

April 4, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Transmission of Annual Report for the Year Ended December 31. 2023

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended December 31, 2023 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

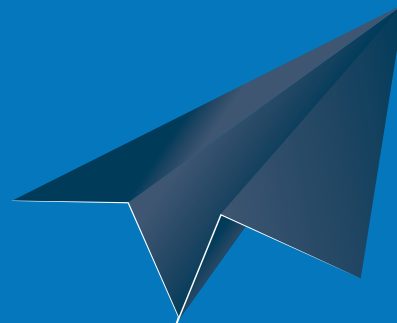


Arsalan Ahmed Khan
Company Secretary



Encl: As above.

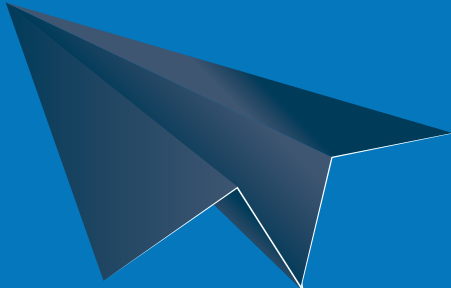
CC: Director/HOD
Surveillance, Supervision and Enforcement Department
Securities Exchange Commission of Pakistan
NIC Building
63 Jinnah Avenue
Blue Area Islamabad



Your
Trusted
Partner

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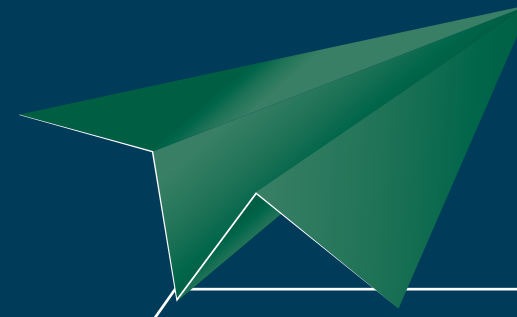




Your **Trusted** Partner

Adamjee Life, backed by the corporate powerhouse Nishat Group, stands out as the epitome of customer-centricity in the insurance industry. With a strong commitment to understanding and meeting the needs of our customers, Adamjee Life has established itself as a trusted partner for individuals and families alike.

By leveraging the expertise of the Nishat Group, Adamjee Life is able to offer innovative insurance solutions that provide peace of mind and financial security to its policyholders. With a focus on building long-term relationships and delivering exceptional service, Adamjee Life continues to set the standard for excellence in the insurance sector, making it the perfect choice for those seeking a reliable and trusted partner for their insurance needs.



What's Inside **Table of Contents**



Contents

01. STRATEGIC REPORT

1. Organizational Overview

1.1	Company Overview	05
1.2	Our Purpose	05
1.3	Group Overview	06
1.4	Vision, Mission & Values	08
1.5	Key Financial Highlights	10
1.6	Strategic Objectives	11
1.7	Rating of the Company	12
1.8	Key Products and Customer Services	13
1.9	Company Information	17
	• List of Board of Director	18
	• List of Management	19
	• Board & Management Committees	20
	• Addresses of Support Functions	21
	• Bankers	22
	• Head Office - Locations	22
	• Geographical Presence	23
	• Organizational Structure	24
	• Management Profile	26
1.10	Events Highlights	31
1.11	Awards and Accolades	37

2. Internal & External Environment

2.1	Competitive Landscape and Market Positioning	38
2.2	PESTEL Analysis	40
2.3	SWOT Analysis	43
2.4	Internal Value Chain Analysis	44

3. Strategy and Resource Allocation

3.1	Strategic Objectives	45
3.2	Resource Allocation	46
3.3	Strategies to Achieve Strategic Objectives	48

4. Risk Management

4.1	Risk Management Policy	49
4.2	Risk Management Framework	50
4.3	Risk Management Governance Structure	51
4.4	Risk and Opportunity Report	51

5. Stakeholders Relationship and Engagement

5.1	How ALIFE identifies it's Stakeholders	54
5.2	Key Stakeholders	54
5.3	Stakeholders' Engagement	55
5.4	Investors' Relation	57
5.5	Investor Grievances	57

6. Sustainability & Corporate Social Responsibility (CSR)

6.1	Sustainability	58
6.2	Corporate Social Responsibility	58

02. CORPORATE GOVERNANCE

1. Directors Profile

64

2. Chairman's Review

68

3. Directors Report to the Shareholders on Company's Affairs and Future Outlook

70

4. Compliance with the Code of Corporate Governance

4.1	Statement of Compliance with the Code of Corporate Governance	84
4.2	Independent Auditor's Review Report to the members on Statement of Compliance with the Best Practices of Code of Corporate Governance	89

5. Governance Framework

5.1	Ownership/Shareholding structure	90
5.2	Formal Orientation Course for Directors	90
5.3	Directors Training Program	91
5.4	Policy on Related Party Transactions	91
5.5	Policy for Actual and Perceived Conflict of Interest	91
5.6	Grievance Policy	91
5.7	IT Governance Policy	92

5.8	Whistle Blowing Policy	92
5.9	Human Resource Management Policies including Preparation of Succession Plan	92
5.10	Health, Safety and Environment Responsibility Policy	92
5.11	Business Continuity Plan	93
5.12	Cyber Security Policy	93
5.13	Anti Money Laundering and Countering Financial Terrorism Policy	93
5.14	Statement of Unreserved Compliance of International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB)	94
5.15	Statement of Adherence with the International Integrated Reporting Framework (IIR)	94
5.16	Statement of Directors u/s 46	94

03. FINANCIAL PERFORMANCE AND REPORTING

1. Financial Performance Analysis

1.1	Statement of Value Addition	98
1.2	Last Six Years Statement of Financial Position	99
1.3	Last Six Years Statement of Profit & Loss	99
1.4	Last Six Years Summary of Cash Flow	99
1.5	Last Six Years Capital Structure	100
1.6	Dupont Analysis	101
1.7	Financial Ratios	102
1.8	Horizontal Analysis	103
1.9	Vertical Analysis	108
1.10	Segmental Analysis	109
1.11	Quarterly Analysis	110
1.12	Share Price Analysis	111

2. IFRS Financial Statements

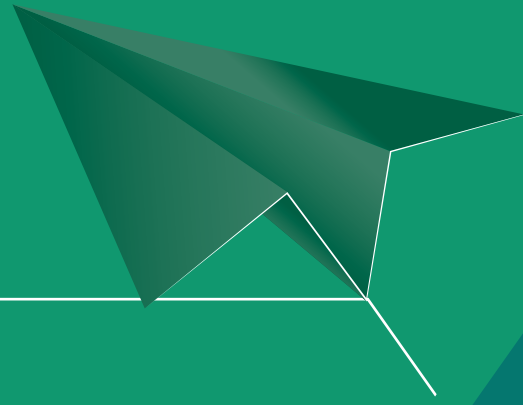
2.1	Independent Auditor's Report	112
2.2	Statement of Financial Position	118
2.3	Profit & Loss Account	119
2.4	Statement of Comprehensive Income	120
2.5	Statement of Changes in Equity	121
2.6	Cash Flow Statement	122
2.7	Notes to and forming part of the Financial Statements	123
2.8	Statement of Appointed Actuary u/s 52(2)	199

3. Window Takaful Operations

3.1	Sharia Advisor Profile	200
3.2	Statement of Compliance with the Sharia Principles	201
3.4	Independent Reasonable Assurance Report to the BOD on Statement of Compliance with the Sharia Principles	202
3.5	Sharia Advisor's Report to BOD	204
3.6	Independent Auditors' Review Report	206
3.7	Statement of Financial Position	208
3.8	Profit & Loss Account	209
3.9	Statement of Comprehensive Income	210
3.10	Statement of Changes in Equity	211
3.11	Cash Flow Statement	212
	Notes to and forming part of the Financial Statements	213

04. OTHER INFORMATION

1.	Geographical Presence	252
2.	Pattern of Shareholding	255
3.	Notice of Annual General Meeting	256
4.	Proxy Form	262



01 STRATEGIC REPORT



Organizational Overview

Company Overview

At Adamjee Life, we recognize the paramount importance of nurturing robust and enduring relationships, rooted in trust, respect, and integrity. Guided by our commitment to continual enhancement, we aspire to furnish our clientele with optimal solutions to safeguard their future, today.

Adamjee Life Assurance emerged from a collaboration between Adamjee Insurance and Hollard Insurance, two leading giants in the insurance market. With a cumulative experience of 68 years facilitated by the expertise of the Nishat Group, Adamjee Life has garnered 14 years of profound market insight since its inception. Our comprehensive product portfolio not only encompasses saving and investment avenues but also prioritizes delivering the protection our clients rightfully deserve.

Our Purpose

We are dedicated to serve as a dependable security net for our customers, providing them with the assurance to live life to the fullest, knowing their financial future is safeguarded against unexpected events.

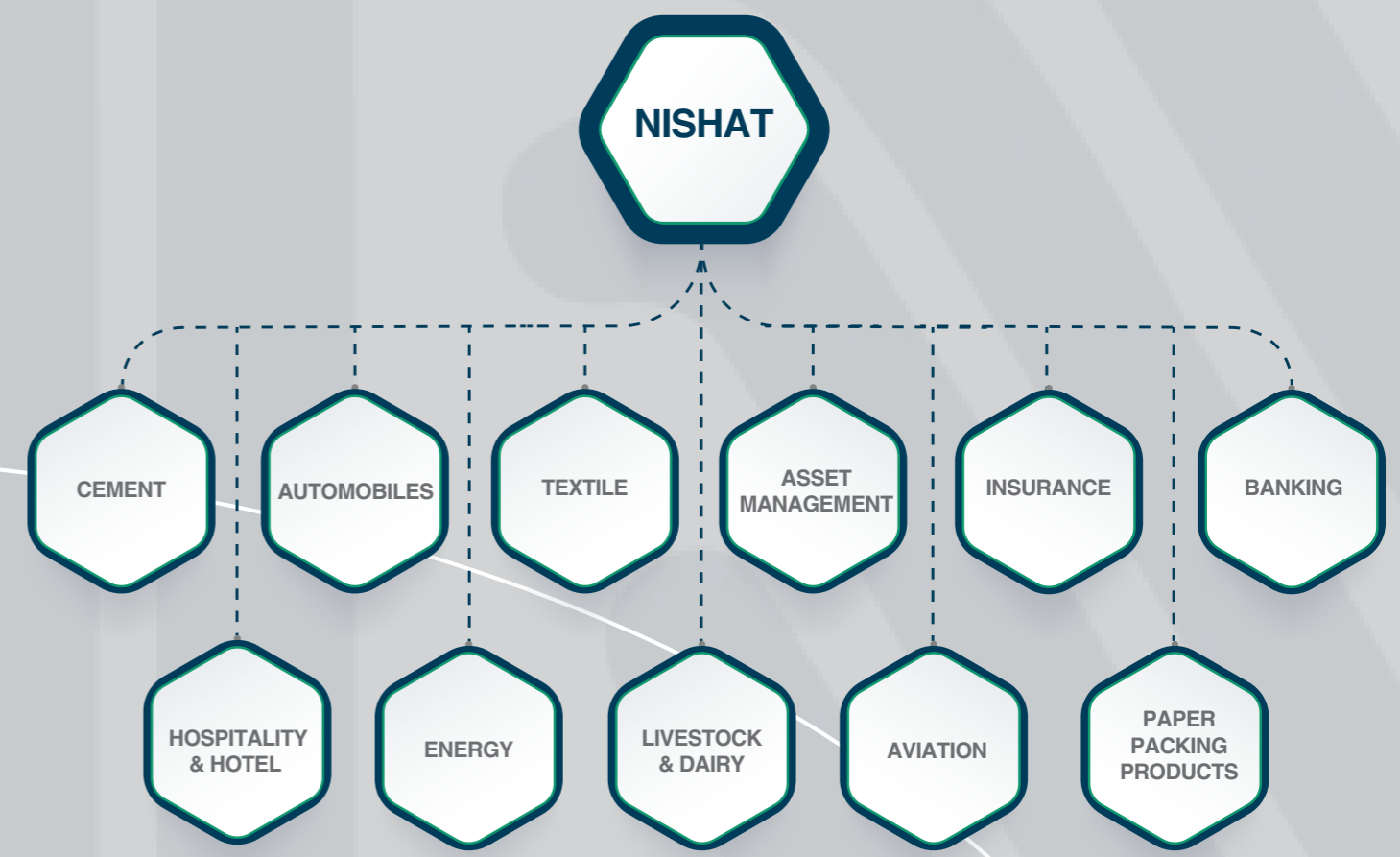
Our philosophy stems from thorough strategic analysis, research, and understanding of our customers' needs. This approach has enabled us to articulate a distinct vision, mission, and value proposition in the market, reflecting our commitment as a company to assist the public in making informed and prudent decisions to secure their future.



Group Overview

The Nishat Group is recognized as one of Pakistan's leading conglomerates, commanding a strong presence across vital economic sectors such as Textiles, Cement, Banking, Insurance, Power Generation, Hotel Business, Agriculture, Dairy, and Paper Products.

In addition to its diversified portfolio encompassing nearly every facet of the economy, the Nishat Group proudly upholds a heritage spanning over 70 years in the business realm. Founded in 1951 by the esteemed Pakistani entrepreneur Mian Muhammad Yahya, the group is presently under the leadership of Chairman Mian Muhammad Mansha.



Nishat Group is a Pakistani business conglomerate group. It has a diversified presence in various sectors. All its entities are run by professionals following best business practices in compliance with national and international regulations.



Vision

To be the most trusted insurance partner

Mission

Adhere to exemplary sales practices, best in class product packaging and customer engagement



Core Values



Value Creation

Create value in everything we do



Customer Focus

Always keep the customer's interest in mind



Openness

Foster a culture of trust and transparency



Respect

Promote mutual respect and inclusiveness

Key Financial Highlights

Gross Premium

PKR **23.35**_{BN}

Investment Income

PKR **18.06**_{BN}

Earning Per Share

PKR **3.63**

Benefits paid

PKR **19.19**_{BN}

Investment

PKR **78.61**_{BN}

Equity and Reserves

PKR **4.42**_{BN}

Profit After Tax

PKR **0.91**_{BN}

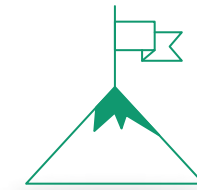
Assets

PKR **86.09**_{BN}

Strategic Objectives



Attain profitability in direct distribution model



Capitalize strategic partnerships to capture digital space



Create product awareness and its value proposition thus promoting need-based sales



Provide excellence in quality of sales and after sale services



Bring product innovation to strengthen long term value for our customers



Prepare for new lines and territories of business



Key Products and Customer Services

Rating of the Company

Outlook: Stable
Rating Agency: PACRA
Rating Date: June 26, 2023

Insurer Financial Strength (IFS) Rating

A++

Individual Life Products

With our commitment to becoming the trusted partner for the future financial security of our customers, we take pride in offering tailored products designed to meet individual needs. Guided by a steadfast principle of prioritizing our customers, the Company has developed products that can be further customized to suit each client's unique requirements.

Our individual products are categorized into two distinct distribution channels. The first is Bancassurance – a mutually beneficial partnership with Pakistan's leading banks. This partnership ensures easy accessibility for the public, providing a wide range of avenues

through which information about how our products address customers' saving, protection, and investment needs can be accessed.

The second channel is our direct approach, which offers a more personalized experience known as the agency model. Through this channel, we establish personalized connections with our clients, allowing them the time to familiarize themselves with our offerings at their own pace. Similarly, through this channel, we provide clients with products that can be tailored to their specific saving, protection, and investment requirements.

Saving & Protection plans – Insurance with Unit Linked Investment – Optional Riders – Conventional & Takaful options – Loyalty Bonuses



Group Life Products

At Adamjee Life, our aim is to provide tailored plan-based solutions that empower corporations to thrive in today's dynamic business landscape. Through our comprehensive range of offerings, we ensure benefits not only for employees but also for employers

We provide an overall exclusive package for each of our clients as per their corporate requirement, including

Saving & Protection plans – Optional Riders – Conventional & Takaful options – Individualized dealings



Digital Products

Easy and convenient

Life is full of uncertainties and seldom turns out the way one expects it to be. Adamjee Life intends for you and your loved ones to have peace of mind with the security to meet your future financial needs. We now present sorted product options to choose, with our digital products our customers now have the power to select the plan they want.

Pure Insurance

The future is always unpredictable no matter how well you are set in life. Given today's ever-changing environment, you can never truly predict the future but you can definitely prepare for it better with a life insurance policy that provide investment with protection life cover.

Family Sehat

Despite conscientious efforts to maintain health, unforeseen illnesses can strike when least expected, catching one off guard financially. A robust hospital cash plan becomes indispensable in such scenarios, not only ensuring access to top-tier medical services during times of need but also shielding one's financial reserves

Corona Cover

With the Coronavirus Disease (COVID-19) still standing as one of the paramount health concerns in our country, we offer Corona cover as a shield. This respiratory illness poses a significant threat, particularly to immunocompromised individuals or those with chronic conditions. Despite precautionary measures advocated by health authorities, the risk of contracting the virus remains ever-present. In such critical times, safeguarding against the financial ramifications of COVID-19 becomes imperative.



Optional Riders

- Level Term Rider
- Spouse Rider
- Accidental Death & Disability Rider
- Monthly Income Rider
- Waiver of Premium-Disability Rider
- Waiver of Premium-Death Rider
- Critical Illness Rider
- Hospital Cashback Rider



Call Center Services

- Interactive Voice Response (IVR)
- Call Center representatives
- SMS Services (8398)



Website & Online Services

- Need Based Plan Finder
- Online Claim Filing
- Online Appointment
- Coverage Calculator
- Knowledge Center



Company Information



Board Of Directors

S. M. Jawed
Chairman

Imran Maqbool
Director

Mian Umer Mansha
Director

Shahmeer Khalid Butt
Director

Muhammad Ali Zeb
Director

Naz Mansha
Director

Ahmad Alman Aslam
Director

Management

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer & Deputy Managing Director

Ali Haider
Director Bancassurance,
Corporate Sales and Marketing

Absar Azim Burney
Head of Direct Distribution

Zehra Faiz
Head of Human Resources

Amin Nizar
Director Actuarial Services and Risk Management

Sheraz Bukhari
Head of Window Takaful Operations

Athar Chaudhry
Director Information Solutions & Technologies

Dr. Bakht Jamal
Director Business Operations and Legal Affairs

Statutory Positions

Arsalan Ahmed Khan
Company Secretary

Asif Mirza
Head of Compliance

Samad Ali Naqvi
Head of Internal Audit

Management & Board Committees

Underwriting, Reinsurance & Co-insurance Committee

Member	Category
Mr. Umer Mansha	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Dr. Bakht Jamal	Member / Head of Operations
Mr. Farrukh Kidwai	Secretary / Head of Underwriting

Claim Settlement Committee

Member	Category
Mr. S.M. Jawed	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Ali Haider	Member / Head of Distribution
Mr. Kashif Fareed Ahmed	Secretary / Head of Claims

Risk Management & Compliance Committee

Member	Category
Mr. Muhammad Ali Zeb	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Mr. Asif Mirza	Secretary / Head of Compliance

Ethics, Human Resource, Remuneration and Nominations Committee

Member	Category
Mr. Shahmeer Khalid Butt	Chairman / Independent Director
Mr. S.M. Jawed	Member / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Umer Mansha	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Ms. Zehra Faiz	Secretary / Head of Human Resource

Investment Committee

Member	Category
Mr. S.M. Jawed	Chairman / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Imran Maqbool	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Mr. Muhammad Amir	Secretary / Senior Manager Finance

Audit Committee

Member	Category
Mr. Shahmeer Khalid Butt	Chairman / Independent Director
Mr. S.M. Jawed	Member / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Samad Ali Naqvi	Secretary / Head of Internal Audit

Share Registrar

CDC Share Registrar Services Ltd. CDC House, 99-B, Block B, SMCHS Main Shahrah-e- Faisal, Karachi 74400 Phone No. (92-21) 111-111- 500
Fax No. (92-21) 34326031
Email: info@cdcpak.com

Statutory Auditors of The Company

Yousuf Adil Chartered Accountants
Address: Cavish Court, A-35, Block 7 & 8 KCHSU, Shakra-e-Faisal, Karachi-75350, Pakistan

Appointed Actuary

Alchemy Associates (Private) Ltd.
Address: 4th Floor, Central Hotel Building, Civil Lines, Mereweather Road, Karachi, Pakistan.

Shariah Advisor

Mufti Muhammad Zubair Usmani

Legal Advisor

Asad Iftikhar
Address: Office no. 505, Commercial Trade Center, Block 8 Clifton, Karachi.

Bawaney & Partners
Address: 3rd & 4th floor 68-C, Bukhari Commercial Area, DHA, Karachi

Bankers

- Al Baraka Bank (Pakistan) Limited
- Askari Bank Limited
- Bank Alfalah Limited
- BankIslami Pakistan Limited
- Dubai Islamic Bank Limited
- Faysal Bank Limited
- Finca Microfinance Bank Limited
- Silk Bank Limited
- Telenor Microfinance Bank Limited
- U Microfinance Bank Limited
- Standard Chartered Bank (Pakistan) Limited

- MCB Bank Limited
- MCB Islamic Bank Limited
- Mobilink Microfinance Bank Limited
- National Bank Of Pakistan
- NRSP Microfinance Bank Limited
- Samba Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- Khushhali Bank Limited
- United Bank Limited

Address

HEAD OFFICE

Adamjee Life Assurance Company Limited,
3rd & 4th Floor, Adamjee House,
I.I Chundrigar Road, Karachi, Pakistan.

REGISTERED OFFICE

Adamjee Life Assurance Company
Limited, Office # 505, 5th Floor,
Islamabad Stock Exchange Building,
Blue Area, Islamabad, Pakistan.

Our Geographical Presence

Cities Major

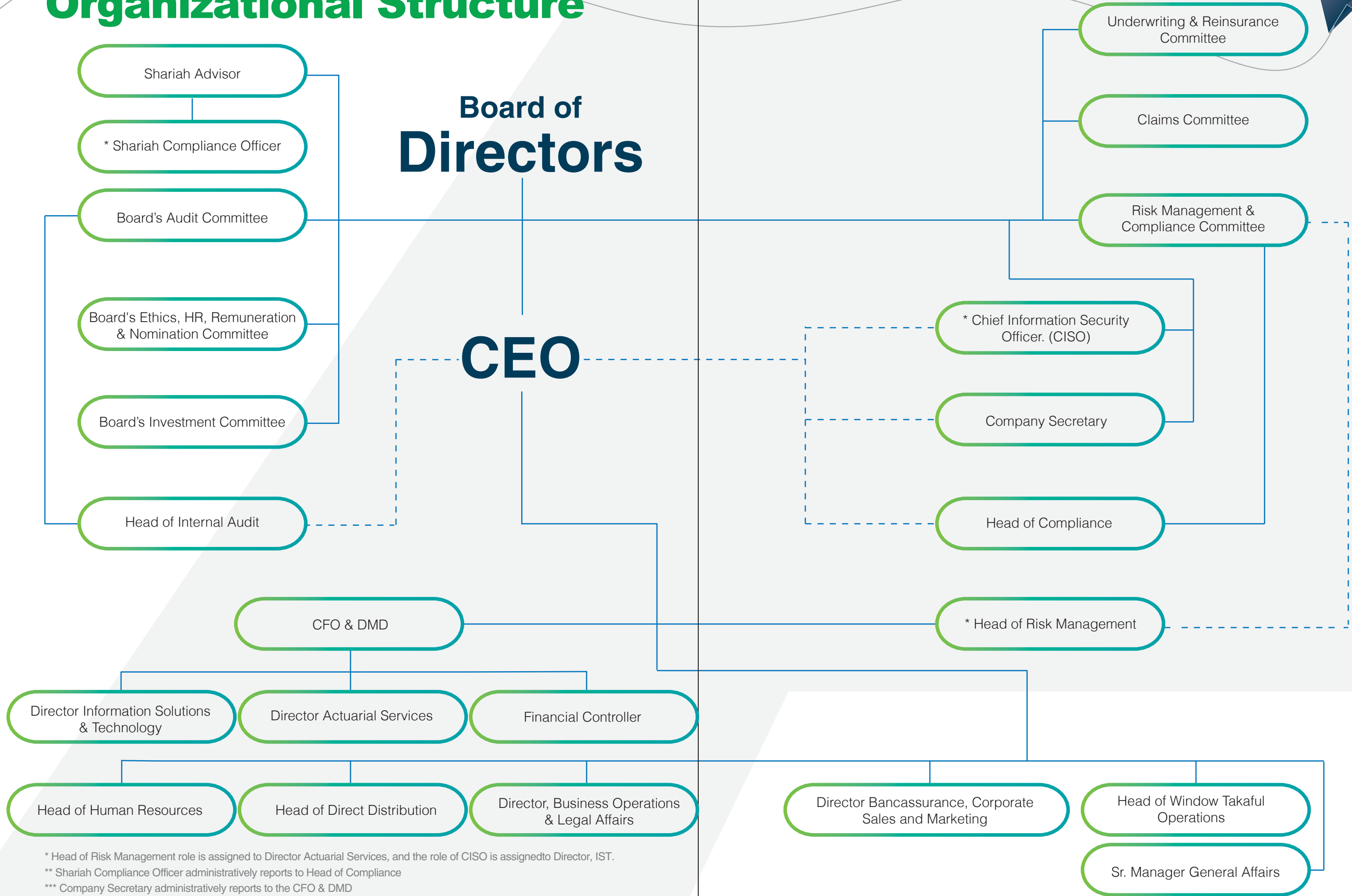
KARACHI
LAHORE
ABBOTTABAD
SKARDU
KOTLI
MULTAN
BAHAWALPUR
LAYYAH
BAHAWALNAGAR

SAHIWAL
VEHARI
BUREWALA
DUNYA PUR
MUZAFARGARH
D.G. KHAN
BHAKKAR
OKARA
KOT ADDU

KAROR LAL ESAN
KHANEWAL
PAK PATTAN
FAISALABAD
SARGODHA
SANGLA HILLS
SHEIKHPURA
JHANG
JHELM

GUJRANWALA
JAMPUR
FATEHPUR
MIRPURKHAS
HALA
NAWABSHAH
SUKKUR
SHAHDADPUR
SAKRAND

Organizational Structure



* Head of Risk Management role is assigned to Director Actuarial Services, and the role of CISO is assigned to Director, IST.
 ** Shariah Compliance Officer administratively reports to Head of Compliance
 *** Company Secretary administratively reports to the CFO & DMD

The Management



Manzar Mushtaq

Chief Executive Officer

Mr. Manzar Mushtaq is an alumnus of Clark University, USA. He is an experienced business leader, especially within the financial industry. Mr. Mushtaq has held many leadership roles over the span of 19 years of his career. From 2011 to 2013, he served as the Managing Director/CEO of Adamjee Insurance Company. He then

moved onto hold the position of Chief Executive Officer at Habib Metropolitan Financial Services Limited in 2013 and served 8 years in the same company. Previously, he was also associated with Security General Insurance Company.



Jalal Meghani

Chief Financial Officer and Deputy Managing Director

Mr. Jalal Meghani is a Fellow member of the Institute of Chartered Accountants of Pakistan (FCA) and is also a Fellow member of the Institute of Chartered Secretaries and Managers (FICS). Mr. Meghani has an overall experience of more than thirty years in financial

management, organizational development, and planning in diverse business sectors, including 14 years in Adamjee Life. He also spent 2 years in a senior management position overseas in Sri Lanka and East Africa.



Ali Haider

Director Bancassurance, Corporate Sales and Marketing

Mr. Ali Haider is an accomplished management professional with more than twenty years of experience in various leadership roles within the insurance industry in Pakistan and the UAE. Known for turning around

organizations, Mr. Haider has extensive experience and expertise in areas of business & operations, developing multi-faceted and building teams to reach targeted goals pertaining to Health & Life Insurance.



Dr. Bakht Jamal

Director Business Operations and Legal Affairs

Dr. Bakht is an accomplished management professional who brings with him twenty-seven years of national and international working experience in the Life Insurance, Family Takaful, and Medical Profession. He was previously affiliated with the largest/oldest public sector life insurer and youngest family Takaful operator in the capacity of Head of Operations, Chief Operating Officer,

and Head of Window Takaful Operations with State Life including its Dubai office, Dawood Family Takaful, and IGI Life respectively. He has completed his MBBS, Medicine, and Surgery from Sindh Medical College, Karachi. He is a Master Fellow of the Life Management Institute (FLMI/M) from Life Office Management Institute, USA.



Amin Nizar Ali

Director Actuarial Services & Risk Management

Mr. Amin Nizar is an accomplished management professional who brings with him over twenty-four years of extensive experience in the insurance industry. He is a fellow of the Society of Actuaries, USA, and has pursued his Bachelor of Commerce from the University of Karachi. He was previously employed with Allianz

EFU Health Insurance Ltd. as the Head of the Actuarial and Strategic Planning Department, EFU General Insurance Ltd. as Executive Vice President, and State Life Insurance Corporation of Pakistan as Assistant General Manager Actuarial.



Athar Chaudhry

Director Information Solutions and Technologies

Athar is an accomplished management profession with who brings with him over 23 years of extensive experience including leadership roles. He holds a Master's degree in Computer Science specializing in Network Management & Design, as well as a Bachelor's degree in Computer Science specializing in Software Engineering. Athar is certified as a Microsoft expert (MCTS, MCSE) and holds credentials in ITILv3 and ISO 9000, underscoring his dedication to quality and industry best practices.

Mr. Athar held key leadership positions at Packages Limited, IGI Group of Companies, Premier Insurance, and Alfalah Insurance, where he demonstrated outstanding leadership and expertise in IT governance, program management, cybersecurity, and digital transformation projects.



Zehra Faiz

Head of Human Resources

Zehra Faiz has 21 years of local and international experience in HR, business operations, sales and marketing. Her qualifications includes Master degree in English Literature from Punjab University, post graduate study in Information Systems Management and Human Resource Management from University of Canberra,

Australia. Zehra started her career in 2002 in Australia with telecommunication sector. Prior to this she was employed as Director HR in Alsons Group. She was also employed with Adamjee Insurance Company Limited as Head of Human Resources.



Absar Azim Burney

Head of Direct Distribution

Mr. Absar Azim Burney holds an undergraduate degree in International Relations from Karachi University. He has over 35 years of experience in operational and sales management. He has started his career with Shell Pakistan the then Pakistan Burmah Shell Ltd. After that moved to insurance industry, worked with leading

players in insurance market in Pakistan and United Arab Emirates where he served as Country Head for Adamjee Insurance Company Limited. Before joining Adamjee Life he was working as Chief Executive Officer of Linchpin Cluster (Private) Limited, Pakistan a management consultancy firm.

Shahriah



Dr. Mufti Muhammad Zubair Usmani

Shariah Advisor

Dr. Muhammad Zubair Usmani is a qualified and one of the most experienced Shariah Scholars in the Islamic Banking Industry. He did his Shariah graduation (Fazil Dars-e-Nizami) & Takhassus Fil Fiqh (Mufti i.e. Specialization in Islamic Fiqh & Fatawa) from Jamia Dar ul Uloom, Karachi. He has done Masters in International Relations and Doctorate (PhD) in Islamic Finance from University of Karachi. Dr. Zubair Usmani is author of several books including related to Accounting & Auditing for Islamic Financial system, comparative study between Islam and Christianity and Ijarah (Islamic Leasing). His research papers have been published in

various international journals. He has delivered research based lectures / presentations at different national and international seminars, forums, and conferences and has been associated with several financial institutions; he has also served as a member of Shariah Board of State Bank of Pakistan. Currently he is associated with HBL as a Chairman Shariah Board, MCB Arif Habib Islamic Fund as a Shariah Board Member, Adamjee Life Assurance Company Ltd. Window Takaful operations as a Shariah Advisor, Askari Life as a Shariah Advisor, and Pak Qatar Asset Management as a Shariah Advisor.



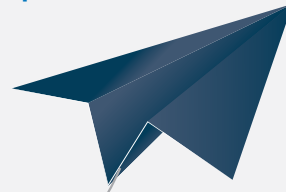
Sheraz Bukhari

Head of Window Takaful Operations

Mr. Sheraz Bukhari, Cert CII, possesses a passion for technology and extensive expertise in cultivating and overseeing both traditional and digital distribution channels to enhance business growth and profitability. With nearly two decades of professional experience spanning Pakistan and the Middle East, he has primarily focused on the insurance sector, serving in roles such as an Insurer, Insurance Broker, and Insurtech (B2B and B2C) solution provider.

Throughout his career, he has collaborated with prominent local and international entities, including Adamjee Insurance (AICL), Century Insurance (Lakson Group), American International Group (AIG), Marsh & McLennan, AON PLC, and Procter & Gamble Pakistan (Gillette).

Events Highlights



Events Highlights



Adamjee Life with Habib Metro bank achieves milestone of 250+ million



Independence day celebration

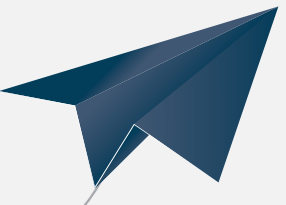


Adamjee Life Iftar Dinner



Campus Drive 2023

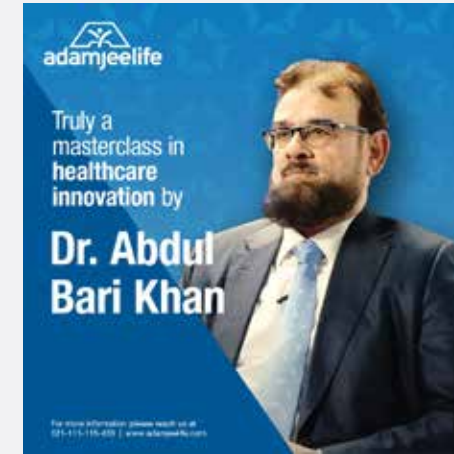




Blood Donation Drive



Annual Fire drill



Indus Hospital's Dr. Bari Visit



Joining Hands with NOWPDP & Connect Hear



Pakistan Insurtech Summit Participation



Celebrating Pinktober



Awards & Accolades



17th Consumers Choice Awards 2023

Best Website of The Year Award at Pakistan Digital Awards



Internal and External Environment

Competitive landscape and market positioning

Threat of New Entrants

New entrants in an industry bring innovation but put a limit to profitability within the industry.

The risk of new entrant is medium to low. The upfront cost involved in the acquisition of a new business is very high. Further, a long-term view is required to make a life insurance business operative and self-sustaining.

The only chance is for financial institutions to branch out and invest in the insurance business. This phenomenon is also seconded by the fact that bancassurance business is the key component of life insurance business and hence the new entrant has to have collaboration with some bank in order to have success. However, both the banking and insurance industries are comparatively consolidated industries with fewer players.

Bargaining Power of Buyers

Powerful and influential buyers can also squeeze the margins for the firm.

This is the most powerful threat as Customer can exert enormous force and influence the pricing of the product.

There are multiple alternatives for procuring products and services that are available in the market. Customers have the right to demand lower prices and higher product quality. Large corporate clients paying millions of rupees in premiums have bargaining power too. With the online emergence of social media, and instantaneous access to awareness of coverages, pricing, and services, today's customer demands more personalized attention and care for the premiums paid. To meet these expectations, ALIFE has always ensured that the product features for which the customer is paying should justify its cost and also the prices are market competitive.

Bargaining Power of Suppliers

Threat that the suppliers make the most margins and leave little room for other partners in the supply chain to make money.

As an insurance company, ALIFE considers its distribution partners, especially institutional distribution channels (banks), as suppliers. These suppliers have historically leveraged their position to influence customer choices when it comes to buying insurance. ALIFE has reduced the risk by strengthening the partnership with the distribution channels, focusing on hybrid models (where the customer dealing lies with ALIFE), offering competitive returns to policyholders and constant and consistent policy servicing to the customers.

The Threat of Substitutes

The substitutes perform the same or similar function to that of an industry's product but by different means.

Life insurance products are similar within the industry and therefore so many substitutes are available to the customers. ALIFE addressed this threat by focusing on customer service, generating better returns on policyholders' investment and enhancing overall customer experience.

Rivalry between Existing Companies

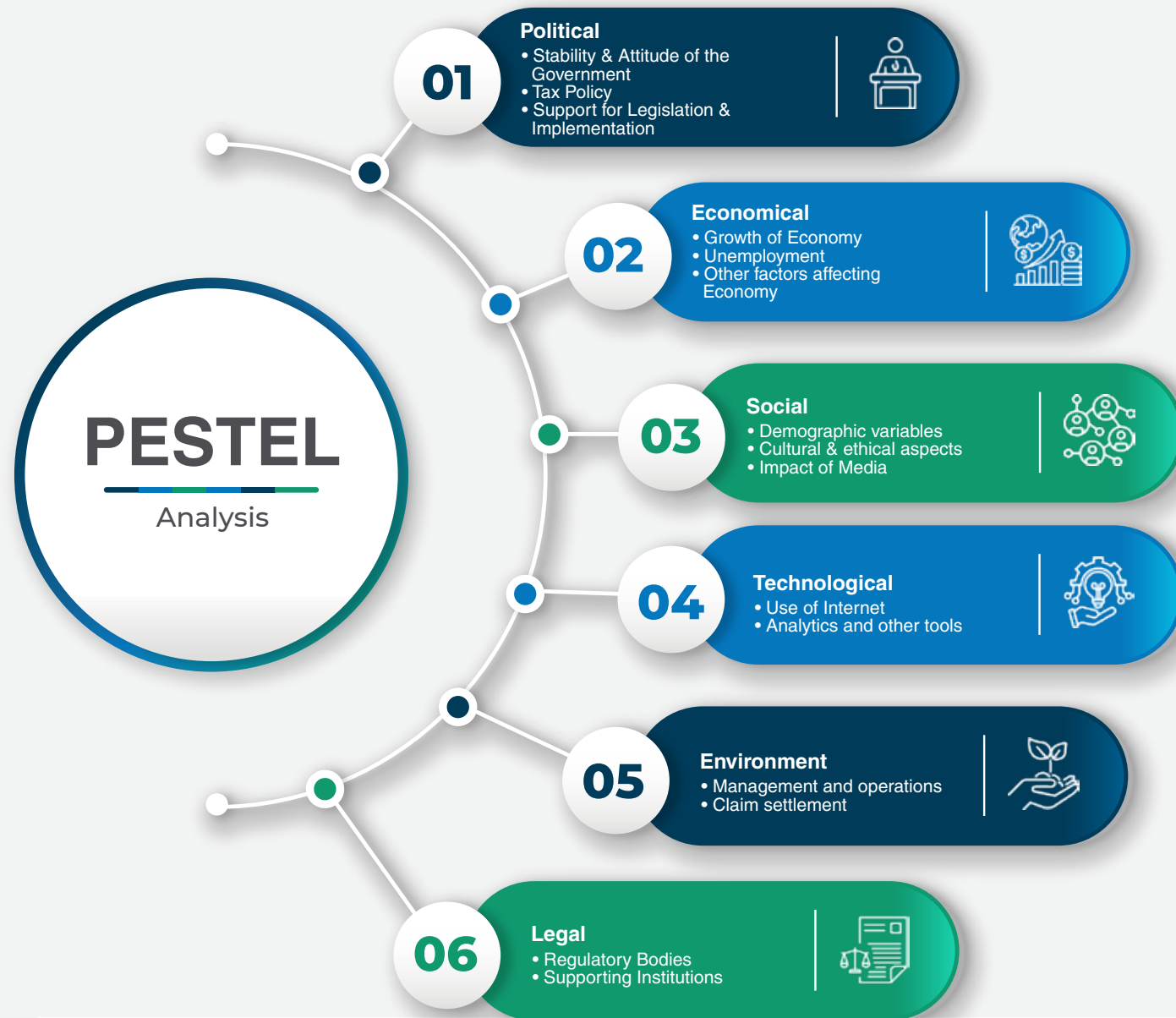
The intensity of rivalry among existing players can significantly limit the profitability proposition for the firm.

ALIFE has a very strong and coherent bonding with its distribution channels. ALIFE is also expanding the network of distribution channels and is more focused towards the hybrid models.

The main goal of the Company is to establish a strong and sustainable direct sales channel. New and innovative products and sustainable & steady returns of policyholders' fund would also help to manage this risk.

Macro Environmental Analysis

PESTEL is one of the strategic tools used by the management for business analysis on a broader aspect. This is applied when the organization intends to expand the business.



PESTEL Analysis

Political Factors

Political stability is vital for general well-being of economy and growth of the industry. The law and order situation and political unrest dictates the direction of equity and fixed income markets and hence the worth of policyholders' investments.

Economic Factors

The economy of Pakistan played an enormous role in the growth and survival of insurance industry. Low economic growth rate, unemployment, inflation, Rupee devaluation, and high interest rates affect the consumer's ability to buy and to invest. During the first half of CY 2023, overall macroeconomic condition was quiet gloomy. The delay in resuming the IMF program was a significant factor affecting the economy and market dynamics. However, post June 2023, following the Standby Arrangement with IMF and inflows/ rollovers from friendly countries alongside the loan agreement with Asian Development Bank (ADP) and World Bank had augmented the forex level. The average inflation was 31% in 2023 as compared to 19% as recorded in 2022. To counter escalating inflationary pressures, SBP raised the policy rates by 600 basis points to 22% during the year.

Environmental Factors

According to the Global Climate Risk Index, Pakistan is ranked as the fifth (5th) most vulnerable country to long-term climate risks. The country has experienced extreme weather, catastrophic floods, poor air quality index, pollution, high carbon emission rates (GHG emission is 489.87 as per Nationally Determined Contributions (NDC) 2021). A large customer base of the Company is associated with agriculture. Any hostile weather condition in the Country, also puts a certain pressure on the business volume of the Company. From the plantation drive to automation of the processes to encouraging paperless environment, the Company always strives to contribute positively towards the environment

Social Factors

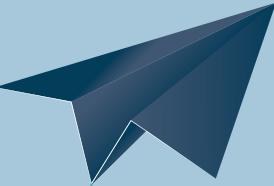
Shared beliefs and attitudes of the population play a great role in the success of the insurance industry. There are some traditional, cultural, and religious causes involved behind the purchase choice of the policyholder. Our products are designed to benefit the policyholders by not only offering competitive returns but also by mitigating the risk of the unforeseen. We believe in transparency and value the trust of our customers.

Legal Factors

A balanced and vigilant legal environment is vital for industry to grow and to ensure 'ease of doing businesses'. There are some outstanding issues however, like sales tax on insurance and reinsurance, etc. on which support from the regulatory institutions is critical.

Technological Factors





Technological developments change the mind set of society and the ways of doing business drastically. The customer wants access to quick and in real time information and preferably on his mobile phone. The Company is keen to provide the customers a real time experience. ALIFE is very focused on achieving operational excellence through the use of innovative technologies in its processes and sales.



Critical Challenges and the Company's Response

SWOT Analysis

Critical Challenges	ALIFE Response
Increasing Regulatory Changes	<p>Designated teams to implement changes that are required by law.</p> <p>Where the proposed regulatory changes may hinder the growth of the industry, ALIFE also takes up the matter with IAP and SECP</p>
IFRS 17	<p>ALIFE has engaged with a professional consultant for the completion of phase 3 announced by SECP to ensure its timely submission.</p>
Economy and investment returns	<p>Constant monitoring of returns and where applicable, guide the customer to switch between funds (equity to low risk or vice versa) to maximize the returns</p>

Strengths	Weaknesses	Opportunities	Threats
 <ul style="list-style-type: none"> • Fastest growing insurance companies in the private sector. • Strong and reliable business partners. • Diversified product portfolio. • Part of a conglomerate family of NISHAT group. • Strong financial position, experienced human capital and strong reinsurance backing. 	 <ul style="list-style-type: none"> • Greater dependence on bancassurance distribution. • High proportion of unit linked products. • High agents turn over. 	 <ul style="list-style-type: none"> • Huge untapped market due to low insurance penetration. • High cellular penetration can be utilized to enhance reach and digital experience. • Expansion of distribution channels within and outside Pakistan. • More pull for family takaful products due to religious beliefs. 	 <ul style="list-style-type: none"> • Macroeconomic challenges like currency devaluation, Inflation and unemployment. • Legal and regulatory challenges like Imposition of sales tax and withdrawal of income tax incentives. • Cybersecurity. • Climate and geopolitical situation.

Internal Value Chain Analysis



Primary Activities

Product development	<ul style="list-style-type: none"> • Wide variety of products for conventional insurance and takaful that covers variety of classes and age groups of society. • Promote innovation in product design. • Products available on digital channels. • Design more customer centric products.
Marketing, sales and distribution	<ul style="list-style-type: none"> • Extensive branch network with further expansion plan. • Experience and competent sales force. • Performance marketing for online sales generation using social media. • Marketing, public relations & corporate communication and advertising. • Update market messaging to reflect customer sentiment and product positioning. • Adjust marketing mediums (e.g. print, mail, digital etc.) and expected impact analysis to align with spend and return. • Update and align marketing function to new needs, which must consider messages, campaigns, mediums, ways of working, capacity and talent.
Underwriting	<ul style="list-style-type: none"> • Benchmarking of entity level risk to underwrite policies. • Carry a well-diversified portfolio to spread the risk. • Evaluation of risk profile according to the policy. • Build technical capability in underwriters to recognize the developments in risk management techniques and technology changes that may bring efficiency and accuracy.
Policy administration	<ul style="list-style-type: none"> • Review policy administrative processes to handle the policy and identify opportunities to automate and where necessary, reengineer the process to increase efficiency and decrease costs. • Understand the consumer experience and the 'moments of truth' during the maintenance of their policy.
Claims Management	<ul style="list-style-type: none"> • Explore and develop automated claims processing capabilities, with focus on developing operating model and staff capabilities to support a more automated environment. • Rigorous evaluation to avoid payments against fake claims. • Establish transparent complaints and grievance function.
Asset Investment Management	<ul style="list-style-type: none"> • Engage professional services to handle investment and generate returns that outperform the market. • Invest in diversified portfolios ranging from lowest risk securities to real estate, to benefit from various opportunities while mitigate the corresponding risks. • Assess investment strategies given the volatility in returns and shifting views of economic recovery patterns.
Customer Experience	<ul style="list-style-type: none"> • Dedicated hotline and WhatsApp for customers. • Focus on digital means to make the process quick and effective. • Dedicated team to handle complaints on priority basis.

Strategy and Resource Allocation

Short, medium and long term strategic objectives

Term	Strategy	KPI
Short term	<ul style="list-style-type: none"> • Increase market share in group term life/ credit life through leveraging market penetration of the group companies. • Improve the quality of training of agents. • Improve pre and post sales customer services. 	<ul style="list-style-type: none"> • Gross premium growth • Group business/ Total Premium (%) • No. of sales training held during the year • No of complaints / total number of policyholders (%)
Medium term	<ul style="list-style-type: none"> • Geographical expansion within and outside Pakistan. • Expansion in direct sales force (Agency). • More reliance on technology to reduce cost and increase efficiency. • Use digital platform to distribute products by embedding digital mobile wallet & bring constant innovation in products and services. • Strong and self – sustained direct and corporate distribution channels. • Continuous Drive for creating more awareness and value proposition of insurance products. • Adding value to stakeholders. • Consistent and constant technological innovation. 	<ul style="list-style-type: none"> • Increase size of quality sales force • Ratio of cost to premium • No. of products launched during the year to be sold from digital platform. • Number of Insurance awareness or CSR programs per annum. • Earnings Per Share (EPS) • Dividend payout ratio • Market value per share (increase in net worth of the shareholders) • Dividend yield
Long term	<ul style="list-style-type: none"> • Become a most trusted partner. • Create a strong market position. • Become a leading market player in the sector. 	<ul style="list-style-type: none"> • Strong persistency ratio • Loyalty bonus payouts • Market share

Resource Allocation

Resource Allocation to Achieve Strategies

Resources are a significant investment for most businesses. Therefore, organizations strive to utilize them optimally for profitability and sustainability. Resource allocation is a process of planning, managing, and assigning resources in a form that helps to reach the Company's strategic goals. A well thought out placement of resources will generate better results and will add to the bottom line of the Company.

Companies that actively and routinely assess the use of their resources and where they create the most value usually find themselves in a better position to improve operations and deliver higher ROI.

Type of Resources	Description of Utilization
Financial Resources.	<p>Financial resources are used to finance the activities and operations of the Company and Company has adequate protocols to utilize them efficiently.</p> <p>Cash and liquidity management: ALIFE has very strong controls over fund management. The fund position is prepared on daily basis and reviewed by the CFO.</p> <p>Company ensures that there are adequate funds to pay-off all the policyholders' payments (like surrenders, maturities, claims, refunds etc.) and other payments (including salaries, commission, vendor related payment, etc.).</p> <p>The surplus of admissible assets to total liabilities ratio of the Company amounts to Rs. 4 billion.</p> <p>Fund and Investment Management:</p> <p>ALIFE ensures that no idle funds are available at the day end. For better fund management and enhanced returns, the Company has entered into an outsourcing arrangement with MCB Funds, which manages its funds while ensuring the returns are not less than the agreed benchmarks.</p> <p>The Management Investment Committee is responsible for monitoring the performance of investments and a review report on fund's performance is also present to Board's Investment Committee on quarterly basis</p>
Human Capital.	<p>Human Capital Management is defined as the process of acquiring, training, managing, and retaining employees to contribute effectively to the processes of the organization. In simpler words, upgrading the existing skills of an employee and extracting the best out of him/her refers to human capital management. The Company has employed over 1800 employees, and it is very focused on their growth and constant training and development. ALIFE believes that the more skillful the employees are, the more refined the results would be. ALIFE has also gone into an extensive succession planning program.</p>

Type of Resources	Description of Utilization
Physical Capital.	<p>Physical or manufactured capital refers to fixed assets of the Company like:</p> <ul style="list-style-type: none"> - Land and building - Furniture and fixtures - Motor vehicle - Computer and equipment <p>All of the physical assets of the Company are efficiently utilized for the purpose of business and adequately covered against potential threats through insurance coverage.</p> <p>Physical assets are managed through Fixed Assets Register with each asset assigned an identification tag. Further, these assets are subject to both planned and surprise physical verification as well, which is conducted from time-to-time basis.</p>
Intellectual Capital.	<p>Intellectual Capital is defined as all knowledge within an organization, which has the potential to create value when applied in line with the mission, vision and goals of the organization. It refers to intangible capital.</p> <p>ALIFE has managed this capital in following ways:</p> <ul style="list-style-type: none"> - Ensuring and analyzing all critical processes and creating a standard operating procedure to handle it. A well-defined set of processes that are applied consistently helps improve the cost and efficiency of the operations. - Creating the climate in which knowledge workers can best perform. <p>Optimizing the value creation, extraction and release cycles for new and existing initiatives.</p>
Social and Relationship Capital.	<p>Social capital is important because it represents the productive benefits of sociability. The importance of social capital cannot be understated since it relates to every benefit of living in a society rather than as a hermit. Social capital has been described as both a glue and lubricant – a glue that holds societies together without which collaboration and cooperation would not be possible; and a lubricant that facilitates getting things done.</p> <p>Social capital involves the shared values, norms, trust, and belonging that makes social exchange possible. Our society, economy, institutions, and political system could not exist without social capital.</p> <p>ALIFE has for its vision to become the most trusted brand over the years to come. In order to achieve that, ALIFE has a very clear policy to maintain its reputation and attitude to dealing with customers and other stakeholders. ALIFE believes in value creation and bonding with its customers. Relationships with other stakeholders like reinsurers, distributors, banks, vendors etc. are also based on this long-term vision.</p> <p>ALIFE has been involved in various CSR activities ranging from education to environment (the details can be found in CSR section of this report).</p>

Type of Resources	Description of Utilization
<p>Natural Capital.</p>	<p>Natural capital is the world's stock of natural resources, which includes geology, soils, air, water and all living organisms. Some natural capital assets provide people with free goods and services, often called ecosystem services. All of these underpin our economy and society, and thus make human life possible. ALIFE commits to preserve natural resources. It has taken the following step to contribute towards its preservation:</p> <ul style="list-style-type: none"> - Moving towards more paperless processes and archiving; - Installing and utilizing more energy efficient equipment.

Strategies to Achieve Strategic Objectives

Strategies in place or intended to be implemented to achieve those strategic objectives

ALIFE is very focused toward achieving the long and short-term objectives that will feed into its strategies. The expansion of direct and other distribution channels will eventually translate into enhanced market share. The product development team is working in tandem with the sales team to ensure that products are not only customer centric but there must be some innovative element to it that will make it ever more lucrative to customers. ALIFE employs well-versed, energetic and competent teams at both front and back ends to ensure the quality of outcome. Technology is always a win in the current environment where use of technology is common and accessible to the masses. ALIFE promotes use of technology for reduction of cost of operations and for bringing in more efficiency to the operations.



Risk Management Overview

Insurance business is exposed to various risks and therefore, ALIFE believes that a strong, effective and embedded Risk Management Framework is crucial to maintaining successful business operations and delivering sustainable, long-term profitability.

Risk Management Policy

ALIFE has implemented a policy for Risk Management which clearly defines the objective, roles and responsibilities for risk management, core insurance risks, financial risks, operational risks and strategic risks. A related objective of risk management policy is to implement the requirements stipulated in the Code of Corporate Governance for Insurers, 2016. The Code defines several categories of risk that the insurer must manage, both strategically and operationally. This Policy forms the basis of embedding Risk Management within the culture of the Company. The key objectives of this Policy are:

- Establish clear objectives, identify and evaluate the key risks, define risk appetite and tolerance limits, and apply suitable risk responses including risk mitigation where needed;
- To ensure that the risk management system within the Company is suitable and proportionate to risks the Company is exposed to;
- Enable the Company to meet its obligations and objectives and to have increased knowledge and understanding of exposure of risk;
- Assign responsibilities for effective risk management and monitor the effectiveness of the system of risk and internal control management;
- Reduce the consequence and/or likelihood of potentially damaging risks by regular reviews of strategies for risk prevention and/or by transferring the impact of potentially damaging risks to third parties e.g. by re-insurance and other financial arrangements;
- Raise awareness of the need for risk management by all those connected with the organization's delivery of service; and develop a strong risk culture articulated by effective Enterprise Risk Management (ERM) with involvement of senior leadership and embodied by management at all levels through governance structure and risk management processes.

Risk Management Framework

The Enterprise Risk Management (“ERM”) framework forms the overarching framework for management to deal with the various risks ALIFE may encounter, as well as their tracking and monitoring. This also ensures that the Company has processes in place by which we assess the risks that we are exposed to, both on a current and forward-looking basis.

ALIFE has adopted a framework for the risk management, which involves a continuous process to identify, analyze, evaluate, and treat loss exposures and monitor risk which are documented within the risk register, which captures the material risks that the Company faces. Identified risks are then managed through the application of a set of policies.

The methodology and process of handling risk is as follows:



Risk Management Governance Structure

The governance structure of the Company is defined in the following diagram:



Risk and Opportunity Report

Risk	Mitigation
<p>Underwriting and Insurance Risk Insurance companies face risks through the contracts they underwrite. This risk refers to the loss and potential damage due to underwriting risk and insurance activities.</p> <p>Underwriting and insurance risks may affect the solvency and profitability of the insurer in an adverse manner. Underwriting and insurance risk is further classified in three broad categories namely:</p> <ul style="list-style-type: none"> - Biometric risk (mortality, lapse, anti-selection, etc.) - Catastrophe risk and - Pricing risks 	<p>A detailed policy is in place that encapsulates the risk mitigating strategies including</p> <ul style="list-style-type: none"> - Pricing reviews and repricing - Product design and structure - Stringent underwriting - Customer retention - Reinsurance cover

Risk	Mitigation
<p>Reserving (Provisioning) Risk Reserve risk is the risk that the reserves booked in the financial statements of the company for policyholder liabilities would not be sufficient to pay off policyholder obligations.</p>	<ul style="list-style-type: none"> - Annual review of effectiveness of Product development and pricing - Review valuation models - Appropriate assumptions - Liability adequacy testing
<p>Credit Risk Credit risk is the risk that a Company will experience loss because another party is unable to fulfill its financial obligations towards the Company, credit risk can also arise due to:</p> <ul style="list-style-type: none"> - fluctuations in the credit standing of issuers of securities, counterparties and any debtors - delays in the completion of financial obligations by the obligor <p>ALIFE faces credit risk from various counterparties such as its:</p> <ul style="list-style-type: none"> - Reinsurers - Group life clients - Investment portfolio 	<ul style="list-style-type: none"> - The following mitigating controls are defined: <p>Reinsurer</p> <ul style="list-style-type: none"> - Minimum credit rating - Highly capitalized and adequately experience reinsurer - More reinsurers on panel to diversify the risk <p>Group Life</p> <ul style="list-style-type: none"> - Model premium is discouraged especially where credit history is not satisfactory or premium amount is small - Policy issuance is subject to receipt of premium (within specified time) - Aging of premium receivable balances <p>Investment Portfolio</p> <ul style="list-style-type: none"> - Diversification of investment - Pre-assigned credit limits - Frequent monitoring
<p>Financial & Capital Adequacy Risk</p> <ul style="list-style-type: none"> - Financial and capital adequacy risk refers to the risk that the financial health and the capital adequacy of the company might be adversely affected due to various factors leading to insolvency. There are a number of financial risk that can adversely affect the capital and lead to insolvency including: - Asset default risk - Investments and interest rate risk - Insurance risk - Operational risks - Other risks 	<ul style="list-style-type: none"> - Compliance with minimum capital and solvency requirements as specified by SECP - Frequent review of solvency position by internal management, auditors and appointed actuary
<p>Investment, Market and Interest Rate Risk Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes inmarket interest rates or the market price of the securities.</p>	<ul style="list-style-type: none"> - All investments are in compliance with investment policy - Monitoring of equity and fixed based funds against their respective benchmarks as set out in the policy A reporting structure is in place to review decisions taken by Investment manager - Monitoring and performance evaluation of funds at Management Investment Committee level.

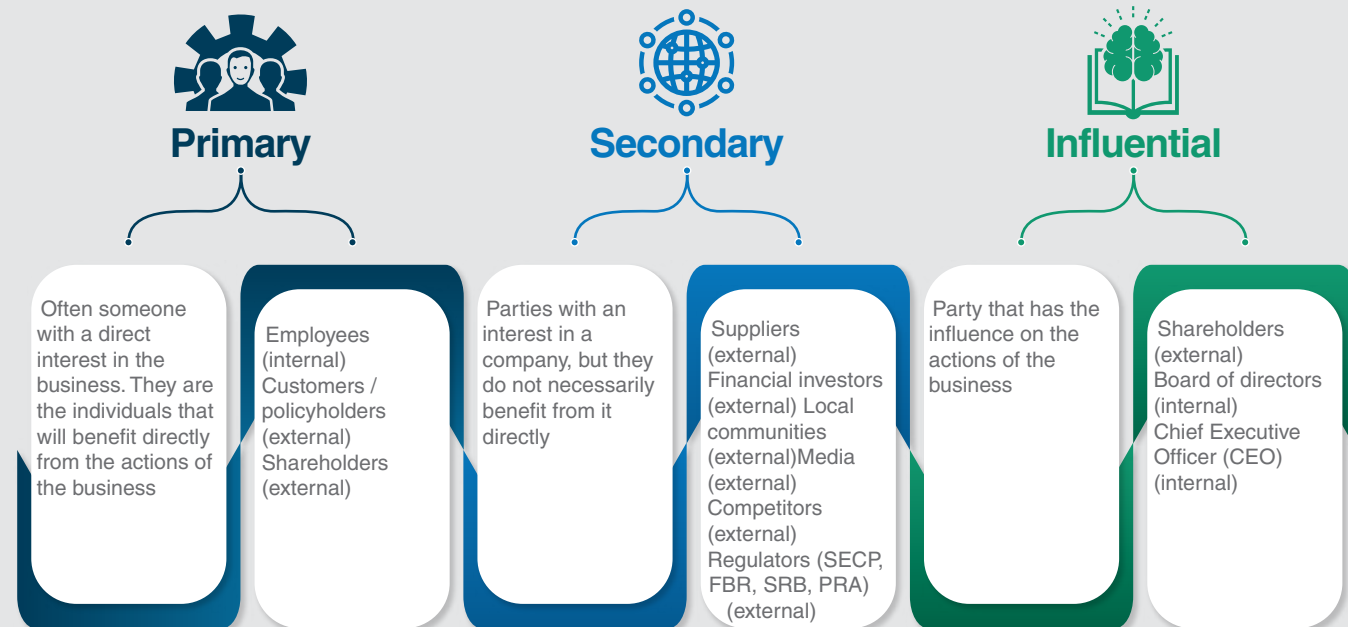
Risk	Mitigation
<p>Liquidity Risk Liquidity Risk is the risk that an institution will be unable to meet its (expected and unexpected) financial obligations as they fall due, without incurring losses in disposing off its liquid assets. Liquidity risk for ALIFE can arise due to the following factors:</p> <ul style="list-style-type: none"> - Mismatch risk. This refers to the emergence of illiquidity when policyholder liabilities are due. - Liquidity risk arising from market forces and stress scenarios such as changes in interest rate, economic conditions, magnitude of the bid/ask spread etc. - Asset Composition: This refers to the risk specific to the liquidity of the various investments made by ALIFE. 	<ul style="list-style-type: none"> - The Insurance Rules, 2017 and ALIFE'S investment policy both have set limits for various asset classes to ensure enough liquidity at all times. - Effective fund management to ensure timely availability of funds. - Alternate source of liquidity
<p>Compliance and Legal Risk</p> <ul style="list-style-type: none"> - Any omission or failure to meet regulatory compliance may expose the Company to penalties, fines and reputational risks. - Legal risk can arise due to various reasons including issues in contracts with third parties and policyholders leading to litigation and disputes. 	<p>To avoid the consequences of legal, regulatory and compliance risks which mainly results in reputational damage and financial losses, the following practices are adhered to:</p> <ul style="list-style-type: none"> - Separate and independent legal, compliance function - Dedicated risk management team - Tracking of regulatory compliance through checklists - Designated teams to implement new regulations - Review and monitoring of website - The legal department analyze and provide the resolution of the case in collaboration with other relevant stakeholders
<p>Operational Risk Operational risk can be described as the risk of loss due to inadequate or failed internal processes, people, systems or from external events.</p>	<ul style="list-style-type: none"> - Implementation of up-to-date SOPs - Integrated IT system. - Claims handling policy & procedures, policy claim checklist and MIS. - Trainings of customer support staff. - Clearly defined authority matrices. - Implementation of sound internal control environment with thorough understanding of risks (including fraud risks) and proper designation of powers and accountability.
<p>Strategic Risk Strategic risk is the risk to earnings and capital due to Incorrect and improper business decisions. It also refers to the unintentional risks that arise as a result of strategy development or execution. This risk encompasses the range from increased competition and innovation by competitors to losing market share due to new entrants.</p>	<ul style="list-style-type: none"> - The Company is managing this risk through quality customer service, offering product range for various categories of customers and focusing on brand equity. - The company also keeps on exploring new avenues for business opportunities and growth. - Open to adopt innovations introduced in lfe insurance industry.

Stakeholders Relationship and Engagement

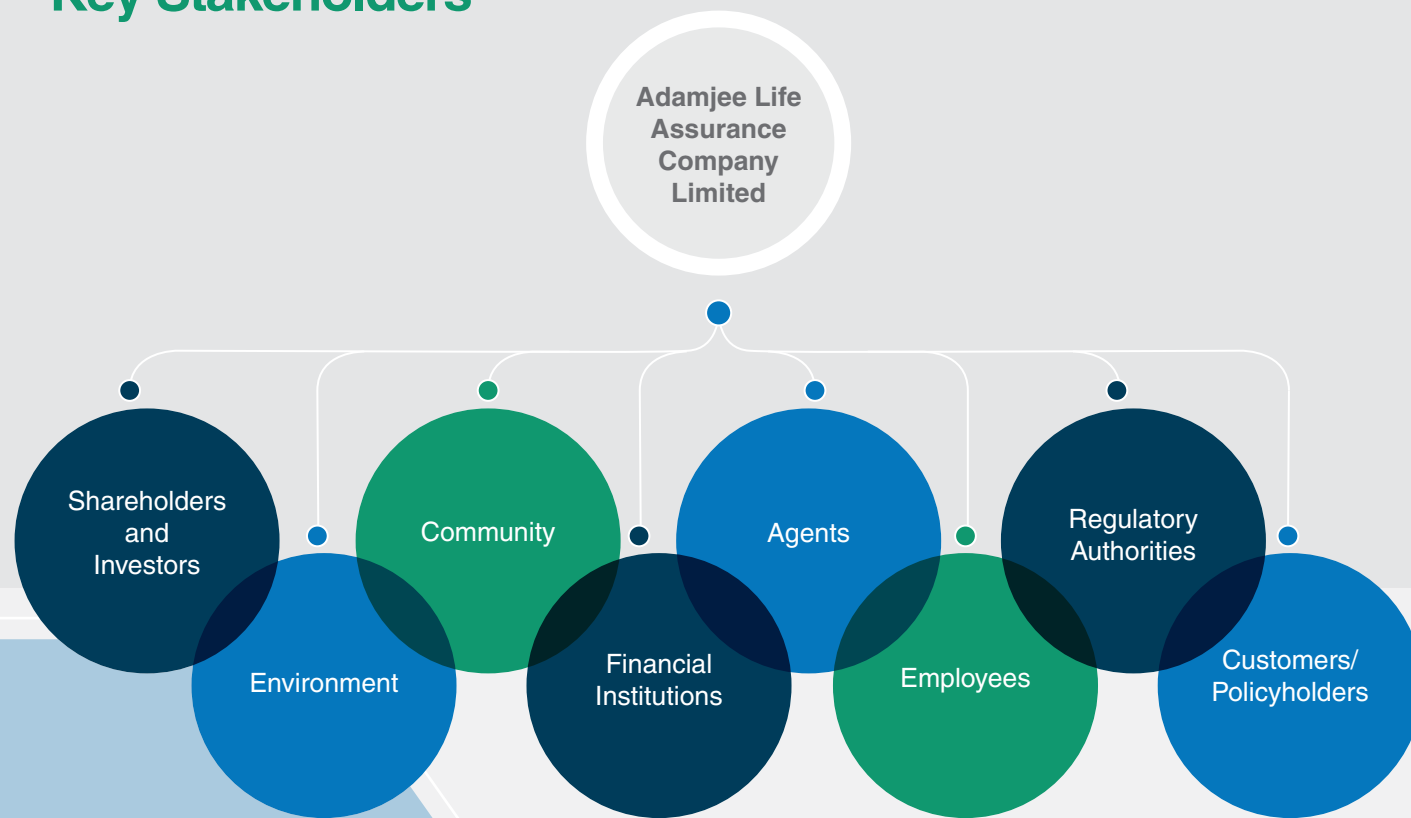
How ALIFE identifies its stakeholders

ALIFE categorizes different types of stakeholders as;

Stakeholders



Key Stakeholders



Stakeholders	Why they are important to ALIFE	Medium use for engagement process	Frequency
Customers/ Policyholders	We believe that loyalty and satisfaction of our customers is the foundation of our success. Individual life insurance products are by their very nature long-term, so we place a strong emphasis on the customer experience from the point of pre-acquisition through claim. Our vision is to become the most trusted partner for customers.	<ul style="list-style-type: none"> - Personal visits of sales representatives - Emails - SMS - Calls - Letters - Social Media - Website 	<ul style="list-style-type: none"> - Annually - Quarterly - As and when needed
Employees	We foster a culture of employee engagement as our staff is our most important internal stakeholder. We are committed to maintaining a skilled and engaged workforce driving a culture of alignment, accountability and action. Our employees have a key role and have a significant influence in operational decisions. We believe in constant employee development and succession planning.	<ul style="list-style-type: none"> - Town hall meetings - Mentoring and coaching sessions - Trainings - Celebrations, get-togethers, picnics - Newsletters (VOAL) - Appraisals 	<ul style="list-style-type: none"> - Annually - Binnually - As and when needed
Financial Institutions	We always strived to make long term strategic partnerships with banks (corporate agents) to increase opportunities for bancassurance business. We also employee and utilize various services/ products offered by the banks to bring in efficiency in the transactions (collection, payments, investments etc.).	<ul style="list-style-type: none"> - Frequent meetings at senior and middle management level - Direct coordination with sales teams - Various trainings sessions 	<ul style="list-style-type: none"> - Daily for operational matters - As and when needed
Regulator	As a matter of our principles, we want to stay compliant with all laws and regulations. We believe in having an active dialogue with regulatory authorities to resolve matters that affects insurance operations including tax matters.	<ul style="list-style-type: none"> - Regulatory returns - Written correspondences including emails 	<ul style="list-style-type: none"> - Annually - Quarterly - As and when needed

Stakeholders	Why they are important to ALIFE	Medium use for engagement process	Frequency
Agents	We engage actively and regularly with our agents and consultants. Sales agents are the front-line forces who interact with the customers and introduce and define them the product, the underlying policy terms and conditions and the allied benefits hence they do help us build more valued relationships with our policyholders. To give our customers the best service possible, agents and consultants work in synergy.	<ul style="list-style-type: none"> - Direct coordination sales and back-office teams - Various training session 	<ul style="list-style-type: none"> - Daily for operational matters - As and when needed
Shareholders and investors	Our retail and institutional shareholders are the owners of the Company. Our prime objective is to safeguard their assets and maximize the returns on their investment. We believe that their engagement in decision making process increases their trust over the management of the Company.	<ul style="list-style-type: none"> - Annual general meeting - Extraordinary general meeting - Financial results - Website (Investors' relation section) 	<ul style="list-style-type: none"> - Annually - Quarterly - As and when needed
Community	We are committed to making a difference in the communities where we work, live and serve our customers. ALIFE was involved in various CSR programs during the year.	<ul style="list-style-type: none"> - Community support Programs/events (CSR activities) 	<ul style="list-style-type: none"> - Periodically
Environment	We recognize our duty of care with respect to the environment and consequently will maintain as far as is reasonably practicable, to undertake its activities in such a way as to minimize any impact to the environment, whilst conducting its business. ALIFE was involved in plantation drive, promoting paper less environment, water conservation awareness etc.	<ul style="list-style-type: none"> - Awareness drives 	<ul style="list-style-type: none"> - Periodically

Investors Relation

Adamjee Life is dedicated to giving its clients and stockholders the greatest experience possible while generating long-term value for them. We make sure that reporting is reliable and open. The company works hard to give investors and shareholders reliable financial information including annual and quarterly reports, news announcements, which is then disseminated through a number of channels, and the company website. The website's information is always kept current. The website has a section specifically dedicated to investors that covers all potential areas of interest.

Investors Grievance

According to Adamjee Life, a company's relationships with investors are essential to its financial health and rapid expansion. The organization's reputation is also reflected in its interactions with investors. Thus, it is essential to establish a system inside the company for serving investors and resolving their complaints in a way that complies with the law.

In accordance with this, the Company has made available on its website all pertinent information regarding the Company, its directors, auditors, share registrars, financial data for the current and previous six-year periods, and daily stock updates of the Company's shares quoted at the Pakistan Stock Exchange.

The principal point of contact for investors seeking to address their complaints and find solutions on behalf of the Company is the Company Secretary. The management makes an effort to look into and satisfactorily address any investor concerns and inquiries on priority basis.

Using an interactive connection on our website, an investor who is unsatisfied may also contact the Securities & Exchange Commission of Pakistan (SECP) complaint cell.

Following contact details are available of Company's website:

Name: Arsalan Ahmed Khan
Designation: Company Secretary
Contact: +92 21 38677100
Email ID:
 investors@adamjeelife.com
 ahmed.arsalan@adamjeelife.com

Sustainability and Corporate Social Responsibility (CSR)

Sustainability

At Adamjee Life, we are dedicated to crafting a secure future for everyone, spearheading impactful social endeavors aimed at uplifting our nation. We firmly believe that a thriving society is integral to corporate advancement. Rooted in the principle of inclusivity, our commitment to creating shared value extends beyond mere obligation; it's woven into the fabric of our corporate mission. With unwavering zeal and purpose, we strive to make a positive imprint on Pakistan, with a focus on enhancing education, healthcare, and community welfare.

Corporate Social Responsibility (CSR)

As an integral part of one of Pakistan's largest conglomerates, Adamjee Life stands as a beacon of purpose-driven ethos. Our commitment extends beyond mere business objectives; we are dedicated to advancing sustainable social goals for the betterment of our nation.

At Adamjee Life, we embrace the challenge of surpassing expectations while contributing to the greater good. Our steadfast advocacy for Pakistan's Sustainable Development Goals (SDGs) exemplifies our dedication to societal progress. Through initiatives like our CSR arm, Nigehbaan, we actively engage in uplifting low-income communities through impactful investments.

Nigehbaan is more than just a CSR platform; it embodies our enduring responsibility to act ethically and compassionately. By nurturing the emotional and humanitarian well-being of our organization, we ultimately enhance the quality of life for our employees, their families, and the wider community.

Adamjee Life Nigehbaan



We launched our Nigehbaan initiative as our CSR wing, which aims at creating awareness, advocacy and taking a small step towards betterment of our society. This wing at the moment is focused on working for Education, Healthcare and Gender Inclusion within the society.

Ramzan Donation Drive

Adamjee Life supporting noble causes & empowering donors everywhere

This Ramzan, as part of our company's Nigehbaan Ramzan Drive, Adamjee Life collaborated with esteemed humanitarian and social welfare organizations such as The Indus Hospital & Health Network, SIUT, and JDC Foundation. This Drive aims to raise awareness and empower individuals to contribute to society through the mentioned charitable organizations, impacting millions across different segments. To bolster this noble cause, Adamjee Life also conducted a social outreach program via its social media platforms, mobilizing the public, especially the youth.

Mr. Manzar Mushtaq, CEO of Adamjee Life, emphasized the company's commitment to corporate social responsibility, providing a platform for easy contribution. Partnering with established entities like Indus Hospital & Health Network, JDC Foundation, and SIUT further enhances their impact.

Dr. Syed A. Hasan Rizvi, from of SIUT, expressed gratitude towards Adamjee Life, applauding their dedication in uplifting lives.

Zafar Abbas from JDC Foundation praised Adamjee Life's focus on community welfare, foreseeing fruitful collaborations ahead.

Dr. Saba Jamal from The Indus Hospital & Health Networks acknowledged Adamjee Life's ongoing support, recognizing its significance in reaching a wider population.



Celebrating Pinktober

Happy, Healthy and built to Survive

Adamjee Life proudly hosted a Pinktober Awareness session on October 20, 2023, in collaboration with esteemed partners like MEDIQ SMART Healthcare and the Ministry of Health, Government of Sindh. This event aimed to create a dynamic platform for community engagement and vital information dissemination.

Renowned medical professionals and inspiring cancer survivors shared invaluable insights on breast health, prevention, and the importance of regular screenings. Committed to promoting health awareness and fostering open dialogue, we strive to break stigmas surrounding breast cancer within our community.

Through employee engagement we motivated a lot of people to donate, as we aim to do our part to uphold our dedication to community through this service.

Our collaboration with The Indus Hospital underscores our firm commitment to enhancing Pakistan's healthcare infrastructure sustainably. By initiating this noble cause, we strive to demonstrate our unwavering support for the nation and its citizens in times of need.



Blood Donation Drive in Collaboration with Indus Hospital '23

Adamjee Life aimed at saving more lives with each drive

Adamjee Life Assurance, in partnership with The Indus Hospital, recently organized a blood donation drive at its Head Office as part of the Nigehbaan CSR initiative. Committed to serving both customers and society, Adamjee Life recognized the pressing need for blood during the ongoing health crisis around the country.



Sponsored two young individuals for the Markhor summit in collaboration with Youth Impact and JDC foundation



Sparking the spirit of leadership in the youth

Adamjee Life has proudly partnered with Youth Impact and sponsored two aspiring youth for the Markhor Leadership Program.

We believe in empowering our youth with skills that will help shape their character in the most positive way and aspire them to work further on themselves to be upstanding citizens and contributors towards society. JDC Foundation Pakistan

Adamjee Life sponsors M. Usman Murad in Taekwondo Asian Championship 2023

Rewarding hard work with support as a part of national pride

Adamjee Life is actively involved in initiatives which promote youth development and contribute to the

achievement of the SDGs. This year we further made a substantial impact in this regard by sponsoring M. Usman Murad's participation in the Taekwondo Asian Championship 2023.

M. Usman Murad is promising young athlete, who represented our nation on an international stage, motivating other young individuals to pursue their dreams relentlessly.

This sponsorship aligns perfectly with the Sustainable Development Goals, particularly with Goal 3 (Good Health and Well-being) and Goal 10 (Reduced Inequalities), as it encourages physical activity, inclusivity, and equal opportunities.

Dr. Jameel Jalibi Research Library

Honoring Dr. Jameel Jalibi Research Library through sponsorship of its Literacy Awards

'Dr Jameel Jalibi Research Library' was established by his son, Dr Khawar Jameel, by bringing together his father's personal collection of valuable and rare books. It stands on a plot adjacent to KU's Mahmood-ul-Hassan Library, which is a fine piece of architecture designed by his young nephew, Nabeel Akbar (architect).

Each year the organizers of the library hold literary awards as a tribute to the efforts made by Dr. Jameel Jalibi for the Urdu language. This year Adamjee Life had the esteemed pleasure to support and sponsor these awards and help praise the efforts of the literary scholars of the Urdu language.

Adamjee Life visits JDC foundation centre



02 CORPORATE GOVERNANCE



Directors Profiles



S.M. Jawed

Chairman

Mr. S. M. Jawed possesses extensive expertise in the efficient management of cutting-edge industrial operations. His remarkable technical proficiency has earned numerous accolades and merits for outstanding performance in exporting industrial products from Pakistan. Under his guidance, the industrial entity he leads has received prestigious awards, contributing significantly to the country's foreign exchange reserves. A recipient of technical education in Industrial Technology from the UK, Mr. S. M. Jawed has been honored with a Gold Medallion Award from the

International Export Association, UK, highlighting the company's excellence in production and export. In addition to his leadership in the industrial sector, he holds Directorship in following entities, reflecting his diverse business interests.

- Din Textile Mills Limited;
- Din Leather (Private) Limited;
- Din Farm Products (Private) Limited;
- Adamjee Insurance Co. Limited;
- MCB Bank Limited;



M. Ali Zeb

Director

Muhammad Ali Zeb is a fellow member of the Institute of Chartered Accountants of Pakistan and completed post graduate diploma in Organizational Leadership from Saïd Business School, University of Oxford. He has over 24 years of diverse experience in the Manufacturing, Financial and Insurance sectors. He started his professional career from Nishat Mills in 1995 and joined Adamjee Insurance as the Chief Financial Officer in 2005

where he was promoted as Executive Director Finance. He was appointed as the Chief Executive Officer in 2008 and remained in this position until March 2011. Before rejoining Adamjee Insurance as the Chief Executive Officer in June 2013. Ali also served as the Chief Financial Officer at City School (Private) Limited. He has served as the Chairman, Insurance Association of Pakistan in 2014.



Naz Mansha

Director

Mrs. Naz Mansha has over 34 years' experience as a Director on the Board of different companies. She has been associated with D. G. Khan Cement Company Limited (DGKC) since 1994, She is also a Chief Executive of Nishat Linen (Private) Limited, a subsidiary

of Nishat Mills Limited and Director/Chief Executive of Emporium Properties (Private) Limited and Director on the Board of Golf View Land (Private) Limited.



Imran Maqbool

Director

Mr. Imran Maqbool has served as President & Chief Executive Officer of MCB Bank Limited. He is a seasoned professional with over three decades of diverse banking experience. Before taking on the CEO position, he was Head of Commercial Branch Banking Group, where he successfully managed the largest group of the Bank in terms of market diversity, size of the workforce, number of branches on a countrywide basis, and diversified spectrum of products. In earlier roles, he worked as Head Wholesale Banking Group–North, Country Head MCB Sri

Lanka, Group Head Special Assets Management, and Islamic Banking. Prior to joining MCB Bank in 2002, Mr. Maqbool was associated with the local banking operations of Bank of America and Citi Bank for more than seventeen years. He worked at various senior management level positions in respective banks. Mr. Maqbool holds an MBA from the Institute of Business Administration (IBA), Karachi, and an MS in Management from MIT Sloan School of Management, Massachusetts USA.



Umer Mansha

Director

Mr. Umer Mansha completed his bachelor's degree in business administration from Babson College, Boston, USA. He has been Chief Executive of Nishat Mills Ltd. since September 08, 2007. He is also the Chairman of the BoD of Adamjee Insurance Company Limited. He has been serving on the Board of Directors of various listed companies for more than 23 years. He also serves

on the Board of MCB Bank Limited, Nishat Dairy (Private) Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat (Gulberg) Hotels and Properties Limited, Nishat Developers (Private) Limited and Nishat Agriculture Farming (Private) Limited.



Shahmeer Khalid

Director

Mr. Shahmeer Khalid Butt is a corporate finance and investment professional and has worked in different organizations in Pakistan and United Arab Emirates. Currently, he also serves as an Executive Director in Next Pharmaceuticals, being responsible for strategy, financial planning, marketing, and other operational areas. Prior to this, he served as Corporate Finance Analyst for Al Futtaim (Private) Company during which he led the planning, design, execution and closing of a

major SGD 2 billion internal recapitalization which resulted in significant tax and interest savings. He holds a BSc (Hons) degree in Investment and Financial Risk Management from Cass Business School at University of London. He also holds membership of Lahore's chapter of Entrepreneurs Organization (EO) which is a global peer-to-peer network of more than 14,000 influential business owners in 61 countries.



Ahmad Alman

Director

Mr. Ahmad Alman Aslam has four decades of professional experience in investment banking, corporate finance, and advisory services. He started his career with Citibank in 1975 and served there in various capacities over a period of 28 years. He also served as the Managing Director, based in New York, responsible for all debt issued by borrowers in the emerging markets. Mr. Aslam has also served as an advisor to EMP Washington, a US\$ 6 billion private equity fund.

In Pakistan, he has served on the boards of the State Bank of Pakistan, OGDCL, Adamjee Insurance, IGI Asset Management, Punjab Coal Mining Company, The Bank of Punjab, Punjab Small Industries Corporation and the Private Power and Infrastructure Board. Mr. Aslam has a Masters' degree in Business Administration from Punjab University and has attended the program for Management Development at Harvard University, Cambridge.

Chairman's Review

Dear Shareholders,

I am writing to present the Annual Report of Adamjee Life Assurance Company Limited (the Company) for the fiscal year ending December 31, 2023, on behalf of the Board of Directors. This report aims to provide you with an overview of the Company's overall performance and the effective contributions made by the Board.

Adamjee Life has implemented a robust governance framework, aligning with the Companies Act, 2017, the Listed Companies (the Code of Corporate Governance) Regulations, 2019, and the Code of Corporate Governance for Insurers, 2016. The Board of Directors, recognizing the importance of well-defined corporate governance processes, is dedicated to upholding Adamjee Life's core values and vision while ensuring elevated standards of corporate governance to safeguard and enhance stakeholders' value.

A systematic evaluation mechanism has been established by the Board to regularly assess the Company's objectives, strategies, and business and financial performance. This involves active engagement with management and internal auditors to provide appropriate direction. The day-to-day business activities and the execution of the Board's strategies are the responsibility of the management. The Board has instilled a transparent and robust compliance system, adhering to the best practices of corporate governance, promoting ethical conduct, and fostering fair behavior across the organization. This commitment is ingrained in Adamjee Life's culture and values through the widespread dissemination of the Code of Conduct.

Board members have diligently contributed to providing strategic direction, oversight, and governance, ensuring the long-term sustainability and success of the company. The Board's performance and that of its committees undergo an annual evaluation in accordance with the Code of Corporate Governance, ensuring alignment with comprehensive criteria and confirming satisfactory overall performance.

Throughout the challenging operational and financial performance of the year, the Board played an effective role in managing the affairs of the Company. The Board commits to maintaining its crucial role in shaping the Company's direction, fostering achievements and efficiency, and guiding management in alignment with Board-approved strategies while upholding the principles of sound corporate governance.

On behalf of Adamjee Life, I express gratitude for the contributions of the management, employees, regulator, vendors, contractors, and valued shareholders. Their confidence, continued support, and commitment are acknowledged and appreciated.

February 26, 2023



S.M. Jawed
Chairman

چیئر مین کا جائزہ

معزز حصص داران،

میری اس تحریر کا مقصد بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2023 کو ختم ہونے والے مالی سال کے لئے آدھی لائف آشرنس کمپنی لمیٹڈ ("کمپنی") کی سالانہ رپورٹ آپ کی خدمت میں پیش کرنا ہے۔ اس رپورٹ کا مقصد بحیثیت مجموعی کمپنی کی کارکردگی اور بورڈ کی جانب سے انجام دی گئی موثر خدمات کا جائزہ پیش کرنا ہے۔

آدھی لائف گورننس کے ایک مضبوط فریم ورک پر عمل پیرا ہے جو کمپنیز ایکٹ، 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، اور کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 سے مکمل طور پر ہم آہنگ ہے۔ بورڈ آف ڈائریکٹرز کارپوریٹ گورننس کی واضح طور پر طے شدہ سرگرمیوں کی اہمیت کا ادراک کرتے ہوئے آدھی لائف کی کلیدی اقدار اور وژن کی پاسداری کے لئے پرعزم ہے اور کارپوریٹ گورننس کے بلند معیارات کو یقینی بناتے ہوئے سٹیک ہولڈرز کے ویلیو کو تحفظ دینے اور اسے بہتر بنانے کے لئے سرگرم عمل ہے۔

بورڈ نے کمپنی کے مقاصد، اس کی حکمت عملیوں، کاروباری سرگرمیوں اور مالیاتی کارکردگی کا باقاعدگی کے ساتھ تجزیہ کرنے کے لئے جانچ پرکھ یا ویلیویشن کا باقاعدہ نظام وضع کیا ہے۔ اس سلسلے میں مینجمنٹ اور انٹرنل آڈیٹرز مل کر کام کرتے ہوئے موزوں سمت کا تعین کرتے ہیں اور مناسب ہدایات دیتے ہیں۔ روزمرہ کی کاروباری سرگرمیاں اور بورڈ کی حکمت عملیوں کو عملی جامہ پہنانا مینجمنٹ کی ذمہ داری ہے۔ بورڈ نے پاسداری اور کمپلائنس کے لئے ایک شفاف اور مضبوط نظام وضع کیا ہے، جو کارپوریٹ گورننس کے بہترین مروجہ طریقوں کے عین مطابق ہے، اخلاقی طرز عمل کو فروغ دیتا ہے اور ادارے میں ہر سطح پر منصفانہ طرز عمل کو یقینی بناتا ہے۔ ضابطہ اخلاق یا کوڈ آف کنڈکٹ کی وسیع پیمانے پر تقسیم اور اشاعت کی بدولت آدھی لائف کے کلچر اور اس کی اقدار کے ہر پہلو میں اس پختہ عزم کی جھلک دکھائی دیتی ہے۔

بورڈ کے ارکان نے سٹریٹجک سمت سے روشناس کرانے، نگرانی اور گورننس کی سرگرمیوں اور دور رس بنیادوں پر کمپنی کی پاسداری اور کامیابی یقینی بنانے کے لئے اپنا کردار انتہائی مستعدی اور تہہ کی ساتھ انجام دیا ہے۔ کوڈ آف کارپوریٹ گورننس کی روشنی میں بورڈ اور اس کی کمیٹیوں کی کارکردگی ہر سال جانچ پرکھ کے عمل سے گزرتی ہے جس کے ذریعے ایک جامع مطلوبہ معیار کی پاسداری یقینی بنائی جاتی ہے اور بحیثیت مجموعی تسلی بخش کارکردگی کے تقاضوں کو پورا کیا جاتا ہے۔

سال بھر کی چیلنج سے بھرپور آپریشنل اور مالیاتی سرگرمیوں میں بورڈ نے کمپنی کے انتظامی امور چلانے میں موثر کردار ادا کیا۔ بورڈ کمپنی کی سمت وضع کرنے، عمدہ کارکردگی اور کامیابیوں کے سفر کو آگے بڑھانے اور عمدہ کارپوریٹ گورننس کے اصولوں کی پاسداری کرتے ہوئے بورڈ کی منظور شدہ حکمت عملیوں کی روشنی میں مینجمنٹ کی رہنمائی میں اپنا کلیدی کردار مسلسل بنیادوں پر ادا کرنے کے لئے پرعزم ہے۔

آدھی لائف کی جانب سے میں مینجمنٹ، ملازمین، ریگولیٹرز، اینڈرز، کنٹریکٹرز اور معزز سٹیک ہولڈرز کی گرانقدر خدمات پر شکر گزار ہوں۔ ان کا اعتماد، مسلسل حمایت اور پختہ عزم لائق تعظیم اور قابل تحسین ہے۔

26 فروری 2023



ایس ایم جاوید
چیئر مین

Directors Report to the Shareholders on Company's Affairs and Future outlook

The Directors of Adamjee Life Assurance Company Limited take pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended December 31, 2023.

Financial Highlights

The highlights for the year under review are as follows:

	31 December 2023 Audited	31 December 2022 Audited
----- Rupees in '000 -----		
Gross premium	23,350,828	20,948,801
Net premium	22,685,659	20,315,452
Investment income	18,062,049	3,734,153
Net benefits paid to and reserved for policyholders	34,893,773	19,171,741
Acquisition & other operating expenses	4,312,733	4,067,554
Profit before tax	1,541,202	810,310
Profit after tax	908,075	497,702
Size of statutory fund	78,264,502	61,810,326
Shareholders' equity	4,417,568	3,748,290
----- Rupees in '000 -----		
Earnings per share	3.63	1.99

Performance Review

In the fiscal year 2023, Pakistan's Gross Domestic Product growth rate experienced a notable decline, registering at 0.29%, in stark contrast to the 6.10% recorded in the corresponding period of the previous year. The economic downturn was exacerbated by severe macroeconomic imbalances, domestic supply shocks, and a global economic slowdown. Furthermore, the Investment to GDP ratio decreased from 15.7% in FY22 to 13.6% in FY23. Notably, the per capita income exhibited a decline from USD 1,765 in FY22 to USD 1,568 in FY23, reflecting the challenging economic conditions during the period.

Despite the fact that insurance penetration is also correlated with economic growth and disposable income, both of which have been negatively impacted by political turmoil and inflationary pressure, our business partners and effective direct sales force have continued to maintain their reach to the prospects, underpinning the need to hedge uncertainties of life.

The Company has demonstrated exceptional resilience amidst challenging economic conditions, a testament to the strategic buildup of its portfolio over the years and growth in its topline. This, coupled with lower acquisition costs and favorable investment returns on statutory reserves, has contributed in producing excellent profitability.

The Company though experienced a 6.9% decline in new business from individual regular premium policies, there were notable positive trends in other segments. Renewal premium and corporate group life business exhibited robust growth, increasing by 5.52% and 23.28%, respectively. Furthermore, business from single premium policies saw a substantial uptick, recording a growth of 26.54%. Consequently, the total gross premium of the Company witnessed an impressive 11.47% increase compared to the previous year.

The Company's underwriting surplus, representing profit before operating expenditure and income from Shareholders' fund, has demonstrated significant growth, reaching Rs 2,114 million compared to Rs. 1,440 million in the previous year. This marks a substantial increase of 46.84%.

The notable expansion in underwriting surplus can be attributed to several factors:

Firstly, there was a boost in income derived from interest-based securities, which were strategically invested against solvency and other reserves in the statutory fund. Additionally, the increase in the policy holder fund size and well controlled acquisition / distribution cost has played a pivotal role in enhancing the Company's underwriting surplus.

Moreover, the Company has benefited from a more favorable mortality experience compared to the previous year. This positive outcome has further contributed to the overall improvement in underwriting surplus. The combination of these factors reflects the effectiveness of the Company's financial strategies and risk management practices.

The Company's net income (before surplus transfer) from shareholders' fund has risen significantly to Rs. 501 million as against Rs. 208 million in the last year due to better rate of return on investment.

The operational expenditure was increased by 29% as compared to last year, which is still in line with inflation rate persisted in year 2023. Nevertheless, the operating expenses were below the budgeted allocations by 15% demonstrating managements vigilance before embarking upon new expenses kept in the budget.

The resultant profit before tax of the Company has thus increased to Rs. 1.54 billion as compared to Rs. 810 million in the last year, generating an earnings per share of Rs. 3.63 for the year as against the 1.99 per share last year.

The returns and cash value has significantly improved in the statutory / policyholder's funds which are majorly invested in comparatively low risk, debt and money market instruments due to historically high interest rates. The performance of equity market was also historical and had produced excellent returns. The combined average return on all funds was approx. 27.65% p.a. as against 14% p.a. in 2022.

The Company's Claims Settlement Ratio within 90 days of intimation was 83% and the Company's Complaint Closure Ratio within 30 days was 97%.

The Company's size of Statutory Fund was Rs. 78.2 billion as of December 31, 2022, registering an increase of 26.6% over the period of one year.

There was no major development in the matter of petitions filed by the Company and other life insurance industry players in the Hon'ble High Courts of Sindh and Lahore, against the levy of Sindh Sales Tax on Services (SST) and Punjab Sales Tax on Services (PST) by the Sindh Revenue Board and Punjab Revenue Authority (PRA) respectively. The Company has not provided any liability against this levy as it believes that such sales tax on services cannot be levied on Life Insurance policy which is a contingent contract rather than a service.

Window Takaful Operations

The gross contribution generated from Window Takaful Operations was Rs. 3.988 Billion (Dec 31, 2022: Rs. 4.166 Billion). The profit before tax that has been reported for December 31, 2023 amounts to Rs. 251 million, which is an increase of 37.53% from the corresponding period i.e. Rs. 184.082 million. The new business mix of takaful was 30% as against 38% in the last year.

Surplus Transfer

During the year, a surplus amount of Rs. 500 million has been transferred from the statutory funds to the shareholder's fund. Such an amount was transferred based on the advice of the appointed actuary of the Company.

Future Outlook

Pakistan's economy is undergoing a process of structural reforms in alignment with the International financing programs. A stable and well-functioning democracy is a prerequisite to initiating structural reforms and institutional overhauling. The government that emerges after the upcoming elections, will face numerous challenges. Fiscal imbalances, high debt payments, significantly high inflation and exchange parity pressure may pose significant hurdles to the new government's economic revival agenda. Low purchasing power of consumers, and lower government spending has contributed to the decline in sales of overall insurance sector. The revised GDP growth forecast for the fiscal year 2024 is 2%, coupled with an inflation projection of 23-25%.

The company's leadership is well aware of the prevailing economic conditions in the country and is actively implementing essential strategies to navigate the challenges. Moreover, the Company will continue to analyze situation carefully to explore new opportunities, new market and to incentivize policy holder to keep their policies active.

The Company is more than sufficiently capitalized, all its statutory funds are adequately solvent with total reserves of 1.92 Billion over its paid up capital. The Company does not see any downside impact on its equity while the country will grapple to manage economy in 2024.

Earnings per Share

The basic and diluted earnings per share for the year 2023 was Rs. 3.63 as compared to Rs. 1.99 in 2022.

Dividends to Shareholders

The Board of Directors has recommended a final cash dividend of Rs. 1.00 per share, i.e. 10%. This is in addition to the interim cash dividend paid by the Company of Rs. 1.00 per share (10%), thereby making a total cash dividend of Rs. 2.00 per share, i.e. 20% for the year 2023, subject to the approval of the shareholders at the Annual General Meeting of the Company to be held on April 25, 2024.

Insurer Financial Strength Rating (IFS rating)

The Pakistan Credit Rating Agency Limited reviews the Company's IFS rating on an annual basis. On June 26, 2023, the most recent annual assessment was completed, and the company's IFS rating was confirmed at A++, with a "Stable" Outlook. The grade takes into account the Company's strong capacity to fulfil its contractual and policyholder commitments. The Company's operations under both the Conventional and Window Takaful Operations showed growth patterns and a premium base that contrasted favorably to rivals, according to the PACRA rating assessment.

Awards and Accolades

The Company continued to add more feathers to its cap during the year 2023:

- Pakistan Digital Award (Best Website of the Year)
- NFEH CSR Award (National Forum for Environment & Health Award)
- Consumer Choice Award

Code of Conduct & Business Ethics

Adamjee Life has established a Code of Conduct, which outlines the duties and responsibilities of all stakeholders, including board members, employees, and the company itself. This Code is based on the company's Corporate Strategy, Vision, Mission, and Core Values, and is a crucial aspect of the company culture. The Code of Conduct can be found in the Annual Report on page xx and on the company's website, and has been effectively communicated throughout the organization.

Corporate Social Responsibility (CSR)

Being a part of one of the largest conglomerates in Pakistan, Adamjee Life has always been a purpose driven Organization. Our CSR wing – Nigehbaan - strives to improve the lives in low income communities with impactful initiatives.

The CSR Policy, which was adopted by the Board, offers a guiding framework for realizing our goal.

CSR initiatives taken during the year were:

- Executed Promising Pakistan campaign in collaboration with Indus Hospital and St. Joseph School, promoting our ongoing support for Health and Education
- A donation drive in Ramzan where we donated but also encouraged everyone to donate to renowned organizations like SIUT, JDC Foundation and Indus Hospital
- This Pinktober – breast cancer awareness month, we collaborated with Govt. bodies and leading Telehealth provider (MedIQ), a cancer survivor and our channel partners to help educate and spread awareness over this horrible yet curable disease.
- Sponsored two young leaders for the Markhoor summit in collaboration with Youth Impact and JDC foundation

- Carried out a blood Donation Drive with Indus Hospital, twice within the year.
- Honoring Dr. Jameel Jalibi Research Library through sponsorship of its Literary Awards in Urdu Literature

Board Evaluation Mechanism

As required by the Code of Corporate Governance Regulations, the Board of Directors of the Company has a framework in place for evaluating both the performance of the Board and that of its committees on an annual basis. These review processes are conducted yearly by the Board of Directors and the Board Committees in which area needed greater focus and participation are identified and worked upon.

Directors' Compensation

The Board of Directors is empowered under the Company's Articles to periodically determine the compensation for Non-Executive and Independent Directors. A "Board Remuneration Policy" has been authorized by the Board of Directors. Except for the meeting fee for attending the Board meetings strictly in accordance with the policy, the Company does not provide any other compensation to its non-executive directors. The compensation given to the directors including the cost of attending Board or Board committee meetings, has been properly stated in note 40 of the financial statements.

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

As a listed life insurance company, the Company abides by the rules of the PSX Rule Book, the Listed Companies (Code of Corporate Governance) 2019, and the particular Code of Corporate Governance for Insurers, 2016. The Statement of Compliance, which relates to these standards, is appended to the Annual Report.

Board of Directors

A total of four non-executive directors, one female director, and two independent non-executive directors make up the Board of Directors for the Company.

According to the mandated gender diversity, the Board of Directors is made up of the following:

Name	Category
Mr. Ahmad Alman Aslam	Independent Director
Mr. Shahmeer Khalid Butt	Independent Director
Mr. Umer Mansha	Non-Executive Director
Mrs. Naz Mansha	Female Director
Mr. Shaikh Muhammad Jawed	Non-Executive Director
Mr. Imran Maqbool	Non-Executive Director
Mr. Muhammad Ali Zeb	Non-Executive Director

Directors' Participation / Attendance in various meetings including Board, its Committees and Annual General Meeting (AGM) held during 2023 is presented in below table:

		Board Meeting	BAC	EHRNC	BIC	AGM
No. of Meeting held During 2023		6	4	2	4	1
Director	Mr. Shaikh Muhammad Jawed	6	4	2	4	1
	Mr. Umer Mansha	6		2		
	Mrs. Naz Mansha	5				
	Mr. Muhammad Ali Zeb	6	4		4	
	Mr. Imran Maqbool	6			4	
	Mr. Ahmad Alman Aslam	3				1
	Mr. Shahmeer Khalid Butt	6	4	2		1
Management	Mr. Samad Ali Naqvi		4			1
	Mr. Muhammad Amir				4	
	Ms. Zehra Faiz			2		
	Mr. Jalal Meghani	6	4		4	1
	Mr. Amin Nizar Ali				4	
	Mr. Manzar Mushtaq	6	4	2	4	1

BAC: Board Audit Committee
 EHRNC: Ethics, Human resource, Remuneration and Nomination Committee
 BIC: Board Investment Committee

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

In addition to the aforementioned, the following three committees are also chaired by the directors of the company and operate in accordance with the terms of reference laid forth in the Code of Corporate Governance for Insurers, 2016:

1. Claims Settlement Committee
2. Underwriting, Reinsurance & Co-insurance Committee
3. Risk Management & Compliance Committee

Other committees include the Investment Management Committee (IMC), the IT Steering Committee, Project Management Group (PMG), all of which are chaired by the Deputy Managing Director & Chief Financial Officer.

Internal Audit Function

The Internal Audit Department of the company operates under a defined scope and authority, outlined in the approved Internal Audit Charter. This department follows a risk-based methodology for conducting internal audits, evaluating the effectiveness and sufficiency of internal controls, consistency in policy and procedure application, and adherence to laws and regulations. Based on the reports generated by the internal audit function, process owners take corrective actions to enhance controls. To preserve its impartiality and independence, the Internal Audit Department reports to the Board Audit Committee (BAC) in a functional capacity and to the CEO in an administrative capacity.

Risk and Opportunity

The company has a strong risk management system in place. The Board of Directors closely monitors risks, through Risk Management & Compliance Committee, and performs comprehensive assessments to ensure smooth business operations and to take advantage of opportunities that align with the company's long-term strategies and vision. They are diligent in identifying and mitigating risks.

Material Changes

There have been no material changes since December 31, 2022 to the date of this report.

Holding Company

The Company is a subsidiary of the Adamjee Insurance Company Limited.

Corporate and Financial Reporting Frame Work

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- System of internal control is sound 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, as detailed in the listing regulations.
- The key operating and financial data for the last six years is annexed.
- The value of assets of gratuity fund as at December 2023 is Rs. 215 million (2022: Rs. 184 Million) refer note 20 of the financial statements.

Auditors

The retiring auditor Yousuf Adil, Chartered Accountants have completed five years as auditors of the Company and are no longer eligible for re-appointment. On recommendation of the Audit Committee, the Board of Directors have recommended the appointment of KPMG Taseer Hadi & Co, Chartered Accountants for the year 2024, who have indicated their consent to act as auditor.

Acknowledgement

The Company's talented and distinguished executives, personnel, and field force made a significant contribution to its development and progress, and the Directors want to publicly express their gratitude for this. Their persistent dedication to upholding the highest ethical standards, providing excellent customer service, and hard work have enabled your company to establish and hold its position as one of the top players among private sector life insurers.

We must also express our thanks to Adamjee General for their ongoing support and direction, which have helped the company build a solid reputation in the marketplace.

Finally, we would like to express our gratitude to the Securities and Exchange Commission of Pakistan for their support and cooperation throughout the year as well as to our clients for their faith in us.



Sheikh Muhammad Jawed
 Chairman Board of Directors

February 26, 2023



Manzar Mushtaq
 Chief Executive Officer

- گزشتہ چھ سالوں کا کلیدی آپریٹنگ اور فنانشل ڈیٹا ضمیمہ کے طور پر دیا گیا ہے۔
- دسمبر 2023 تک گریجویٹ فنڈ کے اثاثوں کی مالیت 215 ملین روپے (2022: 184 ملین روپے)، فنانشل سٹیٹمنٹس کا نوٹ نمبر 20 ملاحظہ فرمائیں۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹر یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹر کے طور پر پانچ سال مکمل کر لئے ہیں اور اب وہ دوبارہ تقرری کے اہل نہیں ہیں۔ آڈٹ کمیٹی کی سفارش پر، بورڈ آف ڈائریکٹرز نے سال 2024 کے لیے KPMG تاثر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے، جنہوں نے آڈیٹر کے طور پر کام کرنے کے لیے اپنی رضامندی ظاہر کی ہے۔

اظہار تشکر

کمپنی کے باصلاحیت اور ممتاز ایگزیکٹوز، اہلکاروں اور فیلڈ فورس نے اس کی ترقی اور پیشرفت میں اہم کردار ادا کیا ہے جس پر ڈائریکٹرز علی اعلان ان سے اظہار تشکر کرنا چاہتے ہیں۔ اعلیٰ ترین اخلاقی معیارات کو برقرار رکھنے، بہترین کسٹمر سروس فراہم کرنے، اور سخت محنت نے آپ کی کمپنی کو اس قابل بنایا ہے کہ اس کا شمار آج نجی شعبے کی لائف انشورنس کمپنیوں میں سرفہرست آنے والے اداروں میں ہوتا ہے۔

ہم مسلسل بنیاد پر معاونت اور ہدایات پر آدھی جزیل کا بھی شکریہ ادا کرنا چاہتے ہیں جس کی بدولت ہمیں مارکیٹ میں اپنی شہرت کو مضبوط بنانے میں مدد ملی۔

آخر میں ہم اس پورے سال کے دوران تعاون اور معاونت فراہم کرنے پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا شکریہ ادا کرنا چاہتے ہیں اور ہمارے ادارے پر اعتماد کرنے والے اپنے کلائنٹس کے بھی شکریہ گزار ہیں۔

Mausam Muratq

منظر مشتاق

چیف ایگزیکٹو آفیسر

ایس ایم جاوید

چیرمین

26 فروری 2023

دیگر کمیٹیوں میں انوسٹمنٹ مینجمنٹ کمیٹی (آئی ایم سی)، آئی ٹی سٹریٹجی کمیٹی، پراجیکٹ مینجمنٹ گروپ (پی ایم جی) شامل ہیں جن سب کی سربراہی کے فرائض ڈپٹی مینجنگ ڈائریکٹر اور چیف فنانشل آفیسر انجام دیتے ہیں۔

انٹرنل آڈٹ فنکشن

کمپنی کا انٹرنل آڈٹ ڈیپارٹمنٹ ایک طے شدہ دائرہ کار اور اختیار کے تحت کام کرتا ہے، جو منظور شدہ انٹرنل آڈٹ چارٹر میں بیان کیا گیا ہے۔ یہ شعبہ انٹرنل آڈٹ کرنے، انٹرنل کنٹرولز کی افادیت اور کفایت، پالیسی اور طریقہ کار کے اطلاق میں موافقت، اور قواعد و ضوابط کی پاسداری کا جائزہ لینے کے لئے رسک پر مبنی طریقہ کار پر عمل کرتا ہے۔ انٹرنل آڈٹ فنکشن کی طرف سے تیار کی گئی رپورٹوں کی بنیاد پر، متعلقہ ذمہ داران ان کنٹرولز کو مزید بہتر بنانے کے لئے اصلاحی اقدامات کرتے ہیں۔ اپنی غیر جانبداری اور آزادی کو برقرار رکھنے کے لئے انٹرنل آڈٹ ڈیپارٹمنٹ، اپنی فنکشنل حیثیت میں بورڈ آڈٹ کمیٹی (بی اے سی) اور انتظامی حیثیت میں سی ای او کو رپورٹ کرتا ہے۔

رسک اور مواقع

کمپنی نے اپنا ایک مضبوط رسک مینجمنٹ سسٹم وضع کیا ہوا ہے۔ بورڈ آف ڈائریکٹرز، رسک مینجمنٹ اینڈ کمپلائنس کمیٹی کے ذریعے ہر رسک پر کڑی نظر رکھتا ہے اور جامع تجزیے تیار کرتے ہوئے کاروباری امور کو بلا روک ٹوک چلانے اور کمپنی کی دور رس حکمت عملیوں اور وژن کی روشنی میں پیدا ہونے والے مواقع سے فائدہ اٹھانے کے لئے ضروری اقدامات کرتا ہے۔ خطرات کی نشاندہی اور ان پر قابو پانے کے لئے وہ پوری مستعدی اور تندی کے ساتھ کام کرتا ہے۔

مادی تبدیلیاں

31 دسمبر 2022 سے تادم تحریر کوئی مادی تبدیلیاں نہیں آئیں۔

ہولڈنگ کمپنی

کمپنی، آدھی انشورنس کمپنی لمیٹڈ کی ذیلی کمپنی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

- کمپنی کی مینجمنٹ کی طرف سے تیار کی جانے والی فنانشل سٹیٹمنٹس اس کی صورتحال، اس کی سرگرمیوں کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلیوں کو عمدہ طریقے سے بیان کرتی ہیں۔
- کمپنی اپنے اکاؤنٹس کی باقاعدہ کتب مرتب کرتی ہے۔
- فنانشل سٹیٹمنٹس کی تیاری میں اکاؤنٹنگ کی موزوں پالیسیوں کو موافق انداز میں اپنایا جاتا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ جانچ پر مبنی ہوتے ہیں۔
- اکاؤنٹنگ کے بین الاقوامی معیارات، جیسا کہ پاکستان میں لاگو ہوتے ہیں، پر عمل کرتے ہوئے فنانشل سٹیٹمنٹس تیار کی جاتی ہیں اور ان سے کسی بھی روگردانی کا باقاعدہ طور پر افساء کیا جاتا ہے۔
- انٹرنل کنٹرول کا نظام اپنے ڈیزائن کے لحاظ سے درست ہے اور اس پر مؤثر طریقے سے عمل کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
- ایک فعال ادارے کے طور پر اپنی سرگرمیاں جاری رکھنے کے لئے کمپنی کی قابلیت کے بارے میں کوئی قابل ذکر شکوک و شبہات لاحق نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین مروجہ طریقوں سے مادی لحاظ سے کوئی روگردانی نہیں کی گئی، جیسا کہ لسٹنگ ریگولیشنز میں بیان کئے گئے ہیں۔

جناب شاہ میر خالد بیٹ	انڈیپنڈنٹ ڈائریکٹر
جناب عمر منشاء	نان ایگزیکٹو ڈائریکٹر
محترمہ ناز منشاء	خاتون ڈائریکٹر
جناب شیخ محمد جاوید	نان ایگزیکٹو ڈائریکٹر
جناب عمران مقبول	نان ایگزیکٹو ڈائریکٹر
جناب محمد علی زیب	نان ایگزیکٹو ڈائریکٹر

2023 کے دوران منعقد کئے گئے مختلف اجلاسوں بشمول بورڈ، اس کی کمیٹیوں اور سالانہ اجلاس عام (اے جی ایم) میں ڈائریکٹر صاحبان کی شمولیت/حاضری کی تفصیل درج ذیل ٹیبل میں دی گئی ہے:

بورڈ کا اجلاس	بی اے سی	ای ایچ آر آراین سی	بی آئی سی	اے جی ایم
2023 کے دوران منعقد کئے گئے اجلاسوں کی تعداد	6	4	2	4
ڈائریکٹر	جناب شیخ محمد جاوید	6	4	2
	جناب عمر منشاء	6		2
	محترمہ ناز منشاء	5		
	جناب محمد علی زیب	6	4	4
	جناب عمران مقبول	6		4
	جناب احمد المان اسلم	3		1
مینیجر	جناب شاہ میر خالد بیٹ	6	4	2
	جناب محمد علی نقوی		4	1
	جناب محمد عامر			4
	محترمہ زہرہ فیض		2	
	جناب جلال میصافی	6	4	4
	جناب امین نذاری علی			4
جناب منظر مشتاق	6	4	2	4

بی اے سی: بورڈ آڈٹ کمیٹی
ای ایچ آر آراین سی: ایچ ایس، ہیومن ریسورس، ریسریشن اینڈ ٹریننگ کمیٹی
بی آئی سی: بورڈ انوسٹمنٹ کمیٹی

کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 کے تحت مینجمنٹ کمیٹیاں

مذکورہ بالا کے علاوہ درج ذیل تین کمیٹیوں کے سربراہان بھی کمیٹی کے ڈائریکٹرز میں شامل ہیں اور کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 میں طے کی گئی حوالہ جاتی شرائط کے مطابق کام کرتے ہیں:

1. کلیئر سیٹلمنٹ کمیٹی
2. انڈر رائٹنگ، ری آشورنس اینڈ کوانٹورنس کمیٹی
3. رسک مینجمنٹ اینڈ کپلائنس کمیٹی

جاری سرگرمیوں کو فروغ دیا گیا۔

- ماہ رمضان کے دوران عطیات کی مہم کے تحت نہ صرف عطیات دیئے گئے بلکہ لوگوں کی حوصلہ افزائی کی گئی کہ وہ ایس آئی یوٹی، جے ڈی سی فاؤنڈیشن اور انڈس ہسپتال جیسے معروف اداروں کو عطیات دیں۔
- چھاتی کے کینسر کے بارے میں آگاہی کے مہینے "پنکٹو بر" کے دوران ہم نے سرکاری اداروں اور ٹیلی ہیلتھ کی خدمات فراہم کرنے والے مایہ ناز ادارے (MedIQ)، کینسر سے صحت یاب ہونے والے ایک فرد اور اپنے چیئلمن پارٹنرز کے ساتھ مل کر اس خطرناک لیکن قابل علاج مرض کے بارے میں شعور و آگاہی پھیلانے میں مدد دی۔
- یوتھ اسپیکٹ اور جے ڈی سی فاؤنڈیشن کے ساتھ مل کر دونوں جوان لیڈروں کو مارخور سمٹ کے سلسلے میں سپانسر کیا۔
- انڈس ہسپتال کے ساتھ مل کر سال میں دو بار خون کے عطیات جمع کرنے کی مہم چلائی۔
- ڈاکٹر جمیل جالبی کے اعزاز میں ان کے نام پر اردو ادب کے ادبی ایوارڈز کو سپانسر کیا۔

بورڈ کا جانچ پرکھ کا نظام

کوڈ آف کارپوریٹ گورننس ریگولیشنز کی روشنی میں کمپنی کے بورڈ آف ڈائریکٹرز نے سالانہ بنیاد پر بورڈ اور اس کی کمیٹیوں دونوں کی کارکردگی کی جانچ پرکھ کے لئے ایک فریم ورک وضع کیا ہے۔ بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیاں سالانہ بنیاد پر ان شعبوں کے جائزہ پر کام کرتی ہیں جن پر زیادہ توجہ کی ضرورت ہوتی ہے اور اس سلسلے میں شمولیت کا تعین کیا جاتا ہے اور اس پر کام کیا جاتا ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز کو کمپنی کے آرٹیکلز کے تحت نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کا مدت وار معاوضہ طے کرنے کا اختیار حاصل ہے۔ بورڈ آف ڈائریکٹرز کی جانب سے "بورڈ کی مشاہرہ پالیسی" کی منظوری ہو چکی ہے۔ پالیسی کے عین مطابق بورڈ کے اجلاسوں میں شرکت کی فیس کے سوا، کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو کوئی دیگر معاوضہ فراہم نہیں کرتی۔ ڈائریکٹرز کو دیا جانے والا معاوضہ بشمول بورڈ یا بورڈ کمیٹی کے اجلاسوں میں شرکت کے اخراجات فنانس سٹیٹمنٹ کے نوٹ 40 میں مناسب طریقے سے بیان کر دیئے گئے ہیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 اور پی ایس ایکس

رول بک کی پاسداری

ایک لسٹڈ لائف انشورنس کمپنی کے طور پر، کمپنی PSX رول بک، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) 2019، اور بالخصوص کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 کے قواعد کی پابندی کرتی ہے۔ ان معیارات سے متعلق پاسداری کا بیان سالانہ رپورٹ کے ہمراہ ضمیمہ کے طور پر دیا گیا ہے۔

بورڈ آف ڈائریکٹرز

کمپنی کا بورڈ آف ڈائریکٹرز، کل چار نان ایگزیکٹو ڈائریکٹرز، ایک خاتون ڈائریکٹر اور دو انڈیپنڈنٹ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ صنفی تنوع کی لازمی شرط کی پاسداری کرتے ہوئے بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل ہے:

کیٹیگری

انڈیپنڈنٹ ڈائریکٹر

نام

جناب احمد المان اسلم

فی حصص آمدنی

سال 2023 میں بنیادی اور Diluted فی حصص آمدنی 3.63 روپے حالانکہ 2022 میں اس کی مالیت 1.99 روپے رہی تھی۔

حصص داران کا منافع

بورڈ آف ڈائریکٹرز نے 1.00 روپے فی حصص یعنی 10 فیصد کی شرح سے حقیقی نقد منافع کی سفارش کی ہے۔ یہ کمپنی کی طرف سے ادا کئے گئے 1.00 روپے فی حصص (10 فیصد) کے عبوری نقد منافع کے علاوہ ہے جس کے بعد اب سال 2023 کا کل نقد منافع 2.00 روپے فی حصص، یعنی 20 فیصد ہو گیا ہے جو 25 اپریل 2024 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حصص داران کی منظوری سے مشروط ہے۔

انشورر کے مالیاتی استحکام کی ریٹنگ (آئی ایف ایس ریٹنگ)

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ سالانہ بنیاد پر کمپنی کی آئی ایف ایس ریٹنگ کا جائزہ تیار کرتی ہے۔ 26 جون 2023 کو آخری سالانہ تجزیہ مکمل کیا گیا اور کمپنی کی آئی ایف ایس ریٹنگ A++ پر کنفرم کی گئی اور آؤٹ لک Stable رہا۔ اس گریڈ میں اپنے معاہدوں اور پالیسی ہولڈرز سے کئے گئے وعدوں کو پورا کرنے کے لئے کمپنی کی مضبوط صلاحیت کو پیش نظر رکھا گیا ہے۔ روایتی اور ونڈو تکافل دونوں کے تحت کمپنی کی سرگرمیوں میں افزائش کے رجحانات دیکھنے میں آئے اور PACRA کے ریٹنگ تجزیہ کے مطابق پریمیم میں حریف کمپنیوں کے برعکس سازگار رہا۔

ایوارڈز اور اعزازات

سال 2023 کے دوران بھی کمپنی کے اعزازات میں اضافے کا سلسلہ جاری رہا:

- پاکستان ڈیجیٹل ایوارڈ (سال کی بہترین ویب سائٹ)
- این ایف ای ایچ، سی ایس آر ایوارڈ (نیشنل فورم فار انوائٹمنٹ اینڈ ہیلتھ ایوارڈ)
- کنزرویٹو چوائس ایوارڈ

ضابطہ اخلاق اور کاروباری اقدار

آدجی لائف نے اپنا ایک ضابطہ اخلاق وضع کیا ہے جس میں تمام سٹیک ہولڈرز بشمول بورڈ ارکان، ملازمین اور ہذا خود کمپنی کے فرائض اور ذمہ داریاں طے کر دی گئی ہیں۔ یہ ضابطہ کمپنی کی کارپوریٹ سٹرٹیجی، وژن، مشن اور کلیدی اقدار پر مبنی ہے اور کمپنی کے کلچر کا ایک ناگزیر پہلو ہے۔ یہ ضابطہ اخلاق سالانہ رپورٹ کے صفحہ نمبر XX پر دیا گیا ہے اور کمپنی کی ویب سائٹ پر بھی موجود ہے اور ادارے میں ہر سطح پر اس کے بارے میں موثر آگاہی کے انتظامات کئے گئے ہیں۔

بطور کاروباری ادارہ سماجی ذمہ داری (سی ایس آر)

پاکستان کے بڑے کاروباری گروپوں میں سے ایک گروپ کے جزو کے طور پر آدجی لائف ہمیشہ ایک با مقصد ادارے کے طور پر کام کرتا رہا ہے۔ ہمارا سی ایس آر ونگ، "تگہان" اپنی موثر کاوشوں کے ذریعے کم آمدنی والے طبقات کی زندگیاں بہتر بنانے کے لئے سرگرم عمل ہے۔ بورڈ کی طرف سے منظور کی گئی سی ایس آر پالیسی ہمارے مقاصد کے حصول کے لئے ایک رہنما فریم ورک کا کام دیتی ہے۔

رواں سال کے دوران سی ایس آر کی سرگرمیاں یہ رہیں:

- انڈس ہسپتال اور سینٹ جوزف سکول کے اشتراک سے Promising Pakistan مہم پر کام کیا گیا جس کے تحت تعلیم اور صحت کے شعبوں میں معاونت کی

کمپنی کا کلیمز سیٹلمنٹ کا تناسب تاریخ ہذا کے 90 دن کے اندر 83 فیصد اور شکایات نمٹانے کا تناسب 30 دن میں 97 فیصد رہا۔

کمپنی کے سٹیچوٹری فنڈ کا حجم 31 دسمبر 2022 کو 78.2 ارب روپے رہا جو ایک سالہ مدت میں 26.6 فیصد اضافے کو ظاہر کرتا ہے۔

سندھ اور لاہور کی فاضل ہائی کورٹس میں کمپنی اور لائف انشورنس انڈسٹری کے دیگر اداروں کی جانب سے سرو سزپر سندھ ریونیو بورڈ (ایس آر بی) کی جانب سے عائد کئے گئے سندھ سیز ٹیکس (SST) اور پنجاب ریونیو اتھارٹی (پی آر اے) کی جانب سے سرو سزپر پنجاب سیز ٹیکس کے نفاذ کے خلاف دائر درخواستوں کے معاملے میں کوئی بڑی پیش رفت نہیں ہوئی۔ کمپنی نے اس ٹیکس کے سلسلے میں کوئی واجبات مہیا نہیں کئے کیونکہ اس کا ماننا ہے کہ خدمات پر اس طرح کا سیز ٹیکس لائف انشورنس پالیسی پر نہیں لگایا جاسکتا جو کوئی سروس نہیں بلکہ ہنگامی صورتحال کے لئے کیا جانے والا معاہدہ ہے۔

ونڈو تکافل کی سرگرمیاں:

ونڈو تکافل کی سرگرمیوں سے حاصل ہونے والی خام آمدنی 3.988 ارب روپے (31 دسمبر 2022: 4.166 ارب روپے) رہی۔ 31 دسمبر 2023 کے منافع قبل از ٹیکس کی مالیت 251 ملین روپے رہی جس میں گزشتہ سال کی اسی مدت کی نسبت 37.53 فیصد اضافہ دیکھنے میں آیا جس کی مالیت 184.082 ملین روپے رہی تھی۔ تکافل کا بنیاد پرنس کس 30 فیصد رہا جو گزشتہ سال 38 فیصد تھا۔

سرپلس ٹرانسفر:

سال کے دوران 500 ملین روپے کی اضافی رقم سٹیچوٹری فنڈز سے حصص داران کے فنڈ میں منتقل کی گئی۔ رقم کی یہ منتقلی کمپنی کی طرف سے مقرر کئے گئے ایکچوٹری کے مشورے کی بنیاد پر کی گئی۔

آئندہ منظر نامہ:

پاکستان کی معیشت بین الاقوامی مالیاتی پروگراموں کی روشنی میں ڈھانچہ جاتی اصلاحات کے عمل سے گزر رہی ہے۔ اداروں کی بنیادی اصلاحات اور لوور ہانگ کے لئے ایک مستحکم اور فعال جمہوری نظام کلیدی کردار ادا کرتا ہے۔ آئندہ انتخابات کے بعد بنیادی حکومت کو بے شمار چیلنجز کا سامنا کرنا پڑے گا۔ مالیاتی عدم توازن، بھاری قرضوں کی ادائیگی، نمایاں حد تک بلند افراط زر اور ایکٹیو پیجز کا دباؤ بنی حکومت کے اقتصادی بحالی کے ایجنڈے میں اہم رکاوٹیں پیدا کر سکتا ہے۔ صارفین کی کم قوت خرید، اور کم سرکاری اخراجات بحیثیت مجموعی انشورنس کے شعبے کی سیز میں کمی کا باعث بنا ہے۔ مالی سال 2024 کے لئے نظر ثانی شدہ جی ڈی پی کی نمو کی پیش گوئی 2 فیصد ہے، جس کے ساتھ افراط زر کی شرح کا اندازہ 23-25 فیصد ہے۔

کمپنی کی قیادت ملک کے موجودہ معاشی حالات سے بخوبی آگاہ ہے اور چیلنجزوں سے نمٹنے کے لیے ضروری حکمت عملیوں پر فعال طریقے سے کام کر رہی ہے۔ مزید برآں، کمپنی نئے مواقع، نئی مارکیٹ کی تلاش اور پالیسی ہولڈر کو اپنی پالیسیوں فعال رکھنے پر مراعات دینے کے لئے صورتحال کا بغور تجزیہ کرتی رہے گی۔

کمپنی مناسب اور معقول حد تک کیپیٹل لائڈ ہے، اس کے تمام سٹیچوٹری فنڈز مناسب حد تک سالونٹ ہیں، اور اس کے ادا شدہ سرمایہ پر کل ذخائر کی مالیت 1.92 ارب ہے۔ اگرچہ 2024 میں پاکستان کو اپنی معیشت سنبھالنے کے لئے خاصی جدوجہد کرنا پڑے گی، کمپنی کے نزدیک اس کی ایکویٹی پر کسی منفی اثرات کا کوئی شائبہ نہیں ہے۔

ڈائریکٹرز کا جائزہ

آڈیٹڈ انشورنس کمپنی لمیٹڈ کے ڈائریکٹرز کے لئے یہ امر انتہائی مسرت کا باعث ہے کہ ہم 31 دسمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ مالی بیانات (Audited Financial Statements) پیش کر رہے ہیں۔

مالیاتی امور کے نمایاں پہلو:

زیر نظر سال کے نمایاں پہلو درج ذیل ہیں:

کمپنی نے مشکل معاشی حالات میں مقابلے کی غیر معمولی صلاحیت کا مظاہرہ کیا ہے، جو سالہا سال سے اس کے پورٹ فولیو میں سٹریٹجک اضافے اور اس کی صف اول کی مصنوعات کی افزائش کا منہ بولتا ثبوت ہے۔ اس کے ساتھ ساتھ ایکویزیشن کی لاگت اور اسٹیچوٹری ریزرو میں سرمایہ کاری کے سازگار اثرات نے بہترین منافع کے حصول میں اہم کردار ادا کیا ہے۔

کمپنی کو اگرچہ انفرادی ریگولر پریمیم پالیسیوں سے نئے کاروبار کے حصول میں 6.9 فیصد کمی کا سامنا کرنا پڑا، لیکن دیگر شعبوں کے نتائج قابل ذکر حد تک مثبت رہے۔ تجدیدی پریمیم اور کارپوریٹ گروپ لائف کے کاروبار میں بالترتیب 5.52 فیصد اور 23.28 فیصد اضافہ ہوا ہے۔ علاوہ ازیں، سنگل پریمیم پالیسیوں کی کاروباری سرگرمیوں میں خاطر خواہ اضافہ دیکھا گیا، جو 26.54 فیصد تک ریکارڈ کیا گیا۔ نتیجتاً، کمپنی کے کل مجموعی پریمیم میں گزشتہ سال کے مقابلے میں 11.47 فیصد کا شاندار اضافہ دیکھنے میں آیا۔

کمپنی کا انڈر رائٹنگ سرپلس، جو آپریٹنگ اخراجات سے پہلے منافع اور شیئرز ہولڈرز کے فنڈ سے آمدنی کو ظاہر کرتا ہے، نمایاں افزائش کے ساتھ 2,114 ملین روپے تک پہنچ چکا ہے جو پچھلے سال میں 1,440 ملین تھا جو 46.84 فیصد کے خاطر خواہ اضافہ کو ظاہر کرتا ہے۔

انڈر رائٹنگ سرپلس میں اس نمایاں اضافے کو کئی عوامل سے منسوب کیا جاسکتا ہے:

اولاً، سود پر مبنی سیکورٹیز سے حاصل ہونے والی آمدنی میں اضافہ ہوا، جس میں دیوالیہ پن سے تحفظ کے لئے کی جانے والی سرمایہ کاری اور اسٹیچوٹری فنڈ کے دیگر ریزروز شامل ہیں۔ علاوہ ازیں، پالیسی ہولڈرز فنڈ کے سائز میں اضافہ اور ایکویزیشن / ڈسٹری بیوشن کی لاگت میں خاطر خواہ کنٹرول نے کمپنی کے انڈر رائٹنگ سرپلس کو بڑھانے میں اہم کردار ادا کیا ہے۔

علاوہ ازیں، گزشتہ سال کی نسبت شرح اموات کا پہلو کمپنی کے حق میں زیادہ سازگار رہا۔ اس مثبت نتیجہ کی بدولت انڈر رائٹنگ سرپلس کو بحیثیت مجموعی مزید بہتر بنانے میں مدد ملی۔ ان تمام عوامل سے کمپنی کی مالیاتی حکمت عملیوں اور رسک مینجمنٹ کے طریقوں کی افادیت کی عکاسی ہوتی ہے۔

سرمایہ کاری پر منافع کی بہتر شرح کی بدولت شیئرز ہولڈرز کے فنڈ سے کمپنی کی نقد آمدنی (سرپلس کی منتقلی سے پہلے) میں نمایاں اضافے کے ساتھ 501 ملین روپے تک پہنچ گئی ہے جو گزشتہ سال 208 ملین روپے تھی۔

آپریٹنگ اخراجات میں گزشتہ سال کی نسبت 29 فیصد اضافہ ہوا، جو اب بھی سال 2023 میں مہنگائی کی شرح کے مطابق ہے۔ اس کے باوجود، آپریٹنگ اخراجات بجٹ میں مختص کی گئی رقم سے 15 فیصد کم رہے جو بجٹ میں رکھے گئے نئے اخراجات پر کام شروع کرنے سے پہلے انتظامیہ کی محتاط حکمت عملی کو ظاہر کرتے ہیں۔

نتیجتاً کمپنی کے قبل از ٹیکس منافع میں گزشتہ سال کے 810 ملین روپے کی نسبت 1.54 ارب روپے تک اضافہ ہوا ہے جس سے فی حصص آمدنی 3.63 روپے رہی جو گزشتہ سال 1.99 روپے فی حصص رہی تھی۔

اسٹیچوٹری / پالیسی ہولڈرز فنڈز کے منافع اور کیش ویلیو میں نمایاں بہتری آئی ہے جس کی سرمایہ کاری تاریخی طور پر بلند شرح سود کے باعث زیادہ تر نسبتاً کم رسک پر مبنی قرض اور منی مارکیٹ کے انسٹرومنٹس میں کی جاتی ہے۔ ایکویٹی مارکیٹ کی کارکردگی بھی تاریخی رہی اور اس نے بھی شاندار منافع دیا۔ تمام فنڈز پر مجموعی اوسط منافع تقریباً 27.65 فیصد سالانہ رہا جو 2022 میں 14 فیصد سالانہ رہا تھا۔

	31 دسمبر 2022	31 دسمبر 2023	
	آڈٹ شدہ	آڈٹ شدہ	
	-----ہزار روپے میں-----		
گراس پریمیم	20,948,801	23,350,828	
نقد پریمیم	20,315,452	22,685,659	
سرمایہ کاری سے آمدنی	3,734,153	18,062,049	
پالیسی ہولڈرز کو ادا شدہ اور ان کے لئے مخصوص نقد مراعات	19,171,741	34,893,773	
خریداری یا ایکویزیشن اور دیگر آپریٹنگ اخراجات	4,067,554	4,312,733	
قبل از ٹیکس منافع	810,310	1,541,202	
بعد از ٹیکس منافع	497,702	908,075	
اسٹیچوٹری فنڈ	61,810,326	78,264,502	
حصص داران کی ایکویٹی	3,748,290	4,417,568	
	-----روپے میں-----		
فی حصص آمدنی	1.99	3.63	

کارکردگی کا جائزہ:

مالی سال 2023 میں پاکستان کی مجموعی ملکی پیداوار کی شرح میں نمایاں کمی دیکھنے میں آئی جو گزشتہ سال کی اسی مدت میں 6.10 فیصد تھی اور اس کے برعکس اس سال 0.29 فیصد رہی۔ شدید میکرو اکنامک عدم توازن، ملکی سطح پر رسد کے بحرانوں اور عالمی اقتصادی کساد بازاری نے معاشی زوال میں مزید بگاڑ پیدا کیا۔ علاوہ ازیں، مجموعی ملکی پیداوار کے لحاظ سے سرمایہ کاری کا تناسب مالی سال 2022 میں 15.7 فیصد تھا جو مالی سال 2023 میں 13.6 فیصد رہا۔ قابل ذکر بات یہ ہے کہ فی کس آمدنی میں بھی کمی دیکھنے میں آئی جو مالی سال 2022 میں 1,765 امریکی ڈالر تھی اور مالی سال 2023 میں 1,568 امریکی ڈالر رہی جو اس مدت کے دوران کٹھن معاشی حالات کو ظاہر کرتی ہے۔

یہ حقیقت اپنی جگہ کہ بیمہ کی سرایت معاشی نمو اور اضافی آمدنی کے ساتھ جڑی ہوئی ہے اور سیاسی ہلچل اور افراط زر کے دباؤ کے باعث ان دونوں پر منفی اثرات مرتب ہوئے ہیں، لیکن ہمارے کاروباری پارٹنرز اور سیلز فورس کی موثر براہ راست سرگرمیوں کی بدولت ہم نے اپنے مقاصد کو عملی جامہ پہنانے کا سلسلہ جاری رکھا ہے، جس سے ظاہر ہوتا ہے کہ بے یقینی کا شکار زندگی میں سہارا کس قدر اہمیت کا حامل ہوتا ہے۔

Compliance with the Code of Corporate Governance

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & the Listed Companies (Code of Corporate Governance) Regulations, 2019, for the year ended 31 December 2023

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

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

- The total number of directors are Eight as per the following, -
 - Male: Seven
 - Female: One
- The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name
Independent Director	Mr. Ahmad Alman Aslam
Independent Director	Mr. Shahmeer Khalid Butt
Non-Executive Director	Mr. Umer Mansha
Non-Executive Director	Mrs. Naz Mansha
Non-Executive Director	Mr. Shaikh Muhammad Jawed
Non-Executive Director	Mr. Imran Maqbool
Non-Executive Director	Mr. Muhammad Ali Zeb
Chief Executive Officer	Mr. Manzar Mushtaq

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

- The directors have confirmed that none of them is serving as a director on more than seven listed companies including this company.
- 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 or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
- No casual vacancy occurred during the year.
- The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the Company.
- 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.
- All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and the key officers, have been taken by the Board in accordance with the Companies Act and the Regulations.

- 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 (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
- The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- During the year, new Company Secretary Mr. Arsalan Ahmed Khan was appointed by the board.
- There was no change of Chief Financial Officer, Head of Internal Audit. The Board has approved the remuneration of CFO & Company Secretary and the Head of Internal Audit Department.
- 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.
- The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
- The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
- The Company has complied with all the corporate and financial reporting requirements of the Code and the Regulations.
- The Board has formed the following Management Committees under the Code:

Underwriting, Reinsurance & Co-insurance Committee

Name of Members	Category
Mr. Umer Mansha	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Dr. Bakht Jamal	Member / Head of Operations
Mr. Farrukh Kidwai	Secretary / Head of Underwriting

Claim Settlement Committee

Name of Members	Category
Mr. S.M. Jawed	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Ali Haider	Member / Head of Distribution
Mr. Kashif Fareed Ahmed Khan	Secretary / Head of Claims

Risk Management & Compliance Committee

Name of Members	Category
Mr. Muhammad Ali Zeb	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Mr. Asif Mirza	Secretary / Head of Compliance

19. The Board has formed the following Board Committees.

Ethics, Human Resource, Remuneration and Nominations Committee

Name of Members	Category
Mr. Shahmeer Khalid Butt	Chairman / Independent Director
Mr. S.M Jawed	Member / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Umer Mansha	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Ms. Zehra Faiz	Secretary / Head of Human Resource

Investment Committee

Name of Members	Category
Mr. S.M. Jawed	Chairman / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Imran Maqbool	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Mr. Muhammad Amir	Secretary / Sr. Manager Finance

20. The Board has formed an Audit Committee. It comprises of three members, of whom one is an independent director and two are non-executive directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

Audit Committee

Name of Members	Category
Mr. Shahmeer Khalid Butt	Chairman / Independent Director
Mr. S.M. Jawed	Member / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Samad Ali Naqvi	Secretary / Head of Internal Audit

21. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
22. The meetings of the Committees, except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. Ethics, Human Resource and Remuneration Committee meeting was held twice during the year.
23. The Board has set up an effective internal audit department which comprises of suitably qualified and experienced staff for the purpose and are conversant with the policies and procedures of the Company and are involved in the internal audit function on a regular basis.
24. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, 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 Members	Category
Mr. Manzar Mushtaq	Chief Executive Officer
Mr. Jalal Meghani	Chief Financial Officer / Deputy Managing Director
Mr. Arsalan Ahmed Khan	Company Secretary
Mr. Samad Ali Naqvi	Head of Internal Audit
Mr. Asif Mirza	Head of Compliance
Mr. Amin Nizar Ali	Head of Actuarial & Risk Management
Mr. Bakht Jamal	Head of Operations & Legal
Mr. Farrukh Kidwai	Head of Underwriting
Mr. Kashif Fareed Ahmed Khan	Head of Claims
Mr. Muhammad Danish	Head of Customer Services

25. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the insurer 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 Institute of Chartered Accountants of Pakistan.
26. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
27. The Appointed Actuary of the Company has confirmed that he or his spouse and minor children do not hold shares of the Company.
28. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code.
29. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
30. The Board ensures that the risk management system of the Company is in place as per the requirement of the Code.

31. The Company has set up a risk management function / department, which carries out its tasks as covered under the Code.
32. The Board ensures that as part of the risk management system, the Company gets rated from PACRA credit rating agency which is being used by its risk management function / department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on 26 June 2023 is A++ with stable outlook.
33. The Board has set up a grievance department/function, which fully complies with the requirements of the Code. There were instances where the resolution period for policyholders' complaints exceeded 30 days. These cases were generally reported to the SECP on a timely basis, but a few were reported with a slight delay due to practical reasons.
34. All directors are either already certified or exempt from the said requirement under Code.
35. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of the requirements of the Code.
36. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied with.
37. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
38. Regulation 6: The Board of the Company comprises of seven (7) elected directors and CEO therefore one-third works out to be 2.66. Fraction arrived at while calculating the one-third of Independent Directors was not rounded up to one. The reason for such rounding down is because the Board honestly believes and understands that two (2) independent directors are sufficient to fulfill the roles and obligations of the independent director as per requirements of the applicable law and regulations. Moreover, the Company has two eminent and seasoned professionals who are acting in the capacity of independent directors, both of whom have the requisite competencies, skills, knowledge and experience to discharge and execute their duties competently. Therefore, the appointment of a third independent director is not considered.
39. Mr. Jalal Meghani (Chief Financial Officer & Deputy Managing Director), was serving as a member on both the Claim Settlement Committee and the Underwriting, Reinsurance & Co-insurance Committee. However, as per the Code of Corporate Governance for Insurers, 2016, the same individual, excluding the Chief Executive Officer, cannot concurrently serve on both committees. Consequently, Mr. Jalal Meghani's name was removed from the list of members of Underwriting, Reinsurance & Co-insurance Committee through a circular resolution dated January 05, 2024.
40. The minutes for all board and management committees' meetings were duly recorded and circulated within the stipulated time frame, with the exception of the 48th and 49th Board Investment Committee minutes, which were circulated with a delay of three days. Additionally, the minutes of the Claim Settlement Committee for the second quarter were not circulated within the fortnight and were subsequently approved in the following committee meeting.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Adamjee Life Assurance Company Limited

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

We have reviewed the enclosed Statement of Compliance (the Statement) with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (both herein referred to as 'the Code') prepared by the Board of Directors of Adamjee Life Assurance Company Limited (the Company) for the year ended December 31, 2023 in accordance with the requirements of Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Provision (lxxvi) of Code of Corporate Governance for Insurers, 2016.

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 reflects the status of the Company's compliance with 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. 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.

Based on our review, nothing has come to our attention which causes us to believe that the Statement 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, 2023.

Chartered Accountants

Place: Karachi

Date: April 01, 2024

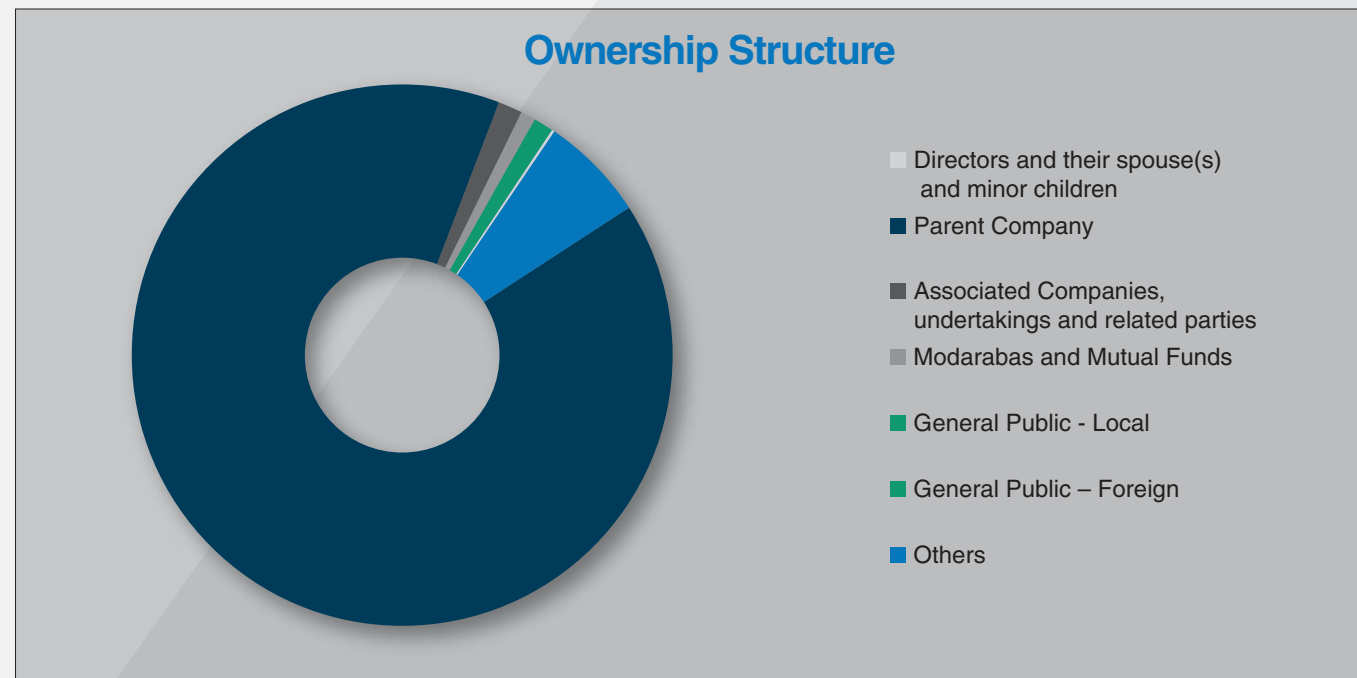
UDIN: CR202310057e6WEkwTYd

Governance Framework

Ownership Structure

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children	7	1,750	0.0007
Parent Company	1	224,998,250	90.00
Associated Companies, undertakings and related parties	1	3,613,975	1.44
Executives	-	-	-
NIT and ICP	-	-	-
Banks, Finance Institutions, NBFC	-	-	-
Insurance Companies	-	-	-
Modarabas and Mutual Funds	5	2,309,329	0.92
General Public - Local	683	2,815,576	1.32
General Public – Foreign	46	64,000	0.03
Others	18	16,197,120	6.4
Total	761	250,000,000	100.00

*The Company is a subsidiary of Adamjee Insurance Company Limited.



Formal Orientation Courses for the Directors

All the Directors of the Company are well experienced and have diverse backgrounds. At the time of induction of a new director, a comprehensive orientation session is being conducted covering various aspects such as Company's operations, applicable laws & regulations and their fiduciary duties and responsibilities towards the Company, etc.

Directors Training Program

All of the directors including Chief executive officer & Chief Financial Officer have already completed Director Training Program Certification from SECP approved institution or have availed the exemption.

Policy on related party transactions

The Related Party Transactions Policy has been adopted by the Board of Directors. It is company policy to carryout all related party transactions on an arm's length basis throughout regular business operations. On the proposal of the Audit Committee, the Board must give particular approvals or ratifications if a transaction is not carried out at arm's length in order to avoid any potential conflicts of interest.

According to the policy, every transaction with a related party must have board's approval and be recommended by the audit committee, which is chaired by an independent director. Any director (including spouses and children) who is in any way, whether directly or indirectly, interested in any agreement entered into by or on behalf of the company or contemplated by it must disclose the nature of his interest at a board meeting. In his or her capacity as a director, no director shall participate in, or cast a vote on, any contract or agreement entered into or to be entered into by or on behalf of the Company if the director is in any way, whether directly or indirectly, concerned with, interested in, or otherwise connected with the contract or agreement. Additionally, the director's presence shall not be taken into account when determining whether a quorum is present for any such discussion.

Policy for Actual and Perceived Conflict of Interest

The Company is dedicated to openly disclosing, managing, and overseeing any current or potential conflicts of interest. The Board of the Company is also aware of its responsibilities under the Listed Companies (Code of Corporate Governance) Regulation, 2019 and the Code of Corporate Governance for Insurers, 2016, to make sure that Directors avoid conflicts of interest between their official duties and their other interests.

All Board members have a responsibility to stay clear of any conflicts of interest, real or perceived. Every director of the company who has a stake in any transaction the company is considering entering must inform the board of the nature of his interest or concern and must abstain from participating or voting on the discussion. The Directors of the Company must submit a signed Statement of Compliance each year in accordance with section 153 of the Companies Act, 2017, COCG, and Insurance Companies (Sound and Prudent Management) Regulations, 2012.

The declaration mandates that each Director declare the names of the companies, partnerships, and enterprises with which they are affiliated and attests to their compliance with all applicable laws.

Grievance Policy

According to Adamjee Life's policy, a company's relationships with investors are essential to its financial health and rapid expansion. The organization's reputation is also reflected in its interactions with investors. Thus, it is essential to establish a system inside the company for serving investors and resolving their complaints in a way that complies with the law.

In accordance with this, the Company has made available on its website all pertinent information regarding the Company, its directors, auditors, share registrars, financial data for the current and previous six-year periods, and daily stock updates of the Company's shares quoted at the Karachi Stock Exchange.

The principal point of contact for investors seeking to address their complaints and find solutions on behalf of the Company is the Company Secretary. The management makes an effort to look into and satisfactorily address any investor concerns and inquiries. Using an interactive connection on our website, an investor who is unsatisfied may also contact the Securities & Exchange Commission of Pakistan (SECP) complaint cell.

IT Governance Policy

According to Adamjee Life, information technology is a crucial component of overall corporate and IT governance. The business has positioned itself to make effective use of information technology resources to meet its operational and strategic goals while boosting shareholder value. IT governance lays a strong focus on offering effective and safe IT solutions that satisfy the needs of our policyholders in the most convenient and creative ways. The company upholds extremely high standards for cyber security.

The main objective of IT governance policy is to ensure that IT systems and processes align with the goals and objectives of the organization, and support the overall strategy of the organization.

Specifically, an IT governance policy aims to achieve the following objectives:

1. Align IT strategy with business strategy
2. Manage IT risks
3. Optimize Investments
4. Ensure compliance with regulations and standards
5. Improve IT performance and efficiency
6. Ensure accountability and responsibility
7. Foster a culture of continuous improvement

Whistle Blowing Policy

Adamjee Life's whistle-blowing policy is a set of guidelines and procedures that an organization puts in place to encourage and protect employees who report misconduct or illegal activity within the organization. The policy outlines the steps an employee can take to make a report, the channels for reporting, and the protections and remedies available to whistleblowers.

The primary goal of a whistle-blowing policy is to promote ethical behavior and create a culture of transparency within the organization. By encouraging employees to speak up about wrongdoing, organizations can identify and address problems before they become major issues. Additionally, by protecting whistleblowers from retaliation, organizations can send a message that unethical behavior will not be tolerated and that the organization is committed to upholding high ethical standards.

Human Resource Management Policies including Preparation of Succession Plan

A complete set of policies has been put in place by Adamjee Life to address every facet of human resources. With a continual emphasis on learning and development interventions, the company has a motivated and engaged staff that will help it achieve its strategic goals and objectives. In order to provide our staff more power, the company has introduced state of the art Human Resource Management System.

Recognizing that changes in management are inevitable, Adamjee Life has established a succession plan to provide continuity in leadership and avoid extended and costly vacancies in Key position. Adamjee Lifesuccession plan is designed to identify and prepare candidates for High Level management positions thatbecome vacant due to retirement, resignation or new business opportunity

Health, Safety and Environment

Adamjee Life is committed to provide a safe environment for all of its employees. The Company makes all reasonable efforts to:

- Promote occupational and personal safety;
- Promote the health and safety of employees and contractors;
- Provide information to employees about health and safety hazards;
- Identify health and safety hazards and encourage employees to report potential hazards;

- Conduct activities in a manner that protects the environment and educate staff regarding environmental impacts associated with institutional operations;
- Maintain a risk based emergency management program to reduce the impact of emergency events at ALIFE.

Business Continuity Plan

Business continuity planning (BCP) is a process designed to reduce the organizations' business risk arising from an unexpected disruption of the critical all function/operations necessary for the survival of the organization. This can include short or long-term disasters or other disruptions, such as fires, floods, earthquakes, explosions, terrorism, extended power interruptions, hardware or software failure, hazardous chemical spills, and other natural or man-made disasters.

The Business Continuity Plan is limited in scope to recovery and business continuance from a serious disruption in activities due to the non-availability of Adamjee Life's facilities. The Business Continuity Plan includes procedures for all phases of recovery.

The objectives of the BCP plan is to:

1. Ensure the safety of employees and visitors in the office buildings.
2. Mitigate threats or limit the damage that threats can cause.
3. Have advanced preparations to ensure that critical business functions can continue.
4. Have documented plans and procedures to ensure the quick, effective execution of recovery strategies for critical business functions.
5. Include procedures for all phases of recovery as defined in the Business Continuity Strategy section of this document.
6. Establish teams who will manage the process of recovery and restoration of business after a disaster and those who will complete the specific activities necessary to continue critical business function.

Cyber Security Policy

In view of increased cybersecurity threats targeted at the financial sector and to comply with SECP'S Cyber Security guidelines, it is imperative that at Adamjee Life every IT resource, user, and owner adopt appropriate cybersecurity protections.

Cyber Security policy involves protecting critical information and devices from cyber threats; policy also describes how ALIFE critical data should be protected against vulnerable attacks that can threaten critical data/ information, whether on the workstation, across various applications, networks, or devices.

It is essential to adopt a risk-based approach for cyber security implementation, Additionally, according to the minimum-security standards, adequate levels of protection for different risk categories can be defined for different risk categories.

Anti Money Laundering and Countering Financial Terrorism Pollicy

Adamjee Life ensures its commitment to the directives of Securities and Exchange Commission of Pakistan (SECP) and Government of Pakistan (GoP) to prevent money laundering and financing of terrorism in all its forms, Adamjee Life and its staff shall cooperate with the SECP and other regulatory authorities in all matters related to AML/CFT and the Company shall fully comply with instructions or inquiries from the SECP and other competent authorities in this regard.

Adamjee Life shall not allow its products, services or any of its resources to be utilized for the purposes of money laundering and terrorist financing and it shall take all steps necessary for prevention of money laundering and terrorist financing through its platform.

The policy established and adopted by Adamjee Life to counter and combat Money Laundering activities conducted using Adamjee Life as a medium, The objective of this policy is to assist the users of this policy (Board of Directors of Adamjee Life, management, agents and all employees in general) understand what is money laundering/terrorist financing, how it applies to Adamjee Life, the regulatory environment and the procedures in place to counter money laundering/terrorist financing along with the impact of those procedures on the work processes. This policy is reviewed annually on account of amendments in regulatory framework.

Statement of Unreserved Compliance of International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB)

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Accounting Standards (IAS)/International Financial Reporting Standard (IFRS) issued by International Accounting Standards Board (IASB). The Financial Statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan and in accordance with 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.

Statement of Adherence with the International Integrated Reporting Framework (IIR)

The International Integrated Reporting Council's (IIRC's) rules for the International Integrated Reporting (IR) framework were followed in the preparation of Adamjee Life's Annual Report for 2023. We constantly work to improve the transparency of the information presented to our stakeholders in order to build and maintain their trust, including that of employees, policyholders, suppliers, business partners, local communities, legislators, regulators, and policymakers. We always aim to achieve our goals through excellent corporate reporting.

In order to improve the quality of information and clearly express the financial and non-financial information that reflects the systemic and dynamic interactions of insurance business activities as a whole for its stakeholders, as well as represents the Company's performance and ability to create value over time, a principle-based integrated reporting framework is promoted. It further improves stewardship and accountability for the full range of capitals (financial, material, intellectual, human, social, and relationship, as well as natural), and it encourages awareness of their interdependencies.

The management firmly believes in adherence to the best corporate governance and reporting practices and ensures complying best reporting practices and generate greater value for the Company and the stakeholders as well.

Statement of Directors

As per the requirement of Section 46(6) and Section 52(2)(c) of the Insurance Ordinance 2000 for the year ended December 2023.

Section 46(6)

We certify and confirm that:

- a) In our opinion the annual statutory accounts of Adamjee Life Assurance Company Limited set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, 2000 and the rules made there under;
- b) Adamjee Life Assurance Company Limited has at all times in the year complied with the provisions of the Insurance Ordinance, 2000 and the rules made there under relating to paid-up capital, solvency reinsurance arrangements as at December 31, 2023; and
- c) As at December 31, 2023, Adamjee Life Assurance 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 arrangements.

Section 52(2)(c)

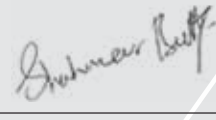
In our opinion each statutory fund of Adamjee Life Assurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017 (previously Insurance Rules, 2002).



S. Muhammad Jawed
Chairman



Muhammad Ali Zeb
Director



Shahmeer Khalid Butt
Director

03 Financial Performance & Reporting



Financial Performance Analysis

Statement of Value Addition

WEALTH GENERATION

	2023		2022	
	Rs. In '000	%	Rs. In '000	%
Net premium / contribution	22,685,659	55.66%	20,315,452	84.48%
Net investment income	17,186,733	42.17%	3,010,006	12.52%
Other income	883,519	2.17%	723,055	3.01%
Total wealth generated	40,755,911	100.00%	24,048,513	100.00%

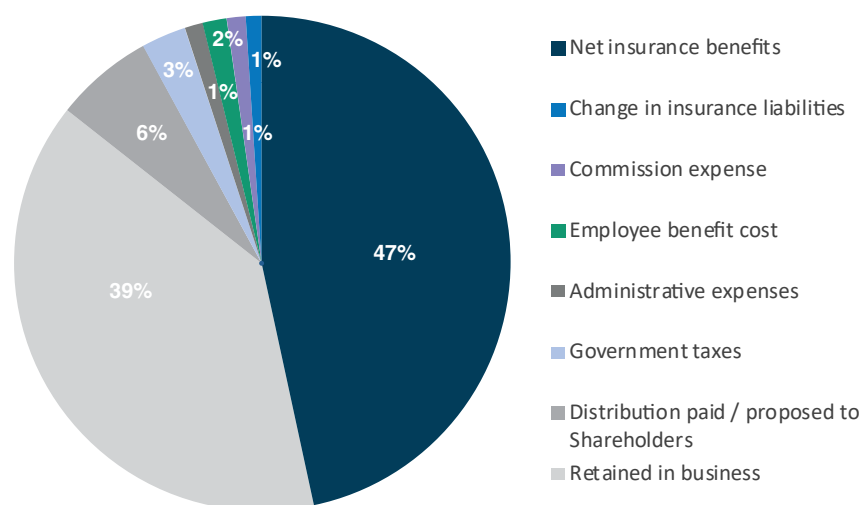
WEALTH DISTRIBUTION

	2023		2022	
	Rs. In '000	%	Rs. In '000	%
Net insurance benefits	18,997,003	46.61%	14,234,436	59.19%
Change in insurance liabilities	15,896,770	39.00%	4,937,305	20.53%
Commission expense	2,514,706	6.17%	2,550,784	10.61%
Employee benefit cost	1,192,314	2.93%	1,082,543	4.50%
Administrative expenses	585,620	1.44%	412,620	1.72%
Charity and donations	1,054	0.00%	1,143	0.00%
Financial charges	9,683	0.02%	18,192	0.08%
Government taxes	639,483	1.57%	312,928	1.30%
Distribution paid / proposed to shareholders	500,000	1.23%	-	-
Retained in business	419,278	1.03%	498,562	2.07%
Total wealth distributed	40,755,911	100.00%	24,048,513	100.00%

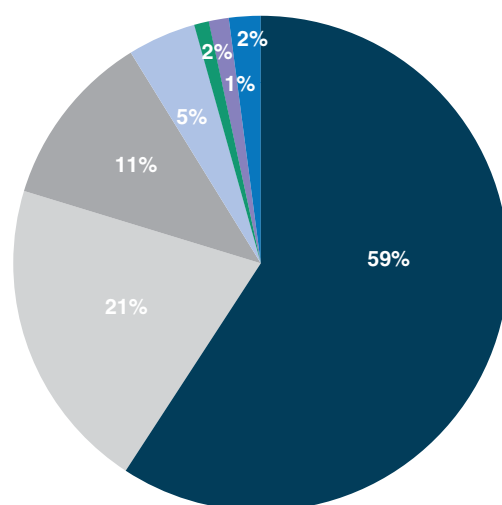
WEALTH DISTRIBUTION

	2023	2022
Net insurance benefits	47%	59%
Change in insurance liabilities	39%	21%
Commission expense	6%	11%
Employee benefit cost	3%	5%
Administrative expenses	1%	2%
Government taxes	2%	1%
Distribution paid / proposed to shareholders	1%	0%
Retained in business	1%	2%
Total wealth distributed	100%	100%

Wealth Distribution - 2023



Wealth Distribution - 2022



Six Year Financial Performance (2018-2023)

Balance Sheet	2023	2022	2021	2020	2019	2018
	Rs in Million					
Paid up capital	2,500	2,500	2,500	935	935	935
Reserves	1,048	772	585	527	364	49
Unappropriated profit	870	476	164	28	20	139
Investments(market value)	78,608	60,771	49,678	38,547	31,078	28,783
Investment property	1,065	944	939	855	876	855
Fixed assets	319	367	370	402	564	241
Cash & bank deposits	3,927	5,317	9,726	9,955	7,261	3,312
Other assets	2,171	1,768	1,204	1,080	655	721
Total assets	86,090	69,166	61,918	50,839	40,434	33,912
Total liabilities	81,672	65,418	58,668	49,349	39,114	32,789

Operating Data

Gross premium	23,351	20,949	20,658	17,101	12,969	13,247
Net premium	22,686	20,315	20,128	16,537	12,386	12,711
Net claims	(18,997)	(14,234)	(9,106)	(6,839)	(6,724)	(6,316)
Net commission	(3,174)	(3,184)	(3,138)	(2,692)	(2,700)	(2,140)
Net change In insurance/takaful liabilities (other than outstanding claims)	(15,897)	(4,937)	(9,490)	(9,937)	(5,126)	(3,703)
Financial charges	(10)	(18)	(24)	(26)	(8)	-
Total expenses	(1,129)	(865)	(1,267)	(1,018)	(1,057)	(814)
Investment and other income	18,062	3,734	3,128	4,285	3,510	334
Profit before tax	1,541	810	231	310	281	73
Profit after tax	908	498	174	191	217	56

Cash Flow Summary

Operating activities	(566,180)	3,388,610	6,630,113	5,650,284	2,865,383	4,059,752
Investing activities	(1,774,260)	(14,012,886)	(8,716,141)	(4,757,080)	(351,477)	(189,734)
Financing activities	(249,961)	(89,801)	1,475,049	178,289	-	-

Share Information

Break-up value per share (Rupees)	17.67	14.99	13.00	15.93	14.10	12.00
No. of shares	250,000,000	250,000,000	250,000,000	93,549,400	93,549,400	93,549,400
Share price at year end (Rupees)	24.96	19.49	-	-	-	-
Highest share price during year (Rupees)	29.33	19.55	-	-	-	-
Lowest share price during year (Rupees)	11.80	19.00	-	-	-	-
KSE 100 Index	62,451	40,420	44,596	43,755	40,735	37,067
Market price to break up value (Rupees)	1.41	1.30	-	-	-	-
Face value (Rupees)	10	10	10	10	10	10
Market capitalization (Rupees)	6,240,000,000	4,872,500,000	-	-	-	-

Distribution

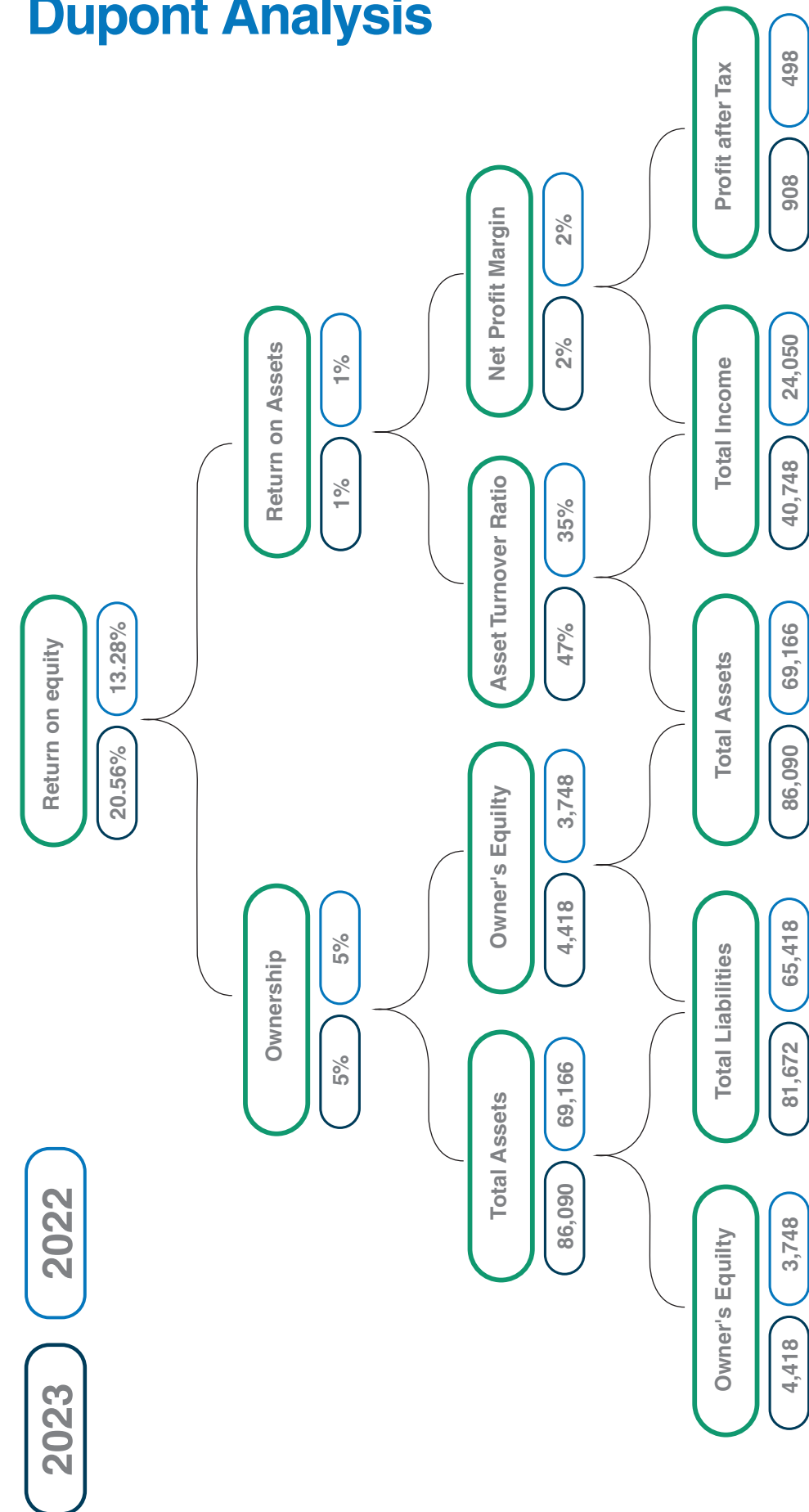
Dividend per share (Rupees)	2	-	-	-	-	-
Total dividend - (Rupees in '000)	500,000	-	-	-	-	-
Cash dividend - (Rupees in '000)	500,000	-	-	-	-	-
Total dividend - (Rupees in '000)	500,000	-	-	-	-	-

Capital Structure of the company

As shown below, the Company is generating enough liquidity from its operations and the proportion of capital and reserves attributable to shareholders is on average 98% of total capital over the last six years.

	2023	2022	2021	2020	2019	2018
----- Rs in '000 -----						
Ordinary share capital	2,500,000	2,500,000	2,500,000	935,494	935,494	935,494
Money ceded to Waqf fund	500	500	500	500	500	500
Surplus /(deficit) on revaluation of available for sale investments	-	(5,496)	(4,743)	361	(3,562)	(3,928)
Ledger account D	1,047,316	776,870	589,705	525,915	367,174	52,288
Unappropriated profit	869,752	476,416	164,266	28,345	19,685	138,535
Capital and reserves attributable to the Company's equity holders	4,417,568	3,748,290	3,249,728	1,490,615	1,319,291	1,122,889
Borrowing	-	-	84,894	164,482	-	-
Company capital structure at the end of year	4,417,568	3,748,290	3,334,622	1,655,097	1,319,291	1,122,889
Capital and reserves attributable to the Company's equity holders	100.00%	100.00%	97.45%	90.06%	100.00%	100.00%

Dupont Analysis



	2023	2022
Total Income	40,748	24,050
Less:		
Total expenses	(39,840)	(23,552)

	2023	2022
Current assets	3,685	4,426
Add:		
Non current Assets	82,405	64,740

	2023	2022
Current Liabilities	4,800	4,654
Add:		
Non current Liabilities	76,872	60,764

Six Year Financial Performance (2018-2023) Financial Ratio

Profitability Ratios		2023	2022	2021	2020	2019	2018
Profit before tax / gross premium	%	6.6	3.9	1.1	1.8	2.2	0.5
Profit before tax / net premium	%	6.8	4.0	1.1	1.9	2.3	0.6
Profit after tax / gross premium	%	3.9	2.4	0.8	1.1	1.7	0.4
Profit after tax / net premium	%	4.0	2.4	0.9	1.2	1.8	0.4
Net claims / net premium	%	(83.7)	(70.1)	(45.2)	(41.4)	(54.3)	(49.7)
Commission / net premium	%	(14.0)	(15.7)	(15.6)	(16.3)	(21.8)	(16.8)
Administration expenses / gross premium	%	(4.8)	(4.1)	(6.1)	(6.0)	(8.1)	(6.1)
Administration expenses / net premium	%	(5.0)	(4.3)	(6.3)	(6.2)	(8.5)	(6.4)
Profit before tax / total income	%	3.8	3.4	1.0	1.5	1.8	0.6
Profit after tax / total income	%	2.2	2.1	0.7	0.9	1.4	0.4
Net investment income / net premium	%	79.6	18.4	15.5	25.9	28.3	2.6

Return to Shareholders Ratios

Return on equity including retained balance in Ledger Account D (PAT/total equity)	%	20.56	13.28	5.35	12.81	16.46	4.99
Earnings per share (pre tax)	Rs.	6.16	3.24	0.92	3.32	3.01	0.78
Earnings per share (after tax)	Rs.	3.63	1.99	0.70	2.04	2.32	0.60
Return on total assets	%	1.05	0.72	0.28	0.38	0.54	0.17
Earnings growth	%	82.45	186.36	(9.01)	(12.02)	487.08	(133.04)
Breakup value per share	Rs.	17.67	14.99	13.00	15.93	14.10	12.00
Market price per share at the end of the year	Rs.	24.96	19.49	-	-	-	-
Cash dividend per share	Rs.	2.00	-	-	-	-	-
Cash dividend	%	20%	-	-	-	-	-
Dividend yield	%	8%	-	-	-	-	-
Dividend payout	%	55%	-	-	-	-	-
Dividend cover - (Times)	Times	1.82	-	-	-	-	-

Liquidity ratios

Current ratio	Times	0.77	0.95	1.04	1.28	0.96	1.09
Cash & bank / current liability	Times	0.32	0.58	0.64	0.91	0.74	0.74
Total liabilities / total equity	Times	18.49	17.45	18.05	33.11	29.65	29.20
Paid up capital / total assets	%	2.90	3.61	4.04	1.84	2.31	2.76
Equity / total assets	%	5.13	5.42	5.25	2.93	3.26	3.31

Six Year Financial Performance (2018-2023) Horizontal Analysis - Balance Sheet

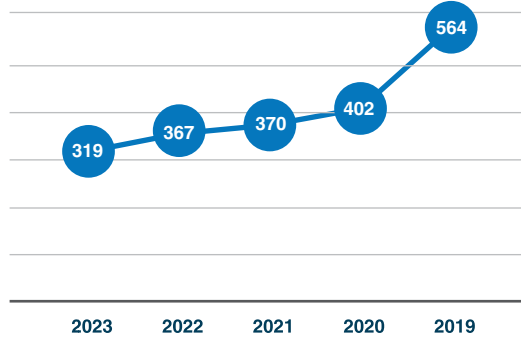
Balance Sheet	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018
	Rs in Million						%Increase/(decrease) over preceding years					
Fixed assets	319	367	370	402	564	241	-13.1%	-0.9%	-7.9%	-28.8%	134.1%	12.7%
Investment property	1,065	944	939	855	876	855	12.9%	0.5%	9.8%	-2.4%	2.5%	34.1%
Investments	78,608	60,771	49,678	38,547	31,078	28,783	29.4%	22.3%	28.9%	24.0%	8.0%	7.8%
Current assets - others	2,171	1,768	1,204	1,080	655	721	22.8%	46.9%	11.5%	65.0%	-9.2%	32.6%
Cash and bank deposits	3,927	5,317	9,726	9,955	7,261	3,312	-26.2%	-45.3%	-2.3%	37.1%	119.2%	145.0%
Total Assets	86,090	69,166	61,918	50,839	40,434	33,912	24.5%	11.7%	21.8%	25.7%	19.2%	15.1%
Equity	4,418	3,748	3,250	1,491	1,319	1,123	17.9%	15.3%	118.0%	13.0%	17.5%	5.5%
Insurance liabilities	79,560	63,409	56,933	47,033	36,736	31,747	25.5%	11.4%	21.0%	28.0%	15.7%	15.6%
Long term liabilities	103	164	230	384	398	-	-37.1%	-28.4%	-40.1%	-3.7%	-	-100.0%
Deferred taxation	657	377	232	207	96	41	74.5%	62.7%	12.1%	115.1%	135.9%	67.0%
Borrowings	-	-	89	178	-	-	-	-100.0%	-50.0%	-	-	-
Current liabilities	348	542	431	456	386	393	-35.7%	25.7%	-5.4%	18.0%	-1.7%	51.3%
Other creditors and accruals	1,003	926	753	1,091	1,498	609	8.3%	22.9%	-31.0%	-27.2%	146.0%	-2.7%
Total Equity and Liabilities	86,090	69,166	61,918	50,839	40,434	33,912	24.5%	11.7%	21.8%	25.7%	19.2%	15.1%

Profit or loss account	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018
	Rs in Million						%Increase/(decrease) over preceding years					
Net premium revenue	22,686	20,315	20,128	16,537	12,386	12,711	11.7	0.9	21.7	33.5	(2.6)	(4.4)
Net investment income	18,062	3,734	3,128	4,285	3,510	334	383.7	19.4	(27.0)	22.1	950.3	(180.6)
Net claims	(18,997)	(14,234)	(9,106)	(6,839)	(6,724)	(6,316)	33.5	56.3	33.2	1.7	6.5	44.0
Net change in insurance liabilities	(15,897)	(4,937)	(9,490)	(9,937)	(5,126)	(3,703)	222.0	(48.0)	(4.5)	93.9	38.4	(36.6)
Net commission expense	(3,174)	(3,184)	(3,138)	(2,692)	(2,700)	(2,140)	(0.3)	1.5	16.6	(0.3)	26.2	8.4
Other / marketing and administration expense	(1,129)	(865)	(1,267)	(1,018)	(1,057)	(814)	30.5	(31.7)	24.4	(3.6)	29.8	(11.5)
Financial charges	(10)	(18)	(24)	(26)	(8)	-	(46.8)	(24.1)	(6.9)	227.1	-	-
Profit before tax	1,541	810	231	310	281	73	90.2	250.5	(25.5)	10.3	287.5	(130.0)
Taxation	(633)	(313)	(57)	(119)	(64)	(16)	102.5	444.6	(51.8)	86.0	288.9	(122.8)
Profit after tax	908	498	174	191	217	56	82.5	186.4	(9.0)	(12.0)	287.1	(133.0)

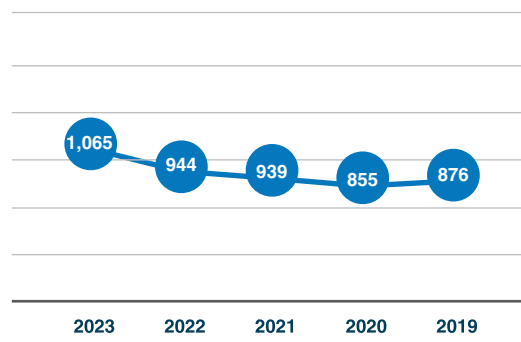
Graphical Representation Horizontal Analysis - Balance Sheet

(Rs in Million)

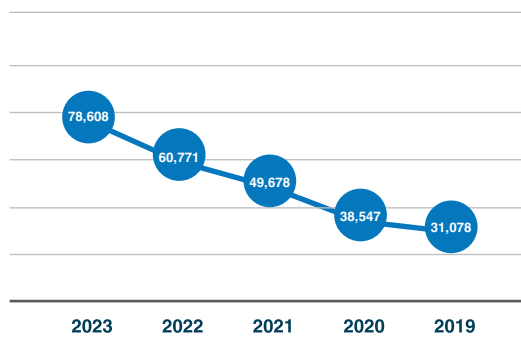
Fixed assets



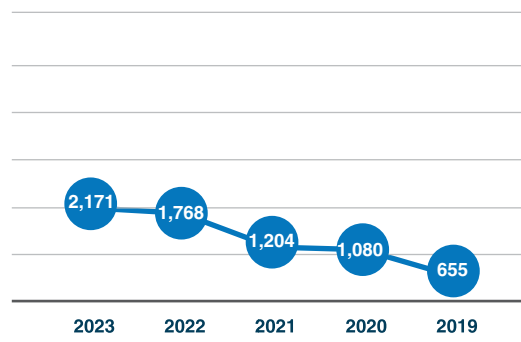
Investment property



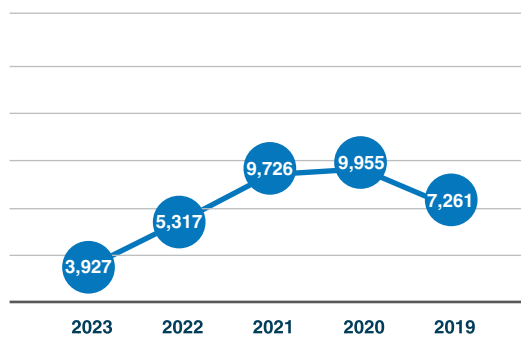
Investments



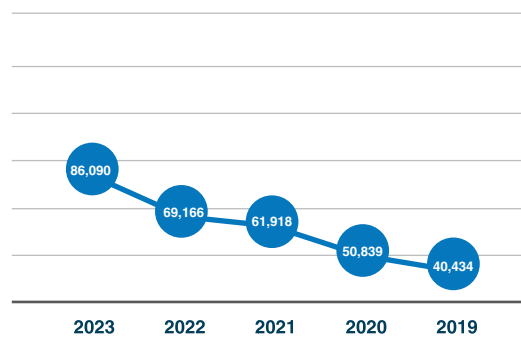
Current assets-others



Cash and bank deposits



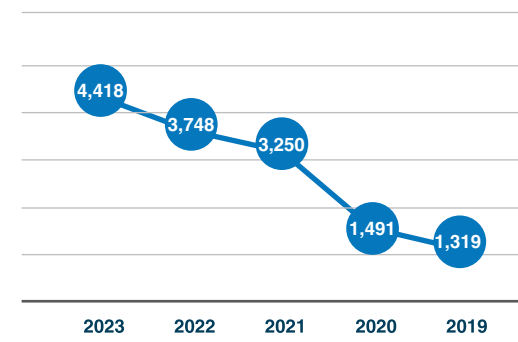
Total assets



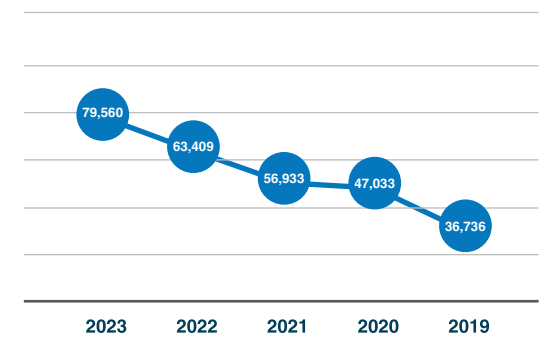
Graphical Representation Horizontal Analysis - Balance Sheet

(Rs in Million)

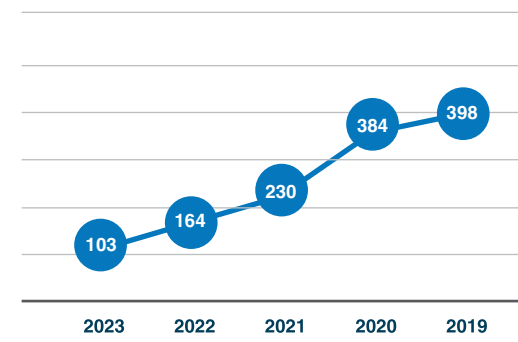
Equity



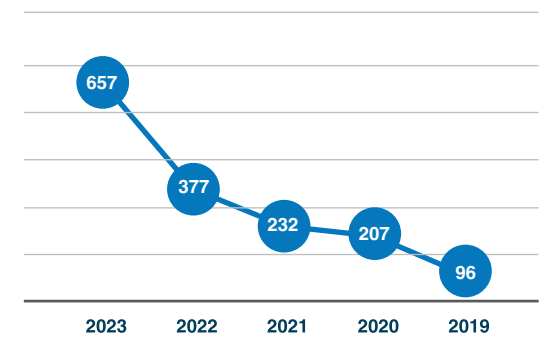
Insurance liabilities



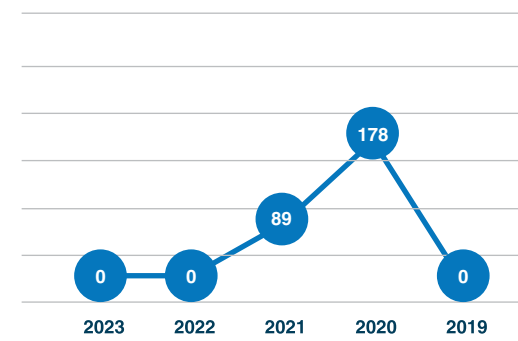
Long term liabilities



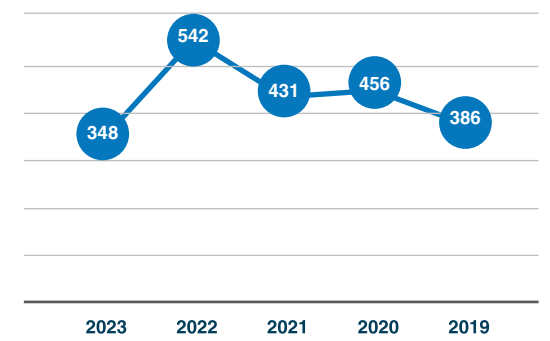
Deferred taxation



Borrowings



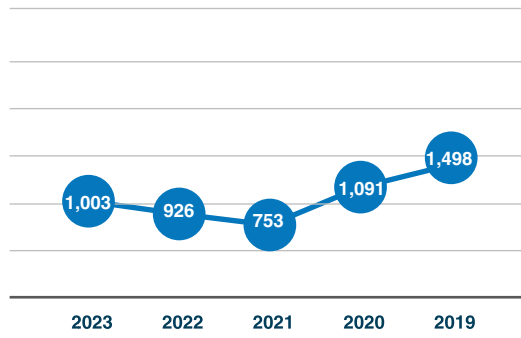
Current liabilities



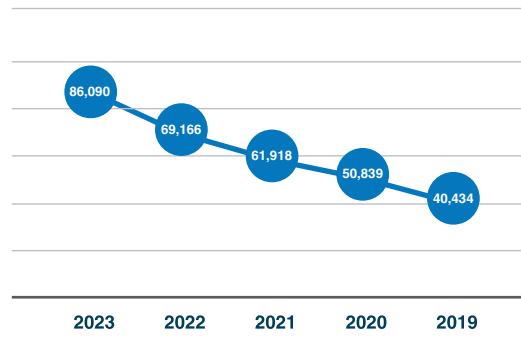
Graphical Representation Horizontal Analysis - Balance Sheet

(Rs in Million)

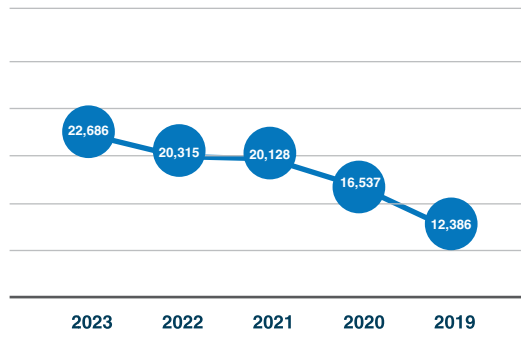
Other creditors and accruals



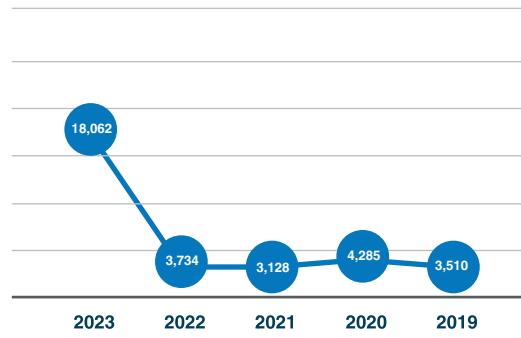
Total equity and liabilities



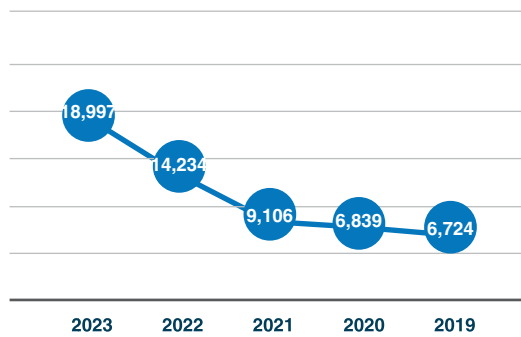
Net premium revenue



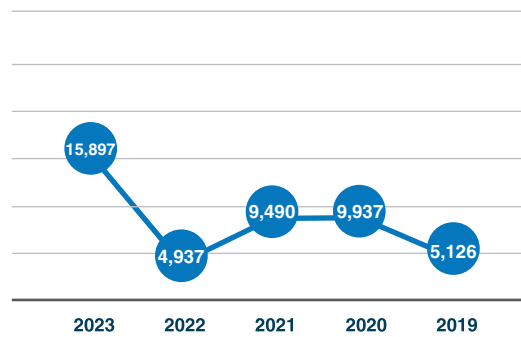
Net investment income



Net claims



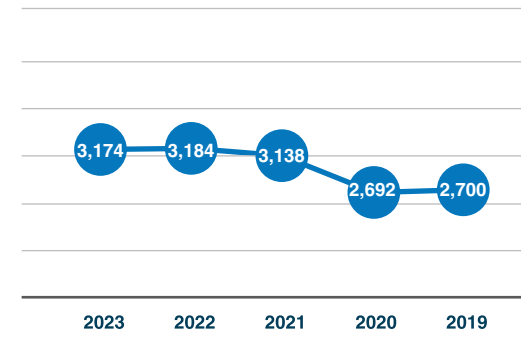
Net change in insurance liabilities



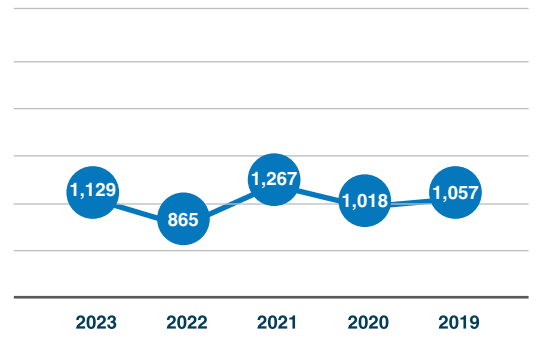
Graphical Representation Horizontal Analysis - Balance Sheet

(Rs in Million)

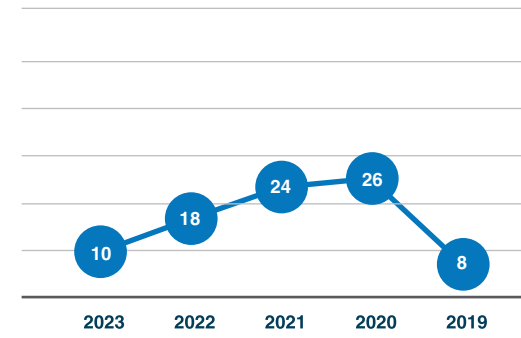
Net commission expense



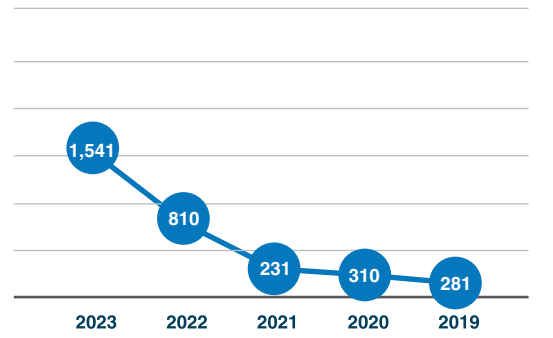
Other/marketing and administration expense



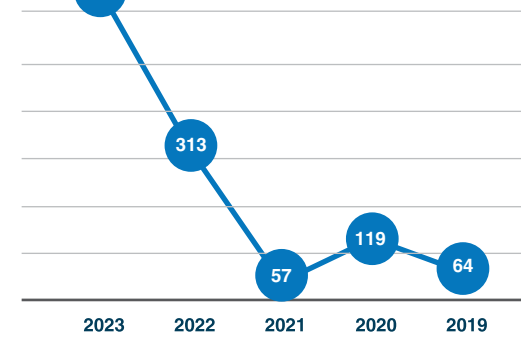
Financial charges



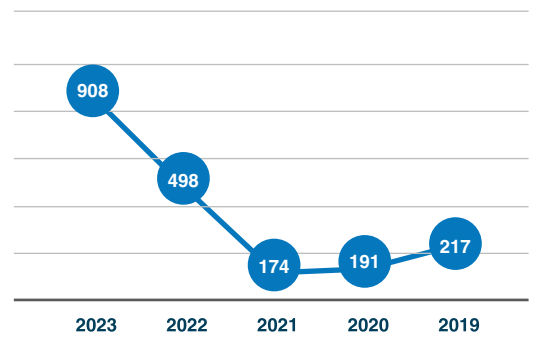
Profit before tax



Taxation



Profit after tax



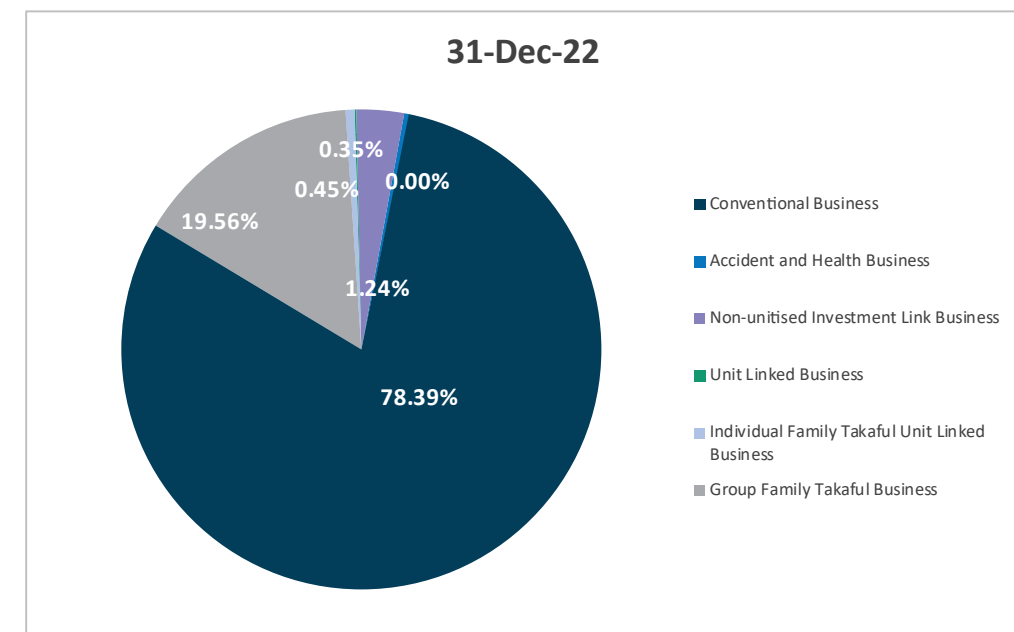
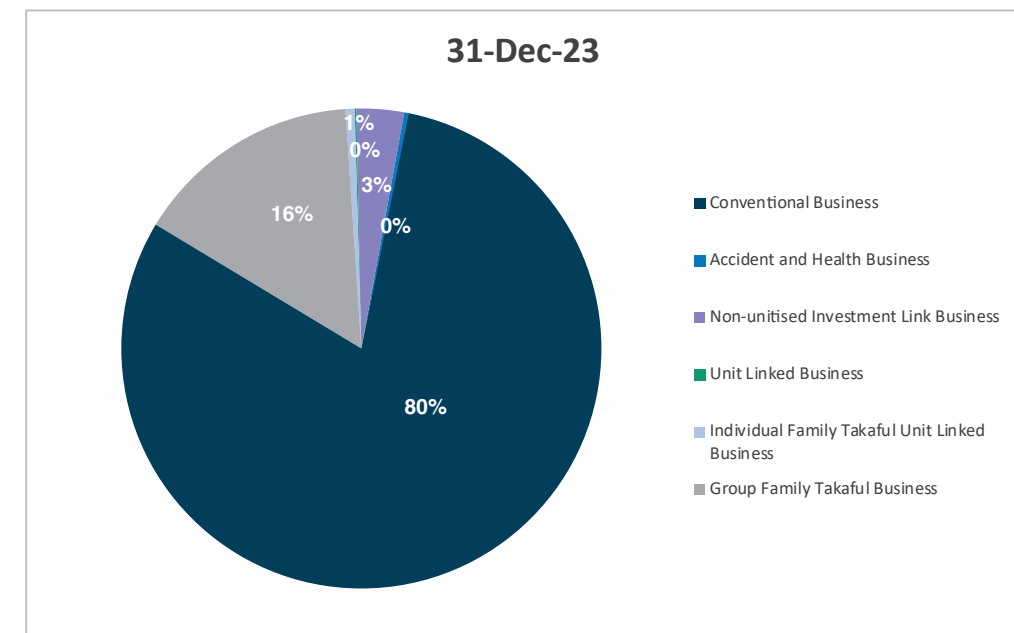
Six Year Financial Performance (2018-2023) Vertical Analysis - Balance Sheet

Balance Sheet	2023		2022		2021		2020		2019		2018	
	Rs. Min.	%	Rs. Min.	%	Rs. Min.	%	Rs. Min.	%	Rs. Min.	%	Rs. Min.	%
Fixed assets	319	0.4	366	0.5	370	0.6	402	0.8	564	1.4	241	0.7
Investment property	1,065	1.2	944	1.4	939	1.5	855	1.7	876	2.2	855	2.5
Investments	78,608	91.3	60,770	87.9	49,678	80.2	38,547	75.8	31,078	76.9	28,783	84.9
Current assets-others	2,171	2.5	1,769	2.6	1,204	1.9	1,080	2.1	655	1.6	721	2.1
Cash and bank deposits	3,927	4.6	5,317	7.7	9,726	15.7	9,955	19.6	7,260	18.0	3,312	9.8
Total Assets	86,090	100.0	69,166	100.0	61,918	100.0	50,839	100.0	40,434	100.0	33,912	100.0
Equity	4,418	5.1	3,748	5.4	3,250	5.2	1,491	2.9	1,319	3.3	1,123	3.3
Insurance liabilities	79,560	92.4	63,409	91.7	56,933	91.9	47,033	92.5	36,736	90.9	31,747	93.6
Long term liabilities	103	0.1	164	0.2	230	0.4	384	0.8	398	1.0	-	-
Deferred taxation	657	0.8	377	0.5	232	0.4	207	0.4	96	0.2	41	0.1
Borrowings	-	-	-	-	89	0.1	178	0.4	-	-	-	-
Current liabilities	348	0.4	542	0.8	431	0.7	456	0.9	386	1.0	393	1.2
Other creditors and accruals	1,003	1.2	926	1.3	753	1.2	1,091	2.1	1,498	3.7	609	1.8
Total Equity and Liabilities	86,090	100.0	69,166	100.0	61,918	100.0	50,839	100.0	40,434	100.0	33,912	100.0

Profit and Loss Account	2023		2022		2021		2020		2019		2018	
	Rs. Min.	%	Rs. Min.	%	Rs. Min.	%	Rs. Min.	%	Rs. Min.	%	Rs. Min.	%
Net premium revenue	22,686	100.00	20,315	100.00	20,128	100.00	16,537	100.00	12,386	100.00	12,711	100.00
Net investment income	18,062	79.62	3,734	18.38	3,128	15.54	4,285	25.91	3,510	28.34	334	2.63
Net claims	(18,997)	(83.74)	(14,234)	(70.07)	(9,106)	(45.24)	(6,839)	(41.35)	(6,724)	(54.29)	(6,316)	(49.68)
Net change in insurance liabilities	(15,897)	(70.07)	(4,937)	(24.30)	(9,490)	(47.15)	(9,937)	(60.09)	(5,126)	(41.38)	(3,703)	(29.13)
Net commission expense	(3,174)	(13.99)	(3,184)	(15.67)	(3,138)	(15.59)	(2,692)	(16.28)	(2,700)	(21.80)	(2,140)	(16.84)
Other/marketing and administration expense	(1,129)	(4.98)	(865)	(4.26)	(1,267)	(6.29)	(1,018)	(6.16)	(1,057)	(8.53)	(814)	(6.40)
Financial charges	(10)	(0.04)	(18)	(0.09)	(24)	(0.12)	(26)	(0.16)	(8)	(0.06)	-	-
Profit before tax	1,541	6.79	810	3.99	231	1.15	310	1.88	281	2.27	73	0.57
Taxation	(633)	(2.79)	(313)	(1.54)	(57)	(0.29)	(119)	(0.72)	(64)	(0.52)	(16)	(0.13)
Profit after tax	908	4.00%	498	2.45%	174	0.86	191	1.16	217	1.75	56	0.44

Segment Net Premium

	Conventional Business	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
2022	251,626	599	70,942	15,925,356	3,974,692	92,237	20,315,452
2022	1.24%	0.00%	0.35%	78.39%	19.56%	0.45%	100.00%
2023	309,402	2,522	55,833	18,439,000	3,791,638	87,264	22,685,659
2023	1.36%	0.01%	0.25%	81.28%	16.71%	0.38%	100.00%

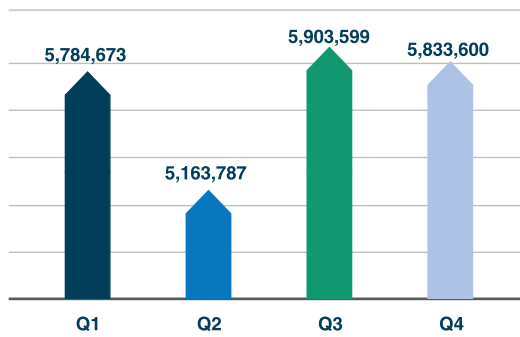


Quarterly Analysis 2023

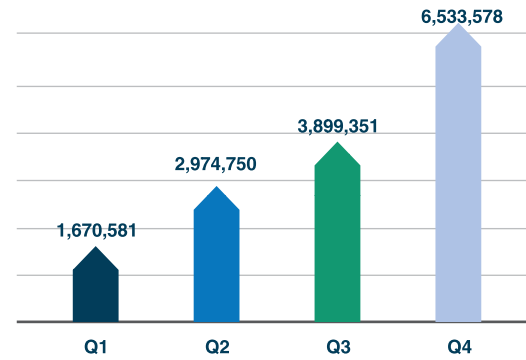
	2023			
	Q1	Q2	Q3	Q4
Net premium / contribution revenue (PKR 000)	5,784,673	5,163,787	5,903,599	5,833,600
Net investment income (PKR 000) ***	1,670,581	2,974,750	3,899,351	6,533,578
Net Insurance benefits (PKR 000)	4,180,705	4,384,018	5,049,910	5,382,370
Profit after tax (PKR 000)	130,498	291,344	274,423	211,810
Total OCI (PKR 000)	130,828	291,771	279,162	217,517

*** it includes investment income and net fair value gains or losses on financial assets

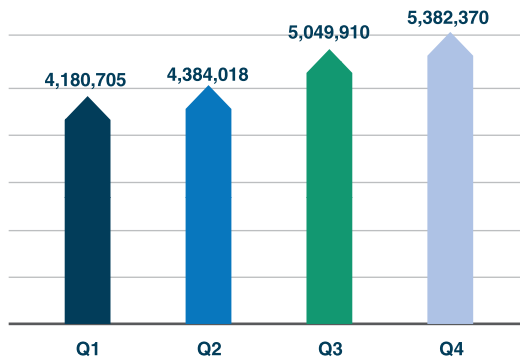
Net premium / contribution revenue



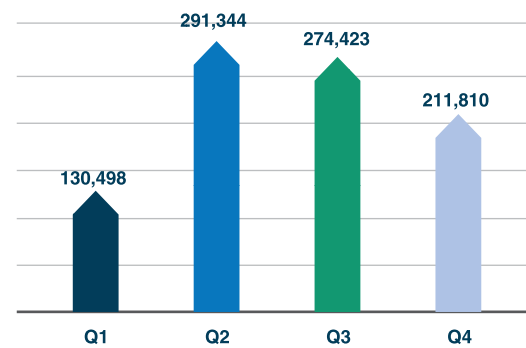
Net investment income (PKR 000)



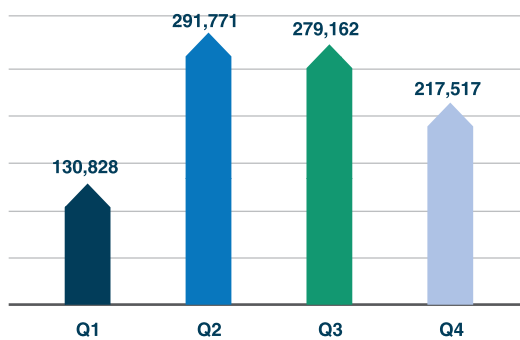
Net Insurance benefits (PKR 000)



Profit after tax (PKR 000)



Total OCI (PKR 000)



Share Price Analysis

Economic conditions

Expectations for macro economic indicators (like inflation, forex reserves, interest rates, etc.) prevailing in the country impacts the share price.

Political stability / instability

Political noise or stability in the country may impact foreign investors' outlook which ultimately impact the share price.

Stock market / investor sentiments

Change in the investor sentiment due to changes in investment climate in general or the stock market in particular can also impact the share price.

Company performance

Announcements regarding financial results or profit distribution by the Company and major innovation or development in business that may lead to future growth in earnings and dividends affect the shares price.

Changes in government policies & laws

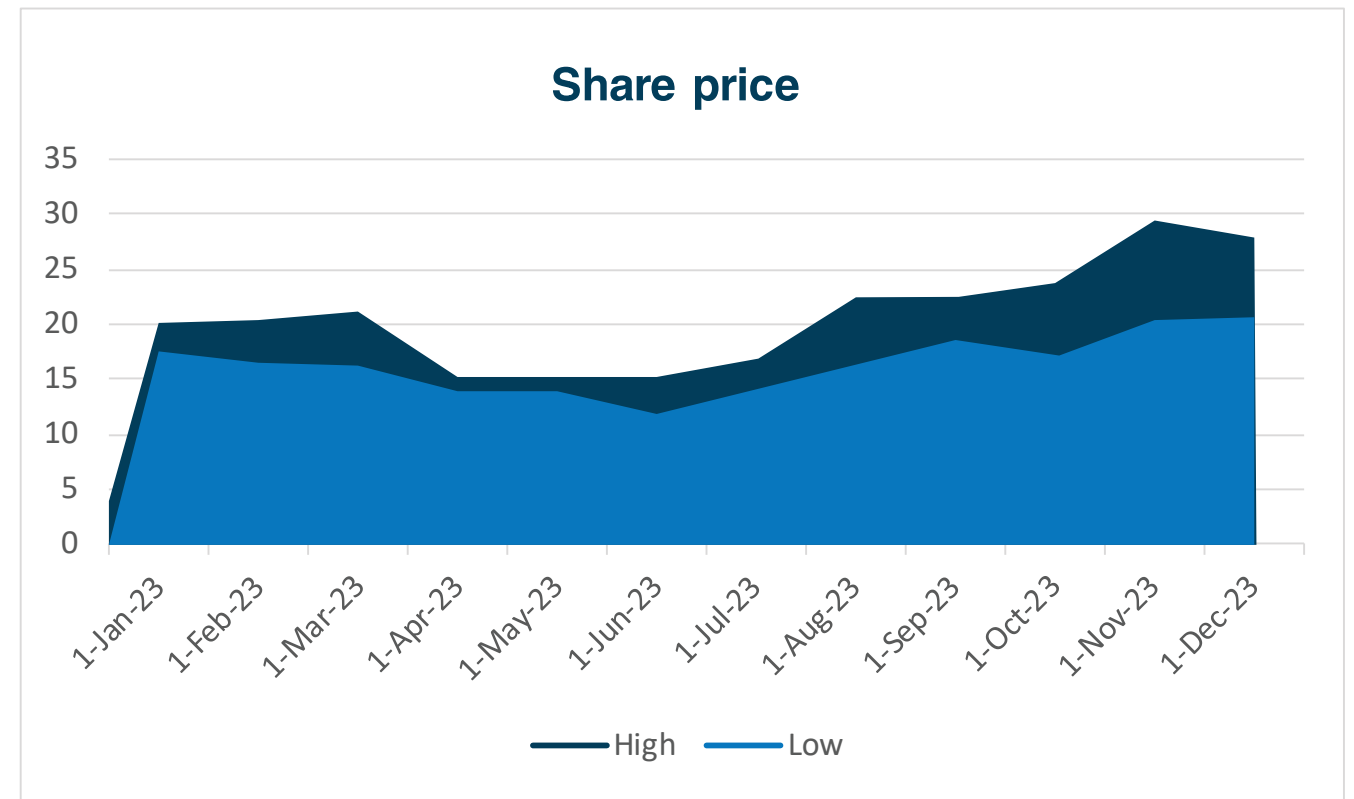
Changes in laws or government policies could be perceived as positive or negative for insurance companies. Policies such as interest rate, Economic and tax reforms may also affect the share price.

Company financial strength

Press releases on the financial strength of Company by independent bodies may also impact on share price.

Date	High	Low	Volume
31-Jan-23	20.25	17.51	10,542
28-Feb-23	20.42	16.55	21,045
31-Mar-23	21.10	16.28	3,333
30-Apr-23	15.10	14.00	12,250
31-May-23	15.10	14.00	12,250
30-Jun-23	15.19	11.80	9,423
31-Jul-23	16.66	13.74	21,647
31-Aug-23	22.34	16.02	15,389
30-Sep-23	22.58	18.56	1,400
31-Oct-23	23.70	17.01	11,083
30-Nov-23	29.33	20.40	25,889
31-Dec-23	27.95	20.52	42,611

Share price



INDEPENDENT AUDITOR'S REPORT

To the members of Adamjee Life Assurance Company Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Adamjee Life Assurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes, comprising material accounting policy information and other explanatory information 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, 2023 and of the profits, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with the 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 25.1 to the financial statements where it is disclosed that the Company has challenged the scope and applicability of Punjab Sales Tax (PST) and Sindh Sales Tax (SST) on life insurance services.

Our opinion is not modified in this respect.

Key Audit Matters

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

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p>Valuation and Classification of Investments</p> <p>Refer note 3.17 and 9, 10, 11, 12 and 13 of the annexed financial statements disclosing investment of Rs. 78.607 billion as at December 31, 2023, that constitute a significant component (91.3%) of total assets of the Company.</p> <p>The Company's investment portfolio comprises of government securities, debt securities, equity securities, mutual funds and term deposits.</p> <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>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of controls around recognition and measurement of investments to ensure that it is appropriately designed to ensure appropriate valuation of the investment; Checked that net unrealised gain / loss arising on subsequent measurement of investments are appropriately accounted for, in the financial statements; Verified number of scripts of investments by obtaining external statements as at December 31, 2023 and traced securities in such statements with the books and records of the Company; Evaluated the valuation of securities by comparing the quoted prices of Exchange, MUFAP and other external sources and Assessing the relevant presentation and disclosures made in the financial statements to ascertain whether these are complied with accounting and reporting standards as applicable in Pakistan.
2.	<p>Valuation of Insurance / Takaful Liabilities</p> <p>Refer note 3.4 and 19 of the annexed financial statements.</p> <p>The Company's insurance / takaful liabilities excluding outstanding claims amounts to Rs. 76.183 billion which represent 93.2% of its total liabilities. 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>We identified the valuation of insurance / takaful liabilities as key audit matter because of the significant judgements and estimations involved in determining insurance / takaful liabilities excluding outstanding claims.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's accounting policy for recording of insurance / takaful liabilities in line with requirements of applicable accounting and reporting standards; Obtained an understanding of the management process and controls around recognition and valuation of insurance / takaful liabilities to ensure that it is appropriately designed; Evaluated the completeness, accuracy and reliability of the underlying data utilised by the management to support the actuarial valuation; Involved an independent actuarial expert to assess the reasonableness of assumptions used by the management's expert in the valuation of insurance liabilities and Assessed the adequacy of Company's disclosures as per the relevant accounting and reporting standards.

S. No. Key Audit Matters	How the matter was addressed in our audit
<p>3. Premiums / Contributions</p> <p>Refer note 3.1 and 26 of the annexed financial statements relating to premiums / contributions.</p> <p>The Company generates its income primarily from premiums / contributions. Premiums / contributions from insurance policies amounts to Rs. 22.686 billion which comprise of 55.67% of the total income.</p> <p>We identified premiums / contributions as a key audit matter because it is a key performance indicator of the Company and possess a risk of overstatement by recording transactions that may not have occurred.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtain understanding and evaluated the design and implementation of controls over the process of capturing, processing and recording of premiums / contributions; • On a sample basis tested occurrence of premiums / contributions earned from the underlying policies issued to insurance / takaful policyholders; • Tested the policies on sample basis, and evaluated that these were recorded in the appropriate accounting period and • Tested whether the payments have been received from the policyholders before the recognition of premiums / contributions (other than group life and health insurance / takaful).

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Board of Directors for the Financial Statement

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 the Insurance Ordinance, 2000 and the 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 statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes, comprising material accounting policy information and other explanatory information 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) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) the apportionment of assets, liabilities, revenue and expenses between two or more funds have been performed in accordance with the advice of the appointed actuary; and
- e) Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in Central Zakat Fund established under section 7 of that Ordinance.

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

Chartered Accountants

Place: Karachi

Date: April 01, 2024

UDIN: AR202310057OIAbSoTMm

Adamjee Life Assurance Company Limited

Statement of Financial Position

As at December 31, 2023



	Note	2023 (Rupees in '000)	2022
Assets			
Property and equipment	5	220,156	215,532
Intangible assets	6	25,906	26,579
Right of use assets	7	72,502	124,420
Investment property	8	1,065,394	943,669
Investments			
Equity securities	9	8,556,762	8,292,169
Government securities	10	61,365,683	37,930,238
Debt securities	11	3,629,033	4,254,845
Term deposits	12	75,000	2,276,000
Mutual funds	13	4,981,341	8,017,302
Loan secured against life insurance policies (Insurance / takaful) / (reinsurance / retakaful) receivables	14	35,975	42,163
Other loans and receivables	15	94,143	62,456
Taxation - payments less provision		1,379,058	778,323
Prepayments	16	606,950	843,706
Cash and bank	17	55,169	41,655
		3,926,596	5,316,997
Total Assets		86,089,668	69,166,054
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	18	2,500,000	2,500,000
Money ceded to Waqf fund		500	500
Deficit on revaluation of available for sale investments		-	(5,496)
Ledger account D		1,047,316	776,870
Unappropriated profit		869,752	476,416
Total Equity		4,417,568	3,748,290
Liabilities			
Insurance / takaful liabilities	19	79,559,988	63,408,661
Retirement benefit obligations	20	-	4,866
Deferred taxation	21	657,296	376,644
Lease liabilities	22	103,455	159,592
Premium / contribution received in advance (Insurance / takaful) / (reinsurance / retakaful) payables	23	246,282	367,165
Unclaimed dividend		102,148	175,083
Other creditors and accruals	24	39	-
		1,002,892	925,753
Total Liabilities		81,672,100	65,417,764
Total Equity and Liabilities		86,089,668	69,166,054
Contingencies and commitments			
	25		

The annexed notes 1 to 49 form an integral part of these financial statements.

S. Muhammad Jawed
ChairmanMuhammad Ali Zeb
DirectorShahmeer Khalid Butt
DirectorManzar Mushtaq
Chief Executive OfficerJalal Meghani
Chief Financial OfficerS. Muhammad Jawed
ChairmanMuhammad Ali Zeb
DirectorShahmeer Khalid Butt
DirectorManzar Mushtaq
Chief Executive OfficerJalal Meghani
Chief Financial Officer

Adamjee Life Assurance Company Limited

Statement of Profit or Loss

For the year ended December 31, 2023



	Note	2023 (Rupees in '000)	2022
Premium / contribution revenue		23,350,828	20,948,801
Premium / contribution ceded to reinsurers / (retakaful operators)		(665,169)	(633,349)
Net premium / contribution revenue	26	22,685,659	20,315,452
Investment income	27	11,854,800	5,923,579
Net realised fair value gains / (losses) on financial assets	28	1,975,557	(237,645)
Net fair value gains / (losses) on financial assets at fair value through profit or loss - unrealised	29	3,223,460	(2,682,111)
Net rental income		2,988	3,000
Net unrealised gain on investment property	8	121,725	4,275
Other income	30	883,519	723,055
		18,062,049	3,734,153
Net income		40,747,708	24,049,605
Insurance / takaful benefits	32	(19,435,671)	(14,589,534)
Recoveries from reinsurers / retakaful operators	32	446,254	363,385
Claims related expenses		(7,586)	(8,287)
Net insurance / takaful benefits		(18,997,003)	(14,234,436)
Net change in insurance / takaful liabilities (other than outstanding claims)		(15,896,770)	(4,937,305)
Acquisition expenses	33	(3,174,136)	(3,184,327)
Marketing and administration expenses	34	(1,117,166)	(858,321)
Other expenses	35	(11,748)	(6,714)
		(20,199,820)	(8,986,667)
Total expenses		(39,196,823)	(23,221,103)
Finance costs	36	(9,683)	(18,192)
Profit before tax		1,541,202	810,310
Income tax expense	37	(633,127)	(312,608)
Profit after tax for the year		908,075	497,702
Earnings (after tax) per share - Rupees	38	3.63	1.99

The annexed notes 1 to 49 form an integral part of these financial statements.

Adamjee Life Assurance Company Limited
Statement of Comprehensive Income
 For the year ended December 31, 2023



	Note	2023 (Rupees in '000)	2022
Profit after tax for the year		908,075	497,702
- as per statement of profit or loss			
Other comprehensive income:			
Item that will not be reclassified subsequently to statement of profit or loss			
Actuarial gain on retirement benefit scheme	20.2.3	9,356	2,272
Related deferred tax (including rate change)		(3,649)	(659)
		5,707	1,613
<i>Item that will be reclassified subsequently to statement of profit or loss</i>			
Change in unrealised loss on revaluation of available for sale investments	28	-	(7,341)
Gain on disposal transferred to statement of profit or loss		8,203	6,249
		8,203	(1,092)
Related deferred tax		(2,707)	339
		5,496	(753)
Total other comprehensive income		11,203	860
Total comprehensive income for the year		919,278	498,562

The annexed notes 1 to 49 form an integral part of these financial statements.

S. Muhammad Jawed
 Chairman

Muhammad Ali Zeb
 Director

Shahmeer Khalid Butt
 Director

Manzar Mushtaq
 Chief Executive Officer

Jalal Meghani
 Chief Financial Officer

Adamjee Life Assurance Company Limited
Statement of Changes in Equity
 For the year ended December 31, 2023



	Attributable to equity holders' of the Company					
	Share capital	Money ceded to Waqf fund	Deficit on revaluation of available for sale investments	Ledger account D *	Unappropriated profit	Total
	----- (Rupees in '000) -----					
Balance as at January 01, 2022	2,500,000	500	(4,743)	589,705	164,266	3,249,728
Total comprehensive income for the year ended December 31, 2022						
- Profit for the year after tax	-	-	-	-	497,702	497,702
- Other comprehensive loss	-	-	(753)	-	1,613	860
	-	-	(753)	-	499,315	498,562
Surplus for the year retained in statutory funds	-	-	-	187,165	(187,165)	-
Balance as at December 31, 2022	2,500,000	500	(5,496)	776,870	476,416	3,748,290
Balance as at January 01, 2023	2,500,000	500	(5,496)	776,870	476,416	3,748,290
Total comprehensive income for the year ended December 31, 2023						
- Profit for the year after tax	-	-	-	-	908,075	908,075
- Other comprehensive income	-	-	5,496	-	5,707	11,203
	-	-	5,496	-	913,782	919,278
Transaction with owners recorded directly in the equity						
Interim dividend @ Rs. 1 per share i.e 10%	-	-	-	-	(250,000)	(250,000)
Surplus for the year retained in statutory funds	-	-	-	270,446	(270,446)	-
Balance as at December 31, 2023	2,500,000	500	-	1,047,316	869,752	4,417,568

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

The annexed notes 1 to 49 form an integral part of these financial statements.

S. Muhammad Jawed
 Chairman

Muhammad Ali Zeb
 Director

Shahmeer Khalid Butt
 Director

Manzar Mushtaq
 Chief Executive Officer

Jalal Meghani
 Chief Financial Officer

Adamjee Life Assurance Company Limited
Statement of Cash Flows
 For the year ended December 31, 2023



Adamjee Life Assurance Company Limited
Notes to and forming part of the Financial Statements
 For the year ended December 31, 2023



	Note	2023 (Rupees in '000)	2022
Operating Cash Flows			
(a) Underwriting activities			
Insurance premium / contribution received		23,224,261	20,884,440
Reinsurance premium / retakaful contribution paid		(317,853)	(11,526)
Claims paid		(19,188,700)	(13,059,500)
Commission paid		(1,993,148)	(1,965,964)
Marketing and administrative expenses paid		(2,168,665)	(2,017,451)
Net cash flow (used in) / generated from underwriting activities		(444,105)	3,829,999
(b) Other operating activities			
Income tax paid		(122,075)	(441,389)
Total cash flow (used in) / generated from all operating activities		(566,180)	3,388,610
Investment activities			
Profit / return received		10,963,573	5,621,111
Dividend received		990,335	616,730
Rental received		2,988	3,000
Payment for investments		(488,346,588)	(650,069,484)
Proceeds from investments		474,694,356	629,943,404
Fixed capital expenditure		(102,417)	(130,708)
Loan to policyholders		11,050	1,396
Proceeds from sale of property and equipment		12,443	1,665
Total cash flow used in investing activities		(1,774,260)	(14,012,886)
Financing activities			
Borrowings		-	(89,801)
Interim dividend paid		(249,961)	-
Total cash flow used in financing activities		(249,961)	(89,801)
Net cash outflows from all activities		(2,590,401)	(10,714,076)
Cash and cash equivalent at the beginning of the year		6,591,997	17,306,073
Cash and cash equivalent at the end of the year	17.2	4,001,596	6,591,997
Reconciliation to statement of profit and loss			
Cash flow from all operating activities		(566,180)	3,388,610
Depreciation and amortisation expense		(138,325)	(124,198)
Financial charge expense		(17,931)	(29,245)
Write offs		(5,503)	(4,160)
Impact of gains directly charged to OCI		(9,356)	(2,272)
Profit on disposal of property and equipment		1,407	948
Profit / (loss) on disposal of investment		1,975,557	(237,645)
Rental income		2,988	3,000
Dividend income		916,496	693,948
Other investment income		11,951,497	5,958,287
Increase / (decrease) in assets other than cash		(231,839)	229,874
Increase in liabilities other than borrowings		(16,191,536)	(6,697,334)
Surplus / (deficit) on revaluation of investment		3,223,460	(2,682,111)
Profit after taxation		908,075	497,702

The annexed notes 1 to 48 form an integral part of these financial statements.

S. Muhammad Jawed
Chairman

Muhammad Ali Zeb
Director

Shahmeer Khalid Butt
Director

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Adamjee Life Assurance Company Limited (the Company) was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017 (Previously Companies Ordinance, 1984). The Company started its operations from April 24, 2009. The Company was converted to a listed company on March 04, 2022. It is listed on Pakistan Stock Exchange. Registered office of the Company is at 5th floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi. The Company is a subsidiary of Adamjee Insurance Company Limited.

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

- Conventional Business
- Accident and Health Business
- Individual Life Non-united Investment Linked Business
- Individual Life Unit Linked Business
- Individual Family Takaful Business (refer note 1.2)
- Group Family Takaful Business (refer note 1.2)

1.2 The Company was granted authorisation on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations from July 14, 2016. The Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf Deed executed by the Company with the cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilised only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

The Company issued supplemental policies to the Window Takaful Operations Waqf Fund on October 29, 2019 to include Group Family Participant's Takaful Fund business in existing Window Takaful Operations Waqf Fund and the same was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2019 and the Company commenced its Group Family Takaful Business in the second quarter of 2020.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012.

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, and Takaful Rules, 2012 have been followed.



2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in material accounting policy information relating to financial instruments, investments, investment property, borrowings, lease liabilities, retirement benefits obligation and insurance liabilities.

2.3 Functional and presentation currency

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

2.4 Amendments and improvements that are effective for the year ended December 31, 2023

The following amendments are effective for the year ended December 31, 2023. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023

New amendments that are not yet effective:

The following amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with Convents along with Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025



Other than the aforesaid amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

The SECP vide SRO 1715 (I) / 2023 dated November 21, 2023 has directed the companies engaged in insurance/ takaful and re-insurance/re-takaful to follow IFRS 17 from January 01, 2026. The Company is in the process of determination of impact assessment of IFRS - 17 on the Company's financial statements.

- 2.4.1** IFRS 9 'Financial Instruments' is effective since reporting year ended December 31, 2019. It 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.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduces 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 1 July 2018 onwards to remove from the statement of profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 95 percent and the Company does not engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application of IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

- 2.5** The tables below set out the fair values as at the end of reporting year and the amount of change in the fair value during that year for the following two groups of financial assets separately:

- financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- all other financial assets

**Financial assets**

Cash at bank
Equity securities
Government securities
Debt securities
Term deposits
Mutual funds
Loan secured against life insurance policies
Loan to employees

As at December 31, 2023			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised (loss) / gain during the year	Fair value	Change in unrealised (loss) / gain during the year
----- (Rupees in '000) -----			
3,916,793	-	-	-
8,556,762	1,644,201	-	-
61,365,683	(127,107)	-	-
3,629,033	(44,111)	-	-
-	-	75,000	-
4,981,341	1,852,193	-	-
-	-	35,975	-
23,551	-	-	-
82,473,163	3,325,176	110,975	-

As at December 31, 2023
Gross carrying amount of financial Assets that pass the SPPI test (Rupees in '000)

Loan secured against life insurance policies
Term deposits

	AAA	AA+	AA	AA-	A+	A	A-	A-1	A-1+	B3	Unrated	Total
Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	-	35,975	35,975
Term deposits	-	-	-	75,000	-	-	-	-	-	-	-	75,000
	-	-	-	75,000	-	-	-	-	-	-	35,975	110,975

Financial assets

Cash at bank
Equity securities
Government securities
Debt securities
Term deposits
Mutual funds
Loan secured against life insurance policies
Loan to employees

As at December 31, 2022			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised loss during the year	Fair value	Change in unrealised loss during the year
----- (Rupees in '000) -----			
5,307,056	-	-	-
8,292,169	(1,823,506)	-	-
37,930,238	(64,676)	-	-
4,254,845	(23,190)	-	-
-	-	2,276,000	-
8,017,302	(691,709)	-	-
-	-	42,163	-
21,873	-	-	-
63,823,483	(2,603,081)	2,318,163	-

As at December 31, 2022
Gross carrying amount of financial Assets that pass the SPPI test (Rupees in '000)

Loan secured against life insurance policies
Term deposits

	AAA	AA+	AA	AA-	A+	A	A-	A-1	A-1+	B3	Unrated	Total
Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	-	42,163	42,163
Term deposits	-	400,000	-	-	875,000	1,001,000	-	-	-	-	-	2,276,000
	-	400,000	-	-	875,000	1,001,000	-	-	-	-	42,163	2,318,163

**3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

During the year, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves

The material accounting policy information adopted in the preparation of these financial statements are consistent with those of the previous financial year.

3.1 Types of Insurance / Window Takaful Operations**a) Conventional Business**

The Conventional Business includes individual life, group life and group credit life assurance.

i) Individual life

The individual life business segment provides coverage to individuals against deaths and disability under conventional policies issued by the Company. Additional riders are included on the discretion of the policyholder. The business is written through Bancassurance, tele-sales and through website.

Revenue recognition

First year individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the insured event giving rise to the claim is received. Surrender of conventional business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

ii) Group life and group credit life

Group Life contracts are mainly issued to employers to ensure their commitments to their employees as required under the The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Company. The group credit life business segment provides coverage to a group of members or subscribers registered under a common platform against death and disability. The business is written mainly through direct sales force.



Revenue recognition

Premiums are recognised as and when due. In respect of certain group policies the Company continues to provide insurance cover even if the premium is received after the grace period. Provision for unearned premiums is included in the policyholders' liabilities.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

Experience refund of premium

Experience refund of premium payable to policyholders' is included in policyholders' liability in accordance with the policy of the Company and the advice of the appointed actuary.

b) Accident and Health Business

Accident and Health Business provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals. The risk underwritten is mainly related to medical expenses relating to hospitalisation and death by accidental means. This business is written through direct sales force.

Revenue recognition

Premiums are recognised once the related policies have been issued and the premiums have been received.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claims expenses are recognised after the date the insured event is intimated and a reliable estimate of the claim amount can be made.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

c) Non-unitised Investment Linked Business

Individual Life Non-unitised Investment Linked Business provides life assurance coverage to individuals under universal life policies issued by the Company. Benefits are expressed in terms of account value of the policyholder account which is related to the market value of the underlying assets of the investment fund. The risk underwritten is mainly death and disability. This business is mainly written through bancassurance channel.

Revenue recognition

First year individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium. Single premiums are recognised once the related policies are issued against the receipts of premium. Premium of riders like 'Waiver of Premium' will be recognised upon actuarial assumptions where actuary deems that all premiums due have been received.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expense

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Premium' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Non-unitised Investment Linked Business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Maturity claim expenses in Non-unitised Investment Linked business are recognised when the policy completes the benefit term.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

d) Unit Linked Business

Individual Life Unit Linked Business provides life assurance coverage to individuals under unit-linked investment policies issued by the Company. Benefits are expressed in terms of account value of the policyholder account which is related to the market value of the underlying assets of the investment fund. Various types of riders (accidental death, family income benefits etc.) are also sold along with the basic policies. Some of these riders are charged through deductions from policyholders fund value, while others are not charged i.e. additional premium is charged there against. The risk underwritten is mainly death and disability. This business is written through bancassurance channel and Company's own agency distribution channel.

Revenue recognition

First year individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium. Single premiums are recognised once the related policies are issued against the receipts of premium. Premium of riders like 'Waiver of Premium' will be recognised upon actuarial assumptions where actuary deems that all premiums due have been received.

**Recognition of policyholders' liabilities**

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Premium' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Unit Linked Business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Maturity claim expenses in Unit Investment Linked business are recognised when the policy completes the benefit term.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

e) Individual Family Takaful Unit Linked Business

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 Wakalah 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 surplus 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 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.

Revenue recognition

First year individual life contribution are recognised once the related policies have been issued and the contribution is received. Renewal contribution are recognised upon receipt of contribution. Single contribution are recognised once the related policies are issued against the receipts of contribution. Contribution of riders like 'Waiver of Contribution' will be recognised upon actuarial assumptions where actuary deems that all contribution due have been received.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

**Claim expenses**

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Contribution' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Unit Linked Takaful Business policies is made after these have been approved in accordance with the Company's Policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Maturity claim expenses in Individual Family Takaful Unit Linked Business are recognised when the policy completes the benefit term.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

f) Group Family Takaful Business

Group Life contracts are mainly issued to employers to insure their commitments to their employees as required under the The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Company. The group credit life business segment provides coverage to a group of members or subscribers registered under a common platform against death and disability. The business is written mainly through direct sales force.

Revenue recognition

Contribution are recognised as and when due. In respect of certain group policies the Company continues to provide insurance cover even if the contribution is received after the grace period. Provision for unearned contribution is included in the policyholders' liabilities.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

Experience refund of contribution

Experience refund of contribution payable to policyholders' is included in policyholders' liability in accordance with the policy of the Company and the advice of the appointed actuary.

**3.2 Reinsurance / retakaful contracts held**

Individual policies (including joint life policies underwritten as such) are reinsured under an individual life reinsurance / retakaful agreement whereas group life and group credit life policies are reinsured under group life and group credit life reinsurance agreements respectively.

3.2.1 Conventional**Reinsurance premium**

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

Reinsurance recoveries

Reinsurance recoveries from reinsurers are recognised at the same time when the claim is intimated and giving rise to the right of recovery is recognised in the books of accounts of the Company.

Experience refund

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

Amount due from / to reinsurer

All receivables (reinsurer's share in claims, commission from reinsurer and experience refund) and payables (reinsurance premium) under reinsurance agreements are recognised on net basis in the Company's financial statements, only under the circumstances that there is a clear legal right of off-set of the amounts.

Amounts due from / to reinsurers are carried at cost which is the fair value of the consideration to be received / paid in the future for services rendered / received, less provision for impairment, if any.

3.2.2 Takaful**Retakaful contribution**

Retakaful contribution ceded is recognised at the same time when the related contribution revenue is recognised. It is measured in line with the terms and conditions of the reinsurance treaties.

Retakaful recoveries

Retakaful recoveries from retakaful operators are recognised at the same time when the claim is intimated and giving rise to the right of recovery is recognised in the books of accounts of the Company.

Experience refund

Experience refund receivable from retakaful operators is included in the retakaful recoveries of claims.

Amount due from / to retakaful operator

All receivables (retakaful operator's share in claims, commission from retakaful operator and experience refund) and payables (retakaful contribution) under retakaful agreements are recognised on net basis in the Company's financial statements, only under the circumstances that there is a clear legal right of off-set of the amounts.

Amounts due from / to retakaful operator are carried at cost which is the fair value of the consideration to be received / paid in the future for services rendered / received, less provision for impairment, if any.

**3.3 Statutory funds**

The Company maintains statutory funds in respect of each class of life assurance business in which it operates. Assets, liabilities, revenues and expenses of the Company are referable to the respective statutory funds. However, where these are not referable to statutory funds, these are allocated to shareholders' fund on the basis of actuarial advice. Apportionment of assets, liabilities, revenues and expenses, whenever required between funds are made on the basis certified by the appointed actuary of the Company. Policyholders' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Company on the reporting date as required under Section 50 of the Insurance Ordinance, 2000.

3.4 Policyholders' liabilities**a) Conventional Business****i) Individual life**

- Policyholders' liabilities constitute the reserves for basic plans and riders attached to the basic plans and reserves for IBNR Claims.

Policy reserves pertaining to the basic plans are based on Net Premium method of valuation as prescribed in Annexure V of Insurance Rules 2017 requires the use of the SLIC (2001-05) Individual Life Ultimate mortality table and a valuation interest rate of 3.75% p.a. to establish the valuation Net level Premium. The interest rate is considerably lower than the actual investment return the Company is managing on its conventional portfolio. The difference between the above and actual investment return is intended to be available to the Company for meeting administrative expense and for providing margins against adverse deviations. For yearly renewable contracts and contracts where premiums are not age related, the reserves are based on net unearned premiums. Policy reserves for both waiver of premium and accidental death riders are based on net unearned premiums.

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run-off triangle.

ii) Group life and group credit life

- Policy reserves for these plans are based on the unearned premium method net of allowances made for acquisition expenses, unexpired reinsurance premium and profit commission. Consideration is also given to the requirement for a Premium Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for 'Incurred But Not Reported' (IBNR) claims as included in policyholders' liability is estimated as 15% and 25% of earned premium for the year of group life and group credit life respectively.

b) Accident and Health Business

Main Plan Policy reserves are based on net unearned premiums. Reserves for yearly renewable riders are based on net unearned premiums.

c) Non-unitised Investment Linked Business

Policyholders' liabilities constitute the account value of investment linked contracts as well as non-investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death and risk only riders (accidental death and disability, monthly income benefit, waiver of premium, etc). Reserves for risk only contracts where premiums are level over the term of the contract are based on the Net Premium Method whereas reserves for age related risk contracts are based on net unearned premiums.

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run-off triangle.

**d) Unit Linked Business**

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death and risk only riders (accidental death and disability, monthly income benefit, waiver of premium, etc). Reserves for risk only contracts where premiums are level over the term of the contract are based on the Net Premium Method whereas reserves for age related risk contracts are based on net unearned premiums.

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run-off triangle.

e) Individual Family Takaful Unit Linked Business

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death and risk only riders (accidental death and disability, monthly income benefit, waiver of contribution, etc). Reserves for risk only contracts where contribution are level over the term of the contract are based on the Net Premium Method whereas reserves for age related risk contracts are based on net unearned contribution.

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run-off triangle.

f) Group Family Takaful Business

Policy reserves for these plans are based on the unearned contribution method net of allowances made for acquisition expenses, unexpired retakaful contribution and profit commission. Consideration is also given to the requirement for a Premium Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for 'Incurred But Not Reported' (IBNR) claims as included in policyholders' liability is estimated based on the gross and net loss ratio of 75% and 65% respectively.

3.5 Retirement benefit obligations**Defined benefit plan**

The Company operates an approved funded gratuity scheme for all permanent, confirmed and full time employees who have completed minimum qualifying eligible service period of six months. 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 relevant details relating to the fund are disclosed in note 20. Gratuity is based on employees' last drawn gross salary. Provisions are made to cover the obligations under the scheme on the basis of actuarial assumptions.

The Company's obligation under the gratuity schemes are determined through actuarial valuations. Service costs are recognised in the statement of profit or loss in the year in which they occur. Net interest on net defined benefit liability is also recognised in statement of profit or loss. Net of tax remeasurement comprising actuarial gain / loss, the return on plan assets excluding interest are recognised in other comprehensive income.

3.6 Lease liabilities

The Company recognises all rental agreements as 'finance lease liabilities' created against right of use of an asset where the non cancellable period is more than one year or where the intention of the Company is to continue with the agreement for foreseeable future. At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the effective rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of financing. After the commencement date, the carrying amount of lease liabilities is increased to reflect the accretion of finance cost and reduced for the lease payments made.

**3.7 Receivables and payables relating to insurance contracts**

These include amounts due to and due from agents and policyholders' which are recognised when due.

3.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 Other creditors and accruals

Liabilities for creditors and other amounts payable are recognised initially at fair value plus directly attributable transactions costs, if any, and subsequently measured at amortised cost.

3.10 Employees accumulated compensated absences

The Company accounts for the liability in respect of employees accumulated compensated absences in the period in which they are earned as follows:

A confirmed employee having 6 months service completed is entitled for 30 days annual leaves in a calendar year. Employee completing only part of calendar year's service during the year of his/her joining or leaving will be entitled to proportionate number of Annual Leave days for the period served by him/her. Annual Leaves can be availed after confirmation of service and completion of 6 months employment. The annual leaves entitlement i.e. 30 days leave balance divided into leaves that are encashable during the employment and the leaves that can be encashed at the termination of employment contract.

3.11 Operating assets**3.11.1 Property and equipment**

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

In accordance with the requirements of Islamic Financial Accounting Standard (IFAS) No. 2 for the accounting and financial reporting of "Ijarah", Ijarah arrangements are accounted for as 'Assets held under Ijarah' whereby the Bank transfers its usufruct to the Company for an agreed period for an agreed consideration. Assets held by the Company under Ijarah are not recognised in the statement of financial position of the Company. Rental payments made under these Ijarah are recognised as an expense in the Company's statement of profit or loss on a straight line basis over the Ijarah term.

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 towards the Company and the cost of the item can be measured reliably. All other expenses are charged to the statement of profit or loss / revenue account during the financial year in which they are incurred.

Depreciation

Depreciation is charged using the straight line method at the rates specified in note 5 to these financial statements. Depreciation on additions is charged from the month of addition when the asset is available for use while no depreciation is charged in the month of disposal. When parts of an item of asset have different useful lives, they are accounted for as separate items in the operating assets.



The assets' useful lives and depreciation method are reviewed at each reporting date and adjusted, if appropriate.

Gains and losses on disposal

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

3.11.2 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Software development cost are capitalised only to the extent where future economic benefits that are to be derived from such capitalisation are expected to flow to the Company.

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 them will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to the statement of profit or loss / revenue account during the financial period in which these are incurred.

Amortisation

Intangible assets are amortised using the straight line method over their estimated useful lives (refer note 6). The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at acquisition cost less impairment losses, if any.

3.11.3 Capital work in progress

Capital work in progress is stated at cost less impairment losses. Cost 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.

3.11.4 Right of use assets

The Company recognises all rental agreements as 'right of use asset' where the non cancellable period is more than one year or where the intention of the Company is to continue with the agreement for foreseeable future. At the commencement date of the lease, the right-of-use asset is initially measured at the present value of lease liability. Subsequently, right-of-use asset are measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities and prepayments. Right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term.

3.12 Impairment of non financial assets (excluding deferred tax)

Non financial assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the assets and the impairment loss, if any. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risk specific to the assets. If the recoverable amount of an intangible asset or tangible asset is less than its carrying value, an impairment loss is recognised immediately in the statement of profit or loss / revenue account and the carrying value of the asset is reduced by the amount of the loss. A reversal of an impairment loss on intangible / tangible assets is recognised as it arises provided the increased carrying value does not exceed that which it would have been had no impairment loss been recognised.

3.13 Investment property

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property acquired for investment-linked (unit linked business) statutory fund and it was initially measured at cost and subsequently at fair value with any change therein recognised in statement of profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

The fair value of investment property is determined by external, independent property valuer having appropriate recognised professional qualifications.

3.14 Financial instruments

3.14.1 Financial assets

The Company has classified its financial assets on initial recognition into the following categories: at fair value through profit or loss (held for trading), held to maturity, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired.

The Company has classified its income earned on financial assets categorised at fair value through profit or loss as 'income from trading investments' while income earned on financial assets categorised as held to maturity, loans and receivables and available for sale as 'income from non-trading investments'.

a) Financial assets at fair value through profit or loss (held for trading)

Financial assets designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis.

b) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has both the intent and the ability to hold till maturity.

c) Loans and receivables

These are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

d) Available for sale

These are non derivative financial assets that are either designated as in this category or not classified in any of the other categories.

Initial recognition and measurement

All financial assets are recognised when the Company becomes a party to the contractual provision of the instrument. Investments other than those categorised into 'financial assets at fair value through profit or loss' category are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition of the securities. Financial assets classified 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss / revenue account. All regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date when the Company commits to purchase or sell the investment.



Subsequent measurement

Financial assets classified as 'at fair value through profit or loss' are subsequently measured at their fair values and gains and losses arising from changes in fair value are included in the statement of profit or loss / revenue account. Available for sale investments are subsequently measured at their fair values and gains and losses arising from changes in fair values are included in other comprehensive income. Any change in the provision for impairment in value of investment is recognised in the statement of profit or loss / revenue account. Amortisation of premium / discounts on acquisition of investments is carried out using effective yield method and charged to the statement of profit or loss / revenue account, as appropriate. Investments classified as held to maturity and loans and receivables are subsequently measured at amortised cost less any impairment losses, taking into account any discount or premium on acquisition by using the effective interest rate method.

Fair / market value measurements

For investments in quoted equity securities, the market value is determined by using Pakistan Stock Exchange quotations at the reporting date. For investments in Government securities, the market value is determined using PKRV/PKISRV/PKFRV rates. The fair market value of term finance certificates / corporate sukuk is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP) and the fair value of open ended mutual funds is declared by the relevant fund.

Impairment against financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss - measured as the difference between the carrying value and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit or loss / revenue account, as the case may be, is taken to the statement of profit or loss / revenue account. For financial assets classified as 'loans and receivables' and 'held to maturity', a provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash inflows, discounted at the original effective interest rate.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statement only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

3.14.2 Financial liabilities

All financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost.

Subsequent to initial recognition, these are measured at fair / market value or amortised cost using the effective interest rate method, as the case may be.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.15 Loan against life insurance policies

The Company has a policy to provide loans to the policyholders against cash values of their life insurance policies depending upon their types i.e. unit linked and non unit linked at the prevailing market interest rate (KIBOR) plus spread. The loan amount is secured against the cash value of the policyholders and repayable within 3 months.

3.16 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include balances with banks, term deposits with original maturity of three months or less and cash and stamps in hand.

3.17 Other revenue recognition

- Return on fixed income and government securities are recognised on time proportion basis using the effective interest rate method.
- Return on deposits and loans to policyholders are recognised on a time proportion basis.
- Dividend income from investments is recognised when the Company's right to receive the dividend is established.
- Gain or loss on sale of investments is included in the statement of profit or loss in the year in which disposal has been made.
- Gains and losses on disposal of fixed assets are taken to the statement of profit or loss / revenue account in the year in which they arise.
- All income on investments other than unrealised gain on available for sale investments are included in statement of profit or loss / revenue account. Unrealised income from available for sale investments are included in other comprehensive income.

3.18 Acquisition costs

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 agents / takaful agents.

Commission and other expenses are recognised as expense in the earlier of the financial year in which they are paid and the financial year in which they become 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 to is recognised as revenue.

3.19 Takaful operator 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 Wakalah fee, is recognised upfront.

3.20 Taxation

Income tax expense for the year comprises current and deferred taxation. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to the items recognised directly in equity and other comprehensive income, in which case it is recognised in equity and 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 earned or minimum turnover tax payable under the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred taxation is recognised using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences 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. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.21 Earning Per Share (EPS)

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. There are no dilution effect on the EPS and as such these are not presented.

3.22 Dividend and other appropriations

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

3.23 Foreign currency translation

Transactions in foreign currencies are translated into the reporting currency at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using the rates of exchange prevailing at each reporting date. Non monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are taken to the statement of profit or loss / revenue account.

3.24 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format of reporting is based on business 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 operates in Pakistan only. The Company has six primary business segments for reporting purposes namely; Conventional Business, Accident and Health Business, Non Unitised Investment Linked Business, Unit Linked Business, Individual Family Takaful Business and Group Family Takaful Business. The details of all operating segments are described in note 3.1 to these financial statements. The Company accounts for segment reporting using the classes or sub-classes of business (statutory funds) as specified under the Insurance Ordinance 2000 and Insurance Rules, 2017 as the primary reporting format.

3.25 Contingent Liability

Contingent Liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events, not wholly within the control of the Company; or the Company has present legal or constructive obligation that arises from past events, but it is not possible that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	Note
- Policyholders' liabilities and underlying actuarial assumptions	3.1, 3.4 & 19
- Determining the residual value and useful lives of property and equipment, intangibles and right of use assets	3.11, 5, 6 & 7
- Retirement benefit obligations	3.5 & 20 & 15
- Investment property	3.13 & 8
- Taxation and deferred taxation	3.20, 21 & 37
- Lease Liabilities and related assets	3.6 & 22
- Classification and impairment of investments	3.14, 9, 10, 11, 12 & 13
- Provisions	3.8
- Contingencies and commitments	25

5. PROPERTY AND EQUIPMENT

	Note	2023 (Rupees in '000)	2022
Operating assets	5.1	217,585	212,363
Capital work in progress	5.2	2,571	3,169
		<u>220,156</u>	<u>215,532</u>



5.1 Operating assets

	Cost					Rate %	Depreciation				
	As at January 01, 2023	Additions	Transferred from CWIP	(Disposals / write-off)	As at December 31, 2023		As at January 01, 2023	For the year	(Disposals / write-off)	As at December 31, 2023	Written down values as at December 31, 2023
	(Rupees in '000)						(Rupees in '000)				
Leasehold improvements	64,752	6,989	6,021	(6,168)	71,594	14.3%	19,873	9,144	(2,926)	26,091	45,503
Furniture and fixtures	70,128	2,731	986	(12,169)	61,676	14.3%	34,956	7,950	(8,126)	34,780	26,896
Office equipment	50,516	4,289	-	(783)	54,022	20%	33,760	5,766	(765)	38,761	15,261
Computer and related equipment	173,164	21,592	-	(16,697)	178,059	33.3%	131,135	23,857	(15,774)	139,218	38,841
Motor vehicles	95,508	45,671	-	(10,490)	130,689	20%	21,981	19,799	(2,175)	39,605	91,084
	454,068	81,272	7,007	(46,307)	496,040		241,705	66,516	(29,766)	278,455	217,585

	Cost					Rate %	Depreciation				
	As at January 01, 2022	Additions	Transferred from CWIP	(Disposals / write-off)	As at December 31, 2022		As at January 01, 2022	For the year	(Disposals / write-off)	As at December 31, 2022	Written down values as at December 31, 2022
	(Rupees in '000)						(Rupees in '000)				
Leasehold improvements	52,019	4,947	14,727	(6,941)	64,752	14.3%	15,349	7,971	(3,447)	19,873	44,879
Furniture and fixtures	63,649	7,081	1,383	(1,985)	70,128	14.3%	27,947	8,825	(1,816)	34,956	35,172
Office equipment	46,433	4,891	900	(1,708)	50,516	20%	29,140	6,117	(1,497)	33,760	16,756
Computer and related equipment	153,806	37,449	-	(18,091)	173,164	33.3%	131,086	17,743	(17,694)	131,135	42,029
Motor vehicles	21,958	48,051	28,988	(3,489)	95,508	20%	12,538	12,315	(2,872)	21,981	73,527
	337,865	102,419	45,998	(32,214)	454,068		216,060	52,971	(27,326)	241,705	212,363

5.1.1 Disposal of fixed assets

Particulars	Cost	Accumulated depreciation	Net book value	Sales Value	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers along with relationship
Detail of fixed assets sold							
Motor vehicles	3,541	(354)	3,187	3,583	396	As per Company policy	Mr. Ahson-Employee
	2,958	(690)	2,268	2,772	504	As per Company policy	Mr. Usman Javed-Employee
	1,747	(495)	1,252	1,701	449	As per Company policy	Mr. Raja Adnan-Employee
	2,244	(636)	1,608	2,031	423	As per Company policy	Mr. Noor Atif-Employee
Furniture and fixtures	2,952	(2,817)	135	63	(72)	Negotiation	Abdul Rehman
	2,376	(1,695)	681	215	(466)	Negotiation	Various vendors
	179	(96)	83	41	(42)	Negotiation	Various vendors
	910	(466)	444	240	(204)	Negotiation	Wasim Abbas
	1,816	(1,347)	469	286	(183)	Negotiation	N.A Enterprises
Computer and related equipment	6,721	(6,721)	-	400	400	Negotiation	Abdul Hannan and Brothers
	1,340	(971)	369	94	(275)	Negotiation	Sultan Traders
	76	(76)	-	76	76	Negotiation	Tayyab Traders
	73	(73)	-	7	7	As per Company policy	Mr. Zaheer Abbas -Employee



Particulars	Cost	Accumulated depreciation	Net book value	Sales Value	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers along with relationship
	71	(71)	-	7	7	As per Company policy	Mr. Hafiz Muhammad Sajid-Employee
	45	(45)	-	4	4	As per Company policy	Mr. Haris Yousuf-Employee
	80	(80)	-	8	8	As per Company policy	Mr. Muhammad Kaleem-Employee
	47	(47)	-	5	5	As per Company policy	Mr. Syed Asad Murtaza-Employee
	65	(65)	-	7	7	As per Company policy	Mr. Zeeshan Hussain-Employee
	45	(45)	-	5	5	As per Company policy	Mr. Muhammad Imran Yousuf-Employee
	45	(45)	-	5	5	As per Company policy	Mr. Muhammad Farooq Qadeer-Employee
	57	(57)	-	6	6	As per Company policy	Mr. Noor Saeed-Employee
	69	(69)	-	7	7	As per Company policy	Mr. Javad UI Hassan-Employee
	69	(69)	-	7	7	As per Company policy	Mr. Danish Shafiq-Employee
	55	(55)	-	5	5	As per Company policy	Mr. Syed Mohsin Rizvi-Employee
	55	(55)	-	5	5	As per Company policy	Mr. Habib Ullah Basit-Employee
	55	(55)	-	5	5	As per Company policy	Mr. Kamran Khan-Employee
	55	(55)	-	5	5	As per Company policy	Mr. Waris Ali-Employee
	69	(69)	-	7	7	As per Company policy	Mr. Shilpa Shamlal-Employee
	73	(73)	-	7	7	As per Company policy	Mr. Muhammad Ibrahim Qazi-Employee
	70	(70)	-	7	7	As per Company policy	Mr. Faisal Rasheed-Employee
	44	(44)	-	4	4	As per Company policy	Mr. Muhammad Afnan Aftab-Employee
	164	(164)	-	16	16	As per Company policy	Mr. Muhammad Furqan Uddin-Employee
	30	(30)	-	3	3	As per Company policy	Mr. Rahila Ashraf-Employee
	466	(466)	-	60	60	As per Company policy	Mr. Danish Ali Khan Rajput-Employee
	281	(179)	102	164	62	As per Company policy	Mr. Ahson Nasim-Employee
	281	(179)	102	94	(8)	As per Company policy	Mr. Dr. M. Saquib Saeed Khan-Employee
	125	(108)	17	24	7	As per Company policy	Mr. Rahim Ashiq Ali Vallyani-Employee
	125	(108)	17	21	4	As per Company policy	Mr. Asif Iqbal-Employee
	583	(380)	203	227	24	As per Company policy	Mr. Muhammad Imran Hussain-Employee
	65	(65)	-	7	7	As per Company policy	Mr. Sada Abbas-Employee
Office Equipment	70	(70)	-	7	7	Negotiation	Dubai Cooling Center
	71	(71)	-	15	15	Negotiation	Dubai Cooling Center
	101	(101)	-	7	7	Negotiation	Dubai Cooling Center
	83	(83)	-	8	8	Negotiation	Dubai Cooling Center
	146	(146)	-	7	7	Negotiation	Dubai Cooling Center
	146	(146)	-	7	7	Negotiation	Dubai Cooling Center
	70	(70)	-	10	10	Negotiation	Dubai Cooling Center
	-	-	-	95	95	Negotiation	Dubai Cooling Center
Leasehold Improvement	127	(67)	60	41	(19)	Negotiation	Various vendors
	94	(55)	39	13	(26)	Negotiation	Hamza Traders
	31,040	(20,004)	11,036	12,443	1,407		
Details of fixed assets written off							
Leasehold improvements	5,944	(2,802)	3,142	-	(3,142)	Write-off	None
Office equipment	97	(78)	19	-	(19)	Write-off	None
Furniture and fixtures	3,936	(1,706)	2,230	-	(2,230)	Write-off	None
Computer equipments	5,290	(5,176)	114	-	(114)	Write-off	None
	15,267	(9,762)	5,505	-	(5,505)		
Total as at December 31, 2023	46,307	(29,766)	16,541	12,443	(4,098)		
Total as at December 31, 2022	32,214	(27,336)	4,877	1,665	(3,212)		

5.1.2 Fully depreciated assets having cost of Rs. 145.97 million (2022: Rs 146.85 million) are still in use.

Adamjee Life Assurance Company Limited

Notes to and forming part of the Financial Statements

For the year ended December 31, 2023



Adamjee Life Assurance Company Limited

Notes to and forming part of the Financial Statements

For the year ended December 31, 2023



	Note	2023 (Rupees in '000)	2022
5.2 Capital work in progress			
Opening balance		3,169	24,943
Additions		8,007	24,224
Expensed out		(1,598)	-
Transfer to operating assets		(7,007)	(45,998)
Closing balance		2,571	3,169
5.3 Depreciation			
Acquisition expense	33	(38,606)	(34,846)
Marketing and administration expense	34	(27,910)	(18,125)
		(66,516)	(52,971)
6. INTANGIBLE ASSETS			
Computer software	6.1	22,152	22,825
Capital work in progress	6.2	3,754	3,754
		25,906	26,579

Cost					Amortization					
As at January 01, 2023	Additions	Transferred from CWIP	(Disposals)	As at December 31, 2023	Rate %	As at January 01, 2023	For the year	(Disposals)	As at December 31, 2023	Written down values as at December 31, 2023
----- (Rupees in '000) -----					%	----- (Rupees in '000) -----				
Computer software	181,379	13,138	-	194,517	20%	158,554	13,812	-	172,366	22,151

Cost					Amortization					
As at January 01, 2022	Additions	Transferred from CWIP	(Disposals)	As at December 31, 2022	Rate %	As at January 01, 2022	For the year	(Disposals)	As at December 31, 2022	Written down values as at December 31, 2022
----- (Rupees in '000) -----					%	----- (Rupees in '000) -----				
Computer software	168,490	3,531	9,358	181,379	20%	145,404	13,150	-	158,554	22,825

6.1 Fully amortised intangible assets having cost of Rs. 161.02 million (2022: Rs Rs. 124.97 million) are still in use.

	Note	2023 (Rupees in '000)	2022
6.2 Capital work in progress			
Opening balance		3,754	12,571
Reversals		-	541
Transfer to operating assets		-	(9,358)
Closing balance		3,754	3,754

	Note	2023 (Rupees in '000)	2022
7. RIGHT OF USE ASSETS			
Head office and branches	7.1	72,502	124,420
7.1 Head office, bancassurance and agency branches - Right of use assets			
As at January 01, 2023			
Cost		318,777	327,622
Accumulated depreciation		(194,357)	(139,994)
Net book value		124,420	187,628
Opening net book value		124,420	187,628
Additions		8,936	-
Derecognition			
- Cost		(5,215)	(8,845)
- Accumulated depreciation		2,359	3,714
Derecognition at net book value		(2,856)	(5,131)
Depreciation charged		(57,998)	(58,077)
Closing net book value		72,502	124,420
Cost		322,498	318,777
Accumulated depreciation		(249,996)	(194,357)
Net book value		72,502	124,420

	Note	2023	2022
7.2 Depreciation			
Acquisition expense	33	(22,768)	(23,675)
Marketing and Administration expense	34	(35,230)	(34,402)
		(57,998)	(58,077)

7.3 Lease assets comprise of head office, bancassurance and agency branches with a lease term of 5 to 7 years.

	Note	2023 (Rupees in '000)	2022
8. INVESTMENT PROPERTY			
Opening net book value		943,669	939,394
Unrealised fair value gain		121,725	4,275
Closing net book value	8.1	1,065,394	943,669

8.1 This represents piece and parcel of plot no. 1-A, Main Gulberg, Jail Road, Lahore, measuring 8 Kanal 8 Marla 203 Sq. ft. of a land bought by the Company for the Unit Linked Investment Business.

Market value of this investment property is estimated around Rs. 1,065.39 million with the forced sale value (FSV) of Rs. 739.20 million as at December 27, 2023. Total unrealised gain till December 31, 2023 is Rs. 293.467 million (December 31, 2022: Rs. 171.742 million). The fair value of investment property is determined by K.G Traders (Private) Limited, an external, independent property valuer having appropriate recognised professional qualifications.

Valuation technique

The valuer has arranged inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilisation, and current trends in prices of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the best estimates of the fair value.



9. INVESTMENTS IN EQUITY SECURITIES	Note	2023		2022	
		(Rupees in '000)			
Available for sale	9.1	-	-	12,390	-
Fair value through profit or loss (held for trading)	9.2	8,556,762	-	8,279,779	-
		<u>8,556,762</u>	<u>-</u>	<u>8,292,169</u>	<u>-</u>

9.1 Available for sale	2023			2022		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	(Rupees in '000)					
Related parties	-	-	-	795	-	728
Others	-	-	-	12,687	-	11,662
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,482</u>	<u>-</u>	<u>12,390</u>

9.1.1 Details of equity securities - available for sale	2023		2022	
	No. of shares	Market value in Rupees (000)	No. of shares	Market value in Rupees (000)
Related party				
Nishat Power Limited	-	-	40,000	728
Others				
Aisha Steel Mills Limited	-	-	660	5
Aisha Steel Mills Limited (preference shares)	-	-	3,300	48
Attock Cement Pakistan Limited	-	-	24,000	1,357
Fatima Fertilizer Company Limited	-	-	9,000	302
Habib Bank Limited	-	-	58,807	3,746
Kot Addu Power Company Limited	-	-	12,000	320
K-Electric Limited	-	-	130,000	351
National Bank of Pakistan	-	-	79,062	1,865
Pakistan Oilfields Limited	-	-	600	237
Pakistan Petroleum Limited	-	-	49	3
Saif Power Limited	-	-	25,000	464
United Bank Limited	-	-	29,400	2,964
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,662</u>

9.2 Fair value through profit or loss (held for trading)	2023			2022		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	(Rupees in '000)					
Related parties	1,535,048	-	2,202,866	1,297,356	-	942,938
Others	5,377,513	-	6,353,896	8,804,837	-	7,336,841
	<u>6,912,561</u>	<u>-</u>	<u>8,556,762</u>	<u>10,102,193</u>	<u>-</u>	<u>8,279,779</u>



9.2.1 Details of equity securities - fair value through profit or loss

Related party	2023		2022	
	No. of shares	Market value in Rupees (000)	No. of shares	Market value in Rupees (000)
D.G. Khan Cement Company Limited	1,705,731	132,024	1,805,732	93,248
MCB Bank Limited	10,637,598	1,835,518	6,306,006	732,506
Nishat Chunian Limited	5,730,098	148,696	3,907,365	81,429
Nishat Chunian Power Limited	2,000,000	55,940	-	-
Nishat Mills Limited	400,000	30,688	650,301	35,755
	<u>2,202,866</u>	<u>2,202,866</u>	<u>942,938</u>	<u>942,938</u>
Others				
Abbott Laboratories (Pakistan) Limited	380,350	175,040	54,900	25,435
AGP Limited	2,911,008	204,672	614,034	39,906
Agriautos Industries Limited	366,630	36,575	135,630	11,638
Air Link Communication Limited	-	-	2,561,196	75,760
Aisha Steel Mills Limited	-	-	5,235,825	42,986
Amreli Steel Limited	-	-	4,883,504	87,659
Archroma Pakistan Limited	-	-	2,863	1,248
Arif Habib Corporation Limited	-	-	36,300	1,250
Askari Bank Limited	-	-	1,964	39
Atlas Battery Limited	-	-	1,587	259
Atlas Honda Limited	152,300	53,430	163,300	48,990
At-Tahur Limited	-	-	170,153	2,908
Attock Cement Pakistan Limited	365,068	35,127	550,500	31,131
Attock Petroleum Limited	37,327	14,129	-	-
Avanceon Limited	-	-	235,915	15,577
Azgard Nine Limited	-	-	50,747	368
Bank Al Falah Limited	-	-	7,814,396	235,526
Bank Al Habib Limited	-	-	36,563	2,021
BankIslami Pakistan Limited	-	-	4,704,431	62,851
Citi Pharma Limited	-	-	3,040,403	73,425
Bata Pakistan Limited	162,175	280,924	166,555	360,307
Bestway Cement Limited	-	-	338,897	43,382
Century Paper & Board Mills Limited	17,000	554	-	-
Cherat Cement Company Limited	12,149	1,980	1,754,297	178,763
Citi Pharma limited	136,540	3,241	-	-
Cnergyico PK Limited	-	-	5,593,773	20,641
Dynea Pakistan Limited	321,300	59,505	403,200	62,492
Engro Corporation Limited	861,531	254,074	1,834,566	480,675
Engro Fertilizer Limited	-	-	582,512	44,789
Fauji Cement Company Limited	39,022,777	738,311	29,344,402	352,720
Fauji Fertilizer Company Limited	571,188	64,653	3,189,976	48,902
Faysal Bank Limited	5,946,728	193,744	7,608,655	196,532
Ferozsans Laboratories Limited	32,200	7,105	221,331	30,444
Ghandhara Tyre & Rubber Company Limited	-	-	2,028,395	54,767
Glaxosmithkline Pakistan Limited	-	-	273,900	24,040

Adamjee Life Assurance Company Limited
Notes to and forming part of the Financial Statements
For the year ended December 31, 2023



Adamjee Life Assurance Company Limited
Notes to and forming part of the Financial Statements
For the year ended December 31, 2023



	2023		2022	
	No. of shares	Market value in Rupees (000)	No. of shares	Market value in Rupees (000)
Gharibwal Cement Limited	-	-	396,835	6,345
Gul Ahmed Textile Mills Limited	5,315,256	114,810	3,704,131	91,270
Habib Bank Limited	-	-	2,377,988	151,549
Habib Metropolitan Bank Limited	2,339	129	1,698,949	57,679
Haleon Pakistan Limited	540,262	91,310	173,262	28,397
Highnoon Laboratories Limited	247,159	124,707	25	14
Hi-Tech Lubricants Limited	9,000	236	194,577	5,034
Honda Atlas Cars (Pakistan) Limited	1,035	221	-	-
Hub Power Company Limited	455,000	53,276	422,425	26,647
Hum Network Limited	18,586,000	127,313	-	-
IGI Holdings Limited	440,900	48,653	480,400	45,638
Indus Motors Company Limited	127,175	152,599	-	-
Interloop Limited	2,534,190	182,462	2,187,916	123,945
International Industries Limited	-	-	935,485	70,779
International Steels Limited	-	-	432,222	19,601
Jubilee Life Insurance Company Limited	2,459	335	110,465	15,355
Jahangir Siddiqui & Company Limited	-	-	2,545,500	26,040
JS Bank Limited	-	-	1,906,500	8,941
Kohat Cement Company Limited	-	-	44,000	6,499
Kohinoor Textile Mills Limited	-	-	448,664	21,199
Kot Addu Power Company Limited	-	-	257,534	6,863
Lucky Cement Limited	662,384	521,283	811,080	362,212
Lucky Core Industries Limited	84,103	65,483	-	-
Maple Leaf Cement Factory Limited	7,871,073	306,342	16,441,207	371,078
Mari Petroleum Company Limited	139,063	291,490	514,487	795,891
Meezan Bank Limited	462,947	74,701	3,579,752	356,329
Mughal Iron & Steel Industries Limited	6,570,262	434,819	2,189,031	105,752
Murree Brewery Company Limited	513,389	172,232	398,839	145,098
National Bank of Pakistan	1,000,000	32,110	1,000,000	23,590
National Foods Limited	1,280,500	185,673	50	5
National Refinery Limited	-	-	75,234	13,245
Nestle Pakistan Limited	-	-	17,099	100,371
Nimir Industrial Chemicals Limited	47,500	4,940	-	-
Octopus Digital Limited	-	-	901,195	51,053
Oil and Gas Development Company Limited	1,898,559	213,493	2,630,504	209,546
Packages Limited	398,015	210,983	424,534	157,146
Pakistan Aluminium Beverage Cans Limited	630,000	47,609	-	-
Pak Elektron Limited	-	-	7,382,364	95,602
Pakistan Oilfields Limited	-	-	25,771	10,124
Pakistan Oxygen Limited	-	-	300	42
Pakistan Petroleum Limited	1,860,441	214,007	2,270,845	154,735
Pakistan State Oil Company Limited	-	-	209,481	30,163
Pakistan Telecommunication Company Limited	-	-	17,813,000	108,659
Pakistan Tobacco Company Limited	116,271	131,454	58,871	56,747
Panther Tyres Limited	-	-	3,220,758	66,734
Pioneer Cement Limited	651,442	74,877	644,196	33,131
Power Cement Limited	-	-	1,917,500	8,859

	2023		2022	
	No. of shares	Market value in Rupees (000)	No. of shares	Market value in Rupees (000)
Rafhan Maize Products Company Limited	3,920	39,192	-	-
Security Papers Limited	-	-	476,499	44,576
Shabbir Tiles & Ceramics Limited	2,496,587	35,576	1,360,092	11,697
Shell Pakistan Limited	-	-	514,300	55,256
Shifa International Hospitals Limited	638,510	89,564	984,810	105,473
Sui Northern Gas Pipelines Limited	-	-	2,600	98
Synthetic Products Enterprises Limited	-	-	599,215	5,932
Systems Limited	446,110	188,953	88,900	43,021
Thal Limited	-	-	376,644	72,790
The Organic Meat Company Limited	-	-	49,159	1,016
The Searle Company Limited	-	-	17,700	1,042
United Bank Limited	-	-	3,484,330	351,046
Waves Home Appliances Limited	-	-	392,700	2,608
Waves Singer Pakistan Limited	-	-	1,963,500	16,946
		6,353,896		7,336,841

10. INVESTMENTS IN GOVERNMENT SECURITIES

Fair value through profit or loss (held for trading)

Note	2023 (Rupees in '000)	2022
10.1	61,365,683	37,930,238

10.1 Fair value through profit or loss (held for trading)

	Term (year / months)	Maturity year	Effective yield (%)	Carrying value	Principal repayment	Market value
(Rupees in '000)						
GOP Ijara Sukuk 5 Years - FRR	5 years	2028	15.59%	700,020	700,000	703,500
GOP Ijara Sukuk 5 Years - FRR	5 years	2026	17.14%	488,881	527,500	459,347
GOP Ijara Sukuk 5 Years - FRR	5 years	2025	21.00%	92,588	100,000	83,790
GOP Ijara Sukuk 5 Years - FRR	5 years	2024	20% - 22%	1,767,773	1,774,625	1,773,391
GOP Ijara Sukuk 5 Years - VRR	5 years	2028	21.04%	660,023	660,000	659,736
GOP Ijara Sukuk 5 Years - VRR	5 years	2027	21.67% - 22.13%	263,995	264,900	269,084
GOP Ijara Sukuk 5 Years - VRR	5 years	2026	21.49% - 21.92%	470,119	475,000	481,500
GOP Ijara Sukuk 5 Years - VRR	5 years	2025	21.49% - 21.83%	620,549	630,000	634,035
GOP Ijara Sukuk 3 Years - FRR	3 years	2026	16.02% - 21.03%	1,768,396	1,773,000	1,811,693
GOP Ijara Sukuk 3 Years - VRR	3 years	2026	21.03%	534,449	535,000	535,642
GOP Ijara Sukuk 1 Year - VRR	1 year	2024	19.64% - 22.55%	994,081	995,000	1,000,809
Pakistan Investment Bond (FRB)	10 years	2031	23.29%	1,327,578	1,400,000	1,326,640
Pakistan Investment Bond (FRB)	10 years	2030	22.53%	494,111	500,000	491,900
Pakistan Investment Bond (FRB)	10 years	2028	22.55%	49,229	50,000	48,985
Pakistan Investment Bond (FRB)	5 years	2028	23.90%	7,612,136	7,840,000	7,597,071
Pakistan Investment Bond (FRB)	5 years	2027	22.59%	809,546	840,000	815,304
Pakistan Investment Bond (FRB)	5 years	2026	22.85%	1,709,145	1,750,000	1,717,100
Pakistan Investment Bond	10 years	2030	15.38%	1,116,938	1,470,000	1,016,583
Pakistan Investment Bond	5 years	2027	16.20%	182,922	225,000	184,695
Pakistan Investment Bond	5 years	2025	18.76%	442	500	417
Pakistan Investment Bond	3 years	2026	17.30%	2,561,545	2,850,000	2,552,217
Pakistan Investment Bond	3 years	2025	19.40%	9,135	10,000	8,757
Treasury Bills	12 months	2024	21.32% - 21.37%	35,270,304	41,623,100	35,205,214
Treasury Bills	6 months	2024	21.31% - 21.92%	1,849,693	2,006,975	1,849,109
Treasury Bills	3 months	2024	21.92%	139,191	140,000	139,164
As at December 31, 2023				61,492,790	69,140,600	61,365,683
As at December 31, 2022				37,994,914	38,889,665	37,930,238



10.1.1 These include PIBs of Rs. 75 million, Rs. 100 million & Rs. 300 million (December 31, 2022: Rs. 75 million & Rs. 100 million) placed with State Bank of Pakistan as per the requirement of section 29 of Insurance Ordinance, 2000 carrying coupon rate of 7.5%, 8% & 12% per annum having maturity period of 5, 10 & 3 years and will mature on April 29, 2027, December 10, 2030 & July 4, 2026 respectively.

11. INVESTMENTS IN DEBT SECURITIES

At fair value through profit or loss (held for trading)

Note	2023			2022		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	(Rupees in '000)					
Advance against the purchase of term finance certificate	-	-	-	472,000	-	472,000
Term finance certificates / corporate sukus	3,673,144	-	3,629,033	3,806,035	-	3,782,845
	3,673,144	-	3,629,033	4,278,035	-	4,254,845

11.1 Term finance certificates / corporate sukus

Details of the term finance certificates and corporate sukus are as follows:

Maturity date	2023		2022		Market value	
	(No. of certificates)	(Rupees in '000)	(No. of certificates)	(Rupees in '000)	2023	2022
Askari Bank Limited VII - TFC	17-Mar-30	100	100	1,000	99,500	100,980
Askari Bank Limited VI - TFC	Perpetual	100	100	1,000	100,000	100,000
Aspin Pharma Private Limited - Sukuk	-	-	820	10	-	16,656
Bank Al Habib Limited - TFC	30-Sep-31	195,000	195,000	5	952,300	998,000
Bank Alfalah Limited - TFC	15-Jan-24	20,000	20,000	5	99,433	92,514
Dubai Islamic Bank Sukuk	2-Dec-32	22	-	1,000	22,132	-
Ghani Chemical Industries Limited TFC	3-Feb-24	600	600	12	2,455	11,499
Habib Bank Limited II - TFC	26-Sep-34	500	500	100	50,000	50,000
Jahangir Siddiqui & Company Limited - TFC	-	-	30,000	2	-	51,216
Meezan Bank Limited Sukuk	16-Dec-31	450	-	1,000	442,917	-
Meezan Bank Limited - Sukuk	9-Jan-30	500	500	1,000	501,250	513,600
Meezan Bank Limited - Sukuk	Perpetual	-	250	1,000	-	250,000
Pakistan Energy Sukuk II	21-May-30	115,000	115,000	5	575,173	574,999
Samba Bank Limited TFC	1-Mar-31	4,250	4,250	100	423,953	424,107
The Bank Of Punjab I TFC	17-Apr-28	1,000	3,400	100	100,334	339,184
The Bank Of Punjab II TFC	23-Apr-28	2,580	2,580	100	259,586	260,090
		340,102	373,100		3,629,033	3,782,845

12. INVESTMENT IN TERM DEPOSITS

	Note	2023	2022
(Rupees in '000)			
Deposits maturing within 12 months (held to maturity)	12.1	75,000	2,276,000

12.1 This represents term deposits with banks which carry profit rate of 21% per annum (December 31, 2022: 14.8% to 16% per annum) and maturing in January 2024 (December 31, 2022: January, 2023 to September, 2023).



13. INVESTMENTS IN MUTUAL FUNDS

Fair value through profit or loss (held for trading)

Note	2023	2022
(Rupees in '000)		
	4,981,341	8,017,302

13.1 Fair value through profit or loss (held for trading)

	2023			2022		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	(Rupees in '000)					
Related parties	3,129,148	-	4,981,341	6,099,261	-	5,403,600
Others	-	-	-	2,609,750	-	2,613,702
	3,129,148	-	4,981,341	8,709,011	-	8,017,302

13.1.1 Details of mutual funds - fair value through profit or loss

Related parties	2023		2022	
	No. of units	Market value in Rupees (000)	No. of units	Market value in Rupees (000)
Alhamra Islamic Asset Allocation Fund	5,506,794	522,441	7,325,935	460,051
Alhamra Islamic Income Fund	667,028	75,779	4,193,281	457,671
Alhamra Islamic Stock Fund	149,237,689	2,093,805	195,145,209	1,709,472
MCB Cash Management Optimizer	1,978	201	4,105,832	416,746
Pakistan Asset Allocation Fund	2,932,844	337,190	3,878,276	284,360
MCB Pakistan Opportunity Fund	540,454	81,073	-	-
MCB Pakistan Dividend Yield Plan	-	-	500,000	50,200
MCB Pakistan Sovereign Fund	134,363	8,042	-	-
MCB Pakistan Stock Market Fund	14,038,557	1,862,810	23,141,205	1,846,772
Pakistan Income Fund	-	-	3,052,727	178,328
		4,981,341		5,403,600

Others	2023		2022	
	No. of units	Market value in Rupees (000)	No. of units	Market value in Rupees (000)
Alfalah GHP Money Market Fund	-	-	9,892,558	973,701
Faysal Income and Growth Fund	-	-	1,000	116
Faysal Money Market Fund	-	-	4,429	454
Faysal Savings and Growth Fund	-	-	7,939,242	872,443
NBP Money Market Fund	-	-	24,819,709	247,060
HBL Cash Fund	-	-	1,827,806	187,232
HBL Financial Sector Income Fund Plan	-	-	551,773	55,849
HBL Islamic Income Fund	-	-	796,674	88,022
JS Government Securities Fund	-	-	486,137	51,078
NIT Money Market Fund	-	-	14,226,323	137,747
				2,613,702



14. (INSURANCE / TAKAFUL) / (REINSURANCE / RETAKAFUL RECEIVABLES)	Note	2023 (Rupees in '000)	2022
Due from insurance contract holders - Group life business		41,782	36,098
Less: provision for impairment of receivables from insurance contract holders	14.2	-	-
		<u>41,782</u>	<u>36,098</u>
Due from reinsurers / retakaful operators		52,361	26,358
Net (insurance / takaful) / (reinsurance / retakaful) receivable		<u>94,143</u>	<u>62,456</u>

14.1 The maximum exposure of against such receivables, calculated based on average month-end balances, are as follows:

	Note	2023 (Rupees in '000)	2022
MCB Islamic Bank Limited		4,658	12,537
MCB Bank Limited		9,680	4,769
Others		1,707	2,078
		<u>16,045</u>	<u>19,384</u>

None of these balances are past due for more than 365 days.

14.2 Movement in provision for impairment of receivables from insurance contract holders

Opening		-	(8,343)
Provision for the year		2,660	-
Provision written - off		(2,660)	8,343
Closing		<u>-</u>	<u>-</u>

15. OTHER LOANS AND RECEIVABLES

Receivable from related parties		-	6
Accrued income on investments		1,177,420	427,793
Security deposits		48,141	57,117
Receivable from gratuity fund		11,791	-
Loan to employees - secured	15.1	23,551	21,873
Advance to supplier		5,547	43,980
Dividend receivable		9,468	83,307
Receivable against the sale of investment		98,143	132,912
Other receivables		4,997	11,335
		<u>1,379,058</u>	<u>778,323</u>

15.1 This represents interest free loans secured against the gratuity entitlement and are repayable within one year of the disbursement.

16. PREPAYMENTS

	Note	2023 (Rupees in '000)	2022
Prepaid rent- Ijarah term		17,410	10,698
Prepaid miscellaneous expenses	16.1	37,759	30,957
		<u>55,169</u>	<u>41,655</u>

16.1 These include prepayments related to insurance and software subscriptions.



17. CASH AND BANK	Note	2023 (Rupees in '000)	2022
- Cash in hand		617	71
- Policy stamps		9,186	9,870
		<u>9,803</u>	<u>9,941</u>
Cash at bank			
- Current accounts		227,763	161,024
- Saving accounts	17.1	3,689,030	5,146,032
		<u>3,916,793</u>	<u>5,307,056</u>
		<u>3,926,596</u>	<u>5,316,997</u>

17.1 This carries profit rate ranging from 12% to 21% (December 31, 2022: 7.25% to 17.5%) per annum.

17.2 Cash and cash equivalents

	Note	2023 (Rupees in '000)	2022
Cash and cash equivalents includes the following for the purpose of cash flow statement:			
- Cash in hand and policy stamps	17	9,803	9,941
- Cash at bank	17	3,916,793	5,307,056
- Term deposits maturing within three months	12	75,000	1,275,000
		<u>4,001,596</u>	<u>6,591,997</u>

18. ORDINARY SHARE CAPITAL

18.1 Authorised capital

	2023 No. of shares in '000	2022	2023 ----- (Rupees in '000) -----	2022
Ordinary shares of Rs. 10 each fully paid in cash	<u>250,000</u>	<u>250,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

18.2 Issued, subscribed and paid up share capital

	2023 No. of shares in '000	2022	2023 ----- (Rupees in '000) -----	2022
Ordinary shares of Rs. 10 each fully paid in cash	<u>250,000</u>	<u>250,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

18.3 Share capital includes Rs. 364.66 million (2022: Rs. 364.66 million) transferred to the statutory funds.



19. INSURANCE / TAKAFUL LIABILITIES	Note	2023 (Rupees in '000)	2022
Reported outstanding claims (including claims in payment)	19.1	3,377,054	3,122,497
Incurred but not reported claims	19.2	229,319	190,048
Investment component of unit-linked and account value policies	19.3	74,570,484	58,966,454
Liabilities under individual conventional insurance / takaful contracts	19.4	27,503	18,319
Liabilities under group insurance contracts (other than investment linked)	19.5	199,093	154,855
Other insurance / takaful liabilities	19.6	902,282	812,525
Gross insurance / takaful liabilities		79,305,735	63,264,698
Surplus of Participant Takaful Fund		254,253	143,963
Total Insurance / takaful liabilities		79,559,988	63,408,661
19.1 Reported outstanding claims			
Gross of reinsurance / retakaful			
Payable within one year		3,471,607	3,222,448
Recoverable from reinsurers / retakaful operators		(94,553)	(99,951)
Net reported outstanding claims		3,377,054	3,122,497
19.2 Incurred but not reported claims			
Individual life			
Gross of reinsurance / retakaful		280,053	223,514
Reinsurance / retakaful recoveries		(105,827)	(80,349)
Net of reinsurance / retakaful		174,226	143,165
Group life			
Gross of reinsurance / retakaful		133,185	105,264
Reinsurance / retakaful recoveries		(78,092)	(58,381)
Net of reinsurance / retakaful		55,093	46,883
Net incurred but not reported claims		229,319	190,048
19.3 Investment component of unit linked and account value policies			
Investment component of unit linked policies		73,346,877	57,385,281
Investment component of account value policies		1,223,607	1,581,173
		74,570,484	58,966,454
19.4 Liabilities under individual conventional insurance / takaful contracts			
Gross of reinsurance / retakaful		29,348	20,465
Reinsurance / retakaful credit		(1,845)	(2,146)
Net of reinsurance / retakaful		27,503	18,319



19.5 Liabilities under group insurance / takaful contracts (other than investment linked)	Note	2023 (Rupees in '000)	2022
Gross of reinsurance / retakaful		377,626	304,087
Reinsurance / retakaful credit		(178,533)	(149,232)
Net of reinsurance / retakaful		199,093	154,855
19.6 Other insurance / takaful liabilities			
Gross of reinsurance / retakaful		1,027,288	902,851
Reinsurance / retakaful credit		(125,006)	(90,326)
Net of reinsurance / retakaful		902,282	812,525
20. RETIREMENT BENEFIT OBLIGATIONS			
20.1 As stated in note 3.5, the Company operates a funded gratuity scheme covering eligible employees who have completed the minimum qualifying eligible service period of six months. The employees are entitled to gratuity on the basis of last drawn monthly gross salary on normal retirement or on death in service on the number of years of services with the Company. Contribution to the fund is made and expense is recognised on the basis of actuarial valuations carried out at each year end using the projected unit credit method.			
20.1.1 Responsibility for the 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. Details of the Company's obligation under the staff gratuity scheme determined on the basis of an actuarial valuation carried out by an independent actuary as at December 31, 2023 under the Projected Unit Credit Method are as follows:			
20.2 Statement of financial position reconciliation	Note	2023 (Rupees in '000)	2022
Present value of defined benefit obligations	20.2.1	203,354	189,140
Fair value of plan assets	20.2.2	(215,145)	(184,274)
Net (surplus) / liability at end of the year	20.2.4	(11,791)	4,866
20.2.1 Movement in present value of defined benefit obligations			
Present value of defined benefit obligations at beginning of the year		189,140	178,588
Current service cost	20.2.3	41,714	40,817
Interest cost	20.2.3	32,503	24,894
Benefits paid during the year	20.2.2	(62,176)	(36,198)
Remeasurement (gain) on obligation:			
- due to changes in financial assumptions	20.2.3	2,173	(18,961)
Present value of defined benefit obligations at end of the year		203,354	189,140
20.2.2 Movement in fair value of plan assets			
Fair value of plan assets at beginning of the year		184,274	185,048
Contributions made by the Company to the Fund		53,000	29,226
Interest income on plan assets	20.2.3	28,518	22,887
Benefits paid during the year		(62,176)	(36,198)
Remeasurement gain / (loss) on plan assets	20.2.3	11,529	(16,689)
Fair value of plan assets at end of the year		215,145	184,274



20.2.3 Expense recognised in statement of profit or loss and other comprehensive income	Note	2023 (Rupees in '000)	2022
Current service cost	20.2.1	41,714	40,817
Interest cost	20.2.1	32,503	24,894
Interest income on plan assets	20.2.2	(28,518)	(22,887)
Expense for the year recognised in the statement of profit or loss		<u>45,699</u>	<u>42,824</u>
Remeasurement loss on defined benefit obligation	20.2.1	(2,173)	(18,961)
Remeasurement gain on fair value of plan assets	20.2.2	11,529	16,689
Amount recognised in the other comprehensive income		<u>9,356</u>	<u>(2,272)</u>

20.2.4 Net recognised liability

Net liability / (surplus) at beginning of the year		4,866	(6,460)
Net expense recognised in statement of profit or loss	20.2.3	45,699	42,824
Expense recognised in other comprehensive income	20.2.3	(9,356)	(2,272)
Contributions made to the Fund during the year		(53,000)	(29,226)
Net (surplus) / liability at end of the year	20.2	<u>(11,791)</u>	<u>4,866</u>

(Rupees in '000)

20.2.5 Estimated gratuity cost for the year ending December 31, 2024, is as follows:

Current service cost	40,856
Net interest cost	1,875
Total expense to be recognised in statement of profit or loss	<u>42,731</u>

20.3 Plan assets comprise of following:

	2023		2022	
	(Rupees in '000)	% age	(Rupees in '000)	% age
Listed Equities	-	-	52,562	28.52
Government Securities	211,422	98.27	99,503	54.00
Bank balance (book overdraft)	(17,409)	(8.09)	4,186	2.27
Mutual funds	21,132	9.82	28,023	15.21
Fair value of plan assets at end of the year	<u>215,145</u>	<u>100.00</u>	<u>184,274</u>	<u>100.00</u>

20.4 The principal assumptions used in the actuarial valuations carried out as of December 31, 2023, using the 'Projected Unit Credit Method' are as follows:

	Gratuity fund	
	2023	2022
Discount rate per annum	15.5	14.5
Expected per annum rate of return on plan assets	15.5	14.5
Expected per annum rate of increase in salary level	3.00 - 11.00	3.00 - 11.00
Expected mortality rate	LIC 94-96 Mortality table for males (rated down by 3 years for females)	LIC 94-96 Mortality table for males (rated down by 3 years for females)
Expected withdrawal rate	60	60



20.4.1 The plans expose the Company to actuarial risks such as:

Salary risks

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Discount risks

The risk of volatile discount rates over the funding life of the scheme. The final effect could go either way depending on the relative of salary increases, timing of contributions, performance of investments and outgo of benefits.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experience is different from expected. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval of trustees of funds.

In case of the funded plan, the investment positions are managed within an Asset-Liability Matching (ALM) framework to ensure that long-term investments are in line with the obligation under the retirement benefit plan. The Board of Trustees actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligations. The Board of Trustees has not changed the process used to manage its risks from previous periods. Investments are well diversified.

The expected return on plan assets is assumed to be the same as the discount rate (as required by International Accounting Standard IAS 19). The actual return depends on the assets underlying the current investment policy and their performance. Expected yields on fixed interest investments are based on gross redemption yields as at the date of financial statement. Expected return on equity investments reflect long term real rates of return experienced in the market.

20.5 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2023 (Rupees in '000)	2022
Discount rate (1% increase)	(8,442)	(8,786)
Discount rate (1% decrease)	9,383	9,804
Future salary increase rate (1% increase)	10,807	11,055
Future salary increase rate (1% decrease)	(9,870)	(10,056)

The impact on defined benefit obligation due to increase in life expectancy by 1 year would be Rs. 79,090 (2022: Rs. 62,605)

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



20.6 The weighted average duration of the defined benefit obligation is 5.62 years. Besides the number of employees covered in the scheme at December 31, 2023 were 732 (December 31, 2022: 820).

20.7 The expected maturity analysis of undiscounted retirement benefit plan is as follows:

	(Rupees in '000)
Less than a year	2,842
Between 1 - 2 years	35,737
Between 2 - 3 years	3,900
Between 3 - 4 years	1,211
Between 4 - 5 years	7

20.8 Historical Information

	2023	2022	2021	2020	2019
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	203,354	189,140	178,588	178,021	107,094
Fair value of plan assets	(215,145)	(184,274)	(185,048)	(65,672)	(70,068)
(Surplus) / deficit	(11,791)	4,866	(6,460)	112,349	37,026

20.9 Experience adjustment

	2023	2022	2021	2020	2019
Experience adjustments on obligation	1%	-10%	-24%	18%	20%
Experience adjustments on asset	5%	-9%	-4%	-3%	-11%

20.10 Gratuity cost to be recognised in the statement of profit or loss in the next financial period is not necessarily the amount of the contribution for that period. Decision about the contribution is made by the Company based on the allowability under the Insurance Tax Rules, 2002 and the availability of surplus funds, etc.

20.11 The investment out of staff gratuity scheme have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

21. DEFERRED TAXATION

	Note	2023	2022
		(Rupees in '000)	
Deferred debits arising due to:			
Fixed assets and intangibles		(15,955)	(5,191)
Retirement benefit obligations		3,649	(750)
Surplus on revaluation of available for sale assets		-	(50)
		(12,306)	(5,991)
Deferred credits arising due to:			
Retained earnings - Ledger Account D		669,602	382,635
Deferred tax liability		657,296	376,644



On retained earning - Ledger account D
Others

Balance as at January 01, 2023	Recognised in statement of profit or loss	Recognised in other comprehensive income	Balance as at December 31, 2023
----- (Rupees in '000) -----			
(382,635)	(286,967)	-	(669,602)
5,991	12,671	(6,356)	12,306
(376,644)	(274,296)	(6,356)	(657,296)

On retained earning - Ledger account D
Others

Balance as at January 01, 2022	Recognised in statement of profit or loss	Recognised in other comprehensive income	Balance as at December 31, 2022
----- (Rupees in '000) -----			
(240,865)	(141,770)	-	(382,635)
9,342	(3,031)	(320)	5,991
(231,523)	(144,801)	(320)	(376,644)

22. LEASE LIABILITIES

22.1 Lease liabilities - movement

Opening balances
Addition during the year
Derecognition during the year

Interest accretion during the year

Repaid during the year
Closing balances

Current portion
Non current portion

Note	2023	2022
	(Rupees in '000)	
22.1	103,455	159,592
	159,592	229,834
	8,936	-
	(3,494)	(7,068)
	165,034	222,766
	17,931	28,636
	182,965	251,402
	(79,510)	(91,810)
	103,455	159,592
	71,514	63,337
	31,941	96,255
	103,455	159,592

22.2 Lease liabilities - maturity analysis

The contractual maturity analysis of these is presented below:

Current

Not later than one year

Non-current

Later than one year but not later than three years

Later than three years but not later than five years

71,514	63,337
31,941	75,631
-	20,624
31,941	96,255
103,455	159,592



23. (INSURANCE / TAKAFUL) / (REINSURANCE / RETAKAFUL) PAYABLES	Note	2023 (Rupees in '000)	2022
Due to reinsurers / retakaful operators		<u>102,148</u>	<u>175,083</u>
24. OTHER CREDITORS AND ACCRUALS			
Agents commission payable		349,031	417,374
Payable to related parties		9,530	8,126
Payable against the purchase of investments		232,841	152,701
Accrued expenses	24.1	394,034	308,843
Other tax payable		17,456	38,709
		<u>1,002,892</u>	<u>925,753</u>

24.1 This includes provision for compensated absences amounting in aggregated to Rs. 68.42 million (December 31, 2022: Rs. 73.42 million).

25. CONTINGENCIES AND COMMITMENTS

25.1 CONTINGENCIES

Sales tax on life insurance premium

Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated May 8, 2019 extended the exemption on life insurance till June 30, 2019. Subsequently, life insurance was made taxable from July 1, 2019 at the rate of 3% and group life insurance at the rate of 13%. With effect from November 1, 2018, the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST). The Company collectively through the forum of Insurance Association of Pakistan ("IAP") filed a constitutive petition in the Lahore High Court (LHC) and in the High Court of Sindh at Karachi on September 28, 2019 and November 28, 2019 against PRA and SRB respectively on the following main contentions:

- Substantiating the Company's view that insurance is not a service but in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of the event, specified in the term of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service;
- A question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, was a Federal subject, since the Federation has retained a legislative mandate over all laws relating to insurance under Entry 29 of the said List, therefore, only the Federation is entitled to levy and any tax in relation to insurance business; and
- A vast majority of premium received from a policyholder, during the life of the policy, is in fact channeled to the policyholders' investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules. Thus, the legal advisors had expressed the view that if the entire Gross Written Premium (GWP) was subjected to the provincial sales tax, the this was akin to a direct tax on the policyholders, in the nature of income tax, wealth tax or capital value tax, all of which fall exclusively within the domain of Federal Legislature.

In Sindh, on June 22, 2020, the SRB through Notification No. SRB-3-4/13/2020, has made taxable, life insurance w.e.f. July 1, 2020 at the full rate, and issued a conditional exemption for the financial year 2019-20, from the levy of SST, subject to the person providing or rendering life insurance services commencing e-depositing with SRB, the amount of SST due on such services from the tax period from July 1, 2020 onward. On June 29, 2020 SRB through another notification No.SRB-3-4/18/2020 has amended the responsibility of withholding agent requiring clients to also withheld SST on services of life and health insurance. The Company with other life insurance companies, have filed another petition at the Hon'ble SHC. The Hon'ble SHC has directed that no coercive measure will be taken until the next date of hearing. Further, the Hon'ble SHC through its interim order dated December 8, 2020 impleaded that the Federal Government be also added as one of the Respondents.



The life insurance industry has been granted interim relieves by the Honorable High Courts of Sindh and Lahore whereby the provincial tax authorities of Sindh and Punjab have been restrained and no sales tax on services has so far been paid on life and health insurance in either province.

In view of the opinion of the legal advisors, and pending the adjudication of petitions filed, the Company has neither billed its customers, nor recognised the contingent liability for SST & PST, which, calculated on the basis of risk premium and excluding the investment amount allocated to unit linked policies as per the opinion of legal advisors, aggregated to Rs. 1,052.46 million (2022: Rs. 775.53 million). In Balochistan province, given that the Company has limited operations in that province, the amount of contingent sales tax liability for BSTS, calculated on the similar basis as PST & SST, is immaterial. The Company, along with the IAP and other insurance companies, will continue its administrative efforts to convince the provincial revenue authorities about the merit of the case.

25.2 COMMITMENTS	Note	2023 (Rupees in '000)	2022
25.2.1 Commitments in respect of Ijarah rentals			
Not later than one year		67,254	80,066
Later than one year and not later than five years		94,587	176,989
		<u>161,841</u>	<u>257,055</u>

Commitments represent Ijarah rentals for vehicles payable in future years.

26. NET PREMIUM / CONTRIBUTION REVENUE

Gross premiums / contributions

Regular premium / contribution individual policies*

- first year	2,865,715	3,080,587
- second year renewal	2,368,874	2,685,567
- subsequent years renewal	7,978,652	7,120,613

Single premium / contribution individual policies*

Group policies without cash values	916,878	743,748
Less: experience refund	(67,105)	(21,296)

Total gross premiums / contributions

Less: reinsurance premiums / retakaful contributions ceded

On individual life first year business	(47,660)	(55,340)
On individual life second year business	(35,376)	(38,247)
On individual life subsequent renewal business	(155,857)	(180,691)
On individual life single premium business	(6,283)	(6,565)
On group policies	(487,574)	(382,650)
Less: Experience refund from reinsurers	67,581	30,144

	(665,169)	(633,349)
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Net premiums / contributions

	<u>22,685,659</u>	<u>20,315,452</u>
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* Individual policies are those underwritten on an individual basis.



27. INVESTMENT INCOME	Note	2023 (Rupees in '000)	2022
Income from equity securities			
Dividend income			
Available for sale		801	1,431
Fair value through profit or loss		915,695	692,517
		<u>916,496</u>	<u>693,948</u>
Income from government securities			
Available for sale		-	18,151
Fair value through profit or loss		9,661,183	3,924,137
		<u>9,661,183</u>	<u>3,942,288</u>
Income from debt securities - fair value through profit or loss			
Return on TFCs and corporate sukus		782,369	599,830
Income from term deposit receipts - held to maturity			
Return on term deposit receipts		494,752	687,513
		<u>11,854,800</u>	<u>5,923,579</u>
28. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS			
Available for sale			
Realised gains / (losses) on listed equities			
- Listed equities		8,203	(6,249)
		<u>8,203</u>	<u>(6,249)</u>
Fair value through profit or loss			
Realised gains / (losses) on:			
- Equity securities		1,809,365	(113,280)
- Government securities		(98,803)	(144,242)
- Debt securities		(15,272)	-
- Mutual funds		272,064	26,126
		<u>1,967,354</u>	<u>(231,396)</u>
		<u>1,975,557</u>	<u>(237,645)</u>
29. NET FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED			
Net unrealised gains / (losses) on:			
- Equity securities		1,644,201	(1,822,414)
- Government securities		(127,107)	(64,676)
- Debt securities		(44,111)	(23,190)
- Mutual Funds		1,852,193	(691,709)
Total gain / (loss)		<u>3,325,176</u>	<u>(2,601,989)</u>
Less: Investment related expenses		(101,716)	(80,122)
		<u>3,223,460</u>	<u>(2,682,111)</u>



30. OTHER INCOME	Note	2023 (Rupees in '000)	2022
Return on bank balances		876,612	716,110
Mark-up on policy loans		4,862	4,060
Gain on disposal of fixed assets		1,407	948
Gain on derecognition of ROU asset		638	1,937
		<u>883,519</u>	<u>723,055</u>
31. CHANGE IN UNREALISED LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS			
- Equity securities		-	(1,092)
- Government securities		-	-
		<u>-</u>	<u>(1,092)</u>
32. NET INSURANCE / TAKAFUL BENEFITS			
Gross claims			
Claims under individual policies			
- by death		(780,495)	(671,184)
- by insured event other than death		(3,823)	(2,483)
- by maturity		(7,416,398)	(5,225,759)
- by surrender		(10,713,500)	(8,337,714)
Total gross individual policy claims		<u>(18,914,216)</u>	<u>(14,237,140)</u>
Claims under group policies			
- by death		(508,936)	(350,020)
- by insured event other than death		(12,519)	(2,374)
Total gross group policy claims		<u>(521,455)</u>	<u>(352,394)</u>
Total gross claims		<u>(19,435,671)</u>	<u>(14,589,534)</u>
Less: Reinsurance / retakaful recoveries			
- on individual life claims		130,378	175,777
- on group life claims		315,876	187,608
		<u>446,254</u>	<u>363,385</u>
Net insurance / takaful benefit expense (excluding claims related expenses)		<u>(18,989,417)</u>	<u>(14,226,149)</u>



32.1 Claim development table

32.1.1 Individual life claims

Incident year	Incident reported				
	2019	2020	2021	2022	2023
	----- (Rupees in '000) -----				
Estimate of ultimate claim costs:					
At the end of accident year	237,924	288,432	463,829	337,990	468,950
One year later	345,644	526,231	720,987	547,362	-
Two years later	361,064	550,771	783,041	-	-
Three years later	369,161	576,077	-	-	-
Four years later	395,427	-	-	-	-
Current estimate of cumulative claims	395,427	576,077	783,041	547,362	468,950
Less: cumulative payments to date	(395,427)	(576,077)	(779,552)	(535,768)	(293,952)
Liability recognised in the statement of financial position	-	-	3,489	11,594	174,998

32.1.2 Group life claims

Incident year	Incident reported				
	2019	2020	2021	2022	2023
	----- (Rupees in '000) -----				
Estimate of ultimate claim costs:					
At the end of accident year	342,820	559,852	343,327	285,806	396,234
One year later	452,433	662,492	405,755	382,969	-
Two years later	454,575	665,025	407,855	-	-
Three years later	455,005	666,525	-	-	-
Four years later	455,005	-	-	-	-
Current estimate of cumulative claims	455,005	666,525	407,855	382,969	396,234
Less: cumulative payments to date	(455,005)	(666,525)	(407,255)	(382,769)	(338,907)
Liability recognised in the statement of financial position	-	-	600	200	57,327

32.1.3 Insurance benefits unclaimed at year end

	Total	1-6 months	7-12 months	13-24 months	25-36 months	Beyond 36 months
	----- (Rupees in '000) -----					
Unclaimed maturity benefits	2,803,091	1,463,587	549,191	552,400	83,084	154,829
Unclaimed death benefits	266,991	193,793	49,690	17,249	4,211	2,048
Claims not encashed	157,597	156,442	1,155	-	-	-
	3,227,679	1,813,822	600,036	569,649	87,295	156,877



33. ACQUISITION EXPENSES

	Note	2023 (Rupees in '000)	2022
Remuneration to insurance / takaful intermediaries on individual policies / contracts:			
- Commission on first year premium / contribution		(987,272)	(1,177,551)
- Commission on second year premium / contribution		(140,567)	(149,617)
- Commission on subsequent years renewal premium / contribution		(172,903)	(157,544)
- Commission on single premium / contribution		(264,149)	(209,169)
- Other benefits to insurance / takaful intermediaries		(334,480)	(358,955)
		(1,899,371)	(2,052,836)
Remuneration to insurance / takaful intermediaries on group policies:			
- Commission		(20,866)	(18,803)
- Other benefits to insurance / takaful intermediaries		(4,568)	(4,187)
		(25,434)	(22,990)
Other acquisition costs			
- Employee benefit cost	33.1	(659,430)	(633,543)
- Traveling expenses		(13,306)	(11,916)
- Information technology expense		(9,219)	(10,037)
- Printing and stationery		(4,824)	(7,033)
- Depreciation		(38,606)	(34,846)
- Depreciation - Right of use asset		(22,768)	(23,675)
- Rent, rates and taxes		(57,099)	(52,682)
- Insurance cost		(3,438)	(2,078)
- Car fuel and maintenance		(102,559)	(79,976)
- Postage		(11,427)	(9,560)
- Electricity, gas and water		(32,245)	(26,352)
- Office repairs and maintenance		(69,298)	(61,157)
- Entertainment		(18,783)	(16,269)
- Training and development		(8,456)	(14,097)
- Marketing cost		(124,676)	(59,014)
- Financial charges		(8,248)	(13,703)
- Write off against property and equipment		(4,518)	-
- Miscellaneous		(159)	5,217
- Legal and professional charges		(8,553)	(5,239)
- Stamp duty		(49,696)	(50,616)
- Medical examination fee		(2,023)	(1,925)
		(1,249,331)	(1,108,501)
		(3,174,136)	(3,184,327)

33.1 Employee benefit cost includes charges for post employment benefit of Rs. 10.345 million (2022: Rs.10.01 million).



34. MARKETING AND ADMINISTRATION EXPENSES	Note	2023 (Rupees in '000)	2022
Employee benefit cost	34.1 & 34.2	(542,240)	(451,272)
Travelling expenses		(7,729)	(8,417)
Advertisements and sales promotion		(52,162)	(13,204)
Printing and stationery		(22,293)	(24,377)
Depreciation		(27,910)	(18,125)
Depreciation Right of use asset		(35,230)	(34,402)
Amortisation		(13,811)	(13,150)
Rent, rates and taxes		(4,294)	(3,940)
Legal and professional charges		(78,009)	(47,412)
Electricity, gas and water		(20,118)	(16,801)
Entertainment		(7,942)	(5,966)
Vehicle running expenses		(36,673)	(32,156)
Office repairs and maintenance		(31,228)	(23,823)
Appointed actuary fees		(14,235)	(6,446)
Postages, telegrams and telephone		(54,625)	(28,821)
Bank charges		(11,923)	(5,591)
Directors' Fee		(1,135)	(305)
Insurance expenses		(2,798)	(3,860)
Annual supervision fee		(33,174)	(27,436)
Provision for doubtful debts		(2,660)	-
Information technology expenses		(107,022)	(87,800)
Training and development		(1,618)	(2,896)
Write off against property and equipment		(987)	(4,160)
Miscellaneous		(7,350)	2,039
		<u>(1,117,166)</u>	<u>(858,321)</u>

34.1 Employee benefit cost

Salaries, allowances and other benefits	506,886	420,492
Charges for post employment benefit	35,354	30,780
	<u>542,240</u>	<u>451,272</u>

34.2 Total number of employees as at December 31, 2023 are 1,802 (2022: 1,742) which includes permanent and contractual employees. Average number of employees during year ended December 31, 2023 were 1,772 (2022: 1,866).

35. OTHER EXPENSES	Note	2023 (Rupees in '000)	2022
Auditor's remuneration	35.1	(6,742)	(4,486)
Fee and subscription		(3,952)	(1,085)
Charity and donations	35.2	(1,054)	(1,143)
		<u>(11,748)</u>	<u>(6,714)</u>

35.1 Auditors' remuneration

Annual audit fee	(2,067)	(1,731)
Half yearly review	(707)	(593)
Annual review / half year review - Window Takaful Operations	(1,034)	-
Other certifications	(2,385)	(1,801)
Out of pocket	(549)	(361)
	<u>(6,742)</u>	<u>(4,486)</u>



35.2 Donations

This represents the charity payable against purification of income of Sharia compliant securities.

36. FINANCE COSTS	Note	2023 (Rupees in '000)	2022
Markup on borrowings - net of government grant		-	(609)
Interest expense on lease liabilities		(9,683)	(17,583)
		<u>(9,683)</u>	<u>(18,192)</u>

37. INCOME TAX EXPENSE

For the year			
- Current		(382,192)	(162,666)
- Prior		23,361	(5,141)
- Deferred		(274,296)	(144,801)
		<u>(633,127)</u>	<u>(312,608)</u>

37.1 Relationship between tax expense and accounting profit

Profit before tax	1,541,202	810,310
Applicable tax at the rate of 29%	446,949	234,990
Effect of super tax on current year's profit	154,120	32,412
Effect of prior period tax charge	(23,361)	5,141
Effect of change in tax rates	68,481	31,934
Others	(13,062)	8,131
Tax expense for the year	<u>633,127</u>	<u>312,608</u>

38. EARNINGS PER SHARE

Profit after tax for the year	908,075	497,702
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(Number of shares in '000)

Weighted average number of ordinary share outstanding as at year end	250,000	250,000
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----- (Rupees) -----

Basic earnings per share	38.1	3.63	1.99
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38.1 There are no dilutive affect on the basic earnings per share of the Company.



39. RELATED PARTIES

39.1 List of related parties

Name of related party	Relationship	% of Share holding
D.G. Khan Cement Company Limited	Common Directorship	0.39%
Nishat Mills Limited	Common Directorship	0.11%
MCB Bank Limited	Common Directorship	0.90%
Nishat Chunian Limited	Other Related Party	2.39%
Nishat Chunian Power Limited	Other Related Party	0.54%
Name of related party	Relationship	
Din Farm Products (Private) Limited	Common Directorship	
Din Leather Private Limited	Common Directorship	
Din Textile Mills Limited	Common Directorship	
Emporium Properties (Private) Limited	Common Directorship	
Golf View Land (Private) Limited	Common Directorship	
Hyundai Nishat Motor (Private) Limited	Common Directorship	
MCB Investment Management Limited	Group Entity	
National Textile Foundation	Common Directorship	
Nishat Agriculture Farming (Private) Limited	Common Directorship	
Nishat Agrotech (Private) Limited	Common Directorship	
Nishat Dairy (Private) Limited	Common Directorship	
Nishat Developers (Private) Limited	Common Directorship	
Nishat Hotels & Properties Limited	Common Directorship	
Nishat Linen (Private) Limited	Common Directorship	
Nishat Papers Products Company Limited.	Common Directorship	
Nishat Sutas Dairy Limited	Common Directorship	
Pakistan Aviators & Aviation Pakgen Power Limited	Group Entity	
(Formerly Aes Pak Gen (Private) Company)	Common Directorship	
Adamjee Insurance Company Limited	Parent Company	
Mr. Ahmad Alman Aslam	Director	
Mr. Imran Maqbool	Director	
Mr. Muhammad Ali Zeb	Director	
Mr. Muhammad Umer Mansha	Director	
Mr. S.M. Jawed	Director	
Mr. Shahmeer Khalid Butt	Director	
Mrs. Naz Mansha	Director	
Next Commercial Fz-Lcc (UAE)	Director as Officeholder	
Next Health Services (Private) Limited	Director as Officeholder	
Next Pharmaceuticals Products (Private) Limited	Director as Officeholder	
Nishat (Aziz Avenue) Hotels & Properties Limited.	Group Entity	
Nishat (Raiwind) Hotels & Properties Limited.	Group Entity	
Lalpir Power Limited (Formerly As Lalpir (Private) Limited)	Group Entity	



Lalpir Solar Power (Private) Limited	Group Entity
MCB Bank Limited - Provident Fund	Group Entity
MCB Islamic Bank Limited	Common Directorship
MCB Leasing Closed Joint Stock Company	Group Entity
Nishat (Gulberg) Hotels & Properties Limited.	Group Entity
Nishat Automobile (Private) Limited	Group Entity
Nishat Commodities (Private) Limited	Group Entity
Nishat Farms Supplies (Private) Limited	Group Entity
Nishat Global China Company Limited	Group Entity
Nishat Hospitality (Private) Limited	Group Entity
Nishat International FZE	Group Entity
Nishat Linen Trading LLC	Group Entity
Nishat Power Limited	Group Entity
Nishat Real Estates Development Company (Private) Limited	Group Entity
Nishat UK (Private) Limited	Group Entity
Nishat USA Incorporated	Group Entity
Security General Insurance Company Limited	Group Entity
Adamjee Life Assurance Company Limited Employee Gratuity Fund	Other Related Party
MCB Non-Bank Credit Organization, CJSC, Azerbaijan	Other Related Party
Nishat Chunain Electric Company Limited	Other Related Party
Nishat Chunian USA Incorporated	Other Related Party
Din Energy Limited	Other Related Party
Din Power Limited	Other Related Party
Kanal (Private) Limited	Other Related Party
Din Leather (Private) Limited	Other Related Party
Din Ventures (Private) Limited	Other Related Party
Din Farm Products (Private) Limited	Other Related Party
Mr. Absar Azeem Burney	Key Management Person
Mr. Ali Haider	Key Management Person
Mr. Amin Nizar Ali	Key Management Person
Mr. Asif Mirza	Key Management Person
Mr. Bakht Jamal	Key Management Person
Mr. Athar Chaudhry	Key Management Person
Mr. Jalal Meghani	Key Management Person
Mr. Manzar Mushtaq	Key Management Person
Mr. Arsalan Ahmed Khan	Key Management Person
Mr. Samad Ali Naqvi	Key Management Person
Mrs. Zehra Faiz	Key Management Person
Mr. Sheraz Bukhari	Key Management Person
Mr. Amin Shaikh	Key Management Person



39.2 RELATED PARTY TRANSACTIONS

The related parties comprise of the parent company, directors, key management personnel, associated undertakings, group companies, entities with common directors and staff gratuity fund. Related party transactions and balances, including those disclosed elsewhere in these financial statements are given below:

	2023 (Rupees in '000)	2022 (Rupees in '000)
Transactions during the year		
Holding company		
Premium written	5,553	5,385
Insurance expense	34,863	30,389
Claims expense	-	8,000
Premises rental	61,068	58,923
Dividend paid	225,000	-
Rental income	2,988	3,000
Associated undertakings		
Premium / contribution written	88,626	75,305
Claims expense	64,170	39,127
Commission and other incentives in respect of bancassurance	1,263,006	1,260,926
Profit on bank deposits	500,849	204,342
Bank charges	11,376	4,857
Investments purchased	5,072,313	27,043,133
Investments sold	8,103,196	27,788,397
Dividend income	166,817	233,923
Others	8,100	-
Other related parties		
Premium / contribution written	315,124	262,960
Claims expense	165,498	150,122
Investment advisor fee	37,436	39,576
Trustee fee	9,651	9,173
Dividend paid	12,866	-
Directors		
Fee	1,135	305
Key management personnel		
Remuneration	194,378	175,564
Loan issued	11,400	1,093
Recoveries against advances to key management personnels	(3,350)	-
Staff retirement benefit plan (gratuity fund)		
Charge for the year - OCI	(9,356)	(2,272)
Charge for the year	45,699	42,824
Balances outstanding as at the end of the year		
Holding company		
Claims and other payable	-	3,000
Other (payable) / receivable	4	6

**Associated undertakings**

	2023 (Rupees in '000)	2022 (Rupees in '000)
Premium / contribution due but unpaid	5,618	14,106
Bank deposits	2,596,696	1,851,156
Investments held	7,184,206	7,348,266
Dividend receivables	6,092	26,788
Accrued income	-	41,548
Commission payable	296,091	334,192
Claims payable	1,000	-
Other related parties		
Premium / contribution due but unpaid	5,792	5,278
Remuneration payable for the management of discretionary investment portfolio	8,109	6,934
Remuneration payable to trustee	1,421	1,192
Key management personnel		
Short term loans (as per policy)	8,050	3,732
Staff retirement benefit plan (gratuity fund)		
Receivable / (payable) to gratuity fund	11,791	(4,866)

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
(Rupees in '000)						
Fee	-	-	1,135	305	-	-
Managerial remuneration	19,026	11,531	-	-	271,796	234,226
Compensated absence	1,407	-	-	-	16,167	11,640
Bonus	5,405	-	-	-	53,615	42,382
Rent and house maintenance	7,610	4,612	-	-	108,718	93,690
Utilities	1,903	1,153	-	-	27,180	23,423
Medical	300	181	-	-	19,717	18,269
Conveyance, other allowances and benefits	420	480	-	-	101,167	74,728
	36,071	17,957	1,135	305	598,360	498,358
Number of persons	1	2	7	7	226	172

40.1 Cars provided to entitled executives are for private and official use.



41. SEGMENTAL INFORMATION

41.1 Revenue account by statutory fund For the year ended December 31, 2023

	Statutory Funds						Total
	Conventional Business	Accident and Health Business	Non-utilised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	
Income	(Rupees in '000)						
Premiums / contributions less reinsurances / re-takaful	309,402	2,522	55,833	18,439,000	3,791,638	87,264	22,685,659
Rental income from investment property	-	-	-	2,988	-	-	2,988
Net investment income	104,131	-	384,152	14,600,409	2,372,840	32,315	17,493,847
Total net income	413,533	2,522	439,985	33,042,397	6,164,478	119,579	40,182,494
Insurance / takaful benefits and expenditures							
Insurance benefits including bonus net of reinsurance / retakaful	(151,607)	-	(674,904)	(16,486,731)	(1,627,269)	(56,492)	(18,997,003)
Management expenses less recoveries	(73,418)	(972)	(10,409)	(3,157,189)	(976,520)	(12,790)	(4,231,298)
Total insurance / takaful benefits and expenditures	(225,025)	(972)	(685,313)	(19,643,920)	(2,603,789)	(69,282)	(23,228,301)
Excess of income over insurance / takaful benefits and expenditures	188,508	1,550	(245,328)	13,398,477	3,560,689	50,297	16,954,193
Add: Policyholders' liabilities at beginning of the year	184,544	363	1,624,485	50,023,081	8,385,691	68,000	60,286,164
Less: Policyholders' liabilities at end of the year	261,143	1,324	1,315,617	62,792,011	11,702,085	110,754	76,182,934
Net change in insurance / takaful liabilities (other than outstanding claims)	(76,599)	(961)	308,868	(12,768,930)	(3,316,394)	(42,754)	(15,896,770)
Surplus before tax	111,909	589	63,540	629,547	244,295	7,543	1,057,423
Movement in policyholders' liabilities	76,599	961	(308,868)	12,768,930	3,316,394	42,754	15,896,770
Surplus appropriated to shareholders' fund	-	-	(90,000)	(310,000)	(100,000)	-	(500,000)
Balance of statutory funds at beginning of the year	363,539	1,322	1,713,066	50,969,571	8,652,237	110,574	61,810,309
Balance of statutory funds at end of the year	552,047	2,872	1,377,738	64,058,048	12,112,926	160,871	78,264,502
Represented by:							
Capital contribution by shareholders fund	327,515	1,511	-	-	-	35,630	364,656
Surplus appropriated to shareholders' fund	-	-	(90,000)	(310,000)	(100,000)	-	(500,000)
Policyholders' liabilities	261,143	1,324	1,315,617	62,792,011	11,537,615	20,971	75,928,681
(Deficit) / retained earning on other than participating business	(36,611)	37	152,121	1,576,037	675,311	104,270	2,471,165
Balance of statutory funds	552,047	2,872	1,377,738	64,058,048	12,112,926	160,871	78,264,502

During the year, the Company has transferred Rs. 500 million from statutory fund to shareholders' fund, after taking the advice from the appointed actuary of the Company.



Revenue account by statutory fund For the year ended December 31, 2022

	Statutory Funds						Total
	Conventional Business	Accident and Health Business	Non-utilised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	
Income	(Rupees in '000)						
Premiums / contribution less reinsurances / re-takaful	251,626	599	70,942	15,925,356	3,974,692	92,237	20,315,452
Rental income from investment property	-	-	-	3,000	-	-	3,000
Net investment income	37,553	-	287,257	2,683,197	462,065	6,301	3,476,373
Total net income	289,179	599	358,199	18,611,553	4,436,757	98,538	23,794,825
Insurance benefits and expenditures							
Insurance benefits including bonus net of reinsurance / retakaful	(137,613)	-	(702,102)	(12,090,131)	(1,273,837)	(30,753)	(14,234,436)
Management expenses less recoveries	(58,991)	(254)	(4,256)	(2,819,031)	(1,125,653)	(10,962)	(4,019,147)
Total insurance / takaful benefits and expenditures	(196,604)	(254)	(706,358)	(14,909,162)	(2,399,490)	(41,715)	(18,253,583)
Excess / (deficit) of income over insurance / takaful benefits and expenditures	92,575	345	(348,159)	3,702,391	2,037,267	56,823	5,541,242
Net change in insurance / takaful liabilities (other than outstanding claims)	(44,795)	(105)	414,581	(3,396,978)	(1,855,804)	(54,204)	(4,937,305)
Surplus before tax	47,780	240	66,422	305,413	181,463	2,619	603,937
Movement in policyholders' liabilities	44,795	105	(414,581)	3,396,978	1,855,804	54,204	4,937,305
Capital contribution (to) / from shareholders' fund	-	-	-	-	(159,501)	25,630	(133,871)
Surplus appropriated to shareholders' fund	-	-	(150,000)	(125,000)	-	-	(275,000)
Balance of statutory funds at beginning of the year	270,964	977	2,211,225	47,392,197	6,774,571	28,021	56,677,955
Balance of statutory funds at end of the year	363,539	1,322	1,713,066	50,969,588	8,652,337	110,474	61,810,326
Represented by:							
Capital contribution by shareholders fund	327,514	1,511	-	-	-	35,630	364,655
Qard-e-Hasna from Window Takaful Operator to PTF	-	-	-	-	(22,500)	-	(22,500)
Qard-e-Hasna received by PTF	-	-	-	-	22,500	-	22,500
Policyholders' liabilities	184,544	363	1,624,485	50,023,081	8,274,216	35,512	60,142,201
Surplus appropriated to shareholder's fund	-	-	(150,000)	(125,000)	-	-	(275,000)
(Deficit) / retained earning on other than participating business	(148,519)	(552)	238,581	1,071,507	378,121	39,332	1,578,470
Balance of statutory funds	363,539	1,322	1,713,066	50,969,588	8,652,337	110,474	61,810,326

During the year, the Company has transferred Rs. 275 million from statutory fund to shareholders' fund, after taking the advice from the appointed actuary of the Company.



41.2 Segmental statement of financial position

	As at December 31, 2023		
	Statutory Funds	Shareholders' Fund	Total
	----- (Rupees in '000) -----		
Property and equipment	-	220,156	220,156
Intangible assets	-	25,906	25,906
Right of use asset	-	72,504	72,502
Investment property	1,065,394	-	1,065,394
Investments			
Equity securities	8,556,762	-	8,556,762
Government securities	58,521,485	2,844,198	61,365,683
Debt securities	3,629,033	-	3,629,033
Term deposits	75,000	-	75,000
Mutual funds	4,981,341	-	4,981,341
Loan secured against life insurance / takaful policies	35,975	-	35,975
(Insurance / takaful) / (reinsurance / retakaful) receivables	94,143	-	94,143
Deferred tax asset	-	13,177	13,177
Other loans and receivables	1,242,250	136,808	1,379,058
Taxation - payment less provision	992,572	-	992,572
Prepayments	7,642	47,527	55,169
Cash and bank	3,452,046	474,550	3,926,596
Total assets	82,653,643	3,834,826	86,488,467
Insurance / takaful liabilities	79,559,988	-	79,559,988
Taxation - payment less provision	-	385,622	385,622
Deferred tax liability	670,473	-	670,473
Lease liabilities	-	103,455	103,455
Premium / contribution received in advance	246,282	-	246,282
(Insurance / takaful) / (reinsurance / retakaful) payables	102,148	-	102,148
Unclaimed dividend	-	39	39
Other creditors and accruals	663,157	339,735	1,002,892
Total liabilities	81,242,048	828,851	82,070,899



	As at December 31, 2022		
	Statutory Funds	Shareholders' Fund	Total
	----- (Rupees in '000) -----		
Property and equipment	-	215,532	215,532
Intangible assets	-	26,579	26,579
Right of use asset	-	124,420	124,420
Investment property	943,669	-	943,669
Investments			
Equity securities	8,280,594	11,575	8,292,169
Government securities	36,395,920	1,534,318	37,930,238
Debt securities	4,254,845	-	4,254,845
Term deposits	2,276,000	-	2,276,000
Mutual funds	7,413,610	603,692	8,017,302
Loan secured against life insurance / takaful policies	42,163	-	42,163
(Insurance / takaful) / (reinsurance / retakaful) receivables	62,456	-	62,456
Deferred tax asset	-	6,811	6,811
Other loans and receivables	672,848	105,475	778,323
Taxation - payment less provision	966,224	-	966,224
Prepayments	3,337	38,318	41,655
Cash and bank	4,804,286	512,711	5,316,997
Total assets	66,115,952	3,179,431	69,295,383
Insurance / takaful liabilities	63,408,661	-	63,408,661
Retirement benefit obligations	-	4,866	4,866
Taxation - payment less provision	-	122,518	122,518
Deferred tax liability	383,455	-	383,455
Lease liabilities	-	159,592	159,592
Premium / contribution received in advance	367,165	-	367,165
(Insurance / takaful) / (reinsurance / retakaful) payables	175,083	-	175,083
Other creditors and accruals	640,379	285,374	925,753
Total liabilities	64,974,743	572,350	65,547,093



41.3 Segmental results by line of business For the year ended December 31, 2023

	Individual life distributed	Other lines of business	Total
	(Rupees in '000)		
Income			
Gross premiums / contributions			
- First year individual regular premium / contribution	2,242,554	623,161	2,865,715
- Individual renewal premiums / contributions	9,292,556	1,054,970	10,347,526
- Individual single premiums / contributions	9,196,144	91,670	9,287,814
- Group premiums / contributions	-	849,773	849,773
Total gross premiums / contributions	20,731,254	2,619,574	23,350,828
Reinsurance / retakaful premiums / contributions			
- Individual	(206,625)	(38,551)	(245,176)
- Group	-	(419,993)	(419,993)
Total reinsurance / retakaful premiums / contributions	(206,625)	(458,544)	(665,169)
Net premium revenue / contributions	20,524,629	2,161,030	22,685,659
Rental income from investment property	-	2,988	2,988
Net investment income	16,353,230	1,140,617	17,493,847
Total net income	36,877,859	3,304,635	40,182,494
Insurance / takaful benefits and expenditures			
Insurance benefits net of reinsurance / retakaful	(18,294,826)	(702,177)	(18,997,003)
Management expenses less recoveries	(2,052,681)	(2,178,617)	(4,231,298)
Total insurance / takaful benefits and expenditures	(20,347,507)	(2,880,794)	(23,228,301)
Excess of income over insurance / takaful benefits and expenditures	16,530,352	423,841	16,954,193
Add: policyholders' liabilities at beginning of year	57,338,943	2,947,221	60,286,164
Less: policyholders' liabilities at end of year	(71,751,636)	(4,431,298)	(76,182,934)
Surplus / (deficit) for the year	2,117,659	(1,060,236)	1,057,423



Segmental results by line of business For the year ended December 31, 2022

	As at December 31, 2022		
	Statutory Funds	Shareholders' Fund	Total
	(Rupees in '000)		
Income			
Gross premiums / contributions			
- First year individual regular premiums / contributions	2,294,968	785,943	3,080,911
- Individual renewal premiums / contributions	8,977,832	828,719	9,806,551
- Individual single premiums / contributions	7,291,731	47,851	7,339,582
- Group premiums / contributions	-	721,757	721,757
Total gross premiums / contributions	18,564,531	2,384,270	20,948,801
Reinsurance / retakaful premiums / contributions			
- Individual	(215,289)	(38,549)	(253,838)
- Group	-	(379,511)	(379,511)
Total reinsurance / retakaful premiums / contributions	(215,289)	(418,060)	(633,349)
Net premium revenue / contributions	18,349,242	1,966,210	20,315,452
Rental income from investment property	3,000	-	3,000
Net investment income	3,351,892	124,481	3,476,373
Total net income	21,704,134	2,090,691	23,794,825
Insurance / takaful benefits and expenditures			
Insurance / takaful benefits net of reinsurance	(13,676,433)	(558,003)	(14,234,436)
Management expenses less recoveries	(2,796,447)	(1,222,700)	(4,019,147)
Total insurance / takaful benefits and expenditures	(16,472,880)	(1,780,703)	(18,253,583)
Excess of income over insurance / takaful benefits and expenditures	5,231,254	309,988	5,541,242
Add: policyholders' liabilities at beginning of year	53,137,308	2,211,551	55,348,859
Less: policyholders' liabilities at end of year	(57,338,943)	(2,947,221)	(60,286,164)
Surplus / (deficit) for the year	1,029,619	(425,682)	603,937



42. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through profit or loss	Investment property	Total
----- (Rupees in '000) -----					
As at January 1, 2022	7,580,000	118,060	41,980,087	939,394	50,617,541
Additions	78,446,000	-	649,191,918	-	727,637,918
Disposals (sale and redemptions)	(83,750,000)	(98,414)	(630,084,239)	-	(713,932,653)
Fair value net gains (excluding net realised gains / losses)	-	(7,256)	(2,605,602)	4,275	(2,608,583)
As at December 31, 2022	2,276,000	12,390	58,482,164	943,669	61,714,223
As at January 1, 2023	2,276,000	12,390	58,482,164	943,669	61,714,223
Additions	23,420,000	-	488,426,889	-	511,846,889
Disposals (sale and redemptions)	(25,621,000)	(12,390)	(471,661,629)	-	(497,295,019)
Fair value net loss (excluding net realised gains / losses)	-	-	3,285,395	121,725	3,407,120
As at December 31, 2023	75,000	-	78,532,819	1,065,394	79,673,213

43. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

43.1 Financial risk management objectives and policies

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its statement of financial position. The Company's overall risk management seeks to minimize potential adverse effects on the Company's financial performance of such risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

43.1.1 Market risk

Market risk is the risk that the value of financial instruments 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 and with respect to products other than unit linked products (where the investment risk is passed on to policyholders). The Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities and equities.

43.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.



43.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments 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 instruments traded in the market.

43.1.4 Equity price risk

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company limits market risk by maintaining a diversified portfolio. In addition, the Company actively monitors the key factors that affect stock market.

Sensitivity Analysis

In case of 1% increase / (decrease) in PSX 100 index as at December 31, 2023, with all other variables held constant, the total comprehensive income would have been increase / (decrease) by Rs. 135.381 million (2022: Rs. 79.969 million) as result of gain / (losses) on equity securities. The analysis is based on the assumption that the equity index had increased / (decreased) by 1% with all other variables held constant and represents management's best estimate of a reasonable possible shift in PSX 100 index, having regard to the historical volatility of the index.

43.1.5 Interest Rate Risk

Interest rate sensitivity measures the degree with which a fixed-income asset price moves with changes in interest rates. Interest rates and fixed-income asset prices are inversely correlated. More interest rate sensitivity means an asset's price fluctuates more with a change in interest rates.

Debt securities held to maturity as accounted for at amortised cost and their carrying amounts are not sensitive to changes in the levels 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 movement of 100 basis points in all yield curves.

An increase in 100 basis points in interest yield would result in a loss of Rs. 192.07 million (2022: Rs. 150.19 million).

A decrease in 100 basis points in interest yield would result in a gain of Rs. 192.07 million (2022: Rs. 150.19 million).

43.1.6 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or it encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Company is maintaining sufficient liquid assets both in the form of cash deposits and liquid securities to meet its long term and short term cash requirements.

43.1.7 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 counter parties 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 arises in credit exposure to group life policyholders on account of premiums / contribution due but unpaid and on bank balances.

The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties.

The credit quality of the Company's bank balances (including term deposits) can be assessed with reference to external credit ratings as follows:

Ratings of Banks*	Note	2023 (Rupees in '000)	2022
A		1,226,300	1,233,284
A-		5,346	2,791
A+		36,559	1,978,533
AA		116,829	2,117,906
AA-		1,114,570	-
AA+		20,324	484,070
AAA		1,471,865	1,766,472
		3,991,793	7,583,056

*Rating of banks performed by PACRA and VIS Credit Rating Company.

The credit quality of Company's exposure on TFCs and corporate sukuks can be assessed with reference to rating issued by rating agency as follows:

Issuer of TFC's / corporate sukuks **	Rating	2023 (Rupees in '000)	2022
Askari Bank Limited VII - TFC	AA	99,500	100,980
Askari Bank Limited VI - TFC	AA-	100,000	100,000
Aspin Pharma Private Limited - Sukuk	A	-	16,656
Bank Al Habib Limited - TFC	AAA	952,300	998,000
Bank Alfalah Limited - TFC	AAA	99,433	92,514
Bank of Punjab Tier II - Pre IPO	AA-	-	-
Dubai Islamic Bank - Sukuk	AA-	22,132	-
Ghani Chemical Industries Limited TFC	A	2,455	11,499
Habib Bank Limited II - TFC	AA+	50,000	50,000
Jahangir Siddiqui & Company Limited - TFC	AA+	-	51,216
Meezan Bank Limited - Sukuk	AAA	442,917	-
Meezan Bank Limited - Sukuk	AAA	501,250	513,600
Meezan Bank Limited - Sukuk	AAA	-	250,000
Pakistan Energy Sukuk II	Non rated	575,173	574,999
Samba Bank Limited - TFC	AA-	423,953	424,107
The Bank of Punjab - TFC I	AA	100,334	339,184
The Bank of Punjab - TFC II	AA	259,586	260,090
		3,629,033	3,782,845

**Rating of issuers of TFCs and corporate sukuks performed by PACRA and VIS Credit Rating Company.

Investment in Government securities are not exposed to any credit risk.

The management monitors exposure to credit risk in premium / contribution receivable from group clients through regular review of credit exposure and makes provision for doubtful premium / contribution receivable based on prudent estimates. All premium underwritten except group are received in advance therefore there is no credit risk on such policies

43.1.8 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 the reinsurers.

Reinsurance ceded does not relieve the Company from its obligation to the policyholders 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.

43.1.9 Capital Management

The Company 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 to shareholders and benefit 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 business.

As prescribed by SECP, the Company is required to maintain the minimum capital and to comply with the solvency requirements both for shareholders' and statutory funds in accordance with the Insurance Ordinance, 2000 and 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.

43.1.10 Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company invests in securities and has bank balances and deposits that are subject to interest / mark-up rate risk. The Company limits interest / mark-up rate risk by monitoring changes in interest / mark-up rates in the currencies in which its cash and investments are denominated.



The information about Company's exposure to interest rate risk based on contractual repricing or maturity dates as of December 31, 2023, whichever is earlier, is as follows:

	2023						Total
	Interest / markup bearing			Non interest / non markup bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
(Rupees in '000)							
On balance sheet financial instruments							
Assets							
Investments	58,248,717	6,820,999	65,069,716	13,538,103	-	13,538,103	78,607,819
Loan secured against life insurance / takaful policies (Insurance / takaful) / (reinsurance / retakaful) receivables	35,975	-	35,975	-	-	-	35,975
Loans and other receivables	-	-	-	94,143	-	94,143	94,143
Cash and bank	-	-	-	1,361,720	-	1,361,720	1,361,720
	3,689,030	-	3,689,030	237,566	-	237,566	3,926,596
	61,973,722	6,820,999	68,794,721	15,231,532	-	15,231,532	84,026,253
Liabilities							
Lease liabilities	71,514	31,941	103,455	-	-	-	103,455
(Insurance / takaful) / (reinsurance / retakaful) payables	-	-	-	102,148	-	102,148	102,148
Other creditors and accruals	-	-	-	985,436	-	985,436	985,436
	71,514	31,941	103,455	1,087,584	-	1,087,584	1,191,039
	61,902,208	6,789,058	68,691,266	14,143,948	-	14,143,948	82,835,214

	2022						Total
	Interest / markup bearing			Non interest / non markup bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
(Rupees in '000)							
On balance sheet financial instruments							
Assets							
Investments	42,750,996	1,710,089	44,461,085	16,309,471	-	16,309,471	60,770,556
Loan secured against life insurance / takaful policies (Insurance / takaful) / (reinsurance / retakaful) receivables	42,163	-	42,163	-	-	-	42,163
Loans and other receivables	-	-	-	62,456	-	62,456	62,456
Cash and bank	-	-	-	734,343	-	734,343	734,343
	5,146,032	-	5,146,032	170,965	-	170,965	5,316,997
	47,939,191	1,710,089	49,649,280	17,277,235	-	17,277,235	66,926,515
Liabilities							
Lease liabilities	63,337	96,255	159,592	-	-	-	159,592
(Insurance / takaful) / (reinsurance / retakaful) payables	-	-	-	175,083	-	175,083	175,083
Other creditors and accruals	-	-	-	887,044	-	887,044	887,044
	63,337	96,255	159,592	1,062,127	-	1,062,127	1,221,719
	47,875,854	1,613,834	49,489,688	16,215,108	-	16,215,108	65,704,796

44. INSURANCE RISK AND MANAGEMENT OF INSURANCE RISK

44.1 Conventional business

44.1.1 Individual Life

The risk underwritten is mainly death and sometimes disability. The risk of death and disability will vary in degree by age, gender, occupation, income group and geographical location of the assured person. The Company's exposure to poor risks may lead to unexpectedly high severity and frequency in claims' experience. 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 amount invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that majority of 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 underwriting policy and avoids selling policies to high risk individuals. This puts a check on anti selection. The need for profit testing is reviewed 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 insured person. The Company is developing and intends to eventually have 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 control mis-selling and to track improvements in the standard of service provided to policyholders. For this, a regular 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. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company maintains adequate liquidity in its fund to cater for a potentially sudden and high cash requirement.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a 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 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 - 200,000
200,000 - 400,000
400,001 - 800,000
800,001 - 1,000,000
More than 1,000,000
Total

Sum assured at the end of December 2023 Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
941	2%	585	1.45%
2,320	4%	1,437	3.57%
9,550	18%	6,672	16.58%
22,453	43%	22,136	55.02%
17,373	33%	9,406	23.38%
52,637		40,236	

Benefits assured per life

Rupees

0 - 200,000
200,000 - 400,000
400,001 - 800,000
800,001 - 1,000,000
More than 1,000,000
Total

Sum assured at the end of December 2022 Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
790	2.69%	454	3.34%
2,916	9.94%	1,441	10.59%
4,879	16.63%	2,121	15.58%
1,527	5.21%	1,158	8.51%
19,219	65.52%	8,437	61.99%
29,331		13,611	



a) 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 assurance contracts arises from the unpredictability of long term changes in overall levels of mortality and morbidity incidence rates.

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

The Company assumes the expected mortality to be 80% of SLIC (2001-05). Morbidity incidence rates are taken as a percentage of reinsurer's risk premium rate.

Persistency: The Company exercises 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 conventional assurance contracts, long-term assumptions are made at the inception of the contract. Keeping the statutory minimum reserving basis in view, the Company determines assumptions on future mortality, morbidity, 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 Company assumes the expected mortality to be 80% of SLIC (2001-05).
- **Persistency:** The Company exercises 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.
- **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 assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

After reinsurance, the overall liability for individual life conventional business stands at less than 1% of the total policyholder liability held in respect of individual life business. Due to its immateriality, sensitivity analysis has not been conducted.

44.1.2 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 management undertakes to write business in line with the limits set by the appointed actuary, especially for large groups having a group assurance policy with annual premium of Rs. 2 million or above in accordance with the requirements of Circular 11 of 2013 dated June 14, 2013. The Company also maintains a Management Information System (MIS) to track the adequacy of the premium charged. reinsurance contracts have been purchased by the Company to limit the maximum exposure to any one life.

The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. 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, 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. 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 are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

a) Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

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

Sum assured at the end of December 2023 Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
46,344,579	5.871%	46,222,997	16.152%
223,045,075	28.256%	137,029,070	47.884%
30,209,718	3.827%	18,687,836	6.530%
71,643,947	9.076%	30,445,500	10.639%
418,136,695	52.970%	53,784,000	18.794%
789,380,014		286,169,403	

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

Sum assured at the end of December 2022 Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
75,658,064	15.832%	75,354,280	40.210%
46,644,860	9.761%	36,733,976	19.602%
53,405,535	11.176%	30,133,400	16.079%
35,520,803	7.433%	12,722,000	6.789%
266,639,267	55.798%	32,460,000	17.321%
477,868,529		187,403,656	



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 mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

Industry experience, the insured group's own past experience and reinsurer risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

d) Changes in assumptions

There are no changes 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 2023 (Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	4,184
Increase in reporting lag	+10% pa	4,184

44.2 Non unitised Investment Linked Business

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary in degree by age, gender, occupation, income group and geographical location of the insured person. The Company's exposure to poor risks may lead to unexpectedly high severity and frequency in claims' experience. 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 underwriting policy and avoids selling policies to high risk individuals. This puts a check on anti selection. The need for profit testing is reviewed 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 insured person. The Company is developing and intends to eventually have 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 control mis selling and to track improvements in the standard of service provided to policyholders. For this, a regular 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 its fund to cater for a potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. 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

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a 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. 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 hinder 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.

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 - 200,000	
200,000 - 400,000	
400,001 - 800,000	
800,001 - 1,000,000	
More than 1,000,000	
Total	

Sum assured at the end of December 2023 Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
26,503	6.63%	8,086	6.85%
91,188	22.79%	28,767	24.36%
133,630	33.40%	41,614	35.24%
82,676	20.67%	27,034	22.89%
66,044	16.51%	12,586	10.66%
400,041		118,087	

Benefits assured per life

Rupees

0 - 200,000	
200,000 - 400,000	
400,001 - 800,000	
800,001 - 1,000,000	
More than 1,000,000	
Total	

Sum assured at the end of December 2022 Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
30,603	5.28%	9,492	5.47%
129,094	22.26%	40,539	23.35%
204,348	35.23%	63,319	36.47%
142,321	24.54%	44,642	25.71%
73,644	12.70%	15,634	9.00%
580,010		173,626	



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 non unitised investment linked assurance contracts arises from the unpredictability of long term changes in overall levels of mortality and morbidity of the insured population and variability in policyholders' behaviour.

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

- Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05)
- Persistency: The Company exercises 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 non unitised investment linked assurance contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, morbidity, 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 Company assumes the expected mortality to be 80% of SLIC (2001-05).
- Persistency: The Company exercises 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.
- 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 assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

44.3 Unit Linked Business

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. The need for profit testing is reviewed 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. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under pricing.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a 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. 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 hinder 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.

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 - 200,000	2,317,075	2.35%	1,971,637	3.18%
200,000 - 400,000	11,791,246	11.94%	10,420,589	16.81%
400,001 - 800,000	26,250,897	26.58%	22,937,297	37.00%
800,001 - 1,000,000	23,886,107	24.19%	15,880,617	25.62%
More than 1,000,000	34,510,711	34.95%	10,780,327	17.39%
Total	98,756,036		61,990,467	

Sum assured at the end of December 2023			
Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
2,317,075	2.35%	1,971,637	3.18%
11,791,246	11.94%	10,420,589	16.81%
26,250,897	26.58%	22,937,297	37.00%
23,886,107	24.19%	15,880,617	25.62%
34,510,711	34.95%	10,780,327	17.39%
98,756,036		61,990,467	

Benefits assured per life

Rupees

0 - 200,000	2,789,489	2.57%	2,323,055	3.56%
200,000 - 400,000	13,162,151	12.11%	11,214,890	17.19%
400,001 - 800,000	28,658,681	26.36%	23,927,076	36.67%
800,001 - 1,000,000	26,599,896	24.47%	16,596,738	25.44%
More than 1,000,000	37,502,418	34.50%	11,181,010	17.14%
Total	108,712,635		65,242,769	

Sum assured at the end of December 2022			
Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
2,789,489	2.57%	2,323,055	3.56%
13,162,151	12.11%	11,214,890	17.19%
28,658,681	26.36%	23,927,076	36.67%
26,599,896	24.47%	16,596,738	25.44%
37,502,418	34.50%	11,181,010	17.14%
108,712,635		65,242,769	



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

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

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

Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05)

Persistency: The Company exercises 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 Company assumes the expected mortality to be 80% of SLIC (2001-05)

Persistency: The Company exercises 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.

Expense levels and inflation: As the business is new, estimates from business projections have been used. Once established, a periodic study will be 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 assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

44.4 Individual Family Takaful Unit Linked Business

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 subsidisation 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. The need for profit testing is reviewed on an annual basis to ensure reasonableness of contribution 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 each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the Takaful Contributions deductible under the contracts, thus limiting the risk of under pricing.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a 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 Takaful contracts. 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 hinder its mitigating effect. The Company manages these risks through its underwriting strategy and retakaful arrangements.

The table below presents the concentration of covered benefits across five bands of covered benefits 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 assured per life

Rupees

	Sum assured at the end of December 2023 Total benefits assured			
	Before retakaful		After retakaful	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	714,077	1.62%	710,393	2.66%
200,000 - 400,000	3,718,603	8.46%	3,705,750	13.89%
400,001 - 800,000	9,977,389	22.70%	9,575,599	35.90%
800,001 - 1,000,000	9,176,454	20.87%	6,662,523	24.98%
More than 1,000,000	20,376,378	46.35%	6,022,015	22.57%
Total	43,962,901		26,676,280	

Benefits assured per life

Rupees

	Sum assured at the end of December 2022 Total benefits assured			
	Before retakaful		After retakaful	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	849,097	1.78%	843,954	2.82%
200,000 - 400,000	4,442,312	9.29%	4,420,663	14.80%
400,001 - 800,000	11,608,845	24.27%	11,126,641	37.24%
800,001 - 1,000,000	10,724,837	22.42%	7,524,830	25.19%
More than 1,000,000	20,202,554	42.24%	5,961,383	19.95%
Total	47,827,645		29,877,471	



a) Sources of uncertainty in the estimation of future benefit payments and contribution 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.

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

Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05).

Persistency: The Company exercises 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 main policies. Assumptions used for profit testing of the main policies are as follows:

Mortality: The Company assumes the expected mortality to be 80% of SLIC (2001-05)

Persistency: The Company exercises 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.

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 assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

44.5 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, 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 underpricing to acquire business in a competitive environment and of non-receipt of takaful contributions 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, 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 using the retakaful rates. The contribution 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 any one covered person. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. 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. Strict monitoring is in place in order to keep the outstanding balances of contribution 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 are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

The table below presents the concentration of covered benefits across five bands of covered benefits 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
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Sum assured at the end of December 2023 Total benefits assured			
Before retakaful		After retakaful	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
19,686,582	18.46%	16,610,106	29.14%
25,582,096	23.99%	18,939,497	33.22%
5,820,659	5.46%	2,958,381	5.19%
4,590,755	4.31%	2,014,673	3.53%
50,941,012	47.78%	16,483,724	28.92%
106,621,104		57,006,381	

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
-------------	---------------------	-----------------------	-----------------------	---------------------	-------

Sum assured at the end of December 2022 Total benefits assured			
Before retakaful		After retakaful	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
11,171,714	4.98%	11,171,714	7.01%
172,549,086	76.86%	131,166,931	82.29%
2,430,528	1.08%	1,343,881	0.84%
3,530,848	1.57%	1,611,635	1.01%
34,825,324	15.51%	14,105,197	8.85%
224,507,500		159,399,358	



a) Sources of uncertainty in the estimation of future benefit 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.

b) Process used to decide on assumptions

The business is too new for any meaningful investigation into the group's past experience. However, industry experience, the insured group's own past experience and retakaful risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

c) Changes in assumptions

There are no changes in assumptions.

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 2023 (Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	1,325,640
Increase in reporting lag	+10% pa	1,325,640

44.6 Liability Adequacy Test

Liability adequacy test is applied to all long term contracts. Liability adequacy test is carried out using current best estimates of assumptions and future net cash flows, including premiums receivable, benefits payable and investment income from related assets.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. We have compared our valuation mortality assumption (SLIC mortality table) with the mortality of developing Asian countries, namely: India and Malaysia. The comparison suggests that the best estimate assumption is better than the experience reflected in SLIC mortality table.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. We have valued our liabilities based on the 10 Year PIB rate of 14.375% to determine adequacy.

The table below compares total policyholder liabilities in Unit Linked Business, Non unitised Investment Linked Business, Individual Life Conventional business and Individual Family Takaful Unit Linked Business under existing valuation basis with policyholder liabilities calculated using best estimate assumptions:

Assumptions	Policyholder liabilities on existing valuation basis ----- (Rupees in '000) -----	Policyholder liabilities using best estimate assumptions -----
Mortality	75,462,877	75,390,873
Investment Returns	75,462,877	75,442,869

The liabilities evaluated under the assumptions suggest the recognised liabilities are adequate and no further provision is required.

45. FAIR VALUE MEASUREMENT

The table below analysis assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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).



December 31, 2023								
Carrying value				Fair value				
Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000')								
Financial assets measured at fair value								
- Investments								
Government Securities (T-bills + PIBs + Sukuks)	61,365,683	-	61,365,683	20,409,526	40,956,157	-	-	61,365,683
Equity securities	8,556,762	-	8,556,762	8,556,762	-	-	-	8,556,762
Mutual funds	4,981,341	-	4,981,341	4,981,341	-	-	-	4,981,341
Debt securities (listed TFCs / corporate sukuks)	3,629,033	-	3,629,033	3,629,033	-	-	-	3,629,033
	78,532,819	-	78,532,819	37,576,662	40,956,157	-	-	78,532,819
Non-financial assets measured at fair value								
- Investment property	1,065,394	-	1,065,394	-	-	1,065,394	-	1,065,394
	1,065,394	-	1,065,394	-	-	1,065,394	-	1,065,394
Financial assets not measured at fair value								
- Balances with banks	-	3,917,410	3,917,410	-	-	-	-	-
- Term deposit receipts	-	75,000	75,000	-	-	-	-	-
- Investment in debt securities	-	-	-	-	-	-	-	-
- Other financial assets	-	1,491,838	1,491,838	-	-	-	-	-
	-	5,484,248	5,484,248	-	-	-	-	-
Financial liabilities not measured at fair value								
- Other financial liabilities	-	-	1,087,584	1,087,584	-	-	-	-
	-	-	1,087,584	1,087,584	-	-	-	-
	79,598,213	5,484,248	1,087,584	86,170,045	-	-	-	-
December 31, 2022								
Carrying value				Fair value				
Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000')								
Financial assets measured at fair value								
- Investments								
Government securities (T-bills + PIBs + Sukuks)	37,930,238	-	37,930,238	37,930,238	37,930,238	-	-	37,930,238
Equity securities	12,390	8,279,779	8,292,169	8,292,169	-	-	-	8,292,169
Mutual funds	-	8,017,302	8,017,302	8,017,302	-	-	-	8,017,302
Debt securities (listed TFCs / corporate sukuks)	-	3,782,845	3,782,845	3,782,845	-	-	-	3,782,845
	12,390	58,010,164	58,022,554	20,092,316	37,930,238	-	-	58,022,554
Non-financial assets measured at fair value								
- Investment property	943,669	-	943,669	-	-	943,669	-	943,669
	943,669	-	943,669	-	-	943,669	-	943,669
Financial assets not measured at fair value								
- Balances with banks	-	5,307,056	5,307,056	-	-	-	-	-
- Term deposit receipts	-	2,276,000	2,276,000	-	-	-	-	-
- Investment in debt securities	-	472,000	472,000	-	-	-	-	-
- Other financial assets	-	838,962	838,962	-	-	-	-	-
	-	472,000	8,422,018	8,894,018	-	-	-	-
Financial liabilities not measured at fair value								
- Other Financial liabilities	-	-	1,062,127	1,062,127	-	-	-	-
	12,390	59,425,833	8,422,018	1,062,127	68,922,368	-	-	-

46. Statement of Solvency

Particulars	Shareholders' Fund	Conventional Fund	Accident and Health Business	Non utilised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business
	(Rupees in 000)						
Assets							
Property and equipment	296,412	-	-	-	-	-	-
Intangible assets	22,152	-	-	-	-	-	-
Investment property	-	-	-	-	1,065,394	-	-
Investments							
Listed equity securities and units of mutual funds	-	-	-	-	11,626,269	1,911,836	-
Government securities	2,910,082	504,140	-	1,583,857	49,685,531	7,665,261	194,232
Debt securities	-	-	-	114,983	3,252,778	261,271	-
Term deposits	-	-	-	-	-	75,000	-
Loans secured against life insurance / Takaful policies (Insurance / takaful) / (reinsurance / retakaful) receivables	-	-	-	5,519	30,456	-	-
Other loans and receivables	70,924	4,245	-	229	99,423	103,963	-
Deferred taxation	13,177	-	-	-	-	-	-
Taxation - payments less provision	-	681	-	33,974	772,848	185,070	-
Prepayments	47,527	-	-	-	-	7,642	-
Cash and Bank	474,550	207,266	2,872	34,642	869,853	2,305,385	32,028
Total Assets (A)	3,834,824	750,645	2,872	1,773,653	67,402,552	12,515,428	241,948
Inadmissible assets as per following clauses of section 32 (2) of Insurance Ordinance, 2000							
(b) Excess of prohibited limit	-	-	-	-	-	-	(175)
(d) Loan to employees	(21,159)	-	-	-	-	(2,771)	-
(h) Premiums more than 90 days	-	(2,733)	-	-	-	-	(6)
(i) Intangible assets	(22,152)	-	-	-	-	-	-
(j) Deferred tax	(13,177)	-	-	-	-	-	-
(u) Tangible fixed assets	(223,910)	-	-	-	-	-	-
Total of inadmissible assets (B)	(280,398)	(2,733)	-	-	-	(2,771)	(181)
Total admissible assets (C = A-B)	3,554,426	747,912	2,872	1,773,653	67,402,552	12,512,657	241,767
Total liabilities							
Insurance / takaful liabilities net of reinsurance / retakaful recoveries	-	23,772	-	352,779	2,736,235	167,018	2,697
Retirement benefit obligations	-	-	-	-	-	-	-
Deferred taxation	103,455	-	-	-	-	-	-
Liability against lease	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Premium received in advance (Insurance / takaful) / (reinsurance / retakaful) payables	-	14,881	-	4,944	146,323	79,663	471
Other creditors and accruals	339,735	11,199	-	38,190	467,561	146,195	77,159
Taxation - provision less payments	385,622	-	-	-	-	-	-
Total liabilities (D)	828,812	198,598	-	395,913	3,344,501	402,006	81,077
Total net admissible assets (E = C-D)	2,725,614	549,314	2,872	1,377,740	64,058,051	12,110,651	160,690
Minimum solvency requirement							
Shareholders' fund	(165,000)	-	-	-	-	-	-
Policyholders liability	-	(261,143)	(1,324)	(1,315,617)	(62,792,011)	(11,702,085)	(110,754)
Solvency Margin	-	(107,678)	(314)	(35,276)	(671,567)	(133,728)	(14,277)
Excess net admissible assets over minimum requirements	2,560,614	180,493	1,234	26,847	594,473	274,838	35,659

Adamjee Life Assurance Company Limited

Notes to and forming part of the Financial Statements

For the year ended December 31, 2023



47. CORRESPONDING FIGURES

47.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. The material reclassification has been made of Rs. 342 million which represents the expenses that are reclassified from marketing and administration expenses to acquisition expenses.

The details of reclassification are as follows:

	Marketing and Administration Expenses Note 34	Acquisition Expenses Note 33
	----- (Rupees in '000) -----	
Salaries and other benefits	(209,859)	209,859
Travelling expenses	(4,416)	4,416
Information technology expenses	(4,778)	4,778
Printing and stationery	(2,871)	2,871
Depreciation	(7,172)	7,172
Depreciation - ROU Assets	(7,437)	7,437
Rent, rates & taxes	(10,295)	10,295
Insurance expense	(279)	279
Vehicle running expenses	(46,568)	46,568
Postages, telegrams & telephone	(2,925)	2,925
Electricity, gas & water	(5,159)	5,159
Office repairs & maintenance	(9,793)	9,793
Entertainment	(4,164)	4,164
Training and development	(9,057)	9,057
Advertisement & sales promotion	(15,977)	15,977
Financial charges	(2,650)	2,650
Miscellaneous	5,217	(5,217)
Legal and professional charges	(4,608)	4,608
	<u>(342,791)</u>	<u>342,791</u>

48. SUBSEQUENT EVENTS

The Board of directors in its meeting held on February 26, 2024 proposed a cash dividend of Rs. 1.00 per share (2022: Rs. Nil per share) amounting to Rs. 250 million (2022: Rs. Nil) subject to approval of the members in the forthcoming annual general meeting of the Company.

49. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on February 26, 2024.

Statement of Appointed Actuary

As per Section 52(2) (a) & (b) of Insurance Ordinance 2000

In my opinion,

- (a) the policyholder liabilities included in the balance sheet of Adamjee Life Assurance Company Limited as at 31st December 2023 have been determined in accordance with the provisions of the Insurance Ordinance 2000;
- (b) each statutory fund of Adamjee Life Assurance Company Limited complies with the solvency requirements of the Insurance Ordinance 2000 as applicable on 31st December 2023.

Signed 

Name: Arif Rasool
Fellow Pakistan Society of Actuaries
Fellow Institute of Actuaries, UK

Dated: 26th February 2024



S. Muhammad Jawed
Chairman



Muhammad Ali Zeb
Director



Shahmeer Khalid Butt
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Sharia Advisor Profile

Dr. Mufti Muhammad Zubair Usmani

Shariah Advisor

Dr. Muhammad Zubair Usmani is a qualified and one of the most experienced Shariah Scholars in the Islamic Banking Industry. He did his Shariah graduation (Fazil Dars-e-Nizami) & Takhassus Fil Fiqh (Mufti i.e. Specialization in Islamic Fiqh & Fatawa) from Jamia Dar ul Uloom, Karachi. He has done Masters in International Relations and Doctorate (PhD) in Islamic Finance from University of Karachi. Dr. Zubair Usmani is author of several books including related to Accounting & Auditing for Islamic Financial system, comparative study between Islam and Christianity and Ijarah (Islamic Leasing). His research papers have been published in

various international journals. He has delivered research based lectures / presentations at different national and international seminars, forums, and conferences and has been associated with several financial institutions; he has also served as a member of Shariah Board of State Bank of Pakistan. Currently he is associated with HBL as a Chairman Shariah Board, MCB Arif Habib Islamic Fund as a Shariah Board Member, Adamjee Life Assurance Company Ltd. Window Takaful operations as a Shariah Advisor, Askari Life as a Shariah Advisor, and Pak Qatar Asset Management as a Shariah Advisor.

Statement of compliance with the Sharia Principle

YEAR ENDED DECEMBER 31, 2023



MANAGEMENT'S STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

YEAR ENDED DECEMBER 31, 2023

The financial arrangements, contracts and transactions, entered into by Adamjee Life Assurance Company Limited - Window Takaful Operations (the Company) for the period from January 1, 2023 to December 31, 2023 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 Shari'ah 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/ Shari'ah 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 transaction, 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 Shari'ah Advisor of the Company

Manzar Mushtaq

Manzar Mushtaq
Chief Executive Officer

Adamjee Life Assurance Co. Ltd
Window Takaful Operations

Principal Office:
3rd and 4th Floor, Adamjee House,
11, Chundrigar Road, Karachi - 74000

Registered Office:
Office No. 505, 5th Floor, ISE Towers,
55-B, Jinnah Avenue, Blue Area, Islamabad

LIAN: +92 (21) 111-11-5433
Tel: +92 (21) 38677100, 37134900
Fax: +92 (21) 38630011
www.adamjeelife.com

Independent Reasonable Assurance Report to the Board of Directors on the Statement of Compliance with the Shariah Principles

We were engaged by the Board of Directors of Adamjee Life Assurance Company Limited (the Company) to report on the Statement of Compliance (the Statement) with the Shariah Principles of the Window Takaful Operations (Takaful Operations) of the Company, as set out in the annexed Statement prepared by management for the year ended December 31, 2023, 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. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah Scholar.

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

Responsibilities of the Board of Directors / 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.

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

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 Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or 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 independently verify the annexed Statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed Statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Independent Reasonable Assurance Report to the Board of Directors on the Statement of Compliance with the Shariah Principles

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal controls 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. In performing our audit procedures necessary guidance on Shariah matters was provided by independent Shariah scholar. 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.

The procedures performed included:

- Evaluating the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah 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/ Shariah Advisor and the Board of Directors;
- 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 compliance with Shariah Principles of the Takaful transactions during the year ended December 31, 2023, 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, 2023, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Chartered Accountants

Place: Karachi
Dated: April 01, 2024

Sharia Advisor's Report to the Board of Director



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Shariah Advisor's Report to the Board of Directors for the year ended 31st December, 2023

I have examined the financial statements and transactions of Window Takaful Operation of the Adamjee Life Assurance Company Limited (hereafter referred to as "the Company") for the year ended 31st December 2023.

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

Shariah Compliance Officer conducted the Shariah Compliance Review (SCR) for the year 2023 with the consultation of the Shariah Advisor. The primary scope of Shariah Compliance review (SCR) was to ensure that the company has complied with all Shariah principles, rules and guidelines. Shariah Compliance review also included the examination of the appropriate evidence of transactions undertaken by the company during the year 2023.

I have reviewed the affairs of the Company with the coordination of Shariah compliance officer in accordance with Shariah principles and Takaful Rules 2012. In my opinion, and to the best of my understanding, based on the provided information and explanations, below are my findings:

- (i) Financial transactions undertaken by the Company for the Year ended 31st December 2023 pertaining to Window Takaful Operations were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.

Adamjee Life Assurance Co. Ltd.
Window Takaful Operations

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Sharia Advisor's Report to the Board of Director



- (ii) Consequently, I have found that the Company is in accordance with the Shariah Principles in all aspects and the Company performed its duties to its level best by following Shariah Guidelines. Moreover, in my opinion the accounting principles adopted for incorporation of Participants Takaful Fund (PTF) into the accompanying financial statements, are in accordance with the Shariah Principles, rules and guidelines.

"And Allah knows best"

DR. MUHAMMAD ZUBAIR USMANI
SHARIAH ADVISOR
WINDOW TAKAFUL OPERATION
ADAMJEE LIFE ASSURANCE CO. LTD.

Dr. Muhammad Zubair Usmani
Shariah Adviser

Adamjee Life Assurance Company Limited-Window Takaful Operations

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of Adamjee Life Assurance Company Limited

Introduction

We have reviewed the accompanying statement of financial position of Adamjee Life Assurance Company Limited-Window Takaful Operations (the WTO Operations) as of December 31, 2023 and the related statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information to the financial statements (here-in-after referred to as the 'financial statements') Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for Window Takaful Operations. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Emphasis of Matter

We draw attention to note 14 to the financial statements where it is disclosed that the Operator has challenged the scope and applicability of Sindh Sales Tax and Punjab Sales Tax on life insurance services.

Our conclusion is not modified in this respect

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements does not give a true and fair view of the financial position of the WTO Operations as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan for Window Takaful Operations.

Other matter

This review engagement was conducted on specific request of management.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.

Chartered Accountants

Place: Karachi

Dated: April 01, 2024



	Note	2023			2022
		Operator's Sub Fund	Statutory Fund	Total	Total
Assets					
Investments					
Equity securities	6	-	1,194,109	1,194,109	1,000,449
Government securities	7	413,753	7,130,501	7,544,254	1,491,436
Debt securities	8	-	261,272	261,272	429,040
Term deposits	9	-	75,000	75,000	2,175,000
Mutual funds	10	50,519	667,211	717,730	1,031,554
Takaful / retakaful receivables		-	22,669	22,669	2,373
Contribution due but unpaid		-	7,469	7,469	1,963
Other loans and receivables	11	21,063	320,993	342,056	167,634
Interfund receivable		93,554	-	93,554	1,256
Taxation - payments less provision		9,587	175,483	185,070	153,225
Prepayments		7,642	-	7,642	3,337
Cash and bank	12	18,243	2,319,170	2,337,413	2,753,762
Total assets		614,361	12,173,877	12,788,238	9,211,029
Equity and Liabilities					
Capital contributed from shareholders' fund		35,630	-	35,630	35,630
Qard-e-Hasna contributed by window takaful operator		(25,630)	25,630	-	-
Money ceded to waqf fund		-	500	500	500
Ledger account D		258,498	-	258,498	182,337
Total equity		268,498	26,130	294,628	218,467
Liabilities					
Takaful liabilities	13	69,786	11,937,098	12,006,884	8,643,376
Deferred taxation		166,330	-	166,330	90,653
Contribution received in advance		-	80,134	80,134	91,714
Takaful / retakaful payables		-	-	-	19,314
Interfund payable		-	93,554	93,554	1,256
Other creditors and accruals		109,747	36,961	146,708	146,249
Total liabilities		345,863	12,147,747	12,493,610	8,992,562
Contingencies and commitments	14				
Total equity and liabilities		614,361	12,173,877	12,788,238	9,211,029

The annexed notes 1 to 33 form an integral part of these financial statements.

S. Muhammad Jawed
 Chairman

Muhammad Ali Zeb
 Director

Shahmeer Khalid Butt
 Director

Manzar Mushtaq
 Chief Executive Officer

Jalal Meghani
 Chief Financial Officer

S. Muhammad Jawed
 Chairman

Muhammad Ali Zeb
 Director

Shahmeer Khalid Butt
 Director

Manzar Mushtaq
 Chief Executive Officer

Jalal Meghani
 Chief Financial Officer



	Note	Operator's Statutory			Operator's Statutory		
		Sub Fund 2023	Fund 2023	2023	Sub Fund 2022	Fund 2022	2022
(Rupees in '000)							
Contribution revenue		871,575	3,116,484	3,988,059	1,083,499	3,083,244	4,166,743
Contribution ceded to retakaful		-	(109,157)	(109,157)	-	(99,814)	(99,814)
Net contribution revenue	15	871,575	3,007,327	3,878,902	1,083,499	2,983,430	4,066,929
Takaful operator's fee		297,984	(297,984)	-	248,487	(248,487)	-
Mudarib fee		15,770	(15,770)	-	-	-	-
Investment income	16	78,726	1,157,220	1,235,946	18,580	739,062	757,642
Net realised fair value (loss) / gain on financial assets	17	(2,599)	289,898	287,299	1,531	(25,951)	(24,420)
Net fair value gain / (loss) on financial assets at fair value through profit or loss - unrealised	18	5,436	482,474	487,910	6,461	(285,647)	(279,186)
Other income	19	22,026	408,893	430,919	14,330	35,074	49,404
		417,343	2,024,731	2,442,074	289,389	214,051	503,440
Net income		1,288,918	5,032,058	6,320,976	1,372,888	3,197,481	4,570,369
Takaful benefits	20	(1,089)	(1,743,778)	(1,744,867)	1,036	(1,353,519)	(1,352,483)
Recoveries from retakaful	20	-	63,739	63,739	-	51,154	51,154
Claims related expenses		-	(2,633)	(2,633)	-	(3,261)	(3,261)
Net takaful benefits		(1,089)	(1,682,672)	(1,683,761)	1,036	(1,305,626)	(1,304,590)
Net change in takaful liabilities (other than outstanding claims)		(12,887)	(3,346,261)	(3,359,148)	(20,085)	(1,889,923)	(1,910,008)
Acquisition expenses	21	(854,568)	-	(854,568)	(982,345)	-	(982,345)
Marketing and administration expenses	22	(128,852)	-	(128,852)	(147,225)	(967)	(148,192)
Other expenses	23	(37,096)	(3,125)	(40,221)	(35,698)	(890)	(36,588)
		(1,033,403)	(3,349,386)	(4,382,789)	(1,185,353)	(1,891,780)	(3,077,133)
Total expenses		(1,034,492)	(5,032,058)	(6,066,550)	(1,184,317)	(3,197,406)	(4,381,723)
Finance Cost		(2,588)	-	(2,588)	(4,489)	(75)	(4,564)
Profit before tax		251,838	-	251,838	184,082	-	184,082
Surplus transferred to SHF		(100,000)	-	(100,000)	-	-	-
Income tax expense	24	(75,677)	-	(75,677)	(64,273)	-	(64,273)
Profit after tax for the year		76,161	-	76,161	119,809	-	119,809

The annexed notes 1 to 33 form an integral part of these financial statements.

Adamjee Life Assurance Company Limited
Statement of Comprehensive Income
 Window Takaful Operations (Un-audited)
 For the year ended December 31, 2023



	Operator's Sub Fund	Statutory Fund	Aggregate	
			2023	2022
----- (Rupees in '000) -----				
Profit after tax for the year - as per statement of profit or loss	76,161	-	76,161	119,809
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	76,161	-	76,161	119,809

The annexed notes 1 to 33 form an integral part of these financial statements.

S. Muhammad Jawed
 Chairman

Muhammad Ali Zeb
 Director

Shahmeer Khalid Butt
 Director

Manzar Mushtaq
 Chief Executive Officer

Jalal Meghani
 Chief Financial Officer

Adamjee Life Assurance Company Limited
Statement of Changes in Equity
 Window Takaful Operations (Un-audited)
 For the year ended December 31, 2023



	Capital contributed from shareholders' fund	Money ceded to waqf fund	Ledger account D*	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2022	169,501	500	62,528	232,529
Total comprehensive income for the year ended December 31, 2022				
- Profit for the year after tax	-	-	119,809	119,809
- Other comprehensive income	-	-	-	-
	-	-	119,809	119,809
Capital contribution to shareholders' fund	(133,871)	-	-	(133,871)
Balance as at December 31, 2022	35,630	500	182,337	218,467
Balance as at January 01, 2023	35,630	500	182,337	218,467
Total comprehensive income for the year ended December 31, 2023				
- Profit for the year after tax	-	-	76,161	76,161
- Other comprehensive income	-	-	-	-
	-	-	76,161	76,161
Balance as at December 31, 2023	35,630	500	258,498	294,628

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

The annexed notes 1 to 33 form an integral part of these financial statements.

S. Muhammad Jawed
 Chairman

Muhammad Ali Zeb
 Director

Shahmeer Khalid Butt
 Director

Manzar Mushtaq
 Chief Executive Officer

Jalal Meghani
 Chief Financial Officer



	Note	2023 (Rupees in '000)	2022
Operating Cash Flows			
(a) Takaful activities			
Takaful contribution received		3,970,973	4,135,067
Retakaful contribution paid		(85,028)	(59,464)
Claims paid		(1,743,140)	(1,242,426)
Hadia paid		(456,739)	(659,856)
Marketing and administrative expenses paid		(635,159)	(669,524)
Net cash generated from takaful activities		1,050,907	1,503,797
(b) Other operating activities			
Income tax paid		(31,845)	(111,698)
Total cash generated from all operating activities		1,019,062	1,392,099
Investment activities			
Profit / return received		1,301,351	616,904
Dividend received		133,941	44,832
Payment for investments		(11,319,524)	(5,971,267)
Proceeds from disposal of investments		7,298,821	4,147,315
Total cash used in investing activities		(2,585,411)	(1,162,216)
Net cash (used in) / generated from all activities		(1,566,349)	229,883
Cash and cash equivalent at the beginning of the year		3,978,762	3,748,879
Cash and cash equivalent at the end of the year	12.2	2,412,413	3,978,762
Reconciliation to statement of profit or loss			
Cash flow from all operating activities		1,019,062	1,392,099
Depreciation and amortisation expense		(20,932)	(20,068)
Financial charge expense		(3,412)	(5,274)
Write offs		(569)	-
Profit / (loss) on disposal of investment		287,299	(24,420)
Dividend income		132,753	46,614
Other investment income		1,534,112	1,130,782
Decrease in assets other than cash		236,374	150,953
Decrease in liabilities other than borrowings		(3,596,436)	(2,281,422)
Surplus / (deficit) on revaluation of investment		487,910	(269,455)
Profit after taxation for the year		76,161	119,809

The annexed notes 1 to 33 form an integral part of these financial statements.

S. Muhammad Jawed
Chairman

Muhammad Ali Zeb
Director

Shahmeer Khalid Butt
Director

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer



1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Adamjee Life Assurance Company Limited ("the Company") was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017 (Previously Companies Ordinance, 1984). The Company was converted to a public limited company on March 4, 2022 and registered itself on Pakistan Stock Exchange. The Company started its operations from April 24, 2009. Registered office of the Company is at 5th floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi. The Company is a subsidiary of Adamjee Insurance Company Limited.

The Company is engaged in Takaful business carrying on non-participating business only. Following are the statutory funds in respect of each class of its Takaful business:

- Individual Family Takaful Business (refer note 1.2)
- Group Family Takaful Business (refer note 1.2)

1.2 The Company was granted authorisation on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations from July 14, 2016. The Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (herein-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf deed executed by the Company with the cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilised only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

The Company issued supplemental policies to the Window Takaful Operations Waqf Fund on October 29, 2019 to include Group Family Participant's Takaful Fund business in existing Window Takaful Operations Waqf Fund and the same was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2019 and the Company commenced its Group Family Takaful Business in the second Quarter of 2020.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These financial statements for Window Takaful Operations of the Company have been prepared to comply with the requirement of Securities and Exchange Commission of Pakistan (SECP) vide its circular No 15 of 2019 dated November 2019 in which life insurers carrying out Window Takaful Operations are required to prepare separately, the financial statements for Family Takaful Operations as if these are carried out by a standalone Takaful Operator.

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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012.

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 have been followed.



2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in accounting policies relating to financial instruments, investments, lease liabilities, retirement benefits obligation and insurance liabilities.

2.3 Functional and presentation currency

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

3. Amendments and improvements to IFRSs

3.1 Amendments and improvements that are effective for the year ended December 31, 2023

The following amendments are effective for the year ended December 31, 2023. These amendments are either not relevant to the Operator's operations or are not expected to have significant impact on the Operator's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023

3.2 New amendments that are not yet effective:

The following amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Operator's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with Convents along with Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 Financial instruments disclosures' - Supplier Finance Arrangements Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025



Other than the aforesaid amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

The SECP vide SRO 1715 (I) / 2023 dated November 21, 2023 has directed the companies engaged in insurance / takaful and reinsurance / retakaful to follow IFRS 17 from January 01, 2026. The Operator is in the process of determination of impact assessment of IFRS - 17 on the Operator's financial statements.

3.2.1 Temporary Exemption From Application Of IFRS 9

As a takaful operator, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with takaful line of business.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

During the year, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year.

4.1 Types of Window Takaful Operations

a) Individual Family Takaful Unit Linked Business

The Operator 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 Wakalah 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 surplus 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 Operator 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.

Revenue recognition

First year individual life contribution are recognised once the related policies have been issued and the contribution is received. Renewal contribution are recognised upon receipt of contribution. Single contribution are recognised once the related policies are issued against the receipts of contribution. Contribution of riders like 'Waiver of Contribution' will be recognised upon actuarial assumptions where actuary deems that all contribution due have been received.

Recognition of participants' liabilities

Participants' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.



Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Contribution' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Unit Linked Takaful Business policies is made after these have been approved in accordance with the Company's Policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the participants' liabilities in accordance with the estimates recommended by the appointed actuary.

b) Group Family Takaful Business

Group Life contracts are mainly issued to employers to insure their commitments to their employees as required under the 'The Industrial and Commercial Employment (Standing Orders) Ordinance, 1968'.

The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Operator. The group credit life business segment provides coverage to a group of members or subscribers registered under a common platform against death and disability. The business is written mainly through direct sales force.

Revenue recognition

Contribution are recognised as and when due. In respect of certain group policies the Operator continues to provide insurance cover even if the contribution is received after the grace period. Provision for unearned contribution is included in the participants' liabilities.

Recognition of participants' liabilities

Participants' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the participants' liabilities in accordance with the estimates recommended by the appointed actuary.

Experience refund of contribution

Experience refund of contribution payable to participants' is included in participants' liability in accordance with the policy of the Operator and the advice of the appointed actuary.

4.2 Retakaful contracts held

Individual policies (including joint life policies underwritten as such) are retakful under an individual life retakful agreement whereas group life and group credit life contracts are retakafuled under group life and group credit life retakful agreements respectively.



4.2.1 Takaful

Retakaful contribution

Retakaful contribution ceded is recognised at the same time when the related contribution revenue is recognised. It is measured in line with the terms and conditions of the retakaful treaties.

Retakaful recoveries

Retakaful recoveries from retakaful operators are recognised at the same time when the claim is intimated and giving rise to the right of recovery is recognised in the books of accounts of the Operator.

Experience refund

Experience refund receivable from retakaful operators is included in the retakaful recoveries of claims.

Amount due from / to retakaful operator

All receivables (retakaful operator's share in claims, commission from retakaful operator and experience refund) and payables (retakaful contribution) under retakaful agreements are recognised on net basis in the Operator's financial statements, only under the circumstances that there is a clear legal right of off set of the amounts.

Amounts due from / to retakaful operator are carried at cost which is the fair value of the consideration to be received / paid in the future for services rendered / received, less provision for impairment, if any.

4.3 Statutory funds

The Operator maintains statutory funds in respect of each class of life assurance business in which it operates. Assets, liabilities, revenues and expenses of the Operator are referable to the respective statutory funds. However, where these are not referable to statutory funds, these are allocated to shareholders' fund on the basis of actuarial advice. Apportionment of assets, liabilities, revenues and expenses, whenever required between funds are made on the basis certified by the appointed actuary of the Operator. Participants' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Operator on the reporting date as required under Section 50 of the Insurance Ordinance, 2000.

4.4 Participants' liabilities

a) Individual Family Takaful Unit Linked Business

Participants' liabilities constitute the fund value of unit linked contracts as well as non investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death and risk only riders (accidental death and disability, monthly income benefit, waiver of contribution, etc.). Reserves for risk only contracts where contribution are level over the term of the contract are based on the Net Premium Method whereas reserves for age related risk contracts are based on net unearned contribution.

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run off triangle.

b) Group Family Takaful Business

Policy reserves for these plans are based on the unearned contribution method net of allowances made for acquisition expenses, unexpired retakaful contribution and profit commission. Consideration is also given to the requirement for a Premium Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for 'Incurred But Not Reported' (IBNR) claims as included in participants' liability is estimated based on the gross and net loss ratio of 75% and 65% respectively.



4.5 Receivables and payables relating to insurance contracts

These include amounts due to and due from agents and participants' which are recognised when due.

4.6 Provisions

Provisions are recognised when the Operator has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Other creditors and accruals

Liabilities for creditors and other amounts payable are recognised initially at fair value plus directly attributable transactions costs, if any, and subsequently measured at amortised cost.

4.8 Employees accumulated compensated absences

The Operator accounts for the liability in respect of employees accumulated compensated absences in the period in which they are earned.

4.9 Financial instruments

4.9.1 Financial assets

The Operator has classified its financial assets on initial recognition into the following categories: at fair value through profit or loss (held for trading), held to maturity, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired.

The Operator has classified its income earned on financial assets categorised at fair value through profit or loss as 'income from trading investments' while income earned on financial assets categorised as held to maturity, loans and receivables and available for sale as 'income from non trading investments'.

a) Financial assets at fair value through profit or loss (held for trading)

Financial assets designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis.

b) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has both the intent and the ability to hold till maturity.

c) Loans and receivables

These are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

d) Available for sale

These are non derivative financial assets that are either designated as in this category or not classified in any of the other categories.

Initial recognition and measurement

All financial assets are recognised when the Operator becomes a party to the contractual provision of the instrument. Investments other than those categorised into 'financial assets at fair value through profit or loss' category are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition of the securities. Financial assets classified 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss / revenue account. All regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date when the Operator commits to purchase or sell the investment.

Subsequent measurement

Financial assets classified as 'at fair value through profit or loss' are subsequently measured at their fair values and gains and losses arising from changes in fair value are included in the statement of profit or loss / revenue account. Available for sale investments are subsequently measured at their fair values and gains and losses arising from changes in fair values are included in other comprehensive income. Any change in the provision for impairment in value of investment is recognised in the statement of profit or loss / revenue account. Amortisation of premium / discounts on acquisition of investments is carried out using effective yield method and charged to the statement of profit or loss / revenue account, as appropriate. Investments classified as held to maturity and loans and receivables are subsequently measured at amortised cost less any impairment losses, taking into account any discount or premium on acquisition by using the effective interest rate method.

Fair / market value measurements

For investments in quoted equity securities, the market value is determined by using Pakistan Stock Exchange quotations at the reporting date. For investments in government securities, the market value is determined using PKISRV rates. The fair market value of corporate sukus is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP) and the fair value of open ended mutual funds is declared by the relevant fund.

Impairment against financial assets

The Operator assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the carrying value and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit or loss / revenue account, as the case may be, is taken to the statement of profit or loss / revenue account. For financial assets classified as 'loans and receivables' and 'held to maturity', a provision for impairment is established when there is objective evidence that the Operator will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash inflows, discounted at the original effective interest rate.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Operator has transferred substantially all risks and rewards of ownership.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statement only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.



4.9.2 Financial liabilities

All financial liabilities are recognised at the time the Operator becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attribute transaction cost.

Subsequent to initial recognition, these are measured at fair / market value or amortised cost using the effective interest rate method, as the case may be.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

4.10 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include balances with banks, term deposits with original maturity of three months or less and cash and stamps in hand.

4.11 Other revenue recognition

- Return on fixed income and government securities are recognised on time proportion basis using the effective interest rate method.
- Return on deposits and loans to participants are recognised on a time proportion basis.
- Dividend income from investments is recognised when the Operator's right to receive the dividend is established.
- Gain or loss on sale of investments is included in the statement of profit or loss in the year in which disposal has been made.
- All income on investments other than unrealised gain on available for sale investments are included in statement of profit or loss / revenue account. Unrealised income from available for sale investments are included in other comprehensive income.

4.12 Acquisition costs

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

Commission and other expenses are recognised as expense in the earlier of the financial year in which they are paid and the financial year in which they become 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 contribution to which they refer is recognised as revenue.

4.13 Takaful operator fee

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

4.14 Taxation

Income tax expense for the year comprises deferred taxation only. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to the items recognised directly in equity and other comprehensive income, in which case it is recognised in equity and other comprehensive income.



Deferred

Deferred taxation is recognised using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences 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. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting.

4.15 Operating Segments

A segment is a distinguishable component of the Operator that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Operator's primary format of reporting is based on business 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 Operator operates in Pakistan only. The Operator has two primary business segments for reporting purposes namely; Individual Family Takaful Unit Linked Business and Group Family Takaful Business:

- The individual Family Takaful segment provides family takaful coverage to individuals under unit based policies issued by the PTF
- 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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements for the year ended December 31, 2023.

6. INVESTMENT IN EQUITY SECURITIES	Note	2023		2022	
		(Rupees in '000)			
Fair value through profit or loss (held for trading)	6.1	1,194,109	1,000,449		

6.1 At fair value through profit or loss (held for trading)

	2023			2022		
	Carrying value	Provision / Impairment	Market value	Carrying value	Provision / Impairment	Market value
(Rupees in '000)						
Related party	18,821	-	27,518	50,531	-	32,889
Others	952,243	-	1,166,591	1,088,777	-	956,754
	971,064	-	1,194,109	1,139,308	-	989,643



6.1.1 Details of equity securities - fair value through profit or loss

	2023		2022	
	No. of shares	Market value in Rupees ('000)	No. of shares	Market value in Rupees ('000)
Related party				
D.G. Khan Cement Company Limited	355,531	27,518	312,228	16,122
Nishat Mills Limited	-	-	81,815	4,499
Nishat Chunian Limited	-	-	588,637	12,267
		<u>27,518</u>		<u>32,889</u>
Others				
Meezan Bank Limited	454,947	73,410	959,947	95,553
Faysal Bank Limited	2,069,108	67,412	346,221	8,943
Interloop Limited	506,620	36,477	261,506	14,814
Agriauto Industires Limited	3,000	299	-	-
Attock Cement Pakistan Limited	50,000	4,811	75,000	4,241
Cherat Cement Company Limited	6,834	1,114	230,717	23,510
Fauji Cement Company Limited	5,845,875	110,604	3,975,875	47,790
Lucky Cement Limited	146,605	115,375	143,973	64,295
Maple Leaf Cement Factory Limited	1,507,264	58,663	2,018,264	45,552
Pioneer Cement Limited	121,500	13,965	-	-
Mari Petroleum Company Limited	30,183	63,267	80,866	125,096
Oil and Gas Development Company Limited	588,459	66,172	665,379	53,004
Pakistan Petroleum Limited	638,944	73,498	651,529	44,395
Mughal Iron and Steel Industries Limited	1,024,200	67,782	321,077	15,511
Engro Corporation Limited	193,000	56,918	376,245	98,580
Systems Limited	131,110	55,533	50,610	24,492
AGP Limited	397,696	27,962	70,000	4,549
Abbott Laboratories (Pakistan) Limited	46,200	21,262	9,000	4,170
Haleon Pakistan Limited	84,400	14,264	59,100	9,686
Highnoon Laboratories Limited	27,950	14,102	25	14
Citi Pharma limited	136,540	3,241	275,000	6,641
Ferozsions Laboratories Limited	25,000	5,516	30,000	4,127
Hub Power Company Limited	455,000	53,276	180,215	11,368
Dynea Pakistan Limited	51,100	9,464	53,100	8,230
Lucky Core Industries Limited	15,431	12,015	-	-
Century Paper & Board Mills Limited	17,000	554	-	-
Packages Limited	78,880	41,813	51,450	19,045
National Foods Limited	214,500	31,103	-	-
Rafhan Maize Products Company Limited	500	4,999	-	-
Bata Pakistan Limited	20,920	36,238	20,220	43,742
Pakistan Aluminium Beverage Cans Limited	80,000	6,046	-	-
Shabbir Tiles & Ceramics Limited	421,000	5,999	150,000	1,290
Shifa International Hospitals Limited	95,806	13,439	115,806	12,403
Air Link Communication Limited	-	-	289,500	8,563
Aisha Steel Mills Limited	-	-	501,000	4,113
Amreli Steels Limited	-	-	556,000	9,980
Atlas Honda Limited	-	-	19,000	5,700
Avanceon Limited	-	-	85,750	5,662
Bankislami Pakistan Limited	-	-	1,402,500	18,737
Bestway Cement Limited	-	-	44,000	5,632
Engro Fertilizers Limited	-	-	121,055	9,308



	2023		2022			
	No. of shares	Market value in Rupees ('000)	No. of shares	Market value in Rupees ('000)		
Fauji Fertilizer Bin Qasim Limited	-	-	400,500	6,140		
GlaxoSmithKline (Pakistan) Limited	-	-	45,600	4,002		
Hi-Tech Lubricants Limited	-	-	17,300	448		
International Industries Limited	-	-	80,000	6,053		
International Steels Limited	-	-	105,090	4,766		
Kohat Cement Limited	-	-	35,500	5,243		
Kohinoor Textile Mills Limited	-	-	62,500	2,953		
National Refinery Limited	-	-	8	1		
Octopus Digital Limited	-	-	159,500	9,036		
Pak Elektron Limited	-	-	878,520	11,377		
Power Cement Limited	-	-	400,000	1,848		
Pakistan State Oil Company Limited	-	-	30,106	4,335		
Pakistan Telecommunication Company Limited	-	-	2,010,000	12,261		
Panther Tyres Limited	-	-	395,900	8,203		
Shell Pakistan Limited	-	-	64,200	6,898		
Sui Northern Gas Pipelines Limited	-	-	2,600	98		
Synthetic Products Enterprises Limited	-	-	367,632	3,640		
Thal Limited	-	-	34,800	6,725		
The Organic Meat Company Limited	-	-	329	7		
Waves Singer Pakistan Limited	-	-	200,000	1,726		
Waves Home Appliances Limited	-	-	40,000	266		
	-	-	200,000	1,726		
	-	-	40,000	266		
	-	-	-	-		
		<u>1,166,591</u>		<u>956,754</u>		
	Note					
		2023	2022			
		(Rupees in '000)				
7. INVESTMENT IN GOVERNMENT SECURITIES						
Fair value through profit or loss (held for trading)	7.1	<u>7,544,254</u>	<u>1,491,436</u>			
7.1 Fair value through profit or loss (held for trading)						
	Term (year / months)	Maturity year	Effective yield (%)	Carrying value	Principal repayment	Market value
	(Rupees in '000)					
GOP Ijara Sukuk 5 Years - FRR	5 years	2028	15.59%	600,010	600,000	603,000
GOP Ijara Sukuk 5 Years - FRR	5 years	2026	17.14%	399,037	425,000	370,090
GOP Ijara Sukuk 5 Years - FRR	5 years	2025	21.00%	92,588	100,000	83,790
GOP Ijara Sukuk 5 Years - FRR	5 years	2024	20% - 22%	1,676,310	1,679,625	1,678,050
GOP Ijara Sukuk 3 Years - FRR	3 years	2026	16.02% - 21.03%	1,636,172	1,643,000	1,679,054
GOP Ijara Sukuk 5 Years - VRR	5 years	2028	21.04%	560,063	560,000	559,776
GOP Ijara Sukuk 5 Years - VRR	5 years	2027	21.67% - 22.13%	239,076	239,900	243,709
GOP Ijara Sukuk 5 Years - VRR	5 years	2026	21.49% - 21.92%	445,224	450,000	456,250
GOP Ijara Sukuk 5 Years - VRR	5 years	2025	21.49% - 21.83%	620,549	630,000	634,035
GOP Ijara Sukuk 3 Years - VRR	3 years	2026	21.03%	534,449	535,000	535,642
GOP Ijara Sukuk 1 Year - VRR	1 year	2024	19.64% - 22.55%	695,231	695,000	700,858
				<u>7,498,709</u>	<u>7,557,525</u>	<u>7,544,254</u>
As at December 31, 2023						
				<u>1,530,908</u>	<u>1,535,000</u>	<u>1,491,436</u>
As at December 31, 2022						



	Note	2023 (Rupees in '000)	2022
8. INVESTMENT IN DEBT SECURITIES			
At fair value through profit or loss (held for trading)	8.1	261,272	429,040

8.1 At fair value through profit or loss (held for trading)

	2023			2022		
	Carrying value	Provision / impairment	Market value	Carrying value	Provision / impairment	Market value
----- (Rupees in '000) -----						
Advances against purchase of corporate sukuk	-	-	-	227,000	-	227,000
Corporate sukuk	259,731	-	261,272	203,125	-	202,040
	259,731	-	261,272	430,125	-	429,040

Maturity date	2023		Face value per certificate	2022	
	(No. of certificates)	(Rupees in '000)		(No. of certificates)	(Rupees in '000)
8.1.1 Corporate sukuk					
Dubai Islamic Sukuk	Dec 02, 2032	22	75	1,000	22,132
Meezan Bank Limited Sukuk II	Dec 16, 2031	64	-	1,000	63,977
Meezan Bank Limited Sukuk I	Jan 09, 2030	50	-	1,000	50,125
Pakistan Energy Sukuk II	May 21, 2030	25,008	25,000	5	125,038
		25,144	25,075		261,272

	Note	2023 (Rupees in '000)	2022
9. INVESTMENT IN TERM DEPOSITS			
Deposits maturing within 12 months (held to maturity)	9.1	75,000	2,175,000

9.1 This represents term deposits with banks which carry interest rate of 21% per annum (December 31, 2022: 14.75% to 16% per annum) and maturing in January 2024.

	Note	2023 (Rupees in '000)	2022
10. INVESTMENT IN MUTUAL FUND			
Fair value through profit or loss (held for trading)	10.1	717,730	1,031,554

10.1 Fair value through profit or loss (held for trading)

	2023			2022		
	Carrying value	Provision / impairment	Market value	Carrying value	Provision / impairment	Market value
----- (Rupees in '000) -----						
Related party	488,169	-	717,730	999,283	-	943,929
Others	-	-	-	128,197	-	87,625
	488,169	-	717,730	1,127,480	-	1,031,554



10.1.1 Details of mutual funds - fair value through profit or loss

Related parties

Alhamra Islamic Stock Fund
 Alhamra Islamic Asset Allocation Fund
 Alhamra Islamic Income Fund
 Alhamra Islamic Money Market Fund

Others

HBL Islamic Income Fund

	2023		2022	
	No. of units	Market value in Rupees (000)	No. of units	Market value in Rupees (000)
Alhamra Islamic Stock Fund	22,442,198	314,865	27,611,896	241,880
Alhamra Islamic Asset Allocation Fund	3,447,628	327,085	3,885,140	243,978
Alhamra Islamic Income Fund	667,028	75,780	4,193,281	458,058
Alhamra Islamic Money Market Fund	-	-	127	13
		717,730		943,929
Others				
HBL Islamic Income Fund	-	-	796,674	87,625

11. OTHER LOANS AND RECEIVABLES

Accrued income on investments
 Security deposits
 Loan to employees - secured
 Dividend receivable
 Receivable against the sale of investment
 Other receivables

Note	2023 (Rupees in '000)	2022
	315,239	130,546
	11,017	11,228
	2,771	2,529
	6,664	7,852
	6,032	9,342
	333	6,137
	342,056	167,634

12. CASH AND BANK

- Policy stamps

Cash at bank

- Current accounts
 - Saving accounts

Note	2023	2022
	3,753	7,036
	90,391	145,967
	2,243,269	2,600,759
	2,333,660	2,746,726
	2,337,413	2,753,762

12.1 This carries profit rate ranging from 12.50% to 20.5% (December 31, 2022: 9% to 12%) per annum.

12.2 Cash and cash equivalents

Cash and cash equivalents includes the following for the purpose of cash flow statement:

- Cash in hand and policy stamps
 - Cash at bank
 - Term deposits maturing within three months

Note	2023 (Rupees in '000)	2022
	3,753	7,036
	2,333,660	2,746,726
	75,000	1,225,000
	2,412,413	3,978,762



13 TAKAFUL LIABILITIES	Note	2023 (Rupees in '000)	2022
Reported outstanding claims (including claims in payment)	13.1	194,045	189,685
Incurred but not reported claims	13.2	61,967	44,964
Investment component of unit linked and account value contracts	13.3	11,354,261	8,111,996
Liabilities under group takaful contracts (other than investment linked)	13.4	7,290	24,904
Other takaful liabilities	13.5	135,068	127,864
		<u>11,752,631</u>	<u>8,499,413</u>
Surplus retained in Participants' Takaful Fund (PTF)		254,253	143,963
		<u>12,006,884</u>	<u>8,643,376</u>
13.1 Reported outstanding claims (including claims in payment)			
Gross of retakaful		220,517	219,838
Recoverable from retakaful		(26,472)	(30,153)
Net reported outstanding claims		<u>194,045</u>	<u>189,685</u>
13.2 Incurred but not reported claims			
Individual life			
Gross of retakaful		98,725	49,075
Retakaful recoveries		(50,015)	(14,718)
Net of retakaful		<u>48,710</u>	<u>34,357</u>
Group life			
Gross of retakaful		25,588	15,039
Retakaful recoveries		(12,331)	(4,432)
Net of retakaful		<u>13,257</u>	<u>10,607</u>
		<u>61,967</u>	<u>44,964</u>
13.3 Investment component of unit linked and account value contracts			
Investment component of unit linked policies		<u>11,354,261</u>	<u>8,111,996</u>
13.4 Liabilities under group takaful contracts (other than investment linked)			
Gross of retakaful		13,267	39,891
Retakaful credit		(5,977)	(14,987)
Net of retakaful		<u>7,290</u>	<u>24,904</u>
13.5 Other takaful liabilities			
Gross of retakaful		166,865	160,351
Retakaful credit		(31,797)	(32,487)
Net of retakaful		<u>135,068</u>	<u>127,864</u>



14. CONTINGENCIES AND COMMITMENTS

The contingencies reported in annual financial statements of the Company also includes impacts of Window Takaful Operations as at December 31, 2023. Out of reported amount thereon, an amount of Rs. 177.018 million (December 31, 2022: Rs. 132.61 million) pertains to Window Takaful Operations. There are no other material contingencies or commitments as at December 31, 2023.

15. Contribution revenue	Note	2023 (Rupees in '000)	2022
Gross Contribution			
Regular Contribution Individual Contracts*			
First year		850,911	1,174,305
Second year renewal		785,854	1,185,670
Subsequent year renewal		2,129,551	1,505,145
		<u>3,766,316</u>	<u>3,865,120</u>
Single contribution individual contracts*		78,060	168,378
Group contracts without cash values		143,683	133,245
		<u>221,743</u>	<u>301,623</u>
Total gross contribution		<u>3,988,059</u>	<u>4,166,743</u>
Less: contributions ceded to retakaful			
On individual life first year business		(13,090)	(22,432)
On individual life second year business		(12,850)	(16,289)
On individual life subsequent renewal business		(26,749)	(19,912)
On individual life single contribution business		(49)	(173)
On group contracts		(56,419)	(41,008)
		<u>(109,157)</u>	<u>(99,814)</u>
Net contribution		<u>3,878,902</u>	<u>4,066,929</u>
* Individual contracts are those underwritten on an individual basis.			
16. INVESTMENT INCOME			
Dividend income		132,753	46,614
Income from government securities - fair value through profit or loss		634,181	162,359
Income from debt securities - fair value through profit or loss - Return on corporate sukuks		56,693	59,314
Income from term deposit receipts - held to maturity - Return on term deposit receipts		412,319	489,355
		<u>1,235,946</u>	<u>757,642</u>



17. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS	Note	2023 (Rupees in '000)	2022 (Rupees in '000)
Fair value through profit or loss			
Realised gains / (losses) on:			
- Equity securities		266,841	(264)
- Government securities		(5,072)	(5,066)
- Debt securities		(6,378)	-
- Mutual funds		31,908	(19,090)
		<u>287,299</u>	<u>(24,420)</u>
18. NET FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED			
Net unrealised gains / (losses) on:			
- Equity securities		223,045	(138,859)
- Government securities		45,545	(33,585)
- Debt securities		1,541	(1,085)
- Mutual funds		229,561	(95,926)
Total gains / (losses)		<u>499,692</u>	<u>(269,455)</u>
Investment related expenses		(11,782)	(9,731)
		<u>487,910</u>	<u>(279,186)</u>
19. OTHER INCOME			
Return on bank balances		394,000	14,330
Bonus allocation from operator's sub fund		36,919	34,417
Other tabarru income (PTF)		-	657
		<u>430,919</u>	<u>49,404</u>
20. TAKAFUL BENEFITS			
Gross claims			
Claims under individual contracts			
- by death		(134,543)	(120,143)
- by insured event other than death		(870)	(92)
- by maturity		(226,612)	(219,251)
- by surrender		(1,289,072)	(974,694)
Total gross individual contract claims		<u>(1,651,097)</u>	<u>(1,314,180)</u>
Claims under group contracts			
- by death		(92,060)	(41,187)
- by insured event other than death		(1,710)	2,884
Total gross group contract claims		<u>(93,770)</u>	<u>(38,303)</u>
Total gross claims		<u>(1,744,867)</u>	<u>(1,352,483)</u>
Retakaful recoveries			
- on individual life claims		26,461	43,604
- on group life claims		37,278	7,550
		<u>63,739</u>	<u>51,154</u>
Net takaful benefit expense (excluding claim related expenses)		<u>(1,681,128)</u>	<u>(1,301,329)</u>

20.1 Claim development table

20.1.1 Individual life claims

	Incident Reported				
	2019	2020	2021	2022	2023
	----- (Rupees in '000) -----				
Incident year					
Estimate of ultimate claim costs:					
At the end of accident year	5,956	24,416	48,420	69,388	87,070
One year later	13,730	60,943	87,291	103,300	-
Two years later	15,023	63,417	95,071	-	-
Three years later	15,023	65,906	-	-	-
Four years later	21,673	-	-	-	-
Current estimate of cumulative claims	21,673	65,906	95,071	103,300	87,070
Cumulative payments to date	(21,673)	(65,906)	(92,571)	(97,145)	(47,025)
Liability recognised in the statement of financial position	-	-	2,500	6,155	40,045

20.1.2 Group life claims

	Incident Reported				
	2019	2020	2021	2022	2023
	----- (Rupees in '000) -----				
Incident year					
Estimate of ultimate claim costs:					
At the end of accident year	-	10,889	29,459	28,641	74,842
One year later	-	27,682	41,221	43,468	-
Two years later	-	28,582	43,321	-	-
Three years later	-	-	-	-	-
Four years later	-	-	-	-	-
Current estimate of cumulative claims	-	28,582	43,321	43,468	74,842
Cumulative payments to date	-	(28,582)	(43,321)	(43,468)	(72,041)
Liability recognised in the statement of financial position	-	-	-	-	2,801



21. ACQUISITION EXPENSES	2023	2022
	(Rupees in '000)	
Operator's Sub-Fund		
Acquisition costs		
Remuneration to takaful intermediaries on individual contract:		
- Hadia to agent on first year contributions	(317,487)	(462,102)
- Hadia to agent on second year contributions	(53,780)	(64,424)
- Hadia to agent on subsequent year renewal contributions	(44,570)	(29,625)
- Hadia to agent on single contributions	(3,278)	(6,088)
- other benefits to takaful intermediaries	(23,494)	(56,413)
Total hadia cost	(442,609)	(618,652)
Remuneration to takaful intermediaries on group contracts:		
- Hadia	(7,122)	(6,576)
- Other benefits to takaful intermediaries	(952)	(743)
	(8,074)	(7,319)
Other acquisition costs		
- Employee benefit costs	(232,334)	(210,959)
- Travelling expenses	(3,313)	(3,554)
- Information technology expense	(1,706)	(1,785)
- Printing and stationery	(2,032)	(2,392)
- Depreciation	(3,861)	(2,767)
- Depreciation - right of use asset	(2,277)	(1,624)
- Rent, rates and taxes	(30,868)	(21,583)
- Insurance cost	(542)	(994)
- Car fuel and maintenance	(35,500)	(26,159)
- Postage	(4,181)	(3,036)
- Electricity, gas and water	(11,338)	(8,304)
- Office repairs and maintenance	(24,071)	(28,473)
- Entertainment	(6,599)	(4,926)
- Training and development	(2,622)	(8,809)
- Marketing cost	(27,663)	(18,814)
- Financial charges	(824)	(710)
- Legal and professional charges	(853)	(78)
- Miscellaneous	(471)	5,201
- Policy stamps	(12,294)	(15,981)
- Medical examination fee	(536)	(627)
	(403,885)	(356,374)
	(854,568)	(982,345)



22. MARKETING AND ADMINISTRATION EXPENSES	Note	2023	2022
		(Rupees in '000)	
Employee benefit cost	22.1	(51,485)	(64,924)
Travelling expenses		(1,209)	(1,422)
Appointed actuary's fee		(1,419)	(657)
Auditor's remuneration		(674)	(338)
Legal and professional charges		(11,114)	(8,693)
Information technology expenses		(11,302)	(9,823)
Printing and stationery		(6,126)	(10,514)
Depreciation		(6,117)	(4,885)
Depreciation - right of use assets		(7,483)	(9,477)
Amortisation		(1,194)	(1,315)
Rent expense		(1,187)	(2,536)
Insurance expense		(359)	(838)
Vehicle running		(5,509)	(7,794)
Postage and courier		(13,624)	(10,012)
Electricity, gas and water		(2,479)	(2,558)
Office repairs and maintenance		(4,784)	(3,589)
Entertainment		(1,044)	(1,097)
Bank charges		(151)	(1,527)
Training and development		(56)	(939)
Fees and subscription		(3,689)	(2,852)
Marketing cost		3,243	(6,117)
Other expense		(1,090)	3,715
		(128,852)	(148,192)
22.1 Employee benefit cost			
Salaries, allowance and other benefits		(47,946)	(61,843)
Charges for post employment benefits		(3,539)	(3,081)
		(51,485)	(64,924)
23. OTHER EXPENSES			
Bonus allocation to PIF		(36,919)	(34,417)
Expenses on behalf of PTF - contribution		(73)	(371)
Expenses on behalf of PTF - tabarru		(104)	(657)
Charity and donations	23.1	(1,009)	(1,143)
Others		(2,116)	-
		(40,221)	(36,588)
23.1 This represents the charity payable against purification of income of Sharia compliant securities.			
24. INCOME TAX			
For the year			
- Deferred tax charge		(75,677)	(64,273)



25. RELATED PARTY TRANSACTIONS

The related parties comprise of the holding company, directors, key management personnel, associated undertakings, group companies entities with common directors and staff gratuity fund. Related party transactions and balances, including those disclosed elsewhere in these financial statements are given below:

Transactions during the year	2023 (Rupees in '000)	2022
Holding company		
Takaful expense	1,278	1,281
Associated undertakings		
Contribution written	30,344	12,500
Takaful expense	13,398	(4,800)
Hadia and other incentives in respect of bancatakaful	90,017	158,915
Profit on bank deposits	87,270	21,541
Bank charges	2,320	439
Investments purchased	705,407	6,039,686
Investments sold	2,236,329	5,154,695
Dividend income	108,010	44,460
Other related parties		
Contribution written	5,251	3,754
Takaful expense	22	-
Investment advisor fee	4,886	4,992
Key management personnel		
Remuneration	28,904	28,092
Advances given to key management personnels	1,695	-
Recoveries against advances to key management personnels	498	-
Staff retirement benefit plan (gratuity fund)		
Charge for the year	4,309	6,489
Balances outstanding as at the end of the year		
Associated undertakings		
Contribution due but unpaid	4,621	12,500
Bank deposits	1,272,955	554,992
Investments held	641,948	1,926,818
Hadia payable	29,164	20,955
Dividend receivables	6,092	6,068
Accrued income	-	39,432
Other related parties		
Contribution due but unpaid	438	350
Remuneration payable for the management of discretionary investment portfolio	767	767

26. SEGMENTAL INFORMATION

26.1 REVENUE ACCOUNT BY STATUTORY FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
	(Rupees in '000)		
Income			
Contribution less retakaful	3,791,638	87,264	3,878,902
Net investment income	2,372,840	32,315	2,405,155
Total net income	6,164,478	119,579	6,284,057
Takaful benefits and expenditures			
Takaful benefits including bonus net of retakaful	(1,627,269)	(56,492)	(1,683,761)
Management expenses less recoveries	(976,520)	(12,790)	(989,310)
Total takaful benefits and expenditures	(2,603,789)	(69,282)	(2,673,071)
Excess of income over takaful benefits and expenditures	3,560,689	50,297	3,610,986
Net change in takaful liabilities (other than outstanding claims)	(3,316,394)	(42,754)	(3,359,148)
Surplus before tax	244,295	7,543	251,838
Movement in participants' liabilities	3,316,394	42,754	3,359,148
Surplus transferred to shareholders' fund	(100,000)	-	(100,000)
Balance of statutory funds at beginning of the year	8,652,237	110,574	8,762,811
Balance of statutory funds at end of the year	12,112,926	160,871	12,273,797

REVENUE ACCOUNT BY STATUTORY FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
	(Rupees in '000)		
Income			
Contribution less retakaful	3,974,692	92,237	4,066,929
Net investment income	462,065	6,301	468,366
Total net income	4,436,757	98,538	4,535,295
Takaful benefits and expenditures			
Takaful benefits including bonus net of retakaful	(1,273,837)	(30,753)	(1,304,590)
Management expenses less recoveries	(1,125,653)	(10,962)	(1,136,615)
Total takaful benefits and expenditures	(2,399,490)	(41,715)	(2,441,205)
Excess of income over takaful benefits and expenditures	2,037,267	56,823	2,094,090
Net change in takaful liabilities (other than outstanding claims)	(1,855,804)	(54,204)	(1,910,008)
Surplus before tax	181,463	2,619	184,082
Movement in participants' liabilities	1,855,804	54,204	1,910,008
Capital contribution (to) / from shareholders' fund	(159,501)	25,630	(133,871)
Balance of statutory funds at beginning of the year	6,774,471	28,121	6,802,592
Balance of statutory funds at end of the year	8,652,237	110,574	8,762,811



26.2 REVENUE ACCOUNT BY SUB STATUTORY FUND

	Note	Statutory funds		Aggregated	
		Individual Family Takaful	Group Family Takaful	2023	2022
----- (Rupees in '000) -----					
26.2.1 Operator's Sub Fund (OSF)					
Income					
Wakalah fee		689,894	24,104	713,998	929,344
Tharawat fee	26.2.3	163,656	-	163,656	127,510
Mudarib fee	26.2.2	15,770	-	15,770	-
Bid offer spread		157,577	-	157,577	154,155
Participants' Takaful fund management income	26.2.2	93,928	-	93,928	99,362
Income against admin cost charged to PIF	26.2.3	40,400	-	40,400	21,615
Investment income		103,589	-	103,589	40,902
Total income		1,264,814	24,104	1,288,918	1,372,888
Expenditures					
Acquisition costs		(846,327)	(8,241)	(854,568)	(982,345)
Administration cost and others		(126,894)	(4,546)	(131,440)	(151,714)
Claim related expenses		(89)	(1,000)	(1,089)	1,036
Bonus Allocation to PIF	26.2.3	(36,919)	-	(36,919)	(34,417)
Expenses on behalf of PTF - Contribution		(71)	(2)	(73)	(624)
Expenses on behalf of PTF - Tabarru		(104)	-	(104)	(657)
Total management cost		(1,010,404)	(13,789)	(1,024,193)	(1,168,721)
Excess of income over expenditure		254,410	10,315	264,725	204,167
Technical reserve at the beginning of the year		56,599	300	56,899	36,914
Less: Technical reserve at end of the year		(66,715)	(3,071)	(69,786)	(56,999)
Movement in technical reserves		(10,116)	(2,771)	(12,887)	(20,085)
Surplus for the year		244,294	7,544	251,838	184,082
Movement in technical reserves		10,116	2,771	12,887	20,085
Surplus transferred to shareholders' fund		(100,000)	-	(100,000)	-
Balance of Operator's Sub Fund at the beginning of the year		300,145	7,244	307,389	103,222
Balance of Operator's Sub Fund at end of the year		454,555	17,559	472,114	307,389
Represented by:					
Capital contributed by shareholders' fund		-	10,000	10,000	10,000
Capital contributed to group family takaful		-	(10,000)	(10,000)	(10,000)
Surplus transferred to shareholders' fund		(100,000)	-	(100,000)	-
Qard-e-Hasna to PTF		(22,500)	-	(22,500)	(22,500)
Technical reserve at end of the year		66,715	3,071	69,786	56,999
Retained earnings on other than participating business		510,340	14,488	524,828	272,890
Balance of Operator's Sub Fund		454,555	17,569	472,114	307,389



	Note	Statutory funds		Aggregated	
		Individual Family Takaful	Group Family Takaful	2023	2022
----- (Rupees in '000) -----					
26.2.2 Participants' Takaful Fund (PTF)					
Income					
Allocated contribution		39,387	119,579	158,966	160,668
Tabarru income		230,801	-	230,801	243,412
Retakaful ceded		(52,738)	(56,419)	(109,157)	(99,814)
Total contribution income net of retakaful		217,450	63,160	280,610	304,266
Investment income		30,852	32,315	63,167	18,193
Total income		248,302	95,475	343,777	322,459
Expenditure					
Participants' Takaful fund management charges	26.2.1	(93,928)	-	(93,928)	(99,361)
Mudarib fee	26.2.1	(15,770)	-	(15,770)	-
Expenses		-	-	-	(153)
Death claim expense net of retakaful recoveries		(74,167)	(55,492)	(129,659)	(91,328)
		(183,865)	(55,492)	(239,357)	(190,842)
Excess of income over expenditure		64,437	39,983	104,420	131,617
Technical reserve at the beginning of the year		217,096	67,700	284,796	153,079
(Less): Technical reserve at end of the year		(117,063)	(17,900)	(134,963)	(140,733)
(Less): surplus retained in technical reserves		(164,470)	(89,783)	(254,253)	(143,963)
Movement in technical reserve		(64,437)	(39,983)	(104,420)	(131,617)
Surplus for the year		-	-	-	-
Movement in technical reserve		64,437	39,983	104,420	131,617
Capital contribution by OSF		-	-	-	25,630
Balance of Participants' Takaful Fund at beginning of the year		240,096	103,330	343,426	186,179
Balance of Participants' Takaful Fund at end of the year		304,533	143,313	447,846	343,426
Represented by:					
Money ceded to waqf funds		500	-	500	500
Capital contribution by OSF		-	35,630	35,630	35,630
Qard-e-Hasna received by PTF		22,500	-	22,500	22,500
Participants' liabilities		281,533	107,683	389,216	284,796
Retained earnings on other than participating business		-	-	-	-
Balance of statutory fund		304,533	143,313	447,846	343,426



	Note	Statutory funds		Aggregated	
		Individual Family Takaful	Group Family Takaful	2023	2022
----- (Rupees in '000) -----					
26.2.3 Participants' Investment Fund (PIF)					
Income					
Allocated contribution		2,957,518	-	2,957,518	2,922,576
Bonus Allocation from OSF	26.2.1	36,919	-	36,919	34,417
Investment income		2,238,399	-	2,238,399	409,214
Total net income		5,232,836	-	5,232,836	3,366,207
Less: Claims expense					
Surrender - Regular		(1,013,218)	-	(1,013,218)	(572,975)
Surrender - Top up		(278,165)	-	(278,165)	(405,022)
Maturity		(226,612)	-	(226,612)	(219,251)
Death claim		(35,018)	-	(35,018)	(17,006)
		(1,553,013)	-	(1,553,013)	(1,214,254)
Expenditures					
Tabarru charges		(230,697)	-	(230,697)	(242,755)
Tharawat fee - investment management	26.2.1	(163,656)	-	(163,656)	(127,510)
Administration charges	26.2.1	(40,400)	-	(40,400)	(21,615)
Other expenses		(1,009)	-	(1,009)	(1,143)
Bank charges		(2,220)	-	(2,220)	(632)
		(437,982)	-	(437,982)	(393,655)
Excess of income over expenditures		3,241,841	-	3,241,841	1,758,298
Technical reserve at the beginning of the year		8,111,996	-	8,111,996	6,353,698
Technical reserve at the end of the year		11,353,837	-	11,353,837	8,111,996
Movement in technical reserve		3,241,841	-	3,241,841	1,758,298
Surplus for the year		-	-	-	-
Movement in technical reserve		3,241,841	-	3,241,841	1,758,306
Balance of statutory funds at beginning of the year		8,111,996	-	8,111,996	6,353,690
Balance of statutory funds at end of the year		11,353,837	-	11,353,837	8,111,996
Represented by:					
Retained earnings on other than participating business		11,353,837	-	11,353,837	8,111,996
Balance of statutory fund		11,353,837	-	11,353,837	8,111,996



	Individual life distributed through banks	Other lines of business	Total
26.3 Segmental results by line of business			
For the year ended December 31, 2023			
Income			
Gross Contribution			
- First year individual regular contribution	325,956	524,956	850,912
- Individual renewal contribution	2,368,516	546,891	2,915,407
- Individual single contribution	19,546	58,511	78,057
- Group contribution	-	143,683	143,683
Total gross contribution	2,714,018	1,274,041	3,988,059
Retakaful contribution			
- Individual	(36,082)	(16,656)	(52,738)
- Group	-	(56,419)	(56,419)
Total retakaful contribution	(36,082)	(73,075)	(109,157)
Net contribution revenue	2,677,936	1,200,966	3,878,902
Net investment income	2,285,241	119,914	2,405,155
Total Income	4,963,177	1,320,880	6,284,057
Takaful benefits and expenditures			
Takaful benefits net of retakaful	(1,495,635)	(188,126)	(1,683,761)
Management expenses less recoveries	(276,196)	(713,114)	(989,310)
Total takaful benefits and expenditures	(1,771,831)	(901,240)	(2,673,071)
Excess of income over takaful benefits and expenditures	3,191,346	419,640	3,610,986
Add: Participants' liabilities at beginning of year	7,550,255	862,744	8,412,999
Less: Participants' liabilities at end of year	(10,193,952)	(1,578,195)	(11,772,147)
Surplus / (deficit) for the year	547,649	(295,811)	251,838
Segmental results by line of business			
For the year ended December 31, 2022			
Income			
Gross contribution			
- First year individual regular contribution	561,634	612,671	1,174,305
- Individual renewal contribution	2,357,918	332,897	2,690,815
- Individual single contribution	140,354	28,024	168,378
- Group contribution	-	133,245	133,245
Total gross contribution	3,059,906	1,106,837	4,166,743
Retakaful contribution			
- Individual	(44,263)	(14,543)	(58,806)
- Group	-	(41,008)	(41,008)
Total retakaful contribution	(44,263)	(55,551)	(99,814)
Net contribution revenue	3,015,643	1,051,286	4,066,929
Net investment income	407,142	61,224	468,366
Total Net Income	3,422,785	1,112,510	4,535,295
Takaful benefits and expenditures			
Takaful benefits net of retakaful	(1,196,702)	(107,888)	(1,304,590)
Management expenses less recoveries	(575,152)	(561,464)	(1,136,615)
Total takaful benefits and expenditures	(1,771,853)	(669,352)	(2,441,205)
Excess of income over takaful benefits and expenditures	1,650,932	443,158	2,094,090
Add: Participants' liabilities at beginning of year	6,051,678	451,313	6,502,991
Less: Participants' liabilities at end of year	(7,550,255)	(862,744)	(8,413,000)
Surplus for the year	152,354	31,728	184,082



27. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through profit or loss	Total
----- (Rupees in '000) -----				
As at January 1, 2022	2,785,000	-	3,343,244	6,128,244
Additions	18,815,000	-	5,037,232	23,852,232
Disposals (sale and redemptions)	(19,425,000)	-	(4,157,717)	(23,582,717)
Fair value net gains (excluding net realised gains / losses)	-	-	(270,279)	(270,279)
As at December 31, 2022	2,175,000	-	3,952,480	6,127,480
As at January 1, 2023	2,175,000	-	3,952,480	6,127,480
Additions	22,960,000	-	11,332,800	34,292,800
Disposals (sale and redemptions)	(25,060,000)	-	(6,058,212)	(31,118,212)
Fair value net gains (excluding net realised gains / losses)	-	-	490,297	490,297
As at December 31, 2023	75,000	-	9,717,365	9,792,365

28. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

28.1 Financial risk management objectives and policies

The Operator is exposed to a variety of financial risks: market risk (comprising currency risk, profit rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its statement of financial position. The Operator's overall risk management seeks to minimize potential adverse effects on the Operator's financial performance of such risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Operator's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

28.1.1 Market risk

Market risk is the risk that the value of financial instruments 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 Operator is exposed to market risk with respect to its investments and with respect to products other than unit linked products (where the investment risk is passed on to policyholders). The Operator limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities and equities.

28.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Operator, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.



28.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from profit 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 instruments traded in the market.

28.1.4 Equity price risk

The Operator's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Operator limits market risk by maintaining a diversified portfolio. In addition, the Operator actively monitors the key factors that affect stock market.

Sensitivity Analysis

In case of 1% increase / (decrease) in PSX 100 index as at December 31, 2023, with all other variables held constant, the total comprehensive income would have been increase / (decrease) by Rs. 11.94 million (December 31, 2022: 10.01 million) as result of gain / (losses) on equity securities. The analysis is based on the assumption that the equity index had increased / (decreased) by 1% with all other variables held constant and represents management's best estimate of a reasonable possible shift in PSX 100 index, having regard to the historical volatility of the index.

28.1.5 Profit rate risk

Profit rate sensitivity measures the degree with which a fixed-income asset price moves with changes in profit rates. Profit rates and fixed-income asset prices are inversely correlated. More interest rate sensitivity means an asset's price fluctuates more with a change in profit rates.

Debt securities held to maturity as accounted for at amortised cost and their carrying amounts are not sensitive to changes in the levels of profit rates

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

An increase in 100 basis points in profit yield would result in a loss of Rs. 38.42 million (2022: Rs. 14.38 million).

A decrease in 100 basis points in profit yield would result in a gain of Rs. 38.42 million (2022: Rs. 14.38 million).

28.1.6 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Operator could be required to pay its liabilities earlier than expected or it encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Operator is maintaining sufficient liquid assets both in the form of cash deposits and liquid securities to meet its long term and short term cash requirements.

28.1.7 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 counter parties 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 arises in credit exposure to group life policyholders on account of contribution due but unpaid and on bank balances.

The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties.

The credit quality of the Operator's bank balances (including term deposits) can be assessed with reference to external credit ratings as follows:

Ratings of Banks*	Note	2023 (Rupees in '000)	2022
A		1,224,659	1,177,006
A+		30,183	1,802,719
AA		8,748	1,183,468
AA-		1,029,261	-
AA+		10,961	409,716
AAA		104,848	348,817
		2,408,660	4,921,726

*Rating of banks performed by PACRA and VIS Credit Rating Company.

The credit quality of Operator's exposure on corporate sukuk can be assessed with reference to rating issued by rating agency as follows:

Issuer of Corporate sukuk**	Rating	2023 (Rupees in '000)	2022
Dubai Islamic Bank Pakistan Limited - Sukuk	AA-	22,132	-
Meezan Bank Limited - Sukuk	AAA	63,977	-
Meezan Bank Limited - Sukuk	AAA	50,126	77,040
Pakistan Energy - Sukuk II	Sovereign	125,038	125,000
		261,272	202,040

**Rating of issuers of corporate sukuk performed by PACRA and VIS Credit Rating Company.

Investment in government securities are not exposed to any credit risk.

The management monitors exposure to credit risk in family takaful receivable from group clients through regular review of credit exposure and makes provision for doubtful family takaful receivable based on prudent estimates. All contribution underwritten except group are received in advance therefore there is no credit risk on such policies.

28.1.8 Retakaful risk

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

Retakaful contribution ceded does not relieve the Operator from its obligation to the policyholders and as a result, the Operator remains liable for the portion of outstanding claims insured through retakaful, to the extent that reinsurer fails to meet the obligation under the retakaful agreements.

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

28.1.9 Profit rate risk exposure

Profit rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market profit rates. The Operator invests in securities and has bank balances and deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its cash and investments are denominated.

The information about Operator's exposure to profit rate risk based on contractual repricing or maturity dates as of December 31, 2023, whichever is earlier, is as follows:

On balance sheet financial instruments	2023						Total
	Profit bearing			Non profit bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
(Rupees in '000)							
Assets							
Investments	775,858	7,104,668	7,880,526	1,911,839	-	1,911,839	9,792,365
Takaful / retakaful receivables	-	-	-	22,669	-	22,669	22,669
Loans and other receivables	-	-	-	342,056	-	342,056	342,056
Cash and bank	2,333,660	-	2,333,660	3,753	-	3,753	2,337,413
	3,109,518	7,104,668	10,214,186	2,280,317	-	2,280,317	12,494,503
Liabilities							
Takaful / retakaful payables	-	-	-	-	-	-	-
Other creditors and accruals	-	-	-	146,708	-	146,708	146,708
	-	-	-	146,708	-	146,708	146,708
	3,109,518	7,104,668	10,214,186	2,133,609	-	2,133,609	12,347,795

On balance sheet financial instruments	2022						Total
	Profit bearing			Non profit bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
(Rupees in '000)							
Assets							
Investments	2,175,000	1,920,476	4,095,476	2,032,003	-	2,032,003	6,127,479
Takaful / retakaful receivables	-	-	-	4,336	-	4,336	4,336
Loans and other receivables	-	-	-	167,634	-	167,634	167,634
Cash and bank	2,600,759	-	2,600,759	153,003	-	153,003	2,753,762
	4,775,759	1,920,476	6,696,235	2,356,976	-	2,356,976	9,053,211
Liabilities							
Takaful / retakaful payables	-	-	-	19,314	-	19,314	19,314
Other creditors and accruals	-	-	-	146,249	-	146,249	146,249
	-	-	-	165,563	-	165,563	165,563
	4,775,759	1,920,476	6,696,235	2,191,413	-	2,191,413	8,887,648



29. TAKAFUL RISK

29.1 Individual Family Takaful Unit Linked Business

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 subsidisation of mortality risk, increasing the probability of convergence between actual and expected mortality experience.

The Operator manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Operator has a well defined medical under-writing policy and avoids issuing cover to high risk individuals. This puts a check on anti selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of contribution charged for risk underwritten by the PTF. Retakaful contracts have been purchased by the Operator to limit the maximum exposure on any one participant. The Operator has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency, the Operator 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 Operator 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 Operator maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Operator. The Operator reserves the right to review the takaful contributions deductible under the contracts, thus limiting the risk of under pricing.

Frequency and severity of claims

The Operator measures the concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a 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 Operator charges for mortality risk on a monthly basis for all takaful contracts. 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 hinder its mitigating effect. The Operator manages these risks through its underwriting strategy and retakaful arrangements.

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

Rupees

0 - 200,000	200,000 - 400,000	400,001 - 800,000	800,001 - 1,000,000	More than 1,000,000	Total
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Sum assured at the end of December 2023 Total benefits assured			
Before retakaful		After retakaful	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
714,077	1.62%	710,393	2.66%
3,718,603	8.46%	3,705,750	13.89%
9,977,389	22.70%	9,575,599	35.90%
9,176,454	20.87%	6,662,523	24.98%
20,376,378	46.35%	6,022,015	22.57%
43,962,901		26,676,280	

Benefits covered per life

Rupees

0 - 200,000	200,000 - 400,000	400,001 - 800,000	800,001 - 1,000,000	More than 1,000,000	Total
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Sum assured at the end of December 2022 Total benefits assured			
Before retakaful		After retakaful	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
849,097	1.78%	843,954	2.82%
4,442,312	9.29%	4,420,663	14.80%
11,608,845	24.27%	11,126,641	37.24%
10,724,837	22.42%	7,524,830	25.19%
20,202,554	42.24%	5,961,383	19.95%
47,827,645		29,877,471	

a) Sources of uncertainty in the estimation of future benefit payments and contribution 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.

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

Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05).

Persistency: The Operator exercises 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 Operator determines assumptions on future mortality, persistency, administration 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 Operator assumes the expected mortality to be 80% of SLIC (2001-05)



Persistency: The Operator exercises 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.

Expense levels and inflation: A periodic study is conducted on the Operator'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 assets and asset types underlying the fund.

e) Changes in assumptions

There are no changes in assumptions.

29.2 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, 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 in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Operator manages these risks through underwriting, retakaful, effective claims handling and other related controls. The Operator has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done using the retakaful rates. The contribution 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 Operator also maintains an MIS to track the adequacy of the takaful contribution charged. Retakaful contracts have been purchased by the Operator to limit the maximum mortality exposure of any one covered person. The Operator ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Operator ensures that payment of any fraudulent claims is avoided. Strict monitoring is in place in order to keep the outstanding balances of contribution 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 are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

Frequency and severity of claims

The Operator measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

The table below presents the concentration of covered benefits across five bands of covered benefits 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 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
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Sum assured at the end of December 2023 Total benefits assured			
Before retakaful		After retakaful	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
19,686,582	18.46%	16,610,106	29.14%
25,582,096	23.99%	18,939,497	33.22%
5,820,659	5.46%	2,958,381	5.19%
4,590,755	4.31%	2,014,673	3.53%
50,941,012	47.78%	16,483,724	28.92%
<u>106,621,104</u>		<u>57,006,381</u>	

Benefits covered 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
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Sum assured at the end of December 2022 Total benefits assured			
Before retakaful		After retakaful	
(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
11,171,714	4.98%	11,171,714	7.01%
172,549,086	76.86%	131,166,931	82.29%
2,430,528	1.08%	1,343,881	0.84%
3,530,848	1.57%	1,611,635	1.01%
34,825,324	15.51%	14,105,197	8.85%
<u>224,507,500</u>		<u>159,399,358</u>	

a) Sources of uncertainty in the estimation of future benefit 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.

b) Process used to decide on assumptions

The business is too new for any meaningful investigation into the group's past experience. However, industry experience, the insured group's own past experience and retakaful risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

c) Changes in assumptions

There are no changes in assumptions.

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 2023 (Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	1,325,640
Increase in reporting lag	+10% pa	1,325,640

29.3 Liability Adequacy Test

Liability adequacy test is applied to all long term contracts. Liability adequacy test is carried out using current best estimates of assumptions and future net cash flows, including contribution receivable, benefits payable and investment income from related assets.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. We have compared our valuation mortality assumption (SLIC mortality table) with the mortality of developing Asian countries, namely: India and Malaysia. The comparison suggests that the best estimate assumption is better than the experience reflected in SLIC mortality table.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. We have valued our liabilities based on the 10-Year PIB rate of 14.375% to determine adequacy.

The table below compares total participant liabilities Individual Family Takaful Unit Linked Business under existing valuation basis with participant liabilities calculated using best estimate assumptions:

Assumptions	Participant liabilities on existing valuation basis (Rupees in '000)	Participant liabilities using best estimate assumption (Rupees in '000)
Mortality	11,537,614	11,517,024
Investment Returns	11,537,614	11,534,467

The liabilities evaluated under the assumptions suggest the recognised liabilities are adequate and no further provision is required.

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Operator 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).

December 31, 2023								
Carrying value				Fair value				
Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000')								
Financial assets measured at fair value								
- Investments	- 7,544,254	-	-	- 7,544,254	7,544,254	-	-	- 7,544,254
- Government securities (sukuks)	- 1,194,109	-	-	- 1,194,109	1,194,109	-	-	- 1,194,109
- Equity securities	- 717,730	-	-	- 717,730	717,730	-	-	- 717,730
- Mutual funds	- 261,272	-	-	- 261,272	261,272	-	-	- 261,272
- Debt securities (corporate sukuks)								
	- 9,717,365	-	-	- 9,717,365	9,717,365	-	-	- 9,717,365
Financial assets not measured at fair value								
- Balances with banks	-	- 2,337,413	-	- 2,337,413				
- Term deposit receipts	-	- 75,000	-	- 75,000				
- Other financial assets	-	- 364,725	-	- 364,725				
	-	- 2,777,138	-	- 2,777,138				
Financial liabilities not measured at fair value								
- Other financial liabilities	-	-	- (146,708)	- (146,708)				
	- 9,717,365	2,777,138	(146,708)	12,641,211				

December 31, 2022								
Carrying value				Fair value				
Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000')								
Financial assets measured at fair value								
- Investments	- 1,491,436	-	-	- 1,491,436	1,491,436	-	-	- 1,491,436
- Government securities (sukuks)	- 1,000,449	-	-	- 1,000,449	1,000,449	-	-	- 1,000,449
- Listed equity securities	- 1,031,554	-	-	- 1,031,554	1,031,554	-	-	- 1,031,554
- Units of mutual funds	- 202,040	-	-	- 202,040	-	202,040	-	- 202,040
- Debt securities (corporate sukuks)								
	- 3,725,479	-	-	- 3,725,479	2,032,003	1,693,476	-	- 3,725,479
Financial assets not measured at fair value								
- Advances against purchase of corporate sukuks	-	- 227,000	-	- 227,000				
- Balances with banks	-	- 2,753,762	-	- 2,753,762				
- Term deposit receipts	-	- 2,175,000	-	- 2,175,000				
- Other financial assets	-	- 162,673	-	- 162,673				
	-	- 5,318,435	-	- 5,318,435				
Financial liabilities not measured at fair value								
- Other financial liabilities	-	-	- 166,819	- 166,819				
	- 3,725,479	5,091,435	166,819	8,650,095				



31. Statement of Solvency

Particulars	Individual Family Takaful Unit Linked Business	Group Family Takaful Business
Assets		
Investments		
Equity securities	1,911,836	-
Government sukuks	7,665,261	194,232
Debt securities	261,271	-
Term deposits	75,000	-
Takaful / retakaful receivables	-	-
Other loans and receivables	103,963	-
Taxation - payments less provision	185,070	-
Prepayments	7,642	-
Cash and Bank	2,305,385	32,028
Total Assets (A)	12,515,428	241,948
Inadmissible assets as per following clauses of section 32 (2) of Insurance Ordinance, 2000		
(b) Excess of prohibited limit	-	(175)
(d) Loan to employees	(2,771)	-
(h) Contribution more than 90 days	-	(6)
Total of in-admissible assets (B)	(2,771)	(181)
Total admissible assets (C = A-B)	12,512,657	241,767
Total liabilities		
Takaful liabilities net of retakaful recoveries	167,018	2,697
Contribution received in advance	79,663	471
Takaful / retakaful payables	9,130	750
Other creditors and accruals	146,195	77,159
Total liabilities (D)	402,006	81,077
Total net admissible assets (E = C-D)	12,110,651	160,690
Minimum solvency requirement		
Participants liability	(11,702,085)	(110,754)
Solvency Margin	(133,728)	(14,277)
	(11,835,813)	(125,031)
Excess in net admissible assets over minimum requirements	274,838	35,659

32. CORRESPONDING FIGURES


Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. The material reclassification has been made of Rs. 70.35 million which represents the expenses that are reclassified from marketing and administration expenses to acquisition expenses.

The details of reclassification are as follows:

	Marketing and Administration Expenses Note 21 ----- (Rupees in '000) -----	Acquisition Expenses Note 22
Salaries and other benefits	(40,863)	40,863
Travelling expenses	(33)	33
Information technology expenses	(274)	274
Printing and stationery	(625)	625
Rent, rates & taxes	(510)	510
Insurance expense	(63)	63
Vehicle running	(13,831)	13,831
Office repairs & maintenance	(3)	3
Entertainment	(375)	375
Training and development	(5,579)	5,579
Marketing cost	(13,777)	13,777
Miscellaneous	5,597	(5,597)
Legal and professional charges	(15)	15
	(70,351)	70,351

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on February 26, 2024.


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid Butt
Director


Manzar Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

04
OTHER
INFORMATION



Geographical Presence & Branch network

Head Office	Registered Office
KARACHI 3rd and 4th Floor, Adamjee House, I.I Chundrigar Road, Karachi Tel: 021-38677100	ISLAMABAD Office No. 505, Islamabad Stock Exchange, 5th Floor, Islamabad Tower, Blue Area, Islamabad Tel: 051-8094670

Bancassurance Offices

HYDERABAD

Dawood Centre, Office No. 207, 7th Floor, Plot No. A/20, Autobhan Road, Hyderabad
022-8339900

PESHAWAR

Office No.174–175, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar Cantt., Peshawar
091-7010000-9

ISLAMABAD

Office No. 505, Islamabad Stock Exchange, 5th Floor, Islamabad Tower, Blue Area, Islamabad
051-8094670

MULTAN

Office # 1 to 4 3rd Floor, United Mall Plot # 74, Abdali road Multan
061-8021650

FAISALABAD

Office no.2 6th floor,Meezan Executive Tower,Plot no.4-Liaquat Road, Faisalabad
041-5000000

SARGODHA

Office # 3 , 4 and 5, 2nd Floor, Hassan Trade Centre Opposite Masjid Shohda Khushab Road Sargodha
048-2010000-9

LAHORE

Office # 801 to 804, 8th floor, Al Hafeez Executive towers 30-C-III Gulberg 3 Lahore
042-38003005

VEHARI

1st Floor, Owais City Centre, Car Khana Bazar, near Faisal Bank Vehari.
061-8021600

Agency Distribution Offices - Convention

KARACHI

Office # 101- 102, 1st Floor, Faiyaz Centre, Main Shahrah e Faisal Karachi
021-38782738

SKARDU

2nd Floor, GM Plaza, Almdar Chowk, Skardu
05815-551099

KOTLI

1st Floor, Deen Trade Center, Shaheed Chowk, Kotli
"05826-549789

MULTAN

Office No. B.F 3/2, ChenOne Tower, 74 Abdali Road, Multan
061-8021600

BAHAWALPUR

First Floor, Abbasi Manzil, Girls School Road, Near University Chowk, Bahawalpur
062-3000000

LAYYAH

Plot No.1, Street No. A, Block No. Z, Rohani Plaza, Opposite Post Graduate Degree College, Layyah
060-6200002

BAHAWALNAGAR

First Floor, Auto Zone Workshop, Opposite Boys Degree College, Bahawalnagar
063-8001000

SAHIWAL

Five Way Chowk, Liaquat Pur Road, Sahiwal
040-8009000

LAHORE

3rd Floor, Plaza 75,Commercial Zone, Cavalry Ground, Lahore Cantt, Lahore
042-36619624

BUREWALA

Opposite 1122 Rescue office Near Kuhachari Main Multan Road Burewala
067-3355547

DUNYA PUR

Near Gulshan Mehdi colony Malsi Road, Dunya Pur.
062-3000000

MUZAFARGARH

Jhang Road Near Railway Phatk, Muzafargarh
066-8010001

D.G KHAN

Ground Floor, Punjab Plaza 1122 Office Chowk Churhatta DG Khan
064-2407558

BHAKKAR

Plot no. 2, Ward No. 6, Main Club Road X Momin Marriage Hall, Mandi Town, Bhakkar
0453-514112

OKARA

1st floor, Irfan Plaza, M.A Jinnah Road, Okara.
044-2511018

KOT ADDU

Opposite Gulshan e Usman Colony, Near Aba Seel, CNG Petrol Pump Kot Addu
066-2900175

KAROR LAL ESAN

Main Karor Laal Road Plaza Stop, Karor Lal Esan
0606-811750

KHANEWAL

Plot no.68/A, Street No,3, Block No,10, Bhatta Chok Near Rana ikram ul haq chock Khanewal
065-2553306

LAHORE

Plot No 21, Block "L", Johar Town, Lahore
042-38104800

FATEHPUR

Plot # 20, Near Bismillah Children Hospital M M Road Fatehpur
0606-811750

RAWALPINDI

Plot No. 67-A, Main Muree Road, Zarwar Centre, Rawalpindi
051-8109995

LAHORE

2nd Floor, 148-01 B/2, Township Quaid-e-Azam Town, Lahore
042-35123603

FAISALABAD

2nd Floor, Faisal Complex Opposite Pizza hut, Bilal Road, Civil lines, Faisalabad
041-5270269

SARGODHA

1st Floor, Office No. 04, Qureshi Arcade, Khushab Road, Sargodha
048-3767903

SANGLA HILLS

Old Kachery Road, Near Madina Chowk, Model Town, Sangla Hill
056-3544586

SHEIKHPURA

1st & 2nd floor, near Dar-ul-Barkat Hospital, Stadium Road, Sheikupura
056-3610322

JHANG

Khewat-No. 71, Khtooni-No. 210, Church Road, Upper hall, Orix leasing, Jhang
047-7622264

JHELUM

Mohallah Mujahida Abad Near Food Goddam Gate, GT Road, Jehlum.
0544-274254

GUJRANWALA

Shop # 80, 1st Floor, Near Forks & Knife Pizza, Mumtaz Market, Adjacent G.T Road, Gujranwala
055-3845205

JAMPUR

House No.7, Ejaz Serwar colony, New Bus Adda, Indus Highway, Rajenpur Road, Jampur
0604-685772

GHOTKI

1st Floor, Qadirpur Road, Opposite LUMS Laboratories, Ghotki
0723-680601

Agency Distribution Office - Takaful

HYDERABAD

Block D - 204, Unit No. 07, Mezzanine Floor, Opposite American Hospital, Latifabad, Hyderabad 022-3810187

MIRPURKHAS

Flat No. 716, Near Kaly Khan Pump, Above Faysal Bank, Mirpurkhas 0233-873233

HALA

1st Floor, MCB Bank Building, Dargah road, Hala 022-3331180

NAWABSHAH

Above 1st step shoes Shop, 1st Floor, Near Edhi Chowk, Masjid Road, Nawabshah. 0244-362432

SUKKUR

Office Mezzanine Floor B, Chamber Plaza, Dua Chowk Near Chamber of Commerce, Bunder Road, Sukkur 071-5621003

SHAHDADPUR

1st Floor of Apna Microfinance Bank, Near Shahi Bazar, Station Road Shahdadpur 0235-844800

SAKRAND

Hamdard Career Point Grammar School, Qazi Ahmed Road, Sakrand 0244-322698

TOBA TEK SINGH

Dr Zahid Khan Iodhi ultrasound specialist clinic's first floor near Akbari Masjid, new plaza , Toba Tek Singh 0334-1410140

LAHORE

3rd Floor, Wahdat road, Muslim town Lahore. 0322-8057447

MULTAN

1st Floor, Orient Mall Opposite City College, Khanywal Road Multan . 0314-6121111

FAISALABAD

Plot# 132-A, Peoples colony# 1, Tanki Wala Road near chenone road, Faisalabad 0308-7734250

ISLAMABAD

East Half of 3rd Floor , Ali Plaza Block No. 27-E, Fazal-e-Haq road, Blue Area, Islamabad 051-8107400

PESHAWAR

Plot-No. 38-D, 4th Floor, Afzal Tower, Main University Road Opposite PARCO Petrol Pump, Peshawar 091-5844610

ABBOTTABAD

1st Floor in Qazi's Mall main Mansehra road, Abbottabad 0992-405999

GILGIT

1st Floor, Ahib Jan Plaza, opposite to National bank of Pakistan, Jutial, Gilgit 05815-551099

SWAT

Shop-No 1-3, 1st Floor, Sultan Tower, Saidu Road, Near Tableghi Masjid, Makanbagh, Swat 0946-713400

WAH CANTT

1st Floor of Tarbela Plaza, Muneer Ahmed, G.T Road, Wah Cantt 051-4925015

SIALKOT

1st Floor, Tanveer Tower, Gohdpur Road, Opposite Shadab law College, Sialkot. 0322-7377662

KASUR

1st Floor, U Bank, Liaqat Road, Qadir Abad Chowk, Kasur. 0307-4538405

MANDIBAHUDDIN

Punjab Center, Akber Plaza 1st Floor, Mandi Bahuddin Tehsil & District MandiBahuddin 0334-5005575

RAHIM YAR KHAN

Hostel Road, Opposite Silver center, 12/B Model Town, Rahim Yar Khan 068-2010002

KHAIRPUR

Plot No. 18, 2nd Floor, Katchehry Road, Khairpur 024-3714425/ 0333-7197266

Pattern of Shareholding
as of December 31, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
Mr. Shaikh Muhammad Jawed	1	250	0.00
Mr. Umer Mansha	1	250	0.00
Mrs. Naz Mansha	1	250	0.00
Mr. Imran Maqbool Malik	1	250	0.00
Mr. Ahmad Alman Aslam	1	250	0.00
Mr. Shahmeer Khalid Butt	1	250	0.00
Mr. Mohammad Ali Zeb	1	250	0.00
Associated Companies, undertakings and related parties	2	228,612,225	91.44
Executives	-	-	-
NIT and ICP	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies	-	-	-
Insurance Companies	-	-	-
Modarabas and Mutual Funds	5	2,309,329	0.92
General Public			
a. Local	683	2,815,576	1.13
b. Foreign	46	64,000	0.03
Foreign Companies	-	-	-
OTHERS	18	16,197,120	6.48
Totals	761	250,000,000	100.00

Share holders holding 10% or more	Shares Held	Percentage
ADAMJEE INSURANCE COMPANY LIMITED	224,998,250	90.00

Notice of 15th Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of the Shareholders of Adamjee Life Assurance Company Limited will be held at ISE Auditorium, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad, on Thursday April 25, 2024 at 11:00 a.m. as well as through video conferencing facility to transact the following business:

Ordinary Business:

1. Confirm the minutes of 14th Annual General Meeting held on April 27, 2023;
2. Receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2023 together with the Directors' and Auditors' reports thereon and Chairman's Review Report;
3. To appoint External Auditor for the year ending 31st December 2024 and fix their remuneration. The retiring auditors Yousuf Adil, Chartered Accountants have completed five years as auditors of the company and are no longer eligible for appointment. The board of Directors have recommended the appointment of KPMG Taseer Hadi & Co, Chartered Accountants for the year 2024 who have given their consent to act as auditors.
4. To approve payment of a Final Cash Dividend of Rs.1.00 per share, i.e. 10% for the year ended December 31,2023, as recommended by the Board of Directors, payable to shareholders appearing in register at close of business on April 17, 2024, which is in addition to the 10% Interim Cash Dividend (i.e. Rs. 1.00 per share) already paid.

Special Business:

5. To consider, and if deem fit, to pass with or without any amendment/modification the following resolution as special resolution, for the transmission of annual audited account through QR enabled code and weblink, which will be provided to the shareholders in the notice of general meeting, as allowed under S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan.

“Resolved That, notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

Resolved That, the Company shall be considered compliant with the relevant requirements of section 223(6) of the Companies Act, 2017 by sending the Audited Financial Statements through e-mail to those shareholders who have provided their email address and/or sending a notice of meeting containing a QR code and the weblink address. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same by the shareholder will be made.

Further Resolved That the Chief Executive Officer, Chief Financial Officer and Company Secretary are hereby jointly and severally authorized to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution.”

6. To ratify and approve transactions conducted with Related Parties by passing the following special resolution with or without modification:

“Resolved That the transactions conducted with Related Parties as disclosed in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed.”

7. Transact any other business as may be placed before the meeting with the permission of the chair.

Attached to this Notice is:

- (a) Statement of Material Facts covering the above-mentioned special business, as required under Section 134(3) of the Companies Act, 2017); and
- (b) Statement under Regulation 4 (2) of the Companies (Investment in Associated Companies or Associated Undertaking) Regulations, 2017.

By Order of the Board

Karachi: Thursday April 04, 2024

Arsalan Ahmed Khan
Company Secretary

Notes:

1. The Share Transfer Books of the Company shall remain closed from April 18, 2024 to April 25, 2024 (both days inclusive). Transfer received at the Share Registrar of the Company, by the close of business on April 18, 2024 will be treated in time for attending and voting at the meeting.
2. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend and vote for him/her provided that a corporation being a member may appoint as its proxy a person who is not a member and is duly authorized by the corporation. The form of Proxies is enclosed in English and Urdu. Proxy must be received at the Registered Office of the Company not later than 48 hours of the meeting.

3. Participation in the AGM through Video link:

In accordance with the Circular No.4 of 2021 of the SECP, the Company has also provided members the facility of attending the general meeting through video link.

The shareholders interested to participate through video link are requested to please provide below information at Email: cdcsr@cdcsrsl.com at the earliest but not later than close of business on April 22, 2024.

Name of the Shareholder	Company	CNIC Number	Folio Number	Cell Number	E-mail Address
	Adamjee Life Assurance Co.				

Please note that video link and login credentials will be shared with only those members / designated proxies whose e-mail and other required information are received in required time as mentioned above.

- a) Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.
- b) Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the meeting proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.
- c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM at least two (2) working days before the meeting, at the given email address investor@adamjeelife.com. Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.

Shareholders are encouraged to participate in the meeting to consolidate their attendance and participation through proxies.

4. The members who intend to attend and participate physically in the AGM of the Company will be allowed to participate as usual. The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measures are in place for well-being of its members.
5. 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

A. For attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose registration detail are uploaded as per CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii) 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 appointing proxies:

- i) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- 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 CINC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

7. Transmission of Financial Statements to the Members through e-mail

Pursuant to Section 223(6) of the Companies Act, 2017, the Company is allowed to send Audited Financial Statements, Auditor's Report and Director's Report through e-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

8. Transmission of the Annual Audited Financial Statements through CD/DVD

The Company has circulated financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request form is available on the website of the Company i.e. www.adamjeelife.com

9. Applicability of Postal Ballot Regulations

In accordance with the Companies (Postal Ballot) Regulation, 2018, ("the Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017, ("the Act") in the manner and subject to conditions contained in the Regulations and as laid down below.

Procedure for E-Voting

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on April 17, 2024.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- c) Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d) Voting lines will start from April 22, 2024, 09:00 a.m. and shall close on April 24, 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

10. Procedure for Voting By Post

- a) The members shall ensure that the duly filled and signed ballot paper, as per the enclosed format, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Adamjee Life Assurance Company Limited, 3rd & 4th Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan or email at investor@adamjeelife.com one day before the AGM, i.e., on 24th April 2024, before 5:00 p.m.. A postal ballot received after time cutoff date/ time shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.
- b) This postal Poll paper is also available for download from the website of Adamjee Life at www.adamjeelife.com or use the same as published in newspapers. Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.



Ballot paper for voting through post for the Special Business at the Annual General Meeting to be held at ISE Auditorium, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad, on Thursday April 25, 2024 at 11:00 a.m. Website: www.adamjeelife.com.

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution For Agenda Item No: 5

To consider, and if deem fit, to pass with or without any amendment/modification the following resolution as special resolution, to obtain consent from the members for the transmission of annual audited account through QR enabled code and weblink, as allowed under S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan.

Resolved That, notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

Resolved That, the Company shall be considered compliant with the relevant requirements of section 223(6) of the Companies Act, 2017 by sending the Audited Financial Statements through e-mail and/or sending a notice of meeting containing a QR code and the weblink address. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same will be made.

Further Resolved That the Chief Executive Officer/Chief Financial Officer/Company Secretary be and is hereby authorized to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution.

Resolution For Agenda Item No: 6

To ratify and approve transactions conducted with Related Parties by passing the following special resolution with or without modification: **"Resolved That** the transactions conducted with Related Parties as disclosed in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

For agenda 5, 6 and 7, the information as required under section 134(3) of the Companies Act, 2017 is annexed.

Instructions For Poll

- 1. Please indicate your vote by ticking () the relevant box.
 - 2. In case if both the boxes are marked as (), you poll shall be treated as **"Rejected"**.
- I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick () mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Agenda Item No: 5		
Agenda Item No: 6		

Notes:

- 1. Dully filled ballot paper should be sent to the Chairman Office No. 505, 5th Floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad or email at investor@adamjeelife.com
- 2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- 3. Ballot paper should reach the Chairman within business hours by or before Wednesday April 24, 2024. Any postal ballot received after this date, will not be considered for voting.
- 4. Signature on ballot paper should match with signature on CNIC/ Passport. (in case of foreigner).
- 5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
- 6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member. Ballot Paper form has also been placed on the website of the Company at: www.adamjeelife.com
- 7. Ballot Paper form has also been placed on the website of the Company at: www.adamjeelife.com. Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

Date: _____

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Annexed To The AGM Notice

Statement of special business under section 134(3) of the Companies Act. 2017

Agenda Item No 5: Transmission of Annual Report through QR enabled code / Weblink

The Securities and Exchange Commission of Pakistan vide its S.R.O.389 (I)/2023 dated 21st March 2023, while considering technological advancements and obsolescence of old technologies, has allowed the listed companies to circulate the annual audited financial statements together with the Directors' and Auditors' reports thereon and Chairman's Review Report to its members through QR enabled code and web link instead of CD / DVD / USB, subject to the conditions specified there for. Consent of the members is sought for transmission of the annual audited financial statements of the Company via QR enabled code and web link.

It is important to mention that a printed version of the audited financial statements will be provided to members on their request without any charge, and no change in that right/privileged is being proposed.

Agenda Item No 6: Ratification of Related Party Transaction

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the listed Companies (Code of Corporate Governance) Regulations, 2019.

However, during the year since Company's Directors were interested in certain transactions due to their common directorships in the associated companies, therefore, common directors did not participate for approval of these transactions pursuant to section 207 of the Companies Act, 2017. Accordingly, these transactions are being placed before the AGM for the formal approval ratification by shareholders. All transactions with related parties to be ratified have been disclosed in the financial statement for the year ended December 31, 2023. Transaction-wise details of such related party transactions are given below:

Name of related party	Relationship with the company	Transaction description	Transaction value	Approval / ratification
Adamjee Insurance Company Limited	Parent Company	Rental Premises – Head Office – Fully Furnished 3rd & 4th Floor with total area of 31,900 sq.ft, Adamjee House, I.I Chundrigar Road, Karachi.	Annual Rental Amounts 69 Million in 1st Year with escalation of 12.5% every year	Approval for the Renewal of Contract in November 2024 for 5 years term

The Company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to "transactions with related parties". All transactions entered into with related parties require the approval of the Board's Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board's Audit Committee, such transactions are placed before the Board of Directors for approval.

Statement under Regulation 4(2) of the Companies (Investment in Associated Company), Regulations 2017

The Company in its Annual General Meetings held on 27th April 2023 had approved equity investments of up to PKR 15 Billion in ordinary shares of its associated companies namely, DG Khan Cement Limited, MCB Bank Limited, and Nishat Mills Limited. The resolutions are valid for a period of five years

Ref No.	Requirement	Information		
		Name of associated company	Total investment approved	Date of last approval
i.	Total Investment approved	D G Khan Cement Company Limited	PKR 5,000 million	April 27,2023
		MCB Bank Limited	PKR 5,000 million	April 27,2023
		Nishat Mills Limited	PKR 5,000 million	April 27,2023
ii.	Amount of Investment made to date	Name of associated company		Total investment to date
		D G Khan Cement Company Limited		PKR 1,247 million
		MCB Bank Limited		PKR 1,718 million
		Nishat Mills Limited		PKR 604 million
iii.	Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	Reason for deviating relates to a combination of both external and internal factors. External factors include economic and political situation, relevant sector outlook and stock financial as well as recent price performance. Internal factors relate to equity strategy based on above external as well as other factors and regulatory or risk management limits that can effect timing of investment.		
iv.	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment	None.		

Adamjee Life Assurance Company Limited



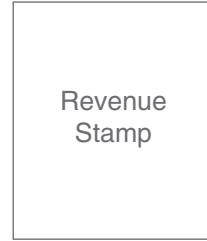
Proxy Form

I/We _____
of _____
Being a member of Adamjee Life Assurance Company Limited hereby appoint
Mr. _____
of _____
or failing him _____
of _____
as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on Thursday April 25, 2024 at 11:00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2024.

Witnesses:

1. Signature: _____
Name: _____
Address: _____
CNIC Or
Passport No: _____



Signature of Member(s)

Witnesses:

2. Signature: _____
Name: _____
Address: _____
CNIC Or
Passport No: _____

Shareholder's Folio No. _____
and/or CDC
Participant I.D.No. _____

Important:

This form of Proxy, duly completed, must be deposited at the Company's Principal Office at 3rd and 4th Floor, Adamjee House, I.I. Chundrigar Road, Karachi not later than 48 hours before the time appointed for the meeting.

آدم جی لائف انشورنس کمپنی لمیٹڈ
پراکسی/نمائندگی کا فارم

_____ میں/ہم
_____ از
_____ آدم جی لائف انشورنس کمپنی لمیٹڈ کے رکن کی حیثیت سے بذریعہ ہذا
_____ جناب
_____ از
_____ کا تقرر
_____ یا عدم تقرری
_____ از

کر رہا ہوں/رہے ہیں میرے/ہمارے نمائندے کے طور پر، بروز جمعرات مورخہ 25 اپریل 2024 کو 11:00 بجے ہونے والی کمپنی کے 15 ویں سالانہ عمومی اجلاس اور التوا کی صورت میں کسی بھی آئندہ تاریخ کو ہونے والے اجلاس میں میری/ہماری طرف سے اور میری/ہماری غیر حاضری کی صورت میں شریک ہونے اور میری/ہماری طرف سے ووٹ دینے کے لئے۔

بروز _____ مورخہ _____ 2024 کو دستخط کئے گئے۔

گواہان:

ا۔ دستخط: _____

نام: _____

پتہ: _____

رسیدی ٹکٹ

CNIC یا پاسپورٹ نمبر: _____

رکن (ارکان) کے دستخط

ا۔ دستخط: _____

نام: _____

پتہ: _____

شیر ہولڈر کا فولیو نمبر: _____

اور/یا CDC

شریک کا آئی ڈی نمبر: _____

CNIC یا پاسپورٹ نمبر: _____

اہم:

یہ نمائندگی کا فارم، پوری طرح مکمل کر کے، کمپنی کے مرکزی دفتر تیسری اور چوتھی منزل، آدم جی ہاؤس، آئی آئی چندر گروڈ، کراچی میں اجلاس کے لئے مقررہ وقت سے کم از کم 48 گھنٹے پہلے لازماً جمع کروانا ہوگا۔



Adamjee Life Assurance Co. Ltd.

📍 Head Office: 3rd and 4th Floor, Adamjee House, I.I.Chundrigar Road, Karachi - 74000.

☎ +92 (21) 111-11-5433 | 📞 +92 (21) 38677100, 37134900 | 📠 +92 (21) 38630011 | 🌐 www.adamjeelife.com