Number Of Shareholders		Shareholdings' Slab		Total Shares Held
203	1	to	100	6,252
182	101	to	500	54,559
436	501	to	1000	300,610
312	1001	to	5000	775,848
113	5001	to	10000	802,637
30	10001	to	15000	370,327
13	15001	to	20000	224,411
13	20001	to	25000	287,652
10	25001	to	30000	268,772
6	30001	to	35000	188,729
2	35001	to	40000	72,860
1	40001	to	45000	42,377
1	45001	to	50000	46,900
2	50001	to	55000	106,630
3	55001	to	60000	171,507
3	65001	to	70000	199,155
1	70001	to	75000	70,950
1	75001	to	80000	77,443
1	80001	to	85000	81,577
1	85001	to	90000	90,000
2	90001	to	95000	185,515
1	95001	to	100000	100,000
3	100001	to	105000	305,522
1	105001	to	110000	105,107

Pattern of Shareholding

As of December 31, 2018

Number Of Shareholders		Shareholdings' Slab		Total Shares Held
1	125001	to	130000	125,402
2	130001	to	135000	262,727
3	145001	to	150000	450,000
1	150001	to	155000	150,287
1	155001	to	160000	158,125
1	200001	to	205000	201,450
1	230001	to	235000	233,150
1	235001	to	240000	240,000
1	280001	to	285000	283,414
1	310001	to	315000	310,313
1	315001	to	320000	316,021
1	385001	to	390000	386,589
1	400001	to	405000	404,604
1	410001	to	415000	412,484
1	620001	to	625000	622,810
1	790001	to	795000	793,327
1	945001	to	950000	949,096
1	1165001	to	1170000	1,168,229
1	1225001	to	1230000	1,226,257
1	5100001	to	5105000	5,101,448
1	14685001	to	14690000	14,689,730
1	45905001	to	45910000	45,909,877
1366				79,330,680

Pattern of Shareholding

As of December 31, 2018

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
1. Directors, Chief Executive Officer, their spouse and minor children:	8	179,904	0.23%
Kamal A. Chinoy		70,950	
Javed Ahmed		986	
Sultan Ali Allana		632	
Shahid Ghaffar		550	
R. Zakir Mahmood		547	
John Joseph Metcalf		632	
Amyr Currimbhoy		500	
Hina Javed		105,107	
2. Associated Companies, Undertakings & related parties:	4	66,323,865	83.60%
*Aga Khan Fund for Economic Development S.A. Switzerland		45,909,877	
Habib Bank Limited - Treasury Division		14,689,730	
Jubilee General Insurance Company Limited		5,101,448	
The Aga Khan University Foundation		622,810	
3. NIT and ICP	1	629	0.00%
Investment Corporation of Pakistan		629	
4. Public Sector Companies & Corporations		-	
5. Banks, Development Financial Institutions & Non Banking Financial Institutions	1	20,148	0.03%
MCB Bank Limited - Treasury		20,148	
6. Insurance Companies	2	1,168,858	1.47%
EFU General Insurance Limited		1,168,229	
The Premier Insurance Company of Pakistan		629	

Pattern of Shareholding

As of December 31, 2018

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
7. Modarbas Mutual and Funds	3	8,024	0.01%
First Equity Modarba		3,777	
CDC - Trustee AKD Index Tracker Fund		3,547	
CDC - Trustee ABL Pension Fund - Equity Sub Fund		700	
8. Others	87	1,261,345	1.59%
9. Executives	9	101,060	0.13%
Muhammad Sohail Fakhar		58,700	
Muhammad Munawar Khalil		22,300	
Shan Rabbani		1,852	
Zahid Barki		11,000	
Faisal Qasim		632	
Najam ul Hassan Janjua		11	
Muhammad Aamir		3,300	
Faiz ul Hassan		2,000	
Nadym Chandna		1,265	
10. General Public - Local	1241	5,515,194	6.95%
- Foreign	10	4,751,653	5.99%
ACACIA Partners LP		1,226,257	
ACACIA Institutional Partners LP		949,096	
ACACIA II Partners LP		793,327	
ACACIA Conservation Master Fund-Offshore Ltd.		386,589	
Habib Bank AG Zurich, Zurich Switzerland		6,325	
Florida Retirement System		404,604	
Aberdeen Institutional Commingled Funds LLC		412,484	
Aberdeen Global Frontier Markets Equity Fund		316,021	
Aberdeen Frontier Markets Investment Company Limited		233,150	
Mahmood Ahmed Chaudhry		23,800	
TOTAL	1366	79,330,680	100.00%
* Excluding 1264 shares held by Nominee Directors			

Pattern of Shareholding

As of December 31, 2018

11. Trading in shares by the Directors, CEO & Spouse and Executives during the year 2018

	Designation	Transaction	No. of Shares
Shan Rabbani	Group Head-Retail Operations, Investments & Acturial	Sold	100

12. Catagories of Shareholders as at December 31, 2018

	Number of Shareholders	Shares held	Percentage
Individuals	1,258	5,796,158	7.31%
Insurance Companies	4	6,281,206	7.92%
Joint Stock Companies	86	1,250,445	1.58%
Financial Institutions	4	60,620,384	76.41%
Modarbas and Mutual Funds	3	8,024	0.01%
Non Residential Shareholders	10	4,751,653	5.99%
Others	1	622,810	0.79%
TOTAL	1,366	79,330,680	100.00%

13. Shareholders holding 5% or more voting interest

Aga Khan Fund for Economic Development S.A. Switzerland	45,909,877	57.87%
Habib Bank Limited Treasury Division	14,689,730	18.52%
Jubilee General Insurance Company Limited	5,101,448	6.43%

Proxy Form

I/We _____ of _____ (full address) being member(s) of Jubilee Life Insurance Company Limited and holder of _____ Ordinary Shares as per Share Register Folio No. _____ CDC Participant ID _____ CDC Account No. _____ hereby appoint Mr./Mrs./Miss _____ of _____ (full address) or failing him / her _____ of _____ or failing him / her _____ of _____ as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Saturday, April 27, 2019 at 11:00 a.m. at Auditorium, Habib Bank Tower, Jinnah Avenue, Islamabad and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2019.

Signature and Address of Witness

CNIC / Passport No. _____

Please affix

Revenue Stamp

Signature of Member(s)

A member entitled to attend and vote at the Annual General Meeting to appoint another member as proxy to attend, speak and vote instead of him/her.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized. A proxy must be a member of the Company.

The instrument appointing a proxy, together with the power of attorney if any under which it is signed or a notarial certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time of holding the meeting.



If undelivered please return to:
Jubilee Life Insurance Company Limited

74/1-A, Lalazar, M. T. Khan Road, Karachi-74000
Phone : (0092) (21) 35205095
Fax : (0092) (21) 35610959

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Branch Network

Individual Life Offices

South Region

Royal Branch

Office No. 601, 6th Floor, Progressive Centre, PECHS, Block-6, Karachi.
021-34663421

Liberty Branch

Office No. 105-A & 106, Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.
021-34663421

Karachi Indus Branch

Office No. 105-A & 106, Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.
021-34663421

Nobel Branch

Office No. 403, 4th Floor, Progressive Center, Block-6, PECHS, Karachi.
021-34322463

Galaxy Branch

B-1 & B-2, Anarkali Apartment, F.B Area, Ayesha Manzil, Block-7, Karachi.
021-363201613

Shaheen Branch

Office No. 601, 6th Floor, Progressive Centre, PECHS, Block-6, Karachi.
021-34322170

Progressive Center Karachi (New Office)

Office No. 403, 4th Floor, Progressive Centre, PECHS, Block-6, Karachi.
021-34322463

Alpha Branch

Office No. 601, 6th Floor, Progressive Centre PECHS Block-6, Karachi.
021-34322170

Horizon Branch

G-5, Adenwella Appartment, GRE325 / 2, Garden East, Karachi.
021-32259560

Platinum Branch

G-5, Adenwella Appartment, GRE325 / 2, Garden East, Karachi.
021-32259560

Imperial Branch

G-5, Adenwella Appartment, GRE325 / 2, Garden East, Karachi.
021-34322170

Gulshan-e-Iqbal

Plot No. 6 / FI-6, 2nd Floor, Block-6, KDA Scheme No. 24, Gulshan-e-Iqbal, Karachi.
021-34834216

Falcon Branch

Mezzanine Floor, Office No. 3.Sub Plot C-25/1, Muhammadi Center, Waterpump Block-17 F.B.Area Karachi.
021-36360450-3

Crescent Branch

Office No. 302 & 303, 3rd Floor, Arab Business Center, Plot No. 5, Block-No. 3, Karachi Cooperative Housing Society, Main Bahadurabad Chowrangi(4 Meenar), Aalamgeer Road Bahadurabad, Karachi.
021-34123264

Civic Branch

1st Floor, Plot No. 20-C, Ittehad Lane-12, D.H.A., Phase-II Extension, Karachi.
021-34947252

United Branch

Office No. 105-A & 106 Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.
021-34017415

Diamond Branch

Flat No. 9 Afzal Apartment KDA Scheme 1-A Stadium Road, Karachi.
021-34188115-8

Thandi Sadak Branch

1st Floor, CC-1 Block, Civic Centre, Thandi Sarak, Hyderabad.
0222-786194

Mirpurkhas City Branch

Adam Tower Mirpur Khas, Plot No. 864/4,
Mirpurkhas.
072-3652191

Khipro Branch

Sanghar Road, Opposite Forest Office
Khipro.
0235-879969

Naushehroferoz City Branch

2nd Floor, Property located at Near
Muhammadi Iron Store & Jalbani Petoral
Pump, Naushero Feroz.
024-2448424

Mehran Branch

at 1st floor , Green Hotel Building near Mian
Chowk, Ghotki.
072-3600612-3

Mehar City Branch

Eri Building, Girls School Road, Mehar.
025-4730765 / 4730406

Panoakil Branch

Opposite Caltex Petrol Pump, Baiji Chowk,
National Highway, Panu Aqil.
071-5691717-8

Sukkur City Branch

1st Floor, Lala Azam Plaza, Opposite Excise
Office, Station Road, Sukkur.
071-5614261

Larkana City Branch

1364/2, Block-C, Nawatak Mohallah,
Larkana.
074-4057486-7

Larkana Royal Branch

1364/2, Block-C, Nawatak Mohallah,
Larkana.
074-4057486-7

Station Road Branch

1364/2, Block-C, Nawatak Mohallah,
Larkana.
074-4057486-7

Khairpur Branch

Ghareeb Nawaz Hotel, Opposite Curcit
House, Khairpur.
0243-714872-3

Multan Region

Dera Ghazi Khan Branch

2nd Floor, Ejaz Plaza, Block-9, Urdu Bazar,
Dera Gazi Khan.
064-2460250-1

Abdali Road Branch

NIPCO Building, 63-Abdali Road, Multan.
061-4573301-2

Multan Royal Branch

NIPCO Building, 63-Abdali Road, Multan.
061-4573301-2

Rahimyar Khan Branch

24-Model Town, 1st Floor, City Chowk
Hospital, Rahim Yar Khan.
068-5887601

Sahiwal Branch

1st Floor, Alpha Tower, 276/B-1,
High Street, Sahiwal.
040-4220503

Central Region

Faisalabad City Branch

577-B, Peoples Colony, Main Satiana Road,
Near Saleemi Chowk, Faisalabad.
041-8720984

Satiana Road Branch

577-B, Peoples Colony, Main Satiana Road,
Near Saleemi Chowk, Faisalabad.
041-8720984

GT.T Road Branch 1

Chughtai Centre, G.T. Road, Shaheenabad,
Gujranwala.
055-3824735

Club Road Branch

405 Club Road, Sargodha.
048-3768468-8

Hafizabad Branch

House No. A-1481, Post Office Road, Above
Aga Khan Laboratory, Hafizabad.
0547-524879

Okara Branch

2nd Floor, Nasir Plaza, Depalpur Chowk,
Okara.
044-2520477

New Cavalry Branch

3rd Floor, Plot No. 79, Commercial Area
Officers Scheme, Cavalry Ground, Lahore.
042-6619966

Ravi Branch

2nd Floor, Plot No. 30, Y Block,
Commercial Area Phase 3, DHA, Lahore.
042-35897740-7

Jinnah Branch

2nd & 3rd Floor, Plot No. 79, Officers
Housing Scheme, Cavalry Ground, Lahore.
042-35941897

Cantt Branch

2nd & 3rd Floor, Plot No. 79, Officers
Housing Scheme, Cavalry Ground, Lahore.
042-35941897

Elite Branch

2nd & 3rd Floor, Plot No. 79, Officers
Housing Scheme, Cavalry Ground, Lahore.
042-35941897

Lahore Pioneer

1st Floor, 41 Civic Center, Barkat Market,
New Garden Town, Lahore.
042-3597189

Lahore Champions Branch

1st Floor, 41 Civic Center, Barkat Market,
New Garden Town, Lahore.
042-3597189

Lahore United Branch

"3rd Floor, 56-A Shadman Commercial
Market, Tufail Plaza, Lahore."
042-3597189

Premier Branch

Plot No. 43, Block-L, M.A. Johar Town, Near
Emporium Mall, Lahore.
042-35941897

Defence Branch

"1st Floor, 41 Civic Center, Barkat Market,
New Garden Town, Lahore."
042-35941896

Chenab Branch

B-1 / 421, Iqbal Center, Near Prince Chowk,
Khawajgan Road, Gujrat.
0533-535115

Paris Road Branch

2nd Floor, Al Amin Centre, B1-16 S-98 B,
Paris Road, Sialkot.
052-4265041

Jehlum Buraq Branch

1st & 2nd Floor, Saran Plaza, Near MCB
Bank, G.T. Road, Jada, Jehlum.
0544-720681-3

North Region**Twin City Branch**

"2nd Floor, Hall No. 3, Bilal Plaza, Grindly
Market,
Haider Road, Rawalpindi."
051-35111335

Margalla Hills Branch

Main Civic Centre, 3rd Floor, Kashmir Plaza,
Blue Area Sector G-6, F-6, Islamabad.
051-2206934

Blue Area Branch

Main Civic Centre, 3rd Floor, Kashmir Plaza,
Blue Area Sector G-6, F-6, Islamabad.
051-2206934

Jinnah Avenue Branch

Main Civic Centre, 3rd Floor, Kashmir Plaza,
Blue Area Sector G-6, F-6, Islamabad.
051-2206934

Islamabad Branch

Main Civic Centre, 3rd Floor, Kashmir Plaza,
Blue Area Sector G-6, F-6, Islamabad.
051-2206934

Capital Branch

Main Civic Centre, 3rd Floor, Kashmir Plaza,
Blue Area Sector G-6, F-6, Islamabad.
051-2206934

Cant. Branch

Office No. UG-422, 1st Floor, Upper Ground
Deans Trade Centre, Islamia Road,
Peshawar Cantt.
091-5253262

University Road Branch

Office No. UG-422, 1st Floor, Upper Ground
Deans Trade Centre, Islamia Road,
Peshawar Cantt.
091-5253262

Lakki Marwat, Sub Office Peshawar

Upper Ground Floor, Asmat Ali Market,
Mian Wali Road, Near Kargal Chowk, Lakki
Marwat.
0969-512006

Chitral Branch

Ground Floor, Terichmir View Hotel, Shahi
Qilla Road, Main Bazar, Chitral.
0943-412207

Mirpur A.K.Branch

1st Floor, Bank Square, Allam Iqbal Road,
Mipru AK.
05822-445041 / 44315

Chinar branch

1st Floor, Bank Square, Allam Iqbal Road,
Mipru AK.
05822-445041 / 44315

Muzaffarabad Branch

2nd Floor, Bilal Shopping Plaza, Upper
Adha, Muzaffarabad.
05822-445041 / 443315

Kotli Branch

2nd Floor, Ghulistan Plaza, Pindi Road,
Kotli Azad Kashmir.
05826-444475

Gilgit Branch

2nd Floor, ZS-Plaza, Opposite Radio
Pakistan, Main Sharah-e-Quaid-e-Azam,
Jutial, Gilgit.
05811-457070

Hunza Branch

1st Floor, Gulzar-e-Hunza Market, Bank
Square, Aga Khan Abad, Ali Abad, Main
Karakoram Highway, Hunza.
0581-1450092

Ghizer Branch

Shop No. 10 - 17, Ground Floor, Shahbaz
Market, Raja Bazar, Near DHQ Hospital,
Gahkuch Ghizer.
05814-451511

Rawalpindi Behria Town

2nd Floor, Plot No. 180, Block-D, Civic
Center, Phase 4, Behria Town, Rawalpindi.
051-5731452-3 / 5731423 / 5731479

Bancassurance Offices**Karachi Bancassurance**

Office No. 211, 213, 2nd Floor, Business
Avenue, Shahrah-e-Faisal, Karachi.
Office No. M1 / M2, Mezzanine Floor,
Business Avenue, Shahrah-e-Faisal,
Karachi.
021-34374310

Hyderabad Banca

1st Floor, Noor Place, near KASB Bank,
Saddar, Cantonment, Hyderabad.
0222-786082-3

Sukkur Bancassurance

1st Floor, Bilal Plaza, Opposite Jatoti House,
Military Road Sukkur.
071-5631169

Bahawalpur Bancassurance

1st Floor, HNo. 1-B, Model Town-B, Main
Ghalla Mandi Road, Bahawalpur.
0622-882237-9

Multan Bancassurance

10-A, 1st Floor, Twin Towers, Tehsil Chowk,
Gulgasht Colony, Near Silk Bank, Bosan
Road, Multan.
061-6212052

Sahiwal Bancassurance

1st Floor, Naveed Plaza, Jinnah Road, High
Street, Sahiwal.
052-4603161

Faisalabad Bancassurance

3rd Floor, Office No. 9, Legacy Tower, Main
Boulevard, Kohinoor City, Faisalabad.
041-8555061-3

Lahore Bancassurance

1st & 2nd Floor, 57 Shadman Market, Near
Post Office Shadman, Lahore.
042-37529600

Sargodha Bancassurance

Al-Rehman Trade Centre, 2nd Floor, Office
No. 55, Sargodha.
048-3768646-7

Gujranwala Bancassurance

3rd Floor, Zaheer Plaza, G.T. Road,
Gujranwala.
055-3736611-3

Jehlum Bancassurance

1st Floor, Mian G.T. Road, Behind Caltex
Petrol Pump, Near HBL Jada Branch,
Jehlum.
0544-720681-3

Gujrat Bancassurance

Sadiq Centre, Ground Floor Left Wing,
(G1, G2, G3, G4), Rehman Sahaheed Road,
Opposite Total Petrol Pump, Gujrat.
053-3533020-2

Sialkot Bancassurance

Plot No. 16 S, 71/A/1, Moon Tower, Shop No. 1, 2, 3, 2nd Floor, Opp. Mission Hospital, Paris Road, Sialkot.
052-4603161

Islamabad Bancassurance

1st & 2nd Floor, Plot No. 21, I & T Center, Sector G/6, Main Khayaban-e-Suharwardi, Aabpara, Islamabad.
051-4602900

Peshawar Bancassurance

No. 501-502 B, 5th Floor, City Towers, University Road, Peshawar.
091-5842175-7 / 5842175

Muzaffarabad Bancassurance

D-141, Stree No. 17, Upper Chittar Housing Scheme, Muzaffarabad, Azad Kashmir.
058-22432195-6

Mardan Bancassurance

1st Floor, Sheikh Enayat Plaza Opposite Askari Bank, The Mall Road, Mardan.
0937-874021-3

Quetta Bancassurance

1st Floor, A-7, Swiss Plaza, Jinnah Road, Quetta.
081-2829822 / 2822439

Mirpur AJK Bancassurance

1st Floor, Plot No. 2 Sector B2, Main Allama Iqbal Road Mirpur Azad kashmir.
05827-445808 / 446505 / 446504

Takaful Family Life Offices

Karachi, Prime Branch Takaful Takaful Johar Branch Takaful Pioneer

**Takaful Karachi United Branch
Karachi Falcon Branch
Takaful Karachi Rehbar Branch
Karachi Mehran Branch**
Mezzanine Floor, Alif Residency, SB-8, Block-2, Near Rab Medical, Gulshan-e-Iqbal, Karachi.
021-34984617

Meezan Branch Karachi

Office No. 601, 6th Floor, Park Avenue, PECHS, Block-6 Main Shahra-e-Faisal Karachi.
021-34326081-8

Premier 1 Branch Rawalpindi Takaful Rawal Branch

Takaful Rawalpindi Branch
1st Floor, Minhas Shopping Centre, Shamsabad, Muree Road, Rawalpindi.
051-4935501-4

Khyber Branch Takaful Eagles Branch, Takaful Zarrar Branch, Peshawar Alpha Branch Takaful

2nd Floor, Samad Plaza, Gap CNG, Tehkal, University Road, Peshawar.
091-5850520 / 5842449

Sultan Branch Takaful

Plot No. 217-218, BP GESH Lahore, 1st Floor at Punjab Bank, Model Town, Link Road, Lahore.
042-35970127

Takaful Bahawalpur Branch

"1st Floor, Mushtaq Memorial Hospital Building
University Chowk, Bahawalpur."
021-34991848

Takaful D.G.Khan

Al-Ajwa Plaza, 1st Floor, Bank road, Block-1, Dera Ghazi Khan.
064-2470893, 2466500

Takaful Gujranwala Star Branch

Shareef Pura Chowk, Upper Story MCB Islamic Branch, G.T. Road, Gujranwala.
055-3847301-7 / 3847309

Multan Takaful Branch

6th Floor, Chenone Tower, Abdali Road, Multan.
061-4577102-9

Sargodha Takaful Branch

1st Floor, Luqman Center, Plot No. 96, Civil Lines, Club Road, Sargodha, Punjab.
048-3720281-8

Franchise Model Branch Takaful

"2nd & 3rd Floor, 56-A Shadman Commercial Market, Tufail Plaza, Lahore."
042-37529600

Lions Branch Lahore Takaful

Plot No. 1, Block-C-1, Main Boulevard Road,
Faisal Town Scheme, Lahore.
042-35201600-6

Faisalabad Takaful - New Office

4th Floor, Media Com Trade City, Kohinoor,
Faisalabad.
042-8733305-7

Bhittai Branch HYD Takaful

Building No. 97, Mazinine Floor, Opposite
Bank Al-Habib, Doctor Line, Saddar Bazar.
022-2720814-8

Lahore Shaheen Branch, Takaful

1st Floor, 122-A, MCB ICHRA branch,
Ferozpur Road Near ICHRA, Lahore.
042-37426012-6

Lahore Eagle Branch

"Office No. 4, 4th Floor, Malik Tower,
20-B Defence More, Walton Road,
Lahore."
042-36626293-8

Lahore City Branch Takaful

122-A, 1st Floor, MCB ICHRA Branch,
Ferozpur Road, Near Ichra, Lahore.
042-37426012-6

Takaful Bahawalnagar Branch

Plot No. 80, 1st Floor, Jail Road, Mahajir
Colony, Bahawalnagar.
0303-6688493

Takaful Gujrat

Majeed Plaza, Near Kids Galaxy School,
Rehman Shaheed Road, Gujrat.
053-3709027

Takaful Sialkot

Al-Yousuf Plaza, Near Munshi Sweets,
Ghanta Ghar Chowk, Cantt, Sialkot.
052-4294641

Takaful Jhelum

3rd Floor, Paswal Arcade, GTS Chowk,
Jhelum Cantt.
054-4274131-2

Takaful Chakwal

2nd Floor, Abbas Arcade, Opposite
Allieance Travel, Talagang Road, Chakwal.
054-3552282-4

Eagle Branch

1st Floor, Al Razzaq Plaza, Opposite
Children Complex, Near UBL Bank, Abdali
Road, Multan.
061-4589993

Tiger Branch

1st Floor, Al Razzaq Plaza, Opposite
Children Complex, Near UBL Bank, Abdali
Road, Multan.
061-4589993

Takaful Shaikupura

Mian Shopping Mall, Near Trama Center
Lahore, Sargodha Road, Sheikhpura.
056-3613007-6

Takaful Kot Momin Branch

Al-Aiman Plaza, 1st Floor, Opposite NBP,
Chenab Bazar, Tehsil Kot Momin, District
Sargodha.
048-6681400

Abbottabad Branch Takaful

1st Floor, Al Murtaza Hajj Umrah Office,
Khankhail Plaza, Mansehra Road,
Abbottabad.
0300-8110436

Taxila Branch Takaful

1st Floor, Mir Tower, G.T.Road, Taxila.
0300-5327071 / 0312-5327071

Mian Chunnu Branch, Takaful

1st Floor of Super Dooper Store, Liaquat
Road, Mian Chunnu.
0300-3446616

Hawk Branch, Takaful

4th Floor, Malik Tower Office No. 3,
Defence Mor, Walton Road, Lahore Cantt.
042-36626453

Khanpur Branch Takaful

Near MCB Bank, Model Town Branch,
Khanpur.
0300-8678686

Jampur Branch, Takaful

Opposite Eidgah, Near BOP, Dera Road,
Jampur.
0334-7361122

Bhalwal Branch, Takaful

Near Galla Mandi, Mandir Road, Bhalwal,
Sargodha.
0300-6000767

Harya Branch, Silanwali

Near Shell Pump main Farooqa Road,
Silanwali, Sargodha.
0306-5000136

Rahimyar Khan Br, Takaful

Jamiat-ul-Farooq Road, Near Rehman
Dental Clinic, Rahim Yar Khan.
0300-9674333

Jazba Branch

House No. 22, Block-3, Sector A2, Town
Ship Lahore, Near Hamdard Chowk.
0322-4590842

Ghazi Branch, Takaful

Mughairi Plaza, Near Al-Karim Center,
Jampur Road, Dera Ghazi Khan.
0334-6763521

Lahore Falcon Branch

3rd Floor, Shan Arcade Office No. 4, Barkat
Market, New Garden Town, Lahore.
0321-9468536

Sangla Hill Lions Branch

1st Floor, Butt Plaza, Clock Tower Chowk,
Sangla Hill.
0321-9468536

Nowshera Branch Takaful

1st Floor, Taj building, Shobra Chowk,
G.T. Road, Nowshera.
0333-9134512

Swat Branch Takaful

2nd Floor, Faisal Plaza, Bypass Road,
Opposite Swat Hujra Hotel, Swat.
0345-9519373

Ugoki Branch

Near Askari Bank, Main Wazirabad Road,
Ugoki City, Tehsil & District Sialkot.
0345-6685157

Corporate Offices**Corporate Office, Faisalabad**

Saleemi Tower, 1st & 2nd Floors, DGround,
Faisalabad.
041-8559849

Corporate Office, Lahore

2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1,
Post Office Shadman, Lahore.
042-7421793

Corporate Office, Multan

10-A, 1st Floor, Twin Towers, Tehsil Chowk,
Gulgasht Colony, Near Silk Bank, Bosan
Road, Multan.
061-6212052

Corporate Office, Rawalpindi

1st & 2nd Floor, DD-79, Asad Plaza,
Shamsabad, Murree Road.
051-4935549

Corporate Office, Sialkot

Right Wing, 2nd Floor, Moon Tower,
Opposite DHL Office, Paris Road, Sialkot.
052-4293529

Corporate Office, Gilgit

2nd Floor, ZS-Plaza, Opposite Radio
Pakistan, Main Sharah-e-Quaid-e-Azam,
Jutial, Gilgit.
05811-457070

Corporate Office, Peshawar

2nd Floor, Samad Plaza, Tehkal, Main
University Road, Peshawar.
091-5850520 / 5842449

Corporate Office, Sukkur

1st Floor, Lala Azam Plaza, Opposite Excise
Office, Station Road, Sukkur.
071-5614261

Bancassurance Offices**Karachi**

2nd Floor, PNSC Building, Lalazar, M.T.
Khan Road, Karachi.
021-35657886

Lahore

2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1,
Post Office Shadman, Lahore.
042-37529600 / 37421793

Faisalabad

Saleemi Tower, 1st Floor, DGround,
Faisalabad.
041-8559849

Rawalpindi

2nd Floor, DD-79, Asad Plaza, Shamsabad,
Murree Road.
051-4935549

Multan

10-A, 1st Floor, Twin Towers, Tehsil Chowk,
Gulgasht Colony, Near Silk Bank, Bosan
Road, Multan.
061-6212052

Peshawar

2nd Floor, Samad Plaza, Tehkal, Main
University Road, Peshawar.
091-5850520 / 5842449

Hyderabad

1st Floor, Noor Place, Near KASB Bank,
Saddar, Cantonment, Hyderabad.
0222-786082-3

I.T./ Call Center / Approval Center

Building No. 36-A/2, (Ground, Mezzanine &
1st Floor), Lalazar, M.T. Khan Road, Karachi.
021-35205096

Retail Business Center (RBC)

Banglow No. 245/6/2/O, Block-6,
PECHS, Karachi.
021-34315970

New I.T. Lalazar Office

36-A/1, Lalazar, Opposite Beach Luxury
Hotel, Lalazar, M.T. Khan Road, Karachi.
In Process

Other Offices / Back Offices

Head Office

74/1-A, Lalazar, M.T. Khan Road, Karachi.
021-35205094-5

PNSC 2nd Floor

2nd Floor, PNSC Building, Lalazar, M.T.
Khan Road, Karachi.
021-35657886

PNSC 11th Floor

11th Floor, PNSC Building, Lalazar, M.T. Khan
Road, Karachi.
021-35809200

Lalazar I.T. Office

36-A/3, 1st Floor, Opposite Beach Luxury
Hotel, Lalazar, M.T. Khan Road, Karachi.
021-35205096


اعترافِ شکر

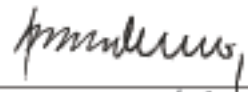
ہم اپنے معزز صارفین اور کاروباری شرکاء کے شکر گزار ہیں کہ انہوں نے ہم پر اعتماد کیا اور ہماری سرپرستی کی اور ہمیں ان کے لیے بہترین انداز میں خدمات فراہم کرنے کے عزم کو تقویت دی۔

کمپنی کے کاروبار میں مستقل نمایاں اضافہ اور مالیاتی استحکام، اس کی انتظامی ٹیم کی لگن اور سخت محنت کا نتیجہ ہے جس میں ہمارے تمام کارکنوں کا تعاون بھی شامل ہے۔ ہم ان سب کی کاوشوں پر ان کے ممنون ہیں۔

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مثبت ضابطوں کو اپنانے پر بھی ان کے ممنون ہیں جو بیمہ زندگی کے کاروبار کو مضبوط بنیادوں پر فروغ دینے اور جاری رکھنے کے لیے ان کی بہترین کاوش ہے۔




 جاوید احمد
 مینجنگ ڈائریکٹر اینڈ سی ای او


 کمال اے چٹائے
 چیئرمین
 کراچی، 28 مارچ 2019

فوائد بعد از ریٹائرمنٹ

کمپنی کے پروڈیونٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کی مناسب قدر، متعلقہ مالیاتی گوشواروں کے مطابق 31 دسمبر 2018 کو، جس کے آڈٹ کا کام جاری ہے، درج ذیل ہیں:

پروڈیونٹ فنڈ	495.12 ملین روپے
گریجویٹ فنڈ	436.42 ملین روپے

ماڈی تبدیلیاں

31 دسمبر 2018 سے اس رپورٹ کے آنے کے وقت تک کوئی معنی خیز تبدیلی واقع نہیں ہوئی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز KPMG ٹاٹیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس اپنی موجودہ مدت پوری کرنے کے بعد سبکدوش ہو رہے ہیں۔ اپنی مدت کے دوران گزشتہ پانچ (5) سال میں، میسرز KPMG ٹاٹیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی جانب سے پیش کی جانے والی قابل قدر خدمات کے لیے بورڈ ان کی تعریف کو قلم بند کرتا ہے۔

کوڈ اور ریگولیشن کی ضرورت کے مطابق سال 2019 کے لیے بورڈ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کو (A. F. Ferguson & Co.)، چارٹرڈ اکاؤنٹنٹس، کراچی کی بطور کمپنی کے آڈیٹرز اور شریعہ پر عمل درآمد کے آڈیٹرز کے لیے تقرر کی سفارش کی ہے اور بورڈ نے اس سفارش کی تائید کی ہے۔

ہولڈنگ کمپنی

کمپنی، آغا خان فنڈ برائے معاشی ترقی ایس۔ اے، سوئٹزرلینڈ کی ذیلی کمپنی ہے۔

جائزہ

پاکستان کی معیشت ایک مشکل دور سے گزر رہی ہے۔ مالی نظم و ضبط اور بہتر طرز حکمرانی سے حالات بہتر اور معیشت نمو پا سکتی ہے۔ حکومت کی جانب سے کیے گئے اقدامات کے بہتر نتائج آنے میں کچھ وقت درکار ہے۔

بیمہ زندگی کی صنعت کو اس وقت مختلف چیلنجز درپیش ہیں جیسا کہ سیلنگس کا نفاذ، قانونی پابندیوں کا بڑھنا، AML اور KYC کے ضابطوں میں سختی اور انتظام زر کے لیے انضباطی چیلنجز استعمال کرنے کے حوالے سے لوگوں میں ہچکچاہٹ۔ حکومت کی جانب سے بیمہ کے شعبے کی ترقی کے لیے اقدامات سے بیمہ زندگی تک رسائی اور موجودہ مسائل حل ہو سکتے ہیں۔

تمام تر مسائل کے باوجود، گزشتہ برسوں میں جوہلی لائف نے بہتر کارکردگی کا مظاہرہ کیا ہے اور یہ تمام صنعت کے مقابلے میں بہتر کارکردگی سر انجام دے رہی ہے۔ تمام اسٹیک ہولڈرز کے مسلسل تعاون کے ساتھ کمپنی آنے والے دنوں میں مزید ترقی کے حصول کے لیے کوشاں رہے گی۔

بورڈ کی مختلف کمیٹیوں کے نکات کا تعین، کوڈ از ریگولیشنز میں دی گئی ہدایات کے مطابق بورڈ کے ذریعے کیا گیا ہے۔

منجھٹ کمیٹی

کمپنی کے تمام انتظامی شعبوں کے روزمرہ کے معاملات کی نگرانی کمپنی کی منجھٹ کمیٹی کے تحت کی جاتی ہے۔ یہ کمیٹی ہر ماہ منجھٹ ڈائریکٹر اور چیف ایگزیکٹو کی سربراہی میں اجلاس منعقد کرتی ہے۔ اس کمیٹی کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 11 پر دی گئی ہے۔

دیگر کمیٹیوں میں انویسٹمنٹ منجھٹ کمیٹی، آئی ٹی کی اسٹریٹجک کمیٹی اور مارکیٹنگ کمیٹی شامل ہیں جن کی سربراہی بھی منجھٹ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں۔ ان کمیٹیوں کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 11 پر موجود ہے۔

کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 کے تحت منجھٹ کمیٹیاں

کوڈ آف کارپوریٹ گورننس برائے انشوررز، 2016 کے تحت درج ذیل کمیٹیاں کام کر رہی ہیں اور ان کی سربراہی بھی کمپنی کے منجھٹ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں:

1. انڈر رائٹنگ اور ری انشورنس کمیٹی
2. کلیم کی کمیٹی
3. رسک منجھٹ اور کمیونائٹنس کمیٹی

ان کمیٹیوں کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 11 پر موجود ہے۔

انٹرنل آڈٹ کے امور

کمپنی کا اپنا انٹرنل آڈٹ ڈپارٹمنٹ ہے جس کا دائرہ کار (Scope) اور اختیار (Authority)، اندرونی محاسبہ چارٹر (Internal Audit Charter) سے باقاعدہ منظور شدہ ہے، انٹرنل آڈٹ ڈپارٹمنٹ نے داخلی محاسبہ (Internal Audit) کے اہتمام کے لیے خطرے پر مبنی طریقہ کار اختیار کیا ہے (Risk Based Approach) اور یہ اندرونی کنٹرول کی استعداد اور درستی، پالیسیوں اور طریقہ کار پر عمل کے تسلسل اور قواعد و ضوابط کی پیروی کی نگرانی کرتا ہے۔ اندرونی آڈٹ کی رپورٹ کی بنیاد پر عمل کے مالکان اپنے متعلقہ شعبے میں درستی کا انتظام کرتے ہیں اور اس طرح کنٹرول کو تقویت حاصل ہوتی ہے۔ اپنے مقاصد اور خود مختاری کو برقرار رکھنے کے لیے اندرونی آڈٹ ڈپارٹمنٹ عملی طور پر بورڈ آڈٹ کمیٹی اور انتظامی طور پر سی ای او کو رپورٹ کرتا ہے۔

خطرات اور مواقع کی رپورٹ

کمپنی کو لاحق بڑے خطرات، ان کو حل کرنے کے امور، کمپنی کو لاحق ہونے والے اندیشے اور مواقع سے متعلق معلومات رسک اینڈ اپورٹونٹی رپورٹ (Risk and Opportunity Report) میں دی گئی ہے جس کا احاطہ سالانہ رپورٹ کے صفحات 69 سے 72 میں کیا گیا ہے۔

کلیدی آپریٹنگ اور مالیاتی معلومات

گزشتہ چھ (6) سال کی کلیدی آپریٹنگ اور مالیاتی معلومات کا خلاصہ، سالانہ رپورٹ کے صفحہ نمبر 28 پر دیا گیا ہے۔

سال کے دوران بورڈ کی مالیاتی اور سرمایہ کاری کمیٹی نے چار (4) اجلاس منعقد کیے جن میں حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	میٹنگز میں حاضری
1.	جناب شاہد غفار (8 فروری 2018 سے مؤثر پہ عمل)	4
2.	جناب جان جوزف مینکاف	4
3.	جناب آر ڈاکٹر محمود	3
4.	جناب جاوید احمد	4
5.	محترمہ بللی آر دوسا بھوئی (منجھٹ ایگزیکٹو)	4
6.	جناب شان ربانی (منجھٹ ایگزیکٹو)	3

دوران سال بورڈ کی ٹیکنیکل کمیٹی کے چار (4) اجلاس منعقد ہوئے جن میں حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	میٹنگز میں حاضری
1.	جناب جان جوزف مینکاف	4
2.	جناب شاہد غفار (8 فروری 2018 سے مؤثر پہ عمل)	4
3.	جناب صفیر مفتی (3 اکتوبر 2018 سے مؤثر پہ عمل)	1/1
4.	جناب جاوید احمد	4
5.	جناب شان ربانی (منجھٹ ایگزیکٹو)	3

دوران سال بورڈ کی رسک منجھٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے جن میں حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	میٹنگز میں حاضری
1.	جناب جان جوزف مینکاف	4
2.	جناب آر ڈاکٹر محمود	3
3.	جناب شاہد غفار (8 فروری 2018 سے مؤثر پہ عمل)	4
4.	جناب صفیر مفتی (3 اکتوبر 2018 سے مؤثر پہ عمل)	1/1
5.	جناب جاوید احمد	4
6.	جناب زاہد برکی (25 اپریل 2018 سے مؤثر پہ عمل) (منجھٹ ایگزیکٹو)	3/3
7.	جناب شان ربانی (منجھٹ ایگزیکٹو)	3

دوران سال بورڈ کی کنسرکشن ایڈوائزری کمیٹی کے چار (4) اجلاس منعقد ہوئے جن میں حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	میٹنگز میں حاضری
1.	جناب کمال اے چنائے	4
2.	جناب آر ڈاکٹر محمود	4
3.	جناب جاوید احمد	4

سال 2018 کے دوران بورڈ آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ جن میں حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	میٹنگز میں حاضری
1.	جناب امین کریم بھوٹی	4
2.	جناب جان جوزف مینکاف	4
3.	جناب شاہد غفار (8 فروری 2018 سے مؤثر پہ عمل)	4

سال 2018 کے دوران بورڈ کی ہیومن ریسورس اینڈ ریمو نیویشن، انسائیکس اینڈ ٹیکنیشنز کمیٹی چار (4) اجلاس منعقد ہوئے جن میں حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	میٹنگز میں حاضری
1.	جناب کمال اے چنائے	4
2.	جناب جان جوزف مینکاف	2
3.	جناب آر ڈاکر محمود	4
4.	جناب جاوید احمد	4

کمیٹی کے منتخب ڈائریکٹرز کے آفس سے 24 اگست 2018 میں جناب جاوید احمد کے اسٹھٹی کی وجہ سے ایک اسامی خالی ہوئی، بورڈ کی جانب سے جناب جاوید احمد کی جگہ جناب صغیر مفتی کا تقرر بطور ڈائریکٹر سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان کی منظوری کے ساتھ 3 اکتوبر 2018 سے ہوا۔

سال 2018 کے دوران بورڈ آف ڈائریکٹرز کی پانچ (5) میٹنگز منعقد ہوئیں اور 30 مارچ 2018 کو سالانہ اجلاس عام بھی منعقد ہوا۔ پی او ڈی کے اجلاس اور سالانہ اجلاس عام (AGM) میں حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	بورڈ میٹنگز میں حاضری	اے جی ایم میں حاضری
1.	جناب کمال اے چنائے	5	-
2.	جناب امین کریم بھوٹی	5	P
3.	جناب جان جوزف مینکاف	5	-
4.	جناب سلطان علی الانہ	-	P
5.	جناب آر ڈاکر محمود	4	-
6.	جناب شاہد غفار (8 فروری 2018 سے مؤثر پہ عمل)	5	P
7.	جناب صغیر مفتی (3 اکتوبر 2018 سے مؤثر پہ عمل)	1 of 1	لاگو نہیں
8.	جناب جاوید احمد	5	P

بورڈ آف ڈائریکٹرز

میں مد نظر رکھا گیا ہے، جیسا کہ مالیاتی گوشواروں کے نوٹ 2.3 اور 3.12 میں وضاحت کی گئی ہے، اور اکاؤنٹنگ کے تخمینے مروجہ فیصلوں کی بنیاد کے حامل ہیں؛

- مالیاتی گوشواروں کی تیاری میں بین الاقوامی حسابات کے معیارات، بین الاقوامی مالیاتی رپورٹنگ کے معیارات یا پاکستان میں لاگو دیگر قوانین و ضوابط (بشمول شریعہ رہنما ہدایات اور اصول، لیکن ان تک محدود نہیں) انشورنس آرڈیننس، 2000، انشورنس اکاؤنٹنگ ریگولیشنز، 2017، انشورنس رولز، 2017، کمپنیز ایکٹ، 2017 کے تحت جاری شدہ ہدایات، اور نکال رولز، 2012 کی پیروی کی گئی ہے اور کہیں ان سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کیا گیا ہے۔
- داخلی کنٹرول کا نظام مستحکم طور پر ترتیب دیا گیا ہے اور موثر طور پر عمل درآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔
- کمپنی کے قائم رہنے کی صلاحیت کسی شک و شبہ سے بالاتر ہے۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ کے ضوابط میں درج ہیں، کوئی قابل اثر انداز انحراف نہیں کیا گیا۔
- واجب الادا انکیسز کے بارے میں معلومات آڈٹ شدہ مالیاتی گوشوارے کے نوٹ نمبر 26 میں دی گئی ہیں۔
- شیئر ہولڈنگ کا پیٹرن اور ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکرٹری، تقرر کردہ ایکچویری (Appointed Actuary)، ایگزیکٹوز اور ان کے شریک حیات اور نا بالغ بچوں کی کمپنی میں حصص کی تجارت کے بارے میں معلومات، صفحہ نمبر 221 پر درج ہیں۔

کمپنی کا بورڈ آف ڈائریکٹرز ایک (1) ایگزیکٹو اور سات (7) نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے، جن میں سے تین (3) آزاد، نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔ موجودہ تمام آٹھ (8) بورڈ ممبرز مرد حضرات ہیں اور کوئی خاتون ڈائریکٹر نہیں ہے۔

مارچ 2020 میں موجود مدت کے اختتام پر مطلوبہ صنعتی تنوع کی مطابقت میں بورڈ آف ڈائریکٹرز کو دوبارہ منتخب کیا جائے گا۔ اس وقت بورڈ درج ذیل پر مشتمل ہے:

- جناب کمال اے چنائے (چیئرمین)
 - جناب امین کریم بھوٹی
 - جناب جان جوزف مینکاف
 - جناب سلطان علی اللہ
 - جناب آر ڈاکٹر محمود
 - جناب شاہد غفار (8 فروری 2018 سے مؤثر پہ عمل)
 - جناب صغیر مفتی (3 اکتوبر 2018 سے مؤثر پہ عمل)
 - جناب جاوید احمد (ٹیکنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر)
- 8 فروری 2018 سے مؤثر پہ عمل، جناب شاہد غفار کو جناب ایاز احمد کی جگہ جنہوں نے دسمبر 2017 میں استعفیٰ دیا تھا، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی منظوری کے ساتھ بورڈ میں منتخب کیا گیا۔

بورڈ کی کارکردگی کے جائزے کا طریقہ کار

کمپنی کے بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی پیروی کرتے ہوئے بورڈ کی کارکردگی کے سالانہ جائزے کی منظوری دی اور بورڈ اس کو سالانہ انجام دیتا ہے۔

کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017 اور بشمول PSX لسٹنگ ریگولیشنز پر عمل

کمپنی، ایک لسٹڈ پیرزندی کمپنی ہونے کی حیثیت سے کوڈ آف کارپوریٹ گورننس فار انشوررز 2016 پر عمل کرتی ہے۔ اس کے علاوہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017 اور PSX ضوابط کی پابندی بھی کرتی ہے۔ ان تمام شرائط کے سلسلے میں اسٹینڈ آف کمپلائنس مع بہترین مروجہ کارپوریٹ اصولوں کے بارے میں سالانہ رپورٹ کے صفحہ نمبر 81 پر منسلک ہے۔

ڈائریکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں میں کمپنی کے معاملات، آپریشنز کے نتائج، رقومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔
- کمپنی کے حسابات کو جملہ قواعد و ضوابط کے مطابق تیار کیا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں مروجہ اکاؤنٹنگ پالیسیوں پر مستقل بنیادوں پر عمل کیا جاتا ہے، اس میں انشورنس اکاؤنٹنگ ریگولیشنز، 2017 اور انشورنس رولز، 2017 کی لاگو تبدیلیوں کو سال 2018

کاوشوں اور عطیات کے عمل پر مثبت اثرات مرتب ہوتے ہیں۔

منظور شدہ CSR اور عطیات کی پالیسی کے مطابق کمپنی نے 2018 میں کل عطیات کی رقم 20.5 ملین روپے خرچ کی (2017: 23 ملین روپے) یہ عطیات صحت عامہ کی سہولتوں، تعلیم، دیہی ترقی اور ثقافتی ورثے کے لیے خرچ کئے گئے۔

کمپنی نے کم آمدنی کی حامل آبادی کے لیے مالی عطیات کے سلسلے کو جاری رکھا ہوا ہے، اور اس کے CSR اقدامات میں بھی بہتر زندگی اور صحت عامہ کی سہولیات کو برقرار رکھنے کے لیے مناسب قیمت پر مانگرو۔ انشورنس (Micro Insurance) حل پیش کرنا شامل ہیں اور سال 2018 کے دوران 3.5 ملین افراد تک رسائی حاصل کی۔

CSR سرگرمیوں کا خلاصہ اور معاشرے کے ساتھ تعلق کی تفصیلات CSR کی رپورٹ میں شامل ہے جس میں ملک کے ایک ذمے دار کارپوریٹ ادارے کے طور پر کمپنی کی بڑھتی ہوئی سرگرمیوں سے متعلق آگاہی دی گئی ہے۔

کھیلوں کا فروغ

کمپنی کے انسانی وسائل میں کھیل کا جنون پیوست ہے اور کمپنی کی جانب سے کھیل کی ترویج کے لیے اٹھائے گئے اقدامات سے شراکت داری کا جذبہ اور کامیابی کی منصوبہ بندی جھلکتی ہے۔ کمپنی کرکٹ، اسنوکر، گولف، ہاکی اور پولو کے مختلف مقابلوں کو اسپانسر کر کے کھیلوں کو فروغ دیتی ہے۔ سال 2018 کے لیے اسپورٹس راؤنڈ اپ، سالانہ رپورٹ کے صفحہ 77 سے صفحہ 79 پر موجود ہے۔

2017 کے دوران کمپنی نے نئے لائف انشورنس بزنس ایڈمنسٹریشن سسٹم لاگو کیا۔ یہ ایک انشورنس سلوشن فریم ورک (ISF) ہے جو ملائیشیا کے AETINS SDN BHD کا تیار کردہ ہے۔ اس سسٹم نے کامیابی کے ساتھ انفرادی لائف پالٹ لائف بزنس (روایتی) کو انشورنس سلوشن فریم ورک (ISF) میں منتقل کیا۔ سال 2018 کے دوسرے مرحلے میں انشورنس سلوشن فریم ورک (ISF) پر گروپ لائف بزنس (روایتی) کی منتقلی پر کام جاری رہا جو فروری 2019 میں مکمل ہوا دیگر بزنس کی بقیہ منصوبہ بندی مختلف مراحل میں سال 2019 کے دوران کی جائے گی۔

داخلی عملی کارکردگی کے محاذ پر کمپنی نے اپنی پیچھے لیس ماحول کی پالیسی کو فروغ دیا اور سال 2018 کے دوران کمپنی نے شیئر ہولڈر پوائنٹ پر بشمول اینڈ نو اینڈ ٹریول پلان، HR ریکرڈ منٹ فارمز اور اسٹیشنری ریکورڈیشن تیار کیں ہیں جس سے نہ صرف کاغذ کے استعمال میں کمی آئے گی بلکہ اسے رکھنے کے لیے کم جگہ درکار ہوگی اور ساتھ ہی وقت کی بچت بھی ہوگی۔

ایوارڈز اور اعزازات

کمپنی نے مختلف شعبوں میں اپنی کامیابیوں کے سلسلے کو جاری رکھا اور کئی خود مختار اداروں نے کمپنی کے مختلف شعبوں میں کامیابیوں کو سراہا۔ سال 2018 میں کمپنی کو درج ذیل ممتاز ایوارڈز سے نوازا گیا:

- منجمنٹ ایسوسی ایشن آف پاکستان (MAP) کی جانب سے انشورنس سیکٹر میں کمپنی کو تین تیسواں (33rd) واں کارپوریٹ ایکیس لینس ایوارڈ، 2018 دیا گیا۔
- چھٹا IFPCC ایجوٹ ایوارڈ برائے سال 2017، میں پیر کی بچت کے سلسلے میں شاندار خدمات کے اعتراف میں دیا گیا۔

- ACCA کی جانب سے آجر برائے ٹریڈیو پلٹمنٹ کے طور پر منظور۔

- کمپنی کی شناخت کو CSR کے حوالے سے بھی تسلیم کیا گیا اور اپنی طویل پارتنرشپ اور حمایت کے لیے اسے سیری ایڈی لینڈ پیروی سینٹری کی جانب سے ڈاکٹر تھ فاؤ ایوارڈ سے بھی نوازا گیا۔

کاروباری ضابطہ اخلاق (Code of Conduct)

کمپنی کے ضابطہ اخلاق میں اعلیٰ ترین معیار کا کاروباری نظم و نسق، اخلاقیات اور عمدہ کاروباری روزمرہ کے امور بنیادی حصہ کے طور پر شامل ہیں جو بورڈ کی جانب سے منظور شدہ ہے۔ بورڈ کی منظوری سے کمپنی میں ضابطہ اخلاق، کاروباری حکمت عملی، وژن، مشن اور بنیادی اقدار کو اختیار کیا گیا ہے۔

ضابطہ میں ہر ایک کے فرائض اور ذمہ داریوں کا تعین کیا گیا ہے، جن میں بورڈ ممبران، تمام انسانی وسائل اور کمپنی کے مختلف اسٹیک ہولڈرز، ایک دوسرے کے ساتھ تعلقات اور مجموعی طور پر پورے معاشرے کے ساتھ تعلقات شامل ہیں۔ کمپنی میں ہر جگہ ان کی پابندی کیلئے ضروری اقدامات اٹھائے گئے ہیں۔ یہ ضابطہ کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

کارپوریٹ سماجی ذمہ داری (Corporate Social Responsibility)

کمپنی "غیر یقینی صورت حال پر قابو پانے کے لیے افراد کو با اختیار کرؤ" کے اپنے وژن پر کاربند ہے جس سے اسے طویل المدتی کاروباری امور چلانے کی ذمہ داری کے لیے رہنمائی ملتی ہے۔ کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) اور عطیات کی پالیسی بورڈ سے منظور شدہ ہے جو کمپنی کے وژن کے حصول کیلئے رہنما اصول فراہم کرتی ہے جس کے تحت ایک مربوط طریقے سے کوششوں پر توجہ رکھی جاتی ہے۔ اس سے کمپنی کی CSR کی

کیا۔ LMS کے قیام سے انسانی وسائل کو اپنے تربیتی شیڈول میں نرمی حاصل ہے اور جن کورسز (Courses) میں اُن کا اندراج ہوا تھا، اُن کورسز کے اختتام پر وہ کامیابی کا ایک سرٹیفکٹ وصول کرتے ہیں جو انسانی وسائل (Human Resource) ڈپارٹمنٹ جاری کرتا ہے۔

کمپنی نے سال کے دوران ایک اور سنگ میل عبور کیا اور وہ یہ کہ معتبر اداروں جیسے کہ ACCA کے ساتھ اشتراک اور جس میں کمپنی کو ACCA کے ٹرینیزر کی تعلیم کی غرض سے کام کرنے کی تائید و حمایت کرنے پر Approved Employer Trainee Development Award سے نوازا گیا۔ اس اشتراک کے ذریعے کمپنی کو متعلقہ افراد کے لیے ACCA کی جانب سے ٹریگ اور سہولیات کی وجہ سے بہترین تربیت یافتہ اور اہل ٹیکنیکل افراد تک رسائی میں آسانی ہوئی۔

2018 کے دوران مذکورہ بالا مخصوص سنگ میل عبور کرنے کے علاوہ کمپنی اپنے انسانی وسائل کو عالمی سطح پر تسلیم شدہ پیشہ وارانہ اداروں جیسے سوسائٹی آف ایکنج ریز (امریکا)، انسٹی ٹیوٹ اینڈ ٹیکنیکی آف ایکنج ریز (یو کے)، چارٹرڈ انشورنس انسٹی ٹیوٹ (یو کے) اور لائف آف انسٹی ٹیوٹ ایسوسی ایشن (امریکا) میں امتحانات دلوانے کے لیے اُن کی حوصلہ افزائی کرتی ہے۔

کمپنی کو فخر ہے کہ وہ انسانی وسائل کو روزگار کے لیے مساوی مواقع فراہم کرنے والا آجر ہے اور اسی لیے خواتین کے روزگار کی حمایت کرتی ہے۔ مزدوروں اور عورتوں، دونوں کو مساوی بنیاد پر اپنی قابلیت ثابت کرنے کے لیے موقع فراہم کیا جاتا ہے۔ مارچ 2018 میں کمپنی نے "OICCI Women" کے پروگرام کے تحت ایک معاہدے پر دستخط کیے ہیں۔ اس اقدام کا مقصد اقوام متحدہ کے "عورتوں کے ہاختیار ہونے کے اصول" کی مطابقت میں اپنے ادارے میں صنفی مساوات کی حمایت اور حوصلہ افزائی کرنا ہے۔ معاہدہ ہونے کے

بعد سے کمپنی میں خواتین کی تعداد جو 2017 کے اختتام پر 22.17% تھی، دسمبر 2018 کو 27.1% تک پہنچ چکی ہے۔

ہر سال ہیڈ آفس، کراچی اور ریجنل دفاتر میں کمپنی کی جانب سے یوم آزادی کو نہایت جوش و خروش سے مناتے ہوئے ایک کاٹا جاتا ہے اور ملک کی خوش حالی اور ترقی کے لیے دعا کی جاتی ہے۔ کمپنی میں جشن آزادی ایک تہوار کی طرح منایا جاتا ہے اور انسانی وسائل (Human Resource) اس خاص دن کو سفید اور سبز رنگوں والے لباس پہن کر اپنے قومی جوش و جذبے کا اظہار کرتے ہیں۔

انفارمیشن ٹیکنالوجی (IT) اور انتظامی معیار

ٹیکنالوجی میں بھرپور سرمایہ کاری کا عزم کمپنی کو اپنی مارکیٹ لیڈر شپ پوزیشن برقرار رکھنے اور کسٹمرز کو بہتر خدمات فراہم کرنے کے لیے مسابقتی برتری فراہم کرتا ہے۔ مئی 2018 میں کسٹمر کے اطمینان کے لیے ایک اضافی اقدام کیا گیا۔ کمپنی نے اعلیٰ قدر اور اطمینان کے ذریعے کسٹمر سے تعلقات بنانے اور انہیں استوار رکھنے کے لیے جدید مائیکروسوفٹ ڈائنامکس 365 کسٹمر ریلیشن منجمنٹ (CRM) پلیٹ فارم (Microsoft Dynamics 365 Customer Relationship Management) پر عمل درآمد کیا۔ CRM کے قیام کے بعد کمپنی کسٹمرز کے حصول، انہیں برقرار رکھنے اور اُن کی تعداد میں اضافے کے لیے معیاری خدمات فراہم کرنے کے بہتر مواقع پائے گی۔

اگست 2018 میں، مشن کرئیکل سسٹمز کو مزید بہتر اور دستیابی کو توجہ بخشنے کے لیے، کمپنی نے کسی دوسرے شہر میں ایک نئی ڈیزائن سٹرکچر (DR) سائٹ کی ضرورت محسوس کی اور ڈی آر سائٹ (DR Site) کو کامیابی کے ساتھ اسلام آباد منتقل کیا۔ اس کے بعد اس بات کو یقینی بنانے کے لیے کہ تمام مشن کرئیکل سسٹمز اسلام آباد سے چل رہے ہیں، ملک کی سطح پر تمام ڈپارٹمنٹس میں کسی بھی غیر متوقع سانحے سے نمٹنے کے لیے دو دفعہ مشقیں کی جا چکی ہیں۔

کاروباری معلومات اور صلاحیت میں اضافہ ہوتا ہے اور اس کے ساتھ ساتھ تربیت سے ان کو اپنی کاروباری اہلیت کو بہتر بنانے میں مدد ملتی ہے۔ سال 2018 ہمارے لوگوں کے لیے بہت فعال تھا کیوں کہ اس سال سیکھنے کے حوالے سے کئی اقدامات کا آغاز کیا گیا۔

کمپنی میں ایک مسلسل تعلیمی ماحول موجود ہے جو اس بات کو یقینی بناتا ہے کہ انسانی وسائل کی کاروباری معلومات اور صلاحیت میں اضافہ ہو۔ کمپنی اپنی سیکلر ٹیم کی تربیت کیلئے خصوصی اہتمام کرتی ہے تاکہ سیکلر ٹیم میں اعلیٰ معیاری اور اصولی سیکلر کیلئے مطلوبہ صلاحیت پیدا ہو۔

2018 کے دوران تمام ڈپارٹمنٹس میں بیک آفس سپورٹ ایسپلائز کے لیے ایک منصوبے کا آغاز کیا گیا۔ جس کے تحت سینٹر منیجرز کا معتبر اداروں جیسے کہ آئی بی اے، کراچی اسکول آف بزنس اینڈ لیڈرشپ میں اندراج کیا گیا جہاں مارچ اور اپریل 2018 میں فلیگ شپ لیڈرشپ پروگرامز کا انعقاد ہوا اکتوبر۔ دسمبر 2018 کے دوران درمیانی سطح کے منیجرز کی ٹریننگ کا پروگرام منعقد ہوا۔ تمام شرکاء کے لیے ٹریننگ کا پروگرام سات (7) دن پر مشتمل تھا جس کے دوران سیکھنے کے مجموعی طور پر 2,310 گھنٹے مکمل کیے گئے جن میں انتظامی مسابقت پر توجہ کے ساتھ کمپنی کی بنیادی اقدار پر توجہ مرکوز کی گئی اور کمپنی کی جانب سے شریک ہونے والوں سے بہت زیادہ پذیرائی ملی۔

ستمبر 2018 میں کمپنی کا پہلا منجمنٹ ایسوسی ایٹ پروگرام کامیابی کے ساتھ اختتام پذیر ہوا جو بارہ (12) ایسوسی ایٹس پر مشتمل تھا، ان میں سب کو جانچا گیا اور ان کو اہلیت کی بنیاد پر متعلقہ ڈپارٹمنٹس میں تعینات کیا گیا۔

انسانی وسائل کی مہارت اور موجودہ اہلیت میں اضافے کے حوالے سے اکتوبر 2018 کے دوران کمپنی کا اپنا اندرونی سیکھنے کا نظام (LMS) پورٹل لانچ کرنے کے لیے انسانی وسائل اور آئی ٹی ٹیموں نے مل کر کام

بنیاد، اگر کوئی ہیں، کے حوالے سے فعال انداز میں دیگر صوبائی حکام کے ساتھ مذاکرات کر رہی ہے۔ اپنی متعلقہ تاریخوں پر منتقلی ختم ہونے کے باوجود صوبائی ریویو کے اعلیٰ حکام ان مذاکرات کا اعتراف کر رہے ہیں، ابھی تک ٹیکس ماحول کرنے کا نفاذ نہیں ہوا ہے اور بات چیت اور سوچ بچار کے لیے متعلق حکام وقت دے رہے ہیں۔

کمپنی کی طرف سے حاصل ہونے والی قانونی رائے کو مد نظر رکھتے ہوئے، صوبائی ریویو کے اعلیٰ حکام کے ساتھ ہونے والے جاری انتظامی کوششیں جو اوپر بیان کی جا چکی ہیں، SECP کی توثیق، اور یہ حقیقت جو جاری مذاکرات کا اعتراف کر رہی ہے، صوبائی ریویو کے اعلیٰ حکام نے ٹیکس کا نفاذ نہیں کیا ہے اور بات چیت اور سوچ بچار کے لیے وقت دے رہے ہیں، اپنی متعلقہ تاریخوں پر منتقلی کے نوٹیفیکیشنز میں ختم ہونے کے باوجود کمپنی نے لائف اور ہیلتھ انشورنس پر اپنے بیمہ دار / شراکت داروں کو بیل (Bill) نہیں کیا ہے، نہ ہی 31 دسمبر 2018 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں میں صوبائی سیکلر ٹیکس کے لیے کوئی رقم رکھی ہے کیوں کہ مندرجہ بالا دیے گئے حقائق جن کی تفصیل اوپر بیان کی گئی ہے، کی روشنی میں کمپنی سمجھتی ہے کہ لائف انشورنس پر Liability کی رقم کا کوئی اندازہ لگانا قبل از وقت ہے۔ ہیلتھ انشورنس کے لیے ممکنہ سیکلر ٹیکس Liability کے لحاظ سے 31 دسمبر 2018 کو مجموعی ممکنہ مدداری 739 ملین روپے ہے جسے ان مالیاتی گوشواروں میں ظاہر نہیں کیا گیا ہے، انتظامی کوششیں جاری ہونے کی وجہ سے۔

انسانی سرمایہ (Human Capital)

جو بلی لائف انشورنس اس بات پر پختہ یقین رکھتی ہے کہ ہمارے انسانی سرمائے اور کمپنی کی ترقی بدستور جاری رہنا چاہیے۔ کیوں کہ کامیابی کے حصول میں انسانی وسائل سب سے اہم ستون ہیں، لہذا ان کی تربیت پر سرمایہ کاری کمپنی کی اولین ترجیحات میں شامل ہے۔ کمپنی کے اندر مستقل سیکھنے کے ماحول کے ذریعے انسانی وسائل کی

اہل رائے

”ہماری رائے میں، ہماری رپورٹ کے سیکشن ”اہل رائے“ کے لیے بیان کردہ بنیاد کے حوالے سے مسئلے کے ممکنہ اثرات کے علاوہ اور ہماری معلومات کے مطابق، اور ہمیں جو وضاحتیں دی گئیں اُن کے مطابق، مالیاتی حیثیت کا گوشوارہ، نفع اور نقصان اکاؤنٹ، جامع آمدنی کا گوشوارہ، نقد بہاؤ کا گوشوارہ، اور انکیوینیٹی میں تبدیلیوں کا گوشوارہ مع اُن نوٹس جو اکاؤنٹنگ اور رپورٹنگ کے معیارات کے ساتھ جن کا اطلاق پاکستان میں ہوتا ہے اور دی گئی معلومات جو انشورنس آرڈیننس 2000، انکیوینز ایکٹ، 2017 (XIX of 2017) کو مطلوب ہیں، کے لحاظ سے 31 دسمبر 2018 کو کمپنی کے معاملات کی نوعیت اور منافع کا، مجموعی جامع آمدنی انکیوینیٹی میں تبدیلیوں اور ختم ہونے والے سال کے لیے نقد بہاؤ کا ایک حقیقی اور واضح جائزہ دیا گیا ہے۔“

اہل رائے کے لیے بنیاد

”جیسا کہ تفصیلاً مالیاتی گوشوارے کے نوٹ 26.2 میں بیان کیا گیا ہے کہ مختلف تاریخوں میں گروپ ہیلتھ انشورنس، ہیلتھ انشورنس اور لائف انشورنس پر صوبائی سیلز ٹیکس سے استثنیٰ کا اختتام استثنیٰ کو واپس لینے کا فیصلہ ہوا تھا۔ اگرچہ کمپنی کا موقف ہے کہ لائف اور ہیلتھ انشورنس خدمات نہیں ہیں لہذا اسے صوبوں کے صوبائی ٹیکس قوانین کے تحت ٹیکس کے دائرہ کار میں نہیں لانا چاہیے۔ لیکن کمپنی انشورنس ایسوسی ایشن آف پاکستان کے ساتھ ان دنوں صوبائی ٹیکس سے متعلق اعلیٰ حکام سے مذاکرات کر رہی ہے کہ انہیں استثنیٰ دیا جائے اور اگر نہیں، تو اقساطیہ کے کسی حصے پر سیلز ٹیکس لاگو کیا جاسکتا ہے۔ گروپ ہیلتھ (سندھ میں) اور ہیلتھ انشورنس (پنجاب میں) پر ممکنہ Liability تقریباً 739 ملین روپے ہے۔ کمپنی سمجھتی ہے کہ اس مرحلے پر لائف انشورنس پر سیلز ٹیکس کے لیے Liability کا اندازہ لگانا قبل از وقت ہے۔ ہمارا خیال ہے کہ Liability کا اندازہ موجودہ قوانین کی

بنیاد پر لگایا جاسکتا ہے۔ لہذا 31 دسمبر 2018 کو ختم ہونے والے سال کے لیے مالیاتی گوشواروں میں صوبائی سیلز ٹیکس کا حساب لگانا ہمارے لیے ناقابل عمل ہے۔“

آڈیٹرز کی اہل رائے سے متعلق کمپنی کا جواب

جیسا کہ 31 دسمبر 2018 کو ختم ہونے والے سال کے لیے مالیاتی گوشواروں کے نوٹ 26.2 میں بیان کیا گیا ہے کہ استثنیٰ کے فیصلے کو واپس لینے کی وجہ سے جس کی ابتدا میں اجازت دی گئی تھی، سندھ اور پنجاب کے صوبائی ریویو کے اعلیٰ حکام نے صوبائی ٹیکس کے حوالے سے اہم تبدیلیاں کی تھیں جن کا اطلاق انشورنس انڈسٹری پر ہوا جس کی وجہ سے سندھ میں انشورنس میں لائف اور کارپوریٹ ہیلتھ، اور پنجاب میں لائف اور ہیلتھ انشورنس، صوبائی سیلز ٹیکسز سے مشروط ہو گئی ہیں۔

کمپنی کی انتظامیہ کا نقطہ نظر ہے کہ لائف اور ہیلتھ انشورنس، خدمات نہیں ہیں بلکہ درحقیقت انڈر رائٹرز کا پالیسی ہولڈر سے وعدہ ہے کہ وہ آنے والے وقت میں پالیسی ہولڈر کو، چاہے قابل شناخت واقعہ رونما ہو جس کی وجہ سے نقصان ہو یا پالیسی کی تکمیل پر، ایک مخصوص رقم ادا کرے گا۔ انتظامیہ نے کمپنی کے قانونی مشیروں سے بھی قانونی رائے طلب کی ہے جنہوں نے اپنی رائے میں، انتظامیہ کے موقف کی توثیق کی ہے۔ قانونی مشیروں نے اپنی رائے کا مزید اظہار کرتے ہوئے کہا ہے کہ تعصب کے بغیر اہم تناظر میں، لائف اور ہیلتھ انشورنس خدمات مقرر نہیں کی جاسکتیں، بلکہ اس کے برعکس پالیسی ہولڈر کی طرف سے سرمایہ کاری کے لیے کسی بھی شخص رقم سے کمپنی کا کوئی تعلق نہیں ہے اور وہ صوبائی سیلز ٹیکس سے مشروط نہیں ہو سکتی۔

اس بات کو سمجھتے ہوئے کہ یہ انڈسٹری کا اجتماعی مسئلہ ہے، انشورنس ایسوسی ایشن آف پاکستان (IAP)، کمپنی بھی جس کی ممبر ہے، نے صوبائی ریویو کے اعلیٰ حکام کے ساتھ بشمول قبول مظہر نامے میں، ایسے میکسز لگانے کی

انشور فنانشل اسٹریٹجھ ریٹنگ (IFS rating)

کمپنی اپنی ریٹنگ کا جائزہ سالانہ بنیاد پر JCR VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ سے کراوتی ہے۔ 30 مئی 2018 کے حالیہ جائزے میں کمپنی نے ”مستحکم“ جائزے کے ساتھ AA+، (ڈبل AA پلس) ریٹنگ برقرار رکھی۔ ریٹنگ سے کمپنی کی صلاحیت معلوم ہوتی ہے کہ وہ اپنے سرمایہ کی طاقت اور درست لیکوئڈٹی پر وفا عمل (Liquidity Profile) سے Policyholders' Liabilities کو کس حد تک پورا کرنے کی طاقت رکھتی ہے۔ خطرات سے متعلق پر وفا عمل کو بھی طاقتور سرمایہ کاری اور سرمایہ کاری سے متعلق پالیسیوں کی بھرپور صلاحیت سے سہارا ملتا ہے اور تعلیم کی ادائیگی کے باوجود کمپنی کا سرمایہ برقرار رہتا ہے۔ اپنی رپورٹ میں JCR VIS نے تصدیق کی ہے کہ کمپنی کا کاروباری خاکہ قابل اطمینان ہے اور کمپنی کی مسلسل سطح (Persistency Level) بھی تسلی بخش ہے اور زیر جائزہ عرصہ کے دوران اقساطی بیمہ میں اضافے سے جوہلی لائف انشورنس کمپنی کا مارکیٹ شیئر بھی بہتر ہوا ہے۔

آڈیٹرز کی اہل رائے

کمپنی کے آڈیٹرز KPMG ٹاچر ہاؤس ایڈ کو، چارٹرڈ اکاؤنٹنٹس، کراچی نے، ممبران کو دیے جانے والے 31 دسمبر 2018 کو ختم ہونے والے اپنے آڈٹ شدہ مالیاتی گوشواروں میں آزاد رپورٹ کے اندر، اہل رائے کا اظہار کیا ہے۔ اہل رائے، صوبائی سلیز ٹیکس کے مسئلے سے متعلق ہے جو مختلف تاریخوں میں سندھ اور پنجاب کے صوبوں کی جانب سے بیرہ زندگی اور صحت پر صوبائی سلیز ٹیکس سے اقطاع انتظامی کو واپس لینے کے حوالے سے ہے، یہ اہل رائے درج ذیل ہے۔

بعد از ٹیکس منافع میں سال 2019 کے سپرنٹنڈنٹس کا خرچ بھی شامل ہے، اس کے ساتھ 2018-TY میں انکم ٹیکس آرڈیننس، 2001 میں فنانس ایکٹ، 2018 کے ذریعے تبدیلی لائی گئی۔ مذکورہ اضافی ادائیگیوں کے علاوہ 2019-TY سے 2025-TY تک کارپوریٹ ٹیکس کی شرح میں کمی بھی لائی گئی ہے، جس کے نتیجے میں ڈیفرڈ ٹیکس (Deferred Tax) کریڈٹ حاصل ہوگا۔

کمپنی کو قومی خزانے میں ٹیکس ادا کرنے کے حوالے سے ایک اہم مقام حاصل ہے۔ 2018 کے دوران کمپنی نے حکومتی خزانے میں ڈائریکٹ اور انڈائریکٹ ٹیکسز کی مدد میں 2,695 ملین روپے (2017-2,673 ملین روپے) جمع کرائے۔

فی حصص آمدنی

اس سال کی بنیادی (Basic) اور ڈائلوٹڈ (Diluted) آمدنی 30.64 روپے فی حصص (Earnings Per Share) رہی جس میں 2017 کے فی حصص آمدنی 41.12 روپے کے مقابلے میں 25% کمی، مذکورہ بالا اسباب کی وجہ سے ریکارڈ کی گئی۔

حصص یافتگان کے لیے تقسیم شدہ منافع

بورڈ آف ڈائریکٹرز نے حتمی نقد تقسیم شدہ منافع بحساب 14.50 روپے فی حصص یعنی 145% فی حصص (Share) کا اعلان کیا ہے۔ (2017: 14.50 روپے فی حصص یعنی 145%)۔ اسکے علاوہ دوران سال کمپنی نے عبوری نقد تقسیم شدہ منافع بحساب 3.00 روپے فی حصص (30%) بھی ادا کیا 3.00 (2017: 3.00 روپے فی حصص یعنی 30%)۔ اس طرح 2018 کے لیے کل نقد تقسیم شدہ منافع 17.50 روپے فی حصص یعنی 175% رہا۔ (2017: 17.50 روپے فی حصص یعنی 175%)۔

IFRS کی ضروریات کے مطابق سرمایہ کاری کی قدر و قیمت کا تعین کرنے کے لیے انشورنس اکاؤنٹنگ ریگولیشنز 2017 کے ریگولیشن نمبر 11 کے ذریعے ایک اور اہم تبدیلی لائی گئی۔ نتیجتاً سرمایہ کاری کی قدر و قیمت کا تعین کرنے اور Policyholders' Liabilities میں بے ربطگیوں سے پیدا ہونے والی ناموزونیت کے حل کے لیے اس تبدیلی کے ذریعے انفرادی لائف پونٹ لکھڈ فنڈ کے پونٹ لکھڈ فنڈز اور انفرادی فیملی کنفل فنڈز کو "Available for Sale" کی کٹیگری سے "At Fair Value Through Profit and Loss" تبدیل کر کے سرمایہ کاری کے خریطہ کی ایک نئی درجہ بندی کو لازمی بنایا۔ ایسی سرمایہ کاری کے ساتھ منسلک فرائز یکشنز کے اخراجات کو بھی نفع و نقصان کے اکاؤنٹ میں منتقل کر دیا گیا ہے۔ ایسی نئی درجہ بندیوں کا اطلاق بالترتیب کر دیا گیا ہے اور اس کی تفصیل مالیاتی گوشوارے کے نوٹ نمبر 3.12 میں موجود ہے۔

مندرجہ بالا سرمایہ کاری کے خریطے میں پریزنٹیشن اور درجہ بندی کے ذریعے فی حصص آمدنی برائے سال 2018 میں 8.22 روپے کا اضافہ ہوا اور برائے سال 2017 کی فی حصص آمدنی میں 8.52 روپے کا اضافہ ہوا اور اس کی تفصیل مالیاتی گوشوارے کے نوٹ 5 میں موجود ہے۔

نفع و نقصان کا اکاؤنٹ (Profit & Loss Account)

سال 2018 کے لیے کمپنی کے نفع و نقصان کے اکاؤنٹ (Profit & Loss Account) میں قبل از ٹیکس منافع 26% کی کے ساتھ 3,775 ملین روپے رہا (2017: 5,136 ملین روپے - تجدید شدہ)۔ 2018 میں بعد از ٹیکس منافع کی رقم 2,430 ملین روپے رہی جو 2017 کے 3,262 ملین روپے (تجدید شدہ) کے مقابلے میں 25% کم ہے۔

جیسا کہ پہلے واضح کیا جا چکا ہے کہ 2018 ملک بھر کے لیے مشکل سال تھا جس کی وجہ سے کمپنی کی کارکردگی بھی متاثر ہوئی۔ زندگی بیمہ کے کاروبار میں ترقی کے دو اہم اسباب ہیں (1) نئے کاروبار میں اضافہ اور (2) انتظامی اخراجات کا خالص تخیری پریمیم سے تناسب۔ 2018 کے دوران، غیر یقینی معاشی ماحول اور سیاسی عدم استحکام کے علاوہ کے ایس ای 100 انڈیکس میں مسلسل کمی کے باعث نئے کاروبار میں اضافے کو 5% تک محدود کر دیا، اس کے برعکس مجموعی حصول کے اخراجات، انتظامی اور مارکیٹنگ اور دیگر اخراجات میں 14% اضافہ ہوا۔ البتہ، یہ بات اطمینان بخش ہے کہ غیر یقینی معاشی اور سیاسی ماحول کے باوجود کمپنی کے نئے کاروبار پر منفی اثرات مرتب نہیں ہوئے اور اس میں فروغ جاری رہا اور انتظامیہ 2019 میں بحالی اور ترقی کے لیے پرعزم ہے۔

2018 میں کمپنی کا ILUL اور IL کنفل دونوں میں اپنے برانچ نیٹ ورک کے ذریعے براہ راست فروخت کاری کے تحت کاروبار میں اضافے پر توجہ مرکوز رہی جس کی وجہ سے تزئین و آرائش (Renovation Costs) کرائے اور منسلک انتظامی اخراجات کے علاوہ اضافی خرچوں کا بوجھ بڑھ گیا۔ اس کے علاوہ رسائی کی غرض سے برانچ نیٹ ورک میں توسیع کے لیے DSF نیوں کو مزید مستحکم کرنے کی ضرورت تھی۔ جس کی وجہ سے وقتی طور پر منافع جات پر دباؤ بڑھا ہے، البتہ اس پر طویل مدتی حکمت عملی سے قابو پایا جائے گا۔ اسی طرح مذکورہ اقدامات کی وجہ سے 2018 کے دوران منافع جات میں کمی ریکارڈ کی گئی اور ILUL کے سرپلس میں 23% کمی ہوئی جبکہ IL فیملی کنفل کے سرپلس کی سطح 2017 کے برابر رہی اور مجموعی تخیری پریمیم (GWP) میں 45% اضافے کے باوجود اس میں اضافہ نہیں ہوا۔

کمپنی کے مارکیٹنگ اخراجات میں گزشتہ سال کے مقابلے میں 2018 کے دوران 25% اضافہ ہوا جس میں کمپنی کے براعظمت کو مستحکم بنانا، نئی برانچیں سمیت ڈسٹری بیوٹن نیٹ ورک کی مضبوطی، سیلفز فورس میں اضافہ، آئی ٹی ہارڈ ویئر اور سسٹم اپیلی کیشنز (IT Hardware and System Applications) پر سرمایہ کاری شامل ہیں۔

نظر ثانی شدہ مالیاتی گوشواروں کی پیکش انشورنس اکاؤنٹنگ ریگولیشنز، 2017 کے تحت

31 دسمبر 2018 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشوارے، پہلے مالیاتی گوشوارے ہیں جو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ انشورنس اکاؤنٹنگ ریگولیشنز، 2017 اور انشورنس رولز، 2017 کے مطابق ہیں۔ نئے قوانین کے تحت پریزنٹیشن اور انکشاف (Presentation and Disclosure) کرنے والی ضروریات کی تفصیل انٹرنیشنل فنانس رپورٹنگ اسٹینڈرڈز (IFRS) کی مطابقت میں، کمپنی کی بنیاد پر واحد بیلنس شیٹ، نفع و نقصان کے اکاؤنٹ، کیش فلو اسٹیٹمنٹ، گزشتہ سالوں میں شیئر ہولڈرز فنڈ اور فنڈ کے اعتبار سے فورمیت، دیگر جامع آمدنی کے اسٹیٹمنٹ کے تعارف کے ساتھ مالیاتی گوشوارے کے نوٹ 2.3 میں بیان کی گئی ہیں۔ جب کہ ریونیو اکاؤنٹ کا تصور ریگولیٹری ریٹرن تک محدود ہے۔ اس تبدیلی کا اطلاق گزشتہ اعداد و شمار پر کرتے ہوئے بالموافق اعداد و شمار کو دوبارہ بیان کیا گیا ہے۔ ان تبدیلیوں کا اثر نوٹ 5 میں درج کیا گیا ہے۔

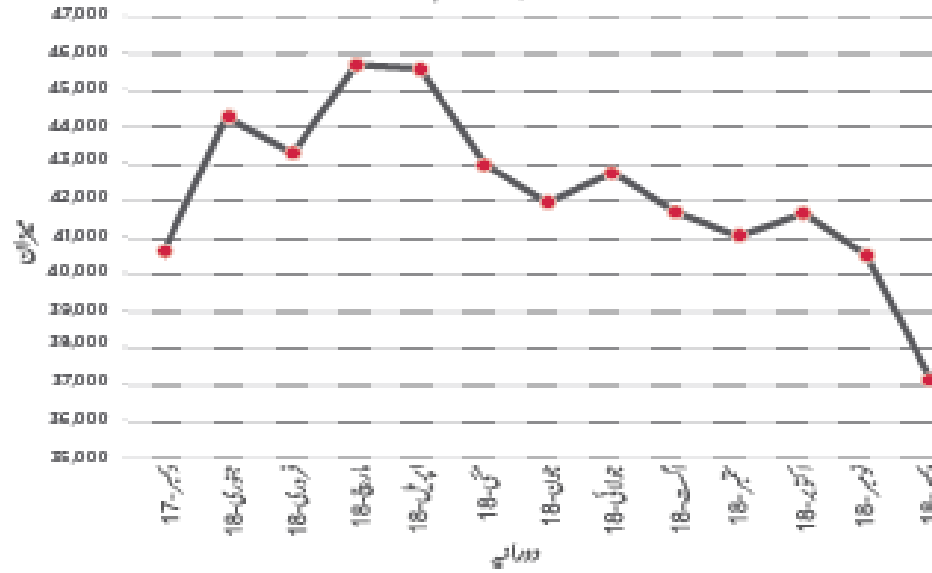
واحد نفع و نقصان کے اکاؤنٹ اور جامع آمدنی کے اسٹیٹمنٹ کو تعارف کروانے سے سرپلس جو قانونی فنڈ (Statutory Fund) میں باقی رہا اور جو مقدرت بچت (Solvency Margin) کو برقرار رکھنے کے لیے انشورنس رولز، 2017 کے تحت ضروری ہے اور جو حصص یافتگان کے درمیان تقسیم کے لیے موجود نہیں ہے، موجودہ سال کے نفع و نقصان کے اکاؤنٹ میں شامل ہے جب کہ گزشتہ سال کا بیلنس جامع آمدنی کے اسٹیٹمنٹ میں شامل کیا گیا ہے۔ لہذا اکاؤنٹ D کا بیلنس اور فروخت کاری کے لیے دستیاب قدر و قیمت کے تعین نو پر سرپلس (Surplus on Revaluation of AFS Investments) جو اس منافع کو ظاہر کرتا ہے، نتیجتاً ایسے سرپلس پیش کرنے سے حصص یافتگان کی ایکویٹی میں اضافہ ہوا ہے۔

روپے رہے۔ حصص مارکیٹ میں عدم استحکام کے باوجود 22.16 ارب روپے کی خالص آمدنی ہوئی جو ہمارے پالیسی ہولڈرز اسٹراکٹ داران کا ہم پر اعتبار اور اعتماد ظاہر کرتی ہے جس کے لیے ہم ان کے شکر گزار ہیں۔

کمپنی روایتی بیمہ کاروبار میں انفرادی زندگی کے بیمہ داروں کو چار (4) یونٹ لنکڈ فنڈز (Unit-Linked Funds) اور شریعت کے مطابق دو (2) یونٹ لنکڈ فنڈز پیش کرتی ہے۔ ان فنڈز کا انتخاب انفرادی بیمہ داران / شرکاء مختلف سرمایہ کاری کے خطرات کے حوالے سے اپنی مرضی سے کرتے ہیں۔ مختلف مدتوں میں منافع کا خلاصہ درج ذیل جدول میں دیا گیا ہے۔

سیریل نمبر	فنڈ کا نام	اجراء کی تاریخ	سال 2018 کے لیے منافع	3 سال میں منافع	5 سال میں منافع	10 سال میں منافع	آغاز سے اب تک منافع
کنوینشنل فنڈز							
1	مینجڈ فنڈ	31 دسمبر 1996	-2.02%	9.30%	40.08%	204.96%	974.44%
2	کپٹل گروتھ فنڈ	28 جولائی 2004	-11.31%	8.92%	73.16%	397.98%	695.47%
3	بیشاق فنڈ	27 مارچ 2008	-0.92%	14.51%	39.77%	125.59%	109.21%
4	یقین گروتھ فنڈ	1 جنوری 2009	3.52%	14.65%	43.45%	141.41%	120.53%
انفرادی فیملی ہیکل فنڈز							
5	مینجڈ ہیکل فنڈ	7 جولائی 2015	0.69%	14.64%	141.41%	141.41%	21.29%
6	کپٹل گروتھ ہیکل فنڈ	7 جولائی 2015	-1.61%	16.43%	141.41%	141.41%	22.99%

کے ایس ای-100 انڈیکس- ماہانہ اختتام برائے سال 2018



سرمایہ کاری سے آمدنی کمپنی کے منافع میں بہت اہم کردار ادا کرتی ہے لہذا کمپنی ایک مختلط سرمایہ کاری کی پالیسی اپناتی ہے۔ حصص مارکیٹ میں واضح کی اور منی مارکیٹ میں شرح سود کے اضافے کو دیکھتے ہوئے کمپنی نے مختلط پالیسی اختیار کی اور فنڈز کی حفاظت کے لیے مختلف اقدامات کیے بشمول فنڈز کے اثاثہ جات کے اختصا ص پر نظر ثانی، گورنمنٹ سیکورٹیز میں اضافی سرمایہ کاری اور دیگر مقررہ آمدنی ائرم ڈپازٹس، جس میں نئے اور تجدیدی کاروبار (دعوں کے خالص، سرچڈرز اور پارشل ووڈرائز) سے یونٹ فنڈز کے خالص اثاثوں میں جو 31 دسمبر 2017 کے 100.6 ارب روپے کے مقابلے میں مجموعی طور پر 15% اضافے کے ساتھ 115.8 ارب

سے 2,660 ملین روپے (2017: 3,165 ملین روپے) کا سرمایہ مقرر کردہ انچارج کی منظوری سے شیئر ہولڈرز فنڈز میں منتقل کیا گیا۔ یہ سیکسٹل معلومات کے تحت مالیاتی گوشواروں کے نوٹ 43.1 میں موجود ہے۔

سرمایہ کاری کی کارکردگی

2018 کا سال دوسرا سال تھا جس میں حصص مارکیٹ کی کارکردگی منفی رہی۔ 31 دسمبر، 2018 کو کے ایس ای 100 انڈیکس جو 40,471 پوائنٹس سے شروع ہوا تھا 37,066 پر بند ہوا جس میں 8.47% کا منفی رجحان رہا۔ البتہ، 2018 کی شروعات مثبت انداز میں ہوئی تھی، پہلی سرمایہ کے اختتام پر 2017 کے آخر کے مقابلے میں 12.6% اضافہ دیکھا گیا، جبکہ سال کا اختتام 8.47% کی کمی پر ہوا۔ اس کی بڑی وجوہات میں مینٹرل میکرو اکنامک ماحول سمیت سیاسی غیر یقینی صورتحال، مستقل غیر ملکی فروخت، آئی ایم ایف پروگرام میں داخلے کی غیر یقینی صورتحال، اور کے ایس ای 100 انڈیکس میں ہر سرمایہ میں مسلسل کمی شامل ہے۔ جاری کھاتے کا خسارہ، غیر ملکی زرمبادلہ کے ذخائر میں کمی اور پاکستانی روپے کی امریکی ڈالر کے مقابلے میں قدر کا کم ہونا، خاص طور پر نومبر 2018 میں روپے کی قدر میں زیادہ کمی واقع ہونا، جس کے نتیجے میں اسٹیٹ بینک پاکستان نے مانیٹرنگ پالیسی سخت کرتے ہوئے ڈسکاؤنٹ ریٹ میں سال 2018 کے دوران 4.25% کا اضافہ کیا۔ کے ایس ای 100 انڈیکس میں کمی کو درج ذیل گراف میں ظاہر کیا گیا ہے: اس کی وجہ سے یونٹ فنڈز کی کارکردگی پر اثر ہوا جیسا کہ انڈیکسٹری بھر میں اور دیگر شعبہ جات میں جہاں سرمایہ کاری لیڈ انڈیکسٹریز (Listed Equities) میں کی گئی ہے:

کاروباری کارکردگی اور انتظامی نتائج

سال کے دوران تمام کاروباری شعبہ جات کی کارکردگی تسلی بخش رہی۔ مجموعی انتظامی نتائج کا خلاصہ درج ذیل ہے:

- انفرادی بیمہ زندگی یونٹ لنکڈ (Individual Life Unit-Linked) سے منسلک کاروبار 36,044 ملین روپے کے خالص تحریری پرییمیم (NWP) 4% اضافے کے ساتھ 2017 کے 34,787 ملین روپے کے مقابلے میں مستحکم رہا اور اس سال 2,408 ملین روپے (2017: 3,129 ملین روپے) کا سرپلس حاصل کیا۔ ملک میں سیاسی و معاشی غیر یقینی صورت حال کی وجہ سے نئے کاروباری ترقی میں کمی اور دعوں میں اضافے کی وجہ سے گزشتہ سال کے مقابلے میں سرپلس میں کمی پیش آئی۔
- روایتی کاروبار نے (جو بنیادی طور پر گروپ لائف انشورنس پر مشتمل ہے) 2017 کے 1,088 ملین روپے کے مقابلے میں 8% اضافے کے ساتھ 1,177 ملین روپے کا خالص تحریری پرییمیم (NWP) ریکارڈ کیا۔ اس سال 75 ملین روپے کا سرپلس حاصل ہوا (2017: 169 ملین روپے)۔
- حادثات اور صحت سے متعلق کاروبار نے 2017 کے 3,093 ملین روپے کے مقابلے میں 11% اضافے کے ساتھ 3,433 ملین روپے کا خالص تحریری پرییمیم (NWP) ریکارڈ کیا۔ 2017 میں 395 ملین روپے کے مقابلے میں 533 ملین روپے کا سرپلس 35% اضافے کے ساتھ حاصل کیا گیا۔

- اور سیز گروپ لائف اور صحت سے متعلق کاروبار نے 2017 کے 11 ملین روپے کے مقابلے میں 29% اضافے کے ساتھ 14 ملین روپے کا خالص تحریری پرییمیم (NWP) ریکارڈ کیا۔ اس کاروباری شعبے میں سرپلس مستحکم طور پر برقرار رہا اور گزشتہ سال میں 16 ملین روپے کے مقابلے میں 17 ملین روپے ریکارڈ کیا گیا۔

- انفرادی فیملی تکافل برنس کو بہت زیادہ پنڈیرائی ملی اور اس نے پچھلے سال کے 6,760 ملین روپے کے خالص تحریری اعانت (NWC) کے مقابلے میں 45% اضافے کے ساتھ 9,780 ملین روپے کا خالص تحریری کنٹری بیوشن (NWC) ریکارڈ کیا۔ 2018 کے لیے سرپلس 258 ملین روپے رہا (2017: 338 ملین روپے)۔

- گروپ فیملی تکافل برنس نے سائز میں معمولی ہونے کے باوجود 2017 کے 37 ملین روپے کے مقابلے میں 42% اضافے کے ساتھ 53 ملین روپے کا خالص تحریری اعانت (NWC) ریکارڈ کیا۔ اس کاروباری شعبے نے 5 ملین روپے کا مختصر سرپلس ریکارڈ کیا (2017: 1 ملین روپے)۔

- حادثاتی اور ہیلتھ تکافل برنس نے 2017 کے 130 ملین روپے کے مقابلے میں 31% اضافے کے ساتھ 170 ملین روپے کا خالص تحریری اعانت (NWC) ریکارڈ کیا۔ دوران سال اس کاروبار نے نفع اور نقصان کے درمیان توازن حاصل کر کے 2 ملین روپے کا مختصر سرپلس حاصل کیا جب کہ 2017 کے دوران 14 ملین روپے کا نقصان تھا۔

- تمام کاروباری شعبہ جات سے مجموعی سرپلس 3,277 ملین روپے ریکارڈ کیا گیا جو 2017 کے دوران 4,033 ملین روپے کے مجموعی سرپلس کے مقابلے میں 19% کم ہے۔ محصولات کے اکاؤنٹ

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹرز ہمسرت، کمپنی کی سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال ختمہ 31 دسمبر 2017 پیش کرتے ہیں۔

کامیابیاں

2018 ملک کے لیے دشوار سال تھا، بالخصوص سیاسی اور معاشی حوالے سے اور کمپنی کے لیے بھی دشوار رہا۔ ان دشواریوں کے باوجود کمپنی نے خدمت اور مستقل مزاجی کے اعلیٰ معیار کو برقرار رکھنے کے لیے بے عزم ہو کر مختلف ڈسٹری بیوٹن مینٹلو کے ذریعے کاروبار کی ترقی پر اپنی توجہ مرکوز رکھی جس نے اسے اقساطی بیمہ سے حاصل ہونے والی آمدنی میں مستحکم ترقی برقرار رکھنے، اعلیٰ کامیابیوں اور پائیدار منافع حاصل کرنے کے قابل بنایا۔ سال 2018 کے دوران حاصل ہونے والی نمایاں کامیابیوں میں شامل ہیں:

- پاکستان کے فنانسنگ کی بیمہ زندگی کی انڈسٹری میں پہلی مرتبہ مجموعی تحریری پرییم (GWP) کے لحاظ سے 50 ارب روپے کی حد عبور کی؛

- ونڈ ویل کی کفایت آپریشن میں مجموعی تحریری اعانت (GWC) کے لحاظ سے 10 ارب روپے کی حد عبور کی، یہ بھی پاکستان کے فنانسنگ کی کفایت انڈسٹری میں پہلی مرتبہ ہوا ہے؛

- کارپوریٹ بزنس روایتی اور کفایت میں 5,885 ملین روپے کا مجموعی تحریری پرییم (GWP) کا حصول جو 2017 کے 5,181 ملین روپے کے مقابلے میں 13.6% زیادہ ہے۔

- کمپنی کا مجموعی اثاثہ ساٹھ 139.5 ارب روپے رہا جو 2017 کے 120.5 ارب روپے کے مقابلے میں 15.7% زیادہ ہے۔

بیمہ صحت میں کمپنی نے پاکستان کی سب سے بڑی انڈر رائٹر (Underwriter) ہونے کا اعزاز برقرار رکھتے ہوئے روایتی اور کفایت بزنس میں مجموعی طور پر 3,755 ملین روپے کا پرییم تحریر کیا جو 2017 کے 3,509 ملین روپے کے مقابلے میں 7% زیادہ ہے۔

- حصص یافتگان کی انکوبینی اور ذخائر، بشمول قانونی فنڈز (لیجر اکاؤنٹ ڈی بیلنس) کا برقرار توازن، 10,342 ملین روپے رہا جو 2017 کے 9,316 ملین روپے کے مقابلے میں 11% زیادہ ہے۔

- محتاط محفوظات سے کمپنی کے فنڈز کی مقدوریت کی صلاحیت، مطلوبہ قانونی مقدوریت کی ضروریات کے مقابلے میں نمایاں طور پر زیادہ ہے۔

- JCR-VIS کے 30 مئی 2018 کے تازہ ترین جاری کردہ نوٹس کے مطابق، کمپنی نے اپنی انشور مالیتی قوت (IFS) میں اپنی ریٹنگ AA+ (Double A Plus) مع "مستحکم" آؤٹ لک (Stable Outlook) کو برقرار رکھا ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) اور عطیات کی پالیسی کمپنی کی کارپوریٹ سماجی سرگرمیوں سے متعلق اقدامات اور تعاون کو مثبت انداز میں جاری رکھنے کے لیے کمپنی کے نظریے کے عین مطابق ایک رہنما اصول فراہم کرتی ہے۔ اس حوالے سے متعلق تفصیلات ڈائریکٹرز رپورٹ میں موجود ہیں۔

بورڈ آف ڈائریکٹرز

سال 2018 کے دوران بورڈ آف ڈائریکٹرز میں دو تبدیلیاں رونما ہوئیں۔ دسمبر 2017 میں جناب ایاز احمد کے استعفیٰ کے بعد بورڈ نے جناب شاہد غفار کو اُن کی جگہ ڈائریکٹر مقرر کیا۔ سیکو ریٹیز اینڈ انکسچینج کمیشن آف پاکستان (SECP) کی منظوری کے ساتھ جناب شاہد غفار کا تقرر بطور کمپنی کے ڈائریکٹر 8 فروری 2018 سے مؤثر ہوا۔

کمپنی کے منتخب ڈائریکٹر کے آفس سے اگست 2018 میں جناب جاوید احمد کے استعفیٰ کی وجہ سے ایک اسامی خالی ہوئی۔ بورڈ کی جانب سے جناب جاوید احمد کی جگہ جناب صغیر مفتی کا تقرر بطور ڈائریکٹر سیکو ریٹیز اینڈ انکسچینج کمیشن آف پاکستان (SECP) کی منظوری کے ساتھ 13 اکتوبر 2018 سے ہوا۔

محاسب (External Auditors) کی رائے

کمپنی کے محاسب، KPMG ٹاٹیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس، کراچی نے بیمہ زندگی اور صحت پر صوبائی سیلز ٹیکس کے معاملے پر 31 دسمبر 2018 کو ختم ہونے والے اپنے آڈٹ شدہ مالیاتی گوشواروں میں، اہل رائے کا اظہار کیا ہے۔ اس کا تفصیلی جواب ڈائریکٹرز رپورٹ اور مالیاتی گوشوارے کے نوٹ 26.2 میں موجود ہے۔

جائزہ

پاکستانی ایک محکمہ قوم ہے جو کسی بھی چیلنج کا مقابلہ کرنے کی صلاحیت رکھتی ہے۔ اس مضبوطی، بزنس آپریشنز میں استحکام، پاکستان میں غیر بیمہ شدہ آبادی کو بروئے کار لانے کے لیے مواقع اور سیکو ریٹیز اینڈ انکسچینج کمیشن آف پاکستان (SECP) کی بہتر انضباطی ماحول پر بڑھتی ہوئی توجہ کے ساتھ میں پُر امید ہوں کہ کمپنی کی ترقی جاری رہے گی اور پاکستان کے نئی شعبے کی سب سے بڑی بیمہ زندگی کمپنی کے طور پر اپنی حیثیت برقرار رکھے گی۔

اظہار تشکر

بورڈ کی جانب سے میں اپنے حصص داران، معزز بیمہ داران، ونڈو مکافل حصہ داران، کاروباری شراکت داروں بشمول اپنے ٹیکرز، سپلائرز، اور دیگر شراکت داران، ان کے اعتماد اور بھروسے کے لیے شکریہ ادا کرتا ہوں۔ میں حکومت کے تعاون کے ساتھ ساتھ سیکو ریٹیز اینڈ انکسچینج کمیشن آف پاکستان (SECP) کی جانب سے بیمہ زندگی کے کاروبار میں اصلاحات لانے کے اقدامات کے لیے کمیشن کے مثبت کردار کا بھی شکریہ ادا کرتا ہوں۔ آخر میں، کمپنی کی کامیابی کے حوالے سے میں کمپنی کے تمام انسانی وسائل کے تعاون کا اعتراف کرتا ہوں جن کے بغیر اس سطح کی کامیابی ہرگز ممکن نہ ہوتی۔



(Signature)

کمال اے چٹائے
چیرمین

کراچی، 28 مارچ 2019

کمپنی

میں یہ بتاتے ہوئے خوشی محسوس کرتا ہوں کہ کمپنی ہر سال مسلسل کامیابی اور ترقی کی نئی منزلوں کو طے کر رہی ہے۔ سال 2018 میں کمپنی نے ایک نیا سنگ میل طے کرتے ہوئے نئی سیکٹر کی لائف انشورنس اندوشری میں پہلی دفعہ 50 ارب روپے کی حد عبور کر کے مجموعی اقساط بیمہ سے حاصل ہونے والی آمدنی 52 ارب روپے (2017: 47 ارب روپے) کا ریکارڈ کی۔ اس کے ساتھ کمپنی نے مندرجہ ذیل کامیابیاں بھی حاصل کی ہیں:

- دعوہ فیملی کا نفل آپریشنز میں مجموعی تحریری اعانت کے لحاظ سے 10 ارب روپے کی حد کو عبور کر جانا، یہ بھی پاکستان کے نئی سیکٹر کا نفل اندوشری میں پہلی مرتبہ ہوا ہے؛
- 2017 کے 120.5 ارب روپے کے مقابلے میں 2018 کو ختم ہونے والے سال پر 139.6 ارب روپے کے ساتھ مجموعی اثاثوں کے سائز کو برقرار رکھا۔

انعامات و اعزازات

ہر گزرتے سال کے ساتھ کمپنی، فتوحات اور کامیابی کے جھنڈے گاڑ رہی ہے۔ 2018 کے دوران کمپنی نے مندرجہ ذیل نمایاں کامیابیاں حاصل کیں:

- منجھٹ ایسوسی ایشن آف پاکستان کی جانب سے انشورنس سیکٹر میں کمپنی کو تین تیسواں (33rd) کارپوریٹ ایوارڈ 2018 دیا گیا؛
- ACCA کی جانب سے منظور شدہ آجر برائے ٹرنینی ڈیولپمنٹ کا اعتراف؛ اور

- کمپنی کو CSR کے حوالے سے بھی تسلیم کیا گیا اور اپنی طویل پارٹنرشپ اور حمایت کے لیے اسے میری ایڈیٹڈ لیڈر وی سینٹر کی جانب سے ڈاکٹر زتھہ فاؤنڈیشن ایوارڈ سے بھی نوازا گیا۔

کارناموں کی مذکورہ بالا نئی جہتوں کے علاوہ کمپنی نے بیمہ برائے بچت میں بے مثال خدمات کی انجام دہی پر چھٹا (6th) FPCCI انجیومنٹ ایوارڈ برائے سال 2017، بھی حاصل کیا۔

مارکیٹنگ اور اسپورٹس

میں نہایت فخر سے یہ بتانا چاہتا ہوں کہ کمپنی نے نہ صرف کاروبار کے میدان میں بلکہ کھیل کے میدان میں بھی انقلاب برپا کیا، اور 2018 میں پاکستان کے اندر کھیل کے میدان میں سب سے بڑا یہ کارنامہ سرانجام دیا کہ پاکستان اور ویسٹ انڈیز کے درمیان جوہلی انشورنس سیریز کپ 2018 کے ذریعے پاکستان کے ہوم گراؤنڈ میں کرکٹ کی واپسی کو یقینی بنایا۔ پاکستان کرکٹ بورڈ (PCB) نے از خود کمپنی کے اس شاندار اقدام کا اعتراف کیا کیوں کہ اس سیریز نے پوری قوم کا جوش و جذبہ جاگرایا۔

کرکٹ، اسٹونکر، گولف، ہاکی، پولو اور اسکواش کی ترقی کے حوالے سے مختلف ٹورنامنٹس کی اسپانسرشپ کے ذریعے، جوہلی انشورنس آج گھر گھر پہچانا جا رہا ہے۔ 2018 کے دوران کمپنی نے پی ایس ایل یزن 3 میں بطور گولڈ اسپانسر پاکستان کرکٹ بورڈ (PCB) کے ساتھ شراکت داری کی اور تمام ذرائع ابلاغ میڈیا بشمول ٹی وی، پرنٹ اور ڈیجیٹل پر اپنی موجودگی کا بھرپور احساس دلایا۔ جیسا کہ 2017 میں کمپنی کو اسپانسرشپ سے براہ راست دیکھے جانے اور براہ راست کی یاد دہانی (Brand Recall) کے حوالے سے اہم فائدہ ہوا۔ اس کے علاوہ کمپنی نے 2018 سال کے دوران پاکستان بمقابلہ آسٹریلیا اور پاکستان بمقابلہ نیوزی لینڈ کرکٹ سیریز کو بھی اسپانسر کیا تھا۔

چیرمین کی جائزہ رپورٹ

میں، 31 دسمبر 2018 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ بعد سرٹیفیکیشن کرتا ہوں۔

معیشت

سال کے زیادہ عرصے پر محیط سیاسی اور معیشت کی غیر یقینی صورت حال کے اثرات کے ساتھ ایک مشکل سال 2018 کا اختتام ہوا۔ اسٹیٹ بینک آف پاکستان نے اپنی مانیٹری پالیسی کے بیان میں تشویش کا اظہار کیا تھا کہ جاری کھاتے کا خسارہ (Current Account Deficit) کی وجہ سے مالیاتی خسارے اور بنیادی افراط زر میں اضافہ ہونے کے باعث معاشی سرگرمیاں، بالخصوص سال کے پہلے چھ ماہ کے عرصے میں مست روی کا شکار رہیں گی۔ ٹیرف اور ڈیوٹیز (Tariff and Duties) کی کٹھام سازی کے ساتھ، جاری کھاتے کے خسارے پر قابو پانے کے لیے اقدامات کیے گئے جس کے نتیجے میں اشیاء اور خدمات کی درآمدات میں کمی آئی اور کسی حد تک جاری کھاتے کے خسارے میں کمی۔ اس کے علاوہ برآمدات میں معمولی سے اضافے نے بھی جاری کھاتے کے خسارے پر قابو پانے میں مدد کی۔ اس کے باوجود استحکام کے اقدامات کا اثر نمایاں طور پر ظاہر ہونے میں وقت لگے گا۔

کمپنیل مارکیٹ (Capital Market)

2017 کے ختمی رجحان کے ساتھ جاری رہنے والے دوسرے سال کے دوران پاکستان اسٹاک ایکسچینج (PSX) نے 2018 میں ختمی کارکردگی ریکارڈ کی۔ 31 دسمبر 2018 کو کے ایس ای 100 انڈیکس، کہ جس کا آغاز 40,471 پوائنٹس کی سطح سے ہوا تھا، 37,066 پوائنٹس پر بند ہوا اور 8.47% کا ختمی رجحان ریکارڈ کیا گیا۔

درج بالا سیاسی اور معاشی عوامل کے علاوہ اسٹاک مارکیٹ پر دیگر اہم اثرات میں مسلسل غیر ملکی فروخت اور آئی ایم ایف پروگرام میں داخل ہونے کے حوالے سے غیر یقینی صورت حال بھی شامل ہے۔

انضباطی ماحول

سال 2018 میں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے مختلف انضباطی تبدیلیوں کا نفاذ کیا گیا۔ ان میں انشورنس اکاؤنٹنگ ریگولیشنز، 2017 کا نفاذ، جو یکم جنوری 2018 سے مؤثر ہوا، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کا، انٹرنی منی لاؤڈرنگ اینڈ کاؤنٹرنگ فنانسنگ آف میسرزم ریگولیشنز، 2018 (AML & CFT Regulations) جس کا نفاذ فائنل ایکشن پلانک فورس (FATF) کی سفارشات کے پس منظر میں جون 2018 سے نافذ العمل ہے، نمایاں ہیں۔ اے ایم ایل ریگولیشنز، 2018 کا مقصد، منی لاؤڈرنگ کی روک تھام کے لیے سخت قوانین بنانا ہے اور اس سے معیشت میں دستاویز کاری کو بڑھانے میں مدد ملے گی کیوں کہ ان قوانین کے نفاذ سے منی لاؤڈرز کے لیے مشکلات بڑھیں گی اور بغیر دستاویز معیشت کو چلانے کا دھواں تر ہوتا چلا جائے گا۔

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی منظوری سے انشورنس اکاؤنٹنگ ریگولیشنز، 2017 کا نفاذ یکم جنوری 2018 سے مؤثر ہو چکا ہے جس کے اثرات کی وضاحت مالیاتی گوشوارے کے نوٹ 5 میں تفصیل سے بیان کی گئی ہے۔

The advertisement features a couple in a jewelry store. The man, wearing a blue shirt, is leaning over the woman, who is wearing a white top and a colorful shawl. They are both smiling and looking at a piece of jewelry on a display stand. The background shows shelves with various jewelry items and a window with a decorative arch. The Jubilee Insurance logo is in the top left corner.

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مختار نامہ (پراکسی فارم)

میں امم _____ ساکن _____ بحیثیت ممبر (رکن) جو بلی لائف انشورنس کمپنی لمیٹڈ اور حامل _____ عام حصص، بمطابق شیئرز رجسٹر فلیو نمبر ای ڈی سی اکاؤنٹ اور پارٹیسپنٹ آئی ڈی نمبر _____ ممبر (رکن) محترم / محترمہ _____ فلیو نمبر ای ڈی سی اکاؤنٹ اور پارٹیسپنٹ آئی ڈی نمبر _____ کو یا ان کی غیر حاضری میں ممبر (رکن) محترم / محترمہ _____ فلیو نمبر ای ڈی سی اکاؤنٹ اور پارٹیسپنٹ آئی ڈی نمبر _____ کو اپنے اہمارے ایماء پر بروز ہفتہ، ۱۲ اپریل ۲۰۱۹ء، صبح ۱۱ بجے، آڈینوریم، حبیب چیک ٹاور، جناح ایونیو، اسلام آباد میں منعقد ہونے والے برائے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التوا کی صورت میں اپنا اہمارا بطور مختار (پراکسی) مقرر کرتا کرتی ہوں کرتے ہیں۔

آج بروز _____ تاریخ _____ ۲۰۱۹ء کو دستخط کئے گئے۔

رائے گلٹ پر دستخط

دستخط ممبر (رکن)



گواہان:

دستخط _____

گواہ کا پتہ _____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہوا اپنی جگہ اور ممبر (رکن) کو بطور مختار (پراکسی) شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔

ای ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل بھی منسلک کرنی ہوگی۔ مختار (پراکسی) کو اجلاس کے وقت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد اور اپاء آف انارنی بمطابق دستخط ممبر مختار نامہ (پراکسی فارم) جمع کرانا ہو گئے۔

مختار نامہ (پراکسی فارم) پر ممبر (رکن) یا ان کے انارنی کے دستخط ہونا لازمی ہے۔ کارپوریٹ ادارہ ہونے کی صورت میں مختار نامہ (پراکسی فارم) پر کمپنی کی مہر ہونا بھی ضروری ہے۔ مختار نامہ (پراکسی فارم) بمطابق ضرورت کے مندرجہ ذیل شخص کی تصدیق شدہ پاء آف انارنی (حسب ضرورت) کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے۔



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